2021 UNIVERSAL REGISTRATION DOCUMENT

Europcar Mobility Group

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2021 UNIVERSAL REGISTRATION DOCUMENT

This is a translation into English of the (universal) registration document of the Company issued in French and it is available on the website of the Issuer.

General comments

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

In respect of fiscal year 2021:

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

Two cross-reference tables presented in Section 7.6 of this Registration Document on pages 375 to 380 identify the information related to these two reports.

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

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

In respect of fiscal year 2020:

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

In respect of fiscal year 2019:

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

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

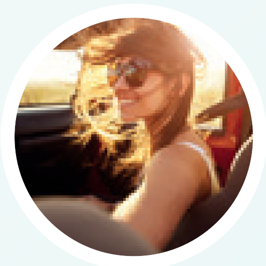
AMF AUTORITÉ DES MARCHÉS FINANCIERS

This Universal Registration Document was filed on April 29, 2022 with the French financial markets authority (AMF), as the competent authority under regulation (EU) 2017-1129, without prior approval in accordance with Article 9 of this regulation.

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

Europcar Mobility Group

EUROPEAN N°1 IN VEHICLE RENTAL, WITH 4 MAJOR BRANDS



Europcar moving your way

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

GOLDCAR

Low-cost car rental leader in Europe, leisure focused

inter rent

Mid-tier car rental specialist, leisure focused

ubeeqo

One of the European leaders of round-trip car sharing, B2B and B2C

MESSAGE FROM CAROLINE PAROT, CHIEF EXECUTIVE OFFICER

After a 2020 exercise during which Europcar Mobility Group, as all the players of the Travel & Leisure industry was severely impacted by the Covid-19 pandemic and the related travel restrictions, 2021 was a pivotal year in terms of business recovery and transformation.

Our FY results, and especially the margin level we were able to reach, are definitely an outstanding achievement demonstrating the robustness of the plans deployed in 2020 as well as the resilience and agility of our teams. On behalf of the Group's Executive Committee, I take this opportunity to warmly thank each and everyone of them for their tremendous commitment, at all levels within our organization, throughout all our geographies: they were instrumental in the turnaround we managed.

Looking back at 2021, we can say that our business environment was quite contrasted over the first two quarters: on the one hand, we had Europe, where – admittedly – the global sanitary situation was progressively improving, but with strong sanitary constraints still in place, and on the other hand, the US, Australia and New-Zealand, where we experienced a strong rebound at the end of Q1, with booking figures improving daily, in line with high vaccination rates.

Q3 was definitely the turning point of the year. All summer long and onwards, we benefitted from a global favorable business environment, characterized by good pricing momentum due to a high level of demand vs limited supply on rental markets. This tension between supply and demand was largely due to the early impacts of the semiconductor's shortage on OEMs' manufacturing capacities, facing the strong customers' appetite for certain destinations (Southern Europe in particular), after several periods of lockdown.

However, the root cause of our 2021 performance is mainly structural, thanks to the combined effect of our sustained efforts, as of March 2020, to navigate through the Covid-19 crisis and create the best possible conditions to emerge stronger from it, and our focus on our transformation into a major player of flexible, sustainable, digital and connected mobility:

- "Reboot", our short-term adaptation plan to the Covid-19 crisis, allowed us to not only reduce our cost-base significantly, but also enabled greater agility, now well anchored at all levels within our organization.
- "Connect", our strategic roadmap, allowed us to reshape our organization around customers' needs and expectations, from products and services tailored for them to new go-to-market approaches via Service Lines, with some promising first deliveries, notably on our customers offerings such as Flex, and the successful launch of our new IT system, Purple.

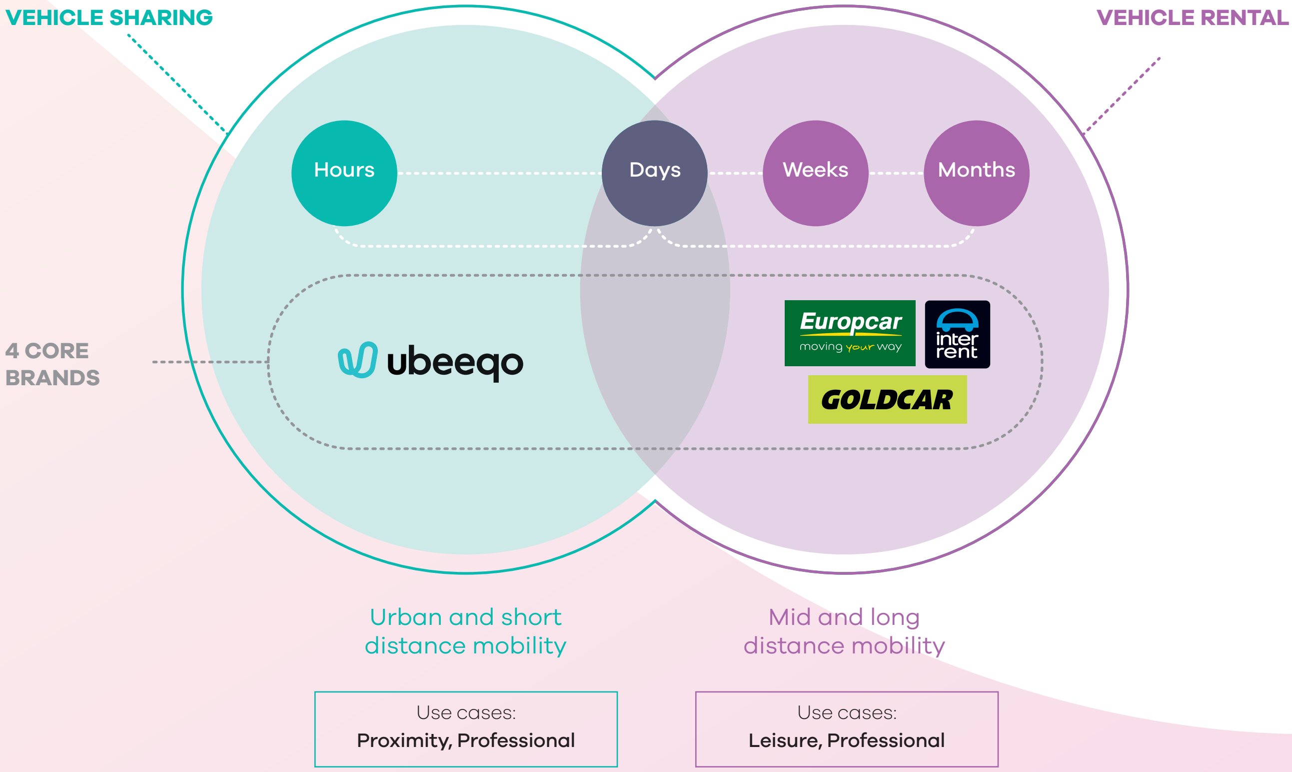
While we have been adapting over the past two years to an unprecedented situation and testing our resilience, we never lost sight of what our long-term vision is based upon: our Group's purpose, "*to offer attractive alternatives to vehicle ownership in a responsible and sustainable way*".

As 2022 unfolds, we see more and more reasons to make this purpose fully "live" and to translate it into our daily service offers. Because a transitioning world is, among other things, a world that needs to rethink mobility, making it a usage *versus* a possession.

In the coming months, you will hear more about our ambitions in sustainable mobility, embodied by new electric vehicles in-fleeted, new partnerships but also new products, such as subscription offers.

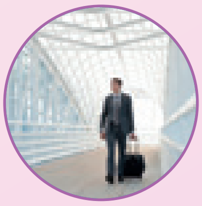
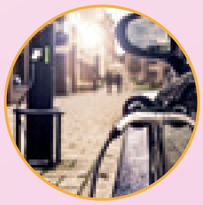
At Europcar Mobility Group, we are more than ever determined to take our part, with innovative on demand solutions to empower the switch from ownership to usage, as well as with decarbonization efforts and commitments to make our fleet increasingly green. It's a long-term movement and we intend to keep on leading it, driving a sustainable path!

WE ADDRESS VARIOUS MOBILITY USE CASES, WHATEVER THE DURATION



WE ARE ORGANISED AROUND CUSTOMERS' NEEDS AND EXPECTATIONS

3 DEDICATED SERVICE LINES

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

* Including the Vans & Trucks business.

GLOBAL FOOTPRINT

WE SERVE OUR CUSTOMERS IN MORE THAN 140 COUNTRIES

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


ASIA
12 COUNTRIES
Europcar moving your way
iZU
首汽租车(2)
ECO (3)
Times (4)
MIDDLE EAST
10 COUNTRIES
Europcar moving your way
inter rent
GOLDCAR
AFRICA
34 COUNTRIES
GOLDCAR
BUCHBINDER Rent-a-Car
inter rent
GLOBAL Rent-a-Car (5)
OCEANIA
6 COUNTRIES
Europcar moving your way
inter rent
GOLDCAR

OUR VALUE CREATION MODEL

Macro trends

Mobility: an essential need... becoming unsustainable for the planet

- Today, mobility ranks 1st in terms of global GDP.
- By 2050, growth in mobility need could result in an increase of CO_2 emissions, traffic congestion in cities...

Everywhere in the world, emergence of new mobility ecosystems

- For a more sustainable mobility: less impactful for the environment.
- For a multi-modal mobility.

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

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

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

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

Beyond Covid: mobility is in on the front line for radical change

- Transports are responsible for 23% of world CO_2 emissions.
- In Europe, mobility represents approximately 30% of total CO_2 emissions and remains a key obstacle to achieving the EU's climate targets.
- States and companies are taking up the climate challenge: with more regulations (eg. low emissions zones in cities) and "disruptive" strategic decisions (eg. end of the production of thermic vehicles).

Rental, subscription and vehicle sharing are real alternatives to vehicle ownership and can be part of the solutions to a low-carbon world.

All the more if these solutions become greener and greener.

Our assets

An undisputed leadership position

No. 1 European vehicle rental company	29% market shares* in Europe, with strong brands (Europcar, Goldcar)	70 years of service expertise (B2C, B2B)

* Source: Euromonitor, July 2021

Positioning as a "mobility service company"

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

A dense global network

144 countries around the world	1,146 directly owned stations	1,611 franchise stations

A complete territorial network in each country in which we operate

72% of our stations in cities	5% in railway stations	23% in airports

A powerful, modern and flexible fleet

232,000 vehicles on average in our fleet in 2021	A modern fleet, equipped with the latest engines*	A buyback model that is both flexible and de-risked

* Detention period of vehicles in 2021: 13.4 months on average.

A diversified offer distributed through directly owned channels

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

A mix of talents to operate a daily service

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

67% in operations and stations	33% in support functions	Around 550 employees working in digital positions within our Group

Our transformation is driven by our purpose

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

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

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

Connect: our mid-term strategic roadmap

To become a leader in flexible, sustainable, digital and connected mobility

Flexible

Bringing flexibility to our clients' fleets, businesses and travel modes, with flexible subscription formulas, flexible terms and conditions...

Sustainable

Making rental more attractive than ownership, offering more & more "green" (electric, plug-in hybrid) vehicles in our fleet...

Digital

Enabling contactless and hassle-free customer journeys, from booking to pickup...

Connected

Direct access to vehicles' data allowing operational excellence and enhanced customer experience

Our CSR commitments are embedded in our strategy

commit together

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

Value creation

Customers

> 63.1m
rental days

Net Promoter Score **52.1** for Europcar (**41.1** for the Group, all brands combined)

Employees

8,781
employees

2,284
seasonal staff

42%
women

58%
men

40%
female managers within the Group

€336m
in salaries and bonuses

95%
of employees received a training in 2021

Suppliers and partners

Over **20,850**
suppliers

€886m
in purchases in 2021

Planet

2021 carbon footprint: 2,626,737 teq CO_2
(-18% compared to the 2019 base year)

7 countries subsidiaries certified ISO 14001

Contribution to **8 United Nations Sustainable Development Goals**

Nearly 4000 green vehicles
(EVs + PHEVs) in our fleet

Shareholders

Green Mobility Holding SA (a special purpose company owned by a consortium comprising Volkswagen AG, Attestor Limited, Pon Holding BV) filed on Sept. 20,2021 a cash tender offer for the shares of Europcar Mobility Group.

The price of the Offer is € 0.50 per share (incl. dividends), plus a potential additional price of € 0.01 per share if the threshold of 90% of the share capital & voting rights allowing a squeeze-out of the the Group is reached at the end of the Offer or the re-opened of the Offer.

The Board of Directors of the Group has recognized the strategic benefits of the transaction and the independent appraiser (Ledouble) has concluded that the Offer is fair from a financial standpoint.

2021 GROUP'S CARBON FOOTPRINT*

SCOPE 1

94,524 teq CO_2

Direct emissions: fuel purchased and resold to customers, fuel consumption of company vehicles

SCOPE 2

5,938 teq CO_2

Indirect emissions related to energy-related emissions (gas and electricity and electricity consumption of our headquarters and stations)

SCOPE 1 + 2

100,462 teq CO_2

(4% of total emissions*)

SCOPE 3

2,526,275 teq CO_2

(96% of total emissions)

- Taking into account the emissions of vehicles used by our customers, during the holding period of vehicles, as part of Group's buy-back contracts with car manufacturers
- Taking into account the emissions of "non program" vehicles** during the holding period but also throughout their life cycle, after resale on the used vehicles market

SCOPE 1 + 2 + 3

2,626,737 teq CO_2

* Teq CO_2 = tonne of CO_2 equivalent. Total down by 18% compared to the reference year (2019).

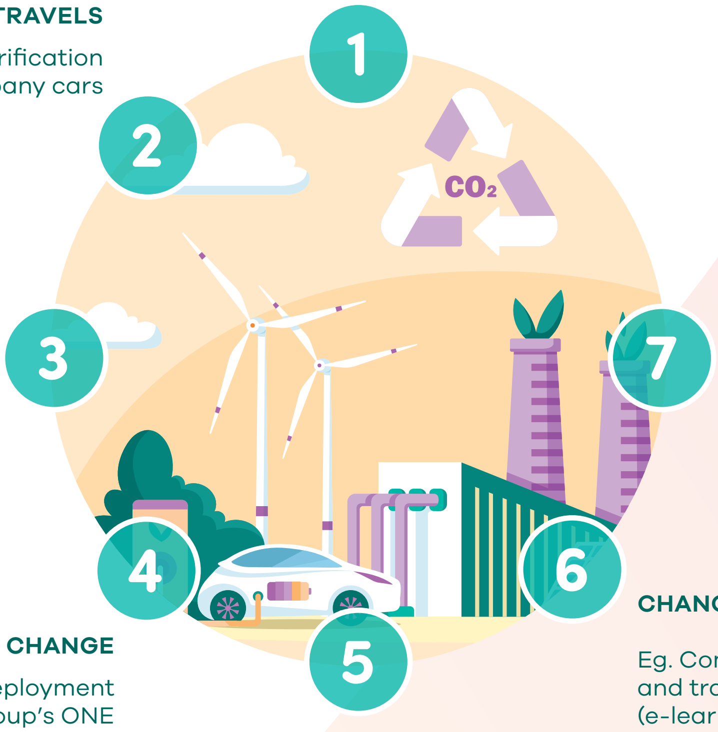
** "Non program" vehicles are not subject to a buy-back agreement with the car manufacturer.

A COMPREHENSIVE CARBON REDUCTION PLAN

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.

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.



PURCHASING & SOURCING

Eg. Systematic inclusion of ESG criteria in RFPs

CAR POLICY & BUSINESS TRAVELS

Eg. Electrification of company cars

NETWORK PROCESSES

Eg. Car cleaning process optimization

FLEET CHANGE

Eg. Deployment of Group's ONE Sustainable Fleet program

CUSTOMERS

Eg. Encourage EV usage & develop "green" offers

CHANGE MANAGEMENT

Eg. Communicate internally and train all employees (e-learning) to raise climate change awareness

Eg: Leverage sustainable financing schemes

EXTERNAL COMMUNICATION

Eg. communicate commitments and progress to key stakeholders

SCIENCE BASED TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

By joining SBTi, Europcar Mobility Group commits to reduce:

- absolute scope 1 and 2 GHG emissions 46.2% by 2030 from a 2019 base year,
- absolute scope 3 GHG emissions 27.5% over the same timeframe.

Approval by the Science Based Targets initiative

The Science Based Targets initiative has validated that the corporate greenhouse gas emissions reduction target(s) submitted by Europcar Mobility Group have been deemed to be in conformance with the SBTi Criteria and Recommendations (version 4.2). The SBTi's Target Validation Team has notably classified Europcar Mobility Group's scope 1 and 2 target ambition and has determined that it is in line with a 1.5°C trajectory.

2021 HIGHLIGHTS

January

Europcar Mobility Group announces that it has received first time a Gold Rating from EcoVadis, with a score of 70/100. This rating rewards the Group's ESG performance, notably in terms of environmental responsibility.

February

Europcar Mobility Group successfully completes its financial restructuring.

It enables the Group to accelerate the implementation of "Connect", its strategic roadmap, designed to meet customers' new mobility needs and expectations.

March – April

Europcar Mobility Group innovates by launching a new range of subscription offers for companies: "Flex", "Superflex", "DuoFlex" offer the convenience of a monthly subscription and are alternatives to fixed-term leasing or ownership.

June

Europcar Mobility Group rejoins Euronext SBF 120 index.

July

Europcar Mobility Group announces an agreement for a contemplated tender offer with a consortium comprising car manufacturer Volkswagen AG, asset manager Attestor Limited and mobility products and services provider Pon Holdings BV.

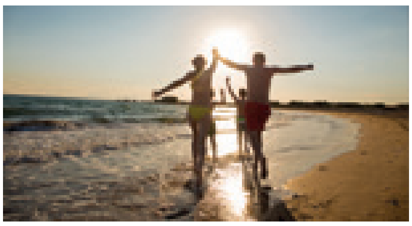
Their forces, combined with the Group's assets and strategic roadmap, could leverage the transformation opportunities of the mobility ecosystem.

September

Europcar Mobility Group takes a key step in the deployment of its carbon reduction plan by launching a Sustainability-linked financial Bond – a first in the car rental industry.

In this framework, the Group commits to have green vehicles accounting for 20% of its car and van fleet by the end of 2024.

October



Over the third quarter of 2021, the Group enjoys a performance above expectations, with a record corporate EBITDA margin at 27.4%. The Group fully benefited from the recovery of the travel and leisure market.

November

November 26: opening of the tender offer initiated by the Consortium led by Volkswagen, for the acquisition of the shares of Europcar Mobility Group.

December

6 months after its launch in Portugal, the Group's new IT system – Purple – recorded its 10,000th booking. This new system will support the launch of new innovative mobility offers.

PERFORMANCE OF THE GROUP IN 2021

Performance of the Group

€2,272m

revenue
(+28.0% vs 2020)

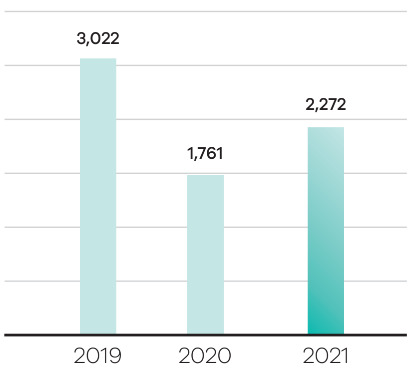
€284m

adjusted corporate EBITDA

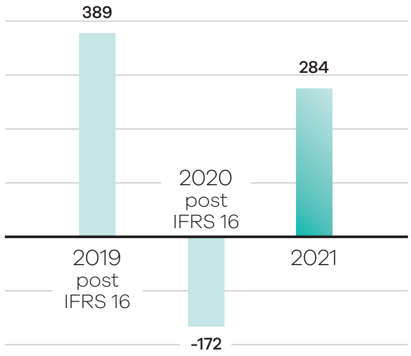
€29m

net income

Revenue
(in millions of euros)



Adjusted Corporate EBITDA
(in millions of euros)



FY 2021 rental revenue breakdown
(% variation vs 2020) (1)

Cars

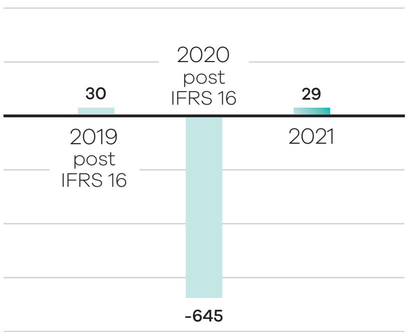
LEISURE Service Line	PROFESSIONAL Service Line	PROXIMITY Service Line
€840m	€714m	€270m
+65%	+15%	+8%

Vans & Trucks

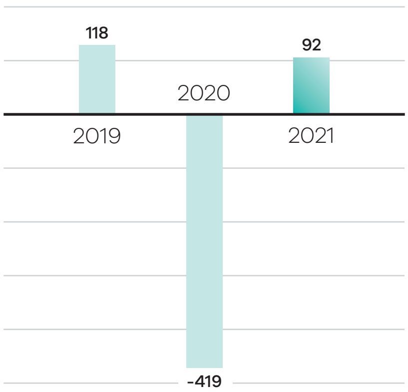
€360m

+12%

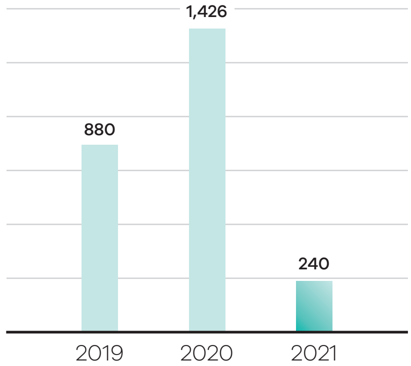
Net income
(in millions of euros)



Corporate free cash flow
(in millions of euros)



Net corporate debt (2)
(in millions of euros)



(1) All variations are calculated on a proforma basis, i.e. at constant exchange rates and perimeter.
(2) Excluding liabilities related to leases (IFRS 16).

GROUP EXECUTIVE COMMITTEE[1]

Caroline Parot
Chief Executive Officer of the Group

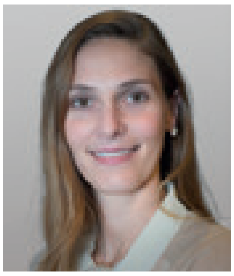
Olivier Baldassari
Group Chief Operating Officer

Damien Basselier
Group Chief Product & Technology Officer

José Blanco
Group Chief Sales Officer

Aurélia Cheval
Group Chief Strategy Officer

Xavier Corouge
Group Chief Business and Customer Officer



Malène Korvin
Group Chief Finance Officer – ad interim

Denis Langlois
Group Chief Human Resources Officer

Franck Rohard
Group Secretary General

Gary Smith
Group Chief Countries Officer

(1) On the date of this Universal Registration Document

GOVERNANCE AND MANAGEMENT

BOARD OF DIRECTORS [1]

Alexandre de Juniac
Chairman of the Board

Caroline Parot
Member

Sylvie Veilleux
Independent Member

Martine Gerow
Independent Member

Carol Sirou
Independent Member

Carl A Leaver
Member

Simon Franks
Member

Adèle Mofiro
Employees representative

(1) On the date of this Universal Registration Document

1

OVERVIEW OF EUROPCAR MOBILITY GROUP AND ITS ACTIVITIES

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The guidance presented in this chapter has been made as of April 25, 2022.

In this Universal Registration Document, the comparisons of figures between fiscal years 2020 and 2021 are made on the basis of reported data.

In this Chapter, as in the Registration Document, and unless otherwise indicated, the comparisons of figures from fiscal years 2020 and 2021 with the fiscal year 2019 do not include restatements for acquisitions and disposals completed in 2019 (acquisition of Finnish and Norwegian companies and of Fox).

1.1 KEY INDICATORS AND SIGNIFICANT EVENTS

1.1.1 Key indicators

1.1.1.1 Operational figures

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

The consolidated financial statements have been prepared in compliance with the International Financial Reporting Standards ("IFRS") adopted by the European Union as at December 31, 2021.

The financial figures relating to the fiscal years ended December 31, 2019, 2020 and 2021 are derived from the consolidated financial statements audited by Mazars and PricewaterhouseCoopers and presented in Chapter 3 of this document.

The glossary presented in Section 7.7 of this document provides definitions for all non-GAAP indicators used by the Group to monitor its performance. Reconciliations with GAAP indicators are provided in Chapter 3 of this document, in Sections 3.1 "Analysis of the Group's results" and 3.2 "Group's Liquidity and Capital Resources", or directly in the consolidated financial statements in Section 3.4. All non-GAAP indicators presented in this Chapter above are marked with an asterisk (*).

	Years ended December 31		
	2021	2020	2019
Rental day volume *(in millions)*	63.1	56.9	91.0
Average rental fleet *(in thousands)* (1)	232	253	328.0
Fleet utilization rate *(in %)*	74.5%	61.5%	76.0%
Points of sale worldwide *(in units)*	3,267	3,553	3,556
• of which stations operated directly or by agents	1,656	1,821	1,923
• of which stations operated as franchises	1,611	1,732	1,633

(1) In 2021, the average fleet includes the average fleets of Ubeeqo, Gocar and Ecar; the 2020 data was restated for ease of comparison. The 2019 data was not restated in this table.

1.1.1.2 Financial indicators

(in millions of euros, unless stated otherwise)	Years ended December 31 2021	2020	2019
Revenue	2,272	1,761	3,022
Growth in revenue *(in %)*	29.0%	- 41.7%	3.2%
Pro forma growth in revenue *(in %)*	n/a	- 41.2%	0.9%
Vehicle rental income	2,184	1,690	2,839
Average monthly costs per fleet unit *(in euros)*	-248	-245	-230
MADC (1)	854	387	1,107
Adjusted corporate EBITDA	284	-172	389
Adjusted corporate EBITDA margin *(in %)*	12.5%	- 9.8%	12.9%
Net profit (loss)	29	-645	30
Net corporate debt (2)	240	1,426	880
Corporate debt leverage (3)	1.3 x	n/a	3.2 x
Net fleet debt (2)	2,772	2,039	3,227
Total net debt (2)	3,012	3,465	4,107
Corporate free cash flow	92	-419	118
Conversion rate for corporate free cash flow *(in %)*	32%	244%	30%
Basic earnings per share after IFRS 16 *(in euros)*	0.007	-3.93	0.181
Diluted earnings per share after IFRS 16 *(in euros)*	0.007	-3.93	0.179
Dividend per share for fiscal year *(in euros)*	n/a	n/a	n/a
Dividend payout ratio after IFRS 16 *(in %)*	n/a	n/a	n/a

(1) MADC: Margin after direct costs.
(2) Excluding liabilities related to leases in accordance with IFRS 16.
(3) Corporate net debt to Corp. EBITDA Pre-IFRS 16.

1.1.1.3 Non-financial indicators

	Years ended December 31 2021	2020	2019
Net Promoter Score – NPS (1) *(in %)*	52.1% (1)	51.8%	48.0%
Full Time Employee (FTE) (2)	7,876	8,642	10,434
Headcount at year-end (3)	8,781	9,233	9,802
Workforce distribution			
Head Offices	33%	31%	31%
Stations	67%	69%	69%
Gender breakdown			
Men	58%	57%	55%
Women	42%	43%	45%
CO_2 emissions of the average fleet *(gCO_2/km)* (4)	147	130	125

(1) The Net Promoter Score (NPS) trademark for the Europcar brand is monitored historically as a key performance indicator. The Group's NPS including all the Group's trademarks – except Buchbinder – was 41.1% in 2021 (see details in Chapter 1 – Section 1.4.4.2, Customer satisfaction).
(2) The number relates to the total full-time equivalent headcount for each month of the year divided by 12.
(3) The number relates to the permanent and non-permanent physical headcount as at December 31, 2021. Refer to Section 4.4.2.1 Implementing dynamic Human Resources Management – "Gender-breakdown" table for more information.
(4) Weighted average in kilometers of the Group fleet (excluding Fox and Luxembourg).

1.1.2 Significant events

1.1.2.1 Events in 2021

For the second year running, Europcar Mobility Group received the Gold Award from EcoVadis for its ESG performance

After announcing a significant increase in its score (to 70/100) in January 2021 and its first Gold Award received from EcoVadis for its ESG performance, the Group once again saw its CSR efforts rewarded, with a score of 72/100 at the end of 2021 and so, for the second time, a Gold Award.

As part of this overall rating, the Group achieved an excellent level for its environmental performance, with a score of 90/100, and for its social performance, with a score of 80/100.

Europcar Mobility Group thus belongs to the Group of companies that achieve this level of performance (overall score greater than 98% of companies assessed, top 1% for environmental issues and top 7% of the 600 companies in its sector).

Financial restructuring successfully completed

Following the approval by the Commercial Court of an accelerated financial safeguard plan on February 3, 2021, on February 4, 2021, the Group launched a capital increase, maintaining shareholders' preferential subscription rights, in the amount of 50 million euros.

On February 26, 2021, the Group conducted its financial restructuring under the following terms:

1) Conversion into capital of the 2024 Bonds and the 2026 Bonds (450 million euros and 600 million euros, respectively) and the Crédit Suisse borrowing of 50 million euros;
2) 250 million euros of new liquidity via share capital increase;
3) Refinancing of the RCF for 670 million euros set up via a term loan of 500 million euros and a new RCF of 170 million euros;
4) 20 million euros in additional RCF, secured by Eurazeo through a sub-participation in risk, bringing the RCF financing line from 650 to 670 million euros;
5) 225 million euros of additional financing lines, dedicated to the rental fleet;
6) New Governance, with a Board of Directors chaired by Mr. Alexandre de Juniac.

The financial restructuring thus resulted in a massive reduction in the Group's corporate debt of 1,100 million euros, through a capital conversion as well as a significant injection of new liquidity, with capital contributions and the granting of new fleet financing (in the total amount of around 500 million euros).

This overhaul of the Group's corporate capital structure will allow it to focus on accelerating the "Connect" transformation plan, launched in summer 2020 and designed to meet new customer mobility needs and expectations.

Governance change

It should be noted that during 2020 the Company was a joint stock company (French société anonyme) with Supervisory Board and Management Board.

The Combined Shareholders' Meeting of January 20, 2021 concerning the implementation of the Safeguard Plan approved the establishment of a new form of governance, implemented on February 26, 2021. Since that date, the Company has been a joint stock company (French société anonyme) with a Board of Directors in place of the previous structure with a Management Board and Supervisory Board.

On the date of this Document, the composition of the Company's Board of Directors is as follows:

- Mr. Alexandre de Juniac, independent member and Chairman of the Board of Directors;
- Ms. Caroline Parot, Chief Executive Officer;
- Ms. Carol Sirou, independent member;
- Ms Martine Gerow, independent member;
- Ms. Sylvie Veilleux, independent member;
- Mr. Carl Leaver, Director representing certain shareholders;
- Mr. Simon Franks, Director representing certain shareholders;
- Ms. Adèle Mofiro: Member representing employees.

Furthermore, it is noted that Mr. Laurent David was appointed as observer by the General Meeting of June 30, 2021.

The Board of Directors, at its meeting of February 26, 2021, decided to separate the offices of Chairman of the Board of Directors and Chief Executive Officer of the Company, and to appoint Ms. Caroline Parot as Chief Executive Officer, Mr. Fabrizio Ruggiero as Deputy Chief Executive Officer – a position from which he resigned on August 29, 2021 – and Mr. Alexandre de Juniac as Chairman of the Company's Board of Directors.

Europcar Mobility Group innovated by launching a new range of subscriptions for companies in the first quarter of 2021: "Flex", "SuperFlex", "DuoFlex"

The three packages proposed, which offer the convenience of a monthly subscription, are genuine alternatives to leasing or purchasing a vehicle.

From a rental period of at least one month, any company may then adjust its rental term according to its needs, with no commitment, with no initial payment (unlike leasing) and with no exit charge, under flexible conditions.

This service innovation is one of the first deliveries of the "Connect" plan.

Europcar Mobility Group rejoins the Euronext SBF 120 and CAC Mid 60 index

In accordance with the decision taken by the Scientific Council of Euronext indices, Europcar Mobility Group rejoined the SBF 120 and the CAC Mid 60 on Friday, June 18, 2021.

This reinstatement follows successful completion of the Group's financial restructuring during the first quarter of 2021, which allowed the Group to start a new chapter in its history.

Proposed takeover bid for the Company's share capital by the Volkswagen-led consortium Green Mobility Holding SA

On July 28, 2021, Volkswagen Group, Attestor Capital LLP and Pon Holdings BV-as a Consortium-and Europcar Mobility Group signed an agreement to support a takeover bid for the planned acquisition of Europcar Mobility Group by the Consortium, through a dedicated company called "Green Mobility Holding SA."

This acquisition is envisaged by means of a cash tender offer at €0.50 per share, increased by a potential price supplement of €0.01 per share if the 90% squeeze-out threshold is reached on completion of the offer (including dividend).

This acquisition is based on a strong strategic rationale: Volkswagen, as a long-term commercial partner and former shareholder of the Group, with the support of asset manager Attestor Limited and Dutch mobility services provider Pon Holdings BV, intends to continue the transformation of Europcar Mobility Group, to expand its offering in the areas of mobility solutions by leveraging its physical and digital platforms.

This will help to meet customers' expectations in a constantly changing market, where there is a growing appetite for innovative "on-demand" mobility solutions such as subscription and sharing models.

In its reasoned opinion on the offer dated September 17, 2021, the Board of Directors acknowledged the strategic interest for Europcar Mobility Group of the transaction and unanimously decided that the offer is in the best interests of the Company and its shareholders, its employees, and other stakeholders.

On September 20, 2021, Green Mobility Holding SA filed its proposed cash takeover bid for Europcar Mobility Group shares, subject to the European commission's approval with regard to competition. The offer was declared compliant by the French financial markets authority (AMF) on November 23, 2021. The AMF gives notice that the offer is open from November 26, 2021. From this date, shareholders may contribute their shares to the offer for at least 25 trading days, up to a date that will be determined by the AMF once the bid has been authorized by the European commission. Subject to authorization from the competition authority, the bid is expected to close at the end of the second quarter of 2022.

Rating agencies

STANDARD & POOR'S

Corporate rating:

In a context that is still impacted by the Covid-19 pandemic, following the completion of the financial restructuring of the Group's balance sheet, S&P raised its *issuer rating* from Selective Default ("SD") to CCC+ on April 9, 2021 with a negative outlook. In conjunction with this revision, the agency upgraded EC Finance's Senior Secured Notes from CC to CCC+.

On August 5, 2021, the agency placed the Group's CCC+ issuer rating under surveillance ("CreditWatch") following the takeover bid for Europcar Mobility Group made by a consortium led by Volkswagen. S&P also placed the €500 million senior secured note issue ("Fleet Bond") issued by EC Finance under a positive CreditWatch.

Fleet debt rating:

On July 28, 2021, the agency confirmed the SARF's BBB rating following an amendment to the conditions and the extension of the credit facility's maturity to January 2027 before withdrawing its rating. This facility is no longer subject to a public rating by the agency.

MOODY'S

On April 19, 2021, Moody's raised the Group's Corporate Family Rating (CFR) to Caa2 at the end of the financial restructuring. At the same time, Moody's upgraded the rating of EC Finance's Senior Secured Notes maturing in 2022 by one notch, increasing it from Caa1 to B3. The agency also raised its outlook on credit from negative to positive.

On September 21, 2021, Moody's raised the Europcar Mobility Group's CFR rating to Caa1 and confirmed its positive outlook on the rating. The agency also awarded the rating of B2 to EC Finance's Senior Secured Notes issue with a maturity date of 2026.

Sustainability-linked bond issue to refinance the fleet: a first

Europcar Mobility Group is convinced of its ability to contribute significantly to the transition – essential – to a "low carbon" world, by offering attractive alternatives to owning a vehicle and by making an increasing number of green mobility solutions available to its customers. This is one of the components of the "Connect" plan.

In line with this ambition, in September 2021 the Group launched a "Sustainability-linked" bond issue of 500 million euros to refinance its fleet on the basis of "green" criteria. The objective of this bond issue is to proactively manage fleet-related debt, in conjunction with the securitization program of 1.7 billion euros, refinanced in June 2021.

This issue was fulfilled on the basis of strong, sustainable performance targets:

- the gradual reduction in emissions from the Group's rental fleet, to reach average emissions of 93 g CO_2/km for cars and 144 g CO_2/km for trucks by the end of 2024;
- 20% green vehicles (average emissions below 50g CO_2/km) within this same fleet by the end of 2024.

This bond issue – the first of its kind for Europcar Mobility Group and the first in the vehicle rental sector – was a success, with a subscription rate in excess of 4x.

Recovery of the Travel & Leisure industry and the Group's activity in 2021

After a difficult start to the year linked to the Covid pandemic, the Group performed well from May, thanks to sustained domestic demand and a positive price dynamic, in a context characterized by high "post-lockdown" demand for travel and an increasing scarcity of supply due to the shortage of semiconductors.

In addition to economic factors, the Group also reaped the rewards of the "Reboot" adaptation program launched in 2020 to address the health crisis, its financial restructuring and the first impacts of its strategic "Connect" plan.

The combination of these favorable factors was particularly felt from the summer, resulting in a performance that exceeded expectations for the third quarter of 2021 – in particular, a record corporate EBITDA of 27.4%.

1.1.2.2 Post-closing events

Rating upgrade by S&P

On 12 April 2022, S&P upgraded its long-term issuer credit rating on Europcar Mobility Group to B- from CCC+ on operating performance recovery. The rating agency also raised its rating on the fleet bond to B from CCC+.

Tender bid: filing to the European Commission

On April 19, 2022, Green Mobility Holding has filed for antitrust clearance from the European Commission in connection with its tender offer on Europcar Mobility Group's shares, following the completion of pre-filing discussions.

Validation of carbon emission reduction targets using Science-Based Targets

In line with its excellent ESG ratings, Europcar Mobility Group announced on March 28th, 2022 that its greenhouse gas emission reduction targets conformed to the criteria and recommendations of the Science-Based Targets initiative (SBTi).

The SBTi team responsible for validating the targets classified the Company's ambitions in Scope 1 and Scope 2, confirming that it was on a 1.5°C trajectory.

Consequences of the crisis in Ukraine

Following recent developments in the Ukraine-Russia conflict, the Group indicates that it does not have direct operations in these two countries; its presence is through two franchisees. The Group has not yet formed a view on the indirect impacts it could have on its operations.

Completion of the U.S. securitization program

On February 14, 2022, the group closed the securitisation program of the vehicle fleet in the United States, the senior tranche of which is financed by a revolving facility amounting to $225m. This program, maturing in 2 years, will replace, at improved financing conditions, some of the local financing arrangements.

New composition of the Europcar Mobility Group Executive Committee

Following the departure on February 28, 2022 of José Maria Gonzalez, Regional Director for South Europe and Australia/New Zealand, exercising his pension rights, and of Yvonne Leuschner, Director of the Vans & Trucks Business Unit, at the end of January 2022, embarking on a new career, both being members of the Executive Committee, the composition of the Group's Executive Committee is now as follows:

- Caroline Parot, Chief Executive Officer;
- Olivier Baldassari, Deputy Chief Executive Officer in charge of Operations;
- Damien Basselier, Chief Product & Technology officer;
- José Blanco, Chief Sales Officer;
- Aurélia Cheval, Chief Strategy Officer;
- Xavier Corouge, Chief Business and Customer Officer;
- Malène Korvin, Chief Financial Officer – ad interim;
- Denis Langlois, Chief Human Resources Officer;
- Franck Rohard, Secretary General;
- Gary Smith, Chief Countries Officer.

1.2 GROUP OVERVIEW

1.2.1 History and evolution of the Group

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

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

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

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

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

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

2016-2020: From a single-brand, single-business Group focused on automobiles toward a multi-brand, multi-business, digitized Group focused on customers

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

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

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

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

In 2020, the health crisis resulted in an in-depth review of the Group's business model, which was heavily impacted, in order to adapt resources to customers' needs to support reduced revenue. In the scope of its Reboot program, (cost adaptation program), the Group thus reduced the costs of its initial roadmap by more than 1 billion euros for revenue that was down nearly 50%, demonstrating its flexibility and its ability to reduce its costs significantly during this exceptional, sudden and global collapse of its activities. At the same time, and despite the financial restructuring made necessary by the impacts of Covid, the Group chose to review its strategic roadmap through a plan called "Connect", which aims to accelerate the Group's transformation by changing customers' mobility needs.

2021: A visible and successful transformation, brought about by the Connect plan, in an unprecedented market context

After a difficult start to the year linked to the Covid pandemic, Europcar Mobility Group performed solidly in 2021, driven by structural and economic factors:

Structural factors: the Group reaped the first rewards of its "Connect" transformation plan, centered around customers' needs and expectations, with the implementation of new go-to-market strategies by Service Line and the successful launch of a highly innovative and modular subscription model for professionals (Long Term Solutions) as well as the ramp-up of the "One Connected Fleet" program. This roadmap is accompanied by the implementation of a new organizational structure and very strict cost discipline.

Economic factors: the Travel and Leisure environment improved significantly as the months went by, particularly during the second half of the year, due to high "post-lockdown" demand for travel. The summer period was particularly sustained and continued beyond summer, with a record two months in October and November. The upturn in activity was accompanied by a severe shortage of semiconductors, causing an imbalance between supply and demand, which was all the more important given that the Group had significantly reduced its fleet due to the pandemic thanks to its agile buy-back model. This unprecedented situation, which was widespread across the sector as a whole, was reflected by a very positive pricing effect for the Group but might gradually make it difficult to service our customers' demand in 2022.

These factors enabled Europcar Mobility Group to achieve a very strong corporate EBITDA recovery compared to 2020, and a high conversion of Corporate EBITDA into operating free cash flow.

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

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

The Group is now a mobility service company, organized around the needs and expectations of its customers, offering a wide range of car and van rental services – whether for a few hours, a few days, a week, a month or more. The Group's name change from Europcar Group to Europcar Mobility Group in 2018 reflects this transformation.

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

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

Current and future mobility challenges

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

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

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

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

Fundamental trends reinforce this necessary transformation of mobility:

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

Beyond Covid: mobility is at the forefront of radical change:

- transport is responsible for 15% of global CO_2 emissions. In Europe, mobility accounts for approximately 30% of total CO_2 emissions and remains a major obstacle to achieving the EU's climate objectives;
- governments and businesses are taking up the climate challenge: with more regulations (e.g. low emission zones in towns and cities) and strategic "disruptive" decisions (e.g. car manufacturers announcing the end of production of thermal vehicles).

In this context, car rental, subscription and sharing are genuine alternatives to owning a car and can be one of the solutions for a low-carbon world.

All the more so if these solutions become increasingly green.

1.2.2.1 Our vision

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

1.2.2.2 Our purpose

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

Responsible

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

Sustainable

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

1.2.2.3 Our values

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

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

- Customer-centric;
- Feeling Valued;
- Open Communication;
- Working together.

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

1.2.2.4 Our ambition

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

1.2.3 The Group's Corporate Social Responsibility commitment

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

For more information about our Commit Together program, see Sections 4.3 to 4.6 of Chapter 4 below.

1.3 OUR STRATEGY

Our strategy is to become a major player of flexible, sustainable, digital and connected mobility:

- flexible: bringing flexibility to our client's fleets, businesses and travel modes, with flexible subscription formulas, flexible terms and conditions;
- sustainable: making rental/sharing more attractive than ownership, offering more and more "green" (electric, plug-in hybrid) vehicles in our fleet;
- digital: enabling contactless and hassle-free customer journeys, from booking to pick-up;
- connected: direct access to vehicles' data allowing operational excellence and enhanced customer experience.

To do so, we aim to rely on our target operating model with one integrated and augmented infrastructure, leveraging strong core brands with a simplified go to market to reinforce our leading position as mobility service platform delivering high value creation.

1.3.1 Market outlook

1.3.1.1 Mid/long-term macro-tendencies

Mobility remains one of the pillars of the global economy

Notwithstanding the potential impact of the conflict in Ukraine and the consequences of the COVID health crisis and associated political decisions establishing restrictions on travel and trade, which has significantly reduced the transport of goods and merchandise and the mobility of individuals in many geographies, mobility remains an essential human need and is still one of the pillars of the global economy:

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

Our addressable market is still expected to grow despite the impact of COVID crisis on travel

The current crisis has strongly impacted our market. However, the macro-trends that we had identified before the crisis as being the drivers of a sustainable growth of our market in the medium and long term are still true overall:

- **demography and middle classes**: the world population will continue to grow despite COVID and the deaths it has caused (0.07% of the world population at the end of 2021) and the middle classes will continue to emerge everywhere in the world, especially in Asia where they should be 50% more numerous in 2030 vs. 2018;
- **urbanization** will continue with more and more megacities (more than 10 M inhabitants) leading to a growing need for urban mobility;
- **sharing economy** has been impacted by the COVID crisis. However, in the medium and long term, this trend should intensify;
- the most impacted macro-trend is the **trend towards globalization/increase in international travel**. This trend, which has been observed for several years and is linked to the intensification of international exchanges of goods and people, will continue as the population will not stop traveling, whether for business or leisure purposes. However, the recovery to pre-crisis levels will take time, and business travel in particular will be more strongly impacted.

Macro-trend driver of market growth		Impact of Covid-crisis in MT/LT	
1	**Demographic growth** and rise of **new middle classes**	=	Number of people in general, and particularly **in middle class still expected to strongly increase worldwide** (+50% in 2030 vs. 2018 for middle class)
2	**Urbanization and megacities**	=	Still a high increase in **demand for urban mobility expected**
3	Intensification of the **"sharing economy"**: less possession and more shared mobility	=	Shared economy **was impacted in the ST** due to the risk of infection becoming major consideration for customer choice but this **macro trend remains true in MT/LT**
4	**Globalization** / increase in international air travel	-	Remain true overall as **people will not stop travelling,** but **less than expected** as travel (and especially business travel) will take time to fully recover

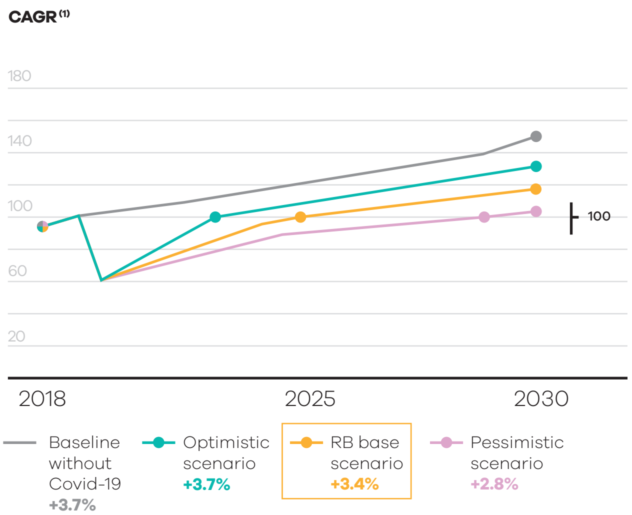
Source: McKinsey 2020, "From no mobility: where Covid-19 has accelerated change"; Arthur D. Little; Oliver Wyman 2019, "Strategic Review"; McKinsey 2020 "Why shared mobility is poised to make a comeback after the crisis".

(1) Source: Oliver Wyman 2019.

Therefore mobility remains a promising market in the medium term.

In Europe, long-distance travel is not expected to be back to 2019 level before 2023, and most likely in 2025; China and the US could recover faster.

Overall long-distance travel has been strongly impacted by the crisis and recovery will take time, depending on the evolution of the sanitary situation, vaccine rollout and countries virus management strategies. Recovery will significantly differ by regions, with China and the US being the first to recover. In the most optimistic scenario, Europe could be back to 2019 level in 2023 but more probably in 2025.



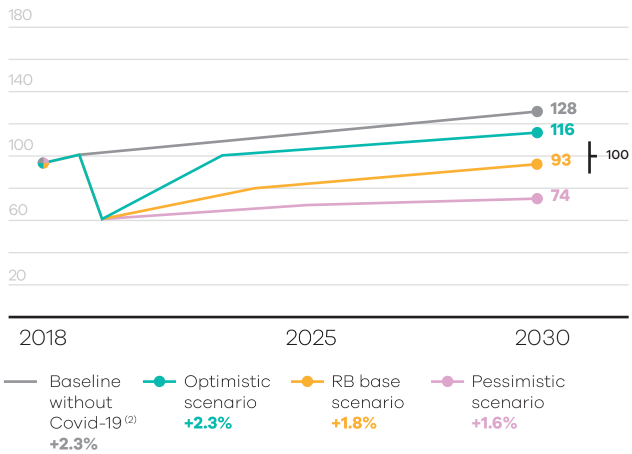
Scenarios for recovery of long-distance travel in Europe*.
Source: Roland Berger – Nov 2021 "How Covid-19 has disrupted the future of long-distance mobility".
* Journeys greater than 250km.

Business travel is the most affected and may not reach 2019 level before 2030 in Europe, mainly due to the increased use of videoconferencing.

Business travel has been strongly impacted and is slower to recover than the leisure travel segment. For 2022, it could reach 2/3 of pre-pandemic levels but it will take a long time to fully recover, for 3 main reasons:

- crisis has been a catalyst for change, driving the move to digital (incl. videoconferencing) and redefining the "new normal";
- cost reduction plans on travel spend to compensate for losses suffered during the crisis;
- increased ambitions of companies to reduce their carbon footprint.

Therefore, in Europe, the most likely scenario is that business travel is not deemed to recover to the 2019 level before 2030. Besides impact on volumes, there will also be changes in the nature of business travel with fewer but longer trips (fewer take-offs/landings) and more "bleisure" (mix of Leisure and Business).



(1) Expected CAGR in post-Covid new normal (when all travel restrictions lifted).
(2) Estimated demand if Covid-19 had not happened, using historical CAGR.
Scenario for business travel recovery in Europe.
Source: Roland Berger – Nov 2021 "How Covid-19 has disrupted the future of long-distance mobility".

The pandemic has also increased the prominence of sustainability and leads to changes in consumer behavior and companies' approaches.

The Covid-19 pandemic has even more revealed the inter-relationships between the environment and people's livelihoods. It increased the prominence of sustainability and could lead to changes in consumer behavior and companies' approaches.

For consumers, it could further intensify the flygskam (literally the shame of flying) trend, which already existed pre-COVID and lead to train or car preferred to plane for domestic flights and fewer flights per year per person. For companies, reducing air travel will also be used as a lever to reduce their carbon footprint and reach their carbon reduction ambitions following COP26. According to a survey conducted by Roland Berger in July 2021, environmental concerns is part of the Top 3 reasons for changed mobility behavior for private travel once Covid-19 related restrictions are lifted.

Covid did not impact other macro trends influencing our industry, identified pre-crisis but that will remain true in the mid/long term.

Before the COVID crisis, several trends were transforming the mobility sector, bringing out drastic changes. Those trends, even if impacted in the short term by the crisis, will remain true in the longer term:

- growing customer expectations for a **more integrated and seamless experience**. The healthcare crisis has also increased the desire to use mobility services with less physical contact with third parties;

- **increasing electrification of fleets** strongly encouraged by public authorities, which will dramatically reduce urban pollution, change vehicle design and change customer behavior regarding the type of powertrain;
- **increasing role of local authorities** in redefining the urban mobility plan (development of micro-mobility, ICE vehicle reduction);
- additional personalized and location-based services emerging thanks to enhanced **connectivity**;
- **vehicle autonomy** drastically changing the in-car customer experience in the future and dramatically reducing fatal traffic accidents.

Macro-trends identified pre-Covid but that will remain true in the mid and long term:

INTEGRATED EXPERIENCE

Consumers' desire for an integrated, personalized, friction-less phygital experience

DATA CONTROL & MONETIZATION

Opportunities to leverage customers and fleet data and associated threats (e.g. cybersecurity)

ELECTRIFICATION

Increasing number of low-emission zones, more electric vehicles

ROLE OF MUNICIPALITIES

Increasing role of cities regulating cars and encouraging new mobilities

CONNECTIVITY (IOT)

Opportunities to leverage connected vehicles to improve customer experience and operational efficiency

AUTONOMY

Increase in share of autonomous vehicles, expected first within mass and last-mile transportation fleet (e.g. shuttle)

Covid has not dramatically changed the long term prospects for mobility market

The low-cost market segment will keep on growing

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

1.3.1.2 Focus on 2021

The shift towards sustainability has intensified in 2021

In June 2021, more than 15 states had already defined a target for a total phase out of internal combustion engines. For example the deadline is 2030 for Ireland, Holland and Sweden, 2035 for the UK and Denmark and 2040 for France, Canada and Spain. In July 2021, new tighter constraints on CO_2 emissions were also imposed by the EU with a maximum of 95 g/km for cars. Associated penalties are fixed at 95€ per extra g/km (2024). In addition, over 2021, more than 130 new Low-Emission Zones (LEZ) were created in Europe (+85% versus 2020) with for example 60 new ones in Italy, 40 in Germany and 20 in France.

All those increased constraints are pushing mobility players to accelerate their transformation. As a result, many OEMs have also defined roadmaps to 100% EVs in coming years: 2027 for Alfa Romeo, 2028 for Opel, 2030 for Volvo cars worldwide, Ford in Europe and Nissan in key markets (Japan, China, the US and Europe), 2035 for Volkswagen in Europe…

In 2021, recovery started led by growing vaccination rates and less stringent international travel restrictions in some regions.

At the end of 2021, the proportion of fully vaccinated people was between 50 and 60% (excluding Africa). International travel stringency has decreased compared to the spring of 2020, even though there are still some restrictive measures such as the need to have a compelling reason to reach certain high contamination areas or quarantine periods upon arrival.

The combination of these two favorable developments has led to a gradual recovery in traffic, especially for domestic flights (almost 80% of the 2019 level by the end of 2021) but also for international flights, although this is still low due to uncertainties about the future development of the situation (40% of the 2019 level).

More importantly, people are now willing to travel: for leisure (with low-cost at forefront) and for business travel.

Nevertheless, the succession of waves of infection creates uncertainty. Also, the risk of a more dangerous variant of the virus is always present. This pushes Europcar Mobility Group to be even more flexible and to prepare for all possible scenarios.

While demand recovers, the semiconductor crisis is still there and could continue until 2023… or beyond, causing severe difficulties in sourcing vehicles in the short and mid-term.

Microprocessors shortage is impacting the whole automotive industry and is expected to last until the end of 2023. As a consequence, vehicle manufacturers' supply chain disruption results in harsh volume cut and unreliable production plans for 2022. Prices are also increasing. In addition, while rental car companies are considered as strategic partners for car manufacturers, the level of the fleet assigned to the car rental companies may nevertheless be impacted by the car manufacturers yielding policy.

1.3.1.3 Changes in the ecosystem/ the mobility value chain

Mobility ecosystem accelerates towards Mobility as a Service with the increased penetration of 100% digital on-demand rental/sharing offers, the growth of flexible leasing solutions and of subscription offers. This trend is mainly the consequence of the shift from ownership to usership and the increased availability of digital platforms.

To benefit from this trend, traditional players are broadening the scope of their activities. For example, leasing companies expand to mid-term rentals and subscription offers (ALD Flex offer, acquisition of FleetPool by ALD, FlexiPlan offer by LeasePlan…). OEMs are also expanding to subscription offers (Volkswagen AutoAbo, Renault Mobilize, Toyota Kinto, Nissan Switch…) and have clearly included the shift to Vehicle as a Service (VaaS) in their strategy.

Newcomers are also entering the market. On the rental market, players like Virtuo, Carlili or Toosla expand rapidly, promising a new fully digital customer experience to customers. On the subscription market, new pure-players have emerged, like Finn, Cazoo or ViveLaCar, with consolidation ongoing.

Regarding OEMs, they are going through a massive transformation of their business model due to many factors: COVID impact, semiconductor shortage, increased environmental regulation, shift from ownership to usership, vehicles becoming "software with wheels" and a strong competition from "new" players (incl. Tesla and other native electric manufacturers and Chinese/South Asian OEMS with upgraded propositions). This pushes them to accelerate their transformation: switch from ICE to EVs, software platform development, focus on high-margin vehicles and distribution channels and deployment of mobility services to end customers. As other players in the industry (incl. digital platforms such as Aramis/Auto1), they also try to leverage the boom of the "used market" to offset the shortage of new vehicles.

1.3.2 Our strategic roadmap

The mobility market evolutions are in line with our historical DNA, which is shared mobility. As the mobility market is uncertain and rapidly changing, our main key success factor is to be agile and to have the capacity to adapt quickly to what will happen in the future. To do so, we will still rely on our strong and stable polar star: we want to offer attractive alternative solutions to car ownership in a responsible and sustainable way. We believe this is the ultimate lever to make our societes sustainable fast while enabling profitability and taking care of our people.

1.3.2.1 The Group strategy is deployed through the Connect plan

Connect Plan is the transformation framework of Europcar Mobility Group. Launched in 2020, it aims to transform our business based on the customers needs through a renewed go to market strategy centered on three core markets: Proximity, Professional and Leisure. It will allow the Group to become more efficient and competitive, to reduce seasonality and go for higher customer lifetime value, and to emerge from the current crisis stronger and better able to serve its customers in their evolving mobility needs.

The 6 pillars of Connect are:

1) Transform The Customer Experience:

- simple and digitized customer journey to book the car, pre-register,
- access to the vehicle deskless and fast,
- simple and clear breakdown of vehicle categories enabling to easily choose the most appropriate vehicle,
- green vehicle availables and convenient way to manage charging,
- simple and objective damage assessment & invoicing.

2) Transform The Fleet:

- simplified: fewer vehicle categories to manage,
- mutualized: vehicles mutualization between brands and countries,
- green: higher share of green vehicles in the fleet,
- optimized: better fleet planning and categories mix optimization,
- connected: collection, analysis, leverage and monetization of data and facilitating the customer journey.

3) Reduce Our Carbon Footprint:

- increased share of green vehicles in the fleet,
- reduced carbon footprint to participate to the limitation of global warming for Direct and Indirect emissions.

4) Streamline And Transform The Network:

- streamlining of the number of stations according to new needs as a first step,
- adapt our network to the customer use cases and expected customer journey (digital satellite stations in metropolitan areas, professional hubs dedicated to BtoB customers, travel hubs in big airports and railway stations).

5) Organization & Talents:

- towards simplified, harmonized and agile organization,
- increase focus on talent recruitment and retention.

6) Purple as a key enabler:

- rebuild one harmonized and state of the art tech environment supporting all mobility services and geographies.

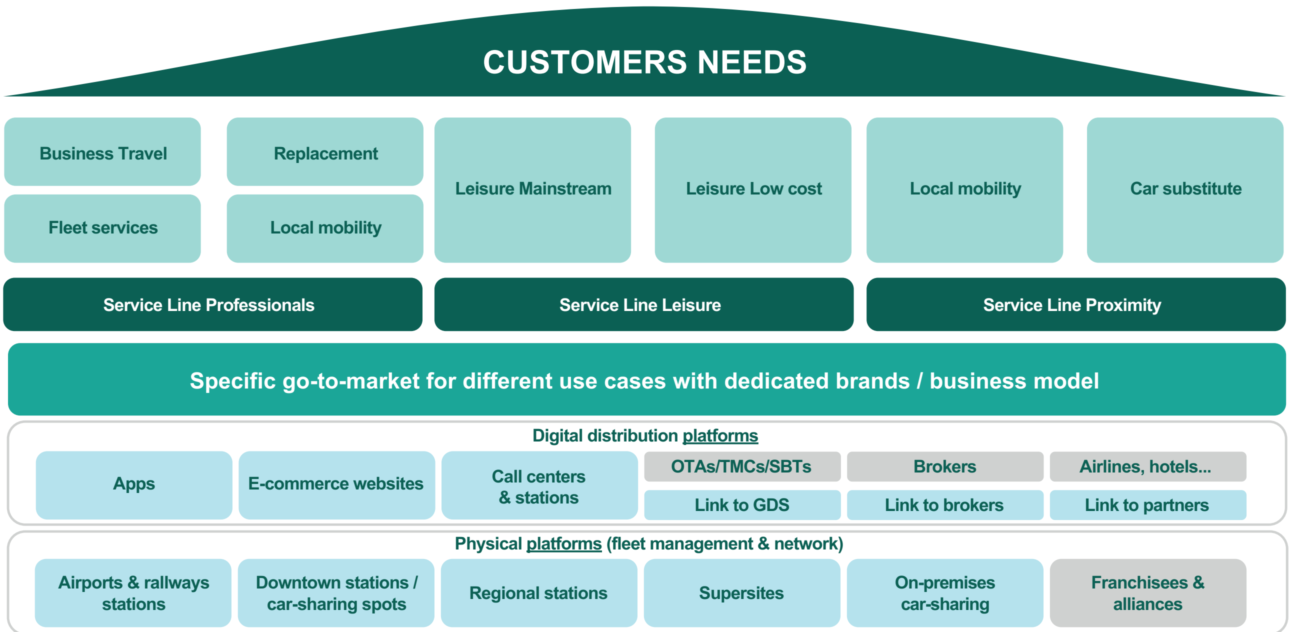
All associated strategic initiatives are detailed in sections 1.3.2.4.

This transformation plan is driven at the highest levels of the organization by the CEO and the Group Executive Committee, which review the topics regularly to ensure the delivery and consistency between the sub-programs.

1.3.2.2 Our unique business model and competitive advantages

1.3.2.2.1 A unique business model for the Group

Europcar Mobility Group business model is based on strong physical and digital platforms enabling it to serve customers in mobility needs.



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

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

- mobility offers are distributed through various channels:
  - direct and digital (mobile applications, and B2C and B2B e-commerce sites) requiring the use of best technological practices to maximize traffic and conversion rates,
  - direct and non-digital (call centers and stations) requiring trained staff who are attentive to customer needs and able to respond in the language preferred by the customer,
  - indirect and digital (whether from other providers of mobility or travel services such as airlines or railways or hotels, car rental brokers or MaaS platforms, or business travel intermediaries) requiring technological capabilities to connect to various systems, and strong commercial skills to best negotiate contractual terms of resale;
- these mobility solutions are also provided through an extremely diverse network, which is either managed by the Group or outsourced to agents, franchisees or alliance partners:
  - airport and train stations are operated under multi-year concessions with landlords, and are designed to serve large and sometimes very seasonal flows of travelers, with very diverse expectations and international profiles,
  - city center stations and car-sharing points of sales, as well as the regional network, aim to provide domestic customers quick access to vehicles to best meet their daily needs,
  - "Supersites are large stations, usually serving a large area and can be used to supply stations in smaller cities. These stations primarily serve professional domestic demand, and light commercial vehicles often constitute a significant portion of their fleet. Consequently, "supersites" often bring together a strong knowledge of local needs and a strong expertise in the specificities of light commercial vehicles,
  - finally, the Group also makes some of its vehicles available to its professional customers directly at their company sites (headquarters, production sites, etc.), where the Group does not maintain a permanent presence as in the rest of its operations.

The platforms described above, due to the various acquisitions that the Group has made in past years, can be managed separately according to the brands. In order to be able to make the most of this unique business model, the Group aims to accelerate the implementation of its "One Group" vision, by unifying its platforms across all of its brands and by standardizing its processes. This transformation aims to increase its agility and operational efficiency to better serve the customers, while optimizing its cost base. Please refer to Section 1.4.5. for a full description of our distribution channels.

1.3.2.2.2 Our competitive advantages

Europcar Mobility Group has numerous competitive advantages to be leveraged:

- a diversified and balanced revenue mix;
- a strong brand portfolio;
- a unique expertise in fleet management, revenue & capacity management & financing at scale;
- large geographic coverage, also via franchises;
- lean structure.

Connect aims to reinforce those advantages through:

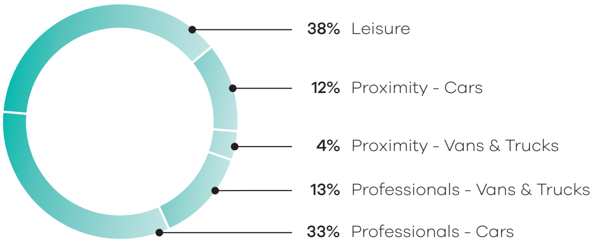
- a focus on 2 core brands (Europcar and Goldcar) complemented by some strong local brands;
- the same geographical coverage but with a better network specialization and additional optimizations through new regional clusters.

Zoom on our diversified and balanced revenue mix

The Group has a broad customer base, well balanced between professionals, proximity and leisure customers (which generated 46%, 16% and 38% respectively in 2021). This diversity is based on the capacity of the Group to get integrated into different ecosystems, to acquire and serve customers wherever they are. This has pushed the Group to manage directly or indirectly different capabilities (inbound call centers, e-commerce platforms, smartphone applications, B2B sales force, Global Sales Agents, etc.) and to contractualize with a very diversified set of intermediaries (Global Distribution Systems, brokers, Travel Management Companies, Online Travel Agencies, roadside assistance operators, Mobility-as-a-Service platforms, etc.).

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

Distribution of the Group's revenue by Service Line in 2021



Source: Company.

Zoom on our strong brand portfolio

The Group has a strong and consistent brand portfolio with 2 international brands Europcar® (traditional and upscale market) and Goldcar® (low-cost). The Group also owns Interrent® and Ubeeqo®, Buchbinder® and Fox®.

NPS for Europcar brand was 52.1 in 2021 and NPS for Goldcar increased by +12 pts between 2019 and 2021.

See section 1.4.3. for more information.

Zoom on our unique expertise

The Group has long been positioned throughout a large portion of the mobility value chain, due to key skills such as the ability to manage a large-scale fleet (logistics) and the know-how to directly serve its customers in a growing number of mobility uses. The Group's expertise is the ability to offer the right vehicle, in good condition, at the right time, at the right price, to the right customer. Achieving this depends on three key skills:

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

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

STRONG CAPABILITIES IN BALANCING SUPPLY AND DEMAND

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

There are three main capabilities that are mastered:

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

RCM is working on two time horizons:

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

FLEET MANAGEMENT EXPERTISE

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

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

The sourcing of the Group's fleet is also diversified in terms of automobile manufacturers and brands (see Section 1.6.6 "the Group's fleet" for more details). The Group can periodically and opportunistically enter into multi-year framework contracts (generally for a two-year term) with certain manufacturers to ensure fleet availability. In order to optimize its financing conditions, the Group uses diversified asset-backed financing represented by the fleet, including securitization, capital market financing (bond financing), revolving credit facilities and operating leases.

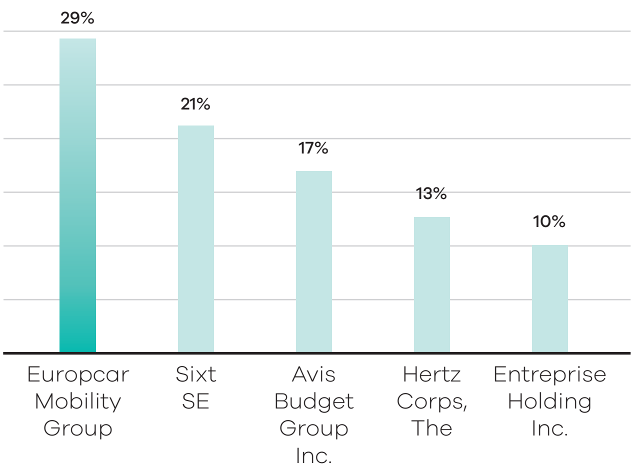
Europcar Mobility Group's expertise in fleet management is one of its major assets in the face of the ongoing changes in the mobility market:

- the emergence of new technologies, with the development of connected vehicles, predictive distribution and maintenance algorithms, creates opportunities to optimize the fleet and increase the value added in its management;
- the changeover to electric, which is going to significantly impact maintenance operations, energy management for the vehicle fleet and customer experience;
- given the trend towards multi-modal means of transport and the increased convergence between car-sharing and vehicle rental, parking and maintenance areas will have to be transformed into hubs in a multi-modal ecosystem.

Zoom on Europcar Mobility Group's large geographic coverage

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

In 2021, the Group was the leading vehicle rental company in Europe with 29% market share (source Euromonitor international). In 2021, the Group's competitive positioning within the franchisee countries was also very favorable.



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

Furthermore, the Group's strong roots in various European countries in which it directly operates 1,510 stations enable it to monitor and anticipate changes in demand and market trends, and thus better manage its fleet volume. The Group has consolidated its network by purchasing the operations of national franchisees in Ireland, Denmark, Finland and Norway in 2016, 2017 and 2019 respectively.

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

The Group had a presence in more than 130 countries throughout the world at the end of 2021, with numerous partnerships and commercial representation agreements. Franchises (1,611 stations worldwide) enable the Group to extend its network and are a source of high-value growth with lower risk, while its partnerships and alliances provide additional market penetration in growing markets. In addition, franchises and alliances make it possible to expand the Group's offering to its business customers. The Group's strategy includes the development of partnerships with sales representatives, airlines and large travel intermediaries. This enhanced strategic presence should lead to better capture of international traffic flows. In addition to its franchisees, the Group relies on partners, particularly in Canada, China, India and Japan, as well as on commercial and general sales agency arrangements.

1.3.2.3 Our renewed go-to-market strategy based on Mobility Use Cases

1.3.2.3.1 Three structuring Service Lines covering eight mobility use cases

Our activity is structured around 3 Service Lines based on use cases

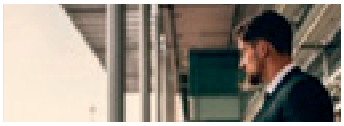
LEISURE

Planned, occasional, commodity
Driven by price, speed to serve
Travel & tourism market
Low frequency, high chum

Mainstream
Price, hassle free experience
Service and recognition
Main airport destinations

Lowcost
Pay for what you want,
Essential, frugality

PROFESSIONAL



Planned, contracted
Flexibility and reliability driven
Market structured by verticals
Long cycles

Business travel
Fast service, standardised
Brand reliability
Network coverage

Lowcost
Large range of fleet, large network
Flexible durations and solutions
Professional services

PROXIMITY

On demand, pay per use
Driven by accessibility
Market structured by area
High frequency

Metropolitan
Accessibility and availability
Environmental friendly
100% digital experience

Regional
More occasional,
Accessibility is key but challenging

1.3.2.3.2 Distribution strategy

The constrained fleet scenario and the increasing fleet costs, linked notably to the consequences of COVID crisis, call for a further optimization of the distribution channel strategy. Demand is expected to strongly recover, especially on the leisure Service Line and the fleet may not be enough to satisfy all the potential requests in the short term.

Consequently, it is really key to seek a balance in the channel mix, to optimize the revenue on one side and to keep customer relationships strong and fruitful in light of the future.

Direct to brand is prioritized in order to maximize the margin and nurture customer loyalty: pricing strategy and exclusive direct to brand promos support channel mix balance. Intermediated channels are indeed usually driving demand with a higher advance booking that needs to be controlled with strong discipline.

B2B2C partners continue to represent a strong and key asset for the Company: so it is key to manage the relationship despite the market conditions, and call for different commercial approaches, mostly based on profit enhancement through cost of sale optimization and appropriate customer journey.

Please refer to sections 1.4.5.for a detailed description of our distribution channels.

1.3.2.4 Our strategic programs to steer our transformation

1.3.2.4.1 Description of the Group's strategic programs

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

- digitalization of the customer journey – Adapt all the stages of the customer journey so that customers can interact with the Group, on each of its stages either via a digital channel or via a physical channel. One of the key points of the program will be the ability to deploy on a large scale the possibility for customers to access their vehicle without going through the counter, either through the use of an automatic key dispenser, or directly via their smartphone (Direct Access);
- connected vehicles – develop a platform that collects in real time and processes all data from vehicles allowing:
  - better management of the fleet (collect and leverage in business processes accurate information on mileage, fuel level, positioning, potential vehicle crash, maintenance events, etc.) ensuring a smoother customer experience and an improved utilization through pooling vehicles across all brands,
  - an enhanced customer experience through innovative services,
  - the objective is to have a 100% connected fleet by 2024, while at the end of 2021 we already have 20% of the Group fleet connected. The Group has connected more than 90% of the global UK fleet in 2021 and will have most of the V&T fleet of France, Spain, Italy and Portugal connected by the end of H1 2022 and of Germany by the end of 2022;
- digital station – Deploy several hardware and software solutions aiming at standardizing and automating or streamlining station-level processes, both client-facing and non-client-facing, adapted to the station category;

- **sustainable fleet** – Adapt all of the Group's business processes, in particular via digital tools, to enable the marketing and management of a fleet of electric or hybrid vehicles, the size of which is set to expand in the coming years. The stake is to meet new customer expectations (including B2B) on sustainable mobility and adapt to cities' access rules. Our ambition is to include 20% of Electric and Plug-in Hybrid in our fleet by end 2024;
- **simplified and unified fleet** – Pooling the Group's fleet across all of its brands to maximize the utilization rate, harmonize the business processes of planning, infleeting, distribution and defleeting thanks to a new simulation tool, and simplify the category mix of the fleet (eco mini, compact, etc., and their sub-categories) to better answer customers needs while improving operational efficiency through standardization;
- **network specialization** – Adapt the network to customer needs, in line with the criteria dictated by the Service Lines, and within the framework of the station typologies (Airports, Professional Hubs, Metropolitan hubs and Satellites and Regional Agencies). The Group therefore plans to deploy 30 hubs by end of 2022, and 60 hubs by 2023.

1.3.2.5 Purple and the Technology Transformation

1.3.2.5.1 Purple: the harmonization of the Group's systems

In a Mobility industry that is undergoing major transformation which for most of them are based on new capabilities brought by Technology, and in a context where the level of uncertainty is increasing and where the speed of reaction and adaptation is key, the ability of the Product and Technology teams to work in an agile manner, and according to a leaner structure and around a modern and harmonized framework, becomes the Department's number one priority.

This is why, in accordance with the Group's strategic CONNECT transformation project and as one of its key pillars, a decision was made to launch a program to accelerate the harmonization and modernization of the Group's information systems: The Purple Programme, as part of the overall Product & Tech Transformation.

This harmonization and modernization plan aims to reduce the weight of "legacy", in particular by reducing the number of systems, simplifying business processes and management rules and by the technical re-engineering of certain application fields.

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

Finally, this programme also supports from a technological point of view, the strategic development axes of the CONNECT program. This new unified "Purple" information system is a prerequisite to our CONNECT transformation programme and shall allow to:

- deliver the right services and the associated customer journey matching customer expectations for each of the use cases;
- gain agility and digitalize customer experience and our operations at scale;
- streamline and standardize our operating processes and associated costs across the Group;
- gain velocity in our time to market.

Key principles for the transformation of the Systems architecture

At the heart of the Purple programme is the re-engineering of the Group's systems architecture.

The target architecture is designed around the Group's three main ecosystems: that of Europcar, that of Goldcar and that of Ubeeqo.The architecture of the systems implemented via Purple is based on several major fundamental principles:

- **Unified**

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

- **"Cloud-based"**

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

- **"Data driven"**

Data management, from its top governance to its collection and its analysis, is one of the key enablers of the Group transformation and the evolution of its technologies and business capabilities. As part of the Product & Tech transformation, the Group is setting-up a strong Data & Analytics organisation and related platform.

- **Security & compliance**

Security and compliance are two major prerequisites that need to be embedded by design, in all applications, modules and data processing operations. With the stronger regulatory compliance requirements and the ever increasing cybersecurity threats, a very specific focus on security and compliance has been put at the core of the building principles of our Purple programme.

- **Decoupled**

The modularization of our information system is at the heart of our design strategy. It notably involves the implementation of an SOA (Service Oriented Architecture) type architecture and the development of micro-services. This transformation initiated in the two major ecosystems will accelerate through the Purple programme;

- **Open**

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

1.3.2.5.2 Finance Transformation

As a subpart of the Purple programme, the Finance Transformation programme is fully integrated into the Group Connect strategy and supported by Product & Tech teams.

Finance Transformation programme is designed to implement an agile and cost effective Target Operating Model.

It aims at enriching the transactional finance with AI and automation, and enhancing the business partnering role supported by data driven analysis. It is executed with an end to end integrated vision, targeting a harmonized, digital and automated process framework.

Finance Transformation roadmap aims at supporting the accelerated go to market strategy, by addressing three pillars:

- the review of the organizational design, supported by shared activities;
- the optimization of its processes (Order to Cash, Procure to Pay, Record to report);
- and the digitalisation of the supporting IS finance landscape (designed around a Core Finance ERP platform, and a unique set of digital applications).

1.3.2.6 An efficient organization & talent strategy as a key enabler

At Europcar Mobility Group, we have the conviction that everyone is a talent.

The mission of the Talent division is to attract, engage and develop each talent to fulfill their unique potential and thus, build a diverse pool who will work together to achieve our ambition to become a global mobility solutions leader.

Europcar Mobility Group's ambition is supported by three main objectives:

Anticipate to secure business continuity

- Identify and develop the diverse pools of talents that Europcar Mobility Group needs today and tomorrow to sustain its journey to new mobility.

Develop our people to enhance performance

- Create opportunities for each talent to develop and thus contribute to delivering performance individually and collectively.

Boost our transformation

- Attract, engage & boost performance through modernized talent processes and cultural/behavioral changes that foster collaboration, innovation, initiative taking and accountability.

Please refer to section 4.4.2.4 "Attract talents, develop them and support employees' career paths" for more information.

1.4 THE GROUP'S BUSINESS

1.4.1 Our service lines

As mentioned in Section 1.3.2 "Our Strategic Roadmap", the Group has redefined its go-to-market strategy by eliminating its organization in Business Units focused on products and replacing it with an organization in Service Lines focused on mobility use cases.

LEISURE Service Line	**PROFESSIONAL** Service Line	**PROXIMITY** Service Line
Planned, occasional	Planned, contracted	On demand, pay per use
Driven by price	Price and reliability driven	Accessibility and flexibility
Low stickness, high chum	Long cycle, high stickness	High frequency, mid stickness
Mainstream Price Speed to serve Geographical coverage Reliability	**Business travel** Price Speed to serve Geographical coverages Customer recognition	**Local mobility on demand** Connected and green fleet 24/7 service availability
Low cost Pay for what you need only Frugal consumption	**Fleet services** Wide range of vehicles Quality of service Flexibility durations and solutions	**Car substitute** Subscription based model Flexible duration Online go to market
	Local mobility for business Availability and flexibility Quality of service Local knowledge Green fleet	
	Car replacement Availability Network coverage	

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

1.4.1.1 Leisure Service Line

- it serves individuals with their mobility needs within the framework of leisure travel, at the national or transnational level, by covering both the mid/high-end segment ("mainstream") and the low-cost segment;
- this Service Line therefore manages highly seasonal demand, planned in advance, where price and customer experience are particularly important, and where the customer is usually not very loyal to one brand;
- main customer expectation is speed to serve. Digitalization of pick-up at airports will be the priority, leveraging KeynGo technology at scale.

1.4.1.2 Professional Service Line

- it serves all professionals, from micro-enterprises to large groups, for all their mobility needs. Although these needs can be similar to those of individuals, the different sales channels and professional customers bring additional requirements that are specific. This Service Line responds to business travel usage ("Business Travel"), provision and management of vehicle fleets ("Fleet Services"), proximity mobility for companies ("Local mobility for businesses"), and the provision of replacement vehicles – in the event of an accident or breakdown of the main vehicle ("Vehicle replacement");
- this Service Line manages regular demand, with long sales cycles, high requirements in terms of systematic reliability of the service and extensive geographic coverage;

- Europcar will master Professional services revamping its Long-term rental offering (Flex family products) and enhancing quality of service to corporate customers.

1.4.1.3 Proximity Service Line

- it serves individuals in their daily mobility needs, responding to two types of usage: local mobility on demand ("Local mobility on-demand), giving access to a vehicle for specific needs for a local use, or the replacement of vehicle ownership ("Car substitute), offering the rental of a vehicle over several months, which fulfills the same function as a personal car, without the customer committing to long periods;
- this Service Line manages an urban demand which values above all the accessibility of the service and the ease of access to a vehicle;
- Europcar, Ubeeqo will leverage On Demand solution to serve local mobility needs at scale in dense urban areas, and launch Car-subscription offer (MyEuropcar) to support fast-growing car-substitute use case.

1.4.2 Mobility use cases

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

The Professional, Proximity and Leisure segments have different and complementary characteristics, particularly in terms of seasonality of demand, which allows for better management of the Group's network (both in terms of stations and the fleet utilization rate*). The Group believes that maintaining an appropriate balance between the three segments is important to maintain and enhance its overall profitability and the consistency of its operations throughout its network. Consolidated revenue generated by these three segments remained relatively stable during the last few years (except for 2020 which was very different due to the Coronavirus epidemic, when Professional did show higher resilience mainly sustained by fleet services long term rentals, while Leisure was heavily impacted by international travel restrictions). Some of the Corporate Countries in Europe (Germany and Belgium) are more geared towards professional customers, while others (Spain, Italy, Portugal and Ireland) are more geared towards leisure customers (however in 2020 we have seen a shift towards B2B cars and vans due to less leisure inbound volume) and others (France, the United Kingdom and Denmark) have a balance between professional, proximity and leisure customers. The Corporate Countries in the Rest of World operating segment (Australia and New Zealand) are more active in the leisure market. Once again, B2B dominated this year. The United States is predominantly "leisure" because the Fox brand is aimed only at this clientele and there were few international flights from Europe to America in 2020, bringing Europcar B2B clients. The table below shows the breakdown of the Group's revenues from rental activities (excluding fees received from franchisees) by business and leisure customer segments by Business Unit for the year ended December 31, 2020:

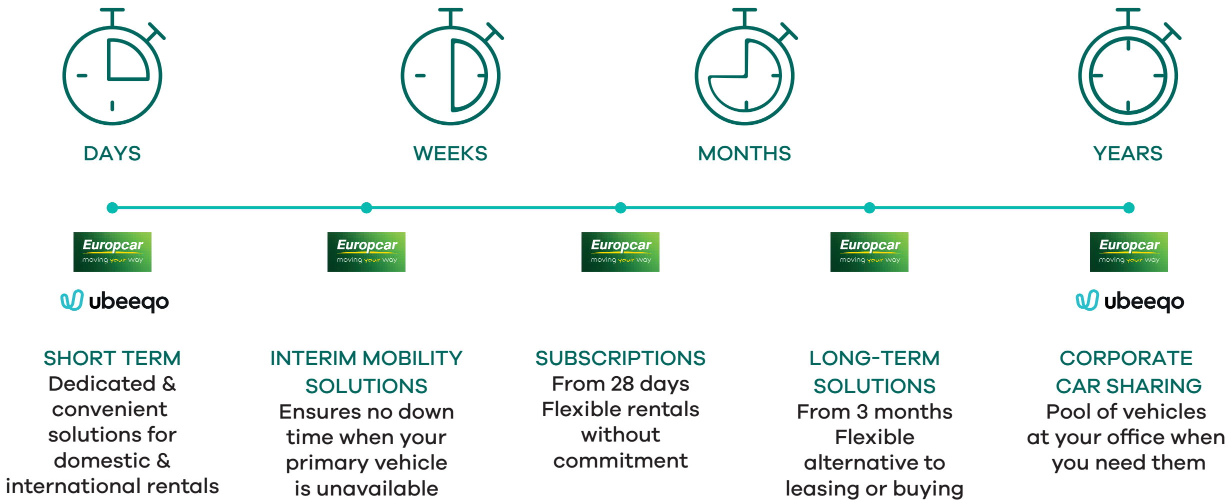
Breakdown of the Group's vehicle rental income by Use Case and by BU in 2021

AT DECEMBER 31, 2021

	Cars	Vans
Proximity	12%	4%
Professional	33%	13%
Leisure	38%	-
TOTAL	**84%**	**16%**

1.4.2.1 Business customers

Europcar Mobility group offers to their business customers different services that best suit their needs from hours to long term subscriptions:



Business customers who rent a vehicle from the Group network include large corporates, small and medium-sized companies as well as vehicle-rental leasing and insurance companies offering replacement services.

Most business customers rent cars on terms that the Group has negotiated (either directly or, in the case of small and medium-sized enterprises, through intermediaries such as travel agencies). The Group also categorizes rentals to customers of companies offering support services and vehicle replacement as business rentals.

Revenue from business customers that use our short-term car rental services tends to be primarily concentrated during the period from Tuesday through Thursday each week. Revenue from business customers is less subject to seasonal change. We have seen this change in 2020 the last 2 years as business travel has reduced as a result of the travel restrictions. We have developed our mid-term business by targeting companies with a requirement for a flexible alternative to a lease. We have seen success in consultancy, logistics and construction sectors where the flexibility to scale the fleet up and down is key.

Over the last years the Group strengthened its B2B organization, with particular emphasis on the development of new customer accounts. A new leadership team is in charge of the steering centrally (with countries and Service Lines) to make business customers a top priority with a focus on mid-sized key accounts and growth segments. The Group's sales organization is now in a strong position to cater for all business needs. In 2021, the sales processes and tools were streamlined to support the customer journey, utilizing digital tools and automation. Investments in sales tools such as salesforce automation improved productivity and team priorities. Salesforce automation provided true insights into the activities of teams and the customer base that in turn made it possible to continuously evolve the Group's products and processes to meet the demands of customers.

Even though the Group's core business remains short-term rental, market trends in medium-term rental offer a considerable development opportunity for the Group in many countries, on the basis of initiatives already implemented locally. Because of the Covid-19 crisis, the medium-term rental has turned into an opportunity for the Group to develop its mid-term rental business in 2021 2022, representing a key pillar for its activity when the business travel segment recovers.

Large corporates

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

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

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

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

Small and medium-sized businesses

Europcar Mobility Group is the exclusive or preferred provider of rental vehicles to employees of numerous small and medium-sized businesses (SMEs) at pre-negotiated rates and conditions. This customer segment is characterized by a large number of accounts, which limits exposure to any single customer. The Group is focused on further penetrating this customer segment, in which it sees opportunities for profitable growth. This segment experienced sustained growth and now has a specific B2B portal with services and information tailored to business customers.

Our digital customer journey has been enhanced and completed with our Electronic Business Self Serve service ("EBSS) tool providing a wide range of new opportunities within this segment catering for the immediate needs of SMEs. The SME market has experienced significant challenges in the last two years and "Business" products are positioned to support a wide range of business needs to cater for this market, alongside offering a variety of payment options.

Vehicle replacement

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

1.4.2.2 Leisure customers

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

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

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

Direct Customers

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

Partnerships to reach leisure customers

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

- in the airline sector, with active partnerships with airlines such as EasyJet, Lufthansa, Emirates;
- in the hotel sector, with large groups such as Accor;
- in the railway sector, partnerships with Thalys and Deutsche Bahn.

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

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

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

Tour operators, travel agents and brokers

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

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

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

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

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

1.4.2.3 Proximity customers

Individuals

This segment includes all individual customers renting vehicles downtown, for their daily life mobility needs, nearby their home base or at railway stations – as opposed to leisure customers renting for vacations at their airport destination. Customers are contracting directly with Europcar, Ubeeqo, GoCar or Buchbinder brands, for a short duration answering a punctual need or for a long duration answering a permanent need.

The Proximity market is very dynamic and Europcar Mobility Group has been very active in the past year to design new offers to capture the demand, developing and adapting further carsharing solutions under Ubeeqo and Gocar brands, as well as launching new MyEuropcar subscription offer for individual customers in Germany, to be deployed group wide.

The Group intends to accelerate growth in this strategic customer segment that is developing fast, fostered by city regulation and environmental consciousness from urban citizens.

1.4.3 Europcar Mobility Group's brands

In 2021, Europcar Mobility Group operated as a mobility service company, addressing the car and light commercial vehicle rental markets as well as the new mobility market. The Group's brand portfolio demonstrates a strong capability to meet the mobility needs in all segments with the appropriate solutions.

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

In 2020, the Group conducted a review of its brand portfolio in order to sustainably adapt its mobility service offers to the new market context and to changes in customer expectations post-Covid-19 in its three key markets: Proximity, Leisure and Professional customers.

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

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

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

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

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

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

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

Among the program's special services, priority access to vehicle pick-up, a guaranteed reservation until the station closes, and an additional driver free of charge for the program's top statuses were decisive advantages contributing to the program's adoption. In addition, the program's specific customer relations plan helps maintain a special, fully personalized relationship with each of the members while increasing revenue from the promotional emailing channel via exclusive offers. Moreover, in order to promote the Europcar brand, the Group uses various digital campaigns regarding its products and services and based on the brand signature: "moving your way". The Group also has international partnerships with airlines, major hotel groups, railway companies and credit card companies that both promote the brand and generate demand.

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

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

World's Leading Green Transport Solution Company

World's Leading Car Rental Company Website

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

Goldcar® is the Group's low-cost brand. Goldcar enables its customers to get the best value for their vacation budget by choosing the most economical way of driving to their vacation destination. Goldcar has consolidated its leading position in the low-cost leisure market in Europe. Its primary goal in the coming years will be to work on constantly improving its services and committing to customer satisfaction in the long term, also levered by Keyn'Go, offered to Goldcar's Direct Customers, in the major Leisure Airports where Goldcar is represented.

With more than 30 years of experience in the car rental sector, the Company operates more than 60 stations in Europe, including both corporate and franchisees, and now has a presence in more than 20 airports in the United States thanks to the Group's takeover of Fox Rent A Car. The three pillars of its core business strategy, namely geographical expansion, an excellent customer service, and investment in new technologies, allow Goldcar to continue offering the best prices and services to its customers.

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

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

InterRent offers a step-by-step journey as well as a fully digital one, thanks to the Key'nGo facility, offered both to Direct and Indirect Customers. Key'nGo provides a smooth and fast service, allowing the customer, via his or her smartphone, to have access to the car in a very fast way, without the need of human interaction, thereby making it possible to enjoy a seamless journey. This offert is currently being offered in Spain, France, Italy and Portugal.

Ubeeqo®, is a station based car sharing pioneer and leading brand in Europe. It provides simple, 100% digitized and on demand mobility solutions on the Proximity and Professional markets. The brand operates in France, United Kingdom, Germany, Spain and Italy, servicing the general public in major cities as well as corporate customers. Ubeeqo's current corporate customer base includes several international blue-chip companies, such as Danone, L'Oréal, Airbus, Michelin, Commerz Bank or Endesa.

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

Buchbinder, acquired by the Group in 2017, operates in the German market and is a local champion for the strategic V&T segment in Germany as well as a very well established brand for SMEs and local proximity customers. Its local DNA and value for money positioning perfectly complement Europcar brand reach on the German market.

Fox Rent A Car, acquired by the Group in 2019, is the 5th player on the US market, operating in 21 airports with a 30 year history, enjoying sharp acceleration in customer base and topline development fostered by its integration with Europcar Mobility Group. Ambitious expansion plans will support Fox development in the next 12 months, piloting Europcar Mobility Group strategic deployment in the biggest car rental market in the world.

1.4.4 A customer-oriented Group

1.4.4.1 Customer relationship

After the deployment in the last 2 years of Goldcar and Ubeeqo under an harmonized Customer Relations model, the Group finalized in 2021 the transformation of the Buchbinder and Fox customer relations centers. The main result has been to gain operational agility in a model based on outsourced production and centralized governance.

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

1.4.4.2 Customer satisfaction

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

A dedicated service steers closely Customer Satisfaction and "Voice of Customer" ambassadors ensure the consistency and prioritization of initiatives to address customer satisfaction challenges. This approach makes it possible to implement significant changes in the management of our customer processes.

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

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

- the NPS is calculated in the same way across all countries, brands, subsidiaries and franchisees from January 2022 (integration in 2021 of Buchbinder, Ubeeqo, Goldcar, InterRent, GoCar and Fox). The measurements are aggregated in a Group NPS made up of the different brands' results (with the exclusion of the franchisees NPS which is measured but not consolidated);
- this key performance indicator is constantly on the rise, and increased from 45 in 2015 to 52.1 in 2021 for Europcar brand. This reflects the efforts made to transform the customer relationship management process, coordinated by the Group's Customer Satisfaction Service;
- the steering of Goldcar activity using that indicator has led to an increase of +12 pts between 2019 and 2021.

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

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

1.4.4.3 Customer journey

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

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

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

- the overhaul of the two iOS and Android Europcar applications (including an overhaul of the reservation tunnel and the integration of the driver's license registration and scanning functionality, as well as online registration), making the customer experience more fluid and reduction of waiting times in stations;
- the launch of the redesign of Web platforms with the Onesite project;
- the industrialization of the Key n'Go machine program enabling the immediate and autonomous recovery of Goldcar vehicles;
- the integration of connectivity in our vehicles allowing us to meet the needs of our customers and adapt our offers.

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

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

- a demanding Safety Program materializing the first of our commitments: the safety of our employees and our customers operational processes adapted to the health context and rigorously applied to offer a safe and flexible travel experience ("zero contact" policy, cleaning and disinfection rigorous of agencies and vehicles);
- process certification. "Clean & Safe" by Bureau Veritas. Europcar Mobility Group and Bureau Veritas have signed a partnership which applies to the entire network of Europcar Mobility Group agencies. Its objective is to ensure that the hygiene and safety measures applied there (agencies and vehicles) follow the recommendations of the health authorities, as well as the best protocols in terms of cleaning and

disinfection. The partnership covers 14 countries and is based on two main axes:

- first of all, to assess the processes and practices of Europcar Mobility Group in terms of health and safety for customers and employees, through the prism of local regulations and recommendations from the scientific world,
- lastly, supporting the Europcar Mobility Group network in the implementation of benchmark health protocols.

1.4.5 Distribution channels and Europcar Mobility Group network

1.4.5.1 Distribution channels

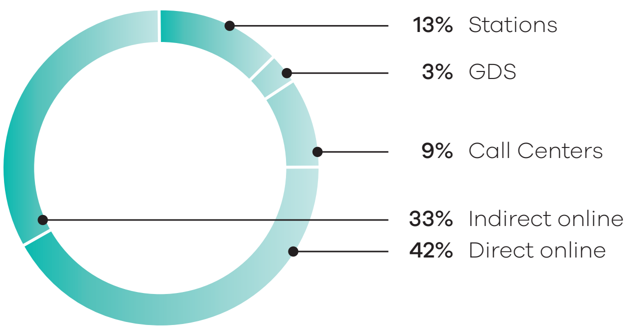
The Group's customers have access to mobility offers of Europcar Mobility Group's through various distribution channels.

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

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

For the Europcar brand, the following chart sets out the breakdown in reservations by distribution channel in 2021, including direct channels (stations, call centers, websites) and indirect distribution channels (intermediaries' websites and GDS) in the Corporate Countries. Goldcar and Fox brands are also enjoying a high proportion of their booking through digital channels and working to improve the digital experience for their customers.

Breakdown of Europcar® reservations by distribution channel in 2021, excluding Ireland, Finland and Denmark



Source: Company.

1.4.5.1.1 Direct distribution channels

E-Commerce

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

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

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

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

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

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

Traditional direct distribution channels

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

Stations in particular, are a strong element of proximity for customers in the cities; they are able indeed to drive a relevant share of the Proximity Service Line.

For the Europcar® brand, contact center network, supporting B2B and B2C customers in booking and caring matters, consists of outsourced call centers located in Kosovo, Bulgaria, Spain, Portugal, Morocco and Philippines. This model, based on 4 partners and implemented in 2019, covers around 95% of customer interactions. Some internal platforms remain active for special B2B needs or as second-level support.

Goldcar, Buchbinder, Ubeeqo and Fox contact centers activities have been progressively migrated to the same outsourcers and locations over the last 3 years (Fox during 2021 from Nicaragua to Philippines) and are too fully outsourced.

These contact methods offered include calls, emails, chat and social media, including overflow management of Stations incoming calls.

Our organization in that area is a mix of Central steering and Country day-to-day operations follow-up.

1.4.5.1.2 Indirect distribution channels (Internet, GDS)

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

Conversely, indirect online reservations have increased from 13% of the Group's total number of reservations in 2010 to 40% in 2019. The share drops to 26% in 2020, due to the fact that these bookings generally result from international leisure travel, which has dropped drastically due to the pandemic. In 2021 the share grew back to 33%, fueled by return of summer holiday traveling but contained by our Direct to Brand Strategy.

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

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

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

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

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

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

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

- the vehicle rental industry in Europe consists, as regards the major players, of companies operating under strong and recognizable brands, including Europcar and Goldcar. Moreover, these companies have developed attractive geographical networks for customers. The direct relationship between customers and the brand, and the proximity of services offered to customers to the places where they need mobility favors the adoption of balanced partnerships between the vehicle rental company and intermediaries in the tourism sector addressing a complementary target;
- vehicle rental companies are able to adjust their fleet sizes to match demand, in particular when their vehicles are acquired through buy-back programs, which is the case for the majority of the Group's fleet. The Group believes that it has variable vehicle capacity, as contrasted with the fixed capacity that may characterize other sectors, such as the hotel sector, which enables it to manage its various distribution channels consistently;

- vehicle rental companies always try to balance mutual commitments: giving access to fleet to third parties in summer and benefit from a support in volumes over the low season;
- in their principal markets, agents rent vehicles at a price determined by the Group and receive as compensation a commission on this price.

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

1.4.5.1.3 Indirect distribution via General Sales Agents (GSA)

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

At the end of 2021, a total of 42 GSAs had been appointed worldwide, including in Asia, North/South America, Middle East, Africa and Europe. To further grow cross-border sales the Group has started to appoint GSAs in corporate markets and is now present in Belgium, Denmark, France, Germany, Ireland, Italy and the UK. Existing agreements with the Group's GSAs, in particular in the USA, Hong Kong, Poland and Abu Dhabi continue to allow the generation of strong performance.

1.4.5.2 Europcar Mobility Group's network

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

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

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

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

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

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

	2021			
	Stations			
	Group	Agents	Franchises	Total
Europe				
Germany	281	179	-	460
United Kingdom	125	8	1	134
France	241	12	190	443
Italy	37	155	-	192
Spain	149	48	-	197
Belgium	11	13	-	24
Portugal	36	59	-	95
Ireland	19	5	-	24
Denmark	29	3	-	32
Norway	36	1	7	44
Finland	29	11	3	43
Austria	14	2	28	44
Luxembourg	2	-	-	2
Slovakia	3	-	7	10
Hungary	2	-	14	16
Franchisees outside of Corporate Countries	-	-	383	383
Total Europe	**1,014**	**496**	**633**	**2,143**
Of which stations in airports	*232*	*24*	*108*	*364*
Rest of the World				
Australia	85	12	39	136
New Zealand	15	2	-	17
USA	11	-	10	21
Goldcar other territories	21	-	0	21
Franchisees outside of Corporate Countries	-	-	929	929
Total Rest of World	**132**	**14**	**978**	**1,124**
Of which stations in airports	*56*	*8*	*304*	*368*
TOTAL GROUP	**1,146**	**510**	**1,611**	**3,267**

Promoting cross-border activity and inbound traffic in Corporate Countries

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

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

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

1.4.5.2.1 Operating models

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

The Group's revenue is comprised of:

- vehicle rental income generated by its directly-operated rental stations or by the agent-operated rental stations of its Corporate Countries (2.153 billion euros in revenues in 2021, of which 82% was generated in Europe and 18% in the Rest of the World, the Group's two operating segments);
- revenue from additional services, mainly revenue from the sale of fuel;
- royalties, territorial costs and costs for the use of IT systems collected from its franchisees (42 million euros in 2021).

1.4.5.2.2 Stations operated directly by the Group or by agents

Stations operated directly by the Group

As of December 31, 2021, the Group directly operated 1,146 stations, all located in the Corporate Countries. Each of these stations is managed through one of the Corporate Countries, which owns (or leases) the rental fleet and station sites and employs the stations' staff. The Managing Director of each Corporate Country is responsible for managing the fleet in the relevant Corporate Country and for overseeing the local sales and marketing, the operations, Human Resources and legal functions.

The revenue generated by stations directly operated by the Group is included in the Group's consolidated revenue. It represented 85% of the revenue generated by rental activities in 2021 (84% in 2020).

Agent-operated stations

As of December 31, 2021, agents operated 510 stations, all located in the Corporate Countries. Agent-operated stations use a Group rental fleet. The sites and employees of agent-operated stations are the responsibility of the agents. Relationships with agents are managed by the Managing Director of the Corporate Country in question.

The revenue generated by these stations is included in the consolidated revenue of the Group and agents are paid a commission (which is accounted for as an expense in the consolidated financial statements of the Group) based on the revenue of the relevant stations. This revenue represented 15% of the revenue generated by rental activities in 2021.

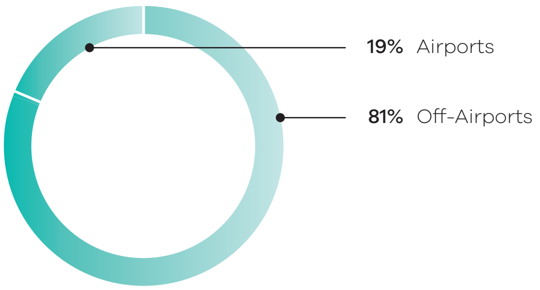
Station locations

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

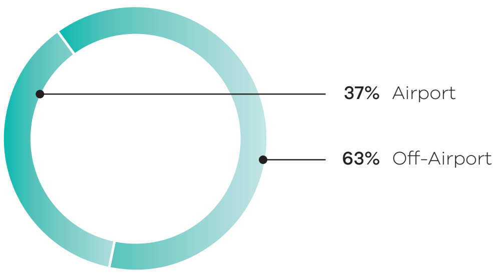
Airport locations are important for the Group, as they enable it to offer convenience to customers traveling by air (domestic and inbound) and to benefit from the growth in business in these areas. This is one of the Group's main sources of revenues. Airport stations generally generate higher revenue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

The following charts provide a breakdown in percent of the number of directly and agent-operated stations and of the Group's rental revenues in Corporate Countries (excluding fees received from franchises) between stations located at airports and other locations in 2021:

Breakdown by number of stations (excl. franchises)



Breakdown by revenue (excl. franchises)



Source: Company.

The following table presents a breakdown of the Group's vehicle rental income in Corporate Countries (excluding fees received from franchises) between stations located at airports and other locations in 2021:

Countries	Airport	Off-Airport
Germany	9%	91%
United Kingdom	15%	85%
France	31%	69%
Italy	44%	56%
Spain	72%	28%
USA	63%	37%
Belgium	15%	85%
Australia	49%	51%
New Zealand	91%	9%
Portugal	62%	38%
Ireland	60%	40%
Denmark	28%	72%
Norway	76%	24%
Finland	23%	77%
Luxembourg	35%	65%
Croatia	100%	0%
Turkey	100%	0%
Greece	0%	100%
Austria	15%	85%
Slovakia	79%	21%
Hungary	86%	14%
TOTAL	**37%**	**63%**

Source: Company.

Airport concessions

Through its extensive network of airport stations, the Group is able to serve high passenger volumes at airports. The number of rental stations in airports as a percentage of the Group's total number of stations has decreased slightly to 17% in 2021. Airport business is highly related to the levels of air travel at the relevant airport, and customers often make vehicle rental reservations at the same time that they purchase their airline tickets. Partnerships with airlines also underpin this business (see Section 1.6.3 "Customers (Business/Leisure)").

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

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

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

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

Other stations

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

1.4.5.2.3 The Group Franchise Department

During the year ended December 31, 2021, franchisees operated 1,611 stations worldwide, including 633 stations in Europe and 978 in the Rest of the World. Royalties, fees for the use of IT systems, territorial costs and reservation and collection fees collected by the Group amount to 42.1 million euros for the fiscal year ended December 31, 2021. For further information on the franchisee network, see the map presented in Section 1.6.5 "Europcar Mobility Group's network".

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

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

The Group has also expanded its franchise activity with Goldcar and Global brands, respectively present in 6 countries (12 stations) and 15 countries (275 stations).

InterRent® franchise network includes a presence in 29 countries as of December 31, 2021, mainly around the Mediterranean basin.

Management of the franchises

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

2019 has seen the amalgamation of the Buchbinder and Goldcar franchise Business Unit teams into the International Coverage franchise team, providing one coherent Group approach to franchising all our brands around the world. 2020 and 2021 has seen the Goldcar openings mainly in Europe (Cyprus, Malta) and Latin America (Ecuador).

Commencing from 2022 the Fox International Affiliate program will additionally be moved into the scope of the International Partner Development function.

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

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

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

Franchisees share the costs associated with these brand initiatives.

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

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

Characteristics of franchise operations

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

Franchisees initially pay an entrance fee, and, upon the renewal of their contracts, a territory fee, for the exclusive right to use the franchise rights in the area covered by the agreement for the agreed services and brands. The franchisees pay royalties representing a percentage of the revenue generated by the vehicle rental operations, a reservation fee based on the number of reservations made through the Group's reservation system and, if applicable, a fee to use the Group's IT systems. Franchisees are required to send monthly results to the Group, which form the basis of the calculation of royalties. In return for the payment of fees and royalties, franchisees benefit from the Group's expertise, access to its reservation system, worldwide network, international brand, customer base and information technology systems. Royalties and fees paid by the Group's network (Europcar, InterRent, Goldcar, Global) franchise in the Corporate Countries and in the franchised countries amounted to 42.1 million euros for the year ended December 31, 2021 (compared with 33.5 million euros for the fiscal year ended December 31, 2020 – see Section 3.1.3.2 "Analysis of Group results", (A) "Revenue").

Except in a very limited number of cases, franchisees are exclusive to the Europcar/InterRent/Goldcar network, meaning that they agree not to work with any other vehicle rental group or to operate a vehicle rental business under their own name for the duration of the franchise agreement. Most of the franchise agreements concluded by the Group provide that when a Europcar network customer makes a reservation relating to the territory of a franchisee, that customer becomes served and managed by the said franchisee under its responsibility.

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

In general, the Group's franchise contracts do not permit the franchisee to terminate the agreement prior to the expiration of the agreed term. The Group retains the right in most cases to terminate a franchise agreement in the event the franchisee fails to meet its contractual obligations, notably compliance requirements, payment of royalties and fees, or takes actions that risk damaging the Group's brand and reputation. Franchisees may generally also terminate the agreements concluded with the Group in the event of a material breach of the agreement by the Group.

1.4.5.2.4 The Group Alliances Department

The Group has entered into commercial cooperation agreements with certain entities in order to benefit from commercial synergies in various countries. These agreements allow the Group's customers to be served in certain locations while also increasing in-bound flows. Revenue generated by strategic partnerships represented less than 1% of the revenue generated by the Group's rental activities in 2021, unchanged from 2020.

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

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

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

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

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

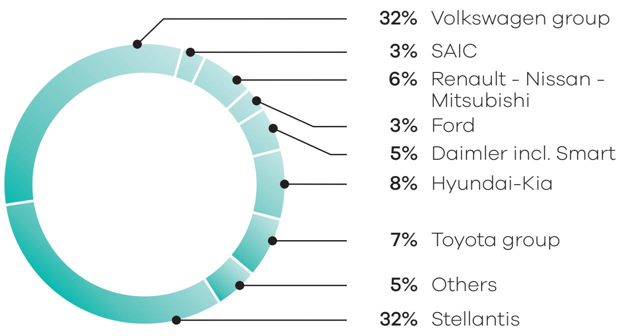
1.4.6 The Group's Fleet

Unless otherwise indicated, this Section relates solely to the fleet operated directly by Europcar Mobility Group under the Europcar®, Goldcar®, Buchbinder®, InterRent, Fox Rent-a-Car and Ubeeqo brands, and not to the fleet owned by, or operated by franchisees and independently owned companies (or leased from third parties) (for more information about the franchisee fleets, see "Characteristics of franchise operations" under Section 1.4.5.2.3 "the Group franchise Department").

1.4.6.1 Fleet composition

The Europcar Mobility Group fleet is sourced from various manufacturers, including Volkswagen (with the Volkswagen®, Audi®, Seat® and Skoda® brands), Renault-Nissan, Stellantis (Peugeot®, Opel®, Vauxhall®, Citroën®, DS®, Fiat, Alfa Romeo, Lancia, Jeep, Chrysler, Dodge), Daimler (Mercedes®, Smart®), Ford, SAIC and Toyota. Volkswagen AG and Stellantis were Europcar's largest suppliers of vehicles in 2021. The Group currently uses more than 450 different models provided by 18 different car manufacturers.

The following chart illustrates the diversity of the Group's fleet in terms of deliveries by manufacturer (expressed as a percentage of total acquisitions by the Group) for the year ending December 31, 2021.



Source: Company.

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

The Group integrates also in its fleet green vehicles to cope with its own and its customers sustainability ambitions. In 2021, Green vehicles were representing a bit less than 3% (electric vehicles and Plug-in hybrids) and 15% with hybrids and natural gas.

The Group believes that Europcar is one of the largest purchasers of European vehicles and the largest in the European vehicle rental industry. During the year ended December 31, 2021, the Group took delivery of approximately 200,000 vehicles and operated an average rental fleet of 232,000 passenger and light commercial vehicles. The breakdown between passenger and light commercial vehicles was as follows in 2021: 82% of passenger vehicles and 18% of light commercial vehicles. For the year ended December 31, 2021, Europcar's approximate average vehicle holding period was 13.4 months (10.3 months for vehicles covered by buy-back or lease agreements). Some of the sourcing agreements with manufacturers allow Europcar's franchisees to benefit from the terms and conditions of these agreements, including the buy-back provisions. For more information on buy-back programs with carmakers, see Section 1.6.6.3 "Vehicle buy-back commitments".

1.4.6.2 Fleet management

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

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

The Group's fleet utilization rate was 74.5% in 2021. In spite of the various waves of the Covid-19 pandemic and the subsequent volatility of the business, the fleet utilization rate for the year 2021 reflects the recognised know-how of the Group in managing its fleets.

Aside from the exceptional years 2020 and 2021, the Group focused on regularly improving the utilization rate in each of the Corporate Countries and for the various brands it operates, although management believes that the utilization rate reached in the past years was close to the optimum rate achievable in the industry (76% in 2019).

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

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

1.4.6.3 Fleet sourcing and planning

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

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

Purchase contracts are negotiated depending on the manufacturers, either at country or international level. The annual or multi-year agreements define the acquisition and disposal terms and the volumes of vehicles and model mix to be acquired over the contractual period. About 38% of the volumes purchased by the Group are purchased through pan-European agreements. The Group also relies on its local teams to negotiate local agreements and maintain sufficient flexibility to benefit from spot deals.

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

Purchase contracts for the coming year are generally concluded at the end of each calendar year, in order to anticipate market trends, and are readjusted monthly throughout the year to ensure maximum responsiveness to market demand. In 2021, the Group conducted the process of fleet purchase and contractualization with car manufacturers later than usual, due to the Group's and the automotive industry's difficulties in anticipating the pace of business recovery.

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

	Rental fleet	Fleet financings	
	Assets	Liabilities	Type of facility
On balance sheet	Fleet Asset[2]	Fleet financing debt	€1.7bn Senior Asset Revolving Facility (SARF)
			€500m Fleet Bond
			€670m Senior Facility Agreement (SFA, €500m Term Loan B and €170m Revolving Credit Facility)
	Fleet working capital requirement related to purchasing commitments		£375m UK Fleet Financing Facility
			Other Fleet Financings (Portugal, Australia/New Zealand, Denmark, United States, Finland, Norway, Ireland)
			Operating lease rent liabilities (under IFRS 16)

Source: Company.[2]

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

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

The Group finances the acquisition of the vehicles in its fleet by various means, in particular through asset-backed financing (see Note 2 in section 3.4 and note 4 in section 3.4.).

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

1.4.6.4 Vehicle buy-back commitments

Europcar Mobility Group acquires, subject to availability, a majority of its vehicles pursuant to various fleet purchase programs established with the manufacturers. Under these contractual programs, Europcar Mobility Group purchases vehicles from vehicle manufacturers or dealers. These manufacturers or dealers undertake, subject to certain terms and conditions, to grant Europcar Mobility Group the right to sell those vehicles back to them at a pre-determined price during a specified time window (after which the repurchase transaction is automatically triggered if it has not already occurred). Vehicles purchased by vehicle rental companies under a buy-back commitment are referred to as buy-back vehicles. The minimum buy-back period under these buy-back commitments generally varies from five to 12 months for passenger cars and from six to 24 months for light commercial vehicles.

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

The visibility and flexibility conferred by the Group's buy-back strategy are important.

During the Covid-19 pandemic, buy-back agreements allowed the Group to reduce its fleet quickly and to adapt it to the decreased demand, assuring flexibility and speed in fleet management. The long-lasting partnership with OEMs allowed the Group to find suitable measures to cope with Covid-19 subsequent waves, such as shortening and/or extending contractual holding periods, postponing new cars delivery, converting some buy back units to non-program ones to mitigate delayed deliveries of new cars, mainly due to chips shortage impacting cars production in 2021. In 2021, the share of vehicles purchased with a buy-back contracts in the fleet was 81% decreasing compared to pre-pandemic share due to lower level of new cars infleet. Comparatively, the share of vehicles purchased with a buy-back contract during 2020 was 84%.

1.4.6.5 "Non-program" vehicles

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

The Group considers "non-program" purchases according to its needs, based on a systematic analysis of "non-program" purchases versus buy-back mechanisms. It takes into account the mix of models that it needs as well as its ability to resell "non-program" vehicles, particularly in relation to the changes in the second-hand market. The Group has launched a dedicated program to revisit his "non-program vehicles" processes called "Remarketing" program. This program aims to harmonize and improve the business processes for the residual values management and resale of vehicles at scale. This program is all the more important since we may have to diversify our fleet sourcing and keep our vehicles longer to serve our customers in the context of fleet production decrease.

Europcar Mobility Group disposes of "non-program" vehicles through a variety of channels, including sales to individuals, wholesalers, brokered retail sales and auctions. To meet market demand, Europcar Mobility Group has set up an electronic platform for online sales: www.2ndmove.eu.

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

1.4.6.6 Maintenance

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

1.4.7 Non-Fleet Purchasing

This Section presents the items relating to the Group's suppliers and the purchase volumes (called "non-fleet purchase costs"), but excludes items relating to the acquisition, registration and insurance of the fleet, which are presented in Sections 1.4.5.3. "the Group's fleet" and 2.6.3 "Insurance" of this Universal Registration Document.

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

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

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

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

a) Sourcing strategy

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

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

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

c) Corporate Social Responsibility (CSR)

In application of the Sapin 2 law, a CSR strategy based on the analysis and control of supplier risks has been defined and implemented since 2017. The aim is to bring all Group partners into compliance with the Company's Ethics Code. The procedure will also help streamline the Group's panel of suppliers. A Group tool for analyzing supplier CSR performance will be implemented in 2022.

1.4.8 Product and technology division

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

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

1.4.8.1 Organization of teams

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

- establishing multidisciplinary product teams called "Squads" and "Tribes", preferably co-located, stable in size and composition, with a specific and well limited area of expertise, collaborating with the Business within communities, with decision-making autonomy regarding the solutions to be implemented to meet the strategic initiatives defined by the Group;
- the establishment of horizontal teams at the service of the product teams, to support them and to make them autonomous when necessary: infrastructure and security (in particular via DevSecOps), data, architecture, methodology, governance and support. These horizontal teams also safeguard the consistency of the overall vision, contribute to sharing best practices and to improving the teams' skills;
- the introduction of 2 weeks short development cycles called "sprints" in the Agile method, to deliver added value regularly and frequently;
- the use of prioritization methodologies ("Objectives and Key Results" and ICE methods) to focus team efforts on tasks with the highest added value for the Group; the use of design teams to maximize the user experience, whether the user is a customer to strengthen their engagement and recurrence in our brands, or whether this user is an employee or a partner, to automate high-repetition tasks but with low added value.

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

1.4.8.2 The roadmap

The roadmap of the Product & Tech teams is structured along 3 directions:

- **Improving our foundations**

To ensure that we build the new harmonized system with the right principles and that we support the Group in its strategic move towards a more and more Technology driven company, we need to ensure that the right foundations are set-up, as part of our Digital transformation.

Key foundations are:

- the organisation and the culture: moving from a Project centric culture to a Product centric organisation and culture;
- the methodologies and the way of working around the delivery pipeline (Agile, DevSecOps, Domain Driven Design, Test Driven Development and Test automation, etc);
- the set-up of a flexible and robust Data & Analytics framework;
- the shift of our infrastructure to the Cloud;
- the strong focus on Security and Compliance aspects, embedded in our design approach;
- the APIsation of our architecture and the decoupling of our applicative modules.

- **Building our Target Unified Platform**

As mentioned earlier in the document, the Group is accelerating the harmonization of its various systems, with a view to enabling the development of stronger synergies and increasing the agility of new developments. This materialized in 2020 and 2021 in the Purple Programme, aiming at defining the target unified platform that will be used across the Group.

Amongst many harmonization aspects of our IT ecosystems, the roadmap includes in 2021 the launch of our Finance transformation, as described in paragraph 1.3.2.5.

- **Delivering our strategic roadmap**

In addition to these two key and foundational transformative directions, our roadmap also includes key work streams supporting the strategic initiatives of Connect, described earlier in the document, namely:

- the roll-out and functional enrichment of our Connected Vehicles platform;
- the digitization of our Customer Journey;
- the set-up of our One Sustainable Fleet platform and the improvement of our Remarketing solutions;
- our Digital Station programme (aiming at streamlining and digitizing the main processes in the network, both client-facing and non-client-facing).

1.5 RESEARCH AND DEVELOPMENT

The Group does not, strictly speaking, pursue any business that can be qualified as research and development; however, it is constantly looking for innovative solutions to accelerate its transformation, both in its technology and business components.

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

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

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

The Group's intellectual property rights primarily consist of:

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

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

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

In the context of partnership agreements (China, Japan, India, Canada) or franchise contracts and in cases where the services provided so require, ECI grants its partners or franchisees a license on some of its intellectual property rights (in particular on brands and the GreenWay® technology) in a given territory.. The licenses are non-exclusive and non-transferable for a duration equal to the term of the joint venture or franchise agreements in connection with which they are granted. These licenses are not the subject of specific fees, but instead are taken into account in the overall negotiation of the partnership or franchise agreements to which they apply.

Please refer to Note 5 "Intangible Assets" in the financial statements for 2021, shown in Section 3.4 "Consolidated financial statements and Statutory Auditors' report on the financial statements for the fiscal year ended December 31, 2021" for details of the valuation of the Group's trademarks.

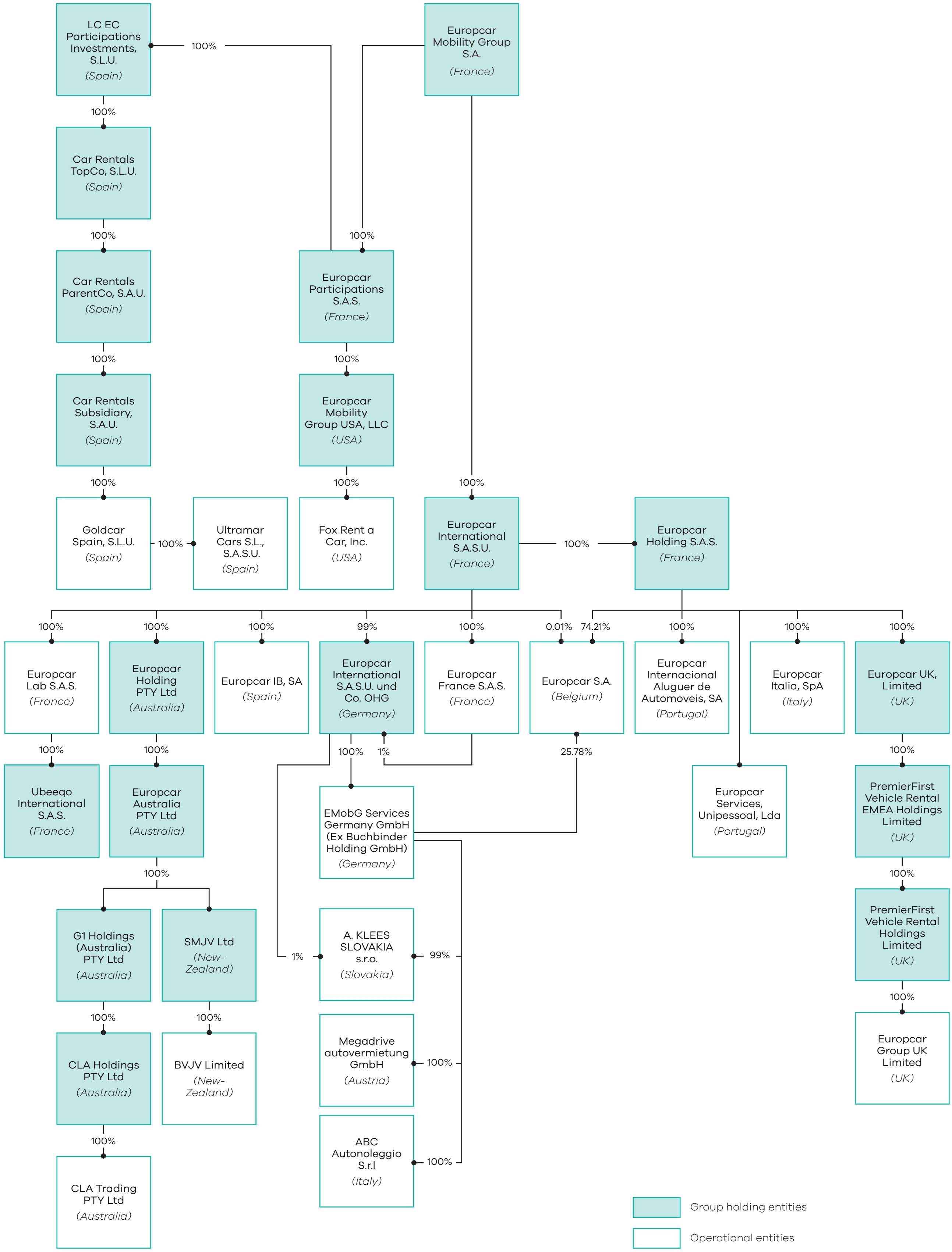
1.6 OUR ORGANIZATION

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

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

1.6.1 Simplified Group organizational chart

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



1.6.2 Major Group subsidiaries

1.6.2.1 Significant subsidiaries

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

- **Europcar International S.A.S.U.** (ECI) is a French single-shareholder simplified stock company (société par actions simplifiée), the registered office of which is located at 13 *ter* boulevard Berthier, 75017 Paris, France, and registered with the Paris Trade and Companies Register under number 542 065 305. The Company directly holds 100% of the share capital and voting rights of ECI. ECI's main role is as an operational holding company for the Group. It directly or indirectly holds the majority of the Group's subsidiaries and equity investments. At the date of this Universal Registration Document, ECI is the holder of some of the Group's principal trademarks, including Europcar®. It negotiates and manages the Group's international agreements and partnerships. It manages and operates the principal information systems;
- **Europcar Holding S.A.S.U.** is a French single-shareholder simplified stock company (société par actions simplifiée), the registered office of which is located at 13 *ter* boulevard Berthier, 75017 Paris, France, and registered with the Paris Trade and Companies Register under number 428 713 937. The Company indirectly holds 100% of the share capital and voting rights of Europcar Holding S.A.S.U. Europcar Holding S.A.S.U. directly or indirectly holds some of the Group's subsidiaries and centralizes the Group's finances;
- **Europcar France S.A.S.U.** is a French single-shareholder simplified stock company (société par actions simplifiée), the registered office of which is located at 13 *ter*, boulevard Berthier, 75017 Paris, France, and registered with the Paris Trade and Companies Register under number 303 656 847. The Company indirectly holds 100% of the share capital and voting rights of Europcar France S.A.S.U. Europcar France S.A.S.U's principal business is short-term vehicle rental in France;
- **Europcar Participations S.A.S.U** is a French single-shareholder simplified stock company (société par actions simplifiée), the registered office of which is located at 13 *ter* boulevard Berthier, 75017 Paris, France, and registered with the Paris Trade and Companies Register under number 814 422 200. The Company indirectly holds 100% of the share capital and voting rights of Europcar Participations S.A.S.U. Europcar Participations S.A.S.U. has a holding company activity in France;
- **Europcar International S.A.S.U. & Co. OHG** is a German partnership, the registered office of which is located at Anckelmannsplatz 1, 20537 Hamburg, Germany, and registered with the Hamburg Trade Register under number HRA83202. The Company indirectly holds 100% of the share capital and voting rights of Europcar Holding S.A.S.U. & Co. OHG. Europcar International S.A.S.U. & Co. OHG is the Group's holding company in Germany;
- **EMobG Services Germany GmbH**, formerly known as Buchbinder Holding GmbH, is a German limited liability company, the registered office of which is located at Anckelmannsplatz 1, 20537 Hamburg, Germany, and registered with the Hamburg Trade Register under number HRB 168009. The Company indirectly holds 100% of the share capital and voting rights of EMobG Services Germany GmbH. EMobG Services Germany GmbH's principal business is vehicle rental in Germany under the *Europcar* and *Buchbinder* brands;
- **Europcar UK Limited** is an English limited liability company, the registered office of which is located at 1 Great Central Square, Leicester LE1 4JS, United Kingdom, and registered with the Registrar of Companies of England and Wales under number 875561. The Company indirectly holds 100% of the share capital and voting rights of Europcar UK Limited. Europcar UK Limited is the Group's holding company in the United Kingdom;
- **Europcar Group UK Limited** is an English limited liability company, the registered office of which is located at 1 Great Central Square, Leicester LE1 4JS, United Kingdom, and registered with the Registrar of Companies of England and Wales under number 1089053. The Company indirectly holds 100% of the share capital and voting rights of Europcar Group UK Limited. Europcar Group UK Limited's principal business is vehicle rental in the United Kingdom;
- **Europcar Italia S.p.A.** is an Italian single-shareholder stock company, the registered office of which is located at 32 Corso Italia, 39100 Bolzano, Italy, and registered with the Bolzano Trade Register under number 00836310151. The Company indirectly holds 100% of the share capital and voting rights of Europcar Italia S.p.A. Europcar Italia S.p.A.'s principal business is short-term vehicle rental in Italy;
- **Europcar IB S.A.** is a Spanish limited liability company, the registered office of which is located at Avenida del Partenon 16-18, 2a planta, Campos de las Naciones, Madrid, 28042, Spain, and registered with the Madrid Trade Register under number 5999. The Company indirectly holds 100% of the share capital and voting rights of Europcar IB S.A. Europcar IB S.A.'s principal business is short-term vehicle rental in Spain;
- **Goldcar Spain S.L.U.** is a Spanish limited liability company, the registered office of which is located at Carretera Valencia N-332 Km 115, Sant Joan d'Alacant, 03550, Alicante, Spain, and registered with the Alicante Trade Register under number B03403169. The Company indirectly holds 100% of the share capital and voting rights of Goldcar Spain S.L.U. Goldcar Spain S.L.U.'s principal business is short-term vehicle rental in Spain and Portugal;
- **LC EC Participations Investments S.L.U.** is a limited liability company under Spanish law, the registered office of which is located at Avda. Partenón, 16-18, B87929428, Spain and registered in the Madrid Trade and Companies Register under number M-655718 Volume 36504 Folio 71. The Company indirectly holds 100% of the share capital and voting rights of LC EC Participations Investments S.L.U. LC EC Participations Investments S.L.U. has a holding company activity in Spain;

- **Europcar Australia Pty Ltd.** is a limited liability company under Australian law, the registered office of which is located at 189 South Centre Road, Tullamarine, Victoria, 2043, Australia, and registered in the Australian Trade and Companies Register under number CAN 130 760 566 and ABN 17 130 760 566. The Company indirectly holds 100% of the share capital and voting rights of LC EC Participations Investments S.L.U. LC EC Participations Investments S.L.U. is the Group's holding company for Goldcar's activities;
- **Fox Rent A Car** is a company under Californian law, the registered office of which is located at 4135 South 10th East Avenue, suite 200, Tulsa, OK 74146, United States, and registered with the California Secretary of State under entity number C1878835. The Company indirectly holds 100% of the share capital and voting rights of Fox Rent A Car. Fox Rent A Car's principal business is vehicle rental in the United States.

It should be noted that a number of internal restructuring activities took place within the Group during the fiscal year ended December 31, 2021, aimed at reducing the legal organizational structure and, as a result, operating costs. This restructuring mainly resulted in mergers by absorption of a number of subsidiaries. For example, the Europcar Autovermietung GmbH and Charterline Fuhrpark Service GmbH subsidiaries, German companies of which the Company indirectly held 100% of the share capital and voting rights, were thus absorbed by the aforementioned company, EMobG Services Germany GmbH.

For a description of the Group's other consolidated subsidiaries, see Note 36 "Group Entities" to the 2021 financial statements included in Section 3.4 "Consolidated financial statements and Statutory Auditors' report for the fiscal year".

1.6.2.2 Acquisitions and disposals of shareholdings in 2021

During the fiscal year ended December 31, 2021, the Company acquired no shareholdings.

Furthermore, on March 23, 2021, the Group sold its subsidiary Brunel Carriage Limited, in which it held 100% of the share capital and voting rights.

Brunel Carriage Limited is a company under English law that was held indirectly through Brunel Group Holdings Limited, itself held indirectly through Europcar Holding S.A.S.U. All 21,348,571 shares, each with a par value of £1, comprising the share capital of Brunel Carriage Limited, were sold to Intercede 2052 Limited, a London-based car pooling company operating under the names Travel Hire Group and Green Tomato Cars.

1.6.2.3 Group Entities dedicated to financing

EC Finance Plc

EC Finance plc is an autonomous special-purpose financing vehicle formed in connection with the issuance of the EC Finance Notes, which are used to finance part of the Group's fleet. All of EC Finance Plc's common shares are held by TMF Trustee Limited, an English entity, in its capacity as trustee for a charitable trust established under English law. EC Finance plc has no material operations. The Company is deemed to indirectly control EC Finance Plc, which is included in the Group's scope of consolidation. For more information on the EC Finance Notes, see Section 3.2.3 "Description of the financing as of December 31, 2021" of this Universal Registration Document.

Securitifleet and Goldfleet Entities

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

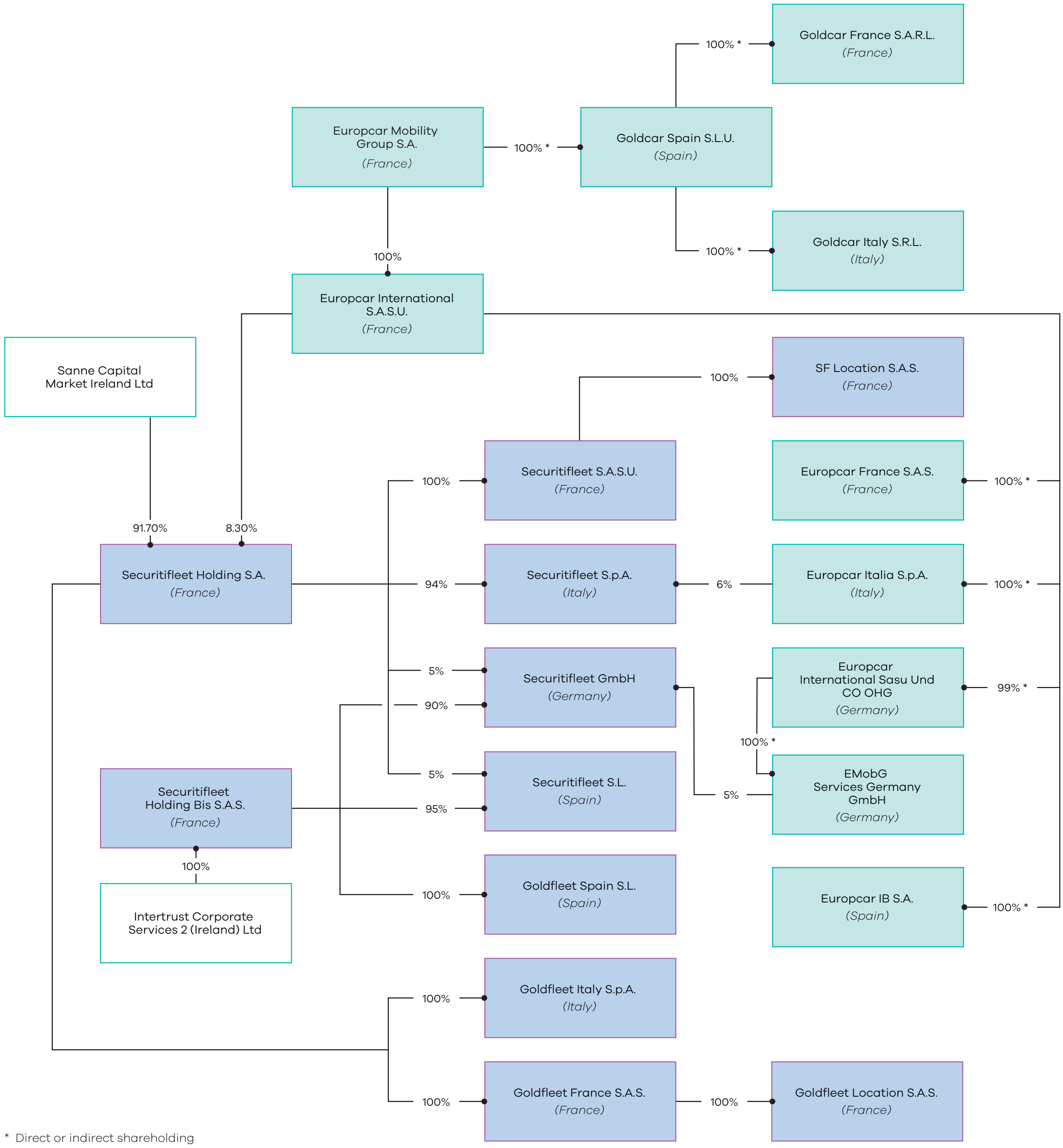
- **Securitifleet S.A.S.U.**, is a single-shareholder simplified stock company (société par actions simplifiée), the registered office of which is located at 57 avenue de Bretagne, 76100 Rouen, France, and registered with the Rouen Trade and Companies Register under number 443 071 816. Securitifleet S.A.S.U. is an autonomous special purpose company set up in connection with the Group's securitization structure and having as its sole purpose the acquisition and ownership of vehicles to be leased to Europcar France S.A.S.U.;
- **Goldfleet France S.A.S.U.** is a single-shareholder simplified stock company (société par actions simplifiée), the registered office of which is located at 57 avenue de Bretagne, 76100 Rouen, France, and registered with the Rouen Trade and Companies Register under number 839 096 997. Goldfleet France S.A.S.U. is an autonomous special purpose company set up in connection with the Group's securitization structure and having as its sole purpose the acquisition and ownership of vehicles to be leased to Goldcar France S.A.R.L.;;
- **Goldfleet Italy S.p.A.** is an Italian stock company, the registered office of which is located at Via Alfred Nobel 18, Laives (BZ), Italy, and registered with the Bolzano Trade Register under number 02993600218. Goldfleet Italy S.p.A is an autonomous special purpose company set up in connection with the Group's securitization structure and having as its sole purpose the acquisition and ownership of vehicles to be leased to Goldcar Italy S.R.L.; and
- **Securitifleet S.p.A.** is an Italian stock company, the registered office of which is located at 32 Corso Italia, 39100 Bolzano, Italy, and registered with the Bolzano Trade Register under number 07169881005. Securitifleet S.p.A is an autonomous special purpose company set up in connection with the Group's securitization structure and having as its sole purpose the acquisition and ownership of vehicles to be leased to Europcar Italia S.p.A.

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

- **Goldfleet Spain S.L.U.** is a Spanish limited liability company, the registered office of which is located at Carretera Valencia, km 115, Edificio Goldcar, 03550 Sant Joan d'Alacant (Alicante), Spain, registered with the Commercial Registry of Alicante and holder of Tax Identity Code B42572438. Goldfleet Spain S.L.U. is an autonomous special purpose company set up in connection with the Group's securitization structure and having as its sole purpose the acquisition and ownership of vehicles to be leased to Goldcar Spain S.L.U.;
- **Securitifleet GmbH** is a German limited liability company, the registered office of which is located at Anckelmannsplatz 1, 20537 Hamburg, Germany, and registered with the Hamburg Trade Register under number HRB 91341. Securitifleet GmbH is an autonomous special purpose company set up in connection with the Group's securitization structure and having as its sole purpose the acquisition and ownership of vehicles to be leased to EMobG Services Germany GmbH; and
- **Securitifleet S.L.** is a Spanish limited liability company, the registered office of which is located at C/ Trespaderne, 19, Madrid, 28042, Spain, registered with the Madrid Trade Register, Sheet M (310,150), Book 17.955, page 92, and holding Tax Identification Code B83382549. Securitifleet S.L. is an autonomous special purpose company set up in connection with the Group's securitization structure and having as its sole purpose the acquisition and ownership of vehicles to be leased to Europcar IB S.A.

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

The following organizational chart sets forth the legal organization of the Securitifleet and Goldfleet companies at the date of this Universal Registration Document. For more details on the share capital structure between the Europcar operating entities, the Goldcar operating entities and the Securitifleet and Goldfleet companies, please see the chart shown in Section 3.2.3 "Description of financing as of December 31, 2021".



* Direct or indirect shareholding

Operational company

Ad hoc entity

Trustee

1.7 PROPERTY, PLANT AND EQUIPMENT

At December 31, 2021, the Group held property, plant and equipment with a gross value of €893 million, including rights of use (€860 million at December 31, 2020).

The Group also leases some of its fixed assets, in particular certain buildings and technical equipment. In application of IFRS 16, leases are recognized in the balance sheet in the form of a right of use on the leased asset and a financial debt in respect of rents and other payments to be made during the term of the lease rental retained to assess the rental debt. The gross value of the rights of use related to real estate and equipment leases stood at 454 million euros at December 31, 2021 versus 426 million euros at December 31, 2020.

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

- administrative buildings and offices for the needs of the Group's administrative and commercial functions in all the countries in which it carries on its activities;
- the Company has established its head office in Paris (75017) (France) and occupies three floors of the Metropolitan Building, comprising 5,470 m^2 of rented office space plus parking spaces, leased by Europcar International under a commercial (office) lease agreement signed on October 2, 2017 for a fixed ten-year term from February 1, 2018. The initial ten-year term is firm and irrevocable, Europcar International having waived its right to terminate after the first three three-year periods;
- each of the Corporate Countries also occupies premises for its headquarters;
- rental agencies mainly located at or near airports or train stations, or in certain business neighborhoods and suburbs;
- the Corporate Countries rent or operate the majority of the Group's 1,146 directly managed stations, pursuant to concessions awarded by governmental authorities and leases with private entities. These leases and concession agreements generally require the payment of rent or minimum concession fees, and in certain countries also require the relevant Corporate Country entity to pay or reimburse operating fees, additional rent, or concession fees that are greater than the guaranteed minimum, calculated based on a percentage of revenue or sales at the locations in question;
- technical infrastructures of servers and datacenters;
- fuel pump and car washing equipment at rental agencies in each of the Corporate Countries.

These property, plant and equipment items are pledged as collateral for corporate financing, as indicated in Note 5.3 "Property, plant and equipment" of the 2021 consolidated financial statements included in Section 3.4 of this Universal Registration Document.

2

RISK FACTORS AND RISK MANAGEMENT

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The guidance presented in this chapter has been made as of April 25, 2022.

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

Pursuant to the provisions of Article 16 of regulation (EU) 2017-1129 of the European Parliament and of the Council, this Chapter presents the main risks that, as of the date of this Universal Registration Document, could impact the Group's activity, financial position, results, outlook, image or reputation or the stock market price of the Company's shares, as identified while preparing the Group's risk mapping, and after taking into account the procedures and checks put in place in order to identify, monitor and manage the risks on an ongoing basis. These risk procedures and controls are described in Sections 2.6 "Risk management procedures" and 2.8 "internal control procedures" of this Universal Registration Document. Other hitherto unknown risks or those deemed unlikely to have a material adverse effect as at the date of this Universal Registration Document, could have a significant impact on the Group in the future. The Group could indeed be exposed to emerging, new, or constantly evolving risks whose impact remains uncertain. Any risks that are currently unknown or considered immaterial could prove important in the future and have a significant impact on the Group. Given the level of uncertainty associated with these risks, the Group is not always able to quantify their consequences with adequate or sufficient accuracy. Within each of the risk categories mentioned below, the risk factors that the Company considers, as of the date of this Universal Registration Document, as the most significant due to their probability of occurrence and/or their materiality are mentioned first. Following recent developments in the Russia-Ukraine conflict, the Group stated that it does not have direct operations in these two countries; its presence is through two franchisees. The Group has identified indirect risks, particularly regarding inflation and fleet supply but also more widely, as presented in this section. However, the Group has not yet formed a view on the quantifiable indirect impacts that it could have on its operations.

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

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

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

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

The Group regularly reviews the course of the pandemic as well as its impact on the Group's business, operations and financial position, and is taking all appropriate measures for its customers, employees, stations and fleet (in particular, with regard to the fleet, by capitalizing on its flexible fleet supply model (with a buy-back commitment)).

2.1 RISKS RELATING TO THE GROUP'S INDUSTRY AND MARKETS

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

The Group benefits from an international network and operates primarily in Europe. The Group generated 82% and 18% of its total revenue (before intra-group and holdings eliminations) in Europe and the rest of the world, respectively, for the year ended December 31, 2021. Demand for vehicle rentals in a given region, and for "corporate" rentals in particular, is affected by trends in gross domestic product (GDP). Declines in or stagnation of GDP negatively impacts the level of vehicle rental demand. This could lead to a tightening in the credit market, a drop in business and leisure travel, a reduction in consumption and greater volatility in fuel prices. All these factors could negatively impact the vehicle rental industry, and particularly demand in the "business" segment. The current situation and the outlook for 2022 for the Eurozone remain very uncertain, with a risk of stagnation.

A deflationary or inflationary environment in Europe or one of its member States would limit the Group's growth prospects and any deterioration in the eurozone economy could adversely affect the Group's business, operating income, financial position and prospects.

Vehicle rental demand, particularly in the "leisure" segment, is also affected by trends in air travel, which in turn are affected both by macroeconomic conditions and specific factors such as flight ticket prices, fuel price trends, work stoppages, social movements, natural catastrophes, epidemics, terrorist attacks (or a perceived heightened risk of attacks), military conflicts such as the one occurring in Ukraine, external events on a European or global scale, and governments' responses to any of these events. In the same manner, if repeated attacks or perturbations were to occur in Europe, it could have a significant adverse effect on the Group's activities, results of operations and financial position. In order to limit the adverse effect, the Group subscribed to an insurance program (see Section 2.6.3.3 "Risks related to the Group's business (excluding its fleet)"). A protracted armed conflict in Europe or on a European scale, insofar as it is creating a slowdown in business and tourist travel, is having a significant impact on the Group's business, operating income and financial position (see Section 1.2.2.1 of this Universal Registration Document).

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

For the year ending December 31, 2021, the Group generated 36.8% of its consolidated revenue through rentals from agencies located at airports, while revenue, up slightly on the previous fiscal year (32.4%), was still lower than pre-Covid figures, owing to the closure of most airports throughout the world, or to a drastic reduction in their operations (see Section 1.6.5.2 "Stations operated directly by the Group or by agents" in this Universal Registration Document). This significant proportion of the Groups revenue, which correlated highly with the level of air traffic, both for its leisure and business customer base, was severely impacted. The Covid-19 pandemic, as a long-term event accompanied by ongoing restrictive measures to control its spread, has led to a sharp decline in business and tourist air travel, and therefore has a significant adverse effect on the Group's operations, earnings, financial position and prospects. Ongoing economic uncertainty, volatile economic conditions, the decline in air travel, changes in customer behavior and the scale of the Covid-19 pandemic make demand forecasting more uncertain. There is therefore increasing uncertainty regarding sound fleet management and consequently the Group's economic performance.

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

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

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

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

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

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

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

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

The third quarter of the year has historically been the Group's strongest quarter due to higher levels of leisure travel in the summer months. Given the scale of the Covid-19 pandemic and its ongoing spread, the first and second quarters of 2021 were significantly disrupted. However, from the third quarter, business started to resume gradually, with a positive effect on the Group's revenue and operating income.

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

2.2 OPERATIONAL RISKS RELATED TO THE BUSINESS

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

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

Any of these manufacturers could decide or be forced to restrict the production or sale of vehicles to the rental industry for various reasons, or could be affected by the occurrence of unforeseeable events, such as the Covid-19 pandemic or the conflict in Ukraine, which have been affecting the automotive industry's supply chain since the end of 2020 and the start of 2022 respectively. In general, car manufacturers limit the number of vehicles sold to short-term rental companies to a percentage of their total sales of new vehicles. This percentage varies between 7% and 12% depending on the manufacturer. In 2021, car manufacturers scaled back production of new vehicles due to the shortage of microchips. The percentage of cars allocated to rental companies was between 4% to 7%. The entire automotive industry is heavily affected by this shortage, which is set to last until the end of 2023 according to some predictions. The disruption to the car manufacturers' supply chain is causing a sharp drop in volumes and is weakening production plans for 2022.

In addition, depending on market conditions, sales of vehicles to rental companies may be less profitable for automobile manufacturers than other distribution channels or may not suit their marketing and branding strategy at a given time. Historically, vehicle sales to the vehicle rental industry have been relatively less profitable for car manufacturers due to sales incentive and other discount programs that allow fleet purchasers such as Europcar to limit their average vehicle holding costs. In the current context, car manufacturers are seeing their production costs rise due to the long-term shortage of computer chips and the increase in raw material costs. Therefore, they are opting to reduce the proportion of the fleet allocated to rental companies in favor of more profitable channels, while significantly raising holding costs, thereby elevating the acquisition cost for Europcar Mobility Group.

Procurement and fleet holding costs may also increase due to taxes linked to emission reduction requirements and the transition to electric vehicles. Car manufacturers are gradually stepping up their production of electric vehicles and scaling back production of internal combustion engine vehicles, causing a significant cost increase. If the Group is unable to obtain favorable pricing and other terms when it acquires vehicles and is unable to pass on increased costs to its prices, the Group's results of operation and financial position could be materially adversely affected. For further information on the Group's expenses related to vehicle purchases and costs related to purchasing and selling vehicles, see Section 3.1.1.2 "Main factors that can impact the Group's Results", subsection "Costs structure and operational efficiency", and 3.3.1 "Investment history" of this Universal Registration Document.

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

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

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

In the second half of 2021, as the downturn in vehicle production became apparent, negotiations with car manufacturers enabled a further extension of holding periods and, in some cases, the transformation of buy-back agreements into at-risk purchases, to guarantee the fleet level required for the peak demand in summer.

The Group's vehicle purchase policy remains essentially focused on buy-back. However, given the current pressure on vehicle availability, it may be pertinent to increase the proportion of at-risk purchases to safeguard the fleet.

The proportion of diesel vehicles in the Group's purchases of passenger cars fell from 59% in 2015 to 26% in 2021. This decrease mainly concerns small vehicles in the mini, economy and compact ranges.

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

At the date of this Universal Registration Document, it was noted that manufacturers had continued to reduce the proportion of diesel vehicles in favor of gasoline vehicles in 2021, furthering the transition started in previous years. In 2021, the proportion of electric vehicles (EV) in the fleet remained very low (less than 3% of purchases). However, if hybrid vehicles are taken into account, they account for 14% of the fleet, as opposed to 3.85% in 2020. As car manufacturers' are progressively extending their offerings, the proportion of electric vehicles is expected to increase, but will remain very limited since car manufacturers tend to prioritize private customers.

Moreover, customer demand for electric vehicles remains low for short-term rental activity. Limited range, lengthy recharge time and limited infrastructure are still real deterrents for customers. While hybrid vehicles are well regarded, manufacturers' offerings remained limited in 2021. The Group predicts that the offering of hybrid and electric vehicles will grow by 2022.

The WLTP Procedure (Worldwide-harmonized Light vehicles Test procedure), used to measure fuel consumption and emissions of CO_2 and other pollutants, became effective on September 1, 2018. Since the entry into force of the WLTP procedure, CO_2 levels have been found to be higher than those recorded under the previous standard, and this has led to an increase in taxes imposed on vehicles. The financial impact from the taxation of CO_2 emissions has been mitigated thanks to an improvement in both model and engine (low-emissions engines combined with a larger proportion of hybrid and electric vehicles) as well as longer holding periods (9.4 months in 2017, 13.4 months in 2021).

Moreover, as of the date of this Universal Registration Document, the ecosystem is undergoing significant transformation (more cities restricting vehicle access, the CAFE [Corporate Average Fuel Economy] standards requiring original equipment manufacturers to meet the target of 95 g CO_2/km across yearly sales, etc.). It is therefore vital to adapt and encourage manufacturers and consumers to switch to low-emissions vehicles. This could lead to an increase in holding costs and have a material impact on the Group's operating income and financial position.

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

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

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

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

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

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

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

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

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

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

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

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

For the contracts in force in 2020 and 2021, in addition to an entrance fee, when franchisees renew their contracts, they pay a fee for the exclusive use of the brands determined and held by the Group for a given territory defined in their contracts. The franchisees also pay to the Group a reservation fee depending on the distribution channel used, as well as royalties equal to a percentage of the revenue generated by their vehicle rental operations with a possible guaranteed minimum.

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

Where Europcar is concerned, 13 agreements were renewed and/or signed in 2021 and 22 are expected to be renewed/signed in 2022, 28 in 2023, 14 in 2024 and 24 in 2025.

At InterRent, 10 agreements were renewed in 2021.

At Goldcar, between 15 and 20 agreements are expected to be renewed/signed in 2022, 2023 and 2024.

The Group also has a franchise network operating under the Global Rent-A-Car brand. Currently, there are 15 agreements in force.

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

In March 2021, the Group sold its PHV (Private Hire Vehicle) business, under the Brunel brand. Furthermore, the Group faces risks related to the actions or omissions of its franchisees, agents and affiliates (for further information, see Section 2.3.3 "Risks related to the Group's ability to develop and maintain favorable brand recognition" and, for management of the operating characteristics of franchisees' business, see Section 1.6.5.3 "The Group Franchise Department" of this Universal Registration Document).

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

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

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

In 2021, approximately 81% of the Group's vehicle fleet, in unit terms, was acquired by a buy-back agreement (compared to 84% in 2020).

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

In 2021, the proportion of the Group's at-risk vehicles again fell compared to 2020, which redressed the balance with a new fleet covered by a buy-back clause. Although the Group has entered into several multi-year buy-back agreements, the number of "at-risk" vehicles in the Group's fleet could increase as a result of market conditions, or if manufacturers were reluctant to agree to sales with a buy-back clause, or if the buy-back conditions were less attractive.

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

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

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

2.3 RISKS RELATED TO THE OPERATION AND ORGANIZATION OF THE GROUP

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

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

In addition to the risks related to the Group's ability to define a relevant strategy that is consistent with its competitive environment and its own resources, risks related to the implementation of the strategy also exist, particularly where its ongoing, largely digital, transformation plans (Connect transformation plan) are concerned. Delays in the implementation of the Group's transformation plan would result in considerable value-creation shortfalls, in terms of both expected earnings and planned cost reductions (see Section 2.3.2 "Risks related to the ability of the Group to anticipate the failure or unavailability of the Group's centralized information systems and to pursue new information technology developments" of this Universal Registration Document). Lastly, poor implementation of the Group's reorganization plans could potentially lead to the loss of key skills, or a delay in expected productivity gains, at head offices or within the network of agencies (see Section 2.3.5 "Risks related to the Group's human capital" of this Universal Registration Document).

It also depends in part on its ability to continue to expand into geographic areas where the Group has little experience and where competitive pressures, particularly on prices, may be substantial. The Group operates in 130 countries and territories through its subsidiaries, franchisees and partnerships. The Group is therefore likely to expand into other countries in line with its development strategy, including regions beyond its historic coverage in Western Europe, and particularly in Asia, Africa, America and Eastern Europe, similar to the manner in which it acquired the American company Fox in December 2019 (for more information on the Group's development strategy, see Section 1.4 "Strategy" of this Universal Registration Document). The gradual standardization of the different internal control procedures across the various Corporate Countries could be a source of difficulties and slow down the implementation of the Group's strategy (see Section 2.8 "internal control procedures" of this Universal Registration Document). Difficulties related to maintaining a corporate culture as the Group expands, and disparities in approaches to governance, may limit the Group's ability to successfully penetrate new markets. Operations in certain of these markets are also inherently subject to higher economic, political and legal risks than in more mature markets.

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

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

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

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

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

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

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

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

The Group relies heavily on information systems to record reservations, process rental and sales transactions, manage its fleets of vehicles, account for its activities and otherwise conduct its business. The Group has centralized its Information Systems and relies on communications service providers to link its systems with the business locations these systems serve (see Section 1.6.8 "Product and Technology division" of this Universal Registration Document). A major failure of IT or other systems, or a major disruption of communications between the systems and the locations they serve, whatever the reason (especially a cyberattack), could cause a loss of reservations, slow rental and sales processes, interfere with the Group's ability to manage its fleet and otherwise materially adversely affect its ability to manage its business effectively. The Group's systems design and business continuity plans may not be sufficient to appropriately respond to any such failure or disruption. Cybercrime trends and information warfare in the context of a geopolitical conflict could disrupt or block some or all of our IT systems and interfere with the Group's ability to manage its fleet, affect its operations and have a material impact on the Group's business, operating income and financial position.

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

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

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

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

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

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

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

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

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

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

2.3.5.1 Risks related to attracting and retaining talent and skills management

The Group relies on a number of key employees with specialized skills and extensive experience in their respective fields. The Group believes that the growth and success of its business depends on its ability to attract and retain highly skilled and qualified personnel with specialized know-how in the vehicle rental and mobility solutions industry. If the Group were to lose certain employees, its ability to successfully implement its business strategy, financial and marketing plans and other programs geared toward achieving its objectives, could be significantly affected. The role of the Talents Department is to secure the key skills required for the Group's transformation. For example, it devised and deployed a custom program for employees with high potential in 2019 and 2020. This program has proved effective, with 80% of participants showing development within the Group. In 2021, the Human Resources Department rolled out global talent reviews, which covered almost 300 key positions by including the Nordic (Finland and Norway) and US subsidiaries of Fox Rent A Car.

2.3.5.2 Risks related to personal safety

The safety of customers and employees, and employee well-being, are an integral part of the Group's values and of its *Commit Together* program. In terms of safety, in addition to environmental and safety regulations (see Section 2.5.1.3 "Risks related to environmental and health and safety rules" in this 2021 Universal Registration Document), the Group introduced, at the outset of the pandemic, its "Safety Program" to reinforce cleaning and hygiene measures across all its agencies and vehicle fleets to ensure the safety of customers and employees. This program follows the recommendations of the health authorities by integrating the best cleaning and disinfection protocols in relation to the health crisis. Through a partnership with Bureau Veritas, the Group conducted an assessment of its processes and practices and secured support for the implementation of standard health and safety protocols.

2.3.5.3 Psychosocial risks

The worlds of work and mobility are rapidly changing, not only in response to the increasingly widespread use of digital technologies, among other things, but also as a result of the Covid-19 pandemic. Against this backdrop, the Group signed an agreement in 2019 introducing telecommuting arrangements for its headquarters-based employees. In 2021, on account of the pandemic, these arrangements were generalized across the Group. Local initiatives have also been undertaken, such as virtual meetings to maintain social ties, and the setting up of psychological support unit for employees to mitigate the risk of isolation. For example, the HR Department at the Group's headquarters has conceived an entirely digital training course intended for all managers at headquarters, whether they are based in France or abroad, to equip them with the skills to manage teams taking a hybrid approach to working. Nevertheless, despite implementing a strategy to attract and retain talented personnel, and its concern for its employee's well-being, the Group cannot guarantee that it will be able to retain all its talent, given the current economic and public-health conditions, which have severely impacted the sector of activity in which the Group operates.

2.4 FINANCIAL RISKS

2.4.1 Market risks (high risk)

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

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

The Group continuously assesses the financial risks identified (including market risk, credit risk, liquidity risk and inflation) and documents its exposure in its consolidated financial statements. A detailed analysis of these risks is set out in Note 8 "Financing and financial risk management" in Section 3.4 "Consolidated financial statements and Statutory Auditors' report for the fiscal year ended December 31, 2021" of this Universal Registration Document.

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

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

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

To address these potential difficulties, and improve its balance sheet structure, the Group entered into negotiations with its creditors and, in a press release dated November 26, 2020, announced that it had concluded a Lock-up Agreement with the aim of reducing the Group's corporate debt by €1,100 million through a capital increase and the injection of €250 million in shareholders' equity. This financial restructuring was conducted on February 26, 2021.

Owing to the uncertainty surrounding the economic recovery, the impact of the Covid-19 pandemic and the conflict in Ukraine on the mobility sector, and the outcome of the Group's transformation, the margin for maneuver considered in the calculation of the Company's requirements, and covered through the financial reorganization plan, could prove insufficient and require the Company to seek additional funding.

See Note 8 "Financing and financial risk management" in Section 3.4 "Consolidated financial statements and Statutory Auditors' report for the fiscal year ended December 31, 2021" of this Universal Registration Document.

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

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

Despite the financial restructuring on February 26, 2021, which allowed for the conversion of debt into capital, the provision of liquidity by means of a €250 million injection of capital and the securing of a €225 million floating-rate loan, any further successive waves of the Covid-19 pandemic could limit the Group's cash generation abilities and thus hamper its ability to raise funds to finance its working capital requirement or investments.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

2.5 REGULATORY AND LEGAL RISKS

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

Operating in over 130 countries and territories throughout the world (directly or through franchises, agents or partnerships), the Group is subject to a vast array of international, national and local laws and regulations.

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

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

2.5.1.1 Risks related to compliance with Consumer Protection regulations

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

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

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

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

2.5.1.2 Risks related to compliance with personal data protection regulations

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

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

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

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

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

2.5.1.3 Risks related to environmental and health and safety rules

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

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

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

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

2.5.1.4 Risks related to compliance with regulations on franchisees

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

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

2.5.2 Risks related to liability and insurance

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

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

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

2.5.3 Risks related to the protection of intellectual property rights

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

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

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

2.5.4 Risks related to regulatory, legal and arbitration proceedings

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

2.5.5 Risks related to competition law

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

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

2.6 RISK MANAGEMENT PROCEDURES

2.6.1 Risk management structure

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

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

The Group's risk management process is also monitored by the Board of Directors through the Audit Committee. The Audit Committee ensures the relevance, reliability and implementation of internal control procedures and identification, hedging and management of the Group's risks in relation to its activities as well as accounting and financial information.

Controlling risk exposure in each country in which the Group's companies operate depends on local management teams, who are as close as possible to the risks related to the activities they exercise or supervise.

2.6.2 Main risk management procedures

2.6.2.1 Group's risk map

The Group's Internal Audit, internal control and Risks Department regularly prepares and updates a risk map for the Group. The risk map is presented to the Audit Committee and Group Executive Committee, which study and examine it and decide upon the actions and the specific monitoring of certain risks.

The risk identification process relies on a three-step methodology:

- identifying the main risks through interviews with high-ranking Group executives, and with other key staff within the Group, in order to identify the risks to which their scope of responsibility is exposed. These interviews are conducted by the Group's Internal Audit Department;
- qualifying and quantifying risks: once these risks are identified, a ranking is established based on the estimated impact of each risk and the likelihood of its occurrence. Risks identified as having severe impacts and highly likely to occur are mapped as "highly critical." Conversely, risks identified as having little impact and unlikely to occur are mapped as "moderately critical." The mapping thus completed for a given year serves as a comparison to the one prepared the previous year and facilitates an assessment of change in the risks confronting the Group. The resulting map obtained for a given year (i) can be compared with the previous year's map, and helps in understanding the development of risks to which the Group is exposed, and (ii) allows the Group to establish a dashboard with the estimated degree of control of each of the identified risks, to identify those that must be dealt with as a matter of priority, and to ensure that internal controls are adequate to prevent and detect them;
- review and approval of the risk map by the Group Executive Committee and presentation to the Audit Committee.

Pursuant to this methodology, the Group updated both the content and execution of its risk map in the second half of 2021, by identifying 16 key risks for the Group.

2.6.2.2 Risk monitoring and action plans

Depending on the principal risks identified, the concerned departments draw up action plans to be carried out by the local managers of the departments in question. The Group's Internal Audit, internal control and Risks Department is currently working on implementing tools and processes for better and more formal monitoring of the action plans.

2.6.2.3 Monitoring the financial risks related to the effects of climate change

Article L. 225-37, paragraph 6, of the French Commercial Code, as amended by law No. 2015-992 of August 17, 2015 relating to energy transition for green growth, provides that, starting in fiscal years ending December 31, 2016, the Group must report "the financial risks related to the effects of climate change and the measures taken by the Company to reduce these risks by implementing a low-carbon strategy in all areas of its business."

Chapters 2 and 4 of this Universal Registration Document, on risk factors and the Statement of Non-Financial Performance, include all legally required information. They can be summarized as follows:

- the Group has implemented a comprehensive CSR governance and organization structure, under the authority of the CSR manager, which covers all of the Group's operations (see Section 4.1.3 "CSR Organization and Governance" of this Universal Registration Document);
- the Group's business is highly sensitive to the seasons and climate conditions. This risk, as well as the control mechanisms implemented by the Group, is described in Section 2.1.3 "Risks related to the seasonal nature of the vehicle rental industry and its sensitivity to weather conditions" of this Universal Registration Document;
- the sensitivity of the vehicle rental business to the financial risks related to the effects of climate change is limited. Currently, this risk is only partially controlled, through the implementation, in 2016, of a low-carbon strategy, described in Section 4.5 "Act for the environment" of this Universal Registration Document. The strategy seeks to minimize the carbon footprint of all emissions produced directly as a result of the Group's operations, and to promote the smallest carbon footprint possible among the Group's customers. This is made possible through a series of concrete measures, such as providing new, "CO_2 light" vehicles equipped with the latest motor technologies, and the development of a low-carbon fleet, with the proportion of low-carbon vehicles (hybrids, plug-in hybrids and electric) exceeding 30% by 2023;
- Europcar Mobility Group's sustainable mobility ambitions are now subject to a systematic approach to reducing carbon emissions, which includes all of the Company's key processes. In line with this ambition, in September 2021 the Group launched a €500 million sustainability-linked bond issue to refinance its fleet on the basis of "green" criteria. Along with the transformation of the Group's business model, the use of sustainable financial instruments acts as a powerful driver of engagement for the Group's stakeholders. The objective of this bond issue is to proactively manage fleet-related debt in relation to the €1.7 billion securitization program, which was refinanced last June. This objective was fulfilled on the basis of strong, sustainable performance targets: 1) the gradual reduction in emissions from the Group's rental fleet, to reach average emissions of 93 g CO_2/km for cars and 144 g CO_2/km for trucks by the end of 2024, 2) to ensure that 20% of this rental fleet are "green" vehicles by the end of 2024 (average emissions below 50 g CO_2/km). VE (Vigeo Eiris, a subsidiary of Moody's) provided the "Second Party Opinion" for this transaction, assessing the relevance of the sustainable performance indicators chosen by the Group as well as the ambitious nature of the related objectives, also issuing the "Advanced" rating for both. These two transactions (the refinancing of the SARF and the Sustainability-Linked bond issue – the first of its kind for Europcar Mobility Group and the first in the vehicle rental sector) were a success. Even though the Group complies with all the laws and regulations to which it is subject, Section 2.5.1.3 "Risks related to environmental and health and safety rules" of this Universal Registration Document notes that international law-making and regulatory bodies have historically contemplated – and are likely to continue contemplating – numerous measures related to greenhouse gas emissions and climate change. If rules designed to cap emissions or tax the companies seen as responsible should come into force, it could affect demand for the Group's services and the vehicle fleet and/or other costs could rise with adverse implications for its results of operation and financial position.

2.6.3 Insurance

In the course of its business activities, the Group is exposed to three main categories of risk requiring insurance coverage: (i) automobile-related civil liability, (ii) damage to property (vehicles owned by the Group) and (iii) the risks related to its business activities (excluding the automobile fleet).

A dedicated Insurance Department oversees in a centralized manner the insurance strategy of the Group's fleet as well as the other business-related risks management processes. This centralized management is carried out in connection with dedicated personnel located in each Corporate Country. The Group does not manage insurance covering its franchises, which remains their own responsibility in accordance with the terms of the standard franchise contracts implemented by the Group.

The Group is required to analyze the insurance coverage for recently acquired companies, ensure that the risk management and insurance strategy is adequate, and that all the necessary insurance policies required for the business are in place. When insufficient guarantees are identified in a newly acquired entity, it may take several months before adequate insurance policies, compliant with the Group's risk management strategy, become effective for the recently acquired entity.

Once this analysis has been completed and the deficiencies rectified, the Group will study the option of replacing the acquired company's insurance coverage by its own policies.

In countries in which the Group operates, it is generally required by liability laws to purchase insurance covering its risks related to motor liability against bodily injury and accidental death or property damage caused by its customers to third parties and resulting from the use of its vehicles, whether they are owned, rented or loaned. If these vehicles are not insured by the Group, they cannot be put into circulation. As a result, coverage of the Group's motor vehicle liability is critical for the running of its business.

2.6.3.1 Motor vehicle liability

Europrogramme (Belgium, France, Germany, Italy, Portugal, Ireland, United Kingdom, Goldcar France, Goldcar Italy, Goldcar Portugal, Buchbinder and GoCar)

To address the risk of its motor vehicle liability, the Group has implemented an insurance program in Belgium, France, (Europcar and Goldcar), Germany (Europcar and a part of the Buchbinder fleet), Italy (Europcar and Goldcar), Portugal (Europcar and Goldcar), Ireland (Europcar and Goldcar) and the United Kingdom, known as the "Europrogramme." Europrogramme is a corporate insurance program whereby each subsidiary operating in the countries participating in the program can benefit from motor vehicle liability insurance coverage through the local AIG Europe Ltd branch (AIG) in the country in which the subsidiary operates.

Under the Europrogramme, third party claims – or the share of third party claims related to motor liability – up to €500,000 per claim, are "self-financed" through various schemes (Deductible fund, Loss Retention agreement and a reinsurance captive within Euroguard Protected Cell, PCC). In this case, AIG covers third parties, under local insurance policies purchased by the Group's subsidiaries, and then recovers sums up to the amount of €500,000, from Europcar or Euroguard. This threshold is €1,000,000 for vehicles in the Buchbinder fleet.

The share of claims triggering the Group's motor vehicle liability that exceeds the threshold of €500,000 per claim (€1,000,000 for the Buchbinder fleet respectively) is transferred to AIG. The maximum coverage provided for by the insurance policy, including the amount of €500,000 per claim that is borne by the Group, as described above, is at least €100 million per Europrogramme member country – £85 million in the United Kingdom – and, in certain countries, may exceed this amount when required by local legislation.

In 2021, the Europrogramme was renewed biannually to limit the financial compensation required to implement self-financing.

Spain

Europcar Spain's motor vehicle liability is not covered within the Europrogramme. It is insured through a standard risk transfer policy from Allianz Spain since January 1, 2009. This insurance policy was renewed for three years on April 1, 2018 with an extension until the end of February 2022. From March 2022, Allianz Spain will be replaced by FIATC with the same risk transfer model. The overall limits of this policy are €70 million for bodily injury and €15 million for property damage, which may be increased under certain conditions with additional coverage of €50 million ("Coverage").

Australia and New Zealand

The motor vehicle liability risks to which the Group is exposed as a result of its operations in Australia and New Zealand are covered by the mandatory "Third Party Bodily Injury" regime administered by the State and automatically purchased when a vehicle is registered. It is combined with an "Own Damages" policy covering the market price for vehicles worth over AUD 50,000 and a "Third Party Property Damages" policy. A surplus must be paid for all claims amounting to AUD 20,000 and a ceiling of approximately AUD 30 million (approximately €20.5 million). Effective May 1, 2015, the insurance policy became QBE and was renewed in 2021 for one year.

Denmark

Europcar's automobile-related civil liability risks that fall outside Europrogramme are covered by a local insurance policy taken out with the Company TRYG. This policy is renewed at an annual frequency.

Under this policy, TRYG indemnifies third parties for personal injury and damage to property.

Goldcar

Goldcar vehicle fleets are insured in each country by the same insurers as Europcar vehicles, i.e. the Europrogramme in France, Italy, and Portugal and Allianz in Spain.

Under this policy, Goldcar indemnifies third parties for bodily injury and property damages.

Buchbinder

Europrogramme covers a part of Buchbinder's liability for vehicles. The other part is covered through stand risk transfer policies in the various countries.

Policies are renewed annually and stipulate the premiums and expenses to be paid by Buchbinder to receive this coverage.

Finland/Norway

Europrogramme does not cover the liability of Finland and Norway for vehicles. They are insured via standard risks transfer policies in the various countries. It must be noted that Norway has a vehicle damage insurance program (casco).

Policies are renewed annually and stipulate the premiums and expenses to be paid by these countries to receive this coverage.

Ubeeqo

Europrogramme does not cover Ubeeqo's liability for vehicles, except for Italy, the United Kingdom and Ireland (GoCar), which has been covered by Europrogramme since June 2019. Ubeeqo is insured via standard risks transfer policies in the various countries.

Policies are renewed annually and stipulate the premiums and expenses to be paid by Ubeeqo to receive this coverage.

Under this policy, Ubeeqo indemnifies third parties for bodily injury and property damage.

Fox Rent A Car

Europrogramme does not cover the liability of Fox Rent A Car for vehicles.

Fox Rent A Car's third-party motor liability is covered by an insurance captive (KEOKA Insurance) owned by Fox Rent A Car. This captive is managed and reinsured by a subsidiary of Zurich American Insurance Company, Empire Fire and Marine Insurance Company. This third-party motor liability covers the compulsory insurance part in each State and offers additional coverage (up to €1 million).

Under this policy, Fox Rent A Car indemnifies third parties for bodily injury and property damage.

Factors affecting the increase in motor third party liability costs

For the fiscal year ended December 31, 2021, the total cost (including the share of "self-financed" risks and premiums) of the Group to cover its risks and mainly its motor liability risk (Europrogramme, Spain, Australia and New Zealand, Goldcar and Buchbinder, Finland/Norway, Ubeeqo and Fox Rent A Car combined) was €122 million, of which €86 million for the countries belonging to Europrogramme, which corresponds to the coverage of "self-financed" claims by the Group, the insurance premium of the AIG excess layer, claims management fees, administrative and brokerage fees as well as related taxes. The average claims maturing time during which the costs of claims are borne by the Group is approximately three years. Liability insurance is by nature long-tail insurance and the most severe claims may remain active for several years, or even a decade or more in extreme cases. Motor liability insurance cost, stated on a comparable basis (per rental day) have historically trended both upward and downward, reflecting (i) the cost of the market capacity in terms of motor liability insurance and (ii) the Group's own motor liability claims record, these two factors being significantly influenced by the availability of insurance capacity on the market and increases in property damage claims and especially severe bodily injury claims (cases of death and disability). The Group believes that these two factors will continue to influence insurance costs in the future.

The aim of the Group is to incorporate its non-Europrogramme countries and acquisitions into the Europrogramme and to harmonize the different self-financing levels.

2.6.3.2 Property damage – vehicles owned by the Group

In most countries in which the Group operates, the Group does not insure the property damage to its vehicles and is taking the charge related to the risk of damage to its fleet. Over the long run, the Group considers that insuring property damage to its fleet and theft of vehicles would be greater than or equal to actual costs of damages and theft. The Group's rental agreements generally stipulate that the customer is, subject to certain exceptions, responsible for any deterioration or damage (including damage as a result of theft) to the rented vehicles.

The cost of damages to the Group's vehicles for collisions in which third parties are not involved, the cost of damages to the Group's vehicles for which the Europcar driver is responsible and the cost of stolen or missing vehicles, as well as damages caused to the Group's property, are expensed as they are incurred. For the fiscal year ended December 31, 2021, expenses related to damages caused to the fleet (including repair work) and to the loss or theft of vehicles amounted to €93.7 million.

The cost of damage to property or of theft not insured by the Group is partly offset by (i) proceeds from the sale of damage or theft waivers and (ii) the recovery of deductibles that remain applicable (see Section 2.6.3.4 "Optional coverage offered to customers" below).

2.6.3.3 Risks related to the Group's business (excluding its fleet)

In order to manage other risks related to the Group's business, or to comply with applicable laws, the Group has purchased and implemented other insurance programs, including a general liability insurance program, an environmental liability insurance program, an employer's practice liability insurance program related to employment practices, an insurance program covering fraud and misconduct, a Directors and officers liability insurance program, a terrorist event insurance program covering direct damage to one of its facilities, a cyber risk insurance program, and a property damage and loss of earnings program.

These insurance programs have been purchased from non-affiliated insurance companies for amounts deemed by the Group as reasonable given its risk profile, and secured terms and conditions considered by the Group as reasonable.

The Company has purchased a specific Directors and officers insurance program for the Company's executives and major shareholder in order to cover certain risks related to the Initial Public Offering. It covers, in particular, defense and investigation fees, damages and interest, as well as insurable fines and penalties related to claims filed by the Company's new shareholders and proceedings initiated by the relevant stock market authorities following non-compliance with applicable regulations. This insurance policy took effect as of the date of the admission to trading of the Company's shares on Euronext Paris for a six-year term.

Any increase in claims or the potential failure by the Group or its subsidiaries to renew its insurance contracts under terms and conditions that are at least as favorable could have a material adverse effect on the Group's business, results from operations and financial position.

2.6.3.4 Optional coverage offered to customers

Damage waivers in the event of damage without third-party implication or theft

The Group generally proposes ancillary products to its customers, such as partial waivers, damage and theft protection, deductible buy-back products by virtue of which the Group waives or limits its right to hold its customers financially liable for damage to the vehicle or losses to the Group. The purchasing this type of product transfers, for an additional fee or premium, the customer's total or partial cost liability to the Group.

Protection against costs related to flat tires, broken windshields and headlights

The Group proposes a product that covers the customer's financial liability in case of a flat tire, a broken windshield or a broken headlight during the ordinary use of the rented vehicle.

Personal insurance (Personal Accident Insurance ("PAI") and Super Personal Accident Insurance ("SPAI"))

The Group proposes insurance products that allow occupants of its vehicles or their beneficiaries to receive lump sum indemnities in the event of accidental death or permanent disability following an accident occurring during the rental period. These products also contain a "medical expenses" clause.

Such indemnities will be granted in addition to the compensation received by passengers considered third parties by the mandatory motor liability insurance regime and by a not-at-fault driver of the vehicle rented from the Group.

In the event where the driver of the vehicle rented from the Group is at fault, and as a result not covered under the mandatory motor liability insurance regime, insurance offered by the Group represents the driver's sole source of compensation (excluding a social security regime or insurance purchased elsewhere by the individual for personal use).

These three broad categories of products are available in sales agencies and from Europcar's website. The Group has taken out PAI and SPAI coverage with a leading market insurance company. The program has been standardized for the majority of Corporate Countries for greater clarity for customers.

Any Group change in the legal or contractual conditions enabling the proposal and sale of these services, or the potential failure by the Group or its subsidiaries to propose them for sale to its customers or under less favorable terms and conditions could have a material adverse effect on the Group's business, results from operations and financial position.

2.7 ETHICS AND COMPLIANCE PROGRAM

The Group has developed a comprehensive Compliance and Ethics program (Compliance program) comprising a range of ethical principles, a structure covering the entire Group, and a multiannual action plan.

Ethics Code

Europcar has developed a concrete and detailed set of ethical principles defining the professional behavior expected of the Group's representatives and employees. These principles are now included in the Code of Ethics and Commitments available on the Group's website under the Share our business ethics section: https://europcar-mobility-group.com/group/strategy. After review by the Management Board, the Code of Ethics and Commitments became effective on January 25, 2016. This code was updated in December 2021 and entered into force on January 1, 2022. The purpose of this change was to include a statement from the Chief Executive Officer, to append the new anti-corruption guide to the Code of Ethics, and to specify, within the meaning of the Code, the references of the ethics whistleblowing system to ensure that it is circulated to all the Group's stakeholders, including those external to the Group.

This Code is based on several international guidelines to which Europcar adheres in particular the United Nations Universal Declaration of Human Rights, the European Convention on Human Rights, various conventions of the International Labour Organization, and the OECD Guidelines for Multinational Enterprises.

Through its Code of Ethics and Commitments, the Group commits to adhering to 12 major commitments to its various stakeholders:

a) to its customers and consumers:
   - communicate clearly and openly on the terms of access to the services (legal terms, rates),
   - ensure the security and confidentiality of data;

b) to its employees:
   - safeguard the health and safety of employees,
   - promote equal opportunities within the Group,
   - enable its employees to feel a sense accomplishment at work,
   - encourage positive work relations and freedom of expression;

c) to its industrial and commercial partners:
   - select industrial and commercial partners that can guarantee compliance with basic labor rights in their respective countries, in particular those defined by the International Labor Organization,
   - ensure mutual respect of the principles of loyalty in all industrial and commercial relations,
   - prevent all forms of active or passive corruption;

d) to the stock market:
   - promote its success and act in ways that respect its shareholders, to gain their confidence. As a result, Europcar attaches great importance to the quality of information and ensures reliable and transparent communication with all its stakeholders,
   - prevent insider trading and unjustified use of confidential or privileged information;

e) To the environment:
   - minimize the environmental footprint of its activities while ensuring compliance with environmental regulations by reducing the pollution caused by its services and infrastructures, and by limiting its consumption of energy and raw materials.

Overall, through these 12 commitments, the Group has defined 48 concrete commitments.

The Ethics Code is communicated to all Group employees and has been shared with the various Europcar stakeholders. In 2021, the anti-corruption guide put in place to respond to the anti-corruption component of law No. 2016-1691 of December 9, 2016, known as "Sapin 2," was revised following the completion of the Group's anti-corruption risk map.

Compliance structure

Europcar compliance is based on a three-tier pyramid structure:

- the Chief Executive Officer, who is responsible for overseeing the Group's Compliance Program;
- the Compliance Committee, which is responsible for monitoring the Compliance Program and its control at Group level;
- the Group Compliance officer and local Compliance officers.

The Compliance Committee must meet once a year, and comprises the following managers:

- Company Secretary (Chairperson);
- General Counsel;
- Head of Economic law;
- Group Director of Internal Audit, internal control and Risks Department;
- Group Human Resources Director;
- Compliance officer, Northern Europe and USA;
- Compliance officer, Southern Europe;
- Compliance officer of the Vans & Trucks BU;
- Group Compliance officer, acting as Secretary of the Committee.

The Compliance Committee is tasked with monitoring and controlling the Compliance Program at Group level, and in particular:

- issuing advisory opinions to the Chief Executive Officer on Compliance-related topics, to enable it to make decisions;
- proposing the rules of conduct and the Compliance Program for the Group to the Chief Executive Officer, on which the Management Board decides and votes, unless these duties are delegated;
- regularly reviewing Compliance Program in light of the latest developments in published government guidelines and the organization's needs, as well as laws, regulations and procedures enacted by the government;
- defining the actions to implement the multiannual plans at all levels;
- reviewing the annual compliance reports submitted to the Chief Executive Officer;
- examining and managing alerts.

The Group Compliance officer and the local Compliance officers

The Group Compliance officer, with the assistance of the local Compliance officers, ensures the proper execution and implementation of all decisions taken by the Group in terms of ethics and prevention of corruption.

The Group Compliance officer is appointed by the Chairman of the Group Compliance Committee with the approval of the Chief Executive Officer. The Group Compliance officer reports directly to the Group Compliance Committee and is responsible for issuing an activity report at least once a year. The Group Compliance officer examines cases of alleged non-compliance.

A regional Compliance officer is appointed in each Corporate Country. The incumbent will be mainly in charge of implementing the compliance program locally. The local legal Department will, over time, play the role of the local Compliance officer.

Multi-annual Compliance Program

The 2021 Compliance program established the procedures for:

- distributing the Code of Ethics to the entire Group and developing procedures to supplement it (particularly in terms of declaring gifts and invitations);
- coordinating the network of local Compliance officers;
- implementing a whistle-blowing procedure: the Group set up an Internet platform that can be used by anyone in the company or outside the company to report behaviors that are in violation of the Group's rules of ethics. These alerts are treated with the strictest confidence by the Group Compliance Office, who guarantees the anonymity of the whistle blower. Whenever an investigation proves necessary, the Compliance Committee will make a recommendation based on a detailed report. The Management Board will make the final decision on ensuing actions;
- preparing a map of all the Group's corruption risks, assessing and prioritizing net or residual risks; this map has been applied to each of the Group's subsidiaries in order to identify the risks that apply at the local level and new risks that may arise in connection with specific situations or geographies. These new risks were then consolidated into the Group's risk map;
- developing training programs across the Group using components of the Compliance program *(in 2021, special attention was paid to the third-party assessment procedure, known as the "due diligence procedure");*
- assessing the performance of officers, heads and managers on the dissemination and observance of the Europcar Compliance Program;
- assessing new third parties with which the Group is dealing (B2B customers, franchisees, partners or suppliers) in order to verify whether they appear on an international sanction list and their level of diligence in terms of ethics and compliance.

In December 2021, the multiyear Compliance plan was updated for 2022.

Control and corrective measures

Any significant deviation from the Group's compliance rules will trigger an investigation to determine its cause. If it is found that the deviation was caused by irregular procedures or poor understanding of the rules, Europcar will take swift action to rectify the problem.

In case of reported or suspected non- compliance, the Group Compliance officer will rapidly take measures to investigate the behavior in question to determine whether or not a breach of the applicable law or the requirements of the Compliance Program has occurred.

In such a case, the Group Compliance officer will determine the measures to be taken to rectify the problem and will present their report to the Group Compliance Committee and the Chief Executive Officer for approval.

2.8 INTERNAL CONTROL PROCEDURES

The principles and working methods of the internal control systems are for the Group and the operational entities that fall under the Group scope of consolidation.

Furthermore, the internal control system applies to the entire Group (parent company and subsidiaries) irrespective of whether management has decided to carry out operating activities directly or via external service providers.

The Group has based its internal control system on the COSO Standard, developed and disseminated by the Committee of Sponsoring Organizations of the Treadway commission.

2.8.1 General organization of internal control

The primary actors in the internal control process are as follows:

a) the Audit Committee, in accordance with its duties defined in the French Commercial Code, ensures the relevance, reliability and implementation of internal control procedures and the identification, hedging and management of the Group's risks in relation to its activities and the production of accounting and financial information. In particular, the Committee interviews the Group Director of Internal Audit, internal control and Risks, and examines the risk map. It is regularly informed of the results of the internal control self-evaluation process. In addition, the Committee gives its opinion on the organization and resources of the Group Internal Audit Department and is informed of its audit program. It receives a periodic summary of the Internal Audit reports;

b) The senior management is ultimately responsible for risk management and internal control and relies in particular on:

- the financial departments of the operating entities,
- the operating and functional departments;

c) the Internal Audit Department of the Group Internal Audit, internal control and Risks Department, whose purpose is to facilitate the assessment, monitoring and improvement of all Group internal control systems at the Headquarters, Country and Station levels. It uses a Group internal control manual and an annual self-evaluation process which covers all of the Group's operations and entities.

   The Group Internal Control Department also relies on documents and rules that structure critical processes and are mandatory for all members of staff:

   - the Group's values, setting out its commitments toward customers, staff and shareholders, and outlining the principles on which the actions of senior management are based,
   - the rules common to all Group entities are enacted by the Supervisory Board and the Management Board. These rules stipulate the measures applicable in the following instances:
     – delegations of authority applicable to Group executives and corporate officers,
     – investments and commitments given (such as bonds, endorsements and guarantees),
   - harmonization of financial processes currently underway through the setting up of a unified IT system used by most entities,
   - an internal control manual (titled "Emergence") – fully updated in fiscal year 2016, and updated annually since then – covering all functions and processes and adapted to the operational risks in stations.

   A network of appropriately trained local correspondents (internal control Coordinators) coordinates the control systems defined by the Group in the various countries and subsidiaries;

d) **the Group Internal Audit, internal control and Risks Department**, which reports to the Chief Executive Officer and has direct access to the Audit Committee. This link between Internal Audit and senior management is supplemented by continuous access to and cooperation with the other members of the Group Executive Committee.

   The Group Internal Audit, internal control and Risks Department is composed of a Director, a manager, and two internal auditors, and is supported by a network of local correspondents. They:

   - design, execute and monitor the annual Internal Audit plan,
   - run the assessment, monitoring and improvement process for all of the Group's internal control procedures,
   - assess risks by undertaking an annual Group risk mapping exercise, and monitoring the ensuing action plans,
   - contribute to compliance with the Group's rules, in particular in the stations, and recommend improvements to internal control,
   - manage the processes for the identification and prevention of fraud across the Group,
   - monitor the implementation of audit recommendations and high priority action plans.

The organization and the duties of the Internal Audit Department of the Group Internal Audit, internal control and Risks Department are defined in the Internal Audit Charter.

The Group Internal Audit, internal control and Risks Department defines and executes, either on its own initiative or on the initiative of senior management, an annual audit plan that includes the international franchise network, internal control audits and any other advice or assurance assignment. It reviews the recurring internal control self-evaluation campaigns. In addition, the Group Internal Audit Department reviews the audits performed in the various stations making up the Group's network.

This annual plan is approved by senior management; the Audit Committee expresses an opinion on this annual program.

Lastly, the Group Internal Audit Director reports to the Chief Executive Officer and to the Audit Committee on the progress of the annual audit plan and on the state of progress of the recommendations issued by the Internal Audit.

2.8.2 Fundamental components of the internal control system

The architecture of the internal control process is based on a three-level structure:

a) the first control level applies to each staff member and their superiors according to their explicit responsibilities, the procedures applicable to their functions, and their communicated instructions;

b) the second control level applies to managers, independently of the actions controlled. It may also apply to staff employed in an operating, support or control capacity;

c) the third control level applies to the Group Internal Audit Department, which constantly monitors the effective application of the first two control levels defined above.

It depends on the following key elements:

Internal control procedures relating to information systems

The Group's Information Systems Security Department defines, implements and improves the IS security policy roadmap. It initiates and coordinates risk reduction projects in its domain.

The Group Information Systems Security Manager (ISSM) reports to the IT Infrastructure and Operations Director, who reports to the Chief Product & Technology officer and has a functional link with the Corporate Secretary. The ISSM coordinates the security-related operations with the support of a central team composed of nine persons.

The IS security systems roadmap is updated in February each year and presented to the Audit Committee. It takes account of the assignments that the Group's Internal Audit Department is tasked with, the results of the self-assessment of IT controls, feedback on incidents, the Group risk map and any external studies. The IS security roadmap present a consolidated overview of action plans drawn up according to standards, following the five-point recommendation: identify, protect, detect, respond and restore. The development of threats is thus taken into account when updating security and risk-mitigation measures.

Fraud prevention, and fight against corruption and money-laundering

The Group Internal Audit, internal control and Risks Department oversees fraud identification and prevention processes for all Group activities, in liaison with the Compliance officer.

Risks related to operations of the Group's international franchisee network are subcontracted to an external audit firm, overseen by Group Internal Audit. At times, external auditors are called upon to cover certain business sectors with respect to technical issues that cannot be covered internally.

Internal control evaluation process

The internal control evaluation process is based on two complementary tools:

- the "Emergence" internal control manual;
- the internal control self-assessment tool.

The "Emergence" internal control manual

Entirely reworked in 2016 and updated each year since, the manual has adopted an instructive and pragmatic approach. This manual covers financial reporting procedures, operational monitoring (e.g. the administration of contracts, franchisees), functional monitoring (e.g. Legal, Purchasing, Human Resources) and Group governance. It is regularly updated with newly implemented control systems directly related to the new risks and opportunities addressed by the Group. Each subject concentrates on the ten key controls to be applied across the Group, in relation to the risks and existing main procedures.

The internal control self-assessment tool

The internal control self-assessment tool covers all topics addressed in the "Emergence" manual. Examples of best practice have been defined for each control and a maturity scale (from 1 to 4) enables very precise and objective results to be achieved during the self-evaluation process.

The 2021 annual self-evaluation campaign was carried out using a specific IT tool (GRC) whose functional scope encompasses internal control and Internal Audit activities. It covered the countries, the Shared Services Center, the holding company, the Group functions and new acquisitions. The players involved in the self-evaluation campaign are both at headquarters and in the countries. They are supervised by the Group Internal Audit, internal control and Risks Department. The results from the self-evaluation are reviewed by Internal and External Audit. Plans for improvement are initiated by the operations managers, validated at the Country level and monitored by the Group Internal Control Department. The Audit Committee is informed of the results of the self-evaluation campaign and the improvement plans.

2.8.3 Internal control procedures regarding the preparation and processing of financial and accounting information

Organization and responsibilities in the production of accounting and financial information

The chief generators or auditors of accounting and financial information fall under the Group Finance department and are as:

- the Group Accounting Department;
- the Group Management Control Department;
- the Group Tax Department;
- the Group Treasury;
- the Shared Services Center, covering many of the accounting processes and the Group's various Corporate Countries;
- the Group Financial Communications Department.

Control environment related to the reliability of accounting and financial information

The reliability of accounting and financial information relies on the following steering elements:

- a three-year strategic plan, coordinated by the Finance department, with the support of the operating departments; every year, this plan is used to set the Group's main areas of strategic focus and the annual budget objectives that reflect that focus. It is validated annually by the Supervisory Board;
- the annual budgeting process: this process, spearheaded by the Finance department and implemented by Group senior management control teams with the support of all operating departments, focuses on operational financial aggregates. The financial elements of the budget are consolidated month by month using the same tool as that used for consolidating actual results with a comparable degree of detail. This enables immediate comparisons of monthly operating financial aggregate performance with budgeted targets;
- three latest forecasts per year: these forecasts focus on the same financial aggregates as the annual budget and thus employ the same consolidation methods in the same system with the same level of granularity. These forecasts are normally produced in March, June and September and rely on the actual results for months already closed. They provide estimates for the months remaining until the end of the fiscal year in question so that comparisons can be made between the year under review and annual budgetary objectives. These forecasts are reviewed by the Management Board; on account of the Covid-19 pandemic, in addition to 2+10, 5+7 and 8+4 forecasts, a weekly forecast review process was implemented during the first wave, and since then a monthly forecast process has been implemented across all countries in order to monitor the Group's key financial aggregates;
- complete monthly closings (full balance sheet, consolidated income statement, net profit and cash flow) are recorded and consolidated in the same manner as annual and half-yearly closings in the consolidation tool;
- monthly performance review meetings: led by the Chief Executive Officer, these are carried out with all countries and are attended by the members of the Executive Committee, the Group Financial Controller, and the Group Fleet Director. The functional departments are themselves subject to review by the Executive Committee. Performance and margin analyses are conducted with a view to understanding the month's main performance drivers, and to defining action plans for the months to come; owing to the Covid 19 pandemic, once the forecasts are produced, meetings are held with each country every two weeks to establish action plans.

Procedures for the drawing up of accounting and financial information

Accounting and financial information is obtained through a rigorous process based on:

- **a common standard and documentation of the main Group accounting rules:** the financial statements are prepared in compliance with the IFRS; these standards are disseminated throughout all the Corporate Countries through the Group Accounting Manual and supplemented by specific instructions. Moreover, the above-mentioned internal control manual includes the different processes affecting the production of financial information (e.g. closing, cash, payroll, purchasing, sales, fixed assets, IT and consolidation);
- **a unified information system:** for the most part, the Group uses the ORACLE accounting tool and the GREENWAY project management tool for all operations, with the exception of Australia, New Zealand, and the recently acquired companies and trademarks (Ireland, Denmark, Buchbinder and Goldcar, Finland, Norway and Fox). In most subsidiaries in the Corporate Countries, operational and financial flows are managed using ORACLE;
- a reporting and consolidation software package and an ORACLE chart of accounts aligned with the reporting tool: financial information is collected and consolidated in the ORACLE/SAP FC system for all financial reporting (budget, forecasts, monthly, quarterly, half-yearly and annual actuals). The use of a single tool ensures

consistency between internal steering and external communication;

- consistency checks and analyses carried out on financial information: automatic checks in the reporting tool, detailed activity reviews by the Group's Management Control teams, and specific analyses (e.g. scope of consolidation changes, exchange rate effects and non-recurring transactions) by the Accounting Department ensure the proper control of financial information produced;
- a formalized process for the collection, analysis and control of other information published in the Group's annual documents (e.g. Universal Registration Document).

2.9 LEGAL AND ARBITRATION PROCEEDINGS

The Group is involved in a number of legal, regulatory and arbitration proceedings in the ordinary course of its business. Under accounting standards applicable to the Group, a provision is recorded in the balance sheet when the Group is exposed to a risk of conviction, is liable for an obligation resulting from a past event, when it is possible that economic resources will be needed to satisfy the obligation and the amount of said obligation can be reliably estimated.

At the date of this Universal Registration Document, the Group is not aware of any legal, regulatory or arbitrage proceedings other than those mentioned below, that might have or have had in the last twelve months a material adverse effect on the Company's or Group's financial position or results.

Goldcar Rentals Italy S.r.L. and Goldcar Spain S.L.U.- Italian Competition Authority (AGCM)

In November 2016, the ICA (the Italy Competition Authority) imposed a fine on Goldcar Italy S.r.L for "unfair commercial practices" (specifically relating to allegations of high pressure sales techniques, opaque policies relating to fuel and damage repairs) following legal proceedings begun in February 2016. The €2 million 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 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 hearing was held on November 4, 2021, and on December 6, 2021, the CDS handed down a ruling rejecting Goldcar's appeal in relation to fuel invoicing. Nevertheless, it overruled the TAR's ruling for all other grounds and thus cancelled the fines totaling €2,380,000.

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 ICA ruled against Goldcar and ordered it to pay a fine of €3,400,000 for noncompliance 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 2022.

Leicester City Council Trading Standards Services investigation

On June 23, 2017, the Leicester City Council Trade Services Investigation Department opened an inquiry into Europcar UK for a breach of regulation 9 of the Consumer Protection from Unfair Trading regulations 2008, based on allegations according to which: Europcar UK (i) had billed its customers, without their consent, repair costs for damage caused to vehicles in cases where the damage was contested, and (ii) had billed excessive amounts, over and above the actual cost of the repairs. Europcar UK is cooperating with the authorities in charge of the inquiry. Together with the commercial practices inspection services, Europcar UK has drawn up the list of documents that the Company is required to submit and has appointed Deloitte to handle the matter. The results of the inquiries carried out by Deloitte were presented to the Trade Services Investigation Department in November 2018.

The Leicester Trade Services Department's investigations are in progress and the Group continues to fully cooperate with the authorities.

In its financial statements as of December 31, 2017, the Group recorded a provision of £38 million (€43 million) in non-recurring expenses (see Note 10 "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 Universal Registration Document – see Universal Registration Document filed with the AMF for 2018).

This amount corresponded to the Group's best estimate, at this very early stage of the investigation, based on a number of assumptions, including an assumption that the charging practices are misleading under Article 9 of the 2008 Consumer Protection Act on Unfair Trading and potentially inappropriate behavior when charging repairs costs to consumers.

On the basis of the items analyzed at that date, the Group decided to retain the provision of £38 million recognized at December 31, 2021.

Fire in a parking lot in Paris: criminal proceedings and civil liability claims (insurance)

On November 12, 2014 a fire broke out in a Europcar garage located at 88, Rue de la Roquette, Paris. The fire destroyed all the 77 vehicles parked in the garage (€1.1 million net damages cost already accounted) and damaged the structural integrity of the building. The Public Prosecutor opened a criminal investigation (the criminal proceedings). At the same time, Europcar France and its insurer, AIG EUROPE Limited, commenced legal proceedings against 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 Judicial Court of Paris to request the appointment of an expert to determine the cause of the fire and assess the damages suffered by each party (civil proceedings). The criminal proceedings was dismissed by the investigating magistrate on November 24, 2016. The decision to close these proceedings was based on the fact that the judicial inquiry failed to determine the cause of the fire and the expert assessment ordered by the investigating magistrate indicated that it is likely that the fire was caused by an electrical fault in a vehicle. The expert report commissioned in the civil proceedings is still in progress. Europcar France has brought an action for professional civil liability against the experts referred to in these proceedings. ALLIANZ I.A.R.D. brought a suit against Europcar France and AIG before the Nanterre Commercial Court on the basis of the law of February 5, 1985. Allianz is seeking a conviction and the payment of a €3,902,743.37 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 July 2020, Europcar's civil liability claim against the experts was dismissed by the Paris Judicial Court. Europcar appealed the decision. There were no new events in the course of the 2021 financial year.

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 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 served with a summons. It is, however, possible that the plaintiff will also sue Charterer Fuhrpark Service GmbH when the details of the asset sale become known. Initially, the plaintiff was acting solely on behalf of the vendor, Robben & Wientjes. Carpartner Nord GmbH's defense against this lawsuit is that it did not enter into a brokerage agreement with the defendant. The defendant alleges that a €530,000 brokerage agreement was signed (4% of €9.5 million plus €150,000). 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 and the arguments were dismissed. On May 4, 2021, the Nuremberg Higher Regional Court (court of second instance) quashed the appeal. On this basis, the plaintiff Mueller withdrew their appeal and is awaiting the court's rulings regarding costs incurred. As at December 31, 2021, the matter is closed.

Litigation against GEFION relating to Charterline's vehicle insurance coverage

In 2018, Charterline Fuhrpark Service GmbH entered into a fleet insurance agreement with GEFION (liability and damage) for up to 16,058 vehicles. GEFION ceased to honor damage claims and withdrew from the contract in February 2019. Charterline was therefore forced to terminate the contract in February 2019 and had to offset those claims that had not been paid out by cancelling the payment of premiums to GEFION for the period from February 2019 to December 2019. In the meantime, Charterline filed 321 individual claims with the Bad Kreuznach Regional Court at the end of June 2019, totaling €620,000. To date, more than 13,000 damage claims have yet to be honored (including those brought before the court). GEFION filed a counterclaim requesting termination of the insurance contract and ergo the reimbursement of all insurance claims already paid out to Charterline. On April 3, 2020, the court dismissed all of Charterline's arguments, ruled that the framework agreement was null and void, and requested the reimbursement of all insurance claims paid out. An appeal was then filed. The hearing at the Koblenz Higher Regional Court took place on March 31, 2021. The court quashed the first ruling and dismissed GEFION's requests. The parties are awaiting the Supreme Court's decision as to whether to accept the case, on the basis of GEFION's non-admission plea. As at the date of the closing of the financial statements, proceedings are still ongoing.

Notification by the Bavarian DPA of a security breach on a Buchbinder server

On January 20, 2020, the Bavarian DPA notified Buchbinder of a security breach on one of the backup servers hosted and maintained by its service provide. The breach was identified and rectified immediately, and customers were immediately informed via the press on January 24, 2020. On December 31, 2021, the Company has received a closing letter from the competent authority; the dispute is therefore closed.

Labor disputes

The Group faces individual disputes related to dismissals on personal grounds as well as individual disputes in the ordinary course of business. The Group also faces individual disputes for dismissals on economic grounds in the context of internal reorganizations carried out in prior years, as well as individual or collective disputes relating to reorganizations.

Litigation with ten former employees

The Group is defending proceedings for interim relief brought before the Rambouillet Labor Tribunal (Conseil de prud'hommes) in which ten employees and their union are challenging the automatic transfer of their employment contracts following the transfer of APS GreenWay's business from the Group to an IT services provider.

The Group was summoned before the Rambouillet Labor Tribunal (Conseil de prud'hommes) by 24 of the 33 former Greenway employees (IT Department) and their trade union on two grounds: (i) for the lack of information provided during the information and consultation procedure concerning the transfer of Greenway's business to a service provider, and (ii) for questioning the assessment of this business as an economic and social entity.

On June 24, 2015, the Tribunal dismissed the employees' demands. The latter appealed before the Court of Versailles. The appeal was heard on February 9, 2016. On April 12, 2016, the Court confirmed compliance with the information and consultation procedures and invited the parties to file a suit based on the merits, by reversing the decision on the recognition of economic entity.

Eight of the twenty-four employees filed a suit with the Rambouillet Labor Tribunal (Conseil de prud'hommes de Rambouillet), which, in a ruling handed down on September 10, 2018, dismissed all of the employees' demands; the latter filed an appeal on October 8, 2018. At the same time, an action by two protected employees was underway at the Administrative Court on the same grounds.

The initial hearings of the eight employees, scheduled for May 2020, were postponed to June 14, 2021 on account of the Covid-19 pandemic. The plaintiffs have since abandoned proceedings and the dispute is closed.

Labor dispute for unfair dismissal

In February 2020, a case was brought against the Group for unfair dismissal by a former Director in the Landgericht Regensburg and the Landgericht Hamburg Courts. The initial hearing took place on December 1, 2020 before the Landgericht Regensburg Court, and continued in 2021 in the Landgericht Regensburg Court and the Landgericht Hamburg Court. The parties reached an agreement and this dispute is closed.

3

FINANCIAL AND ACCOUNTING INFORMATION

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The guidance presented in this chapter has been made as of April 25, 2022.

In this Universal Registration Document, the comparisons of figures between fiscal years 2020 and 2021 are made on the basis of reported data.

In this Chapter, as in the Registration Document, and unless otherwise indicated, the comparisons of figures from fiscal years 2020 and 2021 with the fiscal year 2019 do not include restatements for acquisitions and disposals completed in 2019 (acquisition of Finnish and Norwegian companies and of Fox).

3.1 ANALYSIS OF THE GROUP'S RESULTS

Readers are invited to read the following information on the Group's financial earnings and position together with the consolidated financial statements for the fiscal years ended December 31, 2020 and 2021, as reported in Section 3.4 "Consolidated financial statements and Statutory Auditors' report for the fiscal year ended December 31, 2021" of this Universal Registration Document.

In this Chapter, the Group presents certain financial information and other data to make it easier for readers to understand the Group's business. In particular, the Group presents the adjusted corporate EBITDA indicator, which refers to current operating income before amortization and depreciation not related to the rental fleet and after deducting interest expenses on the debt used to finance the fleet.

Adjusted corporate EBITDA is not a recognized metric under IFRS and has no single generally accepted definition. The Group believes, however, that adjusted corporate EBITDA, which covers all costs relating to the rental fleet including depreciation expenses and interest expenses on the fleet, offers investors additional material information to measure the Group's performance, without distinction as to the method of financing the rental fleet. This aggregate is one of the Group's key aggregates used to track its performance (see the paragraph on "Adjusted Corporate EBITDA" in Section 3.1.2.2 "Analysis of the Group's results").

In this Chapter, the Group has identified certain impacts linked to foreign exchange fluctuations (primarily the pound sterling, the Australian dollar, the New Zealand dollar, the Danish krone and the US dollar) and has restated certain data for the fiscal year ended December 31, 2020 at constant exchange rates for the fiscal year ended December 31, 2021 in order to provide a more accurate picture of its performance.

3.1.1 General overview

3.1.1.1 Overview

In January 2017, the Group chose an organizational structure based on Business Units in order to better address the different markets in which it operates and offer a better response to the various mobility needs of its customers.

From 2020, in order to anticipate the post-Covid-19 crisis and within the framework of its "Connect" project, the Group decided to rethink its approach to its markets through three Services Lines, to serve the mobility needs of its customers better (see Section 1.4.2): the Leisure Service Line, the Professional Service Line and the Proximity Service Line.

In fiscal year 2021, the Group continued to monitor the performance of two Business Units, Cars and International Partner Development (formerly International Coverage) and Vans & Trucks. Within these two Business Units, revenue is analyzed through three Service Lines to obtain the best measurement of the adequacy of the offers for the mobility usages of customers.

3.1.1.2 Impact of the Covid-19 crisis and the macroeconomic situation

In March 2020, the vehicle rental sector, like all mobility-related sectors, was severely impacted by the Covid-19 crisis in a way that was unprecedented in the history of this industry.

Most of the States imposed travel restrictions during the first crisis, and then shut down a section or the entire country in order to reduce the effects of the pandemic. These measures caused a rapid collapse of air and rail traffic from the beginning of March 2020, which impacted activity in the "Leisure" Service Line, primarily in southern Europe. Corporate activity followed the same trend, with the cancelation of more events and the closing of many borders in Europe and North America.

During successive waves of the pandemic throughout 2021, the total or partial lockdown measures implemented primarily in Europe had the same effects on the Leisure and Corporate activities. The impact of this crisis was a change in consumer behaviors, some of which may last well after the pandemic (see Section 1.4.2).

The demand for vehicle rentals and, more particularly, the demand from the "Business" segment, is influenced by the macroeconomic situation of the countries in which the Group operates. Changes in gross domestic product, especially in Europe, may have an impact on the Group's business.

Demand is also influenced by changes in air and railway traffic and the factors underlying these changes, such as currency fluctuations or geopolitical events that can affect passenger flows and, as a result, demand from the "Leisure" customer segment (see Section 1.3.2 "Growth drivers and general market trends"). During the fiscal year ended December 31, 2021, agencies in airports directly operated by the Group and by agents represented 37% of the revenue generated by the Group's rental activities (versus 18% in 2020 and 47% in 2019) versus 63% for agencies outside airports, thanks to the Group's dense network. The Group also entered into important alliances and partnership agreements with several major airlines. Thus, a significant portion of the Group's revenue is correlated to the level of air traffic, which was hit hard by the Covid-19 crisis.

Finally, from the end of spring 2021, the shortage of semiconductors limited production for the main manufacturers of new vehicles in all the markets in which the Group operates, which therefore led to a shortage of supply on the vehicle rental markets, while demand was steadily increasing. This imbalance between supply and demand resulted in an increase in rental prices, particularly in the "Leisure" ServiceLine. It should be noted that the Group has received assistance from several countries in which it operates, especially in France where it received €10 million via "aide aux coûts fixe" scheme.

3.1.1.3 Main factors that can impact the Group's results

Certain key factors as well as certain past events and operations have influenced, and could continue to influence the Group's results. These factors include momentum in the vehicle rental sector and the attractiveness of the Group's services, macroeconomic conditions (particularly the vitality of tourism and the business sectors in general), the seasonal nature of the vehicle rental business, the effects of strategic programs and the evolution toward new mobility services, the Group's cost structure and operational efficiency, financial expenses, changes to the Group's scope of consolidation, and exceptional, exogenous factors, such as pandemics or terrorist attacks. A more detailed description of each of these factors is presented below.

Difficulties with semiconductor production

Following the Covid-19 pandemic, car manufacturers suffered from a low supply of semiconductors, leading them to limit their production and thus reducing the vehicle rental market's ability to renew its fleet, mainly in Europe and to a lesser extent in the United States. This context of limited fleet supply and the increased demand in 2021 compared to 2020 led to an upward price dynamic. The Group relies on its ongoing relationship with car manufacturers to ensure the renewal of its fleet; however, the Group has been affected by this phenomenon in all geographical areas in which it operates, particularly during periods of high demand (see Section 2.2.1).

New mobility solutions are increasingly sought by consumers

The mobility market is undergoing structural changes tied to technological advances and the resulting changes in consumer preferences and behaviors (see Section 1.3.2 "Growth drivers and general market trends"). This momentum in the sector is a source of growth opportunities for vehicle rental companies capable of focusing their investments on the products, services and technologies that they believe will have strong added value or will be widely accepted by consumers and for which they have or can acquire or develop the technical expertise needed to operate them. The Group draws on its extensive experience and its know-how in the vehicle rental sector to innovate and seize opportunities arising from new mobility trends. In 2020 and 2021, in the face of the various waves of the Covid-19 crisis, this sector had a certain resilience in meeting the needs for mobility alternatives to public transportation, which combined flexibility, safety and no contact.

Technological changes and changes to offers

Confronting technological changes that are modernizing the entire sector and the rapid changes in customer uses and expectations, Europcar Mobility Group designed its "Connect" program to rework the Group around the new needs and expectations of its customers: increased digital usages, new safety and contactless standards, the need for flexible services and an aspiration for new, more responsible travel modes that are more respectful of the environment.

The Vans & Trucks market demonstrated resilience in 2021, driven very specifically by the rapid expansion of e-commerce and last-mile delivery during the lockdown and social distancing periods. It remains relatively fragmented throughout Europe, although it shows the first signs of concentration. The operational specificities in this market differ significantly from those for the rental of passenger cars and low-cost services and require specialized expertise. The establishment of a dedicated structure for the Vans & Trucks Business Unit has allowed it to provide a more effective response to the market in terms of products and services. In this area, the Group decided into 2019 to focus its offering of light commercial vehicles and trucks at super-sites better suited to the BtoB sector, which is traditionally strong in this market.

Changes in demand in the segments was heavily impacted by the Covid-19 crisis from 2020 onwards

The Group believes that there is a growing trend among transport sector consumers to focus on either the premium or low-cost offerings. The Group believes it can leverage the established recognition of its leading brand Europcar® to develop new premium services (see "Europcar® Service Offering" in Section 1.6.2 "Europcar Mobility Group's brands and their services offer"). In addition, demand is also evolving towards the low-cost segment and small budget vehicles, which drives sector players to adapt the make-up of their rental fleets and develop new low-cost offers. With the acquisition of Goldcar® at the end of 2017, the Group positioned itself in the growing low-cost market. This low-cost market, primarily centered on leisure and tourism customers served through agencies located in airports was hit hard by the various lockdown measures, the border closings, and the quarantine measures.

Pricing dynamics. The vehicle rental sector is a competitive market and price is a key competitive factor. The Group seeks to capitalize on the density of its network, its sector expertise, its operational excellence and the recognition of its brands in order to enhance its ability to offer attractive rates in terms of the quality to price ratio of the services offered while improving its profitability. Supply and demand in the market impact both the Group's fleet utilization rate and its pricing position. During periods of high demand or when demand exceeds supply, the fleet utilization rate increases and the competitive pressure on prices falls. Conversely, a fall in demand or excess supply of vehicles over demand can exert downward pressure on prices in the context of available fleet management.

In 2021, price dynamics were characterized by supply that was higher than demand until early spring, as was the case during the first few months of the Covid-19 pandemic. This trend then reversed during the second half of 2021, with demand higher than supply, particularly in the "Leisure" Service Line, in a context of supply that was limited by the shortage of new vehicles in the markets in which the Group operates.

In this climate, the ability of the different players in the vehicle rental sector to manage their available fleets (size, mix and geographic distribution) also has an impact on the Group's fleet utilization rate and its pricing position. The management of the utilization rate, location of the rental fleet and the prices of the services offered is centralized with the Revenue and Capacity Management teams. This follows the model in the hotel and airline industries, with the major difference being that it is possible to adapt the capacity of the rental fleet, as it is variable during the year. It is this capacity that has been severely stressed since the beginning of the Covid-19 crisis.

The development of e-commerce. In recent years, e-commerce has changed the booking habits of customers. E-commerce allows the Group to respond to the continually changing needs of its customers and to be attentive to their expectations. This trend increased again in the context of the Covid-19 pandemic as the Group's customers searched for greater safety and distancing. The percentage of vehicle rentals made online (including through rental brokers) has increased in recent years, excluding the impact of the health crisis. Online bookings also allow greater price transparency and can lead to stronger competitive pressure (see Section 1.6.4 "Distribution Channels").

Regulatory changes. The Group operates in numerous countries that have multiple regulations, and prone to changes, especially regulations governing the environment, personal data, consumer rights and the operation of franchises. Regulatory changes may affect the activities and revenue of the Group, especially if such changes were to introduce additional mandatory constraints.

Exceptional events with an impact on the tourism and economic environment. Natural disasters, pandemics, geopolitical crises and terrorist attacks may have an adverse impact on vehicle rental activity, and may affect activity in the short and medium term.

Revenue growth indicators

Revenue covers (i) income from vehicle rentals net of discounts and rebates, (ii) commissions on services related to the vehicle rental business, and (iii) royalties received from the Group's franchise network.

The following indicators are generally used to analyze changes in the Group's consolidated revenue: (i) business volume measured by the Rental Day Volume, and (ii) revenue per rental day.

RENTAL DAY VOLUME

The rental day volume corresponds to the number of rental days completed by customers, including each day or period shorter than one day for which a vehicle rental is billed to a customer (the **"Rental Day Volume"**).

The Rental Day Volume is affected by a certain number of factors, including the factors described in Section 3.1.1.2 "Main factors that can impact the Group's results" in the sections "Sector momentum and attractiveness of the Group's services" and "Macroeconomic conditions" above, the seasonal nature of the business, changes in the Group's service offering and customer portfolio and the Group's efforts to ensure profitable growth in line with its strategy (see Section 1.4 "Strategy").

REVENUE PER RENTAL DAY

Revenue per rental day (RPD) corresponds to vehicle rental income divided by the Rental Day Volume for the period (the "**RPD**"). The variation of the RPD is calculated compared to the previous year and can be presented at constant exchange rates to correct for exchange rate fluctuations (primarily the impacts linked to the pound sterling, the Australian dollar, the New Zealand dollar, the Danish krone and the US dollar).

The RPD depends on the following main factors:

- **the Group's pricing position.** The Group's price structure generally reflects (i) the positioning of the services offered by the Group and the related price policy, (ii) the sale of additional chargeable services and equipment (such as insurance products and optional protection, equipment, etc.), (iii) the specific market conditions and customer structure of the geographical areas where the Group offers its services, (iv), the Revenue and Capacity Management used to manage customer demand, pricing and adequacy of the fleet (category/price and optimized distribution within the network), as well as (v) competitive intensity and (vi) the average duration of the rental;

- **the composition and diversity of the Group's fleet.** The Group's fleet includes eleven main categories of vehicles in line with the sector's standards – mini, budget, compact, medium, standard, sedan, premium, luxury, vans, trucks and convertible cars. The fleet offered varies by brand: the Europcar® brand covers a full line of vehicles, the Goldcar® brand offers a narrower selection of vehicles, while Buchbinder® also has a fleet of vehicles fairly close to the one offered by the brand Europcar®. The diversity of the Group's fleet allows it to respond to the rental demands of a broad range of customers. Generally, rentals of higher category vehicles have a higher RPD than rentals of lower category vehicles, but the lower category vehicles represent lower costs for the Group, which generally maintains similar profitability. Since the Covid-19 crisis, the Group has moved toward integration of the Europcar rental fleet with the Goldcar fleet in the relevant countries in order to further optimize the utilization of the vehicles;
- **typology of the Group's customer base**: Business or Leisure (see Section 1.6.3 "Customers (Business/ Leisure)"). Leisure rentals are often for longer periods and present a higher RPD compared with business rentals. Furthermore, in principle, longer-term rentals generate a lower RPD than short-term rentals but present a lower cost structure that generally allows the Group to maintain similar profitability (see the paragraph "Cost structure and operational efficiency" in Section 3.1.1.2 "Main factors that can impact the Group's results"). During the crisis, the first half of 2021 was severely impacted by mobility restrictions related to Covid-19, although the "Business" segment suffered less than the "Leisure" segment. During the second half of the year, this trend reversed sharply;
- **the growth momentum of the different Business Units**. Each Business Unit targets a customer type and markets that have their own dynamics in terms of demand, product and service offering, and price; as a result, the different Business Units have different RPDs and revenue growth (See Section 1.6.1 "Overview of businesses"). The *Cars Business* Unit has a lower average RPD than the Vans & Trucks *Business Unit*, mainly due to the vehicle categories. The Vans & Trucks Business Unit had a certain resiliency during the various lockdowns, primarily related to the sharp increase in e-commerce in the main countries in which the Group operates;
- **geographic diversity**. The corporate countries cater to different types of customers and therefore present different strategies in terms of price and composition of the vehicle fleet. Some of the Corporate Countries (Germany, Austria, Luxembourg and Belgium) generate a higher portion of their revenue in the "Business" segment, while others (Spain, Italy, Ireland, Portugal, Australia and New Zealand) generate more revenue in the "Leisure" Service Line, and others (France, Denmark and the United Kingdom) generate their revenue more or less evenly across both customer segments. For this reason, in the first half of 2021, business in the northern European countries declined less than it did in the southern countries, which are more exposed to the "Leisure" Service Line. From the end of the second quarter until the fourth quarter, the Corporate Countries in southern Europe saw their activity and prices increase significantly, fueled by a more limited supply of vehicles on the market. The USA, a country with an increasing vaccination rate, saw activity return more quickly from the beginning of March 2021, driven by a large domestic market and an increased RPD linked to the fleet shortages;
- **the fluctuation in certain foreign exchange rates.** As RPD is measured in euro, fluctuations in exchange rates, particularly between the euro and the pound sterling, the Australian, New Zealand and US dollars, and the Danish krone can impact the RPD. As a result, the Group monitors the RPD at constant exchange rates.

Seasonal nature of the business

The vehicle rental business sector is seasonal and sensitive to weather conditions. There is generally a peak in activity from June to September. The Leisure segment is historically characterized by higher demand during the summer and school holidays, which results in higher activity in the transport sector. Thus, the Group's revenue and adjusted corporate EBITDA are higher during these periods compared with the rest of the year. Historically, the Leisure customer segment is also characterized by an increase in demand for weekend rentals over midweek rentals. In contrast, demand from the "Business" customer segment is relatively stable throughout the year, with a slight drop during summer vacation and a greater focus on the mid-week (Tuesday to Thursday) compared with the weekend. In 2021, these historical trends were heavily disrupted by the total or partial lockdown measures imposed by the countries in which the Group operates.

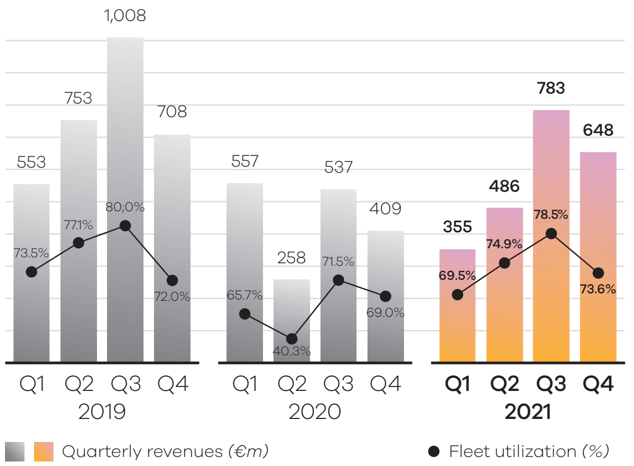
For the fiscal year ended December 31, 2021, "Leisure" rentals represented 55% (49% in 2020 and 61% in 2019) of the revenue generated by the Group's rental activities versus 45% (51% in 2020 and 39% in 2019) for "Business" rentals, reflecting the impact of the Covid pandemic on the "Leisure" segment.

Managing the seasonal nature of the business efficiently is an important aspect of the Group's financial model. The Group strives to capture business during peak periods (weekly or annually) while remaining attentive to fleet holding costs during the periods preceding and following these peak periods (low or normal by classifying the annual peaks as high or elevated), with the objective of maintaining its fleet utilization rate between 72% and 80% for each quarter, for example. The Group addresses these fluctuations in demand through flexible contracts with the vehicle suppliers. These contracts allow the Group to increase its vehicle orders when it expects a surge in activity and to use short-term buy-back arrangements (which generally vary between five and eight months) to reduce the number of vehicles once high demand falls (see Section 1.6.6 "the Group's fleet").

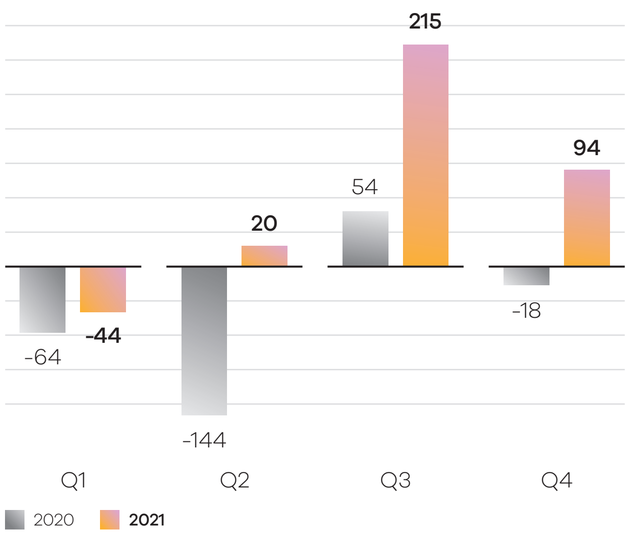
The seasonal criterion also varies from one Business Unit to another. The Cars Business Unit has a strong seasonality, mainly in relation to the Leisure/Business activity as described above. The Vans & Trucks Business Unit, with its offering targeted to small and medium-sized businesses and on medium-term basis, is now more oriented toward "Business" customers and, as a result, has less seasonality during the year and was much more resilient in the Covid-19 crisis.

The charts below show the change in consolidated revenue (in thousands of euros), the fleet utilization rate (%) and the average rental fleet, by quarter in thousands of units for the fiscal years ended December 31, 2021, 2020 and 2019, and show how the Group's fleet was rapidly adjusted to reflect (i) fluctuations in activity associated with the consequences of the various waves of Covid-19, as well as (ii) fleet shortages associated with a fall in production by manufacturers, which had a positive impact on the utilization rate from the end of the second quarter of 2021:

Average fleet *(in thousands)*



The following chart shows the change in the Group's Adjusted Corporate EBITDA, in thousands of euros, by quarter for the fiscal years ended December 31, 2021 and 2020, and highlights the historically beneficial nature of the third quarter, associated with maximum utilization of the fleet, but also a profitable fourth quarter as a result of increased RPD.



Cost structure and operational efficiency

Margin After variable Costs

The Margin After Variable Costs, as used in the Group's management indicators to manage the performance of the Business Units, includes all revenue minus the Group's variable operating costs. The variable operating costs as presented in the management income statement are primarily composed of fleet holding costs, excluding estimated interest included in operating lease payments, and fleet operating, rental and revenue related costs.

The estimated interest included in operating lease payments are included in the financial expenses for the fleet and are recognized above the adjusted corporate EBITDA. The Group's variable operating costs therefore exclude (i) personnel costs, (ii) network and headquarters overhead costs, (iii) other operating expenses and income, (iv) non-recurring income and expenses, (v) all financial expenses related to fleet financing. All of these items are recognized in a dedicated item of the income statement.

The costs included in the Margin after Variable Costs are:

- **fleet holding costs** (which represented 41% of the variable cost base and 23% of revenue, compared with 48% and 34% in 2020), cover:
  - the costs in connection with vehicle rental agreements, which represented 33% of the variable cost base for fiscal year 2021 (38% in 2020) and correspond to (i) "depreciation expenses" for both the vehicles purchased under contracts with manufacturer or dealer buy-back commitments and "at risk" vehicles (based on monthly depreciation rates negotiated in the buy-back agreements for vehicles purchased with a buy-back clause, net of volume rebates, or on the difference between the purchase price and estimated residual value of the at risk vehicles, adjusted monthly on the basis of the market values of the vehicles) and (ii) the "depreciation expenses" on the utilization rights tied to the fleet,
  - the costs related to the purchase and sale of vehicles, which represented 5% of the variable cost base for fiscal year 2021 (5% in 2020), which primarily include (i) the cost of vehicle accessories, (ii) the costs for the integration of new vehicles into the Group's rental fleet, and (iii) costs related to the sale of used vehicles and vehicles acquired through buy-back arrangements, and
  - the taxes on the vehicles, which represented 4% of the variable cost base for the fiscal year 2021 (4% in 2020).

  These costs are variable year-on-year insofar as the Group is able to adapt and adjust the size of its fleet, thanks to the flexibility offered by the buy-back agreements signed with the car manufacturers. Europcar is able to increase its vehicle orders in the lead up to the high season, and use the flexibility offered by the holding periods, generally lasting from five to eight months, to sell vehicles off when the demand slackens. This flexibility was particularly beneficial during the first months that followed the Covid-19 pandemic in 2020. Europcar is also able to respond to short-term peaks in demand through the optimized distribution of new vehicles added to the fleet (see Section 1.6.6.1 "Fleet management"). The key indicators monitored for this type of expense are: (i) the average rental fleet,

(ii) the average monthly cost per unit of the fleet, and (iii) the fleet utilization rate (as described below);

- **fleet operating, rental and revenue-related costs** (which represented 59% of the variable cost base and 33% of revenue in 2021, versus 52% of the variable cost base and 37% of revenue in 2020) include:
  - fleet operating costs, which represented 22% of the variable cost base for the fiscal year ended December 31, 2021 (22% in 2020) and include insurance costs (the costs of third party liability and vehicle damage insurance policies, and the costs of self-insurance), repair and maintenance costs and the costs incurred for damaged and stolen cars, as well as the costs to recondition vehicles before they are sold to the car manufacturers or dealers; These costs vary as a function of the average rental fleet and, to a lesser extent, the Rental Day Volume,
  - the fees and commissions paid to travel agencies, online booking sites and call centers, which represented 23% of the operating cost base for the 2021 fiscal year (16% in 2020) and vary based on the sales channels and volumes,
  - rental-related costs, which represented 14% of the operating cost base for the 2021 fiscal year (14% in 2020), and which cover the costs of transferring vehicles from one site to another, vehicle washing costs, and fuel costs. Rental costs are, in principle, incurred once per rental. Consequently, a shorter rental will incur approximately the same costs as a rental over a longer period.

Margin after Direct Costs

The Group decided to track a new performance indicator – the Margin after Direct Costs, which is the Margin after Variable Costs less Marketing costs and fleet financing costs.

- **fleet financing expenses,** including estimated interest included in operating leases (which represented 5% of revenue in 2021 and 6% of revenue in 2020) including interest charges on fleet financing loans;
- **marketing costs** (which represented 0.7% of revenue in 2021, compared with 0.8% of revenue in 2020) include all advertising/communications/marketing expenses intended to develop brand recognition and thus increase the Group's revenue in the short and medium term.

Margin after Network Costs

The Margin after Network Costs, as used in the Group's management indicators to manage the Group's performance, includes revenue and costs related to the Margin after Direct Costs (discussed above) minus network operating costs. These include the personnel costs of the Group's branch network as well as the overhead on the branch network.

The costs included in the Margin after Network Costs (in addition to the Margin after Direct Costs) are:

- **personnel costs** (which represented 78% of the network cost base and 10% of revenue in 2021, versus 75% and 12% respectively in 2020), include all payroll-related costs. These costs were reduced in 2020 by the part-time work schedules implemented in the large majority of the countries in which the Group is present, measures which progressively decreased during 2021;
- **network overhead costs** (which represented 22% of the network cost base and 3% of revenue in 2021, versus 25% and 4% respectively in 2020), include the costs of rent, parking, rental charges inherent to the operation of a branch, uniform costs, etc.

Headquarters structural costs

Headquarters structural costs include expenses related to the multiple headquarters of the Company and of Group Corporate Countries (including lease expense before the impact of IFRS 16, travel expenses and auditing and consulting fees incurred at the local and holding-company level), as well as related commercial and marketing fees, IT system-related expenses and telecommunication expenses.

Personnel costs include salaries and wages (including bonuses and incentives), social security contributions and post-employment benefits. Personnel costs are monitored separately depending on whether they relate to personnel working in the rental offices, network staff working at the headquarters of each of the Group's Corporate Countries or the Group's headquarters, or in the Shared Services Center created in Portugal in 2014. These costs were reduced in 2020, and to a lesser extent in 2021, by the part-time working measures implemented in the large majority of the countries in which the Group is present.

The Group's headquarters and the Corporate Country headquarters conduct a number of commercial and operational activities defined by the Group in line with local characteristics, such as the management of "Major Accounts" customers and sales administration, "Revenue and Capacity Management" activities, reservations and customer service, e-commerce and marketing activities, vehicle purchasing, logistics and maintenance, as well as support functions such as Finance, Human Resources and General Management.

Cost structure and operational efficiency indicators

The unit costs of the fleet expressed in rental day volume, which had risen sharply in 2020 compared with 2019 due to the impact of the Covid-19 pandemic and the time needed to adjust the volume of the fleet to the decline in rental day volume, were slightly higher in 2021 due to the impact of inflation on the cost of maintaining the at-risk fleet and the decrease in gains on the sale of the at-risk fleet.

Fleet management and the improvement in the fleet utilization rate are based on the Group's internal procedures and depend on the Revenue and Capacity Management teams. The Group uses the following indicators to control and optimize its fleet-related costs:

- **average rental fleet for the period.** The average fleet for the period is calculated using the number of days in the period during which the fleet is in operation, divided by the total number of days in the same period, multiplied by the number of vehicles in the fleet during the period. The average fleet size during the period, and therefore the size of fleet holding costs, vary according to demand forecasts, Rental Day Volume, and particularly the effects of seasonal fluctuations;
- **average monthly cost per fleet unit.** Average monthly costs per fleet unit corresponds to the total fleet costs (fleet holding costs and fleet operating cost) excluding interest expense included in fleet operating lease rents and insurance fees, divided by the average fleet of the period, itself divided by the number of months in the period. The Groups also analyzes the fleet holding cost per unit per month (excluding estimated interest included in operating leases for vehicles in the fleet) and the monthly operating cost per fleet unit (excluding insurance costs) separately. The average monthly costs per fleet unit can fluctuate on the basis of macro-economic conditions that impact auto makers and the Group's negotiation power for its vehicle supply agreements with these companies. The average cost per unit for small, economy vehicles tends to be lower than the average cost per unit for larger vehicles;
- **fleet utilization rate.** The fleet utilization rate represents the ratio of the Rental day volume to the number of days in the fleet financial availability period. The fleet financial availability period represents the period in which the Group holds the vehicles. The higher the fleet utilization rate, the more the fleet is optimized and gives a high return (see Section 1.6.6 "the Group's fleet"). Optimized management of the fleet size through the purchase and sale of vehicles, as well as the higher number of longer-term rentals, contribute to the increase in the fleet utilization rate.

Other financing expenses

The financial expenses include the following:

- **financial expenses in connection with fleet financing**, which vary depending on the financing option selected or available: financing through operating leases, based primarily on the capacity of the manufacturers' captive finance companies, banks and other companies specialized in leasing vehicles, or financing through debt or securitization for the fleet of vehicles recorded in the balance sheet. IFRS treats the accounting of financial expenses differently, depending on the type of financing used. Fleet operating leases fall within the scope of IFRS 16 and are recognized in the balance sheet in the form of a right of use on the leased asset and a financial debt in respect of rents and other payments to be made during the term of the lease and retained to assess the rental debt;
- until 2018, rents for fleet operating leases, including the estimated portion corresponding to interest, were recorded as operating income in fleet holding costs in the IFRS income statement. They are recorded in the statement of financial position in accordance with the IFRS 16 standard, and the related financial expenses are recorded as financial expenses under gross financing costs;
- financial expenses relating to the other types of financing backed by the vehicle fleet on the statement of financial position are recorded as financial income or loss in cost of gross financial costs;
- in order to facilitate the monitoring of the Group's performance, these two types of financial expenses are grouped together on one line in the calculation of the adjusted corporate EBITDA (see "Adjusted corporate EBITDA" in Section 3.1.2.2 "Analysis of the Group's results") in the management income statement;
- **the financial expenses on loans** intended for corporate financing;
- **other financial income and expenses** including, in particular, expenses in connection with other borrowings, the amortization of transaction costs, any redemption premiums, and foreign exchange differences.

3.1.2 Significant accounting policies

For a detailed description of the Group's significant accounting policies, see Note 2 "Significant accounting policies" to the Group consolidated financial statements for the fiscal year ended December 31, 2021 included in Section 3.4 "Consolidated financial statements and Statutory Auditors' report for the year ended December 31, 2021" of this Universal Registration Document.

3.1.3 Comparison of results for the fiscal years ended December 31, 2021 and 2020

3.1.3.1 Key indicators

	Year ended December 31			
	2021	2020	Change	Change at constant currency
Revenue *(in millions of euro)*	**2,272**	**1,761**	**29.0%**	**28.3%**
Vehicle rental revenue *(in millions of euro)* [1]	**2,184**	**1,690**	**29.3%**	**28.5%**
Billed rental day volume *(in thousands)* [1]	63	57	10.7%	10.7%
Average rental duration *(in days)* [1]	8.2	7.7	5.6%	5.6%
Average rental Fleet *(in thousands of cars)* [2]	232	253	-8.3%	-8.3%
Average revenue per unit per month *(€)* [3]	773	554	39.7%	38.9%
Average fleet costs per unit per month *(€)* [4]	(248)	(245)	1.0%	0.3%
Fleet utilization rate *(%)* [5]	74%	62%	13 pts	13 pts
Margin after variable costs	**982**	**513**	**91.2%**	**90.2%**
As % of revenue	43.2%	29.2%	14.0 pts	14.1 pts
Margin after direct costs [6]	**854**	**387**	**120.7%**	**119.3%**
As % of revenue	37.6%	22.0%	15.6 pts	15.6 pts

(1) 2020 data have been restated to include the Urban Mobility fleet.
(2) The average rental fleet corresponds to the number of fleet vehicles in operation during the period, multiplied by the number of days the fleet is in operation during the same period divided by the total number of days in the period. At December 31, 2021, the fleet consisted of 257,801 vehicles (+ 26% compared to December 31, 2020). In fiscal year 2021, the average fleet includes Urban Mobility; the 2020 data was restated for ease of comparison.
(3) The average revenue per fleet unit/month corresponds to vehicle rental income divided by the average rental fleet for the period, after dividing the rental fleet by the number of months in the period.
(4) Average monthly costs per fleet unit correspond to the total fleet costs (fleet holding and operating costs), excluding interest expense included in the expense for fleet operating leases and insurance, divided by the average fleet size during the period, after dividing the average fleet size by number of months in the period (i.e., €690 million for 232,228 vehicles, including Urban Mobility, in 2021, and €746 million for 253,386 vehicles in 2020).
(5) The fleet utilization rate corresponds to the ratio of the Rental Day Volume to the number of days the fleet is considered financially available. The fleet's financial availability period represents the period during which the vehicles are in operation.
(6) The Margin after Direct Costs is defined as the Margin after Variable Costs less Marketing costs and fleet financing costs.

3.1.3.2 Analysis of the Group's results

The comments in this Section refer to the IFRS presentation of the income statement and the management aggregates monitored for strategic management of the Group. Management data are prepared in order to reflect and clarify the presentation of Group economic performance.

Management income statement

	Year ended December 31		
(in millions of euro)	**2021**	2020	Change
Revenue	**2,272.2**	**1,760.9**	**29.0%**
Fleet holding costs, excluding estimated interest included in operating leases	(533.6)	(594.2)	-10.2%
Fleet operating, rental and revenue related costs	(757.0)	(653.4)	15.9%
Margin after variable costs	**981.6**	**513.4**	**-91.2%**
As % of revenue	*43.2%*	*29.2%*	*14.0 pts*
Marketing costs	(15.4)	(14.7)	4.5%
Net fleet financing expenses	*(84.8)*	*(73.0)*	*16.1%*
Estimated interest included in operating leases	*(27.4)*	*(38.7)*	*-29.2%*
Total fleet financing, including interest included in operating lease payments (estimated)	(112.2)	(111.7)	0.4%
Margin after Direct Costs	854.1	387.0	120.7%
As % of revenue	*37.6%*	*22.0%*	*15.6 pts*
Personnel costs	*(414.3)*	*(379.9)*	*9.1%*
Network and headquarters overhead costs	*(172.3)*	*(179.4)*	*-4.1%*
Other income	*16.1*	*0.4*	
Adjusted Corporate EBITDA	**283.6**	**(172.0)**	**-**
As % of revenue	*12.5%*	*-9.8%*	*22.2 pts*
Other non-recurring income and expenses	(69.2)	(115.5)	-40.1%
Non-fleet depreciation, amortization and impairment expense	(144.2)	(153.4)	-6.4%
Impairment of non-current assets	-	(132.6)	
Other financial income and expense not related to the fleet	(49.6)	(112.2)	-55.8%
Profit/loss before tax	**20.7**	**(685.6)**	**-**
Income tax benefit/(expense)	8.3	40.9	
Share of net profit or loss in companies accounted for under the equity method	-	-	-
NET PROFIT (LOSS)	**29.0**	**(644.7)**	**-**

IFRS Income Statement

(in millions of euro)	Year ended December 31		
	2021	2020	Change
Revenue	**2,272.2**	**1,760.9**	**29.0%**
Fleet holding costs	(561.0)	(632.9)	-11.4%
Fleet operating, rental and revenue related costs	(757.0)	(653.4)	15.9%
Personnel costs	(414.3)	(379.9)	9.1%
Network and headquarters overhead costs	(187.7)	(194.1)	-3.3%
Other income	16.1	0.4	
Depreciation, amortization and impairment expense	(144.2)	(153.4)	-6.0%
Current operating income	**224.2**	**(252.3)**	**-**
Other non-recurring income and expenses	(69.2)	(115.5)	-40.1%
Impairment of non-current assets	-	(132.6)	
Operating income	**155.0**	**(500.4)**	**-**
Net financing costs	(134.3)	(185.2)	-27.5%
Profit/loss before tax	**20.7**	**(685.6)**	**-**
Income tax benefit/(expense)	8.3	40.9	-79.7%
Share of profit of associates	-	-	
NET PROFIT (LOSS)	**29.0**	**(644.7)**	**-**

The table below presents the reconciliation of recurring operating income with adjusted recurring operating income, with adjusted corporate EBITDA and with adjusted consolidated EBITDA. The Group presents the adjusted recurring operating income, the adjusted consolidated EBITDA and the adjusted corporate EBITDA because it believes that these measurements give investors additional, important information for assessing the Group's performance. The Group also believes that these indicators are frequently used by securities analysts, investors and other interested parties in the evaluation of companies in the Group's industry. In addition, the Group believes that investors, securities analysts and rating agencies will consider adjusted recurring operating income, adjusted consolidated EBITDA, and adjusted corporate EBITDA to be useful indicators for measuring the Group's capacity to meet its debt repayment obligations. IFRS does not recognize adjusted recurring operating income, adjusted consolidated EBITDA or adjusted corporate EBITDA. Therefore, these indicators should not be viewed as alternatives to operating income or net profit as a measurement of operating income (loss), nor should they be considered indicators of operating results or cash flows as an indicator of liquidity.

(in millions of euro)	Year ended December 31 **2021**	2020
Adjusted Consolidated EBITDA	**819.6**	**419.8**
Fleet depreciation (IFRS)	(385.4)	(471.9)
Fleet depreciation included in operating leases [1]	(38.4)	(8.2)
Total fleet depreciation	**(423.9)**	**(480.1)**
Interest expense related to fleet operating lease payments (estimated) [1]	(27.4)	(38.7)
Net fleet financing expenses	(84.8)	(73.0)
Total fleet financing, including interest included in operating lease payments (estimated)	**(112.2)**	**(111.8)**
Adjusted Corporate EBITDA	**283.6**	**(172.0)**
Non-fleet depreciation and impairment expenses	(144.2)	(153.4)
Reversal of net fleet financing expenses	84.8	73.0
Reversal of interest expense related to fleet operating leases (estimated)	27.4	38.7
Adjusted recurring operating income	**251.6**	**(213.6)**
Interest expense related to fleet operating lease payments (estimated)	(27.4)	(38.7)
CURRENT OPERATING INCOME [2]	**224.2**	**(252.3)**

(1) The expenses related to fleet vehicle operating leases include a depreciation expense, an interest expense and, in some cases, a small management fee. For leases that do not stipulate a precise distribution of payments among these components, the Group makes estimates of this breakdown on the basis of the information provided by the lessors. In addition, since the interest expense included in operating leases is essentially a fleet financing cost, the management of Europcar examines the fleet holding costs and the Group adjusted operating income by excluding this expense.
(2) As presented in the consolidated income statement.

A) REVENUE

The following table shows the change in Group consolidated revenue for fiscal years 2021 and 2020, total and by type of income:

(in millions of euro)	Year ended December 31 **2021**	2020	Change	Change at constant currency
Vehicle rental income	2,184.5	1,689.8	29.3%	28.5%
Other revenue associated with vehicle rental	45.6	37.5	21.6%	21.0%
Franchising business	42.1	33.5	25.9%	25.8%
REVENUE	**2,272.2**	**1,760.9**	**29.0%**	**28.3%**

Income from recurring operations is designated by the term "revenue" or "consolidated revenue" in this document.

Revenue includes vehicle rental income (net of discounts and rebates and excluding intra-group sales and value added taxes on sales), fees on the services related to vehicle rental (including fuel), and the franchise fees received from the Europcar franchise network:

- **revenue from vehicle rentals** covers the rental income generated by the agencies operated directly by the Group and the income generated by the rental agencies operated by agents, as well as the income generated by car-sharing and car with driver services [1];
- **income related to services that complement the vehicle** rental activity include the revenue from fuel sales and the fees received for managing "Major Accounts" fleets; and
- **the revenue drawn from the rental activity of the franchises** consists of the annual franchise fees, entry and territorial fees and other costs, such as the reservation fees invoiced by Europcar, collection costs and the costs of the IT services provided to the franchises. The franchise fees paid to the Group by its franchisees are determined on the basis of the rental revenue generated by the franchisees in their regions.

(1) Until 2020, income from car sharing and car with driver services was recorded as income related to services that complement the vehicle rental activity. The restatement carried out in 2021 was applied to 2019 for the purposes of comparison.

Revenue for fiscal year 2021 amounts to €2,272 million, up by 29% compared to 2020, following the business recovery that occurred from the second quarter of 2021. When restated for the foreign exchange effects of non-euro currencies, this increase is 28%.

The Group's revenue increased compared with 2020, due to both a post-lockdown recovery in volume in the countries in which the Group operates (+11%) and an increase in prices in the third and fourth quarters of 2021, associated with a shortage of vehicle fleets on the market caused by the global semiconductor shortage. In this context of increasing revenue, the Group managed to control its fixed and semifixed costs and benefited from the steps it took in 2020 to reduce these costs. Costs increased by €56 million compared with 2020 (+3%), including -€61 million in fleet holding costs, +€104 million in fleet operating costs, +€12 million in personnel costs, network and headquarters overhead costs, IT and other costs, and +€0.5 million in fleet financing costs, including estimated interest included in operating lease payments.

B) FLEET HOLDING COSTS

Fleet holding costs represent the "depreciation costs" on vehicles acquired under contracts with buy-back clauses or on at-risk vehicles, the amortization of the right to use vehicles under lease agreements pursuant to IFRS 16, the costs related to the purchase and sale of vehicles, and taxes on the vehicles (see the "Cost structure and operational efficiency" paragraph in Section 3.1.1.2 "Main factors that can impact the Group's results").

During 2021, the Group adjusted its fleet as much as possible and planned for a recovery in demand, thanks to its flexible "buy-back" model and the longstanding relations it has with car manufacturers, as well as through a policy of purchasing at-risk vehicles to address the shortage of vehicles on the market: consequently, the fleet shrank by an average of 8% in 2021 compared to the same period last year.

From the second quarter of 2021, the utilization rate was positively impacted by the shortage of vehicles and the recovery in demand, depending on the countries in which the Group operates. It increased sharply and sequentially during 2021, to return to or exceed 2019 rates during the third and fourth quarters.

Restated for the estimated financial expenses on operating leases (totaling €27 million in 2021 and €39 million in 2020), the change in fleet holding costs is attributable to the increase in the fleet following the post-Covid-19 recovery:

- **the fleet holding costs restated for the estimated financial expenses on the operating leases** were down 10% at reported exchange rates, i.e. 2% less than the 8% decrease in the average fleet level;
- **the monthly fleet cost per unit** rose by around €248 per vehicle (compared to €245 in 2020). This increase in the monthly fleet cost per unit is a result of the increase in the fleet's maintenance costs, which are linked to its increasing age. This increase in costs was partially offset by the gains made when vehicles were resold on the used market. Additionally, the Covid crisis also changed the mix, with a larger proportion of light commercial vehicles, trucks and vehicles related to urban mobility (electric vehicles), because rental of this type of vehicles proved to be resilient;
- **the fleet utilization rate,** at 74% (compared with 61% in 2020), increased by 13 points due to the combination of the recovery in demand and the shortage of fleets on the market, as mentioned above.

C) FLEET OPERATING, RENTAL AND REVENUE RELATED COSTS

Fleet operating, rental and revenue related costs consist of the operating costs of the fleet (including insurance costs), commissions and franchise fees related to ordinary revenue.

Fleet operating, rental and revenue related costs increased by 16% at reported exchange rates to €757 million in 2021, in a context where an increase in the operating costs and aging of the fleet led to additional costs.

Vehicle rental-related costs, such as fees and commissions paid to travel agents and partnerships, increased by 56% at reported exchange rates. This increase is mainly linked to the increase in activity and revenue.

D) MARKETING COSTS

Marketing costs were stable between 2020 (€14.7 million) and 2021 (€15.4 million), as the Group invested primarily in distribution channels related to e-commerce, mainly from the second half of the year.

E) NETWORK COSTS (OVERHEAD AND PERSONNEL COSTS)

Network overhead and personnel costs totaled €283 million in 2021, a decrease of 2% at reported exchange rates. This decrease of €5 million at reported exchange rates is primarily related to:

(i) the network restructuring plans carried out in 2020 to adapt it to the level of activity, offset by;

(ii) the reopening of agencies during the course of 2021, mainly from the second quarter of the year, depending on the recovery of activity in the various countries in which the Group operates. For example, after the closure or restricted hours of 66% of stations in the first quarter of 2021, 47% of them remained closed or were only open for restricted hours in the third quarter and 43% in the fourth quarter of 2021;

(iii) the decrease in measures relating to part-time schedules of employees in all the countries in which the Group is present and can benefit from the measures, particularly during the first quarter of 2021.

F) HEADQUARTERS COSTS (OVERHEAD AND PERSONNEL COSTS)

Headquarters overhead is the cost of the headquarters of the Company and its subsidiaries: personnel costs, travel expenses and consulting fees. IT costs are also included in these costs.

Following the adjustment plans finalized in 2020, structural costs increased by 10% between 2020 and 2021, primarily due to:

(i) the reduced financial assistance granted in 2021 in relation to part-time working, which had had a beneficial impact on 2020;

(ii) the increase in 2021 in provisions made for the variable remuneration of eligible employees, whereas in 2020 only a reduced proportion of this variable remuneration was paid.

G) OTHER INCOME AND EXPENSE

Other income and expenses reflect net income resulting from certain commercial agreements, reversals of unused provisions, gains or losses on the sale of property, plant and equipment and other items (such as retrocessions pursuant to lease agreements or tax penalties).

Other income and expenses increased from €0.4 million to €16 million for the fiscal year ended December 31, 2021, including government aid during the lockdown periods.

H) ADJUSTED CORPORATE EBITDA

Adjusted Corporate EBITDA increased by €456 million, from €(172) million in 2020 to €284 million in 2021.

I) NON-FLEET AMORTIZATION, DEPRECIATION AND IMPAIRMENT

Non-fleet amortization, depreciation and impairment primarily reflects the amortization of intangible assets (software and operating systems owned by the Group), and depreciation of property, plant and equipment (computer equipment) and impairment. Under IFRS 16, non-fleet depreciation, amortization and impairment also includes the amortization related to rights of use under real estate and equipment leases.

Excluding the rental fleet, depreciation, amortization and impairment charges were down €9 million to €144 million in 2021.

J) IMPAIRMENT OF NON-CURRENT ASSETS

The Group did not recognize any impairment of non-current assets in 2021.

As a reminder, during 2020, the Group reexamined the recoverable value of its cash generating units that were heavily impacted by the Group's performance tied to the health crisis. The impairment test performed at December 31, 2020 led the Group to recognize impairment in particular in France, the United Kingdom and the Goldcar operations in Spain. As a result, the Group recognized an expense for impairment of *goodwill* for €131 million at December 31, 2020. (for further details, see Note 6 in the consolidated financial statements).

K) OTHER NON-RECURRING INCOME AND EXPENSES

Other non-recurring income and expenses represent the costs related to acquisitions of companies, reorganization costs, and other operating costs.

Acquisition-related expenses include expenses incurred in connection with the integration of acquisitions, such as legal and accounting fees, lay-off expenses and related consulting fees resulting mainly from:

- the streamlining of the rental agency network and support functions;
- asset depreciation and transfer costs; and
- costs related to the termination of leases and returning properties to original condition;
- costs related to the Group's financial restructuring.

Reorganization expenses represent the costs incurred to restructure operations during economic slowdowns, or in order to adapt the local organization or the Group structure to changing economic conditions. These expenses include staff reduction costs, consultancy fees, asset depreciation and transfer costs, and early lease termination costs incurred as part of restructuring programs.

Unusual, abnormal and infrequent items are presented separately in other non-recurring income and expenses in order to provide a clearer picture of the Group's performance.

In 2021, other non-recurring income and expenses represent an expense of €69 million and primarily include:

- expenses for reorganization, streamlining and the costs related to the various transformation projects in the amount of €33 million;
- expenses related to the restructuring of the Group's debt, as well as for the Group's acquisition project in the amount of €21 million;
- the costs relating to acquisitions and disposals in the amount of €1 million;
- the costs tied to the settlement of disputes in the amount of €10 million; and

- other costs for €5 million which, because of their exceptional nature, cannot be considered inherent in the Group's current activities.

L) NET FINANCING COSTS

Net financing costs represent the cost of the gross financial debt, including:

- net financing expenses on loans intended to finance the fleet;
- net financial expenses on other borrowings (excluding estimated interest included in the operating lease payments, which are recorded in operating income);
- financial expenses related to rental liabilities;
- other financial expenses and income. Other financial income and expenses primarily represent the amortization of transaction costs, foreign exchange differences, the financial components of personnel benefits (discounting effect, expected return on plan assets), dividend income, profit or loss from financial instruments that are recorded in the income statement, and the ineffective portions of the gain or loss on cash flow hedging instruments, as well as other charges related to refinancing or prepaying certain borrowings.

Net financing costs (including financial charges related to the fleet) are a net expense of €134 million in 2021, versus €185 million in 2020.

In 2021, this item primarily includes:

- €85 million in interest on the borrowings intended to finance the fleet, compared to €73 million last year. The change is in line with the increase in financing allocated to the fleet in 2021, which was adjusted to the recovery in business in 2021. This increase in financial interest is also linked to the increase in financing costs following the renewals made during the second half of 2021 on the lines intended to finance the rental fleet;
- €46 million in interest on other borrowings, compared to €76 million in 2020. The change compared to the previous year is mainly due to the conversion into share capital of corporate bonds as part of the Group's financial restructuring, partially offset by the increase in interest on States guaranteed loans and the increase in costs of the corporate lines of credit set up after the financial restructuring;
- €36 million in profits related to the financial restructuring, including +€48 million recorded according to the IFRIC 19 accounting standards (resulting from the difference between the carrying value of the debt converted into equity instruments and the fair value of those instruments on the transaction date) and -€12 million corresponding to the accelerated amortization of transaction costs backed by the debt converted into share capital;
- €11 million of expenses related to the current amortization of the bond transaction costs; and
- €28 million for other financial expenses primarily related to foreign exchange differences, the cost of discounting corporate commitments to employees, management expenses and the cost of establishing lines of credit, and the ineffective portion of hedging instruments.

M) INCOME TAX BENEFIT/(EXPENSE)

Income tax for the year represents current and deferred taxes, as well as the French business contribution on added value (cotisation sur la valeur ajoutée, or CVAE). Income tax is recognized in the income statement except to the extent that it relates to items directly recognized in equity, in which case it is recognized in equity.

Current tax is the expected tax payable on the taxable income for the year, calculated using tax rates enacted or substantially enacted at the reporting date, and subject to any adjustment to tax payable for previous years.

The deferred tax expense is based on the pattern of realization or early payment of the carrying value of assets and liabilities, using tax rates enacted or substantively enacted at the reporting date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the tax asset can be utilized. This probability is assessed based on:

- the existence of temporary differences that will give rise to taxation in the future; and
- forecasts of taxable profits.

Income tax represented a net expense of €8 million in 2021, versus net income of €41 million in 2020.

N) NET PROFIT (LOSS)

The Group recorded a net profit of €29 million in 2021, versus a net loss of €645 million in 2020. The deterioration in net profit or loss in 2020 reflected the effects of the health crisis on the performance of the Group's operational activities and the financial and accounting impacts related to the revision of its outlook, which lead it to restructure its activities and its cost base and to recognize impairment on its non-current assets. The improvement in net income reflects the recovery recorded from the second half of 2021.

3.1.3.3 Analysis by operating segment

The Group has defined new operating segments-"Europe," "Rest of the World" and "Holdings and other"- in accordance with IFRS 8 criteria, following the implementation of its new organization (see Note 3.1 of the consolidated financial statements).

- **Europe:** includes (i) the European countries where the Group operates its fleet directly (Germany, Belgium, Spain, France, Italy, Portugal, the United Kingdom, Denmark, Finland, Norway and Luxembourg), grouped according to common service, customer and distribution criteria (ii) the European countries where the Group operates its fleet through a network of domestic and international franchisees, which have similar economic characteristics and present synergies in terms of fleet negociation and customer management;
- **rest of the world:** includes all countries other than those mentioned above, including countries operated directly by the Group-such as Australia, New Zealand and the United States-and the network of international franchise partners outside Europe.

The results of the operating segments based on the presentation of internal reporting reviewed by the chief operating decision-maker and then reconciled to the Group's results are now based on:

- revenue from operations: includes vehicle rental income, royalties, other commissions related to the Group's trademarks and billed to franchisees, and fuel income;
- margin after direct costs (MADC): this is a new performance indicator decided on by the Group; it corresponds to the Margin After Variable Costs (MAVC) less marketing costs and fleet financing costs. Margin on variable costs (MAVC): corresponds to the total revenue net of fleet holding costs, fleet operating, rental and revenue related costs.

Adjusted Corporate EBITDA, defined as recurring operating income before amortization, after deduction of the interest expense on certain liabilities related to rental fleet financing.

In accordance with IFRS 8, and as previously documented, the information by operating segment at December 31, 2021 is as follows:

	December 31, 2021			
(in thousands of euro)	Europe	Rest of the World	Holdings & other	Group
Total revenue	1,863,539	406,805	1,851	2,272,196
Margin after Direct Costs	661,479	206,097	(13,494)	854,083
Adjusted corporate EBITDA	155,567	109,604	18,458	283,628

In accordance with IFRS 8, the information by operating segments at December 31, 2020 is as follows:

	December 31, 2020			
(in thousands of euro)	Europe	Rest of the World	Holdings & other	Group
Total revenue	1,504,577	254,882	1,487	1,760,946
Margin after Direct Costs	310,882	81,368	(5,279)	386,971
Adjusted corporate EBITDA	(202,715)	7,894	22,834	(171,987)

The increase between 2020 and 2021 in Group revenue from €1,761 million to €2,272 million (+29%) was mainly driven by the Rest of the World (+60%) segment and in particular by the United States, which experienced a strong recovery in demand from March 2021 onwards, whereas in Europe demand began to pick up at the end of the second quarter, though the extent of this demand varied by country.

As demand recovered against the backdrop of there being a limited fleet supply on the market (see Section 3.1.1.3), it resulted in an increase in prices, particularly in the United States and southern European countries (Italy, Spain, and Portugal), during the summer season. This increase in prices strongly benefited the margin after direct costs (+113% in Europe between 2020 and 2021 and +153% in the rest of the world over the same period).

As the Group adapted its fixed and semi-fixed cost structure at the beginning of the Covid-19 pandemic, this increase in margin after direct costs was almost entirely reflected in the Corporate EBITDA of each segment.

3.2 THE GROUP'S LIQUIDITY AND CAPITAL RESOURCES

3.2.1 General overview

The Group's debt is composed of financing for its general needs, including a portion for its rental fleet acquisition needs and financing exclusively intended for the acquisition of rental fleets.

During fiscal year 2021, the main refinancing operations for corporate and fleet financing were carried out:

- as part of the financial restructuring finalized in February 2021, on February 26, 2021, the Group refinanced the €670 million RCF through a senior credit facility ("SFA") comprising two tranches, a €500 million term loan and a €170 million revolving credit maturing in June 2023 and converted into capital its two €600 million and €450 million bonds that matured in 2024 and 2026 respectively;
- on February 26, 2021, in addition to the corporate refinancing associated with the financial restructuring, the Group signed a Vehicle Fleet Financing Facility Agreement (VFFA) for a maximum amount of €225 million, ending in December 2024;
- on April 23, 2021, the Group exercised its option to extend the maturity of the State-guaranteed Loan ("SGL") by five years, bringing its maturity to 2026;
- in October 2021, the Group refinanced its pan-European fleet securitization program by extending the €1,700 million SARF's maturity to July 2024 and, secondly, through the €500 million five-year bond issuance by EC Finance Plc.

3.2.1.1 Financial resources

The Group's main financing needs include fleet financing, working capital requirements, capital expenditures (including acquisition financing), interest payments, and loan repayments. The Group's main source of regular liquidity consists of its operating cash flow and financing, a significant portion of which is dedicated to and backed by its fleet on the balance sheet. The Group's ability to generate future cash from its operating activities will depend on its future operating performance, and even to a certain extent, on external factors, including the risk factors set out in Chapter 2 "Risk factors." The Group also uses its cash and cash equivalents to finance its current business needs. In addition, the Group benefits from cash and cash equivalents, which are considered "restricted cash" when (i) they are used to cover future claims indemnification or (ii) are not immediately available to finance the activity of the subsidiaries (including cash held in certain special-purpose entities in connection with the vehicle rental business).

In 2021, the Group's primary sources of financing were as follows:

- **the cash generated from operating activities**, amounting to €(625) million in 2021 compared with €956 million in 2020. It includes operating income before working capital requirement of €311 million, offset by a significant deterioration in the working capital requirement of the fleet of vehicles amounting to €(321) million and the net acquisition of the rental fleet recorded on the balance sheet of €(611) million, in line with the recovery of the Group's operations.

Net cash from operations before working capital requirement comes from:

- **available cash.** Cash and cash equivalents totaled €299 million as of December 31, 2021 (compared with €365 million at December 31, 2020). The Group also has restricted cash (defined as cash used to cover the future settlement of insurance claims or cash that is not immediately available to finance the activity of subsidiaries mainly within the Group's securitization structure), which totaled €128 million as of December 31, 2021 (compared with €82 million at December 31, 2020);
- **debt.** As of December 31, 2021, the total amount of the Group's consolidated gross debt was €3,467 million (compared with €3,958 million at December 31, 2020). The Group believes that €2,925 million relates to fleet financing (versus €2,157 million at the end of 2020). In this respect, this debt is essentially secured or backed by assets, primarily vehicles and receivables from manufacturers.

Furthermore, to finance its fleet, the Group also uses operating leases other than the agreements previously classified as finance leases. These lease agreements are recognized on the statement of financial position in the form of a right-of-use to the vehicles against a rental debt recognized in the statement of financial position in the amount of €155 million at December 31, 2021 (versus €75 million at the end of 2020).

The Group believes that its financing needs for its daily operations in 2021 will consist primarily of its fleet financing, working capital requirements, interest expense, expenses related to IT development, and repayment of its borrowings.

3.2.1.2 Debt

As of December 31, 2021, the total amount of the Group's consolidated *corporate* net debt (excluding liabilities related to leases) was €240 million versus €1,426 million at December 31, 2020. The decrease is reflecting the result of the financial restructuring plan successfully completed on February 26, 2021.

As of December 31, 2021, the total amount of the Net Fleet Debt (excluding liabilities related to leases) amounted to €2,772 million compared to €2,039 million last year.

On the same date, liabilities related to leases within the scope of IFRS 16 amounted to €430 million (€354 million at December 31, 2020), of which:

- €155 million (€75 million at December 31, 2020), related to fleet held under lease contracts with manufacturers, car dealers or financial institutions and;
- €275 million (€279 million at December 31, 2020) mainly related to real estate lease contracts.

The table below presents details of the net corporate net debt and the total net debt, excluding liabilities related to leases:

		Year ended December 31	
		2021	2020
2024 Unsecured Senior Subordinated 4.125% Notes		-	600
2026 Unsecured Senior Subordinated 4% Notes		-	450
Credit facility – Crédit Suisse		-	50
State-guaranteed loans		279	281
Senior Revolving Credit Facility and term loan		560	624
FCT Junior Notes [(1)], accrued interest not due, capitalized costs of financing agreements and other costs [(2)] [(3)]		(297)	(204)
Corporate gross debt recognized on statement of financial position	(A)	**542**	**1,801**
Short-term investments [(4)]		**-**	**-**
Cash held by operating entities and short-term investments [(4)]		(302)	(375)
Net corporate debt recognized on statement of financial position	(B)	**240**	**1,426**
2026 Secured Senior 3.0% Notes		500	500
Senior Asset Revolving Facility		1,029	445
New credit facility dedicated to fleet financing		155	-
FCT Junior Notes [(1)], capitalized costs of financing agreements and other		303	243
Fleet financing in the United Kingdom and Australia and other fleet financing facilities		939	969
Gross financial fleet debt recognized on statement of financial position	(C)	**2,925**	**2,157**
Short-term fleet investments Cash held by fleet-owning entities and short-term fleet investments		(153)	(118)
Fleet net debt recognized on statement of financial position	(D)	**2,772**	**2,039**
Gross debt recognized on statement of financial position [(5)]	*(A) + (C)*	*3,467*	*3,958*
Net debt recognized on statement of financial position	(B) + (D)	**3,012**	**3,465**

(1) The proceeds from the FCT Junior Notes subscribed by Europcar International S.A.S. ("ECI") permit the overall credit enhancement and, where applicable, additional liquidity. FCT Junior Notes are used only to finance the fleet debt requirement. FCT Junior Notes are subscribed by ECI using available cash or draws on the Senior Revolving Credit Facility.

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

(3) Including accrued interest for financial assets (Euroguard).

(4) Short-term investments include bond investments made by the Group's two captive insurers and considered to be liquid due to their maturities.

(5) In this presentation, bank overdrafts are included in the Cash line held by the operating entities and short-term investments and, therefore, exclude the amount of the gross debt.

3.2.2 Analysis of cash flows

3.2.2.1 Analysis of management cash flows

The Group believes that corporate free cash flow is a useful indicator because it permits an analysis of the Group's cash generation based on its operating activities, including net financing costs on borrowings dedicated to fleet financing, without taking into account (i) disbursements in connection with debt refinancing, (ii) the financial costs which, due to their exceptional nature, are not representative of the trends in the Group's results, (iii) financial investments, and (iv) cash flows related to the fleet, analyzed separately, because the Group makes its vehicle acquisitions through asset-backed financing.

The table below shows the calculation of corporate free cash flows, as well as the grouping of certain items deemed significant in analyzing the Group's cash flow, such as cash flows relating to changes in the rental fleet, in fleet-related trade receivables and trade payables, and in fleet-related financing and other facilities financing working capital requirements that are principally used for fleet-related needs. This presentation differs from the IFRS statement of cash flows primarily due to the analytic grouping carried out and the items that do not affect cash flow, which vary based on the financial indicator used as the starting point (in this case, adjusted corporate EBITDA, as presented below, compared with pretax profit in the IFRS statement of cash flows).

Management cash flows

(in millions of euro)	**December 2021**	December 2020
Adjusted Corporate EBITDA	**284**	**(172)**
Other non-recurring income and expenses [(1)]	(40)	(70)
Acquisitions of intangible assets and property, plant and equipment, net of the net value of disposals	(61)	(33)
Changes in provisions and in non-rental fleet working capital requirement [(1)]	25	(22)
Income taxes received (paid)	(21)	(17)
Repayment of the IFRS 16 rental debt	(95)	(104)
Corporate free cash flow	**92**	**(419)**
Net interest paid on high-yield borrowings	(28)	(30)
Cash flow after payment of high-yield interest	**64**	**(449)**
Change in rental fleet, working capital requirements, fleet financing and working capital facility	(260)	282
Disposals, acquisitions of subsidiaries, net of cash acquired and other investment transactions	14	3
Increase in share capital and buybacks	248	1
Special distribution	-	-
High-yield Note	-	-
Derivatives	-	-
Payment of transaction and other costs	(90)	(17)
Increase/(decrease) in cash and cash equivalents before effect of foreign exchange differences	**(24)**	**(180)**
Cash and cash equivalents at beginning of period	*445*	*628*
Effect of foreign exchange differences	2	(3)
Change in scope of consolidation	-	-
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**426**	**445**

(1) To facilitate the reading of the operating management cash flow, the main non-recurring income and expenses not paid at the closing date have been restated from the "Other non-recurring income and expenses" with a counterpart in "Changes in provisions and in non-rental fleet working capital requirement.".

Corporate free cash flow

Corporate free cash flow is defined as free cash flow before the impacts of the rental fleet and acquisitions of subsidiaries. Free cash flow resulted in a cash inflow of €92 million in 2021 (versus cash disbursement of €419 million in 2020) also affected by non-recurring elements:

- adjusted Corporate EBITDA increased by €456 million from (€172) million in 2020 to €284 million in 2021;
- other non-recurring income and expenses in 2021 mainly include adjustment measures related to the Connect plan, costs incurred in connection with debt restructuring, costs incurred in connection with the ongoing public tender offer, as well as certain provisions for ongoing tax litigation;
- investments in property, plant and equipment and intangible assets, net of the net value of assets sold, reached €61 million with priority given to the Group's digital transformation after an atypical year in 2020 in terms of investments in a context of preserving liquidity with investments limited to essential digital projects;
- changes in provisions and working capital requirements excluding the rental fleet represent a cash inflow of €25 million in 2021, mainly due to changes recorded on the "Buy-Back" provision versus a cash outflow of €22 million in 2020;
- the tax paid in 2021 represented a cash outflow of €21 million, versus €17 million in 2020.

Other components of cash flow

The change in the fleet recorded on the statement of financial position, fleet receivables and payables, fleet financing and working capital facility covers the following items:

- first, fleet-related impacts. Given the asset-backed financing, the net impact of the various components (change in the fleet, in working capital requirement and in fleet financing) is primarily the result of timing differences between (i) the delivery of a vehicle and payment for this delivery, and (ii) the possibility of securitizing these vehicles and, therefore, their financing. Changes from one year to the next may thus be significant; and
- second, changes in credit facilities.

In 2021, the net impact represented a cash outflow of €260 million, versus a cash inflow of €282 million in 2020, against a backdrop of a recovery in business during the 2021 fiscal year.

Furthermore, in 2021, the €248 million capital increase and redemption of treasury shares included:

- the capital increase via a capital injection and the issue of new ordinary shares, maintaining shareholders' preferential subscription rights, for an amount of €250 million;
- a €6 million cash injection related to the exercise of the Guarantee Warrants, the Participation Warrants and the Coordination Warrants, distributed mainly to Bondholders;
- €9 million in expenses paid;
- changes in treasury shares for €1 million.

Finally, the €73 million increase in transaction costs and other costs between 2020 and 2021 is mainly due to the payment of transaction costs on transactions carried out during the fiscal year (restructuring of corporate debt and refinancing of lines intended for fleet financing during the second half of the year) and an increase in non-utilization fees on the various lines of credit.

3.2.2.2 Analysis of IFRS cash flows

The Group's principal cash flow drivers are its operating performance, as reflected in its operating profit before changes in the working capital requirement, cash flow from financing activities, the interest on its corporate debt, cash flows on acquisitions and disposals of the fleet, and cash flows from investing activities.

	IFRS	
(in millions of euro)	**December 2021**	December 2020
Net cash from (used by) operating activities	(770)	822
Net cash flows from (used by) investing activities	(45)	(30)
Net cash flows generated from (used by) financing activities	790	(972)
NET INCREASE (DECREASE) IN CASH	**(25)**	**(180)**

A) NET CASH FROM (USED BY) OPERATING ACTIVITIES

The table below summarizes the net cash flows generated by the Group's operations for the fiscal years ended December 31, 2021 and 2020.

(in millions of euro)	IFRS **December 2021**	 December 2020
Operating income (loss) before changes in working capital requirement	**311**	**(229)**
Change in the rental fleet recorded on the statement of financial position and fleet working capital requirement	(932)	1,160
Changes in non-fleet working capital requirement	(4)	25
Cash generated from operations	**(625)**	**956**
Income tax received/(paid)	(21)	(17)
Net interest paid	(124)	(116)
NET CASH FROM (USED BY) OPERATING ACTIVITIES	**(770)**	**822**

CASH GENERATED FROM OPERATIONS

Cash generated from operations represented a cash outflow of €625 million in 2021, compared with a cash inflow of €956 million in 2020. The improvement in operating income before changes in the working capital requirement of €311 million was offset by the negative change in the fleet recognized on the balance sheet and the associated working capital requirement of €(932) million. As a result, cash generated from operations remains significantly negative.

INCOME TAX RECEIVED/(PAID)

The tax paid in 2021 represented a cash outflow of €21 million, versus €17 million in 2020.

NET INTEREST PAID

The increase in net interest disbursements, which rose from €116 million in 2020 to €124 million in 2021, is mainly due to the increase in financing allocated to the fleet in 2021 (in terms of cost and volume) partially offset by the decrease in corporate interest following the conversion of some of the Group's corporate debt into share capital as part of the debt restructuring carried out in February 2021.

B) NET CASH FLOWS FROM (USED BY) INVESTING ACTIVITIES

The Group's net cash flows used by investing activities for fiscal years ended December 31, 2021 and 2020 are analyzed below:

(in millions of euro)	IFRS **December 2021**	 December 2020
Acquisition of intangible assets and property, plant and equipment	(60)	(49)
Proceeds from disposal of intangible assets and property, plant and equipment	–	16
Proceeds from the sale of subsidiaries	–	-
Acquisition of subsidiaries net of cash acquired and other financial investments	15	3
NET CASH FLOWS FROM (USED BY) INVESTING ACTIVITIES	**(45)**	**(30)**

Net cash flows used by investing activities represented a cash outflow of €45 million in 2021 compared with €30 million in 2020.

Investments in property, plant and equipment and intangible assets, net of the net value of assets sold, reached €60 million with priority given to the Group's digital transformation after an atypical year in 2020 in terms of investments in a context of preserving liquidity with investments limited to essential digital projects.

Acquisitions of subsidiaries, net of cash acquired and other financial investments in 2021, mainly included changes in bond investments made by the Group's two captive insurers.

C) NET CASH FLOWS GENERATED FROM (USED BY) FINANCING ACTIVITIES

The table below summarizes the Group's net cash flows generated from financing activities for the fiscal years ended December 31, 2021 and 2020.

	IFRS	
(in millions of euro)	**December 2021**	December 2020
Capital increase (net of related expenses)	247	-
(Purchases)/Sales of treasury shares	-	1
Special distribution	-	-
Issuance of notes	-	-
Change in lease liabilities	(98)	(158)
Derivatives	-	-
Change in other borrowings	665	(811)
Payment of financing costs	(24)	(3)
NET CASH FLOWS GENERATED FROM (USED BY) FINANCING ACTIVITIES	**790**	**(972)**

Net cash flows generated from financing activities represented a cash inflow of €790 million in 2021, compared with a cash outflow of €972 million in 2020.

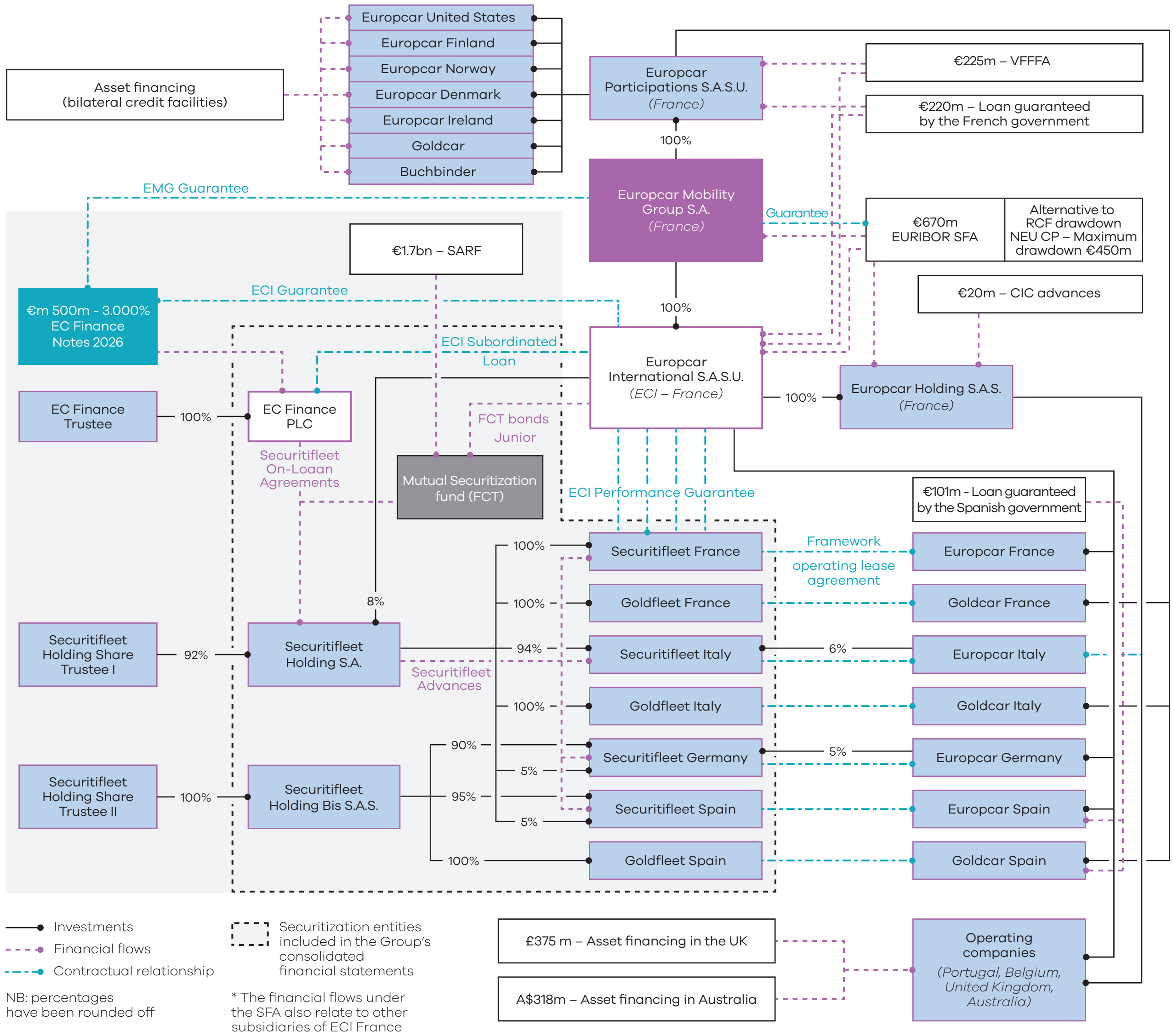
The 2021 inflows are primarily related to the significant increase in rental fleet financing needs (primarily the draws on the SARF as well as the local main lines of credit). In 2020, disbursements on fleet financing were partially offset by the increase in the corporate draws and the issuance of new financing intended to secure the Group's liquidity in light of the health crisis with, in particular, the borrowing of €220 million benefiting from a guarantee by the French government and the new lines of financing for the Group's Spanish subsidiaries.

As a reminder, the capital increase includes:

- the capital increase via a capital injection and the issue of new ordinary shares, maintaining shareholders' preferential subscription rights, for an amount of €250 million;
- a €6 million cash injection related to the exercise of the Guarantee Warrants, the Participation Warrants and the Coordination Warrants, distributed mainly to Bondholders;
- €9 million in expenses paid.

3.2.3 Description of financing at December 31, 2021

The following chart shows the Group's financial debt as of December 31, 2021:



Rating

Standard & Poor's

"CORPORATE" RATING

On July 8, 2015, following the initial public offering, the rating agency Standard & Poor's raised its long-term corporate credit rating on Europcar Mobility Group and its wholly owned financing subsidiary Europcar International from B to B+ with stable outlook. The agency reaffirmed its B+ rating and stable outlook in its October 16, 2017 publication along with the publication of the ratings of the Group's newly issued notes.

On October 16, 2017, Standard & Poor's also upgraded by two notches, from B+ to BB, the rating on EC Finance's issue of November 2, 2017 for €350 million in Senior Secured Notes maturing in 2022, intended to finance the fleet.

At the same time, the agency reaffirmed its B- rating for the issue of €600 million in senior notes due 2022, the same rating as it gave to the new 2024 senior notes for €600 million issued by the Group on November 2, 2017 to finance and refinance the acquisitions of Goldcar and Buchbinder.

On October 16, 2017, the agency also reaffirmed its BB rating for the €500 million RCF arranged by Europcar Mobility Group in July 2017.

On June 13, 2018, the rating agency Standard & Poor's confirmed the B+ rating for Europcar Mobility Group and raised its outlook from stable to positive. In conjunction with this revision, the Agency downgraded EC Finance's senior notes due 2022 one notch to BB-. The ratings of the Group's other notes (senior notes due 2022 for €600 million, as well as senior notes due for 2024 for €600 million) remain unchanged at B-. The agency also reaffirmed its BB rating for the €500 million RCF due for 2022.

On April 15, 2019 the agency upgraded the Group's rating by one notch from B+ to BB-, thus recognizing the improvement in the Group's operational performance and its ability to integrate the major acquisitions carried out in 2017 (Buchbinder and Goldcar). At the same time, the agency upgraded the Group's debt rating by one notch.

On October 30, 2019, the agency maintained its BB- rating but downgraded its outlook from stable to negative following a weaker-than-expected performance during the third quarter of 2019.

In 2020, in a continually changing pandemic context, S&P progressively adjusted its issuer rating on the Group. Initially downgraded from BB- to B- with negative CreditWatch on April 3, 2020 – primarily related to the pandemic and its impact on liquidity – then to CCC+ on May 28, 2020, this rating has been CC since November 3, 2020, following the negotiations on restructuring the Group's debt, the outcome of which could be perceived as a case of selective default under the S&P criterion. On that date, Europcar's corporate RCF was rated CCC-, its note debt C, with the exception of the secured subordinated note backed by the fleet, which was rated CC.

On November 30, 2020, the agency again downgraded the Group's rating to "Selective Default" (SD) following the non-payment of the interest due for the 2024 and 2026 Senior Subordinated Notes; this interest was to be capitalized in the context of the debt restructuring.

In a context that is still impacted by the Covid-19 pandemic, following the completion of the financial restructuring of the Group's balance sheet, S&P raised its issuer rating from Selective Default ("SD") to CCC+ on April 9, 2021 with a negative outlook. In conjunction with this revision, the agency upgraded EC Finance's Senior Secured Notes from CC to CCC+. On August 5, 2021, the agency placed the Group's CCC+ issuer rating under under a positive CreditWatch following the takeover bid for Europcar Mobility Group made by a consortium led by Volkswagen. S&P also placed the €500 million senior secured note issue ("Fleet Bond") issued by EC Finance under a positive CreditWatch.

RATING OF THE FLEET DEBT

Finally, in the context of the implementation of the new Standard & Poor's methodology for sovereign risk ratings, on February 24, 2017 the agency confirmed that the SARF, which is intended for fleet financing, had retained its "A" rating. Following the contractual changes made to the SARF in 2018, including the extension of its maturity to July 2024 and its increase from €1.3 billion to €1.7 billion, Standard & Poor's again confirmed its "A" rating for the program on May 17, 2018.

On April 16, 2020, the agency placed the A rating of the SARF under negative CreditWatch as a result of the downgrade of the Europcar Mobility Group rating on April 3, 2020, reflecting the uncertainties related to the potential impacts of the pandemic on fleet liquidation assumptions and the deterioration of the Group's credit profile. On June 8, 2020, the agency downgraded the SARF to BBB, maintaining the negative CreditWatch after the new downgrade of the Group on May 28, 2020, considering an increased operational risk.

On July 28, 2021, the agency confirmed the SARF's BBB rating following an amendment to the conditions and the extension of the credit facility's maturity to January 2027 before withdrawing its rating. This facility is no longer subject to a public rating by the agency.

Moody's

On July 7, 2015, following the Initial Public Offering, Moody's Investors Service upgraded Europcar Mobility Group's Corporate Family Rating (CFR) from B3 to B1. The agency reaffirmed this rating and the stable outlook in its October 16, 2017 publication along with publication of its ratings of the Group's newly issued notes.

On October 16, 2017, Moody's upgraded EC Finance's €350 million Senior Secured Notes due 2022, intended to finance the fleet, by one notch from B2 to B1. At the same time, the agency gave a B3 rating to the new €600 million issue of senior notes due 2024, the same rating that it confirmed for the €600 million senior notes due 2022.

On June 15, 2018, Moody's Investors Service confirmed the Corporate Family Rating (CFR) of Europcar Mobility Group at B1. The agency also reaffirmed the stable outlook associated with this rating.

EC Finance's €150 million contribution to the senior notes due for 2022 issued on June 15, 2018, did not result in any change in its B1 rating. The B3 rating of the two €600 million issue of senior notes due 2022 and 2024 was also confirmed.

On October 29, 2019, the agency placed the Corporate Family Rating (CFR) under review for downgrade following the profit warning on results and guidance issued by the Group when it published third quarter 2019 results.

In 2020, Moody's gradually revised the Group's Corporate Family Rating (CFR) in the context of the global pandemic. Initially, the CFR was downgraded to B2 in March, subject to revision for an additional downgrade which effectively materialized on June 10, 2020 with a downgrade to Caa1, stable outlook. On September 10, 2020, Moody's nevertheless downgraded this rating to Caa2 with a negative outlook, in view of the high probability of debt restructuring.

On December 2, 2020, the agency again downgraded the Group's rating to "Limited Default" (LD) following the non-payment of the interest due for the 2024 and 2026 Subordinated Notes; this interest was to be capitalized in the context of the debt restructuring.

On April 19, 2021, Moody's raised the Group's Corporate Family Rating (CFR) to Caa2 at the end of the financial restructuring. At the same time, Moody's upgraded the rating of EC Finance's Senior Secured Notes maturing in 2022 by one notch, increasing it from Caa1 to B3. The agency also raised its outlook on credit from negative to positive. On September 21, 2021, Moody's raised the Europcar Mobility Group's CFR rating to Caa1 and confirmed its positive outlook on the rating. The agency also awarded the rating of B2 to EC Finance's Senior Secured Notes issue with a maturity date of 2026.

3.2.3.1 Corporate Debt

A) SENIOR CREDIT FACILITY

The Senior Facilities Agreement (the "SFA") was signed on February 26, 2021 with the primary purpose of funding the Group's working capital and general requirements (including authorized acquisitions).

The SFA borrowers are Europcar Mobility Group, ECI, Europcar Holding S.A.S, EmobG Services Germany GmbH, Europcar France S.A.S., and Europcar IB, S.A.U. (the **"SFA Borrowers"**).

The SFA Agreement provides for a term loan of €500 million and revolving credit in the amount of €170 million. The utilization of the SFA through credit advances ("Advances under the Senior Facilities Agreement" or "SFA Advances") or the issuance of letters of credit ("SFA Letters of Credit"), which may not exceed €150 million. The SFA also provides for the utilization through Bridge Loan Advances ("Bridging Loan Facilities in respect of the Senior Facilities Agreement" or "SFA Bridge Loan Facilities") for a maximum amount in principal of €150 million.

GUARANTEES

Sureties have been provided by the Company, ECI, Europcar Holding S.A.S., EmobG Services Germany GmbH, Europcar France S.A.S., Europcar IB S.A.U., Europcar Italia S.p.A. and Europcar UK Limited; other Group subsidiaries may also, under certain conditions, guarantee the SFA in future.

INTERESTS

The interest rates per annum applicable to SFA Advances are based on Euribor (or Libor or BBSW for drawings in currencies other than euro) plus an applicable borrowing margin, specifying that Euribor, Libor, or BBSW will be deemed equal to zero in the event of a negative interest rate.

The SFA Bridging Loan Facility bears interest at EONIA plus the applicable margin, it being specified that EURIBOR, LIBOR and the BBSW will be deemed to be equal to zero if it is in fact negative.

FINAL MATURITY DATE

The Senior Credit Facility matures on June 9, 2023 (the "Maturity Date").

SECURITY

The SFA is secured, subject to certain applicable limitations, by first-priority security interests on the shares of ECI and of certain direct or indirect subsidiaries of ECI (Europcar Holding S.A.S., Europcar France S.A.S., Europcar UK Limited, EmobG Services Germany GmbH, Europcar Italia S.p.A., and Europcar IB S.A.U.).

RANKING/PRIORITY

The SFA ranks senior to all other subordinated debt of each SFA Borrower.

The SFA ranks pari passu with hedging transactions in right of payment and the security interests guaranteeing the SFA (with the exception of the senior security interest on the aforementioned ECI shares which does not secure the hedging transactions).

SFA Lenders' receivables rank *pari passu* at least equal to all other receivables of unsecured creditors.

FINANCIAL COMMITMENTS (COVENANTS)

The SFA specifies that the Group must maintain a ratio of cash flow to total debt service of no less than 1.10: 1.

Total debt service will be the total amount of interest and related fees paid over a 12-month period, to which is added the repayment of financial debts, which are subject to certain restrictions.

COMMITMENTS (COVENANTS)

Subject to certain exceptions related to materiality tests, grace periods and carve-outs, the Senior Facilities Agreement specifies certain covenants, namely: (i) a ban on granting security interests on the assets of the Group, (ii) a limitation on financial indebtedness, (iii) a restriction on asset disposals, and (iv) limitations on mergers, acquisitions and investments.

B) *NEU CP* PROGRAM

On February 11, 2019, Europcar Mobility Group launched a NEU CP ("Negotiable European Commercial Paper") program.

This program has a ceiling of €450 million. The program's outstanding amount issued plus outstanding RCF drawdowns cannot exceed a total commitment of €650 million, in accordance with RCF documentation.

Each issue covers a period of less than one year, for an amount greater than or equal to €200,000.00. Their remuneration is not restricted and may therefore be based on a fixed rate, a variable or floating rate or on a structured remuneration.

Financial records for the program have been filed with the Banque de France and is available on their website.

C) LOAN GUARANTEED BY THE FRENCH GOVERNMENT

The State-guaranteed loan ("**SGL**") was signed on May 2, 2020 for the purpose of consolidating the Group's liquidity to allow it to address its vehicle financing needs and its corporate needs related to the impacts of the Covid-19 pandemic.

Borrowers for the SGL are Europcar International S.A.S.U. and Europcar Participations S.A.S. (the **"SGL Borrowers"**).

The SGL also provides for the utilization through Advances (**"Advances on the State-guaranteed Loan"** or **"SGL Advances"**) denominated in euro for an outstanding amount in principal of €220 million.

GUARANTEES

The SGL is 90% guaranteed by the French State via Bpifrance Financement, a subsidiary of Bpifrance S.A., pursuant to the Order of March 23, 2020 granting the State guarantee to credit institutions and financing companies pursuant to Article 6 of corrective finance law No. 2020-289 of March 23, 2020 for 2020.

INTEREST

The SGL Advance bears annual interest at a rate equal to the EURIBOR plus the applicable loan margin; it is specified that the EURIBOR rate will be assumed to be equal to zero in the event this rate is negative.

MATURITY AND REPAYMENT OF SGL ADVANCES

The SGL will mature on May 2, 2021 (the "**Initial SGL Maturity Date**"). Each SGL Borrower may, however, request from the SGL Lenders, no earlier than 4 months and no later than 2 months before the Initial SGL Maturity Date, an extension of this date for an additional period of one to five years. This extension is at the discretion of each SGL Borrower, provided that the Borrower has paid, on the Initial SGL Maturity Date, a guarantee commission.

The SGL provides for a 12-month deferred payment period. Payments will then be made according to the maturity period chosen by each of the SGL borrowers with, in the event of an extension of more than one year, an initial repayment of 10% of the initial loan amount in May 2022, then according to an amortization schedule based on the duration chosen; it is understood that if a cash capital increase of €150 million has not been completed by December 31, 2022, a repayment of 50% of the outstanding loan amount must be made in May 2023.

On April 23, 2021, the maturity of the SGL was extended by an additional five years.

SECURITY

The SGL does not benefit from any security, but is 90% guaranteed by the French State via Bpifrance Financement.

RANKING/PRIORITY

The SGL Lenders have a claim that ranks at least *pari passu* with all the other claims held by the unsecured creditors of the SGL Borrowers.

FINANCIAL COMMITMENTS (COVENANTS)

The SGL specifies that the Group must maintain a ratio of cash flow to total debt service of no less than 1.10: 1.

Total debt service is the total amount of interest and related fees paid over a 12-month period, to which is added the repayment of financial debts, which are subject to certain restrictions.

COMMITMENTS (COVENANTS)

Subject to certain exceptions related to materiality, grace periods and carve-outs, the State-guaranteed loan (SGL) specifies certain covenants, namely: (i) a ban on granting security interests on the assets of the Group, (ii) a limitation on financial indebtedness, including a ban on contracting financial debt guaranteed by the French State, (iii) a restriction on asset disposals, and (iv) limitations on mergers, acquisitions and investments.

D) LOAN GUARANTEED BY THE SPANISH GOVERNMENT

The Spanish operating entities Europcar IB S.A.U. and Goldcar Spain S.L.U. benefited from a Spanish State-guaranteed loan program for a total of €101.25 million.

These credit agreements were granted by several Spanish banking institutions and have a three-year maturity, extended by three years to 2026 in March 2021. The purpose of these agreements is to finance the working capital requirements of the borrower and/or finance the vehicle fleet in Spain.

The interest rates applied are fixed or variable with margins indexed.

These financing lines are not secured, but are 70% guaranteed by the Spanish government.

3.2.4 Debt related to fleet financing

A) SENIOR ASSET REVOLVING FACILITY (SARF)

The SARF was entered into between Crédit Agricole Corporate and Investment Bank, as "Lending Bank" and Securitifleet Holding as borrower.

The SARF was initially entered into on July 30, 2010 and has subsequently been amended multiple times. The Senior Asset Revolving Facility provides a facility of €1.0 billion to Securitifleet Holding. Draws that may be made by Securitifleet Holding (the "SARF Borrower") are exclusively for financing rental fleet acquisition and maintenance in France, Italy, Germany and Spain through the Securitifleet companies.

The most recent amendments to the SARF are as follows:

- (i) on February 9, 2017 to enable the securitization program to be made compliant with the new methodology published by the rating agency Standard & Poor's relating to sovereign risk (the "Rating above the sovereign" methodology) and thus to maintain its single A rating. These amendments stipulate the inclusion of new concentration limits on the vehicle fleets in Spain and in Italy financed through the SARF;
- (ii) on August 31, 2017, to adjust the manufacturer concentration limits to take into account the acquisition of Opel by PSA Group;
- (iii) on May 14, 2018, to allow the financing of the Goldcar fleet. The amount of the line thus increased from €1.3 billion to €1.7 billion and new special purpose entities dedicated to the financing of the Goldcar fleet, the Goldfleet companies, were formed. The Group took advantage of this opportunity to renegotiate the applicable margin, extend the maturity of the line from January 2020 to January 2022 and relax the concentration limits on the rental fleet in Spain and Italy;

(iv) on July 27 and October 15, 2021, in order to extend the SARF's maturity to July 17, 2024, to amend the concentration limits, to bring in Royal Bank of Canada and to remove Bank of America Europe DAC as a subscriber of the FCT Senior Notes (as defined below). The margin of the FCT Senior Notes has been changed to be based on the rating. The margin of the FCT Senior Notes may also be reduced or increased by 0.05% or 0.075% depending on whether or not the Group meets certain ESG criteria. On July 28, 2021, the agency confirmed the SARF's BBB rating before withdrawing its rating. This facility is therefore no longer subject to a public rating by the agency.

Under the terms of an FCT Subscription agreement, the Lending Bank assigned its claims arising under the SARF, together with all security interests and ancillary rights related thereto, to the FCT Issuer which, in consideration, issued (i) "FCT Senior Notes" to be subscribed by Crédit Agricole Corporate and Investment Bank (or, as applicable, LMA, its sponsored multiseller asset-backed commercial paper conduit), Société Générale, Société Générale Capital Market Finance, Deutsche Bank AG, London Branch, Natixis, (or, as applicable, Magenta, its sponsored multiseller asset-backed commercial paper conduit); BNP Paribas (or, as applicable, Matchpoint, its sponsored multiseller asset-backed commercial paper conduit), HSBC France (or, if applicable, Regency Assets Limited, its sponsored asset-backed commercial paper conduit), Lloyds Bank plc, Royal Bank of Canada (or its conduit Irish Ring Receivables Purchaser DAC), ING Bank N.V and any other entity that may subscribe for or acquire FCT Senior Notes as senior subscriber(s) in an aggregate amount of €1.7 billion, and (ii) second priority FCT to be subscribed to from time to time by ECI ("FCT Junior Notes").

FINAL MATURITY DATE

The SARF will be terminated on the earlier of the following dates: (i) the settlement date in July 2024, (ii) the start of a Non-Enforcement Amortization Period (namely, the date on which a Level 1 Event of Default is declared (as defined below)), (iii) the start of an Enforcement Amortization Period (namely, the date on which a Level 2 Event of Default is declared (as defined below)), (iv) the date falling six months before the date on which the amount of the SFA falls below €500 million (unless all or part of this facility is refinanced in amounts equal to or exceeding €500 million), and (v) the date falling ten months before the maturity date of the EC Finance Notes (the first of such dates is the "SARF Termination Date"). The SARF's final maturity date shall correspond to the date falling six months after the SARF Termination Date (the "SARF Final Maturity Date").

SARF ADVANCE RATE

The rate of the SARF Advances (the "SARF Advance Rate") is determined as a function of the total "Borrower Asset Value" (as defined below in the Section "Borrower Asset Value") of all Securitifleet and Goldfleet companies, the credit enhancement mechanisms confirmed with Standard & Poor's, and the concentration limits applicable to carmakers and vehicles as defined in the SARF, the framework operating lease agreements and the terms and conditions of the FCT Junior Notes.

In particular, the SARF Advance Rate is calculated by reference to the "Senior Asset Funding Limit" which is sized principally on the basis of (A) the aggregate Borrower Asset Value of all Securitifleet and Goldfleet Companies (subject to certain limitations), reduced by (B) the applicable "Credit Enhancement Amount." The Credit Enhancement Amount is determined by aggregating: (i) the amount determined by the application of the rate determined using Standard & Poor's Credit Enhancement Matrix applicable to the corresponding Credit Enhancement Asset, and (ii) the amount exceeding the concentration limits applicable to carmakers and vehicles as defined in the SARF.

Borrower Asset Value

Drawing under the Senior Asset Revolving Facility by Securitifleet Holding will depend on the aggregate of Borrower Asset Values of all the Securitifleet and Goldfleet Companies.

For a Securitifleet or Goldfleet Company acting as borrower under the Securitifleet Loan Agreements or Goldfleet Loan Agreements (as defined below), the Borrower Asset Value is calculated monthly as the aggregate of the following items:

- the rental fleet residual value, which is composed of the aggregate residual values of the rental fleet plus capitalized costs for any purchased vehicles for which registration is pending, less any aggregate provisions for badly damaged, stolen or converted vehicles of the rental fleet owned by the relevant Securitifleet or Goldfleet Company;
- the amount of the vehicle provider's receivables, consist of the receivables owed to the Securitifleet or Goldfleet Company by a car dealer or manufacturer for the sale of any vehicle by the relevant Securitifleet or Goldfleet Company under any buy-back agreement and payable to the relevant Securitifleet or Goldfleet Company;
- the amount of VAT receivables, which comprise any VAT repayment receivables owed or which may be owed by a tax authority to the relevant Securitifleet or Goldfleet Company and which are payable to such Securitifleet or Goldfleet Company;

minus:

- the aggregate amount of any debt owed by the relevant Securitifleet or Goldfleet Company to vehicle providers (excluding any VAT amount related thereto) to the extent that the due date of such payables falls after the second SARF settlement date (as defined below) which follows;
- the aggregate amount of the capitalized costs related to each rental fleet (excluding the rental fleet of Securitifleet GmbH) delivered and accounted for by a Securitifleet or Goldfleet Company (excluding Securitifleet GmbH) but for which the corresponding invoice has not yet been received or booked; and
- the aggregate amount of all VAT payments owed by the relevant Securitifleet or Goldfleet Company to a taxation authority in its relevant jurisdiction at such time (it is specified that such VAT payments owed by EmobG Services Germany GmbH in relation on the resale by of its vehicles by Securitifleet GmbH are excluded).

MARGIN

The Euribor margin of the FCT Senior Notes has been amended and varies according to the rating level, at least equal to A- or lower. The margin of the FCT Senior Notes may also be reduced or increased by 0.05% or 0.075% depending on whether or not the Group meets certain ESG criteria at the end of 2022 and the end of 2023.

The interest rate applicable to the FCT Junior Notes is equal to the sum of the Euribor rate applicable to the relevant interest period and the applicable margin.

FLEET SERVICING

Each operating company of the Group in France, Germany, Spain and Italy (each an "Operating Company"), pursuant to servicing agreements (each a "Servicing Agreement"), acts as a service provider (each, in this capacity, a "Service Provider") for the rental fleet (and other assets) owned by the relevant Securitifleet or Goldfleet Company.

Implementation pursuant to the terms of a rental fleet availability services agreement, and of an engagement letter and fee agreement regarding the provision of legal services in Germany, the service provider provides certain availability services related to the maintenance of the fleet under certain conditions.

ECI PERFORMANCE GUARANTEE

ECI granted to each Securitifleet and Goldfleet company certain performance guarantees (together the "ECI Performance Guarantee") pursuant to which ECI guarantees as joint guarantor the full payment when due of all amounts (including, without being limited to, rental payments under master operating leases, interest, expenses, fees, costs, indemnities and other amounts due as a result of the non-performance or incomplete performance by the relevant Operating Company of any of its obligations) owed to each Securitifleet and Goldfleet company by the relevant Operating Company with respect to certain of their respective payment obligations, in particular under the master operating lease agreements and management and services agreements, up to an amount equal to the available cash. The benefit of the ECI Performance Guarantee was assigned to the Senior Facility Lending Bank under the SARF (and not to the *trustee* of the EC Finance noteholders, directly or indirectly).

In the event of default under the Senior Asset Revolving Facility, the borrower can be directed by the facility instructing party to call the ECI Performance Guarantee and exercise any right it is entitled to exercise in accordance with the terms of the ECI Performance Guarantee.

SECURITY

Securitifleet Holding's obligations under the SARF are secured by the Securitifleet and Goldfleet Securities described below under Section 3.2.3.2 "Debt Related to Fleet Financing" in section (B) "Securitifleet and Goldfleet Securities" which also indirectly benefit holders of EC Finance Notes. In addition, Securitifleet Holding's obligations under the SARF are guaranteed by the rental fleet and the claims on vehicle suppliers pursuant to buyback commitments by manufacturers in Italy and Catalonia, as well as bank account balances of Securitifleet Italy and Goldfleet Italy, the shares held by Europcar Italy in Securitifleet Italy and the shares held by Goldcar Italy in Goldfleet Italy.

RANKING/PRIORITY

The Senior asset Revolving Facility ranks senior to the Securitifleet Loan both in interest and principal and any other subordinated indebtedness of each SARF Borrower. See "SF Intercreditor Agreement."

COMMITMENTS (COVENANTS)

The commitments (covenants) applied to Securitifleet Holding are divided into Level 1 Undertakings and Level 2 Undertakings. Any breach of a Level 1 Undertaking, which is not resolved within its applicable grace period (if relevant), shall result in a Level 1 Event of Default, and correspondingly any breach of a Level 2 Undertaking, which is not resolved within its applicable grace period (if relevant), shall result in a Level 2 Event of Default.

Level 1 Undertakings relate to delivery of financial statements, compliance with accounting policies, notification of Level 1 defaults and maintaining bank accounts with suitably rated banks. The Level 2 Undertakings include in particular (i) information obligations (including notification of a Level 2 Event of Default), (ii) the maintenance of the necessary authorizations, licenses and consents, (iii) compliance with laws and regulations, in particular tax laws, (iv) a negative pledge regarding the assets or business of Securitifleet Holding, (v) restrictions on the granting of loans by Securitifleet Holding, (vi) a limitation on the financial indebtedness of Securitifleet Holding, (vii) a limitation on the granting of guarantees by Securitifleet Holding, (viii) restrictions on the rights of Securitifleet Holding as shareholder of certain Securitifleet and Goldfleet companies, and (ix) the maintenance of bankruptcy-remoteness criteria including restrictions on mergers.

The SARF also provides for two levels of representations and warranties. The Borrower Level 1 Representations and Warranties relate to the accuracy of historical financial statements, ranking, no conflicts, and no events of default or withholding. The Borrower Level 2 Representations and Warranties relate to other representations and warranties.

EVENTS OF DEFAULT

There are two levels of event of default under the Senior Asset Revolving Facility:

(i) a "Level 1 Event of Default" which, subject to the agreed exceptions, materiality tests, grace periods and waivers, consists of: (i) misrepresentations made under the Level 1 Representations and Warranties, (ii) a breach of any Level 1 Commitment, and (iii) the replacement of the Lending Bank without the appointment of a replacement assignee bank; and

(ii) (i) a "Level 2 Event of Default" which, subject to the agreed exceptions, materiality tests, grace periods and waivers, consists of: (i) non-payment of amounts due under the SARF, (ii) misrepresentations made under Borrower Level 2 Representations and Warranties, (iii) the violation of any Level 2 Commitments, (iv) the occurrence of an insolvency event of Securitifleet Holding, (v) the enforcement of security interests or the nullity, lapse, non-enforceability or non-execution of the security interests, or the loss of the benefit of a priority ranking, (vi) the occurrence of a material adverse change affecting Securitifleet Holding, (vii) any audit qualification by the Statutory Auditors concerning Securitifleet Holding's financial statements to the extent that it materially and adversely affects the current or future value of Securitifleet Holding's assets, (viii) breaches relating to Securitifleet Holding's obligations under shareholder arrangements and to compliance with the recommendations made by the Senior Facility Lending Bank or the FCT Issuer in the context of its consultation commitments, (ix) misrepresentations and/or breaches in relation to any security interest or encumbrance, (x) acceleration under the Senior Credit Facility of the outstanding EC Finance Notes, (xi) any early repayment of Group financing (other than vehicles fleet financing) for an amount in excess of €50 million total, and (xii) termination or breach of any material operating license.

The occurrence of a Level 1 Event of Default will trigger a "Non-Enforcement Amortization Period" during which, in particular:

(i) any outstanding advance will become an advance repayable on a monthly basis during the amortization period via all cash collections received;

(ii) each Securitifleet and Goldfleet company will be prohibited from ordering new vehicles from vehicle providers and from granting new advances under the SARF; and

(iii) each Operating Company, acting as lessee under the relevant master operating lease agreement and intra-group sub-lease agreements, due to the prohibition that applies to Securitifleet and Goldfleet Companies, will be prohibited from:

- extending the duration of any simple operating lease or sub-lease in force on the amortization period commencement date; and
- entering into any new operating lease or sub-lease with the relevant Securitifleet Company, Goldfleet Company or Operating Company.

The occurrence of a Level 2 Event of Default will trigger an "Enforcement Amortization Period" during which (i) the relevant instructing party will be entitled to accelerate the payability of all advances granted to Securitifleet Holding in accordance with the provisions of the SF Intercreditor Agreement, and (ii) all securities granted to the FCT Issuer will be enforceable in accordance with the provisions of the SF Intercreditor Agreement.

B) SECURITIFLEET SECURITIES AND GOLDFLEET SECURITIES

The undertakings of Securitifleet Holding under the SARF together with its obligations to repay the revenue of the EC Finance Notes to EC Finance Plc (as defined below) under the borrowing agreement (the "Securitifleet Loan") are secured directly and indirectly by:

- a first priority security interest on the Securitifleet Holding shares held by ECI and Sanne Capital Market Capital Market Ireland Ltd;
- a first priority security interest on the shares held by each of the Securitifleet and Goldfleet Companies (other than shares held by Europcar Italy in Securitifleet Italy and other than the shares held by Goldcar Italy in Goldfleet Italy);
- a senior security interest on the receivables held by Securitifleet Holding against each of the Securitifleet and Goldfleet companies (other than those in respect of Securitifleet Italy and Goldfleet Italy);
- a first priority pledge on the bank account balances of Securitifleet Holding and each of Securitifleet company and Goldfleet company;
- a first priority pledge on certain receivables (including buy-back agreements from carmakers) of each of the Securitifleet and Goldfleet companies (other than those of Securitifleet Italy and Goldfleet Italy), with certain exceptions in Spain; and
- a senior security interest on certain assets (including bank account balances and the rental fleet) of each Securitifleet and Goldfleet company (other than Securitifleet Italy and Goldfleet Italy), with certain exceptions in Spain.

All above-mentioned assets subject to security interests are collectively referred to herein as the "Securitifleet Securities" and "Goldfleet Securities." The Securitifleet and Goldfleet Securities secure the Senior Asset Revolving Facility and the Securitifleet Loan on a *pari passu* basis and enforcement revenue from such collateral will be paid first to the senior lenders under the Senior Asset Revolving Facility pursuant to the amortization priority of payments in the SF Intercreditor Agreement. Such senior lenders, in addition, benefit from direct security over the assets of Securitifleet Italy and Goldfleet Italy. The holders of the EC Finance Notes indirectly benefit only from a negative pledge in respect of the assets of Securitifleet Italy and Goldfleet Italy.

The security agent for the EC Finance Notes acts as agent for the trustee for the EC Finance Notes and the holders of these EC Finance Notes in respect of the EC Finance Notes Securities (as defined below). A common security agent acts as the agent for the SARF creditors and the EC Finance Notes trustee and as the security agent for the EC Finance Notes and the holders of EC Finance Notes in respect of the shared Securitifleet Securities and Goldfleet Securities in accordance with, and under the conditions stipulated by, the provisions of the SF Intercreditor Agreement.

C) SECURITIFLEET ON-LOAN AGREEMENTS

Securitifleet Holding acts as the financing entity for the rental fleet purchasing and leasing activities of the Securitifleet companies. Securitifleet Holding has used the revenue from funding under the Securitifleet Loan related to the EC Finance Notes, together with drawings under the SARF, to on-lend, directly or indirectly, as required by certain local and national jurisdictional limitations, said amounts to the Securitifleet Companies (each such transaction a "Securitifleet Advance") under the "Securitifleet On-Loan Agreements."

Securitifleet Holding has entered into revolving credit facilities with Securitifleet Spain, Securitifleet Italy, Securitifleet France and Securitifleet Germany pursuant to which Securitifleet Holding advances funds to them from time to time.

Except as otherwise required by law, all payments under the Securitifleet Advances are made without deductions or withholding for, or on account of, any applicable tax. In the event that any Securitifleet company is required to make any such deduction or withholding, it is further required to gross-up each payment to Securitifleet Holding to ensure that Securitifleet Holding receives and retains a net payment equal to the payment which it would have received had no such deduction or withholding been made.

Each Securitifleet On-Loan Agreement provides that the Securitifleet Companies will make all payments pursuant thereto on a timely basis in order to ensure that Securitifleet Holding can satisfy its payment obligations under the Senior asset Revolving Facility and the Securitifleet Loan, taking into account administrative and timing concerns and limitations, including under the SF Intercreditor Agreement. Insofar as the SF Intercreditor Agreement only permits payments to be made on the 17th of each month, the semiannual interest payments on the EC Finance Notes are funded by Securitifleet Holding to ECF on the settlement date preceding the relevant semiannual interest payment date on the EC Finance Notes (which is on the first of the following month). ECF is permitted to invest such funds in highly rated liquid securities held in an account pledged for the benefit of the EC Finance Note holders. Any surplus funds in such account following an EC Finance Notes interest payment date may be remitted to Securitifleet Holding for investment in the Securitifleet Companies. Pursuant to the ECI Subordinated Loan, ECI has the option to extend to ECF amounts sufficient to enable ECF to satisfy its payment obligations under the EC Finance Notes that are not funded through payments on the Securitifleet Loan.

Each Securitifleet Company has been created with a limited corporate purpose and is required by the terms of the Securitifleet On-Loan Agreements to which it is a party, which incorporate limitations substantially similar to those provided in the EC Finance Notes Indenture (as defined below), to use the proceeds of the relevant Securitifleet Advances made available under its Securitifleet On-Loan Agreement to acquire and lease vehicles to the Operating Company in its jurisdiction.

D) FCT JUNIOR NOTES

The revenue from the FCT Junior Notes subscribed by ECI set forth the overall credit enhancement and, as applicable, the remuneration of the FCT accounts (in the event of a negative interest rate being applicable to these accounts) as well as an additional liquidity requirement, which is an amount determined by application of a fixed percentage of the rental fleet residual value (which, for each Securitifleet Company and Goldfleet Company, is composed of the aggregate residual value of a given rental fleet of these companies plus capitalized costs for any purchased vehicles for which registration is pending, less any aggregate provisions for badly damaged or stolen vehicles or vehicles the value of which has decreased significantly, with the amount equal to the product of the percentage of the loss adjustments and the residual value of the fleet being deducted), to the amount of the securitization financing (as defined below) at the level of the FCT Issuer, on a cross-collateralized basis among all the Securitifleet Companies and Goldfleet Companies (including any residual risk, such as interest rate risk). The amount and rate of the credit enhancement and liquidity required are calculated monthly (such amount being adjusted on the date on which each advance is made under the Senior Asset Revolving Facility) and is applied toward the determination of the amount of the FCT Junior Notes to be issued in connection with each advance drawdown under the Senior Asset Revolving Facility on the basis of the advance rate and the liquidity amount required.

The FCT Junior Notes are issued for a nominal amount of €1,000. They accrue interest on the basis of the nominal amount issued for each interest period which ends on each settlement date. The amount of interest due on each settlement date for each FCT Junior Note is calculated on a date immediately preceding this settlement date as follows:

- an amount equal to (i) the sum of all interest amounts due to be received under the SARF Agreement on such settlement date; plus (ii) the swap floating amount due to the FCT Issuer by the swap counterparties on such settlement date, (iii) the aggregate interest amount accrued on a liquidity enhancement cash reserve account and an Italian withholding tax reserve account up to such calculation date; plus (iv) the "Additional Amount" to be paid by Securitifleet Holding to the FCT Issuer on such settlement date (an amount payable by Securitifleet Holding to the transaction administrator for the account of the FCT Issuer, deemed to be

€140,000 per month, subject to certain modifications); less (v) the swap fixed amount to be paid by Securitifleet Holding to any swap counterparty on that settlement date; less (vi) the aggregate of all Senior Note coupons due to be paid in relation to all Senior Notes on such settlement date; divided by;

- the aggregate outstanding amount of all Junior Notes; multiplied by;
- the amount of principal outstanding of such Junior Notes.

E) EC FINANCE NOTES

On October 7, 2021, EC Finance Plc ("ECF") issued Senior Secured Notes for a principal amount of €500 million and bearing annual interest at a rate of 3.000% and redeemable in 2026 (the "EC Finance Notes"). The EC Finance Notes are listed for trading on the Euro MTF market of the Luxembourg Stock Exchange.

CSR COMPONENT

This issue was fulfilled on the basis of strong, sustainable performance targets:

- the gradual reduction in emissions from the Group's rental fleet, to reach average emissions of 93 g CO_2/km for cars and 144 g CO_2/km for trucks by the end of 2024;
- 20% green vehicles (average emissions below 50g CO_2/km) within this same fleet by the end of 2024.

GUARANTEES

The EC Finance Notes are guaranteed on a senior unsecured basis by the Company and by ECI (the "Guarantees"). The Guarantees form part of the Company's and ECI's general Senior Notes, and therefore have the same payment priority as all Company and ECI existing and future debts, the payment of which is not subordinated in terms of payment priority to the Guarantees or calls on Guarantees. The Guarantees rank senior in right of payment to all existing and future indebtedness of the Company or ECI that is subordinated or otherwise junior in right of payment to the Guarantees.

The Guarantees are subordinated to any existing or future debt and any other liabilities of the Company or ECI secured by the property and assets of the Company or ECI and its subsidiaries to the extent of the value of the property and assets securing this debt, including the Senior Facilities Agreement and certain fleet financing contracts. In the event of bankruptcy or insolvency, the secured lenders have a priority claim over all securities of the Company or ECI securing the debt they hold.

RANKING/PRIORITY

The EC Finance Notes:

- are general senior notes of ECF;
- are guaranteed on a senior unsecured basis by the Company or ECI;
- rank equally in right of payment with all existing and future indebtedness of ECF that is not subordinated in right of payment to the EC Finance Notes; and
- rank senior in right of payment to all existing and future indebtedness of ECF that is subordinated or otherwise junior in right of payment to the EC Finance Notes.

SECURITY

The EC Finance Notes benefit directly from the real security interests granted to the security agent for the EC Finance Notes on behalf of the trustee of the EC Finance Notes and the holders of the EC Finance Notes (the "EC Finance Notes Securities") on the following rights, property and assets:

- the balance in the bank accounts held in the United Kingdom by ECF and ECF's rights under the ECI Subordinated Loan; and
- ECI's rights under the Securitifleet Loan.

As lender of the Securitifleet Loan, ECF (and indirectly the EC Finance Note holders) also benefits, indirectly, from the Securitifleet Securities and Goldfleet Securities. See Section 3.2.3.2 "Debt Related to Fleet Financing" in section (B) "Securitifleet Securities and Goldfleet Securities."

EVENT OF EARLY REDEMPTION

On or after October 15, 2023, and during each 12-month period beginning on November 15 of the years indicated below, ECF or the Company may redeem all or part of the EC Finance Notes, with prior notice given within a period of not less than 10 days or more than 60 days before the redemption date, at the following redemption prices (expressed as a percentage of par), plus interest accrued and unpaid on the redemption date:

Period	Redemption Price
October 15, 2023	101.6250%
October 15, 2024	100.8125%
As of October 15, 2025	100.000%

COMMITMENTS (COVENANTS)

The EC Finance Notes Indenture contains covenants that, among other things, limit the ability of ECF, ECI, Securitifleet Holding, Securitifleet Companies, Goldfleet Companies and their restricted subsidiaries to:

- respect a maximum loan-to-value ratio of all Securitifleet Companies' and Goldfleet Companies' indebtedness over the total market value of the assets of certain Securitifleet Companies and Goldfleet Companies of 95%, a ratio that will be tested on a quarterly basis;

- respect covenants limiting the activities of ECF and the Securitifleet Companies and Goldfleet Companies;
- incur additional indebtedness;
- make certain payments, including dividends or any other distribution;
- grant certain securities;
- sell assets;
- in the case of restricted subsidiaries, enter into arrangements that limit their ability to pay dividends or make payments to the Company;
- in the case of restricted subsidiaries, grant a guarantee or collateral to secure their debt;
- engage in transactions with affiliates;
- consolidate, merge or transfer all or substantially all of the Company's assets and the assets of its subsidiaries on a consolidated basis; and
- take any action that would materially impair the security interests.

These covenants are subject to important exceptions and qualifications. Currently, all of the subsidiaries of ECF, ECI, Securitifleet Holding and Securitifleet companies and Goldfleet companies are restricted subsidiaries (as defined in the EC Finance Notes Indenture).

SF INTERCREDITOR AGREEMENT

With respect to the signing of the SARF and the issuance of the EC Finance Notes, an Intercreditor Agreement was entered into with, among other, the Senior Facility Lending Bank under the SARF and the trustee for the EC Finance Notes on July 30, 2010; said agreement was amended on March 4, July 31, 2014, May 12, 2015, September 14, 2016, and again on November 2, 2017, May 14, 2018, June 29, 2018 and July 27, 2021 (the "SF Intercreditor Agreement").

The SF Intercreditor Agreement sets out, among other provisions:

- the relative ranking of certain Securitifleet Holding debts;
- when payments can be made in respect of Securitifleet Holding's debt;
- when and under what terms enforcement action in respect of this debt can be taken;
- the terms on which any part of this debt will be subordinated on the occurrence of certain insolvency events;
- dispositions related to revenue;
- security amendment principles setting out when security and guarantees may be modified by the common security agent without prior consent from the trustee or holders of EC Finance Notes; and
- limitations to any petition action in certain time periods and to the recourse which may be taken against Securitifleet Holding and any of the Securitifleet companies and Goldfleet companies.

F) EUROPCAR VEHICLES FLEET FINANCING FACILITIES AGREEMENT

On February 26, 2021, ECI and Europcar Participations S.A.S.U., as borrowers, and Europcar Mobility Group S.A., as guarantor, concluded a €225 million financing agreement intended to finance the SARF's Junior FCT Bonds (the "**Facility A**") and the unfunded portion of rental fleet financing in Australia, Ireland, New Zealand, the United Kingdom, and the United States (the "**Facility B**") (the "**VFFFA**").

Interest from the VFFFA is calculated on the basis of a margin on Euribor.

The VFFFA will expire on December 17, 2024.

Facility A is guaranteed by a pledge of receivables on the sums paid by the Sinople Finance FCT for the FCT Junior Notes. Facility B is a junior guarantee on the rental fleet in the countries concerned.

G) SUBSTANTIAL OPERATING LEASES

The Group finances a portion of its fleet in its Corporate Countries through operating leases. The Group has entered into framework operating lease agreements with financial institutions and the financing entities of its main car suppliers, which are negotiated mainly at Group level.

The Group's main operating leases are described below:

- a line of €400 million granted by the CM-CIC covering the fleet financing needs of Germany, Belgium and Luxembourg;
- facilities granted by the financial entities of the main auto makers, including Daimler, Volkswagen and Renault. These facilities are set up at the local level on the basis of a detailed fleet plan by country agreed on by the parties. These agreements are signed on a yearly basis.

H) INTEREST RATE SWAP AND CAP CONTRACTS

On the date of this Universal Registration Document, the positions of rate derivatives intended to manage the rate risk related to the variable rate debt are detailed in the following table:

Instruments	Nominal	Fixed rate paid or protected	Index	Maturity
Swaps (qualified as hedging)	€1,000m	0.94%	1-month Euribor	2022
	€600m	1.10%	6-month Euribor	2024
Caps (qualified as hedging)	€1,700m	0.80%	1-month Euribor	2025
Caps (not qualified as hedging)	€600m	0.50%	1-month Euribor	2022

In 2021, the Group set up additional caps as part of its renegotiation of the SARF for a total amount of €1,700 million at a protected rate of 0.80% maturing in April 2025, with hedging that will become effective from October 2022.

I) UNITED KINGDOM FLEET FINANCING FACILITIES

The Group's entities in the United Kingdom finance their fleet through finance leases grouped around a Financing Agreement ("Club Facility") for a total of 375 million pounds sterling. The Club Facility also has an uncommitted "Seasonal Facility" of £150 million, provided by the banks participating in the Club Facility each year between the months of May and October.

J) COMMITMENTS (COVENANTS)

The facility contains affirmative and negative covenants customary for this type of facility including restrictions on creation of security interests over the assets of certain members of ECGUK, the periodic delivery of financial and other information, and certain financial covenants and fleet tests.

In particular, ECUK must ensure that:

- the net real value of ECGUK is not less than £45 million; and
- the ratio of fleet cover is not greater than 1.00.

As at December 31, 2021, ECUK complied with all these financial covenants.

K) ASSET FINANCING IN AUSTRALIA AND NEW ZEALAND

Certain Australian and New Zealand financial institutions (banks or financial entities of certain auto makers) have provided Europcar Australia and Europcar New Zealand with senior credit facilities (the "Australian and New Zealand Asset Financing Facilities"), including revolving and non-revolving fleet operating and finance leases with a maximum value of AUD 318 million. These facilities are renewed annually and finance the fleet in Australia and New Zealand.

The facilities are secured by fixed and floating charges over Europcar Australia and Europcar New Zealand assets, including goodwill and uncalled capital and called but unpaid capital, together with the relative insurance policy assigned. There are also performance guarantees for the facilities.

These facilities include covenants. In particular, Europcar Australia must ensure that:

- the minimum actual value (i.e., total shareholders' equity) is always greater than AUD 70 million;
- the average of its daily cash surpluses is greater than AUD 10 million;
- the hedging of fixed expenses is greater than 1.10.

As at December 31, 2021, Europcar Australia complied with all these financial covenants.

L) ASSET FINANCING IN THE UNITED STATES

At December 31, 2021, Fox Rent-a-Car had bilateral credit facilities for financing its rental fleet granted by local financial institutions for a maximum amount of $395 million. These facilities are pegged to LIBOR with different margins and maturities depending on the financial institution. These facilities are accompanied by financial commitments, which are tested each quarter. Fox Rent-a-Car must ensure that:

- at each period ending on a quarterly date, for the majority of lenders, EBITDA is greater than $65 million over the previous four quarters and $15 million over the previous quarter;
- at each period ending on a quarterly date, the debt-to-EBITDA ratio is less than 5.

As of December 31, 2021, Fox Rent-a-Car had not met the EBITDA commitment or the gearing ratio, but succeeded in getting all its funders to release it from these commitments.

3.2.4.1 Shareholders' equity

Shareholders' equity attributable to the owners of the Group totaled €1,611 million at December 31, 2021 compared with €190 million at December 31, 2020. The change mainly corresponds to the impacts of the financial restructuring plan finalized in February 2021 and the derecognition of part of the corporate debt converted into share capital as described in Note 1.2.2 "Group Financial Restructuring" in the Group's consolidated financial statements (Section 3.4 below).

The other changes mainly include the net impact of the financial instruments and actuarial differences relating to pension plans, particularly in Germany, tied to the increase in the discount rate.

3.2.4.2 Contractual obligations and off-balance sheet commitments

See Section 3.2.3 "Description of financing as of December 31, 2021" and to Note 6.6 "Off-balance sheet commitments" to the consolidated financial statements for the year ended December 31, 2021.

3.3 INVESTMENTS

3.3.1 Investment history

The Group's capital expenditures are primarily related to infrastructure and IT systems equipment, and to the equipment and modernization of the rental agencies.

If the acquisition is recorded in the statement of financial position, the expenses relating to the acquisition of vehicles are not recorded as a capital expenditure, but as operating expenses.

3.3.1.1 Rental fleet

The Group operates a large fleet that it has either acquired (with or without a buy-back clause) or that it holds under leasing agreements signed with car manufacturers, dealers or financial institutions. See Note 4 to the consolidated financial statements for more details about the accounting principles used for the fleet.

Acquisitions net of disposals related to the rental fleet represented a cash outflow of €611 million during the fiscal year ended December 31, 2021, versus cash inflows of €954 million for the year ended December 31, 2020. These expenses are primarily financed by *ad hoc* borrowings. The revenue from the sale of vehicles at the end of their period of use is used to repay these borrowings.

For more information on the Group's rental fleet, see Section 1.6.6 "the Group's Fleet"; for more information on the cash flows related to vehicle purchases, see Section 3.2 "the Group's liquidity and capital resources".

3.3.1.2 Capital expenditures

The Group's capital expenditures (acquisitions of intangible assets and property, plant and equipment, net of disposals) amounted to €60 million in 2021 versus €33 million in 2020. These items represent expenditures for IT development and expenditures for other equipment (computer hardware and software, furniture, fixtures and fittings).

3.3.1.3 Acquisitions/Joint Ventures

In 2021, Europcar Mobility Group did not make any acquisitions or establish any joint ventures.

3.3.2 Ongoing investments

Refer to Section 3.3.3 "Future investments" below.

3.3.3 Future Investments

To support its efforts to develop its CONNECT program, the Group plans to continue its investments, in order to simplify and harmonize the architecture of its IT systems to make it more open and flexible, facilitating the integration of third-party applications. This program, named Product & Tech Transformation a component of the Group's strategy (see Section 1.6.8 "Product and Technology division").

In addition, the Group is developing an investment plan to connect its entire rental fleet (see Section 1.4.2.2.2 "Description of the Group's strategic programs"), to provide better fleet management, a better customer experience via innovative services, and the concrete demonstration of the Group's commitment, i.e. to have a 100% connected fleet by 2023, given that a portion is already connected (including the Ubeeqo fleet).

At the registration date of this document, and with the exception of the obligations associated with the purchase of vehicles financed by *ad hoc* borrowings which can be repaid with the revenue from the sale of vehicles at the end of their useful life, the Company has not entered into any other significant commitment for future investments (see Note 6.5 "Off Balance Sheet Commitments" in the Group's consolidated financial statements for the fiscal year ended December 31, 2021).

3.4 CONSOLIDATED FINANCIAL STATEMENTS AND STATUTORY AUDITOR'S REPORT FOR THE YEAR ENDED DECEMBER 31, 2021

Consolidated financial statements for the year ended December 31, 2021

(in thousands of euros)	Notes	**At December 31, 2021**	At December 31, 2020
Revenue		**2,272,196**	**1,760,946**
Fleet holding costs	4.2	(560,995)	(632,865)
Fleet operating, rental and revenue related costs	4.3	(756,960)	(653,367)
Personnel costs	9.1	(414,265)	(379,947)
Network and head office overhead costs	3.2	(187,665)	(194,143)
Non-fleet depreciation, amortization and impairment expense	3.3	(144,159)	(153,359)
Other income and expense	3.4	16,088	410
Current operating income		**224,240**	**(252,325)**
Impairment of non-current assets	3.5	-	(132,597)
Other non-recurring income and expenses	3.5	(69,189)	(115,509)
Operating income		**155,051**	**(500,431)**
Net fleet financing expenses		(84,770)	(73,021)
Net non-fleet financing expenses		(46,170)	(75,790)
Net other financial expenses		(3,399)	(36,397)
Net financing costs	3.6	(134,339)	(185,208)
Profit/loss before tax		**20,712**	**(685,639)**
Income tax benefit/(expense)	3.7	8,325	40,854
Net profit/(loss) for the period		**29,037**	**(644,785)**
Attributable to: Owners of the parent company		29,019	(644,672)
Non-controlling interests		18	(113)
Basic Earnings per share attributable to owners of the parent company *(in €)*	3.8	0.007	(3.934)
Diluted earnings per share attributable to owners of the parent company *(in €)*	3.8	0.007	(3.934)

Consolidated statement of comprehensive income

	At December 31, 2021			At December 31, 2020		
(in thousands of euros)	Before tax	Tax income/ (expense)	After tax	Before tax	Tax income/ (expense)	After tax
Net profit/(loss) for the period	**20,712**	**8,325**	**29,037**	**(685,639)**	**40,854**	**(644,785)**
Items that will not be reclassified to profit or loss	**21,832**	**(5,480)**	**16,352**	**(7,969)**	**1,772**	**(6,197)**
Actuarial gains/(losses) on defined benefit pension plans [1]	21,832	(5,480)	16,352	(7,969)	1,772	(6,197)
Items that may be reclassified subsequently to profit or loss	**43,844**	**-**	**43,844**	**2,567**	**-**	**2,567**
Foreign currency differences	11,233	-	11,233	(6,672)	-	(6,672)
Effective portion of changes in fair value of hedging Instruments	32,611	-	32,611	9,239	-	9,239
Other comprehensive income for the period	**65,676**	**(5,480)**	**60,196**	**(5,402)**	**1,772**	**(3,630)**
Total comprehensive income/ (loss) for the period	**86,388**	**2,845**	**89,233**	**(691,041)**	**42,626**	**(648,415)**
Attributable to: Group			89,215			(648,302)
Non-controlling interests			18			(113)

(1) Related to reevaluation of pension commitments in Germany and the United Kingdom mainly taking into account the change at December 31, 2021 in the discount rate (refer to Note 9.2).

Consolidated statement of financial position

(in thousands of euros)	Notes	**At December 31, 2021**	At December 31, 2020
ASSETS			
Goodwill	5.1	1,007,522	998,119
Intangible assets	5.2	1,058,840	1,055,831
Property, plant and equipment	5.3	401,127	413,171
Other non-current financial assets	8.1	46,929	54,138
Deferred tax assets	3.7	191,966	176,851
Total non-current assets		**2,706,384**	**2,698,110**
Inventories	6.1	19,565	16,093
Rental fleet recorded in the balance sheet	4.1	2,861,155	2,197,240
Rental fleet and related receivables	4.4	649,192	504,017
Trade and other receivables	6.2	434,185	382,010
Other financial assets	8.1	20,671	23,238
Current tax assets		26,782	29,006
Restricted cash	8.2	127,932	81,953
Cash and cash equivalents	8.2	298,883	364,646
Total current assets		**4,438,365**	**3,598,203**
TOTAL ASSETS		**7,144,749**	**6,296,313**
Shareholders' equity			
Share capital		50,156	163,884
Share premiums		2,032,836	701,229
Reserves		(152,577)	(196,470)
Retained earnings (losses)		(319,527)	(478,898)
Total equity attributable to the owners of the Group		**1,610,888**	**189,745**
Non-controlling interests		941	522
Total Equity	**7**	**1,611,829**	**190,267**
LIABILITIES			
Non-current portion of financial liabilities	8.3	1,545,527	2,105,205
Non-current financial instruments	8.5	28,919	60,122
Non-current employee benefit liabilities	9	142,506	167,202
Non-current provisions	10	10,368	10,842
Deferred tax liabilities	3.7	212,524	214,782
Other non-current liabilities		137	118
Total non-current liabilities		**1,939,981**	**2,558,271**
Current portion of financial liabilities	8.3	2,353,396	2,209,163
Employee benefits	9.2	2,204	2,622
Current provisions	10	246,472	214,226
Current tax liabilities		36,344	46,116
Rental fleet related payables	4.4	380,929	555,104
Trade payables and other liabilities	6.3	573,594	520,544
Total current liabilities		**3,592,939**	**3,547,775**
Total liabilities		**5,532,920**	**6,106,046**
TOTAL EQUITY AND LIABILITIES		**7,144,749**	**6,296,313**

Table of changes in equity

(in thousands of euros)	Share attributable to the Group							Non-controlling interests	Total Equity
	Share capital	Share premiums	Hedging reserve	Translation reserve	Treasury shares	Retained earnings	Total		
Adjusted balance at 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	**-**	**-**	**-**	**-**	**-**	**29,019**	**29,019**	**18**	**29,037**
Foreign currency differences	-	-	-	11,233	-	-	11,233	-	11,233
Effective portion of changes in fair value of hedging Instruments	**-**	**-**	**32,611**	**-**	**-**	**-**	**32,611**	**-**	**32,611**
Actuarial gains (losses) on defined benefit pension schemes	-	-	-	-	-	21,832	21,832	-	21,832
Income tax relating to components of other comprehensive income	-	-	-	-	-	(5,480)	(5,480)	-	(5,480)
Other comprehensive income/(loss)	**-**	**-**	**32,611**	**11,233**	**-**	**16,352**	**60,196**	**-**	**60,196**
Transactions on treasury shares	-	-	-	-	49	-	49	-	49
Share base payment	-	-	-	-	-	747	747	-	747
Capital reduction(1)	(162,245)	-	-	-	-	162,245	-	-	-
Reserved capital increase(1)	29,837	1,103 967	-	-	-	-	1,133,804	-	1,133,804
Capital increase in cash(1)	13,163	236,942	-	-	-	-	250,105	-	250,105
Common share purchase warrant(1)	5,517	-	-	-	-	-	5,517	-	5,517
Fees recognized in deduction of the Share Premium(1)	-	(9,302)	-	-	-	-	(9,302)	-	(9,302)
IFRIC 19 impact(1)	-	-	-	-	-	(48,400)	(48,400)	-	(48,400)
Other	-	-	-	-	-	(592)	(592)	401	(191)
Transactions with owners	**(113,728)**	**1,331,607**	**-**	**-**	**49**	**114,000**	**1,331,928**	**401**	**1,332,329**
Balance at December 31, 2021	**50,156**	**2,032,836**	**(20,986)**	**(58,294)**	**(73,297)**	**(319,527)**	**1,610,888**	**941**	**1,611,829**

(1) Related to the financial restructuring plan finalized on February 26, 2021. The characteristics and impacts of the financial restructuring are described in Note 1.2.2 – Group financial restructuring plan and Note 7 – Capital and reserves.

(in thousands of euros)	Share attributable to the Group							Non-controlling interests	Total Equity
	Share capital	Share premiums	Hedging reserve	Translation reserve	Treasury shares	Retained earnings	Total		
Balance at January 1, 2020	**163,884**	**701,229**	**(62,836)**	**(62,855)**	**(74,127)**	**171,886**	**837,181**	**642**	**837,823**
Catch up amortization of Purchase Price Allocation in 2019 [1]	-	-	-	-	-	(714)	(714)	-	(714)
Adjusted balance at January 1, 2020	**163,884**	**701,229**	**(62,836)**	**(62,855)**	**(74,127)**	**171,172**	**836,467**	**642**	**837,109**
Net profit (loss) for the period	**-**	**-**	**-**	**-**	**-**	**(644,672)**	**(644,672)**	**(113)**	**(644,785)**
Foreign currency differences	-	-	-	(6,672)	-	-	(6,672)	-	(6,672)
Effective portion of changes in fair value of hedging Instruments	-	-	9,239	-	-	-	9,239	-	9,239
Actuarial gains (losses) on defined benefit pension schemes	-	-	-	-	-	(7,969)	(7,969)	-	(7,969)
Income tax relating to components of other comprehensive income	-	-	-	-	-	1,772	1,772	-	1,772
Other comprehensive income/(loss)	**-**	**-**	**9,239**	**(6,672)**	**-**	**(6,197)**	**(3,630)**	**-**	**(3,630)**
Share base payment	-	-	-	-	-	(280)	(280)	-	(280)
Transactions on treasury shares	-	-	-	-	781	-	781	-	781
Other	-	-	-	-	-	1,079	1,079	(7)	1,072
Transactions with owners	**-**	**-**	**-**	**-**	**781**	**799**	**1,580**	**(7)**	**1,573**
Balance at December 31, 2020	**163,884**	**701,229**	**(53,597)**	**(69,527)**	**(73,346)**	**(478,898)**	**189,745**	**522**	**190,267**

(1) Catch-up of amortization related to the acquisition of the Finnish and Norwegian franchisees and Fox Rent A Car.

3

Consolidated cash flow statement

(in thousands of euros)	Notes	At December 31, 2021	At December 31, 2020
Profit/(loss) before tax		**20,712**	**(685,639)**
Reversal of the following items			
Depreciation and impairments expenses on property, plant and equipment	3.3	102,800	116,744
Amortization and impairment expenses on intangible assets	5.1 & 5.2	41,359	36,545
Impairment of non-current assets [(1)]	3.5	-	132,667
Changes in provisions and employee benefits [(2)]	9, 10	22,992	(178)
Recognition of share-based payments		747	(281)
Profit/(loss) on disposal of assets		419	(795)
IFRIC 19 impact [(3)]		(48,400)	-
Other non-cash items		2,128	4,951
Total net interest costs		*144,450*	*156,708*
Amortization of transaction costs [(4)]		23,631	10,031
Net financing costs		**168,081**	**166,739**
Net cash from operations before changes in working capital		**310,838**	**(229,247)**
Change to the rental fleet recorded on the Balance Sheet [(5)]		(611,263)	954,343
Changes in fleet working capital	4.4	(321,043)	205,205
Changes in non-fleet working capital requirement	6.4	(3,994)	25,779
Cash generated from operations		**(625,462)**	**956,080**
Income tax received/(paid)		(21,114)	(17,172)
Net interest paid		(123,582)	(116,669)
Net cash generated from (used by) operating activities		**(770,158)**	**822,239**
Acquisition of intangible assets and property, plant and equipment	5.1, 5.2 & 5.3	(60,278)	(49,437)
Proceeds from disposal of intangible assets and property, plant and equipment		(290)	16,682
Proceeds from the sale of subsidiaries		478	-
Acquisition of subsidiaries net of cash acquired and other financial investments		15,319	2,477
Net cash flows from (used in) investing activities		**(44,771)**	**(30,278)**
Capital increase (net of related expenses) [(6)]		246,723	-
(Purchases)/Sales of treasury shares		49	781
Change in other borrowings [(7)]	8.3	665,224	(811,478)
Change in rental debts		(98,020)	(157,821)
Payment of transactions costs [(8)]		(23,530)	(3,360)
Net cash flows from (used in) financing activities		**790,446**	**(971,878)**
Cash and cash equivalents at beginning of period		**444,601**	**628,155**
Net increase/(decrease) in cash and cash equivalents after effect of foreign exchange differences		(24,483)	(179,917)
Effect of foreign exchange differences		6,080	(3,637)
Cash and cash equivalents at end of period	8.2	**426,198**	**444,601**

(1) In 2020, €131 million for the impairment of the goodwill and €2 million for the impairment of tangible and intangible assets (refer to Note 5).
(2) In 2021, the variation is mainly explained by the change in the "buy-back" provision for €24million. In 2020, the variation is mainly explained by the change in the insurance provision for € (3) million, the "buy-back" provision for € (10) million offset by some tax and restructuring provision as well as benefit employee provision.
(3) In accordance with the IFRS applicable to financial restructuring operations (IFRS 9, 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 which has been recognized in the income statement (refer to Note 3.6).
(4) In 2021, includes the recycling of capitalized refinancing costs related to debt that was restructured and converted into equity (refer to Note 3.6).
(5) Given the average holding period for the fleet, the Group reports vehicles as current assets at the beginning of the contract. Their change from period to period is therefore similar to operating flows generated by the activity.
(6) Corresponds to the capital increase carried out as part of the financial restructuring finalized by the Group on February 26, 2021 (refer to Notes 1.2.2 and 7).
(7) In 2021 and 2020, primarily related to changes in the Senior Credit Facility (refer to Note 8).
(8) In 2021, payment of Transaction Costs in the context of the debt restructuring, to the SARF extension and to the fleet HYB refinancing. In 2020, transaction costs paid for the State-guaranteed loan in France and for renewal of local fleet financing credit lines.

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Note 1 General overview

1.1 General information

Europcar Mobility Group is one of the major operators in the mobility sector. The Group offers a wide variety of mobility solutions to serve all the needs of its clients. The Group operates under several brands, the main ones of which are Europcar®, Goldcar®, InterRent®, Buchbinder®, Fox Rent A Car® and Ubeeqo®. The Group is active worldwide through a dense network in 140 countries (18 wholly-owned subsidiaries in Europe, 1 in the United States, 2 in Australia and New-Zealand, as well as franchisees and partners).

Europcar Mobility Group S.A. was incorporated in France on March 9, 2006, with initial share capital of €235,000 and was converted into a French joint stock company (société anonyme) on April 25, 2006. 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 registered offices are located at 13 ter boulevard Berthier, 75017 Paris, France.

Europcar Mobility Group S.A. was first listed on the regulated market of Euronext Paris on June 26, 2015 (Compartment A; ISIN Code: FR0012789949; ticker: EUCAR).

In these consolidated financial statements, the terms "EMobG", "the Group" and "Europcar" mean Europcar Mobility Group S.A. together with its consolidated subsidiaries.

1.2 Main events of the period

1.2.1 A 2021 year still impacted by the Covid-19 crisis

The car rental sector, like the whole mobility sector, has been significantly impacted by the Covid-19 crisis since March 2020, in an unprecedented way in thehistory of this industry.

During the successive waves of the pandemic in 2021, the total or partial measures implemented mainly in Europe had the same effects on the Leisure segment than on the business segment. This crisis changed consumer behavior, some of which may stay after the pandemic.

Demand for vehicle rentals and more particularly demand for business customer is influenced by the macroecomic situation of the countries in which the Group operates. Changes in GDP, particularly in Europe, may have an impact on the Group activity.

Demand is also influenced by the development of air and rail traffic and factors underlying these developments, such as exchange rate variations or geopolitical events that may affect passenger flows and therefore demand from leisure customers. In 2021, agencies in airports directly operated by the Group or by agents represented 37% of the Group rental revenue (compared to 18% in 2020 and 47% in 2019) and 63% for agencies outside airports thanks to the capillarity of the network. The Group also entered into important alliances and partnership agreements with several major airlines. Thus, a significant part of the Group revenue is correlated to the level of air traffic which has suffered significantly from Covid-19 crisis.

From the end of spring 2021, the shortage of semiconductors limited the production of the main car manufacturers on the brand new vehicles in all markets where the Group operates, also leading to a shortage of supply whereas demand was significantly increasing. This imbalance between supply and demand involved an increase in prices, in particular on the Leisure Service Line.

Finally, the Group benefited from States' subsidies in the main countries where it operates, mainly in France for €10 million through the "aide aux coûts fixes" (help with fixed costs) scheme.

1.2.2 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) a 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 December 31, 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 8 below;
- the issuance of new equity instruments (shares and warrants) as disclosed in Note 7 below. 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 3.6 below.

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 3.6 below.

1.2.3 Corporate and fleet refinancing

Corporate Refinancing

As part of the financial restructuring finalized in February 2021 (please refer to the Note 1.2.2), the Group refinanced the €670 million RCF on February 26, 2021, through a Senior Credit Facility ("SFA") composed by a term loan of €500 million and a revolving facility of €170 million both maturing June 2023.

On April 23, 2021, the Group exercised its option to extend the maturity of the State Guaranteed Loan ("PGE") by 5 years to 2026.

Fleet Refinancing

On February 26, 2021 in addition to the corporate refinancing linked to the financial restructuring, the Group signed a Revolving Credit Facility for fleet financing ("Vehicle Fleet Financing Facility" or "VFFA") for a maximum amount of €225 million maturing in December 2024. This facility is composed by:

- tranche A is intended to finance the "Junior Notes" of the Pan-European Securitization program;
- tranche B is intended to finance the enhancement of local funding from US, UK, Ireland and Australia/New Zealand.

In October 2021, the Group refinanced its Pan-European Fleet Securitization program through the extension of the maturity of the €1,700 million SARF to July 2024 and the issuance of a five years €500 million bond issued by EC Finance Plc.

The Group wanted to integrate a CSR component into these two transactions, convinced of its ability to make a significant contribution to the needed transition into a "low carbon" world by offering attractive alternatives to car ownership and by providing its customers with increasing possibilities of green mobility solutions, as a part of the "Connect" plan.

Thus the financial conditions of the SARF may differ, depending on the achievement of percentage targets of green vehicles (average emissions of less than 50g CO_2/km) at the end of 2022 and 2023.

The bond issuance was carried out on the basis of solid sustainable performance targets:

- the gradual reduction of emissions from the Group's fleet to respectively reach an average of 93 g CO_2/km for cars and 144 g CO_2/km for vans and trucks by the end of 2024;
- 20% of green vehicles (average emissions less than 50g CO_2/km) in this same fleet by the end of 2024.

Vigeo Eiris subsidiary of Moody's "Second Party Opinion" for this operation assessed the relevance of the sustainable performance indicators chosen by the Group, as well as the ambitious nature of the associated objectives, rating them both "Advanced".

These two transactions (SARF and sustainability linked bond issue) -launched for the first time in the Group as well as in the car rental industry- were successful.

1.2.4 Takeover of the capital of the Company by the consortium led by Volkswagen Group

Volkswagen Group, Attestor Capital LLP and Pon Holdings BV -as a Consortium – and Europcar Mobility Group entered into an agreement on July 28, 2021, to support a tender offer for the acquisition of Europcar Mobility Group by the Consortium through a dedicated company "Green Mobility Holding SA".

This acquisition is envisaged with a public tender offer in cash at €0.50 per share, increased by a potential additional price of €0.01 per share if a squeeze-out of 90% is reached at the end of the offer (dividend included).

This acquisition is based on a strong strategic rationale: Volkswagen, as a long-standing business partner and former shareholder of the Group, with the support of Attestor Limited and Pon Holding BV, intends to continue the transformation of Europcar Mobility Group to broaden its offer in the areas of mobility solutions by relying on its physical and digital platforms.

This will make it possible to meet customer expectations in a rapidly changing market with a growing innovative environment, on demand mobility solutions such as subscription and sharing models.

In its opinon on the Offer dated September 17, 2021, the Board of Directors recognized the strategic interest for the Company, of its shareholders, employees and other stakeholders.

On September 20, 2021, Green Mobility Holding SA filed its proposed public tender offer for Europcar Mobility Group shares. The Offer was declared compliant by the "Autorité des marchés financiers" (AMF) on November 23, 2021. The AMF has announced that the Offer has been open since November 26, 2021. From this date, shareholders may tender their shared in the offer for at least 25 trading days, that is to say at least until December 30, 2021 (at the earliest taking into account the timeframes to be expected for obtaining merger control clearances).

Please also refer to the Post Closing events described in Note 14.

1.2.5 Rating agencies

S&P – Corporate Rating

In a context still impacted by the Covid-19 pandemic, following the finalization of the financial restructuring of the Group's balance sheet, S&P raised its rating from "Selective Default" ("SD") to CCC+ on April 9, 2021, with a negative outlook. In conjunction with this review, the Agency raised the rating of the senior secured bond issue issued by EC Finance from CC to CCC+. On August 5, 2021, the agency placed the Group's CCC+ issuer rating on Watch (CreditWatch) positive following the acquisition offer of Europar Mobility Group made by a consortium led by Volkswagen. S&P also placed on CreditWatch positive the €500 million senior secured bond issue ("Fleet Bond") issued by EC Finance.

S&P – Fleet debt rating

On July 28, 2021, the agency confirmed SARF's BBB rating following the amendment of the conditions and the extension of the maturity of the credit facility to January 2027, before withdrawing its rating. This facility is no longer publicly rated by the Agency.

Moody's

On April 19, 2021, the rating agency Moody's raised the Group's Corporate Family Rating (CFR) to Caa2 following the financial restructuring. At the same time, Moody's raised the rating of the senior bond issue guaranteed by EC Finance maturing in 2022 by one notch from Caa1 to B3. The Agency also raised its outlook on credit from negative to positive. On September 21, 2021, Moody's raised the CFR rating of Europcar Mobility Group to Caa1 and confirmed its Positive outlook on the rating. The agency also assigned a B2 rating to the first-rank guaranteed bond issue maturing in 2026 issued by EC Finance.

1.3 Significant accounting policies

1.3.1 Principles of account preparation

The consolidated financial statements of Europcar Mobility Group were prepared in accordance with the principles defined by the International Accounting Standards Board (IASB) as adopted by the European Union. This framework is available on the website of the European commission: http://ec.europa.eu/finance/accounting/ias-evaluation/index-fr.htm.

The international framework comprises IFRS (International Financial Reporting Standards), IAS (International Accounting Standards) and their SIC (Standing Interpretations Committee) and IFRIC (International Financial Reporting Interpretations Committee) interpretations.

The financial statements were prepared under the historical cost convention, except for the valuation of certain financial instruments.

These consolidated financial statements are presented in euros (€), which is Europcar Mobility Group's functional currency and the Group's presentation currency. All financial information presented in euros (€) has been rounded to the nearest thousand euros unless otherwise stated.

The IFRS consolidated financial statements of the Europcar Mobility Group for the year ended December 31, 2021, were approved by the Board of Directors on February 28, 2022.

1.3.2 Basis of measurement

The accounting policies used to prepare the consolidated financial statements are consistent with those used for the year ended December 31, 2020, with the exception of the adoption of the standards below, which are mandatory for accounting periods beginning on or after January 1, 2021, or already applied:

(i) Standards and interpretations applicable for the annual period beginning on 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. The progress of the entity in its transition to the new indices is presented in the Section 8.4.1 "Market risks". These amendments are applicable as of January 1, 2021 but had no significant impact on the Group's financial statements.
IFRS IC interpretation – IAS 38	In March 2021, the IFRS IC provided clarification on the reconition of the costs of configuring or customizing software under a Saas (Sofware as a Servie). This interpretation did not have any impact on the Group's financial statements.

(ii) Standards and interpretations 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.

(iii) IFRIC decision on the recognition of pension commitments and similar benefits

In June 2021, the IAS Board validated an interpretation from the IFRIC according to which the method for measuring the commitments of certain benefits plan must be modified (IAS 19). For those plans concerned by the interpretation, the rights must now be spread out in a linear manner no longer over the entire career of the employee in the Company, but, for each employee, over the last years of his career which gave rise to the acquisition of new rights.

The Group has taken this IFRIC decision into account in the work to value pension commitments and similar benefits. This interpretation had no material effect on the Group's financial statements as of December 31, 2021.

1.3.3 Use of estimates and judgments

The preparation of financial statements requires management to make judgments, estimates and assumptions which impact the amounts presented for existing assets and liabilities in the consolidated statement of financial position, income and expense items in the consolidated income statement, and disclosures in the notes to the consolidated financial statements.

Due to the uncertainty inherent to all measurement processes, these estimates are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

The Group formulates assumptions and, on this basis, regularly prepares estimates relating to its various activities. These estimates are based on past experience and factor in the economic conditions prevailing at the reporting date and the information then available. Those economic trends are specifically reviewed on a country-by-country basis.

Depending on changes in assumptions, or in the eventuality of conditions differing from those that were initially expected, amounts recorded in future financial statements may differ from current estimates. Future results may also differ from these estimates.

Estimates cover:

- fair value measurement of assets and liabilities during allocation of the acquisition cost of business combinations;
- the value of non-listed equity investments available for sale (see Note 8.1) and derivative financial instruments recorded at fair value in the Group's statement of financial position (see Note 8.5);
- estimates of future cash flows as part of impairment tests for goodwill recorded in the statement of financial position and capitalized assets including trademarks (see Notes 5.1 and 5.2);
- amounts of deferred taxes that may be recognized in the statement of financial position (see Note 3.7);
- measurement of post-employment benefits and other employee benefits (see Note 9.2);
- provisions for disputes and litigation and valuation of contingent liabilities (see Notes 10 and 6.5.4).

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

- the residual value of at risk vehicles (see Note 4);
- the fair value of vehicles purchased with a manufacturer or dealer buy-back commitment when badly damaged or stolen (see Note 4);
- the evaluation of the ultimate cost of claims made against the Group for self-funded insured accidents using actuarial techniques generally accepted and used in the insurance industry.

1.3.4 Reclassification of exchange gain/ loss in profit and loss

Exchange gains/losses recognized in other comprehensive income are reclassified in profit and loss only in the event of loss of control of subsidiary. A loss of control is defined by the Group as the disposal of an interest in a subsidiary (and not as a decrease in the investment).

1.3.5 Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in euros (€), which is Europcar Mobility Group's functional currency and the Group's presentation currency.

(ii) Foreign currency transactions and balances

Transactions in foreign currencies are translated into the functional currency at the foreign exchange rate at the transaction date. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into euros at the foreign exchange rate at that date. Foreign exchange differences arising on translation of monetary assets and liabilities are recognized in the income statement. Non-monetary assets and liabilities measured at historical cost in a foreign currency are translated using the exchange rate at the transaction date. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated into euros at the foreign exchange rate at the fair value measurement date.

(iii) Financial statements of foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on consolidation, are translated into euros at the foreign exchange rate at the reporting date, while equity is translated at historical rates. The revenues and expenses of foreign operations are translated into euros at weighted average rates. All resulting exchange differences are recognized as Other comprehensive income within equity.

(iv) Exchange rates

The exchange rates used for the years ended December 31, 2021 and December 31, 2020 are:

	December 31, 2021		December 31, 2020	
	Average rate	**Closing rate**	Average rate	Closing rate
Sterling (GBP)	1.163	1.190	1.115	1.112
Australian Dollar (AUD)	0.635	0.640	0.600	0.629
US Dollar (USD)	0.845	0.883	0.869	0.815
Danish Krone (DKK)	0.134	0.134	0.133	0.134

Source: Banque de France.

1.3.6 Climate change risks

The Group's exposure to climate-related risk is limited and therefore, at this stage, the impacts on the Group's financial statements are not significant.

Note 2 Scope of consolidation

2.1 Scope of consolidation

Subsidiaries

Europcar Mobility Group's financial statements include the accounts of the parent company Europcar Mobility Group S.A. (EMobG), and those of its subsidiaries for the year ended December 31, 2021.

Subsidiaries are all entities (including special purpose entities), directly or indirectly controlled by Europcar Mobility Group S.A. Control exists when Europcar Mobility Group has the ability to direct an investee's relevant activities, is exposed to variable returns and has the ability to affect those returns through power over an investee. In assessing control, substantive potential voting rights that are currently exercisable or convertible are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The acquisition method of accounting is used to account for the acquisition of subsidiaries by the Group. At the acquisition date, Europcar Mobility Group transfers the consideration to the seller, acquires the assets and assumes the liabilities of the acquiree.

The assets acquired and the liabilities assumed (including contingent consideration) are valued at fair value at the acquisition date.

Acquisition-related costs are expensed as incurred.

On an acquisition-by-acquisition basis, the Group recognizes any non-controlling interests in an acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets. Depending on the nature of the business combination, the Group may elect to use either of these options.

At the acquisition date, is recorded as goodwill the difference between:

- the fair value of the consideration transferred (including contingent consideration), plus non-controlling interests in the acquired company and, where applicable, the acquisition-date fair value of the acquirer's previously held equity interest in the acquired company revalued through profit or loss;
- and the acquisition-date fair value of the identifiable assets required and liabilities assumed.

If the difference arising from the calculation above is negative, it is recognized directly in the income statement.

Accounting policies of subsidiaries are amended where necessary to ensure consistency with the policies adopted by the Group.

Transactions and non-controlling interests

The Group treats transactions with non-controlling interests as transactions between equity owners of the Group. In the case of an additional acquisition of shares in a previously controlled entity, the difference between the consideration paid and the corresponding share acquired in the carrying amount of net assets of the subsidiary is recorded in equity. When the Group ceases to exercise control, any remaining interest in the entity is remeasured to its fair value, with the change in carrying amount recognized in profit or loss.

The minority shareholders of certain fully consolidated subsidiaries benefit from commitments made by the Group to purchase their shares. In the absence of specific provisions under IFRS, the Group recognizes these commitments as follows: – the value of the commitment at the reporting date is recorded in "Other non-current liabilities"; – the corresponding non-controlling interests are canceled. In application of IFRS 3 revised and IFRS 10, the corresponding entry for this liability is deducted from equity attributable to non-controlling interests up to the carrying amount of the relevant non-controlling interests and deducted from total equity attributable to the owners of Europcar Mobility Group to cover any additional amounts. The liability is revalued at each reporting date at the current redemption value, i.e. the present value of the exercise price of the put option. Any change in value is recognized in equity. This accounting method has no effect on the presentation of non-controlling interests in the income statement.

Associates

Associates are entities over which the Group has significant influence enabling it to participate in financial and operating policy decisions.

The Group's interests in associates are consolidated using the equity method. The investment is recorded at cost and adjusted for changes subsequent to the transaction in accordance with the investor's shares in the net assets of the associate. When the Group's share of losses exceeds its interest in an associate, the Group's carrying amount is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has a legal or implicit obligation to make payments on behalf of the associate.

Partnerships

Joint ventures are entities over whose activities the Group has joint control, established by contractual agreement. The Group's interests in joint ventures are accounted for under the equity method, as is the case for related companies. The Group does not have any joint activities.

Special Purpose Entities

Special purpose entities (SPEs), such as SecuritiFleet companies, Euroguard, the Protected Cell Insurance & Reinsurance SPE, FCT Sinople and EC Finance plc are consolidated when the relationship between the Group and the SPE indicates that the SPE is in substance controlled by the Group. SPEs are entities that are created to accomplish a specifically defined objective.

2.2 Changes in scope

2.2.1 Main changes in scope of the period

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 December 31, 2021.

In addition, Wanderio has been subject to liquidation proceedings and will be deregistered from the Italian commercial register during the first quarter of 2022. The accounting impacts related to the liquidation are not significant in the Group's financial statements as of December 31, 2021.

Note 3 Main income statement items

a) Revenues

Revenue includes vehicle rental incomes, fees from the provision of services incidental to vehicle rental (including fuel), and fees receivable from the Europcar franchise network, net of discounts and excluding inter-company sales, VAT and sales taxes.

Revenue from services rendered is recognized proportionally over the period in which the vehicles are rented out based on the terms of the rental contract. The stage of completion is assessed on the basis of the actual service provided (number of days of rental in the accounting period).

When vehicle rental income is generated by intermediaries (such as travel agencies), the gross revenue is recognized in the consolidated income statement when Europcar:

- has the ability to determine the price;
- performs part of the service; and
- has discretion in intermediary selection.

The commission fees are recorded in the "Fleet operating, rental and revenue-related costs" line item in the income statement (see Note 4.3).

No revenue is recognized if there are significant uncertainties regarding recovery of the consideration due.

The Group has launched a loyalty program, the "Customer Loyalty Programs." This program provides a free weekend rental, or discount coupons, after a certain number of rentals eligible for the program have been accumulated. Once acquired, these benefits may be used at the next rental, and are valid for 12 months.

Given the insignificant impacts of the program, no liability was reported as such in the consolidated financial statements as of the end of December 2021.

b) Other non-recurring income and expenses

ACQUISITION-RELATED EXPENSES

Acquisition-related expenses include charges incurred in connection with the integration of acquisitions, such as legal and accounting fees, severance and consultancy costs related to headcount reductions due to the streamlining of the rental station network and its support functions, asset write-offs and transfer costs, lease termination and building refurbishment costs carried out for the purpose of integrating acquisitions.

REORGANIZATION EXPENSES AND OTHER NON-RECURRING COSTS

Reorganization expenses include charges incurred in connection with business restructuring carried out to adapt local or corporate organizational structures to changing business conditions. They include headcount reduction expenses, fees related to Group transformation, asset write-offs and transfer costs, early lease termination costs incurred as part of restructuring programs and dispute settlement costs and provisions incurred by the Group.

Unusual, abnormal and infrequent items are presented separately in "Other non-recurring income and expenses" to provide a clearer picture of the Group's performance.

c) Net financing costs

Net financing costs comprise interest payable on borrowings calculated using the effective interest rate method, dividend income, foreign exchange gains and losses, financing arrangement costs, gains and losses on financial instruments that are recognized in the consolidated income statement, any ineffective portion of the gain or loss on cash flow hedging instruments, and the financial component of pension charges (unwinding of discounts and the expected return on plan assets).

Interest income is recognized in the income statement as it is accrued, using the effective interest method. The interest expense component of finance lease payments is recognized in the income statement using the effective interest rate method.

d) Income tax expense

Income tax on profit or loss for the year comprises current and deferred tax. Income tax is recognized in the income statement except to the extent that it relates to items directly recognized in equity, in which case it is recognized in equity.

Current tax is the expected tax payable on the taxable income for the year, calculated using tax rates enacted or substantially enacted at the reporting date, and subject to any adjustment to tax payable in respect of previous years.

The amount of deferred tax is based on the expected pattern of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the reporting date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the tax asset can be utilized. This probability is assessed based on:

- the existence of temporary differences that will give rise to taxation in the future;
- forecasts of taxable profits.

e) Profit (Loss) per share

Basic earnings per share are calculated by dividing net income (attributable to shareholders of the parent company) by the average number of shares outstanding during the year. Treasury shares are not taken into account in the calculation of basic or diluted earnings per share. Diluted earnings per share is calculated by dividing net income attributable to shareholders of the parent company by the average number of common shares outstanding during the period, plus the average number of shares that would have been issued had all outstanding dilutive instruments been converted.

f) Indicators not defined by IFRS

Adjusted corporate EBITDA, defined as recurring operating income after deduction of the interest expense on certain liabilities related to rental fleet financing and before non-fleet depreciation and amortization. See the following tables for a reconciliation of Adjusted corporate EBITDA to the amounts reported in the consolidated income statement.

Margin on variable costs (MAVC): corresponds to the total revenue net of fleet holding costs and costs related to operations, leasing and income from vehicle fleet activities.

Margin after direct costs (MADC): corresponds to the margin after variable costs (MAVC) less marketing costs and fleet financing costs.

Margin after station costs (MASC): corresponds to the margin on variable costs less network operation costs and marketing expenses and fleet financing costs.

3.1 Segment reporting and geographical information

3.1.1 Segment reporting information

In a very changing context in terms of economic environment (Covid-19 crisis) and internal organization (in response to the same crisis with the implementation of Connect Plan in 2020 in particular), the Group has decided to rethink its organization and modify the mode of governance of its business.

From the beginning of 2021, the previous organization of the Group's activities around the 5 Business Units (Cars, Vans, Low Cost, Urban Mobility and International Coverage) no longer exist in favor of an organization whose entry point is no longer the brand but the customer use case. In addition, the Group maintains operational management with geographic territory Directors who report directly to General Management and are responsible for their adjusted corporate EBITDA.

The Group has therefore analyzed the impacts on the segment reporting information required by IFRS 8 and the conclusion is presented below.

The main operational decision-maker accordingly to IFRS 8 since the change in the Group's mode of governance in the context of the debt restructuring in 2021 is the Board of Directors.

Since the implementation of its new organization, the Group has a structure around:

- service Lines for monitoring its Cars Revenues, the Vans BU, support and network functions; and
- an organization by geographic territory for all brands combined.

With regard to the IFRS 8 criteria and taking into account the existence of such a matrix structure, the Group has determined which set of components constitute the operating segments in order to provide information that allows users to assess as best as possible the nature and the financial effects of the activities and economic environments in which it operates. The Group has also relied on the strategic objectives it has defined to determine which segment information should be presented.

This analysis led the Group to identify the countries as operating segments for the presentation of segment information as of December 31, 2021.

In accordance with the standard principles and after applying quantitative and qualitative criteria, the Group has its sectors around the following segments:

- **Europe:** includes (i) the European countries where the Group operates its fleet directly (Germany, Belgium, Spain, France, Italy, Portugal, the United Kingdom, Denmark, Finland, Norway, Ireland and Luxemburg), grouped together according to the criteria of common service, customers and distribution (ii) European countries where the Group operates its fleet through a network of domestic and international franchisees which have similar economic characteristics and present synergies in terms of fleet negotiation and customer management;
- **rest of the world:** includes all countries other than those mentioned above including in particular the countries operated directly by the Group, namely Australia, New Zealand and the United States and the network of international franchise partners outside the Europe.

The Group considers that the services relating to the head office (head office holding company, operational holding company, entity managing the SSC) are not an operating segment within the meaning of IFRS 8 standard – they are therefore grouped together under "Holdings & Others".

The results of the operating segments based on the presentation of the internal reporting review by the main operational decision-maker for operations and then reconciled with the Group's results are:

- revenue from ordinary activities: they include income from the rental activity but also royalties and other commissions associated with the Group's brands and invoiced to franchisees, and finally fuel income;

- margin after direct costs (MADC): this is a new performance indicator decided by the Group and which corresponds to the Margin After Variable Costs (MAVC) less marketing costs and fleet financing costs. Margin on Variable Costs (MAVC) corresponds to the total Revenue net of the fleet holdings costs, Fleet operating, rental and revenue related costs.

Adjusted corporate EBITDA refers to current operating income before amortization, after deduction of fleet financing costs.

In accordance with IFRS 8 and what has been presented above the segment reporting information as of December 31, 2021 is as follows:

	December 31, 2021			
(en milliers d'euros)	**Europe**	**Rest of the World**	**Holdings & others**	**Group**
Revenue	**1,863,539**	**406,805**	**1,851**	**2,272,196**
Fleet holding cost	(580,561)	(65,139)	(66)	(645,765)
Variables costs	(611,215)	(134,881)	(10,864)	(756,960)
Sales and marketing costs	(10,285)	(689)	(4,414)	(15,388)
Total of variable costs	(1,202,060)	(200,708)	(15,345)	(1,418,113)
Marging after direct costs	**661,479**	**206,097**	**(13,494)**	**854,083**
Total of fixed and semi-fixed costs	(526,083)	(104,804)	1,043	(629,843)
Current operating income	**135,397**	**101,293**	**(12,450)**	**224,239**
Reversal of non fleet depreciation and impairment expenses	89,025	23,709	31,425	144,159
Net fleet financing expenses	(68,855)	(15,398)	(517)	(84,770)
Ajusted corporate EBITDA	**155,567**	**109,604**	**18,458**	**283,628**

In accordance with IFRS 8 and what has been presented above the segment reporting information as of December 31, 2020, is as follows:

	December 31, 2020			
(en milliers d'euros)	Europe	Rest of the World	Holdings & Other	Group
Revenue	**1,504,577**	**254,882**	**1,487**	**1,760,946**
Fleet holding cost	(628,313)	(79,210)	1,637	(705,885)
Variables costs	(556,999)	(92,762)	(3,606)	(653,367)
Sales and marketing costs	(8,384)	(1,542)	(4,797)	(14,722)
Total of variable costs	(1,193,695)	(173,514)	(6,766)	(1,373,975)
Marging after direct costs	**310,882**	**81,368**	**(5,279)**	**386,971**
Total of fixed and semi-fixed costs	(557,397)	(80,322)	(1,576)	(639,296)
Current operating income	**(246,516)**	**1,046**	**(6,856)**	**(252,325)**
Reversal of non fleet depreciation and impairment expenses	101,071	24,203	28,085	153,359
Net fleet financing expenses	(57,270)	(17,355)	1,605	(73,021)
Ajusted corporate EBITDA	**(202,715)**	**7,894**	**22,834**	**(171,987)**

3.1.2 Segment information by geographical areas

The Group operates in five main markets: France, Germany, the United Kingdom, United States and other European countries. Revenue has been identified based on where the rental service is provided. Non-current assets are allocated based on their physical location.

Revenue and non-current assets include items directly attributable to a geographical area as well as those that can be allocated on a reasonable basis. Unallocated items include income and non-current assets related to holding companies and eliminations.

Car rental customers comprise both individuals and corporate customers.

December 31, 2021 *(in thousands of euros)*	France	United Kingdom	Germany	Spain	Other European countries	USA	Rest of the World	Holdings & Others	Total
Revenue from external customers	245,809	293,984	548,564	295,997	479,185	298,938	107,867	1,851	2,272,196
Non-current assets (1)	77,026	123,421	295,442	592,663	206,074	175,748	71,910	1,163,949	2,706,232
Goodwill	55,093	71,594	239,316	303,504	235,260	75,244	27,511	-	1,007,522

December 31, 2020 *(in thousands of euros)*	France	United Kingdom	Germany	Spain	Other European countries	USA	Rest of the World	Holdings & Others	Total
Revenue from external customers	209,154	228,481	537,298	167,716	361,928	167,215	87,667	1,487	1,760,946
Non-current assets (1)	76,562	111,653	306,897	606,767	198,012	165,349	75,152	1,157,588	2,697,980
Goodwill	55,766	68,144	239,316	303,504	234,916	69,449	27,025	-	998,119

(1) The non-current assets presented in "Holdings & Others" primarily reflect trademarks.

3.2 Network and head office overhead costs

(in thousands of euros)	At December 31, 2021	At December 31, 2020
Network costs	(44,144)	(45,456)
IT costs	(54,567)	(53,896)
Telecom costs	(7,852)	(9,765)
Head office costs	(65,716)	(70,304)
Sales and marketing costs	(15,386)	(14,722)
TOTAL NETWORK AND HEAD OFFICE OVERHEAD COSTS	**(187,665)**	**(194,143)**

3.3 Non-fleet depreciation and impairment expenses

(in thousands of euros)	At December 31, 2021	At December 31, 2020
Amortization of intangible assets	(41,359)	(36,545)
Depreciation of property, plant and equipment	(102,800)	(116,814)
TOTAL AMORTIZATION, DEPRECIATION, AND IMPAIRMENT EXPENSE	**(144,159)**	**(153,359)**

3.4 Other income and expense

This category includes net income related to certain commercial agreements, the release of provisions and other items.

(in thousands of euros)	**At December 31, 2021**	At December 31, 2020
Contractual income	461	790
Release of surplus provisions	897	178
Foreign exchange gains/(losses) on operating activities	77	634
Gains (losses) on the disposal of property, plant and equipment	(37)	(2)
Other items, net [1]	14,690	(1,190)
TOTAL OTHER INCOME AND EXPENSE	**16,088**	**410**

(1) Other items mainly correspond mainly to the "aide aux coûts fixes" scheme mainly in France for €10 million.

3.5 Other non-recurring income and expenses

(in thousands of euros)	**At December 31, 2021**	At December 31, 2020
Reorganization and transformation expenses [1]	(32,762)	(44,211)
Financial restructuring expenses [2]	(13,602)	(24,112)
Disputes	(10,072)	(11,240)
Merger and Acquisitions costs and integration costs	(867)	(2,790)
Other [3]	(11,886)	(33,156)
Total other non-recurring income and expenses	**(69,189)**	**(115,509)**
Impairment of non-current assets [4]	-	(132,597)
TOTAL OTHER NON-RECURRING INCOME AND EXPENSES AND IMPAIRMENT OF NON-CURRENT ASSETS	**(69,189)**	**(248,106)**

(1) These expenses mainly include headcount reduction expenses (network and headquarter), early termination costs for leases in the context of the restructuring as well as fees and other expenses related to various Group transformation projects.
(2) Mainly includes consulting fees incurred in the Group's financial restructuring plan for an amount of €13,6 million in 2021 and €17,1 million in 2020.
(3) In 2021, mainly includes the fees related to the current tender offer. In 2020, mainly includes additional insurance costs related to historical events, costs relative to the end of some supplier contracts as well as an impairment of bad debts in Germany.
(4) In 2020, related to the impairment of the goodwill as well as the impairment of tangible and intangible assets (please refer to Note 5).

3.6 Net financing costs

(in thousands of euros)	**At December 31, 2021**	At December 31, 2020
Net fleet financing expenses	(84,770)	(73,021)
Net other financing expenses	(46,170)	(75,789)
Gross financing costs	**(130,940)**	**(148,811)**
Expense on derivative financial instrument	2,725	(6,464)
Amortization of transaction costs	(11,131)	(10,031)
Foreign exchange gain or losses	(3,160)	(3,880)
Cost of discounting social commitments	(754)	(1,126)
Financial restructuring impact (1)	35,900	-
Other (2)	(26,979)	(14,897)
Other financial expenses	**(3,399)**	**(36,397)**
NET FINANCING COSTS	**(134,339)**	**(185,208)**

(1) In 2021 and as part of the Group's financial restructuring, included a gain of €48 million related to IFRIC 19 recognition impacts (see details below) and a loss of €12 million due to the accelerated amortization of transactions costs related to debt converted into equity.
(2) Other financial expenses mainly include bank management fees, financing lines implementation costs and non-utilization fees.

Recognition of the impacts in the context of the debt restructuring (IFRIC 19)

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 as of December 31, 2021.

3.7 Income tax expense

3.7.1 Tax in the Income statement

(in thousands of euros)	**At December 31, 2021**	At December 31, 2020
Current tax (1)	(13,297)	(22,637)
Deferred tax (2)	21,621	63,491
TOTAL INCOME TAX EXPENSE	**8,325**	**40,854**

(1) Including CVAE in France, Trade Tax in Germany and IRAP in Italy (€4 million in 2020 and €3 million in 2021).
(2) Including €12 million of deferred tax assets relating to losses carried forward mostly generated in 2020 and €10 million of deferred tax assets relating to temporary differences.

The theoretical tax expense based on EMobG's statutory tax rate (i.e., the standard corporate income tax rate in France of 27.5% to which is added the corporate income tax social security contribution of 3.3% on the amount of corporate income tax above 763,000 euros) can be reconciled to the tax expense reported in the income statement as follows:

(in thousands of euros)	**At December 31, 2021**	At December 31, 2020
Profit (loss) before tax	**20,712**	**(685,639)**
Statutory tax rate	28.41%	32.02%
Theoretical tax	**(5,884)**	**219,541**
Impact of differences in tax rates [(1)]	(787)	(31,681)
Permanent differences [(2)]	20,100	(36,346)
Capitalization of losses and temporary differences that were formerly not recognized	16,717	3,765
Unrecognized deferred tax assets	(22,042)	(109,443)
Impact of French business contribution on added value (CVAE), Italy's regional tax on productive activities (IRAP) and German Trade Tax	(4,347)	(3,080)
Other	4,568	(1,904)
INCOME TAX BENEFIT/(EXPENSE)	**8,325**	**40,854**
Effective tax rate	40.19%	(5.96%)

The applicable tax rate in France at the 2021 due date was 28.41% compared to 32.02% in 2020.

The impact of rate differences [(1)] reflects the difference between the rate in force in each country and the tax rate in France, and reference tax rates used to calculate said impact comes primarily from France, Spain, the United Kingdom and the United States.

In 2021, permanent differences [(2)] was mainly related to the restructuring of the Group's financial debt. In 2020, they included the impact of impairment of non-current assets recorded over the period.

As of December 31, 2021, the Group recognized €17 million in deferred tax assets relating to loss carryforwards [(3)] mainly generated in 2020: mostly in Germany for €6 million and in the United States for €9 million.

The Group also recognized €10 million in deferred tax assets relating to temporary differences mainly related to the vehicle fleet.

The Group's effective tax rate was 40.19% in 2021 compared to (5.96)% in 2020 mainly explained by the change in permanent differences and the amount of losses carried forward compared to the level of tax losses generated over the period which were particulary high in 2020 due to the health crisis.

3.7.2 Deferred taxes in the consolidated balance sheet

(i) Deferred tax assets and liabilities and temporary differences recognized during the period

(in thousands of euros)	January 1, 2021	Recognized in income statement	Fair value adjustment in OCI	Translation reserve and Reclassification	December 31, 2021
Property, plant and equipment	(6,227)	4,629	-	(136)	(1,734)
Intangible assets	(284,229)	1,175	-	(680)	(283,734)
Rental fleet	(39,762)	17,826	-	(1,881)	(23,817)
Investments in subsidiaries	2,998	-	-	-	2,998
Other financial assets	2,614	744	-	-	3,358
Receivables and other assets	9,210	1,829	-	300	11,339
Prepaid and deferred charges	3,862	(2,210)	-	118	1,770
Employee benefits	12,284	(1,395)	(5,480)	(470)	4,939
Deferred income	12,849	(961)	-	-	11,888
Provisions	29,654	(3,473)	93	(574)	25,700
Derivative liabilities	25	-	-	25	50
Other debt	32,931	(9,603)	-	3,046	26,374
Tax losses carried forward	185,860	13,059	-	1,393	200,312
Deferred tax assets/(liabilities)	**(37,931)**	**21,621**	**(5,387)**	**1,141**	**(20,557)**
Deferred tax assets	**176,851**	**15,919**	**(5,387)**	**4,583**	**191,966**
Deferred tax liabilities	**(214,782)**	**5,702**	**-**	**(3,444)**	**(212,524)**

(in thousands of euros)	January 1, 2020	Impact of acquisitions	Recognized in income statement	Fair value adjustment in OCI	Translation reserve and Reclassification	December 31, 2020
Property, plant and equipment	(5,348)	-	(952)	-	73	(6,227)
Intangible assets	(275,337)	(10,149)	717	-	540	(284,229)
Rental fleet	(58,493)	(56)	15,919	-	2,868	(39,762)
Investments in subsidiaries	2,998	-	-	-	-	2,998
Other financial assets	1,783	-	977	-	(146)	2,614
Receivables and other assets	12,503	-	(3,285)	-	(7)	9,210
Prepaid and deferred charges	3,262	-	741	-	(141)	3,862
Employee benefits	13,332	-	(2,392)	1,741	(397)	12,284
Deferred income	9,706	-	2,314	-	(1)	12,849
Provisions	31,122	92	597	-	(2,157)	29,654
Derivative liabilities	76	-	(51)	-	-	25
Other debt	23,784	-	8,918	-	(119)	32,931
Tax losses carried forward	148,306	-	39,158	-	(1,604)	185,860
Deferred tax assets/(liabilities)	**(92,306)**	**(9,764)**	**63,491**	**1,741**	**(1,093)**	**(37,931)**
Deferred tax assets	**119,740**	**10,761**	**49,708**	**1,741**	**(5,099)**	**176,851**
Deferred tax liabilities	**(212,046)**	**(20,525)**	**13,783**	**-**	**4,006**	**(214,782)**

(ii) Unrecognized deferred tax assets

Deferred tax assets are recognized up to the amount of available deferred tax liabilities and recoverability projections coming from business plans.

For each tax group, the recognition of deferred tax assets is determined on the basis of earnings forecasts in a manner consistent with the Group Strategic Plan and in line with the assumptions considered for asset impairment tests.

The Group also considered the tax consequences of strategic opportunities over the life of the tax loss carry-forwards and the specific situation of each tax group, particularly in the context of a loss of visibility due to the health and economic crisis.

For the recognition of its deferred tax assets as at December 31, 2021, the Group adopted a four-year horizon for the use of future taxable profits in the jurisdictions concerned, with the exception of the United States, where the historical results are limited by the recent acquisition of the Fox activities despite solid performance forecasts in the short and medium term. The Group continues to closely monitor the behavior of countries in the face of the effects of the health crisis, with a gradual return to a pre-Covid level of activity expected between 2023 and 2025.

(in thousands of euros)	**At December 31, 2021**	At December 31, 2020
Relating to temporary differences	59,268	41,645
Relating to tax losses carried forward (1)	198,214	244,678
TOTAL OF UNRECOGNIZED DEFERRED TAX ASSETS	**257,482**	**287,521**

Unrecognized deferred tax assets are mainly in France (€103 million in 2021 and €122 million in 2020, mainly related to the impact of the rate change), in Spain (€61 million in 2021 and 2020) and Italy (€13 million in 2021 and 2020).

All tax losses (including Spain since 2015 and the United States since 2018) are likely to be carried forward indefinitely. In addition, in certain jurisdictions (for example France, Spain, Italy, United States), the use of tax losses may be capped according to a percentage provided for by tax law, which is subject to change each year.

3.8 Profit (Loss) per share

Basic and diluted losses per share are based on the profit attributable to shareholders of common stock, representing a profit of €29 million at December 31, 2021 (loss of €644.7 million at December 31, 2020) and on the weighted average number of common shares during the year (excluding shares that could be issued given their anti-diluting effect), calculated as follows:

(in thousands of euros)	**At December 31 2021**	At December 31 2020
Loss attributable to ordinary shareholders	**29,018**	**(644,672)**
Average number of shares outstanding	4,218,382,490	163,884,278
Earnings per share *(in euros)*	0.007	(3.934)
Diluted earnings per share *(in euros)*	0.007	(3.934)

The potential number of diluting shares was 792,000 (corresponding to the free shares) at December 31, 2021 and 1,698,681 at December 31, 2020.

The weighted average number of shares has been calculated taking into account the capital operations carried out as of February 26, 2021, following the debt restructuring in accordance with IAS 33.

Note 4 Fleet of vehicles

a) Rental fleet recorded in the balance sheet

The Group operates a large fleet that it has either acquired (with or without a buy-back clause) or that it holds under leasing agreements signed with car manufacturers, dealers or financial institutions.

The accounting treatment is detailed below, regardless of the accounting treatment applied, the fleet is recognized in current assets "Fleet entered in the balance".

(i) Vehicles acquired with buy-back clause by the manufacturer or the dealer (so-called "buy-back" vehicles)

One of the specific features of the automotive industry is the purchase or sale of vehicles under contracts with a buy-back clause by the manufacturer or the dealer after a predetermined period and generally less than 12 months.

These vehicles do not meet, for the Group, the definition of a tangible asset within the meaning of IAS 16 insofar as:

- the Group does not have control of the vehicle since it cannot resell it;
- the contract only grants it the right to use the asset over a given period; and
- the asset retains a significant part of its value at the time of its acquisition by the manufacturer.

However, this type of contract can be analyzed from the accounting point of view as prepaid rental contracts, falling within the scope of IFRS 16.

This accounting method is consistent and symmetrical with the recognition adopted by manufacturers, which consider the risks and rewards of ownership not to have been transferred since they retain the residual risk on the asset's value and since this risk is significant.

The acquisition cost of the vehicles (net of volume rebates) is recorded against two distinct current assets:

- the "Vehicle buy-back agreement receivable", representing the contractual buy-back price (the obligation of the manufacturer or dealer); these repurchase prices for buy-back vehicles are determined (subject to adjustments depending upon the condition of the vehicles, their mileage and the holding period) according to (i) a predefined percentage of the original vehicle price and the month in which the vehicle is repurchased, or (ii) the original capitalized price less a set economic depreciation amount. This receivable is depreciated in the event of theft of the vehicle, or in the event of a seriously damaged vehicle, in the latter case, on the basis of expert opinions carried out by third parties;
- the right of use ("Deferred depreciation expense on vehicles"), representing the difference between the acquisition cost of the vehicle and the contractual buy-back price. This asset is depreciated through the income statement on a straight-line basis over the contractual holding period of the vehicle.

Given the duration of these assets, the Group recognizes these vehicles as current assets at the start of the contract.

There is no rental debt, the vehicles being fully prepaid.

(ii) Fleet held under lease contracts with manufacturers, car dealers or financial institutions

The operated fleet can be financed through rental contracts concluded with financial institutions or the financing divisions of car manufacturers. These leases fall within the scope of IFRS 16.

Lease contracts are therefore recognized in the balance sheet as a right of use on the leased asset and a financial debt in respect of rents and other payments to be made during the lease term used to assess the rental debt.

The Group has chosen to record in the balance sheet all of its fleet rental contracts, whatever their duration, and has therefore not retained the exemption relating to short-term contracts (less than 12 months) for this asset class.

The interest expense relating to the financial debt and the amortization expense for the right of use are charged separately to the income statement:

- the right of use is amortized on a straight-line basis over the duration of the rental contract and recognized in the income statement under the heading "Fleet holding costs";
- the financial debt is amortized actuarially over the duration of the lease under the "Net fleet financing expenses" in the financial result.

(iii) Vehicles acquired without a buy-back clause by the manufacturer or the dealer ("at risk" vehicles)

The so-called "at risk" vehicles are vehicles acquired without a buy-back clause by the car manufacturer or car dealer, and whose residual value risk is therefore borne by the Group. These vehicles fall within the scope of IAS 16. Vehicles are initially valued at cost, including import duties, non-refundable purchase taxes and any costs directly attributable to the transfer of the vehicle to the rental location and to preparing it for rental. Upon acquisition, "at risk" vehicles are depreciated on a straight-line basis over the planned holding period and their projected residual value. The residual value of the vehicles is regularly examined during the holding period in the light of second-hand market conditions (improvement or deterioration) and adjusted if necessary, particulary in the event of impairment.

In most cases, the holding period a vehicle does not exceed 12 months. For utilities and trucks, the holding period can range from 12 to 24 months. Consequently, although "at risk" vehicles are considered to be property, plant and equipment, the Group classifies these vehicles in the balance sheet as current assets under "Fleet recorded in the balance sheet".

b) Fleet holding costs

Fleet holding costs include:

- vehicle costs such as the costs related to rental fleet agreements with car manufacturers or with Fund Lenders through the recognition of vehicle depreciation charges;
- taxes relating to the vehicle fleet; and
- costs incurred for the purchase or sale of vehicles.

Costs related to rental fleet agreements mainly consist of the vehicle depreciation expenses, net of rebates (see Note 3.3).

Costs related to the acquisition and disposal of vehicles include the cost of vehicle accessories and costs relating to the conditioning of new vehicles and the disposal of used cars.

c) Fleet operating costs

Fleet operating costs correspond to costs incurred during the fleet operating cycle under:

- reconditioning;
- repairs;
- maintenance;
- impairment of badly damaged and wrecked vehicles, thefts; and
- insurance.

Rental costs include fuel, vehicle transfers, vehicle washing, etc. Costs related to revenue from ordinary activities include commissions and airport and rail station fees, etc.

d) Receivables and payables related to the fleet

Trade receivables related to fleet are composed of:

- fleet receivables due by car manufacturers or dealers repurchasing the vehicles once they have been returned to the car manufacturer at the end of the holding period (buy-back agreements). The fleet receivables are recorded at fair value, which corresponds to their nominal value. These receivables fall due within one year;
- the full amount of the Group's VAT receivables, since the major portion of these are fleet-related.

Rental fleet payables are amounts due to car manufacturers or dealers. These payables are recorded at fair value and fall due within one year. Rental fleet payables include the full amount of the Group's VAT payables, since the major portion of the Group's VAT payables is fleet related.

4.1 Rental fleet recorded in the balance sheet

The fleet on the balance sheet breaks down as follows:

(in thousands of euros)	**At December 31, 2021**	At December 31, 2020
Right-of-use of leased vehicles	159,388	159,275
Net book value of vehicles financed through buyback agreements [1]	1,435,152	942,701
Total "buy-back" fleet and right-of-use of leased vehicles	**1,594,540**	**1,101,976**
Europcar-owned vehicles held without buyback clause ("at-risk" vehicles)	1,266,615	1,095,264
TOTAL FLEET OF VEHICLES ON THE BALANCE SHEET	**2,861,155**	**2,197,240**

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

The fleet is presented net of depreciation or provisions for depreciation of €9.5 million (2020: €10.4 million) established for stolen or damaged vehicles.

4.2 Fleet holding costs

(in thousands of euros)	**At December 31, 2021**	At December 31, 2020
Net fleet depreciation [1]	(447,950)	(518,057)
Other fleet holding costs [2]	(113,045)	(114,808)
TOTAL FLEET HOLDING COSTS	**(560,995)**	**(632,865)**

(1) The depreciation expense related to:
- vehicles subject to manufacturer or dealer buy-back agreements and "at-risk" vehicles;
- the right-of-use of vehicles in accordance with IFRS 16;
- the gain on "at-risk" vehicles sales.

(2) Other fleet holding costs include:
- the costs related to the acquisition and disposal of vehicles (costs for vehicle accessories and the conditioning of new vehicles and the sale of used cars);
- taxes on vehicles.

4.3 Fleet operating, rental and revenue related costs

(in thousands of euros)	**At December 31, 2021**	At December 31, 2020
Fleet operating costs (1)	(286,356)	(273,898)
Commissions and fees assimilated to income from ordinary activities (2)	(294,335)	(203,607)
Of which: allowance for doubtful accounts and accounts recognized as losses	*(23,495)*	*(19,914)*
Rental costs (3)	(176,269)	(175,862)
TOTAL FLEET OPERATING, RENTAL AND REVENUE RELATED COSTS	**(756,960)**	**(653,367)**

(1) Fleet operating costs mainly comprise insurance, repair and maintenance costs as well as the costs incurred for damaged and stolen cars and for the reconditioning of vehicles before they are repurchased by the car manufacturers or dealers.
(2) Ordinary revenue-related costs include commissions for agents and travel agents, and airport and railway concession fees.
(3) Rental-related costs include vehicle transfer costs incurred during the holding period, vehicle washing costs and fuel costs.

4.4 Receivables and payables related to the rental fleet

(in thousands of euros)	**At December 31, 2021**	At December 31, 2020
Fleet receivables	488,671	403,602
VAT receivables (1)	160,521	100,415
RENTAL FLEET AND RELATED RECEIVABLES	**649,192**	**504,017**

(in thousands of euros)	**At December 31, 2021**	At December 31, 2020
Fleet payables	307,669	428,066
VAT payables (1)	73,260	127,038
RENTAL FLEET RELATED PAYABLES	**380,929**	**555,104**

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

The change in working capital requirements related to the rental fleet is detailed below:

(in thousands of euros)	**At December 31, 2021**	At December 31, 2020
Fleet receivables	(83,026)	420,762
VAT receivables	(59,382)	37,552
Payables related to fleet acquisition	(122,568)	(279,308)
VAT payables	(56,067)	26,199
CHANGES TO THE NEED FOR CASH FLOW LINKED TO THE VEHICLE FLEET	**(321,043)**	**205,205**

Note 5 Goodwill, tangible and intangible assets

a) Goodwill

Goodwill recognized in local currency, which is not amortized, is subject to an impairment test every year, or more frequently, when a triggering event occurs (indication of impairment). For the purpose of the impairment test, goodwill is allocated to Cash-Generating Units or groups of Cash-Generating Units which are expected to benefit from the business combination that gave rise to goodwill.

A cash-generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. Goodwill is allocated by operating segment and within the vehicle rental business segment, by country.

The recoverable amount of a cash-generating unit is the higher of its fair value less costs to sell and its value in use, determined using the discounted method of future cash flows which will be generated by these assets or by some other more appropriate method. When the recoverable value is lower than the book value, an impairment loss is recognized in the income statement. The impairment loss is first recorded as an adjustment to the carrying amount of the goodwill allocated to the cash-generating unit and the balance of the loss is, if necessary, allocated proportionately to the other long-lived assets of the unit.

Impairment losses related to brands are recognized under "Other non-current income and expenses" in the income statement.

b) Intangible assets

Intangible assets other than goodwill mainly correspond to brands and licenses, contractual relationships with customers, acquired software licenses and capitalized development projects.

TRADEMARKS AND LICENSES

Brands with an indefinite useful life

The Europcar brand, with an indefinite useful life, is carried at cost and is not amortized. However, it is subject to an annual impairment test according to the method of net settlement of fees.

Following the acquisitions in 2017, the Buchbinder, Global, Megadrive and Goldcar brands were identified and valued using the "relief from royalty" method. They are considered to have an unlimited lifespan. They are subject to an annual impairment test as well.

Following the acquisition of Fox Rent A Car in 2019, Fox Rent A Car brand was identified and valued using the "relief from royalty" method. It is considered to have an unlimited lifespan and is subject to an annual impairment test as well.

Impairment losses related to brands are recognized under "Other non-current income and expenses" in the income statement.

Brands with a fixed useful life

Brands and licenses with a fixed useful life are recorded at cost less the accumulated depreciation. They are amortized on a straight-line basis, in order to distribute their cost as a constant charge over their useful life or over the duration of the underlying contract (10 years). They are subject to an impairment test when a triggering event occurs (indication of impairment).

The Group does not own any brands with fixed useful lives.

CONTRACTUAL RELATIONSHIPS WITH CUSTOMERS

Contractual relationships with customers that are acquired as part of a business combination are amortized over the useful life of the relationships, i.e., 10 years. The valuation method is carried out on the basis of the expected surplus profits. These are subject to an impairment test in the event that management identifies an indication of impairment of these assets.

SOFTWARE AND OPERATING SYSTEMS

Software licenses acquired are capitalized based on the costs incurred for their acquisition and commissioning. These costs are amortized over the estimated useful life of the software (see below). Costs associated with software development and maintenance are expensed as incurred. The costs directly associated with the development of identifiable and unique software controlled by the Group, and likely to generate economic benefits greater than the costs incurred over a period of more than one year, are recognized in intangible assets and where the latter meet the recognition criteria of IAS 38. The costs include the expenses of the personnel assigned to the development of the software, as well as a share of the general costs directly attributable to the development of the software.

Software development costs recognized as assets are amortized over the estimated useful life of the software (see below).

OTHER INTANGIBLE ASSETS

Other intangible assets acquired by the Group are valued at cost less accumulated depreciation (see below) and impairment losses. They include the right to use brands acquired as part of a business combination.

AMORTIZATION

Intangible assets are amortized on a straight-line basis from the date they are put into service. The estimated useful lives are as follows:

- customer relationships: 10 years;
- software: 3 years;
- operating systems: 5 to 10 years.

c) Property, plant and equipment

OWN ASSETS

Property, plant and equipment appear on the balance sheet at historical cost, after deduction of the accumulated amount of depreciation and impairment.

When the components of an item of property, plant and equipment have different useful lives, they are recognized as separate property, plant and equipment and depreciated over the useful life of each component. Repair and maintenance costs are expensed as incurred.

LEASED ASSETS

The leased assets correspond to:

- real estate contracts linked to the rental activity in all the countries in which the Group operates (agencies, airport desks, preparation areas, car parks); and
- property contracts not related to the rental activity (offices).

In application of IFRS 16, leases are recognized in the balance sheet in the form of a right-of-use on the leased asset and a financial debt in respect of rents and other payments to be made during the lease term used to assess the rental debt.

The right-of-use is amortized on a straight-line basis, and the financial debt is amortized actuarially over the lease term. The interest expense relating to the financial debt and the amortization expense for the right-of-use are recorded separately in the income statement.

The Group applied simplification measures and identified certain contracts for which IFRS 16 authorizes treatment similar to IAS 17. These contracts are recognized directly as expenses.

SUBSEQUENT COSTS

The Group includes in the book value of an item of property, plant, and equipment the cost of replacing part of that item when that cost is incurred; it is likely that the future economic benefits associated with that item will benefit the Group and that the cost of that item can be measured reliably. All other costs are expensed in the income statement as incurred. Repair costs and interest on loans are recognized in current expenses.

AMORTIZATION

Land is not depreciated. The following assets are amortized on a straight-line basis.

The estimated useful lives are as follows:

- constructions: 25 to 50 years;
- technical installations and machines: 6 to 12 years;
- other office equipment, materials and furniture, including specific tools: 3 to 15 years.

The useful life is reviewed once a year.

5.1 Goodwill

(in thousands of euros)	Gross value	Impairment loss	Book value
Balance at January 1, 2020	**1,331,111**	**(194,137)**	**1,136,974**
Acquisitions [1]	-	(130,920)	(130,920)
Various	(1)	(4)	(5)
Effect of movements in foreign exchange rates	(9,149)	1,219	(7,930)
Balance at December 31, 2020	**1,321,961**	**(323,842)**	**998,119**
Balance at January 1, 2021	**1,321,961**	**(323,842)**	**998,119**
Acquisitions	-	-	-
Various	(878)	199	(679)
Effect of movements in foreign exchange rates	12,302	(2,220)	10,082
Balance at December 31, 2020	**1,333,385**	**(325,863)**	**1,007,522**

(1) The impairment tests performed in 2020 resulted in a goodwill impairment of €131 million, of which €44 million in France, €13 million in the United Kingdom, €48 million at Goldcar primarily in Spain and €26 million in Urban Mobility activities.

5.1.1 Goodwill of rental activities held by the Group, analyzed by cash-generating unit

The Group has defined new operating segments in accordance with IFRS 8 following the implementation of its new organization (see Note 3.1 to the consolidated financial statements). This new definition of operating segments had no impact on the definition of Cash Generating Units.

The Group considers that each country corresponds to a cash-generating unit.

The table below shows the breakdown between the Cash Generating Units (CGUs) of the largest amounts of goodwill and reflects the organization as of December 31, 2021.

(in thousands of euros)	Germany	United Kingdom	France	Spain	Portugal	Others	**Total Europe**	United States	Australia	**Total Rest of the worl**	**Total Group**
Balance at January 1, 2021	239,316	68,144	55,766	303,504	65,330	169,585	901,645	69,449	27,025	96,474	998,119
Impairment loss for the period	-	-	-	-	-	-	-	-	-	-	-
Transfer and others	-	-	(673)	-	-	(6)	(679)	-	-	-	(679)
Currency fluctuations	-	3,450	-	-	-	351	3,801	5,795	486	6,281	10,082
Balance at December 31, 2021	**239,316**	**71,594**	**55,093**	**303,504**	**65,330**	**169,930**	**904,767**	**75,244**	**27,511**	**102,755**	**1,007,522**

5.1.2 Annual Impairment test

In accordance with IAS 36 "Impairment of Assets", the Group performed an annual goodwill impairment test. No impairment was recorded in this respect during the 2021 financial year.

As of December 31, 2021, the recoverable value of the CGUs was assessed based on the discounted forecast cash flows expected from the assets. For each CGU, the cash flows are projected over a period of 5 years and have been constructed on the basis of the following assumptions:

- "Connect" transformation plan over 3 years (2021-2023), announced and implemented at the end of 2020.

  As a reminder, the Connect strategic plan aims to redefine the go-to-market strategy deployed until 2020, by replacing the Business Units with an organization by Service Lines, organizations focused on responding to concrete mobility use cases, and improving the customer experience for these uses. This plan takes up and accelerates the Group's digitization ambitions, and also emphasizes the strengthening of the domestic mobility activity, particularly in the medium-term rental segment. To do this, connect relies on four operational levers: i) connectivity and simplification of the Group's fleet, ii) optimization and digitization of its network to respond to the different mobility use cases, iii) the unification and improvement of its information systems and iv) the overhaul of its organization and its talent management.
- year 2022 review as part of the annual budget process;
- beyond 2023, the assumptions used in terms of growth in revenue and adjusted Corporate EBITDA reflect management's best estimate of the conditions for a gradual return to a level of activity equivalent to that prior to Covid-19, estimated between 2023 and 2025 for all CGUs. From the beginning of 2021, the recovery was driven very rapidly by the United States followed by the United Kingdom. The Group has therefore taken these strong recoveries into account in its short- and medium-term growth assumptions for Fox activities, which benefit from the very favorable conditions of the American market;
- the terminal value is based on normalized and discounted cash flows over an indefinite period, assuming a long-term growth rate of 2%;
- the rights-of-use and the related liabilities relating to the application of IFRS 16 are netted against the book value of the Cash Generating Units;
- for the discounting of future cash flows, the weighted average cost of capital used for each of the CGUs is revalued in order to take into account changes in the market and competition. The table below presents the weighted average cost used for the 2021 financial year.

	France	Germany	Italy	Spain	United Kingdom	Belgium	Portugal	Australia	Ireland	Denmark	USA	Finland	Norway
WACC	**6.34%**	**6.02%**	**7.77%**	**7.02%**	**7.38%**	**7.49%**	**9.22%**	**7.52%**	**8.73%**	**7.53%**	**8.17%**	**7.39%**	**7.66%**

The weighted average cost of capital is applied to the cash flows of each cash-generating unit on the basis of a risk-free interest rate (averaged over a period of 5 years) corresponding to the risk-free rate of German ten-year bonds, adjusted by a risk premium for each country.

The Group considers that the weighted average cost of capital should be based on a historic equity risk premium of 6.5% retained for the 2021 financial year, down from the previous year.

The debt ratio used to calculate the weighted average cost of capital is based on the average annual ratio of net debt to equity, published quarterly by comparable companies.

5.1.3 Sensitivity analysis

Goodwill has been subject to an impairment test by the Company as described in Note 5.1.1.

At December 31, 2021, the Group analyzed the sensitivity to the assumptions used to conduct the tests based on:

- a 1-point increase in the discount rate;
- a 1-point decrease in the long-term growth rate;
- a 5% decrease in Adjusted Corporate EBITDA.

This analysis did not identify any probable scenario leading to the belief that the recoverable amount could be lower than the book value.

In addition, and for each of the CGUs, the Group has assessed the percentage of Adjusted Corporate EBITDA margin by which the estimated recoverable value will not exceed the book value. As of December 31, 2021, the Group estimates that a 5% decrease in the margin (average of the CGUs) would reduce the recoverable amount to the same level as the book value.

5.2 Intangible assets

(in thousands of euros)	Trademarks	Software, operating systems	Customer relations	Intangible assets in progress	Leasehold rights	Total
Gross values						
Balance at January 1, 2020	**941,609**	**343,893**	**45,291**	**91,261**	**3,588**	**1,425,612**
Changes in scope						
Other acquisitions	-	12,085	-	25,604	-	37,689
Disposal	-	(381)	-	(346)	-	(727)
Transfer	-	(488)	-	(274)	(3,558)	(4,320)
Effect of movements in foreign exchange rates	(6,680)	(1,818)	-	-	-	(8,498)
Balance at December 31, 2021	**934,929**	**353,292**	**45,291**	**116,245**	**-**	**1,449,756**
Balance at January 1, 2020	**934,929**	**353,292**	**45,291**	**116,245**	**-**	**1,449,756**
Other acquisitions	-	3,714	-	36,955	-	40,676
Disposal	-	(1,024)	-	-	-	(1,024)
Transfer	-	(154)	-	-	-	(154)
Effect of movements in foreign exchange rates	6,033	2,054	-	-	-	8,087
Balance at December 31, 2020	**940,962**	**357,889**	**45,291**	**153,200**	**-**	**1,497,341**
Depreciation and impairment losses						
Balance at January 1, 2020	**(58,146)**	**(274,719)**	**(9,144)**	**(22,124)**	**(1,416)**	**(365,549)**
Amortization	-	(32,048)	(4,491)	-	-	(36,539)
Disposal	-	169	-	-	-	169
Transfer	-	2,197	-	-	1,416	3,613
Effect of movements in foreign exchange rates	2,862	1,519	-	-	-	4,381
Balance at December 31, 2020	**(55,284)**	**(303,264)**	**(13,253)**	**(22,124)**	**-**	**(393,925)**
Balance at January 1, 2021	**(55,284)**	**(303,264)**	**(13,253)**	**(22,124)**	**-**	**(393,925)**
Amortization	-	(36,483)	(4,378)	-	-	(40,862)
Disposal	-	1,606	-	-	-	1,606
Transfer	-	5	-	-	-	5
Effect of movements in foreign exchange rates	(3,564)	(1,760)	-	-	-	(5,324)
Balance at December 31, 2021	**(58,848)**	**(339,896)**	**(17,631)**	**(22,124)**	**-**	**(438,500)**
Net book value						
At December 31, 2020	**879,644**	**50,028**	**32,038**	**94,121**	**-**	**1,055,831**
AT DECEMBER 31, 2021	**882,114**	**17,993**	**27,660**	**131,076**	**- -**	**1,058,840**

5.2.1 Trademarks

The brands registered in the consolidated financial statements at December 31, 2021 amount to €882 million and relate mainly to the Europcar (€699 million), Goldcar (€137 million), Buchbinder (€33 million) and Fox Rent A Car ($33 million) brands. These brands have an indefinite lifespan.

The value of the different brands recognized in the Group's financial statements has been confirmed by an impairment test presented below.

(i) Annual impairment test

In accordance with IAS 36, "Impairment of Assets", the Group carried out an annual impairment test of the book value of its brands using the royalty method. This test is carried out globally, all countries and entities using the Europcar brand combined without allocation at a lower level.

The value in use of the brand has been determined from projections of the fees that would be collected within the Europcar network (entities owned by the Group, national and international franchisees). The business assumptions and revenue growth rates are taken from 2022 budget data and the Connect transformation plan as described in the assumptions used for the purposes of the goodwill impairment test (Note 5.1.2).

(ii) Main assumptions

The valuation of the terminal value is based on a long-term growth rate of 2%.

The discount coefficient used to calculate the weighted average cost of capital is applied to the net cash flow from each cash-generating unit based on the risk-free interest rate of German bonds with a maturity 10 years.

For Europcar Brand, it is estimated at 7.91% in 2021 (7.92% in 2020).

(iii) Sensitivity analysis

A reasonable modification of the main assumptions would not generate a book value higher than the recoverable value and therefore would not lead to an impairment. The table below presents the result of the impairment test and the headroom (difference between the recoverable value and the net book value of the brands) according to different assumptions of long-term growth rate and weighted average cost of capital.

The results of the test are presented below:

	Long-term growth rate		
(in thousands of euros)	**1.0%**	**2.0%**	**3.0%**
WACC			
6.91%	867	1,117	1,495
7.91%	655	826	1,066
8.91%	498	621	786

The tests carried out on the different brands did not lead to any record of impairment losses in 2021 and in previous years.

5.2.2 Software and operating system

The software (Greenway from Europcar and Speedlink from PremierFirst) were measured at fair value in accordance with IFRS 3 "Business combinations", according to the APF method (analysis of functional points). This method is based on the calculation of the functional points of each of the segments/software of the fleet management and booking systems of Europcar and PremierFirst. The functional points correspond to the functionalities used to evaluate the replacement value.

The net book value of this internally developed software has been zero since the end of December 31, 2017.

The amount of project costs activated for 2021 is €39 million (€26 million in 2020).

5.2.3 Security

The total amount of intangible assets (with the exception of the Europcar brand) is held as security for the first loan intended to finance the fleet of vehicles, as detailed in Note 6.5.

5.3 Property, plant and equipment

Property, plant and equipment are held as security against Group corporate financing, as detailed in Note 6.5.

(in thousands of euros)	Land and buildings	Technical equipment	Other equipment	Fixed assets in progress	Right-of-use	Total
Gross values						
Balance at January 1, 2020	**127,325**	**39,454**	**264,142**	**7,392**	**450,655**	**888,968**
Changes in scope	-	-	-	-	-	-
Acquisitions	39,187	3,954	7,689	2,386	92,566	145,782
Disposal	(57,002)	(125)	(4,483)	(694)	(81,941)	(144,245)
Transfer	(170)	(11)	9,621	(219)	(35,504)	(26,282)
Effect of movements in foreign exchange rates	(707)	(906)	(2,835)	(32)	100	(4,381)
Balance at December 31, 2020	**108,634**	**42,366**	**274,134**	**8,832**	**425,875**	**859,842**
Balance at January 1, 2021	**108,634**	**42,366**	**274,134**	**8,832**	**425,875**	**859,842**
Changes in scope	-	-	-	-	-	-
Acquisitions	1,598	4,973	10,664	-	97,745	114,977
Disposal	(2,033)	(1,625)	(9,815)	-	(74,800)	(88,273)
Transfer	14	102	(608)	(2,623)	(81)	(3,196)
Effect of movements in foreign exchange rates	820	837	3,415	10	4,793	9,875
Balance at December 31, 2021	**109,033**	**46,653**	**277,790**	**6,219**	**453,531**	**893,226**
Depreciation and impairment losses						
Balance at January 1, 2020	**(36,227)**	**(19,609)**	**(210,932)**	**-**	**(103,555)**	**(370,622)**
Provision for depreciation and depreciation expense	(3,447)	(5,444)	(15,601)	-	(94,061)	(118,552)
Disposal	4,301	238	3,436	-	3,664	11,639
Transfer	-	(3)	(7,747)	-	35,731	27,981
Effect of movements in foreign exchange rates	50	802	2,277	-	(545)	2,584
Balance at December 31, 2020	**(35,322)**	**(24,016)**	**(228,566)**	**-**	**(158,766)**	**(446,670)**
Balance at January 1, 2020	**(35,322)**	**(24,016)**	**(228,566)**	**-**	**(158,766)**	**(446,670)**
Provision for depreciation and depreciation expense	(1,296)	(4,553)	(17,043)	-	(79,217)	(102,110)
Disposal	2,005	1,474	10,063	-	48,793	62,235
Transfer	(608)	(423)	544	-	81	(406)
Effect of movements in foreign exchange rates	(194)	(761)	(2,781)	-	(1,509)	(5,245)
Balance at December 31, 2021	**(35,417)**	**(28,279)**	**(237,832)**	**-**	**(190,620)**	**(492,099)**
Net book value						
At December 31, 2020	**73,311**	**18,350**	**45,568**	**8,832**	**267,110**	**413,171**
At December 31, 2021	**73,616**	**18,372**	**40,007**	**6,219**	**262,911**	**401,127**

5.4 IFRS 16

(in thousands of euros)	Rental Fleet	Property, Plant and Equipment	Total
Gross values			
Balance at January 1, 2020	**414,296**	**450,655**	**864,951**
Changes in scope	-	-	-
Acquisitions	161,683	95,747	257,430
Disposal	(389,648)	(117,445)	(507,093)
Transfer	-	-	-
Effect of movements in foreign exchange rates	(1,242)	(3,160)	(4,402)
Balance at December 31, 2020	**185,090**	**425,797**	**610,887**
Balance at January 1, 2021	**185,090**	**425,797**	**610,887**
Changes in scope	-	-	-
Acquisitions	141,403	97,745	239,148
Disposal	(149,340)	(74,803)	(224,143)
Transfer	101,988	-	101,988
Effect of movements in foreign exchange rates	1,791	4,793	6,595
Balance at December 31, 2021	**280,933**	**453,531**	**734,464**
Depreciation and impairment losses			
Balance at January 1, 2020	**(284,795)**	**(103,854)**	**(388,648)**
Provision for depreciation and depreciation expense	(168,658)	(94,061)	(262,718)
Disposal	344,204	39,395	383,599
Transfer	-	-	-
Effect of movements in foreign exchange rates	652	(168)	485
Balance at December 31, 2020	**(108,596)**	**(158,687)**	**(267,284)**
Balance at January 1, 2021	**(108,596)**	**(158,687)**	**(267,284)**
Provision for depreciation and depreciation expense	(155,753)	(79,217)	(234,970)
Disposal	159,436	48,793	208,229
Transfer	(15,501)	-	(15,501)
Effect of movements in foreign exchange rates	(1,130)	(1,509)	(2,639)
Balance at December 31, 2021	**(121,544)**	**(190,620)**	**(312 164)**
Net book value			
At December 31, 2020	**76,493**	**267,110**	**343,603**
At December 31, 2021	**159,388**	**262,911**	**422,300**

The amount of the right-of-use stood at €422 million at December 31, 2021 and the related lease liability amounted to €430 million, of which €275 million relating to real estate contracts and €155 million relating to the rental fleet.

At December 31, 2021, as required by IAS 36, Europcar performed an impairment test on rights-of-use. As such, the Group reviewed the recoverable value of rights-of-use related to the lease contracts of its real estate properties and vehicles taking into consideration the different effects of the health crisis, particularly during the lockdown periods (renegotiation and/or non-renewal of the term of certain contracts, rent holidays granted by lessors and restructuring plan for agencies and headquarters). The Group did not identify any impairment loss related to these tests.

Note 6 Other components of the balance sheet and activity-related commitments

6.1 Inventories

No material restrictions of title or right-of-use exist in respect of the inventories listed below:

(in thousands of euros)	**At December 31, 2021**	At December 31, 2020
Consumables	1,109	1,376
Oil and fuel	17,792	12,268
Vehicles	201	1,376
Spare parts	390	1,000
Other items	73	73
TOTAL INVENTORY	**19,565**	**16,093**

Inventories are recognized net of provisions of €375 thousand (2020: €371 thousand).

The vehicles entered in the stocks are vehicles which are not yet in operation on the closing date.

6.2 Trade and other receivables

All trade receivables are due within one year

(in thousands of euros)	**At December 31, 2021**	At December 31, 2020
Rental receivables	240,925	210,755
Other trade receivables	95,589	84,291
Other tax receivables	617	3,141
Insurance claims	35,655	32,069
Prepayments	25,883	20,671
Employee related receivables	5,582	7,930
Deposits, other receivables	29,934	23,153
TOTAL TRADE AND OTHER RECEIVABLES	**434,185**	**382,010**

The table below shows the evolution of provisions for depreciation of receivables related to vehicle rental and other customer receivables:

(in thousands of euros)	**At December 31, 2021**	At December 31, 2020
Opening balance	**(61,956)**	**(43,919)**
Impairment of bad debts	(3,142)	(20,408)
Scope changes and acquisitions of the period	-	10
Receivables written off during the year/period	5,399	1,908
Unused amounts reversed	-	296
Foreign currency differences	(269)	157
CLOSING BALANCE	**(59,968)**	**(61,956)**

Additions to/releases of the allowance for bad debts are included in "Fleet operating, rental and revenue related costs" in the consolidated income statement (Note 4.3).

The schedule of net trade receivables and other receivables is as follows:

	At December 31, 2021				
(in thousands of euros)	**Total**	**Not due**	**Less than 90 days past due**	**Between 90 and 180 days past due**	**Over 180 days past due**
Trade and other receivables – gross amount	534,541	295,929	84,393	27,266	126,953
Impairment of bad debts	(100,356)	(2,418)	(8,510)	(7,398)	(82,030)
Trade and other receivables – net amount	**434,185**	**293,511**	**75,882**	**19,869**	**44,923**

	At December 31, 2020				
(in thousands of euros)	Total	Not due	Less than 90 days past due	Between 90 and 180 days past due	Over 180 days past due
Trade and other receivables – gross amount	467,839	262,892	64,669	23,724	116,557
Impairment of bad debts	(85,829)	(10,731)	(4,265)	(3,278)	(67,554)
Trade and other receivables – net amount	**382,010**	**252,161**	**60,404**	**20,445**	**49,003**

6.3 Trade payables and other liabilities

The fair values of trade payables correspond to their nominal values. All trade payables and other liabilities fall due within one year.

(in thousands of euros)	**At December 31, 2021**	At December 31, 2020
Trade payables	378,895	376,462
Other tax payables	15,975	18,349
Deposits	54,218	37,219
Employee-related liabilities	106,409	67,074
Liabilities relating to the acquisition of participating interests	18,097	21,440
TOTAL TRADE PAYABLES AND OTHER LIABILITIES	**573,595**	**520,544**

6.4 Change in non-fleet working capital

(in thousands of euros)	**At December 31, 2021**	At December 31, 2020
Trade receivables	(38,739)	70,785
Other receivables	(15,074)	25,786
Tax receivables	2,523	5,373
Inventories	(3,234)	13,202
Trade payables	(1,439)	(72,635)
Other debt	20,968	(16,725)
Employee-related liabilities	38,685	(4,046)
Tax debt	(7,684)	4,039
CHANGE IN NON-FLEET WORKING CAPITAL	**(3,994)**	**25,779**

6.5 Off-balance sheet commitments

6.5.1 Leases

The Group's minimum payments under non-cancellable leases and not restated in accordance with the exemptions and provisions of IFRS 16 are detailed below:

(in thousands of euros)	At December 31, 2021	Including amounts related to operated fleet	At December 31, 2020	Including amounts related to operated fleet
Payable:				
Less than a year		23,561	33,944	-
Between one and five years		14,728	19,345	-
Over five		1,133	2,357	-
TOTAL LEASES		**39,422**	**55,646**	**-**

With the application of IFRS 16, the majority of leases are recognized in the balance sheet and are therefore not included in the off-balance sheet commitments presented in the table above.

Only the commitments related to the following rental contracts are considered:

- contracts affected by the exemptions permitted by the standard;
- contracts considered as service contracts for which the rental charge is recognized directly in the Group's income statement under operating profit;
- contracts considered to be for substitutable assets when the lessor has the option to change the lessee's location without payment of a significant financial consideration. Several contracts within airports are affected and are therefore excluded from the scope of IFRS 16.

6.5.2 Commitments to purchase vehicles

During the year ended December 31, 2021, the Group concluded contracts for the purchase of vehicles. As of December 31, 2021, outstanding commitments amounted to €1,066.4 million (December 2020: €1,697.8 million).

6.5.3 Commitments to purchase fixed assets

During the fiscal year ended December 31, 2021, the Group entered into contracts for the purchase of property, plant and equipment and intangible assets. As of December 31, 2021, the commitments in progress were not significant, as they were as of December 31, 2020.

6.5.4 Contingent assets and liabilities and guarantees

Guarantees given by the Group

- the Group has given various guarantees (mostly joint and several) to certain third parties (mainly in respect of fleet finance lease transactions) in the normal course of its activities, as well as specific guarantees, including a guarantee €39 million to AIG Europe Ltd for the performance of certain commitments in its self-insurance program (franchise agreement), which could have to be implemented in the very unlikely event that Europcar would be unable to honor the commitments under the franchise agreement;
- as of December 31, 2021, the Company had given suppliers €59.4 million in guarantees (December 2020: €30.5 million). Contingent assets amounted to €2.8 million (December 2020: €3 million);
- Securitifleet S.A.S., Goldfleet France S.A.S., Securitifleet S.L. and Goldfleet Spain S.L. respectively hold a significant part of the fleet leased by Europcar France S.A.S., Goldcar France S.A.R.L., Europcar IB S.A.U. and Goldcar Spain S.L.U. to their respective customers and have given their vehicles as security, with regard to Securitifleet SAS and Goldfleet France SAS, for the benefit of Crédit Agricole Corporate and Investment Bank, its successors and assignees, and, more particularly, for the benefit of the Common Fund FCT Sinople Securitization, in accordance with Articles 2333 et seq. of the French Civil Code, and, in the case of Securitifleet SL and Golfleet Spain SL, for the benefit of its creditors, its successors and assignees, within the framework of a contract called respectively "Spanish Securitifleet Financing Agreement" and "Spanish Goldfleet Financing Agreement" and in accordance with Article 1863 of the Spanish Civil Code. For the purposes of these guarantees, Europcar France S.A.S., Goldcar France S.A.R.L., Europcar IB S.A. and Goldcar Spain S.L.U. have been appointed agreed third party and *tercero poseedor de conformidad* in accordance with the provisions of Article 2337 of the French Civil Code and Article 1863 of the Spanish Civil Code, respectively. Consequently, any vehicle returned by a customer of Europcar France S.A.S., Goldcar France S.A.R.L.,

Europcar IB S.A.U. or Goldcar Spain S.L.U. must be, as the case may be, to Europcar France S.A.S., to Goldcar France S.A.R.L., to Europcar IB S.A.U. or to Goldcar Spain S.L.U. in their capacity as agreed third party and *tercero poseedor de conformidad* or, as the case may be, any other entity which be substituted for them and in no case to Securitifleet France S.A.S., Goldfleet France S.A.S., Securitifleet S.L. or Goldfleet Spain S.L.U;

- Securitifleet SAS, Securitifleet GmbH, Securitifleet SL, Securitifleet SpA and Goldfleet SAS are or will be owners of a substantial part of the fleet rented by Europcar France SAS to its customers and have agreed to a pledge on their vehicles for the benefit in particular of Credit Agricole Corporate and Investment Bank and its successors and assignees and, in particular, the FCT Sinople Finance Securitization Mutual Fund, in particular in accordance with Articles 2333 and following of the French Civil Code. For the purposes of this pledge, Europcar France SAS has been designated as an "agreed third party" in accordance with Article 2337 of the French Civil Code. Consequently, any return of a vehicle by a customer of Europcar France SAS must necessarily be made to Europcar France SAS in its capacity as an agreed third party or, if applicable, to any other entity which may be substituted for it in this capacity and in no case to Securitifleet SAS, Securitifleet GmbH, Securitifleet SL, Securitifleet SpA or Goldfleet SAS;
- Goldfleet SAS and Securitifleet SAS are or will be owners of a substantial part of the fleet rented by Goldcar France SARL to its customers and have agreed to a pledge on their vehicles for the benefit in particular of Crédit Agricole Corporate and Investment Bank and its successors and assignees and, in particular, the FCT Sinople Finance Securitization Mutual Fund, in particular in accordance with Articles 2333 and following of the French Civil Code. For the purposes of this pledge, Goldcar France SARL has been designated as an "agreed third party" in accordance with Article 2337 of the French Civil Code. Consequently, any return of vehicle by a customer of Goldcar France SARL must necessarily be made to Goldcar France SARL in its capacity of agreed third party or, if necessary, to any other entity which may be substituted for it in this capacity and in no case to Goldfleet SAS or Securitifleet SAS;
- to secure the Senior Credit Facility (or SFA), dated February 26, 2021, the following guarantees have been put in place by the Company for the benefit of lenders and hedging banks:
  - joint and several guarantee of the obligations of the borrowers and lenders (Obligors),
  - pledge of the Europcar International S.A.S.U. shares held directly or indirectly by the Company.

  As a guarantee of the issue contract (Indenture) governing the EC Finance Bonds (bonds issued for a principal amount of €500 million and bearing interest at a rate of 3% redeemable in 2026), dated October 7, 2021, the following guarantee has in particular been put in place by the Company: joint and several guarantee of the obligations of EC Finance plc under the issue contract and the obligations.
- a pledge in favor of the VFFA lenders of "Junior Notes" subscribed by Europcar Internatonal and issued by FCT Sinople within the framework of the Pan-European Securitization program.

Guarantees received by the Group

The Company benefited from a liability and asset guarantee granted by the Volkswagen group when the Europcar Groupe was acquired by the Company in 2006. This guarantee has expired and can no longer be implemented, except in very limited specific circumstances. On the other hand, the Company may still receive compensation under previous or specific implementations, subject to the finalization of ongoing litigation or pre-litigation and agreement with Volkswagen on the final amount of this compensation.

The SGL is 90% guaranteed by the French State via Bpifrance Financement, a subsidiary of Bpifrance S.A., pursuant to the Order of March 23, 2020 granting the State guarantee to credit institutions and financing companies pursuant to Article 6 of the Amending Finance Act No. 2020-289 of March 23, 2020 (*loi n° 2020- 289 du 23 mars 2020 de finances rectificative*).

Pledges

The Group has pledged some of its assets, in particular equity securities in subsidiaries, receivables, bank accounts and operational assets. The assets of the Securitifleet entities and the Goldfleet entities or the assets used by the Securitifleet entities and the Goldfleet entities are pledged in favor of holders of EC Finance Bonds and lenders of SARF. The other assets are pledged in favor of the lenders of the senior revolving credit facility, with the exception of assets located in the United Kingdom and assets located in Australia and New Zealand which are themselves pledged in favor of their local lenders.

Note 7 Capital and reserves

7.1 Share capital and share premiums

As of December 31, 2021, the registered share capital of Europcar Mobility Group was €50,156,401 composed of 5,015,640,081 shares of €0.01 each, all of which correspond to ordinary shares.

Date	Operation	Share capital (€)	Legal reserve (€)	Issue premium (€)	Number of shares	Par value (€)
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	-	1,103,966,590	-	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
12/31/2021		50,156,401	16,388,428	2,018,823,424	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 €1,050 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 €250 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 December 31, 2021, the distribution of shareholders in the capital of the Company is as follows:

Shareholders	Total number of shares	Percentage of common shares and voting rights	Percentage of share capital
ANCHORAGE CAPITAL GROUP	1,249,312,849	24.95%	24.91%
MARATHON ASSET MANAGEMENT LP	539,774,396	10.78%	10.76%
ATTESTOR LTD	641,514,896	12.81%	12.79%
DIAMETER CAPITAL PARTNERS LP	260,738,525	5.21%	5.20%
CENTERBRIDGE Partners	310,616,449	6.20%	6.19%
UBS GROUP AG	252,666,888	5.05%	5.04%
CARVAL INVESTOR LP	254,574,218	5.08%	5.08%
Treasury shares	8,552,323	-	0.17%
FCPE	3,930,487	0.08%	0.08%
Others	1,493,959,050	29.85%	29.79%
TOTAL	**5,015,640,081**	**100%**	**100%**

As of December 31, 2020, the distribution of shareholders in the capital of the Company was as follows:

Shareholders	Total number of shares	Percentage of common shares and voting rights	Percentage of share capital
Eurazeo SE	48,988,240	31.42%	29.89%
DWS Investment GmbH	9,161,334	5.88%	5.59%
Merrill Lynch	8,282,744	5.31%	5.05%
Treasury shares	8,760,539	-	5.35%
FCPE EUROPCAR	615,428	0.39%	0.38%
Others	88,075,993	57.0%	53.74%
TOTAL	**163,884,278**	**100%**	**100%**

7.2 Treasury shares

Europcar Groupe shares held by the parent company are recorded at their acquisition cost as a reduction of consolidated equity. In the event of a sale, the capital gains or losses as well as the corresponding tax effects are recorded as a change in consolidated equity.

The value of treasury shares at December 31, 2021 under the liquidity and share buyback contracts entrusted to Rothschild (8,552,323 shares) relating to the shares of Europcar Mobility Group amounted to €12.8 million.

As of December 31, 2021, the impact on the change in equity related to treasury shares was €0.1 million (compared to (€0.7) million as of December 31, 2020).

The number of treasury shares held can be analyzed as follows:

	2021
Number of treasury shares as of January 1, 2020	**8,760,539**
Own shares purchased	11,838,166
Own shares sold	(12,046,382)
Number of treasury shares as of December 31, 2021	**8,552,323**

Note 8 Financing and financial risk management

Financial assets are classified into three categories: assets at fair value through equity, assets at fair value through profit and loss, and assets at amortized cost. Two criteria must be used to determine the classification and measurement of financial assets: the entity's business model for the management of its financial assets, and the characteristics of the contractual cash flows of the financial asset. The classification adopted by default is that of fair value through profit or loss.

Financial liabilities are classified into the following categories: financial liabilities at fair value through profit and loss, and amortized cost.

Management decides on the classification of financial assets and liabilities upon initial recognition.

a) Financial assets

FINANCIAL ASSETS AT FAIR VALUE THROUGH EQUITY

Gains and losses arising from changes in the fair value of these instruments are recognized in other comprehensive income within equity, except for impairment losses and monetary items such as translation differences. When derecognizing these instruments, the cumulative gain or loss stored in equity is reported in the income statement. When these instruments bear interest, interest is recognized in the income statement using the effective interest rate method.

These assets which are not quoted on an active market and whose fair value cannot be measured reliably are valued at historical cost, less the accumulated amount of impairment losses.

IMPAIRMENT OF FINANCIAL ASSETS WITH FAIR VALUE THROUGH EQUITY

A significant or prolonged decline in their fair value below their historical cost is also taken into account to determine the existence of an impairment loss. In the presence of such an indication, the cumulative net loss previously recognized directly in equity is removed from equity and recognized in the income statement.

Impairment losses related to equity instruments recognized in the income statement are not reversed through the income statement until the sale of the equity instrument. After an impairment, an increase in the fair value of an equity instrument is recognized directly in equity.

FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

Financial assets at fair value through profit and loss mainly include investments in non-consolidated companies (see Note 8.6.1).

FINANCIAL ASSETS AT AMORTIZED COST

Similar receivables related to the vehicle fleet

See Note "Receivables and debts assimilated to the vehicle fleet".

b) Trade and other receivables

Trade receivables are amounts owed by customers in return for services provided in the normal course of business; these receivables are initially recognized at fair value, then subsequently measured at amortized cost using the effective interest method, after deduction of a provision for depreciation.

The method of impairment of receivables is presented below in paragraph (e). Details of the impairment of receivables are given in Note 6.2.

The impairment loss is recorded in the income statement under "Fleet operating, rental and revenue-related costs" (see Note 4.3).

c) Cash and cash equivalents

CASH COMPRISES CASH-IN-HAND AND AT BANK

Cash equivalents correspond to short-term investments and very liquid instruments such as transferable securities and bonds with a maturity of less than 3 months on the date of acquisition, easily convertible into a known amount of cash and not involving any significant exchange risk in value. Financial instruments classified in the cash and cash equivalents category are recognized at fair value through profit or loss.

RESTRICTED CASH

Cash and cash equivalents are considered restricted when (i) they are used to cover indemnification for future claims or (ii) are not immediately available to finance the activity of the subsidiaries. Consequently, cash limited to the following special purpose entities in relation to vehicle rental and insurance activities is considered to constitute restricted cash:

- Securitifleet Holding and Securitifleet Holding Bis;
- FCT Sinople ("Mutual Securitization Fund");
- EC Finance plc; and
- Euroguard, captive insurance.

Restricted cash and restricted cash equivalents are presented separately from cash and cash equivalents.

d) Other financial assets

Other financial assets mainly relate to non-derivative financial assets with fixed or determinable payments and a fixed maturity, which the entity has the firm intention and the possibility of keeping until maturity, which are not listed on an active market, and arise from lending activities or the provision of goods or services. They mainly include loans, receivables, deposits and advance payments, and marketable securities that are not classified as cash and cash equivalents, as well as the portfolio of financial assets (diversified bond investments with several financial institutions) held by Euroguard units.

These assets are initially recognized at fair value, including transaction costs. They are subsequently valued at amortized cost using the effective interest method.

The amortized cost of short-term receivables generally approaches the nominal amount of these elements.

These assets are considered as non-current financial assets if their maturity is more than 12 months, or as current financial assets.

e) Impairment of financial assets

Impairment of assets valued at amortized cost is estimated on the basis of expected losses for the counterparty 's credit risk, using a mechanism based on the difference between discounted expected flows and original flows or balance sheet outstanding. A collective impairment for a group of assets is carried out when the characteristics of these assets thus grouped are similar.

The expected losses for buy-back receivables from manufacturers are assessed on the basis of the probabilities of default by the main Group manufacturers obtained from rating agencies. The expected losses for rental receivables are evaluated on the basis of a historic loss rate. Additional impairment can be recorded when an objective indicator of impairment with a proven loss is observed.

The impairment of assets valued at amortized cost is detailed in Note 4.4.

The method of impairment of assets at fair value through equity is detailed in paragraph (i) "Financial assets at fair value through equity".

f) Financial liabilities at amortized cost

These financial liabilities include:

- loans and financial debts;
- suppliers and other debts;
- bank overdrafts.

The amortized cost of suppliers and other short-term debts generally approach their nominal amount.

Borrowings are initially recognized at fair value, net of transaction costs. Borrowings are subsequently measured at amortized cost. The effective interest rate calculation takes into account interest payments and amortization of transaction costs. Transaction costs are amortized using the effective interest method over the term of the loan.

Bank overdrafts repayable on demand, which are an integral part of the Group 's cash management, are included in current borrowings in the balance sheet and the cash flow statement.

Loans are classified as current liabilities, unless the Group has an unconditional right to defer settlement of the liabilities for at least 12 months after the balance sheet date.

In the event of a modification of the financial debt at amortized cost, the carrying amount of the financing is recalculated as being the sum of the new flows discounted at the original TIE. In fact, the financial gain or loss resulting from changes in characteristics is recognized immediately in the income statement.

g) Derivative financial instruments with fair value through equity or through profit or loss

A financial instrument is a contract that gives rise to both a financial asset in one entity, and a financial liability or an equity instrument in another.

The Group uses derivative financial instruments to manage its exposure to exchange rate and interest rate risks. In accordance with its cash management policy, the Group does not hold or issue any derivative financial instruments for trading purposes.

When derivative instruments are held for risk management purposes, and when transactions meet the required criteria, the Group applies fair value hedge accounting, cash flow hedge accounting, or hedging of a net investment in an activity abroad, depending on the risk covered.

As soon as the transaction is implemented, the Group documents the hedging relationship between the hedging instruments and the items hedged, as well as its risk management objectives and its hedging policy. The Group also documents the assessment it makes, when hedging is put in place and on a permanent basis, of the highly effective nature of the derivative instruments used in hedging transactions to compensate for variations in the fair values or cash flow of hedged items. The fair values of the derivative instruments used for hedging purposes are presented in Note 8.5.

h) Cash flow hedge accounting

For eligible cash flow hedges, the fair value gain or loss associated with the effective part of the cash flow hedge is initially recognized in equity (see consolidated statement of comprehensive income), then recycled to the income statement in the periods during which the hedged item will affect the result. Any ineffective portion of the gain or loss related to the hedged item is recognized immediately in the income statement in "Financial income" (see Note 3.6).

8.1 Financial assets

(in thousands of euros)	**At December 31, 2021**	At December 31, 2020
Other non-current financial assets		
Other non-current financial assets	31	60
Financial assets carried at amortized cost [(1)]	18,696	26,416
Deposits and prepayments	27,796	27,256
Other non-current investments	406	406
TOTAL NON-CURRENT FINANCIAL ASSETS	**46,929**	**54,138**
Current financial assets		
Loans	272	261
Other current financial assets [(1)]	20,399	22,977
TOTAL CURRENT FINANCIAL ASSETS	**20,671**	**23,238**

(1) Including €26.4 million covering the liabilities linked to the Group's captive insurance structure (€46.0 million at December 31, 2020), mainly composed of bonds recognized at amortized cost. Given the short maturity of these obligations, management has concluded that the fair value of these investments is close to their carrying value at December 31, 2021.

8.2 Cash, cash equivalents and restricted cash

(in thousands of euros)	**At December 31, 2021**	At December 31, 2020
Cash-in-hand and at bank	298,973	364,733
Accrued interest	(90)	(87)
Cash and cash equivalents	**298,883**	**364,646**
Restricted cash	127,932	81,953
CASH, CASH EQUIVALENTS AND RESTRICTED CASH	**426,815**	**446,598**

Cash-in-hand and at bank amounted to €82.6 million (December 2020: €75.6 million) in cash limited to the companies Securitifleet and Goldfleet, with the exception of the two SFH Holdings, and is intended to finance the fleet in France, Germany, Italy, and Spain. As such, it is not considered to be restricted cash.

Cash and cash equivalents of *ad hoc* structures are considered restricted cash. The reconciliation of cash and cash equivalents presented in the balance sheet and cash and cash equivalents in the cash flow statement is detailed below:

(in thousands of euros)	**At December 31, 2021**	At December 31, 2020
Cash and cash equivalents	298,883	364,646
Restricted cash	127,932	81,953
Bank overdrafts [1]	(616)	(1,997)
CASH AND CASH EQUIVALENTS PRESENTED IN THE CASH FLOW STATEMENT	**426,199**	**444,601**

(1) Included in current borrowings and financial debts (see note 8.3).

8.3 Financial liabilities

(in thousands of euros)	At 31 December 2020	Variation with cash impact	Impact of restructuring	Foreign exchange impacts	Others	At 31 December 2021
Bond loans	1,550,000	-	(1,050,000)	-	-	500,000
Term loan B		500,000	-	-	-	500,000
Other bank loans dedicated to fleet financing	44,421	83,257	-	11,975	(92,101)	47,552
Financial debts related to government measures	309,409	10,764	-	-	(13,740)	306,433
Liabilities related to leases	214,616	-	-	2,767	(7,874)	209,509
Transaction costs/ Premium/Discount	(13,241)	(23,530)	12,104	(12)	6,713	(17,967)
Non-current liabilities	**2,105,205**	**570,491**	**(1,037,896)**	**14,729**	**(107,002)**	**1,545,527**
Senior revolving credit facility	623,748	(563,748)	-	-	-	60,000
Senior credit facility	444,784	583,893	-	-	-	1,028,677
Financial debts related to government measures	40,571	(11,562)	-	516	13,740	43,265
Other borrowings dedicated to fleet financing	566,326	144,027	-	34,674	(84,832)	660,195
Bank overdrafts	1,997	-	-	-	(1,381)	616
Current bank loans and other loans dedicated to financing the fleet	366,054	(81,408)	(50,000)	8,212	91,500	334,359
Liabilities related to leases	139,511	(98,020)	-	1,303	177,555	220,349
Transaction costs/ Premium/Discount	(8,829)	-	-	(60)	5,457	(3,432)
Accrued interest	35,001	-	(33,804)	35	8,136	9,367
Current liabilities	**2,209,163**	**(26,818)**	**(83,804)**	**44,679**	**210,175**	**2,353,396**
TOTAL BORROWINGS	**4,314,368**	**543,673**	**(1,121,700)**	**59,408**	**103,173**	**3,898,923**

(in thousands of euros)	At 31 December 2019	Variation with cash impact	Variation in scope	Foreign exchange impacts	Others	At 31 December 2020
Bond loans	1,550,000	-	-	-	-	1,550,000
Other bank loans dedicated to fleet financing	284,127	(108,602)	60	(14,787)	(116,377)	44,421
Financial debts related to government measures	-	327,624	-	-	(18,215)	309,409
Liabilities related to leases	292,174	-	-	-	(77,558)	214,616
Transaction costs/ Premium/Discount	(21,523)	(3,360)	-	51	11,591	(13,241)
Non-current liabilities	**2,104,778**	**215,662**	**60**	**(14,735)**	**(200,559)**	**2,105,205**
Senior revolving credit facility	548,234	79,397	-	-	(3,883)	623,748
Senior credit facility	1,134,049	(689,265)	-	-	-	444,784
Financial debts related to government measures	-	22,867	-	(511)	18,215	40,571
Other borrowings dedicated to fleet financing	750,208	(149,568)	(1,084)	(33,214)	(15)	566,326
Bank overdrafts	15,382	-	-	13	(13,398)	1,997
Current bank loans and other loans dedicated to financing the fleet	543,912	(293,931)	20	(8,581)	124,633	366,054
Liabilities related to leases	192,474	(157,821)	-	-	104,858	139,511
Transaction costs/ Premium/Discount	(7,947)	-	-	63	(945)	(8,829)
Accrued interest	10,252	-	-	(71)	24,819	35,001
Current liabilities	**3,186,565**	**(1,188,322)**	**(1,064)**	**(42,301)**	**254,285**	**2,209,163**
TOTAL BORROWINGS	**5,291,343**	**(972,660)**	**(1,004)**	**(57,036)**	**53,726**	**4,314,368**

8.3.1 Reconciliation of total net debt

Total net debt includes corporate net debt and total fleet net debt. The latter includes all financing relating to the fleet and the rental debts in respect of rents and other payments to be made during the rental period selected.

(in thousands of euros)	Notes	**At 31 December 2021**	At December 31, 2020
Non-current borrowings and financial debts	8.3.2	1,336,018	1,890,589
Current financial borrowings and debts	8.3.2	2,133,047	2,069,652
Financial assets held to maturity	8.1	(10,024)	(26,416)
Other current financial assets	8.1	(19,723)	(22,453)
Cash, cash equivalents and restricted cash	8.2	(426,814)	(446,598)
Total net debt on the balance sheet		**3,012,504**	**3,464,774**
Liabilities related to leases		429,858	354,127
TOTAL NET DEBT		**3,442,361**	**3,818,901**

8.3.2 Analysis of borrowings and financial debt by maturity

(in thousands of euros)	At December 31, 2021	<1 year	Between 1 and 5 years	>5 years
Bond issues	500,000	-	500,000	
Term loan B	500,000	-	500,000	
Other bank loans dedicated to fleet financing	47,552	-	47,552	
Financial debts related to government measures	306,433	-	306,433	
Liabilities related to leases	209,509	-	209,509	
Transaction costs/Premium/Discount (1)	(17,967)	-	(17,967)	
NON-CURRENT LIABILITIES	**1,545,527**	**-**	**1,545,527**	
Senior revolving credit facility	60,000	60,000	-	-
Senior renewable credit facility for fleet financing	1,028,677	1,028,677	-	-
Financial debts related to government measures	43,265	43,265	-	-
Senior credit facility	660,195	660,195	-	-
Bank overdrafts	616	616	-	-
Current bank loans and other loans dedicated to financing the fleet	334,359	334,359	-	-
Liabilities related to leases	220,349	220,349	-	-
Transaction costs/Premium/Discount – current fraction (1)	(3,432)	(3,432)	-	-
Accrued interest	9,367	9,367	-	-
CURRENT LIABILITIES	**2,353,396**	**2,353,396**	**-**	**-**

(1) Includes €7.2 million related to the €500 million EC Finance plc bond, €9.0 million relating to the SARF, €1.5 million in respect of financial debts linked to government measures (PGE) and €3.6 million in respect of the RCF and the Term loan B.

(in thousands of euros)	At December 31, 2020	<1 year	Between 1 and 5 years	>5 years
Bond issues	1,550,000	–	1,100,000	450,000
Other bank loans dedicated to fleet financing	44,421	–	44,421	–
Financial debts related to government measures [1]	309,409	–	309,409	–
Transaction costs/Premium/Discount [2]	(13,241)	–	(13,241)	–
NON-CURRENT LIABILITIES	**1,890,589**	**-**	**1,440,589**	**450,000**
Senior revolving credit facility	623,748	623,748	–	–
Senior renewable credit facility for fleet financing	444,784	444,784	–	–
Financial debts related to government measures	40,571	40,571	–	–
Senior credit facility	566,326	566,326	–	–
Bank overdrafts	1,997	1,997	–	–
Current bank loans and other loans dedicated to financing the fleet	366,054	366,054	–	–
Transaction costs/Premium/Discount – current fraction [2]	(8,829)	(8,829)	–	–
Accrued interest	35,001	35,001	–	–
CURRENT LIABILITIES	**2,069,652**	**2,069,652**	**-**	**-**

(1) Mainly includes State guaranteed loans by French and Spanish governments. The French state guaranteed loan has an initial term of one year with an option of extension up to five years chosen by the Group (until May 2026). As of December 31, 2020, the Group estimates that the extension option will be exercised in full, i.e. an amortization period until May 2026.The Spanish state guaranteed loan has a maturity of three years.

(2) The €4.3 million of transaction costs and issue premium relate to the issue of bonds of €450 million maturing in 2026; €4 million for the issue of bonds of €600 million maturing in 2024; €4.4 million for the issue of bonds of EC Finance plc of €500 million maturing in 2022; €2.5 million for SARF; €1.9 million related to government measures (State-guaranteed loans) and €4.8 million for the RCF.

8.3.3 Analysis by subscription currency

As of December 31, 2021, the breakdown of borrowings and financial debts by subscription currency was as follows:

(in thousands of euros)	**At December 31, 2021**	**EUR**	**GBP**	**USD**	**AUD**	**DKK**
Bond issues	500,000	500,000	-	-	-	-
Term loan B	500,000	500,000	-	-	-	-
Transaction costs	(21,399)	(20,553)	(705)	(141)	-	-
Financial debts related to government measures	349,698	344,380	-	5,318	-	-
Accrued interest	9,367	8,909	-	458	-	-
Senior revolving credit facility	60,000	60,000	-	-	-	-
Senior credit facility	1,028,678	1,028,678				
Other borrowings	660,195	2,786	446,263	102,372	105,926	2,847
Bank overdrafts	616	452	-	-	-	164
Current bank loans and other loans dedicated to financing the fleet	334,359	178,892	-	95,551	-	59,916
Liabilities related to leases	429,858	317,389	47,684	6,222	43,741	14,822
Other bank loans	47,552	47,552	-	-	-	-
TOTAL BORROWINGS AND DEBTS	**3,898,923**	**2,968,484**	**493,243**	**209,780**	**149,667**	**77,749**

(in thousands of euros)	At December 31, 2020	EUR	GBP	USD	AUD	DKK
Bond issues	1,550,000	1,550,000	-	-	-	-
Transaction costs	(22,070)	(20,943)	(1,006)	(121)	-	-
Financial debts related to government measures	349,980	342,238	-	7,742	-	-
Accrued interest	35,001	34,454	-	547	-	-
Senior revolving credit facility	623,748	581,190	-	42,558	-	-
Senior credit facility	444,784	444,784	-	-	-	-
Other borrowings	566,326	62,856	340,269	80,274	78,695	4,232
Bank overdrafts	1,997	1,414	-	-	-	583
Current bank loans and other loans dedicated to financing the fleet	366,054	214,597	-	112,525	-	38,932
Other bank loans	44,421	44,421	-	-	-	-
TOTAL BORROWINGS AND DEBTS	**3,960,241**	**3,255,012**	**339,263**	**243,524**	**78,695**	**43,747**

8.3.4 Financial Clauses

As of December 31, 2021, the Group was in compliance with all of the financial clauses presented below:

(i) For facilities to finance the fleet in the United Kingdom

Europcar UK must ensure that:

- the net real value of Europcar UK Group is not less than £45 million;
- the ratio of fleet cover is not greater than 1.00.

(ii) For the senior renewable credit facility

The cash ratio (which must include the cash available in the balance sheet at the start of this period, regardless of the 12-month period ending on a quarterly or half-yearly date depending on the application of the contract) compared to the total service of debt, must not be less than 1.10.

Total debt service is the total amount of interest and related fees paid over a 12-month period, to which is added the repayment of financial debts, which are subject to certain restrictions.

(iii) Clause concerning the ratio of net debt to market value of assets

The Group must comply with a maximum debt ratio of all Securitifleet companies (including Securitifleet Holding) compared to the total market value of the assets of certain Securitifleet companies of 95%, a ratio which is tested every quarter.

(iv) For the financing of assets in Australia

Europcar Australia must ensure that:

- the minimum real net worth (i.e. total equity) is always more than A$70 million;
- the average of its daily cash surpluses is greater than A$10 million;
- the ratio of fixed charges cover is greater than 1.10.

(v) For the financing of the fleet in Denmark

Europcar Denmark must ensure, for the Ostergaard Biler entity, that:

- the equity ratio (equity/total liabilities) is greater than 20%;
- the realized EBITDA is not less than 50% of the forecast EBITDA.

(vi) For the financing of the Fox fleet

Fox Rent-a-Car must ensure that:

- at each period ending on a quarterly date, for the majority of lenders, EBITDA is greater than $65 million over the 4 previous quarters and $15 million over the past quarter;
- at each period ending on a quarterly date, the debt-to-EBITDA ratio is less than 5.

(vii) Loan guaranteed by the French government

The French State guaranteed loan stipulates that the Group must maintain a ratio of cash to total debt service of at least 1.10:1.

Total debt service is the total amount of interest and related fees paid over a 12-month period, to which is added the repayment of financial debts, which are subject to certain restrictions.

8.3.5 Bond issues

The bond issues are detailed below:

(in thousands of euros)	Nominal outstanding amount		Book value	
	At December 31, 2021	At December 31, 2020	**At December 31, 2021**	At December 31, 2020
Senior Bonds, 4%, maturing in 2026	-	450,000	-	473,103
EC Finance bonds, 3%, maturing in 2026	500,000	500,000	496,241	497,061
Senior Bonds, 4.125%, maturing in 2024	-	600,000	-	595,955
	500,000	**1,550,000**	**496,241**	**1,566,119**

8.3.6 Facilities for asset financing

(i) Renewable first loan to finance assets

The SARF was entered into between Crédit Agricole Corporate and Investment Bank, as the "Lending Bank" and Securitifleet Holding as the borrower.

The SARF was initially entered into on July 30, 2010, and amended on August 26, 2010, November 4, 2010, January 11, 2011, and April 5, 2012. The SARF was further amended on March 4, 2014, primarily in order to (i) add two additional banks to the facility, (ii) reduce the margin of the senior bonds issued by an FCT Issuer under the facility from 2.70% to 2.2% (before the amortization period) and from 3.75% to 2.75% (after the amortization period), (iii) reduce the maximum amount of senior bonds that may be issued by the FCT Issuer from €1.1 billion to €1.0 billion, (iv) provide the borrower with flexibility to request weekly advance and repayment dates rather than monthly only, and (v) extend the maturity of the SARF from July 2014 to July 2017. The SARF provides a facility of €1.0 billion to Securitifleet Holding. Drawdowns by Securitifleet Holding (the "SARF Borrower") may be made exclusively for financing rental fleet acquisition and maintenance in France, Italy, Germany, and Spain through Securitifleet companies.

Additional amendments to the SARF were signed on May 12, 2015, and became effective on June 17, 2015 (the "2015 Amendments"). The 2015 Amendments (i) reduced the applicable margin with respect to the FCT Senior Bonds from 2.2% to 1.7% (before the amortization period) and from 2.75% to 2.25% (after the amortization period), (ii) reduced the rate of non-use from 1% to 0.75% in the potential event that the rate of use was less than or equal to 50%, and from 0.75% to 0.5% in the potential event that the rate of use was greater than 50%, (iii) extended the maturity of the SARF to the settlement date following January 2019, (iv) increased the amount of the Senior Bonds which could be issued by the FCT Issuer under the SARF from €1.0 billion to €1.1 billion, and (v) enabled the participation of two new banks, Lloyds Bank and HSBC France (or, if applicable, Regency Assets Limited, its sponsored conduit supplying asset-backed commercial paper), the latter replacing Barclays Bank plc. ECI and the banks also agreed to (i) allow the sub-leasing of vehicles by a local subsidiary (namely Europcar France S.A.S., Europcar Autovermietung GmbH, Europcar Italia S.p.A., or Europcar IB S.A.) to another local subsidiary, except for Europcar Italia S.p.A., under intra-group master operating sublease agreements, and (ii) treat such subleased vehicles as eligible vehicles for the amended SARF.

New amendments to the SARF were signed on September 14, 2016, and entered into force on September 17, 2016 (the "2016 Amendments"). The 2016 Amendments (i) reduced the margin and the margin applicable to the FCT Senior Bonds from 1.7% to 1.5% (before the amortization period), and from 2.25% to 2.05% (after the amortization period), (ii) extended the maturity of the SARF to the payment date following January 2020, and (iii) increased the amount of the senior bonds that may be issued by the FCT Issuer under the SARF from €1.1 billion to €1.3 billion.

The following additional amendments to the SARF were also signed:

(i) on February 9, 2017, to enable the securitization program to be made compliant with the new methodology published by the rating agency Standard & Poor's relating to sovereign risk (the "Rating above the sovereign" methodology), and thus to maintain its single A rating. These amendments stipulate the inclusion of new concentration limits on the vehicle fleets in Spain and in Italy financed through the SARF;

(ii) on August 31, 2017, to adjust the manufacturer concentration limits to take into account the acquisition of Opel by PSA Group;

(iii) on May 14, 2018, to allow the financing of the Goldcar fleet. The amount of the line thus increased from €1.3 billion to €1.7 billion, and new special purpose entities dedicated to the financing of the Goldcar fleet, the Goldfleet companies, were formed. The Group took advantage of this opportunity to renegotiate the margin from 1.50% to 1.30%, extend the maturity of the line from January 2020 to January 2022, and relax the concentration limits on the rental fleet in Spain and Italy;

(iv) on July 27, 2021, the Group finalized and signed the extension of the SARF (securitization instrument for fleet financing) for a duration of 3 years and an amount of €1.7 billion with a pool of international banks, subject in particular to the refinancing of the EC Finance Plc bond;

(v) on October 15, 2021, the extension and new terms and conditions of the SARF became effective following the refinancing of the EF Finance Plc bond on October 7, 2021.

(ii) Facilities intended to finance the British fleet

The Group's entities in the United Kingdom finance their fleet through finance leases grouped around a Financing Agreement ("Club Facility") for a total of £375 million. The Club Facility also has an uncommitted "Seasonal Facility" of £150 million, provided by the banks participating in the Club Facility each year between the months of May and October.

As of December 31, 2021, the outstanding amount under these contracts was £375 million (2020: £306 million).

(iii) Asset financing in Australia and New Zealand

Certain Australian and New Zealand financial institutions (banks or financial entities of certain car manufacturers) have provided Europcar Australia and Europcar New Zealand with senior credit facilities (the "Australian and New Zealand Asset Financing Facilities"), including revolving and non-revolving fleet operating and finance leases with a maximum value of A$318 million. These facilities are renewed annually and finance the fleet in Australia and New Zealand.

The facilities are secured by fixed and floating charges over Europcar Australia and Europcar New Zealand assets, including goodwill and uncalled capital and called but unpaid capital, together with delegation of the relative insurance policy. There are also performance guarantees for the facilities.

(iv) Asset financing in the United States

At December 31, 2021, Fox Rent-a-Car had bilateral credit facilities for financing its rental fleet granted by local financial institutions for a maximum amount of $395 million. These facilities are pegged to LIBOR with different margins and maturities depending on the financial institution.

Note 8.4 "Financial risk management" provides further information on the Group 's exposure to interest rate and liquidity risks.

8.4 Financial risk management

Through its activities, the Group is exposed to various financial risks: market risks (especially foreign-exchange and interest-rate risks), credit risks, pricing risks, and liquidity risks. The Group's risk management programs seek to minimize the potential negative effects of financial market volatility on the Group's financial performance. The Group uses derivative financial instruments to hedge certain risk exposures.

The Group Treasury Department is responsible for risk management and submits its proposals for financial transactions to the Board of Directors for approval. The Treasury Department identifies, assesses, and offers financial risk hedging instruments in close collaboration with the Group's operating units. The Board of Directors decides on these proposals on the basis of formal documentation setting out the context, purpose, and main characteristics of the proposed transactions. After approval by the Board of Directors, the Group Treasury Department is responsible for setting up hedges. This procedure is established and followed for the management of all types of significant financial risk, in particular interest rate risk, credit risk, the use of derivative and non-derivative financial instruments, and the investment of excess cash. The Group does not use derivative financial instruments for purposes other than risk management. All hedging operations are either coordinated centrally or executed by the Group Treasury Department.

The Group constantly assesses the identified financial risks (notably market risk, credit risk, and liquidity risk), and documents its exposure in its financial statements.

The Covid-19 pandemic is a factor likely to increase the impact and likelihood of occurrence of several risks identified by the Group, which could have a material adverse impact on the Group, its activities, financial condition or earnings, financial forecasts/outlook, and share price.

8.4.1 Market risk

(i) Currency risk

The Group, which operates in several countries internationally, is exposed to currency risk arising from various currency exposures, mainly the pound sterling. Currency risk arises from the conversion into euros of the results and net assets of subsidiaries having a functional currency other than the euro.

The exchange risk linked to intragroup financial transactions and, to a lesser extent to transactions with franchisees, is fairly limited, with each subsidiary operating on its market and in its functional currency.

As of December 31, 2021, the Group had no investments in foreign activities other than the United Kingdom, Australia and New Zealand, Denmark, Croatia, Turkey, Hungary, Norway, and the United States whose net assets would be exposed to currency risk.

The summary of the Group's quantitative exposure to foreign exchange risk due to the conversion of balances into the functional currency is presented below:

(in thousands of euros)	GBP	USD	AUD	DKK	Total 2021
Trade and other receivables (including fleet)	78,293	19,278	9,594	9,618	116,782
Other financial assets	4,972	3,275	37	896	9,180
Non-current investments	-	-	-	-	-
Other financial assets	69	-	-	105	174
Cash and cash equivalents	39,753	23,311	37,764	1,956	102,784
Total financial assets	**123,088**	**45,863**	**47,394**	**12,575**	**228,920**
Trade and other payables (including fleet)	47,956	32,884	23,062	13,904	117,806
Loans and borrowings	526,505	327,771	105,926	62,927	1,023,129
Total financial liabilities	**574,461**	**360,654**	**128,989**	**76,831**	**1,140,936**
NET EXPOSURE (TO EXCHANGE RISK) FOR NON-EURO COMPANIES	**(451,374)**	**(314,791)**	**(81,595)**	**(64,257)**	**(912,016)**

(in thousands of euros)	GBP	USD	AUD	DKK	Total 2020
Trade and other receivables (including fleet)	79,885	12,541	9,926	6,142	108,464
Other financial assets	4,458	3,084	55	1,031	8,629
Non-current investments	-	-	-	-	-
Other financial assets	744	-	-	-	744
Cash and cash equivalents	9,860	15,172	38,521	12,190	75,742
Total financial assets	**94,917**	**30,797**	**48,503**	**19,363**	**193,579**
Trade and other payables (including fleet)	79,313	25,763	15,340	12,928	133,344
Loans and borrowings	335,904	335,397	78,695	46,641	796,638
Total financial liabilities	**415,217**	**361,160**	**94,035**	**59,569**	**929,981**
NET EXPOSURE (TO EXCHANGE RISK) FOR NON-EURO COMPANIES	**(320,300)**	**(330,363)**	**(45,532)**	**(40,206)**	**(736,402)**

As of December 31, 2021, if the euro had evolved by plus or minus 15% against the pound sterling, all other variables being otherwise constant, net profit would have evolved by plus or minus €39 million (2020: €6.0 million) and equity would have varied by more or less €45 million (2020: €74.7 million).

(ii) Interest rate risk

Apart from investments in bonds from the Euroguard insurance program (see "insurance risk"), the Group does not hold any significant interest-bearing assets. Its income is therefore only slightly subject to fluctuations in interest rates.

The Group is exposed to an upward risk on its variable rate financing: on revolving financing lines, on the one hand, but also on vehicle rental contracts. Variable rate debt exposes the Group to interest rate cash flow risk. Fixed-rate loans expose the Group to fair value risk on interest rates.

In accordance with its hedging policy and in respect of part of its financial debts (specifically SARF, RCF, certain bilateral credit facilities, and most leases) bearing interest at variable rates, the Group hedges a large part of the risks of fluctuation in the benchmark interest rate, generally based on EURIBOR. In 2021 and 2020, a significant portion of the Group's variable-rate loans were denominated in euros and based on EURIBOR. The Group may also hedge its exposure to the risks of fluctuations in the LIBOR and/or the Australian benchmark rate under its financing facilities in the United Kingdom and Australia. It should also be noted that the "IBOR "interest rate reform, adopted by the European commission on January 13, 2021, will impact the Group's financing mainly in the United States and the United Kingdom, countries in which future financing will be based on the new benchmark indices (SONIA for the United Kingdom and SOFR for the United States).

The Group performs a dynamic analysis of its exposure to interest rate risk. Different scenarios are used to simulate refinancing, the renewal of existing positions, alternative financing, and hedging transactions. Based on these scenarios, the Group calculates the impact on the result of a given change in interest rates. For each simulation, the same rate change is used for all currencies. Only the liabilities representing the main interest-bearing positions are subject to these scenarios.

On the basis of different scenarios, the Group manages the interest rate cash flow risk by using variable-fixed interest rate swaps or caps. The effect of these swaps is to convert variable rate debt into fixed rate debt. Caps offer protection against the rise of the EURIBOR. As a general rule, the Group takes out long-term variable rate loans to finance the fleet and converts them into fixed or protected rates generally lower than those it could obtain by borrowing directly at a fixed rate.

The Group is protected against a risk of rate hikes by two types of interest rate swap contracts:

- an interest rate swap with a nominal value of €1,000 million maturing on October 17, 2022, mainly used to hedge the interest rate risk on the SARF, for which the Group pays a fixed interest rate average of 0.944% and receives a variable interest rate equal to the EURIBOR 1 month;
- an interest rate swap with a nominal value of €600 million maturing in June 2023, by which the Group pays a fixed interest rate of 1.36% and receives a variable interest rate equal to EURIBOR 6 months. On July 25, 2019, the Group rearranged this swap effective from June 20, 2019, reducing its fixed rate from 0.96% to 0.75% for the period ending June 21, 2021, and extending its maturity to December 20, 2024, at a fixed rate of 1.10%;
- caps for a total amount of €600 million at the protected rate of 0.50% due October 2022.

The Group also supplemented interest rate hedging by setting up and subscribing to new additional caps as part of the renegotiation of the SARF for a total amount of €1,700 million at the protected rate of 0.80%, maturing in April 2025 with hedging that will become effective from October 2022, and which will therefore take over from the hedging expiring in the same month.

At closing, the breakdown of loans by type of rate is as follows (as an exception, the table is presented excluding IFRS 16 liabilities related to leases):

(in thousands of euros)	**At December 31, 2021**	At December 31, 2020
Non-current liabilities		
Fixed rate borrowings	493,274	1,539,636
Variable rate borrowings	842,744	351,208
variable rate hedged	*795,315*	*(3,001)*
variable rate not hedged	*47,429*	*354,209*
TOTAL NON-CURRENT LIABILITIES	**1,336,018**	**1,890,844**
Current liabilities		
Fixed rate borrowings	5,034	29,600
Variable rate borrowings	2,212,849	2,039,797
variable rate hedged	*1,266,458*	*851,348*
variable rate not hedged	*924,387*	*1,188,449*
TOTAL CURRENT LIABILITIES	**2,217,879**	**2,069,398**

The interest rate swaps as well as new caps subscribed in 2021 carried by the Group are all qualified as cash flow hedges. Other Caps ending in 2022 are not classified as hedging instruments.

The tests carried out in relation to these hedging instruments revealed an ineffectiveness valued at €3.0 million recorded as income in the income statement in 2021 (December 31, 2020: expense of €5.2 million).

As at December 31, 2021, if interest rates had increased by 100 basis points, the fair value recognized in comprehensive income would have increased by €15.1 million (December 31, 2020: €19.8 million).

As at December 31, 2021, if interest rates had decreased by 100 basis points, the fair value recognized in comprehensive income would have decreased by €57.9 million (December 31, 2020: €20.3 million).

As at December 31, 2021, if interest rates had risen by 1%, the interest expense relating to the portion of the loans not hedged, all constants being equal, would have risen by more or less €17.0 million (December 31, 2020: €13.7 million).

8.4.2 Credit risk

Credit risk is managed at Group level. Credit risk arises from the following:

- cash and cash equivalents;
- financial derivative instruments;
- deposits with banks and financial institutions;
- credit exposures related to car manufacturers and dealers;
- accounts receivable, in particular receivables and outstanding commitments.

For banks and financial institutions, only counterparties with an independent rating are accepted. The use of credit limits is regularly monitored.

Credit risk analysis related to loans and receivables

(in thousands of euros)	**At December 31, 2021**	At December 31, 2020
Neither past due nor impaired	581,224	497,197
Past due but not impaired	192,333	196,294
Impaired	76,964	62,364
TOTAL	**850,521**	**755,856**

The maximum exposure to credit risk on the closing date corresponds to the carrying value of loans and receivables. The Group does not hold any guarantee on these instruments.

Loans and receivables that are neither due nor impaired relate to various independent counterparties that have no recent history of default or anticipated default.

The Group's credit risk exposure linked to car manufacturers and dealers mainly comes from:

- the risk of non-recovery of receivables arising from buyout commitments by manufacturers;
- in direct relation to the previous point, the risk of having to finance these receivables;
- the risk, on an ancillary basis, of the bankruptcy of a major supplier and the ensuing uncertainties concerning the supply.

No single Europcar Mobility Group customer represents 10% or more of the Group's turnover in 2021.

In addition, the Group has taken general measures to control and reduce the credit risk to which the Company is exposed, in particular customer credit limits in the information system, monthly monitoring of car manufacturers' ratings, a monitoring process and control of the precedence of the receivables. The precedence of loans and receivables due but not impaired, except for loans and financial receivables, is analyzed below:

(in thousands of euros)	**Not yet expired**	**Expired for less than 3 months**	**Expired for 3 to 6 months**	**Expired for more than 6 months**	**Total**
Fleet receivables	396,395	55,130	30,711	6,434	488,671
Rental receivables	183,096	48,890	10,446	(1,506)	240,925
Customers	15,116	6,292	923	19,950	42,281
Other receivables	40,845	8,456	4,612	(605)	53,307
TOTAL AT DECEMBER 31, 2021	**635,452**	**118,768**	**46,693**	**24,272**	**825,185**

(in thousands of euros)	Not yet expired	Expired for less than 3 months	Expired for 3 to 6 months	Expired for more than 6 months	Total
Fleet receivables	291,610	84,112	15,882	11,997	403,602
Rental receivables	143,705	37,780	14,290	14,979	210,755
Customers	20,562	3,034	196	8,850	32,642
Other receivables	48,263	3,386	-	-	51,650
TOTAL AT DECEMBER 31, 2020	**504,140**	**128,313**	**30,369**	**35,826**	**698,648**

8.4.3 Price risk

The Group is not exposed to equity risk in view of the insignificant amounts of financial investments it holds, whether they are classified in the consolidated balance sheet as available for sale or recognized at fair value through profit or loss. The Group is not directly exposed to the price risk on raw materials; however, it is exposed to the risk associated with the increased cost of vehicle ownership.

8.4.4 Liquidity risk

The Group is currently monitored by the rating agencies Moody's and Standard & Poors, which have assigned it the following ratings respectively: CCC+, "creditwatch positive" at S&P and Caa1, "positive outlook" at Moody's.

As a reminder and as described in note 1.2 "Main events of the period", the financial restructuring of the Group resulted, on February 26, 2021, in particular in:

(i) massive corporate debt reduction, through the reduction of the Group's corporate debt by €1,100 million through the conversion into capital of all of its Senior Bonds 2024, Senior Bonds 2026 and the Credit Suisse Facility;

(ii) a significant injection of new cash, with the capital injection of €250 million and the granting of new fleet financing for €225 million;

(iii) the refinancing of the RCF through the establishment of a "Term Loan B" for €500 million and a new RCF for €170 million.

The table below analyzes the Group's financial debts, including derivative financial instruments, by maturity, based on the residual contractual maturities at the closing date corresponding to the contractual undiscounted cash flows. Balances at less than one year correspond to the net book value (impact of discount not significant).

		Less than a year		Between 1 and 5 years		More than 5 years		Total	
(in thousands of euros)	**Book value**	**Principal**	**Interest**	**Principal**	**Interest**	**Principal**	**Interest**	**Principal**	**Interest**
December 31, 2021									
Bond issues	496,241	-	15,000	500,000	58,750	-	-	500,000	73,750
Bank borrowings and finance lease liabilities	1,813,052	1,003,292	47,157	811,308	20,283	-	-	1,814,600	67,440
Senior asset financing facility	1,020,623	-	11,478	1,028,677	22,957	-	-	1,028,677	34,435
Other borrowings	223,981	179,975	4,499	42,554	1,064	-	-	222,529	5,563
Derivative liabilities	32,679	-	-	-	32,679	-	-	-	32,679
Trade and fleet payables	573,597	573,597	-	-	-	-	-	573,597	-
Deposits	54,218	54,218	-	-	-	-	-	54,218	-
TOTAL FINANCIAL LIABILITIES	**4,214,391**	**1,811,081**	**78,135**	**2,382,539**	**135,733**	**-**	**-**	**4,193,620**	**213,867**

		Less than a year		Between 1 and 5 years		More than 5 years		Total	
(in thousands of euros)	Book value	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
December 31, 2020									
Bond issues	1,566,119	-	54,625	1,100,000	209,698	450,000	6,000	1,550,000	270,323
Bank borrowings and finance lease liabilities	1,544,959	1,230,645	28,250	317,067	7,927	-	-	1,547,712	36,177
Senior asset financing facility	447,722	-	8,048	444,784	16,096	-	-	444,784	24,144
Other borrowings	406,548	368,051	9,201	36,982	925	-	-	405,033	10,126
Derivative liabilities	60,122	-	-	-	60,122	-	-	-	60,122
Trade and fleet payables	524,161	524,161	-	-	-	-	-	524,161	-
Deposits	37,219	37,219	-	-	-	-	-	37,219	-
TOTAL FINANCIAL LIABILITIES	**4,586,850**	**2,160,075**	**100,125**	**1,898,833**	**294,767**	**450,000**	**6,000**	**4,508,908**	**400,892**

Revolving credit facilities are classified on the balance sheet as current liabilities given their nature.

The table below shows the credit limits and balances with the three major counterparties at the reporting date:

	At December 31, 2021		At December 31, 2020	
(in thousands of euros)	**Credit limit**	**Utilized**	Credit limit	Utilized
Revolving credit (1)	670,000	619,404	670,000	654,270
Senior asset financing lines related to fleet financing	1,700,000	1,028,677	1,700,000	444,784
Financing other than senior asset financing lines related to fleet financing (2)	2,119,934	1,767,708	2,297,232	1,640,401

(1) Amounts drawn include the revolving credit facility of €624 million as of December 31, 2020, and guarantees given in connection with the Group's operational activities. As of December 31, 2021, the amounts drawn include the Term Loan B of €500 million as well as the revolving credit facility of €60 million and guarantees given within the framework of the Group's operational activities.

(2) Mainly concerns the activities of the UK fleet, Goldcar, Buchbinder, Australia, Denmark, Ireland, Spain, Italy, and Portugal, which are financed by different lines of credit other than the senior loan to finance the fleet.

8.4.5 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders, and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

As a reminder and as described in note 1.2 "Main events of the period", the financial restructuring of the Group resulted, on February 26, 2021, in particular in:

(i) massive corporate debt reduction, through the reduction of the Group's corporate debt by €1,100 million through the conversion into capital of all of its Senior Bonds 2024, Senior Bonds 2026 and the Credit Suisse Facility;

(ii) a significant injection of new cash, with the capital injection of €250 million and the granting of new fleet financing for €225 million;

(iii) the refinancing of the RCF through the establishment of a "Term Loan B" for €500 million and a new RCF for €170 million.

This restructuring plan made it possible to adequately overhaul the Group's corporate capital structure.

8.4.6 Insurance risk

The Group's operating subsidiaries located in France, the United Kingdom, Portugal, Belgium, Italy, Ireland, and Germany, and part of the former Buchbinder and GoldCar (France, Italie, and Portugal) fleet, buy third-party motor insurance policies through AIG Europe Limited entities, which reinsure part of such risks with a reinsurance structure hosted by Euroguard, a protected cell reinsurance company. The Group owns a reinsurance cell (9) within Euroguard, which has been consolidated since January 2006. Local Europcar entities finance a significant portion of the risk through a franchise funding mechanism managed via another cell (0) located within Euroguard, which acts simply as a fund manager. The funds hosted in this cell are also consolidated.

The Spanish, Australian, New Zealand, Danish, Norwegian, Finnish, and former Buchbinder and Fox subsidiaries buy insurance coverage in their local markets using conventional risk transfer mechanisms.

The objective of the Group is to have the various countries and acquisitions take out third-party motor insurance policies with AIG Europe SA entities. Comparative studies are performed during policy renewals.

(i) Frequency and severity of claims

The Group uses its auto fleet liability insurance programs to insure against property damage and bodily injury caused to third parties by the drivers of Europcar vehicles. Because motor insurance is mandatory, the risk is initially transferred to the insurer, but partly reinsured and ultimately funded by Europcar through various self-financing techniques.

The cost of Europcar 's auto fleet liability risk is based on a combination of the frequency and severity of claims. Europcar has developed a strategy based on self-financing frequent risks and effectively transferring severity claims to the insurer (applicable to the main countries in which the Group operates, with the exception of Spain, Australia and New Zealand, the United States, Norway, Finland, Denmark, and part of the former Buchbinder entity for the reasons set out above):

- operating a large fleet entails significant risk of the occurrence of multiple small third-party claims. The expense stemming from these small claims can be predicted with a good level of certainty by actuaries, who factor into their projections the variation in activity and trends observed in the various countries. A line of €500,000 per claim is self-insured in this manner (€1,000,000 for the former Buchbinder entity);

- operating a fleet also results in the occurrence of more random and costlier events, essentially bodily injury claims from third parties invoking Europcar 's liability. Such events cannot be anticipated by actuaries with a satisfactory level of certainty, which is why the portion of risk exceeding €500,000 is carried by the insurer (€1,000,000 for the former Buchbinder entity).

The trend observed in the markets where Europcar operates is an increase in the unit cost of bodily injury claims. This is due to economic, legal, and social factors.

(ii) Sources of uncertainty in the estimation of future claim payments

Claims falling within the scope of third-party motor insurance policies give rise to compensation payable on a case-by-case basis. The Group, by virtue of the self-insurance component of the program, financially bears all claims insured up to €500,000 per claim over the period. A portion of the claims occurring during a given insurance period materializes after the expiry of this period due to the late notification of claims and changes during the period subsequent to the period covered (usually due to a deterioration in the health status of the victim or the judicial nature of the case). As a result, third-party claims are settled over a long period of time and a larger element of the claims provision relates to claims incurred but not reported (IBNR).

(iii) Changes in assumptions and methodology

The Group did not change any of the main assumptions or methodologies for the insurance contracts disclosed in this Note in 2021.

8.5 Derivative financial instruments

Total interest rate derivatives eligible for hedge accounting

(in thousands of euros)	Nominal	Indexing	Qualification	**Fair value at 12/31/2021**	Fair value adjustments during period	Impact on financial income	Impact on equity
Interest rate swaps expiring in 2022 – 0.94%	1,000,000	1-month EURIBOR	Swap CFH	(11,666)	13,615	771	10,617
Interest rate swaps expiring in 2024 – 1.10% (1)	600,000	6-month EURIBOR	Swap CFH	(21,013)	13,331	2,227	13,331
Interest rate caps expiring in 2022 – 0.50%	600,000	1-month EURIBOR	Not qualified	19	(18)	(18)	-
Interest rate caps expiring in 2025 – 0.80% (2)	1,700,000	1-month EURIBOR	Caps CFH	8,672	8,672	-	8,672
TOTAL FINANCIAL INSTRUMENTS	**3,900,000**			**(23,988)**	**35,600**	**2,980**	**32,620**

(1) Lowering of the fixed rate from 0.96% to 0.75% for the period ending on June 21, 2021, and extension of the maturity on December 20, 2024, at the fixed rate of 1.10%.
(2) Implementation of additional caps as part of the renegotiation of the SARF for a total amount of €1,700 million at the protected rate of 0.80% maturing in April 2025, with a hedging that will become effective from October 2022.

(in thousands of euros)	Nominal	Indexing	Qualification	Fair value at 12/31/2020	Fair value adjustments during period	Impact on financial income	Impact on equity
Interest rate swaps expiring in 2022 – 0.94%	1,000,000	1-month Euribor	Swap CFH	(25,280)	8,694	(5,199)	13,893
Interest rate swaps expiring in 2024 – 1.10% (1)	600,000	6-month Euribor	Swap CFH	(34,344)	(4,654)	-	(4,654)
Interest rate caps expiring in 2022 – 0.50%	600,000	1-month Euribor	Not qualified	37	(96)	(96)	-
TOTAL FINANCIAL INSTRUMENTS	**2,200,000**			**(59,587)**	**3,944**	**(5,295)**	**9,239**

(1) Lowering of the fixed rate from 0.96% to 0.75% for the period ending on June 21, 2021, and extension of the maturity on December 20, 2024, at the fixed rate of 1.10%.

The fair value of a hedging derivative instrument is fully recognized as a non-current asset or liability when the residual maturity of the hedged item is more than 12 months, and as a current asset or liability when the hedged item matures in less than 12 months.

The forward swap contracts meet the criteria for cash flow hedge accounting and the Group therefore recognizes the effective part of the changes in fair value of this swap in equity. In 2021, income of €3 million was recorded for the ineffectiveness generated by the Eur1 month swap forward (in 2020 the expense was €5 million).

Due to the change in the Group's rating in 2021 (see Note 1.2.5 "Rating agencies"), the recognition of credit risk in the valuation of derivatives had an impact of €1.9 million on their fair value including income of €0.2 million in financial income and €1.7 million in comprehensive income.

8.6 Other information relating to financial assets and liabilities

8.6.1 Classification and measurement of financial assets and liabilities at fair value

This Note presents the fair value measurement methodology for the Group 's financial assets and liabilities. The Group's financial risk management policy is detailed in Note 8.4 "Financial risk management".

The fair value of financial assets and liabilities traded on an active market (such as non-consolidated securities) is assessed on the basis of market prices on the closing date. The closing market price used to value the financial assets held by the Group is the current offered price: level 1 in the fair value hierarchy.

The fair value of financial assets and liabilities that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques. The Group uses different methods and uses assumptions based on the market conditions observed at each reporting date. Market prices or prices provided by operators for similar instruments are used for long-term debt. Other techniques, such as estimating discounted cash flows, are used to calculate the fair value of other financial assets. The fair value of interest rate swaps is determined using the discounted cash flow method: level 2 in the fair value hierarchy.

The book value less the provision for impairment of receivables and debts is presumed to be close to the fair value of these items.

Given the maturity of the financial debts, other debts and their respective interest rates, management has concluded that the fair value of the financial liabilities is close to their book value, except for the bond loans maturing in 2022 and 2026, the fair value of which was determined using quoted prices at December 31, 2021, and December 31, 2020, on the Euro MTF market.

The fair value of other financial assets and liabilities (investments, other assets, trade payables and receivables) is close to their book value given their short-term maturity.

The fair values of financial assets and liabilities, as well as their book values entered in the balance sheet, are detailed below:

Fair value at December 31, 2021 *(in thousands of euros)*	Notes	Book value	Fair value	Fair value through profit or loss	Fair value through equity	Fair value at amortized cost
Customers	6.2.1	336,514	336,514	-	-	336,514
Deposits and prepayments	8.1	27,796	27,796	-	-	27,796
Fleet receivables	4.4	488,671	488,671	-	-	488,671
Deposits, other receivables and loans	6.2.1	29,934	29,934	-	-	29,934
Total of loans and receivables		**882,916**	**882,916**	**-**	**-**	**882,916**
Other non-current investments	8.1	437	437	-	437	-
Current financial assets	8.1	20,671	20,671	-	-	20,671
Restricted cash	8.2	127,932	127,932	127,932		
Cash and cash equivalents	8.2	298,883	298,883	298,883		
Derivative assets	8.5	8,672	8,672	-	8,672	
TOTAL FINANCIAL ASSETS [(1)]		**1,339,510**	**1,339,610**	**426,815**	**9,109**	**903,587**
Bond issues and other borrowings	8.3.3	1,545,527	1,558,731	-	-	1,558,731
Trade payables	6.3	573,595	573,595	-	-	573,595
Fleet payables	4.4	307,669	307,669	-	-	307,669
Bank overdrafts and portion of loans due in less than one year	8.3.3	2,353,396	2,353,396	-	-	2,353,396
Derivative liabilities	8.5	32,679	32,679	-	32,679	-
TOTAL FINANCIAL LIABILITIES [(1)]		**4,812,866**	**4,826,070**	**-**	**32,679**	**4,793,391**

(1) The financial assets and liabilities have not been contracted with the same counterparties and are therefore not subject to compensation.

Fair value at December 31, 2020 *(in thousands of euros)*	Notes	Book value	Fair value	Fair value through profit or loss	Fair value through equity	Fair value at amortized cost
Customers	6.2.1	295,046	295,046	-	-	295,046
Deposits and prepayments	8.1	27,256	27,256	-	-	27,256
Fleet receivables	4.4	403,602	403,602	-	-	403,602
Deposits, other receivables and loans	6.2.1	23,153	23,153	-	-	23,153
Total of loans and receivables		**749,057**	**749,057**	**-**	**-**	**749,057**
Other non-current investments	8.1	466	466	-	466	-
Current financial assets	8.1	23,238	23,238	-	-	23,238
Restricted cash	8.2	81,953	81,953	81,853	-	-
Cash and cash equivalents	8.2	364,646	364,646	364,646	-	-
Derivative assets	8.5	-	-	-	-	-
TOTAL FINANCIAL ASSETS (1)		**1,219,360**	**1,219,360**	**446,499**	**466**	**772,295**
Bond issues and other borrowings	8.3.3	1,890,589	1,482,610	-	-	1,482,610
Trade payables	6.3	520,544	520,544	-	-	520,544
Fleet payables	4.4	428,066	428,066	-	-	428,066
Bank overdrafts and portion of loans due in less than one year	8.3.3	2,069,652	2,069,652	-	-	2,069,652
Derivative liabilities	8.5	60,122	60,122	-	60,122	-
TOTAL FINANCIAL LIABILITIES (1)		**4,968,972**	**4,560,993**	**-**	**60,122**	**4,500,871**

(1) The financial assets and liabilities have not been contracted with the same counterparties and are therefore not subject to compensation.

The level in the fair value hierarchy at which fair value measurements are categorized, for assets and liabilities measured in the statement of financial position, is as follows:

(in thousands of euros)	At December 31, 2021	Level 1	Level 2	Level 3
Assets measured at fair value				
Other financial assets	437	437		
Cash and cash equivalents	426,815	426,815		
TOTAL	**427,252**	**427,252**		

(in thousands of euros)	At December 31, 2021	Level 1	Level 2	Level 3
Liabilities measured at fair value				
Derivative liabilities	32,679	-	32,679	
TOTAL	**32,679**	**-**	**32,679**	

Time-frame for recycling items from OCI to profit and loss:

(in thousands of euros)	At December 31, 2021	2022	2023	2024	2025	2026
Recycling of completed operations	-	-	-	-	-	-
Recycling of operations in progress	32,679	28,195	4,484	-	-	-

8.6.2 Lease receivables factoring program

From the end of 2019, the Group implemented a factoring program covering five subsidiaries, with a specialized factoring company.

For the 2021 financial year, factoring operations resulted in:

- the assignment of receivables representing turnover including VAT, all assignors combined, in the order of €212.9 million in total;
- a total charge expensed from factoring organizations of €0.5 million, representing €0.3 million in factoring commissions and €0.2 million in interest charges.

As of December 31, 2021, the outstanding receivables assigned and financed amounted to €108.4 million, thereby reducing the Group's net debt. The guarantee fund amounted to €0.5 million on this date.

The Group has justified the deconsolidating nature of this factoring program, in particular on the basis of the following elements:

- the contractual rights to the cash flows are transferred by the subsidiaries to the assignees under a conventional subrogation;
- almost all risks and benefits attached to the assigned receivables are transferred by the subsidiaries to the assignees in accordance with the eligibility conditions of the contract.

Note 9 Employee benefits and share payments

a) Employee benefits

The Group provides its employees with post-employment benefits through defined contribution and defined benefit pension plans.

DEFINED CONTRIBUTION PENSION PLANS

A defined contribution pension plan is a pension plan under which the Group makes fixed contributions to an independent entity or to a pension fund. The Group is not bound by any legal or implicit obligation to pay additional contributions if the fund does not have enough assets to pay all the benefits due for the current financial year and for previous financial years. The Group contributes to public plans and takes out insurance for the benefit of certain members of staff, which are considered to be defined contribution plans. Contributions to plans are expensed during the period during which the services are rendered by the members of the personnel.

DEFINED BENEFIT PENSION PLANS

Pension plans that do not meet the definition of a defined contribution plan are defined benefit plans. Under the Group's defined benefit pension plan, the amount of pension that a member of staff will receive upon retirement is defined by reference to their seniority and their end-of-career salary.

The Group retains a legal obligation for the benefits, even if the plan assets used to finance the defined benefits have been reserved. Plan assets may include assets specifically earmarked for a long-term pension fund.

The Group's net commitment under defined benefit pension plans is assessed by an independent actuary using the projected unit credit method. This method requires the selection of specific actuarial assumptions which are detailed in this Note. These actuarial valuations are carried out at each balance sheet date by estimating the present value of the amount of the future benefits acquired by the members of the personnel in return for the services rendered during the current and previous years, and includes the impact of future increases in wages.

Pension plan assets are generally held by separate legal entities and are measured at fair value, as determined at each reporting date.

In accordance with IAS 19, the liability recorded in the balance sheet for defined benefit pension plans corresponds to the present value of the commitment relating to defined benefit plans at the balance sheet date, less the fair value of the assets of regimes.

From one year to another, the differences between, on the one hand, the anticipated liabilities and their re-estimated amounts and, on the other hand, the expected level of dedicated assets and their actual level constitute the actuarial differences, which are accumulated at the level of each pension plan. These actuarial differences can come either from the modification of the actuarial assumptions used at the closing, or from adjustments linked to experience arising from the modification, during the fiscal year, of the assumptions used at the closing of the previous fiscal year.

The Group recognizes actuarial gains and losses in other comprehensive income in the "Statement of comprehensive income" during the period in which they occur.

The cost of past services is immediately recognized in operating expenses under the heading "Personnel expenses".

The discounting effects and the expected return on plan assets are recognized in financial income (see Note 9.2).

LONG-TERM BENEFITS

The Group's net commitment for long-term benefits other than pension plans (or post-employment benefit plans) represents the future benefits that employees have acquired in return for services rendered during the current period and previous periods, for example the Labor Medal in France and the Jubilee in Germany. The commitment, determined using the projected unit credit method, is calculated at its present value. The provision is recognized net of the fair value of all related assets (i.e. all actuarial differences and the cost of past services are recognized immediately in the consolidated income statement).

INCENTIVE AND BONUS PLANS

The Group recognizes a liability and an expense for bonuses and profit-sharing, on the basis of a formula which includes the result accruing to the shareholders of Europcar Mobility Group, taking into account certain adjustments. The Group recognizes a provision when it is bound by a contractual obligation.

The related costs are recognized in Personnel costs (see below).

b) Payments per share

The Group has implemented free share plans for the benefit of its managers and certain of its employees. The fair value of these plans is equal to the value of the free shares on the grant date and takes into account the valuation of the restriction during the possible unavailability period. These plans give rise to the recognition of a personnel expense spread over the vesting period. The estimate of the expense to be recognized takes into account the staff turnover rate over the vesting period.

9.1 Personnel costs

9.1.1 Personnel costs

Personnel costs have been impacted by the part-time work schedules put in place by the Group to mitigate the impact of the health and economic crisis related to the Covid-19 pandemic. This is the case in the countries affected where this is unavoidable.

(in thousands of euros)	**At December 31, 2021**	At December 31, 2020
Wages and salaries [(1)]	(335,801)	(288,645)
Social security contributions	(69,925)	(69,355)
Post-employment benefits	(6,075)	(12,279)
Other items	(2,463)	(9,668)
TOTAL PERSONNEL COSTS	**(414,265)**	**(379,947)**

(1) Includes costs related to bonuses and profit-sharing, as well as IFRS 2 impacts relating to free share plans, i.e. an expense of €0.8 million in 2021 including social charges (against an income of €0.3 million in 2020).

9.1.2 Headcount

(in average number of FTEs)	**At 31 December, 2021**	At December 31, 2020
TOTAL STAFF	**7,876**	**8,482**

The Group also uses a certain number of temporary or seasonal employees and uses outsourced services, mainly for moving and cleaning vehicles during peak periods and in accordance with the laws applicable in each of the countries where the Group offers its services.

These numbers are not included in the data presented above.

9.2 Employee benefits

	At December 31, 2021			At December 31, 2020		
(in thousands of euros)	**Pensions**	**Other LT employee benefits**	**Total**	Pensions	Other LT employee benefits	Total
Non-current	140,509	1,997	142,506	165,053	2,149	167,202
Current	2,204		2,204	2,622	-	2,622
TOTAL	**142,713**	**1,997**	**144,710**	**167,675**	**2,149**	**169,824**

9.2.1 Net liabilities recognized in the statement of financial position

The Group has defined benefit pension obligations for some of the Group's employees in the United Kingdom, France, Germany, Italy and Belgium.

(in thousands of euros)		**At December 31, 2021**	At December 31, 2020
Present value of funded or partially funded obligations	(A)	(79,346)	(78,676)
Fair value of plan assets	(B)	81,280	69,274
Surplus/(Deficit) at period end [(1)]		**1,934**	**(9,402)**
Present value of unfunded obligations	(C)	(144,646)	(158,273)
Unrecognized prior service costs		-	-
Net liability for defined benefit obligations at end of period		**(142,713)**	**(167,675)**
Inc.: A statement of financial position liability of		142,713	167,675
A statement of financial position asset of			-

(1) Mainly in the United Kingdom and Belgium.

9.2.2 Change in net liabilities recognized in the statement of financial position

(in thousands of euros)	**At December 31, 2021**	At December 31, 2020
Net liability for defined benefit obligations at January 1st	(167,675)	(162,233)
Scope changes and acquisitions of the period	-	-
Settlements	444	690
Contributions paid into plan	1,574	1,708
Benefits paid	4,224	3,761
Current service cost, interest expense and expected return on plan assets	(4,257)	(4,460)
Past service cost	-	-
Actuarial gains/(losses) recognized in equity [(1)]	21,832	(7,969)
Curtailments	1,041	1,259
Foreign currency differences	103	(431)
NET LIABILITY FOR DEFINED BENEFIT OBLIGATIONS AT END OF PERIOD	**(142,713)**	**(167,675)**

(1) In 2021, the pension commitments relating to Germany and United Kingdom were revalued by €11.0 million and €8.6 million respectively, mainly taking into account the change at December 31, 2021, in the discount rate (respectively 0.90% and 1.90% as of December 31, 2021 versus 0.45% and 1.55% as of December 31, 2020). In 2020, the retirement commitments relating to Germany and United Kingdom were revalued by €(4.6) million and €(1.4) million respectively.

9.2.3 Movement in defined benefit obligations

(in thousands of euros)		At December 31, 2021	At December 31, 2020
Defined benefit obligations at January 1st		(236,949)	(230,743)
Settlements		445	467
Defined benefit obligations acquired as part of a business combination		-	-
Benefits paid		7,846	7,763
Current service cost		(2,462)	(2,075)
Past service cost		-	-
Interest on obligations		(1,795)	(2,385)
Actuarial gains/(losses) recognized in equity		13,664	(12,092)
Foreign currency differences		(4,262)	2,116
COMMITMENTS UNDER DEFINED BENEFIT PLANS AT THE END OF THE PERIOD	**(A)+(C)**	**(223,514)**	**(236,949)**

9.2.4 Plan assets

	2021		2020	
(in % average)	Eurozone	United Kingdom	Eurozone	United Kingdom
Equities	0%	30%	0%	29%
Debt	0%	20%	0%	18%
Other assets	100%	50%	100%	53%

9.2.5 Change in assets of the defined benefit plans

(in thousands of euros)		At December 31, 2021	At December 31, 2020
Fair value of plan assets at January 1st		69,274	68,510
Contributions paid into plan		1,575	1,708
Benefits paid		(3,622)	(4,002)
Expected rate of return on plan assets		1,041	1,259
Actuarial gains/(losses) recognized in equity		8,291	4,122
Foreign currency differences		4,721	(2,323)
FAIR VALUE OF PLAN ASSETS AT END OF PERIOD	(B)	**81,280**	**69,274**

9.2.6 Expenses recognized in the income statement for defined benefit plans

(in thousands of euros)	**At December 31, 2021**	At December 31, 2020
Current service costs	(2,462)	(2,075)
Interest on obligations	(1,795)	(2,385)
Expected rate of return on plan assets	1,041	1,259
Past service cost		-
Curtailments/settlements	400	467
EXPENSES RECOGNIZED IN THE INCOME STATEMENT FOR DEFINED BENEFIT PLANS	**(2,816)**	**(2,733)**

The expense is recognized in "Personnel expenses", as analyzed in note 7, except for the financial cost and the expected return on plan assets, which amounted to €2.4 million. In the three main countries (France, Germany and the United Kingdom), the estimated expense recognized in the income statement for the year 2022, based on the assumptions at December 31, 2021, would amount to €3.0 million.

9.2.7 Actuarial assumptions

Group obligations are valued by an external independent actuary, based on assumptions at the reporting date that are periodically updated. These assumptions are set out in the table below:

	2021			2020		
	Eurozone excl. Germany (1)	**Germany**	**United Kingdom**	Eurozone excl. Germany (1)	Germany	United Kingdom
Discount rate	0.90%	0.90%	1.90%	0.45%	0.45%	1.55%
Inflation rate	From 1.20% to 2.70%	1.90%	3.45%	From 1.00% to 1.70%	1.90%	3.10%
Expected rate of salary increase	From 1.70% to 3.50%	2.00%	-	From 1.70% to 3.50%	2%	-
Expected rate of pension increase	From 0.00% to 1.75%	1.75%	3.35%	From 0.00% to 1.75%	1.75%	3.05%
Expected rate of return on plan assets	0.45%	na	1.90%	0.45%	N/A	1.55%

(1) The eurozone includes plans in Italy, France and Belgium expressed as a weighted average.

The discount rate is the yield at the reporting date on bonds with a credit rating of at least AA that have maturities similar to those of the Group's obligations.

A 0.25% increase in the discount rate would reduce the benefit obligation by €12.7 million; a 0.25% decrease in the discount rate would increase the benefit obligation by €15.0 million.

The estimated return on plan assets has been determined based on long-term bond yields. All of the plan assets are allocated to United Kingdom and Belgian employees.

Assumptions concerning long-term returns on plan assets are based on the discount rate used to measure defined benefit obligations.

Assumptions regarding future mortality rates are based on best practice and published statistics and experience in each country.

9.2.8 Actuarial gains and losses recognized directly in equity (net of deferred tax)

(in thousands of euros)	**At December 31, 2021**	At December 31, 2020
Cumulative opening balance	(74,886)	(68,689)
Gain/(loss) recognized during the year/period	16,337	(6,197)
CUMULATIVE CLOSING BALANCE	**(58,549)**	**(74,886)**

9.2.9 Experience adjustments

(in thousands of euros)	**2021**	2020	2019	2018	2017	2016	2015
Present value of defined benefit obligations	(65,664)	(64,147)	(61,624)	(57,597)	(63,305)	(68,320)	(63,917)
Fair value of plan assets	73,571	62,166	60,654	54,280	59,960	63,053	65,992
(Surplus)/deficit	7,906	1,981	970	3,317	3,345	5,266	(2,075)
Experience adjustments to plan liabilities		-	-	-	-	(962)	(247)
Experience adjustments to plan assets	(8,183)	4,143	5,885	(4,149)	1,651	5,097	(1,071)

9.3 Share-based payment

The Company's Extraordinary General Meeting of May 10, 2016, in its 12th resolution, authorized the implementation of the free performance share award scheme, in favor of some employees or managers of the Group. This authorization was given for a 26-month period and was valid until July 8, 2018.

Europcar's Shareholders' Meeting of April 26, 2019, in its 32nd resolution, authorized the establishment of a free performance share award scheme for certain employees and executives of the Group.

(i) "AGA 18"

On March 20, 2018, the Supervisory Board authorized the Management Board to implement a free share award scheme for executives and certain employees of the Group (the "2018 AGA Plan").

The acquisition of these performance shares, following a vesting period of three years, is subject to the beneficiary's continued employment with the Group on the vesting date, and the achievement of the following performance conditions for the fiscal years ended December 31, 2018, December 31, 2019 and December 31, 2020, related to (i) Group EBITDA, (ii) revenue and (iii) a relative TSR (Total Shareholder Return).

Furthermore, following the three-year vesting period, no holding period is required for free shares.

The number of free shares initially granted was 901,781. At December 31, there were no more free shares relating to the 2018 AGA Plan. In 2021, 208,214 shares were distributed.

(ii) "AGA 19"

The Supervisory Board examined and authorized on March 20, 2019, the main terms and conditions for a free share award scheme to be implemented in 2019 for members of the Management Board, executives and certain other managers of the Group (the "2019 AGA Plan").

The acquisition of these performance shares, following a vesting period of three years, is subject to the beneficiary's continued employment with the Group, and the achievement of the following performance conditions for the fiscal years ended December 31, 2019, December 31, 2020 and December 31, 2021 related to Cumulative Group Revenue, the average corporate EBITDA margin rate and relative TSR (Total Shareholder Return).

Furthermore, following the three-year vesting period, no holding period is required for free shares.

The number of free shares initially granted was 968,000. At December 31, 2021, 792,000 free shares under AGA 19 are still being vested.

The details of the free share plans are as follows:

	Type of plan	Grant Date	Number of shares granted	Number of shares outstanding	Length of vesting period	Vesting period	Fair value of the shares *(in €)*(1)
AGA 18	Free shares	July 28, 2018	658,981	-	3 years	July 25, 2021	7.98
AGA 18	Free shares	October 25, 2018	242,800	-	3 years	October 25, 2021	7.57
AGA 19	Free shares	May 22, 2019	573,000	478,000	3 years	May 22, 2022	5.92
AGA 19	Free shares	November 4, 2019	395,000	314,000	3 years	November 4, 2022	2.90

(1) Fair value at grant date.

The 20% employer contribution for the AGA 18 and AGA 19 plans was calculated on a basis corresponding to the fair unit value of the shares as estimated at the grant date.

Movements related to the acquisition of free shares in 2021 and 2020, to which IFRS 2 standard "Share-based payments" applies, are as follows:

	Number of shares
Currently vesting as of January 1, 2020	1,732,181
Granted	-
Canceled	(33,500)
Delivered	-
Currently vesting at December 31, 2021	1,698,681
Granted	-
Canceled	(698,467)
Delivered	(208,214)
CURRENTLY VESTING AT DECEMBER 31, 2020	**792,000**

As at December 31, 2021, the impact on the income statement for services received was an expense of €0.8 million compared with an income of €0.3 million as at December 31, 2020. The counterpart has been credited to equity.

SIGNIFICANT ASSUMPTIONS USED

The weighted average fair value of the allocated shares was determined on the grant date using the Monte Carlo simulation model.

For the AGA 18 and AGA 19 plans, the dividend rate was 3%. The fair values on the grant date were calculated by restating the amount of dividends discounted during the vesting period.

Note 10 Provisions, risks and litigations

A provision is recognized in the statement of financial position when the Group has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and the amount can be reliably estimated. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Provision is made for the estimated value of uninsured losses from both known and incurred but not reported third-party claims on an actuarially determined basis. Where these claims are expected to be settled over a longer period of time, the provision made represents the present value of the expected expenditure required to settle the obligation. Any excess of this prepayment over the estimated liabilities is subject to an assessment of recoverability, and a provision is set aside if necessary.

In the normal course of its business activities, the Group is subject to certain claims and investigations relating to compliance with laws and regulations in various jurisdictions, including some with fiscal or competition authorities. The Group generally records a provision whenever a risk represents the probability of a cash disbursement towards a third party without compensation and when the possible loss that may result can be estimated with sufficient accuracy.

A provision on vehicle buy-back and reconditioning costs is recognized over the holding period of the vehicles.

10.1 Provisions

(in thousands of euros)	Insurance claim provisions	Reconditioning provisions	Other provisions	Total
Balance at January 1, 2020	**110,277**	**37,337**	**78,965**	**226,578**
Provisions recognized during the period	64,325	48,679	23,950	136,954
Provisions utilized during the period	(67,276)	(58,678)	(2,360)	(128,314)
Provisions reversed during the period	-	-	(6,017)	(6,017)
Changes in scope	459	-	-	459
Transfer	-	-	(102)	102
Effect of foreign exchange differences	(1,598)	(356)	(2,742)	(4,696)
Balance at December 31, 2020	**106,187**	**26,982**	**91,898**	**225,068**
Non-current	-	-	*10,842*	*10,842*
Current	*106,187*	*26,982*	*81,057*	*214,226*
Total provisions	**106,187**	**26,982**	**91,898**	**225,068**
Balance at January 1, 2021	**106,187**	**26,982**	**91,898**	**225,068**
Provisions recognized during the period	**79,386**	**74,312**	**23,612**	**177,310**
Provisions utilized during the period	**(76,175)**	**(50,449)**	**(12,564)**	**(139,188)**
Provisions reversed during the period	-	-	(12,919)	(12,919)
Changes in scope		-	-	-
Transfer	990		-	990
Effect of foreign exchange differences	1,843	389	3,347	5,579
BALANCE AT DECEMBER 31, 2021	**112,232**	**51,234**	**93,374**	**256,840**
Non-current			*10,368*	*10,368*
Current	*112,232*	*51,234*	*83,007*	*246,472*
TOTAL PROVISIONS	**112,232**	**51,234**	**93,374**	**256,840**

(i) Insurance claim provisions

Most of these provisions relate to the insurance risks described in the Section "Financial risk management". For the portion of the self-financed automotive liability risk, Europcar annually establishes a cost schedule for the insurance and brokerage costs, taxes and cost of the self-financed portion for each country. The cost is determined by day of rental and is included in the budget instructions sent to each country at the end of the year. Based on the cost per day of rental, Europcar entities set aside funds to cover costs based on the self-financed portion that will pay claims when benefits are actually due to third parties.

(ii) Reconditioning provisions

The provision for reconditioning relates to costs incurred for the present fleet at the end of the buy-back agreement period.

Europcar acquires a large proportion of its vehicles from car manufacturers with buy-back commitments at the end of the contract. These contracts usually stipulate that the vehicles must be returned at the end of a certain period (less than 12 months) and in a certain "condition" (mileage, cleanliness, etc.). Consequently, the Group has commitments to these manufacturers under these contracts and recognizes a provision to cover the cost of restoring the fleet at the balance sheet date. This cost is not based on specific assumptions but is determined from statistics compiled by the Fleet Department over the last 6 to 12 months.

(iii) Other provisions

Other provisions relate mainly to reserves for:

- risks and liabilities for damages to cars financed through operating leases;
- restructuring costs (personnel costs and the costs of moving the Group's head office);
- litigation costs include litigation with franchisees, employee disputes and accident claims.

10.2 Risks and litigations

Within the normal scope of its current operations, the Group is subject to legal, administrative or regulatory procedures. Under accounting standards applicable to the Group, a provision is recorded in the balance sheet when the Group is liable for an obligation resulting from a past event, when it is possible that economic resources will be needed to satisfy the obligation and the amount of said obligation can be reliably estimated.

The main disputes and proceedings currently in progress or that have evolved during the period are as follows:

10.2.1 Leicester City Council Trading Standards Services investigation

On June 23, 2017, the City of Leicester Trading Standards Services opened an inquiry into Europcar UK for violation of regulation 9 of the Consumer Protection from Unfair Trading regulations 2008, based on allegations that Europcar UK (i) had billed its customers, without their consent, for repair costs for damage caused to vehicles in cases where the damage was contested, and (ii) had billed excessive amounts, over and above the actual cost of the repairs. Europcar UK is cooperating with the authorities in charge of the inquiry. Together with the commercial practices inspection services, Europcar UK has drawn up the list of documents that the Company is required to submit and has appointed Deloitte to handle the matter. The results of the work carried out by Deloitte were presented to the Trade Services Investigation Department in November 2018.

The Leicester trading standards services 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) in non-recurring expenses (see Note 10 "Provisions, Risks and Litigation" on liquidity risk to the 2017 financial statements in Section 3.4 "Consolidated financial statements and Statutory Auditors' report for the year ended December 31, 2020" of this Universal Registration Document).

This amount corresponded to the Group's best estimate, at this very early stage of the investigation, based on a number of assumptions, including an assumption that the charging practices are misleading under Article 9 of the 2008 Consumer Protection Act on Unfair Trading and potentially inappropriate behavior when charging repairs costs to consumers.

At December 31, 2021 the provision of £38 million (€45 million) still appeared in the Group's accounts.

10.2.2 Goldcar Rentals Italy S.r.L. and Goldcar Spain S.L.U.- Italian Competition Authority (AGCM)

In November 2016, the ICA (Italian 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 €2 million fine was paid. In February 2017, an appeal was filed with 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 non-compliance proceedings for presumed breach of the Italian Consumer Code. Notice of a €680,000 fine was sent in February 2018 and it was paid. In April 2018, another appeal was filed with 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 hearing took place on November 4, 2021 and December 6, 2021. The CDS issued its decision denying Goldcar's appeal regarding fuel billing practices but overturned the TAR decision on all other grounds and thus canceled the fines for a total amount of €2,380,000.

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 for non-compliance with the previous decision. Goldcar appealed that decision on December 27, 2019 in the Lazio Administrative Court. The first hearing should take place in 2022.

10.2.3 Fire in a parking lot in Paris: criminal proceedings and civil liability claims (insurance)

On November 12, 2014, a fire broke out in a Europcar garage located at 88, Rue de la Roquette, Paris. The fire destroyed all the 77 vehicles parked in the garage (the net loss recognized at this stage amounts to €1.1 million) and damaged the structural integrity of the building. The Public Prosecutor opened a criminal investigation (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 amount of damages suffered by each party (civil proceedings).

The criminal proceedings were dismissed by the investigating magistrate on November 24, 2016. The decision to close these proceedings was based on the fact that the judicial inquiry failed to determine the cause of the fire and the expert assessment ordered by the investigating magistrate indicated that it is likely that the fire was caused by an electrical fault in a vehicle. The 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 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. There were no new events in 2021.

10.2.4 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 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 brokerage agreement was signed (4% of €9.5 million plus €150,000). At its hearing on February 6, 2019, the Berlin Court stated that a brokerage agreement had not been concluded and that therefore the plaintiff had no claim to commission in the acquisition transaction. 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, and the arguments were rejected. The OLG Nürneberg (court of 2nd instance) declared on May 4, 2021 that it would reject the appeal. On this basis, Plaintiff Mueller has withdrawn his appeal and is awaiting court decisions on costs incurred. As of December 31, 2021, the procedure is closed.

10.2.5 Litigation against GEFION relating to Charterline's vehicle insurance coverage

In 2018, Charterline Fuhrpark Service GmbH entered into a fleet insurance agreement with GEFION (liability and damages) up to 16,058 vehicles. Gefion has ceased to honor damage reimbursements. To date, more than 13,000 refund claims have yet to be honored. Charterline filed 321 claims for €620,000 in June 2019 before the Bad Kreuznach District Court.

In counterclaims, Gefion requested that the agreement be declared null and void and that all compensation received by Charterline be reimbursed.

On April 3, 2020, the Court dismissed all of Charterline's arguments, ruled that the framework agreement was null and void, and asked for the refund of all insurance claims paid. Charterline appealed the decision. The hearing before the regional high court of Koblenz initially scheduled for January 20, 2021, was delayed until March 31, 2021. At the date hereof, the proceedings are still ongoing.

10.2.6 Notification by the Bavarian DPA of a security breach on a Buchbinder server

Buchbinder was notified on January 20, 2020, by the Bavarian DPA of a security breach on one of the backup servers hosted and maintained by its service provider. The breach was identified and closed immediately. A new security test campaign was immediately launched, and customers were fully informed in the press on January 24, 2020. As of December, 31 2021, the Company has received a closing letter from the competent authority. The dispute is now closed.

Note 11 Related parties

Under IAS 24, related parties include parties with the ability to control or exercise significant influence over the reporting entity. All business transactions with non-consolidated subsidiaries are conducted at arm's length. Several members of the Group's management and Supervisory Board are members of the management bodies of companies with which Europcar Mobility Group S.A. has relations in the normal course of its business activities. All transactions with these parties are conducted at arm's length.

11.1 Transactions with companies over which Europcar Mobility Group exercises significant influence

As of December 31, 2021, the Group did not realize any significant transaction with companies over which Europcar Mobility Group exercises significant influence.

11.2 Compensation of key executives

Since 2015, the Management Board has the authority and responsibility to plan, direct and control the activities of the Group. 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. As a consequence, the benefits of the Management Board and the General Management for the 2021 fiscal year are detailed below.

In addition to their salaries, the Group provides non-cash benefits to executive officers and contributes to a post-employment defined benefit plan on their behalf. There were no significant transactions with any companies related directly or indirectly to key management members disclosed in the management report of the Europcar subsidiaries.

Employee salaries and short-term benefits include salaries, wages and payroll taxes and are presented below:

(in thousands of euros)	**At December 31, 2021**	At December 31, 2020
Employee salaries and short-term benefits	2,657	2,142
Post-employment benefits	46	51
Termination indemnities	-	314
TOTAL	**2,703**	**2,507**

In 2021, the amounts due for salaries and short-term benefits include annual variable compensation estimated at €0.9 million which will be validated by the Board of Directors before the Shareholder's meeting.

Note 12 Group Entities

Company Name	Local HQ (city)	Country	Consolidation method [1]	% equity interest	% control
Holding Company			**(Full consolidation/ Equity method)**		
Europcar Mobility Group	Paris	France	FC		
1. Information related to consolidated entities					
Europcar International S.A.S.U.	Paris	France	FC	100.0%	100.0%
EC 4 S.A.S.U.	Paris	France	FC	100.0%	100.0%
Europcar Holding S.A.S.	Paris	France	FC	100.0%	100.0%
Europcar Lab S.A.S.U.	Paris	France	FC	100.0%	100.0%
Europcar Lab UK Ltd	Leicester	United Kingdom	FC	100.0%	100.0%
E-Car Holding Ltd	Leicester	United Kingdom	FC	100.0%	100.0%
Ubeeqo UK Ltd	Leicester	United Kingdom	FC	100.0%	100.0%
Europcar Participations S.A.S.U.	Paris	France	FC	100.0%	100.0%
Ubeeqo International S.A.S.	Paris	France	FC	100.0%	100.0%
Ubeeqo France S.A.S.	Paris	France	FC	100.0%	100.0%
Ubeeqo BV	Zaventem	Belgium	FC	100.0%	100.0%
Ubeeqo GmbH	Berlin	Germany	FC	100.0%	100.0%
Ubeeqo Danmark P.L.S	Aarhus	Denmark	FC	100,0%	100,0%
Guidami S.r.L.	Milan	Italy	FC	100.0%	100.0%
Dos Palos Spain S.L	Madrid	Spain	FC	100.0%	100.0%
Blue Sostenible S.L.	Madrid	Spain	FC	100.0%	100.0%
Securitifleet Holding S.A.	Paris	France	FC	99.3%	8.30%
Securitifleet Holding Bis S.A.S.U.	Paris	France	FC	99.3%	0.0%
EC Finance Plc	London	United Kingdom	FC	0.0%	0.0%
FCT Sinople	Paris	France	FC	0.0%	0.0%
Europcar France S.A.S.	Paris	France	FC	100.0%	100.0%
Securitifleet S.A.S.U.	Paris	France	FC	100.0%	8.30%
SF Location S.A.S.U.	Rouen	France	FC	99.3%	8.30%
Parcoto Services S.A.S	Rouen	France	FC	100.0%	100.0%
Monaco Auto Location SAM	Monaco	Monaco	FC	100.0%	100.0%
Europcar International S.A.S.U. und Co OHG	Hamburg	Germany	FC	100.0%	100.0%
Europcar Autovermietung GmbH	Hamburg	Germany	FC	100.0%	100.0%
Securitifleet GmbH	Hamburg	Germany	FC	100.0%	5.41%
EMobG Services Germany GmbH	Hamburg	Germany	FC	100.0%	100.0%
A. Klees Slovakia S.R.O	Bratislava	Slovakia	FC	100.0%	100.0%
ABC Autonoleggio s.r.l.	Bolzano	Italy	FC	100.0%	100.0%
Megadrive Autovermietung GmbH	Vienna	Austria	FC	100.0%	100.0%
Europcar S.A.	Zaventem	Belgium	FC	100.0%	100.0%
InterRent S.a.r.l	Luxembourg	Luxembourg	FC	100.0%	100.0%
Europcar IB S.A.	Madrid	Spain	FC	100.0%	100.0%
Securitifleet S.L.	Madrid	Spain	FC	100.0%	0.41%

Company Name	Local HQ (city)	Country	Consolidation method (1)	% equity interest	% control
Ultramar Cars S.L.	Madrid	Spain	FC	100.0%	100.0%
LC EC Participations Investments S.L.U	Madrid	Spain	FC	100.0%	100.0%
Car Rentals TopCo S.L.	Alicante	Spain	FC	100.0%	100.0%
Car Rentals ParentCo S.A.	Alicante	Spain	FC	100.0%	100.0%
Car Rentals Subsidiary S.A.U.	Alicante	Spain	FC	100.0%	100.0%
GoldCar Spain S.L.U.	Alicante	Spain	FC	100.0%	100.0%
Goldcar FleetCo Spain S.A.U.	Alicante	Spain	FC	100.0%	100.0%
Goldfleet Spain SLU	Alicante	Spain	FC	100,0%	100,0%
Goldcar FleetCo Italy S.P.A.	Laives	Italy	FC	100.0%	100.0%
Goldcar FleetCo France S.A.R.L	Vitrolles	France	FC	100.0%	100.0%
EMobG Services Portugal Unipessoal	Faro	Portugal	FC	100.0%	100.0%
Goldcar Italy S.r.l.	Laives	Italy	FC	100.0%	100.0%
Goldfleet Italy S.p.A	Laives	Italy	FC	100.0%	100.0%
Goldcar France S.A.R.L	Vitrolles	France	FC	100.0%	100.0%
Goldcar Hellas A.E.	Koropi	Greece	FC	100.0%	100.0%
Goldcar Rental D.O.O.	Zagreb	Croatia	FC	100.0%	100.0%
Goldcar Oto Kiralama TICARET A.S.	Istanbul	Spain	FC	100.0%	100.0%
Goldcar Master S.L.U.	Alicante	Spain	FC	100.0%	100.0%
Goldfleet France S.A.S	Rouen	France	FC	100.0%	100.0%
Goldfleet Location S.A.S	Rouen	France	FC	100.0%	100.0%
Europcar Italia S.p.A.	Bolzano	Italy	FC	100.0%	100.0%
Securitifleet S.p.A.	Bolzano	Italy	FC	99.32%	13.80%
Europcar Lab Italia S.R.L	Milan	Italy	FC	100.0%	100.0%
Europcar Internacional Aluguer de Automoveis S.A.	Lisbon	Portugal	FC	100.0%	100.0%
Europcar Services Unipessoal, LDA.	Lisbon	Portugal	FC	100.0%	100.0%
Europcar UK Limited	Leicester	United Kingdom	FC	100.0%	100.0%
PremierFirst Vehicle Rental EMEA Holdings Ltd	Leicester	United Kingdom	FC	100.0%	100.0%
PremierFirst Vehicle Rental Holdings Ltd	Leicester	United Kingdom	FC	100.0%	100.0%
Provincial Assessors Ltd	Leicester	United Kingdom	FC	100.0%	100.0%
PremierFirst Vehicle Rental Pension Scheme Trustees Ltd	Leicester	United Kingdom	FC	100.0%	100.0%
Europcar Group UK Ltd	Leicester	United Kingdom	FC	100.0%	100.0%
PremierFirst Vehicle Rental Franchising Ltd	Leicester	United Kingdom	FC	100.0%	100.0%
Brunel Group Holdings Ltd	Leicester	United Kingdom	FC	100.0%	100.0%
A&A Prestige Chauffeurs Ltd	Leicester	United Kingdom	FC	100.0%	100.0%
Brunel Corporate Facilities Ltd	Leicester	United Kingdom	FC	100.0%	100.0%
Goldcar Rental UK	Leicester	United Kingdom	FC	100.0%	100.0%
Euroguard insurance Company Pcc limited	Gibraltar	Gibraltar	FC	100.0%	100.0%
Europcar Holding Property Ltd	Melbourne	Australia	FC	100.0%	100.0%
Europcar Australia Pty Ltd	Victoria	Australia	FC	100.0%	100.0%

Company Name	Local HQ (city)	Country	Consolidation method [1]	% equity interest	% control
G1 Holdings Pty Ltd	Victoria	Australia	FC	100.0%	100.0%
CLA Holdings Pty Ltd	Victoria	Australia	FC	100.0%	100.0%
CLA Trading Pty Ltd	Victoria	Australia	FC	100.0%	100.0%
Eurofleet Pty Ltd	Victoria	Australia	FC	100.0%	100.0%
Delta Cars & Trucks Rentals Pty Ltd	Victoria	Australia	FC	100.0%	100.0%
SMJV Ltd	Christchurch	New Zealand	FC	100.0%	100.0%
BVJV Ltd	Christchurch	New Zealand	FC	100.0%	100.0%
Goldcar Rental New Zealand Ltd	Christchurch	New Zealand	FC	100.0%	100.0%
Goldcar Rental Australia Pty, Ltd	Victoria	Australia	FC	100.0%	100.0%
Europcar Inc.	Wilmington, New Castle, Delaware	United States	FC	100.0%	100.0%
Executive Trust Limited	Dublin	Ireland	FC	100.0%	100.0%
Irish Car Rentals Limited	Dublin	Ireland	FC	100.0%	100.0%
GoCar Carsharing Limited	Dublin	Ireland	FC	100.0%	100.0%
Interrent Oy	Vantaa	Finland	FC	100.0%	100.0%
Interrent AS	Hovik	Norway	FC	100.0%	100.0%
Østergaard Biler A/S	Aarhus	Denmark	FC	100.0%	100.0%
Europcar Mobility Group USA LLC	Delaware	United States	FC	100.0%	100.0%
Fox Rent A Car Inc.	Tulsa	United States	FC	100.0%	100.0%
Fox Reservation System Inc.	Tulsa	United States	FC	100.0%	100.0%
Nordcar Finance A/S	Silkeborg	Denmark	FC	100.0%	100.0%
2. Information related to non-consolidated entities					
Vehitel 2000 France S.A.S.	Boulogne Billancourt	France	NC	20.0%	9.09%
Vehitel 2000 S.N.C.	Boulogne Billancourt	France	NC	33.33%	33.33%

(1) FC: fully consolidated; EM: equity method; NC: not consolidated.

Consolidated special purpose entities (SPEs)

As part of the securitization program for part of the fleet financing for Germany, France, Italy and Spain, SPEs have been incorporated under the name Securitifleet and Goldfleet in each of those countries and are either 100% owned or controlled (over 90%-controlled) by one of the following SPEs: "Securitifleet Holding S.A." or "Securitifleet Holding Bis S.A.S.", both registered in France. The Group consolidates all Securitifleet and Goldfleet entities, the five local Securitifleet companies, the four local Goldfleet companies (in France, Italy and Spain), as well as the two Securitifleet holding companies, which were created with specific purposes defined by Europcar Mobility Group.

The Group's operating subsidiaries located in France, Spain, the United Kingdom, Portugal, Belgium, Italy (from January 1, 2008) and Germany (from April 1, 2008) buy local automobile liability insurance policies with Chartis (formerly AIG) entities, which reinsure part of such risks with a reinsurance structure hosted by Euroguard, a protected cell reinsurance company. The Group owns a reinsurance cell[9] within Euroguard, which has been consolidated since January 2006. However, the local Europcar entities fund a significant portion of the risks through a Deductible Funding mechanism which is managed via another cell (0) within Euroguard that acts as a fund manager. The funds hosted in this cell are also consolidated.

PremierFirst Vehicle Rental Holdings Limited owns 100% of PremierFirst Vehicle Rental Insurances Guernsey Limited, a captive company based in Guernsey in the Channel Islands. This captive company has two types of business: roadside assistance (RAC) and Personal Accident Insurance (PAI). The profits from the RAC and PAI businesses can mostly be distributed by the captive company under strict rules. 90% of the profits must be distributed within 18 months of the year end.

Since January 2008, PremierFirst Vehicle Rental Limited has participated in the Group insurance scheme described in the first paragraph above.

Note 13 Group auditors' fees

The EU legislation to reform the statutory audit market adopted by the EU Directive 2014/56/EU and transposed to the French law under an ordinance dated March 17, 2016, has been applicable since June 17, 2016. This new legislation introduced the category of "Non-Audit services" instead of "Other diligences and services directly related to the Statutory Auditors' role".

(in thousands of euros)	Pricewaterhouse Coopers (PwC) Audit 2021	PwC Network 2021	**PwC 2021**	Mazars SA 2021	Mazars Network 2021	**Mazars 2021**	**Total 2021**
Audit of statutory and consolidated accounts	**495**	**786**	**1,281**	**329**	**734**	**1,063**	**2,344**
of which Europcar Group	*257*	*0*	*257*	*223*	*0*	*223*	*480*
of which fully consolidated subsidiaries	*238*	*786*	*1,024*	*106*	*734*	*840*	*1,864*
Non-audit services	**70**	**114**	**184**	**98**	**0**	**98**	**282**
of which Europcar Group	*70*	*0*	*70*	*98*	*0*	*98*	*168*
of which fully consolidated subsidiaries	*0*	*114*	*114*	*0*	*0*	*0*	*114*
TOTAL	**565**	**900**	**1,465**	**427**	**734**	**1,161**	**2,626**
of which Europcar Group	**327**	**0**	**327**	**321**	**0**	**321**	**648**
of which fully consolidated subsidiaries	**238**	**900**	**1,138**	**106**	**734**	**840**	**1,978**

(in thousands of euros)	Pricewaterhouse Coopers (PwC) Audit 2020	PwC Network 2020	PwC 2020	Mazars SA 2020	Mazars Network 2020	Mazars 2020	Total 2020
Audit of statutory and consolidated accounts	**626**	**954**	**1,580**	**427**	**660**	**1,087**	**2,667**
of which Europcar Group	*396*	*-*	*396*	*361*	*-*	*361*	*757*
of which fully consolidated subsidiaries	*230*	*954*	*1,184*	*66*	*660*	*726*	*1,910*
Non-audit services (1)	**276**	**158**	**434**	**276**	**2**	**278**	**712**
of which Europcar Group	*276*	*-*	*276*	*276*	*-*	*276*	*552*
of which fully consolidated subsidiaries	*-*	*158*	*158*	*-*	*2*	*2*	*160*
TOTAL	**902**	**1,112**	**2,014**	**703**	**662**	**1,365**	**3,379**
of which Europcar Group	**672**	**-**	**672**	**637**	**-**	**637**	**1,309**
of which fully consolidated subsidiaries	**232**	**1,112**	**1,342**	**66**	**662**	**728**	**2,070**

(1) Non-audit services mainly related to the Group's financing operations and the redesign of the digital service for the network.

Note 14 Post closing events

Securitization program for Fox Rent A Car

On February 14, 2022, the Group finalized the implementation of the securitization program for Fox Rent A Car in the USA.

This program, arranged and structured by Deutsche Bank, essentially consists of a revolving facility of $225 million with a 2-year maturity intended to finance the Fox fleet. This structure will gradually refinance all of the existing lines.

Update on the proposed tender offer for the Company's shares

The ongoing merger control procedure conducted by Green Mobility Holding with the European commission is making continuous progress:

- the Company and its Board of Directors have decided to exercise the Company's option to extend the long-stop date until June 30, 2022 under the tender offer support agreement entered into between the Company and Green Mobility Holding and the consortium members (Volkswagen, Attestor and Pon);
- the Company and the offeror, fully committed to completing the transaction, anticipate that the closing of the tender offer will occur during the second quarter of 2022.

Ukraine-Russia conflict

Following recent developments on the Ukraine-Russia conflict, the Group indicates that it does not have direct operations in those two countries, its presence is via two franchisees. The Group has not yet formed a view on the indirect impacts the conflict could have on its operations.

Statutory Auditors' report on the consolidated financial Statements

(For the year ended December 31, 2021)

This is a translation into English of the Statutory Auditors' report on the consolidated financial statements of the Company issued in French and it is provided solely for the convenience of English speaking users.

This Statutory Auditors' report includes information required by European regulation and French law, such as information about the appointment of the Statutory Auditors or verification of the information concerning the Group presented in the management report and other documents provided to shareholders.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the shareholders
Europcar Mobility Group
13 Ter Boulevard Berthier
75017 PARIS

Opinion

In compliance with the engagement entrusted to us by your Annual General Meeting, we have audited the accompanying consolidated financial statements of Europcar Mobility Group ("the Group") for the year ended December 31, 2021.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at December 31, 2021 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union.

The audit opinion expressed above is consistent with our report to the Audit Committee.

Basis for Opinion

Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report.

Independence

We conducted our audit engagement in compliance with independence requirements of the French Commercial Code (code de commerce) and the French Code of Ethics (code de déontologie) for Statutory Auditors, for the period from January 1, 2021 to the date of our report and specifically we did not provide any prohibited non-audit services referred to in Article 5 (1) of regulation (EU) No 537/2014.

Justification of Assessments – Key Audit Matters

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

It is in this complex and evolving context that, in accordance with the requirements of Articles L. 823-9 and R. 823-7 of the French Commercial Code (code de commerce) relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the consolidated financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the consolidated financial statements.

Goodwill and trademarks

Identified risk	Audit approach
Goodwill and trademarks (indefinite- useful life) are recorded in the consolidated balance sheet for a net carrying amount of respectively €1.008 billion and €882 million as of December 31, 2021, i.e. 26% of total assets. Annual impairment test and/or specific test in the event of an indication of a loss in value are performed on Goodwill and trademarks. Their recoverable amount is determined based on the discounted future cash flow method performed for each Cash-Generating Units (CGU) defined by the management or another more appropriate method for the goodwill (note 5.1) and on the relief-from-royalty method for the trademarks (note 5.2). An impairment loss is recognized in the balance sheet when their net carrying amount exceeds their recoverable amount. Considering that goodwill and trademarks are significant, the high degree of estimation and judgment to allocate assets to CGUs and build models used, their sensitivity to changes in the data and assumptions underlying estimates used, particularly cash flow forecasts and discount rates, we considered the recoverable amounts of the goodwill and trademarks to be a key audit matter.	Our procedures mainly consisted of: • understanding the process to prepare the business plans used by the management to determine the recoverable amounts of each CGU; • considering the main assumptions made by the management with business performance over the past years and assessing variances between previous years forecast and actual figures; • assessing the principles and methods to determine recoverable amounts of CGUs and trademarks; • challenging and corroborating, notably through interviews with management, the reasonableness of the main data and assumptions underlying the estimates such as future cash flow forecasts, long term growth rate, royalty rates and discount rates; • testing the arithmetical accuracy of the valuations used by the management on a sample basis; • performing our own sensitivity analysis, notably on the assumptions related to EBITDA forecast and activity recovery schedule. We assessed, with the support of our valuation experts: • the discount rates (WACC) used to determine the discounted cash flows; • the royalty rates; • the long term growth rate used to determine the terminal value. We also assessed the appropriateness of the disclosures in Notes 5.1 and 5.2 to the consolidated financial statements.

Investigations of the Leicester City Council Trading Standards Services in the United-Kingdom

Identified risk	Audit approach
As described in Note 10.2 of the consolidated financial statements, in the United Kingdom the Group is engaged in proceedings with Leicester City Council Trading Standards Services, in relation to allegations that Europcar UK levied charges for vehicle repairs without the consent of the holder; and/or charges in excess of the cost of the repairs in breach of regulation 9 of the Consumer Protection from Unfair Trading regulations 2008. A provision of €43 million was booked as of December 31, 2017 and has been maintained as of December 31, 2021 for an exchange rate discounted amount of €45 million. We focused on this area as the eventual outcome of proceedings is uncertain and the position taken by the management is based on the application of material judgement and estimation. Accordingly, unexpected adverse outcome could significantly impact the Group consolidated financial statements.	Our procedures consisted of: • discussing the status of these proceedings with the Group Legal Director and the in-house legal counsel of the Group; • obtaining and testing evidence to support the decisions and rationale for provision held, including written confirmations from external legal counsel; • examining management's assumptions to ensure their consistency with the documentation obtained from the external legal counsel. We also verified the appropriateness of the related disclosures in the consolidated financial statements as of December 31, 2021.

Specific verifications

We have also performed, in accordance with professional standards applicable in France, the specific verification required by laws and regulations of the Group's information given in the management report of the Group.

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

We attest that the consolidated non-financial statement required by Article L. 225-102-1 of the French Commercial Code (code de commerce) is included in the Group's management report, it being specified that, in accordance with Article L. 823-10 of this Code, we have verified neither the fair presentation nor the consistency with the consolidated financial statements of the information contained therein. This information should be reported on by an independent third party.

Report on Other Legal and Regulatory Requirements

Format of presentation of the consolidated financial statements intended to be included in the annual financial report

We have also verified, in accordance with the professional standard applicable in France relating to the procedures performed by the Statutory Auditor relating to the annual and consolidated financial statements presented in the European single electronic format, that the presentation of the consolidated financial statements intended to be included in the annual financial report mentioned in Article L. 451-1-2 of the French Monetary and Financial Code (code monétaire et financier), prepared under the responsibility of the Chief Executive Officer, complies with the single electronic format defined in the European Delegated regulation No 2019/815 of 17 December 2018. As it relates to consolidated financial statements, our work includes verifying that the tagging of these consolidated financial statements complies with the format defined in the above delegated regulation.

Based on the work we have performed, we conclude that the presentation of the consolidated financial statements intended to be included in the annual financial report complies, in all material respects, with the European single electronic format.

We have no responsibility to verify that the consolidated financial statements that will ultimately be included by your company in the annual financial report filed with the AMF are in agreement with those on which we have performed our work.

Appointment of the Statutory Auditors

We were appointed as Statutory Auditors of Europcar Mobility Group by statutes of incorporation dated as of March 9, 2006 for PricewaterhouseCoopers Audit and by the Annual General Meeting held on May 16, 2013 for Mazars SA.

As at December 31, 2021, PricewaterhouseCoopers Audit was in the 16th year of total uninterrupted engagement and Mazars SA was in the 9th year, which are both 7 years since securities of the Company were admitted to trading on a regulated market.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risks management systems and where applicable, its Internal Audit, regarding the accounting and financial reporting procedures.

The consolidated financial statements were approved by the Board of Directors.

Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Objectives and audit approach

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As specified in Article L. 823-10-1 of the French Commercial Code (code de commerce), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the Statutory Auditor exercises professional judgment throughout the audit and furthermore:

- identifies and assesses the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;
- evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the consolidated financial statements;
- assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the Statutory Auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein;
- evaluates the overall presentation of the consolidated financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation;
- obtains sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. The Statutory Auditor is responsible for the direction, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed on these consolidated financial statements.

Report to the Audit Committee

We submit a report to the Audit Committee which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the consolidated financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in Article 6 of regulation (EU) N° 537/2014, confirming our independence within the meaning of the rules applicable in France such as they are set in particular by Articles L. 822-10 to L. 822-14 of the French Commercial Code (code de commerce) and in the French Code of Ethics (code de déontologie) for Statutory Auditors. Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Neuilly-sur-Seine and Courbevoie, March 3, 2022

The Statutory Auditors
French original signed by

PricewaterhouseCoopers Audit
Romain Dumont

MAZARS
Guillaume Devaux

3.5 ANALYSIS OF EUROPCAR MOBILITY GROUP S.A.'S RESULTS

Readers are urged to read the information below regarding the Group's financial income and position together with the separate financial statements for the fiscal year ended December 31, 2021, as reported in Section 3.6 of this Universal Registration Document.

3.5.1 Revenue of the Company

Europcar Mobility Group SA's reported revenue in 2021 amounted to €7,166 thousand versus €6,510 thousand, for the fiscal year ended December 31, 2020. The revenue breaks down as follows:

Revenue *(in thousands of euro)*	**December 31, 2021**	December 31, 2020
Management fees for services to subsidiaries (ECI)	4,964	4,499
Franchise fees on long-term trademark	2,202	2,012
TOTAL	**7,166**	**6,510**

3.5.2 Operating results of the Company

The Company reported an operating loss of €(25,492) thousand in 2021, compared with a loss of €(25,987) thousand for the previous fiscal year.

3.5.3 Net financing income (costs)

The Company's net financing cost for 2021 amounted to €(12,751) thousand versus €(206,341) thousand at December 31, 2020, an improvement of €193,590 thousand, mainly due to:

the negative impact of the provision for impairment of equity interests at the end of fiscal 2020 for €130.4 million;

the positive foreign exchange effect on financial transactions in US dollars for €15 million;

- the favorable impact of €13 million generated by the financial restructuring operation performed by the Company in February 2021;
- the increase in the interest received on sums made available for €11.5 million;
- the net impact of the provision for impairment of marketable securities, down €25.5 million compared to 2020.

3.5.4 Other information presented in the Company's separate financial statements for 2021

The Company's current result before tax at December 31, 2021 is a loss of €38,243 thousand, compared with a loss of €232,328 thousand in the previous fiscal year, i.e. an improvement of €194,085 thousand.

The Company's non-recurring revenue at December 31, 2021 was a positive €16 thousand, compared with a loss of €10 thousand for the previous year.

Income tax totaled €740 thousand for the year ended December 31, 2021, compared with €6,591 thousand at December 31, 2020.

Taking into account these items, the Company posted a net loss of €37,487 thousand for the fiscal year ended December 31, 2021, compared with a loss of €225,747 thousand at December 31, 2020. At December 31, 2021, the Company's statement of financial position totaled €2,547,125 thousand versus €1,848,507 thousand at December 31, 2020.

The Company had 7 salaried employees at December 31, 2021.

3.5.5 Proposed allocation of the result

It will be proposed to the General Meeting of Shareholders that the full amount of the loss for the fiscal year ended December 31, 2021, in the amount of €37,487 thousand, be allocated to retained earnings (losses), the balance of which would increase from (€208,866) thousand to (€246,353) thousand.

3.5.6 Dividends paid for the last three fiscal years

A cash distribution deducted from distributable earnings was paid out on May 23, 2019 totaling €24,294 thousand.

A special distribution deducted from retained earnings was paid out on May 23, 2019 totaling €15,184 thousand.

3.5.7 Table of results for the last five fiscal years (Article R. 225-102 of the French Commercial Code)

	Year ended 12/31/2017	Year ended 12/31/2018	Year ended 12/31/2019	Year ended 12/31/2020	**Year ended 12/31/2021**
Duration of the fiscal year	12	12	12	12	**12**
Share capital at the end of the fiscal year					
Share capital (at the end of the fiscal year)	161,030,883	161,030,883	163,884 279	163,884 279	50,156,401
Number of ordinary shares	161,030,883	161,030,883	163,884 279	163,884 279	5,015,640,081
Operations and results					
Revenue excluding taxes	6,358,765	6,388 261	11,682 568	6,510 298	7,166,490
Profit/(loss) before tax, investment, amortization, depreciation and provisions	(5,137,222)	31,243 366	21,945 796	(63,697,925)	(27,813,061)
Income taxes	20,569,456	30,775 992	21,279 255	6,590 689	739,753
Net profit (loss)	(29,264,226)	48,146 509	11,207 882	(225,746,832)	(37,487,396)
Net profit/(loss) distributed	0	0	0	0	0
Profit (Loss) per share					
Profit/(loss) after tax, investment and before amortization, depreciation and provisions	(0.10)	(0.16)	0.39	(0.39)	(0.006)
Net profit (loss)	(0.11)	(0.18)	0.30	(1.37)	(0.007)
Dividend distributed	0	0	0	0	0
Personnel					
Average workforce	12	12	14	11	7.5
Payroll	5,628,280	3,652,338	5,314,142	4,491 143	6,259,409
Amounts paid in benefits (social security, other staff benefits, etc.)	2,217,940	976,988	2,867 807	1,752 145	2,911,143

3.6 SEPARATE FINANCIAL STATEMENTS AT DECEMBER 31, 2021 AND STATUTORY AUDITORS' REPORT

Statement of financial position

ASSETS

(in thousands of euros)	Notes	Year ended 12/31/2021 Gross carrying amount	Year ended 12/31/2021 Depreciation and provisions	Year ended 12/31/2021 Net	Year ended 12/31/2020 Net
Trademarks		28,500	-	28,500	28,500
Intangible assets		**28,500**	**-**	**28,500**	**28,500**
Investment securities		1,426,205	(130,355)	1,295,850	1,295,850
Loans	10	622,900	-	622,900	278,399
Other financial assets	10	14	-	14	21
Financial assets		**2,049,118**	**(130,355)**	**1,918,763**	**1,574,271**
Non-current assets	10	**2,077,618**	**(130,355)**	**1,947,263**	**1,602,771**
Advance payments on orders		190	-	190	527
Trade and other receivables	11	13,401	-	13,401	33,212
Other receivables	11	574,001	-	574,001	182,572
Marketable securities	14	64,900	(60,565)	4,335	7,222
Cash-in-hand and at bank		3,603	-	3,603	495
Prepaid and deferred charges		860	-	860	2,650
Deferred note issuance costs	15	41,845	(39,638)	2,207	12,034
Bond redemption premiums		3,116	(3,116)	-	-
Current assets		**701,917**	**(103,319)**	**598,598**	**238,711**
Foreign exchange differences – assets		1,264	-	1,264	7,026
TOTAL ASSETS		**2,780,799**	**(233,674)**	**2,547,125**	**1,848,507**

LIABILITIES

(in thousands of euros)	Notes	**Year ended 12/31/2021**	Year ended 12/31/2020
Share capital		50,156	163,884
Share, merger, contribution premiums		2,018,823	687,218
Legal reserve		16,388	16,388
Other reserves		162,245	-
Retained earnings (losses)		(208,866)	16,880
Net profit (loss) for the period		(37,487)	(225,747)
Regulated provisions		23,793	23,793
Shareholders' equity	18	**2,025,053**	**682,417**
Provisions for risks	19	1,720	7,282
Provisions for expenses		-	-
Provisions		**1,720**	**7,282**
Other non-convertible notes	12	-	1,077,853
Borrowings from credit institutions	12	502,063	50,000
Current financial liabilities		**502,063**	**1,127,853**
Trade and other payables	12	6,368	23,970
Tax and social security liabilities	12	7,254	6,979
Other debt	12	793	7
Deferred income		-	-
Operating liabilities		**14,415**	**30,955**
Liabilities		**516,478**	**1,158,808**
Foreign exchange differences – liabilities		3,875	-
TOTAL LIABILITIES		**2,547,125**	**1,848,507**

Income statement

(in thousands of euros)	Notes	**Fiscal year ended at 12/31/2021**	Fiscal year ended at 12/31/2020
Sales of services	3	7,166	6,510
Reversals of provisions, amortization and transfers of expenses		-	-
Other income	4	4,095	6,653
Total operating revenue		**11,261**	**13,163**
Other purchases and external expenses		(26,766)	(31,883)
Taxes, levies and similar payments		(222)	(194)
Wages and salaries		(6,259)	(4,491)
Social security contributions		(2,911)	(1,752)
Other expenses		(595)	(830)
Total operating expenses		**(36,753)**	**(39,150)**
OPERATING INCOME		**(25,492)**	**(25,987)**
Income from equity interests		-	-
From other marketable securities and receivables on non-current assets		25,830	14,302
Other interest and similar income		2,000	-
Reversals of provisions and transfers of financial expenses		64,704	30,212
Foreign exchange gains		1,278	5,937
Net revenue from marketable securities		102	200
Financial revenue	6	**93,914**	**50,651**
Interest and similar expense		(29,854)	(48,466)
Depreciation, amortization, impairment and provisions		(75,118)	(198,842)
Foreign exchange losses		(1,589)	(9,498)
Net expense on disposal of marketable securities		(103)	(186)
Financial expense	6	**(106,665)**	**(256,992)**
NET FINANCING COSTS		**(12,751)**	**(206,341)**
RECURRING PROFIT/(LOSS) BEFORE TAX		**(38,243)**	**(232,328)**
Non-recurring revenue from management transactions		122	9
Non-recurring revenue from capital transactions		-	-
Reversals of provisions, impairment and transfers of expenses		-	-
Non-recurring revenue	7	**122**	**9**
Non-recurring expenses on management transactions		(107)	(19)
Non-recurring expenses on capital transactions		-	-
Depreciation, amortization, impairment and provisions		-	-
Non-recurring expenses	7	**(107)**	**(19)**
NON-RECURRING PROFIT/(LOSS)		**16**	**(10)**
Income taxes	8	740	6,591
NET PROFIT (LOSS)		**(37,487)**	**(225,747)**

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Note 1 Significant events

1.1 Overview and description of the activity performed by the Company

Europcar Mobility Group is one of the major operators in the mobility sector. The Group offers a wide variety of mobility solutions to serve all the needs of its clients. The Group operates under several brands, the main ones of which are Europcar®, Goldcar®, InterRent®, Buchbinder®, Fox Rent A Car® and Ubeeqo®. The Group is active worldwide through a network of 140 countries (18 owned subsidiaries in Europe, 1 in the United States and 2 in Australia and New Zealand, as well as franchisees and partners).

Europcar Mobility Group S.A. was incorporated on March 9, 2006 with initial share capital of €235,000 and was converted into a French joint stock company (société anonyme) on April 25, 2006. Europcar Mobility Group S.A. changed its governance structure 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 and which replaces the previous structure with a Management Board and a Supervisory Board in accordance with the decisions taken at the Extraordinary Shareholders' Meeting.

Europcar Mobility Group's registered offices are located at 13 ter boulevard Berthier, 75017 Paris, France.

Europcar Mobility Group S.A. was first listed on the regulated market of Euronext Paris on June 26, 2015 (Compartment A; ISIN Code: FR0012789949; ticker: EUCAR).

In the notes to the parent company financial statements below, the terms "Europcar Mobility Group" and "the Group" define Europcar Mobility Group S.A. and its consolidated subsidiaries, while the terms "Company" and "Europcar Mobility Group S.A." define the parent company of the Group.

1.2 Significant events during the fiscal year

Impact of the Coronavirus crisis

Since March 2020, the vehicle rental sector, like all mobility-related sectors, has been severely impacted by the Covid-19 crisis in a way that is unprecedented in the history of this industry.

During successive waves of the pandemic throughout 2021, the total or partial lockdown measures implemented primarily in Europe had the same effects on the Leisure and Corporate activities. The impact of this crisis was a change in consumer behaviors, some of which may last well after the pandemic.

The demand for vehicle rentals and, more particularly, the demand from the "Business" segment, is influenced by the macroeconomic situation of the countries in which the Group operates. Changes in gross domestic product, especially in Europe, may have an impact on the Group's business.

Demand is also influenced by changes in air and railway traffic and the factors underlying these changes, such as currency fluctuations or geopolitical events that can affect passenger flows and, as a result, demand from the "Leisure" customer segment. During the fiscal year ended December 31, 2021, agencies in airports directly operated by the Group and by agents represented 37% of the revenue generated by the Group's rental activities (versus 18% in 2020 and 47% in 2019) versus 63% for agencies outside airports, thanks to the Group's dense network. The Group also entered into important alliances and partnership agreements with several major airlines. Thus, a significant portion of the Group's revenue is correlated to the level of air traffic, which was hit hard by the Covid-19 crisis.

From the end of spring 2021, the shortage of semi-conductors limited production for the main manufacturers of new vehicles in all the markets in which the Group operates, which therefore led to a shortage of supply on the vehicle rental markets, while demand was steadily increasing. This imbalance between supply and demand resulted in an increase in rental prices, particularly in the "Leisure" ServiceLine.

It should be noted that the Group has received assistance from several countries in which it operates, mainly in France where it received €10 million via the fixed-cost assistance scheme.

Financial restructuring of the Company

Faced with the magnitude of the impact of Covid-19 on its short and medium-term activity level, the Company 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 Company thus announced on September 7, 2020 its intention to initiate discussions with the creditors of its corporate debt with a view to restructuring the financing, while accelerating the implementation of its "Connect" transformation plan.

On November 26, 2020, the Company announced that it had taken a major step in its financial restructuring with the conclusion of an agreement in principle on a financial restructuring plan (the "Agreement in Principle"). The Agreement in Principle was concluded between the Company and a significant group of creditors known as "cross-holders," holders of 2024 Senior Bonds, 2026 Senior Bonds, Senior Secured Bonds of EC Finance plc and holders of interests in the RCF and Credit Suisse Facility. It was approved unanimously by the voting members of the Company's Supervisory Board. On February 26, 2021, the effective date of the financial restructuring, it specifically resulted in:

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

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

(iii) refinancing the RCF through the implementation of a "Term Loan B" in the amount of €500 million and a new RCF in the amount of €170 million.

All these instruments were fully secured by the members of the coordination Committee made up of this significant group of cross-holder creditors, holders of 2024 Senior Bonds, 2026 Senior Bonds, Senior Secured Bonds of EC Finance plc and holders of interests in the RCF and Credit

Suisse Facility. They 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, Europcar Mobility Group announced on December 14, 2020 the opening of an accelerated financial safeguard procedure.

On January 20, 2021, the Extraordinary General Meeting of shareholders approved the conditions of the financial restructuring plan and capital transactions. It also approved the Company's new form of governance, which entered into force on February 26, 2021, and accordingly:

- the Company's governance and management structure has been modified to adopt a structure with a Board of Directors governed by Articles L. 225-17 to L. 225-56 of the French Commercial Code instead of the structure with a Management Board and a Supervisory Board; and
- the mandates of the members of the company's Supervisory Board and Management Board were determined.

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

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

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

Debt restructuring resulted in the following accounting impacts:

- derecognition of the previous corporate debt and recognition of new lines of credit and cash;
- the issue of equity instruments (shares and share subscription warrants).

Financing

As part of the financial restructuring finalized in February 2021, on February 26, 2021 the Group refinanced the €670 million RCF through a senior credit facility ("SFA") comprising two tranches, a €500 million term loan carried by the Company and a €170 million revolving credit maturing in June 2023 carried by its subsidiary Europcar Holding SAS.

On April 23, 2021, the Group exercised its option to extend the maturity of the State-guaranteed Loan ("SGL") by five years, bringing its maturity to 2026.

On February 26, 2021, in addition to the corporate refinancing associated with the financial restructuring, the Group signed a Vehicle Fleet Financing Facility (VFFA) Agreement for a maximum amount of €225 million, ending in December 2024.

This line is made up of two tranches:

- tranche A is intended to finance the "Junior Notes" issues of the pan-European securitization program;
- tranche B is intended to finance the increase in local financing in the USA, the UK, Ireland, and Australia/New Zealand.

Proposed takeover bid for the Company's share capital by the consortium led by Volkswagen

On July 28, 2021, Volkswagen Group, Attestor Capital LLP and Pon Holdings BV-as a Consortium-and Europcar Mobility Group signed an agreement to support a takeover bid for the planned acquisition of Europcar Mobility Group by the Consortium, through a dedicated company called "Green Mobility Holding SA."

This acquisition is envisaged by means of a cash tender offer at €0.50 per share, increased by a potential price supplement of €0.01 per share if the 90% squeeze-out threshold is reached on completion of the offer (including dividend).

This acquisition is based on a strong strategic rationale: Volkswagen, as a long-term commercial partner and former shareholder of the Group, with the support of asset manager Attestor Limited and Dutch mobility services provider Pon Holdings BV, intends to continue the transformation of Europcar Mobility Group, to expand its offering in the areas of mobility solutions by leveraging its physical and digital platforms.

This will help to meet customers' expectations in a constantly changing market, where there is a growing appetite for innovative "on-demand" mobility solutions such as subscription and sharing models.

In its reasoned opinion on the offer dated September 17, 2021, the Board of Directors acknowledged the strategic interest of the transaction and unanimously decided that the offer is in the best interests of the Company and its shareholders, its employees, and other stakeholders.

On September 20, 2021, Green Mobility Holding SA filed its proposed cash takeover bid for Europcar Mobility Group shares. The offer was declared compliant by the French financial markets authority (AMF) on November 23, 2021. The AMF informs that the offer has been open since November 26, 2021. From this date, shareholders may contribute their shares to the offer for at least 25 trading days, i.e. until at least December 30, 2021 (at the earliest, taking into account the time required to obtain merger control authorization).

See also the events described in the paragraph relating to post-balance sheet events in Note 1.3.

1.3 Post-balance sheet events

Proposed takeover bid for the Company

In view of the ongoing procedures conducted by Green Mobility Holding with the European commission:

The Company and its Board of Directors have decided to exercise the option to extend the deadline until June 30, 2022 as part of the agreement to support the takeover bid concluded between the Company and Green Mobility Holding and the members of the consortium (Volkswagen, Attestor, and Pon).

The Company and the initiator predict that the takeover bid will be closed during the second quarter of 2022.

Conflict between Ukraine and Russia

Following recent developments in the conflict between Ukraine and Russia, the Group stated that it does not carry out direct operations in these two countries, its presence being through two franchisees. The Group is in the process of studying the indirect impact that the conflict could have on its operations.

Note 2 Significant accounting policies

The annual financial statements of Europcar Mobility Group S.A. are prepared in accordance with generally accepted accounting principles in France for separate financial statements pursuant to the French General Accounting Plan (ANC regulation No. 2016-07 of November 4, 2016 relating to the General Accounting Plan).

The accounting principles used in the preparation of the financial statements for the fiscal year ended December 31, 2021 are identical to those used for the fiscal year ended December 31, 2020.

They were prepared in accordance with the historical cost convention.

The figures in the Notes are in thousands of euros, unless otherwise stated.

2.1 Intangible assets

This item comprises the Europcar trademark for the "long-term" vehicle rental activity (over one year), as well as the InterRent trademark for the low-cost business segment.

2.2 Measurement of non-amortized non-current assets

At each balance sheet date, Europcar Mobility Group S.A. conducts an impairment test to ensure that the fair value of the trademarks at this date is higher than their net carrying amount.

Impairment is recognized when the carrying amount exceeds the greater of the fair value and the value in use.

2.3 Financial assets

Equity securities and related receivables

Investment securities are recorded at their purchase price, including costs directly attributable to their acquisition.

Impairment tests on securities are carried out on the basis of the value in use of the investment shares. Value in use is determined using discounted future cash flows based on business plans established by Management of each investment and approved by Europcar's Management ("discounted cash flow" method).

In 2021, the Company prepared impairment tests in line with the growth assumptions built from its "Connect" 3-year transformation plan (2021-2023), which were announced and implemented at the end of 2020 and then revised for 2022 as part of the annual budgeting process. Beyond 2023, the assumptions made in terms of revenue growth and adjusted Corporate EBITDA reflect Management's best estimate of the conditions for a gradual return to a pre-Covid activity level, which is estimated to be reached between 2023 and 2025.

If this value in use is lower than the net carrying amount of the securities, impairment is recognized.

As at December 31, 2021, impairment tests on investment securities were conducted without giving rise to a change in the net book value of the investment securities held by Europcar International SASU and Europcar Participations.

Securities are recognized at their acquisition price of €1,426,205 thousand. They consist of:

- securities held in Europcar International SASU for €1,241,195 thousand, including incidental acquisition costs of €23,793 thousand, amortized on a straight-line basis over five years (fully amortized at December 31, 2021). The impairment of securities held in Europcar International SASU totaled €82,200 thousand as of December 31, 2021;
- and other securities held in Europcar Participations for €185,010 thousand. The impairment of securities held in Europcar Participations totaled €82,200 thousand as of December 31, 2021.

2.4 Receivables and payables

Receivables and payables are stated at their nominal value. Impairment is recognized when a risk of non-recovery exists.

Unrealized foreign exchange gains are recorded as translation gains, whereas unrealized foreign exchange losses are recorded as translation losses and are subject to a provision for risks and expenses.

2.5 liquidity contracts and treasury shares

Treasury shares are recorded at their acquisition price. When the acquisition value is higher than the average price for the last month of the fiscal year, the difference is subject to financial impairment. Capital gains or losses on disposals are recognized in financial income.

The value of treasury shares at December 31, 2021 amounted to €64.9 million, under the liquidity and share buyback contracts entrusted to specialized institutions.

2.6 Provisions

A provision is recorded in the statement of financial position when the Group has a present legal or implicit obligation as a result of a past event, it is probable that an outflow of resources with no counterpart will be required to settle the obligation, and the amount of this obligation can be reliably estimated.

If the effect is material, provisions are discounted on the basis of a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

2.7 Borrowings and bond issuance costs

Borrowings are recorded at their nominal repayment amount. They are not discounted.

For bonds or notes issued above par and redeemable at the nominal amount, the difference constitutes an issue premium.

For bonds or notes issued below par and redeemable at a higher amount, the difference constitutes a redemption premium.

The redemption premium is recorded in the statement of financial position under "deferred expenses" and amortized over the term of the borrowing.

The share premium is recorded in the statement of financial position under "Other notes" and amortized over the term of the borrowing.

2.8 Retirement and post-employment benefits

Europcar Mobility Group S.A. grants its employees end-of-service indemnities and supplementary pensions through defined-contribution or defined-benefit plans.

Europcar Mobility Group S.A. has opted not to record its employee benefit obligations. The Company's obligations are valued by independent actuaries and reported in the Notes (see Note 20).

2.9 Capital increase expenses

Europcar Mobility Group S.A. has opted for the preferential method of charging the costs related to the capital increase against the share premium.

Notes to the income statement

Note 3 Breakdown of revenue

Europcar Mobility Group S.A.'s revenue excludes amounts derived from the rebilling costs to subsidiaries (see Note 4), and can be analyzed as follows:

	Amounts at December 31, 2021			Amounts at 12/31/2020
(in thousands of euros)	**France**	**Excluding France**	**Total**	Total
Provision of services to subsidiaries	4.964		4.964	4.499
Franchise revenue	2.202		2.202	2.012
TOTAL	**7.166**	**-**	**7.166**	**6.510**

Note 4 Other income

Other income consists primarily of:

(in thousands of euros)	**Amounts at 12/31/2021**	Amounts at 12/31/2020
Rebilling of fees	2.019	4.994
Rebilling of insurance	1.719	1.140
Rebilling of various expenses	352	479
Sales foreign exchange gains	4	40
TOTAL	**4.095**	**6.653**

Note 5 Executive compensation

Members of the Management Board and the Board of Directors received the following compensation in 2021 and 2020:

(in thousands of euros)	**At 12/31/2021**	At 12/31/2020
Employee salaries and short-term benefits	974	1,998
Post-employment benefits		
Termination indemnities	-	314
TOTAL	**974**	**2,312**

In fiscal year 2021, Europcar Mobility Group paid compensation of €463 thousand to members of the Supervisory Board and the Board of Directors as Directors' fees and other compensation (compared with €642 thousand in the previous year).

Note 6 Net financing costs

Net financing costs amounted to €(12,751) thousand, comprising:

(in thousands of euros)	**Amounts at 12/31/2021**	Amounts at 12/31/2020
Income from equity interests	-	-
Other interests & similar income, and receivables from non-current assets	25.830	14.302
Other interest and similar income	2.000	-
Provision for impairment of equity interests	-	-
Provision for impairment of marketable securities	57.678	29.345
Provision for foreign exchange risks	7.026	867
Net revenue from disposal of marketable securities	102	200
Others	1.278	5.937
Financial revenue	**93.914**	**50.651**
Interest on notes	(5.938)	(42.650)
Interest on the revolving credit facility	(19.388)	(4.799)
Interest on intra-group debt	-	-
Provision for impairment of equity interests	-	(130.355)
Provision for impairment of marketable securities	(60.565)	(57.678)
Provision for foreign exchange risks	(1.264)	(7.026)
Amortization of transaction costs	(13.290)	(3.782)
Net expense on disposal of marketable securities	(103)	(186)
Other	(6.118)	(10.515)
Financial expense	**(106.665)**	**(256.992)**
NET FINANCING COSTS	**(12.751)**	**(206.341)**

Note 7 Non-recurring profit/(loss)

Non-recurring income/(expenses) is primarily composed of:

(in thousands of euros)	**Amounts at 12/31/2021**	Amounts at 12/31/2020
Other non-recurring revenue	122	9
Non-recurring revenue	**122**	**9**
Other non-recurring expenses	(107)	(19)
Non-recurring expenses	**(107)**	**(19)**
NON-RECURRING PROFIT/(LOSS)	**16**	**(10)**

Note 8 Corporate income tax: breakdown and tax liabilities

Breakdown *(in thousands of euros)*	Profit/(loss) before tax, at 12/31/2021	Current tax	Net profit/(loss) at 12/31/2021	Net profit/(loss) at 12/31/2020
Recurring profit/(loss)	(38,243)	740	(37,503)	(225,737)
Non-recurring profit/(loss)	16	-	16	(10)
TOTAL	**(38,227)**	**740**	**(37,487)**	**(225,747)**

Note 9 Tax group

Europcar Mobility Group is the parent company of the French tax group comprising Europcar International, Europcar Lab, Europcar Holding, Europcar Participations, Europcar France, Parcoto, EC4, Goldcar France, Goldcar FleetCo France, Ubeeqo France and Ubeeqo International.

Europcar Mobility Group is the only entity liable for tax for the entire consolidated tax group.

Each consolidated company is placed in the position it would have been in as regards tax if it had been taxed separately. Tax income and expense on consolidated companies are recognized in the financial statements of Europcar Mobility Group.

As the parent company, Europcar Mobility Group recognizes the gains resulting from the effects of the tax group in its financial statements. Accordingly, Europcar Mobility Group recognized tax group income of €920 thousand in 2021.

Tax loss carry forwards for the scope of the tax group amounted to €839,320 million at December 31, 2021.

As the parent company, Europcar Mobility Group had no corporate income tax charge at December 31, 2021.

Notes to the statement of financial position

Note 10 Statement of fixed assets

(in thousands of euros)	Amounts at 12/31/2020	Increases during the period	Reductions during the period	**Amounts at 12/31/2021**
Trademarks [(1)]	28,500	-	-	28,500
TOTAL INTANGIBLE ASSETS	**28,500**	**-**	**-**	**28,500**
Investment Securities [(2)]	1,426,205	-	-	1,426,205
Loans and other financial assets [(3)]	278,421	631,677	(287,185)	622,914
TOTAL FINANCIAL ASSETS	**1,704,626**	**631,677**	**(287,185)**	**2,049,118**

(1) Intangible assets consist of the Europcar trademark for the "long-term" vehicle rental activity (more than one year) for €25,000 thousand and the InterRent trademark for €3,500 thousand.

(2) Investment securities correspond to the Europcar International SASU subsidiary which is wholly owned by Europcar Mobility Group, for €1,241,195 thousand, and the wholly owned subsidiary, Europcar Participations, for €185,010 thousand.
The investment securities of Europcar International SASU include incidental acquisition expenses (€23,793 thousand). These expenses were the subject of exceptional straight-line amortization over five years, and were fully amortized as of December 31, 2021.

(3) The loans represent amounts made available for the benefit of the subsidiary Europcar Holding SAS for €498,687 thousand and for the benefit of the US subsidiaries, Europcar Mobility Group USA LLC and Fox Rent a Car Inc for €124,213 thousand.

Since these assets have an indefinite life, they are not amortized.

Note 11 Amounts and maturities of receivables

Receivables *(in thousands of euros)*	Net amounts at 12/31/2021	Up to 1 year	From 1 to 5 years	More than 5 years
Loans	622.900	622.900	-	-
Other financial assets	14	-	14	-
Trade and other receivables	13.401	13.401	-	-
Tax and social security receivables	3.310	3.310	-	-
Groups and Associates	570.692	570.692	-	-
Deferred note issuance costs	2.207	1.489	718	-
TOTAL	**1,212,523**	**1,211,791**	**732**	**-**

Note 12 Amounts and maturities of payables

Operating liabilities

Liabilities *(in thousands of euros)*	Gross amounts at 12/31/2021	Up to 1 year	Over 1 year
Trade and other payables (1)	6,368	6,368	-
Tax and social security liabilities	7,254	7,254	-
Other debt	793	793	-
Group and Associates	-	-	-
Deferred income	-	-	-
TOTAL	**14,415**	**14,415**	**-**

Aging of trade payables at 12/31/2021 *(in thousands of euros)*	Not due	Due	Due			
		Due	<45 days	From 46 to 60 years	>60 days	Total
Suppliers within the Group	393	-	-		-	-
Suppliers outside the Group	401	15	1	-	14	15
TOTAL	**794**	**15**	**1**	**-**	**14**	**15**

Financial liabilities

Aging of financial liabilities *(in thousands of euros)*	Gross amounts at 12/31/2021	Up to 1 year	Over 1 year
Other non-convertible notes	-	-	-
Issue premium	-	-	-
Accrued interest not due	2,063	2,063	-
Borrowings from credit institutions	500,000	-	500,000
TOTAL	**502,063**	**2,063**	**500,000**

Note 13 Information on related companies

The following information on related companies corresponds to transactions with subsidiaries included in the scope of consolidation at December 31, 2021, of which Europcar Mobility Group is the parent company.

Gross values *(in thousands of euros)*	**Amounts at 12/31/2021**	Amounts at 12/31/2020
ASSETS		
Investments	1,426,205	1,426,205
Loans	622.900	278.399
Trade and other receivables	12.942	32.703
Other receivables	570.692	180.063
Liabilities		
Trade and other payables	3.243	4.448
Other debt	-	-
Income statement		
Operating revenue	11.257	13.124
Operating expenses	3.022	2.111
Non-recurring expenses	-	-
Financial expense	-	130.355
Financial revenue	27.830	14.302
Tax consolidation benefit	920	8.269

Note 14 Marketable securities

The number of treasury shares held can be analyzed as follows:

(in number of shares)	December 31, 2020	Increase	Reduction	**December 31, 2021**
Amafi liquidity agreement	-	11,838,166	(11,838,166)	-
Share buy-back agreement	8,760,539	-	(208.216)	8,552,323
TOTAL	**8,760,539**	**11,838,166**	**(12,046,382)**	**8,552,323**

The value of the treasury shares included in marketable securities was €64,900 thousand at December 31, 2021.

The shares were subject to a provision for impairment of €60,565 thousand.

Note 15 Deferred expenses and premiums on early redemption of notes

As of December 31, 2021, the items "Deferred note issuance costs" and "Premium on early redemption of bonds," representing a total net amount of €2,207 thousand, correspond to the costs relating to the implementation of a €500 million term loan, due June 2023, effective February 2021.

These expenses are amortized over the term of the borrowings.

The derecognition of the corporate debt and the refinancing of the €670 million RCF triggered an acceleration in the amortization of transaction costs associated with these same debts, generating an expense of €13 million in the Company's 2021 financial result.

Note 16 Accrued expenses

(in thousands of euros)	**Amounts at 12/31/2021**	Amounts at 12/31/2020
Liabilities		
Interest accrued on bonds and other borrowings	2.063	27.853
Loans and borrowings	**2.063**	**27.853**
Non-corporate suppliers	2.125	15.507
Corporate suppliers	2.850	4.447
Trade and other payables	**4.974**	**19.954**
Provisions for wages	-	-
Provisions – Other personnel expenses	3.390	500
Provisions on accrued social security charges	1.644	368
Withholding tax on wages	46	48
Other taxes payable	69	16
Other accrued expenses	-	-
Tax and social security liabilities	**5.150**	**932**
TOTAL ACCRUED EXPENSES	**12.187**	**48.739**

Note 17 Accrued income

(in thousands of euros)	**Amounts at 12/31/2021**	Amounts at 12/31/2020
Assets		
Accrued interest – Loans	7,440	2,844
Financial assets	**7,440**	**2,844**
Interco – Corporate	10,991	8,405
Miscellaneous income receivable	460	453
Other receivables	-	-
Trade and other receivables	**11,450**	**8,857**
TOTAL ACCRUED INCOME	**18,890**	**11,701**

Note 18 Shareholders' equity

Statement of changes in shareholders' equity

(in thousands of euros)	Share capital	Reserves legal	Share premiums	Special reserve	Retained earnings (losses)	Net profit (loss)	Regulated provisions	Shareholders' equity
Balance at January 1, 2021	**163,884**	**16,388**	**687,219**	**-**	**16,880**	**(225,747)**	**23,793**	**682,417**
Net profit/ (loss) for 2021	**-**	**-**	**-**	**-**	**-**	**(37,487)**	**-**	**(37,487)**
								-
Allocation of earnings Retained earnings	–	–	–	–	(225,747)	225,747	–	–
Capital reduction	(162,245)			162,245				–
								–
Capital increase	48,518		1,340,908	–				1,389,426
								–
Capital increase expenses			(9,302)					(9,302)
	50,156	**16,388**	**2,018,823**	**162,245**	**(208,866)**	**(37,487)**	**23,793**	**2,025,053**

Share capital and share premiums

As at December 31, 2021, the registered share capital of Europcar Mobility Group was €50,156,401 composed of 5,015,640,081 shares of €0.01 each, all of which correspond to ordinary shares.

The following capital transactions took place during fiscal year 2021:

Date	Operation	Share capital *(€)*	Legal reserve *(€)*	Issue premium *(€)*	Number of shares	Par value *(€)*
12/31/2020		163,884,278	16,388,428	687,217,731	163,884,278	1
02/26/2021	Capital reduction [1]	-162,245,435	-	-	-	0.01
02/26/2021	Reserved capital increase [2]	29,836,935	-	1,103,966,590	-	0.01
02/26/2021	Capital increase [3]	13,163,419	-	236,941,545	-	0.01
02/26/2021	BSA [3]	5,517,204	-	-	-	0.01
02/26/2021	Capitalized fees [4]	-	-	-9,302,442	-	0.01
12/31/2021		**50,156,401**	**16,388,428**	**2,018,823,424**	**5,015,640,081**	**0.01**

(1) Decrease in the Company's share 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 share capital of the 2024 Bonds and 2026 Bonds for a principal amount of €1,100 million plus accrued and unpaid interest and amounting to €33.4 million on the transaction date (February 26, 2021) and the conversion into capital of the Crédit Suisse loan, for a principal amount of €50 million plus accrued and unpaid interest of €0.4 million on the transaction date (February 26, 2021).
(3) Includes the capital increase subscribed in cash through the issuance of new ordinary shares with preferential subscription rights for an amount of €250 million and the injection of €6 million of liquidity related to the exercise of the Guarantee Warrants, the Participation Warrants, and the Coordination Warrants, distributed mainly to Bondholders.
(4) As part of the financial restructuring plan, fees were allocated to equity instruments for a total amount of €9 million.

As of December 31, 2021, the distribution of shareholders in the capital of the Company is as follows:

Shareholders	Total number of shares	% of ordinary shares and voting rights	% of share capital
Anchorage Capital Group	1,249,312,849	24.95%	24.91%
Marathon Asset Management LP	539,774,396	10.78%	10.76%
Attestor Ltd	641,514,896	12.81%	12.79%
Diameter Capital Partners LP	260,738,525	5.21%	5.20%
Centerbridge Partners	310,616,449	6.20%	6.19%
UBS Group AG	252,666,888	5.05%	5.04%
Carval Investors LP	254,574,218	5.08%	5.08%
Treasury shares	8,552,323	0.00%	0.17%
FCPE	3,930,487	0.08%	0.08%
Other	1,493,959,050	29.85%	
TOTAL	**5,015,640,081**	**100%**	**100%**

As of December 31, 2020, the distribution of shareholders in the capital of the Company is as follows:

Shareholders	Total number of shares	% of ordinary shares and voting rights	% of share capital
Eurazeo SE	48,988,240	31.42%	29.89%
Dws Investment Gmbh	9,161,334	5.88%	5.59%
Merrill Lynch	8,282,744	5.31%	5.05%
Public	88,075,993	57.00%	53.74%
FCPE Europcar	615,428	0.39%	0.38%
Treasury shares	8,760,539	-	5.35%
TOTAL	**163,884,278**	**100%**	**100%**

Regulated provisions

(in thousands of euros)	Amounts at 12/31/2020	Accruals during the period	Provisions reversed during the period (used)	Provisions reversed during the period (unused)	**Amounts at 12/31/2021**
Accelerated depreciation (See Note 2.3)	23.793				23.793
Regulated provisions	**23.793**	**-**	**-**	**-**	**23.793**

Note 19 Provisions

(in thousands of euros)	Amounts at 12/31/2020	Accruals during the period	Provisions reversed during the period	Reclass.	**Amounts at 12/31/2021**
Provisions for risks and expenses	7,282	1,720	7,282	-	1,720
Impairment	-	-	-	-	-
PROVISIONS	**7,282**	**1,720**	**7,282**	**-**	**1,720**

At December 31, 2021, Europcar Mobility Group S.A. recognized an unrealized foreign exchange loss on the loan granted to its US subsidiary EmobG US for €1,264 thousand, which was provisioned for risks and charges in the same amount.

Leicester City Council Trading Standards Services investigation

On June 23, 2017, the Leicester City Council Trade Services Investigation Department opened an inquiry into Europcar UK for a breach of regulation 9 of the Consumer Protection from Unfair Trading regulations 2008, based on allegations according to which: Europcar UK (i) had billed its customers, without their consent, repair costs for damage caused to vehicles in cases where the damage was contested, and (ii) had billed excessive amounts, over and above the actual cost of the repairs. Europcar UK is cooperating with the authorities in charge of the inquiry. Together with the commercial practices inspection services, Europcar UK has drawn up the list of documents that the Company is required to submit and has appointed Deloitte to handle the matter. The results of the inquiries carried out by Deloitte were presented to the Trade Services Investigation Department in November 2018.

The Leicester Trade Services Department's investigations are in progress and the Group continues to fully cooperate with the authorities.

In its financial statements as of December 31, 2017, the Group recorded a provision of £38 million (€43 million) in non-recurring expenses (see Note 10 "Risks and Litigation" on liquidity risk in the 2017 financial statements included in the consolidated financial statements as at December 31, 2018).

This amount corresponded to the Group's best estimate, at this very early stage of the investigation, based on a number of assumptions, including an assumption that the charging practices are misleading under Article 9 of the 2008 Consumer Protection Act on Unfair Trading and potentially inappropriate behavior when charging repairs costs to consumers.

On the basis of the items analyzed at that date, the Group decided to retain the provision of £38 million (€45 million) recognized at December 31, 2021.

Off-balance sheet items

Note 20 Off-balance sheet commitments

a) Guarantees

Pursuant to Article 4 of regulation 2010-02 of September 2, 2010 of the French Accounting Standards Authority, repealed and subsequently included in ANC 2014-03, amended by ANC regulation 2016-07 relating to related party transactions and transactions not recorded in the statement of financial position, the financial commitments of the Company, given and received, as of December 31, 2021 are as follows:

ENDORSEMENTS, GUARANTEES AND SURETIES GIVEN

As a guarantee of the Senior Credit Facility (or SFA), dated February 26, 2021, the following guarantees have in particular been set up by the Company for the benefit of lenders and hedging banks:

- joint and several guarantee of the obligations of the borrowers and lenders (Obligors);
- pledge of Europcar International S.A.S.U. shares and those of some of its subsidiaries held directly or indirectly by the Company.

As a guarantee of the issue contract (Indenture) governing the EC Finance Bonds (bonds issued for a principal amount of €500 million and bearing interest at a rate of 3% redeemable in 2026), dated October 7, 2021, the following guarantee has in particular been put in place by the Company: joint and several guarantee of the obligations of EC Finance plc under the issue contract and the obligations.

A pledge in favor of the VFFA lenders of the "Junior Notes" subscribed by Europcar International and issued by FCT Sinople as part of the pan-European securitization program.

GUARANTEES AND SURETIES RECEIVED

Asset and liability guarantee granted by the Volkswagen group

The Company was granted a vendor warranty by Volkswagen at the time of its acquisition of the Europcar Group in 2006. This warranty is expired and can no longer be implemented.

b) Employee benefit financial obligations

The legal and contractual retirement indemnities amounted to €107 thousand (€159 thousand in 2020) based on the valuation method prescribed by ANC recommendation No. 2013-02.

The Company has commitments with respect to defined employee pension plans (PIDR). This commitment is measured by an independent actuary using the projected units of credit. This method requires the use of the specific actuarial assumptions set out below. These actuarial valuations are carried out at each balance sheet date by estimating the present value of the amount of the future benefits acquired by the members of the personnel in return for the services rendered during the current and previous years, and include the impact of future increases in wages.

The assumptions are:

- Discount rate: 0.90%;
- Long-term inflation rate: 1.90%;
- Return on the fund: 0.09%;
- Rate of increase in salaries: 3.50%.

The cost of services rendered in 2021 was €21 thousand, and the financial cost was €1 thousand.

c) Other commitments

None.

Additional information

Note 21 Headcount

	Average headcount at 12/31/2021	
	Personnel employees	Personnel seconded to the company
Managers and similar	7.5	-
TOTAL	**7.5**	**-**

Note 22 Free share grants

The Company's Extraordinary General Meeting dated as of May 10, 2016, in its 12th resolution, authorized the implementation free performance shares award scheme, in favor of some employees or managers of the Group. This authorization was given for a 26-month period and was valid until July 8, 2018.

Europcar's Shareholders' Meeting of April 26, 2019, in its 32nd resolution, authorized the establishment of a free performance shares award scheme for certain employees and executives of the Group.

(i) "AGA 18"

On March 20, 2018, the Supervisory Board authorized the Management Board to implement a free share award scheme for executives and certain employees of the Group (the "2018 AGA Plan").

The acquisition of these performance shares, following a vesting period of three years, is subject to the beneficiary's continued employment with the Group on the vesting date, and the achievement of the following performance conditions for the fiscal year ended December 31, 2018, December 31, 2019 and December 31, 2020, related to (i) Group EBITDA, (ii) revenue, and (iii) a relative TSR (Total Shareholder Return).

Furthermore, following the three-year vesting period, no holding period is required for free shares.

The number of free shares initially granted was 901,781. At December 31, 2021, no more free shares under AGA 19 are still being vested. In fiscal year 2021, 208,214 shares were distributed.

(ii) "AGA 19"

The Supervisory Board examined and authorized on March 20, 2019 the main terms and conditions for a free share grant plan to be implemented in 2019 for members of the Management Board, executives and certain other managers of the Group (the "2019 AGA Plan").

The acquisition of these performance shares, following a vesting period of three years, is subject to the beneficiary's continued employment with the Group, and the achievement of the following performance conditions for the fiscal years ended December 31, 2019, December 31, 2020 and December 31, 2021 related to Cumulative Group Revenue, the average corporate EBITDA margin rate and relative TSR (Total Shareholder Return).

Furthermore, following the vesting period of three (3) years, no retention period is required for free shares.

The number of free shares initially granted was 968,000. At December 31, 2021, 792,000 free shares under AGA 19 are still being vested.

The details of the free share plans are as follows:

	Type of plan	Grant Date	Number of shares granted	Number of shares outstanding	Length of vesting period	Vesting Period	Fair value of the shares *(in €)* (1)
AGA 18	Free shares	July 25, 2018	658,981	-	3 years	July 25, 2021	7.98
AGA 18	Free shares	October 25, 2018	242,800	-	3 years	October 25, 2021	7.57
AGA 19	Free shares	May 22, 2019	573,000	478,000	3 years	May 22, 2022	5.92
AGA 19	Free shares	November 4, 2019	395,000	314,000	3 years	November 4, 2022	2.9

(1) Fair value at grant date.

The 20% employer contribution for the AGA 18 and AGA 19 plans was calculated on a basis corresponding to the fair unit value of the shares as estimated at the grant date.

The changes to the acquisition of free shares during the 2021 and 2020 fiscal years are shown in the following table:

	Number of shares
Currently vesting as at January 1, 2020	**1,732,181**
Granted	-
Canceled	(33,500)
Delivered	-
Currently vesting as of January 1, 2021	**1,698,681**
Granted	-
Canceled	(698,467)
Delivered	(208,214)
CURRENTLY VESTING AT DECEMBER 31, 2021	**792,000**

Significant assumptions used

The weighted average fair value of the allocated shares was determined on the grant date using the Monte Carlo simulation model.

For the AGA 18 and AGA 19 plans, the dividend rate was 3%. The fair values on the grant date were calculated by restating the amount of dividends discounted during the vesting period.

Note 23 Subsidiaries and affiliates

Corporate name	Share capital / Shareholders' equity	Percentage held / Dividends received	Gross value of shares / Net value Equity	Loans, advances / Guarantees	Revenue / Net profit (loss)
Subsidiaries (over 50%)					
Europcar International SASU (FRANCE)	110,000	100%	1,241,195	-	59,358
	39,310	-	1,158,986	-	(45,622)
EC Participations	18,510	100%	185,010	-	224
	14,081	-	136,864	-	14,907
Associates (10 to 50%)	**-**	**-**	**-**	**-**	**-**

Statutory Auditors' report on the Financial Statements

(For the year ended December 31, 2021)

This is a translation into English of the Statutory Auditors' report on the financial statements of the Company issued in French and it is provided solely for the convenience of English speaking users.

This Statutory Auditors' report includes information required by European regulation and French law, such as information about the appointment of the Statutory Auditors or verification of the management report and other documents provided to shareholders.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the shareholders
Europcar Mobility Group
13 Ter Boulevard Berthier
75017 PARIS

Opinion

In compliance with the engagement entrusted to us by your Annual General Meeting, we have audited the accompanying financial statements of Europcar Mobility Group for the year ended December 31, 2021.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company as at December 31, 2021 and of the results of its operations for the year then ended in accordance with French accounting principles.

The audit opinion expressed above is consistent with our report to the Audit Committee.

Basis for Opinion

Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Statutory Auditors' Responsibilities for the Audit of the Financial Statements* section of our report.

Independence

We conducted our audit engagement in compliance with independence requirements of the French Commercial Code (code de commerce) and the French Code of Ethics (code de déontologie) for Statutory Auditors, for the period from January 1, 2021 to the date of our report and specifically we did not provide any prohibited non-audit services referred to in Article 5 (1) of regulation (EU) No 537/2014.

Justification of Assessments – Key Audit Matters

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

It is in this complex and evolving context that, in accordance with the requirements of Articles L. 823-9 and R. 823-7 of the French Commercial Code (code de commerce) relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the financial statements.

Valuation of Investments

Identified risk	Audit approach
Investment securities are recorded at their purchase price, including costs directly attributable to their acquisition. Investment securities net book value amounts to €1.296 billion as of December 31, 2021, i.e. 51% of total assets. As indicated in note 2.3, annual impairment test is performed on securities. Value in use is determined using the discounted future cash flow method based on business plans prepared by the management of each entity and validated by the Group management. An impairment loss is recognised in the balance sheet when their net carrying amount exceeds their value in use. Considering investments securities are significant, the high degree of estimate and judgment to build models, and their sensitivity to changes in the data and assumptions underlying the estimates, particularly cash flow forecasts and discount rates used, we considered the valuation of investments to be a key audit matter.	Our procedures mainly consisted of: • understanding the process to prepare the business plans used by the management to determine the recoverable amounts; • comparing the main assumptions made by the management with business performance over the past years and assessing variances between previous years forecast and actual figures; • assessing the principles and methods to determine the value in use of securities in accordance with generally accepted valuation methods; • challenging and corroborating, notably through interviews with management, the reasonableness of the main data and assumptions underlying the estimates such as future cash flow forecasts, long term growth rate and discount rates; • testing the arithmetical accuracy of the valuations used by the management on a sample basis; • performing our own sensitivity analysis. We assessed, with the support of our valuation experts: • the discount rates (WACC) used to determine the discounted cash flows; • the long term growth rate used to determine the terminal value. We also assessed the appropriateness of the disclosures in Notes 2.3 and 11 to the annual financial statements.

Specific verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by French laws and regulations.

Information given in the management report and in the other documents with respect to the financial position and the financial statements provided to the shareholders

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the management report of the Management Board and in the other documents with respect to the financial position and the financial statements provided to the shareholders.

We attest the fair presentation and the consistency with the financial statements of the information relating to the payment deadlines mentioned in Article D. 441-6 of the French Commercial Code (code de commerce).

Report on corporate governance

We attest that the Management's report on corporate governance sets out the information required by Articles L. 225-37-4 and L. 22-10-10 and L. 22-10-9 of the French Commercial Code (code de commerce).

Concerning the information given in accordance with the requirements of Article L. 22-10-9 of the French Commercial Code (code de commerce) relating to remunerations and benefits received by the Directors and any other commitments made in their favour, we have verified its consistency with the financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your company from controlling and controlled companies. Based on these procedures, we attest the accuracy and fair presentation of this information.

With respect to the information relating to items that your company considered likely to have an impact in the event of a takeover bid or exchange offer, provided pursuant to Article L. 22-10-11 of the French Commercial Code (code de commerce), we have agreed this information to the source documents communicated to us. Based on these procedures, we have no observations to make on this information.

Other information

In accordance with French law, we have verified that the required information concerning the purchase of investments and controlling interests and the identity of the shareholders and holders of the voting rights has been properly disclosed in the management report.

Report on Other Legal and Regulatory Requirements

Format of presentation of the financial statements intended to be included in the annual financial report

We have also verified, in accordance with the professional standard applicable in France relating to the procedures performed by the Statutory Auditor relating to the annual and consolidated financial statements presented in the European single electronic format, that the presentation of the financial statements intended to be included in the annual financial report mentioned in Article L. 451-1-2, of the French Monetary and Financial Code (code monétaire et financier), prepared under the responsibility of the Chief Executive Officer, complies with the single electronic format defined in the European Delegated regulation No 2019/815 of 17 December 2018.

Based on the work we have performed, we conclude that the presentation of the financial statements intended to be included in the annual financial report complies, in all material respects, with the European single electronic format.

We have no responsibility to verify that the financial statements that will ultimately be included by your company in the annual financial report filed with the AMF are in agreement with those on which we have performed our work.

Appointment of the Statutory Auditors

We were appointed as Statutory Auditors of Europcar Mobility Group by your status on March 9, 2006 for PricewaterhouseCoopers Audit and by the Annual General Meeting held on May 16, 2013 for Mazars SA.

As at December 31, 2021, PricewaterhouseCoopers Audit was in the 16th year of total uninterrupted engagement and Mazars SA was in the 9th year of total uninterrupted engagement, and both, 7 years since securities of the Company were admitted to trading on a regulated market.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with French accounting principles and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risks management systems and where applicable, its Internal Audit, regarding the accounting and financial reporting procedures.

The financial statements were approved by the Board of Directors.

Statutory Auditors' Responsibilities for the Audit of the Financial Statements

Objectives and audit approach

Our role is to issue a report on the financial statements. Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As specified in Article L. 823-10-1 of the French Commercial Code (code de commerce), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the Statutory Auditor exercises professional judgment throughout the audit and furthermore:

- identifies and assesses the risks of material misstatement of the financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;
- evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the financial statements;
- assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the Statutory Auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein;
- evaluates the overall presentation of the financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

Report to the Audit Committee

We submit to the Audit Committee a report which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in Article 6 of regulation (EU) N° 537/2014, confirming our independence within the meaning of the rules applicable in France such as they are set in particular by Articles L. 822-10 to L. 822-14 of the French Commercial Code (code de commerce) and in the French Code of Ethics (code de déontologie) for Statutory Auditors. Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Neuilly-sur-Seine and Courbevoie, March 3, 2022

The Statutory Auditors
French original signed by

PricewaterhouseCoopers Audit	MAZARS
Romain Dumont	Guillaume Devaux

3.7 INFORMATION ON PAYMENT TERMS OF SUPPLIERS AND CUSTOMERS OF THE PARENT COMPANY EUROPCAR MOBILITY GROUP S.A

At December 31, 2021

	Invoices received but not settled at year-end and therefore past due					
(in thousands of euros)	**Due at 0 days**	**Due between 1 and 30 days**	**Due between 31 and 60 days**	**Due between 61 and 90 days**	**Due at more than 91 days**	**Total (1 day and over)**
A. Overdue tranche Number of invoices concerned	55	1	0	0	8	9
Total amount of invoices concerned excl. tax	794	1	0	0	14	15
Percentage of the total amount of purchases excl. tax for the year	0,030%	0%	0%	0.00%	0.0005%	0.0005%
Percentage of total revenue excl. tax for the year						
B. Overdue tranche Number of invoices excluded	0					
Total amount of invoices excluded	0					
C. Payment terms used to calculate payment delays Payment terms used to calculate payment delays	Contractual terms of 60 days from end of month of date of invoice					

At December 31, 2021

	Invoices issued but not settled at year-end and thus still due					
(in thousands of euros)	Due at 0 days	Due between 1 and 30 days	Due between 31 and 60 days	Due between 61 and 90 days	Due no more than 91 days	Total (1 day and over)
A. Overdue tranche Number of invoices concerned	20				6	6
Total amount of invoices concerned incl. tax	1,719	0	0	0	232	232
Percentage of the total amount of purchases excl. tax for the year						
Percentage of total revenue excl. tax for the year	0%	110.88%	0%	0%	0%	0%
B. Overdue tranche Number of invoices excluded	0					
Total amount of invoices excluded	0					
C. Payment terms used to calculate payment delays Payment terms used to calculate payment delays	Contractual terms of 30 days from end of month of date of invoice					

3.8 OUTLOOK FOR 2022

The guidance presented in this chapter has been made as of April 25, 2022.

Given the current climate, with volumes still limited by the shortage of vehicles, an increased cost base (fleet and global inflation) and the difficulty in predicting the overall impact of the conflict in Ukraine, the Group is unable to provide an outlook for 2022 and beyond.

However, the Group is on track with the roll out of its strategic roadmap, having already reaped the first tangible benefits in 2021. This transformation will accelerate over the course of 2022 with an emphasis on digitalizing the customer experience and operations. The Group is confident in its ability to deliver sustainable and profitable long-term growth.

3.9 INFORMATION ON MEDIUM-TERM TRENDS AND OBJECTIVES

The mobility sector still faces significant challenges in terms of use vs ownership and the search for needs-based and more environmentally friendly solutions using more digital and agile means. This is the challenge set out in the Group's Connect transformation plan, which aims to bring revenue back up to around 2019 levels by 2023.

3.10 SIGNIFICANT CHANGE IN THE FINANCIAL OR BUSINESS POSITION

See Chapter 3.4 Consolidated Financial Statement of this Universal Registration Document, Section 1.2 Main events of the period.

4 STATEMENT OF NON-FINANCIAL PERFORMANCE

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4.1 INTRODUCTION

4.1.1 Europcar Mobility Group's value creation model

Europcar Mobility Group's value creation model is presented in the introduction to the Universal Registration Document.

4.1.2 Commit Together, our Corporate Social Responsibility program

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

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

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

- to offer attractive alternatives to owning an individual vehicle, in a responsible and sustainable manner:

  Responsibly:

  - by contributing to the safe mobility of people and goods,
  - by making mobility flexible and accessible to all,
  - by providing a natural complement to public transport and micro-mobility solutions;

  Sustainably:

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

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

The commitments of the Commit Together program are incorporated into the objectives of executives to support the implementation of its actions.

By focusing on four main priorities, the Commit Together program supports the Group's Purpose, as well as its strategy.

Make mobility accessible

We are convinced that mobility is a driver of social inclusion, and in this sense, we consider access to mobility as a key factor. This is why Europcar Mobility Group proposes a range of offers that is diversified enough to cover all customer needs, budgets and limitations, and make mobility as widely accessible as possible.

In addition, the Group's social inclusion initiatives also focus on access to mobility, and aim to support people with reduced mobility and those who are disadvantaged for whatever reason it may be.

2021 highlights

- as the impact of the Covid-19 crisis continued in 2021, Europcar Mobility Group continued to provide regular access to vehicles for healthcare personnel and/or charities working to alleviate the effects of the pandemic (e.g. associations combating student poverty);
- the Group also extended the scheme for loaning cars to victims of domestic violence: under this scheme, in France, the Group signed a partnership with the association "Premier pas" [First Step] to provide vehicles free of charge to facilitate the relocation of victims and their transition to a life free of violence;
- lastly, the Group worked on making its customer services accessible to people who are deaf or hard of hearing: as such, it partnered with DEAFI, a customer relations center specifically for those who are deaf and hard of hearing. In a pilot project in France and Belgium, this service is provided by deaf or hard of hearing Video Customer Advisers, who respond to the requests of deaf customers in French Sign Language (LSF) in real time via webcam;
- europcar Mobility Group Spain supports the "Reconduce tu futuro" [Take back your future] project launched with the Fundación Randstad, which helps people with disabilities obtain their driving license free of charge in Madrid. For the beneficiaries, having a driving license improves their employment prospects by making it possible for them to access their workplace more easily and more independently. Europcar Mobility Group and Fundación Randstad have been collaborating since 2018 to improve the professional integration of people with disabilities, through awareness-raising initiatives, conferences and volunteering.

Act for the environment

By the very nature of its activities, our Group contributes to achieving a low carbon world by offering attractive alternatives to car ownership, contributing in this way to the reduction of the number of cars on the roads and in our cities.

In addition, the Group has rolled out its "CONNECT" transformation plan based on the ambition to be a major player in sustainable mobility in the years to come. This involves implementing specific initiatives aimed at reducing the Group's carbon footprint.

2021 highlights

- having joined the Science Based Targets initiative in 2019, the Group strengthened its approach to sustainable mobility in 2021 with the launch of a systemic carbon reduction plan – which is monitored by its own steering Committee – and the integration of this plan into the Group's "CONNECT" strategic plan. This carbon reduction plan for 2030 covers all of the Group's emissions-intensive activities and is based on seven levers of action, the most important of which is the electrification of its fleet;
- in September 2021, Europcar Mobility Group took another key step in the implementation of its carbon emissions reduction plan, with a "Sustainability-linked" bond issue, carried out on the basis of solid sustainable performance objectives: the gradual reduction of emissions from the Group's rental fleet, to reach an average of 93g CO_2/km for cars and 144g CO_2/km for trucks respectively by the end of 2024. In addition, the Group has set itself a target to have 20% of the vehicles in this same fleet electrified – both electric and plug-in hybrid (with average emissions of less than 50g CO_2/km) by the end of 2024.

Be a responsible employer

The Group is convinced that its performance is closely linked to its commitment, diversity and the development of its employees.

These three pillars are the foundations upon which the Group's responsibility as an employer rests and the focus of its efforts, while it ensures that any major societal changes affecting the workplace are incorporated as and when they arise.

2021 highlights

Europcar Mobility Group is, in essence, a Group that is distinguished by the diversity of backgrounds in its corporate make-up. In order to continue to make this diversity both a value and a driver of performance, particular emphasis was placed on gender equality in 2021. Two flagship initiatives were carried out:

1) the implementation of an online training module on Diversity/Inclusion/Equity, intended for Group managers, which is specifically designed to raise their awareness of the unconscious bias that can potentially lead to circumstances that block/hinder the career development of women within the company;

2) a survey on gender equality within the Group, carried out by the Women in Mobility (WOMOB) internal network in order to find out how employees feel about issues such as pay, access to promotions, parenthood, unconscious bias, and more. Following the presentation of the results, employees were able to put all their questions to the Group's Chief Executive Officer and Human Resources Director and identify areas for improvement in two live chat sessions on Facebook Workplace (the Group's internal social network). These initiatives produced their first positive results in 2021, with the 2021 gender equality index ranking of the Group's France entities increasing from 74 points in 2019 to 94 points in 2021 for the Europcar Mobility Group France workforce, and from 81 points in 2020 to 86 points for the Group's headquarters workforce (based in France).

Share our business ethics

We take pride in our values and constantly strive to adhere to our business ethics, which is a key factor for enhancing our customers' trust and loyalty and that of our partners.

The Group wishes to further involve its stakeholders, both internal and external, through the commitments made in its Code of Ethics and by increasingly integrating CSR into its supplier relationships.This intent is reflected in the dedicated tools and programs we use, and in our regular training/awareness campaigns.

2021 highlights

- with a view to increasing control over its value chain, in May 2021 Europcar Mobility Group, in partnership with Ecovadis, implemented a process for evaluating the CSR performance of its suppliers as part of a sustainable purchasing program. This initiative will enable the Group to ensure that its partners are aligned with CSR criteria through a mapping of purchasing and CSR risks and opportunities;
- a dedicated e-learning program has been launched to train Group employees on the various issues and matters related to financial sanctions, the rules applicable to ethics and corruption. 83.5% of employees took this training in 2021.

4.1.3 The *Commit Together* program's contribution to the United Nations Sustainable Development Goals (SDGs)

In 2005, the Group was the first operator in the vehicle rental sector to adhere to the principles of the United Nations Global Compact. Every year since then, the Group has reaffirmed its commitment to adhere to all 10 principles – based on the Universal Declaration of Human Rights, the ILO Declaration, the Rio Declaration on Environment and Development, and the United Nations Convention against Corruption – and to contribute to the achievement of the 17 United Nations Sustainable Development Goals (SDG).

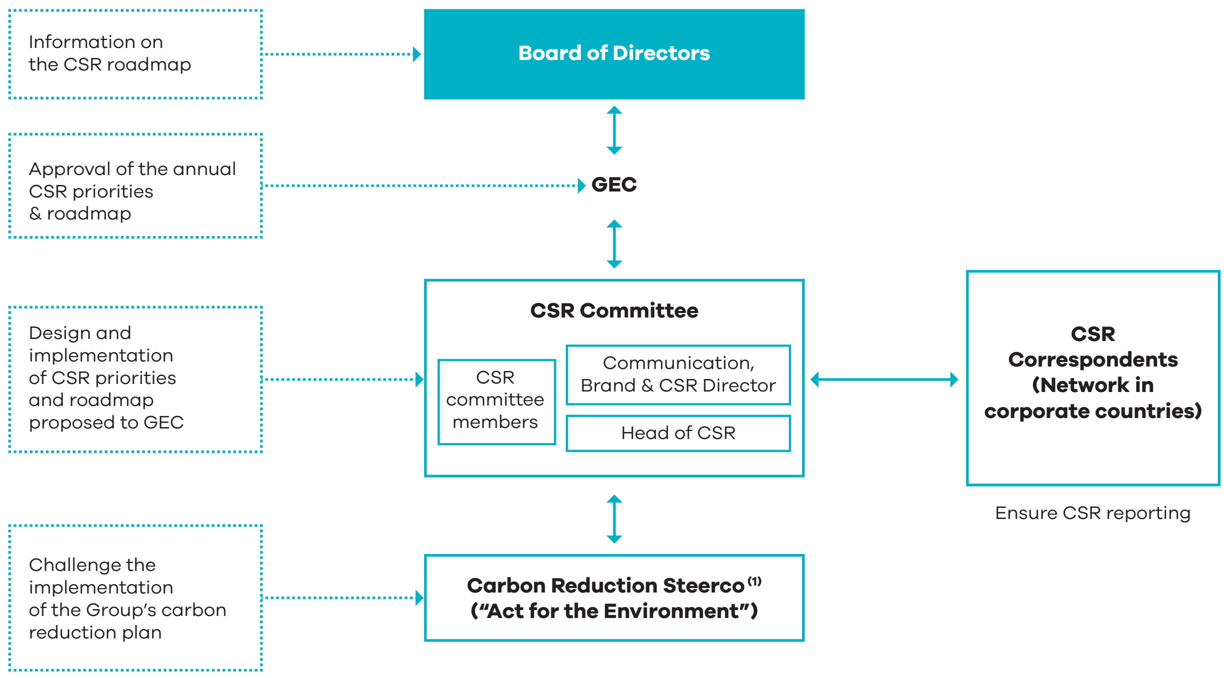
Specifically, the Group has committed to help achieve the following goals where it believes it can take relevant action:

Commit Together Program	4 Quality Education	5 Gender Equality	6 Clean Water and Sanitation	8 Decent Work and Economic Growth	10 Reduced Inequalities	11 Sustainable Cities and Communities	13 Climate Action	17 Partnerships for the Goals
Make mobility accessible								
Offer a broad variety of mobility solutions that are alternatives to individual car ownership					■	■	■	
Ensure the accessibility of our offers, regardless of our customers' needs or budget					■	■	■	
Be a responsible employer								
Implement dynamic Human Resource Management practices		■		■				
Develop a labor policy to promote dialog		■		■				
Make diversity a driver of the Group's performance		■						
Attract talents, develop them and support employees' career paths	■			■				
Act for the environment								
Measure the Group's carbon footprint			■			■	■	■
Roll out a carbon reduction plan to keep the Group's carbon trajectory on track			■		■	■	■	■
Share our business ethics								
Propose a service that complies with the highest safety standards					■			■
Target a high level of customer satisfaction								
Source responsibly							■	
Exercise a duty of care				■				
Combat corruption				■				
Share our business ethics				■				

4.1.4 CSR organization and governance

The *Commit Together* program draws on a dedicated organization structure and a form of governance that allows the Group to set the priorities of the program and manage its implementation.

The Group's CSR governance was organized as follows:



(1) Carbon Reduction Steerco: launched in 2021.

4.1.5 The Group's ESG performance

In 2021, as a result of its ongoing implementation of the *Commit Together* program, the Group has improved its non-financial ratings.

	Description	Rating	2021 rankings
MSCI	MSCI ESG rates companies on a scale from "AAA to CCC" based on their exposure to ESG risks and the way in which these risks are managed, and how they stand compared to their peers.	AA Scoring scale from CCC to AAA	**Stable** regarding 2020 "Leader" status
Moody's ESG Solutions	Vigeo Eiris is an independent global provider of ESG research and services for investors, public and private organizations and NGOs. It provides support for financial and managerial decision-making, allowing its clients to make better informed investment decisions with a view to achieving medium- and long-term performance	60 Scoring scale on 100	Down from **61 to 60**, a decreased of 1 point compared to 2020 **4th out of 21 companies in the sector**
CDP DISCLOSURE INSIGHT ACTION	CDP is the largest environmental reporting platform dedicated to companies and cities. The rating scale from D- to A allows these actors to measure and manage their environmental impacts.	B Scoring scale from D- to A	Stable regarding 2020; Higher performance compared to sectorial average **Europcar Mobility Group implements sustained actions with respect to climate issues**
SUSTAINALYTICS	Sustainalytics measures companies' ability to proactively manage the environmental, social and governance-related risks associated with their activities. Based on a structured, objective and transparent methodology, it provides an assessment on companies' ability to mitigate risks and capitalize on opportunities.	12.1 Rating scale from 40+ to 0 (inverted scale: 0 = negligible risk and 100 = severe risk)	Stable regarding 2020 **Move to 1st position out of 339 companies** rated in the transportation sector (2nd out of 327 in 2020). **Group demonstrating continued control of ESG risks**
ecovadis GOLD 2021 ecovadis Sustainability Rating	EcoVadis proposes a full CSR rating service through a global SaaS (Software as a Service) platform. EcoVadis ratings focus on a wide range of non-financial management systems with particular emphasis on the following themes: Environment, Social & Human Rights, Ethics and Responsible Purchasing. Companies are rated on essential issues depending on their size, location and sector of activity.	72 Scoring scale on 100	**Up 2 points** compared to 2020 "Gold" medalist Overall score greater than 98% of companies rated In the top 1% for environmental issues In the top 7% of companies in its sector

	Description	Rating	2021 rankings
ISS ESG	ISS ESG ratings are used by investors to formulate and implement responsible investment policies and practices, to commit to responsible investment issues and to monitor portfolio companies' practices. They also provide climate data and research and advisory services to help financial-market players understand, measure and act on climate-related risks across all categories of assets.	C Scoring scale from D- to A+	**Stable** regarding 2020 Above industry average score on pollution prevention, environmental protection, working standards and conditions, and customer and stakeholder responsibility.
Gaïa Rating	Gaia Rating is a rating agency run by EthiFinance. It is a meeting point for small and medium-sized companies and their investors. Their ratings are used by financial players to identify high-performing companies and to incorporate ESG criteria in their investment decisions.	77 Scoring scale on 100	**Up 2 points** compared to 2020 Top 100 of the 400 companies rated by Gaïa (Service macro-sector, France) Top 30 of the 78 companies rated by Gaïa (Industrial sector, France) Top 5 Transport sub-sector (France) **70th out of the 178 companies** in the "Over 500 million euros in revenue" category

WE SUPPORT UN GLOBAL COMPACT

Europcar Mobility Group reaches the "Advanced" level of the UN Global Compact

Since 2005, Europcar Mobility Group has been committed to the UN Global Compact corporate responsibility initiative and its principles in the areas of human rights, labour, the environment and anti-corruption.

The United Nations Global Compact, is one of the largest international initiatives for commitment to sustainable development. With more than 13,000 participants in 170 countries, nearly 70 local networks around the world ensure a close relationship with members and national mobilization.

In 2005, Europcar Mobility Group was the first operator in the vehicle rental sector to adhere to the principles of the United Nations Global Compact. Every year since then, the Group has reaffirmed its commitment to adhere to all Ten Principles – based on the Universal Declaration of Human Rights, the ILO Declaration, the Rio Declaration on Environment and Development, and the United Nations Convention against Corruption – and to contribute to the achievement of the 17 United Nations Sustainable Development Goals (SDG).

In 2021, Europcar Mobility Group is proud to announce that its annual reporting (Communication on Progress, COP) qualified for the "Advanced" level, the highest level of reporting, which establishes the adoption of a range of good practices linked to the Global Compact principles. As such, the Group joins a privileged forum for dialog, reflection and collective learning, in order to continue to make progress on the "Advanced" level criteria. For Europcar Mobility Group, this recognition reflects the increasing maturity of its Corporate Social Responsibility (CSR) approach, strengthened by the launch of its Commit Together program in 2017.

4.1.6 Green taxonomy

4.1.6.1 Green taxonomy

On June 18, 2020, the European Union adopted the "Taxonomy" regulation (EU 2020/852). The aim of the European Taxonomy is twofold; (i) to encourage companies to determine where they are positioned on the EU's sustainable transition trajectory and, in so doing, (ii) to enable financial players to allocate financing to projects and assets recognized as contributing most to this trajectory as a matter of priority. The regulation establishes a system for the classification (taxonomy) of economic activities according to their potential for contributing to the six environmental objectives set by the EU (hence the common name "Green taxonomy"):

1) Climate change mitigation;
2) Climate change adaptation;
3) The sustainable use and protection of water and marine resources;
4) The transition to a circular economy;
5) Pollution prevention and control;
6) The protection and restoration of biodiversity and ecosystems.

Only the climate-related objectives will be reported on for 2021. The reporting criteria were eased for the first year of implementation in 2022 (reporting on 2021). The other four objectives will be reported on for the financial year 2023.

The regulation requires companies to identify those activities within their portfolio that correspond to this classification ("eligible activities") and to indicate the proportion of the company's overall activity these eligible activities represent. Therefore, the implementation of the Taxonomy requires the company to analyze where its activities sit in relation to the regulation and to publish information on how the analysis was conducted and its results.

4.1.6.2 The European taxonomy and its impact for companies

The Taxonomy is based on a three-step process that must be followed by all the companies concerned:

- eligibility analysis: the activities explicitly listed by the Taxonomy are said to be "eligible";
- alignment analysis: eligible activities are "aligned" with the Taxonomy – and therefore with the EU's environmental objectives – if they meet three criteria:
  1) they make a substantial contribution to at least one of the six environmental objectives,
  2) they do no significant harm to any other of the same six environmental objectives, and
  3) they comply with minimum safeguards in terms of respect for Human Rights, governed by the guiding principles of the OECD, the UN and the International Labour Organization.

  Specific analysis criteria are set out in the delegated acts for each economic activity;
- contribution analysis: once "aligned" activities have been identified, the company must calculate and publish information regarding the proportion of its overall activity these aligned activities represent, thereby demonstrating the extent to which it is aligned with the EU's transition trajectory.

For companies that are already required to publish a Statement of Non-Financial Performance, the initial provisions came into force on January 1, 2022. Only the eligibility analysis is required for the 2021 fiscal year, which includes publication of the following three key performance indicators: proportion of revenue, Opex and Capex eligible for the Green taxonomy.

4.1.6.3 Overview of the Group's methodology

With the regulation having entered into force on January 1, 2022, this is the first year in which the Group is subject to these new requirements. The principles of the green Taxonomy are set out in two regulations:

1) Regulation (EU) 2020/852 establishes the general framework for determining whether economic activity can be considered sustainable from an environmental perspective, for the purposes of determining the extent to which an investment is environmentally sustainable. It applies to the measures adopted by the Union or by Member States, that impose requirements on financial market players or issuers with regard to financial products or corporate bonds that are marketed as sustainable from an environmental perspective, on financial market players that offer financial products, and on companies that are required to publish a statement of non-financial performance or a consolidated statement of non-financial performance.
2) Commission Delegated regulation (EU) 2021/2139 of June 4, 2021 supplements regulation (EU) 2020/852 of the European Parliament and of the Council by establishing the technical screening criteria for determining the conditions under which an economic activity qualifies as contributing substantially to climate change mitigation or climate change adaptation and for determining whether that economic activity causes no significant harm to any of the other environmental objectives.

The main stages of the project are as follows:

1) **Definition of the scope of analysis**, covering checking the scope of analysis is complete before providing the NACE codes (or equivalent) for each subsidiary;
2) **Identification of exclusions:** some NACE codes for activities that are eligible under the Taxonomy correspond to legal entities that are not commercially active or dormant. In addition, as part of the securitization program for part of the fleet financing for Germany, France, Italy and Spain, SPEs have been incorporated under the name Securitifleet and Goldfleet in each of those countries and are either 100% owned or controlled (over 90%-controlled) by SPEs registered in France. The Group's scope of consolidation includes all Securitifleet and Goldfleet entities. Although they fulfill NACE code N77.11, it was decided to exclude consolidated SPEs because they do not conduct any business activity;

3) **Construction of financial indicators:** the financial data presented is taken from the financial statements as at December 31, 2021. Revenue and capital expenditure can therefore be reconciled with the financial statements. The revenue, capital expenditure and operating expenditure in question cover all of the Group's activities corresponding to the scope of consolidation of the companies it controls.

4.1.6.4 Group activities that are eligible under the green Taxonomy

The majority of the Group's legal entities fulfill NACE code N77.11, which corresponds to the rental and lease of motor vehicles, the Group's historic service line. Car-sharing activities also fall within the scope of this NACE code.

The Group has therefore evaluated its exposure to the following economic activities in the Taxonomy for the two objectives of "Climate change mitigation and adaptation":

- urban and suburban transport, road transport for passengers (6.3);
- operation of personal mobility systems, cyclo-logistics (6.4);
- transportation by motorbike, private car and light commercial vehicle (6.5).

4.1.6.5 Key performance indicators

The key performance indicators – Revenue, OPEX and CAPEX resulting from the eligibility analysis for Europcar Mobility Group are as follows:

(in millions of euros)	Year 2021
Group revenue	2,272
of which eligible revenue	96%
OPEX	278
of which eligible OPEX	97%
CAPEX (1)	2,425
of which eligible CAPEX	94%

(1) Fleet-related CAPEX are included in the eligibility analysis.

4.2 GROUP'S MAIN NON-FINANCIAL RISKS AND CHALLENGES

4.2.1 Introduction

The Group conducted its annual update of the map of its main non-financial risks and challenges in line with the legal provisions governing the disclosure of non-financial performance (French law No. 2018-898), the fight against corruption ("Sapin 2" – law No. 2016-1691), the duty of care (law No. 2017-399) and the United Nations Sustainable Development Goals.

To do this, a benchmark library of non-financial risks (questionnaires from ratings agencies, ISO certifications, etc.) was compiled and then refined to retain only those risks that might apply to the activities of Europcar Mobility Group. The Group then applied a methodological approach similar to the one used to identify "Group risks factors" in order to identify the Group's non-financial risks and challenges.

The non-financial risks were identified and classified by Group departments concerned with environmental, social, Human Rights and corruption issues.

- a strict and objective rating of the Group's non-financial risks is established every year. The rating was based on two business criteria that are also used in the classification of "Group risk factors":
  1) the frequency of the risk, which corresponds to the probability of occurrence of the risk or opportunity within a specified time scale,
  2) the severity of the risk for Europcar Mobility Group activities, which corresponds to the impact of the risk in terms of image, business, regulation or financial exposure;

- after the classification exercise, 7 risks and 2 opportunities were considered "main". These are presented in the table below, along with their associated policies and measures.

In 2021, the risk associated with the Covid-19 pandemic was incorporated in the list and the ratings were reviewed in light of the circumstances. The impact of the Covid-19-related risk on our business is discussed in Chapter 2 in the section on risks. No major changes to report compared to last year. It is to be noted, however, that "New customer practices and expectations", identified as an opportunity, was also incorporated as a risk in 2021.

For each one of the identified risks and opportunities, **Europcar Mobility Group has implemented a set of related policies, actions and performance indicators** to track the progress achieved. **These indicators are identified** throughout this Chapter with **the following symbol:** ★. They are grouped within the same *Commit Together* program cited above and described in greater detail in the following sections (Sections 4.3 et seq.). A cross-reference table is presented in Section 4.7 of this Chapter. The methodological details are presented in Section 4.8 of this Chapter.

4.2.2 Risks/opportunities dashboard

Type of risk/ opportunity	Description of the risk	Description of the opportunity	Related policies	Key performance indicators	2020 Results	2021 Results
Climate change and acceptability of mobile solutions	Note: nearly 30% of European greenhouse gas emissions are related to the transport industry, which is also the most energy-intensive industry. Mobility services are a contributor, with a growing carbon footprint due to massive urbanization and the increasing movement of people throughout the world. Against this backdrop, citizens and customers are progressively seeking more environment-friendly mobility solutions. If the Group fails to position itself as a leading player in the transition to a low-carbon world by proposing suitable solutions, it could be seen as belonging to the "old world" and overtaken by competitors that made the transition to sustainable mobility in time.	Due to its historical involvement in the car rental sector, the Group can propose alternatives to individual vehicle ownership, and thereby contribute to reducing the number of vehicles on the road and in cities. The natural extension of the vehicle rental model is car-sharing, which is a solution that favors sharing as opposed to possession, in urban zones. These activities that are being developed by the Group are solutions that contribute to the transition to a low-carbon world. And as the Group incorporates more "green" vehicles in its fleet in the coming years, its positioning as a sustainable-mobility player will be reinforced.	**Integral part of the CSR program Commit Together – Act for the environment** Roll out a carbon reduction plan to keep the Group's carbon trajectory on track	Greenhouse gas emissions (*as the methodology changed, the comparison is made with 2019 as the base year)	(Base year 2019) 3,217,211 t CO_2-eq	2,626,737 tCO_2eq
				Average emissions of CO_2/km from vehicles *(g/vehicle)* ★	130 g	147 g
				Proportion of operational subsidiaries that have initiated ISO 14001 certification ★	8 Corporate Countries	7 Corporate Countries
				Average length of time vehicles are kept in the fleet ★	10.7 months	13.4 months
				Proportion of Plug-in hybrid and electric vehicles in the fleet in 2021 ★	4% N.B: figure including electric, hybrid plug-in and hybrid vehicles	1.66% (2) N.B: this indicator was updated in 2021 to exclude hybrid vehicles from this count
				Number of kilometers covered by hybrid, plug-in hybrid and electric vehicles during the year	135 million km (i.e. 2% of kilometers traveled) 84 million km (i.e. <1% of km traveled)	73 million km (i.e. 1% of kilometers traveled) N.B: this indicator has been updated to exclude hybrid vehicles from this count

Type of risk/ opportunity	Description of the risk	Description of the opportunity	Related policies	Key performance indicators	2020 Results	2021 Results
Environmental footprint and regulatory pressure	Historically and currently, international laws and regulations seek to limit greenhouse gas emissions by setting caps/thresholds and taxing companies deemed to be responsible. In a sector such as the mobility sector, regulations tend to change at a dynamic pace. In the coming years, these rapid changes place further constraints on the Group's operations and impact its costs and operating income. For instance, regulatory agencies could set emission objectives for companies in the mobility sector, like the CAFE (Corporate Average Fuel Economy) which applies to automobile manufactures.			Proportion of vehicles washed without no water and no move	7.4%	Not available
Human resources and talent management	The Group's core business is service. To achieve this level of service, the Group implements specialized know-how in several areas, including the purchasing of vehicles, logistics, IT development, and the development of digital products. Of the Group's revenue, close to 75% is generated through its digital platforms (websites and applications). The Group's performance is therefore highly dependent on its ability to attract and retain people with specialized knowledge. Finally, regardless of the economic, social and health context of the countries in which it operates, the Group continues to protect the health and safety of its employees by implementing measures such as providing protection equipment, encouraging remote working, promoting wellbeing by providing psychological support services, depending on needs and situations.		**Integral part of the CSR program Commit Together – Be a responsible employer** • Attract talents, develop them and support employees' career paths • Values Program	Frequency rate of work-related accidents ★	12.72	11.84
				Total workforce and breakdown of employees according to gender ★	9,233 Female: 3,952 Male: 5,278	8,781 Female: 3,685 Male: 5,096
				Hires and departures ★	Hires: 1,034 Departures: 3,942	Hires: 2,529 Departures: 2,846
				Compensation and changes in compensation ★	€292.5m	€320.9m
				Proportion of employees who have received training ★	72%	95%
				Portion of share capital held by employees ★	0,4%	0.08%

Type of risk/ opportunity	Description of the risk	Description of the opportunity	Related policies	Key performance indicators	2020 Results	2021 Results
Corporate culture and buy-in of the Group's strategy	To provide a service on a large scale, in all its territories, yet with a fine-grained and highly personalized approach to each customer, the Group requires the commitment of its employees. In a mobility sector undergoing significant transformation, the Group needs to evolve quickly and constantly adapt its strategy to changes in its ecosystem. These rapid changes and adaptations may lead to misunderstandings on the part of the Group's employees and a decline in commitment. Lastly, to maintain process efficiency and optimal production lead times, the Group must regularly adapt its organizational structure and its governance.		**Integral part of the CSR program Commit Together – Be a responsible employer** • Implement dynamic Human Resource Management practices • Develop a labor policy to promote dialog • Make diversity a driver of the Group's performance	Proportion of employees represented by the European Works Council ★	80%	84%
Suppliers and supply chain	Given the nature of its business, Europcar Mobility Group makes the vast majority of its non-fleet purchases in the geographical regions where it operates (transporting the fleet, car washing, maintenance, etc.). • changes in regulations affecting business relationships, and in particular the duty of care, require that the Group put in place actions and mechanisms designed to prevent breaches of ethical rules within its supply chain.		**Integral part of the CSR program, Commit Together – Share our business ethics:** • Source responsibly • Exercise a duty of care	Proportion of audited suppliers incorporating CSR issues ★	0%	0% N.B: 2021 was devoted to developing the supplier evaluation tool, in partnership with Ecovadis, which will be operational at the beginning of 2022.
Combating corruption and fraud	The Group is present (either directly or through franchises, agents and partners) in over 140 countries, with some 3,500 stations worldwide. As such, the Group is exposed to widely varying national conditions and subject to a highly diverse collection of laws and local, national and international regulations, especially where combating corruption and fraud is concerned. Despite the regulatory monitoring and oversight to which the Group is subject, changes in legislation, regulations, case law or in competent authorities' decision-making practices could expose the Group to liability risks in terms of compliance.		**Integral part of the CSR program, Commit Together – Share our business ethics:** • Share our business ethics • Combat corruption	Share of Group employees having completed the compliance e-learning	Not available	83.5%

Type of risk/ opportunity	Description of the risk	Description of the opportunity	Related policies	Key performance indicators	2020 Results	2021 Results
New customer practices and expectations	Customer satisfaction is one of the Group's foremost concerns. Globally, this risk is a recurring theme owing to the hyperconnected world we live in today, and the uncontrolled use of social media. Negative content could be widely disseminated and tarnish the Group's reputation. This risk is due to the complexity of Europcar Mobility Group's business model. The Covid-19 pandemic has heightened customer expectations and requirements in terms of health and safety: contact-free service offerings, disinfection of vehicles and safety standards must now be incorporated to remain competitive and secure customer loyalty.	In response to the phenomenon of urbanization, and the increase in urban congestion and pollution, new mobility practices are emerging, characterized by a trend toward the replacement of the individual-vehicle ownership model by other practices, such as car sharing or long-lease rentals. These new practices are driven by both environmental and economic factors. Furthermore, the Covid-19 pandemic has heightened certain customer needs and expectations in terms of mobility, such as an increase in the use of digital technologies, new safety and contact-free standards, an expectation for simple and flexible services, and a desire for more sustainable, environmentally friendly mobility solutions. The Group, by virtue of its mission and purpose, its assets and its diverse range of mobility solutions, and catering as it does to different use cases, is well positioned to accommodate these new practices and expectations.	**Integral part of the CSR program Commit Together – Make mobility accessible and share our business ethics** **Group actions as regards accessible mobility:** • offer a wide variety of mobility solutions as alternatives to individual vehicle ownership; • ensure the accessibility of our offers, regardless of our customers' needs or budget; • target a high level of customer satisfaction.	Catalog of marketing offers ★		
				Catalog of mobility solutions ★		
				Net Promoter Score (NPS) ★	51.8	52.1(1)

(1) The Net Promoter Score for the Europcar brand is monitored historically as a key performance indicator. The NPS for all of the Group's brands was 41.1% for 2021 compared to 44.1% in 2020 (see details in Chapter 1 – Section 1.4.4.2, Customer Satisfaction).

(2) For this indicator, the scope is the Group's total fleet (excluding Luxembourg and Fox).
The Group also reports the % of EV and PHEVs on the scope of the countries representing 75% of the Group's total revenue (France, Germany, Belgium, UK, Spain, Italy, Denmark, Portugal, Norway, Finland and Ireland) = 1,85% in 2021.

4.2.3 Cross-reference table for the Taskforce on Climate-related Financial Disclosure (TCFD)

Themes	TCFD Recommendations	Source of information in CDP 2021
Describe the organization's governance regarding climate-related risks and opportunities.	a) Describe the Board of Directors' oversight of climate-related risks and opportunities.	C1.1a: positions of the individual on the Board with responsibility for climate-related issues C1.1b: details on the Board's oversight of climate-related issues
	b) Describe the role played by management in the assessment and management of climate-related risks and opportunities.	C1.2: highest management-level position(s) or Committee(s) with responsibility for climate-related issues
Describe the actual and potential impacts of climate-related risks and opportunities on the activities of the organization, its strategy and its financial planning, in so far as the information is relevant.	a) Describe the short-, medium- and long-term climate-related risks and opportunities identified by the organization.	C2.2a: risk types considered in your organization's climate-related risk assessments C2.3a: risks identified with the potential to have a substantive financial or strategic impact on your business C2.4a: idem for opportunities
	b) Describe the impacts of climate-related risks and opportunities on the activities of the organization, its strategy and its financial planning.	C3.3: influenced your strategy (and business activities) C3.4: influenced your financial planning
	c) Describe the resilience of the organization's strategy, taking into account various climate scenarios, including a scenario of 2°C or less.	C3.2a: climate-related scenario analysis
Describe how the organization identifies, assesses and manages climate-related risks.	a) Describe the organization's processes for identifying and assessing climate-related risks.	C2.1b: group riskmap and CSR riskmap C2.2: processes for identifying, assessing and responding to climate-related risks and opportunities
	b) Describe the organization's processes for managing climate-related risks.	N/A
	c) Describe how processes to identify, assess and manage climate-related risks are integrated into the organization's risk management protocols.	N/A

Themes	TCFD Recommendations	Source of information in CDP 2021
Describe the indicators and objectives used to assess and manage climate-related risks and opportunities, in so far as the information is relevant.	a) Describe the indicators the organization uses to assess climate-related risks and opportunities, in conjunction with its strategy and risk management process.	C9.1: metrics relevant to your business: – Average g CO_2 emissions/km from vehicles – ISO 14001 certified subsidiaries
	b) Publish Scope 1, Scope 2 and, if relevant, Scope 3 greenhouse gas (GHG) emissions and the corresponding risks.	C6.: emissions data (all scopes)
	c) Describe the objectives the organization uses to manage climate-related risks and opportunities, and its performance against those objectives.	C4.1: emissions target reduction (SBTi) C.4.2b: % of "green" vehicles

4.3 MAKE MOBILITY ACCESSIBLE

4.3.1 Group convictions regarding accessible mobility

Make mobility accessible

We are convinced that mobility is a driver of social inclusion, and in this sense, we consider access to mobility as a key factor. This is why Europcar Mobility Group proposes a range of offers that is diversified enough to cover all customer needs, budgets and limitations, and make mobility as widely accessible as possible.

In addition, the Group's social inclusion initiatives also focus on access to mobility, and aim to support people with reduced mobility and those who are disadvantaged for whatever reason it may be.

4.3.2 Group action as regards accessible mobility

4.3.2.1 Offer a broad variety of mobility solutions that are alternatives to individual car ownership

The Group is committed to offering a wide selection of mobility solutions, whatever the duration – rental by the hour or day through its car-sharing services; rental for a few days or weeks through its traditional rental services; and driver services for a few minutes, a few hours, etc. – which means that it can satisfy to a wide range of mobility uses and needs.

In formulating its strategy, the Group has factored in the exponential growth of cities over the next twenty years, and the accompanying growth in demand for mobility solutions.

To meet this challenge, the Group has invested in car-sharing services *via* the brands Ubeeqo (European leader in B-to-B and B-to-C round-trip car sharing) and GoCar (leader in car-sharing services in Ireland).

A diverse offering of mobility solutions ★

Mobility solution	Trademarks
Traditional car and light commercial vehicle rentals	**Europcar** – European leader for car and LCV rentals for private and business customers
	Goldcar – European leader in low-cost car rentals in the leisure segment
	InterRent – Car rentals in Europe, in the leisure segment in the midtier market
	Buchbinder – One of the largest players in car and LCV rentals in Germany.
	Fox Rent A Car – One of the leading players in the US car rental market, with an attractive value-for-money price positioning
Closed-loop car-sharing (B2B and B2C)	**Ubeeqo** – One of Europe's leading players in closed-loop (round-trip) car sharing for private and business customers
	GoCar – Leader in car-sharing services in Ireland

4.3.2.2 Ensuring the accessibility of our offers regardless of our customers' needs or budget

In addition to its wide range of services and vehicles, Europcar Mobility Group is keen to provide innovative offers that are accessible to all customer categories, whatever their needs and budgets.

Customers concerned	Offer details
Students	In France and Germany, Europcar has service offerings tailored specifically for students, with cheap rates for passenger- and light-commercial vehicle rentals to facilitate their frequent home relocations.
	In Portugal, the Europcar brand also provides rentals of motorbikes, scooters and bicycles in order to expand its customer base and meet the needs of everyone.
Families	In Spain, Italy and Denmark, Europcar has developed a family rental offering that comes with a specially tailored package (insurance, baby seats, additional steering wheel, GPS, and other features).
People with reduced mobility	In Portugal, Ireland, Germany, the United Kingdom and Australia, Europcar offers special vehicles or vehicles with manual gears on the steering wheel for people with reduced mobility.
	In the United Kingdom, Europcar offers a stick-shift option in automatic vehicles for customers with reduced mobility who can use their hands.
	In Australia, Europcar offers 6 vehicles that can carry up to 6 passengers, including one in a wheelchair.
	Since 2019, Europcar in France has joined forces with Wheeliz, a peer-to-peer car rental platform catering to people with reduced mobility. It therefore directs the rental needs of customers with reduced mobility to this partner.
Cost-sensitive customers	Goldcar, the leading player in low-cost vehicle rentals in Europe, offers a very attractively priced rental experience aimed at budget-conscious families and individuals looking to balance their holiday budget.
	In the United States, the Fox Rent A Car brand has expanded the Group's offering with a value for money positioning ("good quality/price ratio").
	On the New Zealand market, the Keddy range also meets the needs of customers seeking the best service at the best price.
	The Group also proposed a mid-tier rental offering – marketed through the InterRent brand in most European countries – designed to provide budget-conscious customers with mid-level rental price options featuring "*à la carte*" services.
	Through its Europcar brand, the Group regularly proposes "One Way" offerings starting at 1 euro for specific journeys. This offer is a "win-win": for the customer, a journey at nominal charge and these journeys mean the Group is able to save the cost of transferring vehicles previously used for one-way trips back to their original station. In Germany, this service is offered in collaboration with two partners FlipCar and Movacar: reservations are made via an app, the car is collected from a Europcar branch and customers can also build up additional bonuses (which can be exchanged for free trips or for premium vehicles the next time a reservation is made).

Focus on a few associations and organizations our Group is working with as part of its commitment to "Make mobility accessible"

"Premier Pas" is a French association created in October 2020 by two volunteer friends and students wishing to get involved with victim protection groups. It offers a free removal service for victims of domestic violence in partnership with other specialist associations.

By joining this initiative, Europcar Mobility Group France is committed to providing vehicles free of charge to the "Premier Pas" association in Paris and its suburbs over the long term, in order to help relocate victims and facilitate their transition to a new life.

SOLIDARITÉS COP1 ÉTUDIANTES

In France, Europcar Mobility Group is supporting the Association Cop'1 in distributing food parcels to students in great need as a result of the Covid health crisis. Accordingly, a commercial vehicle has been made available to the association since March 2021.

DEAFI

Since 2009, Deafi has been the French pioneer in customer relations adapted to the deaf or hard of hearing. From the outset, this project with a strong social dimension has aimed to reconcile the accessibility of customer services and the employability of disabled workers.

In October 2021, Europcar Mobility Group partnered with Deafi on a pilot project in France and Belgium to make its customer services accessible to the deaf and hard of hearing. This service is provided by Vidéo-Conseillers Clients, themselves deaf or hard of hearing, who respond to the requests of deaf customers in French Sign Language (LSF) in real time via webcam.

randstad fundación.

Europcar Mobility Group Spain supports the "Reconduce tu futuro" [Take back your future] project launched with the Fundación Randstad, which helps people with disabilities obtain their driving license free of charge in Madrid. For the beneficiaries, having a driving license improves their employment prospects by making it possible for them to access their workplace more easily and more independently. Europcar Mobility Group and Fundación Randstad have been collaborating since 2018 to improve the professional integration of people with disabilities, through awareness-raising initiatives, conferences and volunteering.

D'O Bagos D'Ouro

Bagos de Ouro, helps to promote children's education in the Douro region of northern Portugal, where poverty and/or social problems are an issue. Europcar Mobility Group lends them a vehicle throughout the year to help them with their daily work with the beneficiaries.

cozinha com alma

Cozinha com Alma, is a take-away catering service for the public, the profits of which mean that meals can be distributed to families in temporary financial difficulty.

On several occasions in 2021, Europcar Mobility Group lent them a utility vehicle so that they could transport large quantities of food to schools, kindergartens, crèches etc.

Commune de TROOZ

During the summer of 2021, southern Belgium was severely affected by floods. The commune of Trooz, one of the worst-affected towns, set up a Community Support Center where people could volunteer to bring clothing and basic products.

Europcar Mobility Group Belgium made a lorry available for several days, so that these donations could be distributed to the victims.

4.4 BE A RESPONSIBLE EMPLOYER

4.4.1 The Group's convictions on managing human resources

Be a responsible employer

The Group is convinced that its performance is closely linked to its commitment, diversity and the development of its employees.

These three pillars are the foundations upon which the Group's responsibility as an employer rests and the focus of its efforts, while it ensures that any major societal changes affecting the workplace are incorporated as and when they arise.

4.4.2 Group action as regards human-resource management

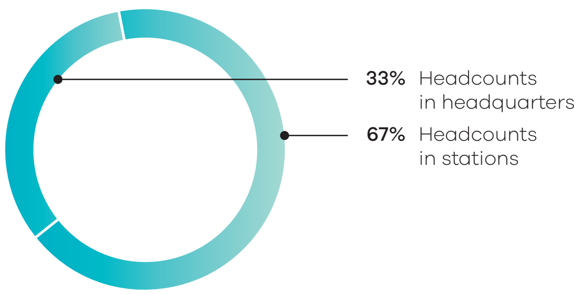
4.4.2.1 Implement dynamic Human Resource Management practices

Through subsidiaries within its scope of consolidation, Europcar Mobility Group is present in 18 European countries, as well as in Australia, New Zealand and the United States. This presence means that it can have broad coverage of all commercial and tourist areas where it operates. Located mainly in railway stations, airports and major urban centers, Europcar Mobility Group's workforce is primarily concentrated in stations (accounting for approximately two-thirds of its workforce).

The following key applies to the tables and charts below:

* = permanent only.
** = permanent and non-permanent.

Workforce distribution headquarters/rental stations (Workforce at December 31, 2021)**



* = permanent only.
** = permanent and non-permanent.

Employees of holding companies and the Shared Services Center have been included in the corporate headcount.

The Group must meet two major challenges in terms of workforce management. Firstly, it must be able to accommodate the annual and within-weekly (working week versus weekend) seasonality of its operations, which results in significant variations in its activity and accordingly requires optimal management of its teams to ensure a high level of service. Secondly, the Group must provide good coverage of the regions in which it operates, which requires having a substantial workforce within its network of stations.

In the context of Covid-19, the lockdowns or health measures imposed in the countries where Europcar Mobility Group operates have required it to demonstrate a high degree of responsiveness and flexibility in terms of staff management in order to best serve the strong local demand for leisure tourism where business tourism is still struggling to take off.

Distribution of workforce by country** (physical headcounts at December 31)

	2021	
TOTAL	**8,781**	**100%**
Europcar Mobility Group	366	4.17%
Shared Service Center	329	3.75%
Germany	1,720	19.59%
France	1,196	13.62%
United Kingdom	737	8.39%
Spain	1,098	12.50%
Italy	480	5.47%
Portugal	334	3.80%
Ireland	280	3.19%
Belgium	76	0.87%
Denmark	276	3.14%
Finland	166	1.89%
Norway	35	0.40%
USA	1,023	11.65%
Australia	345	3.93%
New Zealand	35	0.40%
Luxembourg	12	0.14%
Other countries	273	3.11%

* = permanent only.
** = permanent and non-permanent.

At December 31, 2021, 2,156 employees held the status of "Manager", representing 26% of the permanent employees across corporate headquarters and stations.

Workforce distribution managers/ non-managers* (Workforce at December 31)

	2021	
Managers	2,156	26%
Non-managers	6,295	74%

* = permanent only.
** = permanent and non-permanent.

To ensure high quality standards of service irrespective of the intensity of the period and to cover the full schedule to meet our customers' needs at the stations, Europcar Mobility Group uses a variety of employment contracts (open-ended, fixed-term, seasonal, etc.) and different numbers of working hours per week (part- or full-time). Work in the Group is therefore organized depending on the local context and business needs of the Corporate Countries, but always complies with local regulations and obligations and the International Labor Organization Conventions. At December 31, 2021, 96% of the 8,781 employees were permanently employed (on open-ended or similar contracts) and 4% were not permanent (i.e. they had fixed-term or similar contracts).

Due to the continuation of the pandemic and lockdown measures in the vast majority of countries in which Europcar Mobility Group operates, the Group has resorted to short-time working to maintain its employees' jobs as far as possible.

The Group has always sought to promote new forms of work-time organization where possible, to make work more flexible and improve the quality of its employees' working life. Accordingly, telecommuting arrangements for headquarters-based employees had already been introduced in previous years and were expanded significantly.

Organization of work: key figures

	2021
Proportion of permanent part-time employees*	12%
Overtime during the year *(in hours)***	429,269

* = permanent only.
** = permanent and non-permanent.

To accommodate the seasonality of its operations, the Group generally makes use of fixed-term or seasonal contracts. This implies a certain correlation between the fluctuation in its workforce and the fluctuation in its fleet over the year. Consequently, the low number of seasonal employees in 2021 reflects the decline in Europcar Mobility Group's operations due to the Covid-19 pandemic.

4.4.2.2 Develop a labor policy to promote dialog

Europcar Mobility Group's labor policy is based on four key principles that the Group seeks to adhere to wherever it conducts operations, i.e. employee relations, employee health and safety, skills and talent development, and well-being at work.

As a result of its international presence, the Group must comply with a wide range of local labor laws. These are often more stringent than the directives of the International Labor Organization, which it complies with. This was reaffirmed in late 2016 with the publication of the Group's Code of Ethics & Commitments.

This year, aside from a few individual cases, the Group has not been penalized for breaches of labor laws in any of the countries where it operates.

Labor relations and collective bargaining

Labor relations at Europcar Mobility Group are maintained through constant dialog between management teams, employees and employee representative bodies. The Group seeks to promote close relations between managers and their teams to ensure a calm and constructive climate at work.

In every country that has a legal framework for employee relations, Europcar Mobility Group complies with local law and regulations. This is the case, for example, in Germany, France, Spain, Italy, Belgium and Denmark, where labor relations are organized through employee representative bodies or works councils.

When it is not regulated, social dialogue is obtained through the organization of regular team meetings, conferences, employee surveys, or weekly or monthly newsletters.

Labor relations regarding transnational projects are ensured by a European Works Council (EWC). Only countries with a certain number of employees can have one or more representatives based on the size of their workforce.

At December 31, 2021, 16 countries, corresponding to 84% of the Group's permanent employees, were represented by such bodies. In 2021, the European Works Committee, represented by its 17 members, met seven times.

Across the Group's reported scope of consolidation, 89 collective agreements were in effect in 2021 in 14 Corporate Countries (63 collective agreements) and in 4 of its brands: Goldcar, Buchbinder, Ubeeqo and Fox Rent A Car (25 collective agreements).

These agreements cover the following topics:

- work time (leave, telecommuting, reduction in work time, etc.);
- compensation, savings and other benefits (quality of life at work: food, lunch vouchers, discounts);
- gender equality in the workplace;
- health and safety.

Health and safety policy

The Group is committed to protecting the health and safety of its employees wherever it operates, and to maintaining low workplace-accident frequency and severity rates.

WORKPLACE ACCIDENTS & ABSENTEEISM

	2021
Number of work-related accidents**	155
Number of days lost time due to work-related accidents**	4,501
Number of fatal work-related accidents in the year**	0
Work-related accident frequency rate** (1) ★	11.84
Work-related accident severity rate** (2)	0.34
Absenteeism rate	8.3%

* = permanent only.
** = permanent and non-permanent.
(1) This is the number of non-working days for 1,000 hours worked.
(2) This is the number of days off per 1,000 worked hours.

While its operations do not generate specific occupational illnesses, Europcar Mobility Group is nevertheless aware of the potential health/safety risks and possible work-arduousness factors to which its employees could be exposed, whatever their profiles (psycho-social risks, musculoskeletal disorders, cold, noise, etc.). In all its Corporate Countries, the Group complies with local laws and regulations on occupational health and safety has created dedicated committees where required.

To anticipate and mitigate risk factors, the Group has introduced mandatory wearing of individual protective equipment in stations and has implemented the regulatory, standards-related and/or proactive measures and procedures listed below:

- regulatory measures: in every country where these issues are regulated by law, the Group complies with the requirement governing the organization of committees or other dedicated structures (frequency of meetings, reporting and sharing of data, etc.). These measures affect French and Belgian entities and cover about 15% of the Group's employees. In France, the Group's subsidiaries that are subject to these requirements are also required to keep an updated 'Single Risk Assessment Document' that includes an inventory, assessment details, and the actions taken to mitigate the potential risks associated with its operations;
- standards-related measures and third-party bodies: where these are not governed by local regulations, Europcar Mobility Group has established – depending on the country – either certification procedures or partnerships with third-party bodies to define its health and safety policies. For instance, Europcar Mobility Group Spain has opted for ISO 45 001 certification [1], while Europcar Mobility Group Portugal uses a specialist organization to assess risks, ensure compliance with work-space requirements, and raise awareness among employees;
- proactive measures: in all other Corporate Countries, dedicated procedures have been put in place to assess, analyze and mitigate occupational health and safety risks. In the UK, for instance, procedures are documented and disseminated in a House Book, and in Australia and New Zealand, regular inspections are carried out and training is provided to all employees upon joining the Company. The Group has thus launched an extensive program to train its station-based employees to handle electric vehicles.

With the emergence of the Covid-19 pandemic, several health-protection measures – including the distribution of face masks – have been maintained or strengthened and all employees, both headquarters- and station-based, have been informed.

Local initiatives have also been undertaken, such as the continued availability of a psychological support unit for Group and France headquarters-based employees, and access to a telemedicine platform for virtual visits with doctors.

(1) The ISO 45 001 standard was developed for organizations that are committed to improving the safety of their employees, reducing workplace risks and creating better and safer working conditions.

Compensation policy and social security

Europcar Mobility Group has structured its compensation policy in accordance with local regulations and collective bargaining agreements in each Corporate Country, basing compensation on conditions in the local job market. Where relevant, the Group also offers its employees a compensation package based on individual and group performance.

The compensation policy provides for a fixed-pay component plus, where relevant, a variable-pay component – indexed on monthly, quarterly and annual individual performance depending on the country and job – plus a group compensation component based on the Group's performance.

In order to ensure fairness for all employees, regardless of their location and role, the Group's HR Department has simplified the bonus policy to harmonize practices. Based on the existing scheme for the top 150 managers who benefit from the Group Variable Plan, four additional variable systems have been set up:

- the Sales Incentive Plan for the sales force;
- the variable annual plan for headquarters employees;
- the plan for agency staff;
- the additional sales plan.

For the Chief Executive Officer, one of the three quality criteria taken into account to determine her Target Variable Compensation is a CSR criterion. For 2021, it was based on the roll-out of the priorities "Make mobility accessible" and "Be a responsible employer," in particular with the roll-out of training for all employees on compliance measures.

In 2021, the Group's payroll costs amounted to 320.9 million euros, as opposed to 292.5 million euros in 2020. Procedures to report variable compensation differ from one country to another. As a result, the amount of wages and salaries may, depending on the country, include overtime pay.

Europcar Mobility Group complies systematically with all local regulations and obligations and with any internal and collective agreements on social security coverage, whatever the local award criteria (age, seniority, type of contract, etc.). Wherever required by law, the Group provides its employees with solutions that at least match, and where possible exceed, legal requirements to promote loyalty among its employees.

4.4.2.3 Make diversity a driver of the Group's performance

Europcar Mobility Group has made the promotion of diversity one of its main commitments as a responsible employer.

To do so, Europcar Mobility Group works to promote a complementary workforce, without distinction of gender, age, disability, sexual orientation or origin.

To achieve its diversity objectives, Europcar Mobility Group has adopted a series of fundamentals that form the basis for its policy:

- **code of Ethics**, which can be viewed on its Investors web page under the heading, **Code of Ethics and Commitments**. This is a set of ethical, concrete and detailed principles that define the professional behaviors expected from all Group stakeholders. One of its primary objectives is the promotion of equal opportunity;
- Europcar Mobility Group is also a signatory to the corporate **Diversity Charter**, the purpose of which is to demonstrate its commitment to cultural, ethnic and social diversity within its organization;
- in 2005, the Group signed the **United Nations Global Compact**, one of the major international initiatives promoting the commitment to Human Rights, international labor standards, the environment and the fight against corruption. Four of its ten fundamental principles refer to international labor standards, including a specific commitment to eliminate any employment discrimination.

Gender equality

Europcar Mobility Group pays close attention to equality within its teams and monitors the accessibility of jobs to women and men alike, both at the recruitment stage and during their subsequent careers within the Group. This commitment is affirmed in and communicated through the Group's Code of Ethics & Commitments, which states that gender may not, under any circumstances, be a criterion for selection, promotion or compensation within Europcar Mobility Group.

Gender breakdown (Workforce at December 31)

	2021	
Men**	5,096	58%
Women**	3,685	42%
Male managers*	1,293	60%
Female managers*	863	40%
Male members of the Board of Directors	3	38%
Female members of the Board of Directors	5	62%

* = permanent only.
** = permanent and non-permanent.

The Group has focused efforts on two drivers to leverage the inclusion of women in the company: the WoMob network and its policy on the inclusion of women in the Group's governing bodies.

WOMOB NETWORK

Europcar Mobility Group's all-female network "Women in Mobility" was created in April 2019 and sponsored by the Group's Chief Executive Officer, and seeks to heighten awareness of gender issues among the Group's employees and to promote gender equality. Several initiatives demonstrated the dynamism of this network in 2021:

- the network continued its mentoring initiative to support 19 volunteers (compared to 10 in 2020);

- a survey was distributed to more than 400 members of the network to establish an overview of current attitudes to gender equality;
- two live chats, one hosted by the Group's Chief Executive Officer and the other by its HR Director, provided an opportunity to share the results of the survey and discuss employee expectations in this area.

POLICY ON THE INCLUSION OF WOMEN IN GOVERNING BODIES

Following the meeting of the Compensation and Nominations Committee on July 24, 2020, the Executive Board introduced a plan to raise awareness of diversity and inclusion, particularly with regard to access for women to management positions. An initial wave involved 150 Directors at Group and Country level. This program consists of a set of five e-learning modules:

- introduction to diversity, inclusion and equity;
- first steps toward a diverse, inclusive and equitable workspace;
- combating unconscious bias in the workplace;
- understanding gender bias;
- bridging the gender gap as a manager.

In addition, the HR Director added quantitative criteria to the annual CSR survey (Reporting 21) to collect data for an in-depth assessment of the current situation within all Group subsidiaries.Lastly, concrete actions to enable women to access senior management positions include increasing the number of women in succession plans, and enforcing the requirement for recruitment firms to propose at least one female candidate in their shortlists. During the Talent Review process carried out in the fall of 2021, 42% of the succession plans were covered by women, compared to 30% in 2019.

Concrete results, reflected in the overall gender equality index rating achieved in 2021, are the culmination of the Group's determination in this area. Europcar Mobility Group France achieved a score of 94 points, compared to 74 in 2019 and the Paris headquarters scored 86 points, compared to 81 in 2020. Special attention was paid to reducing the pay gap between men and women, particularly on their return from maternity leave.

In 2021, 10 of the 15 largest stations, i.e. those with revenues of over €10 million, were managed by women.

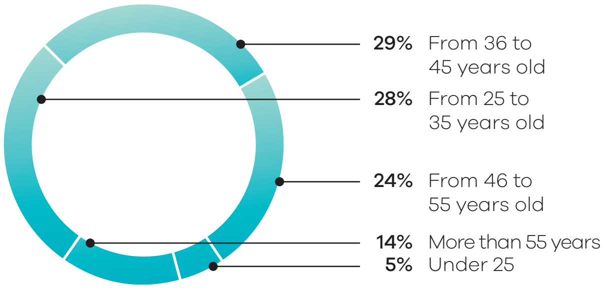
In 2021, 33% of the Group's Senior Leadership Team is composed of women, an increase of 4 points compared to 2020.

Diversity in employee profiles

Europcar Mobility Group is convinced that diversity in its employee profiles is a key success factor in that it projects the image of a company whose workforce is representative of its customers.

AGE

Breakdown of workforce by age (physical headcount at December 31, 2021)*



* = permanent only.
** = permanent and non-permanent.

The breakdown by age shows the Group's desire to integrate young employees and retain the most senior employees.

DISABILITY

Disability is also an issue that is included in the desire for inclusion and diversity in Group profiles in which progress is expected. At December 31, 2021, the number of employees with disabilities accounted for 1% of the Group's total workforce.

Structuring initiatives are being tested at Group level. One of the first measures the Group implemented was to optimize sourcing of disable candidates through the agency, Cap Emploi, which was tasked with identifying suitable profiles for vacant positions. In addition, eligible job offers are disseminated across specialized platforms, with a message indicating that "this job is available for people with disabilities".

Goldcar has implemented an action plan to hire people with disabilities that seeks to raise awareness among the brand's senior management and employees through the dissemination of information snippets and e-learning courses.

ANTI-DISCRIMINATION

Everywhere it operates, Europcar Mobility Group agrees to comply with local laws and regulations to fight discrimination and prevent any form of provocation, harassment or intimidation.

In addition to the "Code of Ethics & Commitments", most of the Corporate Countries also have formal internal non-discrimination policies, and implement appropriate action plans.

For example, Goldcar has drawn up an *Equal Opportunities, Gender Diversity, Race and Culture Plan* that seeks to achieve real and effective gender diversity and combat discrimination.

Fox Rent-a-Car has implemented an anti-harassment and discrimination policy that provides for training on those issues.

Training on these issues are also offered by some Corporate Countries, and in Australia, New Zealand and the United Kingdom, e-learning modules on the themes of "Discrimination, Harassment and Bullying" and "Diversity Training" are mandatory for all employees.

Lastly, at the Group level, an anti-harassment officer was appointed at the end of 2019 to handle harassment-related issues.

In 2020, to further affirm its commitments, the Group articulated its Diversity/Inclusion program.

The aim of the program is to:

- structure Diversity/Inclusion initiatives by defining the main areas of focus and the resulting action plans;
- involve all employees so that they take ownership of the program.

Through the program, the Group will focus efforts in the following areas:

- continuing with its roadmap on gender equality in the workplace, including an action plan to include more women in the Group's governing bodies, which will remain its priority in 2022;
- employee profile diversity.

4.4.2.4 Attract talents, develop them and support employees' career paths

Talent attraction and management are considered by Europcar Mobility Group to be key performance drivers that will enable it to provide ever more innovative mobility solutions and a consistently high level of customer service wherever it operates.

In 2021, 2,529 employees joined the Group (versus 1,034 in 2020 in the context of the pandemic).

Hires and departures over the year**

	2021	
Hires	2,529	-
Number of voluntary departures	1,870	66%
Number of departures initiated by employer	802	28%
Number of departures for other reasons (end of contract, retirement)	174	6%
Internal mobility	769	-

* = permanent only.
** = permanent and non-permanent.

In 2021, the talent Department conducted a talent review, which included the recently incorporated countries, i.e. Norway, Finland and the United States. Nearly 300 key positions were covered, with particular attention paid to identifying high-potential employees, whether at the beginning or at a more advanced stage of their professional career.

The Group seeks to support employees throughout their careers and offer to all of them the opportunity to develop their skills through dynamic training policies adapted to their needs.

With this in mind, in 2021 the Group decided to extend the use of the digital solution for its Performance and Development Reviews, which until then had been reserved for the top 150 managers, to all 3,000 employees at its subsidiaries' headquarters. This enables the Group to identify its employees' appetite for promotion and their development needs, such as training.

The Group has also developed a customized solution for conducting workplace interviews in France, and thus determine the level of commitment and professional development of its employees. 85% of headquarters employees have had their workplace interview. The aim of this mandatory meeting between the employee and the employer is to discuss the employee's career development prospects and the training that could help achieve them.

A particular effort was made in the area of training. In order to reach as many people as possible, Europcar Mobility Group has set up a Learning and Content Management System (LCMS) platform, which is being implemented gradually. As of June 2020, the first regulatory modules (Compliance, IT Security, etc.) became available in countries thus far not covered, such as France, Italy, Belgium and the Nordic countries. In October 2020, Fox Rent A Car, the American subsidiary of Europcar Mobility Group, migrated all of its content to the Group's platform and created Fox University. As at December 31, 2021, 5,700 employees had their own user license. The platform is scheduled to be made available to all subsidiaries in the first quarter of 2022, on expiry of the contracts currently binding the countries covered to their previous suppliers.

Europcar Mobility Group chose 360Learning because of its capability to allow any internal expert to design training content without any particular knowledge of e-learning standards, to publish its modules and to interact with the trainees. Europcar Mobility Group demonstrates both its conviction that knowledge is found at all levels of the organization and its desire to recognize the legitimacy of each employee to pass on their knowledge, whatever their role.

This shared tool enables Europcar Mobility Group to better support its employees' careers by developing training policies that combine the following three aspects:

- the needs and aspirations of employees, as determined at the start of each year through annual performance reviews;
- strategic developments within the Group and its markets that may require the mastering or developing new business skills;
- legal and standards-related requirements that may make it necessary and/or mandatory to provide employees with training on specific issues, particularly workplace health and safety.

There are a number of training topics adapted to each category of businesses, in stations and at headquarters. These include workplace health and safety issues (accidental spillages at stations, first aid, etc.), management, foreign languages, business skills (selling, e-commerce, marketing, etc.), IT and digital tools.

In 2021, the Group's headquarters will offer all its managers a 100% distance learning course that sets out or reminds them of management fundamentals in the context of hybrid work, partly in the office, partly at home. Through four two-hour modules followed by concrete actions to be implemented via the Micro Doing application and informal exchanges around Café Boost, managers identified the specific characteristics of managing a dispersed team, the pitfalls to avoid and the best practices to overcome them, if necessary.

Most Corporate Countries have also formalized training plans and have set up dedicated teams, or appointed in-house trainers, as is the case in the United Kingdom, France and Belgium. In France, for example, the Academy has been certified Qualopi, acknowledging the high level of professionalism of the teams that create the content as well as those who deliver it, and thus guaranteeing the quality of the training over time.

Training performed during the year

	2021
Number of employees who have received training**	8,299
Proportion of employees who have received training**	95%
Number of training hours**	76,487
Number of employees trained among the external and seasonal workforce	3,926
Number of training hours for seasonal workforce	14,837
Number of apprentices and interns recruited during the year	157

* = permanent only.
** = permanent and non-permanent.

In 2021, 95% of permanent and non-permanent employees received at least one training course during the year. The recruitment of apprentices and trainees is also part of the Group's commitment to promoting access to employment for young people. This year, the Group hired 157 apprentices and interns and 3% of these were subsequently hired on permanent or fixed-term contracts.

4.4.2.5 Values Program

In 2017, the Group established the list of its values with a view to creating a common culture, termed "ONE Group." Definition of its values was the subject of a large internal consultation conducted by the Human Resources Department in all countries. In 2018, these values were refined by the work of the Group Executive Committee (GEC) to bring them in line with the Group's Purpose.

- *Customer-centric*: placing the customer at the center of everything we do;
- *Feeling Valued*: valuing the contribution of all employees;
- *Open Communication*: communicating openly between staff members;
- Working together.

These values are shared and embodied by all employees every day in the performance of their duties. They are also evaluated during individual performance assessments.

In 2019, the Group also implemented a Values Promotion Program, with a focus on 3 facets:

- **Understanding** – Understand our Values;
- **Feeling** – Feel our Values;
- **Living** – Live our Values.

Each one of these facets engenders specific actions that seek to reinforce the Values through the use of different tools and approaches (e.g. training, Facebook Workplace in-house social media, employee awards, etc.). The aim is to adjust the actions each year so that they are consistent with the Group's business context and the progress achieved.

2021 was an unusual year for the Values promotion program, with the ongoing public-health crisis dominating several periods of the year, as well as the widespread use of telecommuting among headquarters teams making the implementation of certain actions particularly complex.

However, the Group's Values were taken fully on Board during the design and implementation of its different programs, be it in responding to the Covid-19 pandemic or preparing for post-crisis recovery:

- **Customer-centric** – "Connect" – the Group's new strategy roadmap – is one of the embodiments of the Group's *Customer Centricity*. It was developed based on customer feedback with a view to redirecting the Group's focus on its customers' new needs and expectations, which include more widespread use of digital technologies, new safety and contact-free standards, simple and flexible services, and more sustainable and environment-friendly mobility;
- ***Feeling Valued*** – Managing the crisis entailed mobilizing the entire workforce, be it to continue serving the Group's customers or to prepare for the post-crisis recovery. In some cases, employees were required to exercise a high degree of flexibility, whether it be to continue working while at the same time taking on Board new constraints (e.g. wearing of facemasks, lockdowns, etc.) or to adjust costs in line with the Group's operations (e.g. partial unemployment, voluntary salary cuts, etc.). Throughout the entire period, both the Group's in-house Workplace network and LinkedIn were used to acknowledge and promote employees' contributions to this collective effort. The members of the Executive Committee and Country CEOs were in the front line when it came to promoting "*Feeling Valued*";
- ***Open Communication*** – Once again, the public-health crisis had an impact on employees' daily lives. Once again, communication was key to maintaining an ongoing dialoguewith all employees. A news feed was set up to provide regular, transparent communication. Regular updates on the Group's situation were provided through various channels, such as informational e-mails or posts on the internal social network, Workplace;

- ***Working Together*** – Through the "Connect " program, the Group reviewed its organizational structure. The Group is now organized around three Service lines, each of which focuses on a different mobility use case: Leisure, Professionals, Local Service. The objective is to enhance service to B2B and B2C customers, but also to improve working together; the three Service Lines share several cross-structural teams (e.g., Sales teams, Brand Management teams, E-Commerce teams, etc.).

4.5 ACT FOR THE ENVIRONMENT

4.5.1 Group convictions on environmental responsibility

Act for the environment

By the very nature of its activities, our Group contributes to achieving a low carbon world by offering attractive alternatives to car ownership, contributing in this way to the reduction of the number of cars on the roads and in our cities.

In addition, the Group has rolled out its "CONNECT" transformation plan based on the ambition to be a major player in sustainable mobility in the years to come. This involves implementing specific initiatives aimed at reducing the Group's carbon footprint.

4.5.2 Group actions as regards environmental responsibility

4.5.2.1 Measure the Group's carbon footprint

The Group's carbon footprint is accounted for by emissions arising directly as a result of the Group's operations – Scopes 1 & 2 (energy consumption, administration, fleet transfers, in-station vehicle preparation and washing…), those of its subcontractors (repairs, vehicle preparation and washing by service providers…), and indirect emissions linked to the activities of its customers – Scope 3 (vehicle use, fuel consumption, vehicle end-of-life, etc.).

Change in the methodology used to calculate the Group's carbon footprint

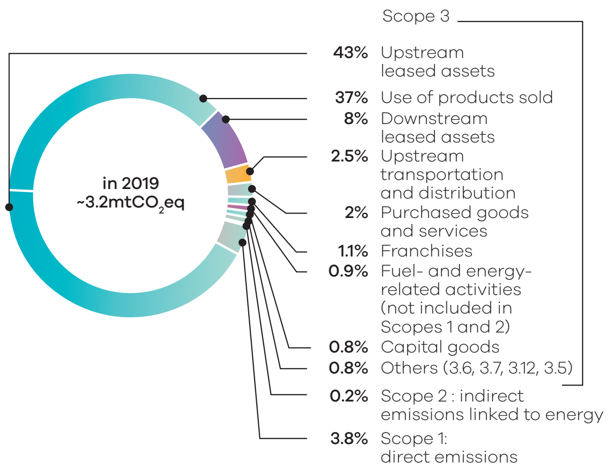
After joining the Science Based Targets initiative (SBTi) in December 2019, the Group submitted its CO_2 reduction targets for approval. Feedback from the SBTi included a series of recommendations on the calculation of the carbon footprint, which resulted in the Group including in its carbon balance:

- an estimate of the carbon emissions of the franchises (not directly operated by the Group);
- CO_2 emissions related to vehicles run by our clients, distinguishing between buy-back[(1)] vehicles and "non program" vehicles[(2)];
- emissions related to the running and end-of-life of "non program" vehicles (once these vehicles are resold on the second-hand market);
- the emissions of subsidiaries in Finland, Norway and of Fox, acquired during 2019.

(1) Vehicles purchased by vehicle rental companies under a buy-back commitment from the manufacturer are referred to as "buy-back" vehicles (buy-back program).
(2) Europcar Mobility Group acquires a number of vehicles from carmakers or dealers without the benefit of any buy-back commitment. These vehicles fall under the category of "non program" vehicles. The Group considers "non program" purchases according to its needs, based on a systematic analysis of "non program buy-back" purchases versus buy-back mechanisms. It takes into account the mix of models that it needs as well as its ability to resell "non program" vehicles, particularly in relation to the changes in the used car market.

Group carbon balance for 2019 (reference year) after change in methodology

Carbon balance for 2019, the Group's reference year, depicted in the chart below by emission category according to the GHG Protocol.



Group carbon balance for 2021 after change in methodology

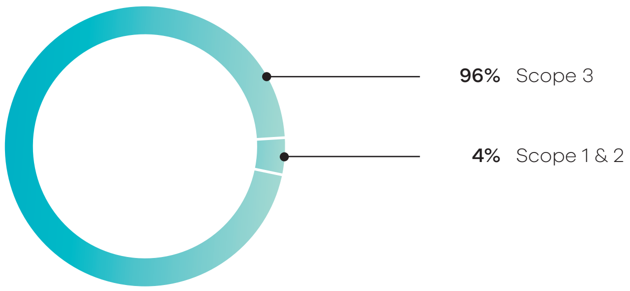
The carbon balance presented in the table below shows Europcar Mobility Group's greenhouse gas emissions broken down by source.

(in tCO_2e)	2019 (base year)	2021
Scope 1	119,604	94,524
Scope 2	7,572	5,938
Total Scopes 1 & 2	**127,176**	**100,462**
Scope 3	3,090,035	2,526,275
TOTAL	**3,217,211**	**2,626,737**

The Group's overall carbon balance was down -18% compared to 2019, the reference year, a decrease mainly due to:

- the reduction in the number of vehicles in the fleet: around 100,000 fewer vehicles than in 2019;
- the drop in kilometers traveled between 2019 and 2021: 1.7 billion fewer kilometers traveled by fleet vehicles;
- which translates into an overall reduction in CO_2 emissions related to the use of vehicles.

GHG emissions balance sheet 2021 (Scopes 1, 2 & 3): breakdown by scope



GHG emissions balance sheet 2021 (Scopes 1, 2 & 3): breakdown by source

SCOPE 1

94,524 teq CO_2

Direct emissions: fuel purchased and resold to customers, fuel consumption of company vehicles

SCOPE 2

5,938 teq CO_2

Indirect emissions related to energy-related emissions (gas and electricity and electricity consumption of our headquarters and stations)

SCOPE 3

2,526,275 teq CO_2

(96% of total emissions)

- Taking into account the emissions of vehicles used by our customers, during the holding period of vehicles, as part of Group's buy-back contracts with car manufacturers
- Taking into account the emissions of "non program" vehicles** during the holding period but also throughout their life cycle, after resale on the used vehicles market

SCOPE 1 + 2

100,462 teq CO_2

(4% of total emissions*)

SCOPE 1 + 2 + 3

2,626,737 teq CO_2

* Teq CO_2 = tonne of CO_2 equivalent. Total down by 18% compared to the reference year (2019).
** "Non program" vehicles are not subject to a buy-back agreement with the car manufacturer.

Data to be included in the template chart below	Description	Percentage of total carbon balance
Scope 1 (direct emissions)	Fuel purchased and sold to customers + fuel consumption of company vehicles + natural gas consumption	3.6%
Scope 2 (indirect energy-related emissions)	Energy consumption (electricity)	0.2%
Scope 3 (other indirect emissions)	Emissions related to the end-of-life of "non program" vehicles and emissions related to the use of "non program" vehicles after their resale (Well-to-Wheel)	36%
	Emissions related to the use of buy-back and "non program" vehicles (Well-to-Wheel)	39%
	Business travel	19%
	Waste production in offices and in stations	0.5%
	Purchases of goods and services (computer equipment excluded)	0.6%
	Use of computer equipment and occupancy of buildings	0.1%
	Upstream of Scope 1	1%

The main source of greenhouse gas emissions (GHG) is the use of vehicles by our customers, accounting for 39% of the Group's total GHG emissions. Consequently, the reduction of these emissions is considered as the Group's priority in reducing its overall carbon footprint.

The Group's CO_2 reduction target – according to the Science Based Targets methodology

By applying the method proposed by the Science Based Targets initiative, which the Group joined in 2019, Europcar Mobility Group was able to measure the reduction in its carbon footprint required to achieve compatibility with a sustainable future and the goals of the Paris Agreement, which sets out a global framework to avoid dangerous climate change by limiting global warming to a level well below +2°C compared to preindustrial levels and pursuing efforts to limit it to +1.5°C.

This reduction target is variable with respect to the Group's direct emissions (Scopes 1 and 2) – mainly its energy consumption levels and its indirect emissions (Scope 3) – mainly the use of vehicles by its customers.

After an initial dialog phase with the SBTi in 2021, the Group's carbon inventory was revised, making it more exhaustive and closer to the GHG Protocol. As such, the Group's reduction targets were revised upwards, more in line with the Group's ambition.

The reductions required to achieve this target (by 2030, with 2019 as the baseline year) are as follows:

- -46.2% for its direct emissions (Scopes 1 and 2); corresponding to a +1.5°C scenario;
- -27.5% for its indirect emissions (Scope 3); corresponding to a Well Below +2°C scenario.

SCIENCE BASED TARGETS
DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

Reduction objectives validated by the Science Based Targets initiative

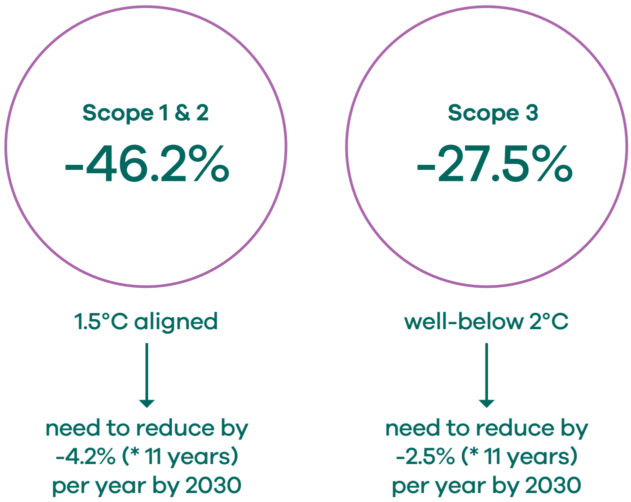
All targets for reducing greenhouse gas emissions (Scopes 1, 2 and 3) submitted by Europcar Mobility Group were deemed to comply with the SBTi criteria and recommendations (version 4.2).

The SBTi specifically ranked the ambition of Scopes 1 and 2 objectives and determined that it was in line with a trajectory of 1.5°C.

Bolstered by this validation stage, Europcar Mobility Group therefore undertakes to:

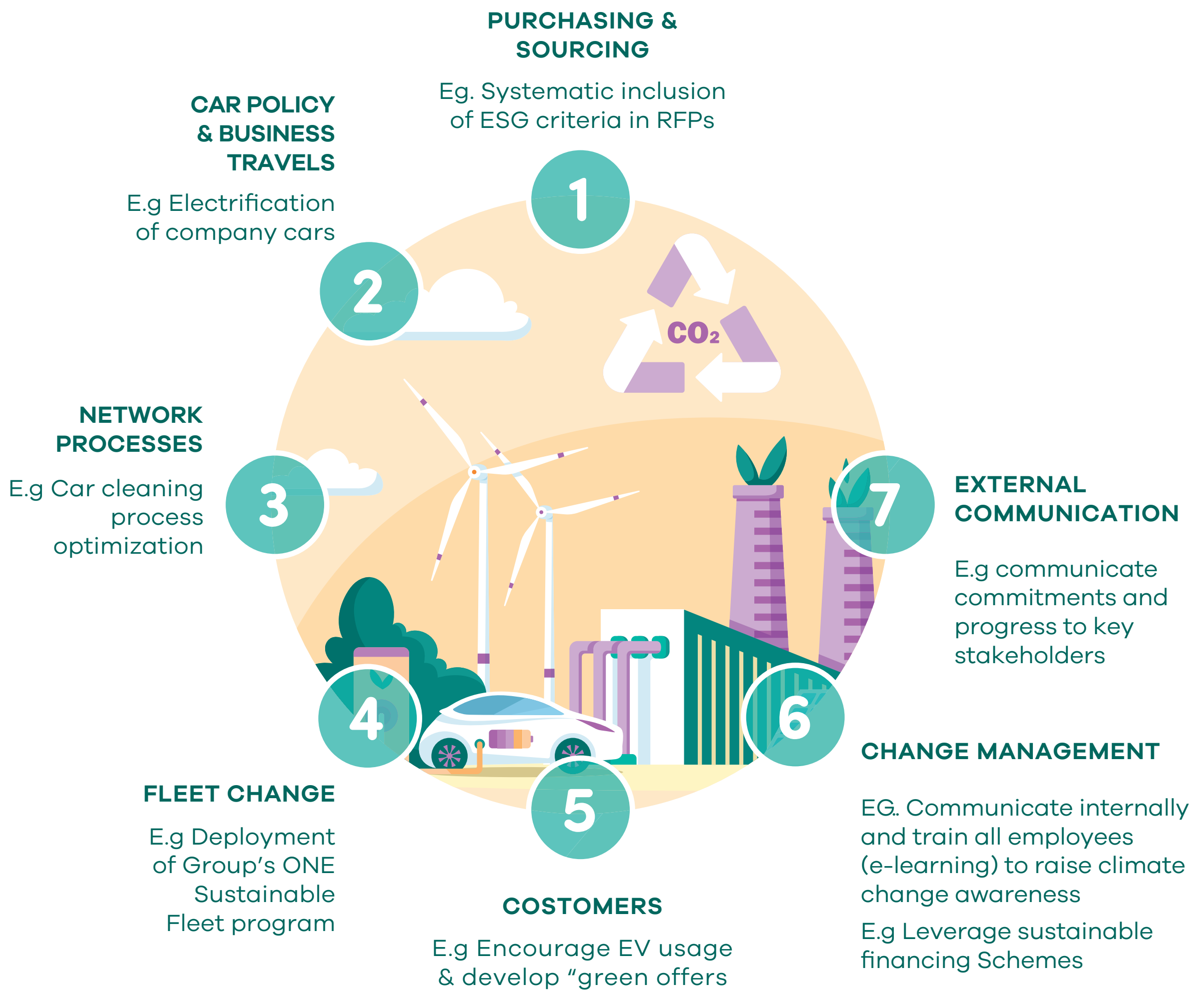
- reduce the absolute greenhouse gas emissions of Scopes 1 and 2 by 46.2% between now and 2030 compared to the 2019 reference year;
- reduce the absolute greenhouse gas emissions of Scope 3 by 27.5% over the same period.

2030 carbon emissions targets – *Scope* 1,2 & 3



4.5.2.2 Roll out a carbon reduction plan to keep the Group's carbon trajectory on track

After joining the Science Based Targets initiative in 2019, the Group strengthened its approach to sustainable mobility in 2021 with the launch of a systemic carbon reduction plan and its integration into the Group's "CONNECT" strategic plan. This carbon reduction plan for 2030 covers all of the Group's emissions-intensive activities and is based on seven workstreams, the most important of which is the electrification of its fleet.



In 2021, this carbon reduction plan – followed by a dedicated Steering Committee comprising members of the Group's Executive Committee – delivered the first results.

Purchasing & Sourcing

The purpose of this area of the carbon reduction plan is to include CSR criteria in the selection of suppliers with which the Group has business relationships and also to assess annually the environmental, social and value-chain performance of suppliers with a significant CSR risk. To do this, in 2021 the Group set up two platforms, in partnership with EcoVadis, one to assess the supplier's inherent CSR risk and the other to measure the supplier's CSR performance. The aim of this implementation is to incorporate a weighting of the CSR criterion in calls for tender and to support the supplier in managing its CSR performance throughout the business relationship.

Car Policy & Business Travels

CO_2 emissions related to the use of company vehicles by employees and those related to business travel accounted for 0.5% and 19% of the Group's carbon footprint respectively. However, the Group firmly believes that, if it is to be part of the solution towards a low carbon world, it must prove itself to be exemplary in conducting its activities before making its customers aware of these new uses. For this reason, the Group's objective is to revise its car policy so as to have a company vehicle fleet with low CO_2 emissions. The first stage of this project was carried out in 2021, i.e., to make an inventory of company cars in the corporate countries with the level of CO_2 per km corresponding to each vehicle. This snapshot will allow us to target the action to be taken in 2022 by, for example, setting an average CO_2 emissions level for the company vehicle fleet applicable to all corporate countries.

With regard to business travels, its limitation on domestic and international travel has been encouraged by the context of the Covid-19 crisis. Employees are asked to use video-conferencing systems as soon as possible, including for meetings nearby.

Fleet change

This area of the carbon reduction plan is consistent with actions conducted by the Group for several years and, as such, sets the tone of the "One Sustainable Fleet" program focused on fleet electrification:

- With regard to Internal Combustion Engines, the Group will continue its efforts to offer a rental fleet with the latest vehicles (held on average for 13.4 months), fitted with the most up-to-date engines and thus meeting the latest fuel consumption and greenhouse gas emission standards.

  At December 31, 2021, the average emission of CO_2/km for the fleet was 147 g (Tank-to-wheel)[1] as opposed to 130 g in 2020. This increase in average fleet grammage is due to two factors: 1/a change in methodology for calculating CO_2 emissions aimed at better data granularity; 2/an increase in kilometers traveled by the "Vans & Trucks" fleet (more emitting than the "Cars" fleet), owing to the dual effect of the development of our "Vans & Trucks" rental business and the intensification of the delivery business of our B2B customers during the Covid-19 crisis.

- With regard to electric vehicles, plug-in hybrids and hybrids, the Group is continuing its "One Sustainable Fleet" program aimed at the electrification of its fleet.

  Incorporating more and more "green" vehicles (electric and rechargeable hybrids) is indeed a major factor in changing the fleet profile and reducing the Group's Scope 3 CO_2 emissions. There are several aspects to this program: close collaboration with car manufacturers to expand the Group's fleet in electric and rechargeable hybrid vehicles; efforts to train Group employees on the specific features of electric/rechargeable hybrid vehicles so that they can make recommendations and give advice to customers (1,200 employees trained in this context at the end of 2021); and the equipment of our charging station infrastructure.

  One of the main drivers for the success of the program is the Group's ability to guarantee our customers a dense network of easy-to-use electric-vehicle (EV) charging facilities. With this in mind, at the end of 2020 Europcar Mobility Group signed a partnership with Shell Recharge Solutions, one of the leading suppliers of charging solutions in Europe.

  In the context of this partnership, Shell Recharge Solutions provides Europcar Mobility Group with a comprehensive ecosystem of solutions for its charging infrastructure: smart and easy-to-use charging points as well as access to Shell Recharge Solutions' Business Hub platform for monitoring, managing and controlling the entire charging infrastructure. In addition, with Shell Recharge Solutions, customers who rent an electric vehicle at one of the Group's stations receive a recharge card, giving them access to the largest charging network across Europe (with more than 200,000 charging points).

  The installation of charging points in Europcar network stations, which began in January 2021, continued throughout 2021, reaching 150 equipped stations at the end of 2021.

Customers

This workstream is aimed at proposing and promoting sustainable mobility offers and increasing the awareness of our customers throughout their journey.

- **Contribute to the development of car-sharing to reduce congestion and pollution in cities**

Given that an individual car is parked 95% of the time, owning a car in the city is not economically reasonable. Furthermore, adding cars to urban areas contributes to congestion and pollution. Car-sharing therefore represents an attractive and responsible solution.

(1) The term, "Tank-to-Wheel" (TTW) refers to a subrange in the energy chain of a vehicle that extends from the point at which energy is absorbed (charging point; fuel pump) to discharge (being on the move). As such, the term, TTW, describes the use of fuel in the vehicle and the emissions while the vehicle is being driven, while the term, *Well-to-Tank*" (WTT), refers to the subrange of fuel supply – from production of the energy source (gasoline, diesel, electricity, natural gas) to fuel supply (transport to the charging point or fuel pump).

Wherever the Group conducts operations, it intends to offer alternative solutions to individual vehicle ownership, particularly in the major European cities, where it already offers its Ubeeqo and GoCar services.

These car-sharing services offer urban residents fleets that are mostly made up of electric or plug-in hybrid vehicles. The Group's goal, particularly with the Ubeeqo brand, is to provide a dense network in the cities, with vehicles available within 500m of customers' homes or workplaces, in order to maximize access to vehicles.

In addition, closed-loop (or "station-based") car-sharing model – a model adopted by the Group for all its urban car-sharing services – also significantly improves the quality of life in cities by reducing CO_2 emissions and urban congestion. Statistics show that each closed-loop car-share vehicle that is used reduces the number of individually owned cars by 9 to 12 vehicles.

On account of these benefits, Ubeeqo – through the City of Paris's Mobilib service – has been the leading car-sharing operator in Paris since 2019.

- **Promote short-, medium- and long-term electric vehicle rentals to our customers**

In 2021, our customers traveled more than 73 million kilometers using electric and rechargeable hybrid vehicles.

To meet the challenge of the ecological transition, the Group has undertaken to increase the proportion of kilometers traveled using its electric and plug-in hybrid vehicles. The Group has set itself the goal to constantly improve the rate of use of these vehicles by running specific sales and marketing campaigns addressing the following areas of focus:

1) Promoting the benefits of renting electric vehicles over internal combustion vehicles, by:

- adjusting prices to offer customers all-inclusive rental packages (rental cost + usage costs) at a lower price than those for internal combustion vehicles, by capitalizing on the fact that the cost per kilometer with an electric vehicle is four to five times lower than with an internal combustion vehicle,
- improving communication on the benefits of electric vehicles during the reservation phase (cost of use, free parking, vehicles returns without having to "fill the tank", etc.);

2) B2B customers/companies

Develop flexible rental service offering ranging from one month to two years long, so that companies can freely test the Group's electric vehicles before committing, or offer rental services tailored to the duration of companies' projects (B2B).

3) B2C customers/private individuals

- regularly offer discounts to private individuals for testing electric and rechargeable hybrid vehicles (e.g., during Sustainable Development Week),
- offer subscriptions with a large electric and rechargeable hybrid vehicle component. Example: the successful launch of MyEuropcar in Germany in the fourth quarter of 2021, with hundreds of subscriptions already. The majority of these are signed for a period of more than six months and more than 20% of the fleet used for MyEuropcar is made up of electric vehicles;

4) Put in place the appropriate support for the use of electric vehicles

- cards providing access to public terminals, with simple sign-up procedures and pay-per-use billing,
- dedicated hotline for assistance in case of need.[1]

Change management

The Group is determined to reduce its carbon emissions significantly, which implies appropriate change management. As such, it wishes to use all the tools at its disposal to support change. In 2021, the Group mainly activated two drivers to support change:

- **Sustainable finance leverage**

In September 2021 the Group launched a €500 million sustainability-linked bond issue to refinance its fleet on the basis of "green" criteria.

For Europcar Mobility Group, along with the transformation of the Group's business model, the use of sustainable financial instruments acts as a powerful driver of engagement for internal and external stakeholders.

The objective of this bond issue is to proactively manage fleet-related debt in relation to the €1.7 billion securitization program, which was refinanced last June. This objective was fulfilled on the basis of strong, sustainable performance targets:

- the gradual reduction in emissions from the Group's rental fleet, to reach average emissions of 93 g CO_2/km for cars and 144 g CO_2/km for trucks by the end of 2024;
- 20% green vehicles (average emissions below 50g CO_2/km) within this same fleet by the end of 2024.

V.E. (Vigeo Eiris, a subsidiary of Moody's) provided the "Second Party Opinion" for this transaction, assessing the relevance of the sustainable performance indicators chosen by the Group as well as the ambitious nature of the related objectives, issuing the "Advanced" rating* for both. This bond issue – the first of its kind for Europcar Mobility Group SA and the first in the vehicle rental sector – was a success, with a quadruple subscription rate and a very competitive coupon.* More information in the "Investors" section of the Group's website:

- Group ESG documentation linked to the o https://investors.europcar-group.com/static-files/5f972620-490e-4bc8-b346-a8efdbdcaf15 – VE (Vigeo Eiris) 'Second Party Opinion' bond issue o https://investors.europcar-group.com/static-files/1fc9a304-0baf-4823-bd34-b340f0ff3d83 Implementation of the Group's carbon reduction plan implies change management.

- **Training leverage – raising employee awareness of climate issues**

In addition to training staff at stations on the specific features of electric and rechargeable hybrid vehicles ("One Sustainable Fleet" program), the Group wishes to support its ambitions in terms of carbon reduction through an effort to train and raise its employees' awareness of climate issues.

(1) Through its partnership with Shell Recharge Solutions.

In some Corporate Countries, employees already benefit from dedicated training programs set up by the HR and country communication departments, using local CSR representatives: in Belgium, for example, every new employee is made aware of the environment during their Welcome Day.In Australia and New Zealand, employees receive e-learning training via Europcar University, and in Italy, Germany and France, tools are available on local intranet sites. A best practices guide is also distributed to Goldcar employees to implement simple everyday actions.

Going further in this direction, in June 2021 the Group signed a partnership with We Now – a greentech specialist in climate transition, certified a Solar Impulse Efficient Solution by the Bertrand Piccard Foundation – which develops training content and a platform – Engage Now – to provide information, train and specifically take action to promote the climate through the principles of "gaming". The aim of this partnership is to be able to use all or some of the contents of the platform, to assemble and deploy an *ad hoc* program in 2022, to raise awareness and train Europcar Mobility Group employees.

This comprehensive program – aimed at all employees, from top management to staff in stations – will also include the Climate Fresk game and conferences.

Network processes

The aim of this workstream is to optimize processes within our operations and to continue our efforts in the responsible management of our resources.

In addition to issues relating to greenhouse gas emissions caused by the use of vehicles, the Group is also taking action to reduce its direct environmental footprint, especially in stations, where this is concentrated. Three environmental issues are being particularly targeted: water consumption, energy consumption and production and treatment of waste.

In terms of its ground footprint, the Group has areas used permanently for headquarters and the network, and parking lots are actively managed according to the activity. The sizes and types of premises occupied by the Group (underground or above-ground) are such that land occupation and use is not a significant issue for the Group in terms of environmental impact.

	2021
Environmental Footprint	**Consumption**
Water *(in m^3)*	193,360
Total energy, excluding fuel *(MWH)*	**50,796**
Including renewable energies *(MWH)*	12,790
In-house fuel consumption *(L)*	4,981,425

All of the figures shown above are for the Group's direct in-house consumption. They cover the Corporate Countries scope and do not include the franchise network or suppliers (who are outside the scope of the annual CSR report).

The costs related to water and energy consumption are, for a number of stations, included in the premises' rental charges, and it is difficult to obtain more detailed information.

USE OF RENEWABLE ENERGY AND INTERNAL FUEL CONSUMPTION MANAGEMENT

In 2021, the Group consumed 12,790 MWh of renewable energy across stations (96%) and headquarters (4%) in all the Group's Corporate Countries. Europcar Mobility Group is fully aware of the issues raised as a result of the energy it consumes and the greenhouse gas emissions it generates, and constantly seeks to increase the share of renewable energy in its global energy consumption profile. Thanks to the supply of renewable energy for a growing portion of its sites in Italy, France and Germany, this proportion was around 25% of the Group's total energy consumption during the year.

Europcar Mobility Group also wants to optimize energy consumption within its network by encouraging best practices. Stations undergo regular energy audits, notably when qualifying for or renewing their environmental certifications.

As part of that process, Europcar Mobility Group United Kingdom has introduced a 5-year LED replacement program, which it expects to pursue through 2022. Goldcar has also begun replacing traditional lighting with LEDs in its stations.

The Group considers fuel storage as the main environmental risk factor. It pays particular attention to maintaining its tanks and warning systems (leak detectors, alarms) and to training its teams to prevent leaks and to respond in the event of an accidental spill. All Group facilities comply with local regulations on storing and operating fuel storage tanks. The deployment of ISO 14001 certification – environmental management system – also strengthens prevention against the risk of leaks and the training of personnel in the event of an incident. At December 31, 2021, seven Corporate Countries had started ISO 14001 certification. Europcar Mobility Group Germany goes even further by renewing once again this year the ISO 50001 certification on energy management practices.

WASHING OF VEHICLES: AN ENVIRONMENTAL PRIORITY FOR THE GROUP

Washing vehicles consumes large quantities of water as well as energy and chemical products. It is done either in-house by the Group's vehicle preparers when stations have dedicated facilities, or outsourced when there are no in-station car-wash facilities. The Group is not subject to special restrictions on water use, even though it operates in warm countries and/or countries subject to hydric stress. One exception is in Belgium, where a water restriction may be ordered by the governmental during exceptional situations. No penalty has been imposed on Europcar Mobility Group for its water use in 2021.

In 2021, Europcar Mobility Group consumed 196,360m3 of water, 95% of which was in the stations, generally linked to car washing before each rental. To cut its water consumption, the Group streamlines the number of vehicles "going through" automatic vehicle washes. Through 2020, at the end of each rental, an assessment determined whether the car needed a full wash or if a dry manual wash was sufficient. Substantial water savings were made thanks to this ingenious Quick Turnaround scheme. During the Covid-19 crisis, new hygiene standards were introduced to guarantee the safety of our customers.

At the end of 2021, the Quick Turnaround program was relaunched and a dedicated report was created within operations for better granularity in monitoring the water consumption of the station network.

An initial use case in Italy estimated the percentage of vehicles washed with water, without water and without water or movement:60% of vehicles were washed with water and 40% without water or movement, resulting in water savings of nearly 70% (cumulation of recycled water and unused water) compared to previous years' consumption. This process will be rolled out across all countries in 2022 to target stations with strong potential for improvement.

Furthermore, some stations are equipped with water recycling systems to limit the water taken from the supply networks. Other local initiatives have also been undertaken: Goldcar (Spain) is now working with suppliers that use waterless car-wash techniques, and monitors water consumption at its offices and facilities.

Lastly, Europcar Mobility Group aims to promote environmental best practices wherever it operates, particularly when it comes to actions to reduce energy consumption and improve waste treatment.

	2021
Waste treatment *(metric tons)*	**Consolidated Group data**
Quantity of hazardous waste produced	768
Quantity of hazardous waste recycled	661

Waste produced by the Group can be classified into two categories (hazardous and non-hazardous). Classification and treatment depend on local regulations that the Group conscientiously complies with, through special local procedures and its environmental management systems mandated under ISO 14001 certification.

Regarding waste classified as "hazardous," the Group basically generates waste sludge from its stations' hydrocarbon separators, batteries, IT waste, toners and neon tubes.

In 2021, "non-hazardous" waste was mainly office waste and paper.

Several pilot initiatives have been launched to constantly increase the recycling rate of waste produced by the Group and promote a circular economy for their treatment. To this end, the Europcar brand in France started sorting waste in its largest stations, which has allowed it to recycle most of the waste produced through dedicated channels.

4.6 SHARE OUR BUSINESS ETHICS

4.6.1 The Group's convictions on business ethics

Share our business ethics

We take pride in our values and constantly strive to adhere to our business ethics, which is a key factor for enhancing our customers' trust and loyalty and that of our partners.

The Group wishes to further involve its stakeholders, both internal and external, through the commitments made in its Code of Ethics and by increasingly integrating CSR into its supplier relationships. This intent is reflected in the dedicated tools and programs we use, and in our regular training/awareness campaigns.

4.6.2 Group actions as regards business ethics

4.6.2.1 Propose a service that complies with the highest safety standards

As a reminder, the Group is one of the largest purchasers of European vehicles and the leading player in the European vehicle rental industry. In the year to December 31, 2021, the Group took delivery of some 199,000 vehicles and operated a fleet with an average size of 232,000 passenger and LCV rental vehicles (including Urban Mobility and Fox Rent A Car). In fiscal 2021, the breakdown between passenger vehicles and light commercial vehicles was as follows: 82% passenger vehicles and 18% light commercial vehicles.

For the year ended December 31, 2021, the approximate average vehicle holding period by Europcar Mobility Group was 13.4 months (10.3 months only for vehicles covered by buyback or rental agreements). Nearly 81% of purchased units were covered by "buy-back" contracts including a clause providing for the repurchase of vehicles at the end of a predefined period, most often less than 12 months. This allows Europcar Mobility Group to offer for rental a fleet of recent vehicles with all the latest safety standards and the latest technologies in equipment.

In addition, through its contracts with car manufacturers, the Group undertakes to comply with all maintenance requirements under the buy-back clauses. The vehicles are therefore subject to many specific written procedures that are posted in the preparation sites to ensure regular maintenance in accordance with the carmakers' standards.

Before any new rental, vehicles are inspected and verified by teams trained in-house to the Group's own standards and checkpoints (tire pressure, liquid levels, indicators and lights, etc.). If vehicles fail and need repairs, minor adjustments are carried out on-site, and more serious repairs are completed by approved independent firms.

Finally, each vehicle has essential safety equipment (high-visibility vest, reflector triangle, etc.) and additional equipment may be rented in the agency (child seats, snow chains, snow tires, etc.) to give customers an optimal level of safety and comfort behind the wheel, in compliance with local regulations.

If a vehicle has an accident or breakdown while rented out, the Group makes a 24/7 assistance service and constantly looks for the best solutions to ensure that its customers are taken care of efficiently.

Europcar Mobility Group and the "Montagne" law in France

The safety of our customers is one of our primary concerns. For example, during the Covid-19 pandemic, our Group strengthened its vehicle cleaning procedures ("Safety Program") to combat the spread of the virus for the safety of its customers.

With the "Montagne" law in France, the Group's objective is to help customers comply with a law aimed at improving their safety on winter roads. Although the government announced that sanctions would not apply during the first year of the law's application, Europcar Mobility Group wished to enable as many customers as possible to comply with it and to make the right decision without delay.

The driver is fully liable if equipment is not fitted. However, as a rental operator, we have two obligations: to inform the driver and offer them equipment.

On November 1, 2021, the Europcar network in France was therefore ready to support its customers on these two aspects:

- customer information component: customer information via the booking site, as well as in booking confirmation and "pre-pickup" emails for the vehicle, in addition to updating the general rental conditions;
- equipment proposal section: "snow socks" (fabric chains) offer on the booking site, as well as at the counter in all agencies in the 48 departments affected by the law. They are offered as a chargeable option, at a very affordable price. In addition, customers who take this option are only charged for a maximum period of seven days, i.e., if the customer's rental exceeds these seven days, they are not charged beyond these seven days. Franchised agencies in the relevant departments also offer "snow socks" or chains, or even, in some cases, snow tires for ski stations.

4.6.2.2 Target a high level of customer satisfaction

Europcar Mobility Group wants to ensure a high level of satisfaction by offering customers high-quality mobility products and solutions that meet the ever-changing demands of the market.

To strengthen its leadership position, the Group has also adopted tools and implemented actions to foster dialog with customers so that it can respond to customer demands as fully as possible, and measure and track customer satisfaction.

Foster customer-Europcar Mobility Group dialog

The Group provides its customers with a wide range of communication channels (telephone, email, FAQs, website, social media, etc.) enabling interactions and direct exchanges at every stage of the customer experience, whether before, during or after rental.

Customer requests and complaints are managed through a centralized software tool and processing procedures are formalized at the Group level, allowing it to handle the time it takes to resolve customer requests. Since 2017, the Group has reduced complaint processing times to no more than five days, as opposed to seven days in 2016.

Most Corporate Countries belong to their local tourism, insurance or vehicle rental trade associations as a way to make progress and continuously improve their practices and services.

A Group-wide customer satisfaction measurement tool: the Net Promoter Score

In 2011, the Group implemented a tool to monitor customer satisfaction, known as the *Net Promoter Score*. The tool uses a recognized methodology to establish a differential between the number of "promoters" and the number of "detractors" of a brand. Customers are asked to rate the likelihood that they would recommend one of our brands to their friends or family on a scale of 0 to 10. Scores below 6 are categorized as "detractors", while scores of 9 and 10 are categorized as "promoters". The Net Promoter Score is the difference between the proportion of "promoters" and the proportion of "detractors".

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

- NPS is measured in the same way for all brands and in all countries (excluding franchise countries);
- in 2021, the integration of all the Group's brands to achieve an overall Group score, i.e., a value comprising the results of the various brands, continued. The Group's overall score therefore covers the Europcar, Buchbinder, Ubeeqo, Goldcar, InterRent, GoCar and Fox brands. This overall score was 41.1 in 2021;
- the Europcar brand's NPS score has been rising steadily, year after year, from 45 in 2015 to 52.1 in 2021 (data at the end of December 2021), reflecting the efforts to transform the customer relationship, organized by the Group's Customer Engagement Department;
- the management of Goldcar's operations with reference to this indicator led to a 12-point increase between 2019 and 2021.

As the Covid-19 pandemic has brought with it a number of changes in customer behavior and in the responses we provide through our operations (see "Customer Journeys" – Section 1.4.4.3, Europcar Mobility Group brands and their service offerings), Europcar Mobility Group has updated its NPS questionnaire to better reflect how customers view these changes, by:

- updating the content of the NPS survey and asking customers how they feel about the specific cleaning and hygiene measures implemented by our agents to enhance customer safety (the "Safety Program");
- adding a "Pandemic" section to our semantic analysis tool to detect weak signals on the subject.

The results and the implemented action plans are analyzed by the Customer Engagement Department to identify and rapidly adopt appropriate solutions.

4.6.2.3 Source responsibly

Favor local suppliers and subcontractors

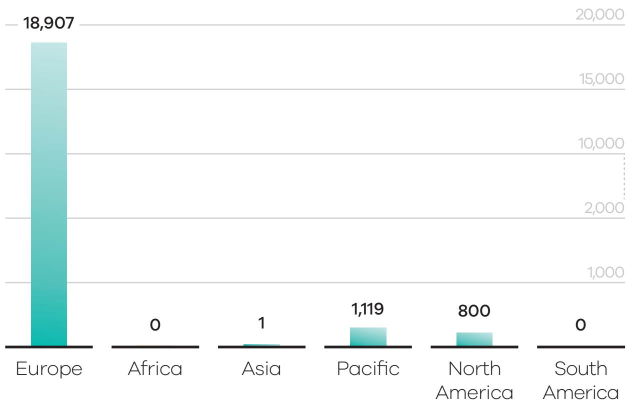
Purchases constitute one of the key vectors for Europcar Mobility Group to achieve its strategic objectives and in the quality of mobility solutions offered by the Group. The Group is committed to maintaining stable relationships with suppliers wherever it operates. It achieves this by promoting dialogue and by regularly assessing the proportion of the supplier's revenue from the Group to avoid any dependency risk.

Europcar Mobility Group has organized its purchases into two broad categories. On the one hand, the Fleet Management Department manages vehicle purchases from recognized manufacturers as well as the expenses related to putting them in service (registration, insurance, etc.). These aspects are addressed in Chapter 1, Section 1.6.6.

On the other hand, the Group Purchasing Department, through its network of Group buyers and local buyers in Corporate Countries, meets current purchasing requirements and fulfills the operational needs associated with vehicle maintenance and care throughout the network of stations. They concentrate a large portion of the potential risk factors related to Europcar Mobility Group's supply chain. A dedicated policy has been formalized for these risk factors.

By the nature of its business, Europcar Mobility Group makes the vast bulk of its non-fleet purchases (96% of its suppliers) in the geographical regions where it operates, making it a major provider of local employment. Few purchases are made outside the Group's direct operations: No purchases are made in South America, and only 0.52% are made in Asia, thereby limiting the potential social risks associated with those regions.

NUMBER OF DIRECT SUPPLIERS PER GEOGRAPHICAL ZONE



Non-fleet purchases represent approximately one fourth the Group's annual consolidated revenue. Many of the Group's suppliers are under contract (close to 20,827 on December 31, 2021). Selecting local suppliers is part of the Group's CSR policy: from an economic and social point of view, prioritizing short-circuit supply chains allows the Group to create value with our local stakeholders, and from an environmental point of view, to contribute to reducing transport-related GHG emissions.

The Group wants to be a creator of shared value with its commercial partners by focusing particular attention on their appreciation of the social and environmental aspects and issues in their businesses. Europcar Mobility Group is fully aware of the many regulatory and legal changes to which it must respond, and takes immediate action to comply with them.

In all of its contracts, the Group includes a clause on compliance with the principles described in its Code of Ethics. This is a set of ethical, concrete and detailed principles that define the professional behaviors expected from all Group stakeholders. These measures and the actions implemented are described in greater detail in Sections 2.7 "Ethics and Compliance Program" and 2.8.1 "General organization of internal control".

4.6.2.4 Exercise a duty of care

As an extension of the responsible purchasing policy, Europcar Mobility Group implements actions and initiatives to comply with its obligations in respect of companies' duty of care (law No. 2017-399) as part of a continuous improvement process.

As part of its regulatory watch operations, the mapping of purchasing risks was updated in 2021, highlighting the principal processes in place to manage them and the progress points to be implemented this year (see Section 4.2 – Principal non-financial risks and challenges of the Group).

Beyond meeting its legal and regulatory obligations, the objective is to anticipate and minimize the risks that can arise in the Europcar Mobility Group value chain and to assist suppliers to move to better consideration of the CSR criteria in their practices and offers.

In 2021, as part of a broader Group initiative to improve our third party evaluation process, a Group-wide tool (in partnership with Ecovadis) was acquired to standardize our compliance processes and suppliers' CSR risk mapping. The supplier's tool will be live shortly in early 2022, (at December 31, 2021, no supplier has been audited on their CSR performance).

Lastly, new suppliers continue to be added to the Group's Approved Supplier List, which was established in 2020. All suppliers in the list are subject to due diligence audits.

The Group's P2P (Purchase to Payment) purchasing processes are currently being reviewed with a view to standardizing them across the Group.

Further to the launch of the *Product & Tech Transformation* program to accelerate the integration of multiple information systems into a single standardized system, a study is now being conducted to assess the feasibility of introducing a single purchasing management tool within the Group.

As mentioned above, the Group includes its "Code of Ethics & Commitments" statement with invitations to tender and supplier agreements. Finally, as part of its improved third party evaluation process, the Group will assess the CSR performance for potential new supplier using Ecovadis rating tool to check the Group's CSR requirements.

A whistleblowing mechanism is also being rolled out across the Group.

4.6.2.5 Combat corruption

The fight against corruption is also a Group priority. This work, which is in line with the Group's "Compliance" program, enabled Europcar Mobility Group to build a set of rules and formalize a specific organization to anticipate and effectively combat all forms of corruption.

These measures and the actions implemented are described in greater detail in Sections 2.7 "Ethics and Compliance Program" and 2.8.1 "General organization of internal control."

4.6.2.6 Share our business ethics

Europcar Mobility Group intends to promote business ethics in all the stages of its value chain and in all its commercial (customer, supplier, franchisee, B2B customer) and social (employee) relationships. Accordingly, the Group has thus developed a "Compliance program" supported by a dedicated organizational structure (composed of Compliance officers and a Compliance Committee) and a multi-annual action plan. These procedures are described in detail in Section 2.7 "Ethics and Compliance Program" of this Universal Registration Document.

In 2021, the Group updated its Code of Ethics & Commitments, which is available online, to ensure uniformity and consistency among the practices of its employees, suppliers and franchisees in meeting Europcar Mobility Group's expectations regarding business ethics.

Forty-eight (48) commitments and 12 objectives are listed in this document, which formalizes the Group's requirements. These commitments and objectives relate, in particular, to compliance with national and international regulations and laws, respect for human dignity and Human Rights, protection of the health and safety of its employees, preservation of the environment, protection of personal data, the fight against conflicts of interest, and support for all internal and external initiatives that promote social and environmental progress. These key principles are based on a certain number of laws and international references, such as the Universal Declaration on Human Rights, international labor conventions (Nos. 29, 87, 105 and 138, among others), the United Nations Global Compact, and the OECD directives for multinational companies.

An anti-bribery guide has been prepared in addition to the "Code of Ethics & Commitments" to make all Group employees aware of anti-corruption issues. This guide was also updated in 2021 following the completion and implementation of the Group's anti-corruption risk mapping.

A comprehensive whistle-blowing procedure completes this arsenal, enabling employees and all stakeholders to anonymously report any practices that might be a violation of the law or the Group's principles. This program enables the Group to comply with the French anti-corruption requirements of the Sapin 2 law.

The Group also takes its tax obligations very seriously, including matters relating to the fight against tax evasion.

Lastly, where the protection of personal data is concerned, Europcar Mobility Group has embarked upon a process to achieve compliance with the European General Data Protection regulation (GDPR), and has now appointed a Group Data Protection officer and introduced a governance structure and procedures relating to the protection of data.

A dedicated e-learning program has been launched to train Group employees on the various issues and matters related to financial sanctions, the rules applicable to ethics and corruption and the protection of personal data. 83.5% of employees were trained in 2021.

4.7 CROSS-REFERENCE TABLE OF SPECIFIC INFORMATION EXPECTED IN THE STATEMENT OF NON-FINANCIAL PERFORMANCE

The reporting indicators shown in this Chapter correspond to the issues and risks identified under the law on Non-Financial Performance Reporting (DPEF – law No. 2018-898). They also allow the Group to demonstrate its commitment to the Ten Principles (Pr.) and Sustainable Development Goals (SDG) of the United Nations Global Compact relevant to Europcar Mobility Group.

	Statement of Non-Financial Performance (SNFP)	Global Compact Principles (Pr.)/ Sustainable Development Goals (SDGs)	GRI	Section
General information on Europcar			**102-1**	**6.1**
Name, legal form, location			102-2 102-3 102-4 102-5	
Business model and presentation of activities	**4.1.1**		**102-2**	**4.1.1**
Products, services, brands, markets	4.1.1		102-6 102-7 102-9 102-10	1.3 1.4 1.6
Declaration of the highest executive body			**102-14**	
Corporate Social Responsibility policy			**102-15**	**4.1.2**
Materiality analysis			**102-21**	**4.2.1**
Mapping of non-financial risks	**4.2.2**			
Social consequences of the activity	**4.4**		**102-8**	**4.4**
Attract talents, develop them and support employees' career paths	4.4.2.4	SDG 4		
Involve employees in the Company's performance through employee shareholding	4.2.2			
Implement dynamic Human Resource Management practices	4.4.2.1	SDG 5 SDG 8 SDG 10		
Values Program	4.4.2.5			
Develop a labor policy to promote dialog	4.4.2.2	SDG 5 SDG 8 SDG 10		
Make diversity a driver of the Group's performance	4.4.2.3	SDG 5		
Social information: key performance indicators (★) and other social data				
Employment				4.4.2.1
Total workforce and breakdown of employees ★			102-7 102-8 401-1	4.4.2.1
Hires and departures			202-2 401-1	4.4.2.4

	Statement of Non-Financial Performance (SNFP)	Global Compact Principles (Pr.)/ Sustainable Development Goals (SDGs)	GRI	Section
Compensation and change			102-35 102-36 102-38 102-39	4.4.2.2
Management of human resources		Pr.4		4.4.2.1
Working time organization				4.4.2.1
Absenteeism			403-2	4.4.2.2
Employee share ownership				4.2.2
Portion of share capital held by employees ★	4.2.2			4.2.2
Employee Relations			402-1	4.4.2.2
Organization of labor relations		Pr.3	402-1	4.4.2.2
Overview of the collective bargaining agreements	4.4.2.2		403-4	4.4.2.2
Proportion of employees represented by the European Works Council ★				4.4.2
Health and safety				
Health and safety conditions at work			403-2	4.4.2.2
Summary of the agreements signed relating to health and safety at work	4.4.2.2			4.4.2.2
Work-related accidents and occupational illnesses	4.4.2.2		403-2 403-3	4.4.2.2
Frequency rate of work-related accidents ★	4.4.2.2			4.4.2.2
Training		SDG 4		4.4.2.4
Percentage of employees trained ★	4.4.2.4			
Training policies			102-27 404-2 404-3	4.4.2.4
Total number of training hours			404-1	4.4.2.4
Equal treatment		Pr.6		4.4.2.3
Measures taken to promote gender equality	4.4.2.3	SDG 5	401-3 405-1	4.4.2.3
Measures taken to promote employment and inclusion of disabled persons	4.4.2.3	SDG 10	405-1	4.4.2.3
Anti-discrimination policy	4.4.2.3	SDG 5	405-1 406-1	4.4.2.3
Promotion and respect for the provisions of the ILO's fundamental conventions		Pr.1 and 4 SDG 8		4.4.2.3
Respect for the freedom of association and right to collective bargaining			407-1	4.4.2.2
Elimination of discrimination in matters of employment and occupation		SDG 5	406-1	4.4.2.3
Elimination of forced or compulsory labor			409-1	N/A. See Note on methodology
Effective abolition of child labor			408-1	N/A. See Note on methodology

	Statement of Non-Financial Performance (SNFP)	Global Compact Principles (Pr.)/ Sustainable Development Goals (SDGs)	GRI	Section
Environmental consequences of the activity				
Implement a full range of actions to reduce the Group's carbon footprint	4.5.2.2	SDG 11 SDG 13 SDG 17		
Group actions as regards environmental responsibility	4.5.2	SDG 6 SDG 11 SDG 13 SDG 17		
Roll out a carbon reduction plan to keep the Group's carbon trajectory on track	4.5.2.2	SDG 6 SDG 13		4.5.2.2
Environmental information: key performance indicators (★) and other environmental data				
General Environmental Policy	4.5.1	Pr.7 to 9 SDG 13	102-14	4.5.1
Company organization to take environmental questions into account	4.5.2.2			4.5.2.2
Training and information regarding environmental protection	4.5.2.2			4.5.2.2
Resources dedicated to environmental risk and pollution prevention				4.5.2.2
Amount of environmental risk provisions and guarantees			201-2	4.5.2.2
Proportion of operating subsidiaries ★ that have embarked upon ISO 14001 certification	4.5.2.2			4.5.2.2
Pollution and Waste Management				
Prevention, reduction or remediation measures for air, water, and soil discharges severely affecting the environment	4.5.2.2		306-3	4.5.2.2
Average age of vehicles put on the market ★	4.6.2.1			4.6.2.1
Proportion of rechargeable hybrid and electric vehicles in the fleet in 2021 ★	4.2.2			4.2.2
Number of kilometers and proportion covered by rechargeable hybrid and electric vehicles during the year ★	4.2.2			4.2.2
Prevention measures, recycling and waste elimination			306-2 306-3 306-4	4.5.2.2
Taking noise pollution and any other form of pollution specific to an activity into account				N/A. See Note on methodology
Sustainable Use of Resources				
Water consumption and water supply depending on local constraints	4.5.2.2	SDG 6	303-1 303-3 306-1 306-3 306-5	4.5.2.2
Consumption of raw materials and measures taken to improve the efficiency of their use			301-1 301-2	N/A. See Note on methodology

	Statement of Non-Financial Performance (SNFP)	Global Compact Principles (Pr.)/ Sustainable Development Goals (SDGs)	GRI	Section
Energy consumption, the measures taken to improve energy efficiency and use of renewable energy			302-1 302-2 302-4 302-5	4.5.2.2
Ground use			304-1	4.5.2.2
Proportion of vehicles washed without water and without being moved ★				4.5.2.2
Climate change	4.5.2	SDG 11 SDG 13		4.5.2
Greenhouse gas emissions ★	4.5.2.1		305-1 305-2 305-3 305-5	4.5.2.1
Vehicles' average CO_2 emissions per km ★	4.5.2.2			
Adapting to the consequences of climate change				N/A. See Note on methodology
Protection of Biodiversity				
Measures taken to protect and increase biodiversity			304-1 304-2 304-3 304-4 306-5	N/A. See Note on methodology
Respect for Human Rights, combating corruption, and customer satisfaction	**4.6**			
Responsible purchasing policy	4.6.2.3	SDG 8		
Exercise a duty of care	4.6.2.4	SDG 8		
Promote business ethics	4.6.2.6	SDG 8		
Combat corruption	4.6.2.5	SDG 8		
Offer a broad variety of mobility solutions that are alternatives to individual car ownership	4.3.2.1	SDG 11 SDG 13		
Propose a service that complies with the highest safety standards	4.6.2.1			
Ensure the accessibility of our offers regardless of our customers' needs or budget	4.3.2.2	SDG 10 SDG 17		
Target a high level of customer satisfaction	4.6.2.2			
Societal information: key performance indicators ★ and other societal data				
Territorial, economic and social impacts of the Company's activity			204-1 413-1	4.4.2.1 4.6.2.3
Regarding employment and regional development			413-1	4.4.2.1 4.6.2.3
On neighboring or local populations				4.4.2.1 4.6.2.3
Relationships maintained with persons or organizations interested in the Company's activity				
Conditions for dialog with these persons or organizations	4.6.2.2		102-21 102-43	4.6.2.2
Partnership or sponsorship initiatives	4.3.2.2		203-1	4.3.2.2

	Statement of Non-Financial Performance (SNFP)	Global Compact Principles (Pr.)/ Sustainable Development Goals (SDGs)	GRI	Section
Sub-contractors and suppliers				
Taking account of social and environmental issues in the purchasing policy	4.6.2.3	Pr.1, 2 and 5 SDG 8	308-2 408-1 412-1 414-1 414-2	4.6.2.3
Importance of sub-contractors and consideration of suppliers' and sub-contractors' corporate social responsibility (CSR)	4.6.2.3		102-9 308-1 308-2 408-1 412-1 414-1 414-4	4.6.2.3
Proportion of audited suppliers incorporating CSR issues ★	4.6.2.4			4.6.2.4
Fair trade practices				
Action taken to prevent corruption	4.6.2.5	Pr.10	102-16 102-17 205-1 205-2 205-3	4.6.2.5
Customer safety and protection measures	4.6.2.1		102-2 416-1	4.6.2.1
Combating tax evasion	4.6.2.6			4.6.2.6
Customer satisfaction				
Net Promoter Score (NPS) ★	4.6.2.2			4.6.2.2
Catalog of mobility solutions ★	4.3.2.1			4.3.2.1
Catalog of marketing offers ★	4.3.2.1			4.3.2.1

4.8 METHODOLOGICAL NOTE

Period and Scope of the CSR Reporting

The CSR Reporting period is the 2021 calendar year (from January 1, 2021 to December 31, 2021).

For information purposes, in this Chapter, and unless otherwise indicated, 2021 figures are for Corporate Countries held between January 1, 2021 and December 31, 2021.

The scope of the CSR reporting covers the Holding companies, the Shared Services Center and the operational subsidiaries: Corporate Countries (France, Germany, United Kingdom, Italy, Spain, Portugal, Belgium, Ireland, Denmark, Finland, Norway, Luxembourg, Australia and New Zealand) as well as the Goldcar, Ubeeqo, Buchbinder and Fox.

The published data are consolidated at Group level, apart from the data on workforce distribution by country. They do not include the franchisee networks.

Note:

- the scope of publication is not exhaustive for all indicators, in particular for key performance indicators;
- fleet indicators covered 93% of fleet vehicles as of December 31, 2021, with the exceptionof Europcar Luxembourg and Fox.

Organization of the CSR reporting campaign

The organization of the CSR reporting campaign is detailed in a protocol showing all the processes and methodologies of the CSR reporting campaign. This protocol was distributed to each contributor in the form of an explanatory document and presented at a kick-off meeting.

Data collection

CSR reporting is organized and coordinated by the Group Head of CSR in collaboration with the CSR correspondents of the holding companies and the Corporate Countries. At the level of each subsidiary, data collection is managed by the responsible teams, and mainly concerns Human Resources, Operations, Fleet and Management Audit teams.

Collection tool

To collect and consolidate the data, and ensure the traceability of the data and processes, Europcar Mobility Group used Sirsa's online non-financial information collection software, Reporting 21. This software was rolled out across all the entities subject to CSR Reporting requirements, and has helped around a hundred contributors to input CSR Reporting data.

Audit and consolidation of the data

Internally

In each entity, data are checked by the teams responsible for reporting the information. Automatic consistency checks are carried out by the collection software and then manually by the team charged with analyzing and consolidating data at Group level: comparing data between countries, comparing against historical data, localized control ratios (such as on the price of resources). Checks are also carried out by both head office teams and by service provider SIRSA, throughout the campaign and at each key stage. This verification work entails numerous exchanges with the Corporate Countries to ensure the consistency and robustness of the information communicated.

Verification of the data by an independent third party organization

Mazars, one of the Company's Statutory Auditors, has been appointed as Independent Third-Party by Europcar Mobility Group to issue a report on the Statement of Non-Financial Performance published in the management report presented in this Universal Registration Document pursuant to the law on Non-Financial Performance Reporting (DPEF in French; law No. 2018-898).

Choice of indicators

To produce its CSR reports, Europcar Mobility Group has defined a list of indicators based on its main risks and opportunities.

This list contains quantitative and qualitative indicators, broken down into five major categories: Environment, Fleet, Social, Societal and Supply Chain. As such, all the Group's material issues in terms of compliance and dialog with stakeholders are covered, and baseline information can be collected in order to define and steer a CSR strategy.

Notes on methodology and main limiting factors

The entities within the scope of CSR Reporting are in countries with substantially different laws and practices.

The choice of indicators and their definitions are discussed upstream with the different contributors from the various entities to produce indicators that are as closely tailored as possible to circumstances on the ground.

Notes on the definitions of certain indicators

- unlike the workforce productivity data monitored by the Group, the workforce data in the CSR reports includes employees on long-term leave;
- the absenteeism rate does not include employees on maternity and paternity leave;
- the energy and water indicators do not include consumption for vehicle washing by external service providers;
- training indicators include employees who left the company during the year;
- the key performance indicator, "average age of vehicles" was renamed "average vehicle holding duration" for clarification purposes.

Notes on the greenhouse gas emissions footprint

The GHG emission assessment is an update of the assessment drawn up by the specialist consultancy firm Carbone 4, and now has been automated in Reporting 21. It was produced based on available data collected during the 2021 CSR reporting campaign.

For CO_2 emissions, the Group's internal consumption of energy (mainly electricity and gas) and fuel (diesel and gasoline) were considered. Carbon emission factors specific to each country were applied for electricity consumption, and identical factors were applied for other items. When available, the emission factors used come from the ADEME database.

Notes on the exclusion of certain data required by the law on the statement of non-financial performance

- in view of its activity as a vehicle rental and mobility solutions provider, Europcar Mobility Group has excluded the indicators and data relating to:
  - the circular economy,
  - the fight against food waste,
  - the fight against food insecurity, respect for animal welfare, and responsible, fair and sustainable food.

4.9 REPORTS BY THE INDEPENDENT THIRD PARTY (ITP)
Europcar Mobility Group

Report by the Independent Third Party on verification of the consolidated statement of non-financial performance included in the management report

Year ended December 31, 2021
Europcar Mobility Group
Société Anonyme (public limited company) with share capital of €163,884,279
Headquarters: Immeuble Metropolitan, 13 ter Blvd. Berthier, 75017 Paris
RCS 489.099.903

Year ended December 31, 2021

To the shareholders,

As an independent third party, a member of the Mazars network, the Statutory Auditors of EUROPCAR MOBILITY GROUP, accredited by COFRAC Inspection under number 3-1058 (scope of accreditation available on the www.cofrac.fr website), we have conducted work with the aim of formulating a reasoned opinion expressing a moderate assurance conclusion on the historical information (recorded or extrapolated) of the consolidated statement of non-financial performance, prepared in line with the entity's procedures (hereafter the "Guidelines"), for the fiscal year ended December 31, 2021 (hereafter the "Information" and the "Statement" respectively), presented in the Company's management report, pursuant to the provisions of Articles L. 225 102-1, R. 225-105 and R. 225-105-1 of the French Commercial Code.

Conclusion

In the absence of source documents being transmitted, the reliability of information relating to energy consumption, fuel consumption and associated greenhouse gas emissions of the Fox Rent A Car (United States) entity, representing 12% of the Group's headcount, could not be verified.

Germany's energy consumption, which accounts for 12% of the Group's energy consumption, are published with a one-year delay: the figures published correspond to the 2020 fiscal year.

Based on the procedures we have implemented, as described in the "Nature and scope of work" section, with the exception of the items described above, we have not identified any significant anomalies that would call into question the fact that the non-financial performance statement complies with the applicable regulatory provisions and that the Information, taken as a whole, is presented fairly and in accordance with the Guidelines.

Comments

Without qualifying the conclusion expressed above, and pursuant to the provisions of Article A. 225-3 of the French Commercial Code, we draw attention to the following comment:

- with regard to the "environmental footprint and regulatory pressure" risk, the Group has identified a performance indicator (*Proportion of vehicles washed without water or movement*) for which 2021 data is not published.

Preparing the Statement of Non-Financial Performance

The absence of a generally accepted and commonly used reference framework or established practices upon which to evaluate and measure the Information allows the use of different but acceptable measurement techniques, which may affect comparability between entities and over time.

Consequently, the Information must be read and understood by referring to the Guidelines, the significant elements of which are presented in the Statement and are available on request from the Company's headquarters.

Limitations inherent in the preparation of Information

The Information may be subject to uncertainty inherent in the status of scientific or economic knowledge and the quality of external data used. Certain information is sensitive to the methodological choices, assumptions and/or estimates used for their establishment and is presented in the Statement.

Company's responsibility

It is the responsibility of the Board of Directors to:

- select or establish appropriate criteria for preparing the Information;
- issue a Statement in accordance with the legal and regulatory provisions that includes a presentation of the business model, a description of the main non-financial risks, a presentation of the policies applied with regard to these risks

and the results of these policies, including key performance indicators, and also the information provided for by Article 8 of regulation (EU) 2020/852 (green taxonomy);

- implement the internal controls it deems necessary for drawing up Information that does not include any significant anomalies, whether due to fraud or error.

The Statement has been prepared by applying the entity's Guidelines as referred to above.

Responsibility of the Independent Third Party

Based on our work, our role is to formulate a reasoned opinion expressing moderate assurance as to:

- the Statement's compliance with the provisions of Article R. 225-105 of the French Commercial Code;
- the truthfulness and fairness of the historical information (recorded or extrapolated) provided in application of paragraph 3 of Sections I and II of Article R. 225-105 of the French Commercial Code, namely the results of the policies, including key performance indicators, and the actions in respect of the main risks.

As it is our responsibility to draw up an independent conclusion on the Information as prepared by the management, we are not authorized to be involved in preparing this Information, as this could compromise our independence.

It is not our responsibility to make an opinion on:

- the entity's compliance with other applicable legal and regulatory provisions (in particular in terms of information provided for by Article 8 of regulation (EU) 2020/852 (green taxonomy), with the vigilance plan and with the fight against corruption and tax evasion;
- where applicable: the fairness of the information provided for by Article 8 of regulation (EU) 2020/852 (green taxonomy);
- compliance of products and services with applicable regulations.

Applicable regulatory provisions and professional doctrine

Our work as described hereunder was carried out in accordance with the provisions of Articles A. 225-1 et seq. of the French Commercial Code, the professional standards of the National Association of Statutory Auditors regarding this type of assignment, in lieu of a verification program, and with the ISAE 3000 international standard (revised).

Independence and quality control

Our independence is defined by the provisions of Article L. 822-11 of the French Commercial Code and the Statutory Auditors' professional Code of Ethics. Furthermore, we have implemented a quality control system that includes documented policies and procedures aimed at ensuring compliance with ethical rules, professional standards and applicable regulations and legislation and with the professional doctrine of the National Association of Statutory Auditors relating to this assignment.

Means and resources

Our work required the skills of six people and was performed from October 2021 to March 2022, over a total duration of seven weeks.

We conducted around ten interviews with the people responsible for preparing the Statement, specifically representing the Communications and CSR, Risks and Compliance, Human Resources, Customer Satisfaction and Fleet departments.

Nature and scope of our work

We planned and performed our work taking into account the risk of significant anomalies in the Information.

We believe that the procedures we conducted in exercising our professional judgment allow us to draw a conclusion with moderate assurance:

- we reviewed the operations of all the entities within the scope of consolidation, as well as the statement on the main risks;
- we assessed the appropriateness of the Guidelines as regards their relevance, exhaustiveness, reliability, neutrality and comprehensibility, taking into account, where applicable, best practices in the sector;
- we ascertained that the Statement covers each category of information as provided for in Section III of Article L. 225-102-1 on social and environmental matters, as well as the respect of Human Rights and the fight against corruption and tax evasion;
- we ascertained that the Statement contains the information provided for in paragraph II of Article R. 225-105, when such information is relevant in light of the main risks, and contains, where applicable, an explanation as to why the information required under subparagraph 2 of paragraph III of Article L. 225-102-1 is absent;
- we ascertained that the Statement presents the business model and a description of the main risks associated with the operations of all the entities within the scope of consolidation, including, where relevant and proportionate, the risks engendered by business relations, products or services, and policies, actions and results, including key performance indicators;
- we have consulted supporting documents and conducted interviews to:
  - assess the procedures for selecting and validating the main risks, and the consistency of the results, including the key performance indicators used with regard to the main risks and policies presented, and
  - corroborate the qualitative information (actions and results) presented in Appendix 1 that we considered the most important. For the "Group's corporate culture and ownership of the Group's strategy", "Fight against corruption and fraud", "Suppliers and supply chain" and "Customers' new practices and expectations" risks, we focused our attention on the consolidating entity. For the other risks, attention was focused on the consolidating entity and a selection of entities;
- we ascertained that the Statement covers the consolidated scope, i.e. all the companies included in the scope of consolidation pursuant to Article L. 233-16 of the French Commercial Code, with the limits specified in the Statement;
- we reviewed the internal control and risk management procedures implemented by the entity, and assessed the collection procedure that was implemented to ensure the completeness and veracity of the Information;
- for the key performance indicators and the other quantitative results that we considered to be the most significant presented in Appendix 1, we implemented:
  - analytical procedures to ascertain the accurate consolidation of collected data and the consistency of changes to them,
  - detailed sampling tests or other selection methods to ascertain the proper application of definitions and procedures, and to reconcile data with supporting documents. This work was conducted with a selection of contributing entities[(1)] and covers between 17% and 100% of the consolidated data selected for these tests.
- we assessed the overall consistency of the Statement with regard to our knowledge of all the entities within the scope of consolidation.

The procedures implemented as part of a moderate assurance mission are less extensive than those required for a reasonable assurance mission carried out according to the professional doctrine of the National Association of Statutory Auditors; a higher level of assurance would have required more extensive verification work.

The Independent Third Party
Mazars SAS
Paris-La Défense, March 2, 2022

Edwige Rey
CSR &
Sustainable Development Partner

(1) See Appendix 1.

Independent third-party organization's limited assurance report on the verification of the objectives set within the Sustainability-Linked Senior Secured Notes framework

ISIN Code: "Rule 144A: XS2389986899" and "regulation S: XS23899841753"
Year ended December 31, 2021
Europcar Mobility Group
The limited company with a capital of 163 884 279 €
Head office: Immeuble Metropolitan, 13 ter Blvd. Berthier, 75017 Paris
RCS 489 099 903

For the year ended December 31, 2021

Dear Madam,

In response to your request and following your designation, Mazars SAS has been mandated, as an independent third-party organization, to verify with limited assurance the two indicators relating to the objectives set within the Sustainability-Linked Senior Secured Notes framework for the fiscal year 2021.

Conclusion

The work described in the "Nature and Scope of our work" paragraph allows us to express limited assurance that the two indicators, relating to the targets set within the Sustainability-Linked Senior Secured Notes framework, have been prepared, in all material respects.

Based on the work performed, Mazars SAS, as an Independent third-party organization, confirms for the year ended 31 December 2021, the results summarized below:

- Average emissions of car and van fleet: **118,29 gCO_2/km** for cars and **192,96 gCO_2/km** for vans (target: reducing carbon emissions for its car and van fleet to reach an average of 93 gCO_2/km and 144 gCO_2/km respectively by the end of 2024).
- Proportion of plug-in hybrid and electric vehicles in the fleet: **1,85%** (target: 20% of green vehicles (less than 50 gCO_2/km) in the car and van fleet by the end of 2024).

Our assurance was with respect to the year ended 31 December 2021 information only and we have not performed any procedures with respect to earlier periods or any other elements included in the Sustainability-Linked Senior Secured Notes framework and, therefore, do not express any conclusion thereon.

Responsibility of the Company

These indicators were prepared under the responsibility of Europcar Mobility Group's CSR Direction, in accordance with the terms and conditions of the Sustainability-Linked Senior Secured Notes framework. This responsibility includes the collect, calculation and implementation of internal control system relevant to the preparation of these indicators.

Independence and quality control

Our independence is defined by the requirements of Article L. 822-11-3 of the French Commercial Code and the French Code of Ethics (*Code de déontologie*) of our profession. In addition, we have implemented a system of quality control including documented policies and procedures regarding compliance with applicable legal and regulatory requirements, the ethical requirements and French professional.

Responsibility of the Independent Sustainability Auditor

On the basis of our work, our responsibility is to provide a certificate containing a reasoned opinion expressing a conclusion of limited assurance on the fact that the two indicators relating to the objectives s within the Sustainability-Linked Senior Secured Notes framework, mentioned in paragraph "Conclusion", are calculated fairly, in accordance with the procedures put in place work by the company.

Nature and scope of our work

We performed the work described below in accordance with the professional guidance of the French Institute of Statutory Auditors ("CNCC") applicable to such engagements and with the ISAE 3000 (1) international norm.

The work described below was performed to ensure the fairness of the data disclosed as well as their compliance to the definitions set by the company:

- Conduct interviews with relevant staff at the corporate and countries level responsible for providing data;
- Obtain an understanding of the activity of all the companies included in the scope of consolidation;
- Assess the appropriateness of the procedures put in place by the company to determine the two indicators relating to the objectives set within the Sustainability-Linked Senior Secured Notes framework for the fiscal year 2021;

(1) ISAE 3000 – Assurance engagements other than audits or reviews of historical financial information.

- Assess the collection process put in place by the Company aimed at the completeness and sincerity of data;
- Implement for each indicator:
  - analytical procedures to verify the proper consolidation of the data collected and the consistency of any changes in those data;
  - tests of details, using sampling techniques, in order to verify the proper application of the definitions and procedures and reconcile the data with the supporting documents.

Inherent limitations

Due to the inherent limitations of any internal control structure, it is possible that errors or irregularities in the data may occur and may not be detected. Our engagement is not designed to detect all weaknesses in the internal controls over the preparation and presentation of the data, as the engagement has not been performed continuously throughout the period and the procedures performed were undertaken on a test basis.

Paris-La Défense, April 8th, 2022
The Independent Third-Party Organization
MAZARS SAS

Edwige Rey
CSR &
Sustainable Development Partner

The purpose of this attestation is to report on the procedures carried out by Mazars SAS in the context of this mission, based on the information provided by Europcar Mobility Group and analyzed by Mazars SAS. This attestation does not mean that Mazars SAS certifies the tangibility, excellence or irreversibility of the commitments made by Europcar Mobility Group.

This certificate does not in any way relate to Europcar Mobility Group's CSR risks and performance. It does not commit Mazars SAS either on its methods or its brands, as to the consequences that would be given, or to the fulfilment of the commitments made by the parties concerned. Under no circumstances may this certificate be used in any legal proceedings relating to the bidding, awarding and execution processes. Mazars SAS cannot be held liable for the consequences of the use of this certificate by third parties, whether for investment decisions or for any other type of commercial transaction or action.

The purpose of this attestation is to report on the procedures carried out by Mazars SAS in the context of this mission, based on the information provided by Europcar Mobility Group and analyzed by Mazars SAS. This attestation does not mean that Mazars SAS certifies the tangibility, excellence or irreversibility of the commitments made by Europcar Mobility Group.

This certificate does not in any way relate to Europcar Mobility Group's CSR risks and performance. It does not commit Mazars SAS either on its methods or its brands, as to the consequences that would be given, or to the fulfilment of the commitments made by the parties concerned. Under no circumstances may this certificate be used in any legal proceedings relating to the bidding, awarding and execution processes. Mazars SAS cannot be held liable for the consequences of the use of this certificate by third parties, whether for investment decisions or for any other type of commercial transaction or action.

Appendix 1: Most relevant information

Qualitative information (initiatives and results) related to main risks

- climate change and acceptability of mobile solutions;
- environmental footprint and regulatory pressure;
- human resources and talent management;
- corporate culture and buy-in of the Group's strategy;
- suppliers and supply chain;
- combating corruption and fraud;
- new customer practices and expectations.

Quantitative indicators including key performance indicators

Themes	Key performance indicators and other information	Audited scope
Fleet	Proportion of rechargeable hybrid and electric vehicles present in the fleet at December 31	Germany (Europcar Mobility Germany & Ubeeqo Germany) Spain (Europcar Mobility Spain & Ubeeqo Spain & Goldcar Spain)
	Number of kilometers covered by hybrid, plug-in hybrid and electric vehicles during the year	
	Average CO_2/km emissions by vehicles in the fleet at December 31	
Environment	Greenhouse gas emissions generated by energy and fuel consumption	Germany (Europcar Mobility Germany & Ubeeqo Germany) Spain (Europcar Mobility Spain & Ubeeqo Spain & Goldcar Spain)
	Proportion of operational subsidiaries that have initiated an ISO 14001 certification	Group
Human Resources	Total workforce and breakdown of M/F employees	Germany (Europcar Mobility Germany & Ubeeqo Germany) Spain (Europcar Mobility Spain & Ubeeqo Spain & Goldcar Spain)
	Hires and departures	
	Percentage of employees trained	
	Frequency rate of work-related accidents	
	Proportion of employees represented by the European Works Council	Group
Societal	Proportion of suppliers evaluated on their CSR performance	Group
	Share of Group employees having completed the compliance e-learning	
	Net Promoter Score	

5

CORPORATE GOVERNANCE

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Part of this Chapter corresponds to the Board of Directors' report on Corporate Governance as set out in Article L. 225-37 of the French Commercial Code (see Chapter 7.6 of this Universal Registration Document "Concordance table with the annual financial report and the management report") and includes in particular information relating to the composition of the Board of Directors and conditions for the preparation and organization of its work, the organization of governance and the compensation policy for non-executive corporate officers.

It should be noted that during 2020 the Company was a joint stock company (French société anonyme) with Supervisory Board and Management Board.

The Combined Shareholders' Meeting of January 20, 2021 concerning the implementation of the Safeguard Plan approved the establishment of a new form of governance, implemented on February 26, 2021. Since that date, the Company has been a joint stock company (French société anonyme) with a Board of Directors governed by Articles L. 225-17 to L. 225-56 and Articles L. 22-10-1 to L. 22-10-78 of the French Commercial Code, in place of the previous structure with a Management Board and Supervisory Board.

The purpose of this Chapter is to present the new governance established on February 26, 2021 as a result of the Safeguard Plan. For a full presentation of the previous governance structure, please refer to Section 5.2 of the Company's 2020 Universal Registration Document.

Presentation of changes that occurred in 2021

Effective date	Changes
Combined Shareholders' Meeting of January 20, 2021	Approval of the cooptation of Mr. Antonin Marcus as a member of the Supervisory Board
	Modification of the structure of the company by adoption of the form of a joint stock company (French société anonyme) with a Board of Directors
	Appointment of Mr. Jean-Paul Bailly to serve as Director
	Appointment of Ms. Caroline Parot to serve as Director
	Appointment of Ms. Virginie Fauvel to serve as Director
	Appointment of Ms. Martine Gerow to serve as Director, until the Shareholders' Annual Ordinary General Meeting, called in 2024 to approve the financial statements for the fiscal year ended December 2023
	Appointment of Mr. Carl Leaver to serve as Director, until the Shareholders' Annual Ordinary General Meeting, called in 2025 to approve the financial statements for the fiscal year ended December 2024
	Appointment of Mr. Paul Copley to serve as Director
Board of Directors' meeting of February 26, 2021	End of the terms of office of the members of the Supervisory Board
	Acknowledgment of the resignation of Mr. Jean-Paul Bailly as a member of the Board of Directors
	Acknowledgment of the resignation of Mr. Paul Copley as a member of the Board of Directors
	Co-optation of Mr. Alexandre de Juniac as a Director, to replace Mr. Jean-Paul Bailly, for the remainder of Mr. Jean-Paul Bailly's term of office, i.e. until the end of the Annual Shareholders' Ordinary General Meeting called in 2022 to approve the financial statements for fiscal year 2021
	Co-optation of Mr. Simon Franks as a Director, to replace Mr. Paul Copley, for the remainder of Mr. Paul Copley's term of office, i.e. until the end of the Annual Shareholders' Ordinary General Meeting called in 2025 to approve the financial statements for fiscal year 2024
	Due notice by the Board of Directors of the appointment of Ms. Adèle Mofiro by the European Works Council, at its meeting of February 11, 2021, as a member of the Board of Directors of the Company representing the employees, for a term of office of four years that expires at the end of the Annual Shareholders' Ordinary General Meeting called in 2025 to approve the financial statements for fiscal year 2024
	Appointment of Mr. Alexandre de Juniac as Chairman of the Board of Directors
	Appointment of Ms. Caroline Parot to serve as Chief Executive Officer
	Appointment of Mr. Fabrizio Ruggiero to serve as Deputy Chief Executive Officer
Board of Directors' meeting of May 17, 2021	Co-optation of Ms. Sylvie Veilleux as a Director, to replace Ms. Virginie Fauvel, for the remainder of Ms. Virginie Fauvel's term of office, i.e. until the end of the Annual Shareholders' Ordinary General Meeting called to approve the financial statements for fiscal year 2022

Effective date	Changes
Combined General Meeting of June 30, 2021	Approval of the co-optation of Mr. Alexandre de Juniac as Director
	Approval of the co-optation of Mr. Simon Franks as Director
	Approval of the co-optation of Ms. Sylvie Veilleux as Director
	Extension of the term of office of Ms. Caroline Parot as Director, until the Shareholders' Annual Ordinary General Meeting, called in 2025 to approve the financial statements for the fiscal year ended December 2024
	Appointment of Ms. Carol Sirou as Director, for a four-year term that expires at the end of the Shareholders' Annual Ordinary General Meeting called in 2025 to approve the financial statements for the fiscal year ended December 2024
	Appointment of Mr. Laurent David as observer for a two-year term that expires at the end of the Shareholders' Annual Ordinary General Meeting called in 2023 to approve the financial statements for the fiscal year ended December 2022
Board of Directors' meeting of July 27, 2021	Resignation of Mr. Fabrizio Ruggiero from his position as Deputy Chief Executive Officer, from August 29, 2021

5.1 PRESENTATION OF THE COMPANY'S GOVERNANCE STRUCTURE

5.1.1 Board of Directors and Committees

Summary presentation of the members of the Board of Directors and its committees

	Personal Information			Experience		Position on the Board				
	Age	Gender[5]	Nationality	Number of shares	Number of offices in listed companies	Indepen-dence	Initial date of appointment as Director	End of term of office	Seniority on the Board	Partici-pation in Commit-tees
Alexandre de Juniac	60 years	M	French	1,000,000	2	✓	02/26/2021	2021 Financial Statements	1 year	✓
Caroline Parot	50 years	F	French	172,549	2	Chief Executive Officer	01/20/2021	2024 Financial Statements	1 year[1]	✓
Martine Gerow	62 years	F	French and American	500	0	✓	01/20/2021	2023 Financial Statements	1 year[3]	✓
Carl Leaver	54 years	M	British	100	0	No	01/20/2021	2024 Financial Statements	1 year	✓
Simon Franks	51 years	M	British	0	0	No	02/26/2021	2024 Financial Statements	1 year	✓
Carol Sirou	54 years	F	French	100	0	✓	06/30/2021	2024 Financial Statements	1 year	✓
Sylvie Veilleux	57 years	F	Canadian and American	100	0	✓	05/17/2021	2022 Financial Statements	1 year	✓
Adèle Mofiro	55 years	F	French	0	0	No	02/26/2021	2024 Financial Statements	1[4]	✓

(1) Ms. Caroline Parot joined the Group in 2011, and was appointed Chief Executive Officer of the Company for the first time on July 22, 2016. At the General Meeting on January 20, 2021, she was appointed as a member of the Board of Directors, before being reappointed Chief Executive Officer by the Board of Directors on February 26, 2021.
(2) Ms. Virginie Fauvel was appointed for the first time at the General Meeting of February 24, 2015 as member of the Supervisory Board.
(3) Ms. Martine Gerow was appointed for the first time at the General Meeting of June 12, 2020 as member of the Supervisory Board.
(4) Ms. Adèle Mofiro was first appointed as a member of the Supervisory Board representing employees during the meeting of the European Works Council held at the end of 2018. This appointment was noted by the Supervisory Board during its December 21, 2018 meeting.
(5) This is a presentation of the balanced representation between women and men.

The separation of the offices of Chairman of the Board of Directors and Chief Executive Officer

The Board of Directors decided on February 26, 2021 to separate the offices of the Chairman of the Board of Directors and Chief Executive Officer of the Company.

As a result, in addition to the appointment of Ms. Caroline Parot to serve as Chief Executive Officer and Mr. Fabrizio Ruggiero to serve as Deputy Chief Executive Officer (Mr. Fabrizio Ruggiero resigned from his position as Deputy Chief Executive Officer on August 29, 2021), Mr. Alexandre de Juniac was appointed Chairman of the Company's Board of Directors. Article 13 of the Company's by-laws defines the appointment procedures and the powers of the Chairman of the Board of Directors. The Chairman of the Board chairs the meeting of the Board of Directors and establishes its agenda. The Chairman of the Board organizes and directs the work of the Board and reports that work to the Shareholders' Meeting. The Chairman ensures the correct operation of the Company's bodies and ensures that the Directors are able to perform their mission.

A Board of Directors composed of eight members with balanced representation by women and men

Article 12 of the Company's by-laws defines and specifies the composition and operation of the Board of Directors. On the date of this Document, the Company's Board of Directors is composed of three women and three men, excluding the member representing the employees:

- independent members: Mr. Alexandre de Juniac, Ms. Carol Sirou, Ms. Martine Gerow, Ms. Sylvie Veilleux;
- chief Executive Officer: Ms. Caroline Parot;
- directors representing some shareholders: Mr. Carl Leaver, Mr. Simon Franks;
- member representing employees: Ms. Adèle Mofiro.

Profile, experience and expertise of Board members

Age and nationality
60 years – French

Business address
13 *ter* bd Berthier
75017 Paris

Date of appointment
Board of Directors' meeting of February 26, 2021

Date of renewal
N/A

Expiration of term of office
GM called to approve the financial statements for fiscal year 2021

Number of shares held directly in the Company
1,000,000

MR. ALEXANDRE DE JUNIAC (INDEPENDENT MEMBER)

Chairman of the Board of Directors
Chairman of the Strategic Committee and the Compensation and Nominations Committee
Member of the Audit Committee

Positions and offices held

Offices and positions currently held outside companies controlled [1] by the Company

- Senior Consultant – Morgan Stanley

Other positions and offices held over the last five years

- Chairman and Chief Executive Officer of Air France-KLM from 2013 to 2016
- Member of the Supervisory Board of Vivendi from 2013 to 2017
- Chief Executive Officer of IATA from 2016 to 2021
- Director of Arkema [2]
- Director of Edenred [2]

Management experience

- Alexandre de Juniac is a graduate of the École Polytechnique de Paris and of the École Nationale de l'Administration (ENA).
- Alexandre de Juniac started his career with the French Council of State between 1988 and 1993, where he successively held the positions of Auditor, Legal Adviser and then Deputy Secretary-General. Between 1993 and 1995, he was Technical Adviser and then Deputy Director to the Office of Nicolas Sarkozy, Minister of the Budget.
- In 1995, he joined the Thomson SA Group (later Thales) as Head of Development and Planning. In 1997, he was appointed Head of Sales at Thales Avionics, then Secretary-General of Thales (1999-2004), Deputy Chief Executive Officer of Thales Air Systems (2004-2008) and Chief Executive Officer for Asia, Africa, the Middle East and Latin America in May 2008.
- Between June 2009 and September 2011, he was Chief of Staff to Ms. Christine Lagarde, the Minister for the Economy, Finance and Employment.
- Between 2011 and 2013, he was Chairman and Chief Executive Officer of Air France then, until July 2016, Chairman and Chief Executive Officer of Air France–KLM. Mr. Alexandre de Juniac was also a member of the Supervisory Board of Vivendi between 2013 and 2017.
- From 2016 to 2021, he was Chief Executive Officer of the International Air Transport Association (IATA).

(1) Articles L. 225-21 paragraph 2, L. 225-77 paragraph 2 and L. 225-94 paragraph 1 of the French Commercial Code.
(2) French listed company

Age and nationality
50 years – French

Business address
13 *ter* Boulevard
Berthier 75017 Paris

Date of appointment
GM of January 20, 2021

Date of renewal
N/A

Expiration of term of office
GM called to approve the financial statements for fiscal year 2024

Number of shares held directly in the Company
172,549

MS. CAROLINE PAROT

Chief Executive Officer
Member of the Board of Directors and Member of the Strategic Committee

Positions and offices held

Positions and offices currently held:

(i) within the Europcar Group

- Chief Executive Officer of Europcar Mobility Group

(ii) Excluding companies controlled [1] by the Company

- Member of the Board of Directors and the Audit Committee of Worldline SA [2]
- Member of the Board of Directors and Chairwoman of the Audit Committee at BPI France Participation since January 28, 2022

Other positions and offices held over the last five years

- Chairwoman of the Management Board of Europcar Mobility Group
- Member of the Board of Directors of Car2Go Europe GmbH
- Chairwoman of Europcar Services, Unipessoal, Lda (Portugal)

Management experience

- Caroline Parot is Chief Executive Officer of Europcar Mobility Group
- She joined Europcar Mobility Group in 2011 and was appointed Chief Financial officer in March 2012 and then appointed Chief Executive Officer.
- Previously, she had held the positions of Group Controller (2009-2011) and member of the Executive Committee (2010-2011) with the Technicolor, and was in charge of the restructuring of Technicolor's debt. She also served as Technicolor's Chief Financial officer for the Technology sector (2008-2009) and as controller in the Department of Intellectual Property and License Management (2005-2008).
- Until 2005, she was an auditor with Ernst & Young, where she began her career in 1995.
- Ms. Parot holds a DEA in Mathematical Economics from the Panthéon-Sorbonne Paris I University and a Master's in Finance from the École Supérieure de Commerce de Paris. She also holds a DESCF (an accounting and financial diploma).

(1) Articles L. 225-21 paragraph 2, L. 225-77 paragraph 2 and L. 225-94 paragraph 1 of the French Commercial Code.
(2) French listed company.

Age and nationality
62 years – French and American

Business address
5 Churchill Place Canary Wharf London E14 5HU United Kingdom

Date of appointment
GM of January 20, 2021

Date of renewal
N/A

Expiration of term of office
GM called to approve the financial statements for fiscal year 2023

Number of shares held directly in the Company
500

MS. MARTINE GEROW (INDEPENDENT MEMBER)

Member of the Board of Directors
Chairwoman of the Audit Committee and Member of the Strategic Committee

Positions and offices held

Offices and positions currently held outside companies controlled [1] by the Company

- Executive Vice-President Finance at American Express Global Business Travel (USA)

Other positions and offices held over the last five years

- Executive Vice-President, Finance of Carlson Wagonlit Travel (USA)
- Chairwoman of the Audit Committee of Bpifrance Participations S.A.
- Member of the Audit Committee of HSBC France
- Chairman of the Audit Committee of Keolis

Management experience

- Martine Gerow began her career with the Boston Consulting Group in 1987 before joining PepsiCo in the United States in 1989. In 2002, she joined the Danone Group as CFO of the Beverages division before becoming Financial Controller for the entire Group in 2005.
- In 2007, Martine Gerow joined Campofrio Food Group in Madrid as Chief Financial officer before returning to France in 2010 to become Deputy CEO for finance at Solocal Group (PagesJaunes) until 2014. After spending three years as Executive Vice-President and Chief Financial officer at Carlson Wagonlit Travel, Martine Gerow went to London to serve as Executive Vice-President Finance at American Express Global Business Travel, a position she holds today.
- Martine Gerow is a graduate of HEC Paris and of Columbia University in New York City.

(1) Articles L. 225-21 paragraph 2, L. 225-77 paragraph 2 and L. 225-94 paragraph 1 of the French Commercial Code.

Age and nationality
54 years – British

Business address
Wardrobes House, Woodway, Princes Risborough, HP27 0NL, United Kingdom

Date of appointment
GM of January 20, 2021

Date of renewal
N/A

Expiration of term of office
GM called to approve the financial statements for fiscal year 2024

Number of shares held directly in the Company
100

MR. CARL LEAVER

Member of the Board of Directors
Member of the Strategic Committee, the Compensation and Nominations Committee and the Cybersecurity and Information Systems Committee

Positions and offices held

Offices and positions currently held outside companies controlled [1] by the Company

- Chairman of the Board of Directors of TOPHAT ENTERPRISES Ltd (since 2019)
- Chairman of the Board of Directors of LEBARA Group BV (since 2019)

Other positions and offices held over the last five years

- Chairman of the Board of Directors of EIRCOM Group and EIRCOM Ltd
- Chairman of the Board of Directors of C1 2014 Ltd
- Executive Vice-Chairman and Group CEO of LADBROKES Coral Group and GALA Coral Group

Management experience

- Carl Leaver began his career in 1995 at the WHITBREAD HOTEL COMPANY as Director of Sales, then he moved within the Group and held different positions until 2003 when he joined the DE VERE Group as Chief Executive Officer until 2006, which gives him solid experience in the hotel world.
- From 2007 to 2009, he served as International Director within Home & Direct at Marks & Spencer. He then joined GALA Coral as CEO before the Group's merger with LADBROKES plc, which became LADBROKES Coral Group. At that time, he was Vice-Chairman.
- Carl Leaver is currently the Chairman of the Board of Directors of LEBARA Group B.

(1) Articles L. 225-21 paragraph 2, L. 225-77 paragraph 2 and L. 225-94 paragraph 1 of the French Commercial Code.

Age and nationality
51 years – British

Business address
Redbus Ventures,
Orwell House,
16-18 Berners Street,
London, W1T 3LN,
United Kingdom

Date of co-option
Board of Directors' meeting of February 26, 2021

Date of renewal
N/A

Expiration of term of office
GM called to approve the financial statements for fiscal year 2024

Number of shares held directly in the Company
0

MR. SIMON FRANKS

Member of the Board of Directors
Member of the Strategic Committee and the Compensation and Nominations Committee

Positions and offices held

Offices and positions currently held outside companies controlled [1] by the Company

- Redbus Ventures Ltd, Redbus Outdoor Ltd, Redbus Media Ltd, Redbus On Demand Ltd, Redbus Productions Ltd, Redbus Television Ltd
- Polygram Group Ltd, Polygram Pictures Ltd, Polygram Ltd
- Longleat Estate Holdings Ltd
- 18-24 Ltd
- 7 APP Ltd
- Heath Street Ltd
- NGS Foundation
- The Ruit Foundation
- Shahnaz Foundation
- Franks Family Foundation

Other positions and offices held over the last five years

Not applicable

Management experience

- Simon Franks has founded a number of successful companies, including the first company in Europe to develop the technology and capacity for online motion picture distribution. He also cofounded RFD, (now Lionsgate), the fastest growing company in the United Kingdom between 1999 and 2003.
- Following the acquisition of RFD by Lionsgate Inc., Simon Franks spent three years as a special adviser to the CEO of Lionsgate and supervised mergers and acquisitions in Europe and Australia.
- Simon Franks was a cofounder of LoveFilm, which was supported by Benchmark and Index Ventures, and subsequently bought by Amazon Inc.
- Simon is founding Chairman of Redbus Ventures, one of the most active start-up backers in the United Kingdom.
- In 2013, Simon Franks was selected as one of the world's 100 top innovators in the "BA Ungrounded" Campaign for the G8 summit.
- Since 2009, Simon Franks has also focused on philanthropy, creating the Franks Family Foundation. The FFF carries out health education and pediatric health initiatives in Cambodia, Laos and Nepal. The FFF's New Generation Schools program was promoted by the OECD as one of the most efficient educational interventions in developing countries. Simon is a member of the Cambodian Government Board overseeing New Generation Schools (NGS) in Cambodia, where he is also the International Chairman of The Lake Clinic, and cofounder of the only modern and free pediatric hospital unit in Laos.

(1) Articles L. 225-21 paragraph 2, L. 225-77 paragraph 2 and L. 225-94 paragraph 1 of the French Commercial Code.

Age and nationality
54 years – French

Business address
13 *ter* Boulevard
Berthier 75017 Paris

Date of appointment
GM of June 30, 2021

Date of renewal
N/A

Expiration of term of office
GM called to approve the financial statements for fiscal year 2024

Number of shares held directly in the Company
100

MS. CAROL SIROU (INDEPENDENT MEMBER)

Member of the Board of Directors
Member of the Audit Committee, the Strategic Committee and the Cybersecurity and Information Systems Committee

Positions and offices held

Positions and offices currently held in companies not controlled by Europcar Mobility Group

- Qivalio: independent Director, Chairwoman of the Audit Committee and member of the Governance Committee (since June 2020)
- Agence France Locale: independent Director and member of the Audit Committee and Governance Committee (since September 2018)
- Safineia Advisors LLC: Founder & CEO (since November 2018)
- Safineia France SASU: Chairwoman & CEO (since November 2021)

Positions and offices held over the last five years

- S&P Ratings France: Executive Director (January 2015-May 2018)

Management experience

Carol Sirou is an independent Director and consultant with more than 25 years' experience in management positions in Europe and the United States.

She rose through the ranks of Standard & Poor's Ratings, before becoming Chairwoman & CEO of S&P France in 2009. She then led the rating agency's business through the subprime and eurozone crisis (2008-2014). In 2014, she joined S&P headquarters in New York, before being appointed Global Head of Compliance for S&P Global Inc., the parent company of S&P Ratings, in 2016.

She is currently an independent Director of two companies in the financial services sector: Agence France Locale (AFL), a bank specializing in financing local authorities, and Qivalio, a European rating agency, which also provides independent research and advisory services in the field of sustainable finance.

As Chairwoman of the Audit Committee at Qivalio and a member of the Audit and Risk and Governance Committees at AFL, she brings her knowledge of financial, good governance and compliance issues, as well as an international, particularly American, perspective on financial markets and regulatory issues.

In 2018, she founded Safineia Advisors LLC, which provides advisory services in risk management, ESG and governance issues.

She is a member of the Governance Committee of MEDEF and the ESG Committee (Non-Financial Information Working Group) of the French Institute of Directors (Institut Français des Administrateurs, IFA)

A graduate of Sciences Po in Paris, she holds a Master's in Corporate Finance from the Université Paris Dauphine and from a University of Virginia Darden Business School management program.

Age and nationality
57 years – American and Canadian

Business address
13 *ter* Boulevard Berthier, 75017 Paris, France

Date of co-option
Board of Directors' meeting of May 17, 2021

Co-optation approved by the GM of June 30, 2021

Date of renewal
N/A

Expiration of term of office
GM called to approve the financial statements for fiscal year 2022

Number of shares held directly in the Company
100

MS. SYLVIE VEILLEUX (INDEPENDENT MEMBER)

Member of the Board of Directors
Chairwoman of the Cybersecurity and Information Systems Committee
Member of the Strategic Committee and the Compensation and Nominations Committee

Positions and offices held

Offices and positions currently held outside companies controlled [1] by the Company

- Chairwoman of the Board of Directors of Cinchy.com
- Member of the Board of Directors of H1
- Member of the Board of Directors of Prezi

Other positions and offices held over the last five years

- CIO – Dropbox.com
- Vice-President Enterprise Information Technology and Security – Mozilla.com
- Senior Director Corporate Infrastructure – Salesforce.com
- Vice-President Platform Engineering – Franklin Templeton Investments

Management experience

Sylvie is a strategic global technology leader, former CIO and BoardDirector, who delivers transformative, data-driven solutions to moveorganizations and technology forward during periods of hyper-growth andmaturation. Her expertise includes driving various digital transformation effortsat different points of maturity in both public and private companies, scaling forgrowth at inflection points such as IPO, M&A and multi-product company, cybersecurity as well as strategically sourcing talent in challenging geographies andindustries, in remote and hybrid workplaces.As first CIO at Dropbox, SylvieVeilleux built a world-classstrategicIT function to enable company andrevenue growth and scale pre and post IPO and led theirfirst twoM&Atechnologyintegrations as a public company. Prior to Dropbox, she hasled IT, security, engineering and infrastructure teams in storied SiliconValley companies.

(1) Articles L. 225-21 paragraph 2, L. 225-77 paragraph 2 and L. 225-94 paragraph 1 of the French Commercial Code.
(2) French listed company.

Age and nationality
55 years – French

Business address
13 *ter* Boulevard Berthier 75017 Paris

Date of appointment
Board of Directors' meeting on February 26, 2021 following the appointment by the European Works Council on February 11, 2021

Date of renewal
N/A

Expiration of term of office
GM called to approve the financial statements for fiscal year 2024

Number of shares held directly in the Company
0

MS. ADELE MOFIRO

Member of the Board of Directors representing the employees
Member of the Compensation and Nominations Committee

Positions and offices held

Positions and offices currently held

(i) within companies controlled [1] by the Company

Not applicable

(ii) in companies not controlled [1] by the Company

Not applicable

Other positions and offices held over the last five years

Not applicable

Management experience

- After university studies and a Master's degree in International Business law, Adèle Mofiro joined a Paris-based law firm as a legal and administrative assistant.
- In 2000, she joined Europcar France through one of its core businesses, the central reservation service. Adèle Mofiro then joined Customer Service, then the Credit Department in 2002, where she managed foreign tour operators.
- In 2007, she joined the Insurance Department as a Customer Remedy Analyst.
- After spending 10 years with Europcar France, Adèle Mofiro obtained a Master 2 in insurance law, before being appointed Damages Supervisor, then the advisor for complex cases in 2017.
- At the end of November 2018, Adèle Mofiro was elected to the Company's Supervisory Board as a member representing employees and her term ended with the change in the corporate structure of the Company at the beginning of 2020.
- In February 2021, Adèle Mofiro was elected to the Company's Board of Directors as a member representing the employees.

(1) Articles L. 225-21 paragraph 2, L. 225-77 paragraph 2 and L. 225-94 paragraph 1 of the French Commercial Code.

Member who resigned from her seat in 2021

Age and nationality
48 years – French

Business address
5, rue de la Baume
75008 Paris

Date of appointment
GM of
January 20, 2021

Date of renewal
N/A

Expiration of term of office
05/17/21

Number of shares held directly in the Company
Information not available

MS. VIRGINIE FAUVEL (INDEPENDENT MEMBER)

Member of the Board of Directors
Member of the Strategic Committee, the Audit Committee and the Compensation and Nominations Committee

Positions and offices held

Offices and positions currently held outside companies controlled[1] by the Company

- Member of the Management Board of Euler Hermes[2]
- Director and member of the Nominations Committee of Neopost[2]
- Director of Creadev
- Chief Executive Officer of Harvest

Other positions and offices held over the last five years

- Director and member of the Executive Committee of Allianz France (Germany)

Management experience

- A engineering graduate of the École des Mines in Nancy, Virginie Fauvel began her career in 1997 at Cetelem as Head of Global Analytics CRM and Risk, before becoming Group Chief Digital officer in 2004 and then Head of French Business Unit e-business.
- She later joined BNP Paribas's retail bank in France in 2009, where she directed and developed online banking before becoming Head of on line banks in Europe in 2012. In this position, in 2013 she launched Hello bank! the first 100% mobile European bank in Italy, France, Belgium and Germany.
- She then joined Allianz France in July 2013 as a member of the Executive Committee in charge of the Digital Transformation, Big Data, Communications and Market Management. In this position, she contributed significantly to the transformation of the company by placing digital innovation at the center of its strategy.
- She became a member of the Management Board of Euler Hermes in January 2018, in charge of the Americas region and Group transformation.
- In September 2020, she became the Chief Executive Officer of Harvest S.A., a publisher of software specializing in the businesses of financial and wealth advising.

(1) Articles L. 225-21 paragraph 2, L. 225-77 paragraph 2 and L. 225-94 paragraph 1 of the French Commercial Code.
(2) French listed company.

A Board of Directors assisted by four specialized Committees

Article 16 of the Company's by-laws stipulates that the Board of Directors may form committees within the Board responsible for looking into matters that it or its Chairman submit for their examination and opinion. It determines the composition and remit of these committees which carry out their duties under its supervision.

The Board of Directors, at its meeting of February 26, 2021 decided to create a Strategic Committee, an Audit Committee, and Compensation and Nominations Committee. It determined the members of the Strategic Committee. Then the Board of Directors, at its meeting on April 6, determined the members of the Compensation and Nominations Committee.

On June 8, 2021, an *ad hoc* Committee was set up to supervise the work of the independent expert and to make recommendations to the Board of Directors concerning the proposed tender offer submitted by the consortium led by Volkswagen (see Section 1.1.2.1 of this Universal Registration Document). The *ad hoc* Committee will cease to exist upon the completion of this task.

Lastly, on January 19, 2022, the Board of Directors decided to set up a Cybersecurity and Information Systems Committee.

Summary presentation of Committee members as at the date of this document

	Board of Directors	Strategic Committee	Audit Committee	Compensation and Nominations Committee	Cybersecurity and Information Systems Committee
	Composition	Composition	Composition	Composition	Composition
Alexandre de Juniac	Chairman	Chairman	✓	Chairman	
Caroline Parot	✓	✓			
Carol Sirou	✓	✓	✓		✓
Sylvie Veilleux	✓	✓		✓	Chairman
Martine Gerow	✓	✓	Chairman		
Carl Leaver	✓	✓		✓	✓
Simon Franks	✓	✓		✓	
Adèle Mofiro	✓			✓	

5.1.2 Chief Executive Officer and Deputy Chief Executive Officer

Chief Executive Officer

Article 14 of the Company's by-laws defines the appointment procedures and the powers of the Chief Executive Officer. The CEO is vested with the broadest powers to act under any circumstances in the name of the Company. She exercises these powers within the limitations of the corporate purpose and subject to the powers expressly attributed by law to shareholders' meetings and to the Board of Directors. She represents the Company in its relations with third parties.

MS. CAROLINE PAROT

Chief Executive Officer

Date of appointment: Board of Directors' meeting of February 26, 2021

Date of renewal: N/A

Expiration of term of office: indefinite

For more information, the reader is invited to refer to Chapter 5.1.1 Board of Directors and Committees.

Deputy Chief Executive Officer

Article 14 of the Company's by-laws defines the appointment procedures and the powers of the Deputy Chief Executive Officer who is tasked with assisting the Chief Executive Officer. The scope and duration of the powers granted to Deputy Chief Executive officers are determined by the Board of Directors in consultation with the Chief Executive Officer. The Deputy Chief Executive Officer has the same powers as the Chief Executive Officer with respect to third parties. The table below provides a biography of Mr. Fabrizio Ruggiero, Deputy Chief Executive Officer who resigned from his office and left the Group on August 29, 2021.

Age and nationality
51 years – Italian

Business address
13 *ter* Boulevard Berthier 75017 Paris

Date of appointment
Board meeting of February 26, 2021

Date of renewal
N/A

Expiration of term of office
08/28/21

Number of shares held directly in the Company
Information not available

MR. FABRIZIO RUGGIERO

Deputy Chief Executive Officer

Positions and offices held

Positions and offices currently held

(i) within the Europcar Group

None

(ii) Excluding companies controlled[1] by the Company

Not applicable

Other positions and offices held over the last five years

- President of ANIASA – National Association for Companies operating in Car & Van Rental and Automotive services
- Director of Wanderio S.p.A.

Management experience

Fabrizio Ruggiero joined the Europcar Mobility Group in May 2011 and was named Managing Director of Europcar Italia S.p.A. and Head of Mobility for the Group.

From 2007 to 2011, he served as General Manager of the Italian company Leasys, a company controlled by Fiat Group Automobiles and Crédit Agricole and a leader in "long-term commercial" rentals in Italy.

Also at Leasys, he served as Director of Sales and Marketing from 2005 to 2007 and as Director of Operations from 2004 to 2005. Mr. Ruggiero had previously been a manager of Bain & Company Italy (Rome office) from 2000 to 2004 and a consultant with Accenture (Rome office) from 1997 to 2000.

He holds a Master's in business management from the MIP Politecnico di Milano (1999) and a management diploma from the Università degli Studi di Roma (1995).

(1) Articles L. 225-21 paragraph 2, L. 225-77 paragraph 2 and L. 225-94 paragraph 1 of the French Commercial Code.

5.1.3 Executive Committee and Investment Committees

To assist her in her management, the Chief Executive Officer decided to create a Group Executive Committee to provide operational support in the preparation and implementation of the decisions and strategies defined by the Board of Directors. An Investment Committee also ensures control of financial projects.

Group Executive Committee

The role of the Group Executive Committee is to roll out the Group's strategy throughout the organization.

The Group Executive Committee is led by Ms. Caroline Parot.

As of the date of this Document, the Group Executive Committee comprises managers from each of the organizational entities and certain managers of operational functions of the Group as described below:

Name	Position within the Group
Caroline Parot	Chief Executive Officer
Olivier Baldassari	Chief Operating officer
Damien Basselier	Chief Product & Technology officer
José Blanco	Chief Sales officer
Aurélia Cheval	Chief Strategy officer
Xavier Corouge	Chief Business and Customer officer
Denis Langlois	Chief Human Resources Director
Malène Korvin	Chief Financial officer – Interim
Franck Rohard	Corporate Secretary
Gary Smith	Chief Countries officer

Investment Committee

The Investment Committee meets as often as required. Its key missions are to analyze, structure, control and subsequently validate the economic and financial terms of commitments struck with the main partners and major Group investment proposals (main commercial stakeholders, including customers and partners), with regard to the policy defined by the Chief Executive Officer and the Board of Directors.

This Committee is supported by the Group's PMO (project management officer), management control and operating functions.

5.2 CORPORATE GOVERNANCE

5.2.1 Corporate Governance Code

At its meeting of February 28, 2022 the Board of Directors indicated that the Company refers to the recommendations of the AFEP-MEDEF Code as revised in January 2020. After a review of these recommendations, the Board indicated that the Company was in compliance with the recommendations, including the recommendation on the policy of gender balance within executive bodies (Art. 7.1 and 7.2) and the recommendation on the non-compete agreement (Art. 24.4).

In effect, on December 09, 2021, the executive management presented to the Compensation and Nominations Committee the measures for implementing these objectives, with an action plan and the time horizon within which these actions will be carried out. Executive management shall inform the Board each year of the results achieved. In the report on corporate governance, the Board shall describe the gender balance policy applied to the governing bodies as well as the objectives of this policy, the implementation measures and the results achieved in the previous fiscal year including, as applicable, the reasons why the objectives have not been achieved.

As permitted by this Code and by the law, the Company would be able to set aside or amend some of the Code's provisions to suit its specific circumstances or to comply with other provisions of the Code. At its meeting of February 28, 2022, the Company's Board of Directors reviewed compliance of the Company's governance with the recommendations of the AFEP-MEDEF Code, and deemed that the Company met all of these.

5.2.2 Declarations relating to corporate governance

The Board of Directors is required to prepare the report provided for in Article L. 225-37 of the French Commercial Code on corporate governance. Part of this Chapter corresponds to the Board of Directors' report on Corporate Governance as set out in Article L. 225-37 of the French Commercial Code and includes information provided in Articles L. 225-37-4 and L. 22-10-9 to L. 22-10-11 of the French Commercial Code.

5.2.2.1 Absence of family ties

As of the date of this Universal Registration Document, to the Company's knowledge, there are no family ties between any members of the Company's Board of Directors and members of the Company's executive management.

5.2.2.2 Absence of convictions

To the Company's knowledge during the last five years, concerning the members of the Company's Board of Directors:

(i) no conviction for fraud has been ruled against one of the persons cited above;

(ii) none of the aforementioned persons has been associated with a bankruptcy, seizure, liquidation, or placement of a company under judicial administration;

(iii) there have been no claims and/or official public sanctions ruled against one of the aforementioned persons by statutory or regulatory authorities (including designated professional bodies); and

(iv) none of the aforementioned persons has been disqualified by a court from acting as a member of the administrative, management or supervisory body of an issuer, or from acting in the management or business performance of an issuer.

5.2.2.3 No conflicts of interest

To the Company's knowledge, and subject to the relationships described in Section 7.2 "Related Party Transactions" of this Universal Registration Document, on the date of the Universal Registration Document, there are no potential conflicts of interest between the duties regarding the Company of the members of the Board of Directors and senior management and their private interests and/or other duties.

To the Company's knowledge, there are no service contracts linking one of the members of the Board of Directors with the Company or one of its subsidiaries and granting benefits.

When a conflict of interest arises, the internal rules of the Board of Directors dictate that the member of the Board must inform the Board, as soon as he or she becomes aware of any conflict of interest, even a potential conflict, and abstain from discussions and votes on related matters.

The internal rules of the Board of Directors also stipulate that, when one of the members of the Board has a conflict of interest, or potential conflict of interest, concerning a subject to be discussed by the Board, the Chairman shall ensure, on the recommendation of the Compensation and Nominations Committee which will have already examined the conflict of interest, that the information on this subject is not communicated to said member, without prejudice to the obligations of said member.

To the Company's knowledge, on the date of this Universal Registration Document, there is no agreement or undertaking of any kind with shareholders, customers, suppliers or others pursuant to which any member of the Board of Directors or senior management of the Company was named to such position.

On the date of this Document, there are no restrictions agreed by the members of the Board of Directors and/or the members of senior management concerning the assignment within a certain period of time of all or part of their stake in the Company's capital, with the exception of (i) the intentions of the members of the Board of Directors to tender their company shares to the current tender offer, as described in the Response Document published by the Company on November 23, 2021, (ii) certain legal provisions, (iii) certain provisions set forth under the terms of the general regulations on performance share award plans of which the members of senior management were beneficiaries, as set out in this Document, (iv) the rules related to the prevention of insider trading as set forth in the General Regulation of the French financial markets authority (l'Autorité des marchés financiers, AMF), and (v) the recommendations of the AFEP-MEDEF Code of Corporate Governance for Listed Companies, imposing an obligation to retain shares.

5.2.2.4 Independence of the members of the Board of Directors

The Board reviewed the situation of each of its members with respect to the criteria for independence, based on the analysis carried out by the Compensation and Nominations Committee on April 5, 2022. All of the criteria recommended by the AFEP-MEDEF Code were used to evaluate the independence of the members of the Board of Directors. The application of all of these criteria led the Board of Directors to retain the following as independent members:

- Mr. Alexandre de Juniac;
- Ms. Carol Sirou;
- Ms. Sylvie Veilleux;
- Ms. Martine Gerow.

On the date of this Document, the Board of Directors has eight members, four of whom are independent, representing 57% of the members of the Board (excluding the member representing employees) and one member representing employees. In accordance with Article 9.3 of the AFEP-MEDEF Code, the member representing employees is not counted for calculating the percentage of independent members on the Board of Directors.

Each member of the Board of Directors is asked to submit an annual declaration to the Company in respect of each of the independence criteria. Under the AFEP-MEDEF Code, the Board of Directors may consider that a member who meets the independence criteria set forth in Article 9.5 of the AFEP-MEDEF Code, nevertheless does not qualify as independent or, conversely, that a Director who fails to meet said criteria may be considered independent.

Table of the criteria for independence of the members of the Board of Directors

	Not be an employee or an executive corporate officer	No cross-directorships	No business relationships	No family ties	Not be a current or a past auditor	Not have been a Director for more than 12 years	Not receive any variable compensation or compensation related to the Company's or the Group's performance	Not represent a shareholder with more than 10% of the stock	**Inde-pendent**
Alexandre de Juniac	✓	✓	✓	✓	✓	✓	✓	✓	✓
Caroline Parot		✓	✓	✓	✓	✓		✓	
Sylvie Veilleux	✓	✓	✓	✓	✓	✓	✓	✓	✓
Carol Sirou	✓	✓	✓	✓	✓	✓	✓	✓	✓
Martine Gerow	✓	✓	✓	✓	✓	✓	✓	✓	✓
Carl Leaver	✓	✓	✓	✓	✓	✓			
Simon Franks	✓	✓	✓	✓	✓	✓			
Adèle Mofiro		✓	✓	✓	✓	✓			

5.2.2.5 Diversity policy in the composition of the Board of Directors

The Board of Directors pays particular attention to its composition and in particular to the diversity of its members based on different criteria such as independence, gender, age, nationality, expertise and professional experience.

The objective of the composition of the Board of Directors is to strengthen the Group's strategy through the expertise of its members, particularly in management and knowledge of mobility and tourism, customer experience, digitization and transformation.

The Company also ensures that executive corporate officers implement a policy of non-discrimination and diversity, notably with regard to the balanced representation of women and men in the governing bodies.

On the date of this Document, the Board of Directors is composed of eight members, including four women, or 57% of members of the Board of Directors, excluding the employee representative, which is in accordance with the provisions the French Commercial Code.

In terms of international representation, at the date of this Document, the Board of Directors includes 4 foreign members (British, Canadian and American), i.e. 57% of the members of the Board (without counting the employee representative). 5 members of the Board have developed real international experience during their careers, which strengthens the internationalization of the Board of Directors.

The average age of the members of the Board of Directors is 54 on the date of this Document.

These points are summarized in the tables below.

Summary of the expertise of the members of the Board of Directors

	Mobilities & Tourism	International	Leadership & Management	Finance & Mergers & Acquisitions	Customer experience	ESG	Transformation & Digital
Alexandre de Juniac	✓	✓	✓	✓	✓		
Caroline Parot	✓	✓	✓	✓			
Sylvie Veilleux		✓	✓	✓			✓
Carol Sirou		✓	✓	✓		✓	
Martine Gerow	✓	✓	✓	✓			✓
Carl Leaver	✓	✓	✓	✓	✓		✓
Simon Franks		✓	✓		✓	✓	✓
Adèle Mofiro	✓					✓	

The skills matrix was prepared in order to reflect, without being an exhaustive list of skills, the seven essential skills that must be brought together on the Board of Directors. This matrix is intended to serve as a tool for shareholders in order to assess the Board of Directors as a whole and to ensure that it is well-balanced. The number of skills must be sufficiently large to reflect diversity of thought and experience as well as the nationality, geographical location and gender of Board members. The following table shows the methods used to determine whether a member of the Supervisory Board has an essential skill, what this skill can bring to the Company, as well as the Company Committee(s) for which each essential skill is required.

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Essential skills	How the essential skill is acquired	How the skill is used by the Board or Board committees	Board Committees requiring this essential skill
Industry (Mobility and Tourism)	Must have worked for a competitor and/or in a business segment that is linked to the Company's business (travel, leisure and mobility)	Board members who have experience in this industry can assess whether the Group strategy is being properly implemented	Compensation and Nominations Committee Strategic Committee Cybersecurity and Information Systems Committee
International	Must have international professional experience and/or must have worked and/or lived in a foreign country	Board members with international experience can assess risks, international growth opportunities and the deployment of the international strategy	Compensation and Nominations Committee Audit Committee Strategic Committee
Leadership & Management	Must be or must have been in a managerial position as a member of a management body, senior executive, Managing Director or senior manager, including P&L experience	Board members with management and leadership skills are able to assess the leadership of the Management Board, the implementation of the strategy and the management of the Company's talent	Compensation and Nominations Committee
Finance & Mergers & Acquisitions	Must have worked mainly in the finance or mergers and acquisitions sector and be a financial expert	Board members with finance/ mergers and acquisitions skills are able to assess the Management Board's objectives, review performance and financial statements and assess merger and acquisition opportunities	Audit Committee Strategic Committee
Customer Experience	Must have worked for a company that prioritizes the customer experience	Implementation of the best possible strategy Identification of the most effective ways to grow the Company Assessment of the risks and opportunities linked to constantly changing customer expectations	Audit Committee Strategic Committee Cybersecurity and Information Systems Committee
ESG (Environment, Social and Governance)	Must have skills in the following areas: environmental (carbon impact, pollution and pollutant emissions, water consumption, etc.), social (human resource talent management and global integration, labor law, succession plans, compensation, etc.), governance (corporate governance, compliance, personal life, ethics, corruption, etc.)	Identification and anticipation of non-financial risks and opportunities that could have a material and concrete impact on the Company's businesses	Compensation and Nominations Committee Audit Committee Strategic Committee
Transformation & Digital	Must have headed a company or acquired experience in a constantly changing industry or been a member of a new management body of a new technology company (hardware, software, e-commerce, cybersecurity, etc.)	Implementation of an effective strategy adapted to the challenges in a fast-changing sector, in particular with respect to new technologies	Strategic Committee Cybersecurity and Information Systems Committee

5.2.2.6 Representation of employees and employee shareholders in the Board of Directors

Ms. Adèle Mofiro was appointed by the Group Committee as a member of the Board of Directors of the Company representing employees, in accordance with the Company's by-laws and pursuant to Article L. 225-79-2 of the French Commercial Code. Ms. Mofiro has been a member of the Company's Board of Directors, with voting rights since February 26, 2021. She also joined the Compensation and Nominations Committee by decision of the Board of Directors on April 6, 2021.

5.2.2.7 Terms of office of the members of the Board of Directors

The terms of office of the members of the Board of Directors are staggered in order to allow for rolling renewal, in accordance with the recommendations of the AFEP-MEDEF Code.

5.2.2.8 Operation of the Board of Directors

(i) Main provisions of the internal regulations of the Board of Directors

The Internal regulations of the Board of Directors are in line with the recommendations in place designed to guarantee compliance with the basic principles of corporate governance, particularly those set out in the AFEP-MEDEF Code.

The International regulations were adopted by the Board of Directors of the Company on February 26, 2021. It complements the Company's by-laws as well as the laws and regulations in force by specifying the duties, composition and operation of the Board of Directors and its specialized committees, and their interactions. The internal regulations of the specialized committees are attached as an Appendix to the internal regulations of the Board of Directors.

The internal regulations of the Board of Directors may be amended at any time by a decision of the Board.

(ii) Participation in Board of Directors meetings by videoconference or other means of telecommunication

Pursuant to applicable laws and regulations, the use of videoconference or other means of telecommunication is authorized for any Board of Directors meeting: the means used must enable real-time and continuous transmission of speech and, if applicable, video images of the members, who must be visible to everyone. These means must also permit each member to be identified and ensure their active participation in meetings.

Members participating in a Board of Directors meeting by means of videoconference or other means of telecommunication as described above are deemed present for purposes of calculating quorum and majority. The attendance sheet includes the names of members participating in the Board of Directors meeting in such manner. The meeting's minutes must indicate the names of those Board members deemed present in this manner. The minutes must also mention the occurrence of any technical difficulties that may have interfered with the meeting.

In accordance with Article L. 225-37 of the French Commercial Code, Article 15. IV of the Company's by-laws and Article 7.5 of the internal regulations of the Board of Directors, participation in meetings of the Board of Directors by means of videoconference or other means of telecommunication is prohibited for votes on the following decisions:

- the appointment, dismissal or compensation of the Chairman;
- the appointment, dismissal or compensation of the Chief Executive Officer;
- the method used to perform the executive management of the Company;
- the approval of the annual Company and consolidated financial statements and preparation of the Company and Group management reports.

(iii) Activities of the Board of Directors and the Specialized Committees in 2021

a) Frequency, length and attendance at Board of Directors meetings

During the 2021 fiscal year, the Board of Directors met 21 times (versus 30 meetings of the Supervisory Board in 2020), with an average duration per meeting of 2 hours.

The overall attendance rate of members at meetings of the Board of Directors and its committees was 94% in 2021 (versus 84% in 2020 for meetings of the Supervisory Board and its committees).

b) Activities of the Board of Directors and the Specialized Committees in 2021

Board of Directors 21 meetings	Strategic Committee 3 meetings	Audit Committee 7 meetings	Compensation and Nominations Committee 7 meetings
Health crisis and follow-up Implementation of new governance structure Follow-up and reasoned opinion on the proposed tender offer for the Company's shares Results and financial management of the Company Management of the Group's fleet Arrangement of financing (specifically securitization and bond issue) Review of the annual, half-year and quarterly financial statements Review of the 2020 URD Review of drafts of financial communications. Review of the 2021 budget. Review of the compliance program Notice of the Shareholders' Meeting of June 30, 2021, and adoption of the reports and draft resolutions	Review of the progress, and particularly the digital components, of the "Connect" transformation plan	Review of the annual, half-yearly, and quarterly financial statements Review of internal control and actions carried out by Internal Audit. Review of the risk mapping. Review of the internal IT control and of the IT systems safety plan. Review of the compliance program. Review of disputes and litigation. Review of the Connect program Review of Group financing Review of insurance	Determination of the compensation of the members of the Management Board for the 2020 fiscal year on the basis of the 2020 financial statements. Determination of the principles, criteria, and elements of compensation for the members of the Management Board and then for the members of senior management for fiscal year 2021 Monitoring of the free share grant plans for certain employees and members of the Group's Management Board for 2018 and 2019. Establishment of the long-term compensation plan for certain employees of the Group Recommendations on changes to the composition of the Board of Directors Recommendations on changes to the composition of the Group Executive Committee Determination of the terms of breakdown of compensation for the Supervisory Board and then for the Board of Directors Management of the self-assessment of the Board of Directors and its committees

c) Analysis by the Board of Directors of its performance and annual assessment

Once a year, the Board of Directors should devote a point of its agenda to the assessment of its operations and discuss this performance in view of improving its efficiency, ascertaining that important issues were properly prepared and discussed internally and measuring the actual contribution of each of its members to its work.

In addition, the internal regulations of the Board of Directors provide that a formal assessment of the Board and its committees must be carried out every three years, where necessary under the direction of an independent member of the Board, and, if required, an external consultant, in order to verify in particular compliance with the working principles of the Board and identify areas in which its performance and efficiency can be improved. In the two years following the formal assessment, Supervisory Board's internal regulations allow for self-assessment by its members.

In accordance with the internal regulations of the Supervisory Board and the recommendations of AFEP-MEDEF Code, an assessment of the composition, organization and operating procedures of the Board of Directors and its committees was conducted at the end of 2021 and presented to the Board of Directors meeting on February 28, 2022.

During this process, each member of the Board of Directors responded to the same questions about governance fitness and Board activities, Board effectiveness, Board composition, roles and areas of expertise, Board involvement and engagement, Board involvement in succession planning, and the operation of its committees.

In addition to assessing how the Supervisory Board operates as a unit, the individual contributions of Board members were also assessed.

This assessment – the first since the implementation of the new governance structure – was carried out in the specific context of the current tender offer. It nevertheless highlighted the Board's strengths, such as its members' high level of commitment, close support for management, an improvement in the follow-up of decisions taken, a good understanding of the new form of governance and its organization, and a suitable procedure for selecting and integrating new members.

This assessment also identified a few new areas for improvement, notably including the complementarity of its members' profiles, management of the time devoted to debate, succession plans, and certain strategic topics (particularly CSR and cybersecurity), relationships with works committees, and the implementation of more frequent "executive sessions."

(iv) Committees of the Board of Directors

Pursuant to Article 16.V of the Company's by-laws and Article 1.5 of the internal regulations of the Board of Directors, the Board of Directors may form committees charged with examining questions submitted to them by the Board or its Chairman. At its first meeting on February 26, 2021, the Board of Directors set up an Audit Committee, a Compensation and Nominations Committee and a Strategic Committee. On June 8, 2021, the Board of Directors also decided to set up a provisional *ad hoc* Committee, the duties and operation of which are described below.

Lastly, at its meeting of January 19, 2022, the Board of Directors decided to set up a Cybersecurity and Information Systems Committee, the duties and operation of which are also described below.

The composition of these Committees, as decided by the Board of Directors, complies with the recommendations of the AFEP-MEDEF Code.

1. The Audit Committee

a) Composition – Article 11 of the internal regulations of the Board of Directors

- 3 members:
  - Martine Gerow, Chairwoman of the Audit Committee,
  - Alexandre de Juniac,
  - Carol Sirou;
- 100% independent members, including the Chairwoman of the Committee;
- 66% women;
- No executive corporate officers.

The composition of the Audit Committee is in line with the recommendations of the AFEP-MEDEF Code (Art.16.1).

b) Duties – Article 1 of the Audit Committee's internal rules

The duties of the Audit Committee are to oversee the preparation and audit of accounting and financial information and to ensure the effectiveness of risk monitoring and internal operating control mechanisms in order to facilitate the oversight of control and verification mechanisms by the Board of Directors. Within this framework, the Audit Committee provides all advice and recommendations to the Board of Directors in carrying out the following main duties:

(i) Overseeing the preparation of accounting and financial information:

- review accounting methods and any exceptional, material change in the accounting principles applied by the Company,
- review the annual and interim parent company and consolidated financial statements (including the consolidated companies, provisions and risks), and ensure the relevance and permanence of the accounting methods used to establish these statements in the presence of the Statutory Auditors, who present the essential points of the results of the legal audit, and the accounting options used,
- review the process for preparing the financial information and the review of the annual and interim statements in the presence of the Statutory Auditors who report on the performance of their mission and the conclusions from their work;

(ii) Overseeing the effectiveness of the internal control, Internal Audit and risk management systems concerning accounting, financial, and non-financial information:

- ensure the relevance, reliability and implementation of internal control procedures and the identification, hedging and management of the Company's risks in relation to its activities and its accounting, financial and non-financial information,
- monitor the effectiveness of the Internal Audit, in particular the procedures relating to the preparation and processing of accounting, financial and non-financial information, without prejudice to its independence;

(iii) Overseeing the legal audit of the parent company and consolidated financial statements by the Company's Statutory Auditors:

- gather and monitor information from the Company's Statutory Auditors (including in the absence of members of senior management or the Executive Committee) notably on their general work schedule, on changes they consider necessary to the Company's accounts or other accounting documents, on any accounting irregularities, anomalies or inaccuracies they may have identified, on uncertainties or significant risks concerning the preparation and processing of the accounting, financial and non-financial data, on the conclusions drawn from their observations and corrections on the results of the period compared to those of the previous period, and on any significant internal control weaknesses they may have discovered;

(iv) Overseeing the independence of the Statutory Auditors:

- direct the procedure for selecting and renewing the Statutory Auditors and submit the results of this selection to the Board of Directors. In accordance with the regulations in force, the Audit Committee must recommend to the Board of Directors the appointment of Statutory Auditors from new firms by conducting a tender process when the term of appointment including renewals of the Statutory Auditors has reached the maximum permitted (24 years as co-Statutory Auditor from the date of the Company's IPO),

- review with the Statutory Auditors the risks pertaining to their independence and the safeguard measures taken to reduce these risks. It must in particular ensure that the amount of the fees paid by the Company and the Group, or the percentage it represents in the revenue of the Statutory Auditors firms or their networks, is not likely to weaken the independence of the Statutory Auditors,
- review the significant risks and off-balance sheet commitments of the Company and its subsidiaries and assess the significance of the malfunctions or weaknesses that are communicated to it and inform the Board of Directors where necessary,
- interview the persons in charge of the Internal Audit and regularly examine the mapping of business risks,
- give its opinion on the organization of the Internal Audit Department and be informed of its work program. It should receive the Internal Audit reports or a periodic summary of these reports.

c) Committee meetings (Article 2 of the Audit Committee's internal regulations and Article 11 of the internal regulations of the Board of Directors)

The Audit Committee may conduct meetings in person or via video or telephone conference pursuant to the same rules as the Board of Directors, when convened by its Chairman or secretary, so long as at least half of its members participate. Committee members may not give proxies to other members to represent them.

The Audit Committee's recommendations are adopted by a simple majority of members present. In the event of a tie, the vote of the Committee's Chairman prevails.

The notice of meeting must include an agenda and may be transmitted orally or by any other means.

The Audit Committee meets as often as necessary and, in any event, at least twice a year in connection with the Group's preparation of the annual and interim financial statements.

The Audit Committee's meetings are held prior to the meeting of the Board of Directors and, wherever possible, at least two days prior to this meeting when the Audit Committee's agenda includes examination of interim or annual financial statements prior to their review by the Board of Directors.

Minutes are prepared for each meeting, in the absence of other provisions, by the meeting's secretary appointed by the Committee's Chairman, under the authority of the Committee's Chairman. The minutes are sent to all members of the Committee. The Chairman of the Committee decides conditions pursuant to which it reports on its work to the Board of Directors.

The Audit Committee may rely on, if necessary, external experts through requests for technical studies on topics relevant to their skills.

The Committee presents its work at the next Board of Directors meeting.

2. Compensation and Nominations Committee

a) Composition – Article 11 of the Supervisory Board's internal rules

- 5 members:
  - Alexandre de Juniac, Chairman of the Compensation and Nominations Committee,
  - Simon Franks,
  - Carl Leaver,
  - Sylvie Veilleux,
  - Adèle Mofiro;
- 50% independent members, including the Chairman of the Committee;
- 40% women;
- No executive corporate officers.

The composition of the Compensation and Nominations Committee is in compliance with the recommendations of the AFEP-MEDEF Code (Articles 17 and 18).

b) Duties (Article 1 of the internal regulations of the Compensation and Nominations Committee)

The Compensation and Nominations Committee is a specialized Committee of the Board of Directors, the primary duty of which is to assist the Board of Directors in constituting the Company's management bodies and in determining and regularly assessing all compensation and benefits received by the Directors and members of senior management, including deferred benefits and/or severance pay for voluntary or forced departure from the Group. Within this framework, it performs the following tasks:

- annual evaluation of all offices held by Directors: each year, prior to the publication of the Company's corporate governance report, the Compensation and Nominations Committee reviews the situation of each Director in relation to the rules on plurality of mandates and submits its opinion to the Board for it to review the extent to which each of the individuals in question complies with these criteria;
- review and proposal to the Board of Directors of all components and conditions for compensation of the Chief Executive Officer and the Deputy Chief Executive officers: the Committee studies and makes proposals that include the fixed and variable compensation, as well as, if applicable, share subscription or purchase options, allotments of performance shares, retirement and pension plans, severance packages, in-kind or individual benefits and any other possible direct or indirect compensation (including long-term) that may be included in the compensation of the Chief Executive Officer and the Deputy Chief Executive officers. The Committee is informed of the compensation policy for the principal executives who are not corporate officers, as well as of the hiring and compensation of the members of the Executive Committee. The Committee works together with the members of senior management on this task;

- proposal to the Board of Directors regarding the compensation paid to observers;
- review and proposal to the Board of Directors regarding the method of distribution of Directors' fees: the Committee considers and proposes to the Board of Directors the package and methods of distributing Directors' fees and the individual amounts to be paid to Directors in this respect, taking into account their attendance at meetings of the Board and its committees, their responsibilities and the time they have to devote to their roles. The Committee also proposes the compensation allocated to the Chairman and Vice-Chairman of the Company's Board of Directors;
- non-discrimination and diversity policy: the Committee ensures that the Directors and senior management implement a policy of non-discrimination and diversity, particularly in terms of gender balance within governing bodies;
- exceptional tasks: the Committee is consulted for the purposes of making recommendations to the Board of Directors regarding any exceptional compensation for exceptional tasks that the Board of Directors may entrust, if applicable, to certain members.

c) Committee meetings (Article 2 of the internal regulations of the Compensation and Nominations Committee and Article 11 of the internal regulations of the Board of Directors)

The Compensation and Nominations Committee may conduct meetings in person or via video or telephone conference pursuant to the same rules as the Board of Directors, when convened by its Chairman or secretary, so long as at least half of its members participate. Committee members may not give proxies to other members to represent them.

The Compensation and Nominations Committee's recommendations are adopted by a simple majority of the members present. In the event of a tie, the vote of the Committee's Chairman prevails.

The notice of meeting must include an agenda and may be transmitted orally or by any other means.

The Compensation and Nominations Committee meets as often as necessary and, in any event, prior to any meeting at which the Board of Directors votes on the compensation of the members of senior management or the allocation of Directors' compensation.

The Committee presents its work at the next Board of Directors meeting.

3. Strategic Committee

a) Composition – Article 11 of the internal regulations of the Board of Directors

- 7 members:
  - Alexandre de Juniac, Chairman of the Strategic Committee,
  - Caroline Parot,
  - Carl Leaver,
  - Simon Franks,
  - Martine Gerow,
  - Sylvie Veilleux,
  - Carol Sirou;
- 67% independent members, including the Chairman of the Committee;
- 50% women;

b) Duties (Article 1 of the Strategic Committee's internal regulations)

- the Strategic Committee analyzes the Group's various potential strategic guidelines and options that are likely to favor its development. Its tasks include, but are not limited to, the following: it studies and examines the prospective benefits of partnership agreements, acquisition projects or significant investment opportunities that could facilitate or accelerate the successful execution of the Company's development strategy;
- it studies and issues recommendations on strategic acquisition and investment projects that are subject to the prior approval of the Board of Directors;
- it studies the risks associated with plans for development or establishment in countries where the Group is not present;
- it is also responsible for issuing recommendations regarding the investments needed to implement each of the strategies contemplated;
- it ensures that the strategy adopted and applied by the senior management is consistent with the strategic orientations adopted by the Company or makes any recommendation to modify this policy.

The Strategic Committee's role is to assist the Board of Directors. To that end, it issues any opinions and recommendations to the Board of Directors in the aforementioned areas.

More generally, the Strategic Committee is tasked with identifying and submitting to the Board of Directors any direction or initiative deemed to be of interest to the future of the Company, provided that it preserves its operational functioning and ensures major financial balances are maintained.

c) Committee meetings (Article 2 of the Strategic Committee's internal regulations and Article 11 of the internal regulations of the Board of Directors)

The Strategic Committee may conduct meetings in person or via video or telephone conference pursuant to the same rules as the Board of Directors, when convened by its Chairman or secretary, so long as at least half of its members participate. Committee members may not give proxies to other members to represent them.

The Strategic Committee's recommendations are adopted by a simple majority of members present. In the event of a tie, the vote of the Committee's Chairman prevails.

The notice of meeting must include an agenda and may be transmitted orally or by any other means.

The Committee presents its work at the next Board of Directors meeting.

4. Cybersecurity and Information Systems Committee

a) Composition – (Article 11 of the internal regulations of the Board of Directors)

The Cybersecurity and Information Systems Committee, established at the meeting of the Board of Directors on January 19, 2022, is composed of 3 members:

- Sylvie Veilleux, Chairwoman of the Cybersecurity and Information Systems Committee;
- Carol Sirou;
- Carl Leaver;
- 66% independent members, including the Chairman of the Committee;
- No executive corporate officers.

b) Duties (Article 1 of the internal regulations of the Cybersecurity and Information Systems Committee and Article 11 of the internal regulations of the Board of Directors)

The Cybersecurity and Information Systems Committee is a specialized Committee of the Board of Directors whose main role is to assist the Board in exercising its prerogatives in the area described below and in overseeing the design, implementation, and efficacy of the cybersecurity and information systems programs.

It prepares opinions and recommendations for the Board of Directors in the following areas:

- overseeing the main cybersecurity, technology, and digital transformation strategies as well as related investments, return on investment, and achievement of the investment objectives;
- providing contributions and advice to management concerning both opportunities and challenges for the Company's skills, resources, approaches, and technological choices;
- supporting the Audit Committee in its duty to ensure the relevance, reliability, and implementation of the Company's risk management in terms of cybersecurity.

c) Committee meetings (Article 2 of the internal regulations of the Cybersecurity and Information Systems Committee and Article 11 of the internal regulations of the Board of Directors)

The Cybersecurity and Information Systems Committee may conduct meetings in person or via video or telephone conference pursuant to the same rules as the Board of Directors, when convened by its Chairman or secretary, so long as at least half of its members participate. Committee members may not give proxies to other members to represent them.

The Cybersecurity and Information Systems Committee's recommendations are adopted by a simple majority of the members present. In the event of a tie, the vote of the Committee's Chairman prevails.

The notice of meeting must include an agenda and may be transmitted orally or by any other means.

The Committee presents its work at the next Board of Directors meeting.

5. *Ad hoc* Committee

a) Composition

The *ad hoc* Committee, established at the Board of Directors meeting on June 8, 2021, is composed of 3 members:

- Alexandre de Juniac, Chairman of the *ad hoc* Committee;
- Martine Gerow;
- Carl Leaver;
- 66% independent members, including the Chairman of the Committee;
- No executive corporate officers.

It should be noted that Mr. Caroline Parot, in her role as Chief Executive Officer of the Company, and Mr. Laurent David, in his role as observer, took part in the work of the *ad hoc* Committee as guests.

b) Duties and meetings

In accordance with the provisions of Article 261-1, III of the AMF General regulation, the *ad hoc* Committee was set up to supervise the work of the independent expert and to make recommendations to the Board of Directors concerning the proposed tender offer submitted by the consortium led by Volkswagen (see Section 1.1.2.1 of this Universal Registration Document),

As such, its responsibilities include:

- monitoring and reviewing the progress of the Offer and the tender process, in particular:
  - monitoring the process and informing members of the Board of Directors about the Offer and any alternative or competitive proposal or project,
  - assessing the nature of the information provided to the Consortium and the other third parties concerned;
- analyzing and checking compliance with the rules of good governance during the process, particularly in the area of conflicts of interest and the principle of equality among shareholders;
- communicating on a regular basis with the Board of Directors as well as with the financial and legal advisors of the Company and/or the Board of Directors;

- issuing opinions and recommendations to the Board of Directors in the areas falling within its remit whenever it deems appropriate.

  Monitoring the work of the independent expert appointed by the Company in application of Article 261-1 of the AMF General regulation, and preparing the Board's reasoned opinion.

The *ad hoc* Committee may conduct meetings in person or via video or telephone conference pursuant to the same rules as the Board of Directors, when convened by its Chairman or secretary, so long as at least half of its members participate.

The *ad hoc* Committee's recommendations are adopted by a simple majority of members present. In the event of a tie, the vote of the Committee's Chairman prevails.

The notice of meeting must include an agenda and may be transmitted orally or by any other means.

The Committee presents its work at the next Board of Directors meeting.

Summary presentation of the members of the Board of Directors and its committees during 2021

	Board of Directors 21 Meetings		Strategic Committee 3 Meetings		Audit Committee 7 Meetings		Compensation and Nominations Committee 7 Meetings		Ad hoc Committee 28 Meetings	
	Composition	Attendance rate	Composition	Attendance rate	Composition	Attendance rate	Composition	Attendance rate	Composition	Attendance rate
Alexandre de Juniac	Chairman	95%	Chairman	100%	✓	86%	Chairman	100%	Chairman	86%
Caroline Parot	✓	100%								
Virginie Fauvel (1)	✓	100%	✓	N/A	✓	100%	✓	100%		
Carl Leaver	✓	100%	✓	100%			✓	100%	✓	89%
Martine Gerow	✓	95%	✓	100%	Chairwoman	100%			✓	82%
Adèle Mofiro	✓	100%					✓	100%		
Simon Franks (2)	✓	100%	✓	100%			✓	100%		
Sylvie Veilleux (3)	✓	93%	✓	100%			✓	100%		
Carol Sirou (4)	✓	100%	✓	100%	✓	100%				

(1) Ms. Virginie Fauvel resigned on May 17, 2021. Her attendance rate is therefore calculated on the basis of 2 meetings of the Board of Directors, 2 meetings of the Audit Committee and 4 meetings of the Compensation and Nominations Committee.

(2) Due to his ties with Attestor (a member of the Consortium), Mr. Simon Franks stated that he was in a conflict-of-interest situation as regards the proposed tender offer and, consequently, withdrew entirely from the work of the Board of Directors with effect from June 8, 2021 onward. His attendance rate is calculated on the basis of 6 meetings of the Board of Directors, 1 meeting of the Strategic Committee and 5 meetings of the Compensation and Nominations Committee.

(3) Ms. Sylvie Veilleux was co-opted by the Board of Directors on May 17, 2021, to replace Ms. Virginie Fauvel, who resigned, for the remainder of Ms. Fauvel's term of office, until the Shareholders' Meeting called to approve the financial statements for the fiscal year ending December 31, 2022. Her attendance rate is calculated on the basis of 15 meetings of the Board of Directors, 2 meetings of the Strategic Committee and 2 meetings of the Compensation and Nominations Committee.

(4) Ms. Carol Sirou was appointed by the Shareholders' Meeting of June 30, 2021, until the Shareholders' Meeting called to approve the financial statements for the fiscal year ending December 31, 2024. Her attendance rate is calculated on the basis of 11 meetings of the Board of Directors, 4 meetings of the Audit Committee and 2 meetings of the Strategic Committee.

5.3 PRESENTATION OF GOVERNANCE UNTIL FEBRUARY 26, 2021

It should be noted that, from March 9, 2015 until February 26, 2021, the Company was a joint stock company (French société anonyme) with Management Board and Supervisory Board. Before that date, the Company was a limited company with a Board of Directors.

Please refer to Section 5.2 of the Company's 2020 Universal Registration Document for a full presentation of the Supervisory Board and the Management Board in office until February 26, 2021.

5.4 BOARD OF DIRECTORS' REPORT ON CORPORATE GOVERNANCE

In accordance with Articles L. 225-37-4 and L. 22-10-9 to L. 22-10-11 of the French Commercial Code, the Board of Directors' report on governance for the fiscal year ended December 31, 2022 includes the following information:

- comments of the Board of Directors on the management report and the financial statements for the fiscal year ended December 31, 2021;
- the proposed compensation policy applicable to members of the Board of Directors for fiscal year 2022 provided for in Article L. 22-10-8 of the French Commercial Code;
- total compensation and benefits of any kind paid during the fiscal year ended December 31, 2021 to the corporate officers, including a description of the fixed, variable and exceptional elements comprising these compensation and benefits as well as the criteria used to calculate them or the circumstances under which they were granted and, more broadly, all the information set out in Article L. 22-10-9 of the French Commercial Code;
- commitments of any kind made by the Company to its corporate officers and the terms used to determine these commitments;
- the list of all the terms of office and positions held by each of the Company's corporate officers in other companies during the past fiscal year;
- a statement of the regulated agreements concluded (excluding arm's length agreements) during the fiscal year ended December 31, 2021. These regulated agreements include those entered into directly or through an intermediary by and between (i) one of the corporate officers or one of the shareholders holding more than 10% of the voting rights, and (ii) a subsidiary of the Group as defined by Article L. 233-3 of the French Commercial Code;
- a summary table of currently valid delegations granted by the General Meeting to increase the share capital;
- the composition of the Board of Directors for fiscal year 2021 and how it prepares and organizes its work;
- the diversity policy applied to members of the Board of Directors, the objectives of and methods for implementing this policy, the results obtained, as well as the application of the principle of gender balance on the Board of Directors;
- the limitations exercised by the Board of Directors on the powers of the Chief Executive Officer;
- the fact that the Company voluntarily applies a Code of Corporate Governance and which provisions have been waived and why;
- specific procedures relating to the participation of shareholders in the General Meeting;
- a description of the procedure set out in Article L. 22-10-12 of the French Commercial Code allowing regular evaluation to verify that agreements concerning current transactions conducted under normal conditions comply with these conditions, as well as the implementation of this procedure;
- information provided for under Article L. 22-10-11 of the French Commercial Code.

In addition to the proposed compensation policy applicable to members of senior management for fiscal year 2022 provided for in Article L. 22-10-8 of the French Commercial Code, this Universal Registration Document includes all the items from the report by the Company's Board of Directors referred to in Article L. 225-37 of the French Commercial Code. References to Sections of this Universal Registration Document corresponding to the various parts of the report by the Board of Directors can be found below.

Within the framework of the Shareholders' Meeting called to approve the financial statements for the fiscal year ended December 31, 2021, the Company will provide, within the terms and conditions provided for by law, all of the information required in accordance with the Board of Directors' report on Corporate Governance.

The report of the Board of Directors and the procedures underlying it were approved in their entirety by the Board of Directors.

Items from the report on corporate governance	Universal Registration Document Chapter/Section
Comments of the Board of Directors on the management report and the financial statements for the fiscal year ended December 31, 2021	3.4
List of all the terms of office and positions in each company held by each of the corporate officers during the fiscal year ended December 31, 2021	5.1.1
Composition of the Board of Directors and conditions in which it prepares and organizes its work	5.2.2.8
Description of the diversity policy applied to members of the Board of Directors, the objectives of and methods for implementing this policy, the results obtained, as well as the application of the principle of gender balance on the Board of Directors	5.2.2.5
Description of how the Company seeks a balanced representation of women and men on the Executive Committee using measures set up by senior management to help and the results achieved in terms of gender balance in the 10% of positions with the highest responsibility	5.2.2.5
Limitation of the powers of the Chief Executive Officer	5.1.2
Reference to the Corporate Governance Code and deviations from the Code	5.2.1
Compensation policy for corporate officers as set out in Article L. 22-10-8 of the French Commercial Code	5.5
Total compensation and benefits of any kind paid to the corporate officers during the fiscal year ended December 31, 2021. The fixed, variable and exceptional components comprising this compensation and benefits as well as the criteria used to calculate them or circumstances applied to grant them. Commitments of any kind made by the Company in favor of its corporate officers.	5.6
Information under Article L. 22-10-9 of the French Commercial Code for each corporate officer, including corporate officers with expired terms of office and those newly appointed in the previous fiscal year	5.6.4
Total compensation and benefits of any kind paid by the Company to corporate officers during the fiscal year ended December 31, 2021 by detailing the fixed, variable and exceptional components paid for terms of office held in the past year, or awarded for terms of office in the same fiscal year.	5.6.4
Proportion corresponding to fixed and variable compensation	5.6.4
Use of the possibility of requesting the return of a variable compensation	5.5
Commitments of any kind made by the Company	5.5
Any compensation paid or awarded by a company included in the scope of consolidation as defined by Article L. 233-16 of the French Commercial Code	5.5
Ratios between the compensation level of each of the executives and, on the one hand the average compensation on a full-time basis of the Company's employees other than corporate officers, on the other hand, the median compensation on a full-time equivalent basis of the Company's employees other than corporate officers	5.6.4
Annual trends in compensation, the Company's performance, average compensation on a full-time equivalent basis of the Company's employees, other than executives, equity ratios, over at least the five most recent fiscal years	5.6
Explanation of how total compensation complies with the adopted compensation policy, including how it contributes to the Company's long-term performance, and how the performance criteria are applied	5.6
Way in which the vote of the Ordinary Shareholders' Meeting described in Part I of Article L. 22-10-34 of the French Commercial Code was taken into account	5.5.1 5.6.1
Deviation with respect to the compensation policy implementation procedure	N/A
Application of the provisions of the second sub-paragraph of Article L. 225-45 of the French Commercial Code	5.5.1 5.6.1 5.6.2 5.6.4
Specific procedures relating to the participation of shareholders in the General Meeting	6.2.4

Items from the report on corporate governance	Universal Registration Document Chapter/Section
Table of currently valid delegations granted by the General Meeting to increase the share capital showing the utilization of these delegations in the fiscal year ended December 31, 2021	6.3.4
Information provided for in Article L. 22-10-11 of the French Commercial Code	6.3 to 6.7
Agreements concluded (excluding agreements concluded under normal conditions) entered into directly or through an intermediary by and between (i) one of the corporate officers or one of the shareholders holding more than 10% of the voting rights, and (ii) a subsidiary of the Group	7.2.7 7.4
Description and implementation of the procedure set out in the second subparagraph of Article L. 22-10-12 of the French Commercial Code allowing regular evaluation to verify that agreements concerning current transactions conducted under normal conditions comply with these conditions	5.2.2.8

5.5 COMPENSATION POLICY AND BENEFITS OF ANY KIND FOR MEMBERS OF THE BOARD OF DIRECTORS FOR FISCAL YEAR 2022

The compensation of members of the Board of Directors and senior management is determined by the Board of Directors, on the recommendation of the Compensation and Nominations Committee.

In its analysis and proposals to the Board of Directors, the Compensation and Nominations Committee pays particular attention to comply with the recommendations of the AFEP-MEDEF Code.

5.5.1 Compensation policy applicable to members of the Board of Directors for fiscal year 2022

5.5.1.1 Reminder of the compensation policy applicable to members of the Board of Directors for fiscal year 2021

It should be noted that, on the recommendation of the Compensation and Nominations Committee and as approved by the Board of Directors on February 26, 2021, the Shareholders' Meeting of June 30, 2021 approved the compensation policy for fiscal year 2021 as follows:

5.5.1.1.1 Compensation policy for the Chair of the Board of Directors

- a fixed annual amount of €160,000, in addition to the fixed compensation for the role of member of the Board of Directors. Note that the Chair does not benefit from any free shares or options grant or any severance pay:
  - the Chair of the Board of Directors is provided with a company car,
  - this annual compensation does not include:
    - a grant of options or performance shares,
    - severance pay.

5.5.1.1.2 Compensation policy for members of the Board of Directors

It is specified that the total gross annual compensation of members of the Board of Directors, for a Board of Directors composed of eight (8) members (including the Chair of the Board of Directors) may not exceed €560,000 (including the Chair of the Board of Directors, the Chief Executive Officer as a member of the Board of Directors and a member of the Board of Directors representing employees).

This budget may be distributed as follows, it being specified that its distribution is at the discretion of the Board of Directors:

A) ANNUAL COMPENSATION ALLOCATED TO ALL MEMBERS OF THE BOARD OF DIRECTORS AND COMPOSED OF:

(i) a fixed portion of €20,000,

(ii) a variable portion paid for attendance at meetings of the Board of Directors and its committees, up to an annual limit of €60,000, which is broken down as follows:

- according to actual participation in Board of Directors meetings:
  - €3,000 per member for actual participation in a Board of Directors meeting held in person and/or lasting three hours or more, and
  - €750 per member for actual participation in a Board of Directors meeting held by teleconference and/or lasting less than three hours;
- according to actual participation in meetings of any specialized Committees already established or to be established in the future: €1700 per member of the Committee, with an additional 50% for the Chairman of the Committee.

B) EXCEPTIONAL COMPENSATION MAY BE GRANTED BY THE BOARD OF DIRECTORS FOR SPECIFIC ASSIGNMENTS OR MANDATES ENTRUSTED TO THEM.

This annual compensation does not include:

- company cars (except for the Chair);
- a grant of options or performance shares;
- severance pay.

In accordance with the recommendations of the AFEP-MEDEF Code, in the event that a member actually attends 100% of the meetings of the Board of Directors and its committees, held in person and by teleconference in 2021, the variable annual portion of compensation due to a Board member (with the exception of its Chair) will be more than the fixed portion of the compensation.

5.5.1.2 Proposed compensation policy applicable to members of the Board of Directors for fiscal year 2022

On the recommendation of the Compensation and Nominations Committee, which was approved by the Board of Directors on December 17, 2021, the compensation policy applicable to members of the Board of Directors for 2022, which will be submitted to the next Shareholders' Meeting in accordance with Article L. 22-10-8 of the French Commercial Code, will be the same as the policy for 2021 (see 5.4.1.1 above).

The only change relates to the variable component of the annual compensation of the members of the Board of Directors: In light of the travel restrictions imposed as a consequence of the health crisis, it consists of removing the criterion regarding attending Board meetings in person. Therefore, only the duration of a Board of Directors meeting (i.e. whether it lasts three hours or more) will determine the amount of compensation payable for actual participation in each meeting.

5.6 COMPENSATION AND BENEFITS OF ANY KIND FOR CORPORATE OFFICERS FOR FISCAL YEAR 2021

5.6.1 Compensation for members of the Supervisory Board for fiscal year 2021

In accordance with the policy approved by the Shareholders' Meeting of June 30, 2021, and on the recommendation of the Compensation and Nominations Committee of December 9, 2021, the Board of Directors meeting of December 17, 2021 examined the breakdown of compensation for members of the Supervisory Board for fiscal year 2021.

This policy allocated:

(i) For the Chairman of the Supervisory Board, fixed compensation of €165,000, to be paid *pro rata temporis* to the actual duration of the office held during the fiscal year;

(ii) For Supervisory Board members (including the Supervisory Board Chair):

- a fixed portion: €30,000 for the Chairman of the Supervisory Board and €15,000 for each of the other members, to be paid *pro rata temporis* to the actual duration of the office held during the fiscal year; and
- a variable portion:
  - effective participation in Supervisory Board meetings:
    - €3000 per member for his or her effective participation in a Supervisory Board meeting held in person,
    - €750 per member for actual participation in a Supervisory Board meeting held by teleconference;
  - effective participation in the Audit Committee or Compensation and Nominations Committee meetings: €1700 per member of the Committee, with an additional 50% for the Chairman of the Committee,
  - all up to the overall limit of €550,000 set by the General Meeting of May 17, 2018.

The components of compensation due or granted to the Chairman of the Supervisory Board in respect of fiscal year 2021 as presented above will be submitted to the shareholders for their opinion at the Shareholders' Meeting called to approve the financial statements for the fiscal year ended December 31, 2021, in accordance with Article L. 22-10-34 of the French Commercial Code.

The total gross amount of annual compensation allocated to the members of the Supervisory Board for fiscal year 2021 and paid in 2021 is €56,950. For more information on these amounts, see Chapter 5.5.3 "Summary of the compensation and benefits of corporate officers," Table 3 "Annual compensation and other compensation allocated and received by non-executive corporate officers."

5.6.2 Compensation of the members of the Board of Directors for fiscal year 2021

In accordance with the policy approved by the Shareholders' Meeting of June 30, 2021, and on the recommendation of the Compensation and Nominations Committee of December 9, 2021, the Board of Directors meeting of December 17, 2021 examined the breakdown of compensation for members of the Board of Directors for fiscal year 2021.

For a detailed explanation of this policy, please refer to Section 5.4.1.1. of this Universal Registration Document.

The components of compensation due or granted to the Chairman of the Board of Directors in respect of fiscal year 2021 as presented above will be submitted to the shareholders for their opinion at the Shareholders' Meeting called to approve the financial statements for the fiscal year ended December 31, 2021, in accordance with Article L. 22-10-34 of the French Commercial Code.

The total gross amount of annual compensation allocated to the members of the Board of Directors for fiscal year 2021 and paid in 2021 is €370,720. For more information on these amounts, see Chapter 5.5.3 "Summary of the compensation and benefits of corporate officers," Table 3 "Annual compensation and other compensation allocated and received by non-executive corporate officers."

5.6.3 Compensation of the members of the Management Board and senior management for fiscal year 2021

The compensation policy for members of the Management Board is structured so as to respect the Company's corporate interest and continuity. In particular, the quantifiable and qualitative criteria for annual variable compensation and the performance conditions for long-term compensation described below are defined according to the Company's commercial strategy and its multi-year targets.

The compensation policy applicable to members of senior management from February 26, 2021 to December 31, 2021 is absolutely identical to that applicable to the members of Management Board for the period from January 1, 2021 to February 26, 2021, *pro rata temporis* for Mr. Fabrizio Ruggiero.

Compensation policy for members of Management Board and senior management for fiscal year 2021

Until February 26, 2021, all components of the compensation of members of the Management Board were examined and decided each year by the Supervisory Board, on the recommendation of the Compensation and Nominations Committee. From February 26, 2021, the components of the compensation of members of senior management are examined and decided by the Board of Directors on the recommendation of the Compensation and Nominations Committee, thereby guaranteeing the absence of any potential conflict of interest. Decisions on the compensation of the members of Management Board and then senior management are taken with due consideration of the following: the responsibilities, personal performance, the performance of the Company, applicable regulations, the recommendations of the AFEP-MEDEF Code and market practices.

The compensation of the members of Management Board and senior management takes into account the principles of comprehensiveness, balance, comparability, consistency, transparency and proportionality, in accordance with the recommendations of the AFEP-MEDEF Code.

Compensation structure

The compensation for each member of the Management Board, as renewed by the Supervisory Board at its meeting on June 12, 2020, and for each member of senior management, as approved by the Board of Directors on May 17, 2021 comprises the following components:

- fixed annual compensation payable over a period of twelve months;
- annual variable compensation expressed as a percentage of the fixed annual compensation;
- free share grants, where appropriate; and
- benefits in kind.

The members of Management Board and senior management may also receive compensation under the non-compete clause as described in Section 5.5.2.6 of this Universal Registration Document. The Chief Executive Officer since February 26, 2021, may receive compensation for termination of office, the amount of which is based on the terms and conditions discussed in Section 5.5.2.5 of this Universal Registration Document.

SUMMARIES OF THE PRINCIPLES AND CRITERIA APPROVED BY THE SHAREHOLDERS' MEETING OF JUNE 12, 2020, FOR MEMBERS OF MANAGEMENT BOARD AND BY THE SHAREHOLDERS' MEETING OF JUNE 8, 2021 FOR SENIOR MANAGEMENT

The principles and criteria for determining, allocating and awarding the fixed, variable and exceptional components comprising the total compensation and benefits of any kind attributable to the Chairwoman of the Management Board, the Deputy Chief Executive Officer, the Chief Countries and Operations officer, and the members of Management Board, which were applicable until the Company's governance structure changed on February 26, 2021, were approved by the Shareholders' Meeting of June 12, 2020 (18th to 20th resolutions).

The principles and criteria for determining, allocating and awarding the fixed, variable and exceptional components comprising the total compensation and benefits of any kind attributable to the Chief Executive Officer and the Deputy Chief Executive Officer from February 26, 2021, for fiscal year 2021, were approved by the Shareholders' Meeting of June 8, 2021 (18th to 20th resolutions).

2021 Fixed compensation

The fixed compensation for each member of the Management Board up to February 26, 2021, and then for the members of senior management from that same date, reflects the responsibilities they assume and their respective expertise. This is consistent and takes into account the attractiveness of this compensation against the market.

As with all compensation components, fixed compensation is reviewed annually on the recommendation of the Compensation and Nominations Committee, by the Supervisory Board for the members of the Management Board and by the Board of Directors for members of senior management. The recommendation of the Compensation and Nominations Committee is based on a comparative study carried out by an independent external firm. The frequency of the changes in the fixed compensation of each of the members of Management Board and senior management will depend on any differences that may be noted at the beginning of each fiscal year between the responsibilities assumed and the respective expertise of each of the members of Management Board and then senior management on the one hand, and the market analyses on the other, while still complying with the recommendations of the AFEP-MEDEF Code.

Pursuant to the principle that the fixed compensation of the members of the Management Board may only be revised every three years, given that the fixed compensation of Ms. Caroline Parot and Mr. Fabrizio Ruggiero was reviewed on May 1, 2019 and that Mr. Olivier Baldassari joined the Group in January 2019, no proposal to adjust the fixed compensation of a member of the Management Board, or from February 26, 2021, of a member of senior management, was made for 2021.

Consequently, Ms. Caroline Parot's gross fixed annual compensation was €575,000.

Mr. Fabrizio Ruggiero's gross fixed annual compensation (applicable on a pro rata temporis basis) was €415,000. Mr. Olivier Baldassari's gross fixed annual compensation (applicable on a pro rata temporis basis) was €330,000.

Annual variable compensation 2021 for members of senior management

Given the fact that the change in the Company's governance structure took place at the beginning of the fiscal year, namely February 26, 2021, the following will describe only the variable compensation policy for members of senior management.

The gross annual variable compensation of the members of senior management is aimed at involving them in the Group's performance. In accordance with the AFEP-MEDEF Code, the variable compensation of each of the members of senior management corresponds to a percentage of their fixed annual compensation. Annual variable compensation for members of senior management is intended to take into account their individual performance and the Company's performance. It is based on qualitative and quantifiable performance criteria that are set individually for each member of senior management. The analysis of performance based on diverse predetermined criteria is assessed in relation to the Company's objectives, shareholders' interests and additionally, implementation of the Company's strategy. The Target Variable Compensation of each of the members of senior management corresponds to 100% of the amount of his or her fixed annual compensation, it being specified that, in the event that the target is significantly exceeded, and taking into account the maximum coefficient associated with the Net Promoter Score and the accelerator linked to the Group EBITDA, their annual variable compensation may reach 157.32% of their fixed annual compensation. In addition, the number of performance shares that can be awarded to Ms. Caroline Parot in 2021 in her capacity as Chief Executive Officer and to Mr. Fabrizio Ruggiero as Deputy Chief Executive Officer represents 150% of their gross fixed annual compensation.

Description of the components of annual variable compensation in 2021

The principles and criteria of the annual variable compensation of Ms. Caroline Parot and Mr. Fabrizio Ruggiero are determined and reviewed every year by the Board of Directors, on the recommendation of the Compensation and Nominations Committee, in compliance with the applicable legal provisions and the recommendations of the AFEP-MEDEF Code.

The Annual Variable Compensation is expressed as a percentage of the fixed annual compensation.

The Target Variable Compensation of a member of senior management corresponds to achievement of 100% of the objectives set on quantifiable and qualitative criteria defined by the Board of Directors and represents 100% of their annual fixed compensation.

Each quantifiable criterion is described with three performance levels that enable its degree of achievement to be assessed: minimum, target and maximum. The performance levels for each quantifiable criterion were examined and approved by the Board of Directors, on the recommendation of the Compensation and Nominations Committee.

The qualitative criteria established and defined individually in a precise and objective way by the Board of Directors, upon proposal of the Compensation and Nominations Committee, cover the specific responsibilities of each member of senior management and the Group's main transformation projects for 2021.

The degree of achievement for each quantifiable and qualitative criterion was approved on XXXX XX, 2022, by the Supervisory Board, on the recommendation of the Compensation and Nominations Committee. The first step in calculating the Annual Variable Compensation consists of determining the degree to which the objectives relating to the qualitative and quantifiable performance criteria are achieved (hereafter, the "Basic Variable Portion"). This Basic Variable Portion is then adjusted upward or downward by applying a multiplier based on the degree of achievement by the Group of its quantifiable annual customer recommendation target (Net Promoter Score); this is then adjusted by applying a coefficient, the Group EBITDA Accelerator.

For fiscal year 2021, the Basic Variable Portion for the Chief Executive Officer and for Mr. Fabrizio Ruggiero could vary between 0% and 114% of their fixed annual compensation depending on the degree of achievement of the objectives relating to the quantifiable and qualitative criteria. Their Annual Variable Compensation could have reached up to a maximum of 157.32% of their fixed annual compensation after applying the multiplier and the accelerator coefficient.

Qualitative and quantifiable criteria 2021 (as decided by the Board of Directors on May 17, 2021)

	Weighting in the event that the target level of criteria is reached	Weighting in the event that the maximum level of criteria is reached
Qualitative criteria	30%	30%
Group EBITDA	35%	42%
Revenue	15%	18%
Group Operating cash flow	20%	24%
TOTAL BEFORE APPLICATION OF THE TARGET COEFFICIENT LINKED TO THE NET PROMOTER SCORE	**100%**	**114%**
TOTAL AFTER APPLICATION OF THE MAXIMUM COEFFICIENT LINKED TO THE NET PROMOTER SCORE	**115%**	**131.1%**
TOTAL AFTER APPLICATION OF THE GROUP EBITDA ACCELERATOR		**157.32%**

Application of a multiplier based on the achievement by the Group of a net promoter score

For all the members of senior management, in the event the Group improves the Net Promoter Score by more than 10%, a maximum multiplier of 1.15x is applied to their Basic Variable Portion, making it possible for their Annual Variable Compensation to reach up to 155% of their fixed annual compensation. Conversely, in the event that the Net Promoter Score is unsatisfactory and below 10% of the objective, the minimum multiplier of 0.85x is applied to the Basic Variable Portion. The multiplier is calculated by linear interpolation between the limits 0.85-1.15 on the basis of the change in the Net Promoter Score within the interval 10%/10%.

Application of an accelerator based on the achievement of the Group EBITDA objectives

The Group's Board of Directors makes it a strategic priority to achieve its EBITDA objectives. For this reason, an accelerator was established according to the following principle:

- group EBITDA less than or equal to the trigger threshold: multiplier of 1;
- group EBITDA greater than the threshold (included) and less than the budget: multiplier of 1.1;
- group EBITDA greater than the budget (included): multiplier of 1.2.

The Group's EBITDA benchmark for the variable compensation is determined on the basis of a trigger threshold, a budget objective, and a ceiling.

Description of the quantifiable criteria 2021

At its meeting on May 17, 2021, the Board of Directors decided, on the recommendation of the Compensation and Nominations Committee of May 17, 2021, to apply identical quantifiable criteria for all members of senior management.

The quantifiable criteria and their weighting for the Chief Executive Officer and the Deputy Chief Executive Officer, as detailed below, represent 70% of their Target Variable Compensation, and may vary between 0% and 84% of the fixed annual compensation, depending on the degree of achievement of the objectives relating to these criteria:

(i) Adjusted Corporate EBITDA (Group EBITDA): This criterion represents 35% of the Target Variable Compensation and may vary between 0% and 42% of the fixed annual compensation depending on the degree to which this criterion is reached;

(ii) revenue (Top Line): This criterion represents 15% of the Target Variable Compensation and may vary between 0% and 18% of the fixed annual compensation, depending on the degree to which this criterion is achieved; and

(iii) Group Operating cash flow: This criterion represents 20% of the Target Variable Compensation and may vary between 0% and 24% of the fixed annual compensation depending on the degree to which this criterion is reached.

Description of the 2021 qualitative criteria

The qualitative criteria were established and defined individually and precisely for each member of senior management by the Board of Directors on the recommendation of the Compensation and Nominations Committee, as follows:

MS. CAROLINE PAROT, CHIEF EXECUTIVE OFFICER

- operational execution of the Connect strategic framework, with implementation of phase 1 of the Purple project, deployment of electric-only driving in target cities as well as electric light commercial vehicles in five countries, i.e. operational implementation of the compliance policy and programs, from development to roll-out to Group employees, particularly those employees directly involved with compliance;
- fulfilment of the compliance commitments set out before the completion of the Group's financial restructuring;
- corporate Social Responsibility, with reinforcement of the Commit Together program in two major areas; the first relating to the implementation of measures aimed at reducing the carbon footprint, the second relating to the use of "green" financial instruments.

MR. FABRIZIO RUGGIERO, DEPUTY CHIEF EXECUTIVE OFFICER

- operational implementation of a structure to increase revenue;
- operational implementation of the compliance policy and programs, from development to roll-out to Group employees, particularly those employees directly involved with compliance;
- corporate Social Responsibility, with reinforcement of the Commit Together program, including the implementation of measures aimed at reducing the carbon footprint.

Discretionary powers of the Board of Directors

Upon recommendation of the Compensation and Nominations Committee, the Board of Directors reserves the right to exercise its discretionary powers to determine the compensation of the members of senior management, in accordance with Article L. 22-10-8 III of the French Commercial Code and Article L. 22-10-34 of the French Commercial Code, in the event of the occurrence of special circumstances that are unforeseeable and not reflected in the variable compensation criteria, which could justify the exceptional adjustment by the Board of Directors, either upward or downward, of one or more of the criteria making up variable compensation, so as to ensure that the results of the application of the criteria described above reflect both the performance of the members of senior management and that of the Group. This adjustment may be made on the variable compensation of members of senior management by the Board of Directors upon a proposal by the Compensation and Nominations Committee, up to the ceiling relating to variable compensation, i.e. 155% of fixed compensation, after the Board of Directors has duly justified its decision. Where necessary, information will be communicated on how the Board of Directors may use this power.

Shareholders' approval of the compensation policy for members of senior management

In application of Article L. 22-10-8 of the French Commercial Code, the Company's Shareholders' Meeting of June 30, 2021, was asked to approve the compensation policy for members of senior management as described in this section of the Universal Registration Document.

Moreover, payment of the variable components of compensation granted to each member of senior management for fiscal year 2021 will be made subject to approval by the Shareholders' Meeting called in 2022 to approve the Company's financial statements for the fiscal year ended December 31, 2021.

Benefits in kind

With respect to in-kind benefits, the Chief Executive Officer is provided with a company car, health/provident insurance, an annual health check and corporate officer unemployment insurance.

Until his contract ended on August 29, 2021, Mr. Fabrizio Ruggiero, Deputy Chief Executive Officer, was provided with a company car, an annual health check, a foreign service allowance and company accommodation in Paris, as well as accident and health insurance.

Termination benefits and non-compete indemnities

At the time the Company's governance structure was changed and Ms. Caroline Parot was appointed Chief Executive Officer and Mr. Fabrizio Ruggiero was appointed Deputy Chief Executive Officer for a term of four years, as decided by the Supervisory Board during its meeting on December 21, 2018, on the recommendation of the Compensation and Nominations Committee meeting on December 11, 2018, the Board of Directors did not deem it necessary to specify that the non-compete clause that may be exercised by the Company be excluded when the executive asserts his or her pension rights or after the age of 65 because, given the actual age of the members of senior management, they will not assert their rights for at least 10 to 15 years. The Board of Directors decided however to respect this AFEP-MEDEF Code recommendation relative to appointments or renewals of terms of office during which members of senior management could exercise their rights to retirement or remain in office beyond the age of 65.

Indemnities arising from the termination of office of a member of senior management or due to a non-compete clause are presented in Sections 5.3.2.5 and 5.3.2.6 respectively of this Universal Registration Document.

5.6.3.1 Composition of the compensation of the members of senior management in respect of fiscal year 2021

Shareholders' approval of components of compensation due or awarded to members of senior management in respect of fiscal year 2021

The component parts of the compensation due or allocated to the members of senior management for fiscal year 2021 will be submitted, pursuant to Article L. 22-10-34 of the French Commercial Code, for the approval of shareholders at the Company's Shareholders' Meeting called to approve the financial statements for the fiscal year ended December 31, 2021.

The total compensation of each member of senior management, and all components comprising such compensation that are described below, comply with the approved compensation policy, and reflect the Company's performance in 2021.

A) 2021 FIXED COMPENSATION FOR MEMBERS OF SENIOR MANAGEMENT

In the light of the compensation principles described in Section 5.5.2.1 above, the fixed annual compensation received by the members of senior management for the 2021 fiscal year is as follows:

The 2021 fixed annual compensation of Ms. Caroline Parot, Chair of the Management Board until February 26, 2021, then Chief Executive Officer from that date, was €575,000.

The fixed annual compensation of Mr. Fabrizio Ruggiero, Deputy Chief Executive Officer and a member of the Management Board until February 26, 2021, then Deputy Chief Executive Officer from that date until his contract ended on August 29, 2021, was €276,667.

As Chief Countries and Operations Officer and a Member of the Management Board until February 26, 2021, the date on which he ended his role as corporate officer, Mr. Olivier Baldassari's fixed annual compensation, was €55,873.

B) 2021 VARIABLE COMPENSATION FOR MEMBERS OF SENIOR MANAGEMENT

Having left the Company on August 29, 2021, Mr. Fabrizio Ruggiero was not eligible for his variable compensation payment. Only the variable compensation of Ms. Caroline Parot will be detailed below.

In light of the compensation policy described in Section 5.5.2.1 above, the variable compensation due to Ms. Caroline Parot for the fiscal year 2021 is as follows:

As a reminder, the three qualitative objectives for the members of the Management Board cover:

- operational execution of the Connect strategic framework, with implementation of phase 1 of the Purple project, deployment of electric-only driving in target cities as well as electric light commercial vehicles in five countries, i.e. operational implementation of the compliance policy and programs, from development to roll-out to Group employees, particularly those employees directly involved with compliance;
- fulfilment of the compliance commitments set out before the completion of the Group's financial restructuring;
- corporate Social Responsibility, with reinforcement of the Commit Together program in two major areas; the first relating to the implementation of measures aimed at reducing the carbon footprint, the second relating to the use of "green" financial instruments.

For fiscal year 2021, the qualitative criteria of the Basic Variable Compensation of the Chief Executive Officer represent 30% of her Target Variable Compensation and may vary from 0% to 30% of the fixed annual compensation depending on the degree to which her individual objectives are achieved.

Determination of the annual variable compensation in respect of the 2021 fiscal year

On April 20, 2022, the Board of Directors, on the recommendation of the Compensation and Nominations Committee of April 19, 2022, (i) assessed and approved the level of achievement of the quantifiable and qualitative criteria objectives for 2021 for Ms. Caroline Parot, as presented in the table below, (ii) noted the Group's Net Promoter Score for the fiscal year 2021 as well as (iii) the Group EBITDA Accelerator, then (iv) set the Annual Variable Compensation after applying the relevant multiplier for the level of the Net Promoter Score achieved and the accelerator linked to the Group EBITDA.

For 2021, the level of achievement of each of the quantitative criteria is above the triggering threshold.

At the abovementioned meeting, the Board of Directors approved the actions of Ms. Caroline Parot in 2021 and set out the reasons for its decision on the degree of achievement of the qualitative criteria. The Board of Directors ruled that the level of achievement of the qualitative objectives was 80.8%.

The coefficient linked to the Net Promoter Score for 2021 was 41.1, against a target of 40.5. The performance of this indicator justifies the application of a multiplier of 1.02.

The Group EBITDA was €188.4 million, which exceeded the fixed ceiling of this criterion and thus generated an accelerator equal to 1.2.

As a result, an assessment of the levels of achievement of each of the individual objectives of Ms. Caroline Parot led to a variable payment of 130.06% of the target rate for 2021, as shown in the table below.

	Degree of achievement of the objectives
Degree of achievement of the criteria	Caroline Parot
Qualitative criteria	80.8%
Group EBITDA	188.4%
Revenue	101.8%
Group Operating cash flow	163.2%
TOTAL BEFORE APPLICATION OF THE COEFFICIENT LINKED TO THE NET PROMOTER SCORE	**106.02%**
TOTAL AFTER APPLICATION OF THE 2021 COEFFICIENT LINKED TO THE NET PROMOTER SCORE	**108.38%**
TOTAL AFTER APPLICATION OF THE 2021 COEFFICIENT LINKED TO THE GROUP EBITDA ACCELERATOR	**130.06%**

The Annual Variable Compensation due to Ms. Caroline Parot for the fiscal year 2021 is €747,875.

The amounts corresponding to compensation for fiscal year 2021 for members of the Management Board up to February 26, 2021, and then for the members of senior management from that same date are detailed in Section 5.5.3 "Summary of the compensation and benefits of corporate officers" of this Universal Registration Document.

C) 2021 EXCEPTIONAL REMUNERATION

At its meeting of June 30, 2021, the Board of Directors, upon the recommendation of the ad hoc committee which met on June 23, 2021, approved the principle of an exceptional remuneration to compensate Caroline Parot, in her capacity as Chief Executive Officer, for her diligence in the current operation on the Company's capital.

The amount of this exceptional remuneration amounts to 250% of the gross annual fixed remuneration for the year 2021 of Caroline Parot, i.e. 1,437,500 euros.

The payment of this exceptional compensation is conditional upon the following conditions being met (i) the transaction concerned is considered to be in the Company's corporate interest and recommended by the Board of Directors; (ii) a change of control of the Company within the meaning of Article L. 233-3 of the French Commercial Code occurs as a result of this transaction; and (iii) Caroline Parot is in office as a Chief Executive Officer within the Company at that date.

It is specified that the condition of presence mentioned in (iii) above will not apply in the event of:

- dismissal or removal from all positions within the Group of Caroline Parot for any reason other than serious or gross misconduct within the meaning of these terms as defined by social jurisprudence; or
- resignation or contractual termination of Caroline Parot from all functions within the Group following a serious illness as defined in article D. 322-1 of the Social Security Code, permanent disability of the second or third category as defined in article L. 341-4 of the same code, or unfitness for work as defined in article L. 351-7 of the same code.

The payment of this exceptional compensation is also subject to the vote of a new, compatible compensation policy for the Chief Executive Officer (including an exceptional compensation component such as that approved by the Board of Directors on June 30, 2021) and to the approval of its payment by the General Meeting of Shareholders, in accordance with Articles L. 22-10-8 and L. 22-10-34, II of the Commercial Code.

D) LONG-TERM COMPENSATION: PERFORMANCE SHARES

No performance shares were granted in fiscal 2021.

E) EXCEPTIONAL BONUS

No exceptional bonuses were granted in fiscal 2021.

F) BENEFITS IN KIND IN 2021

Ms. Caroline Parot is provided with a company car, health/provident insurance, an annual health check and mandatory corporate officer unemployment insurance subscribed for on her behalf.

Until his contract ended on August 29, 2021, Mr. Fabrizio Ruggiero was provided with a company car, an annual health check, a foreign service allowance and company accommodation in Paris, as well as accident and health insurance.

5.6.3.2 Long-term compensation: Performance share grants

Purpose of the performance share allocation

The purpose of granting performance shares is first of all to personally link the Company's worldwide management, in particular the corporate officers, with the development of the Company's value, by giving them a stake in the Company's ownership. It also makes it possible to distinguish the contributing executives, through their particularly positive contribution to the Company's results. Lastly, it serves to increase the loyalty of the executives whom the Company particularly values, especially those with strong potential.

Performance share allocation policy

The allocation is differentiated based on (i) the beneficiaries' level of responsibility and contribution, (ii) the assessment of their performance, (iii) their results, and (iv) the assessment of their development potential. The persons eligible for the grant of a free share are as follows:

- members of senior management;
- senior executives who are members of the Group's Executive Committee and the heads of the Corporate Countries. They benefit in principle from variable allocations, based on their level of responsibility, performance and results. Certain executives may not be beneficiaries;
- other management beneficiaries, who are most frequently senior managers and managers with high potential for professional or managerial development or expertise.

5.6.3.2.1 Performance share grants in 2018

LEGAL FRAMEWORK

The General Meeting of May 10, 2016, pursuant to its 12th resolution, has authorized the Management Board to proceed, on one or more occasions, with free grants of existing or future shares (called performance shares) in favor of the corporate officers and certain employees of the Company and of related companies, under the conditions set out in Article L. 225-197-1 *et seq.* of the French Commercial Code. The allocation of performance shares is conditional upon compliance with the performance criteria defined when the budgets are constructed.

MAIN TERMS AND CONDITIONS OF THE 2018 ALLOCATION OF PERFORMANCE SHARES

It is reminded that the Supervisory Board examined and authorized on March 20, 2018 the main terms and conditions for free share grant plan to implement in 2018 for members of the Management Board, executive corporate officers and certain other managers of the Group (the "Free Shares 2018 Plan").

The acquisition of these free shares, following a vesting period of three (3) years (for French residents and non-residents), is subject to the beneficiary's continued employment with the Group and the achievement of the following performance conditions for the fiscal years ended December 31, 2018, December 31, 2019 and December 31, 2020 related to (i) cumulative Group revenue, (ii) average EBITDA margin and (iii) relative Total Shareholder Return (TSR):

(i) 30% of the number of shares awarded, depending on the level of achievement of the cumulative revenue objective for the 2018 and 2019 fiscal years on the one hand (for 40% of the allotted shares), and for the 2018, 2019 and 2020 fiscal years, on the other hand (for 60% of the allotted shares);

(ii) 45% of the number of shares awarded, depending on the level of achievement of an average EBITDA margin objective for the 2018 and 2019 financial years on the one hand (for 40% of the allotted shares), and for the 2018, 2019 and 2020 financial years, on the other hand (for 60% of the allotted shares);

(iii) 25% of the number of shares awarded, depending on the performance of the Europcar Mobility Group share relative to the performance of a composite TSR index over the period from January 1, 2018 to December 31, 2019, on the one hand (for 40% of the allotted shares), and from January 1, 2018 to December 31, 2020 on the other hand (for 60% of the allotted shares).

The TSR rate will be determined by comparing the yield (Total Shareholder Return or "TSR") of the Europcar Mobility Group share to the performance of a composite index formed for 1/3 of the SBF 120 index, for 1/3 of the average TSR of the Group's three main car rental competitors and for 1/3 of the STOXX® Europe 600 Travel & Leisure Index (the "Performance Composite Index") between January 1, 2018 and December 31, 2019 and between January 1, 2018, and December 31, 2020.

While cumulative Group revenue and average EBITDA margin objectives cannot be rendered public for confidentiality reasons, these are in line with market expectations and the objectives laid down in the Group's Ambition 2020 plan.

If the Europcar Mobility Group TSR is lower than the composite index performance, no performance shares corresponding to this criterion will be allocated.

Furthermore, following the vesting period of three (3) years, no retention period is required for free shares. The number of shares vested will be communicated at the end of the performance appraisal period.

Pursuant to Article L. 225-197-1 II of the French Commercial Code:

(i) the Chairperson of the Management Board shall retain a number of free shares equal to the lesser of (i) one-third of the shares granted and (ii) a number of free shares awarded under the regulations of said plan or any another share plan representing an amount equivalent to three (3) times the amount of her fixed annual compensation, bearing in mind that the Chairperson of the Management Board shall be required in all cases to retain a minimum of one granted share until she leaves office; and

(ii) the other members of the Management Board shall each be required to retain a number of free shares equal to the lesser of (i) one-third of the shares granted and (ii) a number of free shares granted under the regulations of said plan, or under any another share plan, representing an amount equivalent to one (1) times the amount of their respective fixed annual compensation, bearing in mind that the Deputy CEOs shall in all cases be required to retain a minimum of one granted share until they leave office.

A total of 1,000,000 shares could be granted under the Free Shares 2018 Plan. A total of 901,781 shares were allocated under the Free Shares 2018 Plan to 117 beneficiaries, of which 148,481 shares to members of the Management Board (after prior authorization from the Supervisory Board representing 0.56% of the Company's share capital on the date of filing of the 2019 Universal Registration Document).

Concerning in particular the members of the Management Board, the number of free shares which have been allocated to them in 2018 could not exceed 150% of their fixed annual compensation.

A free share is valued based on the average of the last 20 stock market prices preceding the grant by the Management Board.

Each beneficiary of the Free Shares 2018 Plan has made a personal commitment not to resort to the use of hedging instruments. To the Company's knowledge, no hedging instruments were set up as of the date of this Universal Registration Document.

Details of the free shares allocated to members of the Management Board are provided in Section 5.5.3.

Upon recommendation of the Compensation and Nominations Committee of March 16, 2018, the Management Board acknowledged on March 20, 2018 that the performance condition linked in particular to TSR was not fulfilled for the 2017 fiscal year.

After consulting the Compensation and Nominations Committee on February 19, 2019, the Management Board on March 19, 2019 noted the non-fulfillment of the performance condition associated in particular with the TSR for the 2018 fiscal year, and noted that the revenue-related performance conditions (40% of the targets) and Corporate EBITDA (40% of the targets) were attained. The number of shares vested by each member of the Management Board on March 16, 2019 is presented in Table 7 of Section 5.5.3 of this Universal Registration Document.

The 2018-2019 portion is 40% of the shares granted, the Top Line portion is 30% of this 40%, i.e. 12% of the shares granted, the achievement rate is 87.5%, i.e. 10.5% of the shares granted.

The Board of Directors noted that 10.5% of the shares allocated under the Free Shares 2018 Plan (AGA 2018) vested, as the date for meeting the condition of continued employment was December 31, 2020.

5.6.3.2.2 Performance share grants in 2019

LEGAL FRAMEWORK

The General Meeting of April 26, 2019, pursuant to its 32nd resolution, has authorized the Management Board to proceed, on one or more occasions, with free grants of existing or future shares (called performance shares) in favor of the corporate officers and certain employees of the Company and of related companies, under the conditions set out in Article L. 225-197-1 *et seq.* of the French Commercial Code. The allocation of performance shares is conditional upon compliance with the performance criteria defined when the budgets are constructed.

MAIN TERMS AND CONDITIONS FOR THE 2019 ALLOCATION OF PERFORMANCE SHARES

It is reminded that the Supervisory Board examined and authorized on March 20, 2019 the main terms and conditions for free share grant plan to implement in 2019 for members of the Management Board, executive corporate officers and certain other managers of the Group (the "Free Shares 2019 Plan").

The acquisition of these performance shares, following a vesting period of three years (for French residents and non-residents), is subject to the beneficiary's continued employment with the Group, and the achievement of the following performance conditions for the fiscal years ended December 31, 2019, December 31, 2020 and December 31, 2021 related to (i) Cumulative Group Revenue, (ii) the average corporate EBITDA margin rate and (iii) relative TSR (Total Shareholder Return):

(i) 25% of the number of shares awarded, depending on the level of achievement of the target cumulative revenue for 2019 and 2020 on the one hand (for 40% of the allotted shares), and on the fiscal years 2018, 2019 and 2020 (for 60% of the allotted shares);

(ii) 45% of the number of shares awarded, depending on the level of achievement of an average EBITDA margin excluding New Mobility for the 2019 and 2020 fiscal years on the one hand (for 40% of the allotted shares), and for the 2019, 2020 and 2021 fiscal years, on the other hand (for 60% of the allotted shares); and

(iii) 30% of the number of shares awarded, depending on the performance of the Europcar Mobility Group share relative to the performance of a composite TSR index over the period from January 1, 2019 to December 31, 2020 on the one hand (for 40% of the allotted shares), and from January 1, 2019 to December 31, 2021 on the other hand (for 60% of the allotted shares).

The assessment of each of the performance conditions is based on achieving at least the following criteria:

(i) regarding accumulated revenue:

  a) for 2019, the forecast revenue mentioned in Section 3.8 of this Universal Registration Document (Group Revenue in excess of €3 billion),

  b) for 2020, revenue in line with the Group's "Ambition 2020" target,

  c) for 2021, revenue in line with the financial targets in the three-year plan presented to the Supervisory Board at its meeting of January 31, 2019, up compared with the "Ambition 2020" plan;

(ii) regarding the average Corporate EBITDA margin (excluding New Mobility):

a) for 2019, the forecast (as a percentage of Revenue) for Corporate EBITDA (excluding New Mobility) mentioned in Section 3.8 of this Universal Registration Document (Adjusted Corporate EBITDA (excluding New Mobility) in excess of €375 million),

b) for 2020, a Corporate EBITDA margin (excluding New Mobility) in line with the Group's "Ambition 2020" target,

c) for 2021, a Corporate EBITDA margin (excluding New Mobility) in line with the financial targets in the three-year plan presented to the Supervisory Board at its meeting of January 31, up compared with "Ambition 2020" plan;

(iii) regarding the TSR achievement rate:

This rate is determined by comparing the Total Shareholder Return (TSR) of the Europcar Mobility Group share with the performance of a composite index formed one third by the SBF120 index, one third by the average of the TSRs of the Group's three principal vehicle rental competitors (two US companies and one European company) and one third by the STOXX® Europe 600 Travel & Leisure index.

This rate is between January 1, 2019 and December 31, 2020 and between January 1, 2019 and December 31, 2021.

A Europcar Mobility Group TSR below the performance of the composite index will result in the absence of vesting of the free shares awarded which may be vested in the event the performance condition for this criterion is achieved.

Furthermore, following the vesting period of three (3) years, no retention period is required for free shares.

Pursuant to Article L. 225-197-1 II of the French Commercial Code:

(i) the Chairperson of the Management Board shall retain a number of free shares equal to the lesser of (i) one-third of the shares granted and (ii) a number of free shares awarded under the regulations of said plan or any another share plan representing an amount equivalent to three (3) times the amount of her fixed annual compensation, bearing in mind that the Chairperson of the Management Board shall be required in all cases to retain a minimum of one granted share until she leaves office; and

(ii) the other members of the Management Board shall each be required to retain a number of free shares equal to the lesser of (i) one-third of the shares granted and (ii) a number of free shares granted under the regulations of said plan, or under any another share plan, representing an amount equivalent to one (1) times the amount of their respective fixed annual compensation, bearing in mind that the Deputy CEOs shall in all cases be required to retain a minimum of one granted share until they leave office.

In particular, concerning the members of the Management Board, the number of performance shares that could be awarded to them in 2019 was capped at 150% of their annual fixed compensation for the Chairwoman of the Management Board, the member of the Management Board and the Chief Executive Officer, and at 100% of the annual fixed compensation for the other members of the Management Board.

A total of 968,000 performance shares were granted under the Free Share 2019 Plan to 107 beneficiaries, including 235,000 to the members of the Management Board, representing 0.15% of share capital on the grant date.

The number of shares vested by each Management Board member will be communicated at the end of the performance appraisal period.

A free share is valued based on the average of the last 20 stock market prices preceding the grant by the Management Board.

Each beneficiary of the Free Shares 2019 Plan has made a personal commitment not to resort to the use of hedging instruments. To the Company's knowledge, no hedging instruments were set up as of the date of this Universal Registration Document.

Details of the free shares allocated to the Management Board members during fiscal year 2019 are described in Section 5.5.3.

At its meeting of February 28, 2022, the Board of Directors, based on a report from the Compensation and Nominations Committee, noted that no performance criteria from the 2019 AGA Plan had been achieved. Consequently, no shares will be distributed in respect of that year.

5.6.3.2.3 Performance share grants in 2020

Following the recommendation of the Compensation and Nominations Committee, the Supervisory Board decided at its meeting of March 13, 2020 not to implement a free share plan in 2020 for members of the Management Board, executive corporate officers and certain other Group managers. It is specified that any allocation of free shares to members of the Management Board or of senior management in 2021 and 2022 will comply with the current caps provided for in the compensation policy.

5.6.3.2.4 Performance share grants in 2021

Following the recommendation of the Compensation and Nominations Committee, the Board of Directors decided at its meeting of March 13, 2020 not to implement a free share plan in 2021 for members of senior management, executive corporate officers and certain other Group managers. It is specified that any allocation of free shares to members of senior management in 2022 and 2023 will comply with the current caps provided for in the compensation policy.

5.6.3.3 Employment agreements

Following her appointment as Chairwoman of the Management Board by decision of the Supervisory Board on November 23, 2016, Ms. Caroline Parot terminated her employment agreement as Group Chief Financial officer with the Company. Since November 23, 2016, Ms. Caroline Parot had received compensation only for her corporate officer role as Chairwoman of the Management Board. Since she was appointed Chief Executive Officer by decision of the Board of Directors on February 26, 2021, Ms. Caroline Parot has received compensation for her corporate officer role only.

Mr. Fabrizio Ruggiero held an employment agreement with the company Europcar Italia S.p.A., as modified by an addendum dated December 1, 2016, which detailed the terms of his new position as Deputy Chief Executive Officer of the Group. Furthermore, a secondment contract signed between Europcar Italia S.p.A. and the Company dated August 1, 2016 sets out the terms and conditions under which Mr. Fabrizio Ruggiero's assignments will be determined and rebilled. The contractual terms and rebilling clauses remained valid from February 26, 2021, when the Company's governance structure was changed and Mr. Fabrizio Ruggiero was appointed Deputy Chief Executive Officer until his contract ended on August 29, 2021.

5.6.3.4 Compensation in the event of forced termination of office

Ms. Caroline Parot benefits, under the corporate officer agreement concluded with the Company on December 22, 2016, from severance compensation, the amount of which dependent on the achievement of set targets relating to collective criteria, in respect of variable compensation, and could reach a maximum of 18 months fixed and variable compensation. Assessment of the achievement of the targets relating to the assigned criteria is calculated either using the average of the last eight quarters ended.

As his employment agreement does not provide for any compensation in the event of termination of his role as a member of the Management Board of the Company and/or as a member of senior management, Mr. Fabrizio Ruggiero did not receive any compensation for termination of office on his departure on August 29, 2021.

5.6.3.5 Compensation under a non-compete clause

In the event that Ms. Caroline Parot would be bound by a non-compete obligation, the duration of which would be 12 months, at the time her position with the Company would be terminated, she would have the right to a non-compete payment in that regard in an amount equal to 50% of her annual compensation (fixed and variable) based on her average compensation over the course of the 12 months preceding the termination.

If the member were also to receive severance compensation (as described above), the combined non-compete and severance compensation would not exceed a ceiling corresponding to the annual fixed and variable compensation paid to the member during the two years preceding the departure.

5.6.3.6 Supplemental pension plan

No member of senior management benefits from a supplementary pension plan in connection with their corporate office. Until his departure, Mr. Fabrizio Ruggiero benefited from a complementary pension plan related to his employment contract with Europcar Italia S.p.A. However, this plan is not comparable to a supplementary pension plan within the meaning of Article L. 137-11 of the French Social Security Code.

5.6.3.7 Corporate officer unemployment insurance

The Company has subscribed for corporate officer unemployment insurance for Ms. Caroline Parot.

5.6.4 Summary of the compensation and benefits of corporate officers

The tables below summarize the compensation and benefits in kind due and/or paid, up to February 26, 2021, to members of the Management Board and the Supervisory Board and then, from that date, to members of senior management and of the Board of Directors by (i) the Company, (ii) companies controlled by the Company, (iii) companies controlled by companies that control the Company and (iv) companies that control the Company, all within the meaning of Article L. 233-16 of the French Commercial Code.

Summary of the compensation, options allocated and free shares granted to each executive corporate officer – *(Table 1 of AFEP MEDEF Code)*

(in euros)	**2021**	2020
Caroline Parot – Chief Executive Officer		
Compensation due for the fiscal year (detailed in Table 2)	1,339,664	738,916
Value of multi-year variable compensation paid during the fiscal year	-	-
Value of stock options allocated during the fiscal year (detailed in Table 4)	-	-
Value of free shares granted during the fiscal year (detailed in Table 6)	-	-
Value of other long-term compensation plans	-	-
TOTAL	**1,339,664**	**738,916**

(in euros)	**2021**	2020
Fabrizio Ruggiero – Deputy Chief Executive Officer		
Compensation due for the fiscal year (detailed in Table 2)	371,540	606,191
Value of multi-year variable compensation paid during the fiscal year	-	-
Value of stock options allocated during the fiscal year (detailed in Table 4)	-	-
Value of free shares granted during the fiscal year (detailed in Table 6)	-	0
Value of other long-term compensation plans	-	-
TOTAL	**371,540**	**606,191**

(in euros)	**2021**	2020
Olivier Baldassari – Chief Countries and Operations officer and Member of the Management Board (until February 26, 2021)		
Compensation due for the fiscal year (detailed in Table 2)	55,873	419,214
Value of multi-year variable compensation paid during the fiscal year	–	–
Value of stock options allocated during the fiscal year (detailed in Table 4)	–	–
Value of free shares granted during the fiscal year (detailed in Table 6)	–	
Value of other long-term compensation plans	–	–
TOTAL	**55,873**	**419,214**

Summary of the compensation of each executive corporate officer – *(Table 2 AFEP MEDEF Code)*

	Amounts in respect of fiscal year 2021		Amounts in respect of fiscal year 2020	
(in euros)	**Payable (3)**	**Paid (4)**	Payable (3)	Paid (4)
Caroline Parot – Chief Executive Officer (1)				
Fixed compensation (2)	575,000	575,004	575,000	467,193 (7)
Annual variable compensation (5)	747,875	146,625	146,625	146,625
Multi-year variable compensation (2)	–	–	–	–
Exceptional compensation (2)			–	–
Compensation allocated to the member of the Management Board in respect of his or her term of office	–	–	–	–
Benefits in kind (6)	16,789	16,790	17,291	17,291
TOTAL	**1,339,664**	**738,412**	**738,916**	**631,109**

(1) As a reminder, Caroline Parot was the Chairwoman of the Management Board from January 1 to February 26, 2021 and the Chief Executive Officer from that date.
(2) Gross before taxes. Fixed compensation 2021 is calculated on the basis of an increase at May 1, 2019.
(3) Compensation granted for the fiscal year, irrespective of the payment date.
(4) Compensation paid throughout the fiscal year.
(5) Variable compensation paid during the fiscal year is the amount due in respect of the prior period.
(6) Ms. Caroline Parot was provided with a company car, a corporate officer unemployment insurance and an annual health check.
(7) It is noted that the members of the Management Board waived 25% of their fixed annual compensation as from April 1, 2020 until the end of 2020.

(in euros)	**Amounts in respect of fiscal year 2021** Payable [3]	Paid [4]	Amounts in respect of fiscal year 2020 Payable [3]	Paid [4]
Fabrizio Ruggiero – Deputy Chief Executive Officer [1]				
Fixed compensation [2]	274,211	274,211	415,000	343,173 [7]
Annual variable compensation [5]		105,825	105,825	
Multi-year variable compensation [2]			-	-
Exceptional compensation [2]			-	-
Compensation allocated to the member of the Management Board in respect of his or her term of office			-	-
Benefits in kind [6]	97,329	97,329	85,366	85,366
TOTAL	**371,540**	**477,365**	**606,191**	**428,539**

(1) As a reminder, Fabrizio Ruggiero was a member of the Management Board until February 26, 2021 and a member of senior management from that date until he left the company on August 29, 2021.
(2) Gross before taxes. Fixed compensation 2021 is calculated on the basis of an increase on May 1, 2019, i.e., €415,000 prorated.
(3) Compensation granted for the fiscal year, irrespective of the payment date.
(4) Compensation paid throughout the fiscal year.
(5) Variable compensation paid during the fiscal year is the amount due in respect of the prior period.
(6) Mr. Fabrizio Ruggiero was provided with a company car, a foreign service allowance, company accommodation in France, an annual health check, as well as additional accident and health insurance taken out on his behalf.
(7) It is noted that the members of the Management Board waived 25% of their fixed annual compensation as from April 1, 2020 until the end of 2020.

(in euros)	**Amounts in respect of fiscal year 2021** Payable [3]	Paid [4]	Amounts in respect of fiscal year 2020 Payable [3]	Paid [4]
Olivier Baldassari – Chief Countries and Operations officer [1]				
Fixed compensation [2]	55,000	55,000	330,000	268,125 [7]
Annual variable compensation [5]	0	0	84,150	-
Multi-year variable compensation [2]	-	-	-	-
Exceptional compensation [2]			-	-
Compensation allocated to the member of the Management Board in respect of his or her term of office	-	-	-	-
Benefits in kind [6]	8,734	8,734	5,064	5,064
TOTAL	**55,873**	**55,873**	**419,214**	**273,189**

(1) As a reminder, Olivier Baldassari was a member of the Management Board until February 26, 2021 and he lost his corporate office from that date.
(2) Gross before taxes. Compensation for 2021 of an initial amount of €330,000 prorated.
(3) Compensation granted for the fiscal year, irrespective of the payment date.
(4) Compensation paid throughout the fiscal year.
(5) Variable compensation paid during the fiscal year is the amount due in respect of the prior period.
(6) Mr. Olivier Baldassari was provided with a company car.
(7) It is noted that the members of the Management Board waived 25% of their fixed annual compensation as from April 1, 2020 until the end of 2020.

Annual compensation allocated to members of the Supervisory Board and other compensation allocated and received by non-executive corporate officers – *(Table 3 AFEP-MEDEF Code)*

Members of the Supervisory Board		Gross amounts paid for 2020 [1] *(in euros)*	Gross amounts paid for 2021 [2] *(in euros)*
Jean-Paul Bailly	Annual compensation	**56,961**	**8,000**
	Other compensation	123,750	27,500
Patrick Sayer	Annual compensation	28,886	2,500
	Other compensation	-	-
Pascal Bazin	Annual compensation	54,661	12,300
	Other compensation	-	-
Sanford Miller	Annual compensation	28,799	2,500
	Other compensation	-	-
Virginie Fauvel	Annual compensation	49,826	7,200
	Other compensation	-	-
Petra Friedmann	Annual compensation	42,981	8,900
	Other compensation	-	-
Philippe Audouin	Annual compensation	37,152	2,500
	Other compensation	-	-
Eric Schaefer	Annual compensation	26,305	-
	Other compensation	-	-
Kristin Neumann	Annual compensation	18,648	-
	Other compensation	-	-
Amandine Ayrem	Annual compensation	7,367	-
	Other compensation	-	-
Sophie Flak	Annual compensation	15,545	2,500
	Other compensation	-	-
Martine Gerow	Annual compensation	28,422	8,050
	Other compensation	-	-
Antonin Marcus	Annual compensation	16,937	2,500
	Other compensation	-	-
TOTAL ANNUAL COMPENSATION		**412,442**	**56,950**

(1) The total gross annual compensation package of an initial amount of €550,000 was reduced by 25%, as proposed by the members of the Supervisory Board in view of the Covid-19 crisis. This reduction was approved by the General Meeting on June 12, 2020. As a result, the total gross annual compensation package for 2020 amounted to €412,500. Payment was made in October 2021, following approval by the Shareholders' Meeting of June 30, 2021.
(2) Payment was made in December 2021, following review by the Board of Directors meeting of December 17, 2021. The variable compensation of the Chairman of the Supervisory Board will be paid in 2022, subject to the approval of the Shareholders' Meeting called to approve the financial statements for the fiscal year ended December 31, 2021.

Annual compensation allocated to members of the Board of Directors and other compensation allocated and received by non-executive corporate officers – *(Table 3 AFEP-MEDEF Code)*

Members of the Board of Directors		**Gross amounts paid for 2021[1]** *(in euros)*
Alexandre de Juniac	Annual compensation	76,940
	Other compensation	135,520
Carl Leaver	Annual compensation	76,940
	Other compensation	-
Simon Franks	Annual compensation	40,640
	Other compensation	-
Sylvie Veilleux	Annual compensation	38,840
	Other compensation	-
Carol Sirou	Annual compensation	35,340
	Other compensation	-
Virginie Fauvel	Annual compensation	25,080
	Other compensation	-
	Other compensation	-
Martine Gerow	Annual compensation	76,940
	Other compensation	-
TOTAL ANNUAL COMPENSATION		**370,720**

(1) Payment was made in December 2021, following review by the Board of Directors meeting of December 17, 2021. The variable compensation of the Chairman of the Board of Directors will be paid in 2022, subject to the approval of the Shareholders' Meeting called to approve the financial statements for the fiscal year ended December 31, 2021.

Stock option allocations made during fiscal year 2021 to each executive corporate officer – *(Table 4 AFEP MEDEF Code)*

Plan	Type of option (purchase or subscription)	Value of options according to the method chosen for the consolidated financial statements	Number of options allocated during the year	Exercise price	Exercise period
None					

Stock option allocations exercised during fiscal year 2021 by each executive corporate officer – *(Table 5 AFEP MEDEF Code)*

Name of corporate officer	Plan	Type of option (purchase or subscription)	Number of options exercised during the year	Exercise price
	None			

Free shares granted during fiscal year 2021 to each corporate officer

Free shares granted during the fiscal year to each corporate officer	Number and date of the plan	**Number of shares allocated during fiscal year 2020**	Valuation of the shares	Date of acquisition	Date of availability	Performance conditions
None		0				

Free shares that became available during fiscal year 2021 to each corporate officer

Name of corporate officer	Number and date of the plan	Number of shares that became available during fiscal year 2021	Acquisition conditions
Ms. Caroline Parot	AGA plan 2018 (see details below)	24,493	Free shares allocated in 2018 that were fully vested and delivered in July, - of which are subject to a retention period
Mr. Fabrizio Ruggiero	AGA plan 2018 (see details below)	17,044	Free shares allocated in 2018 that were fully vested and delivered in July

History of stock option allocations – *(Table 8 AFEP MEDEF Code)*

Plan
None

Options allocated to and exercised by the top ten non-executive officers

	Total number of options granted/shares subscribed or purchased	Average weighted price	Plan
Options granted during the fiscal year by the Company and any company in the scope of the option allocation plan to the ten employees of the Company and any company within the Group scope who received the highest number of these options (overall figure)	-	-	None
Options on the Company and the companies previously mentioned exercised during the fiscal year by the ten employees of the Company and such companies who purchased or subscribed for the greatest number of these options (overall figure)	-	-	None

History of free share grants

	AGA Plan 2018	AGA Plan 2019
Date of meeting	05/10/16	04/26/19
Date of Management Board or Supervisory Board meeting	07/24/18	05/22/19
	10/25/18	11/04/19
Total number of shares granted	**1,982,971**	**968,000**
Of which granted to:		
Ms. Caroline Parot	86,052	86,000
Mr. Fabrizio Ruggiero	62,429	62,000
Mr. Olivier Baldassari	-	47,000
Date shares acquired	12/31/21	05/23/22
	10/25/21	11/05/22
Retention period end date	07/24/21	-
	10/25/21	
Performance conditions	(1)	(2)
Number of shares acquired on December 31, 2021, including the number of shares acquired by:		
Ms. Caroline Parot	24,493	-
Mr. Fabrizio Ruggiero	17,044	-
Cumulative number of shares canceled or lapsed	693,565	131,000
Of which number of shares canceled or lapsed initially granted to:		
Ms. Caroline Parot	-	-
Mr. Fabrizio Ruggiero	-	62,000
Mr. Olivier Baldassari	-	-
Free shares granted remaining at the end of the year	762,681	792,000

(1) Performance criteria are presented in Section 5.3.1.3.2 of this Universal Registration Document.
(2) Performance criteria are presented in Section 5.3.1.3.3 of this Universal Registration Document.

Summary of the multi-year variable compensation of each executive corporate officer – *(Table 10 AFEP MEDEF Code)*

Name and position	Fiscal year 2019	Fiscal year 2020	Fiscal year 2021
Caroline Parot Chairwoman of the Management Board until February 26, 2021 and Chief Executive Officer from that date	None	None	None
Fabrizio Ruggiero Chief Executive Officer, Member of the Management Board until February 26, 2021 and Deputy Chief Executive Officer from that date and until he left the company on August 29, 2021	None	None	
Olivier Baldassari Member of the Management Board until February 26, 2021	None	None	

Summary of some of the information required within the framework of the AFEP-MEDEF recommendations – *(Table 11 AFEP-MEDEF Code)*

Members of the Management Board	Employment agreement		Supplemental pension plan		Severance or other benefits due or likely to become due as a result of termination or change of office		Compensation under a non-compete clause	
	Yes	No	Yes	No	Yes	No	Yes	No
Caroline Parot Chief Executive Officer Beginning of term: 02/26/2021 End of term of office: open-ended		✓		✓	✓		✓	
Fabrizio Ruggiero Deputy Chief Executive Officer Beginning of term: 02/26/2021 End of term: August 29, 2021	✓			✓ (1)		✓	✓	

(1) Until the end of his term of office, Mr. Fabrizio Ruggiero benefited from a complementary pension plan related to his employment contract with Europcar Italia S.p.A. However, this plan is not comparable to a supplementary pension plan within the meaning of Article L. 137-11 of the French Social Security Code.

Equity ratio

Equity ratio between the level of the compensation of corporate officers and the average and median compensation of company employees

The information below has been presented in accordance with the terms of law No.°2019-486 of May 22, 2019 (the Pacte law), aimed at ensuring companies comply with new transparency requirements for executive compensation.

This information has also been presented in accordance with AFEP recommendations, which were updated in February 2021.

The ratios presented were calculated on the basis of fixed and variable compensation paid during the years mentioned, and performance shares allocated over the same periods and valued at fair value.

Lastly, no free share plan was established in 2021.

The workforce taken into account for this calculation consists only of permanent, full-time employees present for the full year of each fiscal year.

The scope used for this analysis consists of French companies excluding acquisitions over the past five years.

Mr. Jean-Paul Bailly, who left his position as Chairman of the Supervisory Board on February 26, 2021, and Mr. Olivier Baldassari, who lost his status as a member of the Management Board on that same date, are excluded from the calculations relating to equity ratio.

Similarly, Mr. Fabrizio Ruggiero is not included in the table below, as he left the Group on August 29, 2021.

	Fiscal year 2021	Fiscal year 2020	Fiscal year 2019	Fiscal year 2018	Fiscal year 2017
Alexandre de Juniac – Chairman of the Board of Directors					
Average compensation ratio	4.92				
Median compensation ratio	6.32				
Caroline Parot Chief Executive Officer					
Average compensation ratio	17.09	14.52	31.80	29.86	38.33
Median compensation ratio	21.97	19.51	41.42	38.81	49.45
Average compensation for ECI/EMG/ECF	43,216	40,791	46,724	45,215	42,847
Median compensation for ECI/EMG/ECF	33,306	30,352	35,873	34,796	33,213
Alexandre de Juniac's compensation	212,460				
Caroline Parot's compensation	738,419	592,291	1,485,831	1,350,309	1,642,240
Operating cash flow *(€m)*	92,180	-419	118	135	91

5.7 SUMMARY STATEMENT OF TRANSACTIONS IN COMPANY SECURITIES BY CORPORATE OFFICERS

In accordance with Article L. 621-18-2 of the French Monetary and Financial Code and Article 19 of regulation (EU) No. 596/2014 of April 16, 2014 on market abuses (the "MAR regulation"), the table reports the transactions in Europcar Mobility Group SA securities carried out in 2019 by members of the Management Board and members of the Supervisory Board or by a person closely related to them (within the meaning of Articles 19 and 3.1.26 of the MAR regulation), on the basis of statements made by interested parties to the French financial markets authority, available on www.amf-france.org.

Last name, First name	Position	Type of transaction	Financial instrument	Date and place of transaction	Price *(in euros)*	Volume of the transaction
Alexandre de Juniac	Chairman of the Board of Directors	Acquisition	Share	April 16, 2021 Euronext Paris	0.28	647,368
Alexandre de Juniac	Chairman of the Board of Directors	Acquisition	Share	April 19, 2021 Euronext Paris	0.28	352,632
Sylvie Veilleux	Member of the Board of Directors	Acquisition	Share	November 11, 2021 Euronext Paris	0.51	100
Carol Sirou	Member of the Board of Directors	Acquisition	Share	November 23, 2021 Euronext Paris	0.51	100

6 INFORMATION ON THE COMPANY AND ITS CAPITAL

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6.1 INFORMATION ON THE COMPANY

6.1.1 Corporate name

The name of the Company is **"Europcar Mobility Group."**

6.1.2 Place and number of registration

The Company is registered with the Trade and Companies Register of Paris under number 489 099 903.

The identifier of the Company's legal entity is 969500XCGTMV08D76N87.

6.1.3 Date of incorporation and legal life

The Company was registered on August 3, 2006.

The Company has a legal life of 99 years as from its registration with the Versailles Trade and Companies Register, subject to early dissolution or extension.

6.1.4 Headquarters, legal form and applicable law

The Company's headquarters are located at 13 *ter*, Boulevard Berthier – 75017 Paris, France.
Tel: +33 (0)825 35 83 58.

The Combined Shareholders' Meeting of January 20, 2021 approved a change in the Company's governance and management structure to adopt management by a Board of Directors governed by Articles L. 225-17 to L. 225-56, and L. 22-10-1 to L.22-10-73 of the French Commercial Code. This change took effect on February 26, 2021.

It should be noted that when it was incorporated in 2006, the Company was a public limited company (*société anonyme*) with a Board of Directors, before becoming a public limited company with a Management Board and a Supervisory Board governed by French law in March 2015.

The Company's fiscal year begins on January 1 and ends on December 31 of each year.

6.2 MEMORANDUM AND ARTICLES OF ASSOCIATION

The Company's by-laws were prepared in accordance with French law and regulations on public limited companies with a Board of Directors.

The key points described below are taken from the Company's by-laws approved by:

- the Combined Shareholders' Meeting on February 24, 2015, amended by the Management Board on June 26, 2017, July 30, 2019, then on January 20, 2020;
- the Combined Shareholders' Meeting of the Company on May 17, 2018;
- the Combined Shareholders' Meeting of the Company on June 12, 2020;
- the Combined Shareholders' Meeting of the Company on January 20 and June 30, 2021.

6.2.1 Corporate purpose

Article 3 of the by-laws states that the Company's corporate purpose, directly or indirectly, in France or abroad, is to:

- acquire investments by way of asset transfers, purchases, subscriptions or otherwise in any company regardless of its form and purpose;
- provide all types of management services to other firms, in particular strategic, organizational, accounting, financial, IT and commercial services;
- manage a portfolio of trademarks and patents, in particular by way of licensing rights;
- lease any machinery and equipment of any kind whatever;
- own, by way of acquisition or otherwise, and manage, in particular by way of leasing, any buildings, real property and property rights;
- take direct or indirect part in any transaction that might directly or indirectly be connected with the corporate purpose through the creation of new companies, asset transfers, subscriptions or purchases of securities or company rights, mergers, alliances, joint ventures and

by any other means and in any forms used in France and abroad;

- and more generally, to engage in all commercial, financial (including any loan, advance, security or any cash transaction within the Group), industrial and real or personal property transactions that might directly or indirectly be connected with the corporate purpose and with any purposes that are similar or connected or capable of promoting the achievement thereof.

6.2.2 Management and administrative bodies

6.2.2.1 General Management – Article 14 of the by-laws

(i) The Company's senior management is assumed, under his or her responsibility, either by the Chairman of the Board of Directors who then holds the title of Chairman-Chief Executive Officer, or by another individual appointed by the Board of Directors, who then holds the title of Chief Executive Officer.

(ii) Provided that the question has been included on the agenda, the Board of Directors chooses between the two methods of conducting senior management by a majority vote of the members.

(iii) When there is a separation between the duties of Chairman and those of Chief Executive Officer, the Chief Executive Officer, who is not necessarily a Director, is appointed for a duration freely determined by the Board of Directors, but when the Chief Executive Officer is also a Director, the duration of his or her appointment may not exceed his or her term of office as Director.

In both cases, the Chief Executive Officer is automatically deemed to have resigned at the end of the Shareholders' Meeting convened to approve the financial statements for the fiscal year in which he or she reaches the age of sixty-eight (68) years.

(iv) The Chairman-Chief Executive Officer or the Chief Executive Officer, as applicable, is vested with the broadest powers to act under any circumstances in the name of the Company. She exercises these powers within the limitations of the corporate purpose and subject to the powers expressly attributed by law to shareholders' meetings and to the Board of Directors. She represents the Company in its relations with third parties.

(v) On the proposal of the Chairman-Chief Executive Officer or the Chief Executive Officer, as applicable, the Board of Directors may appoint, from among Board members or outside the Board, one or more individuals to assist the Chairman-Chief Executive Officer or the Chief Executive Officer, under the title Deputy Chief Executive Officer.

The number of Deputy Chief Executive officers may not be greater than five (5). The scope and duration of the powers granted to Deputy Chief Executive officers are determined by the Board of Directors in consultation with the Chairman-Chief Executive Officer or the Chief Executive Officer. The Deputy Chief Executive Officer has the same powers as the Chairman-Chief Executive Officer or the Chief Executive Officer with respect to third parties.

6.2.2.2 Board of Directors – Articles 12 to 17 of the by-laws (except Article 14)

- **Composition of the Board of Directors – Article 12 of the by-laws**

(i) The Company is administered by a Board of Directors composed of at least three (3) members and no more than eighteen (18) members elected by the Shareholders' Meeting.

The Directors are elected by the Ordinary Shareholders' Meeting, but the Board has the power, in the event of a vacancy for one or more positions, to appoint replacements by way of co-option for the remainder of the predecessors' terms of office and subject to ratification by the next Ordinary Shareholders' Meeting.

Sections I to IV of this Article do not apply to Directors named in accordance with sections V and VI below.

(ii) The number of Directors over the age of seventy-five (75) may not exceed one third of the members on the Board. Should this proportion be exceeded, the term of office of the oldest member of the Board, other than the Chairman, expires at the end of the next Ordinary Shareholders' Meeting.

(iii) The term of office of members of the Board of Directors is four (4) years. The Shareholders' Meeting may stipulate, at the time of the appointment of certain Directors, that their term of office will be less than four (4) years in order to stagger the renewal of the terms of office of Directors. They may be re-elected. The duties of a Director cease at the end of the Ordinary Shareholders' Meeting convened to approve the financial statements for the previous fiscal year held in the year in which the term of office expires.

They may be dismissed at any time by the Ordinary Shareholders' Meeting.

(iv) During his or her term of office, each Director must own at least 100 shares in the Company under the terms and conditions stipulated by the provisions of the Internal regulations of the Board of Directors.

(v) When the report presented by the Board of Directors to the Shareholders' Meeting pursuant to Article L. 225-102 of the French Commercial Code establishes that the shares owned by the Company's employees and by companies affiliated with the Company under Article L. 225-180 of said Code represent more than three percent (3%) of the share capital, a Director representing employee shareholders shall be named by the Ordinary Shareholders' Meeting in accordance with the terms and conditions set forth by the laws and regulations in force and these by-laws.

Prior to the Ordinary Shareholders' Meeting called to appoint the Director representing employee shareholders, the Chairman of the Board of Directors refers to the Supervisory Boards of the Company mutual funds created under the employee savings plan of the Company and the entities it controls under Article L. 233-3 of the French Commercial Code (together the "Group") and invested principally in the Company's shares, and consults employee shareholders under the conditions stipulated in these by-laws.

Candidates for appointment are nominated under the following conditions:

a) when the voting right attached to shares owned by employees is exercised by members of the Supervisory Board of a company mutual fund, that Board may designate one candidate chosen from among its regular members representing the employees; when there are several such company funds, the Supervisory Boards of those funds may agree, in identical resolutions, to present two common candidates chosen from among their regular members representing the employees;

b) when the voting right attached to shares owned by employees is directly exercised by those employees, one candidate may be nominated at the time of the consultations organized by the Company. These consultations, preceded by a call for applications, are organized by the Company by any technical means that make it possible to ensure the reliability of the vote, including electronic or postal voting. In order to be admissible, candidate applications must be presented by a group of shareholders representing at least five percent (5%) of the shares held by employees exercising their individual right to vote.

The Company can form an *ad hoc* election Committee to ensure the process is regular.

The minutes drawn up by the Supervisory Boards of the Company mutual funds or by the *ad hoc* election committees presenting the applications must be sent to the Board of Directors no later than eight (8) days before the date of the Board meeting called to establish the resolutions for the Shareholders' Meeting on the appointment of the Directors representing the employee shareholders.

In order to be admissible, each application must present a principal and alternate candidate. The alternate candidate, who must meet the same conditions of eligibility as the principal, may be co-opted by the Board of Directors to succeed the representative appointed by the Shareholders' Meeting in the event the principal candidate is unable to complete his or her term of office. The co-optation of the alternate by the Board of Directors shall be submitted for ratification by the next Shareholders' Meeting.

In order to ensure the continuity of employee shareholder representation until the end of the term of office, and in the event that the alternate is also unable to complete the term of office, the Chairman of the Board of Directors shall consult the body that originally nominated the candidate (the Supervisory Board of a company mutual fund or a group of employee shareholders) so that it can nominate a new candidate whose appointment will be submitted to the Shareholders' Meeting.

The terms and conditions for the nomination of candidates not defined by the laws and regulations in force or by these by-laws are set by the Chairman of the Board of Directors, particularly with regard to the timetable for the nomination of candidates.

Each procedure mentioned in a) and b) above is recorded in minutes that include the number of votes received for each of the candidates. A list of all the candidates validly designated is established.

The Ordinary Shareholders' Meeting rules, under the conditions applicable to any appointment of a Director, on all validly designated candidates. The candidate who obtains the highest number of votes held by the shareholders present or represented during this Shareholders' Meeting will be appointed as the Director representing the employee shareholders. These members are not counted when determining the minimum and maximum numbers of Directors stipulated in section I above.

The term of office of a Director representing the employee shareholders is four (4) years. Their term of office ceases at the end of the Ordinary Shareholders' Meeting convened to approve the financial statements for the previous fiscal year held in the year in which their term of office expires. However, the term of office ceases automatically and the Director representing the employee shareholders is deemed to have automatically resigned in the event that he or she ceases to be an employee of the Company (or of a company or economic interest grouping affiliated with the Company within the meaning of Article L. 225-180 of the French Commercial Code).

In the event that the office of Director representing the employee shareholders becomes vacant for any reason, the replacement will be arranged under the conditions set out above, no later than prior to the next Shareholders' Meeting or, if this meeting is held less than four (4) months after the seat on the Board becomes vacant, prior to the following Shareholders' Meeting. The new Director is appointed by the Ordinary Shareholders' Meeting for the remainder of their predecessor's term of office.

The Board of Directors may validly meet and deliberate until the date of replacement of the Director or Directors (if applicable) representing the employee shareholders.

The provisions of the first paragraph of section V shall cease to apply when, at the close of a fiscal year, the percentage of capital owned by employees of the Company and companies affiliated with the Company within the meaning of Article L. 225-180 of the French Commercial Code, in the context set out by Article L. 225-102 of said Code, represents less than three percent (3%) of the capital; it is specified that the term of office of any member appointed pursuant to the first paragraph of section V will expire at the end of the term of office.

The provisions of section IV governing the number of shares that must be owned by a Director do not apply to the Directors representing the employee shareholders. Nevertheless, Directors representing employee shareholders must, either individually or through a company mutual fund created under the Group's employee savings plan, own at least one share or a number of units of said fund equivalent to at least one share.

(vi) The Board of Directors also comprises, as applicable, one or two members representing the employees in accordance with Article L. 225-27-1 of the French Commercial Code.

If, during a fiscal year, the number of Directors, calculated in accordance with Article L. 225-27-1 II of the French Commercial Code, is less than or equal to eight (8), the Group Works Council, stipulated by Article L. 2331-1 of the French Labor Code, appoints a single Director representing the employees, by a majority vote.

If, during a fiscal year, the number of Directors, calculated in accordance with Article L. 225-27-1 II of the French Commercial Code, is greater than eight (8), and provided that this criterion is still met on the day of the appointment, the European Works Council, stipulated by Article L. 2342-9 of the French Labor Code, appoints a second Director representing the employees.

The term of office of the Directors representing the employees is four (4) years, renewable one (1) time, from the date of their appointment.

As an exception, if a Director representing the employees is appointed according to one of the two methods stipulated above during the term of office of a Director representing the employees, the term of office of the newly appointed Director will be shortened in such a way that the end of his or her term coincides with the term of the already appointed Director representing the employees.

If the number of Directors, calculated in accordance with Article L. 225-27-1 II of the French Commercial Code, initially greater than eight (8) members, falls below or becomes equal to eight (8) members, the terms of office of the Directors representing the employees shall be maintained until their expiration.

The terms of office of the Directors representing the employees end at the end of the Ordinary Shareholders' Meeting convened to approve the financial statements for the previous fiscal year, held during the year in which their term of office expires. Nevertheless, their term of office ends automatically under the terms and conditions stipulated by law and this Article, and the Director representing the employees is deemed to have automatically resigned in the event the Director ceases to be an employee of the Company or of a company it controls, as defined by Article L. 233-3 of the French Commercial Code. In the same manner, if the terms and conditions for the application of Article L. 225-27-1 of the French Commercial Code are no longer met, the term of office of the Director or Directors ends at the end of the meeting at which the Board of Directors duly notes that the Company is no longer within the scope of this obligation.

In the event that the position of a Director representing the employees becomes vacant for any reason, a replacement will be arranged in accordance with the terms and conditions set out above. The Board of Directors may validly meet and deliberate until the date of replacement of the Director or Directors (as applicable) representing the employees.

The provisions of section IV governing the number of shares that must be held by a Director do not apply to Directors representing the employees. In addition, the Directors representing the employees will not receive any compensation for this office, unless decided otherwise by the Board of Directors.

The Directors representing the employees are not counted when determining the minimum and maximum numbers of Directors stipulated in section I above.

- **Internal regulations of the Board of Directors**

The Board of Directors has Internal regulations which determine its workings.

- **Chairman of the Board of Directors – Article 13 of the by-laws**

(i) The Board of Directors elects from among its members a Chairman, an individual, for a term that may not exceed his term of office as a Director, but the Chairman may be re-elected. The age limit for holding the office of Chairman is set at:

  - sixty-eight (68) when the Chairman also holds the position of Chief Executive Officer of the Company (Chairman-Chief Executive Officer). In this case, the Chairman-Chief Executive Officer is automatically deemed to have resigned at the end of the Shareholders' Meeting convened to approve the financial statements for the fiscal year in which he or she reaches the age of sixty-eight (68) years;
  - seventy-five (75) when the Chairman does not also hold the position of Chief Executive Officer of the Company. In this case, the Chairman of the Board of Directors is automatically deemed to have resigned at the end of the Shareholders' Meeting convened to approve the financial statements for the fiscal year in which he or she reaches the age of seventy-five (75) years.

The Chairman of the Board chairs the meeting of the Board of Directors and establishes its agenda. The Chairman of the Board organizes and directs the work of the Board and reports that work to the Shareholders' Meeting. The Chairman ensures the correct operation of the Company's bodies and ensures that the Directors are able to perform their mission.

When the Chairman of the Board of Directors also assumes the senior management of the Company, all legal and regulatory provisions governing the Chief Executive Officer shall apply to the Chairman.

(ii) If it is deem useful, the Board of Directors may also designate from among the individuals on the Board a Vice Chairman, and the Board determines the term of office within the limits of the Vice Chairman's term on the Board.

The office of Vice-Chairman carries no duty other than the duty to chair the meetings of the Board of Directors and the Shareholders' Meeting in the event the Chairman of the Board of Directors is absent.

(iii) The Board of Directors may appoint a secretary selected among its members or from outside the Board.

- **Deliberations of the Board of Directors – Article 15 of the by-laws**

(i) The Board of Directors meets on the notice from the Chairman as often as required by the interests of the Company and at least four times a year. The Directors are called to meetings of the Board of Directors by any means, even verbally.

(ii) Meetings take place at the Company's registered office or any other place specified in the notice of meeting. They are chaired by the Chairman of the Board of Directors and, if the Chairman is absent, by the Vice-Chairman.

(iii) Meetings are held and decisions made with conditions for quorum and majority provided by law and these by-laws. In the event of a tied vote, only the Chairman has the casting vote.

(iv) The Board of Directors establishes internal regulations that may stipulate that, with the exception of the adoption of decisions relating to the appointment, compensation or dismissal of the Chairman or the Chief Executive Officer, or the method for conducting senior management, the establishment of the annual (parent company and consolidated) financial statements and the preparation of the management report and the Group management report, Directors who attend the meeting via videoconference or the use of telecommunications are deemed present for the calculation of the quorum and majority, subject to the conditions required by the laws and regulations in force.

The minutes of meetings of the Board of Directors are prepared and copies or extracts thereof are delivered and certified as required by law.

- **Powers and duties of the Board – Article 16 of the by-laws**

(i) The Board of Directors determines the direction of strategies of the Company's business and monitors their implementation. Subject to the powers expressly reserved for shareholders' meetings, and within the limits of the corporate purpose, the Board considers any question affecting the good operation of the Company and governs the affairs affecting the Company by its deliberations.

(ii) Generally, the Board of Directors makes any decision and exercises any prerogative which, under the provisions of law, delegations of authority from the Shareholders' Meeting or these by-laws, fall within the scope of its authority.

(iii) The Board of Directors performs or oversees performance of the controls and verifications it deems timely.

(iv) Each Director receives all the information necessary to perform his or her duties and may receive all documents deemed useful.

(v) The Board of Directors may form committees responsible for studying issues that the Board or its Chairman submit for their examination and opinion. It determines the composition and remit of these committees which carry out their duties under its supervision.

- **Compensation of the members of the Board of Directors – Article 17 of the by-laws**

The Shareholders' Meeting may allocate an annual fixed sum to the Directors as compensation for their duties. The Board of Directors distributes the total amount allocated among its members. The Board of Directors may also allocate exceptional compensation in the cases and under the conditions stipulated by law.

6.2.2.3 Censor – Article 18 of the by-laws

(i) The Shareholders' Meeting may appoint censors for the purpose of assisting the Board of Directors. Censors may or may not be shareholders and can number up to four (4). They are appointed for a maximum term of two (2) years. The Shareholders' Meeting may revoke their appointment at any time. The Board of Directors sets their attributions and determines their compensation.

(ii) The age limit of a censor is eighty (80) years. Any censor reaching that age will be deemed to have automatically resigned.

(iii) Censors are convened to all meetings of the Board of Directors under the same terms and conditions as Directors and take part in its deliberations in a solely consultative capacity. Censors express their observations during the Board of Directors' meetings. They cannot replace Directors and only issue their opinions. Censors may receive compensation.

(iv) The Board of Directors may also assign specific tasks to the censors.

6.2.3 Rights and obligations attached to the shares (Articles 10 and 11 of the by-laws)

- **General rights and obligations of the shares**

Ownership of a share automatically implies acceptance of the by-laws and the decisions of the shareholders' meetings.

Each share carries a right to ownership of the Company's assets and liquidation surpluses equal to the fraction of the share capital that it represents.

Whenever it is necessary to own several old shares in order to exercise any right, or in the event of a securities swap or allocation conferring a right to a new security in exchange for the delivery of several old shares, individual securities or numbers of securities lower than that required will not give their holders any rights against the Company, and shareholders must make their own arrangements to group together and potentially purchase or sell the necessary number of securities.

The shares are indivisible as regards the Company so that joint owners of undivided shares must arrange to be represented to the Company either by one of them or by a single representative appointed by the courts in the event of disagreement.

- **Voting right**

Each ordinary share grants the right to vote and to be represented at any Shareholders' Meeting in accordance with legal and statutory requirements.

- **Payment of the shares**

The sums remaining to be paid on the shares to be paid in cash are called by the Board of Directors.

The percentages called and the date on which the corresponding sums must be paid are notified to shareholders, either by an insertion placed at least fifteen (15) days in advance in a newspaper authorized to receive legal advertisements in the *département* where the headquarters is located, or by registered letter sent to each of the shareholders by the same deadline.

A shareholder who does not make the payments due on the shares they hold, when due, is automatically, without prior formal notice to pay, liable to the company for penalty late interest calculated each day from the due date, at the legal rate plus two (2) points, without prejudice to any action that the Company may bring against the defaulting shareholder and the enforcement measures stipulated by the applicable legal and regulatory provisions. The Company may also proceed to the sale of shares not paid up on the payments due under the conditions set by law.

The net proceeds from the sale revert to the Company in the amount due and are charged against what is owed in principal and interest by the defaulting shareholder, and then on the repayment of the costs incurred by the Company to make the sale. The defaulting shareholder remains liable for the difference, if there is a deficit or, if applicable, profits from the surplus.

6.2.4 Shareholders' Meeting

- **Composition, Notice of meeting and Conduct of shareholders' meetings – Article 20 of the by-laws**

(i) Shareholders' meetings are convened and deliberate in accordance with the law.

(ii) Meetings take place either at the headquarters or in any other place specified in the notice of meeting.

Shareholders may attend shareholders' meetings in accordance with the law.

Any shareholder may participate in shareholders' meetings either in person or by proxy. A Shareholder may participate in any meeting by postal vote under the conditions defined by the laws and regulations in force.

The Board of Directors shall have the option to authorize the transfer by telecommunications (including by electronic media) to the Company of postal and proxy voting forms in accordance with applicable law and regulations in force.

When electronic signatures are used, they may take any form that complies with the conditions set out in the first sentence of paragraph 2 of Article 1367 of the French Civil Code.

On the decision of the Board of Directors to use such telecommunications means, published in the notice of meeting or notice of convocation, shareholders attending the meeting by video conference or other telecommunication methods that permit their identification as required by applicable regulations are deemed present for the purpose of calculating quorum and majority.

(iii) Meetings are chaired by the Chairman of the Board of Directors or, in the absence of the Chairman, by the Vice-Chairman. If neither is present, the meeting elects its own Chairman.

(iv) Minutes are taken of shareholders' meetings and copies or extracts provided and certified in accordance with law.

- **Voting rights – Article 21 of the by-laws**

When ordinary shares are held in usufruct, their right to vote at shareholders' meetings belongs to the usufruct-holders. However, shareholders may agree among themselves any other allocation of the exercise of voting rights at shareholders' meetings. In this case, they must notify their agreement to the Company by registered mail sent to the registered office and the Company will be obliged to respect this agreement at any Shareholders' Meeting held more than one (1) month after the date the registered letter was sent, as attested by the postmark.

Any shareholder may vote by mail under the terms and conditions and using the procedures prescribed in accordance with applicable law and regulations. Shareholders may, under the conditions set by the law and regulations, send their proxy or postal voting forms by mail, in either paper format or, on a decision of the Board of Directors published in the notice of meeting or notice of convocation, by telecommunications (including electronic media). The Company may, for this purpose, use an identification procedure that meets the conditions defined in the first sentence of the second paragraph of Article 1367 of the French Civil Code.

6.2.5 By-law provisions likely to have an effect in the event of a change of control

The Company's by-laws do not contain any provisions likely to have an effect in the event of a change of control.

6.2.6 Threshold crossing and identification of shareholders (Article 8 of the by-laws)

Aside from applicable legal and regulatory thresholds, any natural person or legal entity, acting alone or in concert, who comes or ceases to hold, directly or indirectly, one percent (1%) or more of the Company's share capital or voting rights, or any multiple of this percentage, including above the declaration thresholds set by law and regulations, must inform the Company of the total number of shares and voting rights owned and of any securities giving access to the capital or voting rights potentially attached by registered post with recorded delivery to the headquarters (senior management) by the close of trading on the fourth trading day following the date the threshold was crossed.

For the purpose of determining the thresholds described above, account is also taken of the shares or voting rights held indirectly and shares or voting rights associated with shares or voting rights held as defined in Articles L. 233-7 et seq. of the French Commercial Code.

In the event of failure to comply with the requirements stipulated above, the penalties prescribed by law for failure to declare legal thresholds shall be applied only at the demand, recorded in the minutes of the Shareholders' Meeting, of one or more shareholders holding at least one percent (1%) of the Company's capital or voting rights.

The Company reserves the right to announce to the public and to shareholders either the information notified to it or any failure to comply with the above obligation by the person in question.

6.2.7 Identification of shareholders (Article 7 of the by-laws)

Fully paid up ordinary shares are held in either registered or bearer form at the shareholder's discretion.

Ordinary shares and all other securities issued by the Company are registered in the accounts of the owners pursuant to the laws and regulations in force.

The Company is entitled, under the law and regulations in force, and against payment of a fee at its own cost, to ask the central depository of financial instruments to be informed, as the case may be, of the name or corporate name, nationality, date of birth or year of formation, and mail address, and, when appropriate, electronic address, of the holders of bearer securities conferring the right to vote at its shareholders' meetings, whether immediately or in the future, together with the quantity of securities owned by each of them and, if applicable, the restrictions to which the securities may be subject. In view of the list provided by the aforementioned organization, the Company has the option to ask the persons on this list, whom the Company deems could be registered on behalf of third parties, for the above information concerning the owners of the securities.

If a person asked for information has failed to provide said information within the periods provided by the laws and regulations in force, or has provided incomplete or incorrect information relating either to their status or the owners of the securities, the shares or securities giving immediate or future access to the Company's equity in respect of which that person was registered in an account will be stripped of their voting rights for any Shareholders' Meeting held until the identification process is regularized, and payment of the corresponding dividend will be deferred until that date.

6.2.8 Change in share capital

Unless stated otherwise in the by-laws, the share capital may be increased, reduced or canceled by any method and in any manner permitted by law.

6.2.9 Distribution of profits (Article 23 of the by-laws)

Profits for each fiscal year are determined according to the legal and regulatory provisions in force.

In the event of a profit for the fiscal year after deductions to establish or increase legal reserves, the Shareholders' Meeting, on the proposal of the Board of Directors, may withdraw any sums it considers appropriate to be either retained and carried forward to the next fiscal year or allocated to one or more general or special reserve funds or distributed to shareholders.

The Shareholders' Meeting has the power to grant shareholders the option to receive payment of all or part of their dividend or interim dividend in cash or in shares under the conditions laid down by the regulations in force. In addition, the Shareholders' Meeting may decide that payment of all or part of dividends, interim dividends, distributed reserves or premiums, or any reduction in capital, will be deducted in kind using the Company's portfolio securities or assets.

All shareholders share in profits and contribute to losses in proportion to their stake in the share capital.

6.3 SHARE CAPITAL

6.3.1 Number of shares

At December 31, 2021, the share capital stood at €50,156,400.81. The share capital is divided into 5,015,640,081 ordinary shares with a par value of one euro cent (0.01).

This remained unchanged as at March 31, 2022.

6.3.2 Securities giving access to share capital

There were no outstanding securities giving access to share capital and voting rights at December 31, 2021.

6.3.3 Changes in share capital over the last three years

Year	Date	Type of transaction	Share capital before transaction *(in euros)*	Nominal amount of transaction *(in euros)*	Share capital after transaction *(in euros)*	Number of shares after transaction
2019	07/30/19	Capital increase reserved for members of an Employee Savings Plan, with waiver of preferential subscription rights for the benefit of the latter, as part of the we Share 2019 employee share ownership plan	161,030,883	2,272,661	163,303,544	163,303,544
	07/30/19	Capital increase reserved for categories of beneficiaries as part of the we Share 2019 employee share ownership plan	163,303,544	580,734	163,884,278	163,884,278
2021	01/20/21	Capital reduction by decreasing the unit par value of the shares	163,884,278	162,245,435.22	1,638,842.78	163,884,278
	02/26/2021	Capital increases in cash (i) through the issue of new ordinary shares, (ii) through offset with debt	1,638,842.78	43,000,353.96	44,639,196.74	4,463,919,674
	06/13/21	Capital increase through issuance of new shares as a result of the exercise of SSWs	44,639,196.74	487,514,426.00	49,514,341.00	4,951,434,100
			49,514,341.00	63,186,432.00	50,146,205.32	5,014,620,532
	09/16/21	Capital increase through issuance of new shares as a result of the exercise of SSWs	50,146,205.32	1,019,549.00	50,156,400.81	5,015,640,081

At December 31, 2021 there were no stock options outstanding.

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6.3.4 Tables summarizing the delegations concerning increases in share capital, which are currently valid on the date of this document

The table below summarizes all delegations that were still valid as at December 31, 2021, granted to the Board of Directors by shareholders at shareholders' meetings on June 30, 2021, January 20, 2021 and June 12, 2020, and the use made of such authorizations as of December 31, 2021.

Shareholders' Meeting Date *(resolution no.)*	Type of authorization	Authorized share capital ceiling *(nominal amount or percentage)*	Term *(expiration)* and use during the fiscal year
06/30/21 (26th resolution)	Authorization for the **Company's share buy-back program**.	€75,000,000	18 months (12/29/2022) Liquidity agreement
06/30/21 (27th resolution)	Delegation of authority to the Board of Directors to increase share capital by **capitalizing reserves, profits, share premiums, acquisition premiums or goodwill on consolidation**.	€500,000,000	26 months (08/29/2023) Not used
06/30/21 (28th resolution)	Delegation of authority to the Board of Directors to issue **shares and/or equity securities** giving rights to other equity securities of the Company or giving rights to the grant **of debt securities and/or to issue other securities** giving rights to future shares of the Company, **maintaining preferential subscription rights**.	50% of the share capital (1) (2) €750,000,000 in debt securities	26 months (08/29/2023) Not used
06/30/21 (29th resolution)	Delegation of authority to the Board of Directors to issue **shares and/or equity securities** giving rights to other equity securities of the Company or giving right to the grant of **debt securities and/or to issue other securities** giving rights to future shares, **with waiver of preferential subscription rights** and **public offering**, other than those referred to in Article L. 411-2 1° of the French Monetary and Financial Code, or as part of a **public offer involving an exchange component**.	10% of the share capital (1) (2) (3) €750,000,000 in debt securities	26 months (08/29/2023) Not used
06/30/21 (30th resolution)	Delegation of authority to the Management Board to **issue shares and/or equity securities** giving rights to other equity securities of the Company or giving right to the grant of **debt securities and securities** giving rights to future shares, **with waiver of preferential subscription rights** as part of a **public offer** referred to in Article L. 411-2 1° of the French Monetary and Financial Code.	10% of the share capital (1) (2) (3) €750,000,000 in debt securities	26 months (08/29/2023) Not used
06/30/21 (31st resolution)	Authorization to the Board of Directors, in the event of issuance of **shares and/or equity securities** giving rights to other equity securities of the Company or giving rights to the grant of **debt securities and/or other securities** giving rights to future shares, **without preferential subscription rights**, through a **public offer** or through a private placement to set the issue price subject to a limit of 10% of the share capital per year.	10% of the share capital (1)	26 months (08/29/2023) Not used
06/30/21 (32nd resolution)	Authorization to the Board of Directors to increase the number of **shares and/or equity securities** giving rights to other equity securities of the Company or to the grant of **debt securities and/or securities** giving rights to future shares, to be issued in the event of a capital increase **with or without preferential subscription rights** for shareholders.	15% of the initial issue (1) (3)	26 months (08/29/2023) Not used

Shareholders' Meeting Date *(resolution no.)*	Type of authorization	Authorized share capital ceiling *(nominal amount or percentage)*	Term *(expiration)* and use during the fiscal year
06/30/21 (33rd resolution)	Delegation of power to the Board of Directors to issue **shares and/or equity securities** giving rights to other equity securities of the Company or giving rights to the grant of **debt securities and other securities** giving rights to future shares, **with waiver of preferential subscription rights**, as **remuneration for contributions in kind** granted to the Company.	10% of the share capital (1)	26 months (08/29/2023) Not used
06/30/21 (34th resolution)	Delegation of authority to the Board of Directors to issue **shares and/or equity securities** giving rights to other equity securities of the Company or giving right to the grant of **debt securities and to issue other securities** giving rights to future shares, **with waiver of preferential subscription rights** for the benefit of a certain category of persons as part of an **equity line** transaction.	10% of the share capital (1) (2) (3)	18 months (12/29/2022) Not used
01/20/21 (3rd resolution)	Delegation of authority to the Management Board to approve an increase in share capital by way of **a rights issue**, **maintaining preferential subscription rights** for existing shareholders	€2,768,960 (4)	01/20/22 (12 months) Decision by the Management Board on February 4, 2021 to increase the Company's share capital by €2,637,103.41 through the issue of 263,710,341 ordinary shares
01/20/21 (4th resolution)	Delegation of authority to the Management Board to approve a **capital increase in cash by issuing new ordinary shares in the Company, with waiver of preferential subscription rights**, for the benefit of noteholders who have signed or are party to the market standoff agreement signed by the Company on November 25, 2020 (as amended on December 6, 2020), including guarantor noteholders, given that these shareholders belong to a category of persons who meet the specific requirements	€11,052,640 (4)	01/20/22 (12 months) Decision by the Management Board on February 4, 2021 to increase the Company's share capital by €10,526,315.78 through the issue of 1,052,631,578 ordinary shares
01/20/21 (5th resolution)	Delegation of authority to the Management Board to approve a **capital increase in cash to be paid by set-off of unquestionable, liquid and due claims through the issue of new ordinary shares in the Company, with waiver of preferential subscription rights**, for the benefit of noteholders, given that these shareholders belong to a category of persons who meet the specific requirements	€29,923,110 (4)	01/20/22 (12 months) Decision by the Management Board on February 4, 2021 to increase the Company's share capital by €28,510,690.78 through the issue of 2,851,069,078 ordinary shares

Shareholders' Meeting Date *(resolution no.)*	Type of authorization	Authorized share capital ceiling *(nominal amount or percentage)*	Term *(expiration)* and use during the fiscal year
01/20/21 (6th resolution)	Delegation of authority to the Management Board to approve **a capital increase in cash to be paid by set-off of unquestionable, liquid and due claims through the issue of new ordinary shares in the Company, with waiver of preferential subscription rights**, for the benefit of noteholders, given that these shareholders belong to a category of persons who meet the specific requirements	€1,392,080 (4)	01/20/22 (12 months) Decision by the Management Board on February 4, 2021 to increase the Company's share capital by €1,325,663.30 through the issue of 132,566,330 ordinary shares
01/20/2021 (7th resolution)	Delegation of authority to the Management Board to approve the **issue and grant of free warrants, with waiver of preferential subscription rights**, for the benefit of guarantor noteholders, given that they belong to a category of persons who meet the specific requirements	8% of the share capital (4)	01/20/22 (12 months) Decision by the Management Board on February 4, 2021 to issue and grant 401,251,214 free warrants for the benefit of guarantor noteholders, entitling them to a maximum of 401,251,214 ordinary shares
01/20/2021 (8th resolution)	Delegation of authority to the Management Board to approve the **issue and grant of free warrants, with waiver of preferential subscription rights**, for the benefit of members of the Cross-Holders Noteholders' Coordination Committee, given that they belong to a category of persons who meet the specific requirements	1.5% of the share capital (4)	01/20/22 (12 months) Decision by the Management Board on February 4, 2021 to issue and grant 75,234,602 free warrants for the benefit of members of the Cross-Holders Noteholders' Coordination Committee, entitling them to a maximum of 75,234,602 ordinary shares

Shareholders' Meeting Date *(resolution no.)*	Type of authorization	Authorized share capital ceiling *(nominal amount or percentage)*	Term *(expiration)* and use during the fiscal year
01/20/21 (9th resolution)	Delegation of authority to the Management Board to approve the **issue and grant of free warrants, with waiver of preferential subscription rights**, for the benefit of lenders under the scope of the RCF and participating noteholders (including guarantor noteholders) playing an active part in RCF refinancing, given that they belong to a category of persons who meet the specific requirements	1.5% of the share capital (4)	01/20/22 (12 months) Decision by the Management Board on February 4, 2021 to issue and grant 75,234,602 free warrants for the benefit of lenders under the scope of the RCF and participating noteholders (including guarantor noteholders) playing an active part in RCF refinancing, entitling them to a maximum of 75,234,602 ordinary shares
01/20/21 (10th resolution)	Delegation of authority to the Management Board to increase the share capital, **with waiver of preferential subscription rights for shareholders**, for members of an employee savings plan	3% of the share capital (4)	03/26/23 (26 months) Not used
06/12/2020 (27th resolution)	Delegation of authority to the Management Board to increase the share capital, **with waiver of preferential subscription rights for shareholders**, with the investment shares issued being reserved for categories of beneficiaries within the framework of an employee shareholding plan	3% of the share capital (5) (6)	12/11/21 (18 months) Not used

(1) The total maximum nominal amount of capital increases that may be carried out pursuant to this delegation shall be charged against the amount of the total nominal ceiling which may not exceed an amount representing more than 50% of the Company's share capital on the date of the Shareholders' Meeting of June 30, 2021.
(2) This amount may be increased by the nominal amount of ordinary shares in the Company to be issued in future, if applicable, in order to safeguard the rights of holders of securities giving access to the share capital in accordance with law and regulations and any applicable contractual terms stating otherwise.
(3) The overall maximum nominal amount of capital increases that may be carried out pursuant to the 29th, 30th, 32nd and 34th resolutions may not be greater than 10% of the Company's share capital on the date of the Shareholders' Meeting, and shall count against the overall nominal ceiling representing more than 50% of the Company's share capital on the date of the Shareholders' Meeting of June 30, 2021.
(4) Within the limit of an overall nominal threshold for share capital increases of €50,928,190, whether immediate or deferred, that may be authorized pursuant to the delegations of authority granted to the Management Board by the 3rd-9th resolutions of the Shareholders' Meeting of January 20, 2021, it is specified that this threshold will be increased, where applicable, by the nominal amount of any shares issued in order to safeguard, in accordance with applicable legislative, regulatory or, where appropriate, contractual provisions, the rights of holders of securities giving access to the Company's share capital.
(5) The total maximum nominal amount of capital increases that may be carried out pursuant to this delegation shall be charged against the amount of the total nominal ceiling which may not exceed an amount representing more than 50% of the Company's share capital on the date of the Shareholders' Meeting of June 12, 2020.
(6) This amount may be increased by the nominal amount of ordinary shares in the Company that may be issued in the future to safeguard the rights of holders of securities giving access to the share capital, in accordance with the law and regulations and any applicable contractual terms stating otherwise.

6.3.5 Non-equity securities

As of the filing date of this Universal Registration Document, the Company has issued no non-equity securities.

6.3.6 Pledges

At the date of this Universal Registration Document, to the Company's knowledge, none of the shares comprising its capital was pledged.

6.3.7 Share buy-back program

6.3.7.1 Description of the 2021 buy-back program

The Combined Shareholders' Meeting of June 30, 2021, in its twenty-sixth resolution, authorized the Board of Directors, with the option to sub-delegate such authority under the conditions provided for by law, to trade in the Company's shares under the conditions defined hereinafter and:

- supersedes, with immediate effect, for the portion not used, the authorization granted by the sixteenth resolution of the Combined Shareholders' Meeting of June 12, 2020 to the Management Board to trade in the Company's shares;
- authorizes the Board of Directors to trade in the Company's shares representing up to 10% of the share capital on the date of such purchases as calculated pursuant to the applicable laws, specifying however that the maximum number of shares owned after those purchases shall not exceed 10% of the share capital.

The maximum unit purchase price is set at forty (40) euros (excluding acquisition fees) and the maximum number of shares that may be purchased is set at ten percent (10%) of the number of shares composing the Company's share capital at June 30, 2021. The total maximum amount that the Company may devote to the purchase of its own shares may not exceed seventy-five (75) million euros. However, in the event of a capital transaction, particularly the capitalization of reserves, and allotments of free shares, stock split or reverse stock split, the number of shares and the price stated above shall be adjusted accordingly.

These shares may be purchased, sold or transferred by any means, on one or more occasions, on the market or over-the-counter, including by the acquisition or sale of blocks, public offerings, through the use of derivative financial instruments or warrants or securities giving rights to shares of the Company, or through the implementation of options strategies under the conditions stipulated by market authorities and in compliance with the applicable regulations.

The Company may use this authorization for the following purposes and objectives:

(i) canceling in whole or in part, treasury shares by virtue of an authorization to the Board of Directors conferred by the Extraordinary Shareholders' Meeting;

(ii) market-making for the share under a liquidity contract entered into with an independent investment services provider in accordance with market practices permitted by the AMF;

(iii) allocating or transferring shares to employees and corporate officers of the Company and/or companies that are or will be related to it under the conditions defined by the applicable law, notably the exercise of stock options, the grant of free shares and company profit-sharing schemes;

(iv) any hedging transactions related to transactions for the benefit of employees and corporate officers of the Company and/or its affiliates as referred to in (iii) above;

(v) remittance or exchange of shares for the exercise of rights attached to debt securities entitling their holders in any way whatsoever to the grant of the Company's shares;

(vi) retaining or subsequently delivering further to an exchange or in consideration of any external growth transactions; or

(vii) any other practice allowed by law or by the AMF, or that comes to be allowed, or any other objective that complies with the law or the prevailing regulations.

For transactions carried out outside the above objectives, the Company shall inform its shareholders by means of a press release.

In accordance with Article L. 22-10-62 of the French Commercial Code, the number of shares acquired by the Company to be retained or subsequently remitted as payment or in exchange in the context of an external growth operation may not exceed five percent (5%) of the number of shares composing its share capital.

This authorization has been granted for a duration of eighteen (18) months effective from this Shareholders' Meeting.

Transactions to purchase, sell or transfer shares of the Company may be executed, at times that the Board of Directors shall consider appropriate, in compliance with applicable legal and regulatory provisions. However, the Board of Directors may not, unless authorized beforehand by the Shareholders' Meeting, make use of this delegation as from the filing by a third party of a preliminary tender offer for the Company's shares up until the end of the offer acceptance period.

The Company, in accordance with applicable regulations, must inform the French financial markets authority about the purchases, sales and transfers carried out and more generally, perform any formalities and make any declarations necessary.

6.3.7.2 Share buy-backs and disposals carried out by Europcar Mobility Group in 2021

During the 2021 fiscal year, neither the Management Board nor the Board of Directors invoked the buy-back program and no shares were purchased to this end.

a) Buy-back of shares for cancellation

Europcar Mobility Group did not cancel any shares during fiscal year 2021.

b) Buy-back of shares for market making purposes under the liquidity contract

At December 31, 2021, 0 shares were held under this liquidity contract.

The total number of shares bought in fiscal year 2021 on behalf of the Company under a liquidity contract dated January 24, 2019, replacing the liquidity contract of August 7, 2015, as amended by the additional agreements of August 7, 2015 and July 29, 2016 for the purposes of market making entered into with Rothschild Martin Maurel, was 11,838,166 shares bought back at an average price of €0.4115 per share, for a total cost of €4,871,932.80.

c) Buy-back of shares to be allocated to employees and corporate officers

None.

d) Buy-back of shares for retention and for future use in external growth transactions

None.

e) Disposals of shares during fiscal year 2021

During fiscal year 2021, the total number of shares sold on behalf of the Company, under the liquidity contract entered into on January 24, 2019, for the purposes of market making entered into with Rothschild Martin Maurel was 11,838,166 shares, at an average price of €0.4115 per share, for a total cost of €4,871,099.88.

f) Methods used for share buy-backs

None.

g) Possible re-allocations

The Company did not re-allocate any shares during fiscal year 2021.

h) Amount of trading fees

In fiscal year 2021, the amount of trading fees with respect to share buy-backs totaled €0, excluding taxes and costs related to the liquidity agreement.

6.3.7.3 Share buy-backs and disposals carried out in early 2022

Since the beginning of the 2022 fiscal year and up to March 31, 2022, Rothschild Martin Maurel has not bought any shares on behalf of Europcar Mobility Group as part of its share acquisition mandate.

6.3.8 Conditions governing all rights of acquisition and/or all obligations attached to subscribed but not paid up share capital

Not applicable.

6.3.9 Share capital of any company within the Group subject to an option or an agreement providing for it to be placed under option

Not applicable.

6.4 PRINCIPAL SHAREHOLDERS OF THE COMPANY

6.4.1 Company shareholding at December 31, 2021 and changes in price during the last three fiscal years

Share capital distribution during the last three fiscal years

The table below gives information about the Company's shareholding structure at December 31, 2021, and its changes during the last three years. In accordance with AMF Position-Recommendation 2009-16, it shows theoretical or "gross" voting rights, which include votes attached to non-voting shares in accordance with Article 223-11 of the AMF General regulation. This forms the denominator for shareholders to calculate their percentage holdings of the share capital and voting rights for the purpose of regulatory declarations (including threshold crossing regulations).

At December 31, 2021, to the Company's knowledge, with the exception of the shareholders listed in the table below, there is no other shareholder holding directly or indirectly, alone or in concert, more than 5% of the share capital or voting rights.

	Shares	% of share capital	Theoretical voting rights	% of theoretical voting rights	Voting rights exercisable in shareholders' meetings	% Voting rights exercisable in sharehol-ders' meetings
At December 31, 2021						
ANCHORAGE CAPITAL GROUP	1,249,312,849	24.91%	1,249,312,849	24.90%	1,249,312,849	24.95%
MARATHON ASSET MANAGEMENT LP	539,774,396	10.76%	539,774,396	10.76%	539,774,396	10.78%
ATTESTOR LTD	641,514,896	12.79%	641,514,896	12.79%	641,514,896	12.81%
DIAMETER CAPITAL PARTNERS LP	260,738,525	5.20%	260,738,525	5.20%	260,738,525	5.21%
CENTERBRIDGE Partners	310,616,449	6.19%	310,616,449	6.19%	310,616,449	6.20%
UBS GROUP AG	252,666,888	5.04%	252,666,888	5.04%	252,666,888	5.05%
CARVAL INVESTORS LP	254,574,218	5.08%	254,574,218	5.07%	254,574,218	5.08%
Treasury shares (PRA + Liquidity agreement + Registered treasury shares (CCN 641))	8,552,323	0.17%	8,552,323	0.17%	0	0.00%
FCPE	3,930,487	0.08%	3,930,487	0.08%	3,930,487	0.08%
Other	1,493,959,050	29.79%	1,494,986,047	29.80%	1,494,986,047	29.85%
TOTAL (BP2S)	**5,015,640,081**	**100.00%**	**5,016,667,078**	**100.00%**	**5,008,114,755**	**100.00%**
At December 31, 2020						
Eurazeo S.E.	48,988,240	29.89%	48,988,240	29.74%	48,988,240	31.42%
DWS Investment GmbH	9,161,334	5.59%	9,161,334	5.56%	9,161,334	5.88%
Merrill Lynch	8,282,744	5.05%	8,282,744	5.03%	8,282,744	5.31%
Treasury shares (including liquidity agreement)	8,760,539	5.35%	8,760,539	5.32%	-	-
FCPE EUROPCAR	615,428	0.38%	615,428	0.37%	615,428	0.39%
Other	88,075,993	53.74%	88,891,823	53.97%	88,886,823	57.00%
TOTAL	**163,884,278**	**100.00%**	**164,700,108**	**100.00%**	**155,934,569**	**100.00%**
At December 31, 2019						
Eurazeo S.E.	48,988,240	29.89%	48,988,740	29.79%	48,988,740	31.51%
Morgan Stanley	13,330,226	8.13%	13,330,226	8.11%	13,330,226	8.57%
CIAM	12,151,978	7.42%	12,151,978	7.39%	12,151,978	7.82%
Financière de l'Echiquier	9,552,508	5.81%	9,552,508	5.79%	9,552,508	6.12%
Invesco	8,117,866	4.95%	8,117,866	4.93%	8,117,866	5.22%
ECIP Europcar Sarl (4)	4,990,000	3.05%	4,990,000	3.03%	4,990,000	3.21%
Management and employees	4,644,698	2.83%	4,912,358	2.99%	4,912,358	3.16%
Public	53,176,483	32.45%	53,481,498	32.52%	53,909,001	34.39%
Treasury shares	8,962,279	5.47%	8,962,279	5.45%	0	0.00%
TOTAL	**163,884,278**	**100%**	**164,457,453**	**100%**	**155,495,174**	**100%**

Share capital breakdown at March 31, 2022

	Shares	% of share capital	Theoretical voting rights	% of theoretical voting rights	Voting rights exercisable in shareholders' meetings	% Voting rights exercisable in sharehol-ders' meetings
ANCHORAGE CAPITAL GROUP	1,249,312,849	24.91%	1,249,312,849	24.90%	1,249,312,849	24.95%
MARATHON ASSET MANAGEMENT LP	539,774,396	10.76%	539,774,396	10.76%	539,774,396	10.78%
ATTESTOR LTD	641,514,896	12.79%	641,514,896	12.79%	641,514,896	12.81%
DIAMETER CAPITAL PARTNERS LP	260,738,525	5.20%	260,738,525	5.20%	260,738,525	5.21%
CENTERBRIDGE Partners	310,616,449	6.19%	310,616,449	6.19%	310,616,449	6.20%
UBS GROUP AG	252,666,888	5.04%	252,666,888	5.04%	252,666,888	5.05%
CARVAL INVESTORS LP	254,574,218	5.08%	254,574,218	5.07%	254,574,218	5.08%
SYQUANT CAPITAL	263,675,000	5.26%	263,675,000	5.26%	263,675,000	5.26%
Treasury shares (including liquidity agreement)	8,552,323	0.17%	8,552,323	0.17%	0	0.00%
FCPE	2,499,566	0.05%	2,499,566	0.05%	2,499,566	0.05%
Other	1,231,714,971	24.56%	1,232,815,279	24.57%	1,232,815,279	24.62%
TOTAL	**1,249,312,849**	**100.00%**	**5,016,740,389**	**100.00%**	**5,008,188,066**	**100.00%**

6.4.2 Notices of threshold crossings

During fiscal year 2021, the following legal threshold crossings were declared:

Shareholders	Date of threshold crossing	No. of AMF declaration	Shares held	% of share capital and/or declared voting rights	Direction of threshold crossings
EURAZEO	January 29, 2021	221 C0295	41,088,240	25.07%	↘
EURAZEO	February 04, 2021	221 C0295	37,088,240	22.63%	↘
EURAZEO	February 10, 2021	221 C0369	26,588,240	16.22%	↘
EURAZEO	February 11, 2021	221 C0369	16,088,240	9.82%	↘
EURAZEO	February 17, 2021	221 C0383	0	0.00%	↘
MARATHON	02/26/2021	221 C0510	584,533,664	13.09%	↗
Carval Investors L.P.	02/26/2021	221 C0451	311,093,147	6.97%	↗
Monarch Master Funding 2	February 25, 2021	221 C0480	13,888,077	8.47%	↗
	02/26/2021		175,777,113	3.94%	↘
ATTESTOR	02/26/2021	221 C0494	536,210,526	12.01%	↗
ANCHORAGE	02/26/2021	221 C0495	1,089,405,527	24.40%	↗
DIAMETER	02/26/2021	221 C0496	293,023,894	6.56%	↗
CENTERBRIDGE PARTNERS	02/26/2021	221 C0503	309,517,229	6.93%	↗
Marathon Asset Management L.P	02/26/2021	221 C0510	584,533,664	13.09%	↗
Anchorage Capital Group, L.L.C	March 04, 2021	221 C0549	1,249,312,849	26.35%	↗
Anchorage Capital Group, L.L.C	June 16, 2021	221 C1483	1,249,312,849	24.91%	↘
UBS GROUP AG	November 02, 2021	221 C3148	259,583,170	5.18%	↗
UBS GROUP AG	December 02, 2021	221 C3404	0	0.00%	↘
UBS GROUP AG	December 03, 2021	221 C3435	252,666,888	5.04%	↗

From January 1, 2022 to March 31, 2022, the following legal threshold crossings were declared

Shareholders	Date of threshold crossing	No. of AMF declaration	Shares held	% of share capital and/or declared voting rights	Direction of threshold crossing and Type of transaction
Syquant Capital	March 8, 2022	222C0601	263,675,000	5.26%	↗

↗ Threshold crossing (upward).
↘ Threshold crossing (downward).

6.4.3 Shareholders' voting rights

Information on voting rights is provided in Section 6.2.4 "shareholders' meetings" of this Universal Registration Document.

6.4.4 Control of the Company

At March 31, 2022, the earliest preparation date for this Universal Registration Document,

Anchorage was the shareholder with the highest percentage of the Company's share capital and voting rights. For further information, the reader is invited to refer to the table relating to the capital as of 31 March 2022 as well as to section 6.4.6 Agreements likely lead to a change of control.

Furthermore, it is reminded that the presence of independent directors on the Board of Directors and Committees beside directors representing the major shareholders and the separation of the functions of Chairman and Chief Executive Officer are, in particular, measures in order to avoid an abusive control.

6.4.5 Shareholders' agreements

6.4.5.1 Agreements concerning Company securities declared to the French financial markets authority

At March 31, 2022, the earliest preparation date for this Document, no shareholders' agreement had been reported to the French financial markets authority concerning the Company's investment shares.

6.4.5.2 Agreements entered into by shareholders

Conclusion of a tender offer support agreement between Europcar Mobility Group SA and a consortium comprising Volkswagen AG, Investments Designated Activity Company and Pon Holdings BV acting through Green Mobility Holding SA and an amendment subsequent to this agreement

At its meeting on July 28, 2021, in application of Articles L. 225-38 *et seq.* of the French Commercial Code, the Board of Directors of Europcar Mobility Group (the "**Company**" or "**Europcar Mobility Group**") authorized the signature of a tender offer support agreement between the Company on the one hand, and Volkswagen AG, Investments Designated Activity Company ("**Attestor**") and Pon Holdings BV (collectively, the "**Consortium**"), acting through the Luxembourg company Green Mobility Holding SA that they jointly hold, directly or indirectly (the "**Offeror**"), itself party to the agreement, on the other hand, setting out the terms and conditions of the combination between the Company and the Offeror, and in particular the terms and conditions of a tender offer made by the Consortium via the Offeror (the "**Offer**") on the Company's securities (here below referred to, as amended where applicable, the "**Support Agreement**").(1)

The Support Agreement was signed on July 28, 2021, prior to the announcement of the proposed Offer, via a press release from the Company published on the same day.

At its meeting on September 16, 2021, the Company's Board of Directors subsequently authorized, in application of Articles L. 225-38 et seq. of the French Commercial Code, the signature of an amendment to the Support Agreement, in order to clarify and adjust certain provisions regarding, in particular, the Offeror's intentions, liquidity agreements for the beneficiaries of free shares and the bonuses and incentive plan for the management teams (the "**Amendment**").

The Amendment was signed on September 17, 2021, prior to submission of the proposed Offer on September 20, 2021.(2)

Persons with direct or indirect interests in the conclusion of the Support Agreement

- Attestor, a shareholder holding more than 10% of the Company's voting rights, a party to the Support Agreement;
- Mr. Simon Franks, Director, with an indirect interest in the Support Agreement in his capacity as Director appointed upon proposal of Attestor;

(1) This proposed tender offer was announced in the Company's press release published on July 28, 2021, which gave details of the offer price and the main terms and conditions of the Offer.
(2) The documents published by the Company in connection with the Offer (including its draft response document) are available on its website (https://investors.europcar-group.com/fr/contemplated-tender-offer).

- Ms. Caroline Parot, Director, with an indirect interest in the Support Agreement in her capacity as Chief Executive Officer of the Company.

Principal terms and conditions of the Support Agreement

The Support Agreement includes:

- the commitment of the Offeror and the Consortium to submit the Offer according to the agreed terms and conditions;
- the commitment of Europcar Mobility Group, the Offeror and the Consortium to cooperate with a view to obtaining all necessary antitrust clearances in connection with the proposed combination;
- confirmation by the Consortium and the Offeror of their intentions in terms of strategy, management, governance and employment for the Company, as detailed in the Offeror's draft memorandum;
- the commitment of Europcar Mobility Group to convene its Board of Directors, after having consulted the competent staff representative bodies, to give a reasoned opinion on the Offer, subject to its fiduciary duties and in consideration of the conclusions of the independent expert on the fairness of the financial conditions of the Offer;
- the commitment of the Offeror to ensure the refinancing of certain of the Group's debts, under certain conditions, after completion of the Offer;
- the commitment of the Offeror to propose liquidity agreements to the beneficiaries of free shares awarded by the Company that could not be tendered to the Offer due to unavailability or a retention obligation, at financial terms that are consistent with the Offer price;
- the commitment of the Offeror to implement, for the benefit of certain employees and managers of the Group.
  - (i) on the one hand, two types of exceptional compensation, the first referred to as a "retention bonus" (conditional upon the beneficiary's continued employment within the Group six months after the completion of the Offer, for a total amount of €5 million), and the second referred to as a "completion bonus" (conditional upon the Company's Board of Directors supporting the Offer and its successful completion, and subject to the beneficiary still being employed on this date, for a cumulative amount of €2.4 million, €1,437,000 of which is to be paid to the Chief Executive Officer, subject to approval by the Shareholders' Meeting, in accordance with Articles L. 22-10-8 and L. 22-10-34, II of the French Commercial Code, as applicable), and
  - (ii) on the other hand, a cash incentive plan, which will be paid within a maximum period of two years, for a maximum aggregate amount of €10 million, subject to standard conditions (weighted at 20% for performance criteria and 80% for continued employment);
- a standard undertaking of exclusivity by Europcar Mobility Group in favor of the Offeror, with certain exceptions in the event of an eligible higher alternative offer and which will lapse if the Offer has not been filed with the AMF before December 31, 2021;
- standard undertakings given by Europcar Mobility Group to manage its business as usual;
- a break-up fee of €50 million to be paid by the Offeror to the Company if (i) the Offeror fails to submit the Offer on or before December 31, 2021 for any reason (including failure to obtain the necessary antitrust clearances) or (ii) the Offeror fails to obtain all the necessary antitrust clearances on or before March 31, 2022 (or June 30, 2022 in certain cases if the Company elects to extend this deadline); and
- a break-up fee of €50 million to be paid by the Company to the Offeror in the event that the Company's Board of Directors should endorse an eligible higher alternative offer.

Reasons the Support Agreement is in the interests of the Company

The Board of Directors of Europcar Mobility Group considered the Support Agreement to be in the interests of the Company and the interests of its shareholders and employees, particularly as it sets out:

- the terms and conditions of an Offer that, if successful, would mean:
  - (i) Europcar Mobility Group could stabilize its shareholder base and combine with a Consortium led by Volkswagen, the Group's long-standing partner and a world leader in the automotive sector, which has stated that it wants to make the Company the basis for its mobility platform,
  - (ii) its shareholders could take advantage of an immediate opportunity to liquidate all their shares at a guaranteed price, and
  - (iii) its employees could really be a part of the Group's plans for growth and transformation, led by its new controlling shareholder;
- commitments made by both the Consortium and the Offeror (particularly in terms of cooperation and payment of a break-up fee in connection with obtaining antitrust clearance, as described above) that would secure and accelerate the implementation of this combination.

6.4.6 Agreements likely to lead to a change of control

On July 28, 2021, Europcar Mobility Group announced an agreement with a consortium led by Volkswagen, with a view to creating value in the mobility ecosystem:

- the offer price is €0.50 per share, increased by a potential price supplement of €0.01 per share if the 90% squeeze-out threshold is reached on completion of the offer (including dividend);
- europcar Mobility Group's Board of Directors welcomed the proposed transaction;
- an ad-hoc Committee, comprised of a majority of independent Directors, was set up to supervise the work of Ledouble SAS selected as independent appraiser;
- the proposed transaction has strong strategic rationale for the Group, in keeping with the Consortium's ambitions, and aims to better serve customers' needs through attractive and sustainable mobility solutions.

On July 28, 2021, Volkswagen Group (Xetra: VOW), Attestor Capital LLP and Pon Holdings BV (referred to collectively as the "Consortium") and Europcar Mobility Group (EUCAR: EN Paris) ("Europcar Mobility Group" or the "Company") entered into a tender offer support agreement which sets out the terms and conditions of the proposed acquisition of Europcar Mobility Group by the Consortium, through a dedicated company (called "Green Mobility Holding") by way of a tender offer of €0.50 per share, increased by a potential price supplement of €0.01 per share if the 90% squeeze-out threshold is reached on completion of the offer (including dividend). Attestor is expected to tender all the shares it holds in the Company (i.e., around 12.8% of the Company's share capital) to Green Mobility Holding and reinvest the proceeds with additional cash alongside Volkswagen and Pon. On completion of the offer, Green Mobility Holding will be jointly held by the Consortium members (with Volkswagen holding 66%) acting in concert with respect to the Company. Europcar Mobility Group's other main shareholders (namely, Anchorage, Marathon, Centerbridge, Diameter, Carval and Monarch) representing a combined total of around 55.3% of the share capital (i.e., around 68% including Attestor) have already made firm commitments to tender their shares to the offer, it being specified that these commitments would lapse without compensation in the event of a competing offer at a higher price, in accordance with their terms.

The offer price (excluding the potential price supplement) represents a premium of approximately 23% compared to the 1-month weighted average share price and approximately 44% compared to the 3-month weighted average share price to June 22, 2021, the last unaffected closing price (as June 22, 2021, was the day before an Article was published by Bloomberg News reporting the Consortium's interest in acquiring the company at a price of €0.44 per share).

Europcar Mobility Group's Board of Directors, which met on July 28, 2021, favorably welcomed the proposed transaction, expressing a preliminary positive opinion that it is in the interests of the Company, its shareholders, employees and other stakeholders. This preliminary opinion of the Board of Directors was reiterated on September 17 and November 15, when the independent appraiser's opinion was received. On the recommendation of an ad-hoc Committee, Ledouble SAS was appointed as the independent appraiser and tasked with reporting on the fairness of the financial terms of the tender, pursuant to the provisions of Article 261-1, section I, paragraphs 2 and 4 of the AMF General regulation. Appointed by the Board of Directors, the majority of the members of this ad-hoc Committee are independent Directors, including the Chairman of the Board. It is responsible for overseeing the work of the independent appraiser and making recommendations to the Board of Directors regarding the proposed offer.

The principal terms of the agreement are as follows:

- the terms and conditions of the proposed offer;
- the commitment of Europcar Mobility Group, Green Mobility Holding and the Consortium to cooperate with a view to obtaining all necessary antitrust clearances in connection with the proposed combination;
- a standard undertaking of exclusivity by Europcar Mobility Group in favor of the offeror, with certain exceptions in the event of an eligible higher alternative offer and which will lapse if the Consortium's offer has not been filed before December 31, 2021;
- standard undertakings given by Europcar Mobility Group to manage its business as usual;
- a break-up fee of €50 million (corresponding to 2% of the Company's total equity value at the proposed offer price) to be paid by the offeror to the Company if (i) the offeror fails to submit the offer on or before December 31, 2021 for any reason (including failure to obtain clearance from the relevant antitrust authorities) or (ii) the offeror fails to obtain all the clearances from the relevant antitrust authorities on or before March 31, 2022 (or June 30, 2022 in certain cases if the Company chooses to defer this deadline); and
- a break-up fee of €50 million to be paid by the Company to the offeror in the event that the Board of Directors should endorse an eligible higher alternative offer.

On November 23, 2021, the AMF announced that it had approved the tender offer for shares in EUROPCAR MOBILITY GROUP filed by Bank of America Europe DAC (France branch) and BNP Paribas, acting on behalf of the Luxembourg public limited company (société anonyme) Green Mobility Holding S.A. (see D&I 221C3238 of November 23, 2021).

The offer document issued by Green Mobility Holding (approval no. 21-499 dated November 23, 2021) and the response document issued by EUROPCAR MOBILITY GROUP (approval no. 21-500 dated November 23, 2021) were made available to the public and the information referred to in Article 231-28 of the AMF General regulation was filed and made available to the public (see press releases published on November 23 and 25, 2021).

On November 26, 2021, and in application of the provisions of Articles 231-32 and 232-2 of the AMF General regulation, the tender offer was opened.

The closing date will be determined after the AMF has received supporting documentation authorizing the merger operation in accordance with the European commission's merger control policy (a condition precedent stipulated by the offeror in accordance with Article 231-11 of the AMF General regulation). Euronext Paris will publish a legal notice on the terms and conditions of the offer.

6.5 PROFIT-SHARING AGREEMENT AND INCENTIVE PLANS – EMPLOYEE SHAREHOLDING

For more information on profit-sharing and on stock options held by members of the Management Board and Supervisory Board and by certain Group employees, see Section 5.3 "Compensation and benefits in any kind for members of the Management Board and Supervisory Board" and Section 6.3 "Share Capital" in this Universal Registration Document.

As at December 31, 2020, the employees of the Company and its affiliates held, via FCPE, a total of 615,428 ordinary shares, representing a total of 0.38% of the Company's share capital and 0.37% of its voting rights. To be verified with BP2S and CACEIS.

6.5.1 Profit-sharing agreements

Pursuant to Article L. 3322-2 of the French Labor Code, profit-sharing agreements are mandatory in companies with 50 or more employees which have taxable profits of greater than a 5% return on shareholders' equity.

The companies Europcar International S.A.S.U. and Europcar France, which have more than 50 employees each, have entered into their own profit-sharing agreements. Each agreement covers all employees that have been with either company for more than three months.

The equation set forth in the French Labor Code is used to calculate the special profit-sharing reserve for each agreement.

6.5.2 Company savings plans and similar plans

Pursuant to Articles L. 3323-2 and L. 3323-3 of the French Labor Code, companies with profit-sharing agreements are also required to maintain a company savings plan. A company or group savings plan is a collective savings scheme offering employees of the member companies the ability, with the help of their employer, to build an investment portfolio. In particular, it can receive amounts from a profit-sharing agreement or incentive plan as well as voluntary contributions. Amounts invested in a company savings plan cannot be withdrawn for five years except in the early withdrawal cases provided for by law.

The Company is part of a group savings plan with Europcar International S.A.S.U., while the Company Europcar France has its own Company Savings Plan.

In accordance with Article L. 3332-25 of the French Labor Code, investors have the right to liquidate the assets available in the plan in order to exercise options on shares granted pursuant to Articles L. 225-177 or L. 225-179 of the French Commercial Code. The shares thus subscribed for or purchased by the investor are then paid into the savings plan and only become available five years after this payment.

6.5.3 Incentive plans

The incentive plan is an optional scheme whose purpose is to enable a company to give employees a collective interest in the Company's results or performance through immediately payable bonuses pursuant to Article L. 3312-1 of the French Labor Code defined by means of a random equation contingent on the Company's results or performance.

As such, the Group has incentive plans with the majority of its French entities.

6.5.4 Employee share ownership

In 2016, the Group launched the ESOP 2017 Plan, its first international share offer reserved for employees of the Company and Group subsidiaries wholly owned either directly or indirectly by the Company, who are members of Europcar's Group Employee Savings Plan (the "GESP") and the International Group Employee Savings Plan ("IGESP") and whose registered offices are in Australia, Belgium, France, Germany, Spain, Italy, New Zealand, Portugal, the USA and the United Kingdom.

In the summer of 2019, the Group launched a new employee shareholding plan, We Share 2019. Offered to the vast majority of the Group's employees in sixteen countries (Australia, Austria, Belgium, Luxembourg, Denmark, France, Germany, Greece, Ireland, Italy, New Zealand, Portugal, Slovakia, Spain, Turkey and the United Kingdom), this new plan has enabled the integration of recent acquisitions such as Ireland, Denmark, Goldcar and Buchbinder. At the same time, the Group capitalized on its strategy and values.

In this respect, the shares held by Group employees represented 0.08% of the Company's share capital and 0.08% of its voting rights at December 31, 2021.

6.6 ITEMS LIKELY TO HAVE AN IMPACT IN THE EVENT OF A PUBLIC TAKEOVER BID

The disclosures required pursuant to Article L. 225-37-5 of the French Commercial Code are contained in Sections 6.3 "Share capital" (concerning the capital structure), 6.4.5.1 "Agreements concerning Europcar securities declared to the French financial markets authority" (on clauses in agreements notified to the Company pursuant to Article L. 233-11 of the French Commercial Code), 6.4.2. "Notices of threshold crossings" (relating to investments reported under Article L. 233-7 the French Commercial Code), 6.4.5.2 "Agreements entered into by shareholders" (concerning shareholder agreements resulting in restrictions on the transfer of shares), 6.2.2.1 "Management Board" and 6.2.2.2 "Supervisory Board" (on the rules governing the appointment and replacement of Executive Board and Supervisory Board members and amendments to the by-laws of Europcar Mobility Group), 6.3.5.1 "Table of currently valid delegations on the date of this Universal Registration Document, concerning increases in share capital and utilization as at December 31, 2019" and 6.3.8 "Share buy-back agreement" (concerning the purchase by Europcar Mobility Group SA of its own shares), 6.4.5.2 "Agreements entered into by shareholders" (concerning agreements ending in the event of a change of control) and 5.3.1.7 "Compensation in the event of forced termination of office" (concerning the indemnities in the event of termination of office for members of the Management Board) of this 2020 Universal Registration Document.

This Universal Registration Document is available on the French financial markets authority website (www.amf-france.org) and on the Europcar Mobility Group website (http://investors.europcar-group.com).

6.7 DIVIDEND POLICY

6.7.1 Dividend policy

In accordance with the law and the Company's by-laws, the Shareholders' Meeting, on the recommendation of the Board of Directors, may authorize the distribution of a dividend for the previous fiscal year, or a distribution by withdrawal from the Company's share premium.

We remind you of the distribution policy applied by the Company over the last three years:

- for the fiscal year ended December 31, 2018, the Shareholders' Meeting of April 26, 2019 voted in favor of a distribution of a cash dividend of €0.16 per share, i.e. a total amount of €25,764,941.28 as well as a one-off cash distribution in the total amount of €16,103,088 corresponding to €0.10 per share. These dividends were allocated on May 21, 2019 and paid exclusively in cash on May 23, 2019;
- for the fiscal year ended December 31, 2019, the Shareholders' Meeting of June 12, 2020 approved the assignment of all its earnings to "retained earnings (losses)," which would be raised to €16,880,450.97, a decision made in the context of the Covid-19 pandemic;
- for the fiscal year ended December 31, 2020, the Shareholders' Meeting of June 30, 2021 approved the assignment of all its earnings to "retained earnings (losses)," which would be raised to €208,866,380.76, a decision made in the context of the Covid-19 pandemic. Furthermore, the reader is reminded that during the establishment of a loan for €220 million signed with the Group's main French and international banks, which benefits from a 90% guarantee from the French State via Bpifrance ("State-Guaranteed Loan"), the Company entered into a contractual agreement to make no dividend payment for fiscal years 2020 and 2021, which was one of the conditions for this loan. (Press release of May 3, 2020).

6.7.2 Restrictions on dividend payments

The restrictions on dividends and reserves under the Group's principal debt instruments are set out below. For more information on the Group's debt instruments, the reader is invited refer to Section 3.2.3 "Description of financing as of December 31, 2021" of this Universal Registration Document.

EC Finance Notes

With the exception of possible distributions of dividends between restricted subsidiaries, the documentation applicable to EC Finance Notes limits the distribution of dividends by the Company and its restricted subsidiaries. Payment of dividends is authorized as summarized below.

The documentation applicable to EC Finance Notes authorizes the distribution of dividends by the Company and its restricted subsidiaries insofar as no default has occurred or is likely to occur following such a distribution and the Company is in a position to contract at least €1.00 of additional debt in accordance with the restriction applicable to additional debt (according to which the Company may contract additional debt insofar as, on a *pro forma* basis, the coverage ratio for the Company's consolidated fixed costs (as defined in the terms and conditions of the EC Finance Notes) exceeds 2.0: 1.0); and the total amount of the envisaged dividend (together with the amounts of the other payments subject to restrictions) and distributed subsequently to the issue date of these EC Finance Notes does not exceed the following total sum (without duplication):

a) 50% of consolidated net profit of the Company for the period (treated as one accounting period) from January 1, 2021 to the end of the most recent fiscal half ending prior to the date of such payment for which financial statements are available (or, in case such consolidated net income is a deficit, minus 100% of such deficit); plus

b) 100% of the aggregate net cash proceeds and the fair value of property or assets received by the Company from the issue or sale of its qualified share capital or other capital contributions, after the completion date (subject to certain exceptions); plus

c) certain other amounts relating to the conversion of certain debt securities into stock and other amounts.

Furthermore, the documentation applicable to EC Finance Notes authorizes the payment of dividends by the Company insofar as no default or default event has occurred or is likely to occur as a result of such payment that may not exceed an annual total of more than the highest of either:

a) 6% of the aggregate gross cash proceeds received by the Company in or from such public offering of equity securities (other than certain exceptions); and

b) (i) 7% of the Company's market capitalization (on the basis of the arithmetic mean of the closing price of the Company's share within 30 consecutive stock market days which do not precede the dividend payment declaration by more than seven days); provided that having given effect on a *pro forma* basis to the payment of such dividends, the Company's consolidated financial leverage (as defined in the terms and conditions of the EC Finance Notes) are less than 3.0: 1.0; or (ii) 5% of the Company's market capitalization, provided that having given effect on a pro forma basis to the payment of such dividends, the Company's consolidated financial ratio (as defined by the issue contract) shall be higher than or equal to 3.0: 1.0 but less than 3.5: 1.0.

PGE financing

In accordance with the provisions of the French government guaranteed loan (PGE Financing), Europcar Mobility Group S.A. is not allowed to pay dividends for the fiscal years ended December 31, 2019 and December 31, 2020, as doing so would trigger an accelerated amortization of the PGE Financing. For the fiscal years starting on or after December 31, 2021, Europcar Mobility Group S.A. will not be allowed to pay out dividends if its debt to equity ratio is not below 3:1.

6.8 MARKET ON WHICH THE SHARE IS TRADED

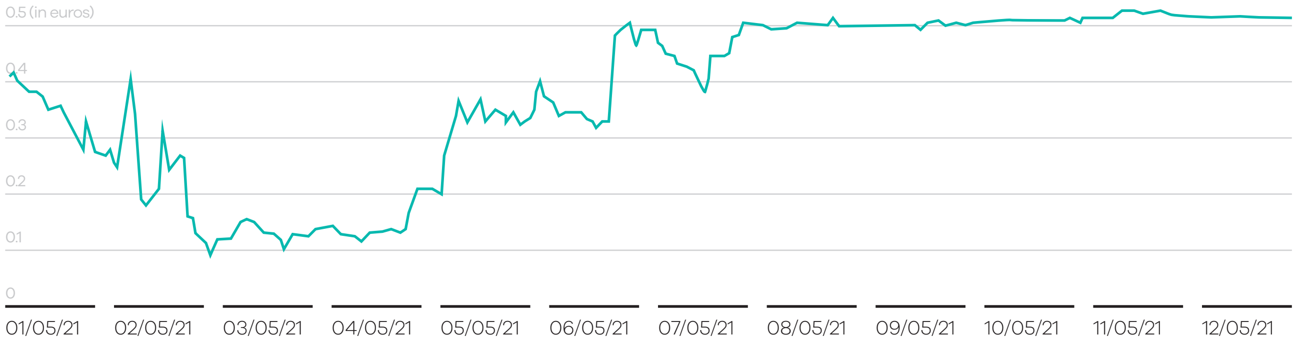
6.8.1 Market where Europcar Mobility Group shares are traded

Europcar Mobility Group shares are listed on Euronext – compartment A of the Euronext Paris regulated market.

Europcar Mobility Group share fact sheet

- ISIN Code: FR0012789949.
- Listings: continuous trading on Euronext – Compartment A of the Euronext Paris regulated market.
- Other listings: none.
- Par value: €0.01.
- Securities outstanding at December 31, 2021: 5,015,640,081.
- Share price at December 31, 2021: €0.5062.
- Market capitalization at December 31, 2021: €2,538,917,009.

6.8.2 Trading volumes and trends in 2021



Source: Bloomberg.

(share price in euro)	2020 High	2020 Low	2020 Dec. 31, 2021	**2021 High**	**2021 Low**	**2021 12/31/21**	2020-2021 change in the last share price of the year *(as %)*
Share	4.66	0.50	0.76 (1)	0.51	0.26	0.506	(20.8%)
CAC 40 Index	6,111.2	3,754.8	5,551.41	7,181.1	5,399.2	7,153.03	(28.9%)

	2020 Total	2020 Daily average	**2021 Total**	**2021 Daily average**
In number of shares (1)	1,575,832,443	6,131,644	3,789,497.190	14,687,974
In capital	1,240.287	4.83	1,590,622,480.000	6,165,203.41

(1) Source: Bloomberg. Share price of €0.419 at 12/31/2020 adjusted for transactions related to financial restructuring.

7

ADDITIONAL INFORMATION

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7.1 PERSONS RESPONSIBLE FOR THE UNIVERSAL REGISTRATION DOCUMENT

7.1.1 Name and position of the person responsible for the Universal Registration Document

Ms. Caroline Parot, Chief Executive Officer of the Company.

7.1.2 Statement by the person responsible for the Universal Registration Document including the annual financial report

"I hereby certify that the information contained in this Universal Registration Document is, to the best of my knowledge, in accordance with the facts and contains no omission that could affect its scope.

I certify, to the best of my knowledge, that the financial statements were prepared in accordance with applicable accounting standards and that they give a fair view of the assets, financial position and results of the Company and of all companies included in the consolidation, and that the management report attached provides a fair picture of the development of the business, results and financial position of the Company and all companies included in the consolidation, and that it describes the principal risks and uncertainties they face."

Caroline Parot, Chief Executive Officer of the Company

7.1.3 Name and position of the person responsible for the financial information

Ms. Malène Korvin
Interim Chief Financial officer
13 ter Boulevard Berthier, 75017 Paris, France
Email: investor.relations@europcar.com
http://investors.europcar-group.com

7.1.4 Persons responsible for auditing the financial statements

7.1.4.1 Statutory Auditors

	Start date of 1st term	Date of renewal of last term of office	Term (expiration) of current term of office
PricewaterhouseCoopers Audit (member of the Compagnie Régionale des Commissaires aux Comptes de Versailles) Represented by Romain Dumont 63 rue de Villiers, 92200 Neuilly-sur-Seine	March 09, 2006	May 17, 2018	At the end of the Shareholders' Meeting called to approve the financial statements for the fiscal year ended December 31, 2023
Mazars (member of the Compagnie Régionale des Commissaires aux Comptes de Versailles) Represented by Guillaume Devaux 61 rue Henri-Regnault, 92400 Courbevoie, France	May 16, 2013	April 26, 2019	At the end of the Shareholders' Meeting called to approve the financial statements for the fiscal year ended December 31, 2024

7.2 RELATED PARTY TRANSACTIONS

7.2.1 Guarantee

The Company has granted its subsidiaries a joint and several guarantee for the benefit of a group of lenders (including Credit Suisse (Deutschland) Aktiengesellschaft and Credit Suisse AG, London Branch) to guarantee the payment of sums owed by the Group's borrowing entities (the Company, ECI, Europcar Holding S.A.S., EMobG Services Germany GmbH, Europcar France S.A.S. and Europcar IB, S.A.U.) pursuant to Clause 24.1 of the Senior Facility Agreement entered into on February 25, 2021, as may be amended at any time between the Group of lenders, the Group's borrowing entities and the guarantors (Europcar Mobility Group, ECI, Europcar Holding S.A.S., EMobG Services Germany GmbH, Europcar France S.A.S. and Europcar IB, S.A.U.).

The Company has granted its subsidiaries a joint and several guarantee for the benefit in particular of Credit Suisse (Deutschland) in its capacity as a lender to guarantee the payment of sums owed by the Group's borrowing entities (ECI and Europcar Participations S.A.S.U.) pursuant to Clause 20.1 of the financing contract of February 25, 2021 entitled "Europcar Vehicles Fleet Financing Facilities Agreement", intended to finance the SARF's FCT Junior Notes and the unfunded portion of rental fleet financing in Australia, Ireland, New Zealand, the United Kingdom and the United States, as may be amended at any time (the "VFFFA").

See Section 3.2 "the Group's liquidity and capital resources" in this Universal Registration Document for information on the guarantees and securities granted by Group entities in connection with the Group's financing.

7.2.2 Cash Pooling Agreement

On April 27, 2011, the Company (as a centralized company) entered into a cash management agreement with its indirect subsidiary Europcar Holding (as a centralizing company) and certain other Group entities as centralized companies (Europcar International S.A.S.U., Europcar France S.A.S., Europcar Participations S.A.S., Europcar S.A., Europcar Autovermietung GmbH, Europcar Italia S.p.A., Europcar Internacional Aluguer de Automoveis S.A., Europcar Services, Unipessoal Lda, Europcar IB S.A., Europcar UK Ltd., Europcar Group UK Ltd., PremierFirst Vehicle Rental Franchising Limited, Executive Trust Limited, Europcar Lab S.A.S., Lor'Rent S.A.S., Buchbinder Holding GmbH, Charterline Fuhrpark Service GmbH, Car Partner Leasing GmbH, LC EC Participations Investments S.L.U., Car Rentals TopCo S.L.U., Car Rentals ParentCo S.A.U., Car Rentals Subsidiary S.A.U., Goldcar Spain S.L.U., InterRent S.A.R.L and Ubeeqo International S.A.S.) in order to optimize cash management (shortages and surpluses) within Group companies and to be able to negotiate optimal banking terms.

7.2.3 Loan agreement

The Company and Europcar International S.A.S. are parties to a loan of €144,122,000. This loan was initially granted by the Company to Europcar Holding S.A.S., a subsidiary of Europcar International S.A.S., for the acquisition of operating companies in the United Kingdom. In connection with the recapitalization of Europcar Holding S.A.S. in 2014, the Company transferred the loan to Europcar International S.A.S.U. Since the loan transfer, Europcar International S.A.S.U. owes this amount to the Company.

7.2.4 Tax agreements

Since July 1, 2006, the Company and its direct and indirect French subsidiaries of which it holds more than 95% have formed a tax consolidation group. The creation of this group led to the Company entering into tax consolidation agreements with each of the member companies of the Group to govern the subsidiaries' contribution to the total tax for which the Company is the sole taxpayer in its capacity as the parent company. The Supervisory Board of February 24, 2016 decided to reclassify the tax consolidation agreement between the Company and Europcar International S.A.S., Europcar Holding S.A.S., Europcar Lab S.A.S., Europcar Participations S.A.S., Europcar France S.A.S., EuropHall S.A.S., Parcoto Services S.A.S., EC3 S.A.S.U., EC4 S.A.S.U. and Locaroise S.A.S., insofar as this agreement is entered into between the Company and its directly or indirectly wholly owned subsidiaries, in accordance with the provisions of Article L. 225-87 of the French Commercial Code. In respect of the 2019 fiscal year, the following companies are included in the tax consolidation group: Ubeeqo International S.A.S.U., Ubeeqo France S.A.S.U., Goldcar Fleetco France S.A.R.L. and Goldcar France S.A.R.L.

In 2020 the companies EuropHall S.A.S. and Locaroise S.A.S. withdrew from the tax consolidation group.

In 2021, EC3 S.A.S.U. withdrew from the tax consolidation scope.

Since 2010, the Group has also maintained a second tax consolidation group in France, of which the parent company is Securitifleet Holding S.A. This tax consolidation group includes in 2021 Securitifleet S.A.S., SF Location S.A.S., Goldfleet France S.A.S. and Goldfleet Location S.A.S.

7.2.5 General Services Agreements signed by the Company

The Company provides Europcar International S.A.S.U. with its know-how regarding fleet organization, sales, marketing, communications, human resources management, accounting, finance, operations and legal services. In consideration of these services, Europcar International S.A.S.U. pays monthly compensation to the Company calculated using the cost-plus method. Under the terms of this agreement, management fees of €4,720,951 for 2021 were billed (versus €4,248,642 in 2020).

The Company acquired the InterRent® trademark from Europcar International S.A.S. In this regard, the Company receives a 1% fee from Europcar International S.A.S. for the brand's concession.

7.2.6 Agreements signed by Europcar International

Europcar International S.A.S. entered into license agreements for the Europcar trademark® with the Group's operating companies in 2001 and with the Australian and New Zealand subsidiaries in 2009.

In 2013, Europcar International entered into licensing agreements for the InterRent® trademark with the operating companies that use this brand (in the United Kingdom, Spain, Portugal, France and Germany), under which Europcar International S.A.S. receives royalties based on a percentage of the revenues of the Operating Company (2.75% for the Europcar® brand and 1% for the InterRent® brand). The operating entities have the right to sub-license the trademarks with Europcar International S.A.S.U.'s approval. The license agreement relating to the Europcar trademark has a term of five years, with automatic renewal each year. The license agreement relating to the InterRent® trademark has a term of two years, renewable automatically for further one-year periods.

Europcar International S.A.S. has also entered into international franchise agreements in over 130 countries, for which payment consists of trademark royalties in varying amounts depending on the franchisee and the services rendered.

In 2011, Europcar International S.A.S. entered into General Services Agreements with each of the main operating entities. The services rendered relate in particular to senior management, finance, human resources, legal, sales and marketing, fleet management, procurement and customer service. In consideration of these services, the operating entities pay monthly compensation to Europcar International S.A.S.U. calculated using the cost-plus method (as defined in the OECD guidelines). Amendments to these contracts have been entered into to take into account the changes since 2011 in the departments and services that make up Europcar International S.A.S.U.

Europcar International S.A.S. entered into a service agreement dated May 19, 2014 with Europcar Services, Unipessoal, Lda through which the shared services center located in Portugal bills to Europcar International S.A.S.U. its costs calculated using the cost-plus method (as defined in the OECD guidelines).

Europcar International S.A.S. entered into an IT services agreement with the operating companies applicable since November 1, 2014. In consideration of these services, the operating entities pay monthly compensation to Europcar International S.A.S.U. calculated using the cost-plus method (as defined in the OECD guidelines). Prior to November 1, 2014, information services were provided by the Europcar Information Services Economic Interest Grouping (the "EEIG"). The operating entities contributed a percentage of their revenues and in return had access to various services rendered by the EEIG. The EEIG was converted into a general partnership (*société en nom collectif*) in November 2014 and then merged with Europcar International S.A.S.U. through a universal transfer of assets and liabilities as of January 2, 2015.

In 2017, Europcar International S.A.S. entered into a services agreement with each of Europcar Participations S.A.S. and Europcar International S.A.S.U. und Co. OHG, which will allow them to invoice Europcar International S.A.S. for the cost of expertise on a cost-plus basis (as defined in the OECD principles).

For a description of transactions with companies over which the Company has significant influence, see Note 11 "Related Parties" to the Group's consolidated financial statements included in Section 3.4 "Consolidated financial statements and Statutory Auditors' report for fiscal year ended December 31, 2021" of this Universal Registration Document.

On May 14, 2018, Europcar International S.A.S.U. entered into a services agreement with Goldcar Spain S.L.U. and Goldfleet Spain S.L.U.

7.2.7 Agreements signed with the Company's corporate officers

The agreements listed below and described in Section 7.4 "Statutory Auditors' special report on related party agreements and regulated commitments" of this Universal Registration Document were authorized by the Board of Directors during the 2021 fiscal year or by the Supervisory Board during previous fiscal years and had already been approved by the Shareholders' Meeting:

In fiscal year 2021

- The Shareholders' Meeting of January 21, 2021 approved the transfer, mutatis mutandis, in favor of Ms. Caroline Parot in her capacity as Chief Executive Officer, of the agreement from which she previously benefited in her capacity as Chairwoman of the Management Board of the same company.

In previous fiscal years

- renewal of commitments taken in favor of Ms. Caroline Parot under the terms of her mandate agreement by the Supervisory Board at its meeting on December 21, 2018. Mandate agreement for Ms. Caroline Parot, authorized by the Supervisory Board on December 15, 2016 and entered into on December 22, 2016 between the Company and Ms. Caroline Parot in her capacity as Chairwoman of the Management Board. Compensation payable to Ms. Caroline Parot in the event of dismissal, relating to termination of office and under a non-compete clause, is described more fully in Sections 5.5.2.5 "Compensation in the event of forced termination of office" and 5.5.2.6 "Compensation under a non-compete clause" of this Universal Registration Document;
- renewal of the commitments made by the Supervisory Board meeting of December 21, 2018 in favor of Mr. Fabrizio Ruggiero. Commitments made by the Supervisory Board meeting of July 22, 2016 in favor of Mr. Fabrizio Ruggiero. For further information on compensation due in the event that a non-compete clause is put into effect, see Section 5.5.2.6 "Compensation under a non-compete clause" of this Universal Registration Document;
- commitments made by the Supervisory Board meeting of October 18, 2018 in favor of Mr. Olivier Baldassari. For further information on compensation due in the event that a non-compete clause is put into effect, see Section 5.5.2.6 "Compensation under a non-compete clause" of this Universal Registration Document;
- mandate agreement for Ms. Caroline Parot, authorized by the Supervisory Board on December 15, 2016 and entered into on December 22, 2016 between the Company and Ms. Caroline Parot in her capacity as Chairwoman of the Management Board. Compensation payable to Ms. Caroline Parot in the event of dismissal, relating to termination of office and under a non-compete clause, is described more fully in Sections 5.5.2.5 "Compensation in the event of forced termination of office" and 5.5.2.6 "Compensation under a non-compete clause" of this Universal Registration Document;
- commitments made by the Supervisory Board meeting of July 22, 2016 in favor of Mr. Fabrizio Ruggiero. For further information on compensation due in the event that a non-compete clause is put into effect, see Section 5.5.2.6 "Compensation under a non-compete clause" of this Universal Registration Document.

For further information on these agreements see Section 7.4 "Statutory Auditors' special report on related party agreements and regulated commitments."

7.3 MATERIAL CONTRACTS

The following significant contracts are described in Section 3.2.3.1 "Corporate debt" and Section 3.2.3.2 "Debt related to fleet financing" of this Universal Registration Document:

- senior Facilities Agreement (SFA) dated February 25, 2021;
- europcar Vehicles Fleet Financing Facilities Agreement (VFFFA) dated February 25, 2021;
- french state-guaranteed loan dated May 2, 2020;
- spanish state-guaranteed loans signed in April 2020;
- debt issue agreement (indenture) for corporate bonds dated October 7, 2021;
- nEU CP "Negotiable European Commercial Paper" program launched on February 11, 2019;
- amendments to the securitization documents, to allow the financing of the Goldcar fleet in France, Italy and Spain, dated July 27 and October 15, 2021; and
- refinancing agreement with Club Facility dated October 19, 2018, to allow the financing of the fleet in the United Kingdom.

7.4 STATUTORY AUDITORS' SPECIAL REPORT ON RELATED PARTY AGREEMENTS AND COMMITMENTS

To the General Meeting,

In our capacity as your company's Statutory Auditors, we hereby report to you on regulated agreements and commitments with third parties.

We are required to inform you, based on the information we have been given, of the terms and conditions as well as the reasons justifying the benefits for the Company of those agreements and commitments that have been indicated to us, or that we may have discovered during our assignment. We are not required to comment on whether they are beneficial or appropriate or to ascertain if any other agreements exist. It is your responsibility, in accordance with the terms of Article R. 225-31 of the French Commercial Code, to evaluate the benefits resulting from these agreements prior to their approval.

In addition, we are required, where applicable, to inform you, in accordance with Article R. 225-31 of the French Commercial Code, of any agreements previously approved by the Shareholders' Meeting which were executed during the year. We performed the procedures that we deemed necessary in accordance with the guidance issued by the French Institute of Statutory Auditors (*Compagnie nationale des commissaires aux comptes*) for this type of engagement.

Agreements and commitments submitted to the approval of the General Meeting

In accordance with Article L. 225-40 of the French Commercial Code, we have been informed of the following agreements previously authorized by the Board of Directors:

At its meeting of July 28, 2021, the Board of Directors of Europcar Mobility Group (the "Company" or "Europcar Mobility Group") authorized, pursuant to Articles L. 225-38 et seq. of the French Commercial Code, the execution of a tender offer support agreement between the Company, on the one hand, and Volkswagen AG, Trinity Investments Designated Activity Company ("Attestor") and Pon Holdings BV (together, the "Consortium"), acting through the Luxembourg-registered company Green Mobility Holding SA which they jointly own, directly or indirectly (the "Offeror"), itself a party to the agreement, on the other hand, which sets out the terms of the combination between the Company and the Offeror and in particular the terms of the implementation of a public tender offer initiated by the Consortium through the Offeror (the "Offer") on the securities of the Company (hereafter referred to, as amended from time to time, the "Tender Offer Agreement").

The Tender Offer Agreement was entered into on July 28, 2021, prior to the announcement of the proposed Offer by press release of the Company on the same day.

At its meeting of September 16, 2021, the Company's Board of Directors subsequently authorized, pursuant to Articles L. 225-38 et seq. of the French Commercial Code, the execution of an amendment to the Tender Offer Agreement in order to clarify and adjust certain of its provisions regarding, in particular, the Offeror's intentions, the liquidity agreements to the benefit of the beneficiaries of free shares and the management bonuses and incentive plan (the "Amendment").

The Amendment was entered into on September 17, 2021, prior to the announcement of the filing of the draft Offer on September 20, 2021.

PERSONS DIRECTLY OR INDIRECTLY INTERESTED IN THE CONCLUSION OF THE TENDER OFFER AGREEMENT

Attestor, a shareholder holding more than 10% of the voting rights of the Company, a party to the Tender Offer Agreement.

Mr. Simon Franks, Director, indirectly interested in the Tender Offer Agreement in his capacity as Director appointed upon proposal of Attestor.

Mrs. Caroline Parot, Director, indirectly interested in the Tender Offer Agreement in her capacity as Chief Executive Officer of the Company.

KEY TERMS AND CONDITIONS OF THE TENDER OFFER AGREEMENT

The Tender Offer Agreement includes the following:

- the commitment of the Offeror and the Consortium to file the Offer on agreed terms and conditions;
- the commitment of Europcar Mobility Group, the Offeror and the Consortium to cooperate in obtaining all necessary approvals from the relevant competition authorities in connection with the proposed combination;
- the confirmation by the Consortium and the Offeror of their intentions in terms of strategy, management, governance and employment in respect of the Company, as detailed in the Offeror's draft offer document;
- the undertaking by Europcar Mobility Group to convene its Board of Directors, after consultation of the relevant employee representative bodies, in order to issue a reasoned opinion on the Offer subject to its fiduciary duties and in consideration of the conclusions of the independent appraiser on the fairness of the financial terms of the Offer;
- the commitment of the Offeror to offer liquidity agreements to the beneficiaries of free shares allocated by the Company and which could not be tendered to the Offer due to an unavailability or a retention obligation, under financial conditions consistent with the Offer price;
- commitments of the Offeror concerning the implementation in favor of certain employees and managers of the Group:
  - (i) on the one hand, of two types of exceptional compensation, one referred to as a "retention bonus" (conditional upon the presence of the beneficiary in the Group six months after the completion of the Offer, for an aggregate amount of 5 million euros), the other one referred to as a "completion bonus" (conditional upon a favorable reasoned opinion of the Company's Board of Directors on the Offer and the successful completion of such Offer, and subject to the presence of the beneficiary on such date, for an aggregate amount of 2.4 million euros, including 1,437,500 euros to be paid to the Chief Executive Officer subject to the approval of the Shareholders' Meeting in accordance with articles L. 22-10-8 and L. 22-10-34, II of the French Commercial Code, as applicable), and
  - (ii) on the other hand, a management incentive plan in cash, which will be paid within a period of maximum two years, for a maximum aggregate amount of 10 million euros, subject to customary conditions (weighted at 20% for performance criteria and 80% for presence);
- a customary exclusivity undertaking by Europcar Mobility Group in favor of the Offeror, providing for certain exceptions in the event of a qualified superior alternative offer and which will lapse if the Offer has not been filed with the AMF before December 31, 2021;
- customary management undertakings given by Europcar Mobility Group in the ordinary course of business;
- a break-up fee of €50 million to be paid by the Offeror to the Company if (i) the filing of the Offer fails to occur on or prior to December 31st, 2021 for any reason (including failure to obtain the antitrust clearances) or (ii) the Offeror fails to obtain all the antitrust clearances on or prior to March 31, 2022 (or June 30, 2022 in certain cases if the Company elects to extend such long stop date); and
- a break-up fee of €50 million to be paid by the Company to the Offeror in the event the Board of Directors gives a favorable opinion on a qualified superior alternative offer.

REASONS JUSTIFYING THE INTEREST OF THE TENDER OFFER AGREEMENT FOR THE COMPANY

The Board of Directors of Europcar Mobility Group has considered that the Tender Offer Agreement is justified in light of the Company's corporate interest and the interests of its shareholders and employees, in particular in that it provides for:

- the conditions of an Offer which would enable, if successful:
  - (i) Europcar Mobility Group to stabilize its shareholder base and combine with a Consortium led by Volkswagen, the Group's long-standing partner and a world leader in the automotive industry, which has announced its intention to make the Company the basis for its mobility platform,
  - (ii) its shareholders, to benefit from an immediate liquidity opportunity for all their shares at a guaranteed price, and
  - (iii) its employees, to be part of the Group's growth and transformation project led by its new controlling shareholder;
- commitments by the Consortium and the Offeror (in particular in terms of cooperation and payment of a break-up fee in connection with obtaining the antitrust clearances, as described above) to secure and accelerate the implementation of this combination.

Agreements previously approved by the General Meeting

We have not been informed of any agreements approved in prior years and which remained current during the past fiscal year.

Signed in Neuilly-sur-Seine and Paris-La Défense, April 27, 2022

The Statutory Auditors

Mazars Guillaume Devaux	PricewaterhouseCoopers Audit Romain Dumont

7.5 PUBLICLY AVAILABLE DOCUMENTS

The by-laws, minutes of shareholders' meetings as well as other corporate documents of the Company, the reports of the shareholders' meetings as well as financial information and any expert valuation or statement requested by the Company and to be made available to shareholders in accordance with current regulations may be consulted at the Company's headquarters: Europcar Mobility Group, 13 ter boulevard Berthier, 75017 Paris, France.

Some of these documents are also available on the Europcar Mobility Group website (http://investors.europcar-group.com).

7.6 CONCORDANCE TABLES (EUROPEAN REGULATION NO. 2019/980, ANNUAL FINANCIAL REPORT, MANAGEMENT BOARD REPORT, CONCORDANCE TABLE FOR SOCIAL, SOCIETAL AND ENVIRONMENTAL DATA)

Concordance Table with the annual financial report

The concordance table below enables the identification in this Universal Registration Document of information contained in the annual financial report referred to in Article L. 451-1-2 of the French Monetary and Financial Code and in Article 222-3 of the General regulation of the French financial markets authority (AMF).

	Subject	Chapters	Sections
1	**Declaration of the natural persons who assume responsibility for the annual financial report**	**7**	**7.1**
2	**Management report**	**7**	**7.6**
3	**Financial statements and reports**		
3.1	Parent company financial statements	3	3.6
3.2	Statutory Auditors' report on the parent company financial statements	3	3.6
3.3	Consolidated financial statements	3	3.4
3.4	Statutory Auditors' report on the consolidated financial statements	3	3.4
4	**Other information**		
4.1	Declaration of the Statutory Auditors' fees	3	3.4 (note 13 to the consolidated financial statements)
4.2	Board of Directors' report on corporate governance	5	5.4
4.3	Statutory Auditors' report on Board of Directors' report on Corporate Governance	3	3.6
4.4	Description of the share buy-back program	6	6.3.7

Concordance table with the management report

The concordance table below enables the identification in this Universal Registration Document of information contained in the annual management report produced by the Company's Management Board as defined in Articles L. 225-100 et seq. of the French Commercial Code.

Subject		Chapters	Sections
1	**Information on the Company's business**		
1.1	Overview of the business (including progress made and difficulties encountered) and the results of the Company, each subsidiary and the Group	1	1.4
		3	3.1 to 3.6
1.2	Analysis of changes in the business, results, the financial position and in particular, the indebtedness of the Company and the Group	3	3.1 to 3.6
1.3	Foreseeable Company and/or Group trends	3	3.8
1.4	Key financial and non-financial indicators of the Company and/or the Group	1, 3 and 4	1.1.1, 3.1.3.1 and 4.7
1.5	Post-closing events of the Company and the Group	1 and 3	1.2.2.2, 3.4 (note 14 to the consolidated financial statements) and 3.10
1.6	Guidance on the use of financial instruments including the financial risks and the price, credit, liquidity and cash risks of the Company and the Group	2	2.4
1.7	Principal risks and uncertainties of the Company and the Group	2	2.1 to 2.5
1.8	Research and development information of the Company and the Group	1	1.5
1.9	Principal characteristics of the internal control and risk management procedures relating to the preparation and processing of financial and accounting information	2	2.6 to 2.8
1.10	Current branches	N/A	N/A
1.11	Guidance on financial risks related to the effects of climate change and the presentation of the measures that the Company is taking to reduce them by implementing a low-carbon strategy	2 and 4	2.6.2.3, 4.2.2 and 4.5
2	**Legal, financial and tax information of the Company**		
2.1	Breakdown and change in shareholders	6	6.4.1
2.2	Name of the controlled companies holding treasury shares of the Company and share of the equity capital they hold	N/A	N/A
2.3	Significant stakes acquired during the fiscal year in companies with their headquarters in France	1	1.6
2.4	Notice of holdings of more than 10% of the share capital of another company; disposition of cross-shareholdings	N/A	N/A
2.5	Purchases and sales by the Company of its own shares (share buy-back)	6	6.3.7
2.6	Statement of employee shareholdings	6	6.5
2.7	Notice of potential adjustments:		
	• for securities giving access to the share capital and stock options in the case of share buy-backs	6	6.3.4
	• for securities giving access to the share capital in the event of financial transactions.	6	6.3.4
2.8	Dividends paid out in the three preceding fiscal years	3	3.5.6
2.9	Non-tax-deductible expenses and charges	N/A	N/A
2.10	Terms of payment and breakdown of balance of trade payables and trade receivables by due date	3	3.6 (notes 12 et 13 to the statutory financial statements) and 3.7

Subject		Chapters	Sections
2.11	Injunctions or fines for anti-competitive practices	2	2.9
3	**Information on corporate officers**		
3.1	In the case of stock option grants, presentation of the information used by the Management Board to decide: to either not allow executives to exercise their options before the end of their terms of office, or to require them to hold all or part of the shares arising from options already exercised in registered form until they cease to hold office (by specifying the portion thus fixed)	N/A	N/A
3.2	Summary statement of the transactions in Company securities by executives and related parties	5	5.7
3.3	In the case of free share grants, presentation of the information used by the Management Board to decide: to either not allow executives to sell the free shares granted to them before the end of their terms of office, or to fix the quantity of these shares that they must hold in registered form until the end of their employment (by specifying the portion thus fixed)	5	5.6.3.2
4	**The Company's CSR information**		
4.1	Acknowledging the social and environmental consequences of the business and the Company's social commitments to sustainable development, including the impact of its activity on climate change and the usage of goods and services that it produces to benefit sustainable development, the circular economy, efforts to combat food waste and efforts to promote the fight against discrimination and to encourage diversity	4	4.1 to 4.9
4.2	Collective bargaining agreements entered into in the Company and their impact on its economic performance as well as on the working conditions for employees	4	4.4
5	**Other information**		
5.1	The amount of loans of at least a two year maturity granted by the Company, and ancillary to its main business, to micro-businesses, SMEs or to medium-sized businesses with which it has economic ties justifying the loan (1)	N/A	N/A
5.2	Information on payments made to authorities in each of the countries or areas in which the Company conducts the following activities: the exploration, prospecting, discovery, exploitation or extraction of hydrocarbons, coal and lignite, metal ores, stone, sand and clay, chemical minerals and fertilizers, peat, salt or other mineral resources in the exploitation of primary forests (2)	N/A	N/A
5.3	Table showing the results for the last five years	3	3.5.7
5.4	Board of Directors' report on corporate governance	5	5.4

(1) Article L. 511-6, 3 bis of the French Monetary and Financial Code as amended by law No. 2015-992 of August 17, 2015.
(2) Article L. 225-102-3 of the French Commercial Code as amended by Ordinance No. 2015-1576 of December 3, 2015.

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Concordance table with the Sections from Annexes 1 and 2 of the commission Delegated regulation (EU) 2019/980 of March 14, 2019 supplementing regulation (EU) 2017-1129

The concordance table below enables identification in this Universal Registration Document of the information discussed in the various Sections of Annex 1 of the commission Delegated regulation (EU) 2019/980.

Information		Chapters	Sections
1	**Persons responsible, third party information, expert's reports and competent authority approval**		
1.1	Persons responsible for the information included in the Universal Registration Document	7	7.1
1.2	Declaration by those responsible for the Universal Registration Document	7	7.1.2
1.3	Person acting as an expert	N/A	N/A
1.4	Confirmation for information sourced from a third party	N/A	N/A
1.5	Statement on the approval of the Universal Registration Document by the competent authority	-	Page 1
2	**Statutory Auditors**		
2.1	Information related to the Statutory Auditors	7	7.1.4
2.2	Statutory Auditors that have resigned, been removed or have not having been reappointed during the period covered	N/A	N/A
3	Risk factors	2	2.1 to 2.9
4	**Information concerning the issuer**		
4.1	Legal name and trading name of the Company	6	6.1.1
4.2	The Company's place of registration, registration number, and legal entity identifier (LEI)	6	6.1.2
4.3	The Company's date of incorporation and legal life	6	6.1.3
4.4	The Company's domicile (country of incorporation, address and telephone number), legal form and the legislation under which it operates, and website	6	6.1.4
5	**Business overview**		
5.1	Principal activities	1	1.4
5.1.1	A description of the nature of the issuer's operations and its principal businesses	1	1.3 and 1.4
5.1.2	Indication of any new products and/or services introduced	1	1.4
5.2	Principal markets in which the Company competes	1	1.3 and 1.4
5.3	Important events in the development of the Company's business	N/A	N/A
5.4	Strategy and objectives	1	1.3
5.5	The extent to which the Company is dependent on patents or licenses, industrial, commercial or financial contracts, or new manufacturing processes	1	1.7
5.6	The basis for any statements made by the Company regarding its competitive position	1	1.3.2.2
5.7	Investments	3	3.3
5.7.1	Description of the principal investments made by the Company	3	3.3
5.7.2	Description of any material investments of the Company that are in progress, including the geographic distribution	3	3.3
5.7.3	Information relating to the joint ventures and undertakings in which the Company holds a proportion of the capital likely to have a significant effect on the assessment of its own assets and liabilities, financial position or profits and losses	1	1.6
5.7.4	Any environmental issues that may affect the Company's utilization of its property, plant and equipment	4	4.2.2 and 4.5
6	**Organizational structure**		

Information		Chapters	Sections
6.1	Description of the Group	1	1.6
6.2	List of significant subsidiaries	1	1.6.2
7	**Operating and financial review**		
7.1	Financial condition	3	3.1 to 3.6
7.1.1	Fair review of the development and performance of the Company's business, and of its position for each year and interim period for which historical financial information is required	3	3.1 to 3.6
7.1.2	The Company's likely future development and activities in the field of research and development	1	1.5
7.2	Operating results	3	3.1.3.2 and 3.5.2
7.2.1	Events materially affecting the issuer's income from operations	3	3.1 to 3.6
7.2.2	Narrative discussion of the reasons for material changes in net sales or revenues	3	3.1 to 3.6
8	**Capital resources**		
8.1	Information about the Company's capital resources	3	3.2
8.2	Sources and amounts and a narrative description of the issuer's cash flows	3	3.2.2
8.3	Information on the borrowing requirements and funding structure of the issuer	3	3.2.3
8.4	Information regarding any restrictions on the use of capital resources that have materially affected, or could materially affect the issuer's operations	N/A	N/A
8.5	Expected financing sources deemed necessary for the Company to comply with its commitments	3	3.2.3
9	**Regulatory environment**	**2**	**2.5.1**
10	**Trend information**		
10.1	Main trends affecting production, sales and inventory, costs and sale prices since the end of the last fiscal year and any significant change in financial performance since the end of the last fiscal year	1 and 3	1.3.1 and 3.8
10.2	Known trends, uncertainties or requests, commitments or events reasonably likely to have a material effect on the issuer's outlook, at least for the current fiscal year at least for the current fiscal year	3	3.8 and 3.9
11	**Profit forecasts or estimates**	**N/A**	**N/A**
12	**Administrative, management and supervisory bodies and senior management**		
12.1	Information on the members of the administrative or management bodies of the Company	5	5.1
12.2	Administrative, management and supervisory bodies and senior management conflicts of interest	5	5.2.2.3
13	**Remuneration and benefits**		
13.1	Amount of remuneration paid and benefits in kind	5	5.5 and 5.6
13.2	Total amount of the provisions made or recorded by the issuer or by its subsidiaries for the payment of pensions, retirement plans or other benefits	N/A	N/A
14	**Board practices**		
14.1	Date of expiration of the current terms of office	5	5.1.1
14.2	Information about members of the administrative and management bodies' service contracts	N/A	N/A
14.3	Information on the Audit Committee and the Compensation and Nominations Committee	5	5.2.2.8 (paragraph (iv))
14.4	Statement of compliance with the corporate governance regime	5	5.2.1 and 5.2.2
14.5	Potential material impacts on the corporate governance, including future changes in the Board and committees composition	1 and 6	1.1.2.1 and 6.4.6
15	**Employees**		
15.1	Number of employees	4	4.4.2.1

Information		Chapters	Sections
15.2	Shareholdings and stock options	5	5.6.3.2
15.3	Arrangements for involving the employees in the capital of the issuer	6	6.5
16	**Major shareholders**		
16.1	Shareholders holding more than 5% of the share capital	6	6.4.1 and 6.4.2
16.2	Existence of different voting rights	6	6.2.3 and 6.2.4
16.3	Ownership or control of the issuer	6	6.4.4
16.4	Arrangement whose operation could lead to a change in control	6	6.4.5 and 6.4.6
17	**Related party transactions**	**7**	**7.2 and 7.4**
18	**Financial information concerning the issuer's assets and liabilities, financial position and profits and losses**		
18.1	Historical financial information	General comments and 3	Page 1, 3.1 to 3.6
18.2	Interim financial and other information	N/A	N/A
18.3	Auditing of historical annual financial information	3	3.4 and 3.6
18.4	Pro forma financial information	1	1.1.1.2
18.5	Dividend policy	6	6.7
18.6	Legal and arbitration proceedings	2	2.9
18.7	Significant change in the financial or business position	3	3.10
19	**Additional information**		
19.1	Share capital	6	6.3
19.2	Memorandum and Articles of Association	6	6.2
20	**Material contracts**	**7**	**7.3**
21	**Documents available**	**7**	**7.5**

The concordance table below enables identification in this Universal Registration Document of the information discussed in the various Sections of Annex 2 of the commission Delegated regulation (EU) 2019/980.

Information		Chapters	Section
1	**Information to be disclosed about the Company**		
1.1	Information required in accordance with the disclosure requirements for the Universal Registration Document for the equity securities set out in Annex 1	7	7.6
1.2	Statement indicating that the Universal Registration Document may be used for the purposes of a public offer of securities or the admission of securities to trading on a regulated market if supplemented by amendments, if any, and an approved securities note and summary and stating, where applicable, that the Universal Registration Document has been filed with the competent authority without prior approval	-	Page 1

7.7 GLOSSARY

7.7.1 Operational glossary

Stations

Locations where the Group offers its rental services. These may take the form of station counters at certain locations such as airports.

Air Force 1

Project to improve customer service, set up by Europcar in the 20 main European airports representing 16% of the Group's rentals.

Car-sharing service

Car-sharing services restricted to subscribing members. The marketplace matches available cars to potential drivers. The car-sharing market can be divided into three segments: (i) car-sharing operators that offer urban users the virtual ownership of the vehicles, (ii) players that offer professional management and fleet optimization services and (iii) vehicle sharing platforms that put individuals in contact in order to share a vehicle.

Business Unit

Operating divisions covering the market segments in which the Group is located.

Business customers

Refers principally to "Large Corporates," small and medium-sized businesses and organizations that rent replacement vehicles.

Leisure customers

Refers principally to individual travelers renting vacation or weekend car rentals, as well as people renting vehicles to meet other personal needs, as well as travel agents, tour operators or brokers.

Auto dealer

Companies that sells new or used vehicles at the retail level, based on a dealership contract with car manufacturers or their sales subsidiaries.

Concessionary arrangement

Arrangement whereby a local authority, corporation or other legal entity grants the Group the right to use land or property.

Broker

Intermediaries acting on the leisure segment and selling vehicle rental services to end customers on behalf of the Group.

Average rental duration (in days)

The average rental duration corresponds to the number of rental days divided by the number of rental agreements.

E-commerce

The sale or purchase of goods or services performed by means of a remote communications network.

Buy-back commitment

Undertaking from car manufacturers or auto dealers to repurchase vehicles at a pre-determined fixed price subject to certain terms and conditions.

Europrogramme

A corporate insurance program allowing each subsidiary operating in each country participating in the program to benefit from motor vehicle liability insurance from its local AIG Europcar Ltd branch, established in the country in which the subsidiary operates.

Customer experience

Expression that summarizes the Group's ambitions in terms of improved customer satisfaction.

Corporate countries

Countries in which the Group owns and operates its own network, where directly operated stations and agent-operated stations are located (Australia, Austria, Belgium, Denmark, Germany, Slovakia, Spain, France, Hungary, Ireland, Italy, Luxembourg, Portugal, the United Kingdom and New Zealand, as well as Croatia, Greece and Turkey which are Goldcar Corporate Countries).

Fleet

All vehicles operated by the car rental company, whether or not available for rent.

Average rental fleet

The average rental fleet corresponds to the number of vehicles in the fleet during the period, multiplied by the number of days in the period when the fleet is in operation, divided by the total number of days during the period.

Franchise/Franchising

Agreement where the franchiser grants the franchisee the right to use its trademark or trade-name as well as certain know-how in order to produce and market goods or services according to certain specifications. In return, the franchisee usually pays the franchiser an entry fee and, each year, a percentage of sales revenues as royalty.

Customer Relationship Management (CRM)

System for managing the Group's interactions with current and future customers.

Net Promoter Score (NPS)

The Net Promoter Score corresponds to the difference between the "promoters" and the "detractors" of the Europcar brand. It is obtained by adding together the people who have answered 9 or 10/10 to the question "Would you recommend Europcar to your friends or family?"minus the number of people who answered 6 or less.

Number of rental agreements

The number of rental agreements is the number of vehicle rentals billed to a customer.

Rental day volume (in millions)

Rental day volume corresponds to the rental day volume realized by the customers, including each day or period of shorter than a day for which a rental vehicle is invoiced to a client.

Holding period

The period for which a vehicle is owned or leased by the Group (i.e., from the date of acquisition or start date of a lease of a vehicle by the Group to its sale or return date).

Esop 2017 Plan

Employee shareholding plan set up in 2017 in each of the Corporate Countries.

Replacement vehicle

Service offered by the Group to insurance companies, vehicle leasing companies, vehicle dealers and other entities offering vehicle replacement services to their own customers.

General sales agent (GSA)

General sales representative who promotes and sells the services offered by Europcar in a specific country or region in consideration of a commission.

Europcar network

All of the Group's rental stations worldwide held directly or through its franchisees or agents.

Goldfleet companies

Companies formed in 2018 as part of the extension of the Group's securitization program to purchase and own vehicles, and to lease them to the Group's local operating companies in France, Germany, Italy and Spain.

Securitifleet companies

Companies formed as part of the Group's securitization program, to purchase and own vehicles, lease them to the local operating companies of the Group in France, Germany, Italy and Spain.

Système GreenWay®

Software application, owned by Europcar, offering a comprehensive business solution mainly in the areas of fleet management, e-commerce, reservations and global distribution systems and rental operations.

Global distribution system (GDS)

Computerized reservation systems operated by third parties and used by intermediaries such as travel agents and travel/tour operators to make reservations with the Europcar network.

RentWay system®

Overall vehicle rental and fleet management system for the InterRent® trademark.

Fleet utilization rate

The fleet financial utilization rate corresponds to the Number of Rental Days as a percentage of the number of days the fleet is considered financially available. The fleet's financial availability period represents the period during which the vehicles are in operation. The higher the fleet utilization rate, the fewer vehicles are necessary in the fleet to generate a given volume of rental days.

"At risk" vehicles

Vehicles purchased by the Group from car manufacturers or car dealers not benefiting from a buy-back option or agreement.

Vehicle operating lease

Agreement by which a vehicle is leased by a car rental company on a short-term basis, which pays rent periodically to a financial institution or the finance division of a car manufacturer; at the end of the operating lease, ownership does not pass to the car rental company.

For instance, in the context of the implementation of the Group's securitization program, the Securitifleet Companies, whose purpose is to purchase and own vehicles, lease said vehicles to the operating companies of the Group pursuant to master operating lease agreements.

Vehicle finance lease

Agreement by which a vehicle, held by a credit institution, is leased for a long period of time to a car rental company which in turn pays for the lease on a periodic basis and has the option to acquire ownership of such vehicle during or at the end of the rental period.

During the term of the lease, the finance company remains the legal owner of the vehicle; however the rental company retains the benefits and risks of (economic) ownership.

7.7.2 Financial glossary

Revenue per rental day – RPD (in euro)

Revenue per rental day (RPD) corresponds to vehicle rental income divided by the Number of Rental Days for the period.

Adjusted Corporate EBITDA

Adjusted corporate EBITDA is an indicator of the Group's performance. It is equal to the recurring operating income before depreciation and amortization not connected with the vehicle fleet and after deduction of the interest expense connected with the debt serving fleet financing.

Average monthly costs per fleet unit (per month and in euro)

Average monthly costs per fleet unit corresponds to the total fleet costs (fleet holding costs and fleet operating cost) excluding interest expense included in fleet operating lease rents and insurance fees, divided by the average fleet of the period, itself divided by the number of months in the period.

Organic growth in revenue

Organic growth in revenue corresponds to growth at constant consolidation and exchange rate and excludes the impact of oil-related revenue.

Net corporate debt

Net corporate debt includes all the financings recorded on the balance sheet dedicated to the financing of non-fleet purposes (mainly non-fleet working capital and capex). This cumulated amount is adjusted by the equity amount injected by the Group in the financing of the fleet, by using its available cash and general corporate purpose financings (in particular the RCF).

Net fleet debt

Net fleet debt includes all the financings related to the fleet recorded on the balance sheet. It corresponds to the total outstanding amounts owed by all the Group entities on their fleet financing facilities recorded on the balance sheet, adjusted by the equity amount injected by the Group in the financing of the fleet, by using its available cash and general corporate purpose financings (in particular the RCF).

Total net fleet debt

Total net fleet debt includes all financing in relation to the fleet whether or not it is recorded in the balance sheet. It corresponds to the net fleet debt and the estimated outstanding value of the fleet financed through operating leases (which corresponds to the net book value of the vehicles in question). The latter amount is calculated based on the purchase prices and depreciation rates of corresponding vehicles (based on contracts signed with the manufacturers).

Total net debt

Total net debt is an indicator of corporate net debt related to the fleet, whether on the statement of financial position or not. It corresponds to the sum of net corporate debt and total net fleet debt.

Adjusted Consolidated EBITDA

Adjusted consolidated EBITDA is an indicator of the Group's performance. It corresponds to the adjusted corporate EBITDA restated for the total fleet depreciation (including fleet depreciation included in operating leases) and for the fleet financing costs (including estimated interest included in operating leases).

Corporate free cash flow

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

Cash flow after payment of high-yield interest

Cash flow after payment of high yield interest corresponds to corporate free cash flow after payment of interest on high yield borrowings.

Corporate debt leverage

Corporate debt leverage corresponds to the ratio of corporate net debt to adjusted corporate EBITDA.

Adjusted corporate EBITDA margin

The adjusted corporate EBITDA margin is an indicator of the Group's profitability. It is calculated by dividing the adjusted corporate EBITDA by total revenue.

Vehicle rental income

Revenue from the vehicle rental business is one of the components of Group revenue. It corresponds to total revenue excluding franchising business and other revenue associated with car rental (including oil-related revenue).

Dividend payout ratio

The dividend payout ratio corresponds to the total amount of dividends for the year ended divided by the annual net profit for the same year.

Operating income

Operating income is an indicator of the Group's performance. It corresponds to the net income/(loss) before net financing costs, income tax and share of profit/(loss) of associates accounted for under the equity method.

Adjusted recurring operating income

Adjusted recurring operating income is an indicator of the Group's performance. It corresponds to the recurring operating income restated for the estimated interest included in operating lease rents.

Conversion rate for corporate free cash flow

The conversion rate for corporate free cash flow corresponds to corporate free cash flow divided by adjusted corporate EBITDA (excluding the New Mobility Business Unit).

Total Shareholder Return (TSR)

Total Shareholder Return is an overall performance measure for the Europcar share. It corresponds to the global rate of return of the stock for the investors over the holding period and combines dividends received and stock price.

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BUCHBINDER Rent-a-Car

FOX RENT A CAR

Europcar Mobility Group

Siège social
13 *ter* boulevard Berthier
75017 Paris (France)

Europcar Mobility Group
Société anonyme à Directoire et Conseil de surveillance
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