Europcar Mobility Group

REGISTRATION DOCUMENT

including the annual financial report

2018

*MINORITY STAKE

CONTENTS

GENERAL COMMENTS

This Registration Document (hereinafter the "Registration Document") also includes:

- 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 AMF General regulation; and
- the annual management report of the Management Board of Europcar Mobility Group SA, 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 7.7 of this Registration Document on pages 417 to 419 identify the information related to these two reports.

In this Registration Document, the terms the "Company", "Europcar Mobility Group" and "Europcar Mobility Group S.A." mean the Europcar Mobility Group company, the holding company of the Group, and the word, "the Group" should be understood as a reference to Europcar Mobility Group S.A and all companies included in the consolidation scope.

In this Registration Document, except where otherwise stipulated, the 2018 calculated data for the corporate countries integrate (1) the data for Buchbinder, a group of companies acquired by Europcar on September 20, 2017; (2) the data for the Danish companies Ostergaard Biler A/S and NordCar Finance A/S, a former Group franchisee acquired by Europcar on April 27, 2017; and (3) the data on Goldcar, a group of companies which Europcar acquired on December 19, 2017.

Pursuant to Article 28 of EU regulation 809/2004, the following information is incorporated by reference in this Registration Document:

- the consolidated financial statements of the Group for the fiscal year ended December 31, 2017 contained in Section 3.4 of the Registration Document filed with the AMF on April 20, 2018 under number R. 18-020 (the "2017 Registration Document"), on page 159 et seq.;
- the report of the Statutory Auditors on the consolidated financial statements of the Group for the fiscal year ended December 31, 2017, contained in Section 3.4 of the 2017 Registration Document, on pages 241-244 (inclusive);
- the comparison of results for the years ended December 31, 2017 and 2016, contained in Section 3.1.2 of the 2017 Registration Document, on pages 119 to 130 (inclusive);
- the consolidated financial statements of the Group for the year ended December 31, 2016 contained in Section 3.4 of the Registration Document filed with the AMF on April 12, 2017 under number R. 17-015 (the "2016 Registration Document"), on page 145 et seq;
- the report of the Statutory Auditors on the consolidated financial statements of the Group for the year ended December 31, 2016, contained in Section 3.4 of the 2016 Registration Document, on pages 215 and 216 (inclusive);
- the comparison of results for the years ended December 31, 2016 and 2015, contained in Section 3.1.2 of the 2016 Registration Document, on pages 109 to 119 (inclusive).

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 Registration Document.

AUTORITÉ DES MARCHÉS FINANCIERS
AMF

This Registration Document was filed with the French Market Authority ("AMF") on March 27, 2018, pursuant to Article 212-13 of the general regulation of the AMF. This document may only be used in support of a financial transaction if supplemented by a securities note approved by the AMF. It was prepared by the issuer and is the responsibility of its signatories.

Copies of this Registration Document may be obtained free of charge from Europcar Mobility Group S.A., 13 ter boulevard Berthier, 75017 Paris, and on the websites of Europcar Mobility Group (www.europcar-mobility-group.com) and the AMF (www.amf-france.org).

MESSAGE FROM THE CHAIRWOMAN OF THE MANAGEMENT BOARD

CAROLINE PAROT,
Chairwoman
of the Management Board

The year 2018 was a major stepping stone in our transformation, in which we reaped the fruits of what we started a few years ago.

Indeed, we undertook in 2014 an in-depth transformation by growing faster at an international level, addressing new car rental use cases but also diversifying our activities beyond the historical car rental business. By doing so, we reshaped our Group's profile. From a car rental specialist – mono-brand, mono-business, car-centric –, **the Group has become a global provider of mobility solutions – multi-brands, multi-business, customer-centric** - offering a wide range of services: vehicle rental, chauffeur services, vehicle sharing (cars, scooters) and peer-to-peer car-sharing.

At the same time, supporting these evolutions, our network - powered by digital – has become a strong platform on a daily basis, serving 7.7m customers wherever we operate, be it for one hour, one day, one week or longer.

This swift repositioning is now refl ected by our new name: Europcar Mobility Group, adopted during our Annual Shareholders Meeting in May 2018.

We, at Europcar Mobility Group, are convinced that there is a market need for global providers of mobility solutions, making people's life easier and that we will play a leading role in this game.

We have set up our mission: **we want to be the preferred "Mobility Service Company" by offering attractive alternative solutions to vehicle ownership**.

Last but not least, we have defined our purpose: **deliver an experience of open mobility for all**, lifting barriers, giving individuals as well as groups of people easy access to this great new world of mobility solutions, whenever and wherever they want, whatever the ride.

Taking into account the identified growing mobility needs, with double digit growth prospects between now and 2025, we believe that moving forward on this vision and fulfilling these mission and purpose will allow us to sustainably create value and growth.

In 2018, we have not only seen the outputs of our strategic moves, we have pushed our transformation further and accelerated to reach our 2020 Ambition: deliver a revenue of more than 3 billion euros.

With a record-breaking 2018 performance, in terms of both revenue and Adjusted Corporate EBITDA – €2.9 bn (+3.4% pro-forma) and €327 million of Corporate EBITDA (including New Mobility) - our 2020 Ambition is more than ever within our reach. Therefore, I would like to thank our customers for their loyalty to our brands and services, as well as all our employees, franchisees, partners and agents who strongly took part in this achievement.

We now want to focus on the acceleration of our "Leverage and Scale Up" strategic framework: serving more customers and more mobility usages and needs, leveraging our strong network platform capabilities and assets, scaling up our new mobility activities but also our customer reach and our global footprint.

For all these reasons and prospects, I am confident in our ability to fully achieve our ambition for the next years.

GROUP HISTORY

1949-2013: from the origins of the company to a position of N°1 car rental brand in Europe, with a global footprint

1949

Founding of Europcar in Paris by Raoul-Louis Mattei under the name "L'Abonnement Automobile".

1951

Creation of the "Europcars®" brand.

1970

Raoul-Louis Mattei sells Europcars to Régie Renault.

1973

Creation of subsidiaries in Germany, Belgium, the Netherlands and Switzerland.

1974

The "s" disappears, the brand then becomes "Europcar®". Creation of subsidiaries in Spain, the UK, Italy and Portugal.

1988

Renault is replaced by Compagnie des Wagons-lits and then Volkswagen. InterRent and Europcar merge.

1991

Acquisition of Compagnie des Wagons-lits by Accor, which thus becomes the shareholder of Europcar International.

2003

Europcar becomes the European car rental leader thanks to a strategy based on the increase in the number of operating franchises and the development of numerous sales partnerships with travel agents, airlines companies, etc.

2005

Europcar joins the United Nations Global Compact launched by Kofi Annan at the World Economic Forum in Davos. The Group has thus adopted the ten fundamental principles of the Global Compact.

2006

Eurazeo takes control of Europcar, becoming the sole shareholder of Europe's number one car rental group.

2014 – 2017: from a mono-brand, mono-business, car-centric Group to a multi-brands, multi-business, customer-centric Group

2014

The Group's top management team defines the 2020 roadmap and enforces the first strategic moves, with the acquisition of Ubeeqo and the creation of the Europcar Lab.

2015

Success of the IPO. The strategic story of the Group has convinced a large panel of investors who will fund the push into mobility solutions. Mobility solutions portfolio widens with the acquisition of E-Car Club.

2016

The Group's mobility solutions portfolio keeps widening with the acquisition of Brunel and Bluemove. The Group's global footprint is reinforced with the acquisition of the Europcar franchisee in Ireland. The Group adopts a new organization by Business Unit, to better address customers needs and new usages: 5 BUs – Cars, Vans & Trucks, Low Cost, New Mobility, International Coverage.

2017

The Group becomes "bigger, stronger, faster" through international expansion, M&A and partnerships.

- Acquisition of Buchbinder, acquisition of the Europcar Danish franchisee, thus reinforcing the Cars BU and the Vans & Trucks BU.
- Acquisition of Goldcar, the European leader of the Low Cost car rental, allowing the Group to "enter a new league" on the low cost segment.
- In the New Mobility BU, Ubeeqo keeps growing with the acquisition of Guidami in Italy.

2018 HIGHLIGHTS

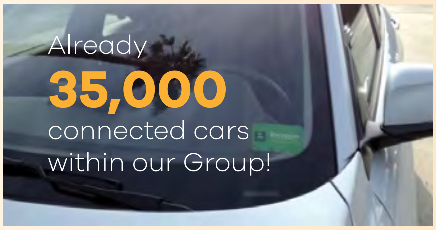
NEW MOBILITY

Ubeeqo
+20%
new users every month, in Paris, all through 2018

Welcome to **scooter-sharing** with the acquisition of **Scooty**

GoCar is growing, with **500 vehicles** on the roads in Ireland

CARS



Already
35,000
connected cars within our Group!

E-commerce growth
+9%
compared to 2017

NPS* in 2018
56.4
+1.7 versus 2017

** Net Promoter Score for the Europcar brand.*

VANS & TRUCKS

Opening of
12 “supersites”
to support the organic growth of the V&T BU

Successful integration of **Buchbinder**

(Vans & Trucks and Cars rental operator)

LOW COST

Successful integration of **Goldcar** in less than 9 months

INTERNATIONAL COVERAGE

16
new franchises
(Europcar, Buchbinder, Goldcar, InterRent)

A renewed partnership with **Izu** in China and a new partnership with **ECO Rent a Car** in India.

Europcar Mobility Group

A new name to connect all our brands & position our Group as a **global mobility solutions provider**

Hello Paris!
New headquarters of the Group in Paris, reflecting our transformation

WE ARE A MOBILITY SERVICE COMPANY...

7.7 MILLION
CUSTOMERS

OUR MOBILITY SOLUTIONS

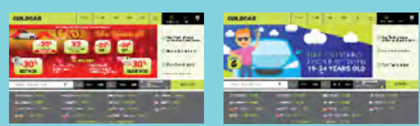
Hour(s)	Hours to day(s)	Day(s) to week(s) & more
brunel	ubeeqo	Europcar moving your way
Scooty	GoCar	GOLDCAR
	ecar	BUCHBINDER Rent-a-Car
		inter rent

OUR PLATFORM

OVER 3,600 RENTAL STATIONS

&

OVER 50 DIGITAL TOUCH POINTS



A strong capacity

to meet customers' mobility needs: be it for 1 hour, 1 day, 1 week or longer

...OPERATING IN MORE THAN 130 COUNTRIES

90m
Rental days

> 315,000
(on average)
Vehicles fleet

€2.9bn
Revenue

> 12,000
Employees

1 in Europe with Europcar moving your way GOLDCAR

Over **3,600**
Stations worldwide

over 1,900
Direct Stations

over 1,700
Franchises Stations

Our brands portfolio

Vehicles rental

Europcar moving your way
European leader of car rental and light commercial vehicle rental

InterRent
Mid-tier car rental specialist (leisure-focused)

GOLDCAR
Low-cost car rental leader in Europe

Buchbinder Rent-a-Car
One of the leading vehicle rental operators in Germany

New mobility solutions

ubeeqo
One of the european leaders of round-trip car sharing (B2B & B2C)

brunel
Chauffeur-services, specialist in business customers

Scooty
Electric scooter-sharing

GoCar
Car-sharing leader in Ireland

ecar
Electric pay-per-use car club

Minority stakes

Wanderio
Multimodal search and comparison platform of means of transport

SnappCar
Second largest international peer-to-peer car-sharing player in Europe

GROUP'S PERFORMANCE IN 2018 HAS BEEN RECORD-BREAKING

KEY FIGURES

(in millions of euros)

Excluding New Mobility

2,894 Revenue **+21%*** vs 2017

350 Adjusted Corporate EBITDA **+29%*** vs 2017

Including New Mobility

2,929 Revenue **+22%*** vs 2017

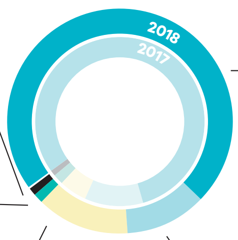
327 Adjusted Corporate EBITDA **+24%*** vs 2017

Full year Net Income of €139m, up 128% vs 2017

* *reported*

BREAKDOWN OF REVENUE

by Business Unit



72.4% (80%) Cars

1.2% (1%) New Mobility

1.4% (2%) International Coverage

13.3% (5%) Low Cost

11.7% (11%) Vans & Trucks

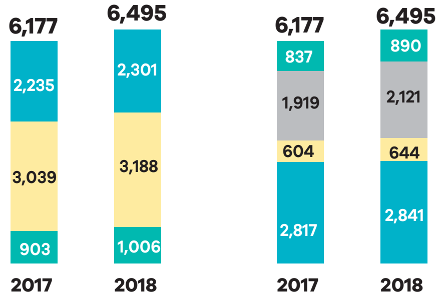
Percentages under brackets correspond to 2017 figures.

SIMPLIFIED BALANCE SHEET

(in millions of euros)

ASSETS

- Non-current assets
- Rental fleet recorded on the Balance Sheet and related receivables
- Other current assets

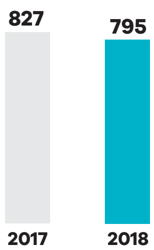


LIABILITIES

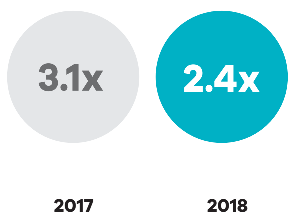
- Shareholders' Equity
- Non-current liabilities
- Rental fleet related payables
- Other current liabilities

NET CORPORATE DEBT

(in millions of euros)

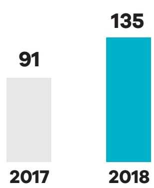


CORPORATE DEBT LEVERAGE



CORPORATE FREE CASH FLOW

(in millions of euros)



LONG-TERM RATING

STANDARD & POOR'S

B+

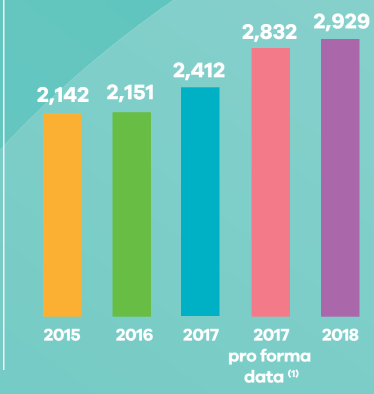
positive outlook

MOODY'S

B1

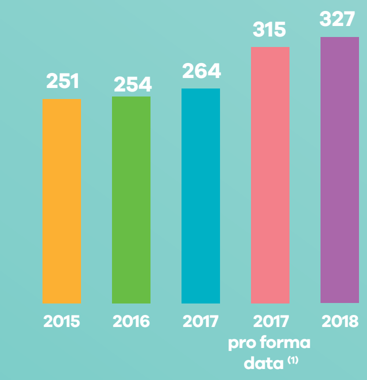
CHANGE IN REVENUE

(in millions of euros)



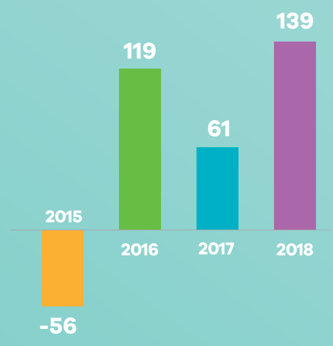
CHANGE IN ADJUSTED CORPORATE EBITDA

(in millions of euros)



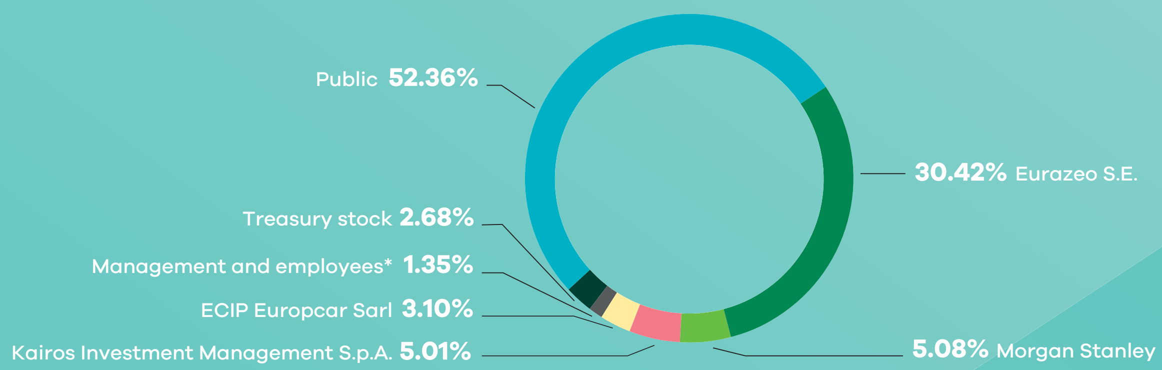
CHANGE IN NET PROFIT

(in millions of euros)



(1) *2017 pro forma figures presented above correspond to the Group's consolidated financial statements as December 31, 2017 adjusted in such a way that the Buchbinder, Goldcar and Denmark Groups of companies are retroactively included in the Group's financial statements as of January 1, 2017.*

CAPITAL DISTRIBUTION AS OF DECEMBER 31, 2018



* *Of which Management: 0.03%*
Employees: 1.32%

Shareholder return

DIVIDEND PER SHARE

€0.15 2017

€0.26* 2018

* *Of which €0.16 of ordinary dividend and €0.10 of exceptional dividend*

DIVIDEND PAYOUT RATIO

40% 2017

35% 2018

OUR GROUP IS DRIVEN BY 5 FUNDAMENTALS

The future needs global mobility providers, **making people's life easier.**

We will play a **leading role in the mobility new ecosystem.**

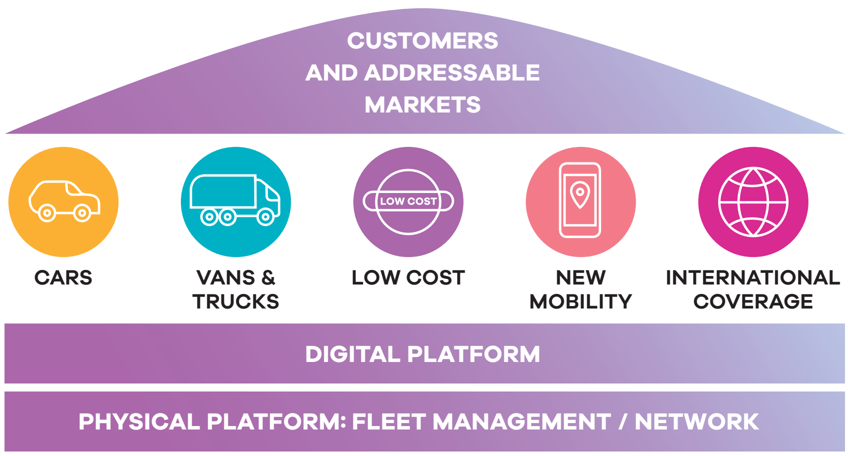
Be the **preferred "mobility service company"** for customers, by **offering alternative attractive solutions to vehicle ownership.**

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

Deliver **high value creation** for all our stakeholders.

OVERVIEW OF THE GROUP'S STRATEGY

SERVING CUSTOMERS IN THEIR **VARIOUS MOBILITY NEEDS**, LEVERAGING ON OUR 2 CORE FOUNDATIONS: OUR **DIGITAL PLATFORM** AND OUR **PHYSICAL PLATFORM.**



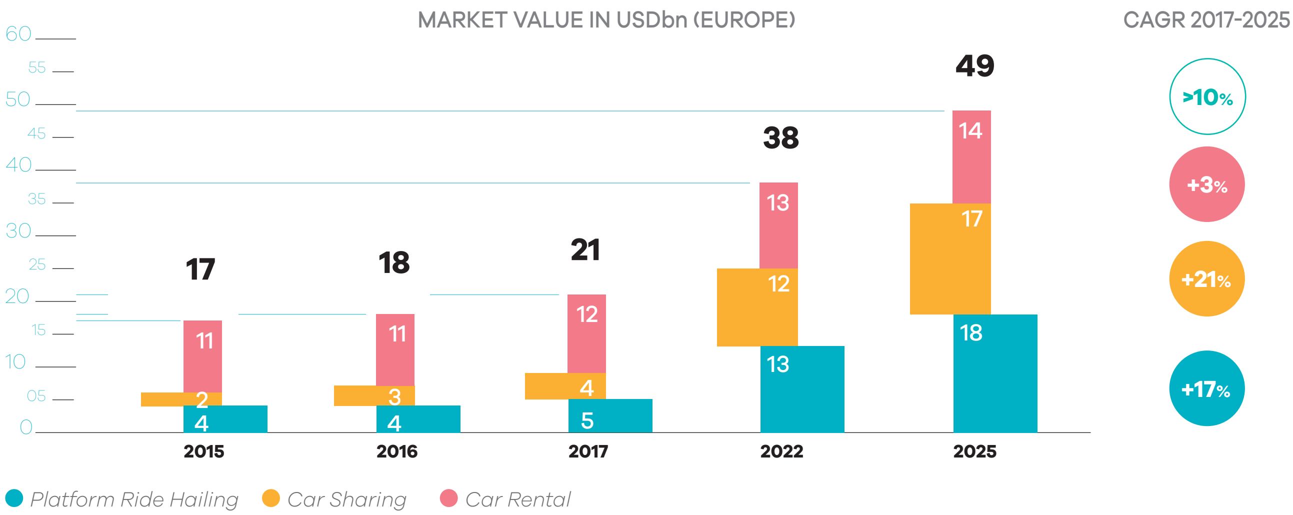
Long term value creation through:

- → A structured and consistent commercial strategy embracing new value creation opportunities
- → "Phygital" platform optimisation: one fleet, network digitalization...
- → Leaner, simplified and agile organisation.

WE ARE IDEALLY POSITIONED TO ADDRESS VARIOUS **MOBILITY USE CASES WHATEVER THE DURATION**

Digital, connected vehicles, and IT autonomous vehicle ecosystem will probably experience convergence of offer of services / services providers for those usages.

...AND SEIZE OPPORTUNITIES ON **GROWING MARKETS**



Source: Market & Markts, BCG

Mobility market is expected to grow double-digit by 2025, driven by new mobility segments.

OUR "LEVERAGE AND SCALE UP" STRATEGIC FRAMEWORK

IS ROLLED OUT IN OUR 5 BUSINESS UNITS

LEVERAGE
Digitalization and cost savings

SCALE UP
Growth initiatives and innovation

CARS
Pursuit of optimization and digitalization programs

NEW MOBILITY
Continued momentum: acquisition & innovation

VANS & TRUCKS
On-going organic deployment and sites resizing strategy

INTERNATIONAL COVERAGE
Expand globally Europcar Mobility Group services

LOW COST
Integration & synergies

CUSTOMER CENTRICITY AND DIGITAL
ARE AT THE HEART OF OUR TRANSFORMATION

3C
In our contact centers, reach a level of service that will help build customer loyalty and preference.

NPS 110
Closely monitor customer satisfaction, identify pain points so as to tackle them, using co-design with customers.

CLICK & GO
Digitalize, simplify, enrich our customer journey. First release: a mobile App to manage bookings whatever the channel and enjoy a seamless, deskless experience.

CONNECTED CARS
Build a platform gathering all data, allowing real time fleet and vehicle management, as well as augmented customer journey, through innovative services.

CORPORATE SOCIAL RESPONSIBILITY

commit together

make
mobility accessible

We are convinced that mobility should be inclusive, not excluding! Mobility can be a lever for social inclusion and accessing to mobility is key.

That's why Europcar Mobility Group develop offers, services and programs for facilitating mobility for all, aiming at giving individuals as well as groups of people easy access to this great new world of mobility.

- **By providing specific rates towards students, dedicated offers for families, low-cost car rentals and, in some countries, special adapted vehicles for people with reduced mobility, the Group is keen to provide offerings that are accessible to people whatever their condition, need and budget.**

be
a responsible employer

We live an exciting age of Mobility, where mobility new usages and needs create job opportunities and require new skills to be developed. In this fast changing context, Europcar Mobility Group's success is intimately bound to employees' commitment, diversity and development.

These are the 3 pillars on which we focus our efforts.

- **Employees gender balance : 55% of men / 45% of women**
- **66 nationalities**
- **76% of employees trained during the year**
- **1,057 employees having benefited from an internal promotion during the year**
- **1,32% of the capital held by Group's employees (at 12/31/2018)**

act
for the environment

In front of massive urbanization and demographics explosion, Europcar Mobility Group wants to be part of the solution, not part of the problem. This means that we seek to play an active role in the transition to a low carbon world.

In that perspective, we promote new mobility solutions that are an alternative to vehicle ownership, we develop our offer of hybrid and electric vehicles, we strive at reducing our environmental footprint (water, energy...), and we promote eco-driving all along the customer journey.

- **124 g CO_2/km: emissions of the average fleet***
- **More than 4,600 hybrid and electric vehicles in fleet**
- **10% of vehicles washed without water or without moving the vehicle**

* *Change in the methodology used for the CO_2/kml disclosed: weighted average of CO_2/km of the Group fleet*

share
our business ethics

We are proud of our values and dedicated to the enforcement, on a day-to-day basis, of our business ethics.

Of course, we want to build confidence with our customers by offering them transparent products and by improving their satisfaction. Moreover, Europcar Mobility Group wants to promote business ethics all through its value chain with customers (BtoB, BtoC), suppliers, franchisees and employees. This ambition translates into policies and awareness initiatives.

- **Customer satisfaction: Net Promoter Score of 56,4 (in 2018 for the Europcar brand)**
- **2018: launch of our GDPR awareness program targeting all employees**

> With "Commit Together!", we have defined an ambitious roadmap and strong commitments to support the Group's purpose. We now want to move forward, embedding our 4 commitments in our countries management scorecards, combining social and business goals.

CAROLINE PAROT
Chairwowan of the Management Board

CSR NOTATIONS in 2018

OUR CSR ACHIEVEMENTS ALLOWED US TO SIGNIFICANTLY IMPROVE OUR ENVIRONMENTAL, SOCIAL AND GOVERNANCE RATINGS (ESG) IN 2018.

vigeoeiris	oekom research	Gaïa Rating	CDP	Ethics & Boards	Silver 2018 ecovadis CSR Rating
46% (+17 POINTS)	**C**	**79%** (+4 POINTS)	**C**	**24th** Feminization of ruling bodies 2018 Companies Ranking	**54 PTS** (+6 POINTS)

EMPLOYEE SHAREHOLDING

We are convinced that becoming the preferred "mobility service company" for our customers will only be possible if each of us – whatever the function, whatever the role – fully feels ownership and plays his or her part, in this exciting and ambitious development project.

Thus we want to create value with our employees and share with them what we will create together: that's the very meaning we want to give to employee shareholding.

In the coming years, we want to expand employee shareholding, in order to see an increase of employees' share, year after year, with a larger number of employees as Group.

1.32%
of the Group's capital held by its employees*

* 12/31/2018.

GOVERNANCE AND MANAGEMENT

GROUP MANAGEMENT BOARD

*as of the date of this Registration Document**

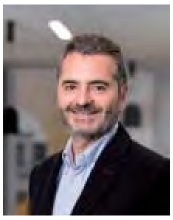
CAROLINE PAROT
Chairwoman of the Management Board
(Appointed: November 23, 2016 Renewed: December 21, 2018)

FABRIZIO RUGGIERO
Deputy CEO
Head of Business Units
(Appointed: July 22, 2016 Renewed: December 21, 2018)

OLIVIER BALDASSARI
Chief Countries and Operations Officer
(Appointed: December 21, 2018, effective on January 1, 2019)

GROUP EXECUTIVE COMMITTEE

as of the date of this Registration Document

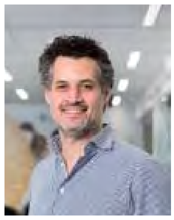


JUAN CARLOS AZCONA
Managing Director Low Cost BU

MARCUS BERNHARDT
Managing Director, International Coverage BU

AURÉLIA CHEVAL
Chief Strategy Officer

XAVIER COROUGE
Group Chief Marketing and Digital Officer



ALEXANDRE CROSBY
Group Chief Product Officer

STÉPHANE DEUX
Group Chief Information Officer

JOSE MARIA GONZALEZ
Managing Director, Cars BU

DENIS LANGLOIS
Group Human Resources Director

YVONNE LEUSCHNER
Managing Director, Vans & Trucks BU

LUC PELIGRY
Group Chief Finance Officer

FRANCK ROHARD
Group Secretary General

* *Appointment of Albéric Chopelin, as Member of the Management Board and Chief Commercial and Customer Officer, on January 31, 2019, with effect as of his date of arrival in the Group scheduled on April 15, 2019.*

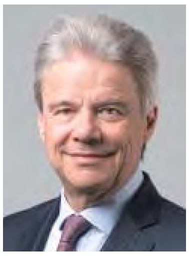
SUPERVISORY BOARD

as of the date of this Registration Document

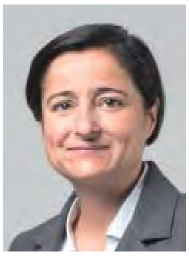
JEAN-PAUL BAILLY*
Chairman of the Supervisory Board, Chairman of the Strategic Committee

PASCAL BAZIN*
Vice Chairman of the Supervisory Board, President of the Compensation and Nominations committee, member of the Audit committee

KRISTIN NEUMANN*
President of the Audit Committee



PHILIPPE AUDOUIN
Member of the Audit Committee, member of the Strategic Committee



VIRGINIE FAUVEL*
Member of the Audit Committee, member of the Strategic Committee

ERIC SCHAEFER
Member of the Compensation and Nominations Committee

PETRA FRIEDMANN*
Member of the Compensation and Nominations committee, member of the Strategic Committee

AMANDINE AYREM

SANFORD MILLER*

PATRICK SAYER
Member of the Strategic Committee

ADÈLE MOFIRO ✪
Member of the Compensation and Nominations Committee

* *Independent member*
✪ *Employee representative*

INDEPENDENT MEMBERS
60%

EMPLOYEE REPRESENTATIVE
1

WOMEN
40%

NON-FRENCH MEMBERS
20%

AVERAGE AGE
55

AVERAGE ATTENDANCE RATE
84%

01

OVERVIEW OF THE GROUP AND ITS ACTIVITIES

1.1 KEY INDICATORS

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 at December 31, 2018.

The financial figures relating to the years ended December 31, 2016, 2017 and 2018 are derived from the consolidated financial statements audited by Mazars and PricewaterhouseCoopers and presented in Chapter 3 of this document.

The glossary presented in Section 7.8 of this document provides definitions for all non-GAAP indicators used by the Group to monitor its performance. Reconciliations with GAAP indicators are provided in Chapter 3 of this document, in Sections 3.1 "*Analysis of the Group's results*" and 3.2 "*The 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 are marked with an *.

1.1.1 Operating figure

	Years ended December 31		
	2018	2017	2016
Rental day volume (IN MILLIONS)	87.7	69.3	59.9
Average rental fleet (IN THOUSANDS)	315.9	248.5	213.8
Fleet utilization rate (IN %)	76.1%	76.4%	76.5%
Points of sale worldwide (IN UNITS)	3,596	3,680	3,754
• of which stations operated directly or by agents	1,909	1,976	1,719
• of which stations operated as franchises	1,687	1,704	2,035

1.1.2 Financial figures

IN MILLIONS OF EUROS, UNLESS STATED OTHERWISE	2020 Objectives	Years ended December 31 2018	2017	2016
Revenue	> 3,000	2,929	2,412	2,151
Proforma growth in revenue* (IN %)		3.4%	n/a	n/a
Organic growth in revenue* (IN %)		n/a	3.4%	2.6%
Vehicle rental income*		2,748	2,255	2,002
Average monthly costs per fleet unit* (IN EUROS)		(226)	(243)	(245)
Adjusted corporate EBITDA*		327	264	254
Adjusted corporate EBITDA margin*[(1)] (IN %)	> 14%[(1)]	12.1%	11.8%	11.8%
Net profit/(loss)		139	61	119
Net corporate debt		795	827	220
Corporate debt leverage (IN %)		2.4x	3.1x	0.9x
Net fleet debt		4,329	4,061	3,045
Total net debt		5,125	4,888	3,265
Corporate free cash flow*		135	91	157
Conversion rate for corporate free cash flow* (IN %)		41%	34%	62%
Basic earnings per share (IN EUROS)		0.87	0.42	0.83
Diluted earnings per share (IN EUROS)		0.86	0.42	0.83
Dividend per share for fiscal year [(2)] (IN EUROS)		0.26	0.15	0.42
Dividend payout ratio* (IN %)		30%	40%	50%

(1) Excluding impact of New Mobility Business Unit. For more information on the Group's Business Units, see Section 1.6.1 "Overview of businesses".
(2) Dividend subject to approval of the Annual General Meeting on April 26, 2019.

1.1.3 Non-financial figures

	Years ended December 31 2018	2017	2016
Net Promoter Score – NPS*[(1)] (IN %)	56.4%	54.7%	49.6%
Full Time Employee (FTE) [(2)]	8,999	7,441	6,461
Headcount at year-end [(3)]	9,211	8,011	7,044
Workforce Distribution [(4)]			
• Head Offices	36%	38%	36%
• Stations	64%	61%	64%
Gender Breakdown			
• Men	55%	54%	52%
• Women	45%	46%	48%
CO_2 of the average fleet (g CO_2/km) [(5)]	124	116	116

(1) According to a change in the collection of questionnaires in 2015 (returned by e-mail only), the NPS scores for 2015 and correspond to the weighted average for the period from May to December for the two years.
(2) The number relates to the total full time equivalent headcount for each month of the year divided by twelve. Headcount excluding Buchbinder.
(3) The number relates to the permanent and non-permanent physical headcount as at 12/31/2018. See Section 4.3.1.1 "The Group's presence and breakdown of headcount" for more information.
(4) Headcount excluding Buchbinder.
(5) Change in methodology used: weighted average of the Group fleet (excluding Buchbinder).

1.2 GROUP HISTORY AND SIGNIFICANT EVENTS

1.2.1 History and evolution of the Group

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 and became a shareholder with a 50% stake in Europcar International, while Volkswagen held the remaining 50%. In December 1999, Volkswagen AG acquired Accor's stake, thus becoming the sole shareholder of Europcar International. Starting in 1999, the Group actively expanded beyond Europe, in particular through the development of franchises.

On May 31, 2006, Eurazeo acquired, through the Company (created for such purpose) 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 acquired the UK headquartered operations of National Car Rental and Alamo Rent A Car covering Europe, the Middle East and Africa (EMEA zone) from Vanguard Car Rental Holdings LLC ("Vanguard"). Vanguard was subsequently acquired by Enterprise Holdings, Inc. ("Enterprise"). From 2008 to 2013, the Group had a commercial alliance with Enterprise relating to the National® and Alamo® brands operated by Europcar. This alliance ended in August 2013, although the Group continued to operate the brands National® and Alamo® in EMEA until March 2015.

In addition, in 2007, the Group acquired one of its Spanish franchisees, Betacar.

In 2008, the Group expanded its direct present 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 (this investment was sold in early 2018; see Section 1.2.3 "*Significant post-closing events*").

In 2013, the Group deployed its low-cost brand in Europe, InterRent®, dedicated to leisure travelers. InterRent® offers a competitive vehicle rental service without compromising quality of service. As of December 31, 2014, InterRent® was deployed in six corporate countries in Europe (France, Germany, Italy, Portugal, Spain and the United Kingdom) and 40 countries through the franchise network.

At the end of 2014, the Group acquired, through its French subsidiary Europcar France, 100% of the shares of EuropHall, an important franchisee of Europcar France for the "East" region. The Group also acquired a stake of 70.64% in Ubeeqo, a French start-up created in 2008 that offers car sharing solutions. At the date of this Registration Document, Ubeeqo is 100%-owned by Europcar Lab SAS, a French subsidiary of the Group, and operates in France, Belgium, Germany, the United Kingdom, Spain (*via* BlueMove) and Italy (*via* GuidaMi).

On June 26, 2015, the Group was successfully listed on the regulated market of Euronext Paris.

In July 2015, the Group acquired, *via* its English subsidiary Europcar Lab UK, a majority stake of 60.8% in E-Car Club, the United Kingdom's first all-electric pay-per-use car club.

On December 18, 2015, the Group joined the SBF 120 stock market index comprising the 120 top stocks in terms of liquidity and market capitalization, listed on Euronext Paris.

In 2016, the Group acquired its third-largest French franchisee, Locaroise, and its Irish franchisee, GoCar, the leading car sharing company in Ireland. The latter acquisition brought the number of corporate countries to 10.

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. These acquisitions brought the number of corporate countries from 10 to 18. The Group also acquired a 24% stake in Ubeeqo which as a result is now 100% owned by the Group and made a 20% minority investment in SnappCar, a peer-to-peer car sharing start-up.

1.2.2 Significant events during fiscal year 2018

1.2.2.1 Acquisitions and investments

Sale of the Group's stake in Car2go

On April 4, 2018, the Europcar Mobility Group announced the closing of the sale to Daimler Mobility Services of the 25% interest and voting rights held by Europcar International SASU. in Car2go Europe GmbH, having received the approval of the competent antitrust authorities. The completion of this sale generated a pre-tax gain of €70 million.

Investment in Scooter-Sharing with acquisition of Scooty in Belgium

On April 27, 2018, the Europcar Mobility Group announced the acquisition of Poleis Consulting and their brand Scooty, a free floating electric scooter-sharing start-up through Ubeeqo. This new acquisition marks another step in the Group's ambition to become a global mobility solutions leader by offering new mobility services that fit customer needs and expectations. Scooty is a Belgium based start-up, created in 2016 which offers its customers free floating electric scooters in Brussels and Antwerp.

1.2.2.2 Strategic partnerships

Strategic partnership renewal with Shouqi Car Rental in China

On December 1, 2018, Europcar Mobility Group announced the extension of its alliance partnership with Shouqi, a leading car rental company in China, and a subsidiary of the Beijing Tourism Group. This renewed partnership represents an excellent opportunity for Europcar Mobility Group to continue to benefit from the growing flow of Chinese tourists throughout the world – particularly in Europe – and to give its customers access to one of the leading car rental networks in China.

Partnership with Eco Rent in India

On December 19, 2018, Europcar Mobility Group announced a new strategic alliance with ECO Rent a Car in India. ECO Rent A Car has been India's leading professional car rental since 1974 and is based in New Delhi. This partnership is an outstanding opportunity for the Europcar brand to benefit from the strong inflow of Indian tourists throughout the world – and particularly in Europe.

1.2.2.3 Strengthening of the Management Board

Appointment of a new Chief Operating Officer and a Chief Commercial Officer

On November 22, 2018, Europcar Mobility Group announced that following the resignation of Kenneth McCall as member of the Management Board and Group CEO and member of the Management Board, the Group's Management Board will, as of January 1, 2019, be composed of the following four members: Caroline Parot, Chairwoman of the Management Board, Fabrizio Ruggiero, Group Deputy CEO, Olivier Baldassari, Group Chief Countries and Operations Officer, and a Group Chief Customer and Commercial Officer will be appointed in 2019.

1.2.2.4 Financings

Increase of the Senior Asset Revolving Facility (SARF) by €400 million

On May 14, 2018, Europcar Mobility Group successfully increased the Senior Asset Revolving Facility by €400 million from €1.3 billion to €1.7 billion so as to gradually integrate newly acquired Goldcar fleet vehicles, thereby replacing over time the Goldcar Asset-Backed Facility, which is scheduled to mature in 2019. Europcar Mobility Group took this opportunity to renegotiate some of the terms and conditions, in particular the applicable margin which was reduced by 20bps from 1.50% to 1.30% and the maturity which was extended from January 2020 to January 2022.

Issuance of €150 million senior secured notes

On June 15, 2018, Europcar Mobility Group announced the issue by EC Finance plc of additional 2.375% senior secured notes in an amount of €150 million due 2022, which were fungible with its existing 2.375% senior secured notes in an amount of €350 million (the "EC Finance Notes") issued under an indenture dated November 15, 2015. The issue price was set at 99.0001% plus interest accruing to May 15, 2018 inclusive, giving a yield to maturity of 2.6178%. The proceeds of the issue was used to finance the integration of Goldcar's fleet of vehicles into the Group's securitization program.

Refinancing of the UK fleet club deal facility

On October 19, 2018, Europcar Mobility Group refinanced the UK fleet club deal facility maturing in October 2019 through a new club deal facility of £400 million maturing in October 2021 with a 2-year extension option and a reduced margin by 20bps from 2.00% to 1.80%. Some covenants were lightened or removed and UK borrowers include Goldcar UK, the new Goldcar entity created in June 2018.

1.2.3 Significant subsequent events

Acquisition of the Finnish and Norwegian franchisees

On February 25, 2019, Europcar Mobility Group announced the acquisition of two of its franchisees, Europcar Finland and Europcar Norway. This single transaction constitutes the Group's fourth and fifth acquisition of franchisees and will allow it to extend its network of subsidiaries from 18 to 20 countries, thus strengthening its presence in Europe. Both companies have a strong presence in their respective national markets (No. 1 in Finland and No. 3 on Norway) with a customer base covering both the leisure and business markets. The combined revenue of the two businesses is around €56 million in 2018. This acquisition is subject to the usual conditions precedent and its finalization is envisaged during the second quarter of 2019.

Appointment of Mr. Albéric Chopelin as a member of the Management Board and Director of Sales and Customer Accounts

On March 18, 2019, Europcar Mobility Group announced the appointment by the Company's Supervisory Board, upon the recommendation of the Compensation and Nominations Committee, of Mr. Albéric Chopelin as a member of the Management Board and Director of Sales and Customer Accounts. His date of arrival in the Group is scheduled for April 15, 2019. Since 2018, he has reported to the President of the PSA Group as Chief Global Sales and Marketing Officer for the Peugeot, Citroën, DS Automobiles, Opel, Vauxhall and Free2Move brands. He was Executive Director with PSA Group from 2011 and has held successive positions as CEO of Peugeot Slovenia (2009-2011), CEO of Peugeot Netherlands (2011), CEO of PSA Benelux (2011-2013), Managing Director Peugeot of Peugeot Central & Northern Europe (2013-2014) and Managing Director of PSA Germany, (2014-2018). Before joining PSA, Albéric Chopelin worked for the BMW Group as Regional Director (2007-2009).

1.3 MOBILITY SERVICES MARKET

The market information presented in this Section was obtained from two major sources. First, a report entitled "Mobility on Demand Market" published by Markets & Markets for statistics regarding the global markets for ride hailing and car sharing. Second, statistics from Euromonitor with regards to the traditional vehicle rental market in Europe.

1.3.1 General presentation of the European mobility services market

Present in more than 130 countries worldwide at the end of 2018, Europcar is one of the leading players in the global mobility services market.

The Group's strategic positioning is based on:

- eighteen "corporate countries" in which it has long been present and has extensive experience (Australia, Belgium, France, Germany, Italy, New Zealand, Spain, Portugal, the United Kingdom, Ireland and more recently Denmark, Austria, Slovakia, Hungary, Turkey, Croatia, Greece and Luxembourg); and
- a network of franchisees, agents, partnerships and general sales agency agreements that enable the Group to reinforce its network in certain corporate countries (notably in France) and to extend its presence throughout the world.

This network allows the Group to cover nearly the entire world market for mobility services which includes car rental, ride hailing and car sharing services.

The mobility services industry is generally characterized by intense competition with local, regional and global actors. It is based primarily upon price and customer service quality, including the availability and return of vehicles, ease of vehicle reservation, reliability, the location of rental stations and product innovation. In addition, competitive positioning is also influenced by advertising, marketing and brand reputation.

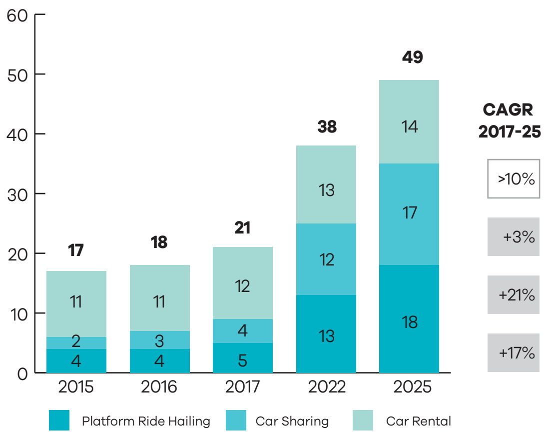
The use of technology has increased pricing transparency among mobility services providers by enabling customers to more easily compare on the Internet the service rates available from various mobility services providers for any given vehicle.

The European mobility services market

The European mobility services market in Europe [1] represented approximately €24 billion in value in 2017 (source: Markets & Markets 2017 and Euromonitor 2017). The European market for mobility services is split into three parts:

- the vehicle rental market, which includes both the car and the light commercial vehicle rental markets, worth approximately €15 billion;
- the ride hailing market worth around €4 billion; and
- the car sharing market worth around €5 billion.

EUROPEAN MOBILITY SERVICES MARKET VALUE
(IN € BILLIONS)



Sources: Markets & Markets 2017 and Euromonitor 2017.

It is worth noting the significant growth opportunity the European mobility services market offers over the next decade, particularly in the ride hailing and car sharing segments. 2025 market forecasts imply a CAGR (compound annual growth rate) of 3% *per annum* for the vehicle rental segment, 17% *per annum* for the ride hailing segment and 21% for the car sharing segment.

The European car rental market

According to Euromonitor, at the end of 2017, the respective market shares of the top five car rental operators in Western Europe were:

- Europcar Mobility Group 24%;
- Avis Group 16%;
- Hertz Group 13%;
- Sixt Group 11%;
- Enterprise Group 8%.

It is worth noting that Europcar Mobility Group is the clear European leader in the Western European car rental market and that the top five players have a combined market share of approximately 72% (source: Euromonitor 2017 statistics).

1.3.2 Growth drivers and general market trends

Macroeconomic conditions and demand for vehicle rentals

Demand for vehicle rentals is tied to macro-economic conditions in the countries where the Group does business. In particular, demand is correlated with changes in Gross Domestic Product (GDP) and with inflows of international travelers, which in turn is tied to levels of air and rail traffic.

Customer segments' diversity helps reduce the sensitivity of the vehicle rental business to the economic environment: demand in the business segment is generally tied to the macro-economic environment, with significant differences between countries. It is particularly driven by GDP in key markets, through the general business climate and expenditures on business travel. In the leisure segment, including vehicle rentals in airports, demand is mainly driven by changes in inflows of international travelers, and is therefore closely correlated with airline activity.

New mobility solutions

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

(1) 28 countries of the European Union, Norway, Switzerland, Bosnia-Herzegovina, Montenegro, Serbia, Kosovo and Macedonia.

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

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

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

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

The development of the Low Cost market segment

As has been the case in other industries, the European vehicle rental market has seen the development of low-cost offers in recent years to meet increased demand for more affordable services. The Low Cost market segment may be defined as all low-price rental offers including a reduced number of services and providing and a more limited selection of categories, brands and models. The Low Cost segment is one of the most dynamic in Europe, with turnover of around €1.5 billion in corporate countries in Europe in 2017 (source: Company estimates), with an historical annual growth rate of around 12%. Growth is set to continue at a similar pace in the future, particularly for leisure destinations in France, Spain, Italy, the United Kingdom, Portugal, Greece and Turkey.

Following the acquisition of Goldcar, the leading car rental operator in the Low Cost segment, Europcar Mobility Group was active in the Low Cost segment in 2018 through both its Goldcar and InterRent® brands. 2018 was the year of the integration of Goldcar and InterRent into the Low Cost Business Unit. More specifically and in order to reap the full benefit of Goldcar's agile organizational structure (simplified processes, robust, flexible and adaptable information systems), the InterRent® brand has been transferred under Goldcar's managerial control. As expected, combining the two businesses allowed the Group to construct a broad platform and benefit from significant scale effects in the Low Cost Business in Spain, France, Italy, Portugal and the United Kingdom.

1.4 STRATEGY

1.4.1 Our five "fundamentals": The Group's vision, mission, ambition, purpose, and values

As the longstanding leader in vehicle rentals in Europe through its Europcar brand, the Group has progressively transformed itself over the last few years. The Group has repositioned itself by moving away from a single-brand, single-business model focused on automobiles toward a multi-brand, multi-business model focused on customers. The name change from Europcar Groupe to Europcar Mobility Group in 2018 reflects this transformation.

Europcar Mobility Group is now one of the major players in the mobility sector.

Europcar Mobility Group's **mission** is to be customers' preferred "mobility service company" by offering appealing alternatives to vehicle ownership with a wide range of mobility services: rental of cars and light commercial vehicles, car sharing, scooter-sharing, driver services, or rental of cars between private individuals.

Customer satisfaction is the core component of the mission for the Group and for its employees. This commitment encourages the constant development of new services.

Europcar Mobility Group offers its various mobility solutions and services internationally through a vast network covering more than 130 countries (including 16 directly owned subsidiaries in Europe, two in Australia and New Zealand, franchisees, and partners).

Its established position as the leader in the European vehicle rental market and its innovation capacity provide a competitive advantage in a constantly changing environment and support the Group's **vision**. Europcar Mobility Group is convinced it is destined to assume a leadership role in the mobility ecosystem with its 7.7 million customers and a powerful platform that is both digital and physical to address a wide variety of mobility needs. This vision is shared with all Group employees.

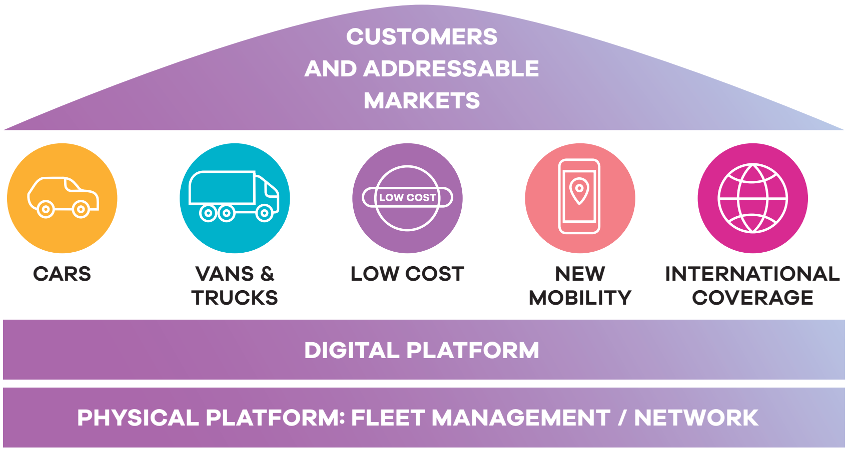
The Group defined its **purpose** in 2018: to provide "OPEN MOBILITY FOR ALL" by eliminating obstacles and providing easy access to this new world of mobility solutions, enabling individuals to go where they will, as they wish.

Accessibility is the key: mobility must be inclusive rather than exclusive.

By accomplishing its mission and living up to its purpose in its operations and decisions, the Group will achieve its **ambition** of creating value for all its stakeholders.

1.4.2 The Group's strategy

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



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

Europcar Mobility Group's strategy aims to create value over the long term by relying on:

- an organized and consistent marketing strategy aimed at responding to constantly evolving and growing mobility needs in a general context of decreasing personal vehicle ownership. The Group has significantly bolstered its customer approach to improve its services: The launch of several strategic programs with ambitious objectives such as Click&Go and NPS 110, also translate the desire to provide an enhanced customer experience through the various available technologies. (To learn more about these programs, please refer to Section 1.5.5 "*Digitalization and focus on customer experience*");
- the optimization of its physical and digital platforms:
  - the Group currently has digital platforms (over 50 digital contact points), which it is constantly improving with regard to e-commerce,
  - leveraging its network and its fleet – The Group's network, organized through its stations and back-office operations, is a significant asset that enables it to operate efficiently on a large scale. The Group believes that its network makes all the difference in a new mobility ecosystem. Accordingly, the Group plans to continue to optimize its network in a dynamic manner and leverage its know how to develop its network as a service. The same holds true for its fleet whose usage rate must be optimized and whose acquired expertise in logistics and maintenance must be enhanced to serve growing and diverse mobility needs for individuals and for goods,
  - the Group also strives to strengthen synergies between its physical and digital platforms to better serve its customers and enhance its value creation through optimized asset management. The "connected vehicles" strategic program perfectly illustrates the Group's goals in this regard;
- the implementation of a streamlined, simplified, and agile structure – Europcar Mobility Group aims for operational excellence, particularly through transformation programs, to ensure enduring, profitable growth. The Group intends to continue to improve its efficiency at all levels of the organization.

1.4.2.1 The framework for executing our strategy: "Leverage & Scale Up"

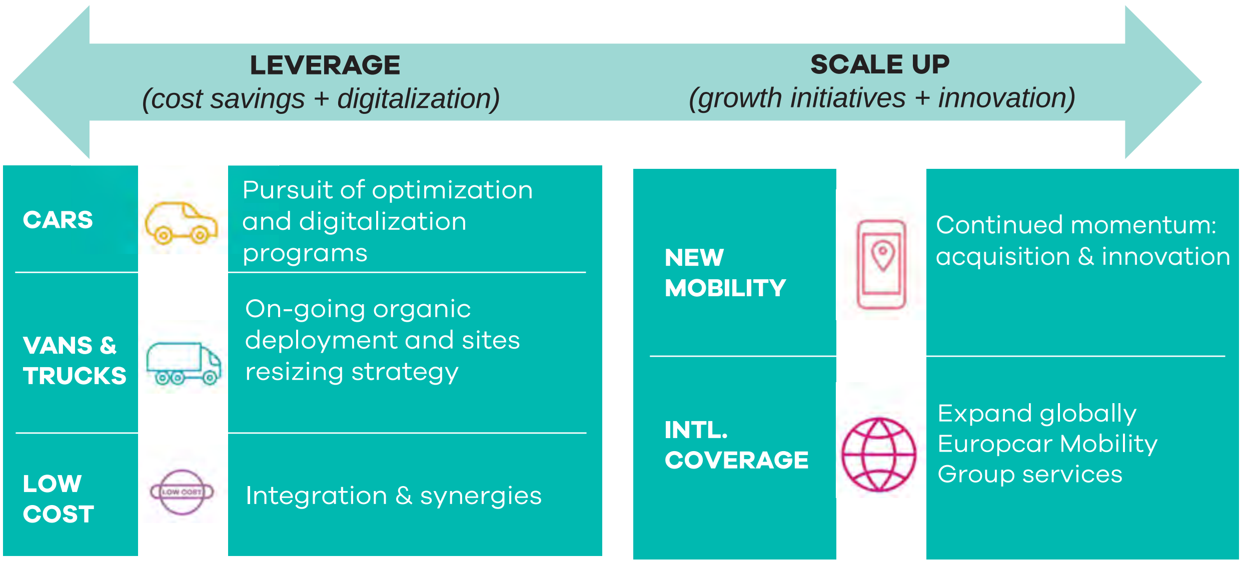
Established in January 2017, the Business Units structure enables each of our Business Units to set up a business model and dedicated strategic developments:

- Cars Business Unit – Consolidate the number 1 position in Europe in the car rental segment by continuing to implement optimization and digitalization programs;
- *Vans & Trucks Business Unit* – Continue the acceleration in organic growth in the light commercial vehicle segment through the international deployment of this business activity and the addition of new

services and commercial offerings to professionals. Also increase the efficiency of its network by increasing the average size of its facilities;

- Low Cost Business Unit – Following the consolidation of Goldcar, acquired at end-2017, continue achieving synergies with the Group's other businesses and accelerate regional growth;
- New Mobility Business Unit – continue to scale up urban mobility solutions operated by the Group (particularly car sharing) while continuing to make regular investments to maintain innovation momentum;
- International Coverage Business Unit: accelerate the international deployment of all services provided by Europcar Mobility Group. Supported by its network of franchisees, partners and sales representatives, the Group intends to continue to strengthen and expand internationally.

In addition to each Business Unit's road map, the Group is constantly optimizing its business model and the services provided to customers by accelerating its digital transformation. It aims to greatly scale up its entire suite of mobility services through organic growth and through targeted acquisitions aimed at gaining momentum in the "go to market" and geographic coverage for the benefit of its customers and partnerships.



1.4.2.2 Financial targets

On February 21, 2019, when announcing its results for 2018, Europcar Mobility Group confirmed its ambition of reaching revenue of €3 billion and a Corporate EBITDA margin of around 14% (excluding New Mobility) by the end of 2020.

In a more challenging macro-environment, this confidence is based on the Group's ability to activate a certain number of levers to optimize its costs, in particular through two programs: one relating to headquarter costs, and the other concerning the costs of its network of agencies, which will run in parallel with its Click & Go digitization program. These two cost reduction programs, combined with the continued generation of cost synergies following the acquisitions of Goldcar and Buchbinder constitute a substantial opportunity for the Group to cut costs and a clear means of increasing its profitability over the next two years.

The Group estimates that each of these optimization measures should have the following positive impact on the Group's Adjusted Corporate EBITDA margin: Network optimization +0.9%-1.1%, HQ efficiencies +0.9%-1.1%, and Acquisition synergies +0.9%-1.1%.

The Group thus confirms that it is capable of delivering recurring cost synergies of at least €30 million a year from Goldcar and at least €10 million from Buchbinder by the end of 2020.

Some of these savings will be reinvested into the development of the Group's brands as well as into its ongoing digitization. The Group has also considered the possibility of a less favorable macro-environment over the next two years. The Group estimates that each of these two items would have the following negative impact on the Group's Adjusted Corporate EBITDA: Marketing & Digitization (0.6%-0.8%) and Macro-environment (0.2%-0.6%).

Consequently, the Group remains confident of its ability to reach an Adjusted Corporate EBITDA margin before the impact of New Mobility of around 14% by the end of 2020.

In addition, the Group will accelerate its growth through targeted acquisitions, mainly focusing on franchisees, with a budget of €150 to €250 million dedicated to capital expenditures and investments in the New Mobility Business Unit (over the 2019-2021 period) and an average annual investment of €70 million in capital expenditures, excluding the fleet, over the next three years.

The Group also confirms that it is aiming for a corporate net leverage between 2x and 2.5x.

Lastly, the Group should be able to continue to deliver a policy of high dividends to its shareholders, with a dividend payout ratio greater than or equal to 30% and, when applicable, targeted share buy backs, subject to compliance with the Group's financial covenants.

1.4.2.3 The Group's Corporate Social Responsibility commitment

Europcar Mobility Group has made big commitments to corporate social responsibility (CSR). The "Commit Together!" program addresses these commitments by focusing on 4 important priorities:

- **Making mobility accessible:** Europcar Mobility Group is convinced that mobility must be inclusive rather than exclusive! Access to mobility is key. The Group can therefore facilitate mobility for all, meaning access to this new and promising world of mobility for persons and groups of individuals;
- **Being a responsible employer:** This new mobility era is centered on new types of uses and needs which are creating professional opportunities and requiring the development of new types of expertise. In this context of rapid changes, the Group's success is closely linked to commitment, diversity, and employee development, the three pillars on which the Group bases its efforts as an employer;
- **Acting for the environment:** Aware of the environmental challenges associated with massive urbanization and a demographic boom, Europcar Mobility Group wants to be part of the solution, not the problem. This means that it wishes to play an active role in the transition to a low carbon emissions world;
- **Sharing our professional ethics:** The Group wishes to establish a relationship of trust with its customers while being transparent in its product offering and continuously improving their level of satisfaction. Moreover, Europcar Mobility Group wants to promote its business ethics throughout its entire value chain (customers, employees, partners, suppliers, and franchisees).

To meet this commitment, the Group implemented a governance structure, composed of a strategic CSR Committee, and an operational CSR Committee. For more information on the Group's CSR commitment, please refer to Chapter 4 of this Registration Document.

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

1.5.1 A growing market undergoing a profound transformation

The mobility market in Europe, broadly speaking, should experience annual growth in the double-digits between 2017 and 2025 (source Markets & Markets BCG 2017) increasing from $21 to $49 billion for car rentals, spurred by urban mobility solutions: car sharing (+21%), vehicles with drivers (+17%).

In particular, the vehicle rental market in Europe should continue to increase in value by around 3% annually over the coming years (source: Markets & Markets estimate, BCG, 2017, for 2017-2025 over the 28 markets of the European Union), particularly supported by the increase in the number of leisure trips and air traffic, as well as by structural usage changes.

The mobility market is undergoing a profound transformation of its operation and structure due to the impact of five factors:

- urbanization, which drives inhabitants of large cities to give up individual vehicle ownership due to the associated costs and the restrictions imposed on their use;
- technology, having progressed to permit vehicle connectivity and autonomy, imposes mobile devices as the main access point to mobility and increases the capacity for processing and analyzing data;
- users' mobility preferences show greater willingness to share and a desire to have access to different modes

of transportation on-demand and according to their needs;

- the market and the competitive environment with the emergence of new entrants, the development of the collaborative economy, and the exchange of data;
- public policies and changes in regulations targeting a reduction in greenhouse gas emissions and fine particulates, as well as the promotion of collective modes of transportation.

These dynamics contribute to a growing population of potential users of vehicle rental services and to the market trend towards mobility solutions and other innovative service offerings. This is an opportunity for Europcar Mobility Group, which has the means to unite once separate types of mobility (vehicle rentals, car-sharing, vehicles for hire, etc.) on a single platform with direct access to end-consumers and the integration of multi-modal solutions.

1.5.2 An established leader offering a solid infrastructure for mobility solutions

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

- the ability to obtain a significant number of various cars at the best price;
- the ability to maintain its cars in good condition in a granular network;
- the ability to optimize our offering with precise demand forecasting.

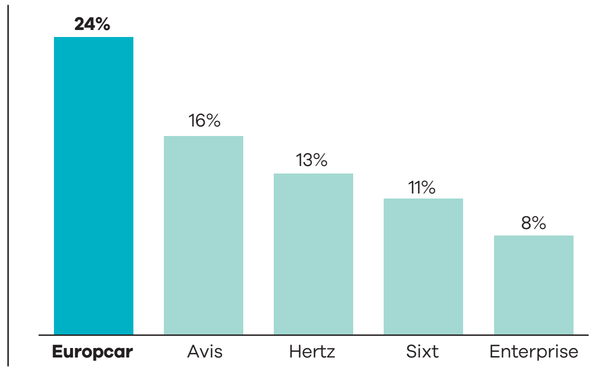
In terms of mobility services for customers, the Group operates various digital platforms and is continually improving them to better serve customers throughout their experience. This customer experience is differentiated depending on the brand and is becoming increasingly digital and seamless.

1.5.2.1 A dense global network

With 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 and fleet capacity management. The Group leverages these strengths to deploy innovative solutions and services to better serve changing customer mobility usages.

In 2018, the Group was the leading European vehicle rental organization. In 2018, the Group's competitive positioning within the franchisee countries in Europe was also at a high level.

EUROPCAR MOBILITY GROUP MARKET SHARES IN WESTERN EUROPE IN 2017



Source: 2017 Euromonitor Statistics.

The Group believes that its leader position in Europe is sustainable, particularly due to the extent of its activities, the quality of its network, its brand strategy (the main ones being Europcar®, Goldcar® and InterRent®) 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 1,909 stations located near the homes and workplaces of its customers (17% are located in airports) enable it to monitor and anticipate changes in demand and market trends, and thus better manage its fleet volume. The Group also consolidates its network during the buy backs from franchisees (acquisitions of the Group's Irish and Danish franchisees in 2016 and 2017).

The Group had a presence in more than 130 countries throughout the world at end-2018, with numerous partnerships and commercial representation agreements. Franchises (1,687 stations) enable the

Group to extend its network and are a source of high-value growth with lower risk, while its partnerships and alliances provide additional market penetration in growing markets.

The Group's strategy includes in developing partnerships with sales representatives and with airlines and large travel intermediaries, resulting in a strategic presence allowing it to capture traveler in flows. The Group relies on partners in addition to its franchisees, particularly in the United States, Canada and Japan, as well as on commercial and general sales agency arrangements. In the United States the Group concluded a partnership with Advantage Opco ("Advantage") through which the Group can serve its customers in the United States under its Europcar® brand and via the Advantage network, and Advantage can serve its customers under its own Advantage-Rent-A-Car brand via the Europcar network in regions in which the Group operates. This alliance allows the Group to extend its proprietary network and improve its services for its customers in the United States. In February 2015, the Group also entered into a new agreement with a general sales agent in the United States ("Discover the World"), which improves outbound flows of United States customers to corporate countries. Moreover, in order to develop its activities in China, the Group entered into a two-year general sales agency agreement (which came into force on April 21, 2014), which was renewed in 2016 for a further two years, with an online Chinese travel agency pursuant to which the agency has been appointed to act as a non-exclusive representative authorized to promote and offer Europcar's rental services. This agreement allows the Group to promote outbound flows of customers from China into its corporate countries.

Europcar Mobility Group's infrastructure is made up of 50 digital access points via the internet providing access to all its services. This is a key type of infrastructure for consumers who are now accustomed to entirely mobile experiences with geolocation and immediate service. These digital platforms, coupled with predictive algorithms, enable the Group to customize its relationship with each of its customers and accordingly, better address their different needs. In this context, the Group's network becomes a full-fledged service.

The Group's network, particularly in its corporate countries, is supported by its GreenWay® system, a powerful and effective reservation platform and revenue capacity and fleet management tool. The Group's network is also commercially supported by the use of forecasting models that help to determine pricing while also optimizing the distribution, planning, allocation and yield of the fleet according to demand.

1.5.2.2 Optimized and flexible fleet

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

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

The Group's diversified network is supported by a flexible fleet that has one of the highest proportions of buy-back agreements in the industry, a diverse fleet supply and flexible fleet financing. 88% of Europcar's 2018 fleet vehicles delivered were covered by such buy back agreements. This high level of buy back agreements limits risk by providing greater fleet cost visibility. It also increases fleet flexibility, with commitments allowing for a five to eight month buy-back period which allow the Group to manage the seasonality inherent to the business. The sourcing of the Group's fleet is also diversified in terms of automobile manufacturers and brands (see Section 1.6.6 "*The Group's fleet*" for more details). The Group can periodically and opportunistically enter into multiyear 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 is going to significantly impact maintenance operations and energy management for the vehicle fleet;
- Given the trend toward multi-modal 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.

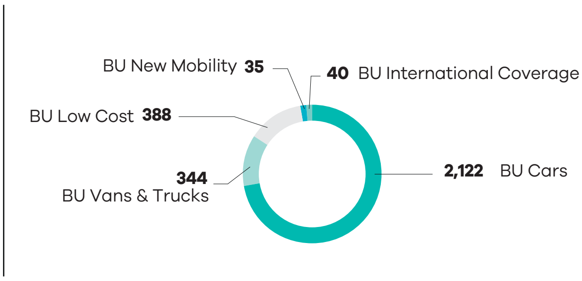
1.5.3 A diversified customer base and recognized brands

1.5.3.1 Diversified customer base

The Group has a broad customer base, well balanced between business and leisure customers (which generated 40% and 60%, respectively, of vehicle rental income in 2018). This mix helps the Group manage seasonality over the year (with leisure peaks during the summer and business demand more stable throughout the year) and during the week (weekend for leisure and weekdays for business). The Group's contractual relationships with numerous large corporate customers, as well as with small and medium-sized businesses across multiple industries contribute to the stability of the Group's business vehicle rental income, in particular during periods outside of tourist seasons and during business days. The Group's leisure activity involves rentals that are longer in duration and generate more revenue per transaction day than business rentals. The Group also addresses the leisure segment through its portfolio of partnerships with recognized leaders in the travel industry (European airlines, tour operators and hotel groups, such as EasyJet, Air Caraïbes, TUI, Accor and Aeroflot).

The Group's total revenue by Business Unit for the year ending December 31, 2018 was as follows:

DISTRIBUTION OF THE GROUP'S REVENUE BY BUSINESS UNIT IN 2018 (IN THOUSANDS OF EUROS)



Source: Company.

The Group's revenue base is optimized between airports, where customer traffic is relatively high, and non-airport locations. In 2018, the Group's network included 317 directly- and agent-operated stations in airports. These stations represented 17% of corporate and agent-operated stations in 2018, and yet generated 44% of the Group's vehicle rental income in the same year.

1.5.3.2 Well-known brands

Rental of cars and light commercial vehicles

Europcar moving your way

inter rent

GOLDCAR

BUCHBINDER Rent-a-Car

Urban mobility solutions

ubeeqo

Scooty

brunel

In these different segments, the Group enjoys brand name recognition:

- Europcar® as the Group premium brand;
- InterRent® as the brand dedicated to the medium-value segment and geared to leisure customers;
- Goldcar® as the only low-cost brand;
- Buchbinder, a recognized brand in Germany and Austria, will continue to serve its local markets as a sales leader for the Group. The plan is for Buchbinder to be a specific Van & Trucks brand for the German, Austrian and Slovakian markets;
- Brands dedicated to urban mobility services such as Ubeeqo (closed-loop car sharing, BtoB and BtoC), Scooty (scooter-sharing) and Brunel (driver services), enable the Group to connect with new mobility users and to be seen by them as one of the major players in this field.

With these different brands and this business portfolio, Europcar Mobility Group has the capacity to meet the mobility needs of its customers throughout all segments with appropriate solutions.

Please refer to Section 1.6.2 "*Europcar Mobility Group's brands and respective services offers*" to lean more.

1.5.4 An efficient business model

1.5.4.1 Skilled management and employees

The success of the Group's strategy and growth is based on the experience, solidity and credibility of its senior management team. The Group's senior management team has been renewed over the last five years and is now composed of executives with complementary backgrounds from top-tier companies in various industries. Caroline Parot was appointed Chairwoman of the Management Board in November 2016. She leads a team of executives with extensive business and operating expertise, as well as in-depth understanding of the vehicle rental services industry and new mobility solutions.

This team underwent changes in 2018 to achieve alignment with the Group's strategy and its long-term goals. In 2019, a Commercial and Customer Experience Director will be added to the Management Board. In early 2019, the Group announced the strengthening of the management of its Low Cost and New Mobility Business Units.

The Group's top management is supported by an organizational structure consisting of highly complementary international and local teams that are competent and highly committed, and have the knowledge, passion and vision to lead the Group in the execution of its strategy.

1.5.4.2 Operational excellence and organization by Business Units

Operational excellence remains a core concern for the Group in maintaining profitable organic growth and is particularly based on:

- strengthening the commercial strategy by segment;
- cost management including, in particular, the optimization of the network and the expansion of its logic of shared services centers.

Concurrently with this operational efficiency strategy, the Group pays particular attention to the enhancement and improvement of the customer experience through the digital transformation of its model. The Group plans to be able to offer a dedicated customer experience entirely on mobile devices very soon. Better knowledge of customers, differentiation of products and services through innovation, transparent and fluid customer relations, simplified procedures and custom help are the key words of this focus on transformation. In this context, the Group also plans to bolster its sales strategy via its direct channels to offer services adapted to new customer expectations in terms of mobility and to create a stronger connection between its trademarks and its customers, thus increasing customer loyalty.

Since January 2017, as part of its new organization, the set of initiatives designed to strengthen the Group's operational excellence are now monitored at the Business Unit and/or support function level and at the level of the corporate countries.

Indeed, the Group is now organized around five Business Units (Cars, Vans & Trucks, Low Cost, New Mobility, and International Coverage). This structure aims to better address customer needs and improve Europcar Mobility Group's positioning to seize external growth opportunities and improve operational efficiency in a rapidly changing environment with a view to achieving the 2020 ambition announced by the Group in October 2016.

1.5.4.3 Innovation capacity

The Group leverages this extensive experience and know-how in the vehicle rental industry to focus on innovation, enhance the customer experience and seize opportunities arising from new mobility trends. In response to specific customer mobility needs, the Group has a "Lab" that is designed to draw on technological innovations developed in-house or with external partners to design new products and services. This enables the Group to stay at the forefront of this booming market.

1.5.5 Digitalization and focus on customer experience

The Group serves almost 8 million customers every year. Combined with its operational excellence, the delivery of a different kind of experience can be a strong lever to create value. In this respect, digital evolution is a key factor of success of the Group strategy on the mobility market and presents a real opportunity to improve the customer experience and the Group's activities.

1.5.5.1 Digitalization

Digitalization and the fact that vehicles are becoming autonomous, electric, connected, and shared, tend to bring about a convergence in the various mobility segments. These changes in products and services go hand-in-hand with a new customer experience based on multichannel, digital commerce and personalization, with a focus on customer insight, data analytics, predictive services and continuous service relationship. To deliver its products and services and to provide a digital experience for its customers, the Group is becoming digital through a transformation of its activities, a horizontal and vertical integration between suppliers and partners, and investments in cybersecurity and secure payments.

The Group is more specifically working on four main areas in which digitalization is used as a tool to accelerate its development:

- accelerating online revenue and direct-to-brand growth: The Group currently receives 78% of its bookings through digital channels but believes this share will increase in the future, notably for the direct-to-brand segment;
- expanding the digital experience to offer a simplified and digitalized experience from start to finish;
- enhancing satisfaction through a proactive and personalized approach and customer experience, through better knowledge of the customer and robust CRM tools;
- improving and enriching the Group platforms, offering more combined mobility services.

1.5.5.2 Focus on customer experience

In 2018, the Group continued to focus on its customers and their consumption habits to improve the services it offers in a constantly changing environment. Accordingly, the Group's Net Promoter Score continued to trend up in 2018. The Group also launched or continued several programs encouraging a focus on the customer experience:

- **3C** – Achieving a level of service in our call centers that attracts customer preference and builds customer loyalty;
- **NPS 110** – This program aims to fix the main customer pain points in the near-term and mid-term, to engage all employees and customers in the transformation and to be truly customer-centric by disseminating their requirements (Voice of Customer) from the front lines to the back-office through the implementation of a continuous improvement process. To do so, the Group has created a team dedicated to resolving problems from start to finish, rolled out new tools to analyze customer responses, and defined new customer satisfaction indicators;
- **Click & Go** – The objective is to reinvent the customer experience by developing a simplified, 100% mobile and digital journey. In the next 24 months, customers who so choose will be able to use all of the Group's services from their smartphone: reserve, validate their digital service contract, access the vehicle and benefit from additional services. The Click & Go program will provide the Group's customers with a unified experience from car rental to car sharing: simple, mobile and digital;
- **Connected vehicles** – Build a platform that gathers all data permitting the management of vehicles and the fleet in real time and enhancing the customer experience through innovative services.

1.5.6 A strong financial structure driven by operational cash flow generation

The Group can afford its ambition thanks to four main financial advantages. It relies on a flexible and continuously optimized financing structure; it has solid prospects for cash flow generation; and finally, it should benefit from the cost synergies resulting from recent acquisitions. These essentials will allow the Group to keep generating cash in the coming years for both accelerating its growth and bringing return to the shareholders.

The Group's experience with respect to the management of its fleet and operating costs, together with its diversified fleet financing (including operating leases) and its ability to control non-fleet working capital requirements (in particular by harmonizing payment terms across the Group) have contributed to stronger cash generation. This has also allowed the Group to manage its total net debt recorded on the balance sheet (consisting of both its fleet financing debt, which is asset-backed, and its net corporate debt), giving the Group a sound financing foundation as well as better financial flexibility.

1.6 THE GROUP'S BUSINESS

1.6.1 Overview of business

The Group's strategy and development are defined and overseen by the Management Board. The Management Board has four members: Caroline Parot, Chairwoman of the Management Board, Fabrizio Ruggiero, Deputy CEO and Head of Business Units, Olivier Baldassari, Chief Countries and Operations Officer, and a Chief Commercial Officer, to be appointed in 2019.

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

In 2017, the Group modified its organization, with the goal of optimizing its competitiveness and agility as well as accelerating its growth. The Group wishes to better capitalize on its customer-focused vision to ensure sustainable growth. The Management Board accordingly decided to launch a project to organize the Group around five Business Units reflecting the Group's commercial strategy and a strong focus on the activities linked to its core business, while also developing new business opportunities.

- Cars BU

  The Cars Business Unit is the Group's historic division. Its objective is to consolidate the Group's leading position in Europe, by continuing an organic and external growth strategy, in particular through acquisitions of franchisees. In 2018, the Cars BU had revenue of €2.122 billion, which represented around 72% of the Group's revenue for the year. The Cars BU targets both the leisure and business customer and offers customers a wide range of vehicles in all the countries where the Group operates;

- Vans & Trucks BU

  The objective of the Vans & Trucks Business Unit is to become number 1 in Europe in the market for light commercial vehicles. The Business Unit is managed by a director, who is responsible for the Business Units' results, and has a small central team which supports the Vans & Trucks business, with country directors and Vans & Trucks teams on the ground. The Business Unit generated revenue of €344 million in 2018, representing around 12% of the Group's revenues. The main objectives for 2019 are to develop a network of agencies dedicated to the Vans & Trucks business segment, restructure its operational network, increase the revenue per rental day and improve the average monthly costs per fleet unit;

- Low Cost BU

  The objective of the Low Cost Business Unit is to consolidate the Group's leadership in the Low Cost segment by offering an incomparable customer experience through technological innovations at accessible prices and a strong presence in the main tourist locations in Europe. The Low Cost BU had revenue of €388 million in 2018, which represented around 13% of total Group revenue. The key factors of this Business Unit's success are to offer a wide range of additional services adapted to the needs of each clientele, an economy rental fleet, a growing digitalization of the customer experience, and to be at the technological forefront of the sector. Following the Group's acquisition of Goldcar in December 2017, 2018 was focused on creating the European low-cost leader with the integration of the Group's low-cost businesses (Goldcar and InterRent). The Group's Low Cost BU is now managed by the former management team of Goldcar and benefits from the expertise, organization and lean procedures of the Goldcar Group. Upon the acquisition of Goldcar, the Group announced that it planned to extract synergies from integrating Goldcar in the areas of fleet financing, purchase, insurance and structure costs. Cost synergies are estimated and confirmed at €30 million by 2020;

- New Mobility BU

  The purpose of the New Mobility Business Unit is to set up, develop and deploy Europcar Mobility Group's new mobility solutions to make it one of the major players on this market. The Business Unit includes two major business lines: car sharing and ride hailing. These mobility solutions are offered on fully digital platforms (applications and the Web) and are specially designed to meet the specific needs of customers;

- International Coverage BU

  The International Coverage Business Unit's objective is to expand Europcar Mobility Group's services throughout the world. The Business Unit is managed by a Managing Director, with full responsibility for the revenue of the Business Unit, and consists of three departments managed by department directors: the Group Franchise department, the Group Alliances department and the Regional Sales department. In 2018, the Business Unit contributed approximately €40 million to the revenue of Europcar Mobility Group. The main task of the International Coverage Business Unit is to act as a facilitator between countries, driving and steering profitable business from/to all Europcar Mobility Group's corporate countries, franchisees and partners.

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

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

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

- a Group Executive Committee whose task is to roll out the Group's strategy within the Business Units. It is managed by the CEO and includes the other Management Board members as well as the heads of each Business Unit and the heads of the following support functions: Chief Product Officer, Finance Director, HR Director, IT Director, General Secretary, Strategy Director and Marketing Director;
- a Committee of Country Managing Directors whose role is to ensure the smooth roll-out of the Business Unit strategy at the local level and operational excellence in business management. It is run by Olivier Baldassari and includes all corporate country Managing Directors.

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

1.6.2 Europcar Mobility Group's brands and respective service offers

In 2018, the Group became a mobility service company, addressing the car and light commercial vehicle rental markets as well as the new mobility market. With 7.7 million customers the Group's brand portfolio demonstrating a strong capability to meet the mobility needs in all segments with the appropriate solutions:

- Europcar® is the Group's core brand addressing the mainstream short to long-term vehicle rental market. Since 2017, the Group has embarked on a repositioning of its brands. The Group has been pitching the Europcar® brand on the upscale market since mid 2018. Europcar's extensive proximity network covers more than 130 countries worldwide through the Group's corporate and franchisee network and also serves customers in North America and Asia via a global alliance with expert partners such as Advantage Car Rental and Discount Car Rental in North America, Times Car Rental, Shouqi Car Rental and Eco Rent a Car in Asia.

  Europcar's brand promise is revolves around three main axes: trust, care and innovation with a brand mission focused on knowing its customer base thoroughly and providing them with an extensive choice of customer experiences whether they wish a fully digitalized and self service 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 & medium enterprises and individual leisure customers. The Group aims at building customer loyalty by offering high quality innovative services with simple and transparent offers as well as rewarding customers for their repeat business via the Group loyalty programme Europcar Privilege®. Europcar Privilege®, a free loyalty program, provides frequent customers with a range of rewards and exclusive services. This program is designed to improve customer retention in an industry characterized by a low retention rate. The program is structured in four status levels (Privilege Club, Privilege Executive, Privilege Elite and Privilege Elite VIP) based on the number of rentals or rental days over a 2-year period. The program provides specific benefits such as the Priority service to bypass queues in stations, guaranteed reservation and a special rate at partner Accorhotels. 70% of program members have repeated their rentals from Europcar from one year to the next in the last three years as compared to 30% for non-members. In addition to fostering loyalty, customer feedback generated through the program enables the Group to improve commercial synergies among Europcar users in the business and leisure segments. On December 31, 2018, the Privilege programme membership base amounted to close to 1.9 million members. To promote the brand, the Group is using a diversified range of digital campaigns focusing on its products and services and based on the "moving your way" brand territory. 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. Europcar has been recognized with numerous national and international awards since 2000, including the World Travel Awards, a range of awards granted by travel professionals which recognize excellence in the global travel and tourism industry. In 2018, Europcar was awarded for the ninth consecutive year the World Travel Awards for the World's

Leading Green Transport Solution Company and was also awarded the World's Leading Car Rental Company Website for the 3rd consecutive year, as well as regional awards such as Europe's Leading Car Rental company, Asia's Leading Car Rental company, Australasia's Leading Car Rental company, Africa's Leading Car Rental company, Middle East's Leading Car Rental Company, Indian Ocean's Leading Car Rental company and Caribbean's Leading Car Rental company;

- InterRent®, deployed by the Group since 2013 as the low-cost brand, has repositioned itself as the Group's mid-tier market brand following the acquisition of Goldcar. The objective of the InterRent® brand is to address the needs of international value-conscious customers travelling for leisure. As of December 31, 2018 the brand was available at 313 rental stations (vs. 116 at the end of 2017) and is now operated in 43 countries in Europe, the Middle-East, the Caribbean and Africa, primarily at airports locations. InterRent's brand promise is centered on the brand values of friendliness and simplicity. The brand mission is focused on making car renting simpler at a fair price. The brand slogan is "drive, save, enjoy". InterRent® offers a simple and direct customer service that meets the requirements of value seekers leisure customers who are sensitive to the price and service quality. The InterRent® brand and its main assets (staff, fleet, station, website) are now operated by the Low-Cost Business Unit (also in charge of Goldcar operations) and by the Buchbinder team in Germany. This means that it is operated independently from the Europcar® brand platform;
- Goldcar® is the newest vehicle rental company acquired by the Europcar Mobility Group in 2017 and aims to be the leader in the low-cost leisure market in Europe. With more than 30 years of experience in the car rental sector, the company now operates over 100 stations in Europe, including both corporate and franchisees. The three pillars of its core business strategy, which are geographical expansion, an excellent customer service, and the investment in new technologies, allow Goldcar to continue offering the best prices and service to its customers. Goldcar's brand promise is centered on the brand values of innovation, team spirit and entrepreneurship and a brand mission focused on the commitment to always provide low-cost, basic pricing;
- Buchbinder® is one of the largest vehicle rental providers in Germany with 158 locations including all major airports in Germany, Austria, Hungary, Slovakia and Northern Italy. The company has around 1,700 employees and operates in approximately 130 downtown locations in Germany leveraging its access to the network of ATU (Auto Teile Unger), the largest operator of car repair shops in Germany, Austria, Czech Republic, Netherlands and Switzerland. Buchbinder is a market leader in commercial light vehicles in Germany and Austria and a major operator of passenger cars in Germany, Austria, Hungary, Slovakia and Northern Italy;
- Ubeeqo is a French start-up company established in 2008 and one of the pioneers in mobility and fleet management services for companies and more recently for individuals. Since February 2017, Europcar Mobility Group has owned 100% of Ubeeqo International. This acquisition was part of Europcar Mobility Group's strategy to expand its mobility solutions offerings to respond to customer needs by providing simple, turnkey solutions. This acquisition allowed the Group to sustain Ubeeqo's development in new mobility technologies in Europe. 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. Ubeeqo, present in France and Belgium, as well as in the United Kingdom and Germany since 2015 and in Spain and Italy since 2016, offers various services and car-sharing services (general public or in companies) or mobility credit for their employees. Ubeeqo plans to continue integrating these recent acquisitions in Spain and Italy, as well as its expansion in Europe and in countries where Europcar benefits from a network of franchises, to build its global footprint. Ubeeqo's current customer base includes several blue chip French companies, such as Danone, L'Oréal, Airbus, and Michelin. Its business targeted for German companies realized strong growth in 2017 and 2018. Its solutions aim to provide customers with significant savings, enhanced employee satisfaction and a limited impact on the environment. In open car sharing, Ubeeqo significantly increased its fleet capacity throughout 2018;
- E-Car Club is the UK's first entirely electric pay-per-use car club. E-Car Club's vision is to improve local mobility, while reducing costs and the environmental impact of its users' travel. The company deployed its original car sharing solution in several metropolitan areas in the United Kingdom like London, Hertfordshire, Northamptonshire, Oxfordshire, Buckinghamshire, Warwickshire and Fife, around ecosystems such as universities, local public authorities or even residential building programs.

Since December 2017, Europcar Mobility Group owns 100% of E-Car Club;

- Brunel is a leader in private B2B chauffeur services available through mobile applications. It mainly targets business customers across a range of industries, in particular investment banks, law firms, consulting firms and financial institutions. The acquisition of Brunel in 2016 was a new step in Europcar Mobility Group's strategy of offering a complete range of mobility solutions to its customers, with a large choice to meet the time and convenience needs of each customer. Brunel services are also available internationally through a network of partners in 75 countries, covering 480 cities;
- Scooty is a Belgium based start-up created in 2016, which offers its customers electric scooters in free floating in Brussels and Antwerp. Scooter-sharing is a service in which the customer can, in a designated area of the city, locate, book, start and stop an electric scooter through a mobile app. After a collaboration with a pilot since April 2017 between Scooty, Ubeeqo and Europcar Lab, Ubeeqo (through its Belgian subsidiary) decided to acquire Scooty in April 2018 in order to add to the Group's mobility portfolio an electric urban solution and to further develop synergies with Ubeeqo car sharing services.

Customer satisfaction

Since 2011, Europcar has been tracking and managing customer satisfaction by gathering feedback from customers on their experience.

The performance indicator that monitors the willingness of our customers to recommend Europcar is the Net Promoter Score. It is measured by the difference between the ratio of "promoters" and the ratio of "detractors".

Net Promoter Score is one of the top metrics followed both at operational and executive level.

All Group employees are involved in this Net Promoter Score* via a part of their variable compensation. Rental station scores are reviewed weekly and action plans implemented based on these reviews. Europcar reaches dissatisfied customers to answer their issues and to ensure an ongoing loyalty.

Europcar measures NPS the same way in all countries, corporate and franchisee, and this KPI (key performance indicator) is growing quickly, from 45 in 2015 to 56.4 in 2018.

In addition to the NPS, other KPIs are monitored as well to have a complete view of the customer journey. Europcar uses the Customer Effort Score (CES) to monitor the ease of service at booking and before picking up the car. The CSAT is used today to measure the customer satisfaction for digital booking experience. New KPIs will be implemented: in 2019 a new CSAT will measure the customer satisfaction after an interaction with a Contact Center agent.

In addition to Europcar Brand, Goldcar, InterRent and Ubeeqo have implemented the Net Promoter Score. Their measures are not comparable with Europcar's due to different calculation methods. In 2019 processes will be aligned in order to have a Group measurement.

NPS110 is a continuous improvement program dedicated to identifying and solving customer pain points in a short time manner to improve their experience and satisfaction. As a part of NPS110, all these sources of feedback are helping Europcar to find group solutions to main customer pain points.

1.6.3 Customers (Business/Leisure)

The Group's products and services are offered to a large range of business and leisure customers. Business customers primarily include large corporates, small and medium-sized businesses, as well as entities renting vehicles to provide temporary vehicle replacement services. Leisure customers primarily include individuals renting vehicles for their personal needs, in particular for travel during holidays and weekends, directly or indirectly *via* tour operators, brokers or travel agencies.

The business and leisure segments have different and complementary characteristics, particularly in terms of seasonality of demand, which allows for better management of the Group's network (both in terms of stations and the fleet utilization rate *). The Group believes that maintaining an appropriate balance between business and leisure rentals is important to maintain and enhance its overall profitability and the consistency of its operations throughout its network. Consolidated revenue generated by the business and leisure customer segments remained relatively stable during the last few years. For the year ended December 31, 2018, leisure rentals accounted for approximately 60% of the Group's vehicle rental income (excluding fees received from franchises), with business rentals accounting for the remaining 40% (against 56% and 44% respectively in 2017).

Certain 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, the United Kingdom and Denmark) have a balance between business and leisure customers. The corporate countries in the Rest of World operating segment (Australia and New Zealand) are more active in the leisure market. 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 in the corporate countries for the year ended December 31, 2018:

BREAKDOWN OF THE GROUP'S VEHICLE RENTAL INCOME BY CLIENT SEGMENT AND BY BU IN 2018

	At December 31, 2018	
BU	Business Segment	Leisure Segment
Cars	42%	58%
Vans & Trucks	75%	25%
Low Cost	0%	100%
TOTAL	**40%**	**60%**

With approximately 7.7 million drivers recorded in Europcar Mobility Group's reservation system in 2018, the Group believes that its customer portfolio is one of the strongest and most diverse in the European vehicle rental industry.

1.6.3.1 Business customers

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

Revenue from business customers tends to be primarily concentrated during the period from Tuesday through Thursday each week. Revenue from business customers is less subject to seasonal change.

Large corporates

Europcar Mobility Group has several contracts with major international accounts, such as Lego, for which it is the exclusive or preferred supplier of rental vehicles to their employees for their professional use. Europcar also has a strong presence within assistance companies and rental 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 IT system *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 customer's 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.

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 through the Group's principal partners.

1.6.3.2 Leisure customers

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

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

Individuals

This segment includes all individual customers contracting directly with Europcar Mobility Group's portfolio of brands. For example, individuals book directly under the Europcar® brand through the brand's website or using the Europcar® app, cell phones or tablets, through call centers and vehicle rental stations and under the InterRent® or Goldcar brands through the brand's dedicated websites or the InterRent® or Goldcar apps, cell phones or tablets (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 Department in order to accelerate the trend in reservations on websites and mobile applications and the signing of new agreements with general sales agents in order to stimulate international demand, in particular in China, India, Russia and Brazil.

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

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 Mobility Group currently has international partnerships in different sectors that represent a significant portion of its vehicle rental income, including:

- in the airline sector, partnerships with airlines such as EasyJet (exclusive partnership that expires September 30, 2019) Lufthansa signed in March 2017 as preferred partner (distributed within the booking flow). Aeroflot as exclusive partner signed in December 2013 (where Europcar products and services are distributed within the booking flow), Air Caraïbes exclusive partnership signed in March 2016, Scandinavian airlines signed in 2018 as preferred car rental partners, Emirates (partnership signed in March 2014, under which Europcar customers who are members of the Skywards frequent flyer program receive miles in Emirates' frequent flier programs for every rental), Miles and More frequent flyer program with a preferred partnership for more than 10 years in the hotel sector, partnerships with large groups such as Accor for business, marketing and communication purposes (partnership established January 1, 2000) where Europcar products and services are distributed within the booking flow using our own API connection; and
- 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 of between two and four years.

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

Tour operators, travel agents and brokers

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

Europcar Mobility Group has agreements at the international and national levels with several travel agencies (including online travel agencies) that work directly with Europcar 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 part of Booking.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, Keddy, InterRent and Goldcar) or multi-product strategy allow the Group to benefit from additional contributions made to its activities during the low season, or for certain partners, from intermediaries' early payments especially during high season, a period when the Group guarantees them a certain number of vehicles.

1.6.4 Distribution Channels

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

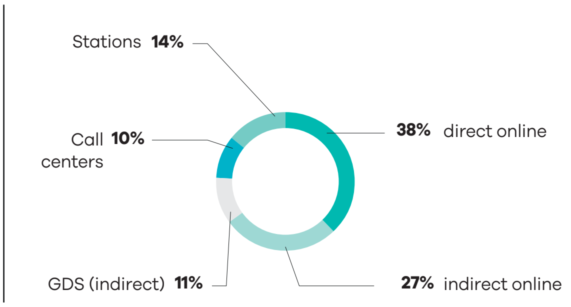
Note: The information that follows concerns only the Europcar brand.

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

The following chart sets out the breakdown in reservations by distribution channel including direct channels controlled by the Group (stations, call centers, Europcar-controlled websites) and indirect distribution channels (intermediaries' websites and GDS) in 2018 in the corporate countries [(1)].

BREAKDOWN OF RESERVATIONS BY DISTRIBUTION CHANNEL IN 2018



Source: Company.

As shown, the Group uses varied distribution channels to better service its customers. Online reservations (direct and indirect Internet as well as GDS reservations) represented 76% of the Group's total number of reservations in 2018.

1.6.4.1 Europcar's direct distribution channels

Internet

The Group has invested in its websites and applications, with a view to the growing role of e-commerce. Since 2014, more than 80 websites operated for corporate countries and Europcar franchisee countries, as well as its partners, have been migrated to a new e-commerce platform. In 2015, Europcar launched a B2B portal on its websites to better serve its customers and capture online Business customers especially on the SME market. In 2016, the

(1) *Excluding Austria, Slovakia, Hungary and Turkey.*

mobile site was completely redesigned. In 2017, Europcar launched a series of user experience optimizations of their iOS and Android Apps. The way customers could search for a location was improved, better product filtering added, the booking process streamlined. All this has resulted in a 40% increase in App revenue in 2018. A new platform for B2B customers was developed as well as allowing B2B customers to open a business account in three minutes and start there online bookings immediately with a preferential rate.

In 2018, self-service has been a strong focus on our digital platforms, with chat and web callback now available across all sites, new FAQs with dynamic search functions and quick access to online check-in and invoices. Also in 2018, co-branded mobile sites for key partners such as easyJet, Accor and Lufthansa were delivered enabling customers from these partners to book car rental just after their flight or hotel booking. A retail intelligence vehicle recommender was implemented as well on all our websites, to recommend vehicles best matching customers needs. These initiatives also include the increasing digitalization of customer transactions from one-click booking to mobile check-in and check-out.

Europcar Mobility Group uses its websites to both inform and serve its customers, providing online reservation systems and information about its services. Europcar enables reservations from customers *via* its country-specific websites, including Europcar.com and Europcar.biz, mobile applications, as well as through Internet micro-sites accessible (i) by customers of the partners with whom it has an exclusive relationship and (ii) by employees of Europcar's large corporate customers. Such micro-sites dedicated to business accounts enable Europcar to address the needs of customers without intermediaries. Europcar also offers direct reservations through the websites of its partners, such as EasyJet. Reservations for the InterRent® brand are mainly made and prepaid over the brand's website.

Online reservations facilitate price comparisons, thereby increasing competitive pressure in the industry. Nevertheless, sales through these channels carry lower direct distribution costs than traditional distribution channels and result in a simplified and enhanced customer experience. Except for Austria, Slovakia, Hungary and Turkey.

Traditional direct distribution channels

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

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

1.6.4.2 Indirect distribution channels (Internet, GDS)

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

Over the last few years, the percentage of reservations made *via* GDS has decreased from 35% of the Group's total number of reservations in 2010 to 11% in 2018. Inversely, indirect reservations *via* the Internet have increased from 13% of the Group's total number of reservations in 2010 to 27% in 2018.

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.

Europcar Mobility 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 Europcar and a tour-operator, the latter 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. 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 Europcar's network of 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 Europcar network.

The development of the indirect digital distribution channels has also benefited from the growing presence of car rental brokers in the market. Europcar has signed agreements with most of the major car rental brokers in Europe. Customers have access to a large 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. Moreover, these companies have developed attractive geographical networks for customers. This 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 Europcar's fleet. The Group believes that it has variable vehicle capacity, as contrasted with the fixed capacity that may characterize other sectors, such as the hotel sector, which enables it to manage its various distribution channels consistently;
- vehicle rental companies benefit from volume commitments in low season and prepayments in high season from certain intermediaries, and in return, offer these intermediaries guaranteed availability in high season; and
- in their principal markets, agents rent the Group's vehicles at a price determined by Europcar and receive in compensation a commission on this price.

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

1.6.5 Europcar Mobility Group's network

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

The density of the Europcar Mobility Group's network in the corporate countries enables to address customer demand for proximity and convenience (as well a Deliver and Collect 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. Certain 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, Denmark) have a balance between business and leisure-customers.

The corporate countries in the Rest of World operating segment (Australia and New Zealand) are more active in the leisure market.

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

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

EUROPCAR MOBILITY GROUP HAS A TRULY GLOBAL REACH THROUGH ITS FRANCHISE, ALLIANCE AND CORPORATE OPERATIONS

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 2018 on a company revenue basis (Source: Euromonitor).

The following table sets out the number of rental stations (broken down by type) that generated revenue for the year ended December 31, 2018:

	2018			
	Stations			
	Group	Agents	Franchisees	Total
Europe				
Germany	361	223	-	584
United Kingdom	199	9	8	216
France	272	54	145	471
Italy	51	200	1	252
Spain	177	30	-	207
Belgium	16	13	-	29
Portugal	36	49	-	85
Ireland	17	7	-	24
Denmark	35	7	-	42
Austria	15	2	29	46
Luxembourg	2	-	-	2
Slovakia	3	-	5	8
Hungary	2	-	15	17
Franchisees outside of corporate countries	-	-	561	561
TOTAL EUROPE	**1,186**	**594**	**764**	**2,544**
of which stations in airports	*236*	*23*	*159*	*418*
Rest of the World				
Australia	85	6	33	124
New Zealand	21	5	-	26
Goldcar other territories	12	-	12	24
Franchisees outside of corporate countries	-	-	878	878
TOTAL REST OF WORLD	**118**	**11**	**923**	**1,052**
of which stations in airports	*51*	*7*	*297*	*355*
TOTAL GROUP	**1,304**	**605**	**1,687**	**3,596**

Note: There has been significant change in station figures vs 2017 as a result of (1) change in accounting method (-143 stations including -88 corporate stations) and (2) integration of Goldcar perimeter (+81 corporate stations and +12 franchisee stations)

Our Group is operated through the five following business units:

→ **Cars BU**

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

In this regard, the search for agencies on behalf of the Cars BU is ongoing in all types of locations: airports, stations, city centers.

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

- **Vans & Trucks BU**

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

  To achieve that, the number of "supersites" grew in 2018 in line with this deployment strategy, either through the opening of new full-fledged agencies or changes made to existing agencies. These "supersite" agencies are entirely dedicated to the business of the Vans & Trucks BU, with direct cost and revenue allocation;

- **Low Cost BU**

  The products of the LOWC BU are historically offered in the same agencies as those of the Cars BU. However, in conjunction with the takeover of the entire business of the LOWC BU by Goldcar, the Group has stepped up the transfer of the low-cost business to agencies fully dedicated to this type of businesses, mainly Leisure;

- **New Mobility BU**

  Following a sharp growth in their business, the Group's New Mobility brands, in particular Ubeeqo, are developing their product offering and their presence in corporate countries.

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

  In 2018, there were some 1,400 "locations" (groups of parking spaces where customers can pick up or drop off the vehicle they booked online under a rental contract in accordance with Ubeeqo's mode of operation) in 8 European cities.

  Special attention is paid to the identification and development of synergies between the Cars and New Mobility BUs, for example, where there is sharing of parking spaces and preparation costs. This work started in 2018;

- **BU International Coverage**

  The international expansion of the Group network cannot happen without the Group's strategic management of its franchisees. (See Section 1.6.5.3.)

Promoting cross-border activity and inbound traffic in corporate countries

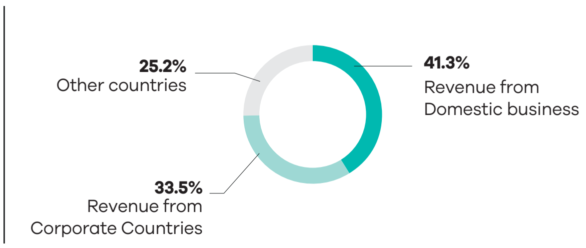
The density of the Group's network in the corporate countries enables the Group to address domestic customer demand for proximity, while the international coverage of its network considerably enhances its ability to capture business from customers traveling outside of their home countries.

The Group is maintaining and growing its domestic rental business (reserved vehicles, checked out and returned in a single country), and is actively developing its international rental business (in which vehicles are reserved through its direct and indirect Europcar distribution channels in one country and checked out in another country). Internationally sourced rentals represent an additional 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.

The chart hereafter shows the breakdown of revenue for the year ended December 31, 2018 between domestic business and inbound business from corporate countries and the Rest of the World (including franchised countries). For the purposes of this table, domestic rentals are defined as rentals that are reserved, with pick-up and return in the same country, while rentals from corporate countries and from the rest of the World (including franchised countries) are rentals in which vehicles are (i) reserved through the Group's direct and indirect distribution channels by customers resident in a given country and (ii) checked-out in another country.

2018 VEHICLE RENTAL INCOME BREAKDOWN
IN THE LEISURE SEGMENT BY SOURCE



Source: Company.

1.6.5.1 Operating models

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

The Group's revenue is comprised of:

- vehicle rental income generated by its directly-operated rental stations or by the agent-operated rental stations of its corporate countries (€2,748 million in revenues in 2018, of which 93.4% was generated in Europe and 6.6% in the Rest of the World, the Group's two operating segments);
- additional services revenue generated (€127 million of revenues in 2018);
- royalties and fees received from its franchisees (€55 million in 2018).

1.6.5.2 Stations operated directly by the Group or by agents

Stations operated directly by the Group

As of December 31, 2018, the Group directly operated 1,304 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 87% of the revenue generated by rental activities in 2018 (slight increase compared to 2017).

Agent-operated stations

As of December 31, 2018, agents operated 605 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 represented 13% of the revenue generated by rental activities in 2018 (slight decrease compared with 2017).

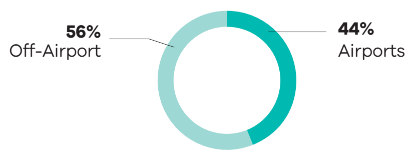
Station locations

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

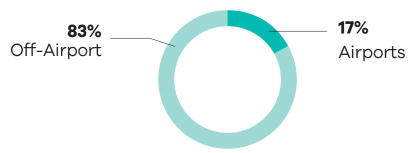
Airport locations are important for the Group, as they enable it to offer convenience to customers travelling by air (domestic and inbound) and to benefit from the growth in business in these areas. This is one of the Group's main sources of revenues. Airport stations generally generate higher revenue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

The following charts provide a breakdown in percentage of the number of directly and agent-operated stations and of the Group's rental revenues in corporate countries (excluding fees received from franchises) between stations located at airports and other locations in 2018:

BREAKDOWN BY REVENUE



BREAKDOWN BY NUMBER OF STATIONS



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 2018:

BREAKDOWN OF THE GROUP'S RENTAL REVENUE IN CORPORATE COUNTRIES BETWEEN STATIONS LOCATED IN AIRPORTS AND OTHER LOCATIONS IN 2018

Countries	Airport	Off-Airport
Germany	22%	78%
United Kingdom	40%	60%
France	44%	56%
Italy	65%	35%
Spain	48%	52%
Belgium	28%	72%
Australia	68%	32%
New Zealand	81%	19%
Portugal	66%	34%
Ireland	80%	20%
Denmark	26%	74%
Austria	45%	55%
Slovakia	35%	65%
Hungary	86%	14%
TOTAL	**44%**	**56%**

Source: Company.

AIRPORT CONCESSIONS

Through its extensive network of airport stations, Europcar is able to serve high passenger volumes at airports. The number of rental stations in airports as a percentage of the Group's total number of stations has increased slightly to 17% in 2018. 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, Europcar (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. Europcar's concessions are granted by the airport operators, following either negotiation or bidding for the right to operate a vehicle rental business in such airports.

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

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

OTHER STATIONS

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

1.6.5.3 The Group Franchise Department

During the year ended December 31, 2018 franchisees operated approximately 1,687 stations worldwide, including 764 stations in Europe and 923 stations in the Rest of the World. Fees from franchisees received by the Group stood at €39.7 million for the year ended December 31, 2018. For further information on the franchisee network, see the map presented in Section 1.6.5 "*The 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 sub-continent, Middle East and the Asia-Pacific region.

The Group is also developing its InterRent® franchise network, with franchises in place in 34 countries as of December 31, 2018, around the Mediterranean basin but also with the aim of strengthening the brand's presence in other European countries and in the Middle East. 2019 will see the first InterRent openings in Asia with targets including Mauritius and Malaysia. Africa (Tunisia, Rwanda & Uganda), the Middle East (Jordan, Bahrain, Egypt & Lebanon) in conjunction with the Group's aim to make InterRent® a global brand. The Group also intends to expand into more European countries.

Management of the franchises

The Group manages its franchise network based on a regional approach, with four 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 will see 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.

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

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

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

Franchisees share the costs associated with these brand initiatives.

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

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

Characteristics of franchise operations

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

Franchisees initially pay an entrance fee, and, upon renewal of their contracts, a territory fee, for the exclusive right to use the franchise rights in the area covered by the agreement for the agreed services and brands. The franchisees pay royalties representing a percentage of the revenue generated by the vehicle rental operations, a reservation fee based on the number of reservations made through the Group's reservation system and, if applicable, a fee to use the Group's IT systems. Franchisees are required to send monthly results to the Group, which form the basis of the calculation of royalties. In return for the payment of fees and royalties, franchisees benefit from the Group's expertise, access to its reservation system, worldwide network, international brand, customer base and information technology systems. Royalties and fees paid by Europcar network franchise in the corporate countries and in the franchised countries amounted to €54.7 million for the year ended December 31, 2018, of which €39.7 million were received by the Group in the franchised countries (compared with €39.7 million for the fiscal year ended December 31, 2017 – see Section 3.1.2.2 "*Analysis of Group results*", (A) "*Revenue*"). Except in a very limited number of cases, franchisees are exclusive to the Europcar network, meaning that they agree not to work with any other vehicle rental group or to operate a vehicle rental business under their own name for the duration of the franchise agreement. Most of the franchise agreements concluded by the Group provide that when a Europcar network customer makes a reservation relating to the territory of a franchisee, that customer becomes a customer of the said franchisee.

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

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

1.6.5.4 The Group Alliances Department

The Group has entered into commercial cooperation agreements with certain entities in order to benefit from commercial synergies in various countries. These agreements allow the Group's customers to be served in certain locations while also increasing in-bound flows. Revenue generated by strategic partnerships represented less than 1% of the revenue generated by the Group's rental activities in 2018, unchanged from 2017.

At the date of this Registration Document, the Group had entered into five commercial cooperation agreements allowing its customers to access its services in the United States, in particular through an agreement entered into with Franchise Services North America in June 2013 relating to the Advantage-Rent-A-Car® brand (which was subsequently transferred to The Catalyst Capital Group, Inc.), in Canada through an agreement entered into with Discount Car and Truck Rentals Ltd in October 2013, and in China *via* an agreement signed on January 12, 2017 with one of the leading car rental firms in China, Shouqi Car Rental. 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.

Under the agreement regarding the Advantage-Rent-A-Car® brand, Europcar® brand customers are served by the Advantage-Rent-A-Car® brand in the United States, and Advantage-Rent-A-Car customers are served by Europcar in the Rest of the World.

The partnership between Europcar and the Chinese Shouqi Car Rental group ("Shouqi") came into effect on January 12, 2017, and has been extended for an additional two-year period. 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.

Pursuant to the agreement with Discount Car and Truck Rentals Ltd, the partners seek to expand both the corporate and the leisure and business segments in Canada.

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

The Group has most recently 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.

1.6.5.5 The Regional Sales/General Sales Agents Department

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

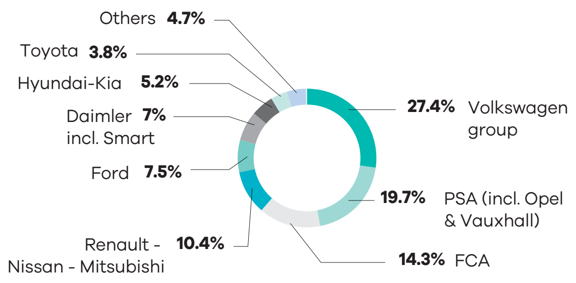
At the end of 2018, a total of 37 GSAs had been appointed worldwide, including in Asia, North/South America, Middle East, Africa and Europe. To further grow cross-border sales the Group has started to appoint GSAs in business markets and is now present in Belgium, Ireland, UK, France and Germany. Existing agreements with the Group's GSAs, in particular in China, Hong Kong, Canada, Dubai and Abu Dhabi continue to allow the generation of strong performance.

1.6.6 The Group's fleet

Unless otherwise indicated, this Section relates solely to the fleet operated directly by Europcar Mobility Group under the Europcar®, Goldcar® and Buchbinder® brands, and not to the fleet owned by Ubeeqo and E-Car, nor that operated by franchisees and independently owned (or leased from third parties) (for more information about the franchisee fleets, see Characteristics of franchise operations under Section 1.6.6.3 "*The Group franchise department*").

Europcar's fleet is sourced from various manufacturers, including Volkswagen (with the Volkswagen®, Audi®, Seat® and Skoda® brands), Fiat, Renault-Nissan, PSA (Peugeot®, Opel®, Vauxhall®, Citroën®, DS®), Daimler (Mercedes®, Smart®), Ford, BMW and Toyota. Volkswagen AG was Europcar's largest supplier of vehicles in 2018. The Group currently uses more than 300 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, 2018.



Source: Company.

The diversity of Europcar's fleet allows the Company to meet the rental demands of a broad range of customers. The fleet consists of 11 main vehicle categories, based on general industry standards – mini, economy, compact, intermediate, standard, full-size, premium, luxury, light commercial vehicles, mini-vans, trucks and convertibles. The fleet varies by brand, with the fleet offered for rent under the Europcar® brand covering the full range of vehicles (from the mini category to the Selection category, comprising "prestige" and "fun" vehicles), and the fleet offered for rent under the Goldcar® brand corresponding to the most frequently requested types of vehicles in the medium or Low Cost segment. The Goldcar® offer is thus limited to four categories: mini, economy, compact and intermediate.

The Group believes that Europcar is one of the largest purchasers of European vehicles and the largest in the European vehicle rental industry. During the year ended December 31, 2018, the Group took delivery of approximately 368,000 vehicles and operated an average rental fleet of 316,000 passenger and light commercial vehicles. The mix of passenger and light commercial vehicles in 2018 was 88% to 12% respectively. For the year ended December 31, 2018, Europcar's approximate average vehicle holding period was 10.2 months (8.3 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 the buy-back programs with carmakers, see Section 1.6.6.3 "*Vehicle buy-back commitments*".

The following table provides a breakdown of the Group's average rental fleet * by corporate country between the categories "cars" and "light commercial vehicles" for 2018:

Corporate entities	Cars	Light Commercial Vehicles
Germany	89%	11%
UK	87%	13%
France	79%	21%
Italy	94%	6%
Spain	94%	6%
Australia – New Zealand	94%	6%
Belgium	92%	8%
Portugal	92%	8%
Ireland	85%	15%
Denmark	75%	25%
Buchbinder	68%	32%
Goldcar	100%	0%
Luxemburg	95%	5%

Source: Company.

1.6.6.1 Fleet management

In addition to negotiating the acquisition of fleet vehicles from manufacturers, 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.

Europcar's 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. Europcar is able to respond to seasonal fluctuations in demand through continuous optimization of fleet management. Through its daily management, Europcar 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, Europcar can increase its orders for vehicles in advance of the peak 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. Europcar 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 remained flat at 76.1% in 2018 in a context of significant increase of the average rental fleet to 315,953 vehicles (a 27% increase with respect to 2017) and as a result of the integration of Goldcar and Luxemburg. Although the Group believes that its utilization rate is close to the optimum rate achievable in the industry, it continues to regularly study ways to improve it in each of the corporate countries and for the various brands it operates.

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.

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

1.6.6.2 Fleet sourcing and planning

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

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

Purchase contracts for the coming year are generally concluded at the end of each calendar year, in order to anticipate market trends, and are readjusted throughout the year on a monthly basis to ensure maximum reactivity to market demand. The Group is therefore able to adapt its fleet capacity to rental market demand.

The Group records all of its vehicle fleet either on the balance sheet or, with respect to vehicles acquired through leases that meet the definition of an operating lease, off balance sheet. The following table summarizes the Group's fleet asset and financing structure [(1)]:

	Rental Fleet Assets	Fleet Financings	
		Liabilities	Type of facility
On-balance sheet	On-balance sheet fleet asset base	Fleet financing debt	€ 1.7bn Senior Asset Revolving Facility (SARF)
			€ 500m Fleet Bond
			£ 400m UK Fleet Financing Facility
	Fleet working capital related to buyback agreements		€ 250m Goldcar Asset-Backed Bridge Facility [(2)]
			Other fleet financings (Portugal, Australia/New Zealand, Denmark, Buchbinder)
			€ 500m Revolving Credit Facility (RCF)
Off-balance sheet	Fleet asset base financed under operating lease	Debt equivalent of fleet operating lease	Operating lease agreements signed with banks and OEMs

Source: Company.

The Group finances the acquisition of the vehicles in its fleet by various means, in particular through asset-backed financing (see Section 3.2 "*Liquidity and capital resources*" and Note 2 "*Significant accounting policies*", Section 2.10.1 "*Rental fleet*", paragraph (i) "*Vehicles purchased with a manufacturer or dealer buy-back commitment*" in the consolidated financial statements included in Section 3.4 of the Registration Document). The Group benefits from a flexible asset-backed financing structure with loan to value ratio (*i.e.* the indebtedness of Securitifleet Holding, the Securitifleet Companies and EC Finance plc divided by the total value of the net assets on the balance sheets of the Securitifleet companies) of 92.4% as of December 31, 2018 (compared to 92.2% as of December 31, 2017).

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 "*Liquidity and capital resources*".

1.6.6.3 Vehicle buy-back commitments

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

Repurchase programs limit Europcar's potential residual risk with respect to vehicles purchased under the programs, allow Europcar to arrange financing on the basis of the agreed repurchase price and provide Europcar's fleet managers with flexibility to respond to

(1) *Note that the presentation of operating leases in the off balance sheet will evolve with the application of IFRS 16 as of 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 Registration Document for more information.*

(2) *Note that the initial Asset Backed Bridge Facility of €450 million has been amortized and progressively reduced to €250 million since the integration of the Goldcar fleet in the securitization, the financing sources of which has been extended from €1.3bn to €1.7bn for the SARF and from €350 million to €500 million for the fleet bond.*

changes in demand. In addition, the high percentage of buy-back vehicles in Europcar's fleet allows the Group to be less dependent on the used car market. These programs operate to the benefit of the car manufacturers as well, since the return of the vehicles to them within a short time period enables them to resell the vehicles quicker through their dealership networks as newer models.

The visibility and flexibility conferred by the Group's buy-back strategy are important. The Group has long been committed to maintaining a high rate of fleet purchases in units acquired under buy-back commitments. On average, the Group estimates that over 90% of the vehicles purchased over the past 10 years were covered by buy-back commitments.

In 2018, despite additional volumes coming from Buchbinder, Goldcar, Europcar Ireland, Europcar Luxemburg and Europcar Denmark, 87% of Europcar's fleet (in units in circulation) was covered by buy-back commitments versus 92% in 2017.

1.6.6.4 "At risk" vehicles

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

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

As of December 31, 2018, 25% of fleet passenger cars without buy back commitments were diesel versus 38% at the end of 2017. Vans and trucks are nearly all diesel-powered.

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

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

1.6.6.5 Maintenance

Europcar Mobility Group arranges for each vehicle to be inspected and cleaned at the end of every rental and to be maintained according to the manufacturer's recommendations. Europcar must follow the maintenance specifications of the respective manufacturers in order to maintain the warranty and repurchase commitment on the vehicle. Europcar 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 companies. The objective is, on the basis of detailed appraisals, to optimize repair costs and lead times in order to limit the impact on the use of the vehicle. For the most badly damaged vehicles, the choice is made between repairing the vehicle or selling it in its current condition.

1.6.7 Suppliers

This Section presents the items relating to the Group's suppliers and the purchase volumes (called "non-fleet purchase costs"), but excludes items relating to the acquisition, registration and insurance of the fleet which are presented in Sections 1.6.7 "*The Group's fleet*" and 2.6.3 "*Insurance*" of this Registration Document.

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

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

The operating needs of the Group so far have been processed on a country-by-country basis with an annual average volume of expenses generally proportional to the country's share in the Group's annual consolidated revenue. As a result, the Group currently has relationships with a multitude of suppliers (currently, taking into account 2017 acquisitions, around 25,000 active suppliers each year) for a very broad range of categories of

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

products and types of services. In particular, the share of value added services relating to labor intensive activities is close to 50%.

In 2016, working in consultation with all countries that have a head of purchases in post, the Group identified three strategic priorities for purchasing in coming years:

(a) Operational excellence, with the P2P (Purchase-to-Pay) solution launched in 2014 playing a key role.

This solution aims to provide full transparency on the nature and volume of both operating purchases and those directly linked to customer services, to facilitate the engagement process while ensuring control, to identify opportunities for Group-wide purchasing economies of scale and to enhance the flexibility of Supplier Accounting within the Shared Services Center. During this year, the project was handed over to exploitation and the responsibility of the process was moved to the Finance Department;

(b) Corporate Social Responsibility (CSR)

In application of the Sapin 2 Law, a CSR strategy based on the analysis and control of supplier risks has been defined and implemented since 2017. The aim is to bring all Group partners into compliance with the Company's Ethics Code. The procedure will also help in rationalizing the Group's panel of suppliers;

(c) Sourcing strategy

The Group moves from a country-by-country or service-by-service purchasing system to a system in which categories of purchases are managed together allowing the Group to benefit from economies of scale and common tender submissions for multiple countries.

1.6.8 IT system

IT systems and telecommunications are vital parts of the Group's management of its network of points of sale and customer reservations *via* multiple distribution channels. Part of the IT solutions are designed, developed, implemented, operated and maintained by the Group's IT Department.

Europcar Mobility Group continuously invests in improving its IT system in order to further enhance its ability to offer innovative and cost-effective services. All IT projects are centrally and regularly evaluated against business needs. Technical projects, which are aimed at establishing and ensuring the continuity of services, are given special attention. Application projects, which are aimed at maintaining and enhancing system operating capabilities, are assessed against the expected added value to the Group, including growth of revenues, reduction of costs and mitigation of risks (legal, regulatory, obsolescence or performance related).

To support its efforts to develop and implement innovative mobility solutions, the Group has implemented a plan to revamp its IT system's architecture by 2020, making it more open and flexible and thereby facilitating the integration of third-party applications. A certain number of modules and innovations have been implemented in order to:

- capitalize on the Group's operational excellence (new mobile applications for customers and employees, or applications currently being improved or developed on other media);
- promote a culture of decisions based on data (Big Data), adjust products and prices in real time (Dynamic Pricing);
- accelerate digital development and strengthen the customer relationship management strategy (Cloud CRM).

1.6.8.1 The GreenWay® system

The Europcar® brand information system is built around the centralized GreenWay® application, which offers a single shared solution that can handle all the functional needs of the vehicle rental business: customer management (individuals and companies), pricing management, fleet management, management of reservations and distribution systems, management of branch rental operations and billing services. The proprietary system was designed specifically for Europcar's vehicle rental business and was first implemented in 1994.

GreenWay®, which has been in operation since 2014 on a highly scalable architecture (Java/Linux), allows for over 10,000 concurrent user connections. Today, the system manages more than 13 million reservations and 10 million rentals on a yearly basis. More than 10,000 people are GreenWay® users and most of them are located in the 1,687 stations of the Europcar network. Around 200,000 vehicles are continuously monitored by the system in order to optimize fleet utilization. The full functionality of the Greenway system® is available 24/7 at the head offices and rental stations of 10 of our corporate countries as well as in franchises in Switzerland, Austria and Norway. The majority of the Europcar network's franchise sites are linked to GreenWay® for reservations.

1.6.8.2 Other main IT applications and systems

Other major applications and systems used by the Group are "Oracle Financials" for financial management and accounting, "Datawarehouse" for in-depth analyses of Company data and "Ataraxia" for the management of accidents, damages and maintenance of vehicles.

The Group also uses collaborative cloud computing solutions such as "Google G Suite" for office needs and the "Salesforce" software to optimize business relationships for the sales teams. Cloud solutions are also being implemented, as part of the digital transformation of the business (such as connected cars, keyless access to cars, mobile applications and social media leveraging).

The Group's main suppliers of IT include Cap Gemini (maintenance of the GreenWay® software), Sopra Steria (production outsourcing services), Unisys (installation and maintenance of workstations), Dell & Lenovo (servers and workstations), IBM (servers), Hitachi and NetApp (storage), CISCO (network equipment), Colt (Telecom networks for data transfer), InterXion and Telehouse (hosting production centers). SalesForce is also one of our principal providers of SaaS-mode solutions.

Buchbinder built its information system around two key applications: BubiRent and CLFleet. BubiRent handles customer management, the offering, reservations, operations and billing. CLFleet is in charge of fleet and vehicle management and operations related to maintenance and damage. These two applications, developed specifically by Buchbinder and its main local supplier GFH, run on redundant infrastructure used by all branches of the Buchbinder network and their franchises or subsidiaries.

Goldcar has built its information system around two main applications: SIGGER and SARG. SIGGER handles customer management, the offering, fleet, operations and billing. SARG handles multi-channel reservation management. These two applications, developed specifically by Goldcar's internal teams, run on redundant infrastructure used by all branches in the Goldcar network and by their franchises or subsidiaries.

InterRent® is operated on Goldcar information systems for corporate countries, on Buchbinder information systems for Germany and on Rentway for franchisees. Rentway is externalized and based on a system operated on a SaaS (Software as a Service) basis.

1.6.8.3 Continuity of IT system services

Significant safety measures are in place to ensure the security of Europcar's systems, applications and data (and that of its customers).

Careful attention is paid to security systems and the protection of proprietary data against destruction, theft, fraud or abuse. 24-hour operational systems provide protection against, among other threats, computer viruses, spam, phishing and denial of service attacks as well as against robot price grabbing through the use of captchas.

Most Europcar® brand systems, including GreenWay®, the websites, Oracle Financials and the Datawarehouse, are implemented on a proprietary infrastructure, centralized in two production centers running simultaneously 24/7. Each center runs infrastructure capable of delivering the entirety of the software services used in production on its own and provides full real-time physical duplication of production data. These production centers are located near Paris, France, and comply with the following minimum safety rules: a distance of 30 and 60 kilometers between the two centers, independent and multiple electric power supplies, redundant cooling systems, and double electric power supplies for all computer equipment. The objective is to maintain at least 99.98% up-time for each of the centers.

The Group periodically verifies its disaster recovery plan by carrying out annual unit tests for Group applications, and by carrying out a large scale test of one of the two production centers every 18 months – 2 years. Each of the simulation tests is covered by a report entailing, if need be, the implementation of an improvement plan.

BuchBinder's critical BubiRent application runs on its own infrastructure operated locally and with built-in redundancy in two Buchbinder buildings located some distance away from each other. Data are backed up in real time between the systems and the two rooms. Server rooms have redundant electricity supplies and network paths from different suppliers.

The Goldcar systems run on their own infrastructure in two production centers running independently 24/7. Either center can deliver all production application services and data are backed up in real time. These centers are located in Spain and are more than 100 km apart. The business continuity plan is tested annually using full-scale checks and improvement plans drawn up in response where necessary.

1.7 MOBILITY LAB BY EUROPCAR MOBILITY GROUP

Extending its offerings of mobility solutions is part of a Group policy to respond to changes in the market and consumer expectations. The Group focuses in particular on the development of intermodal mobility solutions via digital access, the development of solutions guaranteeing access to a nearby vehicle, and the development of solutions that create value from unused vehicles and vacant parking spaces.

The Group created Europcar Lab to study mobility market usages and search for new mobility solutions opportunities with mobility actors worldwide, whether such opportunities be with customers, partners, or technology and mobility expert consultants. In line with the new group's branding, Europcar Lab rebranded as Mobility Lab in 2018.

Mobility Lab is intended to be an idea incubator for new products and services that provide mobility solutions for the Group. It aims to support internal projects, as well as secure majority stakes in innovative structures.

It is managed by Fabrizio Ruggiero, a member of the Company's Management Board and Deputy CEO responsible for our Business Units and is structured around a dedicated team of five individuals including a director.

1.7.1 Ambition and philosophy of Mobility Lab

The world of mobility is in rapid development and will change profoundly in the coming years. It is becoming shared, connected, fluid, autonomous, accessible and personalized. Mobility Lab's goal is to enable the Group to position itself as a formidable player in this transformation, and become a daily mobility partner for individuals.

The Lab works on new business models, services, collaborations and investments in the area of new mobility. To do this, Mobility Lab works in close collaboration with representatives of the eighteen corporate countries and the network of franchises and signs partnership agreements with external operators, particularly companies, but also with the public sector, start-ups, accelerators and universities.

The Lab's objective is to develop innovative mobility solutions. To do this, Mobility Lab has three options to develop a new service:

- the Creation option: Mobility Lab fully develops its own product;
- the Partnership option: Mobility Lab develops the product with a start-up or a company with a similar offer or concept;
- the Purchase option: Mobility Lab fully acquires a start-up.

1.7.2 Methodology

Mobility Lab uses the "lean start-up" method, which relies on accelerated prototyping, rapid trials and concept verification and the acceptance of failure. Mobility Lab also uses the "design thinking" method, which focuses on problem resolution through innovative and creative thinking. Effectively, the Lab implemented an innovative process based on carrying out studies of the latest trends, the implication in an innovative ecosystem and the development of an approach to launch new services in five steps.

- First action: The Lab carries out various reports and studies to keep itself current on the latest innovative trends:
  - at the beginning of the year, the Lab releases a trend report covering different fields (not only mobility) that will drive the development of products and services throughout the year;

MEGA TRENDS 2018

Mega Trends 2018

Urban trends & demographics

Cities
- Cities becoming bigger and economically stronger
- New business models

Population shift
- Urbanization

Ownership
- Decrease in ownership of cars in cities
- Bigger access to shared vehicle

Customers
- Bigger demand for customisation
- Bringing service to the customer
- Bigger demand for transparency

Technology Trends

Vehicle characteristics
- More connected cars
- More autonomous vehicles
- More shared vehicles
- More electric vehicles

Blockchain
- Crypto-currencies boom
- ICOs in rise
- Secure vehicle payments in rise

Connectivity & Data
- Smart city market growth
- More open data
- Connected objects boom
- 5G wireless usage in rise
- Digital transformation is ongoing

Derived trends
- Augmented reality widely used
- 3D & 4D printing usage rise in all industries
- High speed rail lines are expanding
- Voice assistants usage boom

Mobility Preferences

Multimodality
- Increase of mobility aggregators
- Different mobility solutions for different purposes
- Corporate mobility in rise

Sharing
- Ride-hailing boom
- Light vehicle-sharing boom
- Car sharing boom

Access options
- On demand services more popular
- Free-floating is changing habits
- More Pay-per-use customers

Market & competition

Collaboration & Competition
- More Co-creation / Co-development / Partnerships

Investments & Acquisitions
- Big number of investments
- Many acquisitions of tech companies

New competition
- New competition between OEMs and mobility providers

Financials
- Data means money
- Customer base monetization in rise

Market entry strategies
- Focus on city entry, not country

Government Sectors & issues

Legislation
- Simplifying policy documents
- Regulating new mobility services
- Data privacy / Cyber-security will become big issue

Relations
- "City as a customer" - cars and services designed around cities
- Government wants to open more data for free (public) use

Public transport
- Integrated mobility in rise
- Collaboration between public and private sector to improve public transportation

Ecology issues
- "Innovating to zero"
- Less cars on the streets
- Electric vehicles used more in cities

(1) (ICO): method of raising funds by issuing digital assets exchangeable for crypto currencies.

- throughout the year, the Lab updates research which synthetizes the main markets and players in key areas of interest for the Group and the connections between them;
- Second action, the Lab is involved in the mobility and innovation ecosystem through meetings with numerous start-ups and involvement in different conferences or events related to innovation and mobility. For example in 2018, Mobility Lab has met more than seventy startups and 10 conferences/incubators/connections with other mobility hubs;
- Third action, the Lab follows a five-step approach to innovation, from ideation to launch:
  - **1st step – The ideation:** this is an intensive process lasting from two to five days which enables Lab members to share ideas, review and evaluate options and, finally, to begin to respond to an identified need. Lab members reflect on a concept, a prototype and test their idea with customers;
  - **2nd step – The conception:** this phase consists of making more real the concept discovered during the ideation phase. The Lab undertakes a more detailed study into the market of the concept [1] to better understand it; the Lab also conducts customer interviews to validate that a demand exists. The concept can evolve based on the conclusions of the customer interviews;
  - **3rd step – The prototyping:** it allows the team to materialize the concept and does not require any significant investment from the Group. Here are some examples of outputs from the prototyping phase which are all presented to potential customers to analyze their reaction and interest:
    - a landing page, which corresponds to a quickly-designed website with no backend but with detailed explanations on the concept and a subscription button,
    - brochures explaining the offer,
    - email campaigns with subscription buttons sent to a client database, and
    - application mockups.

(1) Europcar Lab achieved 9 deep dives and 8 quantitative researches in 2017.

If the prototyping phase is successful (*i.e.* potential customers show interest in the concept), the Lab builds a business plan. This will support the results of the prototype and give a four-year projection. The business plan is presented to the Group which decides whether or not to proceed with the piloting phase;

- **4th step – The piloting:** the concept is put in real conditions with customers from one of the corporate countries of the Group. The length of this phase can vary depending on the time to gather sufficient data for the Group to make a decision whether to launch the service or not. All customers involved are asked to complete surveys to obtain as much information as possible on their level of interest in the concept. If the pilot phase is a success, a more complete proposition of business case is prepared and transferred to the ad hoc Business Unit in order to scale;
- **5th step – The Launch:** Mobility Lab is part of the launch of the concept in the first corporate country and then lets the New Mobility Business Unit develop the concept in other countries.

1.7.3 Main achievements

Since its creation in 2014, the Lab successfully contributed to the launch of six new services:

- Mobility platform: a multi-modal application to provide the customer with fully integrated transportation solutions that connect the customer and the offer in real time;
- Global Driver: a service that gives customers the opportunity to book chauffeur transportation, which simplifies travel planning and allows them to feel completely relaxed when travelling. It is available to all budgets through three service levels: economy, business and first class;
- Drive & Share: A service being tested in France. It enables a car to be rented from Europcar for a certain period then shared on a peer-to-peer platform when not used to earn some income. After a successful pilot program in France, Europcar is now offering this service in Germany and Denmark in partnership with SnappCar;
- Scooter Sharing: A service in which the customer can, in a designated area of the city, locate, book, start and stop an electric scooter through a mobile app. After collaborating on a pilot since April 2017 with Scooty, Ubeeqo and Mobility Lab, Ubeeqo (through its Belgian subsidiary) decided to acquire Scooty in order to add to our mobility portfolio an electric urban solution and to further develop synergies with Ubeeqo car sharing services; and
- Connected Cars: Europcar Mobility Group launched in April 2018 a large Connected Vehicles program. The aim of this initiative is to leverage new capabilities provided by connectivity services to improve its core business process and generate significant savings, support digitalization of the customer journey and enable new revenue streams. The program addresses all businesses of the Group that could benefit from connectivity. To achieve a large coverage of its fleet, Europcar Mobility Group is working closely with many car manufacturers and aftermarket solution providers. Europcar Mobility Group is also building its own Connected car platform to support integration with the various connectivity providers and implement first usages leveraging car connectivity in a new telematics portal.

In 2018, Mobility Lab also reviewed its methodology leading to a new strategy and approach vis-à-vis innovation, which will lead to significant changes in the way it operates in 2019.

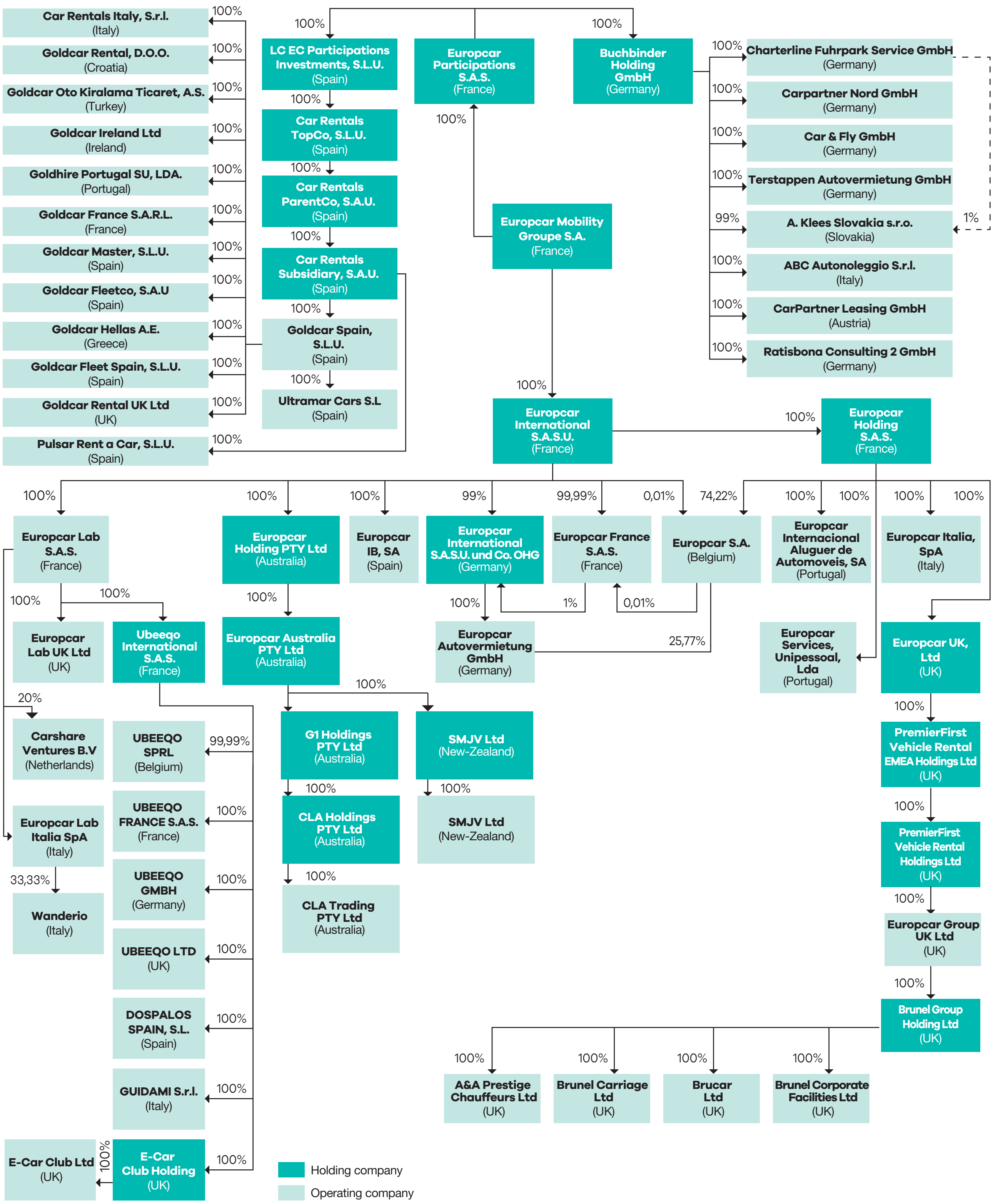
1.8 ORGANIZATION CHART

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

The Company assists its Corporate Companies 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 Registration Document.

1.8.1 Simplified Group organizational chart

The following chart presents the legal organization of the Group as well as 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 Registration Document.



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1.8.2 Subsidiaries and equity investments

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

- **LC EC Participations Investments S.L.U.** is a Spanish company, the registered office of which is located at Avenida del Partenon 16-18, Madrid, Spain, and registered with the Madrid Trade Register under number B87929428. The Company indirectly holds 100% of the share capital and voting rights of LC EC Participations Investments S.L.U. LC EC Participations Investments S.L.U. is the Group's holding company for Goldcar's activities.

For a description of the Group's other consolidated subsidiaries, see Note 36 "*Group Entities*" to the 2018 financial statements included in Section 3.4 "*Consolidated financial statements and Statutory Auditors' report for the fiscal year ended December 31, 2018*" of the Registration Document.

1.8.2.2 Acquisitions and disposals of subsidiaries in 2018

On March 1, 2018, the Group signed an agreement with Daimler Mobility Services on the sale of its 25% stake in Car2go Europe GmbH. The completion of the transaction required the approval of the competent antitrust authorities and was finalized on April 4, 2018. The transaction amounts to €70 million.

On April 25, 2018, the Group acquired through its subsidiary Ubeeqo, 100% of Poleis Consulting and their brand Scooty, a Belgian electric scooter sharing start-up founded in 2016. Scooty is a Belgium based start-up which offers to his customers 176 free floating electric scooters in Brussels and Antwerp.

1.8.2.3 Equity Investments

As part of its mobility strategy, in September 2016 the Group, acting through its Italian subsidiary Europcar Lab Italia S.p.A., took a 20% non-controlling stake in Wanderio S.p.A, an Italian start-up whose aim is to offer an online multimodal search and comparison platform where customers can find the best means of transport from A to B, by price and journey time.

On February 28, 2017, Europcar Lab Italia S.p.A increased its shareholding in Wanderio S.p.A up to 33.33%.

On February 17, 2017, the Group acquired the minority interest held by the founders of Ubeeqo, representing approximately 24% of the share capital of Ubeeqo International S.A.S. Consequently, the Europcar Mobility Group holds 100% of the share capital and voting rights of Ubeeqo International S.A.S. through Europcar Lab S.A.S.

On May 23, 2017, the Group acquired a 20% minority investment through Europcar Lab S.A.S. in Carshare Ventures B.V., a peer-to-peer car sharing start-up. The Group through its subsidiary Europcar Lab S.A.S., joins a consortium of two existing shareholders (AutoBinck Group and Studio Founders) for a total investment of €10 million.

As of December 31, 2018, the Group holds a 25% stake in the capital and voting rights of Car2go Europe GmbH. Car2go Europe GmbH is consolidated through the equity method in the Group's consolidated financial statements. See Section 3.4 "*Consolidated financial statements and Statutory Auditors' report for the fiscal year ended December 31, 2017*".

1.8.2.4 EC Finance plc

EC Finance plc is an autonomous special-purpose financing vehicle formed in connection with the issuance of the EC Finance Notes, which are used to finance part of the Group's fleet. All of EC Finance plc's common shares are held by TMF Trustee Limited, an English entity, in its capacity as trustee for a charitable trust established under English law. EC Finance plc has no material operations. The Company is deemed to indirectly control EC Finance plc, which is included in the Group's scope of consolidation. For more information on the EC Finance Notes, see Section 3.2.3 "*Description of the financing as of December 31, 2018*" of this Registration Document.

1.8.2.5 Securitifleet and Goldfleet Entities

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

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

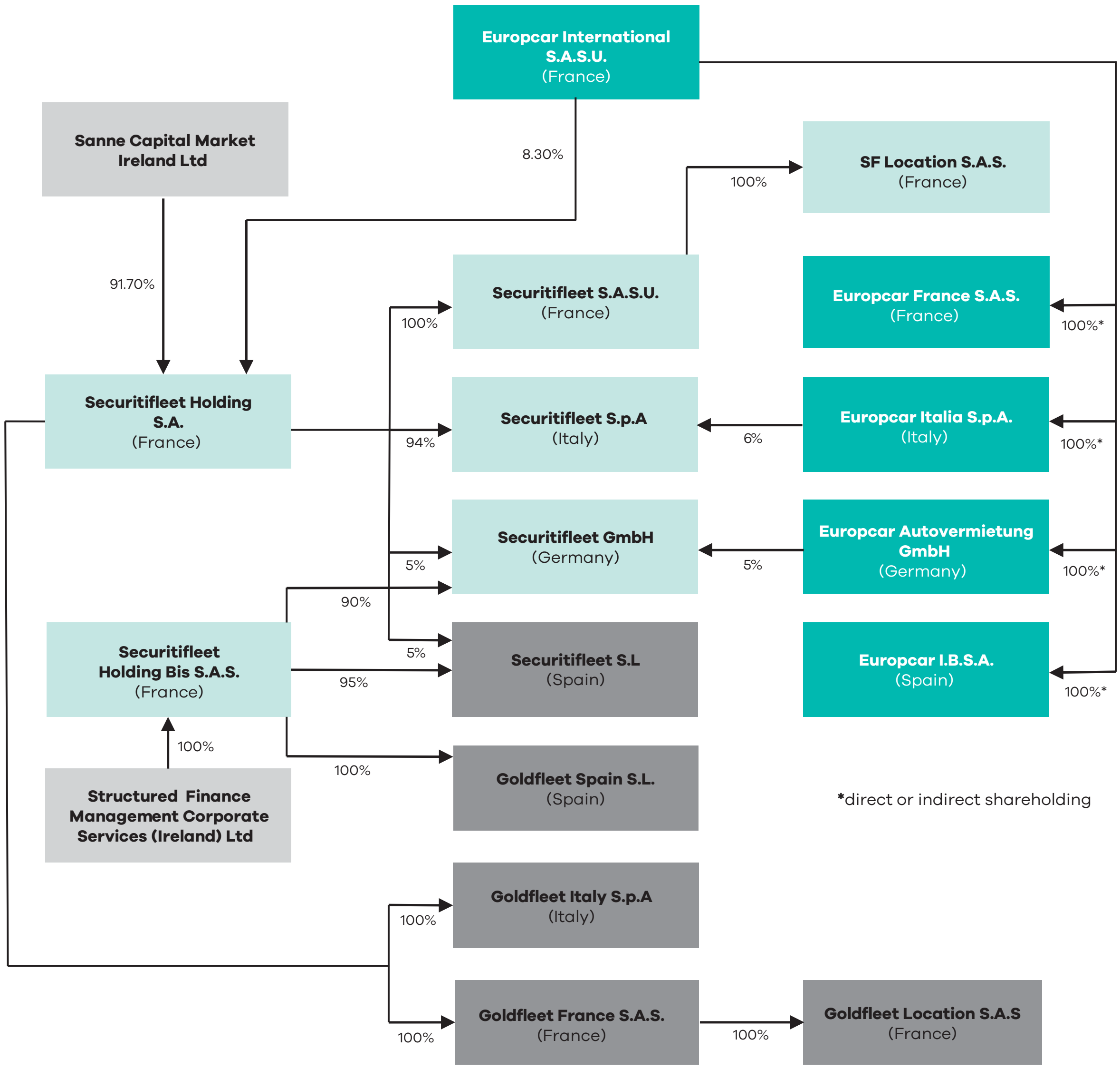
- **Goldfleet Italy S.p.A.** is an Italian stock company, the registered office of which is located at Via Alfred Nobel 18, Laives (BZ), Italy, and registered with the Bolzano Trade Register under number 02993600218. Goldfleet Italy S.p.A is an autonomous special purpose company set up in connection with the Group's securitization structure and having as its sole purpose the acquisition and ownership of vehicles to be leased to Goldcar Italy S.R.L.; and
- **Securitifleet S.p.A.** is an Italian stock company, the registered office of which is located at 32 Corso Italia, 39100 Bolzano, Italy, and registered with the Bolzano Trade Register under number 205586. Securitifleet S.p.A is an autonomous special purpose company set up in connection with the Group's securitization structure and having as its sole purpose the acquisition and ownership of vehicles to be leased to Europcar Italia S.p.A.

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

- **Goldfleet Spain S.L.U.** is a Spanish limited liability company, the registered office of which is located at Carretera Valencia, km 115, Edificio Goldcar, 03550 Sant Joan d´Alacant (Alicante), Spain, registered with the Commercial Registry of Alicante and holder of Tax Identity Code B-42572438. Goldfleet Spain S.L.U. is an autonomous special purpose company set up in connection with the Group's securitization structure and having as its sole purpose the acquisition and ownership of vehicles to be leased to Goldcar Spain S.L.U.;
- **Securitifleet GmbH** is a German limited liability company, the registered office of which is located at 81 Tangstedter Landstrasse, 22415 Hamburg, Germany, and registered with the Hamburg Trade Register under number HRB 91341. Securitifleet GmbH is an autonomous special purpose company set up in connection with the Group's securitization structure and having as its sole purpose the acquisition and ownership of vehicles to be leased to Europcar Autovermietung GmbH; and
- **Securitifleet S.L.** is a Spanish limited liability company, the registered office of which is located at C/Trespaderne, 19 Madrid, Spain, registered with the Madrid Trade Register, Sheet M (310,150), Book 17.955, page 92, and holding Tax Identification Code B-83382549. 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 Registration Document. For more details on the capital structure between the Europcar operating entities, the Goldcar operating entities and the Securitifleet and Goldfleet companies, please see the chart shown in Section 3.2.3 "*Description of financing as of December 31, 2018*".



1.9 RESEARCH AND DEVELOPMENT, PATENTS AND LICENCES

1.9.1 Research and development

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

Please refer to Section 1.7 "*Mobility Lab by Europcar Mobility Group*" for a description of Mobility Lab.

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

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

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

The Group's intellectual property rights primarily consist of:

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

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

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

In the context of several partnership or franchise agreements abroad (notably with (i) Discount Car & Truck Rentals Ltd in Canada), (ii) AMAG Services AG in Switzerland and Lichtenstein, (iii) ARAC GmbH in Austria, (iv) InterRent AS in Norway and (v) Times Mobility Network Co. Ltd in Japan) and in the event that the services provided so require, ECI grants its partners or franchisees a license for some of its intellectual property rights (notably for the GreenWay® trademarks and technology) for a particular territory. ECI is also party to a cross-licensing agreement with Advantage OpCo ("Advantage") pursuant to which (i) Advantage grants ECI an exclusive license to certain "Advantage" trademarks in the countries where the Group is present or has a franchise, with the exception of the United States (although the license does cover Puerto Rico) and (ii) ECI grants Advantage an exclusive license to the "Europcar®" trademark in the United States (but not covering Puerto Rico). In the context of two partnerships, one with the Chinese Shouqi Car Rental group and the other with ECOS (India) Mobility and Hospitality Private Limited, cross-licensing contracts have been entered into, whereby (i) Shouqi and ECOS grant Europcar International S.A.S.U., licenses to certain trademarks in countries where the Group is established or has a franchise, and (ii) Europcar International S.A.S.U. grants Shouqi and ECOS licenses to the Europcar® brand for China and India respectively. The licenses are non-exclusive and non-transferable for a duration equal to the term of the joint venture or franchise agreements in connection with which they are granted. These licenses are not the subject of specific fees, but instead are taken into account in the overall negotiation of the partnership or franchise agreements to which they apply.

Please refer to Note 16 "*Intangible Assets*" in the financial statements for 2018, shown in Section 3.4 "*Consolidated financial statements and report of the Statutory Auditors on the financial statements for the fiscal year ended December 31, 2018*" for details of the valuation of the Group's trademarks.

1.10 PROPERTY, PLANT AND EQUIPMENT

At December 31, 2018, the Group held property, plant and equipment with a gross value of €407 million (€344 million at December 31, 2017). The Group also leases some of its fixed assets, in particular certain buildings and technical equipment. For 2018, rental charges totaled €104.2 million (€83.3 million in 2017).

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

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

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

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

  The corporate countries rent or operate the majority of the Group's 1,304 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 17 "*Property, plant and equipment*" of the 2018 consolidated financial statements included in Section 3.4 of this Registration Document.

02

RISK FACTORS AND RISK MANAGEMENT

Investors should consider all of the information set forth in this Registration Document, including the following risk factors as set out in this Chapter. As of the date of this Registration Document, these risks are the main risks which the Group believes, were they to occur, could have a material adverse effect on its business, results, financial position, prospects, image, reputation and the market price of Company shares. This presentation does not claim to provide an exhaustive list. Other hitherto unknown risks or those deemed unlikely to have a material adverse effect as of the date of this 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. Numerous risk management processes, procedures and controls have nevertheless been established to identify, monitor, and manage risks on a permanent basis. These risk procedures and controls are described in Sections 2.6 "*Risk management procedures*" and 2.8 "*Internal control procedures*" of this Registration Document.

In this Registration Document, except where otherwise indicated, 2018 figures for corporate countries include (i) the data for Buchbinder, a group of companies acquired by Europcar on September 20, 2017; (ii) the data for the Danish companies Ostergaard Biler A/S and Nordcar Finance A/S, a former Group franchisee acquired by Europcar on April 27, 2017; and (iii) the data for Goldcar, a group of companies acquired by Europcar on December 19, 2017.

In this Chapter, as in this Registration Document, except where otherwise stipulated, the comparisons of figures between 2017 and 2018 are made on the basis of reported data, and therefore do not include restatements for acquisitions or disposals for the years in question.

2.1 RISKS RELATING TO THE GROUP'S INDUSTRY AND MARKETS

2.1.1 Risks related to the high level of competition in the vehicle rental industry, affected by structural changes

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. The increased competition could make it more difficult to penetrate certain markets, including the United States, the biggest market in the world, where Europcar currently operates through a partnership. On a worldwide basis, some of these competitors and potential competitors may have greater financial or marketing resources.

Price is one of the industry's main competitive factors. Pricing is significantly affected by the supply of vehicles available for rent relative to demand, and oversupply of rental vehicles relative to demand can result in intense pricing pressure 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, even though the increase in vehicle rental reservations made through the Internet (including through rental brokers) has slowed in recent years. The percentage of reservations for the Group made through the Internet rose from 27% in 2008 to 74% in 2017 and to 76% in 2018. This increase is due, among other things, to the ease of use of this distribution channel (including for "last minute" bookings) and the fact that it enables price and service comparisons. These trends could have a material adverse effect on the Group's business, results of operations, financial position and prospects.

With increased pricing transparency and the recent economic downturn, individuals and businesses have been increasingly focused on low-cost travel and many companies have implemented measures to reduce business travel costs. As a result, the vehicle rental market has also witnessed increased demand for smaller economy vehicles, and more generally the low-cost market, which has required industry actors 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 Registration Document). The arrival of new potential competitors such as companies offering car sharing and car-pooling services and their growing presence in the mobility market may also affect the Group's competitive position. Moreover, competition in new mobility solutions by operators with different business models could adversely affect the Company's results and prospects for these services.

2.1.2 Risks related to the decrease in travel demand in the regions in which the Group operates

The Group benefits from an international network and operates primarily in Europe. The Group generated 93% and 6% 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, 2018. Demand for vehicle rentals in a given region, and "corporate" rentals in particular, is affected by trends in the gross domestic product (GDP). Declines in or stagnation of GDP negatively impacts the level of vehicle rental demand. This could lead to a tightening in the credit market, a drop in business and leisure travel, a reduction in consumption and greater volatility in fuel prices. All these factors could negatively impact the vehicle rental industry, and particularly demand in the "business" segment. The current situation and prospects for the Eurozone remain uncertain with a risk of stagnation.

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

Vehicle rental demand, particularly in the "leisure" segment, is also affected by trends in air travel, which themselves are in turn affected both by macroeconomic conditions as well as by specific factors such as flight ticket prices, fuel price trends, work stoppages, social movements, natural catastrophes, epidemics, terrorist incidents (or a perceived heightened risk of incidents), military conflicts or government responses to any of these events. In addition, the Group believes that social movements, such as those that took place in France during the last quarter of 2018, had a limited impact on its results of operations and financial performance. Nevertheless, if these social movements were to recur or become chronic, this could have a material adverse impact on the Group's business, results of operations, and financial situation, especially if these movements were to occur in touristic areas in which the Group has a strong business presence. In the same manner, if repeated attacks or perturbations were to occur in Europe, it could have a significant adverse effect on the Group's activities, results of operations and financial position. In order to limit the negative effect, the Group subscribed to an insurance program (see Section 2.6.3.3 "*Risks related to the Group's business (excluding its fleet)*").

Rentals at its airport rental stations were responsible for 44% of the Group's total rental revenue for the year ended December 31, 2018. The Group has significant alliances and partnership arrangements with a number of major airlines that generate a significant source of demand for its services. Accordingly, a substantial portion of Group revenue is strongly correlated with the level of air traffic. Any event that disrupts or reduces business or leisure air travel could therefore have a material adverse effect on the Group's business, results of operations, financial position and prospects.

Uncertainty and volatility with respect to economic conditions and air travel frequency levels also complicate demand trend projections and hence fleet management.

Vehicle rental demand is also highly sensitive to weather conditions. The tendency towards last minute reservations (itself resulting in part from the increasing weight of Internet-based distribution channels) has increased this sensitivity. Bad weather, particularly in the summer months, could reduce 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.

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

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. As an example, for the fiscal year ended December 31, 2018, the third quarter accounted for 34% of the Group's consolidated revenue for the year and 74% of its Adjusted Corporate EBITDA. Any occurrence that disrupts rental activity during the second or third quarters could have a significant material adverse effect on the Group's revenues and profitability, given the existence of substantial fixed costs.

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

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

In a referendum, the United Kingdom chose to leave the European Union ("**Brexit**"). On March 29, 2017, the United Kingdom invoked Article 50 of the Treaty of Lisbon, thereby initiating a two-year period (with a possible extension requiring unanimous approval from the member States of the European Union) during which the British government must negotiate the terms and conditions of its withdrawal from the European Union. Barring a change in this schedule, the United Kingdom is expected to leave the European Union in April or May 2019. Uncertainty remains as to the methods for this planned withdrawal from the European Union and the various alternative models for the relations the United Kingdom could negotiate with the European Union. Given that any provisional or implementation period, as well as any replacement agreements, require the approval of both the United Kingdom and the European Union, there is a risk that such agreements will not be finalized by the deadline for the United Kingdom to leave the European Union. The potential effects of the United Kingdom's exit from the European Union and the potential measures implemented to mitigate these effects may vary considerably depending on the exit date and the type of agreements signed during the provisional, implementation or post-Brexit phase.

Apart from these risks in the United Kingdom, the Group pays particular attention to Leisure activities in Southern Europe, particularly in Spain and Portugal. These destinations are very popular among British tourists, who could travel less if the British currency were to devalue, if the British economy were to slow or if regulatory developments were to weigh on travel.

Brexit and the uncertainties related to the negotiations may negatively affect economies worldwide, market conditions and may contribute to the instability of the financial markets and the global currency markets, in particular relating to the volatility in the value of the pound sterling or the euro. As the effects of Brexit cannot be fully anticipated, they may have a materially adverse effect on car manufacturing and vehicle availability, the Group's business, results from operations, financial position and prospects. On a structural front, Great Britain is a highly competitive and tightly priced region, which tends to drag down the market, particularly in the SME and Replacement markets of the Business segment. This environment is intensified by Brexit, which creates pressure on volumes and unfavorably affects the Business segment, and is only partly offset by the volumes achieved in the Leisure segment. Brexit also has a price effect from a rise in inflation which may not be passed on to an increase in prices. Finally, Brexit could create uncertainties as to the legal framework applicable to the Group's operations due in particular to the potential divergence of laws and regulations by country, with the United Kingdom having to decide on the European Union laws that it may wish to either replace or replicate. See Note 28 "*Financial risk management*" regarding foreign exchange risk in the 2018 financial statements, presented in Section 3.4 "*Consolidated financial statements and Statutory Auditors' report for the fiscal year ended December 31, 2018*".

2.2 OPERATIONAL RISKS RELATED TO THE BUSINESS

2.2.1 Risks related to the Group's rental fleet supply and manufacturer recall campaigns

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 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 that would affect the supply chain for vehicles. In general, car manufacturers limit the number of vehicles sold to short-term rental companies to a percentage of their total sales of new vehicles. This percentage varies between 7% and 12% depending on the manufacturer. In addition, depending on market conditions, sales of vehicles to rental companies may be less profitable for automobile manufacturers than other sales channels or may not suit their marketing and branding strategy at a given time. Indeed, sales to the vehicle rental industry have historically been relatively less profitable for car manufacturers due to sales incentive and other discount programs that allow fleet purchasers such as Europcar to limit the average holding costs for their vehicles. Fleet supply and holding costs could increase due to taxes associated with the reduction of carbon emissions if car manufacturers implement strategies to limit sales to the vehicle rental industry or improve the profitability of such sales (*e.g.*, by offering lower discounts or repurchase prices), and there can be no assurance that the Group will be able to pass on such increased costs to its rental customers. If the Group is unable to obtain favorable pricing and other terms when it acquires vehicles and is unable to pass on increased costs to customers, the Group's results of operation and financial position could be materially adversely affected. For further information on the Group's expenses related to vehicle purchases and costs related to purchasing and selling vehicles, see "Structure and operational efficiency" in Section 3.1.1.2 "*Main factors that can impact the Group's Results*", and 3.3.1 "*Investment History*" of this Registration Document.

Any changes in standards or economic or financial distress affecting manufacturers, dealers and their suppliers of vehicle components, could also cause them to raise the prices the Group pays for vehicles or to reduce the capacity of the Group to supply its fleet. As a result, there is no guarantee that the Group will continue to be able to obtain vehicles at terms and conditions that are as competitive or in the form of the particular vehicle sales arrangements on which the Group currently relies. In particular, the Group relies on buy-back agreements (whereby the Group's vehicles are repurchased by the manufacturer or dealer on pre-established terms after a certain pre-determined period) to limit potential residual risk with respect to residual value of the vehicles, to enable financing on the basis of the agreed repurchase price and to provide flexibility for fleet management. If vehicle acquisition costs increase and the Group is unable to pass on all or part of increased costs to its customers, or if the Group is unable to supply itself with vehicles by benefiting from buy-back agreements at competitive terms and conditions, the Group's results of operations and financial position may be materially and adversely affected.

The vehicle purchase policy is still chiefly "buy-back". The portion of diesel in the Group's purchases of passenger cars went from 59% in 2015 to 53% in 2016, 47% in 2017 and 38% in 2018. This decrease mainly concerns small vehicles in the mini, economy and compact ranges. Given the still favorable savings in use (lower consumption price per liter and VAT recovery), the Group had yet to record any reduction in diesel demand from its customers as of the date of this Registration Document.

During 2016, 2017 and 2018, "*Volkswagen gate*" had little effect on the Group's fleet. Even though a slight drop in the residual values of diesel vehicles has been noted, due to the buy-back agreements covering the large majority of the volumes, the Group's fleet costs have not been impacted. Furthermore, at the date of this Registration Document, it has been noted that manufacturers have reduced the proportion of diesel vehicles in favor of gasoline vehicles for 2019, as they did in 2018.

The new WLTP Procedure (Worldwide-harmonized Light vehicles Test procedure) used to measure fuel consumption and emissions of CO_2 and other pollutants went into effect on September 1, 2018. The CO_2 levels recorded since the entry into force of this new WLTP procedure are higher than those recorded under the previous standard, thereby resulting in an increase in taxes imposed on vehicles. France, the United Kingdom, and Germany are the main countries impacted by this increase. In addition, as of the date of this Registration Document, it cannot be ruled out that various governments may decide to implement or significantly increase CO_2 taxes in the future to encourage manufacturers and consumers to turn to low-emissions vehicles. This could lead to an increase in holding costs and have a material adverse impact on the Group's results of operations and financial position.

Moreover, customer demand for electric vehicles remains sporadic for short-term rental activity. Limited range, lengthy recharge time and limited infrastructure are still real deterrents for customers. Although hybrid vehicles are well regarded, manufacturers still offer a very limited choice. By 2020, the Group predicts an increasing number in the offer of hybrid and electric vehicles.

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 its 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 amount contractually guaranteed and therefore subject to a payment obligation by the manufacturer or by the dealer for the loss incurred by the Group or (ii) returned to the manufacturer or dealer but for which the Group may risk not receiving any payment or only partial payment. Such failure to perform could lead the Group to incur a substantial loss.

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

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

In the leisure segment, the Group relies on a number of targeted partnerships and distribution channels, which generate significant rental revenue and accounted for 38% of its vehicle rental reservations in 2018 (for more information on the Group's partnerships in the leisure segment, see Section 1.6.3.2 "*Leisure customers*" of this Registration Document and, in particular, the paragraph "*Partnerships to reach leisure customers*").

In the Business segment, the Group also has numerous exclusive or non-exclusive contracts with large corporations, which cumulatively generate 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 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 "*Insurances*" of this Registration Document). The Group also has important business relationships with several suppliers of software and services that it uses to operate its 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.

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

Franchise fees from franchisees represented €54.7 million for the fiscal year ended December 31, 2018.

For the contracts in force in 2017 and 2018, 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 guaranteed minimum.

In 2016, the Group completed a comprehensive review of its Europcar and InterRent franchise contracts in order to roll out new Group projects. In the new franchise contract model, additional remuneration streams to those mentioned above are provided for, depending on additional services, particularly in IT, marketing, and specific training, which may be taken up by the franchisees and progressively come on-stream in 2018. In 2019, the Group will further review its franchise contracts by initiating a review of the models previously proposed by the recently acquired companies Buchbinder and Goldcar.

27 contracts were renewed and/or signed for the Europcar brand in 2017 and approximately 21 contracts were renewed in 2018, 13 contracts should be renewed in 2019, 26 in 2020, ten in 2023 and 32 in 2022. One new contract was signed for the InterRent brand in 2016, one contract was renewed in 2017, while 13 were renewed in 2018, six should be renewed in 2019 and seven in 2022.

The Europcar network consists of 118 franchisees. The Buchbinder network consists of 11 franchisees. The Goldcar network consists of 11 franchisees.

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 may lose franchisees to competing networks who may offer more favorable terms and conditions. If one or more of the Group's franchisees were to leave the Group's networks, the geographic coverage could be reduced; if the Group is unable to secure agreements with replacement franchisees at terms and conditions that are at least equally favorable, the Group's profitability and outlook could be materially adversely affected. The loss of certain franchisees could also weaken the Group's brands. The Group also operates certain rental stations through agents in its corporate countries. From time to time the validity or enforceability of certain terms and provisions of these agency agreements have been and may in the future be challenged by the Group's agents or third parties. To the extent a court or regulatory authority were to find a term or provision to be invalid or unenforceable and if such finding were determined to be applicable to all of the Group's agency agreements in a particular jurisdiction, the Group's results of operations could be materially adversely affected.

The Group also has a network of affiliates operating under the Brunel brand. New contracts are currently being reviewed. The Group cannot guarantee that all the members of its network of affiliates will remain within the network of drivers, thus reducing the geographic coverage of its services and the related revenue. Furthermore, the Group faces risks concerning 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 the franchisees' business, see Section 1.6.5.3 "*The Group Franchise Department*" of this Registration Document).

2.2.5 Risks related to the potential inability for the Group to continue operations on acceptable terms at certain major airports and train stations

For the fiscal year ended December 31, 2018, revenue generated by vehicle rentals from airport stations represented 44% of total Group consolidated revenue in corporate countries. The number of rental stations in airports as a percentage of the Group's total number of stations remained stable at 17% over 2018. The Group operates airport and train station rental locations under contracts that generally have terms of three to five years. 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.

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

In 2017, approximately 89% of the fleet acquired by Europcar in 2017 was covered by buy-back agreements. This rate fell slightly to 87% in 2018 following the acquisitions of Europcar Ireland, Europcar Denmark, Buchbinder and Goldcar. Residual values of the remaining vehicles not covered by buy back agreements, referred to as "at risk vehicles", are exposed to variable conditions linked to uncertainties in the used vehicle market. The Group's ability to sell its vehicles in the used vehicle market place could become constrained as a result of a number of factors, including the macro-economic environment, 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.

Although the Group has entered into several multi-year agreements for the buy-back of vehicles, the current relatively low percentage of "at risk vehicles" in the Group's rental fleet could increase as a result of market conditions or if manufacturers were reluctant to agree to sales with buy-back agreements or if they offered less attractive buy back terms.

The Group relies on buy-back agreements for a substantial portion of its fleet financing. If the Group were to fail to purchase a significant part of its fleet through buy-back agreements at acceptable conditions, vehicle related debt financing would become more difficult to obtain on acceptable terms. See Section 2.4.4 "*Risks related to the Group's potential inability to continue financing vehicle acquisitions for its fleet*" of this 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. In addition, any reduction in the residual values of "at risk vehicles" could cause the Group to sustain a loss during the ultimate resale of such vehicles and would affect its liquidity by decreasing the value of the asset base upon which financing is based.

Finally, buy-back agreements provide increased flexibility to adjust the size of the Group's fleet to respond to seasonal fluctuations in demand or in the event of an economic downturn, because such programs allow a shorter holding period than for "at risk vehicles". This flexibility has enabled the Group to optimize its fleet holding costs and increase its profitability. There can be no assurance that the Group will be able to maintain the current percentage of vehicles covered by buy-back agreement in its rental fleet or that the same level of fleet-management flexibility will be maintained in the future, which could have a material adverse effect on the Group's results of operations and financial position.

2.2.7 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 accelerated rate of new service introductions or new applications related, in particular, to billing and customer relations management, new types of fraud that are more difficult to detect or counter could also develop. In the event of such occurrence or the failure to detect these new types of fraud, the Group's revenue, results of operations and reputation could be affected.

2.3 RISKS RELATED TO THE OPERATION AND ORGANIZATION OF THE GROUP

2.3.1 Risks related to the Group's strategy

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 evolving customer preferences and customer mix in its existing markets. 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 has a global presence in 18 corporate countries directly and 121 other countries and territories through franchises and partnerships. The Group is therefore likely to expand into additional countries in connection with its development strategy, including regions beyond its historic coverage in Western Europe, particularly in Asia, Africa, America and Eastern Europe (for more information on the Group's development strategy, see Section 1.4 "*Strategy*" of this Registration Document). The gradual harmonization of the different internal control procedures across the various corporate countries could be a source of difficulties and slow down the deployment of the Group's strategy (see Section 2.8 "*Internal control procedures*" of this Registration Document). The difficulties relate to maintaining a company culture as the Group expands and the disparity of approaches to governance may limit the Group's ability to successfully penetrate new markets. Operations in certain of these markets are also inherently subject to higher economic, political and legal risks than in more mature markets.

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

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, change of control clauses contained in some contracts 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 operational results. 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 prevent failure or unavailability of the Group's centralized information systems to pursue new information technology developments

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 "*IT System*" of this Registration Document). A major failure of IT or other systems, or a major disruption of communications between the system and the locations it serves, could cause a loss of reservations, slow rental and sales processes, interfere with the Group's ability to manage its fleet and otherwise materially adversely affect its ability to manage its business effectively. The Group's systems design and business continuity plans may not be sufficient to appropriately respond to any such failure or disruption.

In addition, to achieve its strategic objectives and remain competitive, the Group must continue to develop and enhance its information systems in order to meet market needs and keep pace with new information technology developments. This may require investment in and development of new proprietary software or other technology, the acquisition of equipment and software, or upgrades to the Group's existing systems. The Group has invested in its information systems, including under its transformation program (with IT development expenses excluding software and hardware of €34 million in 2018), but no assurance can be given that the Group will be able to anticipate such developments or 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. Factors affecting brand recognition are often outside the Group's control, however, and such efforts may not be successful (for examples, see Sections 2.5.3 "*Risks related to the protection of intellectual property rights*" and 2.9 "*Regulatory, legal and arbitration proceedings*" of this 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 reputational damage to the Group is magnified by the existence of its extensive network of franchisees, agents and independent partners (see Section 1.6.5 "*The Europcar Mobility Group network*" of this Registration Document). While the Group has implemented brand guidelines ("Brand Guidelines") that specify the conditions under which its partners, franchisees and agents may reproduce and/or represent its brands and it ensures, in particular via Internet monitoring, that franchisees, agents and partners adhere to its standards and thereby uphold and promote its brands that they use under license, any failure by them to do so could adversely affect the Group's brands reputation. 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 attracting and retaining talent and skills management

The Group relies on a number of key employees, both in the Group's management and the Group's operations, with specialized skills and extensive experience in their respective fields. The Group believes that the growth and success of its business will depend on the Group's ability to attract and retain highly skilled and qualified personnel with specialized know-how in the vehicle rental and mobility solutions industry. The Group's senior management team has extensive experience in the markets in which the Group operates, and the Group's success depends to a significant degree upon the continued contributions of that team. If the Group were to lose any members of its senior management team, or some of its employees, the Group's ability to successfully implement its business strategy, financial and marketing plans and other objectives, could be significantly affected. A talent management department was therefore created within the Group's human resources department in order to safeguard key skills required for the Group's transformation. A talents review was completed during the last quarter of 2018 to continue the work undertaken since the beginning of the year. One of the aims of this review was to establish a succession plan for the one hundred and fifty top Group managers. The results of this review, as well as the associated action plans, were presented to the Group Compensation and Nominations Committee and then to the Supervisory Board during its meeting of December 21, 2018.

Nevertheless, despite the Group implementing a strategy to attract, identify and retain talented personnel and its desire to foster employee development, it cannot guarantee that it will be able to retain all its talented staff, key personnel and/or highly qualified employees.

2.3.5 Risks related to the Group's potential failure to protect customer data against security breaches and cyber-attacks

The Group's systems regularly possess, store and handle customer data, including personal data concerning millions of individuals and non-public data concerning many businesses. Failure by the Group to maintain the security of the data it holds or the integrity of its systems, whether as the result of the Group's own error or the malfeasance, errors, malicious acts of others, could harm the Group's reputation and give rise to significant liabilities. Third parties may have the technology or expertise to breach the security measures put in place by the Group to protect customer transaction data. The Group's security measures may not prevent security breaches that could result in temporary interruptions to the service concerned or a temporary interruption to the operations of the Group entity targeted in the attack, and likely to cause substantial harm to its business and results of operations and damage to its reputation. The Group intends to rely on encryption and/or authentication technology licensed from third parties to securely transmit sensitive data, including 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 cause interruptions in the Group's operations (see Section 1.6.8 "*Information System*" of this Registration Document).

In addition, the payment card industry ("PCI") imposes strict customer credit card data security standards to insure that the Group's customers' credit card information is protected. Failure to meet the PCI data security standards could result in substantial increased fees to credit card companies, other liabilities and/or loss of the right to collect credit card payments.

Any failure to protect customer data, or any security incident resulting in a breach of the Company's IT data by third parties, could damage the Group's reputation and brand or result in administrative investigations or material civil or criminal liability, which would substantially harm the Group's business, operating income and financial position.

2.4 FINANCIAL RISKS

2.4.1 Financial risks

The Group, through its business activities, is exposed to various financial risks: market risk (especially foreign exchange and interest rates), credit risk, pricing risk and liquidity risk. The Group's overall risk management program seeks to mitigate the potential negative impacts of volatility in the financial markets 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 risks, and submits its proposals for financial transactions for approval by the Management Board in accordance with the Company bylaws and internal procedure rules. The Group does not use derivative financial instruments for any purpose other than managing its exposure. All hedging operations are either coordinated or carried out by Group Treasury.

The Group continuously assesses the financial risks identified (including market risk, credit risk and liquidity risk) and documents its exposure in its consolidated financial statements. In view of the significant changes in the scope of consolidation that occurred in 2017, related to the acquisitions of Goldcar and Buchbinder, in 2018 the Group adjusted its risk limitation policy, in order to protect itself against any rise in interest rates. A detailed analysis of these risks can be found in Note 28 "Financial Risk Management" as set forth in Section 3.4 "*Consolidated financial statements and Statutory Auditors' report on the fiscal year ended December 31, 2018*".

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 risks associated with currency fluctuations. Of the Group's total consolidated revenue for the fiscal year ended December 31, 2018, 21% was generated outside the Eurozone.

The Group's operating income may be affected by both foreign currency translation effects and by exchange rate fluctuations. 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 the Group converts currencies that the Group may receive from its operations into the currencies required to pay the Group's debt, or into currencies which the Group uses to purchase vehicles, incur 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. Therefore, the Group's financial results in any given period are materially affected by fluctuations in the value of the euro relative to the British pound, Australian dollar, the Danish krone and other currencies. Implementation of Brexit could cause further volatility in the euro British pound exchange rate in the future. Currency fluctuations may make it difficult for the Group to predict and/or provide guidance on the Group's results. If the value of the euro declines against currencies in which the Group's obligations are denominated or increases against currencies in which the Group's revenue is denominated, the Group's results of operations and financial position could be materially adversely affected.

See Note 28 "*Financial risk management*" in Section 3.4 "*Consolidated financial statements and Statutory Auditors' report for the fiscal year ended December 31, 2018*" of this Registration Document.

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

The Company is a holding company and its principal assets consist of direct and indirect investments in its different subsidiaries that generate the Group's cash flow (see Section 1.8.1 "*Simplified Group organizational chart*" of this 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.

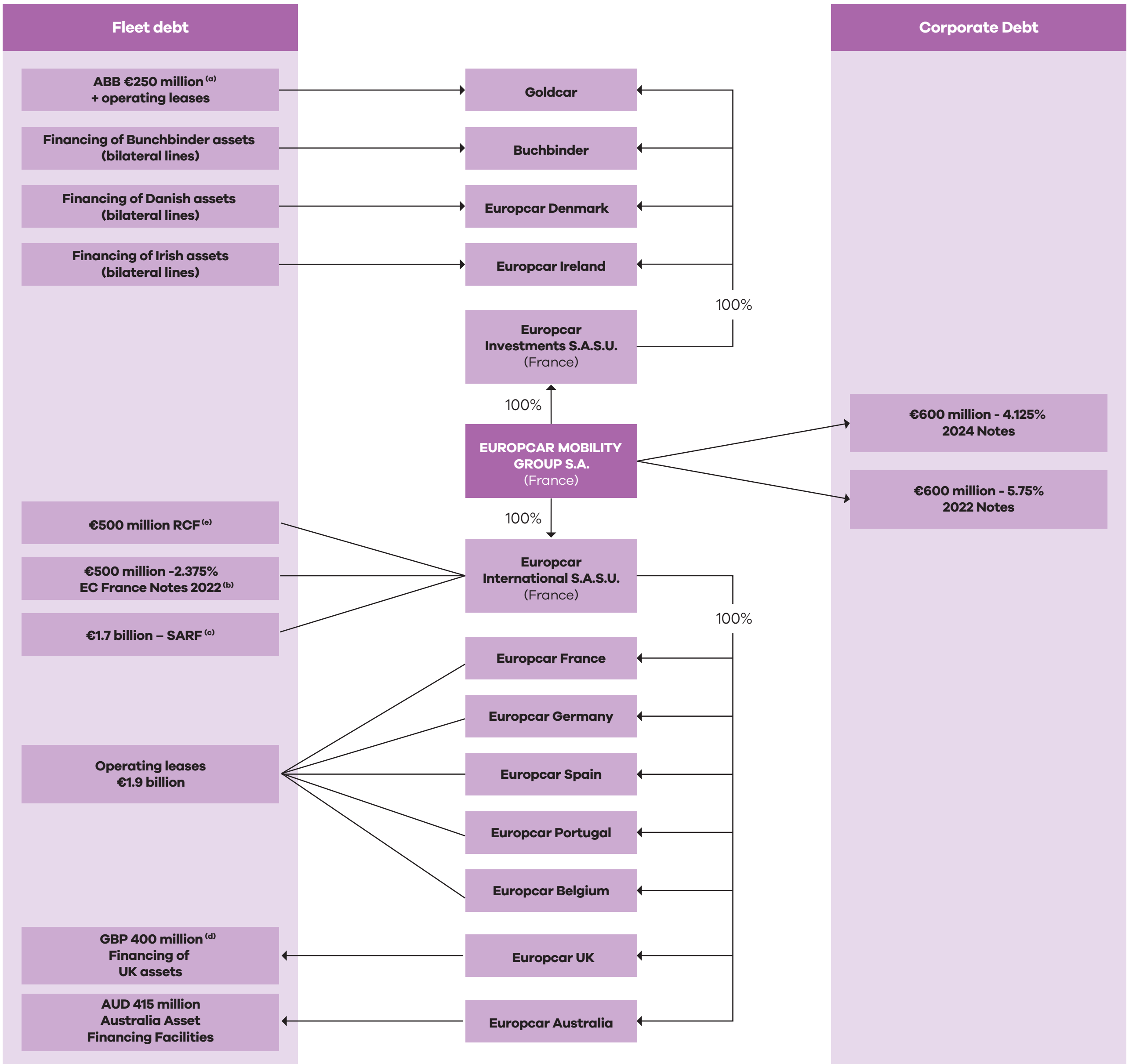
2.4.3 Risks related to the Group's substantial indebtedness

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

At December 31, 2018, the Group's total consolidated financial debts stood at €3,747.2 million (€3,520.4 million as of December 31, 2017). The Group has also entered into off-balance sheet commitments under operating lease financing arrangements, whose outstanding amount is estimated at €1,883.3 million at December 31, 2018 (compared with €1,773.7 million as of December 31, 2017). See Section 3.2 "*The Group's Liquidity and Capital Resources*" of this Registration Document for more information on the Group's debt structure on- and off-balance sheet.

The increase in 2018 of the financial liabilities (on the statement of financial position) for a total of €226.8 million is mainly related to the fleet and acquisition debt due to the acquisitions of the Danish franchisee (Europcar Denmark), the Buchbinder group and the Goldcar group. The increase in off-balance sheet commitments of €109.6 million corresponds on the one hand to the increase in fleet debt (operating leases), which enabled the Group to finance the organic growth of the fleet in response to the dynamic growth of the business and the higher rental day volume, and on the other hand to, the integration of the off statement of financial position fleet debt of the entities acquired in 2017 (mainly Buchbinder and Goldcar).

The following chart provides a summarized view of the Group's financial debt structure (including the estimated debt equivalent of operating leases) as of December 31, 2018. Each financing is described in Section 3.2.3.1 "*Corporate Debt*" and Section 3.2.3.2 "*Debt Related to fleet financing*" of this Registration Document.



(a) *A bridging loan secured by assets related to the Goldcar fleet was reduced by €200 million on November 9, 2018 to reflect the amortization of its use following its progressive replacement by securitization.*

(b) *The amount of 2022 Notes issued by EC Finance plc, initially worth €350 million, was increased to €500 million on June 29, 2018 through the issuance of additional fungible notes by EC Finance plc amounting to €150 million in order to participate in the consolidated of the Goldcar fleet in the securitization.*

(c) *SARF (Senior asset Revolving Facility) amendments were signed on May 14, 2018 to increase the €1.3 billion credit line to €1.7 billion and to extend the maturity by one year to 2022. These amendments were made in order to progressively refinance the Goldcar fleet bridging loan until its full amortization in 2019.*

(d) *The United Kingdom fleet financing line reaching maturity in October 2019 was refinanced on October 19, 2018 through the signing of a new line of £400 million with a three-year maturity with a two-year extension option including the Goldcar UK fleet financing.*

(e) *The RCF was amended on December 21, 2018 to add a new use of the "swingline" credit which did not increase the overall amount of the loan, set at €500 million.*

On the total amount of the Group's financial liabilities, the Group believes that the amount relating to fleet financing at December 31, 2018 is approximately €2,573 million. These liabilities are mostly backed or secured by assets, mainly vehicles. They consist of €83 million for the Senior Revolving Credit Facility (RCF) totaling €500 million, €681 million from the SARF intended for the financing of assets (total maximum amount of up to €1,700 million), £287 million (*i.e.*, €321 million) for the facilities intended for UK fleet financing, €500 millions issued in the form of Notes covered by the Senior Subordinated Notes issued by EC Finance plc (the "EC Finance Notes"), AUD150 million (*i.e.* €92 million [(1)] for the facilities intended to finance the fleet in Australia and New Zealand, €234 million for the facilities intended to finance a portion of the Buchbinder fleet and €173 million for the facilities intended to finance a portion of the fleet mainly in Portugal, Ireland and Denmark. The Group also finances its rental fleet by means of operating lease financing agreements recorded off-balance sheet with an estimated outstanding value of €1,883.3 million [(2)] as of December 31, 2018.

Furthermore, a significant portion of Group's assets is pledged to secure the consolidated debt referred to above. The SARF and, indirectly in second rank, the EC Finance Notes, are secured by the Securitifleet Security interests and since May 14, 2018 by the Goldfleet Security. Securitifleet and Goldfleet Security interests include some shares and certain assets of the special purpose entities established as part of the Group's asset-backed financing and controlled by trusts ("Securitifleet Companies" and "Goldfleet Companies") to purchase, hold, and rent vehicles to local Group subsidiaries in France, Italy, Spain, and, solely in the case of the Securitifleet Companies, also in Germany; including, subject to certain exceptions, the Group's rental fleet in these countries. The Securitifleet Companies and Goldfleet Companies benefit from a performance guarantee (in the form of a joint and several guarantee) from the Company and Europcar International S.A.S.U. ("ECI"). The EC Finance Notes also benefit from the ECI guarantee and the Company guarantee. The RCF is guaranteed by the shares held in certain subsidiaries (including a senior pledge on ECI shares). The indentures governing the 2022 Subordinated Notes and the 2024 Subordinated Notes are also subject to a pledge of Europcar International S.A.S.U. shares held by the Company (this security interest being second to the security interest granted to guarantee the RCF).

The Group's substantial indebtedness could have important consequences, in particular:

- requiring the Group to dedicate a substantial portion of the Group's cash flow from operations to payment of the Group's debt, thereby reducing the funds available for (i) working capital, (ii) distributing dividends, (iii) capital expenditures, and (iv) other general corporate purposes such as purchasing and leasing vehicles;
- limiting the Group's flexibility in planning for or reacting to changes in the rental vehicle business;
- placing the Group at a competitive disadvantage compared to any of the Group's competitors that might be less leveraged;
- increasing the Group's vulnerability to both general and industry-specific adverse economic conditions;
- limiting the Group's ability to borrow additional funds and increasing the cost of its borrowing;
- restricting the Group from making strategic acquisitions or exploring new business opportunities.

Any of these or other consequences or events could have a material adverse effect on the Group's results of operations and/or financial position.

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

(1) Based on the exchange rate as of December 31, 2018, i.e. 1 euro for 1.62 Australian dollar.

(2) The estimated debt equivalent of fleet operating leases corresponds to the book value of the vehicles. This amount is calculated from the acquisition costs and depreciation rates for the vehicles, on the basis of contracts signed with the manufacturers.

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, the Club Facility in the United Kingdom and the asset-backed Goldcar bridging loan. See Section 3.2 "*The Group's Liquidity and Capital Resources*" of this 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:

- 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) in connection with the incurrence of additional or refinancing of existing asset-backed debt, (ii) upon the occurrence of external events, such as changes in general economic and market conditions or deterioration in the credit ratings of the Group's principal vehicle manufacturers, including Volkswagen group, Fiat, Ford, Renault or Peugeot Citroën, or (iii) otherwise;
- the insolvency or deterioration of the financial position of one or more swap counterparties or financial institutions acting in certain capacities under the asset-backed financing of the Group;
- 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 liquidation event of default 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 assets that collateralize the Group's asset-backed financing may not be available to satisfy the claims of the Group's unsecured creditors. The terms of the Group's outstanding indebtedness permit the Group to finance or refinance new vehicle acquisitions through other means, including secured financing that is not limited to the assets of special purpose subsidiaries. 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. These covenants restrict, in certain circumstances, the ability of certain of the Group's subsidiaries to make payments to the Group which could, in turn, affect the Group's ability to make payments under the Group's debt instruments. These covenants, however, do not include requirements to maintain a certain rating or any repayment or interest step-up clauses based on a downgrade in the Group's credit rating.

The RCF contract, the indentures governing the outstanding 2022 Subordinated Notes, the 2024 Subordinated Notes and the EC Finance Notes contain the usual clauses stipulating that any payment default or early redemption concerning overall indebtedness of €50 million or more (in the case of the RCF, the outstanding 2022 Subordinated Notes, the 2024 Subordinated Notes and the EC Finance Notes) of the Company or its subsidiaries also constitutes a case of default under the terms of these contracts. The RCF, the facilities for fleet financing in the United Kingdom and some of its other facilities, namely in Australia/New Zealand and Denmark, also require the Group or some of its subsidiaries to maintain specific financial ratios and satisfy certain financial tests. The Group's ability or the ability of the Group's subsidiaries to satisfy these financial tests can be affected by events beyond the Group's control, and there can be no assurances that the Group or its subsidiaries will satisfy them.

A breach of one of these undertakings, ratios, tests or restrictions may lead to a default under the terms of the RCF contract or the outstanding 2022 Subordinated Notes, the 2024 Subordinated Notes and the EC Finance Notes, or adversely affect the Group's ability to borrow under the terms of the RCF contract or other forms of indebtedness, which could have a materially adverse effect on the Group's ability to conduct its business and make payments pursuant to its debt securities. Upon the occurrence of any event of default under the RCF contract, the lenders thereunder could cancel the availability of the facilities and elect to declare all amounts outstanding thereunder, together with accrued interest, immediately due and payable. If the Group were unable to repay these amounts, the lenders could, subject to the terms of the "Intercreditor Agreement", proceed against the collateral granted to them to secure repayment of these amounts. If the lenders under the terms of the RCF should demand the repayment of these amounts, there is no guarantee that the assets of the Group's subsidiaries would suffice to repay the entirety of these sums or to satisfy all the other Group liabilities that would become due and payable: for further information, see Section 3.2 "*The Group's Liquidity and Capital Resources*" of this Registration Document.

The SARF also includes substantial restrictive covenants applicable to certain of the special purpose entities established in the context of the Group's asset-backed financing, including Securitifleet Holding S.A. ("Securitifleet Holding"), the special purpose entity providing financing for the fleet purchasing and leasing activities of the Securitifleet Companies in France, Italy, Spain and Germany and of the Goldfleet Companies in France and Italy. Failure to satisfy these covenants and conditions could result in a decrease in the advance rate and an increase in the margin under the SARF, or a default thereunder. In addition to customary default provisions, the SARF provides that any acceleration with respect to the Senior Revolving Credit Facility, the 2022 Subordinated Notes, 2024 Subordinated Notes, or the EC Finance Notes will constitute a "level 2" event of default under the SARF (see Section 3.2 "*The Group's Liquidity and Capital Resources*" of this Registration Document). A breach of any of these covenants, ratios, tests or restrictions could result in an event of default under the SARF or hinder the ability of Group companies to borrow under such facilities. Upon the occurrence of any event of default under the SARF (including as a result of acceleration of the Senior Revolving Credit Facility or the notes of the Group), the lenders thereunder could cancel the availability of the facilities and elect to declare all amounts outstanding under the SARF, together with accrued interest, immediately due and payable.

The bridging loan agreement backed by the Goldcar fleet assets entitled "Asset-Backed Financing Facility Agreement" (ABFA), as described in Paragraph (M) "Asset-backed Goldcar financing" in Section 3.2.3.2 "*Debt related to fleet financing*", provides for undertakings of a financial nature to be borne by the Goldcar Entities (term defined under Paragraph (M) "*Asset-backed Goldcar financing*" in Section 3.2.3.2 "*Debt related to fleet financing*") namely in terms of indebtedness, absence of collective procedure or the ability of the Goldcar Entities to pledge their assets: The ABFA also contains undertakings of an operational nature concerning the rental fleet belonging to the Goldcar Entities, namely in terms of repairs, maintenance and fleet insurance for these vehicles. Certain operational undertakings also relate to the agreements for the acquisition of vehicles by the Goldcar Entities and the contractual requirements that they will contain in the future. Another undertaking concerns compliance with the SPE Criteria for the Goldcar Fleetcos Entities in order to ensure that the Goldcar Fleetcos Entities (term defined in Paragraph (M) "Asset-backed Goldcar financing" in Section 3.2.3.2 "*Debt related to fleet financing*") are considered to be bankruptcy remoteness.

A breach of one of the undertakings contained in the ABFA, but also in case of default on the financing provided by the 2022 Subordinated Notes, 2024 Subordinated Notes or the SARF may lead to an event of default on the ABFA, as a consequence of which the lender banks may require repayment of the advances granted to the Goldcar Entities and cancel their undertaking concerning the credit facility authorized by the ABFA (as described under Paragraph (M) "Asset-backed Goldcar financing" in Section 3.2.3.2 "*Debt relating to fleet financing*") and demand the liquidation of the security interests granted by the Goldcar Entities and call on the guarantee granted by the Company to secure the Goldcar Entities' obligations.

With certain exceptions and/or limitations, the payment obligations of each Goldcar Entity under the terms of the ABFA and the Finance Documents in general are secured on the one hand by the setting up of a joint and several guarantee by each Goldcar Entity and the Company in favor of the lender banks and on the other hand by the setting up of certain security interests.

Some securities under Asset-back Goldcar financing have been granted by the Goldcar Entities as described on page 151 of this Registration Document in paragraph (J) "Asset-backed Goldcar financing".

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 distribution;
- make certain payments or investments;
- issue security interests or guarantees;
- sell or transfer assets or shares;
- enter into transactions with affiliated companies;
- 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 needs 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 Registration Document.

2.4.6 Risks related to the Group's ability to generate cash and/or secure financing to fund its indebtedness or foreseeable liquidity requirements

The Group's ability to make payments on and to refinance its debt, to acquire vehicles in its fleet and to fund planned capital and development expenditures or opportunities that may arise, such as acquisitions of other businesses, will depend on its future performance and its ability to generate cash and/or obtain financing, which to a certain extent, are subject to macro-economic, financial, competitive, legislative, legal, regulatory and other factors, as well as other factors discussed in this Section, many of which are beyond the Group's control.

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. If future cash flows from operations and other capital resources are insufficient to pay the Group's obligations as they mature or to fund liquidity needs, the Group may be forced to reduce or delay its business activities and capital expenditures, sell assets, obtain additional debt or equity capital or restructure or refinance all or a portion of its debt. There can be no assurances that the Group would be able to accomplish any of these measures in a timely manner or on commercially reasonable terms, if at all. In addition, the terms of the Group's existing and future indebtedness may limit its ability to pursue one of these alternatives. For a description of the Group's financial liabilities, including financial derivative instruments, by relevant maturity based on the remaining contractual periods as of December 31, 2018, see Note 28 "*Financial Risk Management*" on the liquidity risk set forth in Section 3.4 "*Consolidated financial statements and Statutory Auditors' report for the fiscal year ended December 31, 2018*" of this Registration Document.

The Group believes that it will have sufficient resources to repay or refinance the current portion of its debt and lease obligations and to fund its foreseeable liquidity requirements over a 12-month period from the date of filing this Registration Document. However, as the Group's debt matures, the Group anticipates that it will seek to refinance or otherwise extend its debt instruments' maturities. The Group's ability to invest in its businesses and refinance maturing notes could require access to the credit and capital markets and sufficient bank credit lines to support cash requirements. The Group may also experience difficulties in obtaining financing in foreign countries for local operations. If the Group is unable to access the credit, securitization and capital markets, the Group could experience a material adverse effect on its liquidity, financial position or results of operations. In addition, the Group's available financing could be decreased, or its financing costs increased, as a result of factors which are beyond its control, including the insolvency, deterioration of the financial position, a change in law or a change in credit policy of one or more of the Group's lenders, certain of which are local or regional lenders.

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

Operating in over 140 countries and territories throughout the world, the Group (directly or via franchises, agents or partnerships) 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, consumer 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 translation 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 disaster, armed conflicts and terrorism. The occurrence of these risks may, individually or in the aggregate, materially adversely affect the Group's business, results of operations or financial position.

Changes to laws, regulations, case law or to any other rules applicable to the Group's business as well as, more generally, any change in the decision-making process of the competent authorities could affect the Group's liability, or the way the Group tracks and monitors regulations to which it is subject, and the Group's business in France or outside France could be non-compliant with applicable laws and regulations for which the Group would be liable. Non-compliance by the Group with the laws and regulations to which it is subject, both in France and abroad, could potentially also lead to different types of sanctions, including the restriction, suspension or ban 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, results of operations, 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 business and its business practices are partially subject to consumer protection measures and any changes in these laws and regulations or their interpretation, particularly in terms of price transparency, non-discriminatory pricing, unfair terms or misleading advertising, could potentially affect the Group's reputation and its business both from a logistics and cost standpoint, which could therefore adversely impact its financial position and results of operations. 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.

The Group's business activities may be subject to actions or investigations in terms of consumer law rights that could adversely affect the Group's business, operating income and financial position. Any breach of consumer legislation may involve the Group's liability to a lesser or greater extent both in the eyes of the consumer authorities and stakeholders who may feel wronged, and this could have repercussions for its reputation, financial position and prospects. Certain Group entities are regularly involved in dialog or more in-depth investigations conducted by the consumer authorities and associations.

Moreover, in the context of the cooperative process between the national authorities of member States of the European Union that are responsible for applying legislation for the protection of consumers pursuant to regulation EC No. 2006/2004, a dialogue 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. Throughout the 2018 fiscal year, 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 it could have a material adverse effect on the Company's revenue and results of operations.

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

2.5.1.2 Risks related to compliance with personal data protection regulations

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

In addition, the centralized nature of the Group's IT systems requires a regular cross-border flow of customers' and prospects' data beyond the country where it was taken. 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.

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

The imposition of fines or damages which could potentially be payable by the Group as a result of procedures relating to data protection law 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 installations for storing petroleum products as well as centers for washing and maintaining vehicles. The Group's businesses are subject to environmental laws and regulations, particularly as regards (i) owning and operating petroleum product storage facilities, *e.g.* gasoline and diesel, and (ii) production, storage, transportation and disposal of waste, including sludge from vehicle 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, in the country in which it operates, for ensuring that its storage facilities comply with local regulations in that country in order 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 on 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 level, 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 regulation of 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 independent, franchisees must comply with the knowledge requirements and standards defined by the Group, in compliance with the laws and regulations applicable to their business. Non-compliance by franchisees with these rules could have a material adverse effect on the Group's reputation and business in the countries affected.

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 an automobile insurance program 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, have both trended 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 Ltd. ("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, accidents, or the share of accidents related to automobile civil liability, less than or equal to €500,000 per accident 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 "*Internal Control and Risk Management Procedures*" of this 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 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, and "GreenWay®" technology (see Section 1.6.8.1 "*The GreenWay® System*" of this Registration Document) and other intellectual property rights. The Group grants operating licenses of its trademarks and other intellectual property rights (including those it uses under licenses) to its franchises, agents and service providers (see Section 1.9.2 "*Intellectual Property, Licenses, Usage Rights, and Other Intangible Assets*" of this 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, certain intellectual property rights that the Group uses were granted to it by partners under reciprocal license agreements under which Group's companies are granted an exclusive license on certain brands in countries where the Group operates or has a franchise, excluding countries where the partner operates directly (see Section 1.9.2 "*Intellectual Property, Licenses, Usage Rights, and Other Intangible Assets*" of this Registration Document). An inability to continue using these intellectual property rights could have a material adverse effect on the Group's business. Moreover, the Group relies on this third party to take adequate measures in order to protect and enforce its intellectual property rights, which it has granted to the Group under a license. It is also possible that disputes arise as part of the Group's use of trademarks subject to licenses, particularly when the interests of the licensor and those of the Group diverge as market conditions change. The Group may be ordered to pay significant damages and interest, discontinue the sale of services violating the intellectual property rights in question and incur additional expenses to sign, where applicable, licenses allowing it to use the disputed intellectual property rights.

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

2.5.4 Risks related to regulatory, legal and arbitration proceedings

In the ordinary course of its business, the Group is involved or likely to be involved in a certain number of regulatory, legal or arbitration proceedings, the more significant of which are described in Section 2.9 "*Regulatory, legal and arbitration proceedings*" of this 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 recorded by companies of the Group, with respect to regulatory, legal and arbitration proceedings in its financial statements could be insufficient (for a description of these disputes, see Section 2.9 "*Regulatory, legal and arbitration proceedings*" of this Registration Document), which could have a material adverse effect on the Group's business, results, financial position, liquidity or prospects, independently of the claim's underlying validity.

2.5.5 Risks related to competition law

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

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

2.6 RISK MANAGEMENT PROCEDURES

2.6.1 Risk management structure

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

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

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

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

2.6.2 Main risk management procedures

Group's risk map

The Group Internal Audit Department regularly prepares and updates a risk map for the Group and its subsidiaries. The risk map is presented to the Audit Committee and to the Management Board, 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 other key staff within the Group in order to identify the risks to which their scope of consolidation is exposed. These interviews are carried out by the Group 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 a strong probability of occurring are mapped as "highly critical". Conversely, risks identified as having little impact and a weak probability of occurring 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) provides a comparative tool with the previous year's map, and helps in understanding the development of risks to which the Group is exposed. (ii) allows the Group to set up a dashboard with the estimated degree

of control of each of the identified risks and to identify those that must be dealt with in priority, as well as to ensure that internal control is adequate to prevent and detect them;

- reviewing and validating the risk map by the Management Board and presenting it to the Audit Committee.

As part of this process, the Group risk map was updated during the second half of 2018, both for its content and execution: update of the Group risk model and the allocation of risk owners, enlargement of the panel of managers involved in the formal mapping process, precise quantification of risks, refocusing of the action plans on the Group's 20 key risks, involvement of the Group Executive Committee throughout the process.

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 Internal Audit Department is working on implementing tools and processes for better and more formal monitoring of the action plans.

The risk map also helps to update the audit plan, in particular on topics that are identified as requiring increased supervision.

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, stipulates that starting in fiscal years ending December 31, 2016, the Group's report must cover "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 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, 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 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 highly seasonal nature and sensitivity to weather conditions of the vehicle rental industry*" of this Registration Document;
- the vehicle rental business has limited sensitivity to the financial risks related to the effects of climate change. In fact, since 2016 the Group has initiated a comprehensive low-carbon strategy, described in Section 4.5 "*Act for the environment*" of this Registration Document. This strategy maintains a minimized carbon imprint from all of the emissions related to the Group's direct business and promotes the smallest carbon imprint possible from the Group's customers through a set of concrete and measurable actions, such as advocating economic driving and offering a fleet using the latest technologies, always more oil and fuel efficient and with better GHG emissions performance;
- 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 Registration Document notes that 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.

2.6.3 Insurance

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

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

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

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 and the United Kingdom)

To address the risk of its motor liability, the Group has implemented an insurance program in Belgium, France, Germany, Italy, Portugal, Ireland and the United Kingdom, the "Europrogramme". Europrogramme is 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 Europe Ltd. ("AIG") branch, established 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 less than or equal to €500,000 per accident are "self-financed". 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, according to the relevant subsidiary, by:

(a) Euroguard Cell 0, acting as deductible fund manager on behalf of Europcar Belgium, France, Italy and Portugal, up to a maximum of €500,000 per accident and within an annual aggregate limit actuarially set each year by country, in accordance with the Deductible Funding Agreement (DFA);

(b) Europcar Germany, up to a maximum of €100,000 per claim, and Europcar Ireland up to €150,000 per claim (beginning in May 2018) and Europcar UK up to €500,000 per claim, according to Loss Reimbursement Agreements (LRA);

(c) Euroguard Cell 9, the Group's reinsurance captive within Euroguard Protected Cell (PCC), a company separate from the Group, intervenes in order to cover:

- line of €400,000 in excess of €100,000 per claim for Europcar Germany claims;
- the part of the claims under €500,000 in excess of the annual aggregate limit for the DFA of Belgium, France, Italy and Portugal;
- a line of €350,000 exceeding the €150,000 per claim for Europcar Ireland.

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

For the fiscal year ended December 31, 2018, the estimated total cost of the Europrogramme was €96.25 million. The insurance policies that make up the Europrogramme were renewed for a three-year period effective January 1, 2018 to account for the December 31, 2020 expiration date of the previous long-term contract and they have more favorable terms and conditions than those obtained in 2016. This new long-term agreement, which took effect on January 1, 2018, defines the general framework of the Europrogramme and its annual renewal conditions, in particular the factors that determine the amount of premiums and fees payable by the Group for each year of the program.

Since 2015, Europcar Ireland has taken an active approach to reduce the number of claims, particularly by setting up vehicles to allow drivers to report on their actions. These measures tend to improve the costs related to these claims.

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 a three-year period effective April 1, 2018 to account for the December 31, 2019 expiration date of the previous long-term contract and it has more favorable terms and conditions than those obtained in 2017. This new long-term contract, which became effective on April 1, 2018 for a three-year period, specifies in particular the amount of the premiums and the expenses to be paid by Europcar Spain in order to quality for this coverage. 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"). The total cost of the insurance premium for the fiscal year ended December 31, 2018 stood at €10.8 million.

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". A surplus shall be charged for all claims amounting to AUD 20,000 and a ceiling of approximately AUD30 million (approximately €20.5 million). Effective May 1, 2015, the insurance policy became QBE and was renewed in 2018, as it will be again in 2019. The total cost of the insurance premium for the fiscal year ended December 31, 2018 stood at €0.2 million.

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 annually and provides for the amount of premiums and fees payable by Europcar Denmark to benefit from this coverage.

Under this policy, TRYG indemnifies third parties for personal injury and damage to property. The insurance premium amounted to DKK 12.1 millions in 2018 and Europcar Denmark paid DKK 6.4 million under the terms of the franchise associated with the insurance policy.

Goldcar

Europrogramme does not cover Goldcar's liability for vehicles. Goldcar is insured via standard risks transfer policies in the various countries. In some countries, Goldcar has several policies in place, which enable it to not depend on a single insurance company and to take advantage of market opportunities.

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

Under this policy, Goldcar indemnifies third parties for bodily injury and property damages. The insurance premium was €12.8 million in 2018 and Goldcar retained €3.2 million deductible from the franchise associated with the insurance policy.

Buchbinder

Europrogramme does not cover Buchbinder's liability for vehicles. Buchbinder is insured via standard risks transfer policies in the various countries. In some countries, Buchbinder has several policies in place, which enable it to not depend on a single insurance company and to take advantage of market opportunities.

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

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

Buchbinder also established its own indemnification program for a portion of the fleet for when this can provide a financial advantage. The "own damages" program (kasko) is renewed annually. The insurance premium was €27.6 million in 2018.

For the fiscal year ended December 31, 2018, 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 combined) was €162 million, of which €96.2 million for the countries being part of the Europrogramme that corresponds to the coverage of accidents "self-financed" by the Group, the insurance premium of the AIG excess layer, claims management fees, administrative and brokerage fees as well as related taxes. The average claims maturing time during which the costs of claims are borne by the Group is approximately three years. Liability insurance is by nature long-tail insurance and the most severe claims may remain active for several years, or even tens of years or more in extreme cases. Motor liability insurance cost, stated on a comparable basis (per rental day) have historically trended both upward and downward, reflecting (i) the cost of the market capacity in terms of motor liability insurance and (ii) the Group's own motor liability claims records, 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 estimates that these two factors will continue to influence insurance costs in the future.

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, 2018, expenses related to damages caused to the fleet (including repair work) and to the loss or theft of vehicles, net of recoveries, were €98.2 million.

The cost of damages 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, an insurance risk related to cyber risk, 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 its flotation. It covers, in particular, defense and investigation fees, damages and interest, as well as insurable fines and penalties related to claims filed by the Company's new shareholders and proceedings initiated by the relevant stock market authorities following non-compliance with applicable regulations. This insurance policy took effect as of the date of the admission to trading of the Company's shares on Euronext Paris for a six-year term.

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

2.6.3.4 Optional coverage offered to customers

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

The Group generally proposes ancillary products to its customers, such as partial waiver to recover, damage and theft protection, franchise buy-back product according to 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 the event of a flat tire, broken windshield and 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" component.

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 purchased PAI/SPAI from a leading market insurer. The program was standardized for the majority of corporate countries in March 2015 to enhance 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 THE COMPLIANCE PROGRAM

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

Ethics Code

Europcar has developed a concrete and detailed set of ethical principles defining the professional behavior expected of the Group's representatives and employees. These principles are now included in the Ethics Code (Code of Ethics and Commitments) available on the Group's website (https://investors.europcar-group.com/static-files/5807e1dc-5768-4496-82e7-d7912da248a6). The Ethics Code became effective after review by the Management Board on January 25, 2016.

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

Through the Ethics Code, the Group commits to respecting 12 major objectives towards its various stakeholders:

(a) toward its customers and consumers:

- to communicate clearly and openly on the terms of access to the services (legal terms, rates);
- to guarantee the security and confidentiality of data;

(b) toward its employees:

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

(c) toward its industrial and commercial partners:

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

(d) toward the stock market:

- to 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;
- to prevent insider trading and unjustified use of confidential or privileged information;

(e) toward the environment:

- to minimize the environmental footprint of its activities while ensuring respect of environmental regulations by reducing the pollution caused by its services and infrastructures and by limiting its consumption of energy and raw materials.

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

The Ethics Code has been communicated to all Group employees and has been shared with the various Europcar stakeholders. Senior managers of the Company are trained specifically on how to apply the Code and are responsible for making their teams aware of it. A fully e-learning training program was put in place for the issues covered by the Ethics Code: competition, corruption, data protection, the environment, consumer law (with training in the stations), Human Resources policies.

In 2017, the Ethics Code was supplemented by an anti-corruption guide (Code of Conduct) to respond to the anti-corruption aspects of Law No. 2016-1691 of December 9, 2016, also known as the Sapin II Law.

Compliance structure

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

- the Management Board, which 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 the regional Compliance Officers.

The Compliance Committee must meet once a year; it comprises the following managers:

- Group Legal Director; (Chairman);
- Group Internal Audit Director;
- Group Corporate Social Responsibility Director;
- Group Human Resources Director;
- Great Britain Legal Director;
- Spain Legal Director;
- Germany Legal Director;
- Legal Director of the New Mobility BU;
- Legal Director of the Low Cost BU;
- Legal Manager of Buchbinder.

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

- issuing advisory opinions to the Management Board to enable it to make decisions;
- proposing the rules of conduct and the Compliance Program for the Group to the Management Board which decides and votes, without delegation;
- regularly reviewing the program in accordance with the latest developments in published government guidelines and the organization's needs, as well as laws, regulations and procedures enacted by the government;
- defining the actions to implement the multi-annual plans at all levels;
- reviewing the annual compliance reports submitted to the Management Board;
- examining and handling alert situations reported by local Compliance Committees.

The Group Compliance Officer and the regional Compliance Officers

The Group Compliance Officer, with the assistance of the regional Compliance Officers, ensures the proper execution and implementation of all decisions taken by the Group in terms of ethics and fraud prevention.

The Group Compliance Officer is designated by the Chairman of the Group Compliance Committee in agreement with the Management Board. The Group Compliance Officer reports directly to the Group Compliance Committee and is responsible for issuing an activity report at least once a year.

A Regional Compliance Officer is appointed in each country in each corporate country. They are tasked in particular with implementing the Compliance program whenever the Group Compliance Officer requires assistance at the local level. The local legal department will, over time, play the role of the Regional Compliance Officer.

Multi-annual compliance program

The multi-annual Compliance program sets out the main actions to be undertaken over a period of three years (2018-2020), including:

- disseminating the Ethics Code and developing appropriate procedures and documentation;
- establishing a professional whistle-blowing procedure: in 2018, and continuing in 2019, the Group initiated the deployment of an Internet platform enabling any person within the Company to report behaviors that conflict with the Group's ethics rules. These alerts will be dealt with by the Group Compliance Officer with the strictest confidentiality and anonymity for the whistle blower. Whenever an investigation proves necessary, the Compliance Committee will make a recommendation based on a detailed report. The Supervisory Board will make the final decision on ensuing actions;
- developing and/or proposing training programs to the management of each department concerned by the components of the Compliance program;

- assessing the performance of officers, heads and managers on the distribution and respect of the Europcar Compliance program;
- establishing a Purchasing Code and updating Group General Terms and Conditions and Terms and Conditions of Purchase.

Finally, the Group is currently rolling out the Compliance program along with the anti-corruption section of the Sapin 2 law.

The multi-annual Compliance plan will be updated as and when required in the light of these two new laws.

Control and corrective measures

Any significant deviation from the Group's 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 the case of reported or apparent suspected non-compliance, the Group Compliance Officer will rapidly take measures to investigate the behavior in question in order to determine whether or not a breach of the applicable law or the requirements of the Compliance program has occurred.

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

2.8 INTERNAL CONTROL PROCEDURES

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

Furthermore, the internal control system applies to the entire Group (parent company and subsidiaries) irrespective of whether management has decided to carry out operating activities directly or via external service providers.

The Group has based its internal control system on the COSO Standard, developed and disseminated by the Committee of Sponsoring Organizations of the Treadway Commission.

2.8.1 General organization of internal control

The primary actors in the internal control process are as follows:

(a) **The Audit Committee**, in accordance with its duties defined in the French Commercial Code, ensures the relevance, reliability and implementation of internal control procedures and the identification, hedging and management of the Company's risks in relation to its activities and the generation of accounting and financial information. In particular, the Committee interviews the Group Director of Internal Audit and examines the risk map. It is regularly informed of the results of the internal control self-evaluation process. In addition, the Committee gives its opinion on the organization and resources of the Group Internal Audit Department and is informed of its audit program. It receives a periodic summary of the internal audit reports;

(b) **The Management Board** is ultimately responsible for risk management and internal control and relies in particular on:
   - the financial departments of the operating entities on the one hand;
   - the operating and functional departments on the other hand;

(c) **The Group internal control department**, whose purpose is to facilitate assessment, monitoring and improvement of all Group internal control systems at the Head Office, Country and Station levels. It uses a Group internal control manual and an annual self-evaluation process which covers all of the Group's operations and entities.

   The Group Internal Control Department also relies on documents and rules that structure critical processes and are mandatory for all members of staff:

- the Group's values, setting out its commitments towards customers, staff and shareholders and outlining the principles on which the actions of senior management are based;

- the rules common to all Group entities are enacted by the Supervisory Board and the Management Board. These rules stipulate the measures applicable in the following instances:
  - delegations of authority to Group executives and corporate officers;
  - means of the executives' compensation;
  - investments and commitments given (such as bonds, endorsements and guarantees);
- the harmonization of financial processes currently underway through the setting up of a shared services center and of a unified IT system used by most entities;
- an internal control manual (titled "Emergence"), fully updated during fiscal year 2016, and updated annually since then, covering all functions and processes and adapted to the operational risks in stations.

  A network of appropriately trained local correspondents (Internal Control Coordinators) coordinates the control systems defined by the Group in the various countries and subsidiaries;

(d) **The Group Internal Audit Department reports** to the Chairwoman of the Management Board and has direct access to the Audit Committee. This link between internal audit and senior management is supplemented by continuous access to and cooperation with the other members of the Company's Management Board.

The Group Internal Audit Department is composed of a director of Group Internal Audit, a manager, and three internal auditors supported by a network of local correspondents. This department's functions are to:

- design, execute and monitor the annual internal audit plan;
- assess risks by carrying out an annual Group risk mapping and the 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 that the audit recommendations and high priority action plans are implemented.

  The organization and the duties of the Group Internal Audit Department are set out in the internal audit charter.

  The Group Internal Audit Department defines and executes, either on its own initiative or on the initiative of senior management, an annual audit plan that includes the international franchise network, internal control audits and any other advice or assurance assignment. It reviews the recurring internal control self-evaluation campaigns. In addition, the Group Internal Audit Department consolidates the audits performed in the various stations making up the Group's network.

  This annual plan is approved by the Chairwoman of the Management Board; the Audit Committee expresses an opinion on this annual audit program.

  Lastly, the Group Internal Audit Director reports to the Chairwoman of the Management Board and to the Audit Committee on the realization of the annual audit plan and on the state of progress of the recommendations issued by the internal audit.

  The Group Internal Audit Department carried out some twenty missions throughout the Group during the year, in the following areas:

- franchisee audits: the Group Internal Audit Department tasks an outside firm to conduct an annual audit of stations held by franchisees in order to ensure their compliance with the Group's rules;
- standard missions carried out in stations;
- missions dealing with an operating process or a specific risk;
- monitoring missions carried out by the internal audit, if need be on critical subjects;
- drawing up the risks map.

  Each mission is the subject of a written report intended for the audited persons, their superiors and the Management Board. Audit reports include an evaluation of the identified risks and recommended measures to reduce these risks.

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 actions 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 IT Department defines, implements and improves the IT security policy roadmap. It initiates and coordinates risk reduction projects in its domain.

Given the current situation of the Group's expansion into new countries and brands, in 2017 the Group IT Department created the Business Relationship unit, in charge of coordinating and managing the overall consistency of IT policies across all corporate countries and Group trademarks. The Business Relationship unit ensures the management and gradual alignment of IT Managers for the countries and trademarks acquired by the Group (Ireland, Denmark, Buchbinder and Goldcar).

The Group IT Systems Security manager, reporting to the IT Department. The IT Systems Security manager has a central six-person team and a network of correspondents in the IT Department and the various countries and brands, through which to manage the security systems. This network of ten specialists also includes business line correspondents to facilitate the coordination between the various actions and ensure the proper execution and monitoring of the IT security systems policy across the whole Group. Furthermore, the Head of Business Relationships ensures that all the measures taken by the IT Managers for the deployment of the Security, Compliance, Performance and Continuity Plan are done so in conjunction with the Group IT Manager. Similarly, the plan is gradually being rolled out to the new entities and trademarks acquired by the Group.

The IT security systems roadmap is updated in February each year and presented to the Audit Committee, taking into account the assignments conducted by the Group's Internal Audit Department, the results of the self-assessment of IT controls, the Group risk map and any external studies. The IT security systems roadmap presents the overall and consolidated vision of the action plans to be executed in five areas: governance, access and identity management, security oversight, infrastructure security, and compliance. Dashboards have been implemented since October 2016 to identify and analyze safety incidents with a report indicating the level of criticality, the manager and an action plan.

Monitoring of actions is handled by a monthly IT Safety Steering Committee (chaired by the Information Systems Director (ISD), facilitated by the Information Systems Safety manager, with a manager from the Legal Division, the Director of Internal Audit and the directors of the ISD) and presented to the Audit Committee. Furthermore, every two weeks, a Safety Monitoring Committee meets with all the safety correspondents in the corporate countries who may then submit their own issues and obtain all the necessary information on the Group's common vision.

The Group's business continuity plan has been defined and relies on a fully operational IT backup site for the Europcar brand. For the two new trademarks acquired at end 2017, a comprehensive assessment was initiated during 2018 covering all the areas of security and compliance.

The entire business continuity plan was tested in October 2018 under real world conditions without any drop in performance for customers and employees. Other partial exercises were also conducted in each functional environment in 2016 and 2017.

The applications exposed to the Internet are regularly subjected to intrusion tests. The latest tests were conducted in 2018 and the next series will take place in 2019.

Fraud prevention, and fight against corruption and money-laundering

The Group Internal Audit Department oversees identification and fraud prevention processes for all Group activities.

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 internal control "Emergence" manual;
- the self-assessment tool.

The internal control "Emergence" manual

Entirely reworked in 2016 and updated each year since, the manual has adopted an instructive and pragmatic approach. It not only covers the financial reporting procedures, but also the monitoring of operations (such as the administration of contracts, the franchisees, agents and affiliates), monitoring of functions (such as Legal, Purchasing, Human Resources and IT) and Group governance. It includes a set of new subjects, directly related to the new risks and opportunities addressed by the Group, such as strategy, sustainable development issues, and digital marketing. 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 assessment tool

The internal control assessment tool, used in the Group for more than six years, covers all subjects discussed in the "Emergence" manual. Examples of best practice have been defined for each control and a "customized" maturity scale enables very precise and objective results to be achieved during the self-evaluation process.

The 2018 annual self-evaluation campaign was carried out using a specific IT tool with a scope encompassing internal control and internal audit activities. It covered the countries, the Shared Services Center, the holding company and the Group functions. The players involved in the self-evaluation campaign are both at headquarters and in the countries. They are supervised by the Internal Control Department. The results from the self-evaluation are reviewed by the Internal and External Audit Department. Plans for improvement are initiated by the operations managers, validated at the Country level and monitored by the Group Internal Control Department. The Audit Committee is informed of the results of the self-evaluation campaign and the improvement plans.

2.8.3 Internal control procedures regarding the preparation and processing of financial and accounting information

Organization and responsibilities in the production of accounting and financial information

The chief generators or auditors of accounting and financial information fall under the Group Finance Department and are as:

- the Group Accounting Department;
- the Group Management Control Department;
- the Group Tax Department;
- the Group Cash and Insurance Division;
- the Shared Services Center, covering many of the accounting processes and the Group's various corporate countries;
- the Group Financial Communication 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, managed by the Finance Department, in coordination with 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 handled 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 comparison of the monthly performance of the operating financial aggregates with the 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 made in March, June and September and rely on the actual monthly results already closed. Their objective is to estimate the remaining months until the end of the year in question in order to compare the re-estimated year and the annual budgetary targets. These forecasts are reviewed by the Management Board;
- complete monthly closings (full balance sheet, consolidated income statement, net profit and cash flow) are recorded and consolidated in the same manner as annual and half-yearly closings in the consolidation tool;
- monthly performance review meetings: led by the Chairwoman of the Management Board, these are carried out with all countries bringing together the Deputy CEO – Countries and Operations, the Deputy CEO – Sales, Marketing, Customers & InterRent, the Chief Financial Officer and the Group Financial Controller, and the Group Fleet Director. The operating departments are themselves subject to review by the Management Board. Performance and margin analyses are conducted in order to understand the principal performance levers of the month and to define, in particular, the action plans for the coming months;
- a team, Finance Organization Design, is responsible for harmonizing the finance organizations as well as the accounting processes and internal control, in close collaboration with the Group Internal Control Department.

Procedures for the drawing up of accounting and financial information

Accounting and financial information is obtained through a rigorous process relying 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 *via* the Group Accounting Manual, complemented by specific instructions. Moreover, the above mentioned internal control manual includes the different processes affecting the generation of financial information (*e.g.* closing, cash, payroll, purchasing, sales, fixed assets, IT and consolidation);
- ***a unified information system:*** the Group primarily 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). In addition, the Group uses a single reporting tool (SAP FC). The operating and financial flows of most subsidiaries in the corporate countries are managed via ORACLE;
- ***a reporting and consolidation software package and an ORACLE chart of accounts aligned with the reporting tool:*** the reporting and consolidation of financial information is *via* the ORACLE/SAP FC system for all financial reporting (budget, forecast, 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 or non-recurring transactions) by the Accounting Department ensure the proper control of financial information generated;
- ***a formalized process for the transfer, analysis and control of other information published in the Group's annual documents (e.g. Registration Document).***

2.9 REGULATORY, 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 the accounting standards applicable to the Group, a provision is recognized on the balance sheet when the Group is bound by an obligation arising from a past event, it is possible that an outflow of economic resources will be required to settle the obligation, and the amount can be reliably estimated.

At the date of this 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, non-transparent policies relating to fuel and damage repairs) based on legal proceedings begun in February 2016. The fine of €2 million was paid. An appeal was filed in the Administrative Court of Lazio (TAR) in February 2017. The Hearing is scheduled on February 27, 2019, quid the Ruling is expected during the first half of 2019.
- In October 2017, the ICA initiated several investigations and proceedings to verify the compliance of the practices relating to security deposit procedures. Goldcar Italy contacted the authorities to propose improvements to be put in place to comply with regulations. Goldcar made several commitments which have already been implemented.

  While the ICA acknowledged the procedural and material improvements made, it nonetheless decided to instigate proceeding a noncompliance for an alleged violation of the Italian Consumer Code and imposed a fine on the Goldcar companies. An appeal was filed in the Administrative Court of Lazio (TAR) in April 2018.

Notice of a €680,000 fine was sent in February 2018 and it was paid. A hearing has been scheduled for February 27, 2019 and a decision is expected in the first half of 2019.

Litigation with a former franchisee and its sub-franchisees in Brazil

Two of the Group's sub-franchisees in Brazil, Rentax and Locação e Comércio de Veículos Ltda. ("Rentax") and Horizon Distribuidora Veículos Ltda. ("Horizon"), initiated legal proceedings against Europcar International and its former franchisee in Brazil, Cia Ec Br de Franquias e Locação de Veículos Ltda. ("EC-BR"), claiming unfair termination of the franchisee agreement between Europcar International S.A.S.U. and EC-BR. The combined amount claimed by Rentax and Horizon is BRL 19, 525,151 (approximately €6 million). Europcar International S.A.S.U. is seeking to have the case dismissed on statute of limitations grounds and, in particular, arguing that (i) there is no contractual relationship with these two sub-franchisees, and (ii) there was nothing improper by Europcar International S.A.S.U. in the termination of the EC-BR contract.

In the court of first instance, the 25th Chamber of the Civil Court of Saõ Paulo found in 2010 that the suit filed by Rentax and Horizon was not time-barred and that if Europcar International S.A.S.U. were found liable it would have no recourse against EC-BR. A recourse action is an action through which a person against whom proceedings are initiated involves a third party to respond to the allegations that may be made against him or her. On appeal, this ruling was partly overturned by the Court of Appeal, which found that Europcar International S.A.S.U. could seek recourse against EC-BR, claiming back from EC-BR any payment Europcar International S.A.S.U. would make in compliance with a court ruling against it. Europcar International S.A.S.U., considering that the Appeal Court had failed to consider all its arguments about the statute of limitations, appealed to the São Paulo Court of Justice on September 8, 2014. In a ruling handed down on March 17, 2015, the São Paulo court upheld the ruling that the plaintiffs' suit was not time-barred. Its decision on the statute of limitations was appealed to the Superior Court of Justice. On September 29, 2017 the judge-rapporteur rejected the appeal. Europcar International S.A.S.U. filed an interlocutory appeal against this ruling, which was listed to be heard by the Superior Court of Justice on February 6, 2018. This appeal nonetheless does not suspend the main proceedings during which the judge in the court of first instance ordered EC-BR to continue to answer the case. After several unanswered notices served on EC-BR, the judge ordered the gathering of evidence phase to continue. This phase allows the Parties to gather the evidence they wish to introduce, including expert reports, witnesses etc. In answer to the ruling by the Court according to which it was not necessary to introduce further evidence as to whether the contract was legally terminated insofar as the Court of Appeal had already ruled on the question in the first judgment mentioned above, Europcar filed a request for the case to either be judged immediately or at least be postponed pending the result of the first case. The judge presiding over the case rejected this request and ordered the expert analyses to begin as requested by the plaintiffs. At the date of this Registration Document, we do not know when the expert analyses will be communicated. Depending on the results of the analyses, the judge will hand down his final ruling, subject to a request for counter-expert testimony from the other parties.

Confirmation of Goldcar's previous conviction for price fixing

In 2013, the companies listed below were order to pay several fines following inquiries carried out by the Spanish competition authority (Comisión Nacional de los Mercados y la Competencia – CNMC) as a result of allegations of anticompetitive practices. The appeal was launched as a result of an agreement between each competitor.

The companies involved in the initial proceedings S/0380/2011 were: Sol Mar Rent a Car SL, Centauro Rent a Car SL, Drivalia Car Rental SL, Helle Auto SA, New Cars Costa del Sol SL, Niza Cars SL, Record-Go, Auriga-Crown, Dickmanns Rent a Car SL, Guerin Rent a Car SL, Prima Rent a Car SL, Cargest SL, Avis, the AECA sector association, Sixt and Goldcar.

Goldcar was fined €15.4 million and contested the decision on July 30, 2013 before the Spanish National Court (Audencia Nacional).

On March 16, 2016, a judgment given by the Spanish National Court partially upheld Goldcar's appeal. To this end, the Spanish National Court ordered the Spanish competition authority to recalculate the amount of the fine, taking into account the procedural flaws raised by

Goldcar, but also confirmed the existence of the alleged cartel. Goldcar contested this judgment before the Supreme Court.

Supreme Court ruling No. 926/2018 received in June 2018 rejects Goldcar's appeal. In this respect, it upholds the alleged offenses and orders the competition authority to recalculate the amount of the fine. The amount may be similar or less, but under no circumstances higher than the previously imposed fine (in keeping with the principle of the prohibition of "reformatio in peius").

Alcor, a former shareholder of Goldcar, provided a bank guarantee to cover the total amount of any fine imposed.

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 in Paris. The fire destroyed all 77 vehicles that were parked in the garage (the net amount of damage recognized at this stage is €1.1 million) and damaged the entire structure of the building. A criminal case was opened by the Public Prosecutor (criminal proceedings). At the same time, Europcar France and its insurer AIG EUROPE Limited, started proceedings against the owner of the garage, its insurer, the association of co-owners of the building and the French Diabetes Association, before the President of the District Court of Paris to request the designation of an expert to determine the origin of the fire and assess the amount of damage suffered by each party (civil proceedings). The criminal proceedings were closed by the investigating magistrate on November 24, 2016. The decision to close these proceedings was based on the fact that the judicial inquiry failed to determine the cause of the fire and the expert assessment ordered by the investigating magistrate indicated that it is likely that the fire was caused by an electrical fault in a vehicle. The expert assessment ordered in the civil proceedings is still underway. Europcar France has taken professional civil liability action against the experts referred to in these proceedings.

Excessive interchange commission applied by MasterCard and Visa

Following the opening of an investigation by the European Commission into interchange commissions (commission that is received by banking organizations for a commercial transaction and justified by the mechanisms implemented by the banking institutions of the cardholder and trader for which the transaction is conducted), the European Union determined that the interchange commissions applied by MasterCard and Visa were too high, and established limits. Following this decision, a number of companies sued MasterCard in the English courts (and in the Competition Appeal Tribunal) and obtained damages for losses related to this practice going back to 1992. An additional claim was then filed by Sainsburys against Visa, this time in the High Court. The decisions in those cases were then referred to the Court of Appeal.

On September 16, 2016, Europcar Group UK filed a claim against Visa in the High Court seeking damages for losses incurred due to anti-competitive practices totaling £3 million for the periods 2010 to 2015.

On September 16, 2016, based on the ruling against Mastercard, Europcar Group UK Limited took Mastercard to the High Court of Justice (for the 2010-2015 period) and to the Competition Appeal Tribunal (CAT) (for the 1992-2008 period) to obtain compensation for losses incurred for anticompetitive practices during these periods, estimated at £7,000,000 (including interest).

These three cases are pending the decision of the Court of Appeal in the Mastercard and Visa case. The only exception was a request by Mastercard before the Competition Appeal Tribunal to exclude the claims made for the period 1992-1997 from the assessment of the damages on the grounds that they are time-barred. The decision of the Competition Appeal Tribunal on this request is pending.

In July 2018, the Court of Appeal gave its decision for each of the three cases and ruled that Visa and Mastercard had used anticompetitive practices. The Court of Appeal referred these three cases to the Competition Appeal Tribunal to determine whether exceptions were applicable and to assess the damage. Mastercard appealed this decision before the Supreme Court at the end of 2018.

Leicester City Council Trading Standards Services investigation

On June 23, 2017, the Leicester City Council trade services investigation department opened an inquiry into Europcar UK for a breach of Article 9 of the 2008 of the Consumer Protection Act on Unfair Trading, based on allegations according to which: Europcar UK (i) had billed its customers, without their consent, repair costs for damage caused to vehicles in cases where the damage was contested, and (ii) had billed excessive amounts, over and above the actual cost of the repairs. Europcar UK is cooperating with the authorities in charge of the inquiry. Europcar UK, along with the trade services investigation department, established the list of documents that must be submitted by the Company and appointed Deloitte to fulfill this task. The results of the work carried out by Deloitte were presented to the trade services investigation department in November 2018.

The Leicester trade services department investigations are in progress and the Group continues to fully cooperate with the authorities.

In its financial statements as of December 31, 2017, the Group recorded a provision of £38 million (€43 million) in non-recurring expenses (see Note 35 "*Contigencies*" on the liquidity risk in the 2017 financial statements at Section 3.4 "*Consolidated financial statements and Statutory Auditors' report for the fiscal year ended December 31, 2018*" of this Registration Document).

This amount corresponds to the Group's best estimate, at this very early stage of the investigation, based on a number of assumptions, including an assumption that the charging practices will be found to be misleading under Article 9 of the 2008 Consumer Protection Act on Unfair Trading and potentially inappropriate behavior when charging repairs costs to consumers.

A new risk assessment was carried out as at December 31, 2018. On the basis of the items analyzed at that date, the Group decided to retain the provision of £38 million recognized the previous 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 subject of the lawsuit is the alleged request made by the plaintiff for a commission for the transaction brokerage commission of 4% of the acquisition price of €3 million for assets on August 8, 2017 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. Charteline 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 Charteline 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 brokerage agreement of €530,000 was signed (4% of €9.5 million plus €150,000). At its hearing on February 6, 2019, the Court of Berlin ruled that a brokerage agreement had not been concluded and therefore the complainant could not be awarded a fee for the acquisition transaction. The court ruled that it did not have jurisdiction and referred the case to the Regional Court of Regensburg.

Excessive credit card fees in Australia

Europcar Australia has been notified that the Australian Competition and Consumer Commission (ACCC), following an investigation conducted from October 2017 to May 2018, has decided to initiate civil proceedings against Europcar Australia for violating Article 55B of the 2010 Competition and Consumer Act regarding the excessive fees applied to debit and credit cards when leasing to its customers between July 19, 2017 and November 5, 2017 (and broken down into two periods: from July 19, 2017 to August 31, 2017 and from September 1, 2017 to November 5, 2017).

An official summons was issued on July 16, 2018. A hearing is scheduled for September 2, 2019, following a mediation process that will take place no later than April 30, 2019.

In November 2018, the Company filed a statement explaining that (i) for the first period between July 19 and August 31, 2017, the Company after having received data on the cost of acceptance from its bankers in mid/end July 2017, undertook to calculate an acceptance cost for all card systems so that any change could be applied effective September 1, 2017, and (ii) for debit card customers who were charged excessive fees applicable to credit cards during the period from September 1, 2017 to November 5, 2017, a refund was processed as soon as the banks provided their banking identification numbers making it possible to distinguish between debit and credit cards.

Australia is subject to specific legislation which enables businesses to charge additional fees to credit card customers if these additional fees are not excessive. In Europe, the Group does not apply any additional fees (EC/BB/GC).

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 restructurings carried out in prior years, as well as individual or collective disputes relating to restructurings. Provisions in the amount of €1.2 million for labor disputes were recorded at December 31, 2018 for various companies.

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) the lack of information provided during the information and consultation procedure concerning the transfer of Greenway's business to a service provider, and (ii) questioning the assessment of this activity 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 judgment 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.

A provision of €800,000 was recorded in the books of Europcar International S.A.S.U. at December 31, 2018.

03

FINANCIAL AND ACCOUNTING INFORMATION

In this Registration Document, except where otherwise indicated, 2018 figures for corporate countries include (i) the data for Buchbinder, a group of companies acquired by Europcar Mobility Group on September 20, 2017; (ii) the data for the Danish companies Ostergaard Biler A/S and Nordcar Finance A/S, a former Group franchisee acquired by Europcar Mobility Group on April 27, 2017; and (iii) the data for Goldcar, a group of companies acquired by Europcar on December 19, 2017. In this Chapter, as in this Registration Document, except where otherwise indicated, the comparisons of figures between fiscal years 2017 and 2018 are made on the basis of reported data, and therefore do not include restatements for acquisitions or disposals for the years in question.

3.1 ANALYSIS OF THE GROUP'S RESULTS

Readers are urged to read the information below regarding the Group's financial earnings and position together with the consolidated financial statements for the fiscal years ended December 31, 2018 and 2017, as reported in Section 3.4 "*Consolidated financial statements and Statutory Auditors' report for the fiscal year ended December 31, 2018*" of this Reference Document.

In this Chapter, the Group presents certain financial information and other data to make it easier for readers to understand the Group's activity. In particular, the Group presents the Adjusted Corporate EBITDA indicator, which refers to current operating earnings before depreciation and amortizations not linked to the rental fleet and after deducting interest expenses linked to 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 linked to the fleet, offers investors additional material information to measure the Group's performance, without distinction for the method of financing the vehicle fleet. This aggregate is one of the Group's key aggregates used to track its performance (see Section 3.1.2.2 "*Analysis of the Group's results*", the paragraph on "*Adjusted Corporate EBITDA*").

In this Chapter, the Group has identified certain impacts linked to interest rate fluctuations (primarily the pound sterling, the Australian dollar, the New Zealand dollar and the Danish kroner) and has restated certain data for the fiscal year ended December 31, 2017 at constant exchange rates for the fiscal year ended December 31, 2018 in order to provide a more precise vision of its performance.

3.1.1 General overview

3.1.1.1 Overview

Since January 2017, the Group has chosen an organizational structure based on Business Units in order to better address the different markets in which it operates and the various mobility needs of its customers. This organization by Business Unit, described more fully in Section 1.6.1, is structured around five Business Units: Business Unit Cars, Vans & Trucks, Low Cost, New Mobility and International Coverage. These five Business Units are distinguished primarily by the nature of the services offered, customer category, competitive environment, the day-to-day operational management of customers and the rental fleet.

The Cars, Vans & Trucks and Low Cost Business Units operate a branch network only in the corporate countries. This network is shared for the most part between the Cars and Vans & Trucks Business Units and dedicated to Low Cost Business Units, while the International Coverage Business Unit runs the network of country franchises and the Group's partnerships in those countries.

3.1.1.2 Main factors that can impact the Group's results

Certain key factors as well as past events and operations impacted and could continue to impact the Group's operating results. These factors include, in particular, the momentum of the vehicle rental sector and the attractiveness of the Group's services, macroeconomic conditions (particularly the vitality of tourism and the business sector in general), the seasonal nature of the vehicle rental business, the effects of the strategic program and the evolution towards new mobility services, the Group's cost structure and operational efficiency, financial charges, changes to the Group's scope of consolidation, and exceptional exogenous factors such as terrorist attacks. A more detailed description of each of these factors is presented below.

Sector dynamic and attractiveness of the Group's services

The vehicle rental sector is undergoing intensive changes owing, in particular, to the changes in consumer habits and technologic evolution.

- **Changes in demand in the premium and Low Cost segments.** The Group considers that transport sector consumers tend to focus on either premium offers or on so-called *Low Cost offers*. The changes in demand in the premium segment present new growth opportunities for vehicle rental companies which are able to capitalize on their trademark recognition to develop new services. The Group believes that it can leverage the established recognition of its leading brand Europcar® to develop new premium services (see "*Europcar® Services Offer®*" in Section 1.6.2 "*Europcar Mobility Group's brands and respective service offers*"). In addition, as demand is also evolving towards the Low Cost segment and small budget vehicles, sector players have responded to the trend by adapting the composition of their fleet and developing new Low Cost offers. To address this new trend, the Group initially launched its InterRent® brand in the Low Cost market in 2013, then accelerated its deployment as initially planned. With the acquisition of Goldcar® at the end of 2017, the Group decided to reposition InterRent® in the mid-range segment and assign the Goldcar® brand to the low-cost development market. See the introduction to Section 1.6.2 "*Europcar Mobility Group's brands and respective service offers*". This specific market trend enables the Group to offer a product and services better adapted to this growing demand;
- **The Vans & Trucks market is growing steadily**, driven specifically by the rise of online and last-mile commerce. It remains relatively fragmented throughout Europe, although the first signs of concentration can indeed be seen. Operational specificities differ widely from the rental of passenger cars and low-cost services, and require proper levels of expertise. The establishment of a dedicated structure for the Vans & Trucks Business Unit allows for a more effective response to the market in terms of products and services;
- **New mobility solutions.** The mobility market is undergoing structural changes linked to technological advances and the resulting changes in consumer preferences and behavior (See Section 1.3.2 "*Growth factors 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 consider will have a strong added value or will be widely accepted by consumers and for which they have or can acquire or develop the technical expertise necessary for their operation. The Group draws on its extensive experience and its know-how in the vehicle rental sector to innovate and grab opportunities arising from new mobility trends;
- **Technological changes and changes to offers.** To remain competitive, vehicle rental companies should develop a business model that includes information and telecommunications systems that are effective while being complementary to those of their partners, with regard to the recording of customer bookings through multiple distribution channels and strengthening their capacity to offer innovative and less expensive services;
- **The pricing dynamic.** 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. On the contrary, a fall in demand or excess supply of vehicles over demand can exert downward pressure on prices in the context of available fleet management. The available fleet management capacity (size, mix and geographic distribution) of the different players in the vehicle rental sector also has an impact on the Group's fleet utilization rate and its pricing position. The management of the utilization rate and location of the rental fleet and the management of the prices of the services offered are centralized around 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;
- **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 constantly changing needs of its customers and to be attentive to their expectations. The percentage of vehicle rental bookings made online (including through rental brokers) has risen sharply in recent years and accounted for 65% of bookings in 2018 excluding Global Distribution System (as compared to 60% in 2017). Online bookings also allow greater transparency on prices and can lead to stronger competitive pressure in the sector (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 can have an adverse impact on vehicle rental. Terrorist attacks can also have an impact on the vehicle rental market in the short and medium term.

Macroeconomic conditions

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 "Leisure" customers (see Section 1.3.2 "*Growth factors and general market trends*"). During the fiscal year ended December 31, 2018, agencies in airports directly run by the Group and by agents represented 44% of the revenue generated by the Group's rental activities versus 56% for agencies outside airports, thanks to the Group's dense network. The Group also entered into important alliances and partnership agreements with several major aviation companies. Thus, a significant part of the Group's revenue is correlated to the level of air traffic.

Revenue growth indicators

Revenue covers (i) income from vehicle rentals net of discounts and rebates, (ii) commissions on services related to the vehicle rental activity, and (iii) franchise fees received from the Group's franchise network.

The following indicators are generally used to analyze changes in the Group's consolidated revenue: (i) the activity volume measured by the Number of Rental Days, and (ii) revenue per rental day.

RENTAL DAY VOLUME

The rental day volume corresponds to the rental day volume completed by customers including each day or period shorter than one day for which a vehicle rental is invoiced to a client (the "**Rental Day Volume**").

The Rental Day Volume is influenced 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 "*Sector dynamic and Attractiveness of the Group's Services*" and "*Macroeconomic Conditions*" sections above, the seasonal nature of the activity, the changes in the Group's services 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 PER BUSINESS UNIT

The revenue per rental day (RPD) corresponds to the income from vehicle rental activities divided by the Rental Day Volume for the period in question (the "**RPD**"). The variation of the RPD is calculated with respect to the previous year and can be presented at constant exchange rates to correct exchange rate fluctuations (primarily the impacts linked to the pound sterling, the Australian dollar, the New Zealand dollar, and the Danish kroner).

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 proposed by the Group and the related price policy, (ii) the sale of additional services and equipment for a price (such as insurance products and optional protection, equipment, etc.), (iii) the specific market conditions and customer structure of geographical areas where the Group offers its services, (iv), the Revenue Capacity Management used to manage customer demand, pricing and suitability of the fleet (category/price and optimized distribution within the network), as well as (v) competitive intensity and (vi) the average duration of the rental;
- **the composition and diversity of the Group's fleet.** The Group's fleet includes eleven main categories of vehicles in line with the sector's standards - mini, budget, compact, medium, standard, sedan, premium, luxury, vans, trucks and convertible cars. The fleet offered varies by brand: the Europcar® brand covers a full line of vehicles, the InterRent® and Goldcar® brands offer a narrower selection of vehicles, while Buchbinder® also has a fleet of vehicles fairly close to the one offered by the brand Europcar®. The diversity of the Group's fleet allows it to respond to the rental demands of a broad range of customers. Generally speaking, higher category vehicle rentals have a higher RPD than those from lower category vehicles but the latter represent less substantial costs for the Group and generally help to maintain similar profitability;
- **typology of the Group's customer base: Business or Leisure** (see Section 1.6.3 "*Customers ("Business"/"Leisure")*"). Leisure rentals are often for longer periods and present a higher RPD compared

with business rentals. Furthermore, longer-term rentals generate in principle a lower RPD than short-term rentals but present a different cost structure which generally allows the Group to maintain similar profitability (see Section 3.1.1.2 "*Main factors that can impact the Group's results*" in "*Cost structure and operational efficiency*");

- **the growth momentum of the different Business Units.** Each Business Unit targets a customer base and markets that have their own dynamic for demand, product and services offer and price. As a result, the different Business Units have different RPDs and revenue growth (See Section 1.6.1 "*Overview of business*"). The Low Cost Business Unit has a lower average RPD than the Cars Business Unit and the Vans & Trucks Business Unit, mainly due to the more entry-level vehicle category;
- **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 (in Germany, Austria, Luxembourg and Belgium) generate a more substantial portion of their revenue in the "Business" segment, others (in Spain, Italy, Ireland, Portugal, Australia and New Zealand) generate more revenue on the "Leisure" segment and others, finally, are present in the two customer segments in a fairly balanced manner (in France, Denmark and in the United Kingdom);
- **the fluctuation in certain foreign exchange rates.** As RPD is measured in euros, fluctuations in exchange rates, particulary between the euro and the pound sterling, the euro and the Australian and New Zealand dollars, and between the euro and the Danish kroner, can impact the RPD. Consequently, the Group monitors the RPD at constant exchange rate.

Seasonal nature of business

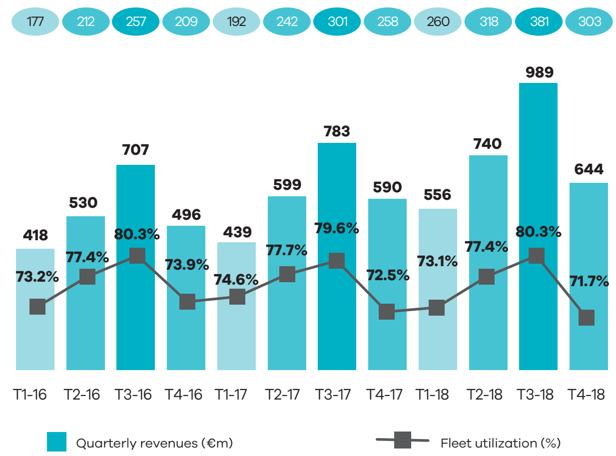
The vehicle rental business sector is seasonal and sensitive to weather conditions. There is generally a peak in activity from June to September. The "Leisure" segment is characterized by higher demand during the summer period and school holidays and benefits from higher activity in the transport sector. As such, the Group's revenue and Adjusted Corporate EBITDA are higher during these periods compared to the rest of the year. For example, the Group generated 74% of its Adjusted Corporate EBITDA in the third quarter of the year ended December 31, 2018 (versus 61% in 2017). The "Leisure" customer segment is also characterized by an increase in demand for week-end rentals over mid-week rentals. By contrast, demand from the "Business" customer segment is relatively stable throughout the year, with a slight drop during the summer holidays period and more focus on the mid-week (Tuesday to Thursday) compared to the weekend.

For the fiscal year ended December 31, 2018, "Leisure" rentals represented 60% of the revenue generated by the Group's rental activities versus 40% for "Business" rentals.

Managing the seasonal nature of the business efficiently is an important aspect of the Group's financial model. The Group strives to seize business during peak periods (weekly or annually) while remaining attentive to fleet holding costs in 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 the high demand falls (see Section 1.6.6 "*The Group's Fleet*").

The seasonal criterion also varies from one Business Unit to another. The Cars Business Unit has a strong seasonality, mainly in relation to the Leisure/Business activity as described above. Since the Low Cost Business Unit is almost exclusively dedicated to "Leisure" segment customers, seasonality is very strong and follows the tourist demand of school vacation periods: the third quarter of 2018 accounted for 48% of the Low Cost Business Unit's rental activities (compared to 48% in 2017). The Vans & Trucks Business Unit, with its medium-term offer targeted to Small and Medium-Sized Businesses, is more oriented towards "Business" customers and consequently has less seasonality during the year.

The graph below shows the change in consolidated revenue in millions of euros, the fleet utilization rate and the average fleet per quarter during the years ended December 31, 2018 and 2017:



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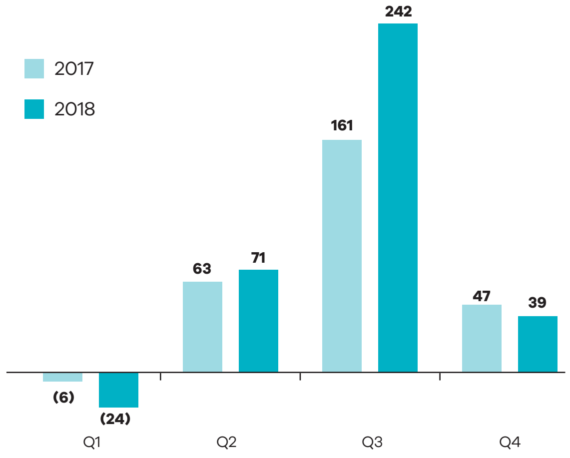
The following graph shows the change in the Group's Adjusted Corporate EBITDA by quarter in millions of euros during the years ended December 31, 2018 and 2017.



Cost structure and operational efficiency

A. MARGIN AFTER VARIABLE COSTS

The margin after variable costs, as used in the Group's management indicators to manage Business Unit performance, 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 expenses and fleet operating, rental and revenue related costs.

The estimated interest included in operating lease rents are included in the finance charges related to the fleet and recognized above the Adjusted Corporate EBITDA [1]. The Group's variable operating costs therefore exclude (i) personnel costs, (ii) network and head office overhead costs, (iii) other operating expenses and revenue, (iv) non-current income and expenses, (v) all financial expenses related to fleet financing. All of these items have a dedicated section in the income statement.

The costs included in the Margin After Variable Costs are:

- **Fleet holding costs** (which represented 42% of the variable cost base and 24% of revenue in 2018) include:
  - costs in connection with vehicle rental agreements, which represented 34% of the operating cost base for 2018 and correspond to (i) depreciation expenses concerning both vehicles purchased with manufacturer or dealer buy-back commitments and "at risk" vehicles (based on monthly depreciation rates negotiated as part of the buy-back agreements, as regards vehicles purchased with a buy-back clause, net of volume rebates, or on the difference between the purchase price and estimated residual value of at risk vehicles, as regards the latter, adjusted monthly based on vehicle market values) and (ii) operating lease expenses,
  - costs in connection with the purchase and sale of vehicles, which represented 5% of the operating cost base for 2018, mainly consisting of (i) the cost of vehicle accessories, (ii) costs linked to the integration of new vehicles into the Group's fleet, and (iii) costs linked to the sale of used cars and vehicles acquired through buy-back schemes, and
  - taxes on vehicles, which represented 3% of the operating cost base for the 2018 fiscal year.

  These costs are variable year on year insofar as the Group is able to adapt and adjust 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. Europcar is also able to respond to short-term peaks in demand through 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 58% of the variable cost base and 34% of revenue in 2018) include:
  - fleet operating costs, which represented 20% of the operating cost base for the year ended December 31, 2018, and include insurance costs (the cost of third party liability and vehicle damage insurance policies, and the cost of self-insurance), repair and maintenance costs as well as costs incurred for damaged and stolen cars, and for the reconditioning of vehicles before they are repurchased by the car manufacturers or dealers. These costs vary as a function of the average rental fleet and, to a lesser extent, the Number of Rental Days,
  - commission and franchise fees linked to revenue from ordinary activities, including commission paid to agents operating rental agencies covering personnel costs and agency overhead costs (excluding the vehicle fleet) as well as commission paid to travel

(1) *In the IFRS income statement, payments under operating leases are recorded in full under "fleet holding costs" without distinction between the amortization expenses and the estimated financial expense component.*

agencies, brokers and other business partners, and the franchise fees and duties paid for airport and rail station concessions. These costs represented 22% of the operating cost base for the 2018 fiscal year, and vary according to the sales generated by the underlying rental business, and

- rental costs, which represented 16% of the operating cost base for the 2018 fiscal year, and which cover the costs of transferring vehicles from one site to another, vehicle washing costs, and fuel costs. Rental costs are, in theory, incurred once per rental. Consequently, a shorter rental will incur approximately the same cost as a rental over a longer period.

B. MARGIN AFTER NETWORK COSTS

The margin after network costs, as used in the Group's management indicators to monitor the Company's performance, includes revenue and costs related to the margin after variable costs (discussed above) minus (i) network operation costs, (ii) marketing expenses, and (iii) fleet financing costs. These include the personnel costs of the Group's branch network as well as the overhead costs related to the branch network.

The costs included in the Margin after network costs (in addition to the margin after Variable costs) are:

- **personnel costs** (which represented 50% of the network cost base and 10% of revenue in 2018) include all payroll-related costs;
- **network overhead costs** (which represented 23% of the network cost base and 5% of revenue in 2018) include the costs of rent, parking, rental charges inherent to the operation of a branch, uniform costs, etc.;
- **fleet financing expenses** including estimated interest included in operating leases (which represented 21% of the network cost base and 4% of revenue in 2018) include interest charges on loans used to finance the fleet;
- **marketing costs** (which represented 5% of the network cost base and 1% of revenue in 2018) include all advertising/communication/marketing expenses used to develop brand recognition and thus make the Group's revenue grow in the short and medium term.

C. HEADQUARTER STRUCTURE COSTS

Head office structural costs include costs associated with expenses related to the headquarters of the Company and of Group corporate countries (including rental fees, travel expenses and auditing and consulting fees incurred at 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 or 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.

The headquarters of the Group's Corporate and Countries perform 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 the administration of sales, the "Revenue and Capacity Management" services, reservations and customer services, e-commerce and marketing, vehicle purchase, logistics and maintenance, as well as support functions such as Finance, Human Resources and General Management.

Structure costs increased by €45 million in 2018, representing a 16% increase at reported exchange rate compared to 2017. This increase is mainly due to acquisitions made in 2017 and additional personnel to support business growth and integration of the new subsidiaries.

D. COST STRUCTURE AND OPERATIONAL EFFICIENCY INDICATORS

Major gains were achieved on the unit costs of the fleet and other operating expenses expressed in number of vehicle rental days or as a percentage of revenue.

Fleet management and improvement of the fleet utilization rate are based on the Group's internal procedures and on the "Revenue and Capacity Management" teams. The Group uses the following indicators to control and optimize its fleet-related costs:

- **average rental fleet for the period.** The average fleet in the period is calculated by taking into account the number of days in the period during which the fleet is in service, divided by the number of days in the same period, multiplied by the number of vehicles in the fleet during the period. The size of the average fleet in the period, and therefore of the fleet holding costs, varies according to forecasted demand and Rental day volume, and, in particular, to the effects of seasonal fluctuations;
- **average monthly costs 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 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 lease rents for vehicles in the fleet) and, separately, the monthly operating cost per fleet unit (excluding insurance costs). The average monthly cost of the fleet per unit can fluctuate on the basis of macro- economic conditions that impact auto makers and the Group's negotiation power with the auto companies for its vehicle supply agreements. The average cost per unit for small, economy vehicles tends to be less 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 high return (see Section 1.6.6 "*Group 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 expenses, in particular:

- **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. In the IFRS income statement, operating lease rents, including the estimated portion corresponding to interest, are recorded as operating income under fleet holding costs, while financial expenses connected to the other types of financing for the vehicle fleet included in the balance sheet are recorded as financial income under cost of gross debt. In order to facilitate the Group's monitoring of performance, these two types of financial expense are grouped together as one line in the calculation of the Adjusted Corporate EBITDA (see Section 3.1.2.2 "*Analysis of Group results*" in "*Adjusted Corporate EBITDA*" section) in the management income statement;
- **the financial expenses on the High Yield bonds** 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.

3.1.1.3 Significant accounting policies

For a detailed description of the Group's significant accounting policies, see Note 2 "*Significant accounting policies*" in the Group consolidated financial statements for the fiscal year ended December 31, 2018 included in Section 3.4 "*Consolidated financial statements and Statutory Auditors' report for the year ended December 31, 2018*" of this Registration Document.

3.1.2 Comparison of results for the fiscal years ended December 31, 2018 and 2017

3.1.2.1 Key indicators

IN MILLIONS OF EUROS	Year ended December 31 2018	2017	Change	Change at constant currency *
Revenues (IN MILLIONS EUROS)	2,929	2,412	21.5%	22.2%
Rental Revenues (IN MILLIONS EUROS)	2,748	2,255	21.8%	22.6%
Rental Day Volume (IN MILLION)	87.7	69.3	26.6%	
Average rental duration (IN DAYS)	6.5	6.1	6.5%	
Average rental Fleet (IN THOUSAND) (1)	315.9	248.5	27.1%	
Average revenue per unit per month (€) (2)	725	756	(4.1)%	(3.6)%
Average fleet costs per unit per month (€) (3)	(226)	(243)	(7.1)%	(6.6)%
Fleet utilization rate (IN %) (4)	76.1%	76.4%	(0.3) pt	
Margin after Variable costs	1,231	1,012	21.7%	22.5%
Margin after Variable costs in % of Revenues	42.0%	41.9%	+0.1 pt	

(1) The average rental fleet corresponds to the number of vehicles during the period when the fleet is in operation, multiplied by the number of days in the same period, divided by the total number of days in the fleet during the period. At December 31, 2018, the fleet had 281,221 vehicles (+4.4% compared to December 31, 2017).

(2) The average monthly revenue per fleet unit/month corresponds to vehicle rental income divided by the average rental fleet for the period, such average rental fleet for the period, divided by the number of months in the period.

(3) Average monthly fleet cost per unit corresponds to the total monthly fleet cost (costs of ownership and operation of the fleet), excluding interest expense for fleet operating leases and insurance, divided by the average fleet size during the period. The average fleet size is then in turn divided by number of months during the period (i.e. €864 million for 318,450 vehicles in 2018 and €730 million for 250,101 vehicles 2017).

(4) 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.

3.1.2.2 Analysis of the Group's results

The comments in this Section refer to the IFRS presentation of the income statement and the management aggregates monitored for strategic management of the Group. Management data are prepared in order to reflect and clarify the presentation of Group economic performance.

MANAGEMENT INCOME STATEMENT

	Year ended December 31		
IN MILLIONS OF EUROS	2018	2017	Change
Total revenue	**2,929.3**	**2,411.7**	**21.5%**
Fleet holding costs, excluding estimated interest included in operating leases	(707.8)	(558.1)	26.8%
Fleet operating, rental and revenue related costs	(990.3)	(841.9)	17.6%
Margin after Variable costs	**1,231.1**	**1,011.6**	**21.7%**
Margin	42.0%	41.9%	+0.1pt
Personnel costs	*(500.3)*	*(404.7)*	*23.6%*
Network and headquarters overhead costs	*(294.3)*	*(250.0)*	*17.7%*
Other income and expense	*11.8*	*14.2*	*(16.8)%*
Personnel costs, network and head office overhead, IT and other	(782.9)	(640.6)	22.2%
Net fleet financing expense	*(65.8)*	*(59.9)*	*9.9%*
Estimated interest included in operating leases	*(55.2)*	*(47.3)*	*16.7%*
Fleet financing expenses, including estimated interest included in operating leases	(121.0)	(107.2)	12.9%
Adjusted Corporate EBITDA	**327.3**	**263.8**	**24.0%**
Margin	11.2%	10.9%	+0.2 pt
Depreciation – excluding vehicle fleet	(44.4)	(29.9)	48.6%
Other operating income and expenses	20.4	(70.7)	(128.8)%
Other financing income and expense not related to the fleet	(110.6)	(80.7)	37.0%
PROFIT/(LOSS) BEFORE TAX	**192.7**	**82.6**	**133.4%**
Income tax	(52.0)	(13.4)	287.5%
Share of profit/(loss) of associates	(1.3)	(8.1)	(83.5)%
NET PROFIT/(LOSS)	**139.4**	**61.1**	**128.2%**

IFRS INCOME STATEMENT

IN MILLIONS OF EUROS	Year ended December 31		
	2018	2017	Change
Total revenue	**2,929.3**	**2,411.7**	**21.5%**
Fleet holding costs	(763.0)	(605.4)	26.0%
Fleet operating, rental and revenue related costs	(990.3)	(841.9)	17.6%
Personnel costs	(500.3)	(404.7)	23.6%
Network and headquarters overhead costs	(294.3)	(250.0)	17.7%
Other income and expenses	11.8	14.2	(16.8)%
Depreciation, amortization and impairment expense	(44.4)	(29.9)	48.6%
Current operating income	**348.7**	**293.9**	**18.6%**
Other non-recurring income and expenses	20.4	(70.7)	(128.8)%
Operating income	**369.1**	**223.2**	**65.3%**
Net financing costs	(176.4)	(140.7)	25.4%
Profit/(loss) before tax	**192.7**	**82.6**	**133.4%**
Income tax	(52.0)	(13.4)	287.5%
Share of profit of Associates	(1.3)	(8.1)	(83.5)%
NET PROFIT/(LOSS) FOR THE PERIOD	**139.4**	**61.1**	**128.2%**

The table below presents the reconciliation of recurring operating profit (loss) with adjusted recurring operating profit (loss), with Adjusted Corporate EBITDA and with adjusted consolidated EBITDA. The Group presents the adjusted recurring operating profit (loss); the adjusted consolidated EBITDA and the adjusted Corporate EBITDA because it believes that these measurements give investors important, additional 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 that adjusted recurring operating income adjusted consolidated EBITDA and adjusted corporate EBITDA are useful indicators for measuring the Group's capacity to meet its debt-service obligations. IFRS does not recognize 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, nor should they be considered indicators of operating results or of cash flows as measures of liquidity.

IN MILLIONS OF EUROS	Year ended December 31 2018	2017
Adjusted Consolidated EBITDA	**1,027.8**	**821.1**
Fleet depreciation IFRS	(295.4)	(213.0)
Fleet depreciation included in operating lease [(1)]	(284.2)	(237.1)
Total Fleet depreciation	**(579.6)**	**(450.0)**
Interest expense related to fleet operating leases (estimated) [(1)]	(55.2)	(47.3)
Net fleet financing expenses	(65.8)	(59.9)
Total Fleet financing	**(121.0)**	**(107.2)**
Adjusted Corporate EBITDA	**327.3**	**263.8**
Amortization, depreciation and impairment expense	(44.4)	(29.9)
Reversal of Net fleet financing expenses	65.8	59.9
Reversal of Interest expense related to fleet operating leases (estimated)	55.2	47.3
Adjusted recurring operating income	**403.9**	**341.2**
Interest expense related to fleet operating leases (estimated)	(55.2)	(47.3)
Current operating income [(2)]	**348.7**	**293.9**

(1) The charges related to fleet vehicle operating leases include a depreciation expense, an interest expense and, in some cases, a small management fee. For contracts that do not stipulate a precise distribution of rents 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 profit (loss) excluding this expense.

(2) As presented in the consolidated income statement.

(A) Total revenue

The following table shows the change in Group consolidated revenue for fiscal years 2018 and 2017, total and by type of income:

IN MILLIONS OF EUROS	Year ended December 31 2018	2017	Change	Change at constant currency
Rental revenues	2,748.0	2,255.3	21.8%	22.6%
Other revenue associated with car rental	126.6	105.0	20.6%	21.2%
Franchising business	54.7	51.3	6.6%	6.6%
REVENUES	**2,929.3**	**2,411.7**	**21.5%**	**22.2%**

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 from the services related to vehicle rental (including fuel), and the franchise fees received from the Europcar franchise network:

- **revenue drawn from vehicle rentals covers the rental income** generated by the agencies operated directly by the Group and the income generated by the rental agencies operated by agents;
- **income related to services that complement the vehicle rental activity** include the revenue from fuel sales and the fees received for managing "Major Accounts" fleets, as well as the income generated by car sharing and car services with driver; and
- **the revenue drawn from the rental activity of the franchises** consists of the annual franchise fees, entry and territorial fees and other fees, such as the reservation fees invoiced by Europcar, collection costs and the costs of the IT services provided to the franchises. The franchise fees paid to the Group by its franchisees are determined on the basis of the rental revenue generated by the franchisees in their regions.

Revenue for fiscal year 2018 totaled €2,929 million, up 21.5% over 2017. Restated for the foreign exchange effects of non-euro currencies. This increase is 22.2%.

The rental revenues, which rose 22.6% at constant exchange rates, benefited from a 26.6% jump in Rental day volume, with 87.7 million rental days compared to 2017. This business growth was driven mainly by the Low Cost Business Unit, due to the full-year effect of the Goldcar acquisition at the end of 2017 and the effect of the four months of 2017 for Buchbinder.

(B) Fleet holding costs

Fleet holding costs represent the "depreciation costs" on vehicles acquired under contracts with repurchase clauses or on at-risk vehicles, the costs on vehicle rental agreements, the costs related to the purchase and sale of vehicles, and the taxes on the vehicles (see Section 3.1.1.2 "*Main factors that can impact the Group's results*" in "*Cost structure and operational efficiency*" section).

Fleet holding costs increased 26.0% at reported exchange rates and 26.7% at constant exchange rates to total €763.0 million in 2018. Fleet holding costs include fleet depreciation expenses (vehicles acquired and financed through funding recorded on the balance sheet) and payments on operating leases for vehicles including their financial component, in compliance with accounting standards (e.g., vehicles financed through leasing).

Rental payments under operating leases automatically include a component of financial interest. As explained below, the accounting methods employed for fleet-financing expenses depend on the type of financing (operating lease or other type of financing). For the sake of clarity, the Group consolidates all fleet financing expenses in its management income statement, analyzing them together as part of Adjusted Corporate EBITDA (see Section 3.1.2.2 "*Analysis of Group results*" in "*Adjusted Corporate EBITDA*" section); it excludes these expenses from its analysis of fleet holding costs.

Excluding the estimated financing costs of operating leases (totaling €55.2 million in 2018 and €47.3 million in 2017), the change in fleet holding costs was attributable to the increase in business activity, continued improvements in the monthly cost per vehicle and a slight decrease in the utilization rate:

- **excluding the estimated financing costs of operating leases**, fleet holding costs increased 27.5% at constant exchange rates, reflecting the increase in the level of the fleet, which increased by 27.3%;
- **fleet holding costs per vehicle** remained stable at around €185.2 per vehicle. In an inflationary environment, this continued improvement was driven by a streamlining of the composition of the rental fleet by category to better align it with the needs of the Group's customers, better logistical management of fleet additions and disposals and harmonization of the procedures to track the mileage of vehicles in the buy-back program; however, the impact of new acquisitions pulled this ratio down;
- **the fleet utilization rate** dropped slightly by 0.3 percentage point to 76.1%, mainly due to the slightly lower Buchbinder utilization rate and the Danish franchisee acquired in fiscal year 2017.

(C) Fleet operating, rental and revenue-related costs

The fleet operating, rental and revenue related costs consists of the operating costs of the fleet (including insurance costs), commissions and franchise fees related to ordinary revenue, and rental-related costs.

Fleet operating, rental and revenue-related costs rose 17.6%, and 18.3% at constant exchange rates, to €990.3 million in 2018, within a context of a significant increase in revenue.

- **Fleet operating costs** decreased by 9.4% at reported exchange rates and 8.9% at constant exchange rates. This decrease can be explained by an increase in the re-invoicing of damages to customer on their insurers thanks to a better operational control of damages caused by vehicles and a positive contribution by Buchbinder.
- **Commissions and franchise fees associated with revenue generated by ordinary activities** increased 20.6% at reported exchange rates and 21.6% at constant exchange rates. This increase can be explained mainly by the increase in rental revenue. Commissions paid to airport authorities have followed the increase in revenue made at airports (26% increase in costs for a 30% increase in airport revenue).
- **Rental-related costs** rose 18.9% at reported exchange rates and 19.6% at constant exchange rates, due mainly to a jump of more than 18.9% in the number of rental agreements. This variation is related to vehicle cleaning costs and increased call center charges in Germany.

(D) Network costs (overhead and personnel costs)

Overhead and network personnel costs totaled €428.2 million in 2018, an increase of 27.9% at reported exchange rates and 28.7% at constant exchange rates. This increase of €95.5 million at constant exchange rates is mainly related to new acquisitions.

Even though the network's overhead costs increased by 24.6% at constant exchange rates, all of those overhead costs on a like-for-like basis increased by only 2.5% over 2018. The cost increase in rental-vehicles stations rents was offset by the good cost control of office supplies, telecommunications costs, uniforms and energy running costs.

Similarly, network personnel costs increased by 30,7% at constant exchange rates over 2018, but all of these personnel costs on a like-for-like basis actually increased by only 4.5% in 2018. This increase in personnel costs can be explained mainly by the natural inflation of the payroll and increases of legal minimum wages and mandatory increase of minimum wages.

(E) Headquarter costs (overhead and personnel costs)

Headquarters overhead is the cost of the headquarters of the Company and the Subsidiaries: personnel costs, rental expenses, travel expenses and consulting fees. Also included in these expenses are related sales and marketing costs, IT costs.

Personnel costs totaled €207.5 million in 2018, an increase of 15.8% at reported exchange rates and 16.3% at constant exchange rates. This increase of €29.1 million at constant exchange rates is mainly related to new acquisitions and additional personnel to support the expansion of business and integrate the new subsidiaries.

Headquarters overhead costs were up 15.6% to €127.6 million. This increase in expenses is mainly due to the acquisition of Buchbinder and Goldcar.

IT expenses also rose sharply in order to support the projects of digitalization of our businesses and improve Customer Experience tools and processes.

(F) Amortization and depreciation excluding the rental fleet

Non-fleet amortization and depreciation allocations primarily reflect allocations to the amortization of intangible assets (software and operating systems owned by the Group), and depreciation of property, plant and equipment (computer equipment) and impairments.

Excluding the vehicle fleet, depreciation and amortization charges increased by €14.5 million to €44.4 million in 2018.

(G) Other income

Other income and expenses reflect net income resulting from certain commercial agreements, reversals of unused provisions, gains or losses on the sales of property, plant and equipment and other items (such as retrocessions pursuant to rental contracts or tax penalties).

Other income and expenses fell by €2.4 million to €11.8 million for the fiscal year ended December 31, 2018.

(H) Other non-recurring income and expense

Other non-recurring income and expenses consists of the costs related to acquisitions of companies and reorganization costs and other operating costs.

Acquisition costs include the costs incurred to integrate the acquisitions, such as legal and accounting fees, the costs of dismissal and the consulting fees for the dismissals resulting from streamlining the network of rental agencies and support functions, impairment of property, plant and equipment and transfer costs, as well as costs to terminate leases or associated with refurbishing buildings in the context of integrating the acquired businesses.

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 expenses, consultancy fees, asset write-offs 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 2018, other non-recurring income and expenses represent an expense of €20.4 million reflecting in particular the following items:

- the profit following the sale of the 25% stake in Car2go during fiscal year 2018 for €68.5 million;
- reorganization expenses for €11 million, mainly in the United Kingdom, Belgium and Germany;
- integration costs mainly related to the acquisitions of Goldcar and Buchbinder during fiscal year 2018 for approximately €11 million;

- expenses related to various Group Transformation projects for €11.5 million;
- disputes amounting to €10.8 million, of which approximately €6 million are related to attorneys' and investigation fees in relation to the Trading Standard dispute.

(I) Adjusted Corporate EBITDA

Adjusted Corporate EBITDA was up 24.0% (24.7% at constant exchange rates), rising from €263.8 million in 2017 to €327.3 million in 2018. The margin of the Adjusted Corporate EBITDA as a percentage of revenue improved by 0.3 points from 10.9% in 2017 to 11.2% in 2018.

Given the significant growth in revenue, the margin on variable costs [1] increased by €219.6 million. The margin on variable costs was 42.0%, which was primarily the result of the 26.6% increase in the Number of Rental Days and control of all variable costs.

Fleet-related financial charge (estimated interest on simple rentals and financial charges related to fleet financing on the balance sheet) rose by 13% to €121.0 million, which was a lower increase than the increase in the average fleet size during fiscal year 2018 compared with 2017, which was 27%. This good performance was primarily achieved by the renegotiation of the terms of the SARF for financing in England as described in the relevant section (see Section 3.2 "*The Group's Liquidity and Capital Resources*" in this Registration Document).

(J) Net financing costs

Net financing costs include the gross financial debt cost, including the net financial expense on borrowings intended to finance the fleet, net financial expenses on other borrowings (excluding estimated interest included in the operating lease rents which are recorded in operating profit or loss), and other financial expenses and income. Other financial income and expenses primarily represent the impact from the trading of derivative financial instruments, the amortization of transaction costs, foreign exchange differences, the financial components of pension charges (discounting effect, excepted return on plan assets), dividend income, results on financial instruments that are recorded in the income statement, and the ineffective portions of the gains or loss on cash flow hedging instruments, as well as other charges related to refinancing or prepayment of certain financing facilities.

The net financing costs are a net charge of €176.4 million in 2018 compared with €140.7 million in 2017. In 2018, this item mainly includes:

- €65.8 million in interest charges on the borrowing intended to finance the fleet carried on the balance sheet, compared with €59.9 million last year, up due to the acquisitions made in spite of the renegotiation of the terms of the SARF in 2018;
- €64.4 million in interest expense on other borrowings (Subordinated Bonds in the Corporate debt), up from €41.3 million. This increase is tied to the increase in the Corporate net debt at the end of the second half of 2017 in the context of the acquisition of Buchbinder and Goldcar with the addition of a second Corporate bond in the amount of €600 million that bears interest of 4.125%. At the beginning of 2017, the Company carried only one Corporate bond in the amount of €600 million bearing interest of 5.75%;
- €16.6 million related to the current amortization of the bond transaction fees; and
- €29.6 million for other financial charges primarily related to foreign exchange differences, the cost of discounting corporate commitments, and the cost of establishing a line of financing. These charges notably include €8 million relating to the impairment of non-consolidated investment in Snappcar.

(K) Income tax

Income tax for the year represents current and deferred taxes, as well as the contribution on added value of the Company (*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 in respect of previous years.

The deferred tax expense is based on the expected pattern of realization or early payment of the net book 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.

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(1) The margin on variable costs corresponds to the total revenue net of the rental fleet holding costs (excluding estimated interest included in operating lease expenses) and fleet operating, rental and revenue related costs.

Income tax increased by €38.6 million, from €13.4 million in 2017 to €52.0 million in 2018. This is the result of an increase in the taxable base between 2018 and 2017 as well as of exceptional tax profit recorded in 2017.

(L) Share of profit or loss in companies accounted for under the equity method

The share of profit of Associates is the share of earnings of entities over which the Group exercises significant influence, in particular Car2go Europe and Wanderio in 2018.

The share of profit or loss of the companies accounted for under the equity method represented a loss of €1.3 million in 2018 versus a loss of €8.1 million in 2017. This change was due to the purchase of 100% of Ubeeqo's share capital previously accounted for by the equity method at the beginning of 2017 and the disposal of Car2go.

(M) Net profit/(loss)

The net result is a profit of €139.4 million in 2018 compared with a gain of €61.1 million in 2017. The increase in net profit of €78.4 million in 2017 was due to the additional margin generated by the additional revenue of €518 million and the profit from the sale of Car2Go for €68.5 million.

3.1.2.3 Analysis by operating segment

The table below presents (i) the distribution of revenue generated by the various Business Units and (ii) the Margin After Variable Costs for the years ended December 31, 2018 and 2017:

BY *BUSINESS UNIT* IN MILLIONS OF EUROS	Year ended December 31			Change at constant currency
	2018	2017	Change	
BU Cars	2,121.6	1,938.6	9.4%	10.2%
BU Vans	344.2	267.3	28.8%	29.2%
BU Low Cost	388.2	130.6	197.2%	197.5%
BU New Mobility	35.6	24.7	44.3%	45.0%
BU International Coverage	39.7	50.4	(21.3)%	(21.2)%
TOTAL REVENUE	**2,929.3**	**2,411.7**	**21.5%**	**22.2%**
BU CAR, VAN & ICOV	1,084.2	961.7	12.7%	13.5%
BU Low cost	140.8	43.8	221.4%	221.8%
BU New mobility	6.1	6.1	0.6%	1.2%
Margin after Variable costs	**1,231.1**	**1,011.5**	**21.7%**	**22.5%**
MAVC margin	*42.0%*	*41.9%*	*+0.1 pt*	
BU CAR, VAN & ICOV	583.6	518.9	12.5%	13.2%
BU Low cost	68.5	17.4	294.3%	294.9%
BU New mobility	(1.6)	3.0	(151.6)%	(152.1)%
Margin after Network costs	**650.6**	**539.3**	**20.6%**	**21.4%**
MASC margin	*22.2%*	*22.4%*	*(0.2) pt*	

Total revenue

Revenue for fiscal year 2018 totaled €2,929 million, up 21.5% over 2017. This increase is mainly due to the 26.6% increase in the rental day volume.

Rental Revenues from Cars Business Unit increased by 8.9% thanks to an increase in rental day volume of 9.7% and a slight decrease in RPD of 0.8%. The Business segment saw an increase in rental day volume (6%). The Leisure segment of the "Cars" Business Unit saw a slight decrease in rental day volume and a higher RPD. The Southern European countries participated the most in this increase. On a constant exchange rates, revenue per rental day (RPD) of the Cars Business Unit remained stable in 2018, mainly due to two phenomena: a 2.5% decline in RPD in the Business segment and a 2.5% increase in the Leisure segment.

Rental Revenues from Vans Business Unit increased by 28.7% thanks to an increase in rental day volume of 25.4% and an RPD increase of 2.7%. This significant increase in volume reflects the full-year effect of the acquisitions made in 2017 (Buchbinder, the Danish franchisee and the Australian franchisee in Queensland). Buchbinder (consolidated since September 1, 2017) is a major contributor to this increase, as its revenue has increased by 184%. At same perimeter and at constant exchange rates, rental revenue increased by 8.2%, supported by Spain, Portugal and Ireland. Rental revenue for the Business segments increased by 36.5% while the Leisure segment's rental revenue increased by 11.8%. The Business segment's share increase by 3,9pts to 75% of the Business Unit's revenue in 2018.

International Coverage Business Unit revenue decreased by 21%, mainly due to the recognition of corporate countries franchise fees in the Cars, Vans & Trucks and International Coverage Business units starting in 2018. Restated for this change, franchise fees of the International Coverage Business Unit increased by 5.4% in 2018 compared to 2017 at constant exchange rates, mainly due to the increase in sales by the Group's franchisees, while the number of franchisees has remained globally stable.

Low Cost Business Unit revenue has almost tripled, mainly due to the acquisition of Goldcar. With Goldcar being considered fully consolidated as of January 1, 2017, Low cost Business Unit revenue has shown an increase of 2.9% at constant exchange rates, mainly driven by an increase in rental day volume.

"New Mobility" Business Unit revenue was up by 44.3% at reported exchange rates. This increase is organic and was driven in an equivalent way between car-sharing and ride-hailing. It was made possible by a major marketing investment for the acquisition of new customers and by the increase of his fleet size.

The revenue of the Europe operating segment improved by 23.1% to reach €2,763 million. This performance is the result of the acquisitions of Buchbinder and Goldcar, which strongly impacted the Vans and Low Cost segments. On a like-for-like basis, rental day volume rose by 3.4%.

Margin after variable costs

In 2018, the Group's Margin after Variable Costs was €1,231.1 million, up almost €219 million (21.7% at reported exchange rates and 22.5% at constant exchange rates). The performance of the CARS, VANS and International Coverage business units increased by 12.7%, thanks in particular to higher revenue and lower fleet and rental costs, despite the additional rental day volume.

The margin after variable costs of the Low Cost Business Unit increased by €97 million thanks to the acquisition of Goldcar and to tight control of operating costs. The margin rate after variable costs of the Low Cost Business Unit increased by 2.7 percentage points to 36.3%.

The New Mobility Business Unit was stable in terms of Margin after Variable Costs.

Margin after network costs

In 2018, the Group's Margin after Network Costs was €650.6 million, or 22.2% of revenue (an increase of 20.6% at reported exchange rates and 21.4% at constant exchange rates). The performance of the CARS, VANS and International Coverage business units increased by 12.5% thanks in particular to higher revenue, lower variable costs and lower network-related costs.

The Low Cost Business Unit performance increased by €51 million thanks to the acquisition of Goldcar.

The margin after Variable Costs of the New Mobility Business Unit was down €4.6 million mainly due to needed investments in customer acquisition costs.

3.2 THE GROUP'S LIQUIDITY AND CAPITAL RESOURCES

3.2.1 General overview

The Initial Public Offering in 2015 made it possible for the Group to reshape its capital structure and improve its corporate credit profile by allocating a portion of the proceeds from the €475 million capital increase and issuance of €475 million senior subordinated notes due 2022 paying 5.75% annual interest, completed on June 10, 2015, to the repayment of the two bond issues outstanding at the time.

In 2016, Europcar continued to work on securing and optimizing its main sources of funding. In June 2016, the Group issued a new tranche of €125 million in senior subordinated notes fungible *(assimilables)* with the outstanding senior subordinated notes due 2022, increasing the total amount of the issuance to €600 million. In 2016, Europcar also finalized a transaction to renegotiate and optimize its Senior Asset Revolving Facility (SARF). On September 14, 2016, the Group signed amendments (i) to increase the amount of the facility from €200 million to €1.3 billion to meet the additional financing needs resulting from the Group's increased activity, (ii) to improve the margin by 20 basis points, or Euribor +150 bps, and (iii) to extend the final maturity from July 2019 to July 2020. In addition, interest rate hedging instruments were restructured, with improved financial conditions, and increased by €200 million to €1.2 billion. The year 2017 has been transformative for the Group's financing to support its growth and acquisitions, particularly of Buchbinder and Goldcar. On June 21, 2017, the Europcar Mobility Group increased capital through private placement at €12 per share for a gross total amount of €175 million, representing approximately 10% of the Company's share capital. On July 13, 2017, the Group signed a new senior secured Revolving Credit Facility (RCF) in the amount of €500 million due June 2022, arranged with a diversified pool of international banks. This credit line replaced the existing €350 million facility due 2020, arranged at the time of the Initial Public Offering. The Group optimized the financial conditions of this new RCF by reducing the margin by 25 basis points [(1)]. The €150 million increase in the nominal amount will allow Europcar to support its 2020 ambition and the related growing financing needs, as the 2-year maturity extension offers to the Group further visibility on its main liquidity line. The RCF was amended on December 21, 2018 in order to introduce a new usage variant of the credit facility entitled "Swingline" (as defined in the RCF) for a maximum amount of €150 million, maturing in June 2022. This new facility is intended to mitigate the effects of any possible shutdown of the Negotiable European Commercial Paper market, on which the Company envisages issuing an amount of €450 million to finance the Group's general requirements.

On July 13, 2017 the Group also signed a €1,040 million bridge facility with a pool of international banks, to acquire Goldcar, refinance its existing debt, and fund its fleet. This facility included two tranches: one for €440 million with a 12 month maturity (+ possible 6-month extension) intended for the acquisition of Goldcar, and the other for €600 million with a 12 month maturity (+ possible 12-month extension) intended to refinance Goldcar's existing debt and to finance its rental fleet. In order to secure longer-term funding of this acquisition, and to optimize the terms and conditions, the Group actively worked in the second half of the year on refinancing and replacing this bridge loan:

- accordingly, the first tranche of this facility was canceled upon the completion of the Goldcar acquisition on December 19, 2017, thanks to a portion of the proceeds from the new issue of corporate senior notes due 2024 in the amount of €600 million, completed by the Group on November 2, 2017 ("2024 Senior Subordinated Notes"). The other portion of the proceeds from the issue, in the amount of €200 million, was allocated primarily to refinance the drawings of the RCF made to fund on September 20, 2017 the acquisition of Buchbinder. The 2024 Senior Subordinated Notes pay a 4.125% annual fixed interest rate, a significantly lower rate than the 2022 Senior Subordinated Notes issued in 2015, reflecting the continuous improvement in the Group's credit profile and investor confidence in its corporate outlook;
- the second tranche was also canceled upon the completion of the Goldcar acquisition, and replaced by a new bridge facility arranged with a pool of international banks, in the amount of €450 million and secured by Goldcar fleet assets. This facility enabled the Group to simultaneously close and refinance Goldcar's existing debt, and allows Goldcar's Fleetcos entities in Spain, Italy and France to fund the acquisition of new vehicles. Each entity has monthly

(1) *Euribor +225 bps for corporate leverage ratio below 2x and Euribor +250 bps for corporate leverage above 2x.*

drawing rights on the facility for a period of 12 months starting December 19, 2017. This tranche was gradually amortized from June 2018 through the consolidation into the securitization of Goldcar's fleet financing, and in particular the increase in the SARF. On November 9, 2018, the Group amended this bridge facility by reducing the amount of the line by €200 million to accompany the decrease in its use. The remaining amount of the facility was €250 million at December 31, 2018.

On May 14, 2018, the Group signed new amendments to the SARF to allow the financing of the Goldcar vehicles. The increase of the line from €1.3 billion to €1.7 billion and new *ad hoc* entities, dedicated to the financing of the Goldcar fleet, the Goldfleet companies, were created. The Group took this opportunity to renegotiate the margin from 1.50% to 1.30% and extend the maturity of the facility from January 2020 to January 2022.

On November 2, 2017, Europcar refinanced the Senior Secured Notes issued by EC Finance plc ("EC Finance Notes") with a principal of €350 million, dedicated to the Group fleet financing as part of its securitization program. The new notes, repayable in November 2022 pay a 2.375% annual fixed interest rate, versus 5.125% for the previous notes issued on July 31, 2014. This significant coupon reduction reflects the improvement in the Group's credit profile, as well as recognition by investors and rating agencies of the soundness of Europcar's buy-back model.

On June 29, 2018, the Company issued a new €150 million tranche of EC Finance Notes assimilated with the existing EC Finance Notes. The issue price was set at 99.0001%, giving a yield to maturity of 2.6178%. These notes thus bring the total amount of EC Finance Notes to €500 million. The delivery and settlement and the listing of the notes on the Euro MTF market of the Luxembourg Stock Exchange occurred on June 29, 2018. The proceeds of the issue was used to finance the integration of the Goldcar fleet vehicles into the Group's securitization program.

On October 19, 2018, La Facilité Club, Europcar UK's fleet financing line reaching maturity in October 2019 was refinanced through the signing of a new line of £400 million with a three-year maturity with a two-year extension option including the Goldcar UK fleet financing. In addition to the extension of maturity, this new line enjoyed improved margin conditions, reduced by 20 basis points to 1.80% and easing or disappearance of certain covenants.

In addition to the adjustment of the debt capital structure to support the 2020 ambition, especially in terms of external growth, the successful completion of all these transactions brings other major benefits to the Group, including:

- a stronger financial structure, particularly regarding the equity level;
- a significant reduction in its interest expense on a standalone basis;
- an extension of the maturities on most of its indebtedness;
- securing its main sources of fleet financing essential for its activity; and
- the establishment of a simpler and more flexible long-term capital structure.

The Group had a debt leverage down as of December 31, 2018 at 2.4x *versus* 2.6x the previous year-end, a level that is relatively low and remains well controlled by the Group thanks to its ability to generate cash flow, its strengthened equity from the IPO, and the capital increase done in June 2017.

Reflecting the soundness of the Group's financial structure and financial fundamentals, as well as the pertinence of its 2020 strategic plan, from which the Buchbinder and Goldcar acquisitions are part, the rating agencies Moody's and S&P respectively reaffirmed in 2017 the Group's ratings as B1 (stable outlook) and B+ (stable outlook). And in 2018, rating agency S&P raised its outlook from stable to positive.

3.2.1.1 Financial resources

The Group's principal financing needs include fleet financing, working capital requirements, capital expenditure (including the financing of acquisitions), interest payments and loan repayment. The Group's principal regular sources of liquidity are its operating cash flows as well as its financing, a substantial portion of which is dedicated to and secured by the fleet and is recognized on the statement of financial position. The Group's ability to generate cash flow from its operating activities in the future will depend on its future operating performance, which depends to a certain extent on external factors including the risk factors described in Chapter 2 "*Risk factors*". The Group also has cash and cash equivalents to finance its ongoing business requirements. In addition, the Group holds cash and cash equivalents that are considered "restricted cash" when it is (i) used to cover future settlement of insurance claims or (ii) is not immediately available to finance the activity of subsidiaries. This includes, in particular, cash that is held within certain special-purpose entities set up for vehicle rental activities.

In 2018, the Group's primary sources of financing were as follows:

- **cash generated from operating activities**, amounting to €156 million in 2018 compared with €99 million in 2017. The €110 million increase in operating income before working capital requirements was partly offset by a decline of €50 million in changes in net working capital requirement, due to a better mix of buy-back vehicles recognized in the balance sheet (generating payables and receivables) and vehicles financed by operating leases, which do not appear in the balance sheet;

- **available cash.** Cash and cash equivalents totaled €358 million as of December 31, 2018 (compared with €241 million as of December 31, 2017). The Group also has restricted cash (defined as cash used to cover the future settlement of insurance claims or cash that is not immediately available to finance the activity of subsidiaries) which totaled €91 million as of December 31, 2018 (compared with €105 million as of December 31, 2017);
- **indebtedness.** As of December 31, 2018, the total amount of the Group's consolidated gross indebtedness was €3,747 million (compared with €3,520 million as of December 31, 2017). The Group believes that €2,574 million relates to fleet financing (versus €2,430 million at the end of 2017). In this respect, this debt is essentially secured or backed by assets, primarily vehicles and receivables from manufacturers. In addition, to finance its fleet, the Group also uses operating leases, the outstanding amount of which totaled €1,883 million [1] at December 31, 2018 with €1,774 million at December 31, 2017. In accordance with IFRS, this amount is not recorded on the statement of financial position. See Section 3.2.3 "*Description of financing at December 31, 2018*" of this Registration Document for a more detailed description of the Group's financing.

The Group believes that its financing needs for its daily operations in 2019 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, 2018, the total amount of the Group's consolidated corporate net debt was €795 million compared with €827 million as of December 31, 2017.

On the same date, the total Net Fleet Debt, which is backed by assets, amounted to €4,330 million compared with €4,061 million as of December 31, 2017. Of this amount, €2,447 million is capitalized on the statement of financial position and the remaining €1,883 million corresponds to operating leases. The estimated outstanding debt related to vehicles financed under operating leases corresponds to the net carrying value of the applicable vehicles calculated on the basis of their purchase price and depreciation rates (on the basis of the contracts signed with automakers). In compliance with IFRS, this amount is not recorded on the balance sheet. In addition, the loan to value (LTV) ratio as of December 31, 2018 was 92.4% [2] (compared with 92.2% as of December 31, 2017).

(1) *Stimated debt equivalent of fleet operating leases corresponds to the book value of the vehicles. This amount is calculated from the acquisition costs and depreciation rates for the vehicles, on the basis of contracts signed with the manufacturers.*

(2) *Corresponds to the net debt of Securitifleet Holding, Securitifleet companies, Goldfleet companies and EC Finance plc (total of €1,130 million at the testing date) divided by the total value of the net assets on the statements of financial position of these companies (€1,223 million as of December 31, 2018).*

The table below presents net corporate debt and total net debt (including the estimated outstanding value of the fleet financed through operating leases).

IN MILLIONS OF EUROS		At December 31 2018	2017
2024 Unsecured Senior Subordinated 4.125% Notes		600	600
2022 Unsecured Senior Subordinated 5.75% Notes		600	600
Senior Revolving Credit Facility		230	160
FCT Junior notes (1), accrued interest, capitalized costs of financing agreements and other costs (2) (3)		(257)	(270)
CORPORATE GROSS DEBT RECOGNIZED ON STATEMENT OF FINANCIAL POSITION	**(A)**	**1,173**	**1,090**
Short-term investments (4)			
Cash held by operating and holding entities and short-term investments (4)		(377)	(263)
NET CORPORATE DEBT RECOGNIZED ON STATEMENT OF FINANCIAL POSITION	**(B)**	**795**	**827**
2022 Secured Senior 2.375% Notes		500	350
Senior Asset Revolving Facility		557	739
FCT Junior Notes (1), capitalized costs of financing agreements and other		252	260
Fleet financing in the United Kingdom, and Australia and other fleet financing facilities (including Buchbinder and Goldcar)		1,265	1,081
GROSS FINANCIAL FLEET DEBT	**(C)**	**2,574**	**2,430**
Short-term fleet investments			
Cash held by fleet-owning entities and short-term fleet investments		(127)	(143)
FLEET NET DEBT ON BALANCE SHEET	**(D)**	**2,447**	**2,287**
Gross debt recognized on statement of financial position	*(A) + (C)*	*3,747*	*3,520*
Net debt recognized on statement of financial position	*(B) + (D)*	*3,242*	*3,114*
ESTIMATED OUTSTANDING VALUE OF THE VEHICLES FINANCED THROUGH OPERATING LEASES, OFF-BALANCE SHEET (5)	**(E)**	**1,883**	**1,774**
TOTAL NET FLEET DEBT INCLUDING FLEET-RELATED OFF-BALANCE SHEET COMMITMENTS	**(D) + (E)**	**4,330**	**4,061**
TOTAL NET DEBT INCLUDING FLEET-RELATED OFF-BALANCE SHEET COMMITMENTS	**(B) + (D) + (E)**	**5,125**	**4,888**

(1) The proceeds from the FCT Junior Notes subscribed by Europcar International S.A.S.U. ("ECI") provide the overall credit enhancement and, where applicable, additional liquidity. FCT Junior Notes are used only to finance the fleet debt requirement. FCT Junior Notes are subscribed by ECI using available cash or draws on the Senior Revolving Credit Facility.

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

(3) Including accrued interest for financial assets (Euroguard).

(4) Includes the Group's insurance program (see Section 2.6 "Risk management procedures").

(5) The estimated debt equivalent of fleet operating leases corresponds to the book value of the vehicles. This amount is calculated from the acquisition costs and depreciation rates for the vehicles, on the basis of contracts signed with the manufacturers. The Company's financial management verifies the consistency of all external data provided.

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 measures the Group's liquidity based on its ordinary activities, including net financing costs on borrowings dedicated to fleet financing, without taking into account (i) disbursements in connection with debt refinancing, (ii) 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 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, including cash flow relating to changes in the rental fleet, in fleet-related trade receivables and trade payables, and in fleet-related financing and other facilities financing working capital requirements that are principally used for fleet-related needs. This presentation differs from the IFRS statement of cash flows primarily due to the analytic grouping carried out and the items that do not affect cash flow, which vary based on the financial indicator used as the starting point (in this case, Adjusted Corporate EBITDA, as presented below, compared with pretax profit in the IFRS statement of cash flows).

MANAGEMENT CASH FLOWS

IN MILLIONS OF EUROS	December 2018	December 2017
Adjusted Corporate EBITDA	**327**	**264**
Other non-recurring income and expense	(48)	(71)
Acquisitions of intangible assets and property, plant and equipment, net of disposals	(67)	(46)
Changes in provisions and in non-rental fleet working capital requirement	(31)	(21)
Income taxes received (paid)	(46)	(35)
Corporate free cash flow	**135**	**91**
Net interest paid on high-yield borrowings	(60)	(34)
Cash flow before change in fleet	**75**	**57**
Change in rental fleet, working capital requirements, fleet financing and working capital facility	63	35
Disposals, acquisitions of subsidiaries, net of cash acquired and other investment transactions	50	(729)
Increase in share capital	-	191
Special distribution	(24)	(59)
(Purchases)/Sales of treasury shares net	(30)	-
High-yield Note	-	600
Derivatives	(6)	-
Payment of transaction costs	(15)	(25)
Increase/(decrease) in cash and cash equivalents before effect of foreign exchange differences	**113**	**70**
Cash and cash equivalent at beginning of period	*313*	*249*
Effect of foreign exchange differences	*(1)*	*(2)*
Changes in scope	*-*	*(3)*
CASH AND CASH EQUIVALENTS AT END OF PERIOD	425	313

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 was reflected in the €135 million in cash generated in 2018 (compared with €91 million in 2017), also affected by non-recurring items:

- adjusted Corporate EBITDA increased by €63 million, from €264 million in 2017 to €327 million in 2018. This improved performance is explained mainly by the continued growth of revenue on all our markets, the control of our costs and processes, as well as the contribution of our acquisitions made by the Group;
- in 2018, other non-recurring income and expenses primarily include reorganization costs in Great Britain, Belgium and Germany, expenses for the Group's various transformation projects, and fees linked to the integration of subsidiaries acquired in 2017;
- investments in property, plant and equipment and intangible assets, net of the net value of disposals, which totaled €67 million, principally reflect IT investments and to a lower extent network investments. The increase from €46 million in 2017 to €67 million in 2018 can be explained by the change in consolidation scope following the acquisitions of Goldcar and Buchbinder and the increase in the Group's IT developments;
- changes in non-rental fleet working capital requirements resulted in a €31 million cash outflow in 2018 compared to €21 million in 2017, mainly due to the change in the working capital requirement of Germany and Great Britain (increase in the share of revenue realized with "Business" customers);
- income tax paid represented a cash outflow of €46 million in 2018 compared with €35 million in 2017, i.e. an increase of €11 million including disbursements relating to entities acquired in 2017 offset by reimbursements received in Great Britain in 2018.

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 requirements and in fleet financing) is primarily the result of temporary lags 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 2018, the net impact represented a cash inflow of €63 million, compared with a cash inflow of €35 million in 2017.

Disposals and acquisitions of subsidiaries, net of cash acquired and other investment transactions represented a cash inflow of €50 million in 2018 compared with a cash outflow of (€729) million in 2017. In 2018, the disposal of Car2Go generated a cash inflow of €70 million, offset by disbursements relating to the acquisitions made by the Group in the previous year.

In 2017, the outflows essentially corresponded to the acquisition of Goldcar (€524 million), Buchbinder (€124 million), the Danish franchisee (€53 million), the French Lor'Rent franchisee (€6 million), the Luxembourg InterRent franchisee (€3 million), the Australian Queensland franchisee (€2 million). They also reflected the Group's investments in new mobility solutions, including investment in the Car2go capital increase (€10 million), the takeover for exclusive control of Ubeeqo (€5 million), the additional minority stake taken in Wanderio (€1 million), the purchase of an additional 20% stake in our subsidiary E-Car (€1 million), as well as the purchase of a minority stake in Snappcar (€8 million).

In 2017, the Group issued a new senior note due 2024 for €600 million bearing interest at the fixed rate of 4.125%.

Finally, outflows relating to transaction costs totaled €15 million in 2018, compared with €25 million in 2017, as a result of the refinancing carried out during the two years.

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 working capital), cash flow from financing transactions, interest on Corporate debt, cash flow from acquisitions and disposals of fleet, and cash flow from investing activities.

IN MILLION OF EUROS	IFRS December 2018	IFRS December 2017
Net cash from (used by) operations	(28)	(46)
Net cash flow from investing activities	(17)	(772)
Net cash flow from financing activities	158	889
NET INCREASE (DECREASE) IN CASH	113	71

(A) Net cash from (used by) operations

The table below summarizes the net cash flows generated by the Group's operations for the fiscal years ended December 31, 2018 and 2017.

IN MILLION OF EUROS	IFRS December 2018	IFRS December 2017
Net cash from operations before changes in working capital	**327**	**217**
Changes in the rental fleet recorded on the statement of financial position and fleet working capital	(155)	(103)
Changes in non-fleet working capital	(16)	(15)
Cash generated from operations	**156**	**99**
Income tax received/(paid)	(46)	(35)
Net interest paid	(138)	(110)
NET CASH FROM (USED BY) OPERATIONS	**(28)**	**(46)**

CASH GENERATED FROM OPERATIONS

Cash generated from operations represented a cash inflow of €156 million in 2018, compared with a cash inflow of €99 million in 2017. The €110 million increase in operating income before working capital was partly offset by a €52 million decline in net working capital requirement.

Cash outflow from changes in the rental fleet and in fleet working capital requirement totaled €155 million in 2018, compared with €103 million in 2017. The change is due to the different mix of buy-back vehicles recorded on the balance sheet, generating payables and receivables, and leasing vehicles that do not appear in the balance sheet.

Changes in non-rental fleet working capital represented a cash outflow of €16 million in 2018 stable compared to 2017.

INCOME TAX RECEIVED/(PAID)

Income tax paid represented a cash outflow of €46 million in 2018 compared with €35 million in 2017, i.e. an increase of €11 million including disbursements relating to entities acquired during the year 2017 offset by reimbursements received in Great Britain in 2018.

NET INTEREST PAID

The increase in net interest paid, which rose from €110 million in 2017 to €138 million in 2018 is due to the full-year effect of the financing of acquisitions completed in 2017, in particular the second corporate bond issue in the amount of €600 million in November 2017 which had not paid out interest in 2017.

(B) Net cash flow from investing activities

The Group's net cash flows used by investing activities for the years ended December 31, 2018 and 2017 are analyzed below:

	IFRS	
IN MILLION EUROS	December 2018	December 2017
Acquisition of intangible assets and property, plant and equipment	(73)	(55)
Proceeds from disposal of intangible assets and property, plant and equipment	6	12
Proceeds from the sale of subsidiaries	70	-
Acquisition of subsidiaries net of cash acquired and other financial investments	(20)	(729)
NET CASH FLOW FROM INVESTING ACTIVITIES	**(17)**	**(772)**

Net cash flows used by investing activities represented a cash outflow of €17 million in 2018 compared with €772 million in 2017.

Investments in property, plant and equipment and intangible assets, net of the net value of disposals, which totaled €67 million, principally reflect IT developments primarily designed to improve the customer experience for €47 million and the purchase of equipment in stations and computer equipment for €26 million.

Proceeds from subsidiary disposals in 2018 relate to the sale of Car2Go, which generated a cash inflow of €70 million.

In 2018, disbursements related to subsidiary acquisitions, net of cash acquired, and other financial investments amounted to €20 million and related to the acquisitions made by the Group in the previous year.

In 2017, subsidiary acquisitions, net of cash acquired, and other financial investments represented a cash outflow of €729 million, which is mainly explained by the disbursements related to the acquisition of Goldcar (€524 million), Buchbinder (€124 million), the Danish franchisee (€53 million), the French franchisee (€6 million), the Luxembourg InterRent franchisee (€3 million), the Australian Queensland franchisee (€2 million). These outflows also reflected the Group's investments in new mobility solutions, including investment in the Car2go capital increase (€10 million), the takeover for exclusive control of Ubeeqo (€5 million), the additional minority stake taken in Wanderio (€1 million), the purchase of an additional 20% stake in our subsidiary E-Car (€1 million), as well as the purchase of a minority stake in Snappcar (€8 million). In addition, there was a cash inflow of €15 million corresponding to the repayment of an external loan.

(C) Net cash flow from financing activities

The table below summarizes the Group's net cash flows generated from (used by) financing activities for the years ended December 31, 2018 and 2017.

	IFRS	
IN MILLION OF EUROS	December 2018	December 2017
Capital increase (net of related expenses)	-	191
(Purchases)/Sales of treasury shares net	(30)	(0)
Special distribution	(24)	(59)
Issuance of bonds	148	600
Derivatives	(6)	-
Change in current bank loans & other	85	183
Payment of transaction costs	(15)	(26)
NET CASH FLOW FROM FINANCING ACTIVITIES	**158**	**889**

Net cash generated from financing activities represented a cash inflow of €158 million in 2018, compared with a cash inflow of €889 million in 2017. Inflows in 2018 relate to the issue of senior notes bearing interest of 2.375% in an amount of €150 million due 2022. Receipts in 2017 were primarily due to the issue of the new €600 million senior note due in 2024 and to the €191 million capital increase.

3.2.3 Description of financing at December 31, 2018

The Group uses various financing arrangements to fund the acquisition of its fleet and other general, non-fleet financing needs. The Group's corporate debt (i.e. the debt that is not intended to finance the fleet) is currently composed primarily of senior subordinated notes and the Senior Revolving Credit Facility (RCF) with the exception of RCF drawdowns for fleet financing. The Group's fleet financing consists primarily of the Senior Asset Revolving Facility (the "SARF") and the related securitization, Senior Secured Notes, the Goldcar asset-backed facility, operating leases and facilities intended to finance the fleet in Germany, the UK, Denmark, Ireland, Australia and New Zealand. The main items comprising the Group's financial liabilities are described below, with a description of the corporate debt followed by a description of the fleet financing arrangements.

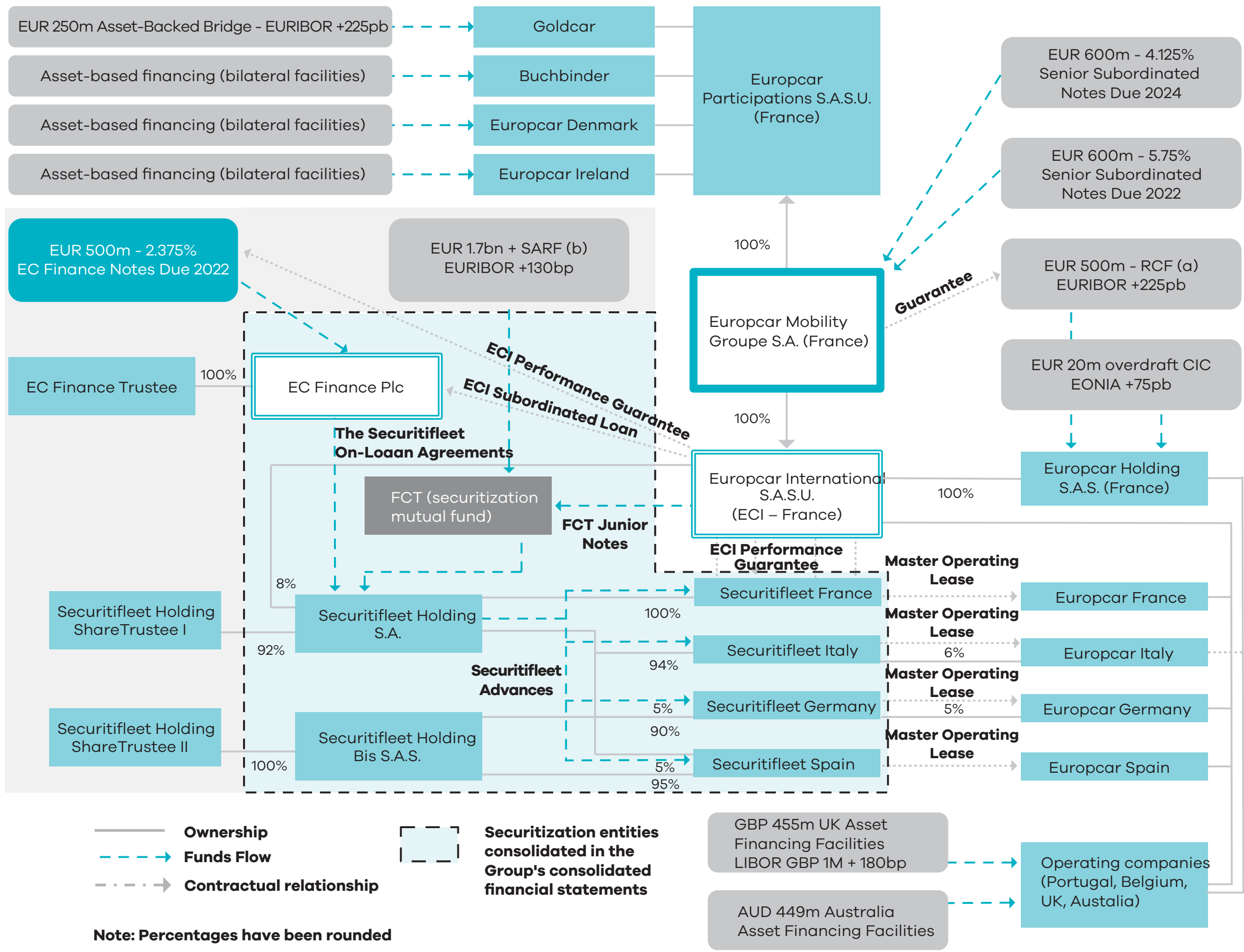
The Group's main lenders are Crédit Agricole Corporate and Investment Bank, Deutsche Bank AG, London Branch, BNP Paribas, Natwest, Lloyds, HSBC, Crédit Industriel et Commercial, Société Générale, Natixis, as well as Bank of America Merrill Lynch, and some of their affiliates, and others.

The following table presents a summary of the Group's financial debt (on-balance sheet and the estimated value of the outstanding amount for vehicles financed using operating leases) as of December 31, 2018.

Financing (IN MILLION OF EUROS)	On- or off-balance sheet	Security or Asset-Backed	Corporate Debt or Fleet Debt	Amount at Dec. 31, 2018 Current	Amount at Dec. 31, 2018 Non-current	Interest rate before refinancing	Maturity
Debt 2022 Senior Subordinated	On balance sheet	Yes (Pledge on ECI shares held by Europcar Mobility Group S.A.) (Secured by certain subsidiaries)	Corporate	-	600.0	5.75%	2022
Debt 2024 Senior Subordinated	On balance sheet	Yes (Pledge on ECI shares held by Europcar Mobility Group S.A.) (Secured by certain subsidiaries)	Corporate	-	600.0	4.125%	2024
Notes Senior Revolving Credit Facility (RCF)	On balance sheet	Yes (pledge of certain assets)	Corporate and Fleet	230.0	-	Euribor plus a margin that varies on the basis of a leverage ratio (2.50% at the date of this document)	2022
Incl: dedicated to financing of the FCT Junior Notes (1)	On balance sheet	-	Fleet	83.0	-	-	2022
Capitalized costs of financing agreements	-	-	Corporate and Fleet	(14.7)	(22.2)	-	-
Accrued interest	-	-	Corporate and Fleet	7.1	-	-	-
SARF/FCT Senior Notes	On balance sheet	Yes (Securitifleet and Goldfleet securities)	Fleet	680.5	-	Euribor plus a margin of 1.30% that varies on the basis of the financing by FCT Senior or Junior Notes and certain events (2.20% in case of certain breaches)	2022
EC Finance Notes	On balance sheet	Yes (Securitifleet and Goldfle et securities)	Fleet	-	500.0	2.375%	2022
UK fleet financing	On balance sheet	Yes	Fleet	321.3	-	Primarily Libor +1.80%	2022 (3)
Fleet financing in Australia and New Zealand	On balance sheet	Yes	Fleet	92.4	-	Various conditions depending on the lenders	Renewed annually
Goldcar fleet financing (Goldcar Asset-Backed Facility)	On balance sheet	Yes	Fleet	154.7		Euribor +2.75% (margin changes with the age of the loan)	2019
Buchbinder fleet financing	On balance sheet	Yes	Fleet	186.7	47.2	Various conditions depending on the lenders	Renewed annually
Other debt (notably Portugal, Denmark, Ireland)	On balance sheet	-	Fleet	324.9	15.7	Various conditions depending on the lenders	Dates vary depending on lines
Bank overdrafts	On balance sheet	-	Corporate and Fleet	23.6		Eonia +0.75%	-
TOTAL GROSS DEBT RECOGNIZED ON STATEMENT OF FINANCIAL POSITION				**2,006.5**	**1,740.7**		
Estimated outstanding value of the fleet financed through operating leases (2)	Off balance sheet	-	Fleet	1,883.3	-	-	Essentially renewed annually

(1) FCT Junior Notes are issued by the FCT and subscribed by ECI, which finances them through the Group's cash and RCF draws. These notes finance the portion not financed by the SARF and the EC Finance Notes.
(2) The estimated debt equivalent of fleet operating leases corresponds to the book value of the vehicles. This amount is calculated from the acquisition costs and depreciation rates for the vehicles, on the basis of contracts signed with the manufacturers.
(3) With an option of a 2 year extension.

The following graph presents the Group's financial debt as of December 31, 2018.



In reviewing liquidity, the Group uses Corporate free cash flow as a metric.

Rating

STANDARD & POOR'S

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 S.A.S.U. 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 due 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.

Lastly, in the context of the implementation of the new Standard & Poor's methodology for sovereign risk ratings within the SARF, 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 on the program on May 17, 2018.

MOODY'S

On July 7, 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.

3.2.3.1 Corporate Debt

(A) 2022 Subordinated Notes

Within the framework of the Refinancing, on June 10, 2015, Europcar Notes Limited, a limited liability special-purpose vehicle under Irish law ("Europcar Notes Limited"), issued senior notes for an amount of €475 million bearing interest at an annual rate of 5.75% repayable in June 2022 (the "2022 Senior Subordinated Notes") under the terms of a issue agreement (indenture) dated June 10, 2015 between Europcar Notes Limited, as issuer, and The Bank of New York Mellon, as trustee. The 2022 Senior Subordinated Notes were listed for trading on the Euro MTF Market of the Luxembourg stock exchange.

The revenues from the issue of these 2022 Senior Subordinated Notes were allocated to redeem in full the 2018 Senior Subordinated Notes and to pay an early redemption premium of €19 million and approximately €10 million of issuance costs, with the remainder to be used for general corporate purposes.

On June 29, 2015, the Company took on all the obligations of Europcar Notes Limited as issuer of the 2022 Senior Subordinated Notes.

On June 6, 2016 the Group successfully issued a new tranche of €125 million in 2022 Senior Subordinated Notes assimilated *(assimilables)* with the outstanding 2022 Senior Subordinated Notes, increasing the total amount of the issuance to €600 million. The issue revenue of €131 million was used to finance the Group's acquisition program and to cover its general funding requirements.

GUARANTEES AND SECURITY

The 2022 Senior Subordinated Notes are secured by a second-priority security interest on ECI shares held by the Company subordinated to the first-priority security interest on ECI shares held by the Company from which lenders under the RCF benefit.

RANKING

The 2022 Senior Subordinated Notes are:

- equal in right of payment to all existing and future debts not subordinated to the payment of the 2022 Senior Subordinated Notes (including the Senior Revolving Credit Facility);
- secured by a second-priority security interest on ECI shares ranking junior to the first-priority security interest on such shares in favor of the lenders under the RCF;
- subordinated to the current and future indebtedness of the Company that is secured by the assets that do not secure the 2022 Senior Subordinated Notes (including indebtedness under the RCF and the SARF) to the extent of the value of the assets securing such indebtedness;
- effectively subordinated to all existing and future indebtedness and other liabilities (including trade payables) of each Company subsidiary that is not a guarantor of the 2022 Senior Subordinated Notes (including indebtedness under the RCF and the SARF); and
- ranked higher seniority in right of payment to all existing and future indebtedness of the Company that is expressly subordinated to right of payment to the 2022 Senior Subordinated Notes.

IN THE CASE OF OPTIONAL EARLY REDEMPTION

At any time after June 15, 2018, the Company may redeem early all or part of the 2022 Senior Subordinated Notes upon not less than 10 nor more than 60 days' notice before the redemption date, at the following redemption prices (expressed as percentages of the principal amount thereof), plus accrued and unpaid interest at the redemption date (subject to the right of holders of record on the relevant record date to receive interest due on the relevant interest payment date), if redeemed during the 12-month period commencing on June 15 of the years set out below:

Fiscal year	Redemption Price
2018	102.875%
2019	101.438%
As from 2020	100.000%

Moreover, in the event of certain changes to tax regulations, the Company may redeem in full the 2022 Senior Subordinated Notes at a redemption price of 100% (expressed as percentages of the principal amount thereof) plus accrued and unpaid interest and any additional amounts due, if applicable, to the redemption date.

CHANGE OF CONTROL AND ASSET SALES

Upon the occurrence of certain cases of change in control, 2022 Subordinated Note holders may require the Company to redeem all or part of their 2022 Senior Subordinated Notes at a purchase price equal to 101% (expressed as a percentage of par) plus accrued interest on the buy back date. The Company will be required to inform holders of the change of control and the terms of this optional buy back within 30 days of the occurrence of a change of control event. After the listing of the Company's shares, a "change of control" means any person or group of persons acting in concert (within the meaning of Article L. 233-10 of the French Commercial Code) (other than Eurazeo or a member of the Eurazeo Group) obtaining the direct or indirect control within the meaning of Article L. 233-3 of the French Commercial Code of the share capital or voting rights of Europcar Mobility Group.

COMMITMENTS (COVENANTS)

The indenture pertaining to the 2022 Senior Subordinated Notes contains covenants that will limit the ability of the Company and its subsidiaries to:

- incur additional indebtedness;
- make certain restricted payments;
- sell assets and use the revenue thereof;
- merge, make acquisitions or consolidate;
- engage in transactions with affiliates;
- create securities; and
- restrict the payment of dividends by subsidiaries.

These limitations are subject to important exceptions and qualifications. As of the date of this Registration Document, all the Company's subsidiaries are restricted subsidiaries (as defined in the indenture pertaining to the 2022 Senior Subordinated Notes).

EVENTS OF DEFAULT

The indenture pertaining to the 2022 Senior Subordinated Notes contains the customary events of default, including nonpayment of the principal or interest of the 2022 Senior Subordinated Notes, certain failures with respect to other notes under the indenture pertaining to the 2022 Senior Subordinated Notes or contracts pertaining to the collateral, failure to pay certain debts or to execute certain orders, and the bankruptcy of the Company or of a significant subsidiary or of any collateral ceasing to exist (as such terms are defined in the indenture pertaining to the 2022 Senior Subordinated Notes). The occurrence of an event of default will permit or require the accelerated repayment of all of the 2022 Senior Subordinated Notes.

(B) 2024 Senior Subordinated Notes

On November 2, 2017, Europcar Drive D.A.C., a special-purpose vehicle under Irish Law ("Europcar Drive"), issued Senior Notes in the amount of €600 million due November 15, 2024 and paying 4.125% annual interest ("2024 Senior Subordinated Notes"), under the terms of an issue agreement (indenture) dated November 2, 2017 between Europcar Drive as issuer, and The Bank of New York Mellon, London Branch as trustee, transfer and principal paying agent, and security agent for the 2024 Senior Subordinated Notes, and The Bank of New York Mellon S.A./N.V., Luxembourg Branch as Luxembourg depositary and paying agent. The 2024 Senior Subordinated Notes were listed for trading on the Euro MTF Market of the Luxembourg stock exchange.

A portion (€400 million) of the 2024 Senior Subordinated Note issue revenue was initially paid into an escrow account and was not released to the Company until the escrow was lifted concomitantly with the completion of the Company's acquisition of Goldcar on December 19, 2017. Another portion (€200 million) of the revenue from the 2024 Senior Subordinated Note issue was allocated to debt refinancing, primarily of RCF drawdowns to fund the acquisition of Buchbinder.

On December 19, 2017, the Company took on all the obligations of Europcar Drive as issuer of the 2024 Senior Subordinated Notes.

GUARANTEES AND SECURITY

The 2024 Senior Subordinated Notes are secured by a second-priority security interest on ECI shares held by the Company, subordinated to the first-priority security interest on ECI shares held by the Company from which lenders under the RCF benefit, but have the same priority as the ECI shares held by the Company that are used as collateral for the 2022 Senior Subordinated Notes.

RANKING

The 2024 Senior Subordinated Notes are:

- equal in right of payment to all existing and future debts not subordinated to the payment of the 2024 Senior Subordinated Notes (including the Senior Revolving Credit Facility);
- secured by a second-priority security interest on ECI shares ranking junior to the first-priority security interest on such shares in favor of the lenders under the RCF;
- subordinated to the current and future indebtedness of the Company that is secured by the assets that do not secure the 2024 Senior Subordinated Notes (including indebtedness under the RCF and the SARF) to the extent of the value of the assets securing such indebtedness;
- effectively subordinated to all existing and future indebtedness and other liabilities (including trade payables) of each Company subsidiary that is not a guarantor of the 2024 Senior Subordinated Notes (including indebtedness under the RCF and the SARF); and
- ranked higher seniority in right of payment to all existing and future indebtedness of the Company that is expressly subordinated in right of payment to the 2024 Senior Subordinated Notes.

IN THE CASE OF OPTIONAL EARLY REDEMPTION

Before November 15, 2020, the Company may redeem early all or part of the 2024 Senior Subordinated Notes, upon not less than 10 nor more than 60 days' notice before the redemption date, at a redemption price of 100% (expressed as a percentage of par) increased by interest accrued and not paid and by additional amounts due, if applicable, on the redemption date through the payment of a make-whole premium.

Moreover, the Company may, prior to November 15, 2020, redeem early, with the net cash revenue from an equity securities issue, up to 40% of the principal amount of the 2024 Senior Subordinated Notes issued, upon not less than 10 nor more than 60 days' notice before the redemption date, at a redemption price of 104.125% of the principal amount increased by interest accrued and not paid at the redemption date, provided that:

(i) at least 60% of the principal amount of the 2024 Senior Subordinated Notes originally issued (excluding 2024 Senior Subordinated Notes held by the Company and its affiliates) remains outstanding immediately after any such redemption; and

(ii) the Company makes such redemption not more than 90 days after the consummation of any such equity securities offering.

At any time after November 15, 2020, the Company may redeem all or part of the 2024 Senior Subordinated Notes upon not less than 10 nor more than 60 days' notice before the redemption date, at the following redemption prices (expressed as percentages of the principal amount thereof), plus accrued and unpaid interest at the redemption date, if redeemed during the 12-month period commencing on November 15 of the years set out below:

Fiscal year	Redemption Price
2020	102.063%
2021	101.031%
As from 2022	100.000%

Moreover, in the event of certain changes to tax regulations, the Company may redeem in full the 2024 Senior Subordinated Notes at a redemption price of 100% (expressed as percentages of the principal amount thereof) plus accrued and unpaid interest and any additional amounts due, if applicable, to the redemption date.

CHANGE OF CONTROL AND ASSET SALES

Upon the occurrence of certain cases of change in control, 2024 Senior Subordinated Note holders may require the Company to redeem all or part of their 2024 Senior Subordinated Notes at a redemption price equal to 101% (expressed as a percentage of par) plus accrued interest on the redemption date. The Company will be required to inform holders of the change of control and the terms of this optional repurchase within 30 days of the occurrence of a change of control event.

"Change of control" is understood to mean (a) a related person or group of persons (in the sense of Sections 13(d) and 14(d) of the U.S. Securities Exchange Act of 1934) other than Eurazeo or a member of the Eurazeo Group, obtaining direct or indirect control, in the sense of Sections 13d-3 and 13d-5 of the U.S. Securities Exchange Act of 1934, with more than 50% of the voting rights in the Company, (b) the sale in one or more transactions of nearly all assets of the Company and its subsidiaries restricted to any related person or group of persons, in the sense of Sections 13(d) and 14(d) of the U.S. Securities Exchange Act of 1934, other than Eurazeo or a member of the Eurazeo Group, (c) the adoption of a plan for the liquidation or winding up of the Company, or (d) ECI ceases to be a wholly owned subsidiary of the Company.

COMMITMENTS (COVENANTS)

The indenture pertaining to the 2024 Senior Subordinated Notes contains covenants that will limit the ability of the Company and its subsidiaries to:

- incur additional indebtedness;
- make certain restricted payments;
- sell assets and use the revenue thereof;
- merge, make acquisitions or consolidate;
- engage in transactions with affiliates;
- create securities; and
- restrict the payment of dividends by subsidiaries.

These limitations are subject to important exceptions and qualifications. As of the date of this Registration Document, all the Company's subsidiaries are restricted subsidiaries (as defined in the indenture pertaining to the 2024 Senior Subordinated Notes).

EVENTS OF DEFAULT

The indenture pertaining to the 2024 Senior Subordinated Notes contains the customary events of default, including nonpayment of the principal or interest of the 2024 Senior Subordinated Notes, certain failures with respect to other notes under the indenture pertaining to the 2024 Senior Subordinated Notes or contracts pertaining to the collateral, failure to pay certain debts or to execute certain orders, and the bankruptcy of the Company or of a significant subsidiary or of any collateral ceasing to exist (as such terms are defined in the indenture pertaining to the 2024 Senior Subordinated Notes). The occurrence of an event of default will permit or require the accelerated repayment of all of the 2024 Senior Subordinated Notes.

(C) Senior Revolving Credit Facility

The Senior Revolving Credit Facility ("RCF" or "RCF Agreement") was signed on July 13, 2017 then changed on December 21, 2018 with Banco Bilbao Vizcaya Argentaria S.A. Paris Branch, Bank of America Merrill Lynch International Limited, Banque Européenne du Crédit Mutuel, BNP Paribas, Crédit Agricole Corporate and Investment Bank, Crédit du Nord, Crédit Industriel et Commercial, Deutsche Bank AG, London Branch, Goldman Sachs International Bank, HSBC France, ING Bank N.V., French Branch, KBC Bank N.V., French Branch, Lloyds Bank plc, Natixis, The Royal Bank of Scotland Plc, and Société Générale (the "RCF Lenders").

The RCF borrowers are Europcar Mobility Group, ECI, Europcar Holding S.A.S, Europcar Autovermietung GmbH, Europcar France S.A.S., Europcar International S.A.S.U. & Co OHG, and Europcar IB, S.A.U. (the "RCF Borrowers").

The primary purpose of the RCF is to fund the Group's working capital and general requirements (including authorized acquisitions).

The RCF consists of a revolving credit facility to provide advances ("Advances under the Senior Revolving Credit Facility" or "RCF Advances") or to issue letters of credit ("RCF Letters of Credit") denominated, in both cases, in euros, pounds sterling, US dollars, Australian dollars or in any other currency agreed with the RCF lenders, for a maximum outstanding amount of €500 million at any time and made available, as applicable, under certain conditions, to Europcar Mobility Group, ECI and certain Group operating subsidiaries.

The aggregate amount of the RCF Letters of Credit issued shall not exceed €150 million. RCF Letters of Credit must expire no later than 30 calendar days before the RCF expires. The term of RCF Letters of Credit is 12 months or less or, for RCF Letters of Credit whose aggregate amounts do not exceed €50 million, 36 months or less.

Subject to terms and conditions, the Company may apply to one or more RCF Lenders to make additional credit available provided the resulting total principal does not exceed €100 million.

The RCF was amended on December 21, 2018 in order to provide for a new usage by means of bridging loan advances ("Bridging Loan Facilities in respect of the Renewable Senior Credit Facility" or "RCF Bridging Loan Facilities") denominated in euros for a principal capped at €150 million at any time and which are made available on a case-by-case basis and on certain conditions that are favorable for Europcar Mobility Group, ECI and certain Group operating subsidiaries.

GUARANTEES

Collateral have been provided by the Company, ECI, Europcar Holding S.A.S., Europcar Autovermietung GmbH, Europcar France S.A.S., Europcar International S.A.S.U. & Co. OHG, Europcar IB, S.A.U., Europcar Italia S.p.A., and Europcar UK Limited, Other Group subsidiaries may also, under certain conditions, guarantee the RCF in future.

INTEREST

The interest rates *per annum* applicable to RCF Advances are based on Euribor (or Libor or BBSW for drawings in currencies other than euros) plus an applicable borrowing margin, specifying that Euribor, Libor, or BBSW will be deemed equal to zero in the event of a negative interest rate.

The RCF Bridging Loan Facility bears interest at EONIA plus the applicable margin, it being specified that EURIBOR, LIBOR and the BBSW will be deemed to be equal to zero if it is in fact negative.

The initial margin is 2.25% for an RCF Advance or an RCF Bridging Advance. The margin may be increased to 2.50% if the leverage ratio (i.e., if the ratio of Total Net Debt (as defined in the RCF Agreement) to Corporate EBITDA (as defined in the RCF Agreement)) over the 12 months preceding the end of the accounting quarter is greater or equal to 2.0: 1.0, and if no default has occurred or is occurring under the RCF Agreement). The margin may be decreased to 2.25% if the leverage ratio over the 12-month period preceding the end of the accounting quarter is less than 2.0: 1.0, and if no default has occurred or is occurring under the RCF Agreement.

MATURITY AND REPAYMENTS OF RCF ADVANCES

The Senior Revolving Credit Facility matures on June 9, 2022 ("RCF Maturity Date").

Each RCF Advance or RCF Bridge Advance must be repaid on the last day of the interest period relating thereto but may be repaid by way of a new RCF Advance. Each RCF Advance or RCF Bridge Advance repaid (except pursuant to a mandatory early redemption) will thereafter be available for redrawing until one month prior to RCF Maturity. All RCF Advances or RCF Bridge Advances must be repaid at the RCF Maturity.

MANDATORY EARLY REDEMPTION

Subject to certain exceptions, the RCF will be automatically subject to mandatory early redemption and cancellation in full in the event of a "change of control" or the sale of all or of a substantial part of the Group's assets.

A "change in control" is deemed to have taken place if any person or group of persons acting in concert (under Article L. 233-10 of the French Commercial Code), other than Eurazeo or a member of the Eurazeo Group, obtains direct or indirect control of the capital or the voting rights of the Company.

CANCELLATION

Undrawn amounts under the RCF may be canceled by the Company at any time in whole or in part on five business days' notice on condition that the canceled amount must be for a minimum amount of €10 million.

SECURITY INTERESTS

The RCF is secured, subject to certain applicable limitations, by first-priority security interests on the shares of ECI and of certain direct or indirect subsidiaries of ECI (Europcar Holding S.A.S., Europcar France S.A.S., Europcar UK Limited, Europcar Autovermietung GmbH, Europcar Italia S.p.A., Europcar IB S.A.U. and Europcar International S.A.S.U. & Co. OHG).

FEES AND COMMISSIONS

The Company must pay the following fees: (i) fees on the unused revolving loan commitments of the lenders, (ii) letters of credit participation fees on the outstanding amount of each Letter of Credit, (iii) the fronting fees due to the issuing bank for each Letter of Credit, and (iv) other customary fees of the RCF (including coordination fees and agents' fees).

RANKING

The RCF ranks senior to all other subordinated debt of each RCF Borrower.

The RCF ranks *pari passu* with hedging transactions in right of payment and in connection to its security (except the above-mentioned first-priority security interest on ECI shares which does not secure hedging transactions).

RCF Lenders' receivables rank *pari passu* at least equal to all other receivables of unsecured creditors.

FINANCIAL COMMITMENTS (COVENANTS)

The RCF specifies that the Group must maintain a ratio of cash flow to total debt service of no less than 1.10: 1.

Total debt service will be defined as the aggregate of the interest and associated fees during any given 12 month period plus repayment of financial liabilities, the latter being subject to certain limitations.

COMMITMENTS (COVENANTS)

Subject to certain exceptions related to materiality tests, grace periods and carve-outs, the Senior Revolving Credit Facility specifies certain covenants, namely: (i) a negative security interest in respect of Group assets, (ii) a limitation on financial indebtedness, (iii) restrictions on asset disposals, and (iv) limitations on mergers, acquisitions and investments.

EVENTS OF DEFAULT

The Senior Revolving Credit Facility contains, subject to exceptions related to materiality tests, grace periods and carve-outs, a certain number of customary events of default including the following: (i) failure to pay the principal amount, interest, fees and other amounts, (ii) noncompliance with certain commitments and other obligations, (iii) substantial inaccuracy in representations and warranties, (iv) cross defaults or defaults which are accelerated with another significant debt, (v) certain cases of insolvency, (vi) the actual or presumed invalidity of any collateral or subordination clause under the terms of the Intercreditor Agreement, (vii) a significant audit qualification, and (viii) the occurrence of a significant event adversely impacting (a) the financial position of Europcar Mobility Group or the Group and a debtor's ability to meet its payment obligations or (b) the validity or enforceability of pledges, under certain conditions.

GOVERNING LAW

The Senior Revolving Credit Facility is governed by French law.

3.2.3.2 Debt related to fleet financing

(A) Senior asset Revolving Facility (SARF)

The SARF was entered into between Crédit Agricole Corporate and Investment Bank, as "Lending Bank" and Securitifleet Holding as borrower.

The SARF was initially entered into on July 30, 2010 and amended on August 26, 2010, November 4, 2010, January 11, 2011 and April 5, 2012. The SARF was further amended on March 4, 2014 in certain respects, principally to (i) add two additional banks to the facility, (ii) reduce the margin of Senior Notes issued by the FCT Issuer under the facility from 2.70% to 2.2% (before the amortization period) and from 3.75% to 2.75% (after the amortization period), (iii) reduce the maximum amount of senior notes that may be issued by the FCT Issuer from €1.1 billion to €1.0 billion, (iv) provide the borrower with flexibility to request weekly advance and repayment dates rather than monthly settlement dates only, and (v) extend the maturity of the SARF from July 2014 to July 2017. The Senior Asset Revolving Facility provides a committed facility of €1.0 billion to Securitifleet Holding. Drawings are made available to Securitifleet Holding (the "SARF Borrower") for the sole purpose of financing rental fleet acquisition and maintenance in France, Italy, Germany and Spain through the Securitifleet companies.

The additional amendments to the SARF were signed on May 12, 2015 and became effective on June 17, 2015 (the "2015 Amendments"). The 2015 Amendments (i) reduced the applicable margin with respect to the FCT Senior Notes from 2.2% to 1.7% (before the amortization period) and from 2.75% to 2.25% (after the amortization period), (ii) reduced the rate of non-use from 1% to 0.75% in the potential event where the rate of use would be less than or equal to 50% and from 0.75% to 0.5% in the potential event where the rate of use would be greater than 50%, (iii) extended the maturity of the SARF to the settlement date following January 2019, (iv) increased the amount of the Senior Notes which could be issued by the FCT Issuer under the SARF from €1.0 billion to €1.1 billion, and (v) enabled the participation of two new banks, Lloyds Bank and HSBC France (or, if applicable, Regency Assets Limited, its sponsored conduit supplying asset-backed commercial paper), the latter replacing Barclays Bank plc. ECI and the banks also agreed to (i) allow the sub-leasing of vehicles by a local subsidiary (namely Europcar France S.A.S., Europcar Autovermietung GmbH, Europcar Italia S.p.A. or Europcar IB S.A.) to another local subsidiary, except for Europcar Italia S.p.A., under intra-group master operating sub-lease agreements, and (ii) treat such sub-leased vehicles as eligible vehicles for the amended SARF.

New amendments to the SARF were signed on September 14, 2016 and entered into force on September 17, 2016 (the "2016 Amendments"). The 2016 Amendments: (i) reduced the margin and the margin applicable to the FCT Senior Notes from 1.7% to 1.5% (before the amortization period) and from 2.25% to 2.05% (after the amortization period); (ii) extended the maturity of the SARF to the payment date following January 2022; and increased the amount of the senior notes that may be issued by the FCT Issuer under the SARF from €1.1 billion to €1.3 billion.

The following additional amendments to the SARF were also signed:

(i) on February 9, 2017 to enable the securitization program to be made compliant with the new methodology published by the rating agency Standard & Poor's relating to sovereign risk (the "Rating above the sovereign" methodology) and thus to maintain its single A rating. These amendments stipulate the inclusion of new concentration limits on the vehicle fleets in Spain and in Italy financed through the SARF;

(ii) on August 31, 2017, to adjust the limits on 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 increase of the line from €1.3 billion to €1.7 billion and new *ad hoc* entities, dedicated to the financing of the Goldcar fleet, the Goldfleet companies, were created. 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.

According to an FCT Subscription agreement, the Lending Bank assigned its claims arising under the SARF, together with all security and ancillary rights related thereto, to the FCT Issuer which in return issued (i) "FCT Senior Notes" to be subscribed by Crédit Agricole Corporate and Investment Bank (or, as the case may be, LMA, its sponsored multi-seller asset-backed commercial paper conduit), Société Générale, Société Générale Capital Market Finance, Deutsche Bank AG, London Branch, Natixis, (or, as the case may be, Magenta, its sponsored multi-seller asset-backed commercial paper conduit); BNP Paribas (or, as the case may be, Matchpoint, its sponsored multi-seller asset-backed commercial paper conduit), HSBC France (or, if applicable, Regency Assets Limited, its sponsored asset-backed commercial paper conduit), Lloyds Bank plc, Bank of America Merrill Lynch International Limited, ING Bank N.V and any other entity which may subscribe for or acquire FCT Senior Notes as senior subscriber(s) in an aggregate amount of €1.7 billion (after the 2018 Amendments), and (ii) second priority FCT to be subscribed to from time to time by ECI "FCT Junior Notes".

FINAL MATURITY DATE

The SARF will be terminated on the earlier of the following dates: (i) the settlement date in January 2022, (ii) the start of a Non-Enforcement Amortization Period (namely, the date on which a Level 1 Event of Default is declared (as defined below)), (iii) the start of an Enforcement Amortization Period (namely, the date on which a Level 2 Event of Default is declared (as defined below)), and (iv) the date on which an RCF is repaid (unless all or part of such facility is refinanced in amounts equal to or greater than the existing amount of such facility), the first of such dates being the "SARF Termination Date". The final maturity date of the Senior asset Revolving Facility will be the date occurring six months after the Senior asset Revolving Facility Termination.

DATE (THE "SARF FINAL MATURITY DATE"). SARF ADVANCES, REVOLVING PERIOD AND AMORTIZATION PERIOD

During the period between March 4, 2014 and the SARF Termination Date (the "SARF Revolving Period"), advances ("SARF Advances") are made to Securitifleet Holding subject to the terms and conditions set out in the SARF as amended on March 4, 2014. From the Senior asset Revolving Facility Termination Date and until the SARF Final Maturity Date (the "SARF Amortization Period"), Securitifleet Holding is required to apply all available amounts towards the amortization of the outstanding SARF Advances in accordance with the priority of payments set out in the SF Intercreditor Agreement (as described below). All SARF Advances will be fully due and payable on the SARF Final Maturity Date.

SARF ADVANCE RATE

The SARF Advance rate (the "SARF Advance Rate") is determined in light of the aggregate "Borrower Asset Value" (as defined below in Section "*Borrower Asset Value*") of all Securitifleet and Goldfleet companies, the credit enhancement mechanics confirmed with Standard & Poor's, and the concentration limits applicable to carmakers and vehicles as defined in the SARF, the master 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) as the same is 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 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.

In relation to any Securitifleet or Goldfleet Company acting as borrower under the Securitifleet On-Loan Agreements or Goldfleet On-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 comprises the aggregate residual value 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 Company;
- the amount of the vehicle provider receivables - which comprise the receivables owed to such Securitifleet or Goldfleet Company by any car dealer or manufacturer pursuant to the relevant Securitifleet or Goldfleet Company's disposal of any vehicle 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 to be owed by a taxation authority to the relevant Securitifleet or Goldfleet Company that are payable to such Securitifleet or Goldfleet Company;

minus

- the aggregate amount of any debt outstanding and due by the relevant Securitifleet or Goldfleet Company to vehicle providers (excluding any amount in respect of VAT related thereto) to the extent the maturity date of such payables falls after the second succeeding SARF settlement date (as defined below);
- 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 (excluding for the avoidance of doubt such VAT payments due by Europcar Autovermietung GmbH in relation to the resale by Securitifleet GmbH of its vehicles).

MARGIN

The interest rate applicable to the FCT Senior Notes is equal to the sum of the Euribor rate applicable to the relevant interest period plus 1.30% (in each case before the SARF Amortization Period) or 1.90% (in each case during the SARF Amortization Period). In the case of breach of certain obligations (subject to reservations pertaining to their importance, the grace period and other exceptions) with respect to a rental fleet availability service agreement or a fee agreement concerning the provision of legal services in Germany (a "DSP Material Breach"), the margin applicable to the FCT Senior Notes (for the interest periods terminating before the SARF Amortization Period) will be automatically and immediately 2.05% from the date of the DSP Material Breach until the DSP Material Breach is remedied or waived.

The interest rate applicable to the FCT Junior Notes is equal to the sum of the Euribor rate applicable to the relevant interest period plus 2.25%.

FLEET SERVICING

All Europcar operating companies in France, Germany, Spain and Italy (each an "Operating Company"), pursuant to servicing agreement (each a "Servicing Agreement"), acts as a services provider (each, in such capacity, a "Services Provider") in respect of the rental fleet (and other assets) owned by the related Securitifleet or Goldfleet Company.

Implementation pursuant to the terms of a rental fleet disposal services agreement, and of an engagement letter and fee agreement regarding the provision of legal services in Germany, a disposition services provider provides certain disposition services in relation to the recovery of the fleet under certain conditions.

ECI PERFORMANCE GUARANTEE

ECI granted in favor of each Securitifleet and Goldfleet company certain performance guarantees (together the "ECI Performance Guarantee") pursuant to which it guarantees as co-surety the full payment when due of all amounts (including, without limitation, rental payments under the 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) due 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 the management services agreements, up to an amount equal to the available cash. The benefit of the ECI Performance Guarantee was assigned in favor of the Senior Facility Lending Bank acting as the fronting bank under the SARF (but not in favor of the trustee for the 2022 Senior Subordinated Notes, 2024 Senior Subordinated Notes, or the holders of the EC Finance Notes, directly or indirectly).

In the event of default under the Senior asset Revolving Facility, the SARF 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 INTERESTS

Securitifleet Holding's obligations under the SARF are secured by the Securitifleet and Goldfleet Securities described below under Section 3.2.3.2 "*Debt Related to Fleet Financing*" in section (B) "*Securitifleet and Goldfleet Securities*" which also indirectly benefit holders of EC Finance Notes. In addition, Securitifleet Holding's obligations under the SARF are guaranteed by the rental fleet and the claims on vehicle suppliers pursuant to buyback commitments by manufacturers in Italy and Catalonia, as well as bank account balances of Securitifleet Italy and Goldfleet Italy, the shares held by Europcar Italy in Securitifleet Italy and the shares held by Goldcar Italy in Goldfleet Italy. The 2022 Senior Subordinated Notes holders and 2024 Subordinated Notes holders do not benefit, either directly or indirectly, from these additional Securitifleet and Goldfleet securities.

FEES

The SARF Borrower pays fees on the unused underwriting commitments of holders of FCT Senior Notes, documentary credit fees, and other customary fees in respect of the SARF (including arrangement fees, ticking fees and agency fees).

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 and no withholding. The Borrower Level 2 Representations and Warranties relate to other representations and warranties.

EVENTS OF DEFAULT

There are two levels of event of default under the Senior asset Revolving Facility Agreement:

(i) a "Level 1 Event of Default" which, subject to the agreed exceptions, materiality tests, grace periods and waivers, consists of: (i) misrepresentation made under the Level 1 Representations and Warranties, (ii) breach of any Level 1 Undertaking, and (ii) the replacement of the Lending Bank without a replacement assignee bank being appointed; and

(ii) a "Level 2 Event of default" which, subject to any agreed exceptions, materiality tests, grace periods and carve-outs, 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 Undertaking, (iv) the occurrence of an insolvency event of Securitifleet Holding, (v) the enforcement of security or security ceasing to be valid, binding and enforceable or losing 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 it materially adversely changes the current or future value of Securitifleet Holding's assets, (viii) breaches relating to Securitifleet Holding's obligations under Securitifleet shareholder arrangements and to compliance with the recommendations made by the Senior Facility Lending Bank or the FCT Issuer as part of its consultation procedure, (ix) misrepresentations and/or breaches by Securitifleet Holding in relation to any security or encumbrance, (x) acceleration under the Senior Revolving Credit Facility of the outstanding EC Finance Notes, 2022 Senior Subordinated Notes or 2024 Subordinated Notes, and (xi) termination or breach of any material operating license.

The occurrence of a Level 1 Event of Default will commence a "Non-Enforcement Amortization Period" during which, in particular:

(i) any outstanding advance will become a term 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 granting new advances under the SARF; and

(iii) each Operating Company, acting as lessee under the relevant master operating lease agreement and an intra-group sub-lease agreement, due to the prohibition that applies to Securitifleet and Goldfleet Companies, will be prohibited from:

- extending the duration of any base operating lease or sub-lease in force on the amortization period commencement date; and
- entering into any new base 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 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.

GOVERNING LAW

The Senior asset Revolving Facility Agreement is governed by French law.

(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 Securitifleet Holding shares held by ECI and Sanne Capital Market Capital Market Ireland Ltd;
- a first priority security interest on the shares in each of the Securitifleet and Goldfleet Companies (other than shares held by Europcar Italy in Securitifleet Italy and other than shares held by Goldcar Italy in Goldfleet Italy);
- a first priority security interest on receivables held by Securitifleet Holding in respect of each of the Securitifleet and Goldfleet companies (other than in respect of Securitifleet Italy and Goldfleet Italy);

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- a first priority security interest on bank account balances of Securitifleet Holding and each Securitifleet Company and Goldfleet Company;
- a first priority security interest on certain receivables (including under buy-back agreements from carmakers) of each of the Securitifleet and Goldfleet Companies (other than Securitifleet Italy and Goldfleet Italy), with certain exceptions in Spain; and
- a first priority security interest on certain assets (including bank account balances and the rental fleet) of each Securitifleet and Goldfleet Company from time to time (other than Securitifleet Italy and Goldfleet Italy), with certain exceptions in Spain.

All above-mentioned assets subject to security interests are collectively referred to herein as the "Securitifleet Securities" and "Goldfleet Securities". The Securitifleet and Goldfleet Securities secure the Senior asset Revolving Facility and the Securitifleet Loan on a shared *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 such 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 in accordance with 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 has advanced 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. As the SF Intercreditor Agreement only permits payments to be made on a settlement date falling on the 17th of each month, semi-annual interest payments on the EC Finance Notes are funded by Securitifleet Holding to ECF on the settlement date preceding the relevant semi-annual interest payment date on the EC Finance Notes (which is on the first of the following month). ECF is permitted to invest such funds in highly-rated liquid securities held in an account pledged for the benefit of the EC Finance Note holders. Any surplus funds in such account following an EC Finance Notes interest payment date may be remitted to Securitifleet Holding for investment in the Securitifleet Companies. Pursuant to the ECI Subordinated Loan, ECI has the option to extend to ECF amounts sufficient to enable ECF to satisfy its payment obligations under the EC Finance Notes that are not funded through payments on the Securitifleet Loan.

Each Securitifleet Company has been created with a limited corporate purpose and is required by the terms of the Securitifleet On-Loan Agreements to which it is a party, which incorporate limitations substantially similar to those provided in the EC Finance Notes Indenture (as defined below), to use the proceeds of the relevant Securitifleet Advances made available under its Securitifleet On-Loan Agreement to acquire and lease vehicles to the Europcar 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 comprised 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 amount is calculated monthly (such amount being adjusted on the date on which each advance is made under the Senior asset Revolving Facility) and is applied towards the determination of the amount of the FCT Junior Notes to be issued in connection with each advance drawdown from time to time under the Senior asset Revolving Facility on the basis of the advance rate and the liquidity required amount.

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:

(i) 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 FCT "Additional Amount" due to be paid by Securitifleet Holding to the FCT Issuer on such settlement date (being 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 due to be paid by Securitifleet Holding to any swap counterpart 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:

(ii) the aggregate outstanding amount of all Junior Notes; multiplied by;

(iii) the principal outstanding amount of such Junior Notes.

(E) EC Finance Notes

On November 2, 2017, EC Finance Plc ("ECF") issued 2.375% Senior Secured Notes for a principal amount of €350 million due in 2022 (the "EC Finance Notes"). The EC Finance Notes are admitted to trading on the Euro MTF market of the Luxembourg Stock Exchange.

The EC Finance Notes were issued pursuant to an issue agreement (indenture), dated as of November 2, 2017 (the "EC Finance Notes Indenture") between ECF as issuer, the Company and ECI as guarantors, The Bank of New York Mellon, London Branch as trustee, transfer and principal paying agent and Security Agent for the EC Finance Notes, and The Bank of New York Mellon SA/NV, Luxembourg Branch as depositary and Luxembourg transfer and paying agent. The EC Finance Notes are obligations of ECF, and are guaranteed by the Company and ECI on a senior unsecured basis.

The revenue from the issue of those EC Finance Notes have been allocated to the repayment in full of the ECF notes issued on July 31, 2014 with a principal of €350 million repayable in 2021 and paying 5.125% annual interest.

On June 29, 2018, ECF issued new senior secured notes due 2022 bearing interest at a rate of 2.375% for a total amount of €150 million. The offering price of the notes has been set at 99.0001% with a yield to maturity of 2.6178%. The notes are equivalent to the €350 million existing EC Finance notes and will then increase the existing notes to €500 million. The delivery and settlement and the listing of the notes on the Euro MTF market of the Luxembourg Stock Exchange occurred on June 29, 2018. The proceeds of the notes amounts to €148.5 million and was partly used to finance the Goldcar rental fleet integration into the Group's securitization program.

Under the Securitifleet Loan agreement between ECF and Securitifleet Holding, the Securitifleet Loan funding was made available to Securitifleet Holding in an amount equal to the aggregate principal amount of the EC Finance Notes. Securitifleet Holding then makes Securitifleet Advances to Securitifleet Companies. ECF and ECI entered into the "ECI Subordinated Loan" pursuant to which 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.

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 whose repayments are not subordinated to specific Guarantees or calls on Guarantees. The Guarantees rank senior in right of payment to all existing and future indebtedness of the Company or ECI that is subordinated or otherwise junior in right of payment to the Guarantees.

The Guarantees are subordinated to any existing or future debt and any other liabilities of the Company or ECI secured by the property and assets of the Company or ECI and its subsidiaries to the extent of the value of the property and assets securing this debt, including the Senior Revolving Credit Facility and certain fleet financing contracts. In the event of bankruptcy or insolvency, the secured lenders have a priority claim over all securities of the Company or ECI securing the debt they hold.

The obligations of Securitifleet Holding under the Securitifleet Loan are secured directly or indirectly by 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*".

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 INTERESTS

EC Finance Notes benefit directly from the security interests granted to the notes security agent on behalf of the EC Finance Notes trustee and of holders of the EC Finance Notes (the "EC Finance Notes Securities") in the following rights, property and assets:

- the balance in English bank accounts of 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

Before November 15, 2019, ECF on the Company may redeem early all or part of the EC Finance Notes, upon not less than 10 nor more than 60 days' notice before the redemption date, at a redemption price of 100% (expressed as a percentage of par) increased by interest accrued and not paid, if applicable, on the redemption date through the payment of a make-whole premium.

Moreover, the Company may, prior to November 15, 2019, over the course of each 12-month period starting November 2, 2017, redeem early, with the net cash proceeds from an equity issue, up to 10% of the amount of the EC Finance Notes issued, upon not less than 10 nor more than 60 days' notice before the redemption date, at a redemption price of 103.0% of the principal amount increased by interest accrued and not paid at the redemption date.

Moreover, ECF on the Company may, prior to November 15, 2019, redeem early, with the net cash revenue from an equity securities issue, up to 40% of the principal amount of the EC Finance Notes issued, upon not less than 10 nor more than 60 days' notice before the redemption date, at a redemption price of 102.375% of the principal amount increased by interest accrued and not paid, provided that:

(i) at least 60% of the principal amount of the EC Finance Notes originally issued (excluding EC Finance Notes held by the Company and its affiliates) remains outstanding immediately after any such redemption; and

(ii) the Company makes such redemption not more than 90 days after the issue of any such equity securities.

At any time after November 15, 2019, the Company or ECF may redeem all or part of the EC Finance Notes upon not less than 10 nor more than 60 days' notice before the redemption date, at the following redemption prices (expressed as a percentage of par), plus accrued and unpaid interest at the redemption date, if redeemed during the 12-month period commencing on November 15 of the years set out below:

Year	Redemption Price
At November 15, 2019	101.188%
At November 15, 2020	100.594%
Starting November 15, 2021	100.000%

In addition, in the event that the Company or ECI becomes obligated to pay additional amounts (as defined in the EC Finance Notes Indenture) to EC Finance Note holders as a result of changes affecting withholding taxes applicable to payments on the EC Finance Notes, the Company or ECI may redeem the EC Finance Notes in whole (but not in part) at any time at a price equal to 100% of the principal amount of the EC Finance Notes plus interest accrued and unpaid at the redemption date.

Any optional redemption made under this Section shall be irrevocable.

CHANGE OF CONTROL AND ASSET SALES

Upon the occurrence of certain change of control events, each holder of the EC Finance Notes may require ECF or the Company to repurchase all or a portion of its EC Finance Notes at a purchase price equal to 101% of par, plus interest accrued and unpaid at the redemption date. ECF or the Company must inform holders of the change of control and the terms of this optional redemption within 30 days of the occurrence of a change of control event.

"Change of control" is understood to mean (a) a related person or group of persons (in the sense of Sections 13(d) and 14(d) of the U.S. Securities Exchange Act of 1934) other than Eurazeo or a member of the Eurazeo Group, obtaining direct or indirect control, in the sense of Sections 13d-3 and 13d-5 of the U.S. Securities Exchange Act of 1934, with more than 50% of the voting rights in the Company, (b) the sale in one or more transactions of nearly all assets of the Company and its subsidiaries restricted to any related person or group of persons, in the sense of Sections 13(d) and 14(d) of the U.S. Securities Exchange Act of 1934, other than Eurazeo or a member of the Eurazeo Group, (c) the adoption of a plan for the liquidation or winding up of the Company, or (d) ECI ceases to be a wholly owned subsidiary of the Company.

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 value of certain of the Securitifleet companies' and Goldfleet companies' assets of 95%, compliance to be tested on a quarterly basis;
- respect covenants limiting the activities of ECF and the Securitifleet Companies and Goldfleet Companies;
- incur additional indebtedness;
- make restricted payments, including dividends or other distributions;
- create certain securities;
- sell assets;
- in the case of restricted subsidiaries, enter into arrangements that restrict dividends or other payments to the Company;
- in the case of restricted subsidiaries, give guarantee or secure 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 interest.

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).

EVENTS OF DEFAULT

The EC Finance Notes Indenture contains customary events of default, including, among others, the non-payment of principal or interest on the EC Finance Notes, certain failures to perform or observe any other obligation under the EC Finance Notes Indenture or security documents, the failure to pay certain indebtedness or comply with judgments and the bankruptcy or insolvency of ECF, ECI, a Securitifleet Company, a Goldfleet Company or a significant subsidiary. The occurrence of any default event would permit or require the acceleration of all obligations outstanding under the EC Finance Notes Indenture.

SF INTERCREDITOR AGREEMENT

In connection with entering into the SARF and the issuance of the EC Finance Notes, an intercreditor agreement was entered into with, *inter alia*, the Senior Facility Lending Bank under the SARF and the trustee for the EC Finance Notes on July 30, 2010, which agreement was amended on March 4, July 31, 2014, May 12, 2015, September 14, 2016, and again on November 2, 2017 (the "SF Intercreditor Agreement").

The SF Intercreditor Agreement sets out, among other things:

- the relative ranking of certain of Securitifleet Holding's debt;
- 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 upon the occurrence of certain insolvency events;
- dispositions related to revenue;
- security amendment principles setting out when security and guarantees may be modified by the common security agent without prior consent from the trustee or holders of EC Finance Notes; and
- limitations to any petition action in certain time periods and to the recourse which may be taken against Securitifleet Holding and any of the Securitifleet companies and Goldfleet companies.

(F) Substantial operating leases

The Group finances a portion of its fleet in all of its corporate countries through operating leases. The Group has entered into large framework operating lease agreements, respectively, with financial institutions and the financing arms of the Group's main car suppliers, which are negotiated at a Group level.

The Group's main operating leases are described below.

CM-CIC AGREEMENTS IN GERMANY AND BELGIUM

The operating lease agreements with CM-CIC are the Group's main operating leases with financial institutions. The Group's German Operating Company and CM-CIC Leasing GmbH, Frankfurt/Main entered into a vehicle sale and leaseback master agreement dated January 30, 2009 (as amended from time to time), for a term of three years, for the sale and leaseback of vehicles to be purchased from the manufacturers Volkswagen AG, Audi AG, Seat Deutschland GmbH, SkodaAuto Deutschland GmbH, Volkswagen AG Marke Volkswagen Nutzfahrzeuge and Volkswagen Gebrauchtfahrzeughandels- und Service GmbH under certain purchase agreements. Over the course of 2011, the line of credit was extended to Belgium and France with a volume of up to €500 million. Local operating leases were entered into by CM-CIC and Europcar entities in France and Belgium. The parties agreed to extend the term of the line of credit for Germany and Belgium until the end of 2014 and to reduce the line to €410 million; the maturity of the line was further extended to mid-2015. In August 2015, the parties entered into a global framework agreement setting out the general terms and conditions of the leases until mid-2016 which have been supplemented by local lease contracts. Amendments to leases were signed on June 30, 2016 to extend the repayment date of the global line of credit until December 31, 2017. New amendments were signed on January 1, 2018 to extend the expiry date of the line of credit to December 31, 2019 and reduce the applicable margin.

OPERATING LEASE COMMITMENTS WITH CAR MANUFACTURERS' FINANCIAL ENTITIES

Europcar International S.A.S.U. and some of the Group's main car suppliers, such as Daimler, Volkswagen and Renault have put in place, at the local level, operating leases between the Group's local operating companies and the car suppliers' financial entities. These operating leases are entered into on the basis of a detailed fleet plan per country agreed between the parties. These agreements roll on a yearly basis.

In addition, the Group has entered into several base operating leases for the purpose of purchasing and leasing activities of the rental fleet.

(G) Interest rate swap and cap contracts

As at the date of this Registration Document, the Group has entered into interest rate swap contracts and cap contracts.

The first interest rate swap contract was originally entered into by the Group in December 2010. Under this swap contract, as amended several times over the years, the Group pays a fixed interest of between 0.284% and 0.744% of the nominal amount of €1 billion (i.e., an average interest rate of 0.642%) and receives interest equal to 1 month Euribor. The termination date of this swap contract is fixed at July 17, 2019.

On September 15, 2016 the Company amended the swap contract in order to extend the termination date of July 17, 2019 to October 17, 2020 (the "Extension Period") and to lower the average interest rate payable to 0.516%.

In July 2011, the Group entered into the second interest rate swap contract, with a start date of December 19, 2011. Pursuant to this swap contract, amended several times over the years up to the date of this Registration Document, the Group pays interest at a fixed rate of 1.099% on the outstanding nominal amount of €0.6 billion and receives interest equal to 6 month Euribor. The termination date of this contract is July 19, 2020.

On August 4, 2016, the Company amended this swap contract in order to extend the termination date of July 19, 2020 to June 19, 2021 and to lower the interest rate payable to 0.96%.

On September 16, 2016, the Company entered into two interest rate cap contracts each with a nominal of €100 million terminating on October 17, 2020 to meet the increase of €200 million to the SARF amount made in September 2016, and by which the Company is hedged against an increase in the 1 month Euribor floating rate above 0%.

On May 16, 2018, the interest rate hedging tools were amended and completed to reflect the amendments to the SARF. The existing swaps amounting to €1 billion at an average fixed rate of 0.516% have been extended by 2 years, from October 2020 to October 2022 at a fixed rate of 0.944%. The existing caps amounting to €200 million have been restructured. The 0% strike has been increase to 0.50% and the maturity has been extended to October 2022. The Group also completed the interest rate hedging by implementing additional new caps amounting to €400 million at a strike of 0.50% maturing in October 2022.

(H) United Kingdom fleet financing facilities

The Group currently finances its fleet in the United Kingdom on a stand- alone basis through its UK subsidiaries including Europcar Group UK Limited ("ECGUK"), Goldcar Rental UK Ltd ("GCUK"), Europcar UK Limited ("ECUK"), and certain subsidiaries of ECUK, pursuant to one facility in the form of an overdraft (for an amount of £5 million) and finance lease or operating lease facilities (for a total amount of £455 million).

The following table presents the Group's fleet financing in the United Kingdom, described below.

Financing	On- or off-balance sheet	Security or Asset-Backed	Term/ Maturity	Amount drawn down as at Dec. 31, 2018 (in million GBP)	Amount available as at 12/31/18 (IN MILLION GBP)	Interest Rate
Club Facility	On balance sheet	Yes (financed fleet and other assets)	2022	287 (approx. €321 million)	113 (approx. €126 million)	Libor +1.80%
Lex Autolease Facility	Off balance sheet	Yes (title over the financed fleet)	2019	8 (approx. €9 million)	47 (approx. €52 million)	Libor +2.00%
Lloyds Overdraft Facility	On balance sheet	Yes (title over the financed fleet) and other assets)	Reviewed annually	0.0	5.0 (approx. €5.6 million)	Libor +2.00%

THE "CLUB" FACILITY

On October 1, 2014, ECUK entered into a funding agreement (the "Club Funding Agreement") with Lombard, United Dominion Trust, HSBC and GE Capital (hereafter the "Club Funders") pursuant to which the Club Funders granted to ECGUK, as hirer (the "Club Hirer"), a £425 million aggregate facility, to finance the purchase of the Group's UK fleet vehicles. On September 20, 2016, an amendment to the Club Facility was signed in order to extend the maturity by one year to October 2019, to lower the margin by 20 bps, *i.e.* Libor +180 bps, and to reconfigure the banking syndicate (exit of GE Capital Equipment Finance Limited and entry of Santander Asset Finance Plc by conversion and increase of the previously independent Santander Facility, signed on October 10, 2014 for an initial amount of £30 million). Further amendments were signed on July 20, 2017 and October 6, 2017 to modify the legal documentation and general covenants. In this context, the margin on LIBOR was adjusted by 20 basis points to reach 200 bp. The amount of the Club Facility is now £400 million, together with an uncommitted "Seasonal Facility" of £100 million, provided by the banks participating in the Club Facility, in each year between the months of May and October. The Club Facility brings together the following four funding facilities entered into on a bilateral basis:

- £150 million under the funding facility entered into with Lombard North Central PLC;
- £100 million under the funding facility entered into with HSBC Equipment Finance Limited;
- £100 million under the funding facility entered into with United Dominion Trust Limited; and
- £50 million under the funding facility entered into with Santander Asset Finance Plc.

The Club Funding Agreement was initially entered into for a term of three years, with two successive options for one year extensions exercisable on the first and second anniversaries of the date of the agreement. Under the amendment entered into on September 20, 2016, ECG UK exercised its second extension option, having exercised the first option on October 1, 2015. The obligations of the Club Hirer under the Club Facility are guaranteed by ECUK, PremierFirst Vehicle Rental EMEA Holdings Limited, PremierFirst Vehicle Rental Holdings Ltd., PremierFirst Vehicle Rental Franchising Ltd. and Provincial Assessors Ltd. (collectively the "Club Guarantors").

On October 19, 2018, ECUK and GCUK entered into a new funding agreement ("Club Funding Agreement") with Lombard North Central, HSBC Equipment Finance and Santander Asset Finance (the "Club Funders") pursuant to which the Club Funders granted to ECGUK and GCUK (the "Club Hirers") under the Club Facility a £400 million aggregate facility, to finance the purchase of the Group's UK rental fleet. The amount of the Club Facility is £150 million, together with an uncommitted "Seasonal Facility" of £150 million, provided by the banks participating in the Club Facility, in each year between the months of May and October. The new Club Facility replaces the existing Club Facility which expires in October 2019 and brings together the following three funding facilities entered into on a bilateral basis:

- £200 million under the funding facility entered into with Lombard North Central PLC;
- £125 million under the funding facility entered into with HSBC Equipment Finance Limited;
- £75 million under the funding facility entered into with Santander Asset Finance Plc.

SECURITY INTERESTS

The Club Hirer's obligations under the facility are secured by way of: (i) a title in the assets funded, (ii) fixed charges on the bank account into which such revenue is paid, (iii) guarantees from the Club Guarantors, (iv) debentures from the Club Hirer, ECUK, PremierFirstVehicle Rental EMEA Holging Limited, PremierFirst Vehicle Rental Holding Ltd., PremierFirst Vehicle Rental Franchising Ltd., Provincial Assessors Ltd., Brunel Group Holdings Ltd. and

Brunel Carriage Ltd., and (v) a security assignment of the manufacturer's buy-back commitments relating to assets funded by the Club Vehicle Funders.

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 assets of ECGUK are not less than £45 million; and
- fleet cover shall be no more than 1.00.

As at December 31, 2018, ECUK complied with all these financial covenants.

EVENTS OF DEFAULT

The facility contains events of default customary for these types of agreements, including, (i) breach of the terms of the Club Funding Agreement, (ii) breach of certain other funding or rental agreements, (iii) insolvency and cross default provisions, (iv) repayment default, and (v) non-compliance with covenants.

THE LEX AUTOLEASE FACILITY

On October 1, 2014 ECGUK entered into a master finance lease with Lex Autolease Limited to finance the purchase of the Group's UK fleet vehicles via an operating lease with a credit facility of £55 million. The master finance lease ends on December 31, 2019.

The borrowers' obligations under the new Lex Autolease facility is secured by way of title in the assets funded. The facility contains affirmative and negative covenants customary for this type of facility. The facility also contains customary events of default for this type of facility.

THE LLOYDS FACILITIES

On October 1, 2014, ECGUK entered into two working capital facilities with Lloyds: an overdraft with a limit of £5 million.

The overdraft (the "Overdraft Facility") was renewed annually and matures on August 31, 2019.

THE OVERDRAFT FACILITY

On October 1, 2014, ECGUK and PremierFirst Vehicle Rental Holdings Limited, as borrowers, and Lloyds, as lender, entered into an overdraft facility agreement pursuant to which Lloyds provided a £5 million net/£10 million gross overdraft facility to ECGUK and certain of its subsidiaries for general overdraft purposes (the "Overdraft Facility"). Lloyds reviews the facility periodically and at least once a year.

Interest is payable on all amounts owing under the Overdraft Facility at the annual rate which is the sum of the applicable margin and the then applicable base rate.

The Overdraft Facility may be canceled by Lloyds at any time and all outstanding advances, together with accrued interest, may become immediately due and payable.

On the occurrence of certain events, including a change of control, the Overdraft Facility may be canceled and all outstanding advances, together with accrued interest, may become immediately due and payable.

Obligations under the Overdraft Facility are secured by English law debentures granted by certain members of Europcar UK Group in favor of Lloyds.

The Overdraft Facility contains affirmative and negative covenants customary to this type of agreement including periodic delivery of financial information and maintenance of certain financial performance targets.

The Overdraft Facility letter sets out events of default customary for these types of facilities including, subject to certain remediation periods, events of default for non-payment, breaches of representations and guarantee covenants, and insolvency-related events.

(I) Asset financing in Australia and New Zealand

As at December 31, 2018, National Australia Bank (NAB), Toyota Financial Services (TFS), Commonwealth Bank of Australia, Westpac Bank, Bank of Queensland, Mercedes Financial Services, Alphabet Financial Services and other Australian and New Zealand financial institutions 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 for up to AUD415 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:

- its minimum net worth, i.e., total shareholders' equity, is always greater than AUD58 million;

- its fleet utilization rate is above 70% on average over the year;
- its minimum cumulative net profit before tax is within 85% of the Company's forecast net profit before tax.

At December 31, 2018, Europcar Australia complied with all these financial covenants.

(J) Goldcar Asset-Backed Financing

On December 19, 2017, the Company, ECI, Goldcar Fleetco, S.A., Goldcar Fleetco Italy S.R.L., Goldcar Fleetco France S.A.R.L. (the "Goldcar Fleetcos Entities") Goldcar Spain, S.L.U., Goldcar Italy S.R.L., Goldcar France S.A.R.L. (the "Goldcar Opcos Entities" which with the Goldcar Fleetcos Entities comprise the "Goldcar Entities"), Car Rentals Topco S.L. Crédit Agricole Corporate and Investment Bank, BNP Paribas, Bank of America Merill Lynch International Limited, HSBC France, Société Générale, Deutsche Bank AG, London Branch, Natixis, Goldman Sachs International Bank and Lloyds Bank Plc, signed an Asset Backed Financing Facility Agreement ("ABFA").

The ABFA authorizes the lending banks to provide a credit facility of up to €450 million to Goldcar Entities to enable them to refinance their outstanding rental fleet debt and to purchase new vehicles by Goldcar Fleetcos Entities (the "Credit"). Every Goldcar Fleetcos Entity can make monthly drawdowns on the Credit, but cannot access the funds until the Closing date (December 19, 2017).

The Credit is available for 12 months. From June 2018, Goldcar Fleetcos Entities purchased new vehicles notably through the SARF.

On November 9, 2018, the Group amended this facility by reducing the amount of the line by €200 million to accompany the decrease in its use. The remaining amount of the facility stood at €250 million at December 31, 2018.

SECURITY AND GUARANTEES

Subject to certain exceptions and/or limitations, each Goldcar Entity's repayment obligations for the Credit, and the Finance Documents in general, are guaranteed partly by a joint and several guarantee by the Company and every Goldcar Entity to the lending banks, and partly by securities.

The following securities have been pledged by the Goldcar Entities: each Goldcar Opcos Entity has pledged, to Crédit Agricole Corporate and Investment Bank acting as Security Agent, receivables that it holds against manufacturers; in addition to which, Goldcar France S.A.R.L. has also offered as collateral the vehicles that it owns.

Each Goldcar Fleetcos Entity has given to Crédit Agricole Corporate and Investment Bank acting as Security Agent, collateral in the form of its bank accounts and its receivables against manufacturers (and some VAT receivables for Goldcar Fleetco France S.A.R.L) and vehicles, with or without possessionary rights (with the exception of Goldcar Fleetco Italy). Lastly, Goldcar Fleetcos Entities shares have also been pledged to Crédit Agricole Corporate and Investment Bank as Security Agent.

INTEREST

The interest rates applicable to ABFA are based on Euribor plus a margin on the understanding that Euribor is considered zero when interest rates are negative. The initial applicable margin is 2.25% for each interest period until December 17, 2018; thereafter, the margin will be increased as follows: 2.75% from December 17, 2018 to May 17, 2019, then 3% from June 17, 2019.

MATURITY AND REPAYMENT

The final ABFA maturity date is the Settlement Date which is 24 months after the closing date, i.e., January 17, 2020.

Each borrower must repay the amount borrowed by the next Settlement Date, unless the advance is extended beyond the Settlement Date, it being understood that the borrower must in all cases repay the amount borrowed no later than the final due date (i.e., January 17, 2020). Lenders will receive repayments prorated to their stake in the Facility.

EARLY REPAYMENT

Change of control and the disposal of all, or a substantial part, of the assets or business of the Company or of a Goldcar Entity constitute an event permitting the early repayment of the Credit. Should any of those events occur, all draw-downs of the Credit (and all interest and other sums due as part of draw-downs) will be immediately payable, and all bank credit commitments will be canceled.

For the purposes of the preceding paragraph, Change of Control means any of the following: (a) any person or group of persons (other than Eurazeo or a member of the Eurazeo Group) acting in concert (in the sense of Article L. 233-10 of the French Commercial Code) exercises direct or indirect control (in the sense of Article L. 233-3 of the French Commercial Code) of the capital or voting rights of the Company, or (b) the Company (i) ceases to hold directly or indirectly 100% (on a undiluted or fully diluted basis) of its share capital, or ceases to hold directly the shares constituting 100% of the voting rights (on an undiluted or fully diluted basis) executable at Shareholders'

Meetings of an ECI or Goldcar Entity or ceases to have the right to appoint all members of the Board of Directors (or equivalent body) of an ECI or Goldcar Entity (except as the result of an authorized merger by any debtor with any other member of the Group wholly owned directly or indirectly by the Company).

CANCELLATION

ECI may at any time cancel undrawn available Credit provided it gives five business days' notice and the canceled amount is at least €10 million.

FEES AND COMMISSIONS

The Company must pay the following fees: (i) non-utilization fee, (ii) arrangement fees, (iii) upfront fees and (iv) Facility Agent fees.

RANKING

All other things being equal, lenders are ranked as at least equivalent to non-subordinated creditors.

COMMITMENTS (UNDERTAKINGS)

Subject to certain materiality tests, grace periods and certain exceptions, ABFA requires certain undertakings from Goldcar Entities for which the Company is sometimes guarantor, specifically: (i) to obtain the necessary authorizations to fulfill their respective obligations specified in the Finance Documents, (ii) to comply with all applicable laws and regulations, in particular those regarding the environment, corruption and money laundering, (iii) not to alter their business activities, (iv) restrictions on pledging assets, (v) debt limitations, (vi) limitations on transference of rental fleets, (vii) Company undertaking to hold at least 95% of the share capital of each Goldcar Entity and of ECI, (viii) limitations on the concentration of vehicle purchasing; (ix) undertakings regarding rental fleet insurance, repairs and servicing, (x) undertakings regarding vehicle purchase and buy-back clauses, (xi) integration of the Goldcar Entities rental fleet into the SARF financing arrangement on the Take-Out Date (December 2018).

EVENTS OF DEFAULT

The ABFA agreement specifies certain events that, subject to materiality tests and remediation windows, constitute default, as follows: (i) failure to pay any amount due, stated in the Finance Documents, (ii) failure to fulfill certain undertakings and other obligations, (iii) substantial inaccuracy in representations and warranties, (iv) cross defaults involving 2022 or 2024 Senior Subordinated Notes or SARF or defaults which are accelerated with another significant debt, (v) insolvency proceedings against a Goldcar Entity, the Company, or ECI, (vi) a significant audit qualification on the Consolidated Financial Statements of the Company, (vii) the occurrence of a significant event or situation adversely impacting the activity or financial position of a Goldcar Entity, ECI, or the Company and the ability of one of these entities to meet its payment obligations in the Finance Documents or a hedge agreement.

GOVERNING LAW

ABFA is governed by French law and securities are governed by their respective local legislation (French, Italian or Spanish).

3.2.3.3 Equity

The shareholders' equity attributable to the owners of the Group totaled €889.9 million as of December 31, 2018 compared to €837.3 million as of December 31, 2017. The increase in Group equity is primarily due to the positive income generated by the Group in 2018, which amounted to €139 million. This increase was partially offset by various factors, mainly the negative conversion differences of a total of €7 million, the exceptional distribution paid by the Group in 2018 for an amount of €24 million, and the share buy-back program for €30 million.

3.2.3.4 Contractual obligations and off-balance sheet commitments

Refer to Section 3.2.3 "*Description of funding at December 31, 2018*" and to Note 33 "*Off-balance sheet commitments*" to the consolidated financial statements for the year ended December 31, 2018.

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 recognizes its entire rental fleet, either on the statement of financial position, or off-balance sheet for vehicles acquired under lease agreements that meet the criteria for operating leases. The Group's gross expenses relating to the acquisition of vehicles totaled €3.8 billion, €3.0 billion and €2.4 billion for the fiscal years ended December 31, 2018, 2017 and 2016 respectively. These expenses are primarily financed by *ad hoc* borrowings. The revenue from the sale of vehicles at the end of their period of use is used to repay these borrowings.

The following table shows the composition of the Group's rental fleet, by type of acquisition and financing:

	% of total volume of vehicles purchased		
Type of acquisition and related financing	**2018**	2017	2016
Vehicles purchased with manufacturer or dealer buy-back commitment financed via the balance sheet	39%	40%	46%
Vehicles purchased with manufacturer or dealer buy-back commitment and financed through rental agreements qualifying as operating leases	49%	49%	46%
TOTAL FLEET PURCHASED WITH BUY-BACK ARRANGEMENTS	88%	89%	92%
Vehicles purchased without manufacturer or dealer buy-back commitment ("at risk" vehicles)	11%	10%	7%
Vehicles financed through rental agreements qualifying as finance leases	1%	1%	1%
TOTAL PURCHASES OF RENTAL FLEET	100%	100%	100%

For more information on the Group's rental fleet, see Section 1.6.6 "*Group Fleet*"; for more information on the cash flows related to vehicle purchases, see Section 3.2 "*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) rose to €67 million in 2018, up from €43 million in 2017. These items represent expenditures for IT development and expenditures for other equipment (computer hardware and software, furniture, fit-out, fixtures and fittings).

IT development expenditures are related to installation of new business tools for better organization and coordination with business customers in small and medium enterprises. In addition, the launch of new products for use by customers, and improvement of Customer Experience, required a set of IT expenditures.

3.3.1.3 Acquisitions/joint ventures

During 2018, Europcar Mobility Group did not make any acquisitions or enter into and joint ventures but integrated the numerous acquisitions made during 2017. These include the full acquisition of the Goldcar Group, one of the main low-cost players in Europe, and, in the Vans & Trucks segment, the full acquisition of the Buchbinder Group.

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 and implement innovative mobility solutions, the Group plans to continue its investments as part of its 2020 plan designed to improve its information system architecture to make it more open and flexible in order to facilitate the integration of apps developed by third parties (see Section 1.6.9 "*Information Systems*").

The Group's strategies for 2020 provide for the possibility of assessing any acquisition that will expand its scope of consolidation by purchasing in countries in which the Europcar brand already operates, by acquiring direct competitors in the vehicle rental market, or by acquiring companies developing in the new mobility market.

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 33 "*Off Balance Sheet Commitments*" in the Group's consolidated financial statements for the fiscal year ended December 31, 2018). Moreover, on February 25, 2019, Europcar Mobility Group announced the acquisition of two of its franchisees, Europcar Finland and Europcar Norway. This acquisition is subject to the usual conditions precedent and its finalization is envisaged during the second quarter of 2019 (see Note 1.2.3 "*Subsequent events*" of this Registration document).

3.4 CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2018 AND STATUTORY AUDITOR'S REPORT

Consolidated statement of income

IN THOUSANDS OF EUROS	Notes	Twelve months 2018	Twelve months 2017
REVENUE		2,929,289	2,411,661
Fleet holding costs	5	(763,027)	(605,393)
Fleet operating, rental and revenue related costs	6	(990,302)	(841,925)
Personnel costs	7	(500,336)	(404,749)
Network and head office overhead costs	9	(294,337)	(249,990)
Depreciation, amortization and impairment expense	10	(44,361)	(29,853)
Other income	11	11,778	14,159
CURRENT OPERATING INCOME		348,704	293,910
Other non-recurring income and expenses	12	20,374	(70,676)
OPERATING INCOME		369,078	223,234
Gross financing costs		(130,178)	(101,210)
Other financial expenses		(46,195)	(39,455)
Net financing costs	**13**	**(176,373)**	**(140,665)**
PROFIT/LOSS BEFORE TAX		192,705	82,569
Income tax benefit/(expense)	14	(51,968)	(13,410)
Share of profit of Associates	18	(1,327)	(8,058)
NET PROFIT/(LOSS) FOR THE PERIOD		139,410	61,101
Attributable to:			
• Owners of Europcar Mobility Group		139,497	61,270
• Non-controlling interests		(87)	(169)
Basic Earnings per share attributable to owners of Europcar Mobility Group (IN €)	26	0.866	0.422
Diluted Earnings per share attributable to owners of Europcar Mobility Group (IN €)	26	0.859	0.420

Consolidated statement of comprehensive income

	Twelve months 2018			Twelve months 2017		
IN THOUSANDS OF EUROS	Before tax	Tax income/ (expense)	After tax	Before tax	Tax income/ (expense)	After tax
Net profit/(loss) for the period	**191,378**	**(51,968)**	**139,410**	**74,511**	**(13,410)**	**61,101**
Items that will not be reclassified to profit or loss	**(8,048)**	**2,699**	**(5,349)**	**6,270**	**(1,700)**	**4,570**
Actuarial gains/(losses) on defined benefit pension plans (1)	(8,048)	2,699	(5,349)	6,270	(1,700)	4,570
Items that may be reclassified subsequently to profit or loss	**(28,848)**	**-**	**(28,848)**	**6,841**	**-**	**6,841**
Foreign currency differences	(7,033)	-	(7,033)	(10,328)	-	(10,328)
Effective portion of changes in fair value of hedging instruments	(21,815)	-	(21,815)	17,169	-	17,169
Net change in fair value of available-for-sale financial assets	-	-	-	-	-	-
Other comprehensive income for the period	**(36,896)**	**2,699**	**(34,197)**	**13,111**	**(1,700)**	**11,411**
TOTAL COMPREHENSIVE INCOME/ (LOSS) FOR THE PERIOD	154,482	(49,269)	105,213	87,622	(15,110)	72,512
Attributable to:						
• Owners of Europcar Mobility Group			105,300			72,681
• Non-controlling interests			(87)			(169)

(1) In 2018, the employee benefit obligation for Germany were remeasured by € (6.6) million mainly given the change in the discount rate at December 31, 2018 based on the first-tier corporate bonds in Germany (1.60% at December 31, 2018 versus 1.50% at December 31, 2017). In 2017, the employee benefit obligation for Germany was remeasured by €3.6 million.

Consolidated statement of financial position

IN THOUSANDS OF EUROS	Notes	At December 31, 2018	At December 31, 2017 *
ASSETS			
Goodwill	15	1,029,845	1,031,681
Intangible assets	16	986,016	965,397
Property, plant and equipment	17	159,247	114,855
Equity-accounted investments	18	-	4,036
Other non-current financial assets	19	66,012	58,602
Financial instruments non-current		1,544	226
Deferred tax assets	14	58,209	60,277
TOTAL NON-CURRENT ASSETS		2,300,873	2,235,074
Inventory	20	26,536	24,330
Rental fleet recorded on the balance sheet	21	2,434,448	2,339,313
Rental fleet and related receivables	22	753,370	700,117
Trade and other receivables	23	481,264	456,688
Current financial assets	19	11,970	32,762
Current tax assets		37,547	42,760
Restricted cash	24	90,490	104,818
Cash and cash equivalents	24	358,138	240,792
TOTAL CURRENT ASSETS		4,193,763	3,941,580
TOTAL ASSETS		6,494,636	6,176,654
Equity			
Share capital		161,031	161,031
Share premium		692,255	745,748
Reserves		(165,487)	(107,454)
Retained earnings (losses)		201,417	37,209
Total equity attributable to the owners of Europcar Mobility Group		**889,216**	**836,534**
Non-controlling interests		651	763
TOTAL EQUITY	25	889,867	837,297
LIABILITIES			
Non-current portion of financial liabilities	27	1,740,667	1,570,141
Non-current financial instruments	29	60,415	37,122
Non-current employee benefit liabilities	30	142,358	133,951
Non-current provisions	31	2,925	8,680
Deferred tax liabilities	14	173,799	169,004
Other non-current liabilities		220	276
TOTAL NON-CURRENT LIABILITIES		2,120,384	1,919,174
Current portion of financial liabilities	27	2,006,533	1,950,262
Current employee benefit liabilities	30	3,192	3,149
Current provisions	31	220,893	226,105
Current tax liabilities		23,025	31,566
Rental fleet related payables	22	644,169	604,196
Trade payables and other liabilities	23	586,573	604,905
TOTAL CURRENT LIABILITIES		3,484,385	3,420,183
TOTAL LIABILITIES		5,604,769	5,339,357
TOTAL EQUITY AND LIABILITIES		6,494,636	6,176,654

* *The opening amounts are restated for December 2017, and do not correspond to the figures published in 2017 financial statements since adjustments to the valuation of 2017 acquisitions were made during 2018 (please refer to Note 3.2).*

03

Consolidated statement of changes in equity

IN THOUSANDS OF EUROS	Share attributable to Europcar Mobility Group							Non-controlling interests	Total equity
	Share capital	Share premium	Hedging reserve	Translation reserve	Treasury shares	Retained earnings	Total		
BALANCE AT JANUARY 1, 2017	143,409	647,514	(53,900)	(52,935)	(4,846)	(48,706)	630,536	730	631,266
Net profit/(loss) for the period	**-**	**-**	**-**	**-**	**-**	**61,270**	**61,270**	**(169)**	**61,101**
Foreign currency differences	-	-	-	(10,328)	-	-	(10,328)	-	(10,328)
Effective portion of changes in fair value of hedging Instruments	-	-	17,169	-	-	-	17,169	-	17,169
Actuarial gains (losses) on defined benefit pension schemes	-	-	-	-	-	6,270	6,270	-	6,270
Income tax relating to components of other comprehensive income	-	-	-	-	-	(1,700)	(1,700)	-	(1,700)
Other comprehensive income/(loss)	**-**	**-**	**17,169**	**(10,328)**	**-**	**4,570**	**11,411**	**-**	**11,411**
Capital increase on private placement	14,613	154,266	-	-	-	-	168,879	-	168,879
Capital increase reserved for employees	2,723	19,064	-	-	-	-	21,787	-	21,787
Capital increase to deliver free-shares plans	286	(286)	-	-	-	2,146	2,146	-	2,146
Share base payment	-	-	-	-	-	2,763	2,763	-	2,763
Purchase/Sales of Treasury Shares	-	-	-	-	(1,916)	-	(1,916)	-	(1,916)
Profit appropriate by share premium	-	(15,469)	-	-	-	15,469	-	-	-
Special distribution deducted from Share Premium	-	(59,366)	-	-	-	-	(59,366)	-	(59,366)
Other	-	25	-	-	-	(303)	(278)	202	(76)
Transactions with owners	**17,622**	**98,234**	**-**	**-**	**(1,916)**	**20,075**	**134,015**	**202**	**134,217**
BALANCE AT DECEMBER 31, 2017	161,031	745,748	(36,731)	(63,263)	(6,762)	37,209	837,232	763	837,995

IN THOUSANDS OF EUROS	Share attributable to Europcar Mobility Group								
	Share capital	Share premium	Hedging reserve	Translation reserve	Treasury shares	Retained earnings	Total	Non-controlling interests	Total Equity
BALANCE AT JANUARY 1, 2018	161,031	745,748	(36,731)	(63,263)	(6,762)	37,209	837,232	763	837,995
Catch up amortization of Purchase Price Allocation in 2017	-	-	-	-	-	(698)	(698)	-	(698)
BALANCE AT JANUARY 1, 2018 RESTATED	161,031	745,748	(36,731)	(63,263)	(6,762)	36,511	836,534	763	837,297
Net profit/(loss) for the period	**-**	**-**	**-**	**-**		**139,497**	**139,497**	**(87)**	**139,410**
Foreign currency differences	-	-	-	(7,033)	-	-	(7,033)	-	(7,033)
Effective portion of changes in fair value of hedging Instruments	-	-	(21,815)	-	-	-	(21,815)	-	(21,815)
Actuarial gains (losses) on defined benefit pension schemes	-	-	-	-	-	(8,048)	(8,048)	-	(8,048)
Income tax relating to components of other comprehensive income	-	-	-	-	-	2,699	2,699	-	2,699
Other comprehensive income/(loss)	**-**	**-**	**(21,815)**	**(7,033)**	**-**	**(5,349)**	**(34,197)**	**-**	**(34,197)**
Purchase/Sales of Treasury Shares	-	-	-	-	(29,883)		(29,883)	-	(29,883)
Share base payment	-	-	-	-	-	2,495	2,495	-	2,495
IFRS 9 impact	-	-	-	-	-	(194)	(194)	-	(194)
Profit appropriate by Share Premium	-	(29,265)	-	-	-	29,265	-	-	-
Special distribution deducted from Share Premium	-	(24,228)	-	-	-	-	(24,228)	-	(24,228)
Other	-	-	-	-	-	(808)	(808)	(25)	(833)
Transactions with owners	**-**	**(53,493)**	**-**	**-**	**(29,883)**	**30,758**	**(52,618)**	**(25)**	**(52,643)**
BALANCE AT DECEMBER 31, 2018	161,031	692,255	(58,546)	(70,296)	(36,645)	201,417	889,216	651	889,867

Consolidated cash flow statement

IN THOUSANDS OF EUROS		Twelve months 2018	Twelve months 2017
Profit/(loss) before tax		**192,705**	**82,569**
Reversal of the following items			
Depreciation and impairment expenses on property, plant and equipment	17	20,424	15,926
Amortization and impairment expenses on intangible assets	15.16	23,939	13,390
Impairment of financial assets		9,981	-
Changes in provisions and employee benefits (1)	30.31	(13,233)	(8,065)
Recognition of share-based payments		2,495	2,763
Profit/(loss) on disposal of assets		(68,806)	(3,074)
Other non-cash items		5,809	(3,561)
Total net interest costs		*137,492*	*106,834*
Amortization of transaction costs		*16,577*	*9,896*
Net financing costs		**154,069**	**116,730**
Net cash from operations before changes in working capital		**327,383**	**216,678**
Changes in the rental fleet recorded on the balance sheet (2)		(104,020)	(101,710)
Changes in fleet working capital	22	(51,156)	(1,421)
Changes in non-fleet working capital	23	(15,835)	(15,045)
Cash generated from operations		**156,372**	**98,502**
Income taxes received/(paid) (3)		(46,109)	(34,816)
Net interest paid		(138,283)	(110,279)
Net cash generated from (used by) operations		**(28,019)**	**(46,593)**
Acquisition of intangible assets and property, plant and equipment (4)	15, 16, 17	(73,132)	(54,530)
Proceeds from disposal of intangible assets and property, plant and equipment		6,529	11,767
Proceeds from disposal of subsidiaries (5)		70,000	-
Acquisition of subsidiaries, net of cash acquired and other financial investments (5)		(20,740)	(729,415)
Net cash used by investing activities		**(17,343)**	**(772,178)**
Capital increase (net of related expenses) (6)		-	190,688
Special distribution		(24,229)	(59,366)
(Purchases)/Sales of treasury shares		(29,883)	(520)
Derivatives (7)		(6,083)	-
Issuance of bonds (8)		148,500	600,000
Change in other borrowings		85,322	184,149
Payment of transaction costs (9)		(15,084)	(25,720)
Net cash generated from (used by) financing activities		**158,543**	**889,231**
Cash and cash equivalents at beginning of period		**313,251**	**248,507**
Net increase/(decrease) in cash and cash equivalents after effect of foreign exchange differences		113,181	70,460
Changes in scope		-	(2,983)
Effect of foreign exchange differences		(1,446)	(2,733)
Cash and cash equivalents at end of period	24	**424,986**	**313,251**

(1) In 2018, the change was due mainly to disbursements related to lawsuits in France for €10 million. Of which in 2017, the reversal of provision for disputes with French Competition Authority for €45 million, the accrual of provision related to the Trading Standard investigation in the UK for (€43) million, Insurance (€6.1 million), Buyback provision for (€0.7 million) and the change in employee benefits (€3.2) million.

(2) 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.

(3) Tax paid in 2018 amounted to €46 million compared with €35 million in 2017, an increase of €11 million including disbursements relating to the entities acquired in 2017, offset by reimbursements received in the UK in 2018.

(4) Mainly linked to IT developments aimed at improving the customer experience, in the amount of €47 million and to the acquisition of equipment at the stations and of computer hardware for €27 million.

(5) Proceeds from subsidiary disposals in 2018 relate to the sale of Car2Go, which generated a cash inflow of €70 million. In 2018, disbursements related to acquisitions of subsidiaries, net of cash acquired, and other financial investments amounted to €20 million relative to the acquisitions made by the Group in the previous year. In 2017, the change in other investments of which Buchbinder acquisition price (€109.8) million, Goldcar acquisition price (€562) million, Denmark franchisee acquisition price (€51.7) million, Ubeeqo minority's stake acquisition price (€7.0) million, minority stake in a start-up SnappCar (€8.0) million, payment of a first earn out related to the franchisee acquisition in Ireland (€5.5) million, business acquisition of Australian franchisee (€1.7) million, French franchisee acquisition price (€1.4) million, subscription to the Car2Go capital increase for (€10.3) million and cash related to entities acquired for €29.5 million in 2017.

(6) Of which in 2017 €21.7 million Capital increase reserved for employees (ESOP) and €170.7 million Capital increase on private placement.

(7) In 2018, payment of a premium following the restructuring of the existing caps and the implementation of additional caps.

(8) In 2018, due to the offering of €150 million 2.375% Senior Secured Notes due 2022. In 2017, due to the issue of a Senior Bond for €600 million (see note 27).

(9) In 2018 mainly relates to transactions cost of which €4.2 million for SARF and €4.4 million for Senior Secured Notes. In 2017, €5 million for revolving facility Up-front fee, €5.2 for bridge facilities and €12.1 million for other facilities.

Notes

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NOTE 1 GENERAL OVERVIEW

1.1 General information

On May 22, 2018, the Europcar Group announced that it had changed the name of Europcar Groupe to Europcar Mobility Group. The name change was approved during the Group's Annual Shareholders Meeting that took place on May 17, 2018. The deployment of the new Group name will be rolled out over the next few months.

Europcar Mobility Group S.A. (former Europcar Groupe S.A. "ECG") 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 on February 24, 2015 to take the form of a joint stock company with a Management Board and a Supervisory Board.

Europcar Mobility Group's registered offices are located at 13 *ter* boulevard Berthier, 75017 Paris, France.

Europcar Mobility Group is one of the major actor of Mobility. The Group offers a wide variety of mobility solutions to serve all the needs of its clients. The Group operates under several brands, the main ones of which are Europcar®, Goldcar®, InterRent®, Buchbinder® and Ubeeqo®. The Group is active worldwide through a dense network in more than 139 countries (16 wholly-owned subsidiaries in Europe, 2 in Australia and New-Zealand, as well as franchisees and partners).

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).

1.2 Main events of the period

1.2.1 Scope changes and acquisitions of the period

On April 4, 2018, Europcar Mobility Group sold its 25% stake in **Car2Go Europe GmbH** to Daimler Mobility Services GmbH for a total amount of €70 million.

On April 25, 2018, Europcar Mobility Group acquired through its subsidiary Ubeeqo, 100% of **Poleis Consulting** and their brand Scooty, a Belgian electric scooter sharing start-up founded in 2016.

1.2.2 Launch of Share Buyback Program

On May 17, 2018, the Europcar Mobility Group signed a mandate in connection with the share buyback program authorized by the Combined General Meeting of Shareholders on May 10, 2017. As of December, 31, 2018, 3,231,823 shares were acquired, representing approximately 2.01% of the Company's share capital.

Europcar Mobility Group has also announced the implementation of a new share buy-back program as of December 21, 2018. The purchase mandate will cover an amount of up to €45 million, representing approximately 2.1% of the share capital.

1.2.3 Financing

On May 14, 2018, the Group signed an amendment to the SARF in order to allow the financing of Goldcar vehicles and to gradually refinance the Goldcar asset-backed financing facility (bridging loan) of €450 million put in place in 2017 and reduced on November 9, 2018 by €200 million to €250 million. The main amendments were the increase of the line from €1.3 billion to €1.7 billion and the creation of SPVs dedicated to the financing of the Goldcar fleet, the Goldfleet companies. The Group took this opportunity to renegotiate the margin from 1.50% to 1.30% and extend the maturity of the facility from January 2020 to January 2022.

In parallel, the interest rate hedging tools have been amended and completed to reflect the amendments to the SARF:

- The existing swaps amounting to €1 billion at an average fix rate of 0.516% have been extended by 2 years, from October 2020 to October 2022 at a fix rate of 0.944%;
- The existing caps amounting to €200 million have been restructured. The 0% strike has been increase to 0.50% and the maturity has been extended to October 2022;
- The Group has also completed the interest rate hedging by implementing additional new caps amounting to €400 million at a strike of 0.50% maturing in October 2022.

On June 15, 2018, Europcar Mobility Group announced the pricing of the offering by EC Finance Plc of €150 million 2.375% Senior Secured Notes due 2022. The offering price of the notes has been set at 99.0001% with a yield to maturity of 2.6178%. The notes are equivalent to the existing €350 million notes and bring the existing notes to €500 million. The delivery and settlement and the listing of the notes on the Euro MTF market of the Luxembourg Stock Exchange occurred on June 29, 2018. The proceed of the notes amounts to €148.5 million and will be used to finance the Goldcar fleet integration into the Group's securitization program.

The Group amended the RCF on December 21, 2018 in order to add a new usage entitled "Swingline", which did not increase the overall amount of the facility, set at €500 million.

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES

2.1 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_en.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 IFRS consolidated financial statements of the Europcar Mobility Group for the year ended December 31, 2018 were approved by the Management Board and examined by the Supervisory Board on February 20, 2019. They are subject to the approval of the Shareholders' Meeting of April 26, 2019.

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.

2.2 Basis of measurement

The accounting policies used to prepare the consolidated financial statements are consistent with those used for the year ended December 31, 2017, with the exception of the following standards, which are mandatory for accounting periods beginning on or after January 1, 2018.

Standards and interpretations applicable for the annual period beginning on January 1, 2018:

Standards and interpretations published	Applicable for annual periods beginning on or after	Endorsed in the EU
Annual improvements to IFRS Standards 2014-2016 Cycle: Amendments to IFRS 1 and IAS 28	January 1 2018	No
IFRS 9 Financial Instruments and subsequent amendments	January 1 2018	Yes
IFRS 15 Revenue from Contracts with Customers	January 1 2018	Yes
Amendments to IFRS 2 Classification and Measurement of Share-based Payment Transactions	January 1 2018	No
Amendments to IAS 40 Transfers of Investment Property	January 1 2018	No
IFRIC 22 Foreign Currency Transactions and Advance Consideration	January 1 2018	No

IFRS 9 "Financial Instruments"

IFRS 9 "Financial Instruments" applicable from 1 January 2018 includes requirements for classification and measurement of financial assets, a forward-looking "expected credit loss" model for the recognition of impairment and a reformed approach on hedge accounting. This standard replaces IAS 39 "Financial Instruments: recognition and measurement".

CLASSIFICATION AND MEASUREMENT OF FINANCIAL ASSETS

IFRS 9 reduces the classification of financial assets into three categories: adjustment to fair value through income statement, through equity or measured at amortized cost; IFRS 9 cancels the categories "Held to maturity", "Loans and receivables" and "Available for sale" assets existing under IAS 39. The classification of financial assets under IFRS 9 depends on the business model of the entity regarding the management of financial assets and the characteristics of the contractual cash flows of financial assets.

By default, the fair value through income statement is adopted.

The adoption of IFRS 9 had no impact on the classification of financial liabilities which continue for the most part to be measured at amortized cost.

The Group conducted an analysis of the significant financial assets and liabilities portfolio under IFRS 9. It mainly comprises:

- financial assets (diversified long-term bond instruments) held by Euroguard;

- trade receivables and car-manufacturers receivables that fall within the scope of depreciation based on expected loss model;
- non-consolidated investment measured at fair value through income statement.

Under IAS 39, the portfolio of assets held by Euroguard was classified as "held to maturity" and was measured at amortized cost as it fulfilled the criteria requested by this standard. The transition to IFRS 9 doesn't modify the classification and the measurement of these assets.

The table below presents the initial categories under IAS 39 and the new categories under IFRS 9 for each category of financial assets from January 1, 2018.

	Classification according IAS 39	Classification according IFRS 9	Carrying amount before IFRS 9 transition	Carrying amount after IFRS 9 transition
Derivative instruments	FVPL of FVOCI	FVPL of FVOCI	1,544	1,544
Other non-current investments	FVOCI	FVOCI	96	96
Loans and other assets	Loan and receivable	Amortized cost	44,600	44,600
Deposit and prepayments	Loan and receivable	Amortized cost	21,316	21,316
Current financial assets			**67,556**	**67,556**
Fleet related receivables	Loan and receivable	Amortized cost	753,370	753,370
Rental receivables	Loan and receivable	Amortized cost	266,932	266,932
Other receivables	Loan and receivable	Amortized cost	103,774	103,774
Other tax receivables	Loan and receivable	Amortized cost	3,145	3,145
Other employee-related receivables	Loan and receivable	Amortized cost	5,927	5,927
Insurance claims	Loan and receivable	Amortized cost	35,474	35,474
Deposit and other receivables	Loan and receivable	Amortized cost	19,424	19,424
Loan and other receivables	Loan and receivable	Amortized cost	11,970	11,970
Prepayments	Loan and receivable	Amortized cost	46,588	46,588
Non-current financial assets			**1,246,604**	**1,246,604**

IFRS 9 also modifies the accounting for debt restructuring. Under IFRS 9, the carrying value of the financing is the sum of the discounted cash flows discounted at the original effective interest rate (EIR). The gain or loss resulting from the new characteristics of the debt is recognized immediately in profit and loss statement. Under IAS39, when a financial liability measured at amortized cost was modified without this resulting in de-recognition, the EIR was modified prospectively taking into account the new characteristics of the debt and the carrying value was not adjusted.

The Group has analysed its former debt re-negotiations and believes that applying IFRS 9 won't have a material impact on its consolidated financial statements. The fair value of financial debt is not modified at transition date.

FINANCIAL ASSETS DEPRECIATION

IFRS 9 introduces a new "expected losses" impairment model for credit risk for all assets measured at amortized cost and no longer based on "incurred losses". In this context, determining the amount of impairment is equivalent to calculating the Expected Credit Loss (ECL) according to a mechanism based on the difference between the discounted expected flows and the original flows or outstanding balance sheet. A global depreciation (for a group of assets) is possible, provided, however, that the characteristics of the instruments thus grouped are similar.

The Group analysed the impact of the new impairment model based on "expected losses". For short-term trade receivables, the simplified model of IFRS 9 can be applied. Based on the analysis of the portfolio of financial assets and liabilities carried out by the Group and presented above, buy-back receivable toward car manufacturers and rental receivables fall within the scope of the new depreciation method based on expected losses.

The default probability of the Group's main manufacturers for fleet receivables and the historical loss rate for rental receivables were included in the Group's model for bad debt provisioning. At the transition date, the impact recognized through shareholders' equity amounts to €0.2 million. There is no significant impact in income statement as of December 31, 2018.

HEDGE ACCOUNTING

The adoption of the 3rd phase of IFRS 9 on hedge accounting doesn't have any significant impact on the consolidated financial statements of the Group. The effectiveness of hedging relationship as per IAS 39 is unchanged under IFRS 9.

TRANSITION

The impacts related to the first-time application were recorded in consolidated shareholders' equity as at January 1, 2018 with no restatement of the comparative financial information. The statement of changes in equity shows the impacts related to the implementation of IFRS 9.

IFRS 15 "Revenue from Contracts with Customers"

The effects of applying IFRS 15 and its amendments for clarification to the accounting of revenue as from January 1, 2018 have been assessed and have been considered of little significance in light of the nature of the Group's business activities.

Standards and interpretations published, but not yet applicable for the annual period beginning on January 1, 2018:

03

Standards and interpretations published	Applicable for annual periods beginning on or after	Endorsed in the EU
IFRS 16 Leases	January 1 2019	Yes
Amendments to IFRS 9 Prepayment Features with Negative Compensation	January 1 2019	No
Amendments to IAS 28 Long term interests in Associates and Joint Ventures	January 1 2019	No
IFRIC 23 Uncertainty over Income Tax Treatments	January 1 2019	Yes

IFRS 16 "Leases"

The Group will apply IFRS 16 from January 1, 2019. As of this date, all leases will follow a single model consisting in recording as a liability, the rental obligation (sum of discounted future payments), and on the assets side, a right of use. The right of use will be amortized over the term of the lease agreements. Leases related to the fleet and leases related to real estate assets (offices, stations) entered into by the Group fall within the scope of this standard.

At December 31, 2018, the Group held approximately 2,000 real estate lease contracts representing an annual rent expense of €104 million, and approximately 100,000 fleet leases representing an annual rent expense of €339 million.

In 2018, the Group continued to identify the data needed to apply IFRS 16 and finalized the analysis of potential impacts. During this period, the Group has also started the roll-out of an IT tool that will provide integrated monitoring of leases.

The expected impacts in the consolidated financial statements at transition date will be of the same order of magnitude as the off balance sheet lease commitments existing as at December 31, 2018 (see Note 33). Nevertheless they may differ depending on:

- the composition of the lease portfolio falling within the scope;
- the lease term (in some cases they could be different from those used for the valuation of off-balance sheet commitments where only the fixed commitment period is taken into account);
- discounted rates that will be applied;
- practical method for calculating the impacts.

On January 1, 2019, the Group will apply the modified retrospective approach and recognize the cumulative effect of initial application as an adjustment to the opening balance of equity as of January 1, 2019.

IFRIC 23 "Uncertainty over Income Tax Treatments"

IFRIC 23 was adopted by the European Union on October 23, 2018. IFRIC 23 is mandatory as of January 1, 2019. The Group did not choose to apply earlier application of this interpretation as at January 1, 2018. IFRIC 23 clarifies the principles of recognition and measurement of tax assets and liabilities when there is uncertainty over income tax treatments.

This Interpretation provides two transition approaches: fully retrospective approach or partial retrospective approach with the cumulative effect of the initial application recognized as an adjustment to equity on the date of initial application. In this approach, comparative information is not restated.

The impacts related to the application of this interpretation are being assessed and the Group has not yet chosen the transition method that will be applied.

2.3 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.

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

- the residual value of at risk vehicles (see "rental fleet");
- the fair value of vehicles purchased with a manufacturer or dealer buy-back commitment when badly damaged or stolen (see "rental fleet");
- 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.

In addition, estimates also 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 19) and derivative financial instruments recorded at fair value in the Group's statement of financial position (see Note 29);
- 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 15 and 16);
- amounts of deferred taxes that may be recognized in the statement of financial position (see Note 14);
- measurement of post-employment benefits and other employee benefits (see Note 30);
- provisions for disputes and litigation and valuation of contingent liabilities (see Notes 31 and 35).

2.4 Basis of consolidation

2.4.1 Subsidiaries

Europcar Mobility Group's financial statements include the accounts of the parent company Europcar Mobility Group, and those of its subsidiaries for the year ended December 31, 2018.

Subsidiaries are all entities (including special purpose entities), directly or indirectly controlled by Europcar Mobility Group. 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, 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, 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;

is recorded as goodwill.

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.

2.4.2 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. For acquisitions where control was gained after January 1, 2010, and 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 the 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.

2.4.3 Associates

Associates are entities over which the Group has significant influence enabling it to participate in financial and operating policy decisions.

The Group's interests in associates are consolidated using the equity method. The investment is recorded at cost and adjusted for changes subsequent to the transaction in accordance with the investor's share in the net assets of the associate. When the Group's share of losses exceeds its interest in an associate, the Group's carrying amount is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has a legal or implicit obligation to make payments on behalf of the associate.

2.4.4 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.

2.4.5 Special Purpose Entities

Special purpose entities (SPEs), such as SecuritiFleet companies, Euroguard, the Protected Cell Insurance & Reinsurance SPE, FCT Sinople and EC Finance plc are consolidated when the relationship between the Group and the SPE indicates that the SPE is in substance controlled by the Group. SPEs are entities which are created to accomplish a specifically-defined objective.

2.5 Reclassification of exchange gains/losses in profit and loss

Exchange gains/losses recognized in other comprehensive income are reclassified in profit and loss only in the case of a total disposal. A partial disposal is defined by the Group as the disposal of an interest in a subsidiary and not as a decrease in the investment.

2.6 Foreign currency translation

2.6.1 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.

2.6.2 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.

2.6.3 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.

2.6.4 Exchange rates

The exchange rates used for the years ended December 31, 2018 and December 31, 2017 are:

	December 31, 2018		December 31, 2017	
	Average rate	Closing rate	Average rate	Closing rate
Sterling (GBP)	1.130	1.118	1.141	1.127
Australian Dollar (AUD)	0.633	0.617	0.679	0.652
US Dollar (USD)	0.847	0.873	0.885	0.834
Danish Krone (DKK)	0.134	0.134	0.134	0.134

Source: Banque de France.

2.7 Goodwill

Goodwill recognized in local currency is not amortized and is subject to an impairment test performed at least annually, or more frequently if there is evidence that it may be impaired. For the purpose of impairment testing, goodwill is allocated to cash-generating units (CGU) or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose.

A CGU is defined as 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 corporately-owned rental business segment by country.

The recoverable value of a CGU is based on the higher of its fair value less costs to sell and its value in use determined using the discounted future cash flow method or another more appropriated method. When this value is less than its carrying amount, an impairment loss is recognized in the income statement. The impairment loss is first recorded as an adjustment to the carrying amount of goodwill allocated to the CGU and the remainder of the loss, if any, is allocated to the other long-term assets of the unit on a *pro rata* basis.

Goodwill arising from acquisitions of associates is included in "Investments in associates" and the total amount of goodwill is tested for impairment.

Any impairment of goodwill is recorded in "Goodwill impairment expense".

2.8 Intangible assets other than goodwill

Intangible assets other than goodwill consist mainly of trademarks and licences, acquired customer relationship, acquired computer software licenses and capitalized development projects.

2.8.1 Trademarks and licenses

TRADEMARKS WITH AN INDEFINITE USEFUL LIFE

The Europcar trademark has been recognized at cost with an indefinite useful life and is not amortized. It is tested annually for impairment based on the relief-from-royalty method.

Following the acquisition of Buchbinder Group in 2017, Buchbinder, Global and Megadrive trademarks were recognized using the relief royalty method. They are considered with indefinite useful life.

Following the acquisition of Goldcar Group in 2017, Goldcar trademark was recognized using the relief royalty method. It is considered with indefinite useful life.

Impairment charges for trademarks are accounted for in "Other non-recurring income and expenses" in the consolidated income statement.

TRADEMARKS WITH A FINITE USEFUL LIFE

Trademarks and licenses that have a finite useful life are carried at cost less accumulated amortization. Amortization is calculated using the straight-line method to allocate the cost of trademarks and licenses over their estimated useful lives, or over the life of the underlying contract (10 years). They are tested for impairment if there is evidence that they may be impaired.

The Group does not own any trademarks with a finite useful life.

2.8.2 Customer relationship

Customer relationship that are acquired by the Group through business combinations are amortized over the expected useful life. The initial valuation methodology used is based on the excess earnings method. They are tested for impairment only if management identifies triggering events that may result in a loss of value of such assets.

2.8.3 Computer software and operating systems

Acquired computer software licenses are capitalized on the basis of the costs incurred to acquire them and bring them into use. These costs are amortized over their estimated useful lives (see below). Costs associated with developing or maintaining computer software programs are recognized as an expense as incurred.

Costs that are directly associated with the development of identifiable and unique software products controlled by the Group, and that will probably generate economic benefits exceeding costs beyond one year, are recognized as intangible assets. These costs include the costs of the employees allocated to developing the software and a portion of relevant overheads directly attributable to developing the software.

Computer software development costs recognized as assets are amortized over their estimated useful lives (see below).

2.8.4 Other Intangible assets

Other intangible assets that are acquired by the Group are stated at cost less accumulated amortization (see below) and impairment losses. They include the right to operate trademarks acquired under a business combination.

2.8.5 Amortization

Intangible assets are amortized from the date they are available for use. Estimated useful lives are as follows:

- trademarks with a finite useful life: 10 years;
- leasehold rights: 10 years;
- computer software: 3 years;
- operating systems: 5 to 10 years.

2.9 Property, plant and equipment

2.9.1 Directly owned assets

Items of property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses.

Where parts of an item of property, plant and equipment have different useful lives, these are accounted for as separate items of property, plant and equipment and depreciated over their own useful lives. Repairs and maintenance costs are expensed as incurred.

2.9.2 Leased assets

IAS 17 defines a lease as being an agreement whereby the lessor conveys to the lessee in return for a payment, or series of payments, the right to use an asset for an agreed period of time.

Leases under which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases (lessee accounting). Owner-occupied property acquired by way of a finance lease is stated at an amount equal to the lower of its fair value and the present value of the minimum lease payments at inception of the lease, less accumulated depreciation and impairment losses.

2.9.3 Subsequent costs

The Group recognizes within the carrying amount of an item of property, plant and equipment, the cost of replacing part of such an item when that cost is incurred, if it is probable that the Group will gain future economic benefit from the item and the cost of the item can be measured reliably. All other costs are expensed in the income statement as and when they are incurred. The cost of repairs and interest on borrowings are recognized as current expenses.

2.9.4 Amortization

Land is not depreciated. Estimated useful lives are as follows:

- Buildings: 25 to 50 years;
- Technical equipment and machinery: 6 to 12 years;
- Other equipment and office equipment, including specialized tools: 3 to 15 years.

The useful life is reviewed annually.

2.10 Rental fleet

The Group operates a large fleet purchased with or without a buy-back commitment. IFRS treats the accounting of assets and liabilities differently depending on how these acquisitions are financed. Accordingly, vehicles purchased with debt recorded in the balance sheet or through finance leases are recognized in the balance sheet as current assets, given the length of the Group's operating cycle. Vehicles financed by operating leases are not recognized in the balance sheet. In this case, the related commitments are recorded as off-balance sheet commitments.

2.10.1 Directly owned rental fleet

The fleet operated by the Group is acquired through two types of agreement:

- either with a manufacturer or dealer buy-back commitment (buy-back vehicles);
- without a manufacturer or dealer buy-back commitment (at risk vehicles).

(I) VEHICLES PURCHASED WITH A MANUFACTURER OR DEALER BUY-BACK COMMITMENT

One of the characteristics of the automotive industry is the sale/purchase of vehicles with a buy-back commitment from the manufacturer or dealer after a predetermined term, generally less than 12 months.

Such agreements are treated for accounting purposes as operational pre-paid vehicle leases insofar as:

- the Group does not have control of the vehicle because it cannot sell it;
- the contract only gives it the right to use the asset over a limited time; and
- the asset retains a significant part of its value at the time of its repurchase by the manufacturer.

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 amount recorded represents the acquisition cost of the vehicles (net of volume rebates) and is the sum of two amounts representing two distinct current assets:

- the "Vehicle buy-back agreement receivable", representing the agreed buy-back price (the obligation of the manufacturer or dealer); repurchase prices for buy-back vehicles are contractually based on either (i) a predetermined 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, in either case subject to adjustments depending upon the condition of the vehicle, mileage and holding period;
- the "Deferred depreciation expense on vehicles", representing the difference between the acquisition cost of the vehicle and the agreed buy-back price. This asset is depreciated through the income statement on a straight-line basis over the contractual holding period of the vehicle.

In view of the length of time for which these assets are held, the Group recognizes these vehicles as current assets at the outset of the contract.

For stolen vehicles, the Group recognizes an impairment charge against the value of the corresponding "Vehicle buy-back agreement receivable" over a three-month period following the event. For badly damaged vehicles, the Group adjusts the value of the corresponding receivable on the basis of independent appraisal of the damaged vehicle.

(II) VEHICLES PURCHASED WITHOUT A MANUFACTURER OR DEALER BUY-BACK COMMITMENT (AT RISK VEHICLES)

Vehicles purchased without manufacturer or dealer buy-back commitment are reported by the Group as "at risk" vehicles. The value of the vehicles is initially measured at cost, including any import duties, non-refundable purchase taxes and any costs directly attributable to bringing the vehicle to the rental location and preparing it for rental. Upon acquisition, at-risk vehicles are depreciated on a straight-line basis over the planned holding period and projected residual value. Over the holding period, the residual value is regularly reviewed taking into account the state of the used vehicle market, and is adjusted if necessary.

In most cases, the holding period for a car does not exceed 12 months. For vans and trucks, the holding period can range from 12 to 24 months. Consequently, although "at-risk vehicles" are similar to fixed assets, the Group classifies these vehicles in the balance sheet as current assets under "Fleet included in the balance sheet" – see Note 21.

2.10.2 Fleet financed by leases

The operated fleet may be financed by leases with financial institutions or with the finance divisions of car manufacturers which meet either the finance lease or the operating lease criteria. The accounting principles are in such cases identical to those mentioned in the Section on property, plant and equipment – leased assets.

(I) OPERATING LEASES

Contracts in which lessors do not transfer to Europcar the significant risks and rewards of ownership in substance meet the operating lease criteria as defined by IAS 17. Accordingly, the vehicles concerned are not recorded in the balance sheet. The rents paid for these vehicles are disclosed in Note 33 (a) "Operating leases".

(II) FINANCE LEASES

By contrast, when Europcar is exposed to a significant residual value risk under leasing arrangements with financial institutions or the finance divisions of car manufacturers, the arrangement is considered to be a finance lease.

In this case, such contracts are recognized in the balance sheet offsetting a liability. These assets are depreciated over their expected useful lives on the same basis as owned assets or over the term of the relevant lease if shorter.

As is the case for "at-risk" vehicles, their average holding period generally does not exceed 12 months. Therefore, vehicles financed under finance lease arrangements are recorded as current assets.

2.11 Financial assets and liabilities

Financial assets are classified under three categories: measured at fair value through income statement, through equity or measured at amortized cost. The classification of financial assets under IFRS 9 depends on two criteria: the business model of the entity regarding the management of financial assets and the characteristics of the contractual cash flows of financial assets. By default, the fair value through income statement is adopted.

Financial liabilities are classified under the following categories: financial liabilities measured at fair value through income statements and liabilities measured at amortized cost.

Management decides on the classification of assets and liabilities on initial recognition.

2.11.1 Financial assets

(I) FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Gains and losses arising from changes in the fair value of these instruments are recognized in other comprehensive income within equity, with the exception of impairment losses and monetary items such as translation differences. When derecognition of these instruments, the accumulated gain or loss stored in equity is recognized in the income statement. When these instruments include interest, interest is recognized in the income statement using the effective interest rate method.

Those assets that are not quoted in an active market and whose fair value cannot be reliably measured are measured at historical cost, less accumulated impairment losses.

Impairment of financial assets through other comprehensive income

A significant or prolonged decline in its fair value below its historical cost is also taken into account in determining the existence of an impairment loss. If any such an indication exists, the accumulated net loss previously recognized directly in equity is taken out of equity and recognized in the income statement.

Impairment losses on equity instruments recognized in the income statement are not reversed through the income statement until the sale of the equity instrument. After depreciation, an increase in the fair value of an equity instrument is recognized directly in equity.

(II) FINANCIAL ASSETS AT FAIR VALUE THROUGH INCOME STATEMENT

Financial assets at fair value through profit or loss mainly include investments in non-consolidated companies (see Note 19).

(III) FINANCIAL ASSETS AT AMORTIZED COSTS

Trade receivable related to fleet

See hereinafter Note 2.11.3 "Trade receivables and payables related to fleet".

Trade and other receivables

Trade receivables are amounts due from customers for services performed in the regular course of business, which are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less any provisions for impairment.

The impairment method is presented in paragraph (vi). The breakdown of receivables is shown in Note 23.

The impairment loss is recognized in the consolidated income statement in "Fleet operating, rental and revenue related costs" (see Note 6).

Cash and cash equivalents

Cash comprises cash in hand.

Cash equivalents include short-term and highly liquid investments such as marketable securities and obligations with a maturity of less than three months at the acquisition date, readily convertible to a known amount of cash and subject to an insignificant risk of a change in value. Financial instruments classified as cash and cash equivalents are accounted for at fair value through profit and loss.

Restricted cash

Cash and cash equivalents are considered as restricted when they are (i) used to cover the future settlement of insurance claims or (ii) not immediately available for financing the activity of the subsidiaries. Therefore, cash located in the following fleet and insurance SPEs is considered restricted:

- Securitifleet Holding and Securitifleet Holding Bis;
- FCT Sinople (securitization mutual fund);
- EC Finance plc; and
- Euroguard, a captive insurance structure.

Restricted cash and restricted cash equivalents are presented separately from cash and cash equivalents.

(IV) OTHER FINANCIAL ASSETS

The other financial assets are mainly non-derivative financial assets with fixed or determinable payments that are not quoted on an active market, which arise from the lending of money, or supply of goods or services. They include loans acquired, receivables and marketable securities not classified as cash and cash equivalents and the financial assets portfolio held by Euroguard (diversified bonds in various financial institutions).

These assets are initially recognized at fair value, including transaction costs. They are subsequently measured at amortized cost using the effective interest rate method.

The amortized cost of short-term receivables generally approximates the nominal amount of these items.

These assets are considered as non-current financial assets if their maturity is greater than 12 months or as current financial assets (see Note 19).

(V) IMPAIRMENT OF FINANCIAL ASSETS

Impairment of assets measured at amortized cost are estimated on the basis of expected losses on the credit risk of the counterparty according to a mechanism based on the difference between the discounted expected flows and the original flows or the outstanding balance sheet. Global impairment for a group of assets is performed when the characteristics of these assets together are similar.

Expected losses for buy-back receivables from car manufactures are assessed on the basis of the default probabilities of the Group's main manufacturers obtained from rating agencies. Expected losses for rental receivables are measured using historical loss rates. A further impairment can be booked when an objective indicator of depreciation with an incurred loss is observed.

Impairment of assets measured at amortized cost is detailed in Note 22.

The impairment of assets at fair value through equity is detailed in paragraph (i) Financial assets at fair value through equity.

2.11.2 Financial liabilities at amortized cost

These financial liabilities include:

- loans and borrowings;
- trade and other payables;
- bank overdrafts.

For short-term trade and other payables, amortized cost generally equals the 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 the amortization of transaction costs. Transaction costs are amortized on an effective interest rate basis over the term of the borrowings.

Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of current borrowings for the purposes of the statement of financial position and statement of cash flows.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

In case of debt restructuring, the carrying value of the financing is the sum of the discounted cash flows discounted at the original effective interest rate. The gain or loss resulting from the new characteristics of the debt is recognized immediately in profit and loss statement.

2.11.3 Trade receivable and payable related to fleet

Trade receivable related to fleet are composed of:

- fleet receivables due by car manufacturers or dealers repurchasing the vehicles after the vehicle has been returned to the car manufacturer at the end of the holding period (buy-back agreements). The fleet receivables are recorded at fair value, which corresponds to their nominal value. These receivables fall due within one year and are impaired if their carrying amount is greater than the estimated recoverable amount;
- the full amount of the Group's VAT receivables, since the major portion of these are fleet-related.

Rental fleet payables are amounts due to car manufacturers or dealers. These payables are recorded at fair value and fall due within one year. Rental fleet related payables include the full amount of the Group's VAT payables, since the major portion of the Group's VAT payables is fleet related.

In addition, the rental fleet and related payables and receivables include the effects of a major operating lease signed in 2009 under which the Group acquires vehicles from a manufacturer and sells them immediately to the lessor. The receivable (from the manufacturer) and payable (to the lessor) amounts recorded at inception of the lease are settled when the vehicles are returned to the manufacturer according to the buy-back arrangement. The asset from the manufacturer and liability to the lessor are of an equivalent amount that cannot be offset in the balance sheet in the absence of an enforceable right held by the Group.

2.11.4 Derivative financial instruments measured at fair value through income statement or other comprehensive income

Financial instruments are contracts that give rise to a financial asset in one entity and a financial liability or equity instrument in another entity.

The Group uses derivative financial instruments to manage its exposure to interest rate and foreign exchange risks. In accordance with its treasury management policy, the Group does not hold or issue derivative financial instruments for trading purposes.

When derivatives 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 a foreign operation as appropriate to the risks being hedged.

At the inception of the transaction, the Group documents the relationship between hedging instruments and hedged items, as well as its risk management objectives for undertaking the hedging transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items. The fair values of various derivative instruments used for hedging purposes are disclosed in Note 29.

At December 31, 2018, the Group did not hold any derivative instruments eligible for fair value or net investment hedge accounting.

CASH FLOW HEDGE ACCOUNTING

For qualifying cash flow hedges, the fair value gain or loss associated with the effective portion of the cash flow hedge is recognized initially in shareholders' equity (see Consolidated Statement of Comprehensive Income), then recycled to the income statement in the periods during which the hedged item will affect profit or loss. Any ineffective portion of the gain or loss on the hedging instrument is recognized in the income statement immediately in "Net financing costs" (see Note 13).

2.12 Treasury shares

Europcar Mobility Group shares held by the parent company are recorded at cost and deducted from consolidated equity. On disposal, the gain or loss and the related tax impacts are recorded as a change in equity.

2.13 Employee benefits

The Group provides post-employment benefits through defined contribution plans as well as defined benefit plans.

2.13.1 Defined contribution plans

A defined contribution plan is a pension plan under which the Group pays fixed contributions to an independent entity or a fund. The Group has no legal or implied obligation to pay further contributions after its payment of the fixed contribution if the fund does not have sufficient assets to pay all employee benefits due for current and prior periods. The Group contributes to public pension plans and insurance for individual employees which are deemed to be defined contribution plans. Contributions to the plans are recognized as an expense in the period in which the services are rendered by the employees.

2.13.2 Defined benefit plans

Plans that do not meet the definition of a defined contribution plan are defined benefit plans. The defined benefit plan operated by the Group defines the amount of pension benefit that an employee will receive on retirement by reference to length of service and final salary.

The legal obligation for any benefits remains with the Group, even if plan assets for funding the defined benefit plan have been set aside. Plan assets may include assets specifically designated to a long-term benefit fund.

The valuation of the Group's commitments with respect to defined benefit plans is performed by an external independent actuary using the projected unit credit method. This method requires specific actuarial assumptions that are detailed in Note 30 "Employee Benefits". These actuarial valuations are performed at the reporting date for each plan by estimating the present value of the amount of future benefits that employees have earned in return for their service in the current and prior periods and factoring in the effects of future salary increases.

Plan assets are usually held in separate legal entities and measured at fair value as determined at each reporting date.

In accordance with IAS 19, the liability recognized in the statement of financial position for defined benefit plans is the present value of the defined benefit obligation at the reporting date less the fair value of plan assets.

From one financial year to the next, the differences between the projected liabilities plus their re-estimated amounts, and the expected level of dedicated assets and their actual level, constitute actuarial differences, which are cumulated within each pension plan. These actuarial differences may result either from changes in actuarial assumptions used at the reporting date or from experience-related adjustments based on changes in prior-period assumptions.

The Group recognizes actuarial gains/losses in the consolidated statement of comprehensive income in the period in which they occur.

Past service costs are recognized immediately as operating expenses in "Personnel Costs".

Unwinding of discounts and the expected return on plan assets are recognized as financial expenses (see Note 13).

2.13.3 Long-term service benefits

The Group's net obligation in respect of long-term service benefits, other than for pension plans (or post-employment benefit plans), is the future benefit that employees have earned in return for services rendered in the current and prior periods, for example *Médailles du Travail* (long-service awards) in France and Jubilee awards in Germany. The obligation is calculated using the projected unit credit method and is discounted to its present value. The provision is recognized net of the fair value of any related assets (i.e. all the actuarial gains/losses and the past service costs are recognized immediately in the consolidated income statement).

2.13.4 Profit-sharing and bonus plans

The Group recognizes a liability and an expense for bonuses and profit-sharing, based on a formula that takes into consideration the profit attributable to Europcar Mobility Group's shareholders after certain adjustments. The Group recognizes a provision when required by a contractual obligation.

The related expenses are recognized in Personnel costs (see Note 7 "Personnel costs").

2.14 Provisions

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.

The impact of discounting provisions is recognized in other financial expenses.

2.15 Revenue

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 6).

No revenue is recognized if there are significant uncertainties regarding recovery of the consideration due.

The Group has launched a loyalty program covered by IFRIC 13—Customer Loyalty Programs. This program provides a free weekend rental, or discount coupons, after a certain number of rentals eligible for the program have been accumulated. Once acquired, these benefits may be used at the next rental, and are valid for 12 months.

Given its recent nature, the Group considers that the impacts of applying this standard, consisting of:

- considering the benefit accruing to the customer – such as a free weekend of car rental to be used within one year – as a separate component of a sale transaction;
- allocating a portion of the initial rental price to this weekend, and deferring it until the Group has fulfilled its obligations relating to this weekend are not material.

For this reason, no impact was reported as such in the consolidated financial statements as of the end of December 2018.

2.16 Expenses

2.16.1 Fleet holding costs

Fleet holding costs include vehicle costs such as the costs related to rental fleet agreements with car manufacturers through the recognition of vehicle depreciation charges (see "rental fleet") or with fund lenders (via lease rents), the taxes related to the vehicle fleet, and the 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 and off-balance sheet fleet operating lease expenses (see in Note 2 "Significant Accounting Policies" – 2.10 "Rental fleet").

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.

Payments made under operating leases are recognized in the consolidated income statement in "Fleet holding costs" on a straight-line basis over the term of the lease.

2.16.2 Fleet operating, rental and revenue related costs

Fleet operating costs relate to costs incurred during the fleet operating cycle for:

- 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.

2.16.3 Payments under finance lease contracts

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic interest rate on the remaining balance of the liability.

2.17 Option plan and similar

The Group has established plans granting free shares to management and certain employees. The fair value of these plans is equal to the value of the free shares on the grant date, and takes into account of the valuation of the restriction during any lock-in period (see Note 8). These plans result in the recognition of a personnel expense spread over the vesting period. The estimated cost to be recognized takes into account the employee turnover rate over the vesting period.

2.18 Other non-recurring income and expenses

2.18.1 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.

2.18.2 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, tangible and intangible 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.

2.19 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.

2.20 Income tax benefit/(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.

2.21 Earnings 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.

2.22 Indicators not defined by IFRS

Adjusted corporate EBITDA, defined as recurring operating income before non-fleet depreciation and amortization, after deduction of the interest expense on certain liabilities related to rental fleet financing. See Note 4, "Segment reporting" for a reconciliation of Adjusted corporate EBITDA to the amounts reported in the consolidated income statement.

NOTE 3 CHANGES IN SCOPE OF CONSOLIDATION

3.1 Main Changes in the scope of consolidation and the equity portfolio in 2018

3.1.1 Main acquisitions and disposals of the period

On April 4, 2018, Europcar Mobility Group sold its 25% stake in Car2go Europe GmbH to Daimler Mobility Services GmbH for an amount of €70 million. A net profit of €68.4 million was recognized in the income statement.

On April 25, 2018, Europcar Mobility Group acquired through its subsidiary Ubeeqo, 100% of Poleis Consulting and their brand Scooty, a Belgian electric scooter sharing start-up founded in 2016. The investment amounted to €0.1 million and the net assets acquired amounted to €(0.3) million. A transitional goodwill of €0.4 million was recognized as of December 31, 2018. Poleis Consulting has been fully consolidated by the Group since May 1, 2018.

The acquired business's contribution to the Group's revenue and operating results for the period from the date of acquisition until December 31, 2018 is not significant.

3.1.2 Earn-out payments on acquisitions in 2017

On May 25, 2018 and according to the shareholder's agreement related to Lor'Rent acquisition signed in 2017, a first earn out payment of €75 thousands was paid by the Group.

On June 04, 2018 and according to the shareholder's agreement related to Europcar Denmark acquisition signed in 2017, a first earn out payment of €5 million was paid by the Group. A remaining €1 million earn out is still recognized in the consolidated financial statements as of December 31, 2018.

On December 17, 2018 and according to the shareholder's agreement related to Europcar Ireland acquisition in 2017, a second earn out payment of €5.3 million was paid by the Group.

3.2 Purchase price allocation related to 2017 main acquisitions

3.2.1 Restatement of the 2017 comparative information

In 2018, Europcar Mobility Group adjusted the purchase price allocations of Buchbinder and Goldcar, acquired in 2017. In accordance with IFRS 3, the opening balance sheet was adjusted and intangible assets recognized as if the accounting of the business combination had been completed at the acquisition date together with a catch-up of the amortization for the period from the acquisition date to December 31, 2017 for a total amount of €1.0 million. The 2017 comparative information reflects these adjustments to the provisional amounts presented last year.

	December 31, as published	Update of Buchbinder purchase price allocation	Update of Goldcar purchase price allocation	Catch-up of amortization and deferred tax	December 31, restated
ASSETS					
Goodwill	1,138,793	(13,976)	(93,136)	-	1,031,681
Intangible assets	809,960	29,000	127,431	(994)	965,397
Property, plant and equipment	114,855	-	-	-	114,855
Deferred tax assets	56,757	2,707	813	-	60,277
Rental fleet recorded in the balance sheet	2,342,605	(3,292)	-	-	2,339,313
Other assets (1)	1,319,521	-	-	-	1,319,521
Cash and cash equivalents	345,610	-	-	-	345,610
TOTAL ASSETS	**6,128,101**	**14,439**	**35,108**	**(994)**	**6,176,654**
LIABILITIES					
Shareholders' equity	837,995	-	-	(698)	837,297
Provisions	365,235	3,400	3,250	-	371,885
Financial liabilities	3,520,402	-	-	-	3,520,402
Deferred tax liabilities	128,803	8,639	31,858	(296)	169,004
Other liabilities (2)	1,275,665	2,400	-	-	1,278,065
TOTAL LIABILITIES	**6,128,101**	**14,439**	**35,108**	**(994)**	**6,176,654**

(1) The other assets include the equity accounted investments, the financial assets current and non-current, the financial instruments non-current, the inventory, the trade and other receivables, the rental fleet and related receivables, the current tax assets.
(2) The other liabilities include the non-current financial liabilities, the other liabilities non-current, the current tax liabilities, the rental fleet related payables, the trade payables and other liabilities.

3.2.2 Purchase price allocations

BUCHBINDER

On September 20, 2017 the Group acquired 100% of **Buchbinder Group** for a total consideration of €124.8 million, including an estimated earn-out of €15 million. The purchase price allocation was initiated in 2017 and continued in 2018 with the help of an external independent appraiser expert. In 2017, the Buchbinder, Global and Megadrive trademarks for a total amount of €38.6 million were identified (respectively €32.9 million, €4.5 million and €1.2 million) and €11 million of deferred tax liabilities related to the above identified assets were recognized.

In 2018 the following assets and liabilities were recognized:

- customer relationship for €27.8 million;
- technology for €1.2 million;
- fleet depreciation for €3.3 million;
- contingent liabilities for €5.8 million.

Goodwill was also impacted with the recognition of deferred tax assets (€2.7 million) and liabilities (€8.6 million) related to the above identified assets and liabilities.

In accordance of IFRS 3, the identified assets and liabilities have been recognized as if the accounting of the business combination had been completed at the acquisition date together with a catch-up of the amortization for the period from September 1, 2017 to December 31, 2017 for a total amount of €1.0 million. The 2017 comparative information presented reflects such adjustments to the 2017 provisional amounts presented last year.

The net assets acquired amounted to €68.3 million and a goodwill of €56.5 million has been recognized.

IN THOUSANDS OF EUROS	Acquirees' carrying value before combination	Fair value adjustments	Fair Value
Intangible assets	3,051	67,551	70,602
Net Property plant and equipment	2,617	-	2,617
Net Rental fleet	268,689	(3,292)	265,397
Other assets	48,255	-	48,255
Deferred tax assets	239	2,708	2,947
Cash	11,597	-	11,597
Current financial liabilities	(272,398)	-	(272,398)
Deferred tax liabilities	(1,791)	(20,123)	(21,914)
Other liabilities	(32,999)	(5,800)	(38,799)
Net assets acquired	**27,260**	**41,044**	**68,304**
Consideration paid in cash			109,800
Earn out			15,000
Total purchase consideration			**124,800**
GOODWILL AS OF DECEMBER 31, 2018			56,496

GOLDCAR

On December 19, 2017 the Group acquired 100% of **Goldcar Group** for a total consideration of €562.2 million paid in cash.

The purchase price allocation has been conducted during 2018 with the help of an external independent appraiser expert.

In 2018 the following assets and liabilities were recognized:

- customer relationship for €3.7 million;
- technology for €5.9 million;
- Goldcar trademark for €117.8 million;
- contingent liabilities for €3.3 million.

Goodwill has been also impacted with the recognition of deferred tax assets (€0.8 million) and liabilities (€31.9 million) related to the above identified assets and liabilities.

The net assets acquired amounted to €150.1 million and a goodwill of €412.1 million has been recognized.

IN THOUSANDS OF EUROS	Acquirees' carrying value before combination	Fair value adjustments	Fair Value
Intangible assets	26,796	127,431	154,227
Net Property plant and equipment	12,596	-	12,596
Net Rental fleet	195,145	-	195,145
Other assets	86,760	-	86,760
Deferred tax assets	2,213	813	3,026
Cash	38,469	-	38,469
Current financial liabilities	(234,060)	-	(234,060)
Deferred tax liabilities	-	(31,858)	(31,858)
Other liabilities	(70,983)	(3,250)	(74,233)
Net assets acquired	**56,936**	**93,136**	**150,072**
Consideration paid in cash			562,207
Earn out			-
Total purchase consideration			**562,207**
GOODWILL AS OF DECEMBER 31, 2018			412,135

3.3 Main Changes in the scope of consolidation and the equity portfolio in 2017

- On September 20, 2017 the Group acquired 100% of the Buchbinder Group. Founded more than 60 years ago, Buchbinder is a recognized company in Germany, with a network of 152 stations including 18 airports and a fleet of more than 20,000 vehicles. It is the 5th largest car rental company on the German market with a very strong position in the rental of low-cost vehicles, and also has a leading position in the "Vans & Trucks" segment. Buchbinder is also one of the leaders in Austria and is present in Hungary and Slovakia.
- On December 19, 2017, the Group acquired 100% of the Goldcar group, one of the main low-cost players in Europe, thanks to its strong position in Spain and Portugal and its ability to operate a pure low-cost model simple and effective.
- On February 17, 2017, through its subsidiary Europcar Lab SAS, the Group took exclusive control of Ubeeqo, which until now has been consolidated under the equity method in the Europcar scope. As of March 1, 2017, Ubeeqo is integrated into the Group's accounts in full consolidation.
- On April 27, 2017 the Group acquired 100% of Europcar Denmark, one of its largest franchisees in terms of income, which has a market share of around 30% in its territory. Europcar Denmark operates an average fleet of 6,000 vehicles through 40 agencies.
- On July 18, 2017, the Group acquired 100% of Lor'Rent, which had been a major franchisee of the Europcar Mobility Group since 1980. Based in the "Grand Est" region, Lor'Rent is based in Luneville and has eight stations between the Vosges, the Moselle and the Meurthe and Moselle.
- On December 20, 2017, the Group acquired 100% of InterRent S.à.r.l, the Europcar franchisee in Luxembourg.

NOTE 4 SEGMENT REPORTING

In its financial statements for the year ended December 31, 2017, the Group presented segment information required by IFRS 8 according to two geographic segments, Europe and Rest of the World. Despite an organization by Business Units (Cars, Vans & Trucks, Low Cost, New Mobility and International Coverage) implemented as of January 2017, the Group continued to present its segment information according to geographical segments as the Group's day-to-day management was still mainly on the basis of country reporting.

In 2018, the Group finalized the implementation of this new organization, and adapted its reporting systems and operational management systems. The Group is now in a position to define and present the following segment information as per IFRS 8:

- **Cars & Vans & International Coverage:** operates the historical car rental activity of the Group with, on one side, its own rental fleet in 16 wholly-owned subsidiaries in Europe and 2 in Australia and New-Zealand; and on the other side, through a partners and franchisees network present both in the countries in which Europcar operates directly ("domestic franchises"), but especially in the other countries ("international franchises");
- **Low Cost:** activity that offers a car rental offer at low prices with a solid presence in the main tourist sites in Europe;
- **New Mobility:** activity that develops and deploys new mobility solutions (car-sharing, ride-hailing, car-pooling, etc.) thanks to digital platforms specially designed to meet the specific needs of customers.

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

The chief operating decision maker within the meaning of IFRS 8 – Operating Segments, is the Group's Management Board.

The Group Management Board regularly reviews the operating and financial performance, which are measured as follows:

- revenue from operations: includes vehicle rental income, territorial fees, other commissions related to the Group's trademarks and billed to franchisees, and fuel sales;
- margin on variable costs: corresponds to the total revenue net of fleet holding costs (excluding estimated interest included in operating leases) and costs related to operations, leasing and income from vehicle fleet activities;
- margin after station costs: corresponds to the margin on variable costs less network operation costs and marketing expenses and fleet financing costs.

The margin after station costs is considered to be the most appropriate indicator to monitor Group's profitability and is thus followed only at the level of the three operating segments identified above.

Adjusted corporate EBITDA: recurring operating income before depreciation and amortization, after deduction of the interest expense on liabilities related to rental fleet financing.

SEGMENT REPORTING INFORMATION

In accordance with IFRS 8, the information by operating segments at December 31, 2018 is as follows:

	Twelve months 2018				
IN MILLIONS OF EUROS	Note	Cars, Vans & Icov	Low Cost	New Mobility	Total segments
Vehicle rental income		2,372,479	375,556	-	2,748,035
Other revenue associated with car rental		78,325	12,620	35,633	126,578
Franchising business		54,676	-	-	54,676
Segment revenue		**2,505,480**	**388,176**	**35,633**	**2,929,289**
Fleet holding, operating, rental and revenue-related costs		1,472,165	251,650	29,514	1,753,329
Finance charges included in operating leases		(50,892)	(4,288)	-	(55,180)
Margin after variable costs		**1,084,207**	**140,814**	**6,119**	**1,231,140**
Personnel costs and network and headquarters overhead costs		393,282	58,614	7,676	459,572
Reversal of depreciation, amortization and impairment charges		50,892	4,288	-	55,180
Net fleet financing expenses		56,395	9,408	9	65,812
Margin after station costs	**13**	**583,638**	**68,504**	**(1,566)**	**650,576**
Headquarters overheads					335,101
Amortization and depreciation expense					44,361
Other income and expenses					(11,778)
Net fleet financing expenses					(65,812)
Current operating income					**348,704**
Reversal of depreciation, amortization and impairment charges					(44,361)
Net fleet financing expenses					65,812
Adjusted corporate EBITDA					**327,253**

Segment information for prior periods has not been restated for changes in operating segments.

Segment information by geographic criteria is as follows at December 31, 2018 and December 31, 2017.

		Twelve months 2018			
IN THOUSANDS OF EUROS	Note	Europe	Rest of the world	Eliminations & Holding companies	Segment total
Vehicle rental income		2,599,394	148,942	(301)	2,748,035
Other revenue associated with car rental		131,665	2,995	(8,082)	126,578
Franchising business		31,472	23,204	-	54,676
Segment revenue		**2,762,531**	**175,141**	**(8,383)**	**2,929,289**
Current operating income		**273,780**	**38,296**	**36,628**	**348,704**
Reversal of depreciation and impairment charges		24,295	1,095	18,971	44,361
Net fleet financing expenses	13	(63,125)	(2,687)	-	(65,812)
Adjusted corporate EBITDA of the segments		**234,950**	**36,704**	**55,599**	**327,253**
Total assets		3,968,154	163,543	2,362,939	6,494,636
Total liabilities		4,006,932	124,098	1,473,739	5,604,769

		Twelve months 2017			
IN THOUSANDS OF EUROS	Note	Europe	Rest of the world	Eliminations & Holding companies	Segment total
Vehicle rental income		2,104,292	150,747	301	2,255,340
Other revenue associated with car rental		108,186	3,176	(6,379)	104,983
Franchising business		30,933	20,405	-	51,338
Segment revenue		**2,243,411**	**174,328**	**(6,078)**	**2,411,661**
Current operating income		**220,649**	**38,559**	**34,702**	**293,910**
Reversal of depreciation and impairment charges		14,636	1,162	14,055	29,853
Net fleet financing expenses	13	(58,791)	(3,074)	1,925	(59,940)
Adjusted corporate EBITDA of the segments		**176,494**	**36,647**	**50,682**	**263,823**
Total assets		2,334,809	162,064	3,631,228	6,128,101
Total liabilities		2,440,074	127,237	2,722,795	5,290,106

(i) Disclosure by country and customer segment

IN THOUSANDS OF EUROS	Twelve months 2018	Twelve months 2017
Vehicle rental income	2,748,035	2,255,340
Breakdown of customers by segment		
Leisure	59.9%	56.4%
Business	40.1%	43.6%

(ii) Segment information by geographical areas

The Group operates in four main markets: France, Germany, the United Kingdom, 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.

IN THOUSANDS OF EUROS	France	United Kingdom	Germany	Other European countries	Rest of the world [(2)]	Unallocated items	Total
December 31, 2018							
Revenue from external customers	413,429	390,711	755,595	1,186,970	152,524	30,060	2,929,289
Non-current assets [(1)]	40,722	80,450	202,358	772,381	33,158	1,171,804	2,300,873
Goodwill	*93,875*	*91,945*	*235,364*	*525,613*	*26,321*	*56,727*	*1,029,845*

(1) The non-current assets presented in "Unallocated items" primarily reflect trademarks.
(2) The rest of the world primarily corresponds to Australia and New Zealand.

IN THOUSANDS OF EUROS	France	United Kingdom	Germany	Other European countries	Rest of the world [(2)]	Unallocated items	Total
December 31, 2017							
Revenue from external customers	382,533	401,414	624,373	835,091	174,328	(6,078)	2,411,661
Non-current assets [(1)]	108,058	115,565	320,922	763,849	35,334	839,501	2,183,229
Goodwill	*93,875*	*92,380*	*249,341*	*618,582*	*27,888*	*56,727*	*1,138,793*

(1) The non-current assets presented in "Unallocated items" primarily reflect trademarks.
(2) The rest of the world primarily corresponds to Australia and New Zealand.

(iii) Revenue of Business Units

	Twelve months 2018					
IN THOUSANDS OF EUROS	CARS	VANS	LOWC	MOBI	ICOV	TOTAL
Segment revenue	2,121,575	344,211	388,176	35,633	39,694	2,929,289

	Twelve months 2017					
IN THOUSANDS OF EUROS	CARS	VANS	LOWC	MOBI	ICOV	TOTAL
Segment revenue	1,938,640	267,288	130,626	24,692	50,415	2,411,661

NOTE 5 FLEET HOLDING COSTS

IN THOUSANDS OF EUROS	Twelve months 2018	Twelve months 2017
Costs related to rental fleet agreements [(1)]	(665,375)	(514,323)
Purchase and sales related costs [(2)]	(44,260)	(50,738)
Taxes on vehicles	(53,392)	(40,332)
TOTAL FLEET HOLDING COSTS	**(763,027)**	**(605,393)**

(1) The costs relating to rental fleet agreements mainly consist of: (i) vehicle depreciation expenses, and (ii) fleet operating lease expenses (see Note 2 "Significant Accounting Policies", Section 2.10 "Rental fleet").
During the year ended December 31, 2018, the Group recognized a depreciation expense, net of volume rebates, of €329.3 million (€232.3 million in 2017), in the income statement under the item "Costs related to rental fleet agreements". This depreciation expense relates to vehicles subject to manufacturer or dealer buy-back agreements and "at-risk" vehicles.
"Costs related to rental fleet agreements" also include operating lease payments amounting to €339.3 million (December 2017: €284.4 million) relating to operating lease agreements. The off-balance sheet rental commitments in respect of rental fleets operated under operating leases are presented in Note 33 (a) "Operating leases".
(2) The costs related to the acquisition and disposal of vehicles include the costs for vehicle accessories and the conditioning of new vehicles and the sale of used cars.

NOTE 6 FLEET OPERATING, RENTAL AND REVENUE RELATED COSTS

IN THOUSANDS OF EUROS	Twelve months 2018	Twelve months 2017
Fleet operating costs [(1)]	(337,379)	(297,284)
Revenue-related commissions and fees [(2)]	(375,054)	(310,950)
Inc. trade receivables allowances and write-offs	(16,561)	(8,455)
Rental related costs [(3)]	(277,869)	(233,691)
TOTAL FLEET OPERATING, RENTAL AND REVENUE RELATED COSTS	**(990,302)**	**(841,925)**

(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.

NOTE 7 PERSONNEL COSTS

PERSONNEL COSTS

IN THOUSANDS OF EUROS	Twelve months 2018	Twelve months 2017
Wages and salaries [(1)]	(382,669)	(308,687)
Social security contributions	(94,261)	(73,850)
Post-employment benefits	(7,179)	(6,686)
Other items	(16,227)	(15,526)
TOTAL PERSONNEL COSTS	**(500,336)**	**(404,749)**

(1) *Includes the costs relating to bonuses and profit-sharing, as well as the IFRS 2 impacts on bonus share plans implemented amounted of (€2.9) million in 2018 including social charges, compared with (€2.4) million in 2017.*

HEADCOUNT

IN AVERAGE NUMBER OF FTES	At December 31, 2018	At December 31, 2017
TOTAL HEADCOUNT	**8,999**	**7,441**

The workforce data shown above represent annual averages within the Group, excluding the data relating to the Buchbinder group of companies acquired by Europcar Mobility Group at the end of 2017. The Group also uses a certain number of temporary workers as well as external service providers, mainly for vehicle transit and cleaning during peak periods, and in accordance with the applicable legislation in each of the countries in which the Group operates.

These employees are not included in the data presented above.

Headcount at December 31, 2017 excludes data on acquisitions made in 2017.

NOTE 8 SHARE-BASED PAYMENTS

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 favour of some employees or managers of the Group. This authorization has been given for a 26-months period and is valid until July 8, 2018.

"AGA17"

On February 24, 2017, the Supervisory Board authorized the Management Board to implement free performance shares award scheme for the management and certain employees of the Group ('AGA 17' plan).

The acquisition of these performance shares, following a vesting period of two years (or three years for non-French residents under option), 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, 2017 and December 31, 2018, performance conditions related to (i) Group EBITDA, (ii) revenue, and (iii) a relative TSR (Total Shareholder Return).

When the vesting period is equal to two years, a one-year retention period is required for fee shares. No retention period is required when the vesting period is equal to 3 years.

The number of free shares initially granted was 591,000. As of December 31, 2018, 558,900 free-shares on AGA 17 are still outstanding.

"AGA18"

On March 20, 2018, the Supervisory Board authorized the Management Board to implement free performance shares award scheme for the management and certain employees of the Group ('AGA 18' plan).

The acquisition of these performance shares, following a vesting period of three years, is subject to the beneficiary's continued employment with the Group on the vesting date, and the achievement of the following performance conditions for the fiscal year ended December 31, 2018, December 31, 2019 and December 31, 2020, performance conditions related to (i) Group EBITDA, (ii) revenue, and (iii) a relative TSR (Total Shareholder Return).

In addition, following the vesting period of three years, no retention period is planned.

The number of free shares initially granted was 901,781. As at December 31, 2018, 883,781 free-shares on AGA 18 are still outstanding.

The details of the plans are below:

	Type of plan	Grant Date	Number of shares initially granted	Number of shares outstanding	Vesting period	Vesting date	Estimated fair value (in €) *
AGA 17	Free shares	March 14, 2017	195,400	195,400	2 years	March 14, 2019	9.19
AGA 17	Free shares	April 26, 2017	326,100	300,000	2 years	April 26, 2019	10.27
AGA 17	Free shares	July 4, 2017	69,500	63,500	2 years	July 4, 2019	11.82
AGA 18	Free shares	July, 25 2018	658,981	640,981	3 years	July 25, 2021	7.98
AGA 18	Free shares	October 25, 2018	242,800	242,800	3 years	October 25, 2021	7.57

* *Fair value at grant date.*

The employers' contribution at the rate of 30% for the AGA 17 plan and at 20% for the AGA 18 plan, was calculated on a basis corresponding to the unit fair value of the shares as estimated on the grant date.

Movements relating to the free shares in 2018 and 2017, to which IFRS 2 standard "Share-based payments" applies, are as follows:

	Number of free shares
Currently vesting as of January 1, 2017	**1,459,759**
Granted	591,000
Cancelled	(1,188,948)
Delivered	(285,711)
Currently vesting as of December 31, 2017	**576,100**
Granted	883,781
Cancelled	(17,200)
Delivered	-
CURRENTLY VESTING AS OF DECEMBER 31, 2018	**1,442,681**

In December 31, 2018, the impact on the income statement for services received was an expense of €2.5 million compared with €2.1 million as at December 31, 2017. The counterpart has been credited to equity.

For AGA 17 and AGA 18 plans, the dividend rate was 3%. The fair values on the grant date were calculated by deducting the dividends discounted during the vesting period. For AGA 17 plan, the discounted cost of non-transferability was considered to be nil as there is a 1-year lock-in period.

Significant assumptions used

The weighted average fair value of the allocated shares was determined on the grant date using the Monte Carlo simulation model.

NOTE 9 NETWORK AND HEAD OFFICE OVERHEAD COSTS

IN THOUSANDS OF EUROS	Twelve months 2018	Twelve months 2017
Network costs [1]	(119,896)	(98,768)
IT costs	(49,250)	(38,677)
Telecom costs	(9,994)	(7,952)
Head office costs [2]	(83,794)	(74,250)
Sales and marketing costs	(31,403)	(30,343)
TOTAL NETWORK AND HEAD OFFICE OVERHEAD COSTS	**(294,337)**	**(249,990)**

(1) Network costs consist of rental expenses for premises and network overhead costs.
(2) Head office costs consist of rental and traveling expenses and audit and consulting fees incurred at Group level.

NOTE 10 AMORTIZATION, DEPRECIATION AND IMPAIRMENT EXPENSE

IN THOUSANDS OF EUROS	Twelve months 2018	Twelve months 2017
Amortization of intangible assets	(23,939)	(13,390)
Depreciation of property, plant and equipment	(20,422)	(16,463)
Impairment expense	-	-
TOTAL AMORTIZATION, DEPRECIATION, AND IMPAIRMENT EXPENSE	**(44,361)**	**(29,853)**

NOTE 11 OTHER INCOME AND EXPENSES

This category includes net income related to certain commercial agreements, the release of provisions and other items.

IN THOUSANDS OF EUROS	Twelve months 2018	Twelve months 2017
Contractual income	1,829	2,680
Release of surplus provisions	1,334	383
Foreign exchange gains/(losses) on operating activities	3,960	2,458
Gains (losses) on the disposal of property, plant and equipment	255	3,049
Other items, net	4,400	5,589
TOTAL OTHER INCOME AND EXPENSES	**11,778**	**14,159**

NOTE 12 OTHER NON-RECURRING INCOME AND EXPENSES

IN THOUSANDS OF EUROS	Twelve months 2018	Twelve months 2017
Reorganization charges	(22,403)	(34,528)
Inc.: Reorganization – redundancy expenses	(10,953)	(20,155)
Reorganization and transformation expenses	(11,450)	(14,373)
Disputes (1)	(8,275)	(19,877)
Merger and Acquisitions costs and integration costs (2)	(12,039)	(12,938)
Other (3)	63,091	(3,333)
Total other non-recurring expense	**42,777**	**(36,148)**
TOTAL OTHER NON-RECURRING INCOME AND EXPENSES	**20,374**	**(70,676)**

(1) In 2017, €45 million reversal of the provision related to the proceedings with the Authority of the French Competition (Note 35 "Contingencies") and (€43) million due to the accrual of provision related to the Trading Standard investigation in the UK (Note 35 "Contingencies").
(2) Of which, in 2018, €10 million related to the integration of Goldcar.
(3) In 2018 including €68 million related to the profit on disposal of Car2Go.

NOTE 13 NET FINANCING COSTS

IN THOUSANDS OF EUROS	Twelve months 2018	Twelve months 2017
Net fleet financing expenses	(65,812)	(59,940)
Net other financing expenses	(64,366)	(41,270)
Gross financing costs	**(130,178)**	**(101,210)**
Expense on derivative financial instrument	(6,240)	1,389
Amortization of transaction costs	(16,577)	(9,896)
Foreign exchange gain or losses	350	(881)
Cost of discounting social commitments	(2,003)	(1,866)
Other (1)	(21,725)	(28,201)
Other financial expenses	**(46,195)**	**(39,455)**
NET FINANCING COSTS	**(176,373)**	**(140,665)**

(1) Including in 2018 €8 million related to the impairment of the non-consolidated investment in Snappcar. Including in 2017 €6.8 million related to non-amortized transaction costs and €8.9 million related to redemption premium bond.

For the year ended December 31, 2018, the total interest expense on financial liabilities at amortized cost amounted to €130.7 million (December 2017: €102,0 million) and the total interest income on financial assets at amortized cost amounted to €0.5 million (December 2017: €0.8 million).

NOTE 14 TAX

14.1 Tax in the Income statement

IN THOUSANDS OF EUROS	Twelve months 2018	Twelve months 2017
Current tax	(42,019)	(18,966)
Deferred tax [1]	(9,949)	5,556
TOTAL INCOME TAX EXPENSE	**(51,968)**	**(13,410)**

(1) In 2017, deferred tax takes into account the decrease in the corporate tax rate in France from 28.92% to 25.83% as of 2022, introduced by the Finance law for 2017. This change had a positive impact of €11 million related to the revaluation of deferred tax liabilities calculated on the Europcar brand.

The theoretical tax expense based on Europcar Mobility Group's statutory tax rate (i.e., the standard corporate income tax rate in France of 33.33% to which is added the corporate income tax social security contribution of 3.3% on the amount of corporate income tax above €763,000) can be reconciled to the tax expense reported in the income statement as follows:

IN THOUSANDS OF EUROS	Twelve months 2018	Twelve months 2017
Profit/loss before tax	**192,705**	**82,569**
Statutory tax rate	34.43%	34.43%
Theoretical tax	**(66,348)**	**(28,428)**
Impact of differences in tax rates [1]	17,004	18,218
Permanent differences [2]	26,960	17,529
Capitalization of losses and temporary differences that were formerly not recognized	5,957	9,332
Unrecognized deferred tax assets [3]	(22,108)	(28,551)
Impact of French business contribution on added value (CVAE), Italy's regional tax on productive activities (IRAP) *and German* Trade Tax	(17,766)	(10,307)
Other [4]	4,334	8,797
INCOME TAX BENEFIT/(EXPENSE)	**(51,968)**	**(13,410)**
Effective tax rate	(26.97)%	(16.24%)

(1) In 2017, €11 million related to the decrease in the corporate tax rate in France from 28.92% to 25.83% as of 2022.
(2) Of which, in 2018, €21 million attributable to the capital gain on the disposal of Car2Go. Among which in 2017, €15 million in connection with a reversal of provision of the French Competition Authority of €45 million.
(3) In 2018, mainly related to unrecognized deferred tax in France (€10 millions) and in Spain (€7 million). In 2017 mainly related to unrecognized differed tax assets in France (€23 million).
(4) In 2018, adjustments of €5 million on previous years, mainly in the UK. In 2017, a reversal of provision for tax risk in France for €9 million and a negative impact of €2 million for adjustments on previous years.

14.2 Deferred taxes in the consolidated balance sheet

(i) Deferred tax assets and liabilities and temporary differences recognized during the period

IN THOUSANDS OF EUROS	December 31, 2017	Adjustment on purchase price allocation	December 31, 2017 restated	Recognized in income statement	Fair value adjustment in OCI	Translation reserve and Reclassification	December 31, 2018
Property, plant and equipment	(4,916)	-	(4,916)	(57)	-	11	(4,962)
Intangible assets	(237,111)	(40,201)	(277,312)	868	-	5	(276,439)
Rental fleet	(15,716)	981	(14,735)	161	-	395	(14,179)
Investments in subsidiaries	71	-	71	2,927	-	-	2,998
Other financial assets	2,432	-	2,432	(779)	-	(26)	1,627
Receivables and other assets	7,779	-	7,779	3,052	-	(2)	10,829
Prepaid and deferred charges	2,983	-	2,983	310	-	(3)	3,290
Employee benefits	11,054	-	11,054	(4,558)	2,699	(26)	9,169
Deferred income	10,445	-	10,445	(1,019)	-	1	9,427
Provisions	22,632	1,825	24,457	(225)	-	-	24,232
Derivative liabilities	29	-	29	122	-	-	151
Other debt	(4,462)	714	(3,748)	(753)	-	68	(4,433)
Tax losses carried forward	132,734	-	132,734	(9,998)	-	(37)	(122,699)
DEFERRED TAX ASSETS/ (LIABILITIES)	**(72,046)**	**(36,681)**	**(108,727)**	**(9,949)**	**2,699**	**387**	**(115,591)**
Deferred tax assets	**56,757**	**-**	**60,277**	**-**	**-**	**-**	**58,209**
Deferred tax liabilities	**(128,803)**	**-**	**(169,004)**	**-**	**-**	**-**	**(173,799)**

IN THOUSANDS OF EUROS	January 1, 2017	Reclassification	Changes in scope of consolidation	Recognized in income statement	Fair value adjustment in OCI	Translation reserve	December 31, 2017
Property, plant and equipment	(2,324)	-	(1,843)	(749)	(46)	46	(4,916)
Intangible assets	(224,623)	-	(12,460)	(52)	-	24	(237,111)
Rental fleet	248	-	(14,724)	(1,236)	61	(65)	(15,716)
Investments in subsidiaries	73	-	-	-	-	(2)	71
Other financial assets	(262)	-	-	2,694	-	-	2,432
Receivables and other assets	240	-	(136)	2,776	4,909	(10)	7,779
Prepaid and deferred charges	2,136	-	-	(168)	1,061	(46)	2,983
Employee benefits	15,561	-	-	(1,573)	(2,946)	12	11,054
Deferred income	1,910	-	(287)	8,809	13	-	10,445
Provisions	18,560	-	383	3,243	422	24	22,632
Derivative liabilities	-	-	-	-	29	-	29
Other debt	5,655	37	(353)	1,753	(11,591)	37	(4,462)
Tax losses carried forward	133,721	-	2,533	(9,904)	6,388	(4)	132,734
DEFERRED TAX ASSETS/ (LIABILITIES)	**(49,105)**	**37**	**(26,887)**	**5,593**	**(1,700)**	**16**	**(72,046)**
Deferred tax assets	**58,743**	**-**	**-**	**-**	**-**	**-**	**56,757**
Deferred tax liabilities	**(107,848)**	**-**	**-**	**-**	**-**	**-**	**(128,803)**

Aside from the French tax group, on which a portion of tax losses have been recognized as deferred tax assets for 50% of the amount of the deferred tax liabilities related to the Europcar trademark, the other deferred tax assets recognized must be used within five years.

(ii) Unrecognized deferred tax assets

Deferred tax assets are recognized up to the amount of available deferred tax liabilities and recoverability projections derived from business plans.

IN MILLIONS OF EUROS	**Twelve months 2018**	Twelve months 2017
Relating to temporary differences	40,712	33,014
Relating to tax losses carried forward	117,997	103,100
TOTAL OF UNRECOGNIZED DEFERRED TAX ASSETS (1)	**158,710**	**136,114**

(1) *Unrecognized deferred tax assets are primarily in France (€97 million in 2018 and €86 million in 2017), in Spain (€37 million in 2018 and 2017) and Italy (€20 million in 2018 and €19 million in 2017). All tax losses, including Spain since 2015, may be carried forward indefinitely. Certain tax jurisdictions (for example France, Spain, Italy) may cap the use of tax losses according to a percentage defined by tax laws which may be modified each year.*

NOTE 15 GOODWILL

IN THOUSANDS OF EUROS	Gross value	Impairment loss	Fair value
Balance at January 1, 2017	**653,564**	**(194,068)**	**459,496**
Acquisitions [(1)]	682,513	-	682,513
Impairment	-	-	-
Reclassification	429	-	429
Effect of movements in foreign exchange rates	(3,923)	278	(3,645)
BALANCE AT DECEMBER 31, 2017	**1,332,583**	**(193,790)**	**1,138,793**
Balance at January 1, 2018	**1,332,583**	**(193,790)**	**1,138,793**
Adjustment on purchase price allocation of Buchbinder and Goldcar [(2)]	(107,112)	-	(107,112)
Balance at January 1, 2018 restated	**1,225,471**	**(193,790)**	**1,031,681**
Acquisitions	409	-	409
Reclassification	(243)	-	(243)
Effect of movements in foreign exchange rates	(2,979)	977	(2,002)
BALANCE AT DECEMBER 31, 2018	**1,222,658**	**(192,813)**	**1,029,845**

(1) In 2017 €505.3 million related to Goldcar acquisition, €70.5 million related to Buchbinder acquisition, €34.7 million related to the Irish franchisee, €38.7 million related to the Danish franchisee, €29.9 million related to the Ubeeqo takeover and its full integration in Group financial statements as at March 1, 2017 (including €11,5 million of pre-acquisition goodwill on Bluemove and Guidami), €1.7 million related to Australian Franchisee acquisition of assets and €1.5 million related to the acquisition of the franchisee Lor'Rent.
(2) See Note 3.2.1 "Restatement on 2017 comparative information".

Goodwill arises from past acquisitions of franchisees and subsidiaries in the normal course of the Group's activities.

15.1 Annual impairment test

In accordance with IAS 36 – Impairment of Assets, the Group performs impairment testing of the carrying value of goodwill. The Group prepares and internally approves formal three-year business plans for each of its geographical segments. For impairment testing purposes, the three-year plan is extended to five years. The 2019 budget and the 2020 and 2021 business plans were prepared taking into account (i) economic growth forecasts in the countries where the Group operates, (ii) current macroeconomic data for each country, (iii) air traffic growth forecasts, (iv) trends in the vehicle rental market and competitive pressure, and (v) new projects and products in the development phase. Beyond 2021, revenue growth assumptions are conservative, and the projected profit margin is stable. The Group considers that each country corresponds to a cash-generating unit (CGU). When performing impairment tests, the Group calculates cash flows from Adjusted corporate EBITDA and uses the following assumptions, being the same as last year ones:

- adjusted corporate EBITDA according to the three-year plan;
- the terminal value of each CGU is based on a perpetuity growth rate of 2%;
- the weighted average cost of capital (WACC) is applied to the cash flows of each CGU based on the average risk-free rate (average over a five-year period) corresponding to the German risk-free rate for ten year bonds adjusted for a risk premium for each country.

15.2 Goodwill from rental activities held by the Group, analyzed by cash generating unit

The Group has defined some new operating segments in accordance with IFRS 8 following the implementation of its new organization (see Note 4). This new operating segment definition has had no impact on the definition of the Cash Generating Units.

IN THOUSANDS OF EUROS	Germany	UK	France	Other	Total CARS, VANS, ICOV	Total LOWC	Ubeeqo	Other	Total MOBI	Total Group
Balance at January 1, 2017	**180,325**	**83,724**	**91,772**	**92,766**	**448,587**	**-**	**-**	**10,908**	**10,908**	**459,496**
Acquisition	-	-	1,568	143,330	144,898	505,274	29,748	2,593	32,341	682,513
Reclassification	-	-	429	-	429	-	-	-	-	429
Effect of movements in foreign exchange rates	-	(1,841)	-	(1,452)	(3,265)	-	-	(380)	(380)	(3,645)
BALANCE AT DECEMBER 31, 2017	180,325	81,910	93,769	234,645	590,649	505,274	29,748	13,122	42,870	1,138,793
Adjustment on purchase price allocation of Buchbinder and Goldcar [1]	-	-	-	(13,977)	(13,977)	(93,135)	-	-	-	(107,112)
Balance at January 1, 2018	**180,325**	**81,910**	**93,769**	**220,668**	**576,672**	**412,139**	**29,748**	**13,122**	**42,870**	**1,031,681**
Acquisition	-	-	-	-	-	-	-	409	409	409
Disposal	-	-	-	-	-	-	-	(59)	(59)	(59)
Other	-	-	-	(5)	(5)	-	-	(179)	(179)	(184)
Effect of movements in foreign exchange rates	-	(408)	-	(1,508)	(1,917)	-	-	(85)	(85)	(2,002)
BALANCE AT DECEMBER 31, 2018	180,325	81,502	93,769	219,154	574,746	412,139	29,748	13,207	42,955	1,029,845

(1) See Note 3.2.1 "Restatement of comparative information for 2017".

15.3 WACC

	France	Germany	Italy	Spain	UK	Belgium	Portugal	Australia	Ireland	Denmark
WACC	5.75%	5.45%	7%	6.59%	6.82%	6.84%	9.08%	7.29%	7.83%	6.80%

The terminal value is based on normalized cash flows discounted over an indefinite period, with a perpetuity growth rate of 2%. The risk-free rate is based on the German risk-free rate for bonds with a 10-year maturity (average over a five-year period), adjusted by a risk premium for each country in line with a credit risk premium based on a BB credit rating.

The Group considers that the weighted average cost of capital should be determined based on an historical equity risk premium of 5.5%, in order to reflect the long-term assumptions factored into the impairment tests.

The gearing used when determining the WACC is based on the annual average debt to equity ratio issued by comparable companies on a quarterly basis.

15.4 Sensitivity analysis

Goodwill was subject to an impairment test performed by the Company as described in the "Goodwill" section of Significant Accounting Policies and in section (a) above.

Europcar did not identify any probable scenario allowing to think that the recoverable amount of a generating cashflow unit may be less than is accounting value in any country. The sensitivity analysis relative to the assumptions used indicate that no impairment losses would be recognized in the following scenarios:

- a 1 percentage point increase in the discount rate;
- a 1 percentage point decrease in the growth rate;
- a 5% decrease in adjusted corporate EBITDA.

In 2016, the United Kingdom chose to leave the European Union ("Brexit") which generates uncertainties that may contribute to volatility in the value of the pound sterling or the euro and may have adverse effect on the Group's business in the United Kingdom. The means whereby Brexit will be implemented and its consequences were not known at December 31, 2018.

The Group estimates that on the United Kingdom Cash Generating Unit included in Cars, Vans & International Coverage segment:

- a 1 percentage increase in the discount rate would decrease the enterprise value by £92 million, without generating an impairment;
- a 1 percentage decrease in the growth rate would decrease the enterprise value by £73 million, without generating an impairment;
- a 5% percentage decrease in the adjusted Corporate EBITDA starting in 2019 would decrease the enterprise value by £30 million, without generating an impairment.

NOTE 16 INTANGIBLE ASSETS

IN THOUSANDS OF EUROS	Trademarks	Software, operating systems	Customer relationship	Intangible assets in progress	Leasehold rights	Total
Gross values						
Balance at January 1, 2017	**730,273**	**247,371**	**-**	**29,400**	**1,529**	**1,008,573**
Changes in scope of consolidation [1]	58,159	22,990	-	817	246	82,212
Other acquisitions	-	2,752	3,968	25,151	-	31,871
Disposals	(14)	(344)	-	(501)	-	(859)
Transfers	-	400	-	-	-	400
Effect of movements in foreign exchange rates	(1,864)	(497)	-	(1)	-	(2,362)
Balance at December 31, 2017	**786,554**	**272,672**	**-**	**54,866**	**1,775**	**1,119,835**
BALANCE AT JANUARY 1, 2018	786,554	272,672	3,968	54,866	1,775	1,119,835
Adjustment on purchase price allocation of Buchbinder and Goldcar [2]	117,800	7,100	31,531	-	-	156,431
Balance at January 1, 2018 adjusted	**904,354**	**279,772**	**35,499**	**54,866**	**1,775**	**1,276,266**
Changes in scope of consolidation [1]	-	(82)	-	-	8	(74)
Other acquisitions	5	14,156	-	32,439	1	46,601
Disposals	-	(1,537)	-	(668)	(31)	(2,236)
Transfers	1,607	33,228	-	(31,942)	(251)	2,642
Effect of movements in foreign exchange rates	(419)	(221)	-	-	-	(640)
BALANCE AT DECEMBER 31, 2018	**905,547**	**325,316**	**35,499**	**54,695**	**1,502**	**1,322,559**
Depreciation and impairment losses						
Balance at January 1, 2017	**(55,820)**	**(233,628)**	**-**	**(2,854)**	**(1,062)**	**(293,364)**
Increases/decreases related to changes in scope of consolidation	(313)	(4,897)	-	-	(258)	(5,468)
Amortization	-	(13,293)	-	-	(84)	(13,377)
Disposals	-	10	-	-	(2)	8
Transfers	-	32	-	-	-	32
Effect of movements in foreign exchange rates	1,861	433	-	-	-	2,294
BALANCE AT DECEMBER 31, 2017	(54,272)	(251,343)	-	(2,854)	(1,406)	(309,875)
Balance at January 1, 2018	**(54,272)**	**(251,343)**	**-**	**(2,854)**	**(1,406)**	**(309,875)**
Adjustment on purchase price allocation of Buchbinder and Goldcar [2]	-	(67)	(927)	-	-	(994)
Balance at January 1, 2018 adjusted	**(54,272)**	**(251,410)**	**(927)**	**(2,854)**	**(1,406)**	**(310,869)**
Increases/decreases related to changes in scope of consolidation	-	14	-	-	-	14
Amortization	(2)	(20,299)	(3,814)	-	182	(23,933)
Disposal	-	565	-	-	(276)	289
Transfers	(1,607)	(1,338)	-	-	263	(2,682)
Effect of movements in foreign exchange rates	420	218	-	-	-	638
BALANCE AT DECEMBER 31, 2018	**(55,461)**	**(272,250)**	**(4,741)**	**(2,854)**	**(1,237)**	**(336,543)**
Net carrying amounts						
At December 31, 2017	**850,082**	**28,362**	**34,572**	**52,012**	**369**	**965,397**
At December 31, 2018	**850,086**	**53,066**	**30,758**	**51,841**	**265**	**986,016**

(1) The changes in scope of consolidation for the trademarks are mainly related to the trademarks identified during the purchase price allocation following the acquisition of Buchbinder Group for €39 million (refer to Note 3 "Changes in scope of consolidation and the equity portfolio") and the consolidation of Goldcar as of December 31, 2017 for €19 million.

(2) The fair value allocation of the acquisitions in 2017 continued and was finalized in 2018. The opening statement of financial position was adjusted and the following main intangible assets were recognized: the Goldcar trademark for €118 million, customer relations at Buchbinder and Goldcar for €28 million and €4 million respectively and technology at Buchbinder and Goldcar for €1 million and €6 million respectively. See Note 3.2.1 "Restatement of the 2017 comparative information".

16.1 Trademarks

The value of the trademarks recognized in the consolidated financial statements at December 31, 2018 amount to €850 million and relate mainly to Europcar (€699 million), Goldcar (€137 million) and Buchbinder (€33 million). These trademarks have an indefinite life.

The values of the Buchbinder and Goldcar trademarks were defined on the occasion of the allocation of the acquisition prices in 2017 and 2018 and do not present a risk of impairment at December 31, 2018.

The value of the Europcar trademark is supported by an annual impairment test presented below.

(i) Annual impairment test

In accordance with IAS 36 – Impairment of Assets, the Group has performed an annual impairment test of the carrying amount of the Europcar trademark based on the relief-from-royalty method. This test is performed on a consolidated basis with no country or segment-based allocation.

The value in use of the trademark has been determined based on projections of royalties received within the Europcar network (corporate entities, domestic and international franchisees).

(ii) Key assumptions

The terminal value is based on a perpetuity growth rate of 2%.

The discount rate used in the weighted average cost of capital is applied to the net royalty cash flows of each CGU based on a risk-free rate for 10-year German bonds.

In 2018, it was estimated at 7.32% (8.50% in 2017).

(iii) Sensitivity analysis

A reasonably possible change in the key assumptions on which management has based its determination of the recoverable amount would not cause significant difference between the carrying amount and the recoverable amount. The following table shows the results of the impairment tests and the resulting difference between the recoverable amount and the carrying amount of brands according to different assumptions of the long-term growth rate and weighted average cost of capital.

		Perpetuity growth rate		
IN MILLIONS OF EUROS		1.0%	2.0%	3.0%
WACC	6.32%	944	1,244	1,724
	7.32%	702	900	1,188
	8.32%	529	667	857

The tests performed on the Europcar trademark did not result in the recognition of any impairment losses in 2018 and in previous years.

16.2 Software and operating systems

Computer software (the Europcar Greenway and PremierFirst Speedlink systems) has been recognized at fair value in accordance with IFRS 3 "Business Combinations", based on an analysis of functional aspects. This methodology is based on the calculation of function points for each segment/software of the Europcar and PremierFirst rental reservation and fleet management systems. A function point reflects the functionality of the application which has been used as a basis to calculate its replacement value.

The net book value of this internally developed software is nil since December 31, 2017.

The total of the costs for projects capitalized for 2018 is €32.3 million (€34.6 million in 2017).

16.3 Security interests

The total amount of intangible assets (excluding the Europcar brand) is held to secure the senior asset financing loan, as described in Note 27.

NOTE 17 PROPERTY, PLANT AND EQUIPMENT

The Group leases buildings and other equipment under different types of finance lease agreements. As of December 31, 2018, the carrying amount of leased buildings and other equipment was respectively €1.3 million (2017: €1.1 million) and €6.3 million (2017: €5.8 million).

Property, plant and equipment are held as security against Group corporate financing, as described in Note 27.

IN THOUSANDS OF EUROS	Land and buildings	Technical equipment	Other equipment	Fixed assets in progress	Total
Gross values					
Balance at January 1, 2017	**78,381**	**9,748**	**195,106**	**1,720**	**284,955**
Changes in scope of consolidation	18,215	13,236	22,018	1,510	54,979
Other acquisitions	1,523	1,149	18,935	1,020	22,627
Disposals	(11,543)	(1,028)	(3,473)	(484)	(16,528)
Transfers	112	(994)	594	(121)	(409)
Effect of movements in foreign exchange rates	(622)	(20)	(1,270)	-	(1,912)
BALANCE AT DECEMBER 31, 2017	86,066	22,091	231,910	3,645	343,712
Balance at January 1, 2018	**86,066**	**22,091**	**231,910**	**3,645**	**343,712**
Changes in scope of consolidation	-	(99)	-	-	(99)
Other acquisitions	39,760	9,555	19,291	2,875	71,481
Disposals	(1,694)	(335)	(8,032)	(714)	(10,775)
Transfers	(408)	(539)	4,432	(271)	3,214
Effect of movements in foreign exchange rates	(477)	(15)	(400)	(5)	(897)
BALANCE AT DECEMBER 31, 2018	123,247	30,658	247,201	5,530	406,636
Depreciation and impairment losses					
Balance at January 1, 2017	**(35,147)**	**(6,609)**	**(159,097)**	**-**	**(200,853)**
Increases/decreases related to changes in scope of consolidation	(4,597)	(6,233)	(11,031)	-	(21,861)
Depreciation and impairment charge for the year	(1,693)	(1,058)	(13,175)	-	(15,926)
Disposals	6,124	639	1,896	-	8,659
Transfers	(13)	630	(641)	-	(24)
Effect of movements in foreign exchange rates	210	15	923	-	1,148
BALANCE AT DECEMBER 31, 2017	(35,116)	(12,616)	(181,125)	-	(228,857)
Balance at January 1, 2018	**(35,116)**	**(12,616)**	**(181,125)**	**-**	**(228,857)**
Increases/decreases related to changes in scope of consolidation	-	25	1	-	26
Depreciation and impairment charge for the year	(1,894)	(2,171)	(16,359)	-	(20,424)
Disposals	1,345	(66)	5,184	-	6,463
Transfers	299	(827)	(4,570)	-	(5,098)
Effect of movements in foreign exchange rates	193	12	296	-	501
BALANCE AT DECEMBER 31, 2018	(35,173)	(15,643)	(196,573)	-	(247,389)
Carrying amounts					
At December 31, 2017	**50,950**	**9,475**	**50,785**	**3,645**	**114,855**
At December 31, 2018	**88,074**	**15,015**	**50,628**	**5,530**	**159,247**

NOTE 18 EQUITY-ACCOUNTED INVESTMENTS

AT DECEMBER 31, 2018

Company name	Principal place of business	% interest	% control	Net profit/loss attributable to Europcar (IN THOUSANDS OF EUROS)	Equity-accounted shares (IN €K)	Provisions taken on equity-accounted shares (IN €K)
Car2go Europe GmbH [1]	Germany	25.00%	25.00%	(1,063)	-	-
Wanderio	Italy	33.33%	33.33%	(264)	1,262	(1,262)
TOTAL				**(1,327)**	**1,262**	**(1,262)**

(1) % interest and share of profit/loss of associate accounted for under the equity method before the sale of the shares. The Group sold its 25% stake in Car2Go to Daimler Mobility Services GmbH on April 4, 2018, consequently the entity is no more consolidated in the Group's Financial Statements as of December, 31 2018.

AT DECEMBER 31, 2017

Company name	Principal place of business	% interest	% control	Net profit/loss attributable to Europcar (IN THOUSANDS OF EUROS)	Equity-accounted shares (IN €K)	Provisions taken on equity-accounted shares (IN €K)
Car2go Europe GmbH	Germany	25.00%	25.00%	(6,278)	2,510	-
Ubeeqo [1]	France	75.71%	75.71%	(1,481)	-	-
Wanderio [2]	Italy	33.33%	33.33%	(299)	1,526	-
TOTAL				**(8,058)**	**4,036**	**-**

(1) % interest and share of profit/loss of associate accounted for under the equity method before the exclusive takeover of Ubeeqo ended February 2017.
(2) Pursuant to a subscription and share purchase agreement dated February 28, 2017, Europcar Lab acquired an additional minority stake up to 33.33% in Wanderio. The analysis of the Share Purchase Agreement led to a consolidation using the equity method in the consolidated financial statements.

Wanderio at 100%

IN THOUSANDS OF EUROS	**At December 31, 2018**	At December 31, 2017
Non-current assets	278	268
Current assets	689	1,120
Non-current liabilities	(44)	(50)
Current liabilities	(1,149)	(818)
NET ASSETS	(224)	520
Revenue	257	325
Net income/(loss)	(593)	(736)

NOTE 19 FINANCIAL ASSETS

IN THOUSANDS OF EUROS	At December 31, 2018	At December 31, 2017
Other non-current financial assets		
Financial assets recognized at amortized costs (1)	44,600	28,071
Deposits and prepayments	21,316	22,435
Other non-current investments (2)	96	8,096
TOTAL NON-CURRENT FINANCIAL ASSETS	**66,012**	**58,602**
Current financial assets		
Loans (2)	749	122
Other current financial assets (1)	11,221	32,640
TOTAL CURRENT FINANCIAL ASSETS	**11,970**	**32,762**

(1) *Including €53.3 million to cover liabilities arising from our captive insurance structure (€57.6 million at December 31, 2017), mainly consisting of bonds recognized at amortized cost. Because they mature in the very near future, management has concluded that the fair value of these held-to-maturity investments is close to their respective carrying amounts as of December 31, 2018.*
(2) *In 2017, €8 million related to Snappcar acquisition.*

As of December 31, 2018, an impairment loss was recognized on the Snappcar investment given the situation of its equity. An impairment loss of €8 million was recorded and recognized in net financing costs (refer to Note 13).

NOTE 20 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, 2018	At December 31, 2017
Consumables	4,648	4,225
Oil and fuel	17,380	15,888
Vehicles	1,672	1,401
Spare parts	2,293	2,062
Other items	543	754
TOTAL INVENTORY	**26,536**	**24,330**

Inventory are stated net of provisions of €282,000 (2017: €190,000).

Vehicles reported in inventory are vehicles not yet in operation at the end of the period.

NOTE 21 RENTAL FLEET RECORDED ON THE BALANCE SHEET

The rental fleet operated by the Group is acquired and financed in different ways. The table below presents the breakdown between these different methods for the 2018 and 2017 business years:

Type of acquisition and related financing	% of total volume of vehicles purchased 2018	2017
Vehicles purchased with manufacturer or dealer buy-back commitment financed *via* the balance sheet	39%	40%
Vehicles purchased with manufacturer or dealer buy-back commitment and financed through rental agreements that meet the criteria for operating leases	49%	49%
Total fleet purchased with buy-back arrangements	**88%**	**89%**
Vehicles purchased without manufacturer or dealer buy-back commitment ("at risk" vehicles)	11%	10%
Vehicles financed through rental agreements qualifying as finance leases	1%	1%
TOTAL PURCHASES OF RENTAL FLEET	100%	100%

In accordance with accounting standards, the fleet financed by operating leases is not recorded in the balance sheet and the liabilities for these contracts are recognized as off-balance sheet commitments. The rental fleet recorded in the statement of financial position is broken down as follows:

IN THOUSANDS OF EUROS	At December 31, 2018	At December 31, 2017 *
Deferred depreciation expense on vehicles	357,968	259,911
Vehicle buy-back agreement receivables	1,420,070	1,216,298
Fleet purchased with buy-back contracts financed on-balance sheet	**1,778,038**	**1,476,209**
Vehicles purchased without manufacturer or dealer buy-back commitment ("at risk" vehicles)	554,499	777,590
Vehicles acquired through rental agreements qualifying as finance leases without buy-back arrangements	101,911	85,514
TOTAL RENTAL FLEET RECOGNIZED IN THE STATEMENT OF FINANCIAL POSITION	2,434,448	2,339,313

* *The opening amounts are restated for December 2017, and do not correspond to the figures published in 2017 financial statements since adjustments to the valuation of 2017 acquisitions were made during 2018.*

The fleet is presented net of depreciation or impairment provisions amounting to €8.9 million (2017: €6.5 million) provisions for damaged or stolen vehicles.

NOTE 22 RECEIVABLES AND PAYABLES RELATED TO THE RENTAL FLEET

IN THOUSANDS OF EUROS	At December 31, 2018	At December 31, 2017
Fleet receivables (1)	650,315	619,999
VAT receivables (2)	103,055	80,118
RENTAL FLEET AND RELATED RECEIVABLES	**753,370**	**700,117**

IN THOUSANDS OF EUROS	At December 31, 2018	At December 31, 2017
Fleet payables (1)	566,970	520,208
VAT payables	77,199	83,988
TOTAL RENTAL FLEET AND RELATED PAYABLES	**644,169**	**604,196**

(1) Includes €242 million (December 2017: €236 million) related to a major fleet operating lease signed in 2009, under which the Group acquires vehicles from a manufacturer and resells them immediately to the lessor. The receivable (from the manufacturer) and payable (to the lessor) amounts recorded at inception of the lease are settled when the vehicles are returned to the manufacturer according to the buy-back arrangement.
(2) Most of the VAT receivables are related to fleet acquisitions and disposals.

The change in working capital requirements related to the rental fleet is detailed below:

IN THOUSANDS OF EUROS	At December 31, 2018	At December 31, 2017
Fleet receivables	(31,281)	71,534
VAT receivables	(23,438)	32,913
Payables related to fleet acquisition	28,972	(59,877)
VAT payables	(25,409)	(45,991)
CHANGES TO THE NEED FOR CASH FLOW LINKED TO THE VEHICLE FLEET	**(51,156)**	**(1,421)**

NOTE 23 TRADE AND OTHER RECEIVABLES, TRADE AND OTHER PAYABLES

23.1 Trade and other receivables

All trade receivables fall due within one year.

IN THOUSANDS OF EUROS	At December 31, 2018	At December 31, 2017
Rental receivables	266,932	252,982
Other trade receivables	103,774	117,972
Other tax receivables	3,145	4,494
Insurance claims	35,474	22,622
Prepayments	46,588	43,054
Employee related receivables	5,927	3,043
Deposits, other receivables	19,424	12,521
TOTAL TRADE AND OTHER RECEIVABLES	**481,264**	**456,688**

Depreciation of doubtful receivables on rental and other trade receivables are as follows:

IN THOUSANDS OF EUROS	At December 31, 2018	At December 31, 2017
Opening balance	**(30,876)**	**(33,018)**
Depreciation of bad debts	(12,145)	(5,801)
Receivables written off during the year/period	1,674	6,273
Unused amounts reversed	-	1,457
Foreign currency differences	50	213
Closing balance	**(41,297)**	**(30,876)**

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 6).

The schedule of net trade receivables and other receivables is as follows:

	At December 31, 2018				
In thousands of euros	Total	Not due	Overdue by < 90 days	Due between 90 and 180 days	Overdue by > 180 days
Trade and other receivables – gross amount	536,330	368,587	86,681	20,834	60,228
Impairment of bad debts	(55,067)	(24,095)	(3,722)	(2,730)	(24,519)
Trade and other receivables – net amount	**481,263**	**344,492**	**82,959**	**18,104**	**35,709**

	At December 31, 2017				
In thousands of euros	Total	Not due	Overdue by < 90 days	Due between 90 and 180 days	Overdue by > 180 days
Trade and other receivables – gross amount	501,937	366,851	56,911	16,879	61,296
Impairment of bad debts	(45,249)	(12,485)	(3,798)	(2,415)	(26,551)
Trade and other receivables – net amount	**456,688**	**354,366**	**53,113**	**14,464**	**34,745**

23.2 Trade payables and other liabilities

The fair values of trade payables correspond to their nominal value. All trade payables and other liabilities fall due within one year.

IN THOUSANDS OF EUROS	At December 31, 2018	At December 31, 2017 *
Trade payables	428,418	450,665
Other tax payables	17,142	34,233
Deposits	42,103	46,497
Employee-related liabilities	70,729	71,707
Investment-related debt	28,181	1,803
TOTAL TRADE PAYABLES AND OTHER LIABILITIES	**586,573**	**604,905**

* *The opening amounts are restated for December 2017, and do not correspond to the figures published in 2017 financial statements since adjustments to the valuation of 2017 acquisitions were made during 2018 (please refer to Note 3.2).*

23.3 Changes in non-fleet working capital

IN THOUSANDS OF EUROS	At December 31, 2018	At December 31, 2017
Trade receivables	(18,423)	(28,129)
Other receivables	(3,233)	(9,328)
Tax receivables	1,221	(5,452)
Inventories	(2,268)	550
Trade payables	8,643	12,425
Other debt	(43)	2,210
Employee-related liabilities	(3,688)	9,057
Tax debt	1,956	3,622
CHANGES IN NON-FLEET WORKING CAPITAL	**(15,835)**	**(15,045)**

NOTE 24 CASH AND CASH EQUIVALENTS AND RESTRICTED CASH

IN THOUSANDS OF EUROS	At December 31, 2018	At December 31, 2017
Cash-in-hand and at bank	357,847	240,504
Accrued interest	291	288
Cash and cash equivalents	**358,138**	**240,792**
Restricted cash	90,490	104,818
CASH AND CASH EQUIVALENTS AND RESTRICTED CASH	**448,628**	**345,610**

Cash-in-hand and at bank includes €78.3 million (December 2017: €74.3 million) tied up in Securitifleet and Goldfleet companies, excluding the two SFH Holdings, and are dedicated to fleet financing in France, Germany, Italy and Spain. As such, this cash is considered as non-restricted.

Cash and cash equivalents in fleet and captive insurance SPEs are reported as restricted cash. The definition of restricted cash included in Note 2 "Significant Accounting Policies" – 2.11.1 – Financial Assets". The reconciliation of cash and cash equivalents presented in the balance sheet and the cash and cash equivalents in the cash flow table is described below:

IN THOUSANDS OF EUROS	At December 31, 2018	At December 31, 2017
Cash and cash equivalents	358,138	240,792
Restricted cash	90,490	104,818
Bank overdrafts [1]	(23,642)	(32,357)
CASH AND CASH EQUIVALENTS REPORTED IN THE CASH FLOW STATEMENT	424,986	313,253

(1) Included in current loans and borrowings (see Note 27).

NOTE 25 CAPITAL AND RESERVES

25.1 Share capital and share premium

As of December 31, 2018, the Europcar Mobility Group share capital recorded was €161,030,883 and is composed of 161,030,883 shares worth €1 each, 161,022,797 common shares, 4,045 Class C preferred shares and 4,041 Class D preferred shares.

Each Class A share of common stock gives the right to one vote. Class B, C and D shares are preferred shares as defined by Article L. 228-11 of the French Commercial Code, and carry no voting rights. For more information about class A, B, C and D shares, see Section 6.2.3 of the present Registration Document.

The various changes in equity since January 1, 2018 are as follows:

Date	Operation	Share capital (IN €)	Share premium (IN €)	Number of shares	Nominal value (IN €)
12/31/2017		161,030,883	745,747,717	161,030,883	1,000
05/31/2018	Profit appropriation by Share Premium	-	(29,264,226)	-	-
05/31/2018	Special distribution	-	(24,228,033)	-	-
12/31/2018		161,030,883	692,255,458	161,030,883	1,000

At December 31, 2018, the breakdown of equity shareholders was as follows:

Shareholders	Number of common shares and voting rights	Number of Class B preferred shares	Number of Class C preferred shares	Number of Class D preferred shares	Total number of shares	Percentage of common shares and voting rights	Percentage of share capital
Eurazeo SE	48,987,506	-	-	234	48,987,740	31.23%	30.42%
ECIP EC SARL	4,990,000	-	-	-	4,990,000	3.18%	3.10%
Kairos Investment	8,072,043	-	-	-	8,072,043	5.15%	5.01%
Morgan Stanley	8,177,148	-	-	-	8,177,148	5.21%	5.08%
Public	84,314,853	-	1,526	1,526	84,317,905	53.80%	49.92%
Management and employees	2,165,700	-	2,519	2,281	2,170,500	1.42%	1.35%
Treasury stock	4,315,547	-	-	-	4,315,547	0%	5.12%
TOTAL	161,022,797	-	4,045	4,041	161,030,883	100%	100%

As of December 31, 2017, the breakdown of equity shareholders was as follows:

Shareholders	Number of common shares and voting rights	Number of Class B Preferred Shares	Number of Class C Preferred Shares	Number of Class D Preferred Shares	Total number of shares	Percentage of common shares and voting rights	Percentage of share capital
Eurazeo	48,960,506	-	-	234	48,960,740	30.56%	30.40%
ECIP Europcar Sarl	7,017,713	-	-	-	7,017,713	4.38%	4.36%
Kairos Investment	8,072,043	-	-	-	8,072,043	5.04%	5.01%
Morgan Stanley	9,047,141	-	-	-	9,047,141	5.65%	5.62%
Public	84,692,203	-	1,526	1,526	84,695,255	52.87%	52.60%
Management and employees	2,398,441	-	2,519	2,281	2,403,241	1.50%	1.49%
Treasury stock	834,750	-	-	-	834,750	0%	0.52%
TOTAL	161,022,797	-	4,045	4,041	161,030,883	100.00%	100.00%

25.2 Treasury shares

The value of the treasury shares under the liquidity and share buyback agreements given to Rothschild for Europcar Mobility Group shares (4,158,050 shares) was €36.7 million as of December 31, 2018.

At December 31, 2018, the impact on the change in equity related to treasury shares was (€29.9) million ((€1.9) million as at December 31, 2017).

The number of treasury shares held can be analyzed as follows:

	2018
Number of treasury shares at Jan 1,2018	**834,750**
Treasury shares purchased (purchased)	5,769,512
Treasury shares purchased (sold)	(2,446,212)
Number of treasury shares at Dec. 31, 2018	**4,158,050**

25.3 Translation reserve

The translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations. As at December 31, 2018, it includes a foreign exchange loss of €51.5 million (December 31, 2017: €51.5 million) related to an intra-group loan denominated in pounds sterling made by Europcar Mobility Group S.A. to its subsidiary Europcar UK Ltd and is classified as quasi-capital.

This loan for a nominal amount of €171 million (denominated in GBP) was repaid in full by Europcar UK Ltd to Europcar Mobility Group SA in December 2011. As the parent company continues to hold the same percentage of the subsidiary and continues to control the foreign operation, no partial disposal was recognized under Sections 48d and 49 of IAS 21.

As at December 31, 2017, Europcar International S.A.S.U. held a loan receivable from its subsidiary in Australia amounting to AUD 14.6 million. The loan was fully repaid during the year.

25.4 Special distribution deducted from Share Premium

The Combined General Meeting of Europcar Mobilty Group (former Europcar Groupe) held on May 17, 2018, approved the payment of a special distribution exclusively in cash deducted from Share premium of a total amount of €24,228,033 set at €0.1518 per share.

The right to this special distribution was allocated on May 29, 2018 and was paid exclusively in cash on May 31, 2018 representing 159,604,963 shares.

25.5 Launch of Share Buyback Program

On May 17, 2018, the Europcar Mobility Group signed a mandate in connection with the share buyback program authorized by the Combined General Meeting of Shareholders on May 10, 2017. As of December 31, 2018 3,231,823 shares were acquired, representing approximately 2.01% of the Company's share capital.

Europcar Mobility Group has also announced the implementation of a new share buy-back program as of December 21, 2018. The purchase mandate will cover an amount of up to €45 million, representing approximately 2.1% of the share capital.

NOTE 26 EARNINGS PER SHARE

Basic and diluted losses per share are based on the profit attributable to shareholders of common stock, representing a profit of €139.5 million at December 31, 2018 (profit of €61.3 million at December 31, 2017) 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, 2018	At December 31, 2017
Loss attributable to ordinary shareholders	**139,498**	**61,270**
Average number of shares outstanding	161,030,883	145,337,208
Earnings per share (IN €)	0.866	0.422
Diluted earnings per share (IN €)	0.859	0.420

The potential number of diluting shares was 1,450,767 (including 1,442,681 free shares, 4,045 Class C preferred shares, and 4,041 Class D preferred shares) at December 31, 2018 and 584,186 at December 31, 2017.

NOTE 27 LOANS AND BORROWINGS

IN THOUSANDS OF EUROS	At December 31, 2017	Increase/ Decrease with cash impact	Scope Variation	Exchange rate variation	Other	At December 31, 2018
Notes issued	1,550,000	150,000	-	-	-	1,700,000
Other bank loans dedicated to fleet financing	46,511	14,954	-	(268)	1,711	62,908
Transaction costs/Premiums/ Discounts	(26,370)	(16,584)	-	(110)	20,823	(22,241)
NON-CURRENT LIABILITIES	1,570,141	148,370	-	(378)	22,534	1,740,667
Renewable Senior Revolving Credit Facility	160,011	69,989	-	-	-	230,000
Senior Credit Facility	739,582	(59,081)	-	-	-	680,501
Other borrowings dedicated to fleet financing	725,376	(52,882)	-	(6,316)	(1,580)	664,598
Bank overdrafts	32,359	-	-	(49)	(8,668)	23,642
Current bank loans and other borrowings dedicated to fleet financing	296,570	112,342	-	(193)	6,658	415,377
Transaction costs/Premium/ Discount	(11,513)	-	-	47	(3,258)	(14,724)
Accrued interest	7,875	-	-	(2)	(734)	7,139
CURRENT LIABILITIES	1,950,260	70,368	-	(6,513)	(7,582)	2,006,533
TOTAL BORROWINGS	3,520,401	218,738	-	(6,891)	14,952	3,747,200

IN THOUSANDS OF EUROS	At December 31, 2016	Increase/ Decrease with cash impact	Scope Variation	Exchange rate variation	Other	At December 31, 2017
Notes issued	950,000	600,000	-	-	-	1,550,000
Other bank loans dedicated to fleet financing	20,659	(505)	36,558	(1)	(10,200)	46,511
Transaction costs/Premium/ Discount	(17,419)	(13,873)	-	37	4,885	(26,370)
NON-CURRENT LIABILITIES	953,240	585,622	36,558	36	(5,315)	1,570,141
Renewable Senior Revolving Credit Facility	13,000	147,011	-	-	-	160,011
Senior Credit Facility	692,970	46,612	-	-	-	739,582
Other borrowings dedicated to fleet financing	361,645	8,095	269,789	(11,568)	-	627,961
Finance lease liability	96,770	6,040	-	(6,974)	-	95,836
Bank overdrafts	11,299	-	23,271	-	(2,211)	32,359
Current bank loans and other borrowings dedicated to fleet financing	45,726	(20,728)	271,597	(23)	-	296,570
Transaction costs/Premium/ Discount	(7,759)	(1,951)	-	31	(1,834)	(11,513)
Finance lease liability	-	(1,021)	2,600	-	-	1,579
Accrued interest	10,791	(1,355)	631	1	(2,193)	7,875
CURRENT LIABILITIES	1,224,442	182,703	567,888	(18,533)	(6,238)	1,950,262
TOTAL BORROWINGS	2,177,682	768,325	604,446	(18,497)	(11,552)	3,520,403

Total net debt reconciliation

Total net debt includes net corporate debt and total fleet net debt. The latter includes all financing in relation to the fleet whether or not it is recorded in the balance sheet. In particular, the estimated outstanding value of the fleet financed through operating leases corresponds to the net book value of the vehicles in question. The estimated debt on operating leases represents the carrying amount of the vehicles concerned and is calculated based on the purchase prices and depreciation rates of corresponding vehicles (based on contracts signed with the manufacturers).

IN THOUSANDS OF EUROS	Notes	At December 31, 2018	At December 31, 2017
Non-current borrowings and financial debt	27	1,740,667	1,570,141
Current loans and borrowings	27	2,006,533	1,950,262
Held-to-maturity investments	19	(44,600)	(28,071)
Other current financial assets	19	(11,970)	(32,762)
Cash and cash equivalents and restricted cash	24	(448,628)	(345,610)
Net debt on the statement of financial position		**3,242,002**	**3,113,960**
Estimated outstanding value of the vehicles financed through operating leases		1,883,257	1,733,663
TOTAL NET DEBT		5,125,259	4,887,623

27.1 Analysis of and borrowings and financial debt by maturity

IN THOUSANDS OF EUROS	At December 31, 2018	< 1 year	From 1 year to 5 years	> 5 years
Notes issued	1,700,000	-	1,100,000	600,000
Other bank loans dedicated to fleet financing	62,908	-	62,908	-
Transaction costs/Premiums/Discount (1)	(22,241)	-	(21,328)	(913)
NON-CURRENT LIABILITIES	1,740,667	-	1,141,580	599,087
Renewable Senior Revolving Credit Facility	230,000	230,000	-	-
Senior Credit Facility	680,501	680,501	-	-
Other borrowings dedicated to fleet financing	664,598	664,598	-	-
Bank overdrafts	23,642	23,642	-	-
Current bank loans and other borrowings dedicated to fleet financing	415,377	415,377	-	-
Transaction costs/premiums/discount – current portion (1)	(14,724)	(14,724)	-	-
Accrued interest	7,139	7,139		
CURRENT LIABILITIES	2,006,533	2,006,533	-	-

(1) *€3.4 million of the transaction costs and premiums related to the issue of the €600 million senior notes due 2022, €6.1 million to the issue of the €600 million senior notes due 2024, €10.1 million to the issue of the €500 million senior secured notes by EC Finance plc, €6.1 million for the SARF, €3.4 million to bridge facility and asset-backed bridge facility for Goldcar financing and €8.1 million for the RCF.*

IN THOUSANDS OF EUROS	At December 31, 2017	< 1 year	From 1 year to 5 years	> 5 years
Notes issued	1,550,000	-	950,000	600,000
Other bank loans dedicated to fleet financing	46,511	-	46,511	-
Transaction costs/Premiums/Discount (1)	(26,370)	-	(25,456)	(914)
NON-CURRENT LIABILITIES	1,570,141	-	971,055	599,086
Renewable Senior Revolving Credit Facility	160,011	160,011	-	-
Senior Credit Facility	739,582	739,582	-	-
Other borrowings	629,542	629,542	-	-
Finance lease liabilities	95,836	95,836	-	-
Bank overdrafts	32,359	32,359	-	-
Current bank loans and other borrowings dedicated to fleet financing	296,570	296,570	-	-
Transaction costs/premiums/discount – current portion (1)	(11,513)	(11,513)	-	-
Accrued interest	7,875	7,875	-	-
CURRENT LIABILITIES	1,950,262	1,950,262	-	-

(1) *€4.3 million of the transaction costs and premiums related to the issue of the 2022 €600 million senior notes due 2022, €12.1 million to the issue of the €600 million senior notes due 2024, €9.0 million to the issue of the €350 million senior secured notes by EC Finance plc, €3.1 million for the SARF, and €9.4 million for the RCF.*

27.2 Analysis by subscription currency

As of December 31, 2018, loans and borrowings by currency of origination can be analyzed as follows:

IN THOUSANDS OF EUROS	At December 31, 2018	EURO	GBP	AUD	DNK
Notes issued	1,700,000	1,700,000	-	-	-
Transaction costs	(36,966)	(34,237)	(2,729)	-	-
Accrued interest	7,139	7,139	-	-	-
Renewable Senior Revolving Credit Facility	230,000	230,000	-	-	-
Senior Credit Facility	680,501	680,501	-	-	-
Other borrowings dedicated to fleet financing	664,598	246,899	321,272	92,425	4,002
Bank overdrafts	23,642	17,165	3,761	-	2,717
Current bank loans and other borrowings dedicated to fleet financing	415,377	353,395	-	-	61,982
Other bank loans	62,908	62,908	-	-	-
TOTAL LOANS AND BORROWINGS	**3,747,200**	**3,263,770**	**322,304**	**92,425**	**68,701**

IN THOUSANDS OF EUROS	At December 31, 2017	EUR	GBP	AUD	DNK
Notes issued	1,550,000	1,550,000	-	-	-
Transaction costs	(37,883)	(36,360)	(1,523)	-	-
Accrued interest	7,875	7,872	-	3	-
Renewable Senior Revolving Credit Facility	160,011	160,011	-	-	-
Senior Credit Facility	739,582	739,582	-	-	-
Other borrowings dedicated to fleet financing	629,542	301,348	323,624	-	4,570
Finance lease liabilities	95,836	-	-	95,836	-
Bank overdrafts	32,359	30,917	-	-	1,442
Current bank loans and other borrowings dedicated to fleet financing	296,570	228,463	-	-	68,107
Other bank loans	46,511	46,511	-	-	-
TOTAL LOANS AND BORROWINGS	**3,520,403**	**3,028,344**	**322,101**	**95,839**	**74,119**

27.3 Cash-impact of financial liabilities variations

IN THOUSANDS OF EUROS	At December 31, 2018	At December 31, 2017
Issuance of bonds – Gross	148,500	600,000
Transaction costs related to issuance of bonds	(15,084)	-
CASH IMPACT ON ISSUANCE OF BONDS	133,416	600,000
Change in Renewable Senior Revolving Credit Facility	69,989	147,011
Change in Senior Credit Facility	(59,081)	46,612
Change in Other borrowings dedicated to fleet financing and financing leases	(52,882)	14,135
Change in current bank loans & other	127,296	(23,609)
CASH IMPACT ON CHANGE IN BORROWINGS	**85,322**	**184,149**

27.4 Financial clauses

The Group was in compliance with all the following covenants at December 31, 2018:

(i) For United Kingdom fleet financing facilities

Europcar UK shall ensure that:

- the tangible net worth of Europcar UK Group is not less than 45 million GBP;
- fleet cover shall be no more than 1.00.

(ii) For the Revolving Credit Facility

The ratio of cash flow (which shall include, for any given period of 12 months ending on a quarter date or semester date depending on the application of the Facility agreement, cash on the statement of financial position at the beginning of such period) to total debt service shall at no time be less than 1.10.

Total debt service is defined as the aggregate of the interest and associated fees paid during any given 12 months period plus repayment of financial liabilities, the latter being subject to certain limitations.

(iii) Loan to Value Covenant

The Group is subject to a maximum 95% loan-to-value ratio for all Securitifleet companies debt (including Securitifleet Holding) over the total asset market value of certain Securitifleet entities, compliance that is tested on a quarterly basis.

(iv) For Australian asset financing

Europcar Australia must ensure that:

- the minimum net worth (i.e., the total equity) is always greater than AUD 58 million;
- the fleet utilization ratio is above 70% on average over the year;
- its minimum cumulative net profit before tax is within 85% of the Company's budget.

(v) For Danish fleet financing

Europcar Denmark must ensure that regarding Ostergaard Biler:

- Equity ratio (i.e. equity/total liabilities) is above 20%;
- EBITDA is not less than 50% of the budgeted EBITDA.

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(vi) For Buchbinder fleet financing

For one of its bilateral fleet financing facility, Charterline Fuhrpark Service GmbH must ensure that the equity ratio (*i.e.* equity/total liabilities) is above 10%.

27.5 Notes issued

Loan notes issued are as follows:

	Nominal outstanding amount		Fair value	
IN THOUSANDS OF EUROS	**As at Dec. 31 2018**	As at Dec. 31 2017	**As at Dec. 31 2018**	As at Dec. 31 2017
5.75% Senior Notes due in 2022	600,000	600,000	601,173	601,324
2.375% EC Finance Notes due in 2022	500,000	350,000	491,327	342,376
4.125% Senior Notes due in 2024	600,000	600,000	593,867	587,839
	1,700,000	**1,550,000**	**1,686,367**	**1,531,539**

27.6 SARF Amendments

On May 14, 2018, the Group signed an amendment to the SARF in order to finance Goldcar vehicles and gradually refinance the Goldcar asset-backed financing facility agreement (bridging loan) of €450 million put in place in 2017 and reduced on November 9, 2018 by €200 million to €250 million. The main amendments were the increase of the line from €1.3 billion to €1.7 billion and the creation of SPVs dedicated to the financing of the Goldcar fleet, the Goldfleet companies. The Group took this opportunity to renegotiate the margin from 1.50% to 1.30% and extend the maturity of the facility from January 2020 to January 2022.

27.7 SARF financial instruments Amendments

In parallel, the interest rate hedging tools have been amended and completed to reflect the amendments to the SARF:

- the existing swaps amounting to €1 billion at an average fix rate of 0.516% have been extended by 2 years, from October 2020 to October 2022 at a average fix rate of 0.944%;
- the existing caps amounting to €200 million have been restructured. The 0% strike has been increase to 0.50% and the maturity has been extended to October 2022;
- the Group has also completed the interest rate hedging by implementing additional new caps amounting to €400 million at a strike of 0.50% maturing in October 2022.

27.8 Senior secured notes

On June 15, 2018, Europcar Mobility Group announced the pricing of the offering by EC Finance plc of €150 million 2.375% Senior Secured Notes due 2022. The offering price of the notes was set at 99.0001% with a yield to maturity of 2.6178%. The notes are equivalent to the existing €350 million notes, bringing the existing notes to €500 million. The delivery and settlement and the listing of the notes on the Euro MTF market of the Luxembourg Stock Exchange occurred on June 29, 2018. The proceeds of the notes amounts to €148.5 million and will be used to finance the Goldcar fleet integration into the Group's securitization program.

27.9 Dedicated asset financings

(i) Senior Asset Revolving Facility intended (SARF)

The SARF 2010 was initially entered into on July 30, 2010, then amended between Credit Agricole Corporate and Investment Bank acting as lender, Securitifleet Holding (as borrower) and ECI (as borrower agent). Drawings are available to Securitifleet Holding for the sole purpose of financing fleet acquisition and maintenance in France, Italy, Germany and Spain through the Securitifleet companies exclusively. These drawn down amounts are based on the aggregate of all borrowing bases calculated monthly, in substance representing the aggregate of the vehicle fleet residual value (including vehicles for which registration is pending) and the fleet working capital, including related VAT positions.

The lender assigned its claims arising under SARF 2010, together with all security and ancillary rights thereto, to FCT Sinople. With respect to these claims, FCT Sinople will issue: (i) FCT Senior Notes to be subscribed periodically by Credit Agricole Corporate and Investment Bank, Royal Bank of Scotland plc., Société Générale, Deutsche Bank, Natixis, BNP Paribas and any other entity which may subscribe to or acquire the FCT Senior Notes as senior subscriber, and (ii) FCT Junior Notes to be subscribed from time to time by ECI.

In March 2014, the Group signed an amendment allowing it to extend maturity through July 2017 and to start repayments in January 2017. Europcar also adapted the facility to its financing requirements and limited its commitment to €1 billion. Standard & Poor's has confirmed its A stable outlook rating.

SARF was amended (signed on May 12, 2015 and effective as of June 17, 2015) primarily to extend the maturity of the facility to July 2019 thereof and to lower the overall interest cost fixed to EURIBOR (+1.70%), increase the amount from €1.0 billion to €1,1 billion and permit the participation of two new banks, Lloyds Bank and HSBC France.

On September 27, 2016, the Group announced the improved terms and conditions of its securitization ("Senior Asset Revolving Facility", or SARF) and the associated interest rate swaps. The Senior tranche of the SARF, which was rated "A" by Standard & Poor's, was increased from €200 million to €1.3 billion, with an improved margin of 20 basis points, or Euribor +150 bp. The final maturity was delayed from July 2019 to July 2020. In addition, interest rate hedging instruments were restructured, with improved financial conditions, and increased by €200 million to €1.2 billion

Additional amendments to the SARF were signed on February 9, 2017 to make the securitization program compliant with the new methodology published by the rating agency Standard & Poor's regarding sovereign risk ("Rating above the sovereign" methodology), thus allowing it maintain its A rating. These amendments stipulate the inclusion of new concentration limits on the vehicle fleets in Spain and in Italy financed through the SARF.

Finally, the Group signed new amendments on August 31, 2017 to adjust the concentration limits on the car manufacturer to take into account the acquisition of Opel by PSA Group.

On May 14, 2018, the Group signed amendments to the SARF to allow the financing of the Goldcar vehicles and to gradually refinance the asset-backed bridging loan of €450 million put in place in 2017. The main amendments were the increase of the line from €1.3 billion to €1.7 billion and the creation of SPVs dedicated to the financing of the Goldcar fleet, the Goldfleet companies. The Group took this opportunity to renegotiate the margin from 1.50% to 1.30% and extend the maturity of the facility from January 2020 to January 2022.

(ii) Asset-Backed Bridge Facility

On December 19, 2017, in order to optimize the fleet financing conditions of Goldcar immediately after the closing of the acquisition, the Group signed, with a diversified pool of international banks, a new €450 million Bridge Facility secured by Goldcar fleet assets in Spain, Italy and France. This facility permitted to refinance the existing debt of Goldcar at the closing date and allows the Goldcar Fleetcos entities in these three countries to finance the acquisition of new vehicles. Each entity has the ability, on a monthly basis and for a twelve-month period starting December 19, 2017, to draw down the credit line to finance the acquisition of new vehicles. During this availability period, the Asset-Backed Bridge Facility bear interest at Euribor +225 bps and allow to finance the reported net book value of the fleet with an advance rate of 75%.

After these twelve-month period, the purchase of new vehicles dedicated to the fleet of Goldcar should be mainly financed by the Group Senior Asset Revolving Facility (SARF). The stock of vehicles financed by the Asset-Backed Bridge Facility should not be transferred to the SARF and should remain financed by the Bridge through specific conditions (interest and advance rates). The Asset-Backed Bridge Facility will be repaid progressively with the proceeds coming from the vehicles resale process.

On November 9, 2018, the Group amended its Asset-Backed Bridge Facility by reducing of €200 million the amount of the credit line to follow the reduction of its use. The credit limit amounts to 250 million as of December 31, 2018.

(iii) United Kingdom fleet financing facilities

The United Kingdom fleet has a stand-alone arrangement through the Group's United Kingdom subsidiaries, including Europcar Group UK Limited, Europcar UK Limited and certain subsidiaries of Europcar UK Limited, comprising a working capital facility and two main leasing facilities (one with Lloyds for GBP 190 million and the other with Lombard for GBP 160 million). In October 2014, all financing lines were renegotiated. In addition to obtaining better conditions and expanding the banking pool, the refinancing via the establishment of a Club Facility increases fleet financing facilities of the UK entities to GBP 455 million, maturing in three years with a two-year extension option.

On September 20, 2016, Europcar signed an amendment to the Club Facility to extend maturity by one year to October 2019, reduce the margin by 20 basis points to LIBOR +180 bp, and recompose the banking pool. The amount of the Club Facility is now GBP 400 million, with an uncommitted "Seasonal Facility" of GBP 100 million provided by the Club Facility banks each year between May and October to cope with the spike in activity.

New amendments were signed on July 20, 2017 and October 6, 2017 to modify the legal documentation and general covenants. In this context, the margin on LIBOR was adjusted by 20 basis points to reach 200 bp.

The total amount guaranteed for the leasing facilities is GBP 455 million (2017: GBP 455 million). Vehicles are acquired from the manufacturers, then sold to lessors and operated through lease-back agreements.

The Facilities maturing in October 2019 was refinanced on October 19, 2018 with the signing of a new £400 million of a three year maturity facility with a 2 year extension that includes the financing of Goldcar UK fleet. In addition to the extension of the maturity, this new line benefits from improved margin conditions, reduced by 20 basis points to 1.80% additionally to disappearing or easing of the covenants.

As of December 31, 2018, the outstanding amount under those agreements was GBP 287.4 million (2017: GBP 328 million).

27.10 Australia asset financing

National Australia Bank ("NAB"), Toyota Financial Services, Commonwealth Bank of Australia, Westpac Bank, Bank of Queensland, Mercedes Financial Services and Alphabet Financial Services have granted Europcar Australia and New Zealand senior credit facilities (the "Australian Fleet Financing Facilities"), including renewable and non-renewable operating leases and financing leases capped at AUD 415 million. These facilities are generally renewed annually in April of each year.

NAB Facilities are secured by fixed and floating charges over Europcar Australia assets, including goodwill and uncalled capital and called but unpaid capital, together with assignment of the related insurance policy. There are also performance guarantees for the facilities.

27.11 Buchbinder fleet financings

Buchbinder fleet is financed through various short-term bilateral facilities (banking and operating lease facilities) contracted with banks and car manufacturers in Germany and Austria. As of December 31, 2018, the total amount of these fleet financings facilities is equal to €234 million. These facilities include usual covenants for such kind of financings.

27.12 Major operating leases

The Group finances a portion of its fleet in all countries in which it is present, including Germany, France, Italy and Spain, through operating leases. In certain countries, the operating companies have entered into comprehensive framework operating lease agreements with financial institutions and manufacturers.

The financing of our operating leases is mostly correlated to the 6-month Euribor rate, in particular due to contractual terms that match the average length of the holding period of cars.

Note 28 "*Financial risk management*" provides further information on the Group's exposure to interest rate and liquidity risks.

NOTE 28 FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and equity price risk), credit risk and liquidity risk. The Group's overall risk management program seeks to mitigate the potential negative impacts of volatility in the financial markets 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 for approval by the Management Board. The Group Treasury Department identifies, evaluates and recommends derivative instruments to hedge financial risks in close collaboration with the Group's operational units. The Management Board decides whether to authorize these recommendations based on formal documentation describing the context, purpose and main characteristics of the transactions. Once the Management Board has approved the transactions, Group Treasury is responsible for implementing the hedges. This procedure is prepared and monitored for the management of all material financial risks, and in particular interest rate and credit risk, as well as for the use of derivative and ordinary financial instruments, and the short-term investment of surplus cash. The Group does not use derivative financial instruments for any purpose other than managing its exposure. All hedging operations are either centrally coordinated or carried out by Group Treasury.

The Group continuously assesses the financial risks identified (including market risk, credit risk and liquidity risk) and documents its exposure in its consolidated financial statements. The Group believes that its exposure at December 31, 2018 has not changed significantly during the last 12 months and therefore the policy implemented to mitigate such exposure remains consistent with prior years.

28.1 Market risk

(i) Foreign exchange risk

The Group operates in several countries internationally and is exposed to a foreign exchange risk arising from various currency exposures, primarily the pound sterling. Foreign exchange risk arises from translation into euros of the results and net assets of the subsidiaries having a functional currency other than the euro.

The foreign exchange risk related to intra-group financial transactions and, to a lesser extent, transactions with franchisees is somewhat limited with each subsidiary operating in its own market and functional currency.

As of December 31, 2018, the Group did not have any investments in foreign operations other than in the United Kingdom, Australia, New Zealand, Denmark, Turkey and Hungary, the net assets of which could be exposed to a currency risk.

The Group summary of quantitative exposure to foreign exchange risk arising from translation of balances into the functional currency is as follows:

IN THOUSANDS OF EUROS	GBP	AUD	DNK	Total 2018
Trade and other receivables (including fleet)	94,791	20,549	8,046	123,386
Other financial assets:	3,889	60	702	4,651
Non-current investments	-	-	-	-
Other financial assets	75	-	-	75
Cash and cash equivalents	22,142	23,284	113	45,539
TOTAL FINANCIAL ASSETS	120,897	43,893	8,861	173,651
Trade and other payables (including fleet)	121,637	30,937	10,228	162,802
Loans and borrowings	322,368	92,425	68,701	483,494
TOTAL FINANCIAL LIABILITIES	444,005	123,362	78,929	646,296
NET EXPOSURE (TO EXCHANGE RISK) FOR NON-EURO COMPANIES	(323,108)	(79,469)	(70,068)	(472,645)

IN THOUSANDS OF EUROS	GBP	AUD	DNK	Total 2017
Trade and other receivables (including fleet)	105,567	16,888	6,753	129,208
Other financial assets:	3,901	76	727	4,704
Non-current investments	-	-	-	-
Other financial assets	1	-	-	1
Cash and cash equivalents	19,673	30,719	75	50,467
TOTAL FINANCIAL ASSETS	129,142	47,683	7,555	184,380
Trade and other payables (including fleet)	98,955	25,906	12,977	137,838
Loans and borrowings	322,110	95,838	74,119	492,067
TOTAL FINANCIAL LIABILITIES	421,065	121,744	87,096	629,905
NET EXPOSURE (TO EXCHANGE RISK) FOR NON-EURO COMPANIES	(291,923)	(74,061)	(79,541)	(445,525)

At December 31, 2018, if the euro had appreciated or depreciated by 15% against the pound sterling, with all other variables held constant, net profit for the year would have increased/decreased by €0.8 million (2017: €7.2 million) and equity would have increased/decreased by €84 million (2017: €63.0 million).

(ii) Interest rate risk

With the exception of investments in bonds in the Euroguard insurance program (see "*Insurance risks*"), the Group does not hold any significant interest-bearing assets. Accordingly, its revenue is not significantly subject to changes in market interest rates.

The Group is exposed to risk that rates on its variable rate financing might rise: on revolving lines of credit. On the one hand, but also from operating leases for vehicles.

Borrowings issued at variable rates expose the Group to cash flow interest rate risk. Borrowings issued at fixed rates expose the Group to fair value interest rate risk.

In accordance with its hedging policy, and in respect of certain of its debt instruments bearing interest at variable rates (specifically the SARF, the RCF, some fleet financing bilateral facilities and most operating leases), the Group hedges a significant portion of the risk of fluctuations in the benchmark rate, which is generally based on EURIBOR. In 2018 and 2017, a significant part of the Group's borrowings at variable rates were denominated in euro and based on EURIBOR. The Group may also hedge its exposure to fluctuations in LIBOR and/or the Australian benchmark rate in respect of its financing facilities in the UK and Australia.

The Group analyzes its interest rate exposure on a dynamic basis. Various scenarios are simulated taking into consideration, among other things refinancing, renewal of existing positions, alternative financing and hedging. Based on these scenarios, the Group calculates the impact on profit and loss of a defined interest rate shift. For each simulation, the same interest rate shift is used for all currencies. The scenarios are run only for liabilities that represent the major interest-bearing positions.

Based on the various scenarios, the Group manages its cash flow risk on interest rates by using variable-fixed interest rate swaps or caps. These swaps convert variable rate debt to fixed rate debt. Generally, the Group raises long-term borrowings for revolving fleet financing facilities at floating rates and swaps them into fixed rates that are generally lower than those available if the Group borrowed at fixed rates directly.

The Group is protected against the risk of rising interest rates through two interest rate swaps and two interest rate cap agreements:

- an interest rate swap for a nominal principal amount of €1,000 million maturing on October 17, 2020 mainly used to hedge the interest rate risk of the SARF, in which the Group pays a fixed interest rate of 0.516% and receives a floating interest rate equal to the one-month EURIBOR. In 2018, the existing swaps were extended by 2 years from October 2020 to October 2022 at an average fixed rate of 0.944%;
- an interest rate swap with a nominal principal amount of €600 million maturing in June 2021, for which the Group pays a fixed interest rate of 0.96% and receives a variable interest rate corresponding to the six-month EURIBOR. In 2018, the existing swaps were extended by 2 years from June 2021 to June 2023 at an fixed rate of 1.36%;
- two caps with a nominal principal amount of €100 million each maturing on October 17, 2020 in response to the increase of the SARF amount by €200 million completed in September 2016, in which the Group is protected against a variable interest rate increase equal to the one-month EURIBOR above 0%. In 2018, the caps were restructured. The 0% strike has been increase to 0.50% and the maturity has been extended to October 2022;
- the Group has also added to the interest rate hedging by implementing additional caps amounting to €400 million at a capped strike of 0.50% maturing in October 2022.

An outstanding amount of approximately €0.9 billion in variable-rate credit lines is backed by swaps (see table below), and an outstanding amount of approximately €0.6 billion in variable-rate leases is backed by the swaps.

At closing, the distribution of loans by rate type was as follows:

IN THOUSANDS OF EUROS	At December 31, 2018	At December 31, 2017
Non-current liabilities		
Fixed rate borrowings	1,682,913	1,576,037
Variable rate borrowings	57,754	(5,896)
Variable rate hedged	*(5,181)*	*(7,023)*
Variable rate not hedged	*62,934*	*1,127*
TOTAL OF NON-CURRENT LIABILITIES	**1,740,667**	**1,570,141**
Current liabilities		
Fixed rate borrowings	27,629	886
Variable rate borrowings	1,978,904	1,949,376
Variable rate hedged	*902,074*	*1,146,053*
Variable rate not hedged	*1,076,830*	*793,281*
TOTAL OF CURRENT LIABILITIES	**2,006,533**	**1,950,262**

All interest rate swaps reported by the Group are classified as cash flow hedges.

Tests performed in connection with such hedging instruments showed inefficiency estimated at €1.5 million recorded as an expense in the 2018 income statement. (December 31, 2017: an income of €2.2 million was recognized).

At December 31, 2018, if interest rates had increased by 100 basis points, the fair value recognized in comprehensive income would have increased by €61 million (December 31, 2017: €45 million).

At December 31, 2018, if interest rates had decreased by 100 basis points, the fair value recognized in comprehensive income would have increased by €65 million (December 31, 2017: €47 million).

In the year ending December 31, 2018, if interest rates had varied by 1%, interest expense on the unhedged portion of borrowings, all other constants being equal, would have varied by €12.2 million (December 31, 2017: €6.8 million).

28.2 Credit risk

Credit risk is managed on a Group-wide basis. Credit risk arises on:

- cash and cash equivalents;
- derivative financial instruments;
- deposits with banks and financial institutions;
- arrangements with car manufacturers and dealers;
- customer receivables, particularly outstanding receivables and pending commitments.

For banks and financial institutions, only counterparties that are independently rated are accepted. The utilization of credit limits is regularly monitored.

Loans and receivables credit risk analysis

IN THOUSANDS OF EUROS	At December 31, 2018	At December 31, 2017
Neither past due nor impaired [1]	1,916,816	2,309,615
Past due but not impaired	311,578	272,294
Impaired	41,778	32,449
TOTAL	2,270,172	2,614,358

(1) Net of provisions for stolen and damaged cars (see Note 21).

The maximum exposure to credit risk at the reporting date is the carrying amount of loans and receivables. The Group does not hold any collateral as security.

Loans and receivables neither past due nor impaired relate to a number of independent counterparties for whom there is no recent history of default or expected default.

The Group's credit risk exposure to car manufacturers and dealers primarily arises from:

- the risk of non-recoverability of receivables relating to buyback commitments received from car manufacturers;
- the risk of having to self-finance the receivables referred to in the previous point; and
- the risk of bankruptcy of a significant supplier and the subsequent uncertainty surrounding future supplies.

No single customer accounts for 10% or more of Europcar Mobility Group's revenue in 2018.

In addition, the Group has implemented procedures to monitor and reduce credit risk exposure that include customer credit limits in the information system, monthly tracking of car manufacturer credit ratings and overdue receivable risk monitoring reporting. The aged analysis of loans and receivables past due but not impaired and excluding financial loans and receivables is as follows:

IN THOUSANDS OF EUROS	Not yet due	Less than 3 months past due	Between 3 and 6 months past due	More than 6 months past due	Total
Vehicle buy-back agreement receivables	1,420,070	-	-	-	1,420,070
Fleet receivables	480,997	153,598	6,842	8,878	650,315
Rental receivables	166,374	66,891	15,602	18,065	266,932
Customers	37,871	3,496	301	6,711	48,379
Other receivables	54,300	1,095	-	-	55,395
TOTAL AT DECEMBER 31, 2018	2,159,612	225,080	22,745	33,654	2,441,091

IN THOUSANDS OF EUROS	Not yet due	Less than 3 months past due	Between 3 and 6 months past due	More than 6 months past due	Total
Vehicle buy-back agreement receivables	1,546,500	-	-	-	1,546,500
Fleet receivables	441,260	130,325	35,692	12,722	619,999
Rental receivables	179,057	42,167	10,901	20,857	252,982
Customers	31,600	4,170	1,446	7,523	44,739
Other receivables	71,026	30	-	2,177	73,233
TOTAL AT DECEMBER 31, 2017	2,269,443	176,692	48,039	43,279	2,537,453

28.3 Price risk

The Group is not exposed to equity price risk given the non-material amounts of its financial investments classified as either available-for-sale or recognized at fair value through profit or loss. The Group is not directly exposed to commodity price risk but is exposed to the risk of increasing holding costs for vehicles.

28.4 Liquidity risk

The Group is currently monitored by the Moody's and Standard & Poor's rating agencies, which have awarded it the following ratings: B1 stable outlook and B+ positive outlook, respectively.

Management monitors rolling forecasts of the Group's liquidity reserve on the basis of expected cash flows determined on a consolidated basis. Each operational entity produces liquidity and cash forecasts for internal reporting purposes. Those forecasts are consolidated at Group Treasury level and analyzed by Group management and operational units.

The budget, on which the cash forecast for fiscal year 2019 is based, has been built on assumptions taking into account the impact of the currently uncertain economic environment.

The liquidity risk management strategy is based around maintaining sufficient available lines of credit and guaranteed credit facilities for appropriate amounts. Given the dynamic nature of the underlying businesses—particularly seasonal fluctuations—flexible financing arrangements are provided by guaranteed medium- to long-term revolving lines of credit.

The following table presents the Group's financial liabilities including hedging derivatives by relevant maturity, based on the remaining period from the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months are equal to their carrying values, as the impact of discounting is not significant.

IN THOUSANDS OF EUROS	Fair value	Up to 1 year Principal	Up to 1 year Interest	From 1 year to 5 years Principal	From 1 year to 5 years Interest	> 5 years Principal	> 5 years Interest	Total Principal	Total Interest
December 31, 2018									
Notes issued	1,686,367	-	71,125	1,100,000	291,010	600,000	22,688	1,700,000	384,823
Bank borrowings and finance lease liabilities	893,327	894,653	8,782	6,730	34	-	-	901,383	8,815
Senior asset financing facility	674,894	-	9,942	680,501	29,825	-	-	680,501	39,767
Other borrowings	492,611	436,407	2,463	56,204	281			492,611	2,744
Derivative liabilities	60,415	-	-	-	60,415	-	-	-	60,415
Trade and fleet payables	644,169	644,169	-	-	-	-	-	644,169	-
Deposits	42,103	42,103	-	-	-	-	-	42,103	-
TOTAL FINANCIAL LIABILITIES	**4,493,887**	**2,017,332**	**92,312**	**1,843,435**	**381,565**	**600,000**	**22,688**	**4,460,767**	**496,564**

IN THOUSANDS OF EUROS	Fair value	Up to 1 year Principal	Up to 1 year Interest	From 1 year to 5 years Principal	From 1 year to 5 years Interest	> 5 years Principal	> 5 years Interest	Total Principal	Total Interest
December 31, 2017									
Notes issued	1,531,539	-	65,568	950,000	197,130	600,000	47,438	1,550,000	310,136
Bank borrowings and finance lease liabilities	642,151	166,222	9,537	485,268	1,372	-	-	651,490	10,909
Senior asset financing facility	736,887	-	10,495	736,887	27,112	-	-	736,887	37,607
Other borrowings	609,826	564,442	1,150	45,384	641	-	-	609,826	1,791
Derivative liabilities	37,122	-	-	-	37,122	-	-		37,122
Trade and fleet payables	604,196	604,196	-	-	-	-	-	604,196	-
Deposits	41,541	41,541	-	-	-	-	-	41,541	-
TOTAL FINANCIAL LIABILITIES	**4,203,262**	**1,376,401**	**86,750**	**2,217,539**	**263,377**	**600,000**	**47,438**	**4,193,940**	**397,565**

(1) 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:

IN THOUSANDS OF EUROS	At December 31, 2018		At December 31, 2017	
	Credit limit	Utilized	Credit limit	Utilized
Revolving credit (1)	500,000	242,300	500,000	171,711
Senior asset financing lines related to fleet financing	1,700,000	680,501	1,300,000	739,582
Financing other than senior asset financing lines related to fleet financing (2)	2,013,219	1,475,268	2,032,882	1,375,550

(1) The amounts drawn include the revolving credit facility of €230 million at December 31, 2018 (2017: €160 million) and guarantees given in the course of the Group's operations.
(2) Mainly relates to fleet operations in the United Kingdom, Goldcar, Buchbinder, Australia, Denmark, Ireland, Italy and Portugual which are financed through credit lines other than the senior fleet financing loan.

28.5 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.

28.6 Insurance risks

The Group's operating subsidiaries located in France, the United Kingdom, Portugal, Belgium, Italy, Ireland and Germany buy local motor third party liability insurance policies through AIG Europe Limited entities, which reinsure part of such risks with a reinsurance structure hosted by Euroguard, a protected cell reinsurance company. The Group owns a reinsurance cell (9) within Euroguard, which has been consolidated since January 2006. Local Europcar entities finance a significant portion of the risk through a franchise funding mechanism managed via another cell (0) located within Euroguard, which acts simply as a fund manager. The funds hosted in this cell are also consolidated.

The Spanish, Australian, New Zealand, Danish and also Goldcar and Buchbinder subsidiaries buy insurance coverage in their local markets using conventional risk transfer mechanisms.

(i) Frequency and severity of claims

The Group uses its auto fleet liability insurance programs to insure against property damage and bodily injury caused to third parties by the drivers of Europcar vehicles. Because auto liability insurance is mandatory, the risk is initially transferred from ground up to the insurer, but partly funded and reinsured by Europcar as a group on the back-end side through various risk self-financing techniques.

The cost of Europcar's auto fleet liability risk is based on a combination of frequency and severity events. Europcar has developed a strategy based on self-financing frequent risks and effectively transferring severity risk to the insurer (applicable to the main countries in which the Group operates, with the exception of Spain, Australia and New Zealand 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;
- operating a fleet also results in the occurrence of more random and more costly events, essentially bodily injury claims from third parties invoking Europcar's liability. Such events cannot be anticipated by actuaries with a satisfactory level of certainty, which is why the portion of risk exceeding €500,000 is carried by the insurer.

The trend observed in the markets where Europcar operates is an increase in the unit cost of bodily injury claims. This is due to economic, legal and social factors.

(ii) Sources of uncertainty in the estimation of future claim payments

Claims falling within the scope of motor third party liability insurance policies give rise to compensation payable on a case-by-case basis. The Group, by virtue of the self-insurance component of the program, financially bears all claims insured up to €500,000 per claim over the period. Part of the claims occurring during a given insurance period materializes after the expiry of this period due to the late notification of claims and changes during the period subsequent to the period covered (usually due to a deterioration in the health status of the victim or the judicial character of the case). As a result, liability claims are settled over a long period of time and a larger element of the claims provision relates to incurred but not reported claims (IBNR).

(iii) Changes in assumptions and methodology

The Group did not change any of the main assumptions or methodologies for the insurance contracts in 2018, other than updating its cost in light of the time value of money.

NOTE 29 DERIVATIVE FINANCIAL INSTRUMENTS

TOTAL INTEREST RATE DERIVATIVES ELIGIBLE FOR HEDGE ACCOUNTING

IN THOUSANDS OF EUROS	Nominal	Indexing	Fair value at 12/31/2018	Fair value adjustments during period	Impact on financial income	Impact on equity
Interest rate swaps expiring in 2022 – 0.5161% *	1,000,000	1-month Euribor	(44,258)	(14,138)	(1,477)	(12,661)
Interest rate swaps expiring in 2021 – 0.96%	600,000	6-month Euribor	(16,156)	(9,154)	-	(9,154)
Interest rate caps expiring in 2022 – 0,50% **	600,000	1-month Euribor	2,182	(3,632)	(3,632)	-
ASSET SWAPS	**2,200,000**		**(58,232)**	**(26,924)**	**(5,109)**	**(21,815)**

* *Maturity extended until October 2022 with the average fixe rate of 0.516%.*
** *Existing caps for €200 million have been renegotiated. Maturity has been extended to 2022 and additional caps have been implemented with a 0.50% protected rate.*

IN THOUSANDS OF EUROS	Nominal	Indexing	Fair value at 12/31/2017	Fair value adjustments during period	Impact on financial income	Impact on equity
Interest rate swaps expiring in 2020 * – 0.5161%	1,000,000	1-month Euribor	(18,541)	12,073	2,230	9,843
Interest rate swaps expiring in 2021 ** – 0.96%	600,000	6-month Euribor	(18,580)	7,022	-	7,022
Interest rate caps expiring in 2020 – 0%	200,000	1-month Euribor	760	(563)	(563)	-
ASSET SWAPS	**1,800,000**		**(36,361)**	**18,532**	**1,667**	**16,865**

* *Maturity extended until October 2020 with the average fixe rate of 0.516%.*
** *Maturity extended until July 2022 with the fixe rate of 0.96%.*

The fair value of a hedging derivative is recorded as a non-current asset or liability if the remaining maturity of the hedged item is more than 12 months, and as a current asset or liability if the maturity of the hedged item is less than 12 months.

The forward swap agreements qualify for cash flow hedge accounting and therefore the effective portion of changes in fair value is recognized in equity. In 2018, expense of €1.5 million was recorded in net financing costs for the inefficiencies generated by the Euribor 1-month forward swap (in 2017, the income was €2.2 million).

The consideration of credit risk in the valuation of derivatives had no material impact on fair value as of December 31, 2018.

NOTE 30 EMPLOYEE BENEFITS

IN THOUSANDS OF EUROS	At December 31, 2018			At December 31, 2017		
	Pensions	Other LT employee benefits	Total	Pensions	Other LT employee benefits	Total
Non-current	139,612	2,746	142,358	131,058	2,893	133,951
Current	3,192	-	3,192	3,149	-	3,149
TOTAL	**142,804**	**2,746**	**145,550**	**134,207**	**2,893**	**137,100**

30.1 Net liability 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, 2018	At December 31, 2017
Present value of funded or partially funded obligations	(A)	(70,207)	(76,334)
Fair value of plan assets	(B)	60,707	65,974
Surplus/(Deficit) at period end∫ (1)		**(9,500)**	**(10,360)**
Present value of unfunded obligations	(C)	(133,304)	(123,848)
Unrecognized prior service costs		-	
NET LIABILITY FOR DEFINED BENEFIT OBLIGATIONS AT END OF PERIOD		**(142,804)**	**(134,207)**
Inc.:			
A statement of financial position liability of		142,804	134,207
A statement of financial position asset of		-	-

(1) Mainly in the United Kingdom and Belgium

30.2 Change in net liabilities recognized in the statement of financial position

IN THOUSANDS OF EUROS	At December 31, 2018	At December 31, 2017
Net liability for defined benefit obligations at January 1st	(134,207)	(140,234)
Changes in scope of consolidation	(97)	(84)
Settlements	520	-
Contributions paid into plan	728	706
Benefits paid	3,263	3,299
Current service cost, interest expense and expected return on plan assets	(4,433)	(4,481)
Past service cost	(578)	-
Actuarial gains/(losses) recognized in equity (1)	(8,067)	6,274
Curtailments	-	125
Foreign currency differences	67	188
NET LIABILITY FOR DEFINED BENEFIT OBLIGATIONS AT END OF PERIOD	**(142,804)**	**(134,207)**

(1) In 2018, the employee benefit obligation for Germany were remeasured by € (6.6) million mainly given the changes in the discount rate at December 31, 2018 based on the first-tier corporate bonds in Germany (1.6% at December 31, 2018 versus 1.50% at December 31, 2017). In 2017, the employee benefit obligation for those two countries were remeasured by €3.6 million.

30.3 Movement in defined benefit obligations

IN THOUSANDS OF EUROS		At December 31, 2018	At December 31, 2017
Defined benefit obligations at January 1st		(200,182)	(208,919)
Curtailments		-	125
Settlements		520	-
Defined benefit obligations acquired as part of a business combination		(97)	(84)
Benefits paid		6,171	7,888
Current service cost		(2,430)	(2,626)
Past service cost		(578)	-
Interest on obligations		(3,537)	(3,514)
Actuarial gains/(losses) recognized in equity		(3,899)	4,580
Foreign currency differences		521	2,368
DEFINED BENEFIT OBLIGATIONS AT END OF PERIOD	**(A) + (C)**	**(203,511)**	**(200,182)**

30.4 Plan assets

	2018		2017	
IN % (AVERAGE)	Eurozone	United Kingdom	Eurozone	United Kingdom
Equities	0%	26%	0%	31%
Debt	0%	52%	0%	42%
Other assets	100%	22%	100%	27%

30.5 Change in assets of the defined benefit plans

IN THOUSANDS OF EUROS		At December 31, 2018	At December 31, 2017
Fair value of plan assets at January 1		65,974	68,685
Contributions paid into plan		728	706
Benefits paid		(2,908)	(4,589)
Expected rate of return on plan assets		1,534	1,659
Actuarial gains/(losses) recognized in equity		(4,168)	1,694
Foreign currency differences		(453)	(2,181)
FAIR VALUE OF PLAN ASSETS AT END OF PERIOD	(B)	60,707	65,974

30.6 Expenses recognized in the income statement for defined benefit plans

IN THOUSANDS OF EUROS	At December 31, 2018	At December 31, 2017
Current service costs	(2,430)	(2,626)
Interest on obligations	(3,537)	(3,514)
Expected rate of return on plan assets	1,534	1,659
Past service cost	(578)	-
Curtailments/settlements	520	125
EXPENSES RECOGNIZED IN THE INCOME STATEMENT FOR DEFINED BENEFIT PLANS	(4,491)	(4,356)

The expense is recognized in "Personnel costs" and analyzed in Note 7, excluding the financial cost and expected return on plan assets, and amounted to €2.0 million. In the three main countries (France, Germany and United Kingdom), the estimated charge recognized in the income statement for 2019 on the basis of assumptions at December 31, 2018, amounts to €4.0 million.

30.7 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:

	2018			2017		
	Eurozone excl. Germany (1)	Germany	United Kingdom	Eurozone excl. Germany (1)	Germany	United Kingdom
Discount rate	1.60%	1.60%	2.85%	1.50%	1.50%	2.45%
Inflation rate	1.50% to 1.90%	1.90%	3.35%	1.50% to 1.80%	1.00%	3.25%
Expected rate of salary increase	1.90% to 3.50%	2.00%	-	1.50% to 3.50%	2.00%	-
Expected rate of pension increase	0.00% to 2.63%	1.75%	3.10%	0.00% to 2.63%	1.00%	3.10%
Expected rate of return on plan assets	1.60%	na	2.85%	1.30% to 1.50%	na	2.45%

(1) The eurozone includes plans in Italy, France and Belgium expressed as a weighted average.

The discount rate is the yield at the reporting date on bonds with a credit rating of at least AA that have maturities similar to those of the Group's obligations.

A 0.25% increase in the discount rate would reduce the benefit obligation by €9 million; a 0.25% decrease in the discount rate would increase the benefit obligation by €10 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. The impact of the revised IAS 19 is not material for Europcar Mobility Group.

Assumptions regarding future mortality rates are based on best practice and published statistics and experience in each country.

30.8 Actuarial gains and losses recognized directly in equity (net of deferred tax)

IN THOUSANDS OF EUROS	At December 31, 2018	At December 31, 2017
Cumulative opening balance	(49,261)	(53,831)
Gain/(loss) recognized during the year/period	(5,349)	4,570
Cumulative closing balance	**(54,610)**	**(49,261)**

30.9 Experience adjustments

IN THOUSANDS OF EUROS	2018	2017	2016	2015	2014	2013	2012
Present value of defined benefit obligations	(57,597)	(63,305)	(68,320)	(63,917)	(61,369)	(50,720)	(47,859)
Fair value of plan assets	54,280	59,960	63,053	65,992	61,669	49,880	47,155
(surplus)/deficit	3,317	3,345	5,266	(2,075)	(300)	(840)	(705)
Experience adjustments to plan liabilities	-	-	(962)	(247)	1,372	313	-
Experience adjustments to plan assets	(4,149)	1,651	5,097	(1,071)	36	1,444	3,174

30.10 Contributions to defined contribution plans

In 2018, the Group paid contributions to defined-contribution schemes of €4.2 million (2017: €3.7 million).

NOTE 31 PROVISIONS

IN THOUSANDS OF EUROS	Insurance claim provisions	Reconditioning provisions	Other provisions	Total *
Balance at January 1, 2017	**116,435**	**36,238**	**86,719**	**239,392**
Provisions recognized during the period (1)	75,575	102,973	71,526	250,074
Provisions utilized during the period	(71,394)	(102,197)	(20,081)	(193,672)
Provisions reversed during the period (2)	(10,308)	-	(65,447)	(75,755)
Changes in scope of consolidation	1,409	352	6,475	8,236
Transfers	-	-	1,751	1,751
Effect of foreign exchange differences	(957)	(340)	(594)	(1,891)
BALANCE AT DECEMBER 31, 2017	110,760	37,026	80,349	228,135
Non-current	-	-	*8,680*	*8,680*
Current	*110,760*	*37,026*	*71,669*	*219,455*
TOTAL PROVISIONS	110,760	37,026	80,349	228,135
Balance at January 1, 2018	**110,760**	**37,026**	**80,349**	**228,135**
Adjustment on purchase price allocation of 2017 acquisitions	-	-	6,650	6,650
Balance at January 1, 2018 restated	**110,760**	**37,026**	**86,999**	**234,785**
Provisions recognized during the period	88,354	92,720	15,439	196,513
Provisions utilized during the period	(87,159)	(92,251)	(23,371)	(202,782)
Provisions reversed during the period	(3,400)	(1,906)	(2,046)	(7,352)
Changes in scope of consolidation	-	-	(2)	(2)
Transfer	(3)	4,083	(745)	3,335
Effect of foreign exchange differences	(211)	(91)	(377)	(679)
BALANCE AT DECEMBER 31, 2018	108,341	39,581	75,898	223,818
Non-current	-	-	2,925	2,925
Current	108,341	39,581	72,971	220,893
TOTAL PROVISIONS	108,341	39,581	75,897	223,818

* *The opening amounts are restated for December 2017, and do not correspond to the figures published in 2017 financial statements since adjustments to the valuation of 2017 acquisitions were made during 2018.*
(1) (€43) million due to the accrual of provision related to the Trading Standard investigation in the UK (Note 35 "Contingencies").
(2) €45 million reversal of the provision related to the proceedings with the Authority of The French Competition (Note 35 "Contingencies").

(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 determined from statistics compiled by the Fleet Department over the last 6 to 12 months. There are no specific key assumptions, but only statistical support.

(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.

NOTE 32 OTHER INFORMATION ON FINANCIAL ASSETS AND LIABILITIES

This Note presents the Group's financial instrument fair value measurement methodology. The Group's financial risk management policy is described in Note 28 "*Financial risk management*".

The fair value of financial instruments traded in active markets (such as trading and available-for-sale securities) is based on quoted market prices at the reporting date. The quoted market price used for financial assets held by the Group is the current bid price: Level 1 in the fair value measurement hierarchy.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each reporting date. Quoted market prices or dealer quotes for similar instruments are used for long-term debt. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments. The fair value of interest rate swaps is calculated using the discounted cash flow method: Level 2 in the fair value measurement hierarchy.

The carrying value less the provision for impairment of receivables and payables is assumed to be close to the fair value of those items.

Given the maturity of the financial debts, other liabilities and their respective interest rates, management has concluded that the fair value of the financial liabilities is close to their book value, except for bonds maturing in 2022 and 2024, the fair value of which was determined using the prices quoted on December 31, 2018 and on December 31, 2017 on the Euro MTF Market.

The fair values of the other financial assets and liabilities (investments, other assets, trade receivables and payables) are close to their carrying amounts in view of their short maturities.

The fair values of financial assets and liabilities, together with their carrying amount in the statement of financial position, are as follows:

IN THOUSANDS OF EUROS	Notes	Carrying value	Fair value	Fair value through profit or loss	Fair value through equity	Fair value at amortized cost
Fair value at December 31, 2018						
Customers	23	370,706	370,706	-	-	370,706
Deposits and current loans	19	21,316	21,316	-	-	21,316
Vehicle buy-back agreement receivables	21	2,434,448	2,434,448	-	-	2,434,448
Fleet receivables	22	650,315	650,315	-	-	650,315
Deposits, other receivables and loans	23	19,424	19,424	-	-	19,424
TOTAL OF LOANS AND RECEIVABLES		3,496,209	3,496,209	-	-	3,496,209
Other non-current investments	19	96	96	-	96	-
Other financial assets	19	11,970	11,970	-	-	11,970
Restricted cash	24	90,490	90,490	90,490	-	-
Cash and cash equivalents	24	357,847	357,847	357,847	-	-
Derivative assets	29	1,544	1,544	1,544	-	-
TOTAL FINANCIAL ASSETS (1)		**3,958,156**	**3,958,156**	**449,881**	**96**	**3,508,179**
Notes and borrowings	27	1,733,937	1,671,411	-	-	1,671,411
Trade payables	23	586,573	586,573	-	-	586,573
Fleet payables	22	566,970	566,970	-	-	566,970
Bank overdrafts and portion of loans due in less than one year	27	2,013,263	2,013,263	-	-	2,013,263
Derivative liabilities	29	60,415	60,415	-	60,415	-
TOTAL FINANCIAL LIABILITIES (1)		**4,961,158**	**4,898,633**	**-**	**60,415**	**4,838,218**

(1) Financial assets and liabilities are not offset as they were not contracted with the same counterparties.

IN THOUSANDS OF EUROS	Notes	Carrying value	Fair value	Fair value through profit or loss	Fair value through equity	Fair value at amortized cost
Fair value at December 31, 2017						
Customers	23	370,954	370,954	-	-	370,954
Deposits and current loans	19	22,557	22,557	-	-	22,557
Vehicle buy-back agreement receivables	21	2,342,605	2,342,605	-	-	2,342,605
Fleet receivables	22	619,999	619,999	-	-	619,999
Deposits, other receivables and loans	23	12,521	12,521	-	-	12,521
TOTAL OF LOANS AND RECEIVABLES		3,368,636	3,368,636	-	-	3,368,636
Other non-current investments	19	48	48	-	48	-
Other financial assets	19	32,762	32,762	-	-	32,762
Restricted cash	24	104,818	104,818	104,818	-	-
Cash and cash equivalents	24	240,504	240,504	240,504	-	-
Derivative assets	29	226	226	226	-	-
TOTAL FINANCIAL ASSETS [1]		**3,746,994**	**3,746,994**	**345,548**	**48**	**3,401,398**
Notes and borrowings	27	1,570,141	1,591,143	-	-	1,591,143
Trade payables	32	602,505	602,505	-	-	602,505
Fleet payables	22	520,208	520,208	-	-	520,208
Bank overdrafts and portion of loans due in less than one year	27	1,950,262	1,950,262	-	-	1,950,262
Derivative liabilities	29	37,122	37,122	-	37,122	
TOTAL FINANCIAL LIABILITIES [1]		**4,680,238**	**4,701,240**	**-**	**37,122**	**4,664,118**

(1) Financial assets and liabilities are not offset as they were not contracted with the same counterparties.

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, 2018	Level 1	Level 2	Level 3
Assets measured at fair value				
Other financial assets	96	96	-	-
Cash and cash equivalents	448,337	448,337	-	-
TOTAL	**448,433**	**448,433**	**-**	**-**

IN THOUSANDS OF EUROS	At December 31, 2018	Level 1	Level 2	Level 3
Liabilities measured at fair value				
Derivative liabilities	60,415	-	60,415	
TOTAL	**60,415**	**-**	**60,415**	

Time-frame for recycling items from OCI to profit and loss:

IN THOUSANDS OF EUROS	At December 31, 2018	2019	2020	2021	2022	2023
Recycling of completed operations	-	-	-	-	-	-
Recycling of operations in progress	60,415	18,199	15,225	15,553	9,523	1,915

NOTE 33 OFF-BALANCE SHEET COMMITMENTS

33.1 Fleet operating leases

The Group's minimum future payments for non-cancellable operating leases as of December 31, 2018 are as follows:

	At December 31, 2018		At December 31, 2017	
IN THOUSANDS OF EUROS	TOTAL	Including amounts related to rental fleet	TOTAL	Including amounts related to rental fleet
Payable:				
Within 1 year	347,436	226,415	271,507	193,307
From 1 to 5 years	263,337	10,015	200,455	14,766
More than 5 years	49,854	-	65,678	-
TOTAL FLEET OPERATING LEASES	**660,627**	**236,430**	**537,640**	**208,073**

The Group leases vehicles in the principals countries where the Group exercise its activity. The Group also leases facilities and other assets. Facilities and other asset leases run for a period of three to nine years in most instances, usually with an option to renew the lease after that date.

In the year ending December 31, 2018, €339.3 million were recognized as an expense in the income statement for operating leases related to the rental fleet (€284.4 million at December 31, 2017). For assets other than the rental fleet leased under operating leases (mainly rental station facilities), expenses recorded in the 2018 consolidated income statement were €104.2 million (€83.3 million at December 31, 2017).

33.2 Capital commitments for vehicle purchases

During 2018, the Group entered into contracts to purchase vehicles. As of December 31, 2018, current commitments amounted to €1,155.5 million (December 2016: €929.2 million).

33.3 Asset purchase commitments

During 2018, the Group entered into contracts to purchase intangible assets and property, plant and equipment. As of December 31, 2018, current commitments are almost nil such as in December 2017.

33.4 Contingent assets and liabilities and guarantees

Guarantees given by the Group

- The Group has provided various guarantees (mostly joint and several guarantees) to certain third parties (mainly for fleet leasing transactions) within the normal course of business, as well as some specific purpose guarantees, including a €45 million guarantee to AIG Europe Ltd for the performance of certain obligations of its self-insurance program (Loss Retention Agreement), which could be exercised in the highly unlikely event that Europcar were unable to meet its commitments under such Loss Retention Agreement;
- A December 31, 2018, Europcar Mobility Group had given €12.3 million in guarantees to suppliers (December 2017: €11.7 million). Contingent assets totalled €3.5 million (December 2017: €3.7 million);
- Securitifleet S.A.S, Goldfleet France SAS, Securitifleet SL, Glodfleet Spain S.L respectively own a substantial part of the fleet leased by Europcar France S.A.S, Goldcar France SARL, Europcar IB S.A.U and Goldcar Spain SLU to their respective clients, and have given their vehicles as a guarantee: for Securitifleet S.A.S and Goldfleet S.A.S., in favor of Crédit Agricole Corporate and Investment Bank, its successors and assignees and, more particularly, in favor of the French securitization mutual fund, FCT Sinople, in accordance with the provisions of Articles 2333 *et seq.* of the French Civil Code and, for Securitifleet S.L. and Goldfleet Spain S.L., in favor of its creditors and its successors and assignees pursuant to a contract known as respectively the "Spanish Securitifleet Financing Agreement" and "Spanish Goldfleet Financing Agreement" and in accordance with Article 1863 of

the Spanish Civil Code. For the requirements of these pledges, Europcar France SAS, Goldcar France SARL, Europcar IB SA and Goldcar Spain SLU were appointed as third-party holders (*tiers convenu* and *tercero poseedor de conformidad*) in accordance with the provisions of Article 2337 of the French Civil Code and Article 1863 of the Spanish Civil Code. Consequently, any vehicle returned by customers of Europcar France SAS, Goldcar France SARL, Europcar IB S.A. or Goldcar Spain SLU will either have to be made to Europcar France SAS, Goldcar France SARL, Europcar IB SAU or Goldcar Spain SLU in their capacity as agreed third party (*tiers convenu* and *tercero poseedor de conformidad*) or, if applicable, to any other entity substituted for them and under no circumstances to Securitifleet France SAS, Goldfleet France SAS, Securitifleet S.L. or Goldfleet Spain SLU;

- Securitifleet SAS, Securitifleet GmbH, Securitifleet SL, Securitifleet S.p.A. and Goldfleet SAS are or will be the owner of a substantial part of the vehicle fleet leased by Europcar France SAS to its customers and have granted a pledge over their vehicles to the benefit of Crédit Agricole Corporate and Investment Bank and its assignees and in particular, to the French securitisation vehicle FCT Sinople France, in accordance with articles 2333 *et seq.* of the French Civil Code. For the purpose of such pledge, Europcar France SAS has been appointed as third party holder (tiers convenu) in accordance with article 2337 of the French Civil Code. As a consequence, any return of these vehicles by a client of Europcar. France SAS must imperatively be made to Europcar France SAS in its capacity as third party holder or, as the case may be, with any other entity that may be substituted to it in such quality and in no case with Securitifleet SAS, Securitifleet GmbH, Securitifleet SL, Securitifleet S.p.A. or Goldfleet SAS.
- Goldfleet SAS and Securitifleet SAS are or will be the owner of a substantial part of the vehicle fleet leased by Goldcar France SARL to its customers and have granted a pledge over their vehicles to the benefit of Crédit Agricole Corporate and Investment Bank and its assignees and in particular, to the French securitisation vehicle FCT Sinople France, in accordance with articles 2333 et seq. of the French Civil Code. For the purpose of such pledge, Goldcar France SARL has been appointed as third party holder (tiers convenu) in accordance with article 2337 of the French Civil Code. As a consequence, any return of these vehicles by a client of Goldcar France SARL must imperatively be made to Goldcar France SARL in its capacity as third party holder or, as the case may be, with any other entity that may be substituted to it in such quality and in no case with Securitifleet SAS or Goldfleet SAS;
- To secure the Multicurrency Revolving Facility Agreement, dated July 13, 2017, as amended on December 21, 2018, the Company has set up the following securities for lenders and hedging banks:
  - a caution solidaire to Borrowers and Obligors;
  - a pledge over its shares in Europcar International S.A.S.U. held by the Company.

As collateral for the indenture dated November 2, 2017 governing the EC Finance Notes (notes issued for a total principal amount of €500 million with an interest rate of 2.375%, due and payable in 2022), the Company put into place in particular the following guarantee: joint guarantee of the EC Finance Plc notes under the indenture and notes.

As collateral for the indenture governing the 2022 Senior Subordinated Notes (notes issued for a total principal amount of €600 million with an interest rate of 5.75%, due and payable in 2022) and the 2024 Senior Subordinated Notes (notes issued for a total principal amount of €600 million with an interest rate of 4.125%, due and payable in 2024) dated June 10, 2015 and November 2, 2017 respectively, the Company put into place in particular the following security: pledge of Europcar International S.A.S.U. shares held by the Company (this security is junior to the security granted to guarantee the RCF).

To secure the Asset Backed Financing Facility Agreement, dated December 19, 2017, the Company guarantees as a caution solidaire to each Finance Party the prompt and complete payment due by each Borrower and the prompt performance by each Obligor of all that Obligor's obligations.

Guarantees received by the Group

- Europcar Mobility Group received a vendor warranty granted by the Volkswagen group at the time of the acquisition of Europcar Mobility Group in 2006. This guarantee has expired and can no longer now be called upon except in relation to certain very specific matters. However, relating to previous implementations or such specific implementations, the Company may still receive compensation subject to the completion of ongoing litigation or pre-litigation and in agreement with Volkswagen on the final amount of such compensations.

Pledges

- The Group has granted pledges on some of its assets, in particular subsidiaries' shares, receivables, bank accounts and business assets. The assets of the Securitifleet group as well as those related to Securitifleet group operations are pledged in favor of EC Finance Notes holders and the lenders of the SARF 2015. Other assets have been pledged in favor of the lenders of the Senior Revolving Credit Facility, except for certain United Kingdom based assets and Australia/New Zealand based assets which are pledged in favor of the local lenders for those respective territories.

NOTE 34 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.

34.1 Transactions with companies over which Europcar Mobility Group exercises significant influence

As of December 31, 2018, the Group had not realized any significant transaction with companies over which Europcar Mobility Group exercises significant influence.

34.2 Compensation of key executives

In 2015, at the time of the Company's IPO, a new governance structure was implemented. Henceforth the Management Board has the authority and responsibility to plan, direct and control the activities of the Group. For this reason, the compensation of its members is detailed below.

In addition to their salaries, the Group provides non-cash benefits to executive officers and contributes to a post-employment defined benefit plan on their behalf. There were no significant transactions with any companies related directly or indirectly to key management members disclosed in the management report of the Europcar subsidiaries.

The senior executives of the Group were compensated as follows during the year. Employee salaries and short-term benefits include salaries, wages and payroll taxes.

IN THOUSANDS OF EUROS	At December 31, 2018	At December 31, 2017
Employee salaries and short-term benefits	2,772	2,095
Post-employment benefits	57	72
Termination indemnities	-	-
TOTAL	2,829	2,167

NOTE 35 CONTINGENCIES

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:

Leicester City Council Trading Standards Services investigation

On June 23, 2017, the Leicester City Council trade services investigation department opened an inquiry into Europcar UK for a breach of Article 9 of the 2008 of the Consumer Protection Act on Unfair Trading, based on allegations according to which: Europcar UK (i) had billed its customers, without their consent, repair costs for damage caused to vehicles in cases where the damage was contested, and (ii) had billed excessive amounts, over and above the actual cost of the repairs. Europcar UK, along with the trade services investigation department, established the list of documents that must be submitted by the company and appointed Deloitte to fulfill this task. The results of the inquiries conducted by Deloitte were presented to the commercial practices inspection department in November 2018.

The inquiries of the Leicester commercial practices inspection department are in progress and the Group continues to cooperate fully with the authorities.

In its consolidated financial statements at December 31, 2017, the Group recognized a provision of £38 million (€43 million) in non-current expenses. This amount corresponded to the Group's best estimate, at that very early stage of the investigation, based on a number of assumptions, including an assumption that the charging practices would be found to be misleading under Article 9 of the 2008 Consumer Protection Act from Unfair Trading and potentially inappropriate behavior when rebilling repair costs to customers.

A new risk assessment was performed as at December 31, 2018. On the basis of the items analyzed at that date, the Group decided to retain the provision of £38 million recognized the previous year.

Goldcar Rentals Italy S.r.L. and Goldcar Spain S.L.U.- Italian Competition Authority (AGCM)

In November 2016, the AGCM (Italian Competition Authority) imposed a fine on Goldcar Italy S.r.l for "unfair trading practices" (specifically relating to allegations of hight pressure sales techniques, non-transparent policies relating to fuel and damage repair) based on legal proceeding begun in February 2016. The fine of two million euros was paid.. An appeal was filed in in the Lazio Administrative Court (TAR) in February 2017. The hearing is scheduledon February 27, 2019 and a ruling is expected during the first half of 2019.

In October 2017, the AGCM uinitiated several investigations and proceedings to verify the compliance of practicesrelating to security deposit procedures. Goldcar Italy contacted the authorities to propose improvements to be put in place to comply with regulations.Goldcar made several commitments which have already been implemented. While the AGCM acknowledged the procedural and material improvements made, it nonetheless decided to instigate proceedings for non-compliance for an alleged violation of the Italian Consumer Code and imposed a fine on the Goldcar companies. An appeal was filed in the Lazio Administrative Court (TAR) in April 2018.

A fine of €680,000 was imposed in February 2018 and duly paid. A hearing has been scheduled for February 27, 2019 and a ruling is expected during the first half of 2019.

Litigation with a former franchisee and its sub-franchisees in Brazil

Two of the Group's sub-franchisees in Brazil, Rentax and Locação e Comércio de Veículos Ltda. («Rentax») and Horizon Distribuidora Veículos Ltda. («Horizon»), initiated legal proceedings against Europcar International and its former franchisee in Brazil, Cia Ec Br de Franquias e Locação de Veículos Ltda. («EC-BR»), claiming unfair termination of the franchisee agreement between Europcar International S.A.S.U. and EC-BR. The combined amount claimed by Rentax and Horizon is BRL 19,525,151 (approximately €6 million). Europcar International S.A.S.U. is seeking to have the case dismissed on statute of limitations grounds and, in particular, arguing that (i) there is no contractual relationship with these two sub-franchisees, and (ii) there was nothing improper by Europcar International S.A.S.U. in the termination of the EC-BR contract.

In the court of first instance, the 25th Chamber of the Civil Court of Saõ Paulo found in 2010 that the suit filed by Rentax and Horizon was not time-barred and that if Europcar International S.A.S.U. were found liable it would have no recourse against EC-BR. A recourse action is an action through which a person against whom proceedings are initiated involves a third party to respond to the allegations that may be made against him or her. On appeal, this ruling was partly overturned by the Court of Appeal, which found that Europcar International S.A.S.U. could seek recourse against EC-BR, claiming back from EC-BR any payment Europcar International S.A.S.U. would make in compliance with a court ruling against it. Europcar International S.A.S.U., considering that the Appeal Court had failed to consider all its arguments about the statute of limitations, appealed to the São Paulo Court of Justice on September 8, 2014. In a ruling handed down on March 17, 2015, the São Paulo court upheld the ruling that the plaintiffs' suit was not time-barred. Its decision on the statute of limitations was appealed to the Superior Court of Justice. On September 29, 2017 the judge-rapporteur rejected the appeal. Europcar International S.A.S.U. filed an interlocutory appeal against this ruling, which will be judged by the Superior Court of Justice on February 6, 2018. This appeal nonetheless does not suspend the main proceedings during which the judge in the court of first instance ordered EC-BR to continue to answer the case. After several unanswered notices served on EC-BR, the judge ordered the gathering of evidence phase to continue. This phase allows the Parties to gather the evidence they wish to introduce, including expert reports, witnesses etc. In answer to the ruling by the Court according to which it was not necessary to introduce further evidence as to whether the contract was legally terminated insofar as the Court of Appeal had already ruled on the question in the first judgment mentioned above, Europcar filed a request for the case to either be judged immediately or at least be postponed pending the result of the first case. The judge presiding over the case rejected this request and ordered the expert analyses to begin as requested by the plaintiffs. At the date of this Registration Document, we do not know when the expert analyses will be communicated. Depending on the results of the analyses, the judge will hand down his final ruling, subject to a request for counter-expert testimony from the other parties.

Confirmation on appeal of the previous ruling against Goldcar for price fixing

In 2013, the companies listed below were ordered to pay several fines as a result of inquires carried out by the CNMC (Spanish Competition Authority) following allegations of anti-competitive practices: The appeal was launched as a result of an agreement between each competitor.s.

The companies involved in the initial proceedings S/0380/2011 were: Sol Mar Rent a Car SL, Centauro Rent a Car SL, Drivalia Car Rental SL, Helle Auto SA, New Cars Costa del Sol SL, Niza Cars SL, Record-Go, Auriga-Crown, Dickmanns Rent a Car SL, Guerin Rent a Car SL, Prima Rent a Car SL, Cargest SL, Avis, the AECAsector association, Sixt and Goldcar.

Goldcar was fined of €15.4 million and appealed the decision on July 30, 2013 before the National Court (Audiencia Nacional).

On March 16, 2016, the National Court handed down a ruling partly confirming Goldcar's appeal. As such, the Spanish National Court ordered the Spanish Competition Authority to recalculate the amount of the fine, taking account of the procedural flaws raised by Goldcar, but also confirmed the existence of the alleged cartel. Goldcar lodged an appeal against this ruling with the Supreme Court.

The Supreme Court ruling No. 926/2018 received in June 2018 rejected Goldcar's appeal. In this respect it confirmed the supposed infractions and ordered the Spanish Competition Authority to recalculate the amount of the fine. The amount could be similar or lower, but in no case higher than that previously pronounced (principle of prohibition of "reformatio in peius").

Alcor, Goldcar's former shareholder, has provided a bank guarantee to cover the total amount of any fine imposed.

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 77 vehicles that were parked in the garage (the net amount of damage recognized at this stage amounts to €1.1 million) and damaged the entire structure of the building. The Public Prosecutor (District Attorney) opened a criminal investigation (criminal proceedings). At the same time, Europcar France and its insurer AIG Europe Limited instigated proceedings against the owner of the garage, its insurer, the association of co-owners of the building and the French Diabetics Association before the President of the District Court of Paris to seek the appointment of an expert to determine the origin of the fire and assess the amount of damage suffered by each party (civil proceedings). The investigating magistrate decided on November 24, 2016 to take no further action as regards the criminal proceedings. The decision to take close this proceeding was based on the fact that the judicial inquiry had not been able to determine the cause of the fire and that the expert report commissioned by the investigating magistrate had shown that the fire had probably been caused by an electrical defect 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.

Excessive interchange commission applied by MasterCard and Visa

Following the opening of an investigation by the European Commission into interchange commissions (commission that is received by banking organizations for a commercial transaction and justified by the mechanisms implemented by the banking institutions of the cardholder and trader for which the transaction is conducted), the European Union determined that the interchange commissions applied by MasterCard and Visa were too high, and established limits. Following this decision, a number of companies sued MasterCard in the English courts and in the (Competition Appeal Tribunal) and obtained damages for losses related to this practice going back to 1992. An additional claim was then filled by Sainsburys (an English Retailer) against Visa, this time in the High Court. The decisions in those cases were then referred to the Court of Appeal.

On September 16, 2016, Europcar Group UK filed a claim against Visa in the High Court seeking damages for losses incurred due to anti-competitive practices totaling £3 million for the period from 2010 to 2016. Visa has renewed its offer to settle the dispute with Europcar Group UK for £100,000. Europcar Group UK rejected this offer in February 2018.

On September 16, 2016, based on the judgment given against MasterCard, Europcar Group UK Limited took legal action against MasterCard in both the High Court (for the period 2010-2015) and in the Competition Appeal Tribunal ("CAT") (for the period 1992-2008) with a view to obtaining redress for the losses suffered as a result of anti-competitive practices during those periods estimated at £7,000,000 (interest included).

All 3 cases were stayed pending the decision of the Court of Appeal on the Mastercard and Visa cases. The only exception to this was a case brought by Mastercard in the CAT to have the claims for the period 1992 to 1997 excluded from the assessment of damages on the basis that these were time barred. The decision of the CAT on this point is expected soon.

In July 2018, the Court of Appeal decided to allow the merchant's appeals on the each of the 3 cases referred to it and declared that both the Visa and Mastercard MIFs were restrictive of competition and therefore unlawful. The Court of Appeal remitted all 3 cases to the CAT to consider whether any exemptions were applicable and to assess quantum. Mastercard sought leave to appeal the decision to the Supreme Court which was granted at the end of 2018.

Dispute regarding the commissions associated with the brokerage of the sale of 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 subject of the lawsuit is the alleged request made by the plaintiff for a brokerage commission on an asset acquisition transaction on August 8, 2017, of 4% of the acquisition 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 Charteline Fuhrpark Service GmbH when the details of the asset sale become known. The plaintiff was originally hired only by the vendor, 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 brokerage agreement of €530,000 had been signed (4% of €9.5 million plus €150,000). At its hearing on February 6, 2019, the Court of Berlin ruled that a brokerage agreement had not been concluded and as such the plaintiff could not be awarded a fee for the acquisition transaction. The court ruled that it did not have jurisdiction and referred the case to the Regional Court of Regensburg.

Excessive credit card fees in Australia

Europcar Australia has been notified that the Australian Competition and Consumer Commission (ACCC), following an investigation conducted from October 2017 to May 2018, decided to initiate civil proceedings against Europcar Australia for violating Article 55B of the 2010 Competition and Consumer Act regarding the excessive fees applied to debit and credit cards when leasing to its customers between July 19, 2017 and November 5, 2017 (and broken down into two periods: from July 19, 2017 to August 31, 2017 and from September 1, 2017 to November 5, 2017).

An official summons was issued on July 16, 2018. A hearing is scheduled for September 2, 2019, following a mediation process that will take place no later than February 1, 2019.

In November 2018, the company filed a statement explaining that (i) for the first period between July 19 and August 31, 2017, the company after having received data on the cost of acceptance from its bankers in mid/end July 2017, undertook to calculate an acceptance cost for all card systems so that any change could be applied effective September 1, 2017, and (ii) for debit card customers who were charged excessive fees applicable to credit cards during the period from September 1, 2017 to November 5, 2017, a refund was processed as soon as the banks provided their banking identification numbers making it possible to distinguish between debit and credit cards.

Australia is subject to specific legislation which enables businesses to charge additional fees to credit card customers if these additional fees are not excessive. In Europe, the Group does not apply any additional fees (EC/BB/GC).

NOTE 36 GROUP ENTITIES

Company name	Local HQ (city)	Country	Consolidation method [1] (FC/EM)	% interest	% control
PARENT COMPANY					
Europcar Mobility Group S.A.	Paris	France	FC		
1. Information on consolidated companies					
Europcar International S.A.S.U.	Paris	France	FC	100.0%	100.0%
Europcar Lab S.A.S	Paris	France	FC	100.0%	100.0%
EC4 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 Club Holding Ltd	Leicester	United Kingdom	FC	100.0%	100.0%
E-Car Club Ltd	London	United Kingdom	FC	100.0%	100.0%
EC Participations.	Paris	France	FC	100.0%	100%
PremierFirst Vehicle Rental German Holdings GmbH	Weisbaden	Germany	NC	0.0%	0.0%
Ubeeqo International S.A.S.	Boulogne-Billancourt	France	FC	100.0%	100.0%
Ubeeqo France S.A.S.	Boulogne-Billancourt	France	FC	100.0%	100.0%
Ubeeqo Luxembourg Sarl	Luxembourg	Luxembourg	FC	100.0%	100.0%
Ubeeqo SPRL	Brussels	Belgium	FC	100.0%	100.0%
Ubeeqo GmbH	Düsseldorf	Germany	FC	100.0%	100.0%
Ubeeqo Limited	London	United Kingdom	FC	100.0%	100.0%
Bluemove	Madrid	Spain	FC	100.0%	100.0%
Guidami	Milan	Italy	FC	100.0%	100.0%
Dos Palos Spain S.L	Madrid	Spain	FC	100.0%	100.0%
Blue Sostenible S.L.	Madrid	Spain	FC	100.0%	100.0%
Cochele S.L.	Sevilla	Spain	NC	0.0%	0.0%
Securitifleet Holding S.A.	Paris	France	FC	99.3%	8.26%
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.	Voisins-le-Bretonneux	France	FC	100.0%	100.0%
Securitifleet S.A.S.U.	Paris	France	FC	100.0%	8.26%
Securitifleet France Location S.A.S.U.	Rouen	France	FC	99.3%	8.26%
Parcoto Services S.A.S	Rouen	France	FC	100.0%	100.0%
Europ-Hall S.A.U.	Besançon	France	NC	0.0%	0.0%
Locaroise SAS	Beauvais	France	NC	0.0%	0.0%
Lor'Rent S.A.S	Luneville	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%

Company name	Local HQ (city)	Country	Consolidation method (1) (FC/EM)	% interest	% control
Europcar Autovermietung GmbH	Hamburg	Germany	FC	100.0%	100.0%
Securitifleet GmbH	Hamburg	Germany	FC	100.0%	5.41%
InterRent Immobilien GmbH	Hamburg	Germany	NC	0.0%	0.0%
Buchbinder Holding GmBH *	Regensburg	Germany	FC	100.0%	100.0%
Charteline Fuhrpark Service GmbH *	Regensburg	Germany	FC	100.0%	100.0%
Carpartner Nord GmbH *	Regensburg	Germany	FC	100.0%	100.0%
Car & Fly GmbH*	Duisburg	Germany	FC	100.0%	100.0%
Terstappen Autovermietung GmbH *	Duisburg	Germany	FC	100.0%	100.0%
Bayernmobile GmbH *	Regensburg	Germany	FC	100.0%	100.0%
A. Klees Slovakia S.R.O *	Bratislava	Slovakia	FC	100.0%	100.0%
ABC Autonoleggio s.r.l. *	Bolzano	Italy	FC	100.0%	100.0%
CarPartner Leasing GmbH *	Wels	Austria	FC	100.0%	100.0%
Megadrive Autovermietung GmbH *	Wien	Austria	FC	100.0%	100.0%
Ratisbona Consuling 2 GmbH *	Regensburg	Germany	FC	100.0%	100.0%
Car2go Europe GmbH	Esslingen	Germany	NC	0.0%	0.0%
Car2go Deutschland GmbH	Esslingen	Germany	NC	0.0%	0.0%
Car2go Österreich GmbH	Vienna	Austria	NC	0.0%	0.0%
Car2go Italia S.r.l.	Milan	Italy	NC	0.0%	0.0%
Car2go UK Ltd	Birmingham	United Kingdom	NC	0.0%	0.0%
Car2Go Denmark	Copenhagen	Denmark	NC	0.0%	0.0%
Car2Go Sweden	Stockholm	Sweden	NC	0.0%	0.0%
Ogotrac France S.A.S.	Paris	France	NC	0.0%	0.0%
Europcar S.A.	Zaventem	Belgium	FC	100.0%	100.0%
InterRent S.à.r.l	Luxembourg	Luxembourg	FC	100.0%	100.0%
Europcar IB S.A.	Madrid	Spain	FC	100.0%	100.0%
Securitifleet S.L.	Madrid	Spain	FC	100.0%	0.41%
Ultramar Cars S.L.	Palma de Mallorca	Spain	FC	100.0%	100.0%
LC EC Participations Investments S.L.U. **	Madrid	Spain	FC	100.0%	100.0%
Car Rentals TopCo S.L. **	El Prat de Llobregat	Spain	FC	100.0%	100.0%
Car Rentals ParentCo S.A. **	El Prat de Llobregat	Spain	FC	100.0%	100.0%
Car Rentals Subsidiary S.A.U. **	Alicante	Spain	FC	100.0%	100.0%
GoldCar Spain S.L.U. **	Alicante	Spain	FC	100.0%	100.0%
Goldcar FleetCo Spain S.A. **	Alicante	Spain	FC	100.0%	100.0%
Goldcar FleetCo Italy S.r.l. **	Laives	Italy	FC	100.0%	100.0%
Goldcar FleetCo France S.A.R.L. **	Vitrolles	France	FC	100.0%	100.0%
Goldcar FleetCo Portugal **	Faro	Portugal	FC	100.0%	100.0%
Goldcar FleetCo Hellas A.E **	Koropi	Greece	FC	100.0%	100.0%

Company name	Local HQ (city)	Country	Consolidation method (1) (FC/EM)	% interest	% control
Car Rentals Italy S.r.l. **	Laives	Italy	FC	100.0%	100.0%
Goldcar Italy S.r.l. **	Laives	Italy	FC	100.0%	100.0%
Goldcar France S.A.R.L **	Vitrolles	France	FC	100.0%	100.0%
Goldcar Hellas A.E. **	Koropi	Greece	FC	100.0%	100.0%
Goldcar Rental D.O.O. **	Zagreb	Croatia	FC	100.0%	100.0%
Goldcar Oto Kiralama A.S. **	Istanbul	Turkey	FC	100.0%	100.0%
Goldcar Ireland Ltd **	Dublin	Ireland	FC	100.0%	100.0%
Goldcar Master S.L.U. **	Alicante	Spain	FC	100.0%	100.0%
Goldcar Fleets Spain S.L.U. **	Alicante	Spain	FC	100.0%	100.0%
Europcar Lab Italy S.p.A.	Milan	Italy	FC	100.0%	100.0%
Europcar Italia S.p.A.	Bolzano	Italy	FC	100.0%	100.0%
Securitifleet S.p.A.	Bolzano	Italy	FC	99.32%	13.76%
Wanderio	Rome	Italy	EM	33.30%	33.30%
Europcar Internacional Aluguer de Automoveis S.A.	Lisbonne	Portugal	FC	100.0%	100.0%
Europcar Services Unipessoal, LDA.	Lisbonne	Portugal	FC	100.0%	100.0%
Europcar United Kingdom Limited	Watford	United Kingdom	FC	100.0%	100.0%
PremierFirst Vehicle Rental EMEA Holdings Ltd	Leicester	United Kingdom	FC	100.0%	100.0%
PremierFirst Vehicle Rental Holdings Ltd	Leicester	United Kingdom	FC	100.0%	100.0%
Provincial Assessors Ltd	Leicester	United Kingdom	FC	100.0%	100.0%
PremierFirst Vehicle Rental Pension Scheme Trustees Ltd	Leicester	United Kingdom	FC	100.0%	100.0%
Europcar Group UK Ltd	Leicester	United Kingdom	FC	100.0%	100.0%
PremierFirst Vehicle Rental Franchising Ltd	Leicester	United Kingdom	FC	100.0%	100.0%
Brunel Group Holdings Ltd	Leicester	United Kingdom	FC	100.0%	100.0%
A & A Prestige Chauffeurs Ltd	Leicester	United Kingdom	FC	100.0%	100.0%
Brunel Carriage Ltd	Leicester	United Kingdom	FC	100.0%	100.0%
Brucar Ltd	Leicester	United Kingdom	FC	100.0%	100.0%
Brunel Corporate Facilities Ltd	Leicester	United Kingdom	FC	100.0%	100.0%
Euroguard	Gibraltar	Gibraltar	FC	100.0%	100.0%
Europcar Holding Property Ltd	Melbourne	Australia	FC	100.0%	100.0%
Europcar Australia Pty Ltd	Victoria	Australia	FC	100.0%	100.0%
G1 Holdings Pty Ltd	Victoria	Australia	FC	100.0%	100.0%
CLA Holdings Pty Ltd	Victoria	Australia	FC	100.0%	100.0%
CLA Trading Pty Ltd	Victoria	Australia	FC	100.0%	100.0%
Eurofleet Pty Ltd	Victoria	Australia	FC	100.0%	100.0%
Delta Cars & Trucks Rentals Pty Ltd	Victoria	Australia	FC	100.0%	100.0%
Eurofleet Sales Pty Ltd	Victoria	Australia	FC	100.0%	100.0%
E Rent a car Pty Ltd	Victoria	Australia	FC	100.0%	100.0%

Company name	Local HQ (city)	Country	Consolidation method (1) (FC/EM)	% interest	% control
MVS Holdings (Australia) Pty Ltd	Victoria	Australia	FC	100.0%	100.0%
MVS Trading Pty Ltd	Victoria	Australia	FC	100.0%	100.0%
JSV Trading Pty Ltd	Victoria	Australia	FC	100.0%	100.0%
SMJV Ltd	Christchurch	New Zealand	FC	100.0%	100.0%
BVJV Ltd	Christchurch	New Zealand	FC	100.0%	100.0%
Europcar Inc.	Wilmington, New Castle, Delaware	USA	FC	100.0%	100.0%
Executive Trust Limited	Dublin	Ireland	FC	100%	100%
Irish Car Rentals Limited	Dublin	Ireland	FC	100%	100%
GoCar Carsharing Limited	Dublin	Ireland	FC	100%	100%
Østergaard Biler A/S	Aarhus	Denmark	FC	100%	100%
Nordcar Finance A/S	Silkeborg	Denmark	FC	100%	100%
2. Information on non-consolidated companies					
Vehitel 2000 France S.A.S.	Suresnes	France	NC	20.0%	20.0%
Vehitel 2000 S.N.C.	Suresnes	France	NC	33.33%	33.33%
PremierFirst Marketing Enterprises Middle East Ltd	Dubai	United Arab Emirates	NC	25.0%	25.0%
EIR Autonoleggio SRL	Rome	Italy	NC	100.0%	100.0%
EC 3 S.A.S.U.	Paris	France	NC	100.0%	100.0%
SnappCar	Amsterdam	Pays-Bas	NC	20.4%	20.4%

(1) FC: full integration; EM: equity method; NC: not consolidated.
** Legal entities of Buchbinder Group.*
*** Legal entities of Goldcar Group.*

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 37 GROUP AUDITORS' FEES

The EU legislation to reform the statutory audit market adopted by the EU Directive 2014/56/UE and transposed to the French law under an ordinance dated March 17, 2016, is applicable since June 17, 2016. This new legislation introduced the category of "Non-Audit services" instead of "other diligences and services directly related to the Statutory Auditors' role".

IN THOUSANDS OF EUROS	Pricewaterhouse Coopers Audit 2018	PWC Network 2018	PWC 2018	Mazars SA 2018	Mazars Network 2018	Mazars 2018	Total 2018
Audit of statutory and consolidated accounts	**539**	**860**	**1,399**	**332**	**602**	**934**	**2,333**
of which Europcar Mobility Group	*342*	*-*	*342*	*266*	*-*	*271*	*613*
of which fully consolidated subsidiaries	*197*	*860*	*1,057*	*67*	*602*	*669*	*1,726*
Non-audit services (*)	**192**	**419**	**611**	**144**	**22**	**166**	**777**
of which Europcar Mobility Group	*192*	*-*	*192*	*144*	*22*	*166*	*358*
of which fully consolidated subsidiaries	*-*	*419*	*419*	*-*	*-*	*-*	*419*
TOTAL	731	1,279	2,010	476	624	1,100	3,110
of which Europcar Mobility Group	*534*	*-*	*534*	*410*	*22*	*432*	*966*
of which fully consolidated subsidiaries	*197*	*1,279*	*1,476*	*67*	*602*	*669*	*2,145*

(*) *Services other than statutory auditor certification of the accounts mainly concern the Group's financing operations and the overhaul of its digital service for members of its statutory auditor network.*

IN THOUSANDS OF EUROS	Pricewaterhouse Coopers Audit 2017	PWC Network 2017	PWC 2017	Mazars SA 2017	Mazars Network 2017	Mazars 2017	Total 2017
Audit of statutory and consolidated accounts	394	690	1,084	252	476	728	1,812
of which Europcar Mobility Group	*206*	*-*	*206*	*186*	*-*	*186*	*392*
of which fully consolida ted subsidiaries	*188*	*690*	*878*	*66*	*476*	*542*	*1,420*
Non-audit services *	236	558	794	246	27	273	1,067
of which Europcar Mobility Group	*236*	*-*	*236*	*246*	*18*	*264*	*500*
of which fully consolidated subsidiaries	*-*	*558*	*558*	*-*	*9*	*9*	*567*
TOTAL	630	1,248	1,878	498	503	1,001	2,879
of which Europcar Mobility Group	*442*	*-*	*442*	*432*	*18*	*450*	*892*
of which fully consolidated subsidiaries	*188*	*1,248*	*1,436*	*66*	*485*	*551*	*1,987*

* *Non-audit services mainly related to Europcar Mobility Group's financing operations.*

NOTE 38 SUBSEQUENT EVENTS

To management's knowledge, there are no subsequent events to the closing that might have a material impact on the earnings, assets, business or overall financial position of the Group.

Statutory auditors' report on the consolidated financial statements

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.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

(For the year ended December 31, 2018)

To the Shareholders,

Europcar Mobility Group

13 ter Boulevard Berthier
75017 PARIS

Opinion

In compliance with the engagement entrusted to us by your annual general meeting, we have audited the accompanying consolidated financial statements of Europcar Mobility Group for the year ended December 31, 2018.

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, 2018 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards 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 rules applicable to us, for the period from January 1, 2018 to the date of our report and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No 537/2014 or in the French Code of ethics (code de déontologie) for statutory auditors.

JUSTIFICATION OF ASSESSMENTS - KEY AUDIT MATTERS

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 €1 030 million and €850 million as of December 31, 2018(i.e. 29% 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 15) and on the relief-from-royalty method for the trademarks (note 16.a). An impairment loss is recognized in the balance sheet when their net carrying amount exceeds their recoverable amount. As described in notes 4 and 15 to the consolidated financial statements, following its new organization implementation, the group defined new operating segments in respect of IFRS 8 without any impact on the CGUs definition. Considering that goodwill and trademarks are significant, management decision to change segment information, the high degree of estimation and judgment to allocate assets to CGUs and build models used, their sensitivity to changes in the data and assumptions underlying the estimates, particularly cash flow forecasts and discount rates used, we considered the recoverable amounts of the goodwill and trademarks to be a key audit matter.	Our procedures mainly consisted of: • examining the segment changes in accordance with IFRS8 and their effect on CGUs definition; • understanding the process to prepare the three-year business plans used by the management to determine the recoverable amounts of each CGU; • 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 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 analyses. 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 2.7, 2.8, 15 and 16 to the consolidated financial statements, including a sensitivity analysis.

ACCOUNTING TREATMENT OF BUCHBINDER AND GOLDCAR ACQUISITIONS

Identified risk	Audit approach
As detailed in note 3.2 to the consolidated financial statements, Buchbinder and Goldcar groups have been acquired in 2017 for purchase prices of respectively €124.8m and €562.2m. As of December 31, 2017, the purchase price was partially allocated for Buchbinder and fully booked temporary as a goodwill for Goldcar. As of December 31, 2018, purchase prices allocation (PPA) have been finalized with the main following adjustments: • Regarding Buchbinder, some trademarks were already recognized for an amount of €38.6m as of December 31, 2017. Customers relationships have been recognized for €27.8m as of December 31, 2018; • Regarding Goldcar, a trademark has been recognized for an amount of €117.8m as of December 31, 2018. We considered the accounting treatment of these operations to be a key audit matter given the significant amount of purchased assets and liabilities, management judgment to determine the assets and liabilities fair values, and their effects on opening balance sheet in respect of IFRS 3.	Our procedures mainly consisted of: • as concerns the fair value of Goldcar trademark and Buchbinder customers' relationships, challenging with our valuation experts the methodologies and assessing the main assumptions used by the external valuation firms, including, as regard business plans, discount and royalties rates; • assessing contingent liabilities valuation; • verifying the appropriateness of opening balance sheet adjustments. We also verified the appropriateness and accuracy of the related disclosures in the note 3.2 to consolidated financial statements.

INVESTIGATIONS OF THE LEICESTER CITY COUNCIL TRADING STANDARDS SERVICES IN THE UNITED-KINGDOM

Identified risk	Audit approach
As described in Note 35 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 in non-recurring expenses. The provision has been maintained as of December 31, 2018. 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.	We discussed the status of these proceedings with Europcar management, the in-house legal counsel and the external legal counsel of the company. We obtained and tested evidence to support the decisions and rationale for provision held, including written confirmations from external legal counsel. We examined management's assumptions to ensure their consistency with the documentation obtained from the external legal counsel. We verified the appropriateness of the related disclosures in the consolidated financial statements

Specific verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications 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 information statement required by Article L.225-102-1 of the French Commercial Code (code de commerce) is presented in the Group's management report, being specified that, in accordance with Article L.823-10 of this code, the information given in this statement has not been verified by us with respect to the fair presentation and consistency with the consolidated financial statements and has to be subject to a report by an independent third party.

Report on Other Legal and Regulatory Requirements

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, 2018, PricewaterhouseCoopers Audit was in the 13th year of total uninterrupted engagement and Mazars SA was in the 6th year, which are 4 years since securities of the Company were admitted to trading on a regulated market, respectively.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards 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, February 21, 2019

The Statutory Auditors

PricewaterhouseCoopers Audit	MAZARS
François Jaumain	Isabelle Massa

3.5 ANALYSIS OF EUROPCAR MOBILITY GROUP S.A.'S RESULTS

Please read the following information on the Company's results and financial position in conjunction with the Company's financial statements for the year ended December 31, 2018, as they appear in Section 3.6 of this Registration Document.

3.5.1 Revenue of the Company

Europcar Mobility Group reported revenue in 2018 amounts to €6,388 thousand compared with €6,359 thousand for the year ended December 31, 2017. The revenue can be analyzed as follows:

REVENUE (IN THOUSANDS OF EUROS)	12/31/2018	12/31/2017
Management fees in respect of services to subsidiaries (ECI)	4,244	4,718
Franchisee fees on long-term trademark	2,144	1,641
TOTAL	6,388	6,359

3.5.2 Operating results of the Company

The Company reported an operating loss of €(7,079) thousand in 2018, compared with a loss of €(6,912) thousand for the previous fiscal year. The increase in operating profit was partially offset by an increase in salaries, wages and social security contributions.

3.5.3 Net financing costs

The Company's net financing costs for 2018 amounted to €24,449 thousand, compared with a loss of €(42,893) thousand as of December 31, 2017, a positive change of €67,342 thousand. The improvement in net financing costs is primarily due to:

- dividends received in 2018 from Europcar International, which amounted to €90.2 million;
- the increase in 2018 in interest service on its bond debt, amounting to €20.6 million;
- the €6 million increase in 2018 in the amortization of deferred financing costs.

3.5.4 Other information presented in the Company's separate financial statements for 2018

The Company recorded a pre-tax profit at December 31, 2018 of €17,370 thousand, compared with a loss of €(49,805) thousand in the previous fiscal year, i.e. an increase of €67,175 thousand.

Non-recurring revenue amounted to nil at December 31, 2018, compared with a loss of €(28) thousand for the previous year.

Income tax income totaled €30,776 thousand for the year ended December 31, 2018, compared with €20,926 thousand at December 31, 2017.

Taking into account these items, the Company posted a net profit of €48,146 thousand for the fiscal year ended December 31, 2018, compared with a loss of €(28,907) thousand for December 31, 2017.

At December 31, 2018, the Company's statement of financial position totaled €2,143,293 thousand, compared with €2,128,013 thousand at December 31, 2017.

The Company had 13 salaried employees at December 31, 2018.

3.5.5 Proposed allocation of the result

The Combined Shareholders' Meeting of April 26, 2019 will be asked to affect the profit of €(48,146) thousand for the year ended December 31, 2018 by adding the full amount to additional paid-in capital, the balance of which would therefore be reduced from €692,255 thousand to €740,401 thousand.

3.5.6 Dividends paid for the last three fiscal years

A special distribution deducted from share premiums was paid out on May 29, 2018 totaling €24,228 thousand.

A special distribution deducted from share premiums was paid out on May 31, 2017 totaling €59,366 thousand.

3.5.7 Table of results for the last five fiscal years (Article R. 225-102 of the French Commercial Code)

	Year ended 12/31/2014	Year ended 12/31/2015	Year ended 12/31/2016	Year ended 12/31/2017	Year ended 12/31/2018
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)	446,383,194	143,154,017	143,409,299	161,030,883	161,030,883
Number of ordinary shares	103,810,045	143,154,017	143,409,299	161,030,883	161,030,883
Operations and results					
Revenue excluding taxes	4,041,733	4,542,518	3,682,317	6,358,765	6,388,261
Pre-tax income, before employee profit sharing, depreciation and amortization and provisions	(92,990,176)	(127,161,398)	(29,931,556)	(5,137,222)	31,243,366
Income taxes	11,409,147	16,310,028	16,077,921	20,569,456	30,775,992
Net profit/(loss) for the period	(104,638,529)	(119,632,847)	(15,648,351)	(29,264,226)	48,146,509
Net profit/(loss) distributed	0	0	0	0	0
Profit (Loss) per share					
Post-tax income, after employee profit sharing and before depreciation and amortization and provisions	(0.79)	(0.77)	(0.10)	(0.16)	0.39
Net profit/(loss) for the period	(1.01)	(0.84)	(0.11)	(0.18)	0.30
Dividend distributed	0	0	0	0	0
Personnel					
Average workforce	10	9	12	12	14
Payroll	3,740,470	10,114,172	5,628,280	3,652,338	5,314,142
Amounts paid in benefits (social security, other staff benefits, etc.)	1,418,461	3,180,188	2,217,940	976,988	2,867,807

3.6 SEPARATE FINANCIAL STATEMENTS AS OF DECEMBER 31, 2018 AND STATUTORY AUDITOR'S REPORT

Separate financial statements for the year ended December 31, 2018

Europcar Mobility Group SA
13 *ter* Boulevard Berthier
75017 Paris

Balance Sheet

ASSETS

IN THOUSANDS OF EUROS	Notes	Year ended 12/31/2018 Gross carrying amount	Deprec./ Amort. Prov.	Net	Year ended 12/31/2017 Net
Trademarks		28,500	-	28,500	28,500
Intangible assets		**28,500**	**-**	**28,500**	**28,500**
Securities		1,426,205	-	1,426,205	1,426,205
Loans	12	144,544	-	144,544	144,544
Other financial assets	12	14	-	14	10
Financial assets		**1,570,763**	**-**	**1,570,763**	**1,570,759**
NON-CURRENT ASSETS	11	1,599,263	-	1,599,263	1,599,259
Advance payments on orders		1,455	-	1,455	322
Trade and other receivables	12	27,939	-	27,939	15,717
Other receivables	12	464,506	-	464,506	478,291
Marketable securities		37,054	(4,964)	32,089	7,025
Cash-in-hand and at bank		807	-	807	536
Prepaid and deferred charges		279	-	279	62
Deferred note issuance costs	16	29,672	(14,386)	15,287	24,650
Bond redemption premiums		3,116	(1,447)	1,669	2,151
CURRENT ASSETS		564,828	(20,797)	544,031	528,754
Foreign exchange differences - assets		-	-	-	-
TOTAL ASSETS		2,164,091	(20,797)	2,143,293	2,128,013

LIABILITIES

IN THOUSANDS OF EUROS	Notes	Year ended 12/31/2018	Year ended 12/31/2017
Share capital		161,031	161,031
Share, merger, contribution premiums		692,255	745,748
Legal reserve		-	-
Retained earnings (losses)		-	-
Net profit(loss) for the period		48,147	(28,907)
Regulated provisions		23,793	23,793
Shareholder's Equity	**19**	**925,226**	**901,665**
Provisions for risks	20	140	-
Provisions for expenses		-	-
Provisions		**140**	**-**
Other non-convertible notes	13	1,207,773	1,209,673
Borrowings from credit institutions		-	3
Financial liabilities		**1,207,773**	**1,209,676**
Trade and other payables	13	7,581	11,435
Tax and social security liabilities	13	2,555	1,998
Other debt	13	19	3,239
Deferred income		-	-
Operating liabilities		**10,155**	**16,672**
LIABILITIES		1,217,928	1,226,348
Foreign exchange differences - liabilities		-	-
TOTAL LIABILITIES AND EQUITY		2,143,293	2,128,013

Income statement

IN THOUSANDS OF EUROS	Notes	Year ended 12/31/2018	Year ended 12/31/2017
Sales of services	3	6,388	6,359
Reversals of provisions, amortization and transfers of expenses		-	-
Other income	4	10,976	6,213
TOTAL OPERATING REVENUE		**17,364**	**12,572**
Other purchases and external expenses	5	(15,041)	(13,945)
Taxes, levies and similar payments		(469)	(160)
Wages and salaries		(5,314)	(3,652)
Social security contributions		(2,868)	(977)
Other expenses		(751)	(750)
TOTAL OPERATING EXPENSES		**(24,443)**	**(19,484)**
OPERATING INCOME		(7,079)	(6,912)
Income from equity interests		90,200	-
Other interest and similar income and receivables from non-current assets		10,320	8,507
Other interest and similar income		1,202	-
Foreign exchange gains		-	4
Net revenue from marketable securities		322	124
Financial revenue	**7**	**102,044**	**8,635**
Interest and similar expense		(63,545)	(48,604)
Depreciation, amortization, impairment and provisions		(13,873)	(2,843)
Foreign exchange losses		-	(2)
Net expense on disposal of marketable securities		(177)	(79)
Financial expense	**7**	**(77,595)**	**(51,528)**
NET FINANCING RESULT		24,449	(42,893)
RECURRING PROFIT/(LOSS) BEFORE TAX		17,370	(49,805)
Non-recurring revenue from management transactions		1,350	100
Non-recurring revenue from capital transactions		-	-
Reversals of provisions, impairment and transfers of expenses		-	-
Non-recurring revenue	**8**	**1,350**	**100**
Non-recurring expenses on management transactions		(1,350)	(128)
Non-recurring expenses on capital transactions		-	-
Depreciation, amortization, impairment and provisions		-	-
Non-recurring expenses	8	(1,350)	(128)
NON-RECURRING INCOME (EXPENSES)		-	(28)
Income taxes	9	30,776	20,926
NET PROFIT/(LOSS)		48,146	(28,907)

Notes to the separate financial statements

CONTENTS

NOTE 1 SIGNIFICANT EVENTS

1.1 Overview and description of the activity performed by the Company

On May 22, 2018, the Europcar Group announced that it had changed the name of Europcar Groupe to Europcar Mobility Group. The name change was approved during the Group's Annual Shareholders Meeting that took place on May 17, 2018. The deployment of the new Group name will be rolled out over the next few months.

Europcar Mobility Group S.A. (former Europcar Group S.A. or "ECG") 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 SA changed its governance on February 24, 2015 to take the form of a joint stock company with a Management Board and a Supervisory Board.

Europcar Mobility Group's headquarters are located at 13 *ter* boulevard Berthier, 75017 Paris, France.

Europcar Mobility Group is one of the major players in the mobility sector. The Group offers a wide variety of mobility solutions to serve all the needs of its clients. The Group operates under several brands, the main ones of which are Europcar®, Goldcar®, InterRent®, Buchbinder® and Ubeeqo®. The Group is active worldwide through an extensive network in more than 130 countries (via 16 subsidiaries in Europe and 2 in Australia and New Zealand, as well as franchisees and partners).

The Company's fiscal year runs from January 1 to December 31 of each year.

At December 31, 2018, 31.23% of Europcar Mobility Group's capital was held by Eurazeo, and 68.77% by private and public investors.

1.2 Significant events during the year

On May 17, 2018, the Europcar Mobility Group signed a mandate in connection with the share buyback program authorized by the Combined General Meeting of Shareholders on May 10, 2017 At December 31, 2018, 3,231,823 shares had been acquired, representing 2.01% of the share capital.

Europcar Mobility Group also announced the implementation of a new share buy-back program running from December 21, 2018. The amount of the share buy back is capped at €45 million, representing approximately 2.1% of the share capital.

In addition, on September 28, 2018, Europcar Mobility Group received dividends from its subsidiary Europcar International in the amount of €90.2 million. Europcar Mobility Group itself paid out a distribution of issuance premium of €24,228,033 on May 31, 2018.

1.3 Subsequent events

None.

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES

The annual accounts of Europcar Mobility Group are prepared in accordance with accounting principles generally accepted 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 policies used in the preparation of the financial statements for the fiscal year ended December 31, 2018 are identical to those used for the fiscal year ended December 31, 2017.

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 conducts an impairment test to ensure that the fair value of the trademarks at this date is higher than their 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

Financial assets Securities and related advances

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 the management of each investment and approved by Europcar's management (discounted cash flow method).

For impairment test purposes, the three-year plan is extended to five years. The 2019 budget and the 2020 and 2021 business plans were prepared taking into account economic growth forecasts in the countries where the Group operates, current macroeconomic data for each country, air traffic growth forecasts, trends in the vehicle rental market and competitive pressure, as well as new projects and products in the development phase. Beyond 2021, revenue growth assumptions are conservative, and the projected profit margin is held steady.

If this value in use is lower than the net book value of the investment shares, impairment is recognized.

Securities are recognized at their acquisition price of €1,426,205 thousand. They consist of securities held in Europcar International S.A.S.U for €1,241,195 thousand, including incidental acquisition costs of €23,793 thousand, amortized on a staight-line basis over five years (fully amortized at December 31, 2018), and other securities held in Europcar Participations for €185,010 thousand.

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.

Foreign exchange gains and losses corresponding to current accounts are recognized directly in the income statement without any translation adjustments.

2.5 Liquidity contract and treasury stock

Marketable securities are exclusively composed of Europcar Mobility Group shares purchased under the terms of the following contracts:

- a liquidity contract entered into with the investment services provider, Rothschild & Cie Banque on August 7, 2015 amended first on August 7, 2015 and then on July 29, 2016, for a period of one year, and which renewable by tacit agreement. This is in accordance with Article L. 225-209 of the French Commercial Code, as amended by Article 15 of Law 2012-387 of March 22, 2012 (see Note 15), and with the charter of ethics established by the AMAFI and approved by decision of the AMF on March 21, 2011;
- two mandates for the acquisition of securities, in the context of the implementation of a share buy-back program entrusted to Rothschild & Cie Banque. The first share buy-back mandate dated May 17, 2018 expired on December 31, 2018, and the second was implemented on December 21, 2018.

The total amount to be acquired under the share buy-back mandate of December 21, 2018 is capped at €45 million excluding stock exchange transaction fees and taxes on the financial transactions, at a maximum unit price of 10 euros per share.

These shares are measured at their acquisition cost. If their probable trading price at year-end falls below the acquisition price, an impairment is recognized.

2.6 Provisions

A provision is recorded 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 resources with no counterpart will be required to settle the obligation, and that the amount can be reliably estimated.

If the effect is material, provisions are discounted using 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 grants its employees end-of-service indemnities and supplementary pensions through defined-contribution or defined-benefit plan.

Europcar Mobility Group has opted not to record its employee benefit obligations. The Company's obligations are valued by independent actuaries and reported in the Notes (see Note 21).

2.9 Capital increase expenses

Europcar Mobility Group has opted to charge the expenses related to the capital increase against the issue premium.

Notes to the income statement

NOTE 3 BREAKDOWN OF REVENUE

Europcar Mobility Group's revenue excludes amounts derived from the rebilling costs to subsidiaries (see Note 4), and can be analyzed as follows:

IN THOUSANDS OF EUROS	Amounts at 12/31/2018			Amounts at 12/31/2017
	France	Excluding France	Total	Total
Provision of services to subsidiaries	4,012	232	4,244	4,718
Franchise revenue	2,110	34	2,144	1,641
TOTAL	6,122	266	6,388	6,359

NOTE 4 OTHER INCOME

Other income consists primarily of:

IN THOUSANDS OF EUROS	Amounts at 12/31/2018	Amounts at 12/31/2017
Rebilling of fees [(1)]	10,449	5,790
Rebilling of insurance	357	423
TOTAL	10,806	6,213

(1) See Note 5.

NOTE 5 OTHER PURCHASES AND EXTERNAL EXPENSES

Other purchases and external expenses increased from €1 million to €15 million for the year ended December 31, 2018.

In 2018, external expenses included €1.1 million in personnel costs loaned to the Company that were previously rebilled to Europcar International.

In 2017, external expenses included €5.8 million in fees disbursed in the context of the acquisition by Europcar Participations (ECP) of various companies. Rebilling of these fees to ECP is planned and is recorded as unbilled revenue (transfers of expenses).

NOTE 6 EXECUTIVE COMPENSATION

Members of the Management Board received the following compensation in 2018 and 2017:

IN THOUSANDS OF EUROS	At 12/31/2018	At 12/31/2017
Employee salaries and short-term benefits	1,921	2,218
Post-employment benefits	-	-
Termination indemnities	-	-
TOTAL	1,921	2,218

In 2018, Europcar Mobility Group made payments of €682 thousand to members of the Supervisory Board for directors' fees and other compensation (compared with €1,281 thousand in the previous year).

NOTE 7 NET FINANCING COSTS

Net financing costs amounted to €24,449 thousand, comprising:

IN THOUSANDS OF EUROS	Amounts at 12/31/2018	Amounts at 12/31/2017
Income from equity interest	90,200	-
Other interest & similar income, and receivables from non-current assets.	10,320	8,507
Other interest and similar income	1,202	-
Net revenue from disposal of marketable securities	322	124
Other	-	4
Financial revenue	**102,044**	**8,635**
Interest on notes	(59,181)	(38,556)
Provision for impairment of marketable securities	(4,964)	-
Interest on the revolving credit facility	(3,930)	(2,923)
Interest on intra-group debt	-	(371)
Amortization of transaction costs	(8,909)	(2,843)
Other	(611)	(6,835)
Financial expense	**(77,595)**	**(51,528)**
NET FINANCING COSTS	24,449	(42,893)

Interest on bonds and notes relates to the €1.2 billion note held by Europcar Mobility Group. The amount increased from €38 million at December 31, 2017 to €59 million at December 31, 2018 as the second corporate note in the amount of €600 million was issued in November 2017.

Senior notes: €600 million due 2022 and €600 million in 2024

On May 27, 2015 senior notes of €475 million maturing in 2022 were issued at an issue price of 99.289% of the nominal value. These notes bear interest at 5.75%. On June 29, 2015, a portion of the net bond proceeds was directly transferred to a special escrow account for the redemption of the unsecured senior subordinated notes in the amount of €400 million, due 2018 and bearing interest at 9.375%. The remaining proceeds were transferred directly to Europcar Mobility Group.

On June 29, 2015 a portion of the net proceeds of the new shares issued in the context of the Company's listing was transferred to a second escrow account for the redemption of the secured senior subordinated notes in the amount of €324 million, due 2017 and bearing interest at 11.50%. The remaining proceeds were transferred directly to Europcar Mobility Group.

On June 2, 2016, the Group issued new senior notes for a total of €125 million priced at 4.5140% of yield to worst, or 4.8790% of yield to maturity. These notes were ranked with existing senior notes issued in June 2015 which offer a fixed interest rate of 5.750% and mature in 2022 for a total nominal amount of €475 million, thus bringing the total to €600 million. Because the issue yield was below the fixed coupon rate of 5.750%, the proceeds from the issue amounted to €131 million, more than the nominal amount of €125 million.

On November 2, 2017, the Group issued new senior notes due 2024 for a total amount of €600 million to finance the acquisitions of Buchbinder and Goldcar. These senior notes, bearing interest at an annual fixed rate of 4.125%, were issued by Europcar Drive DAC, a special purpose vehicle. On the issue date a portion of the net issue proceeds (€400 million) was transferred directly into an escrow account specifically set up for the acquisition of Goldcar pending completion of the deal. The remaining proceeds were transferred directly to Europcar Mobility Group. Upon completion of the acquisition of Goldcar on December 19, 2017, the funds were released from the escrow account. At he same time Europcar Drive DAC was released from its obligations in respect of the new senior notes due 2024, which were assumed by Europcar Mobility Group.

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NOTE 8 NON-RECURRING PROFIT/(LOSS)

Non-recurring income/(expenses) is primarily composed of:

IN THOUSANDS OF EUROS	Amounts at 12/31/2018	Amounts at 12/31/2017
Daimler's compensation for late delivery	1,350	-
Other non-recurring revenue	-	100
Non-recurring revenue	**1,350**	**100**
Other non-recurring expenses	-	(128)
Subsidiary's repayment of Daimler's compensation	(1,350)	-
Non-recurring expenses	**(1,350)**	**(128)**
NON-RECURRING PROFIT/(LOSS)	**0**	**(28)**

NOTE 9 CORPORATE INCOME TAX: BREAKDOWN AND TAX LIABILITIES

Breakdown (IN THOUSANDS OF EUROS)	Profit/(loss) before tax, at 12/31/2018	Current tax	Net profit (loss) at 12/31/2018	Net profit/(loss) at 12/31/2017
Recurring profit/(loss)	17,370	30,776	48,146	(28,879)
Non-recurring profit/(loss)	-	-	-	(28)
TOTAL	**17,370**	**30,776**	**48,146**	**(28,907)**

There was no Organic provision for 2018.

As Europcar Mobility Group had tax losses in the amount of €815 million as of 12/31/2018, there would have been no tax to record if the Company had been taxed separately.

NOTE 10 TAX GROUP

Europcar Mobility Group is the parent company of the French tax group comprising Europcar International, Europcar Lab, Europcar Holding, Europcar Participations, Europcar France, Parcoto, EC3, EC4, Lor'Rent, 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 €30,776 thousand in 2018.

Tax loss carry forwards for the scope of the tax group amounted to €551 million at December 31, 2018.

Proceeds from the effects of the tax group amounted to €30,776 thousand in 2018.

As the parent company, Europcar Mobility Group had no corporate income tax charges at December 31, 2018.

The CICE tax credit for Group companies can be used to pay the full amount of corporate income tax.

Notes to the statement of financial position

NOTE 11 STATEMENT OF FIXED ASSETS

IN THOUSANDS OF EUROS	Amounts at 12/31/2017	Increases during the period	Reductions during the period	Amounts at 12/31/2018
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	144,554	4	-	144,559
TOTAL FINANCIAL ASSETS	1,570,759	4	-	1,570,763

(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 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 latter which were the subject of straight-line amortization over five years, were fully amortized as of December 31, 2018.

Since these assets have an indefinite life, they are not amortized.

No impairment has been recognized on non-current assets.

NOTE 12 AMOUNTS AND MATURITIES OF RECEIVABLES

Receivables In thousands of euros	Gross amounts at 12/31/2018	Up to 1 year	From 1 to 5 years	Over 5 years
Loans	144,544	414	-	144,130
Other financial assets	14	-	14	-
Trade and other receivables	27,939	27,939	-	-
Tax and social security receivables	11,500	11,500	-	-
Associates	453,006	453,006	-	-
Deferred note issuance costs	15,287	3,696	10,677	913
TOTAL	652,290	496,556	10,691	145,043

Aging of receivables In thousands of euros	Amounts at 12/31/2018	Amounts at 12/31/2017
Not due	848	-
Overdue by < 30 days	(1,280)	369
Overdue by > 30 days and < 6 months	142	-
Overdue by > 6 months and < 1 year	-	-
Overdue by > 1 year	4,787	5,166
TOTAL	4,497	5,535

NOTE 13 AMOUNTS AND MATURITIES OF PAYABLES

Operating liabilities

Liabilities In thousands of euros	Gross amounts at 12/31/2018	Up to 1 year	Over 1 year
Trade and other payables	7,581	7,581	-
Tax and social security liabilities	2,555	2,555	-
Other debt	19	19	-
Deferred income	-	-	-
TOTAL	10,155	10,155	-

Aging of trade payables at 12/31/2018 In thousands of euros			Due			
	Not due	Due	< 45 days	46 > 60 days	> 60 days	Total
Suppliers within the Group	-	-	-	-	-	-
Suppliers outside the Group	205	804	54	-	750	1,009
TOTAL	205	804	54	-	750	1,009

Aging of trade payables at 12/31/2017 In thousands of euros			Due			
	Not due	Due	< 45 days	46 > 60 days	> 60 days	Total
Suppliers within the Group	43	1	-	-	1	44
Suppliers outside the Group	791	145	136	-	9	936
TOTAL	834	146	136	-	10	980

Financial liabilities

Aging of financial liabilities In thousands of euros	Gross amounts at 12/31/2018	Up to 1 year	Over 1 year
Other non-convertible notes	1,200,000	-	1,200,000
Issue premium	3,242	938	2,304
Accrued interest not due	4,531	4,531	-
Borrowings from credit institutions	-	-	-
TOTAL	1,207,773	5,469	1,202,304

Aging of financial liabilities In thousands of euros	Gross amounts at 12/31/2017	Up to 1 year	Over 1 year
Other non-convertible notes	1,200,000	-	1,200,000
Issue premium	4,180	938	3,242
Accrued interest not due	5,494	5,494	-
Borrowings from credit institutions	3	3	-
TOTAL	1,209,677	6,435	1,203,242

NOTE 14 INFORMATION ON RELATED COMPANIES

The following information on related companies corresponds to transactions with subsidiaries included in the scope of consolidation at December 31, 2018, of which Europcar Mobility Group is the parent company.

Total Gross values In thousands of euros	Amounts at 12/31/2018	Amounts at 12/31/2017
ASSETS		
Investments	1,426,205	1,426,205
Loans	144,536	144,536
Trade and other receivables	27,891	15,292
Other receivables	453,006	461,569
LIABILITIES		
Trade and other payables	2,848	2,922
Other debt	-	3,239
INCOME STATEMENT		
Operating revenue	17,361	12,572
Operating expenses	1,405	498
Non-recurring expenses	1,348	-
Financial expense	-	371
Financial revenue	100,520	8,507
Tax consolidation benefit	30,776	20,926

NOTE 15 MARKETABLE SECURITIES

The number of treasury shares held can be analyzed as follows:

IN NUMBER OF SHARES	12/31/2017	Increase	Reduction	12/31/2018
Amafi liquidity agreement	134,750	2,321,712	(2,446,212)	10,250
Share buy-back agreement	700,000	3,447,800	-	4,147,800
TOTAL	**834,750**	**5,769,512**	**(2,446,212)**	**4,158,050**

The value of the treasury shares included in marketable securities was €37,051,945 at December 31, 2018.

The shares were subject to a provision for impairment in the amount of €4,964,273.

NOTE 16 DEFERRED EXPENSES AND PREMIUMS ON EARLY REDEMPTION OF BONDS

At December 31, 2018, "Deferred note issuance costs" and "Premium on early redemption of bonds" totaling €16,955 thousand included:

- refinancing costs incurred on the issue of High Yield Notes due 2022 in the amount of €475 million that were issued in 2015 for a net amount of €3.6 million;
- the resulting redemption premium at the time of the issue for a net amount of €1.67 million;
- costs related to the renegotiation of the €350 million Revolving Credit Facility maturing in five years and which went into effect in May 2015, in the amount of €0.5 million;
- refinancing costs incurred on the issue of new High-Yield Notes due 2022 in the amount of €125 million, that were issued in June 2016 for a net amount of €1.3 million;
- refinancing costs incurred on the issue of High Yield Notes due 2024 in the amount of €600 million, that were issued in November 2017, for a net amount of €6.1 million;
- expenses related to the renegotiation in November 2017 of the €350 million Revolving Credit Facility maturing in 2022, for a net amount of €3.7 million.

These expenses are amortized over the term of the borrowings.

NOTE 17 ACCRUED EXPENSES

IN THOUSANDS OF EUROS	Amounts at 12/31/2018	Amounts at 12/31/2017
LIABILITIES		
Interest accrued on bonds and other borrowings	4,531	5,494
LOANS AND BORROWINGS	4,531	5,494
Non-corporate suppliers	3,724	7,577
Corporate suppliers	2,847	2,878
Trade and other payables	**6,571**	**10,455**
Provisions for wages	965	306
Provisions - Other personnel expenses	-	-
Provisions on accrued social security charges	963	547
Withholding tax on wages	-	-
Other taxes payable	189	643
Other accrued expenses	-	-
TAX AND SOCIAL SECURITY LIABILITIES	2,117	1,496
TOTAL ACCRUED EXPENSES	13,219	17,445

NOTE 18 ACCRUED INCOME

IN THOUSANDS OF EUROS	Amounts at 12/31/2018	Amounts at 12/31/2017
ASSETS		
Accrued interest – Loans	414	414
FINANCIAL ASSETS	414	414
Interco – Corporate	23,395	9,758
Miscellaneous income receivable	47	426
Other receivables	-	-
TRADE AND OTHER RECEIVABLES	23,442	10,184
TOTAL ACCRUED INCOME	23,856	10,598

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NOTE 19 SHAREHOLDERS' EQUITY

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

IN THOUSANDS OF EUROS	Share capital	Share premium	Retained earnings (losses)	Net profit (loss)	Regulated provisions	Equity
Balance at January 1, 2018	**161,031**	**745,748**	**-**	**(28,907)**	**23,793**	**901,665**
Profit/(loss) for 2017 readjusted	**-**	**-**	**-**	**(357)**	**-**	**(357)**
Net profit/(loss) for 2018	-	-	-	48,146	-	48,146
Profit appropriation by Share Premium	-	(29,264)	-	29,264	-	-
Special distribution deducted from share premium	-	(24,228)	-	-	-	(24,228)
BALANCE AT DECEMBER 31, 2018	161,031	692,255	-	48,146	23,793	925,226

19.1 Distribution deducted from share premium

The Combined General Meeting of Europcar Mobility Group (former Europcar Groupe) held on May 17, 2018, approved the payment of a special distribution exclusively in cash deducted from Share premium of a total amount of €24,228,033 set at €0.1518 per share.

The right to this special distribution was allocated on May 29, 2018 and was paid exclusively in cash on May 31, 2018 representing 159,604,963 shares.

19.2 Share buy-back program

On May 17, 2018, the Europcar Mobility Group signed a mandate in connection with the share buyback program authorized by the Combined General Meeting of Shareholders on May 10, 2017 At December 31, 2018, 3,231,823 shares had been acquired, representing 2.01% of the share capital.

Europcar Mobility Group announced the implementation of a new share buy-back program from December 21, 2018. The amount of the share buy back is capped at €45 million, representing approximately 2.1% of the share capital.

19.3 Share capital and issue premiums

At December 31, 2018, the registered share capital of Europcar Mobility Group was €161,030,883, consisting of 161,030,883 shares, each with a par value of €1.00 each, 161,022,797 ordinary shares, 4,045 class C preferred shares, and 4,041 class D preferred shares.

Each Class A share of common stock gives the right to one vote. Class B, C and D shares are preferred shares as defined by Article L. 228-11 of the French Commercial Code, and carry no voting rights. For more information about class A, B, C and D shares, see Section 6.2.3 of this Registration Document.

The various changes in share capital since January 1, 2018 are given below:

Date	Operation	Share capital (IN €)	Share premium (IN €)	Number of shares	Nominal value (IN €)
12/31/2017		161,030,883	745,747,717	161,030,883	1.000
05/31/2018	Profit appropriation by Share Premium	-	(29,264,226)	-	-
05/31/2018	Special distribution deducted from share premium	-	(24,228,033)	-	-
12/31/2018		161,030,883	692,255,456	161,030,883	1.000

At December 31, 2018, the breakdown of shareholders in the share capital of the Company was as follows:

Shareholders	Number of common shares and voting rights	Number of Class B Preferred Shares	Number of Class C Preferred Shares	Number of Class D Preferred Shares	Total number of shares	Percentage of common shares and voting rights	Percentage of share capital
Eurazeo SE	48,987,506	-	-	234	48,987,740	31.23%	30.42%
ECIP Europcar SARL	4,990,000	-	-	-	4,990,000	3.18%	3.10%
Kairos Investment	8,072,043	-	-	-	8,072,043	5.15%	5.01%
Morgan Stanley	8,177,148	-	-	-	8,177,148	5.21%	5.08%
Public	84,314,853	-	1,526	1,526	84,317,905	53.80%	49.92%
Management and employees	2,165,700	-	2,519	2,281	2,170,500	1.42%	1.35%
Treasury shares	4,315,547	-	-	-	4,315,547	0%	5.12%
TOTAL	161,022,797	-	4,045	4,041	161,030,883	100%	100%

At December 31, 2017, the breakdown of shareholders in the share capital of the Company was as follows:

Shareholders	Number of common shares and voting rights	Number of Class B Preferred Shares	Number of Class C Preferred Shares	Number of Class D Preferred Shares	Total number of shares	Percentage of common shares and voting rights	Percentage of share capital
Eurazeo	48,960,506	-	-	234	48,960,740	30.56%	30.40%
ECIP Europcar Sarl	7,017,713	-	-	-	7,017,713	4.38%	4.36%
Kairos Investment	8,072,043	-	-	-	8,072,043	5.04%	5.01%
Morgan Stanley	9,047,141	-	-	-	9,047,141	5.65%	5.62%
Public	84,692,203	-	1,526	1,526	84,695,255	52.87%	52.60%
Management and employees	2,398,441	-	2,519	2,281	2,403,241	1.50%	1.49%
Treasury shares	834,750	-	-	-	834,750	0.00%	0.52%
TOTAL	161,022,797	-	4,045	4,041	161,030,883	100.00%	100.00%

Regulated provisions

IN THOUSANDS OF EUROS	Amounts at 12/31/2017	Accruals during the period	Provisions reversed during the period (used)	Provisions reversed during the period (unused)	Amounts at 12/31/2018
Accelerated depreciation (See Note 2.3)	23,793	-	-	-	23,793
REGULATED PROVISIONS	23,793	-	-	-	23,793

NOTE 20 PROVISIONS

IN THOUSANDS OF EUROS	Amounts at 12/31/2017	Accruals during the period	Provisions reversed during the period	Reclass.	Amounts at 12/31/2018
Provisions for risks and expenses	-	140	-	-	140
IMPAIRMENT	-	-	-	-	-
PROVISIONS	-	140	-	-	140

Leicester City Council Trading Standards Services investigation

On June 23, 2017, the Leicester City Council trade services investigation department opened an inquiry into Europcar UK for a breach of Article 9 of the 2008 of the Consumer Protection Act on Unfair Trading, based on allegations according to which: Europcar UK (i) had billed its customers, without their consent, repair costs for damage caused to vehicles in cases where the damage was contested, and (ii) had billed excessive amounts, over and above the actual cost of the repairs. Europcar UK is cooperating with the authorities in charge of the inquiry. Europcar UK has drawn up the list of documents it has to provide with the commercial practices inspection department and has appointed Deloitte to take charge of the matter. The results of the inquiries conducted by Deloitte were presented to the commercial practices inspection department in November 2018.

The inquiries of the Leicester commercial practices inspection department are in progress and the Group continues to cooperate fully with the authorities.

In its consolidated financial statements at December 31, 2017, the Group recognized a provision of £38 million (€43 million) in non-current expenses. This amount corresponded to the Group's best estimate, at that very early stage of the investigation, based on a number of assumptions, including an assumption that the charging practices would be found to be misleading under Article 9 of the 2008 Consumer Protection Act from Unfair Trading and potentially inappropriate behavior when rebilling repair costs to customers.

A new risk estimate was made at December 31, 2018. On the basis of the items analyzed at that date, the Group decided to retain the provision of £38 million recognized the previous year.

Off-balance sheet items

NOTE 21 OFF-BALANCE SHEET COMMITMENTS

21.1 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 regulation 2014-03, modified 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, 2018 are as follows:

Guarantees and sureties given

To secure the Senior Revolving Credit Facility, dated July 13, 2017, as amended at December 21, 2018, 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 by the Company.

To secure the indenture governing the EC Finance Notes (notes issued with a principal of €500 million and bearing interest at 2.375%, due in 2022) dated November 2, 2017, the following guarantee was notably put in place by the Company: a joint and several guarantee of the obligations of EC Finance Plc in respect of the indenture and Notes.

To secure the indenture governing the 2022 Subordinated Notes (notes issued with a principal of €600 million and bearing interest at 5.75%, due in 2022) and the 2024 Subordinated Notes (notes issued with a principal of €600 million and bearing interest at 4.125%, due in 2024), dated June 10, 2015 and November 2, 2017, respectively, the following guarantee was notably put in place by the Company: a pledge over the Europcar International S.A.S.U. shares held by the Company (second ranking guarantee following the guarantee granted under the Senior Revolving Credit Facility).

To secure the Asset Backed Financing Facility Agreement, dated December 19, 2017, the following guarantee was put in place by the Company in favor of the Finance Parties: joint and several guarantee of the obligations of the borrowers and lenders (Obligors).

Guarantees and sureties received

ASSET AND LIABILITY GUARANTEE GRANTED BY THE VOLKSWAGEN GROUP

The Company was granted a vendor warranty by the Volkswagen group at the time of its acquisition of the Europcar Group in 2006. This warranty is expired and can no longer be implemented. However, the Company may still receive compensation in respect of actions already undertaken, subject to the completion of ongoing litigation or pre-litigation and in agreement with Volkswagen on the final amount of such compensations.

RECEIVABLE WRITE-OFF WITH A RETURN TO PROFITABILITY CLAUSE

On November 23, 2017, Europcar Group wrote off part of its receivable on Europcar UK in the amount of €9,809,034.33 with a return to profitability clause within a two-year period. This write-off was recorded in the income statement at December 31, 2017.

21.2 Employee benefit financial obligations

Legal and contractual retirement indemnities amounted to €160 thousand (€166 thousand in 2017) based on the valuation method prescribed by ANC recommendation No. 2013-02.

The Group has commitments with respect to defined employee pension plans (PIDR). This commitment is assessed by an independent actuary using the projected unit credit method. This method requires the use of the specific actuarial assumptions set out below. These actuarial valuations are performed at the period end for each plan by estimating the present value of the amount of future benefits that employees have earned in return for their service in the current and prior periods and factoring in the effects of future salary increases.

The assumptions are:

- discount rate: 1.6%;
- long-term inflation rate: 1.90%;
- return on the fund: 1.60%;
- increase rate of salaries: 3.50%.

The cost of services rendered in 2018 was €28 thousand, and the financial cost €2 thousand.

21.3 Other commitments

None.

Additional information

NOTE 22 HEADCOUNT

	Average staff at 12/31/2018	
	Personnel personnel	Personnel seconded to the Company
Managers and similar	13.88	-
TOTAL	13.88	-

NOTE 23 FREE SHARE GRANTS

The Company's Extraordinary General Meeting dated as of May 10, 2016, in its 12th resolution, authorized the implementation free performance shares award scheme, in favor of some employees or managers of the Group. This authorization has been given for a 26-months period and is valid until July 8, 2018.

"AGA 17"

On February 24, 2019, the Supervisory Board authorized the Management Board to implement a free share plan for managers and certain employees of the Group (the "AGA 2017 Plan").

The acquisition of these performance shares, following a vesting period of two years (or three years for non-French residents under option), 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, 2017 and December 31, 2018, performance conditions related to (i) Group EBITDA, (ii) revenue, and (iii) a relative TSR (Total Shareholder Return).

When the vesting period is equal to 2 years, a one-year retention period is required for fee shares. No retention period is required when the vesting period is equal to 3 years.

The number of free shares initially granted was 591,000. At December 31, 2018, 558,900 free-shares under AGA 17 were still vesting.

"AGA 18"

On March 20, 2018, the Supervisory Board authorized the Management Board to implement a free performance shares award scheme for the management and certain employees of the Group (the "AGA 2018 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, when the vesting period is equal to three years, no holding period is required for free shares.

The number of free shares initially granted was 901,781. At December 31, 2018, 883,781 free-shares under AGA 17 were still vesting.

	Type of plan	Grant date	Number of shares granted	Currently vesting	Length of vesting period	Vesting period	Fair value of the shares in € *
AGA 17	Free shares	March 14, 2017	195,400	195,400	2 years	March 14, 2019	9.19
AGA 17	Free shares	April 26, 2017	326,100	300,000	2 years	April 26, 2019	10.27
AGA 17	Free shares	July 4, 2017	69,500	63,500	2 years	July 4, 2019	11.82
AGA 18	Free shares	July 25, 2018	658,981	640,981	3 years	July 25, 2021	7.98
AGA 18	Free shares	October 25, 2018	242,800	242,800	3 years	October 25, 2021	7.57

* *Fair value at grant date.*

The 30% employer contribution for the AGA 17 plan and the 20% contribution for the AGA 18 plan were calculated on a basis corresponding to the fair unit value of the shares as estimated at grant date.

Movements relating to the free shares in 2018 and 2017, to which IFRS 2 standard "Share-based payments" applies, are as follows:

	Number of shares
Currently vesting as of January 1, 2017	**1,459,759**
Granted	591,000
Canceled	(1,188,948)
Delivered	(285,711)
Currently vesting as of December 31, 2017	**576,100**
Granted	883,781
Canceled	**(17,200)**
Delivered	-
CURRENTLY VESTING AT DECEMBER 31, 2018	**1,442,681**

At December 31, 2018, the impact on the income statement for services received was an expense of €2.5 million (€2.1 million at end-2017). 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 17 and AGA 18 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. For the AGA 17 plan, the discounted cost of non-transferability was considered to be nil during a lock-in period of one year.

NOTE 24 SUBSIDIARIES AND AFFILIATES

	Share capital	Share % Held	Val. Gross val. securities	Loans, advances	Total revenue
Corporate name	Shareholders' equity	Dividends received	Val. Net of investment shares	Guarantees	Net profit (loss)
SUBSIDIARIES (over 50%)					
Europcar International S.A.S.U. (FRANCE)	110,000	100%	1,241,195	144,122	167,118
	292,747	90,200	1,241,195	-	115,593
EC Participations	18,510	100%	185,010	-	4,823
	177,732	-	185,010	-	4,017
ASSOCIATES (10 to 50%)					

STATUTORY AUDITORS' REPORT ON THE FINANCIAL STATEMENTS

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,

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, 2018.

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, 2018 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 rules applicable to us, for the period from January 1st, 2018 to the date of our report and specifically we did not provide any prohibited non-audit services referred to in Article 5 (1) of Regulation (EU) No 537/2014 or in the French Code of ethics (code de déontologie) for statutory auditors.

Justification of Assessments - Key Audit Matters

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 matter relating to risks of material misstatement that, in our professional judgment, was 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 €1,426 million as of December 31, 2018 (*i.e.* 66% of total assets). As indicated in note 2.3, annual impairment test is performed on securities. Value in use is determined using the discounted future cash flow method based on business plans prepared by the management of each entity and validated by the group management. An impairment loss is recognised in the balance sheet when their net carrying amount exceeds their value in use. Considering investments securities are significant, the high degree of estimate and judgment to build models, and their sensitivity to changes in the data and assumptions underlying the estimates, particularly cash flow forecasts and discount rates used, we considered the valuation of investments to be a key audit matter.	Our procedures mainly consisted of: • understanding the process to prepare the three-year business plans used by the management to determine the recoverable amounts; • 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 analyses. 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.

Verification of the Management Report and of the Other Documents Provided to the Shareholders

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by French law.

INFORMATION GIVEN IN THE MANAGEMENT REPORT AND IN THE OTHER DOCUMENTS PROVIDED TO SHAREHOLDERS WITH RESPECT TO THE FINANCIAL POSITION AND THE FINANCIAL STATEMENTS.

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the management report of the Board of Directors and in the other documents provided to the Shareholders with respect to the financial position and the financial statements.

We attest the fair presentation and the consistency with the financial statements of the information related to payment terms mentioned in article D.441-4 of the French Commercial Code.

REPORT ON CORPORATE GOVERNANCE

We attest that the Supervisory Board's report on corporate governance sets out the information required by Articles L. 225-37-3 and L. 225-37-4 of the French Commercial Code.

Concerning the information given in accordance with the requirements of Article L. 225-37-3 of the French Commercial Code (code de commerce) relating to remunerations and benefits received by the directors and any other commitments made in their favour, we have verified its consistency with the financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your company from controlling and controlled companies. Based on this work, we attest the accuracy and fair presentation of this information.

With respect to the information relating to items that your company considered likely to have an impact in the event of a takeover or exchange offer, provided pursuant to Article L. 225-37-5 of the French Commercial Code (code de commerce), we have verified their compliance with the source documents communicated to us. Based on our work, we have no observation to make on this information.

OTHER INFORMATION

In accordance with French law, we have verified that the required information concerning the purchase of investments and controlling interests and the identity of the shareholders and holders of the voting rights has been properly disclosed in the management report.

Report on Other Legal and Regulatory Requirements

APPOINTMENT OF THE STATUTORY AUDITORS

We were appointed as statutory auditors of Europcar Mobility Group by the annual general meeting held on May 16th, 2013 for Mazars and on status on March 9th, 2006 for PricewaterhouseCoopers Audit.

As at December 31, 2018, Mazars was in the 6th year of total uninterrupted engagement and PricewaterhouseCoopers Audit was in the 13th year of total uninterrupted engagement, and 4 years since securities of the Company were admitted to trading on a regulated market, respectively.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with French accounting principles and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risks management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The financial statements were approved by the Board of Directors.

Statutory Auditors' Responsibilities for the Audit of the Financial Statements

OBJECTIVES AND AUDIT APPROACH

Our role is to issue a report on the financial statements. Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As specified in Article L.823-10-1 of the French Commercial Code (code de commerce), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- Identifies and assesses the risks of material misstatement of the financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the financial statements;
- Assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein;
- Evaluates the overall presentation of the financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

REPORT TO THE AUDIT COMMITTEE

We submit 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 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, February 21, 2019

The statutory auditors

French original signed by

PricewaterhouseCoopers Audit	MAZARS
François JAUMAIN	Isabelle MASSA

3.7 INFORMATION ON PAYMENT TERMS OF SUPPLIERS AND CUSTOMERS OF THE PARENT COMPANY EUROPCAR MOBILITY GROUP S.A.

AT DECEMBER 31, 2018

IN THOUSANDS OF €	Invoices received but not settled at year-end and thus still due					
	Due at 0 days	Due between 1 and 30 days	Due between 31 and 60 days	Due between 61 and 90 days	Due within more than 91 days	Total (1 day and more)
A. Overdue tranche						
Number of invoices concerned	18					19
Total amount of invoices concerned excl. tax	153	24	237	1	458	720
Percentage of the total amount of purchases excl. tax for the year	1.02%	0.16%	1.58%	0.01%	3.04%	4.78%
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, 2018

IN THOUSANDS OF €	Invoices issued but not settled at year-end and thus still due					
	Due at 0 days	Due between 1 and 30 days	Due between 31 and 60 days	Due between 61 and 90 days	Due within more than 91 days	Total (1 day and more)
A. Overdue tranche						
Number of invoices concerned	11					27
Total amount of invoices concerned incl. tax	848	68	0	0	4,930	4,998
Percentage of the total amount of purchases excl. tax for the year						
Percentage of total revenue excl. tax for the year	13.28%	1.07%	0%	0%	77.17%	78.24%
B. Overdue tranche						
Number of invoices excluded	0					
Total amount of invoices excluded	0					
C. Payment terms used to calculate payment delays						
Payment terms used to calculate payment delays	*Contractual terms of 30 days from end of month of date of invoice*					

3.8 OUTLOOK FOR FISCAL YEAR 2019

3.8.1 Group forecasts for the year ending December 31, 2019

Forecasts in terms of revenue and Adjusted Corporate EBITDA as well as distributions presented below are founded on data, assumptions, and estimates considered reasonable by Group Management. They could change or be modified due to uncertainties linked, for example, to the economic, financial, competitive and/or regulatory environment, due to other factors that are unforeseeable as well as certain transactions, if any. In addition, the materialization of certain risks described in Chapter 2 "Risk factors" of this Registration Document could have an impact on the Group's activities and its ability to achieve these forecasts. No assurance can be given that the Group's actual results will be in line with the forecasts below. Finally, the Group believes that Adjusted Corporate EBITDA, although a non-GAAP measurement, is a relevant indicator of the Group's operating and financial performance.

The Group's forecasts are based on the consolidated financial statements for the fiscal year ended December 31, 2018. These forecasts are based mainly on the following assumptions:

- accounting principles and scope of consolidation which, compared to the Group's consolidated financial statements as of December 31, 2018, have not significantly changed;
- an estimated average annual exchange rate of pound sterling/euro of 1.13 and an Australian dollar/euro exchange rate of 0.62.

In line with its commitments made on its Investor Day on October 4, 2016, the Group expects to continue to generate profitable growth for the fiscal year ended December 31, 2019, in accordance with its "Ambitions 2020":

- Group revenue over €3 billion;
- adjusted Corporate EBITDA (excluding New Mobility), over €375 million.

Moreover, the Company's objective is to propose to its shareholders to distribute an annual dividend amount representing at least 30% of its consolidated net profit for the previous fiscal year.

The Company's dividend payment policy (see Section 6.7.1 "*Dividend Policy*") will take into account, among other factors, its operating results, financial position and the achievement of its objectives as set out in this Chapter, as well as restrictions on dividend payments applicable under the terms of the Group's debt instruments.

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3.8.2 Statutory Auditors' report on the profit forecast for the year ending December 31, 2019

This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Chairwoman of the Management Board

Europcar Mobility Group
13 Ter Boulevard Berthier
75017 PARIS

Dear Madam,

In our capacity as Statutory Auditors and pursuant to regulation (EC) No. 809/2004, we have compiled this report on the profit forecast ("Adjusted Corporate EBITDA") for the Company Europcar Mobility Group, contained in Chapter 3, Section 3.8.1 of its 2018 Registration Document.

This forecast, and the significant assumptions on which it is based, were compiled under your responsibility pursuant to the provisions of regulation (EC) No. 809/2004 and the ESMA recommendations on forecasts.

Based on our review, we have been asked to express an opinion, in accordance with Annex I, point 13.2 of regulation (EC) No. 809/2004, on whether this forecast has been properly compiled.

We performed the work that we deemed necessary according to the professional guidance issued by the French institute of Statutory Auditors (Compagnie nationale des commissaires aux comptes – CNCC) for this type of engagements.

Our work included an assessment of the procedures undertaken by management to compile the profit forecast as well as the implementation of procedures to ensure that the accounting policies used are consistent with the policies applied by Europcar Mobility Group for the preparation of the historical financial information. Our work also included gathering information and explanations that we deemed necessary in order to obtain reasonable assurance that the profit forecast has been properly compiled on the basis stated.

Since profit forecasts, by nature, are uncertain and may differ significantly from actual results, we do not express an opinion as to whether the actual results reported will correspond to those shown in the profit forecast.

In our opinion:

- a the forecast was properly compiled on the basis stated;
- a the basis of accounting used to compile the profit forecast is consistent with the accounting methods used by the Company Europcar Mobility Group for the fiscal year which ended on December 31, 2018.

This report has been issued solely for the purpose of registering the Registration Document (*Document de référence*) with the French financial markets authority (Autorité des marches financiers – AMF).

Drawn up in Courbevoie and Neuilly-sur-Seine, March 26, 2019

The Statutory Auditors,

PricewaterhouseCoopers Audit	MAZARS
François Jaumain	Isabelle Massa

3.9 INFORMATION ON MEDIUM-TERM TRENDS AND OBJECTIVES

3.9.1 Recent events

A detailed description of the Group's results for the year ended December 31, 2018 is provided in Section 3.1 "*Analysis of Group results*" of this Registration Document.

3.9.2 Objectives for the year ending December 31, 2021

The objectives of the Group described below are not forecasts or estimates of Group profit, but reflect the Group's strategic orientations and action plan, as described in Section 1.4 "*Strategy*".

The Group's management believes the data, assumptions and estimates on which the Group has based these objectives to be reasonable. These are based, in particular, on the Group's expectations regarding economic conditions and market trends. They are likely to evolve or change due to uncertainties related notably to the economic, financial, competitive, and/or regulatory environment, other factors of which the Group is not aware, or due to the occurrence of certain operations. Moreover, the materialization of certain risks described in Chapter 2 "Risk Factors" of this Registration Document could affect the Group's business and its ability to implement the objectives described below. The Group provides no assurance that the objectives described in this Section will be met and makes no commitment to publish updates to this information. Finally, the Group considers that Adjusted Corporate EBITDA, and the associated margin, non-GAAP measurements, are relevant indicators of the Group's operating and financial performance.

The Group has entered an acceleration phase of its strategy with a high ambition for the future: to become a world leader in mobility solutions. By 2020, this ambition is expected to result in revenue in excess of €3 billion, through organic growth as well as acquisitions, and an Adjusted Corporate EBITDA margin approximately of 14% (excluding the New Mobility Business Unit). This margin improvement is based on two actions: on the one hand, significant leverage and consequent strong growth in the Group's revenue by 2020 and, on the other hand, the Group's ability to continue its cost reduction efforts. This target of 14% Adjusted Corporate EBITDA margin by 2020 is based on stabilizing the margin after variable costs, good operational efficiency and good control of the Group's fixed costs.

This 2020 ambition was presented at Investor Day on October 4, 2016. The Group aims to benefit from its position as a European leader, the strength of its assets, the implementation of its new organization and its ability to develop new mobility solutions to achieve this ambition.

In addition, for the year 2019, the Group has announced its intention to reach a revenue higher than 3 billion euros and to generate an adjusted corporate EBITDA (before the impact of New Mobility) of €375 million. By 2020, the Group confirms its leadership on mobility in Europe through the success and development of its Business Units in its territories by controlling its two levers which are asset management (fleet management, stations) and its digitalization to better serve its customers and stakeholders.

3.10 SIGNIFICANT CHANGE IN THE FINANCIAL OR BUSINESS POSITION

To the Company's knowledge, there has been no significant change in the Group's or Company's financial or business position since December 31, 2018 other than as described in this document.

3.11 COMMENTS OF THE SUPERVISORY BOARD ON THE MANAGEMENT BOARD'S REPORT AND THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2018

Dear Shareholders,

The Company's Management Board has invited you to attend the Annual Shareholders' Meeting in accordance with the law and the Company's bylaws, in order to present to you the situation and activity of our Company for the year ended December 31, 2018 and to submit for your approval the financial statements of said year and the allocation of income.

You are reminded that, in accordance with Article L. 225-68 of the French Commercial Code, the Supervisory Board is required to present to the Annual Shareholders' Meeting its observations on the report of the Management Board, as well as on the financial statements approved by the Management Board and submitted to the meeting.

You are advised that the Company financial statements and the consolidated financial statements for the year ended December 31, 2018, as well as the Management report, were provided by the Management Board to the Supervisory Board within the legal and statutory delays.

The resolutions presented to you by the Management Board have been debated and approved by the Supervisory Board.

After verifying and reviewing the Company financial statements, the consolidated financial statements and the Management Board's report, we advise you that the Supervisory Board has no particular comments to make on these documents and invites you to adopt all the resolutions proposed to you by the Management Board.

04

DECLARATION OF EXTRA-FINANCIAL PERFORMANCE

For information purposes, in this Chapter, and unless otherwise indicated, the 2018 figures presented relate to the corporate countries held between January 1, 2018 and December 31, 2018, excluding figures relating to the Buchbinder group of companies acquired by Europcar on September 20, 2017

4.1 INTRODUCTION

4.1.1 Europcar Mobility Group market environment and business model

Statement by Caroline Parot

"With "Commit Together!" we have defined an ambitious roadmap and strong commitments to support the Group's corporate social responsibility. We now want to move forward, embedding our four commitments in our corporate countries' management scorecards, combining social and business goals."

Caroline Parot, Chairwoman of the Management Board of Europcar Mobility Group

Today, the mobility sector is undergoing profound change and is closely linked to the challenges of massive urbanization, urban congestion and ecological transition. Recent years have seen the emergence of new players and new mobility offers, particularly in urban areas, that are marked by greater flexibility (on-demand mobility), high levels of digitalization (connected mobility, multimodal platforms, etc.) and a lower environmental impact (electric mobility, hydrogen, etc.).

For nearly 70 years, Europcar Mobility Group has been a major player in mobility. Since its inception, through its traditional car rental business, Europcar has made the fundamentals of the use and sharing economy the core of its business model, thus helping to limit resource and energy use related to car manufacturing.

In recent years, the Group has begun to diversify its offerings through an external growth strategy so that it can offer its customers mobility solutions that are increasingly adapted to their needs. This global repositioning of the Group from a single-brand and single-activity model focused on cars to a multi-brand, multi-activity model focused on customers was expressed in 2018 through its change of name from "Europcar Groupe" to "Europcar Mobility Group". Europcar Mobility Group operates through different brands to meet the specific needs of every customer. Its four major brands are Europcar®, the European leader in car rental, Goldcar®, the largest low-cost car rental company in Europe, InterRent®, a mid-tier brand for recreational customers, and Ubeeqo®, a European company that specializes in closed-loop car sharing in urban areas. In addition to these brands, there is a portfolio of various mobility solutions such as chauffeur service, car sharing, electric scooter-sharing and vehicle rental between individuals. In order to ensure broad network coverage, the Group is present in more than 130 countries and territories, with 16 corporate countries in Europe and two in Australia and New Zealand (with 1,909 stations operated directly), plus an extensive network of franchisees (1,687 stations under franchise).

At December 31, 2018, the Group employed 9,211 people [(1)] in its network of stations through its corporate countries subsidiaries and the Group's various brands to better meet the personal and professional travel needs of its customers. This year Group customers covered more than 8.6 billion kilometers worldwide, thanks to a fleet averaging more than 315,000 vehicles, mainly held under buy-back lease agreements with 18 well-known automakers (see 1.5.6 "*Group Fleet*"). In all, approximately 87% of vehicles held have contracts with buy-back commitments from the manufacturers.

In 2018, the Group's vehicle rental activities and its various other mobility services generated revenue of €2.9 billion, of which 97% came from renting cars, vans and light trucks and 3% from its New Mobility businesses and franchises.

The Group recently reorganized into five business units (Cars, Low Cost, Van & Trucks, New Mobility and International Coverage) to achieve revenue of €3 billion by 2020 by becoming the preferred mobility service company of its customers.

(1) Actual headcount excluding Buchbinder.

4.1.2 *Commit Together!*, a Corporate Social Responsibility program integrated into the Group's strategy

Europcar Mobility Group is convinced that Corporate Social Responsibility (CSR) is one of the key factors for success and sustainability in the conducting of its activities and achievement of its growth objectives.

CORPORATE SOCIAL RESPONSIBILITY

commit together

make mobility accessible

We are convinced that mobility should be inclusive, not excluding! Mobility can be a lever for social inclusion and accessing to mobility is key.

That's why Europcar Mobility Group develop offers, services and programs for facilitating mobility for all, aiming at giving individuals as well as groups of people easy access to this great new world of mobility.

be a responsible employer

We live an exciting age of Mobility, where mobility new usages and needs create job opportunities and require new skills to be developed. In this fast changing context, Europcar Mobility Group's success is intimately bound to employees' commitment, diversity and development.

These are the 3 pillars on which we focus our efforts.

act for the environment

In front of massive urbanization and demographics explosion, Europcar Mobility Group wants to be part of the solution, not part of the problem. This means that we seek to play an active role in the transition to a low carbon world.

In that perspective, we promote new mobility solutions that are an alternative to vehicle ownership, we develop our offer of hybrid and electric vehicles, we strive at reducing our environmental footprint (water, energy...), and we promote eco-driving all along the customer journey.

share our business ethics

We are proud of our values and dedicated to the enforcement, on a day-to-day basis, of our business ethics.

Of course, we want to build confidence with our customers by offering them transparent products and by improving their satisfaction. Moreover, Europcar Mobility Group wants to promote business ethics all through its value chain with customers (BtoB, BtoC), suppliers, franchisees and employees. This ambition translates into policies and awareness initiatives.

For that reason, in 2017, the Group created "Commit Together!", a program focussed on four major commitments that are all priorities for sustainable success. It was reviewed in 2018 to fully align it with the mission that the Group has set itself: to become the preferred mobility service company of its customers.

This program, which was endorsed by the Group's corporate governance bodies, is an extension of a consultation and analysis of the CSR expectations of key stakeholders (employees, suppliers, customers, investors and franchisees) as well as analysis of the associated impacts, risks and opportunities.

The implementation of this program has allowed the Group to continue to improve its non-financial ratings for the second year in a row and be ranked among the "top performers in the Travel & Tourism sector at the international level" by Vigeo Eiris and receive a "Silver" ranking from Ecovadis.

2018 NON-FINANCIAL RATINGS

vigeo eiris	oekom research	Gaïa Rating	CDP	Ethics & Boards	ecovadis (Silver 2018 CSR Rating)
46% (+17 POINTS)	C	79% (+4 POINTS)	C	24th Feminization of ruling bodies 2018 Companies Ranking	54 PTS (+6 POINTS)

Europcar Mobility Group's commitment and involvement has a long history. In 2005, the Group was the first in the vehicle rental sector to sign up to the United Nations (UN) Global Compact. Every year since, the Group has reiterated its commitment to respect all 10 principles of the UN Global Compact, inspired by the Declaration of Human Rights, the ILO Declaration on Rights at Work, the Rio Declaration on the Environment and the UN Convention against Corruption, and to support progress toward those of the 17 Sustainable Development Goals (SDG) listed by the United Nations which are relevant to the Group. Specifically, the Group has committed to help achieve the following goals where it believes it can take relevant action:

- SDG 4: Quality education;
- SDG 5: Gender equality;
- SDG 6: Clean water and sanitation;
- SDG 8: Decent work and economic growth;
- SDG 11: Sustainable cities and communities;
- SDG 13: Climate action.

Since 2015 and through the "Commit Together!" program a dedicated team and two governance bodies have been responsible for the design and implementation of the strategy and its roll-out through all the Group's subsidiaries and businesses. A set of "CSR fundamentals" has been drawn up to standardize practices and actions at Europcar Mobility Group's existing entities and move newly acquired firms forward.

The Group also meets high compliance standards for its published non-financial data. A network of correspondents and local CSR contacts collect and check the data that goes into its annual CSR report, which is designed both to ensure compliance and to provide operational guidance.

The Group has designed its corporate social responsibility to allow for continuous improvement, and it is committed to constantly adapting it to meet the ever-changing expectations of its stakeholders in this area.

4.1.3 CSR organization and governance

Europcar Mobility Group developed its structured CSR approach in 2015, following its initial public offering, with the appointment of a Group CSR Director, responsible for defining and steering CSR strategy across the Group. Subsequently, a team and governance process was set up to respond to the Group's obligation to collect and publish social and environmental information in accordance with non-financial performance reporting requirements (French Law 2018-898).

At December 31, 2018, the Group's CSR governance was structured around:

- a CSR Sponsor, namely the Chairwoman of the Management Board, Caroline Parot, who is in charge of defining the Group's CSR vision and roadmap;
- a Group CRS Manager, also Group Communication Manager, responsible for CSR reporting, and for defining and rolling out the "Commit Together!" Program;
- a Group CSR Director responsible for CSR Reporting and the definition and implementation of the Group's CSR strategy;
- a CSR Board, which brings together the main Group departments in order to contribute to the definition of the CSR strategy and to analyze the expectations of stakeholders;
- a CSR Committee comprised of the CSR correspondents of the Holding Companies and Country Subsidiaries, in charge of implementing the strategy at the country level.

For the purpose of meeting its obligations under the extra-financial performance law, requiring the collection and publication of non-financial data, the Group also relies on:

- a CSR correspondent in each corporate countries (14 in all) responsible for collecting non-financial information and rolling out the Group's CSR strategy at the local level;
- around 80 contributors to the CSR Reporting process in all of the Group's corporate countries and departments;
- drafting of a CSR Reporting protocol detailing all the relevant procedures and methodologies for forwarding information, distributed to all CSR Reporting contributors;
- an online platform for data collection and an external control process to ensure the consistency of CSR Reporting provided by the consultancy Reporting 21;
- an internal control process to ensure the consistency of CSR Reporting;
- the appointment of an Independent Third-Party Body responsible for verifying the conformity of the Declaration of extra-financial performance included in the management report.

The "Commit Together!" program is included on the agenda of the Group's management and supervisory bodies at least once a year (Group Executive Committee, Supervisory Board, Shareholders' Meeting). It is also systematically rolled out into all new acquisitions by the Group.

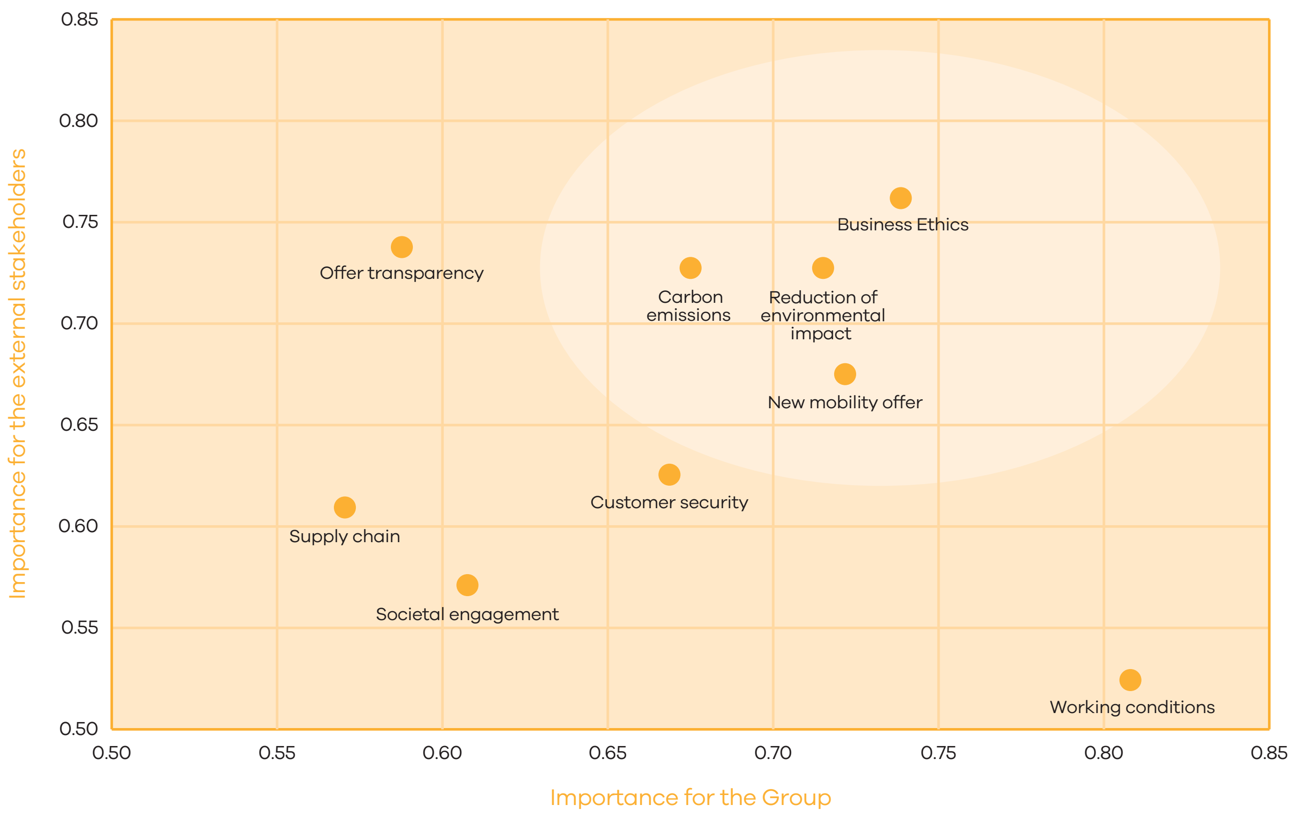
4.2 MAIN GROUP NON-FINANCIAL RISKS AND CHALLENGES

This year, the Group mapped its main non-financial risks and challenges in line with legal provisions related to extra-financial performance reporting (French Law 2018-898), the fight against corruption (Sapin II – French Law 2016-1691), the duty of care (French Law 2017-399) and the UN Sustainable Development Goals.

To do this, a library of non-financial risks from various sources (benchmarks, rating agency questionnaires, ISO certifications, etc.) was first compiled and then refined to retain only the risks that could apply to the activities of Europcar Mobility Group. The Group then used a methodology similar to the one used to identify "*Group risk factors*" to highlight the Group's main non-financial risks and challenges.

This mapping, which is presented below, follows the materiality study conducted at the end of 2016 among 4,500 employees and a few key suppliers who had been the basis of the "Commit Together!" program, highlighting the main expectations of the Group's key stakeholders on corporate social responsibility matter.

Materiality study: main stakeholder expectations



Main non-financial risks

The identification and classification of non-financial risks was carried out by Group departments concerned with environmental, social, human rights and corruption aspects.

A third party assisted the Group to ensure an objective and rigorous listing of its non-financial risks. This list was organized according to two business criteria that are also used in the classification of "Group risk factors":

1. frequency of risk: corresponds to the probability of occurrence of the risk or opportunity in a defined time scale;
2. the severity of the risk for Europcar Mobility Group activities: corresponds to the impact of the risk in terms of image, business, regulation or financial exposure.

Following this classification exercise, 6 risks and 2 opportunities were considered "main", including 15 associate policies related. They are detailed in the table below. Risks in blue are challenges that are also present in the Group's business risk mapping. The "◆" corresponds to the risks, the "●" corresponds to the opportunities.

Area		Associated policy
Environment	**Climate change and air emissions ◆●** 30% of global greenhouse gas emissions are related to the transport industry, which is also the second highest energy-intensive industry. While the mobility sector accounts for only part of these emissions, massive urbanization and the increasing number of people traveling have contributed to the increased footprint in recent years. • While Europcar Mobility Group may contribute, individually and like all the market's players, to increasing the overall level of emissions, the Group sees this as an opportunity to promote the sharing economy by making a varied range of mobility solutions available to its customers as well as recent vehicles as alternatives to car ownership.	• Act to promote sustainable mobility through all stages of the customer journey
	Environmental footprint and regulatory compliance ◆ Europcar Mobility Group's environmental footprint derives from its direct activities (administration, transporting the fleet, preparing and cleaning vehicles in-house, etc.), its sub-contractors (repair, preparation and cleaning of vehicles by service providers, etc.) and its customers (vehicle use, fuel consumption, etc.). • To address the successive increases in the Group scope and the rapid developments of the legal and regulatory framework within which it operates, it is imperative for the Group to design a dynamic environmental policy geared to the lowest possible impact on the environment.	• Group environmental policy and organization • Develop responsible management of resources and improve the Group's environmental footprint
Social	**Human Resources and talent management ◆** The Group relies on a number of key employees, both in the Group's management and the Group's operations, with specialized skills and extensive experience in their respective fields. • The Group believes that its growth and the development of its activities will depend on its ability to attract and retain highly skilled and qualified personnel with specialized know-how.	• Attract talent and support employee skills • Link employees to company performance
	Corporate culture and ownership of the Group's strategy ◆ In a fast-changing market context, the Group's strategy is based on its ability to expand further into regions where it has little experience and identify and successfully exploit opportunities in new mobility. • Transformations related to the Group's strategy and the harmonization of internal control procedures can be a source of difficulties, as can a decrease in employee commitment and loyalty.	• Organization of Human Resources and management by values • Labor policy and dialog • Promoting diversity

◆ *Risks;* ● *Opportunities.*

Area		Associated policy
Human rights and fundamental freedoms	**Suppliers and supply chain** ◆ By 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, cleaning vehicles, maintenance, etc.). • Changes in regulations relating to business relationships and in particular the duty of care require that the Group put in place the necessary actions and mechanisms to prevent any breach of ethical rules within its supply chain.	• Responsible purchasing policy • Duty of care
Corruption	**Combating corruption and fraud** ◆ The Group's business, present (directly or via franchises, agents or partnerships) in over 130 countries and territories worldwide, is subject to many local, national and international laws and regulations, including on combating corruption and fraud. • The Group keeps track of and monitors the regulations to which its activities in France or abroad are subject. However, changes in legislative, regulatory and judicial decisions or in other applicable standards and, more generally, changes in decision-making arrangements by the competent authorities could render it liable.	• Promoting business ethics • Combating corruption
Societal	**New customer practices and expectations** ● In the face of massive urbanization, increasing numbers of people traveling and new mobility policies, in particular in towns and cities, customer needs are changing and new practices are developing. • Europcar Mobility Group is able to offer a variety of mobility solutions and maintain a high level of service in order to cater to the traveling practices and new needs of its customers in the best possible manner.	• Offer a range of mobility solutions • Develop quality offerings accessible to all • Ensure a high level of customer satisfaction

◆ *Risks;* ● *Opportunities.*

For each of these risks and opportunities, Europcar Mobility Group has defined a set of policies, actions and indicators to track progress. Throughout this Chapter, these indicators are marked by: ☆. They are part of the "Commit Together!" program mentioned above, which is presented in more detail in later Sections (4.3 *et seq.*). A cross-reference table is shown in Section 4.7 of this Chapter.

4.3 MAKE MOBILITY ACCESSIBLE

make
mobility accessible

With over 8.6 billion kilometers traveled by its customers every year, Europcar Mobility Group is one of the major mobility players in the world. It is aware of its role in promoting mobility accessible for everyone.

The Group is convinced that mobility must be inclusive and not be a source of exclusion. Mobility can be a lever for social inclusion and access to it is essential for everyone. This is why the Group strives to develop services and programs that simplify mobility to give individuals and groups of people better access to this new world. With this aim, the Group wishes to focus its efforts on people with reduced mobility, cost-sensitive customers and the most disadvantaged young people.

Area		Associated policy
Societal	**New customer practices and expectations** ● In the face of massive urbanization, increasing number of people traveling and new mobility policies, in particular in towns and cities, customer needs are changing and new practices are developing. • Europcar Mobility Group is able to offer a variety of mobility solutions and maintain a high level of service in order to cater to the traveling practices and new needs of its customers in the best possible manner.	• Offer a range of mobility solutions • Develop quality offerings accessible to all • Ensure a high level of customer satisfaction

◆ *Risks;* ● *Opportunities.*

The policies put in place to control and mitigate the risks and seize the opportunities mentioned are in blue in the above table and presented in more detail in the following sections.

4.3.1 Offer a range of mobility solutions

The Group now offers a range of innovative and varied mobility solutions (car sharing, mobility platform, hourly rental, etc.) to respond to the new forms of use and mobility habits of its customers. The Group has put "new mobilities" at the heart of its strategy. Its effort includes in particular its "Mobility Lab", its research and innovation center, and the associated strategic investments. In recent years, the Group has invested heavily in car sharing solutions to further enhance its international offering, in particular by taking equity stakes in SnappCar (peer-to-peer car sharing in the Netherlands and Northern Europe) and Wanderio (multimodal search and comparison platform for means of transportation), as well as the acquisition of GuidaMi (closed-loop car sharing in Milan), and more recently Scooty (electric scooter-sharing in Brussels).

A diverse offer of mobility solutions ☆

Mobility solution	Trademarks
Rental of passenger and utility vehicles	**Europcar** – the European leader in vehicle rental **Goldcar** – The leader in low-cost vehicle rentals in Europe **InterRent** – Specialist in the rental of mid-tier recreational vehicles **Buchbinder** – Utility vehicle rental in Germany
Closed-loop car sharing (BtoB and BtoC)	**Ubeeqo** – Car sharing specialist in Paris, London, Brussels, Berlin, Hamburg, Madrid, Barcelona and Milan. **GoCar** – The car sharing leader in Ireland
Driver service	**Brunel** – Driver service in London
Self-service electric vehicle rental	**E-Car Club** – Specialist in self-service electric vehicle rental in London
Electric scooter sharing	**Scooty –** Specialists in free-floating electric scooter sharing in Belgium
Car rentals between individuals	**SnappCar** – Car rentals between individuals (non-controlling interest)
Multimodal platform	**Wanderio** – Multimodal search and comparison platform for means of transportation (acquisition of a non-controlling interest)

4.3.2 Develop quality offerings accessible to all

A recent and well-maintained rental fleet: the Group's first priority

Thanks to its vehicle buy-back model and dynamic fleet management, Europcar Mobility Group is committed, across all its brands, to provide a recent fleet and a wide range of vehicles (economic, compact, trucks, premium, vans, etc.) to its customers to meet the expectations of as many people as possible.

In 2018, the Group operated an average fleet of 315,000 vehicles, nearly 87% of which were under contracts with a buy-back clause at the end of a predetermined period, most often less than 12 months. This allows Europcar Mobility Group to offer a near-new rental fleet (around 10.2 months old on average in 2018) meeting the most recent safety standards and boasting the latest technological equipment.

In addition, the Group undertakes with carmakers to comply with all maintenance specifications required under the buy-back clauses. The vehicles are therefore subject to numerous 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 on the Group's own standards and checkpoints (tire pressure, liquid levels, indicators and lights, etc.). If vehicles fail and need repairs, small adjustments are carried out on-site, and more serious repairs are completed by independent referenced firms. Through its "Clean & Safe car" program, the Europcar brand in Belgium certifies that each vehicle prepared for rental has been checked on 22 mandatory points.

Finally, each vehicle has essential safety equipment (high-visibility vest, reflector triangle, etc.) and additional equipment is available for rent in the agency (child seats, 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 suffers an accident or breakdown while rented out, the Group makes a 24/7 assistance service available to its customers and seeks continuously to optimize the efficiency of responses.

Offers accessible to everyone ☆

Looking beyond the diversification of its products and a broad range of vehicles, Europcar Mobility Group is keen to provide innovative offerings that are accessible to all customer categories, whatever their needs and budgets.

Affected customers	Details of offering
Students	In France and Germany, Europcar has offerings dedicated to students with cheap rates for touring vehicle and van rental, designed to help students with their frequent home moves.
Families	Europcar in Spain and Italy have developed a family rental offering which comes with a specially tailored package of insurance, baby seats, additional driver, GPS, and other features. In Australia and New Zealand, camper vans are available for rental.
People with reduced mobility	In Portugal, Ireland, Germany and the UK, Europcar offers special vehicles or vehicles with manual gears on the steering wheel for people with reduced mobility.
Cost-sensitive customers	Since 2013, the Group has been offering "low-cost" rentals under the InterRent brand in most European countries allowing cost-conscious customers to access mobility solutions that fit their budget. Since 2017, the Group has expanded its offering by acquiring the Goldcar brand, a European leader in low-cost vehicle rental. The Low Cost Business Unit is piloting these two brands with a view to developing them worldwide.

The Mobility Lab of Europcar Mobility Group, an entity dedicated to innovation

Constantly innovating to better meet the expectations of its customers and to anticipate new mobility needs Europcar Mobility Group created, in 2014, a dedicated entity that was renamed the Mobility Lab this year. Positioned as an ideas incubator, its objective is to develop a portfolio of Group offerings through identifying and developing new urban mobility solutions as well as investing in innovative structures. It is behind the "Drive & Share" offer, a medium and long-term rental offering to replace vehicle purchasing and ownership, which allows renters to sub-rent their vehicle to individuals when they are not in use by using the SnappCar platform.

4.4 BE A RESPONSIBLE EMPLOYER [(1)]

be
a responsible employer

Europcar Mobility Group operates in a rapidly changing mobility sector, where new uses and needs will create new job opportunities and require the development of new skills. In this context, the Group's success is closely linked to the commitment, diversity and personal development of its employees.

These three challenges are where Europcar Mobility Group focuses its employer branding efforts. They are at the core of its human resources policies and programs for all its employees worldwide.

At the same time, the Group wants to encourage the emergence of new businesses and services that will create tomorrow's career opportunities within the Group. Through new partnerships and collaborations, Europcar Mobility Group hopes to act to promote economic and social progress.

(1) Throughout this Section, one asterisk (*) means that the data refer to permanent employees only; two asterisks (**) mean that the data refer to permanent and non-permanent employees.

Area		Associated policy
Social	**Human Resources and talent management** ◆ The Group relies on a number of key employees, both in the Group's management and the Group's operations, with specialized skills and extensive experience in their respective fields. • The Group believes that its growth and the development of its activities will depend on its ability to attract and retain highly skilled and qualified personnel with specialized know-how.	• Attract talent and support employee skills • Link employees to company performance
	Corporate culture and ownership of the Group's strategy ◆ In a fast-changing market context, the Group's strategy is based on its ability to expand further into regions where it has little experience and identify and successfully exploit opportunities in new mobility. • Transformations related to the Group's strategy and the harmonization of internal control procedures can be a source of difficulties, as can a decrease in the commitment and loyalty of its employees.	• Organization of Human Resources and management by values • Labor policy and dialog • Promoting diversity

◆ *Risks;* ● *Opportunities.*

The policies put in place to control and mitigate the risks and seize the opportunities mentioned are in blue in the above table and presented in more detail in the following Sections.

4.4.1 Human Resources, a key factor in Group success

4.4.1.1 Organization of Human Resources and management by values

Europcar Mobility Group has had a human resources structure based on a Group-wide department and local departments within each of its entities. In 2018, a talent department was created to secure the "key" skills needed to transform the Group. Among the actions undertaken during the year, a review of the Group's talents was carried out and presented to the Group Compensation and Nominations Committee. Also, with a view to giving all the employees a real sense of the Group's mission to be the customers' preferred mobility service company, Europcar Mobility Group defined its values as follows:

- *Customer centric:* Putting the customer at the center of everything we do;
- *Feeling Valued:* Appreciating the value of contribution;
- *Open Communication:* Communicating freely;
- *Working Together: Teamwork.*

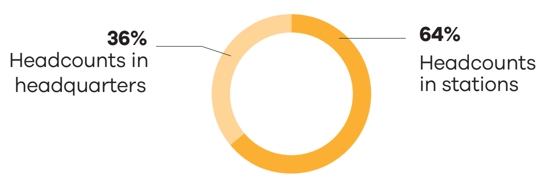
These values form the basis of an in-house recognition program – "You Make the Difference" – run by top management in the Group's various corporate countries with the support of all the human resources teams

4.4.1.2 Group operations and breakdown of workforce

Europcar Mobility Group is present in 18 countries under its direct scope of consolidation with 1,909 wholly owned stations as at December 31, 2018. This presence means that it can have broad coverage of all commercial and tourist areas where it operates. Mainly located in train stations, airports and major urban centers, Europcar Mobility Group's employees mostly work in rental stations (around two-thirds of the workforce), making the Group a major provider of local employment.

Workforce distribution headquarters/ rental stations **

WORKFORCE AT 12/31/18



The staff of the Holdings and the Shared Services Center have been included in the Headquarters headcounts.

DYNAMIC WORKFORCE MANAGEMENT

The Group must continuously juggle two major challenges in managing its workforce. First, it has to deal with the annual and weekly (working week versus weekend) seasonality of its business, which results in significant variation in its activity and accordingly requires optimal management of its teams to provide a high standard of service. Second, the Group must provide good coverage of the regions where it operates, which is why it has to have a substantial workforce in its network of stations.

Distribution of workforce by country **

Workforce at 12/31	2018	
TOTAL	9,211	100%
Europcar Mobility Group	354	4%
Shared Services Center	380	5%
Germany	1,459	16%
France	1,377	15%
Goldcar	1,323	14%
UK	1,135	12%
Spain	672	7%
Australia	532	6%
Italy	463	5%
Denmark	367	4%
Portugal	351	4%
Ireland	347	4%
Ubeeqo	251	3%
Belgium	121	1%
New Zealand	64	< 1%
Luxembourg	15	< 1%

At December 31, 2018, 2,033 employees were ranked as managers, representing 26% of the permanent workforce at headquarters and in the station networks.

Workforce distribution managers/non-managers *

Workforce at 12/31	2018	
Managers	2,033	26%
Non-managers	5,819	74%

4.4.1.3 Working time organization

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 (permanent, 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, 2018, the 9,211 employees consisted of 85% on permanent (indefinite duration or similar) contracts and 15% on non-permanent (fixed term or similar) contracts.

The Group also wants to encourage new forms of working time organization wherever possible to make the work more flexible and improve the quality of working life for its employees. To do this, Europcar Mobility Group is progressively putting in place remote working arrangements for employees based at headquarters.

These arrangements have already been introduced within the Group Holding, in Germany, Spain, Belgium, and in Ubeeqo in Italy through its dedicated "Smart working" program.

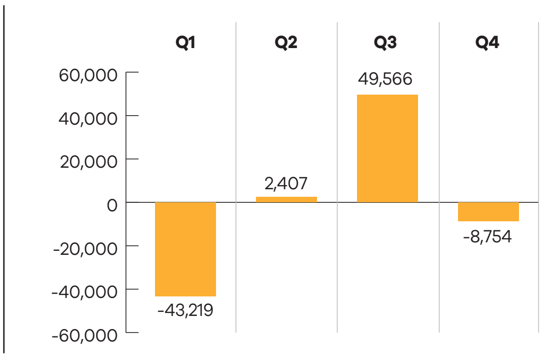
Organization of work: key figures

	2018
Proportion of permanent part-time employees *	11.8%
Overtime during the year (in hours)**	410,051

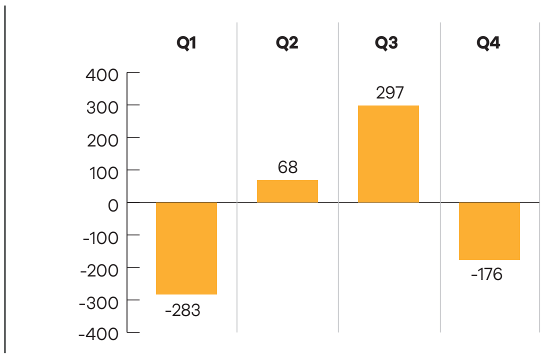
To manage the seasonality of its business, the Group uses fixed-term or seasonal contracts. This implies a certain correlation between the fluctuation in its workforce and the fluctuation in its fleet over the year. In 2018, the seasonal workforce made up around 2,000 FTE employees, mainly working in the UK and Germany.

The two graphs below illustrate the correlation between the number of rental fleet vehicles held and the number of seasonal full-time equivalents workers during the year. This illustrates how the number of seasonal employees varies with the Group's activity. Within the context of a seasonal business such as vehicle rental, the difference in the averages presented below enables these changes during the year to be shown in comparison to the annual average.

Difference from the annual average of the fleet



Difference from the annual average of the fixed-term and seasonal headcounts



4.4.2 Labor policy to promote dialogue and balanced talent management

4.4.2.1 Labor policy

Europcar Mobility Group has based its labor policy on four issues that the Group considers a priority and wishes to improve wherever it is present; employee relations, health and safety at work, skills and talent development and well-being at work.

The Group operates in 16 European countries as well as Australia and New Zealand through its brands portfolio. It therefore has to deal with many and varied local labor laws which are often stricter than the International Labor Organization guidelines that it applies and whose tenets were written into the Group's Ethics and Commitments Code published in late 2016.

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 by constant dialogue between the 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, such as in Germany, France, Spain, Italy, Belgium and Denmark, where relations are organized around employee representative bodies or works councils. At December 31, 2018, 56% of Group employees were represented by such bodies.

Labor relations on transnational projects are conducted by a European Works Committee, which met three times in 2018. It is comprised of 14 members, covering 78% of Europcar Mobility Group employees in Europe. The agreement will be renewed in 2019 in order to account for the increased scope of consolidation due to recent acquisitions (Goldcar, Buchbinder, Denmark, Ireland and Luxembourg).

Where labor relations are unregulated, dialogue is conducted via regular team meetings, annual conferences, employee surveys or monthly newsletters. This is the case in Australia and New Zealand.

To assess the working climate, the Group also conducts employee satisfaction or opinion surveys in some of its country subsidiaries. In 2018, 53% of the Group's permanent employees were asked to reply to a satisfaction survey about their working conditions.

At December 31, 2018, 59 collective bargaining agreements were in force in the Group, covering such varied subjects as the organization of working hours and compensation.

Health and safety policy

The Group seeks to promote the health and safety of its employees wherever it operates. Its ambition is to maintain its current low frequency and severity rates for accidents at work.

Workplace accidents & Absenteeism	2018
Number of workplace accidents **	249
Number of days lost time due to workplace accidents **	3,468
Number of fatal workplace accidents in the year **	0
Workplace accident frequency rate ** ☆	15.6
Workplace accident severity rate **	0.2
Absenteeism rate	4.7

Europcar Mobility Group's business does not a priori principle cause any specific professional illness. The Group is, however, conscious of the potential risks for health and safety and possible dangers as a result of harsh working conditions for its employees in every position (psycho-social risks, muscular-skeletal disorders, cold, noise, etc.). In all its corporate countries, the Group complies with local laws and regulations on health and safety at work and sets up dedicated committees where required.

To prevent and reduce risk factors, the Group introduced mandatory wearing of individual protective equipment in station and put in place the regulatory, standardized and/or pro-active measures listed below:

- regulatory measures: in every country where these issues are regulated by law, the Group complies with the requirements for committees or other dedicated structures (frequency of meetings, reporting and sharing of data, etc.). These measures affect French and Belgian entities and cover about 20% of the Group's employees. In France, the Group subsidiaries affected also have an obligation to keep an updated Single Risk Assessment Document, listing and quantifying potential risks linked to their business and preventative actions taken;
- normative standards and independent third parties: when these points are not governed by local regulations, Europcar Mobility Group has initiated, depending on the country, either a certification process or partnerships with third parties to define health and safety policies. Europcar Mobility Group Spain, for instance, bases its policies on OSHAS 18001 certification (1) and Europcar Mobility Group Portugal uses a specialist organization to assess risks, upgrade working spaces and raise awareness among employees; The Group has also included the roll-out of OHSAS 18001 certification (now ISO 45001) among its "CSR fundamentals" in its "Commit Together!" program;
- proactive measures: in all other corporate countries, dedicated procedures have been put in place to evaluate, analyze and prevent health and safety risks at work. 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.

Compensation policy and social security

Europcar Mobility Group plans to offer each of its employees compensation based on individual and collective performance. The Group has structured its compensation policy in accordance with local regulations and collective bargaining agreements in each corporate country, basing compensation on internal salary scales or the local jobs market.

(1) The OHSAS is an international benchmark for management of health and safety at work.

For many of its employees, the Group has imposed a three-part pay scheme comprising fixed compensation, individual variable compensation based on monthly, quarterly or annual targets depending on the country and role, and a collective compensation component based on Group performance.

In 2018, the Group's total wages and salaries was €382 million (compared to €308 million in 2017). The ways of reporting variable compensation depend on the country. Accordingly, the amount of wages and salaries may, according to the country, include compensation for overtime hours.

Europcar Mobility Group complies systematically with all local regulations and obligations in each country where it operates and with any internal and collective agreements on social security cover, whatever the local criteria (age, seniority, type of contract, etc.). Wherever required by law, the Group provides solutions that at least match, and where possible exceed, legal requirements to promote loyalty among its employees.

Link employees to company performance

At end-2016, Europcar established an employee shareholding plan enabling employees to become even more involved in the Company's performance. ☆ At December 31, 2018, 2,123,393 shares were held by employees, representing 1.32% of Europcar Mobility Group's share capital.

4.4.2.2 Attract talent and support employee career paths

Talent attraction and management are considered key performance drivers by Europcar Mobility Group so that is can provide ever more innovative mobility solutions and a consistently high level of service to customers wherever it operates.

In 2018, 4,724 employees joined the Group, 2% of whom were hired following an internship or apprenticeship.

Hirings and departures over the year ** ☆

	2018	
Hirings	4,724	
Number of voluntary departures	2,113	43%
Number of departures initiated by employer	1,539	31%
Number of departures for other reasons (contract ended, retirement)	1,315	26%
Internal mobility		

To increase and strengthen the attraction of talent and ensure its development within the Group, a Talent Department has been created this year within the Human Resources Department to secure the key skills required for the Group's transformations.

Among the actions undertaken in 2018, a talent review was carried out to establish a succession plan for the Group's top 150 managers. The results of this review, as well as the associated action plans, were presented to the Group Compensation and Nominations Committee and then to the Supervisory Board during its meeting of December 21, 2018.

Support employees throughout their career in the Group

The Group seeks to support employees throughout their careers and offer all of them the opportunity to develop their skills through dynamic training policies adapted to their needs. Through the formalization of individual face-to-face interview procedures in each of its corporate countries, the Group can collect and discuss the training needs of its employees and gauge their level of commitment and professional development.

To allow employees to flourish professionally, Europcar Mobility Group develops training policies designed to reconcile three points:

- the needs and aspirations of employees as defined at the start of each year in individual interviews;
- strategic developments in the Group and its markets which may require the mastering or development of new business skills;
- legal and regulatory obligations that may make it necessary and/or obligatory to train employees in specific issues, particularly in the area of health and safety at work.

There are many training themes which are tailored to each specific role in station or in head offices. These may relate to health and safety at work (accidental spillage in stations, first aid, etc.), management, foreign languages, professional skills (selling, e-commerce, marketing, etc.) or IT and digital tools.

Most corporate countries also have formal training plans and sometimes a dedicated team, as is the case for Europcar Mobility Group UK, or internal trainers, as in Europcar Mobility Group Belgium.

These training sessions are delivered in a variety of formats (face-to-face, e-learning, etc.) to ensure they reach as many people as possible.

Training during the year

	2018
Number of employees trained **	6,981
Number of training hours **	108,372
Number of employees trained among the external and seasonal workforce	1,627
Number of training hours for seasonal workforce	12,221
Number of apprentices and interns recruited during the year	512

In 2018, 76% of permanent and non-permanent employees received at least one training course during the year. The total number of training hours delivered by the Group increased by 29% compared to 2017 (83,942 hours). The recruitment of apprentices and interns is also part of the Group's commitment to promoting access to employment for young graduates. This year, 512 apprentices and interns were recruited in the Group and 18% were subsequently hired on permanent or fixed-term contracts.

Europcar University, an e-learning program for employees of Europcar Mobility Group Australia and New Zealand

Each new recruit to Europcar Mobility Group Australia and New Zealand goes through the "Europcar University" online training program, which includes seven mandatory training modules on fundamental issues in the Group's business (induction program, vehicle rental fundamentals, health and safety, road safety, anti-discrimination, consumer law, etc.).

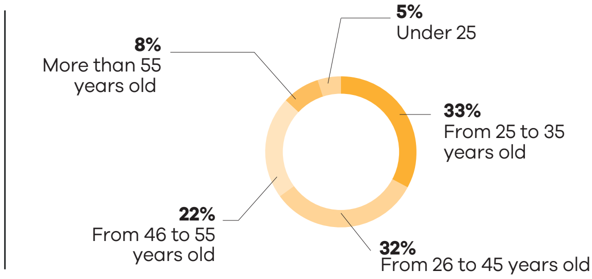
4.4.2.3 Promoting diversity: a Europcar Mobility Group commitment

Europcar Mobility Group has made the promotion of diversity one of its main commitments as a responsible employer. Whether in its Holding companies or corporate countries, the Group believes that it is essential for teams to reflect the diversity of expectations and consumption habits of its customers, in order to offer them better tailored mobility solutions. Accordingly, Europcar Mobility Group seeks to promote complementarity among its employees, without distinction of gender, age, disability, sexual orientation or origin and is putting in place an ambitious diversity promotion program to further strengthen this initiative in each of its corporate countries.

With this in mind, at the end of 2018, the Group launched the "Women in Mobility" initiative, an internal network aimed at promoting gender equality within the Group.

Distribution of workforce by age *

WORKFORCE AT 12/31/18



About two-thirds of the permanent workforce are between 25 and 45 years old, and 50% of the permanent workforce have an average seniority of over six years.

ANTI-DISCRIMINATION

Wherever it operates, Europcar Mobility Group commits to respecting local anti-discrimination laws and regulations and to prevent all associated forms of provocation, harassment or intimidation. This commitment was reaffirmed in 2016 with the publication of the Group's Code of Ethics & Commitments, which summarizes Europcar Mobility Group's expectations on anti-discrimination. The Code was communicated to all employees and stakeholders.

The Group, as required by law, undertakes to regularly communicate within the Group and to train its employees in the principles of non-discrimination whether in the hiring process or in the day-to-day business of the Company. Most corporate countries also have formalized additional internal anti-discrimination policies.

At December 31, 2018, the number of employees with disabilities accounted for less than 2% of the Group's total workforce.

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 and communicated in the Code of Ethics & Commitments, which states that gender can never be a criteria for selection, promotion or compensation at Europcar Mobility Group.

The Group's efforts to promote gender equality are reflected in the Group's consolidated figures, in its overall workforce and in its management teams or governance bodies, all of which have high rates of women's representation.

Europcar Mobility Group, 24th place, Female representation in management 2018

The sixth study conducted by Ethics & Board for the French secretariat responsible for gender equality highlighted Europcar Mobility Group's progression in ranking in Female representation in management, from 70th to 24th place from 2016 to 2018 (despite a slight drop in comparison to 2017, when it ranked 19th). This improvement recognizes the number of women in its management teams and executive bodies (Board, Executive Committee, Top 100 managers, etc.).

Gender breakdown	Workforce at 12/31/2018	
Men **	5,105	55%
Women **	4,106	45%
Male managers *	2,033	60%
Female managers *	818	40%
Men on the Management Board	2	67%
Women on the Management Board	1	33%
Men on the Supervisory Board	6	60%
Women on the Supervisory Board	4	40%

4.5 ACT FOR THE ENVIRONMENT

act
for the environment

Aware of the global environmental issues caused by massive urbanization and population explosion, Europcar Mobility Group wants to be part of the solution and not the problem. The Group therefore believes that it has a role to play in the transition to a low-emissions world.

In view of this, the Group plans to:

- mainstream and democratize mobility solutions as an alternative to vehicle ownership;
- promote eco-driving throughout the customer experience;
- develop as much as possible the offer of hybrid or electric vehicles;
- reduce as much as possible its environmental footprint by supporting the development of best practices and innovations.

Area		Associated policy
Environment	**Climate change and air emissions** ◆● 30% of global greenhouse gas emissions are related to the transport industry, which is also the second highest energy-intensive industry. While the mobility sector accounts for only part of these emissions, massive urbanization and the increasing number of people traveling have contributed to the increased footprint in recent years. • While Europcar Mobility Group may contribute minimally at its level to increasing the overall level of emissions, the Group sees this as an opportunity to promote the sharing economy by offering its customers a variety of mobility solutions as well as recent vehicle models.	• Act to promote sustainable mobility through all stages of the customer journey
	Environmental footprint and regulatory compliance ◆ Europcar Mobility Group's environmental footprint derives from its direct activities (administration, transporting the fleet, preparing and cleaning vehicles in-house, etc.), its sub-contractors (repair, preparation and cleaning of vehicles by service providers, etc.) and its customers (vehicle use, fuel consumption, etc.). • To address the successive increases in the Group scope and the rapid developments of the legal and regulatory framework within which it operates, it is imperative for the Group to design a dynamic environmental policy geared to the lowest possible impact on the environment.	• Develop responsible management of resources and improve the Group's environmental footprint

◆ *Risks;* ● *Opportunities.*

The policies put in place to control and mitigate the risks and seize the opportunities mentioned are in blue in the above table and presented in more detail in the following Sections

4.5.1 Group environmental policy and organization

Europcar Mobility Group's aim is to encourage, everywhere that it operates, vehicle use and sharing as an alternative to possession. The use and sharing economy is at the heart of its business model, allowing it to limit the use of natural resources in vehicle manufacture and the associated greenhouse gas emissions.

The Group is also attentive to all direct and indirect environmental consequences, both external and internal, that could affect its total environmental impact and its business in the broadest sense. In addition to implementing its low-carbon strategy, which seeks to better understand and limit its total carbon footprint, seen as the main environmental issue for a mobility promoter like Europcar

Mobility Group. The Group's aim is to manage all its environmental issues, in particular through:

- regulatory compliance;
- reducing its water and energy consumption;
- reducing and treating waste products.

4.5.1.1 Roll out a global environmental policy

In a pro-active process, Europcar Mobility Group plans to roll out a global environmental policy in all its operational subsidiaries using its low-carbon strategy, which seeks to balance operational performance, economic success and combating climate change.

The Group's low-carbon strategy

1 Reduce the GHG emissions linked to the use of the vehicles

- **Provide a fleet equiped with the latest technology** (consumption & emissions)
- **Promote eco-driving all along the customer journey**

2 Develop new & more efficient mobility offerings

- **Develop HV & EV product/offer when it makes sense**
- **Increase use of more efficient way for delivery and collection**

3 Promote innovation & share best environmental practices

- **Eco-station project** (turnaround project, paperless, renewable energy, waste sorting, dry wash…)
- **Share best environmental practice and promote innovation**

This strategy covers all significant environmental issues (identified in the environmental impact audit carried out in late 2016 and updated in late 2018 to include recent acquisitions). Among the actions to be undertaken, the Group wants to focus in particular on:

- raising employees' awareness of the importance of considering environmental issues in every aspect of each of its businesses;
- putting in place the environmental policy and objectives set by each corporate country, then rolling them out to the franchise network;
- monitoring implementation of the environmental policy by annual reporting at the Group level and oversight of periodic local indicators;
- ensuring motivation, skills and training of teams.

Certify our process ☆

The Group has also included the roll out of ISO 14001 certification in environmental management among the CSR Fundamentals being developed at operational subsidiaries in its corporate countries. This management system currently covers head offices and pilot stations in the Group. It further deepens and extends the actions taken to reduce the Group's environmental impact in stations through regular audits by external certifying bodies. Best practices and actions taken in the certified stations are subsequently collected and analyzed with a view to wider deployment throughout the networks. At December 31, 2018, ☆ 9 operational subsidiaries in its corporate countries have initiated ISO 14001 certification. Europcar Mobility Group Germany goes even further by renewing once again this year the ISO 50001 certification on energy management practices. In the United Kingdom, the Group is also CEMARS certified (Certified Emissions Measurement and Reduction Scheme) for its initiatives to reduce its CO_2 emissions.

4.5.1.2 Organization of the Group and training related to the environment

The Group's organization for dealing with environmental issues is based on local CSR correspondents (one for each Group entity) who are responsible for local implementation of Group environmental policy and the corresponding action plans. Depending on the corporate countries concerned, environmental or certification managers monitor compliance with local regulations, certification work, procedures to address potential environmental risks and awareness- raising and training in local environmental issues.

Group General Management makes sure that Group expectations are in line with the context of each corporate countries and that all employees are aware of its environmental policy with the objective of constantly improving the environmental impact of its business. Local awareness-raising actions and training are carried out in-house, either face-to-face or through e-learning. In Europcar Mobility Group Belgium, for instance, new recruits are made aware of environmental concerns during their

Welcome Day. In some corporate countries, employees have dedicated e-learning modules such as Australia and New Zealand via Europcar University, or website tools such as those in Italy, Germany and France, as well as special events such as the UK's "Green Month", which takes place every June and gets employees involved and motivated around environmental issues.

In 2018, the provisions and guarantees for environmental risks amounted to €11,000, which was a non-material amount for the Group. In addition, no rulings were handed down or fines levied against Europcar Mobility Group of an environmental nature during the fiscal year.

4.5.2 Act to promote sustainable mobility through all stages of the customer journey

4.5.2.1 The Group's carbon footprint

Europcar's carbon footprint is divided between its direct activities (administration, transporting the fleet, preparing and cleaning vehicles in-house, etc.), its sub-contractors (repair, preparation and cleaning of vehicles by service providers, etc.) and its customers (vehicle use, fuel consumption, etc.)

The Carbon balance sheet below breaks down Europcar Mobility Group's GHG emissions by source: direct emissions (Scope 1), indirect emissions related to energy consumption (Scope 2), other indirect emissions (Scope 3).

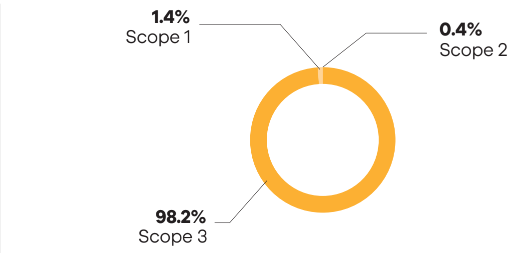
The Group's carbon balance sheet

In CO_2 teq	2018
Scope 1	26,249
Scope 2	8,510
Total scopes 1 & 2	34,760
Scope 3	1,912,332

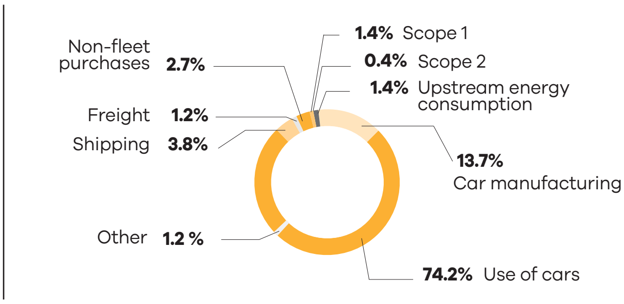
To understand its overall carbon footprint and identify potential responses, the Group prepared a balance sheet of its GHG emissions at end-2016, updated at end-2018 to include recent acquisitions excluding Buchbinder. This gave the Group a more detailed picture of its sources of emissions and its potential scope of action to reduce them.

At the date of this Registration Document, work is ongoing to define a carbon path as well as a GHG emissions reduction target. These will be released as soon as they are endorsed by the Group's corporate governance bodies.

GHG EMISSIONS BALANCE SHEET (SCOPE 1, 2 & 3): BREAKDOWN BY SCOPE



GHG EMISSIONS BALANCE SHEET (SCOPE 1, 2 & 3): BREAKDOWN BY SOURCE



As the main source of greenhouse gas (GHG) emissions, the use of vehicles by customers is seen as the Group's top priority to reduce its overall carbon footprint. Among the GHG emission sources identified, fuel combustion by vehicles being driven by the Group's customers makes up around 75% of the Group's total GHG emissions, which is why the Group is keen to promote "sustainable mobility" at all stages of the customer journey.

4.5.2.2 Promote sustainable mobility

Offer a range of recent models with low emissions ☆

Thanks to its business model based on buy-back contracts (carmakers buy back their vehicles after a set period), Europcar Mobility Group's vehicle fleet comprises recent models (☆ with an average age of 10.2 months), which meet the latest standards for fuel consumption and GHG emissions. At December 31, 2018, ☆ average fleet CO_2/km emissions were 124 g. This figure cannot be compared with that of previous years because the method of calculating it has been changed to include improved weighting of each vehicle category and a more extensive scope of coverage.

Europcar Mobility Group is committed to offering a low emission fleet in order to reduce the carbon footprint caused by the use of its vehicles by its customers, and to continuously enhancing its offer of electric and hybrid vehicles. In 2018, ☆ these vehicles represented 1.2% of vehicles acquired by the Group. ☆ More than 52 million km were driven by its customers in electric and hybrid vehicles, a 40% increase from 2017.

The Group believes that it could raise the proportion further and its goal is to constantly improve the rate of use of low carbon vehicles by running specific sales and marketing actions whenever possible. To this end, a dedicated initiative was, for example, carried out this year on the island of Formentera in Spain, called #ConnectwithyourECOside, with the aim of promoting the use of electric vehicles by making donations for every 100 kilometers driven in these vehicles to the NGO Ecomar for coastline protection.

Propose innovative and varied mobility solutions

Wherever it is present, Europcar Mobility Group wants to be an alternative to vehicle ownership by offering its customers low-emission shared mobility solutions. Its wide range of solutions (rental, car sharing, driver service, rental of electric vehicles, etc.) allows each customer to adapt their means of transport to their needs in order to minimize the resulting carbon emissions.

Among these initiatives is the 2015 acquisition of E-Car Club, an electric car sharing start-up. It also acquired the first hydrogen-powered vehicles for its Brunel brand at end-2016.

Both initiatives are in the UK. More recently, Europcar Mobility Portugal and Belgium launched new ultra-low emission mobility offerings. In Portugal, 16 stations, mostly in towns, now offer bike and scooter rentals. In 2018, the Group acquired Scooty, a Brussels start-up, which offers self-service electric scooter rental.

In New Zealand, Europcar Mobility Group launched the Electric Day Pass (EDP) in 2017, via its brand Europcar, in partnership with Volkswagen. This innovative program enables business customers traveling regularly to and from Christchurch, Wellington and Auckland airports to rent electric vehicles free of charge on the day they travel to one of these cities.

Via its Goldcar brand, the Group also offers a range of electric and hybrid vehicles at its stations in Barcelona and Palma de Majorca as part of its "Goldcar Blue" initiative.

Raise customers' awareness throughout the customer experience

As soon as customers reserve a car, Europcar Mobility Group, via its brand Europcar, invites them to choose their vehicle based on environmental criteria by highlighting the CO_2 emissions of each model offered for rent when selecting the vehicle on the Group websites. This information is complemented by an indicator scored from A to G (similar to an energy rating where "A" has the lowest impact). This is accompanied by a color coding for clear and quick identification of the lowest emissions vehicles.

Before picking up the vehicle, Europcar also gives its customers all the information necessary to promote responsible behavior on the road and eco-driving so as to reduce the environmental impact of their journeys. Depending on the corporate countries, the Group communicates online, via newsletters and advice, and in-station, *via* posters.

At the end of the rental, the customer can check the theoretical carbon footprint of their journey on the bill. It is calculated by multiplying the number of kilometers traveled by the average emissions in the vehicle being driven. In Australia and New Zealand, the trading brand Europcar also offers its customers an emissions offset scheme, through tree plantation, in partnership with the Australian NGO Greenfleet. Since 2007, some 160,000 trees have been planted in Australia and New-Zealand thanks to this partnership. The Goldcar brand is promoting a similar project aimed at giving its customers the possibility of contributing financially to projects labeled "Clean CO_2 Certified" to offset emissions due to their rental.

With the objective of promoting best on-road practices even further, the Group launched a "test" initiative in Paris at the end of 2018 via its Europcar trading brand. The Group put its vehicles at the disposal of the International Automobile Federation (IAF) for the launch of the Smart Driving Challenge which rewards the best drivers in terms of eco-driving and road safety.

4.5.3 Develop a responsible management of resources and improve the Group's environmental footprint

In addition to issues relating to GHG emissions by its vehicles, the Group is also taking action at all stages of its life cycle to cut its direct environmental impacts, notably in stations, where these impacts are the most significant. Three environmental issues are being particularly targeted: water consumption, energy consumption and production and treatment of waste.

In terms of its ground footprint, the Group has areas used permanently for headquarters and the network, and parking lots are actively managed according to the activity. The orders of magnitude and the types of area occupied by the Group (basement or on an upper level) are not such as to make ground usage a significant issue for the Group in terms of environmental impact.

Environmental Footprint: key figures

	2018	
	Consumption	Coverage rate
Water (CU.m.)	649,396	82-92%
Total energy, excluding fuel (MWH)	40,967	57-72%
Including renewable energy (MWH)	5,181	69%
Fuel consumed internally (L)	7,793,688	89%

All figures presented above are for the Group's direct in-house consumption. They cover the corporate countries scope and do not include the franchise networks or suppliers (who are outside the scope of the annual CSR report).

The costs related to water and energy consumption are, for a number of stations, included in the premises' rental charges, and it is difficult to obtain more detailed information. This de facto entails a coverage rate [(1)] of less than 100% The data presented above concerns all the headquarters and cover between 57 and 92% of the directly-owned stations.

In 2018, the Group consumed 5,181 MWh of renewable energy in its stations (57%) and head offices (43%) in all the Group's corporate countries. Aware of the issues linked to its energy consumption and the GHG emissions it generates, Europcar Mobility Group seeks to constantly increase the percentage of renewable energy in its consumption. Some of its sites in Italy, France and Germany are wholly powered by renewables, which means 13% of the Group's total energy consumption is from renewable sources 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. Among other points, these can identify new areas for improvement and design action plans to be tested in pilot stations and rolled out to the network if successful. Europcar UK, for instance, has launched a 5-year plan to replace all standard lighting with LEDs throughout its stations, due to be completed in 2021.

(1) For more information on the coverage rate, see the methodology note at the end of the Chapter.

Car wash, an environmental priority for the Group ☆

Car wash consumes large quantities of water but also of 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 is no in-station car wash. Although the Group operates in a number of countries normally considered "hot" or vulnerable to water shortages, the Group has no restrictions on the water that it can use, other than restrictions that could be imposed in Belgium by the Government during exceptional periods. In addition, no penalty was levied on Europcar Mobility Group for water use in 2018.

Europcar Mobility Group consumed 649,396 cu.m of water, of which 99% was in-station, generally linked to car wash before each rental. To cut its water consumption, the Group launched the No wet wash initiative to reduce the number of vehicles "going through" automatic vehicle washes. Stations check at the end of each rental whether the vehicle needs a full wash or if a dry manual wash would be enough, thus optimizing their water and energy consumption and reducing the need to move vehicles. At December 31, 2018, the program was deployed in 240 stations in Europe and allowed just over 10% of rented vehicles to be ☆ washed without water or movement throughout the Group (10% of the total number of check-outs). This saved 105,000 cu.m of water and prevented the emission of 345 teq CO_2 in the year.

The Group also equipped some of its stations with water recycling systems to limit the water taken from the supply network. These measures are in place in around 7% of directly-owned stations with vehicle washing facilities and enable savings of 70-80% of the water used to wash vehicles in these stations.

Reduce environmental risks and ensure good waste management

Fuel storage is considered by the Group's as the main environmental risk factor. It pays particular attention to maintaining its tanks and warning systems (leak detectors, alarms) and in training its teams to prevent leaks and how to respond in the event of an accidental spill. All Group facilities comply with local regulations on storing and operating fuel storage tanks. ISO 14001 certification is also a Group priority to strengthen its actions in leak prevention and to train personnel in the event of an incident.

Europcar Mobility Group aims to promote environmental best practice wherever it operates, particularly when it comes to action to cut energy consumption and improve waste treatment.

Waste treatment

	2018	
Metric tons	Consolidated Group Data	Coverage rate
Quantity of dangerous waste produced	653	59%
Quantity of dangerous waste recycled	449	59%

Waste produced by the Group can be classified into two categories (hazardous and non-hazardous). Classification and treatment depends on local regulations that the Group conscientiously complies with in each of its corporate countries through special local procedures and its environmental management systems such as ISO 14001.

Regarding waste classified as "hazardous", the Group basically generates waste sludge from the stations' hydrocarbon separators. batteries, IT waste, toners and neon tubes. In 2018, "non-hazardous" waste is 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 biggest stations, which has allowed it to recycle most of the waste produced through dedicated channels.

Furthermore, a procedure is deployed within the Group to increase the life of computer equipment and promote its recycling through the Group IT Department.

4.6 SHARE OUR BUSINESS ETHICS

share
our business ethics

Europcar Mobility Group has defined a set of principles that it has undertaken to apply on a daily basis through the 48 commitments and 12 objectives set out in its "Code of Ethics & Commitments". The Group aims to build a relationship of trust with its customers by offering them a transparent range of products and continuously improving their satisfaction. Furthermore, the Group wants to promote business ethics across its entire value chain with its customers (BtoB, BtoC), suppliers, franchisees and employees. This ambition is reflected in the Group's policies and the related training and awareness-raising initiatives.

Area		Associated policy
Human rights and fundamental freedoms	**Suppliers and supply chain** By 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, cleaning vehicles, maintenance, etc.). • Changes in regulations relating to business relationships and in particular the duty of care require that the Group put in place the necessary actions and mechanisms to prevent any breach of ethical rules within its supply chain.	• Responsible purchasing policy • Duty of care
Corruption	**Combating corruption and fraud** The Group's business, present (directly or via franchises, agents or partnerships) in over 130 countries and territories worldwide, is subject to many local, national and international laws and regulations, including on combating corruption and fraud. • The Group keeps track of and monitors the regulations to which its activities in France or abroad are subject. However, changes in legislative, regulatory and judicial decisions or in other applicable standards and, more generally, changes in decision-making arrangements by the competent authorities could render it liable.	• Promoting business ethics • Combating corruption
Societal	**New customer practices and expectations** In the face of massive urbanization, increasing number of people traveling and new mobility policies, in particular in towns and cities, customer needs are changing and new practices are developing. • Europcar Mobility Group's ambition is to offer a variety of mobility solutions and maintain a high level of service in order to cater to the traveling practices and new needs of its customers in the best possible manner.	• Offer a range of mobility solutions • Develop quality offerings accessible to all • Ensure a high level of customer satisfaction

◆ Risk; ● Opportunity.

The policies put in place to control and mitigate the risks and seize the opportunities mentioned are in blue in the above table and presented in more detail in the following Sections.

4.6.1 Ensure 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. Thanks to its extensive and innovative offering, the Group aims to make mobility accessible to all.

The Group strives constantly to strengthen its leadership position and has created tools and initiatives to foster "customer-company" dialogue, allowing it to tailor precise responses to customer demands and to measure and follow up customer satisfaction.

4.6.1.1 Know, monitor and measure customer satisfaction

Foster customer-Europcar dialogue

Customer satisfaction is one of the central pillars of the Group's vision, which has also put the Customer Centric value at the heart of its actions. Europcar Mobility Group attaches special importance to measuring and monitoring customer satisfaction in order to continuously ensure high standards of service. The Group offers customers many lines of communication (telephone, email, FAQs, website, social media, etc.) allowing 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 manage the time it takes to manage and resolve customer requests. In 2017, the Group cut the target time for handling complaints to a maximum of five days compared to seven days in 2016.

Most corporate countries belong to their local tourism, insurance or vehicle rental trade associations as a way to progress and continuously improve their practice and services.

A Group customer satisfaction tool: the "Net Promoter Score" ☆

Since 2011, the Group has implemented a customer satisfaction monitoring program, the "Net Promoter Score", for its Europcar brand. This performance indicator uses an established methodology to measure the gap between numbers of "promoters" and "detractors" of a brand. Customers are invited to answer the question "Would you recommend Europcar to your friends or family?" on a scale of 1 to 10. Scores less than 6 are considered "detractors". Scores of 9 or 10 count as "promoters". The Net Promoter Score is the sum of the percentage of promoters minus the percentage of detractors. In 2018, this was 56.4%, a 1.7 point increase on 2017.

	2015	2016	2017	2018
Net Promoter Score ☆	44.8	49.6	54.7	56.4

The Goldcar, InterRent and Ubeeqo brands have also implemented the NPS measurement with their customers. However, Group consolidation is not possible due to the use of substantially different methodologies. In 2019, these should all be aligned leading to a single Group performance indicator.

In 2017, the NPS 110 program was created at the Group level in order to further improve the customer experience. A dedicated team was created to collect and analyze customer feedback in detail to quickly identify and put in place appropriate solutions. The program also relies on regular meetings with a specially recruited community of customers who give their views and share their expectations of the brand.

4.6.1.2 Continuously improve the "transparent offering"

The Group continuously seeks to simplify its transparent offering (general terms and conditions, insurance products, etc.) to make it easier for customers to understand in the event of questions and so improve their overall satisfaction.

To this end, the Group has redesigned its protection offer to provide greater clarity and transparency for consumers, in particular for its Europcar brand. Since 2015, it has offered three levels of protection: Basic, Medium and Premium. These cover all risks that customers may incur during their Europcar rental (damage, theft, windscreen breakage, etc.). The insurance products can cover anything from a flat tire to a 100% zero deductible. All vehicles rented by Europcar have third-party liability policies with prominent insurers in their market.

The Group NPS 110 program, aimed at identifying customers' main criticisms of the Europcar brand, also enables us to further improve transparency and customer satisfaction by targeting the improvements and actions needed to achieve this.

With the same goal, toward the end of 2018 Europcar Mobility Group started a process consisting in identifying and remedying all the "pain points" reported by customers of the Goldcar brand. This initiative is coordinated by a "task force" which is responsible for setting up corrective actions and communicating on them internally and externally. Among its various actions, this Goldcar-specific task force focuses on improving the clarity of information and the transparency of the offer.

Since 2015, Europcar Mobility Group has also made a number of commitments to the European Commission and to national authorities responsible for enforcing consumer protection legislation created by regulation EC 2006/2004, on improving the customer experience (transparency and appropriateness of contractual terms and conditions). This process of continuous improvement of its practices has been reaffirmed each year since.

4.6.2 Responsible purchasing policy and duty of care

4.6.2.1 Responsible purchasing policy

Favor local suppliers and sub-contractors

Purchases constitute one of the key issues for Europcar Mobility Group to achieve its strategic objectives and in respect of the quality of mobility solutions offered by the Group. The Group's intention is to maintain stable relationships with suppliers wherever it operates by promoting dialogue and by regularly assessing the supplier's revenue from the Group to avoid any dependency risk.

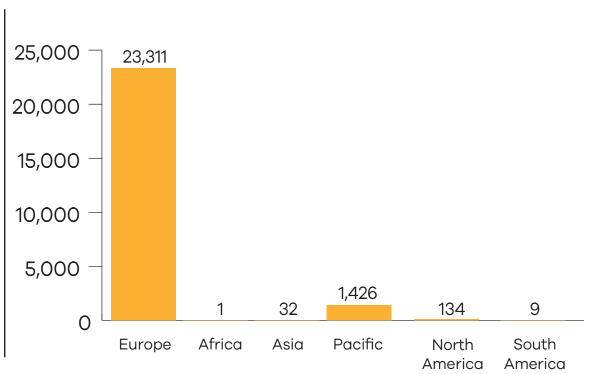
Europcar Mobility Group has organized its purchases into two broad categories. On the one hand, the Fleet management department manages vehicle purchases from recognized manufacturers as well as the expenses of putting them in service (registration, insurance, etc.). They are not discussed in this Chapter (see Section 1.6.6).

On the other hand, the Group Purchasing Department, through its network of local buyers in each of the corporate countries, is responsible for day-to-day purchases, equipment purchases and meets the operational needs associated with maintenance and care for the vehicles in the station networks. They concentrate a large portion of the potential risk factors related to Europcar Mobility Group's supply chain; a dedicated policy has been formalized.

In cooperation with all the buyers in the corporate countries, the Group has therefore defined its non-fleet purchasing policy, along three dimensions; "operational excellence", "corporate social responsibility" through the launch of a responsible purchasing policy and "common sourcing strategy".

By the nature of its business, Europcar Mobility Group makes the vast bulk (99% of its suppliers) of its non-fleet purchases 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: 2.5% of the purchases are made in North and South America, 0.1% in Asia, which limits the potential for social risks.

NUMBER OF DIRECT SUPPLIERS
PER GEOGRAPHICAL ZONE



The purchases, excluding fleet, represent approximately a quarter of the Group's annual consolidated revenue. The Group has a many contracted suppliers (almost 25,000 at December 31, 2018). Most are local, as this allows the Group to monitor the smooth running of the station networks in Europe, Australia and New Zealand. Approximately 60% of the non-fleet purchases are made within the network of stations and relate to activities to repair, prepare or transport the vehicles for geographical redistribution. At head offices, purchases mainly relate to the rental fleet, insurance and IT equipment.

Responsible purchasing policy

The Group wants to be a creator of shared value with its commercial partners by focusing particular attention on their appreciation of the social and environmental aspects and issues in their businesses. Europcar Mobility Group is aware of the numerous regulatory and legal changes to which it must respond and takes immediate action to comply with them.

In 2016, Europcar Mobility Group launched a responsible purchasing policy developed jointly between the non-fleet Group Purchasing and CSR departments. Beyond meeting its legal and regulatory obligations, the objective of this approach is to anticipate and minimize the risks that can arise in the Europcar Mobility Group value chain and support suppliers to better acknowledge the CSR criteria in their practices and offers. The approach is communicated to all the buyers in the corporate countries through regular contacts and the Group Purchasing blog.

The Group now systematically includes in all its invitations to tender and contracts a clause which requires compliance with its "Code of Ethics & Commitments", in which are listed all its expectations and requirements with regard to respect for Human Rights, International Labour Organization conventions (concerning in particular the fight against forced labor, child labor and discrimination), the fight against corruption as well as the preservation of the environment in the performance of their activities. Lastly, the Group makes compliance with local laws and regulations a prerequisite for any commercial relationship.

After an awareness-raising seminar at the end of 2016 for all the buyers in the corporate countries, the Group produced a risk map by category of purchases. These first steps have enabled the action plan to be refined (prioritization of the supplier categories to assess, criteria to be used in the assessment, etc.) and the deployment of the approach within the corporate countries to be built together.

2018 was devoted to an in-depth study of potential supplier risks by category of purchases in all its corporate countries and to the inclusion of the new acquisitions in the initiative.

4.6.2.2 Duty of care

Regarding the Group's suppliers

As an extension of the responsible purchasing policy, Europcar Mobility Group develops actions and initiatives to comply with its obligations in respect of the duty of care of companies (Law No. 2017-399) as part of a continuous improvement process.

This year the Group focused on the formalization of its supplier risk map by category of purchases. To this end, thirty categories of purchases were assessed and analyzed based on their potential risks in terms of human rights, the environment, working conditions and business ethics.

A framework and procedures for supplier assessment have gradually been put in place in order to formalize the Group's requirements. As mentioned above, for the past two years, the "Code of Ethics & Commitments" has been systematically included with invitations to tender and suppliers' contracts, who are asked to sign it to acknowledge that they have read it. Supplier questionnaires are required in the tendering process in order to assess their practices as regards environment protection, human rights, working conditions and business ethics. Lastly, a specific clause is included in contracts to inform suppliers that the Group's requirements on this matter are "non-negotiable".

This year, one invitation to tender was monitored in particular by the Group at the headquarters level as the category of purchases concerned could present potential risks. In that particular case, the Group had extensive contacts with the concerned suppliers and put in place an in-depth evaluation process aimed at minimizing its risks.

A whistle-blowing system is also being rolled out in the Group. At December 31, 2018, it covered only the French scope but it will be gradually extended in the course of 2019.

Several initiatives are also planned for 2019, such as the referencing of a Group supplier database to enable better monitoring of supplier responses to CSR assessment questionnaires. The roll out of this system will be a prerequisite to the implementation of appropriate measures (audits, action plan, etc.) with a view to further minimizing the Group's risks. ☆ At December 31, 2018, the number of supplier audits integrating CSR issues was negligible (covering less than 1% of the total number of suppliers); the Group plans to improve upon this in the course of 2019.

Support franchise networks

The Group considers that it is vital that its vigilance plan includes its franchisees and that environmental and social best practices are promoted and applied in their activities. The ambition of Europcar Mobility Group is to make corporate social responsibility a new pillar in the franchiser/franchisee relationship through specially developed awareness, training and support programs.

Since the end of 2016, any new contract between the Group and a franchisee includes a specific clause on compliance with the commitments in the Code of Ethics & Commitments, including in particular respect for human rights, the ILO Conventions, the UN Global Compact and environmental protection.

The Group Internal Audit Department has asked an outside firm to conduct an annual audit of stations held by franchisees in order to ensure their compliance with the Group's rules. These are primarily operational audits and aim to ensure compliance with the rules and commercial agreements between Europcar Mobility Group and its franchisees.

Europcar Mobility Group wanted to focus the first stage of its action plan on raising awareness of CSR issues among its franchisees and consulting them on their expectations of the Group. Special CSR awareness modules were systematically delivered at Regional Franchise Conferences, attended by franchisees depending on their geographical region.

The Group also held a major international consultation asking its franchisees about their expectations in terms of CSR and seeking to identify the best levers for improvement and what might be done to better support them in implementing its action plan. More than one-third of franchisees took part. A majority of respondents said they had already initiated a CSR policy or actions. Expectations of the Group mainly concerned: the creation of materials or communication campaigns to raise awareness in the networks and with customers, provision of tools to collect and share best practices across the network or the availability of specific training modules.

4.6.3 Promote business ethics and combat corruption

4.6.3.1 Promote business ethics

Europcar intends to promote business ethics in all the steps of its value chain and in all its commercial (customer, supplier, franchisee, B2B customer) and social (employee) relationships. The Group has thus developed a compliance program based on a dedicated organization (comprised of Compliance Officers and a Compliance Committee) as well as a multi-annual action plan including the main actions to take over three years and reviewed every year. These procedures are described in detail in Section 2.7 "*Ethics and compliance program*" in this Registration Document.

In 2016, the Group published its commitments through the communication of its Code of Ethics & Commitments, a single reference document available online to ensure uniformity and consistency between the practices of its employees, suppliers and franchisees and the Europcar Mobility Group's expectations regarding business ethics.

48 commitments and 12 objectives feature in this document, which formalizes the Group's requirements regarding, in particular, compliance with national and international regulations and laws, respect for human dignity and human rights, preservation 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 the Group's 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, the international labor conventions (Nos. 29, 87, 105 and 138, among others), the United Nations Global Compact, and the OECD directives for multinational companies, etc.

An anti-corruption guide has been prepared in addition to the "Code of Ethics & Commitments" to make all Group employees aware of anti-corruption issues. It should be rolled out in 2019.

These two documents will be gradually issued to all Group employees and will be part of the "Welcome Pack" issued to new hires from 2019. A dedicated e-learning program will be put in place to support its roll-out and make all Group employees aware of these issues. To date, only the most exposed employee populations have been trained via dedicated workshops.

At end-2017, a whistle blowing system was added to this system, whereby employees can anonymously report any practice that might be in breach of the law or of the Group's principles. It is currently being rolled out and will be accompanied by dedicated online training modules to ensure it is properly understood and adopted by employees of Europcar Mobility Group. 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 tax evasion.

Protection of personal data

Europcar Mobility Group has embarked upon a process to bring itself into compliance with the GDPR (General Data Protection Regulation), by implementing new modules for obtaining consumer consent. A dedicated e-learning program was recently launched to train Group employees on the issues at stake and associated aspects

4.6.3.2 Combating corruption

Anti-corruption is also a Group priority, and the Group mapped its potential related risks and identified the most exposed employee populations. 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. In order to facilitate their diffusion, the Group has created a dedicated intranet space for all employees, starting with its management bodies (TOP 100 managers) at the end of 2018.

In addition to the Compliance program and Anti-corruption guide described above, Europcar Mobility Group oversees, through the Group Internal Audit Department, identification and fraud prevention procedures across its entire scope of business.

These measures and the actions implemented are described in greater detail in Sections 2.7 "*Ethics and Compliance Program*" and 2.8.1 "*General organisation of internal control*".

4.7 CROSS-REFERENCE TABLE OF SPECIFIC INFORMATION EXPECTED IN RELATION TO THE DECLARATION OF EXTRA-FINANCIAL PERFORMANCE

The reporting indicators used 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 highlight its commitment to the Ten Principles (Pr.) and Sustainable Development Goals (SDG) of the United Nations Global Compact relevant to Europcar Mobility Group.

	Declaration of extra-financial performance (DPEF)	Global Compact Principles (Pr.)/ Sustainable Development Goals (SDG)	GRI	Section
GENERAL INFORMATION ON EUROPCAR Name, legal form, location			102-1 102-2 102-3 102-4 102-5	6.1
BUSINESS MODEL AND PRESENTATION OF ACTIVITIES Products, services, brands, markets	4.1.1		102-2 102-6 102-7 102-9 102-10	4.1.1 1.3 1.4 1.6
DECLARATION OF THE HIGHEST EXECUTIVE BODY			102-14	4.1
SOCIAL RESPONSIBILITY POLICY			102-15	4.1.2
MATERIALITY ANALYSIS			102-21	4.2
MAPPING OF NON-FINANCIAL RISKS	4.2			
SOCIAL CONSEQUENCES OF THE ACTIVITY	4.4		102-8	4.4
Attract talent and support its employees' skills	4.4.2.2			
Make employees feel involved with the Company's performance	4.4.2.1			
Organization of Human Resources and management by values	4.4.1.1			
Labor policy and dialog	4.4.2.1			
Promoting diversity	4.4.2.3			
SOCIAL INFORMATION: KEY PERFORMANCE INDICATORS (☆) AND OTHER SOCIAL DATA				
Employment				4.4.1.2
☆ Total workforce and breakdown of employees			102-7 102-8 401-1	4.4.1.2
Recruitment and departures			202-2 401-1	4.4.2.2
Compensation and its change			102-35 102-36 102-38 102-39	4.4.2.1

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	Declaration of extra-financial performance (DPEF)	Global Compact Principles (Pr.)/ Sustainable Development Goals (SDG)	GRI	Section
Working time organization		Pr.4		4.4.1.3
Working time organization				4.4.1.3
Absenteeism			403-2	4.4.2.1
Employee share ownership				4.4.2.1
☆ Portion of share capital held by employees	4.4.2.1			4.4.2.1
Employee Relations			402-1	4.3.2.1
Organization of labor relations		Pr.3	402-1	4.4.2.1
Overview of the collective bargaining agreements	4.4.2.1		403-4	4.4.2.1
☆ Proportion of employees represented by the European Works Council	4.4.2.1			4.4.2.1
Health and safety				
Health and safety conditions at work			403-2	4.4.2.1
Summary of the agreements signed relating to health and safety at work				n/a
Workplace accidents and occupational illnesses	4.4.2.1		403-2 403-3	4.4.2.1
☆ Frequency rate of workplace accidents	4.4.2.1			4.4.2.1
Training		ODD 4		4.4.2.2
☆ Proportion of employees trained	4.4.2.2			
Training policies			102-27 404-2 404-3	4.4.2.2
Total number of training hours			404-1	4.4.2.2
Equal treatment		Pr.6		4.4.2.3
Measures taken to promote gender equality	4.4.2.3	ODD 5	401-3 405-1	4.4.2.3
Measures taken to promote employment and inclusion of disabled persons	4.4.2.3		405-1	4.4.2.3
Anti-discrimination policy	4.4.2.3		405-1 406-1	4.4.2.3
Promotion and respect for the provisions of the ILO's fundamental conventions		Pr.1 and 4 ODD 8		4.4.2.3
Respect for the freedom of association and right to collective bargaining			407-1	4.4.2.3
Elimination of discrimination in matters of employment and occupation			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

	Declaration of extra-financial performance (DPEF)	Global Compact Principles (Pr.)/ Sustainable Development Goals (SDG)	GRI	Section
ENVIRONMENTAL CONSEQUENCES OF THE ACTIVITY				
Acting for sustainable mobility	4.5.2			
Group environmental policy and organization	4.5.1			
Developing responsible management of resources and improving the Group's environmental footprint	4.5.3			
ENVIRONMENTAL INFORMATION: KEY PERFORMANCE INDICATORS (☆) AND OTHER ENVIRONMENTAL DATA				
General Environmental Policy		Pr.7 to 9	102-14	4.5.1
Company organization to take environmental questions into account				4.5.1
Training and information regarding environmental protection				4.5.1.2
Resources dedicated to environmental risk and pollution prevention				4.5.1.2
Amount of environmental risk provisions and guarantees			201-2	4.5.1.2
☆ Proportion of operating subsidiaries that have embarked upon ISO 14001 certification	4.5.1.1			4.5.1.1
Pollution and Waste Management				
Prevention, reduction or remediation measures for air, water, and soil discharges severely affecting the environment			306-3	4.5.2.1
☆ Average age of vehicles placed on the market	4.5.2.2			4.5.2.2
☆ Proportion of hybrid and electric vehicles purchased during the year	4.5.2.2			4.5.2.2
☆ Number of kilometers covered by hybrid and electric vehicles during the year	4.5.2.2			4.5.2.2
Prevention measures, recycling and waste elimination			306-2 306-3 306-4	4.5.3
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		ODD 6	303-1 303-3 306-1 306-3 306-5	4.5.3
Consumption of raw materials and measures taken to improve the efficiency of their use			301-1 301-2	N/A. See Note on methodology

	Declaration of extra-financial performance (DPEF)	Global Compact Principles (Pr.)/ Sustainable Development Goals (SDG)	GRI	Section
Energy consumption, the measures taken to improve energy efficiency and use of renewable energy			302-1 302-2 302-4 302-5	4.5.3
Ground use			304-1	4.5.3
☆ Proportion of vehicles washed without water or movement				
Climate change	4.5.2.1	ODD 11 ODD 13		4.5.2.1
☆ Greenhouse gas emissions	4.5.2.1		305-1 305-2 305-3 305-5	4.5.2.1
☆ Average CO2/km vehicle emissions	4.5.2.1			
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				
Responsible purchasing policy	4.6.2.1			
Duty of vigilance	4.6.2.2			
Promote business ethics	4.6.3.1			
Combating corruption	4.6.3.2			
Offering a varied range of mobility solutions	4.3.1			
Developing quality offerings accessible to all	4.3.2			
Ensure a high level of customer satisfaction	4.6.1			
SOCIAL INFORMATION: KEY PERFORMANCE INDICATORS (☆) AND OTHER SOCIETAL DATA				
Territorial, economic and social impacts of the Company's activity			204-1 413-1	4.4.1.2 4.6.2.1
Regarding employment and regional development			413-1	4.4.1.2 4.6.2.1
On neighboring or local populations				4.4.1.2 4.6.2.1
Relationships maintained with persons or organizations interested in the Company's activity				
Conditions for dialog with these persons or organizations			102-21 102-43	4.6.1
Partnership or sponsorship initiatives			203-1	Not reported

	Declaration of extra-financial performance (DPEF)	Global Compact Principles (Pr.)/ Sustainable Development Goals (SDG)	GRI	Section
Sub-contractors and suppliers				
Taking account of social and environmental issues in the purchasing policy		Pr.1, 2 and 5 ODD 8	308-2 408-1 412-1 414-1 414-2	4.6.2.1
Involvement of sub-contractors and consideration of the suppliers' and sub-contractors' corporate social responsibility (CSR)			102-9 308-1 308-2 408-1 412-1 414-1 414-4	4.6.2.1
☆ Proportion of suppliers audited including CSR issues	4.6.2.2			4.6.2.2
Fair trade practices				
Action taken to prevent corruption	4.6.3.2	Pr.10	102-16 102-17 205-1 205-2 205-3	4.6.3.2
Customer safety and protection measures			102-2 416-1	4.3.2
Combating tax evasion	4.6.3.1			4.6.3.1
Customer satisfaction				
☆ Net Promoter Score (NPS)	4.6.2.1			4.6.2.1
☆ Catalog of mobility solutions	4.3.1			4.3.1
☆ Catalog of marketing offerings	4.3.2			4.3.2

4.8 NOTE ON METHODOLOGY

Period and Scope of CSR Reporting

The CSR Reporting period is the calendar year from January 1, 2018 to December 31, 2018.

In this Chapter, and unless otherwise indicated, the 2018 figures presented relate to the corporate countries held between January 1, 2018 and December 31, 2018, excluding figures relating to the Buchbinder group of companies acquired by Europcar on September 20, 2017.

The CSR Reporting scope covers the Holding companies, the Shared Services Center and the "operational" subsidiaries: corporate countries (France, Germany, United Kingdom, Italy, Spain, Portugal, Belgium, Ireland, Denmark, Luxembourg, Australia and New Zealand) as well as the Goldcar and Ubeeqo brands.

Employees of the Mobility Lab are included in the holding company. E-Car and Brunel services are included in Europcar Mobility Group United Kingdom. The Scooty brand, acquired during the year, is excluded.

The published data are consolidated at Group level, apart from the data on workforce distribution by country. They do not include the franchisee networks.

CSR Reporting Organization

The organization used for CSR Reporting campaign is set out in a protocol showing all the procedures and methodologies of the CSR Reporting campaign. This protocol has been circulated to each CSR Reporting contributor prior to the start of the campaign.

Data collection

CSR Reporting is organized and coordinated by the Group CSR Director, Thomas Fernandez, in collaboration with the CSR coordinators in the Holding companies and 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 the Sirsa's online non-financial information collection software, Reporting 21. This software has been deployed in all the entities covered by CSR Reporting and has helped around 100 contributors to input the information from the CSR Reporting.

Audit and consolidation of the data

Internally

Data are audited at the level of each entity by the teams responsible for reporting the information and by internal audit teams. 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). Finally, a part of the data from the corporate countries comes from the Shared Services Center, which ensures consistency of data between countries. Checks are also carried out throughout the Group both by 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 Body by Europcar Mobility Group to issue a report on the Declaration of extra-financial performance published in the management report presented in this Registration Document pursuant to the Law on the Declaration of extra-financial performance (DPEF in the French abbreviation) – Law No. 2018-898.

Choice of indicators

To produce its CSR Reporting, Europcar Mobility Group has defined a list of indicators based on its main risks and issues.

This list contains quantitative and qualitative indicators, broken down into five major categories: Environment, Fleet, Social, Societal and Supply Chain. This enables not only the Group's material issues in terms of compliance and dialog with stakeholders to be covered, but also the baseline information to be collected in order to define and steer a CSR strategy.

Coverage rate

Given the decentralized structure of the Group (more than 1,900 stations in eighteen countries), data collection and standardization is a complex exercise.

To consolidate the data and communicate unbiased information, the Group has introduced the concept of coverage rate in its CSR Reporting. This concept enables data to be consolidated solely across the scope where they are available, indicator by indicator, and allows entities (mainly stations) to be excluded from an indicator where the data is not available or not homogenous with the rest of the Group.

The coverage rate is calculated for all the indicators in the social and environment categories based on the reference indicators:

- permanent and fixed-term workforce as at December 31, 2018 for the social indicator;
- total number of rentals during the year for the environment indicator.

For each indicator in these categories, the contributors provided the scope actually covered by the indicator's value, and the value consolidated at Group level is therefore shown with the exact consolidated coverage rate for each indicator.

For the Chapter as a whole, coverage in respect of social information is 100%. Environmental information corresponds to 100% of the headquarters and at least 59% of the directly-owned stations.

Notes on methodology and main limiting factors

The entities included in the CSR Reporting scope are spread across 18 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 achieve indicators that are as closely tailored as possible to circumstances on the ground.

Notes on the definitions of certain indicators

- Unlike the productivity data monitored by the Group, the workforce under the CSR reporting scope includes long-term leave;
- The absenteeism rate excludes maternity and paternity leave;
- The energy and water indicators do not include consumption for vehicle washing by external service providers;
- The training indicators include employees who left during the year.

Notes on the greenhouse gas emissions footprint

The balance sheet shown for GHG emissions is an update of the balance sheet drawn up by specialist consultancy Quantis. It was based on available data collected during the 2018 CSR reporting campaign. No extrapolation has been performed.

Two sources of emissions from the 2016 carbon balance sheet were re-used for this update, namely those linked to "*Business trips*" and "*Non-fleet purchases*". The impact on the results however is minimal (representing less than 3% of the total carbon balance sheet).

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. The emission factors used come from the ADEME database. When available, the emission factors used come from the ADEME (French Environment and Energy Management Agency) database. The other emission factors come from CO_2 Emissions from Fuel Combustion, © OECD/IEA, 2015 (marginal).

Without details on the type of renewable energies consumed by the Group, the most penalizing emissions factor among the renewable energy emissions factors has been used, namely the emissions factor related to solar power production.

Notes on the exclusion of certain data required by the law on the statement of non-financial performance

In view of its activity – renting vehicles and providing mobility solutions – Europcar Mobility Group has excluded the indicators and data relating to:

- the circular economy;
- fight against food waste;
- fight against food insecurity, respect for animal welfare, responsible, fair and sustainable food.

4.9 REPORT BY THE INDEPENDENT THIRD PARTY BODY

Europcar Mobility Group

Société Anonyme (French public limited company) with share capital of €161,030,883
Headquarters: Immeuble Metropolitan, 13 *ter* Blvd. Berthier, 75017 Paris
Trade & Companies Register No. 489 099 903

Report by the independent third party body on the statement of non-financial performance included in the management report

Year ended December 31

Report by the independent third party body on the Declaration of extra-financial performance included in the management report

To the Shareholders,

In our capacity as the independent third party, member of the Mazars network, Statutory Auditors of Europcar, and certified by COFRAC Inspection under number 3-1058 (available the website www.cofrac.fr), we are hereby presenting our report to you on the Declaration of extra-financial performance – for the year ended December 31, 2018, (hereafter the "Statement") included in the management report, pursuant to the statutory and regulatory provisions of Article L. 225-102-1, R. 225-105 and R. 225-105-1 of the French Commercial Code.

Company's responsibility

The Board of Directors is responsible for issuing a Statement in accordance with the legal and regulatory provisions that includes a presentation of the business model, a description of the main non-financial risks, a presentation of the policies applied with regard to these risks and the results of these policies, including key performance indicators.

The Statement was prepared by applying the Company's procedures (hereinafter the "Guidelines"), the significant elements of which are presented in the management report or available on request at the Company's head office.

Independence and quality control

Our independence is defined by the provisions of Article L. 822-11-3 of the French Commercial Code and the profession's Code of Ethics. Furthermore, we have implemented a quality control system that includes documented policies and procedures aimed at ensuring compliance with ethical rules, professional standards and applicable regulations and legislation.

Responsibility of the Independent Third Party

Based on our work, our role is to formulate a reasoned opinion expressing moderate assurance as to:

- the Statement's compliance with the provisions of Article R. 225-105 of the French Commercial Code;
- the truthfulness and fairness of the information provided in application of paragraph 3 of Sections I and of Section II of Article R. 225-105 of the French Commercial Code, namely the results of the policies, including key performance indicators, and the actions relating to the main risks (hereinafter the "Information").

However, we are not responsible for giving an opinion on:

- the Company's compliance with any other applicable legal and regulatory provisions, particularly those concerning the combating of corruption and tax evasion;
- the conformity of products and services to applicable regulations.

Nature and scope of our work

Our work as described hereunder was carried out in accordance with the provisions of Articles A. 225-1 *et seq.* of the French Commercial Code determining the means whereby the third party independent body is to perform its assignment, and in accordance with the professional standards of the National Association of Statutory Auditors regarding this type of assignment, as well as with the ISAE 3000 international standard (Assurance engagements other than audits or reviews of historical financial information).

We carried out checks allowing us to assess the Statement's compliance with the legal and regulatory provisions and the truthfulness and fairness of the Information:

- we examined the business activity of the companies in the consolidation scope, the description of the main social and environmental risks connected to this activity and its impact on the respect of human rights, combating corruption and tax evasion, and the ensuing policies and their results;
- we assessed the appropriateness of the Guidelines regarding their relevance, exhaustiveness, reliability, neutrality and comprehensibility, taking into account, where applicable, best practices in the sector;
- we checked to see that the Statement covers each category of information provided for in Section III of Article L. 225-102-1 on social and environmental matters as well as respect for human rights and the combating of corruption and tax evasion;
- we also checked that there is an explanation in the Statement on why the information required under the 2nd sub-paragraph of III of article L. 225-102-1 is absent;
- we verified that the Statement presents the business model and the main risks related to the activity of all the entities included within the scope of consolidation, including, whenever relevant and proportionate, the risks engendered by business relations, products or services as well as the policies, actions and results, including key performance indicators;
- we verified, whenever relevant to the main risks or policies presented, that the Statement presents the information provided for in Section II of Article R. 225-105;
- we assessed the selection and validation process for the main risks;
- we inquired as to the existence of procedures for internal control and risk management implemented by the Company;
- we assessed the consistency of the results and of the key performance indicators used with regard to the main risks and policies presented;
- we verified that the Statement covers the consolidated scope, *i.e.* all the companies included in the scope of consolidation in compliance with Article L. 233-16 of the French Commercial Code, with the limits specified in the Statement in the paragraph headed "Note on methodology";
- we assessed the collection process implemented by the Company aimed at ensuring the completeness and veracity of the Information;
- for the key performance indicators and the other quantitative results that we considered [(1)] to be the most significant, we implemented:
  - analytical procedures consisting in verifying the correct consolidation of collected data as well as the consistency of changes in them;
  - detailed tests based on sampling, which consisted of verifying the proper application of definitions and procedures, and in reconciling data with supporting documents. This work was conducted with a selection of contributing entities [(2)] covering between 32% and 100% of the consolidated data of the key performance indicators and results selected for these tests;
- we assessed the overall consistency of the Statement in relation to our knowledge of the Company.

We consider that the work which we performed using our professional judgment allows us to formulate a conclusion of moderate assurance; a higher level of assurance would have required more extensive verification work.

(1) ***Labor:*** *total workforce, hirings, departures, accidents at work and theoretical hours worked, frequency rate, proportion of employees trained; proportion of employees represented by the European Works Council.*

Environment: *energy consumption, fuel consumption, water consumption; emissions of greenhouse gases connected with energies.*

Fleet: *number of vehicles in the fleet and proportion of hybrid and electric vehicles, number of kilometers covered and proportion of kilometers covered by electric and hybrid vehicles, average CO_2 emissions per vehicle, percentage of vehicles washed without water or movement.*

Social: *percentage of suppliers audited including CSR issues.*

(2) United Kingdom, Germany and Ireland.

Means and resources

Our work required the skills of 7 people.

We conducted ten interviews with the persons responsible for preparing the Statement, notably from the Communication & CSR, Risk Management, Human Resources, Environmental and Purchasing divisions.

Conclusion

In the course of our work we observed that:

- for Germany, which accounts for 16% of the Group's workforce, hours of training, the number of employees trained, the number of workplace accidents, theoretical working hours and the frequency rate are not always backed up by supporting documents.

Based on our work, with the exception of the elements described above, we did not observe any significant misstatement likely to call into question the Statement's conformity with the applicable regulatory provisions or the true and fair presentation of the Information, taken as a whole, in accordance with the Guidelines.

Comments

Without calling into question the conclusion expressed above, and in accordance with the provisions of article A. 225-3 of the French Commercial Code, we make the following comments:

- given the recent dissemination of the Code of Ethics in the context of the measures for combating corruption, the organization, responsibilities, actions and associated performance indicators remain to be put in place during the coming year;
- Europcar Mobility Group has started work on its carbon trajectory in response to the risks posed by climate change and atmospheric emissions, but has yet to set medium- and long-term objectives for reducing GHG emissions.

Paris-La Défense, on February 21, 2019

The Independent Third Party

Mazars S.A.S.

Isabelle Massa
Partner
Edwige REY
Partner in CSR & Sustainable Development

05

CORPORATE GOVERNANCE

5.1 MANAGEMENT AND SUPERVISORY BODIES

On March 9, 2015, the Company changed its legal form to become a public limited company (*société anonyme*) with a Management Board and a Supervisory Board. This involves the separation of the management and executive functions, exercised by the Management Board, from responsibility for oversight, exercised by the Supervisory Board, which oversees the Management Board's running of the Company. Separating functions in this way ensures an effective balance between the powers of the executive and oversight bodies, in line with the principles of good corporate governance. Prior to this date, the Company was a public limited company with a Board of Directors.

5.1.1 Management Board

Changes in 2018-2019

The main changes made to the Management Board during fiscal year 2018 and up to the date of this Registration Document are as follows:

Mr. Kenneth McCall resigned on November 21, 2018 as member of the Company's Management Board and Deputy CEO.

Mr. Olivier Baldassari, Director of Countries and Operations was appointed member of the Management Board for a term of 4 years effective January 1, 2019, by decision of the Company's Supervisory Board dated December 21, 2018, upon the recommendation of the Compensation and Nominations Committee.

Since Ms. Caroline Parot's term of office as member and Chairwoman of the Management Board was expiring on March 8, 2019, the Supervisory Board upon the recommendation of the Compensation and Nominations Committee decided on December 21, 2018 to renew it for a term of four years.

Since Mr. Fabrizio Ruggiero's term of office as member of the Management Board was expiring on March 8, 2019, the Supervisory Board upon the recommendation of the Compensation and Nominations Committee decided on December 21, 2018 to renew it for a term of four years.

During its meeting of January 31, 2019, the Supervisory Board upon the recommendation of the Compensation and Nominations Committee decided to appoint Mr. Albéric Chopelin as member of the Company's Management Board for a term of four years, when he joins the Group on April 15, 2019.

Composition of the Management Board

The composition of the Management Board on the date of this Registration Document and on the appointment of Mr. Albéric Chopelin as a member of the Management Board, together with the principal mandates and functions exercised by the members of the Management Board outside the Company (within or outside the Group) over the past five years are presented in the table below.

CAROLINE PAROT — CHAIRWOMAN OF THE MANAGEMENT BOARD

Business address:

Europcar Mobility Group S.A.
13 ter boulevard Berthier 75017 Paris

Age and nationality:

47 years old
French

Date first appointed:

03/09/2015

Date first appointed as Chairwoman of the Management Board:

11/23/2016

Date term of office ends:

03/08/2023[(2)]

Number of Company shares held:

109,091 ordinary shares
528 Class C preferred shares
528 Class D preferred shares

POSITIONS AND OFFICES HELD

Positions and offices currently held in companies controlled [(1)] by Europcar Mobility Group

- Chairwoman of Europcar Services, Unipessoal, Lda

Positions and offices currently held in companies not controlled [(1)] by Europcar Mobility Group

- Member of the Board of Directors and Chairwoman of the Audit and Financing Committee of Ingenico

Other positions and offices held over the last five years

- Director of Car2go Europe GmbH

MANAGEMENT EXPERIENCE

- Caroline Parot joined the Group in 2011, serving initially as Group management controller (2011-2012) before taking on the role of Chief Financial Officer in March 2012. She served as Deputy CEO, Finance from May 20, 2015, then Deputy CEO from July 22, 2016, before resigning from this role when she was appointed Chairwoman of the Management Board on November 23, 2016.
- Previously, she had occupied the positions of Group management controller (2009-2011) and member of the Executive Committee (2010-2011) with the Technicolor Group, and in particular was in charge of restructuring Thomson-Technicolor's debt.
- She also served as Technicolor's Chief Financial Officer for the Technology sector (2008-2009) and as controller in the Department of Intellectual Property and License Management (2005-2008).
- Until 2005, she was an auditor with Ernst & Young, where she began her career in 1995.
- Ms. Parot holds a DEA in Mathematical Economics from the Panthéon-Sorbonne University and a Masters 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 par. 2, L. 225-77 par. 2 and L. 225-94 par. 1 of the French Commercial Code.
(2) Ms. Caroline Parot's term of office as member and Chairwoman of the Management Board was renewed by the Supervisory Board at its meeting of December 21, 2018 for a term of four years starting March 8, 2019.

FABRIZIO RUGGIERO — GROUP DEPUTY CHIEF EXECUTIVE OFFICER – HEAD OF BUSINESS UNITS – MEMBER OF THE MANAGEMENT BOARD

Business address:
Europcar Mobility Group S.A.
13 ter boulevard Berthier 75017
Paris

Age and nationality:
49 years old
Italian

Date first appointed:
03/09/2015

Date term of office ends:
03/08/2023(2)

Number of Company shares held:
68,168 ordinary shares
234 Class C preferred shares
234 Class D preferred shares

POSITIONS AND OFFICES HELD

Positions and offices currently held in companies controlled (1) by Europcar Mobility Group

- Sole Director of Europcar Lab Italy Srl
- Director of Europcar Italia S.p.A.
- Director of Go-Car Carsharing Limited

Positions and offices currently held in companies not controlled (I) by Europcar Mobility Group

- Director of Wanderio S.p.A.

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

MANAGEMENT EXPERIENCE

- Fabrizio Ruggiero joined the Europcar Mobility Group in May 2011 and has served as Managing Director of Europcar Italia S.p.A. and as Head of Mobility Solutions for the Group.
- From 2004 to 2011, he was 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 Masters 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 par. 2, L. 225-77 par. 2 and L. 225-94 par. 1 of the French Commercial Code.
(2) Mr. Fabrizio Ruggiero's term of office as member of the Management Board was renewed by the Supervisory Board at its meeting of December 21, 2018 for a term of four years starting March 8, 2019.

OLIVIER BALDASSARI

CHIEF COUNTRIES AND OPERATIONS OFFICER – MEMBER OF THE MANAGEMENT BOARD

Business address:

Europcar Mobility Group S.A.
13 ter boulevard Berthier 75017 Paris

Age and nationality:

55 years
French

Date first appointed:

12/21/2018 effective on 01/01/2019

Date term of office ends:

01/01/2023

Number of Company shares held:

None

POSITIONS AND OFFICES HELD

Positions and offices currently held in companies controlled (1) by Europcar Mobility Group

- Member and Chairman of the Supervisory Board of Europcar Autovermietung GmbH
- Member of the Board of Directors of Executive Trust Limited and Europcar UK Limited

Positions and offices currently held in companies not controlled (1) by Europcar Mobility Group

- None

Other positions and offices held over the last five years

- Member of the Board of Directors of Rexel (USA) Inc.
- Member of the Board of Directors of Vantage Electrical Group, Inc.

MANAGEMENT EXPERIENCE

- Olivier Baldassari joined the Group in January 2019 as Chief Countries and Operations Officer and member of the Company's Management Board.
- Prior to that, he was Vice-President Operations and Logistics for the USA at Rexel.
- From 2011 to 2016, he was Operations Director for France and Southern Europe in the same company and from 2007 to 2011 he was the Group's IT Director.
- From 2005 to 2007, he was Executive Director in charge of Global Operations at Delphi Corporation, and from 2003 to 2005 IT Director for Europe, the Middle East and Africa at the same company.
- Prior to that, he was IT Director (2000-2003), Program Director (1998-2000), and Logistics Director (1995-1998) for the Smurfit Kappa group.
- He began his career as a consultant at Andersen Consulting (1987-1991), then as a production manager at Vallourec (1992-1995).
- Olivier Baldassari has a Master in Science from the École des Mines de Paris (1986) and an MBA from the INSEAD (1992)

(1) Articles L. 225-21 par. 2, L. 225-77 par. 2 and L. 225-94 par. 1 of the French Commercial Code.

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ALBÉRIC CHOPELIN

CHIEF COMMERCIAL AND CUSTOMER OFFICER – MEMBER OF THE MANAGEMENT BOARD

Business address:

Europcar Mobility Group S.A.
13 ter boulevard Berthier 75017
Paris

Age and nationality:

42 years old
French

Date first appointed:

01/31/2019; effective as of 4/15/19

Date term of office ends:

15/04/2023

Number of Company shares held:

None

POSITIONS AND OFFICES HELD

Positions and offices currently held in companies controlled (1) by Europcar Mobility Group

- None at the date of this Registration Document

Positions and offices currently held in companies not controlled (1) by Europcar Mobility Group

- None at the date of arrival in the Group scheduled for April 15, 2019

Other positions and offices held over the last five years

- Global Chief Sales and Marketing Officer of PSA
- Chief Executive Officer of PSA Deutschland Gmbh
- Chief Executive Officer of Citroën Deutschland Gmbh
- Chief Executive Officer of Peugeot Deutschland Gmbh
- Director of Peugeot Suisse SA

MANAGEMENT EXPERIENCE

- Albéric Chopelin will join Europcar Mobility Group as Chief Commercial and Customer Officer of the Group on April 15, 2019 and have a seat on the Management Board.
- Since 2018, he was reporting to the Chairman of the PSA Group as Senior Vice-President and Chief Sales and Marketing Officer for the Peugeot, Citroën, DS Automobiles, Opel, Vauxhall and Free2Move brands.
- Within the PSA Group, he has been Senior Vice-President since 2011 and has held successive positions: Managing Director of Peugeot Slovenia (2009-2011), Managing Director of Peugeot Netherlands (2011), CEO of PSA Benelux (2011-2013), CEO Peugeot of Peugeot Central & Northern Europe (2013-2014) and CEO of PSA Germany, (2014-2018).
- Before joining PSA, Albéric Chopelin worked for the BMW Group as Regional Director (2007-2009). From 2001 to 2007, he worked for the Ford Motor Company Group, initially as Regional Manager (2001-2004) then as Agents Network Director (2004-2007).
- He began his career in France as a Marketing manager of the BMW Group before moving on to join the HBR car distribution group as Chief Commercial and Customer officer.
- Albéric Chopelin holds a Master degree in Management and Commerce from EM Lyon (1999) and completed an Executive *Education MBA* program at HEC Paris (2009).

(1) Articles L. 225-21 par. 2, L. 225-77 par. 2 and L. 225-94 par. 1 of the French Commercial Code.

5.1.2 Supervisory Board

The table below shows changes made to the Supervisory Board and its committees during fiscal year 2018 and up to the publication date of this Registration Document.

Effective date	Change
05/17/2018	Approval of the co-option of Ms. Amandine Ayrem as member of the Supervisory Board
05/17/2018	Renewal of Mr. Pascal Bazin term of office as member of the Supervisory Board
05/17/2018	Renewal of Mr. Eric Schaeffer term of office as member of the Supervisory Board
05/17/2018	Appointment of Ms. Petra Friedmann as member of the Supervisory Board and member of the Compensation and Nominations Committee
06/21/2018	Creation of the Strategic Committee by decision of the Supervisory Board dated March 20, 2018 and the appointments of Mr. Jean-Paul Bailly as Chairman of the Strategic Committee and Mr. Patrick Sayer, Mr. Philippe Audouin, Ms. Petra Friedmann and Ms. Virginie Fauvel as members of the Strategic Committee by decision of the Supervisory Board on June 21, 2018
11/12/2018	Appointment by the Group Committee of Ms. Adèle Mofiro as member of the Supervisory Board representing employees and member of the Compensation and Nominations Committee by decision of the Supervisory Board on December 21, 2018

5.1.2.1 Composition of the Supervisory Board

The table below shows the composition of the Supervisory Board as of the date of this Registration Document and the main positions and offices held by the members of the Supervisory Board outside the Company (both inside and outside the Group) during the last five years.

JEAN-PAUL BAILLY

CHAIRMAN OF THE SUPERVISORY BOARD – CHAIRMAN OF THE STRATEGIC COMMITTEE – INDEPENDENT MEMBER

Business address:
38 rue Gay-Lussac
75005 Paris

Age and nationality:
72 years old
French

Date first appointed:
06/08/2015

Date term of office ends:
Shareholders' Meeting called to approve the financial statements for the fiscal year ended December 31, 2018

Number of Company shares held:
500 ordinary shares

POSITIONS AND OFFICES HELD

Positions and offices currently held in companies not controlled (1) by Europcar Mobility Group

- Director and member of the Audit and Risk Committee and Chairman of the Investment Committee of Edenred (2)

Other positions and offices held over the last five years

- Director and member of the Audit Committee and Chairman of the Governance and CSR Committee of Accor Hotels (2)

MANAGEMENT EXPERIENCE

- Jean-Paul Bailly has devoted his entire career to public service, by participating in the management and running of two major public companies, the RATP and then La Poste.
- He started his career in 1970 at the Régie Autonome des Transports Parisiens (RATP). In 1978, he became head of Coopération Technique Française in Mexico.
- He joined RATP again in 1982, where he was notably Director of Bus Rolling Equipment, Director of the Metro and RER and Director of Human Resources. In 1990, he was appointed Deputy CEO and then Chairman and CEO from 1994 to 2002.
- He was Chairman and CEO of La Poste from 2002 to 2013 and has served as its Honorary Chairman since October 2013.
- He has also been President of Entreprise et Personnel, Vice-President of Confrontations Europe, Chairman of ANVIE and member of the Conseil Économique, Social et Environnemental from 1995 to 2015.
- He is President of "Entreprises pour la cité", member of the Board of Directors of St. Joseph's Hospital.
- Jean-Paul Bailly is a graduate of the École Polytechnique and MIT. He is an Officer of the French Legion of Honor and a Commander of the French National Order of Merit.

(1) Articles L. 225-21 par. 2, L. 225-77 par. 2 and L. 225-94 par. 1 of the French Commercial Code.
(2) French listed company.

PASCAL BAZIN

VICE-CHAIRMAN OF THE SUPERVISORY BOARD – CHAIRMAN OF THE COMPENSATION AND NOMINATIONS COMMITTEE AND MEMBER OF THE AUDIT COMMITTEE – INDEPENDENT MEMBER

Business address:

49 Bis route de Montesson
78110 Le Vesinet

Age and nationality:

62 years old
French

Date first appointed:

06/08/2015

Date term of office ends:

Shareholders' Meeting called to approve the financial statements for the fiscal year ended December 31, 2021

Number of Company shares held:

500 ordinary shares

POSITIONS AND OFFICES HELD

Positions and offices currently held in companies not controlled [1] by Europcar Mobility Group

- Member of the Board of Modacin France
- Chairman of PB Consulting

Other positions and offices held over the last five years

- Director of Belvédère SA[2]
- Director of Darty Plc
- Director of Belron SA
- Director of d'Alcopa NV SA

MANAGEMENT EXPERIENCE

- Pascal Bazin was, from June 2014 until the transformation of the Company's corporate structure to a public limited company with a Management Board and a Supervisory Board, a representative of PB Consulting on the Board of Directors of the Company.
- Pascal Bazin was founder and Chairman of PB Consulting, a consulting firm specialized in professional and strategic coaching and member of the Board of Directors of Modacin France.
- Pascal Bazin was Managing Director (Directeur Général) of Avis Europe Plc from January 2008 to December 2011, where he successfully managed the Company's recovery and led the development of the Group towards new markets such as China and towards new mobility solutions such as car sharing. He left his position at the end of 2011, following the transfer of his activity to Avis Budget group, Inc.
- He had joined Avis Europe in 2005 after leaving Redcats, the third largest direct selling group in the world, where he was Managing Director (Directeur Général) of the specialized brands division (division des marques spécialisées) and Vice-President of Development/Strategy.
- Among his previous positions, he was Managing Director (Directeur Général) of many divisions of the cosmetic group Yves Rocher in Southern Europe and North America.
- He started his career in the management consulting firm Peat Marwick Mitchell.
- Pascal Bazin graduated from France's École Polytechnique.

(1) Articles L. 225-21 par. 2, L. 225-77 par. 2 and L. 225-94 par. 1 of the French Commercial Code.
(2) French listed company.

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PATRICK SAYER

MEMBER OF THE SUPERVISORY BOARD – MEMBER OF THE STRATEGIC COMMITTEE

Business address:

143 avenue Charles de Gaulle
92200 Neuilly-sur-Seine

Age and nationality:

61 years old
French

Date first appointed:

02/24/2015

Date term of office ends:

Annual Shareholders' Meeting called to approve the financial statements for the fiscal year ended December 31, 2018

Number of Company shares held:

87,460 shares

POSITIONS AND OFFICES HELD

Positions and offices currently held in companies not controlled [1] by Europcar Mobility Group

- Member of the Board of Directors of AccorHotels [2]
- Member of the Board of Directors of I-Pulse (USA)
- Chairman of, CarryCo Capital 1, CarryCo Croissance and CarryCo Croissance 2
- Member of the Board of Directors of Tech Data Corporation (USA) [3]
- Member of the Supervisory Board of Eurazeo SE [2]

Other positions and offices held over the last five years

- Chairman of the Management Board of Eurazeo SE [2] *
- Manager of Investco 3d Bingen (non-trading company)
- Vice-Chairman and member of the Supervisory Board of Rexel [2]
- Member of the Supervisory Committee of Foncia Holding
- Chairman, Vice-Chairman and member of the Supervisory Board of ANF Immobilier [2]
- Chairman of the Supervisory Board of Europcar Mobility Group
- Member of the Board of Directors of STET [2] and Gruppo Banca Leonardo (Italy) and Colyzeo Investment Advisors (UK)
- President of Eurazeo Capital Investissement, Legendre Holding 25 and Legendre Holding 26
- Managing Director of Legendre Holding 19

MANAGEMENT EXPERIENCE

- Patrick Sayer was Chairman of the Management Board of Eurazeo from May 2002 to April 2018.
- He was previously a managing partner of Lazard Frères et Cie in Paris and a Managing Director of Lazard Frères & Co. in New York.
- He is a former Chairman of the Association Française des Investisseurs pour la Croissance (AFIC, now known as France Invest), a Director of the Musée des Arts Décoratifs de Paris. He also teaches finance (Master 225) at the Université de Paris Dauphine.
- He is a member of the Club des Juristes and is also a commercial court judge with the Commercial Court of Paris.
- Mr. Sayer is a graduate of the École Polytechnique and of the École des Mines de Paris.

(1) Articles L. 225-21 par. 2, L. 225-77 par. 2 and L. 225-94 par. 1 of the French Commercial Code.
(2) French listed company.
(3) Foreign listed company.

PHILIPPE AUDOUIN

MEMBER OF THE SUPERVISORY BOARD – MEMBER OF THE AUDIT COMMITTEE AND MEMBER OF THE STRATEGIC COMMITTEE

Business address:

Eurazeo S.E.
1, rue Georges Berger
75017 Paris

Date first appointed:

02/24/2015

Age and nationality:

62 years old

French

Date term of office ends:

Annual Shareholders' Meeting called to approve the financial statements for the fiscal year ended December 31, 2020

Number of Company shares held:

6,000 ordinary shares

POSITIONS AND OFFICES HELD

Positions and offices currently held in companies not controlled [1] by Europcar Mobility Group

- Member of the Management Board and General CFO of Eurazeo SE [2]
- Chairman and Member of the Supervisory Board of Eurazeo PME
- Chairman of LH APCOA, Legendre Holding 19, Legendre Holding 26, Legendre Holding 27, Legendre Holding 29, Legendre Holding 30, Legendre Holding 34, Legendre Holding 35, Legendre Holding 36, Legendre Holding 42, Legendre Holding 43, Legendre Holding 44, Legendre Holding 47, Legendre Holding 51, Legendre Holding 57, Legendre Holding 58, Legendre Holding 59, Legendre Holding 60, Legendre Holding 62, Legendre Holding 65, Legendre Holding 66, Legendre Holding 67, Eurazeo Patrimoine, LH CPK, LH GP, LH Mano, LH Novacap, LH Iberchem, LH Open Road, LH PMG and LH WS
- CEO of Legendre Holding 23, Legendre Holding 25, CarryCo Capital 1 and CarryCo Croissance, CarryCo Brands et CarryCo Capital 2
- Chairman of the Supervisory Committee of Legendre Holding 28
- Vice-Chairman of Alpine Newco, Inc. (USA)
- Chief Executive of Eurazeo Services Lux (Luxembourg)
- Permanent representative of Eurazeo on the Board of Directors of SFGI

Other positions and offices held over the last five years

- Member of the Supervisory Board of ANF Immobilier [2] and Elis [2]
- Director of Holdelis
- Director of Legendre Holding 33, Legendre Holding 54, Legendre Holding 55, La Mothe, Eurazeo Capital Investissement and Eureka Participation
- Chairman of EP Aubervilliers, Legendre Holding 21, Legendre Holding 31 (now Les Amis d'Asmodée), Legendre Holding 32 (now Asmodée II), Legendre Holding 41, CPK, CPK Manco, Segens Group Holding, Novacap Group Bidco and Ray France Investment
- Vice-Chairman of the Supervisory Board of APCOA Parking AG (Germany)
- Member of the Advisory Board of APCOA Parking Holdings GmbH (Germany)
- Managing Director of Perpetuum MEP Verwaltung GmbH (Germany)

MANAGEMENT EXPERIENCE

- Philippe Audouin was a Director of the Company from 2006 until the change in the Company's corporate governance structure to a public limited company with a Management Board and a Supervisory Board.
- He spent the first 10 years of his career creating and developing his own business. After selling that business, he served as CFO and legal representative ("Prokurist") of the first joint venture between France Telecom and Deutsche Telekom in Germany from 1992 to 1996.
- From 1996 to 2000, he served as Financial, Human Resources and Administrative Director of France Telecom's Multimedia division. He was also a member of the Supervisory Board of PagesJaunes. From April 2000 to February 2002, he worked for the Arnault group as CFO of Europ@Web.
- He also taught for 5 years as a lecturer then a senior lecturer in the 3rd year at HEC ("entrepreneurs" option).
- He joined Eurazeo in 2002 as Administrative and Financial Director and was appointed to its Management Board in March 2006 and then appointed General CFO in 2018.
- He is also a member of the AMF's Issuers Committee and of the Association Nationale des Dirigeants Finance-Gestion (National Association of Finance and Management Executives) (DFCG).
- Mr. Audouin is a graduate of the École des Hautes Études Commerciales (HEC).

(1) Articles L. 225-21 par. 2, L. 225-77 par. 2 and L. 225-94 par. 1 of the French Commercial Code.
(2) French listed company.

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AMANDINE AYREM — MEMBER OF THE SUPERVISORY BOARD

Business address:

Eurazeo S.E.
1, rue Georges Berger
75017 Paris

Age and nationality:

36 years old
French

Date first appointed:

07/24/2017

Date term of office ends:

Annual Shareholders' Meeting called to approve the financial statements for the fiscal year ended December 31, 2019

Number of Company shares held:

500 ordinary shares [3]

POSITIONS AND OFFICES HELD

Positions and offices currently held in companies not controlled [1] by Europcar Mobility Group

- Principal of Eurazeo SE [2]
- Member of the Supervisory Committee of CPK
- Director of Fragrance Spanish Topco SL (Spain)

Other positions and offices held over the last five years

- None

MANAGEMENT EXPERIENCE

- From 2007 to 2010, Amandine Ayrem began her career in investment banking at Deutsche Bank in Paris. She advised on various M&A transactions for European industrial companies and investment funds.
- Amandine Ayrem joined Eurazeo in 2010 with responsibilities including initiating or overseeing investments in Europcar, Foncia, CPK, Les Petits Chaperons Rouges and Iberchem.
- Amandine Ayrem is a graduate from HEC Paris and Columbia Business School.

(1) Articles L. 225-21 par. 2, L. 225-77 par. 2 and L. 225-94 par. 1 of the French Commercial Code.
(2) French listed company.
(3) Stock loan granted by Eurazeo.

ÉRIC SCHAEFER

MEMBER OF THE SUPERVISORY BOARD – MEMBER OF THE COMPENSATION AND NOMINATIONS COMMITTEE

Business address:

Eurazeo North America Inc.
745 Fifth Avenue
10151 New York, USA

Age and nationality:

37 years old
French

Date first appointed:

02/24/2015

Date term of office ends:

Annual Shareholders' Meeting called to approve the financial statements for the fiscal year ended December 31, 2021

Number of Company shares held:

500 ordinary shares [3]

POSITIONS AND OFFICES HELD

Positions and offices currently held in companies not controlled [1] by Europcar Mobility Group

- *Managing Director* of Eurazeo SE [2]
- *Managing Director* of Eurazeo North America Inc. (USA)
- Member of the Supervisory Committee of CPK
- *Secretary* of EZ Open Road Blocker Inc. (USA)
- Vice-President of Open Road Holdings LLC (USA)
- Member of *the Board of* Directors of Open Road Parent LLC (USA) and Trader Interactive LLC (USA)

Other positions and offices held over the last five years

- Director of Holdelis
- Member of the Supervisory Board and Audit Committee of Elis [2]
- Member of the Supervisory Board of AX
- Permanent representative of Eurazeo on the Board of Directors of Europcar Mobility Group
- Member of the Supervisory Board of Asmodée Holding

MANAGEMENT EXPERIENCE

- Eric Schaefer was a Director of Europcar Mobility Group from January 2013 to June 2014, then Eurazeo representative on Europcar Mobility Group Board of Directors from October 2014 until the change in the Company's corporate governance structure to apublic limited company with a Management Board and a Supervisory Board.
- Eric Schaefer is Managing Director of Eurazeo Capital (New York). He is responsible for sourcing and for making investments, as well as monitoring the performance of the companies in the Eurazeo portfolio.
- Since his arrival at Eurazeo in 2004, he has specialized in the sectors of corporate services and consumer goods and helped in the structuring and development of Eutelsat, B&B Hotels, Europcar, Elis, Asmodée and CPK.
- Eric Schaefer was named among the Rising Stars in Private Equity in the 40 under 40 category in Dow Jones Private Equity News in 2015, before being part of the 2016 class of Young Leaders selected by the French American Foundation.
- Eric is a graduate of HEC Paris and a finance graduate of the École Polytechnique.

(1) Articles L. 225-21 par. 2, L. 225-77 par. 2 and L. 225-94 par. 1 of the French Commercial Code.
(2) French listed company.
(3) Stock loan granted by Eurazeo SE.

05

PETRA FRIEDMANN

MEMBER OF THE SUPERVISORY BOARD – MEMBER OF THE COMPENSATION AND NOMINATIONS COMMITTEE AND MEMBER OF THE STRATEGIC COMMITTEE – INDEPENDENT MEMBER

Business address:

5 rue de Béarn
75003 Paris

Age and nationality:

64 years old

French

Date first appointed:

05/17/2018

Date term of office ends:

Annual Shareholders' Meeting called to approve the financial statements for the fiscal year ended December 31, 2021

Number of Company shares held:

500 ordinary shares

POSITIONS AND OFFICES HELD

Positions and offices currently held in companies not controlled [1] by Europcar Mobility Group

- Vice-Chairwoman of Humanium (NGO)
- Member of the Board of Boursorama

Other positions and offices held over the last five years

- None

MANAGEMENT EXPERIENCE

- Petra Friedmann started her career in 1978 as a researcher in Economics and Sociology at the Institut für Sozialforschung of Cologne and at the Bremen University.
- In 1985, she created a travel agency, then in 1988, a medium-haul tour operator.
- In 1992, she moved to France and joined the Marmara-TUI group. As Marketing Director, she decided from 1998 to develop the online offering for the group which was one of the first to offer online booking.
- Passionate about this e-commerce experience, in 1999 she joined the European online auction site Tradus (QXL.com Plc) as France Managing Director.
- From 2002, Petra Friedmann took over as Managing Director of Opodo in France, launching and developing the brand and making it one of the first online travel agencies in France in just a few years.
- In 2009, HomeAway, holiday leasing global leader, entrusted her with the structuring and expansion of its European operations as EMEA Chairwoman.
- In 2015, she became Vice-President of the Swiss NGO Humanium, dedicated to the defense of children's rights.
- Since 2012, she is an independent director of Groupe Boursorama.
- Petra Friedmann is a graduate of Bielefeld University in sociology and holds a Doctorate in Political Science & Economics from Bremen University.

(1) Articles L. 225-21 par. 2, L. 225-77 par. 2 and L. 225-94 par. 1 of the French Commercial Code.

VIRGINIE FAUVEL

MEMBER OF THE SUPERVISORY BOARD – MEMBER OF THE STRATEGIC COMMITTEE AND MEMBER OF THE AUDIT COMMITTEE – INDEPENDENT MEMBER

Business address:

1 place des saisons
92048 Paris-La Défense Cedex

Age and nationality:

44 years old
French

Date first appointed:

02/24/2015

Date term of office ends:

Annual Shareholders' Meeting called to approve the financial statements for the fiscal year ended December 31, 2020

Number of Company shares held:

500 ordinary shares

POSITIONS AND OFFICES HELD

Positions and offices currently held in companies not controlled (1) by Europcar Mobility Group

- Member of the Management Board of Euler Hermes(2)
- Member of the Board of Directors and the Nominations Committee of Neopost (2)

Other positions and offices held over the last five years

- Member of the Executive Committee of Allianz France (Germany)

MANAGEMENT EXPERIENCE

- A graduate from the École des Mines in Nancy, Virginie Fauvel began her career in 1997 at Cetelem as the Head of Risk Scoring and then as Director of CRM, before becoming Director of World Internet Strategy in 2004 and then Director of *the e-business France* unit in 2006.
- She joined BNP Paribas's retail bank next, in 2009, where she directed and developed the online bank before becoming Director of European online banks in 2012. In that capacity, in mid-2013 she launched HelloBank!, the first 100% mobile European bank.
- She joined Allianz France in July 2013 as a member of the Executive Committee in charge of Digital and Market Management.
- Virginie has been a member of the Conseil national du numérique (National Digital Council) from 2013 to 2016.
- Since January 15, 2018, she has been a member of the Management Board of Euler Hermes, in charge of the Americas region and Group transformation.
- She has been a Member of the Board of Neopost since June 2016.
- Virginie Fauvel is a Chevalier of the French National Order of Merit.

(1) Articles L. 225-21 par. 2, L. 225-77 par. 2 and L. 225-94 par. 1 of the French Commercial Code.
(2) French listed company.

05

SANFORD MILLER — MEMBER OF THE SUPERVISORY BOARD – INDEPENDENT MEMBER

Business address:
444 Seabreeze Blvd Ste. 1002
Daytona Beach,
FL 32118
United States of America

Age and nationality:
66 years old
American

Date first appointed:
06/08/2015

Date term of office ends:
Annual Shareholders' Meeting called to approve the financial statements for the fiscal year ended December 31, 2018

Number of Company shares held:
500 ordinary shares

POSITIONS AND OFFICES HELD

Positions and offices currently held in companies not controlled (1) by Europcar Mobility Group

- *Advisory Board member* of CenterState Bank of Florida, LLC.
- Founder and Managing Partner of Basin Street Partners LLC
- Chief Executive Officer of Carey International

Other positions and offices held over the last five years

- *Vice Chairman* of the Board & Founding Member of Gateway Financial Holdings of Florida, Inc.
- Member of *the Board of* Directors of Stonewood Holdings LLC

MANAGEMENT EXPERIENCE

- Sanford Miller has large experience in the transportation and tourism industries and strong knowledge of the vehicle rental market.
- He started his career in 1979 at the vehicle rental company Budget group, Inc. that he joined as North East Field Operation manager, before becoming a franchisee of Budget Rent-a-Car from 1980 to 1987.
- Appointed as Chief Executive Officer of Team Rental group in 1987, he notably supervised the acquisitions of Cruise America, VPSI, Premier Car Rental and Budget Rent-a-Car; he then served as President, Chief Executive Officer and Chairman of Budget group from 1997 to 2003, where he supervised the acquisition of Ryder TRS as well as the acquisition of Budget group by Cendant Corporation.
- From 2003 to 2012, he served as Co-Chairman and Co-Chief Executive Officer of Franchise Services of North America, Inc., where he managed the acquisition of Advantage-Rent-a-Car, the merger with Rent a Wreck Capital and U-Save.
- He also served as member of the Board of Directors of the restaurant chain Stonewood Holdings and of the State University of New York at Oswego Foundation and as President of the American Car Rental Association.
- Sanford Miller is currently Chief Executive International of Carey International and Managing Partner of the private investment firm Basin Street Partners that he founded in 2001 and was from 2006 to 2017 the Vice-Chairman of the Board & Founding Director of the bank Gateway Financial Holdings of Florida, Inc. He is also a management consultant at Gerson Lehrman group since 2003.
- Sanford Miller holds a Bachelor of Science, Business from the State University of New York, Oswego, NY.

(1) *Articles L. 225-21 par. 2, L. 225-77 par. 2 and L. 225-94 par. 1 of the French Commercial Code.*

KRISTIN NEUMANN

MEMBER OF THE SUPERVISORY BOARD – CHAIRWOMAN OF THE AUDIT COMMITTEE – INDEPENDENT MEMBER

Business address:
LSG Lufthansa Service Holding AG
FRA Z/VF
Dornhofstrasse 38
Germany

Age and nationality:
47 years old
German

Date first appointed:
May 10, 2016

Date term of office ends:
Annual Shareholders' Meeting called to approve the financial statements for the fiscal year ended December 31, 2019

Number of Company shares held:
500 ordinary shares

POSITIONS AND OFFICES HELD

Positions and offices currently held in companies not controlled [(1)] by Europcar Mobility Group

- Member of the Executive Committee of LSG Lufthansa Service Holding AG
- Member of the Supervisory Board of LSG FRA ZE, LSG FRA ZD and LSG MUC

Other positions and offices held over the last five years

- Member of the Supervisory Board of Solarparc AG and Germanwings GmbH

MANAGEMENT EXPERIENCE

- Kristin Neumann began her career in 2000 at Thomas Cook AG as a Specialist and later Head of the IT Department's Planning and Coordination Unit, then Head of Sales Control in the German market (2003), Administrative and Financial Director for continental Europe (2006), Administrative and Financial Director for Central Europe (2008), member of the Board of Directors of Thomas Cook AG (2010), Administrative and Financial Director for the United Kingdom and continental Europe (2012-2014), in particular in charge of restructuring the English market.
- In 2014, she joined LSG Lufthansa Service Holding AG as Administrative and Financial Director and Chief Officer Human Resources.
- Kristin Neumann holds a degree in micro-economics and business management from the Georg-August-Universität Göttingen (Diplom-Kauffrau, 1997) and a doctorate in business administration from the same university (1999), where she also worked as a graduate-level lecturer and Scientific Director (1997-2000).

(1) Articles L. 225-21 par. 2, L. 225-77 par. 2 and L. 225-94 par. 1 of the French Commercial Code.

05

ADÈLE MOFIRO MEMBER OF THE SUPERVISORY BOARD REPRESENTING EMPLOYEES – MEMBER OF THE COMPENSATION AND NOMINATIONS COMMITTEE

Business address:

Europcar France
2, rue René Caudron –
Parc d'Affaires le Val St Quentin
78960 Voisins-le-Bretonneux

Age and nationality:

51 years old
French

Date first appointed:

December 21, 2018

Date term of office ends:

Ordinary Shareholders' Meeting called to approve the financial statements for the fiscal year ended December 31, 2022

Number of Company shares held:

None

POSITIONS AND OFFICES HELD

Positions and offices currently held in companies not controlled [1] by Europcar Mobility Group

- None

Other positions and offices held over the last five years

- None

MANAGEMENT EXPERIENCE

- Adèle Mofiro hold a Master degree in international business law and a Master degree 2 in insurance law. She previously was a legal and administrative assistant in a Parisian law firm.
- She joined Europcar France in 2000, in the central reservation service, then joined to the credit department in 2002.
- In 2007 she joined the insurance department of Europcar France as a Customer Remedy Analyst and was promoted in 2010 to claims supervisor in that department.
- Since 2018 Adèle Mofiro has been the advisor for complex cases, in the insurance department of Europcar France.

(1) *Articles L. 225-21 par. 2, L. 225-77 par. 2 and L. 225-94 par. 1 of the French Commercial Code.*

5.1.3 Declarations relating to corporate governance

The Supervisory Board is required to prepare the report provided for in Article L. 225-68 of the French Commercial Code on corporate governance. This report appears in Section 5.2.4 "*Report by the Supervisory Board on corporate governance*" and includes the information specified in Articles L. 225-37-3 to L. 225-37-5 and L. 225-82-2 of the French Commercial Code, as well as the Supervisory Board's comments on the report of the Management Board and the financial statements for the fiscal year.

5.1.3.1 No family ties

As of the date of this Registration Document, to the Company's knowledge, there were no family ties between any members of the Company's Supervisory Board and members of the Management Board.

5.1.3.2 No convictions

To the Company's knowledge during the last five years, concerning the members of the Company's Management and Supervisory Boards: (i) no Board member has been convicted of fraud, (ii) no Board member has been associated with any bankruptcy, receivership or liquidation, (iii) no Board member has been the subject of any accusations or official public sanctions by statutory or regulatory authorities (including designated professional bodies), and (iv) no Board member has been disqualified by a court from acting as a member of the administrative, management or supervisory body of any company or from being involved in the management or business performance of any company.

5.1.3.3 No conflicts of interest

To the Company's knowledge, and subject to the relationships described in Section 7.2 "*Related Party Transactions*" of this Registration Document, as of the date of this Registration Document there were no potential conflicts of interest between the duties of the members of the Supervisory and Management Boards to the Company and their private interests and/or other duties. An advice assignment of six months relating to the Group's international development was entrusted by the Supervisory Board to Mr. Sanford Miller on October 18, 2018, as described in Section 5.3.2.2 "*2018 compensation for members of the Supervisory Board*" of the Registration Document. The Supervisory Board considered that this assignment was in the Company's interest.

Outside of this assignment and to the Company's knowledge, there are no service contracts linking one of the members of the Supervisory Board or Management Board with the Company or one of its subsidiaries and granting benefits.

Where a conflict of interest arises, the Internal Regulations of the Supervisory Board dictate that the member of the Supervisory Board must inform the Board as soon as he/she becomes aware of an actual or potential conflict of interest and recuse themselves from discussions and votes on related matters.

The Supervisory Board's Internal Regulations also set forth that when one of the members of the Supervisory Board has a conflict of interest, or potential conflict of interest, concerning a subject to be discussed by the Board, the Chairman shall ensure, upon recommendation of the Compensation and Nominations Committee which will have already examined the conflict of interest, that the information on this subject is not communicated to that member, without prejudice to the latter's obligations.

To the Company's knowledge, as of the date of this Registration Document, there were no agreements or undertakings of any kind with shareholders, customers, suppliers or others pursuant to which any member of the Company's Supervisory or Management Boards was appointed to such position.

On the date of this Registration Document, there are no restrictions accepted by the members of the Supervisory Board and/or the members of the Management Board concerning the assignment within a certain period of time of all or part of their participating interests in the Company's share capital, with the exception of (i) certain legal provisions, (ii) certain provisions set forth under the terms of the general regulations of the free share grant plans of which the members of the Management Board were beneficiaries, or in connection with subscribed preferential shares as described in Section 5.3.1.4 and 5.3.1.5 of the Registration Document, (iii) the rules related to the prevention of insider trading as set forth in the French Financial Market Authority ("AMF") General Regulations and (iv) the AFEP-MEDEF Code recommendations, imposing a share retention obligation.

5.1.3.4 Independence of the members of the Supervisory Board

In accordance with the provisions of the AFEP-MEDEF Code of Corporate Governance for Listed Companies, in its version of November 2018 (hereinafter the "AFEP-MEDEF Code"), to which the Company refers, and the Supervisory Board's Internal Regulations, the Supervisory Board reviews the circumstances of each of its members annually against the criteria for independence. The Supervisory Board carried out this year's review on February 20, 2019, based on an analysis conducted beforehand by the Compensation and Nominations Committee on February 19, 2019. All of the criteria recommended by the AFEP-MEDEF Code were used to evaluate the independence of the members of the Supervisory Board.

The application of all of these criteria led the Supervisory Board to retain the following as independent members:

- Mr. Jean-Paul Bailly;

- Ms. Virginie Fauvel;
- Ms. Petra Friedmann;
- Mr. Pascal Bazin;
- Mr. Sanford Miller; and
- Ms. Kristin Neumann.

As of the date of this Registration Document, the Supervisory Board had eleven members, of which six were independent, representing 60% of the members of the Supervisory Board (excluding the member representing employees) and one member representing employees. In accordance with Article 8.3 of the AFEP-MEDEF Code, the member representing employee shareholders is not counted for calculating the percentage of independent members on the Supervisory Board.

Each member of the Supervisory Board is asked to submit an annual statement to the Company in respect of each of the independence criteria. Under the AFEP-MEDEF Code recommendations, the Supervisory Board may consider that a member who meets the independence criteria set forth in Article 8.5 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.

INDEPENDENCE CRITERIA

	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 hold more than 10% of the stock	**Independent**
Jean Paul Bailly	✔	✔	✔	✔	✔	✔	✔	✔	✔
Patrick Sayer	✔	✔	✔	✔	✔		✔	✔	
Philippe Audouin		✔	✔	✔	✔	✔	✔	✔	
Virginie Fauvel	✔	✔	✔	✔	✔	✔	✔	✔	✔
Petra Friedmann	✔	✔	✔	✔	✔	✔	✔	✔	✔
Pascal Bazin	✔	✔	✔	✔	✔	✔	✔	✔	✔
Sanford Miller	✔	✔	✔	✔	✔	✔	✔	✔	✔
Amandine Ayrem		✔	✔	✔	✔	✔	✔	✔	
Eric Schaefer		✔	✔	✔	✔	✔	✔	✔	
Kristin Neumann	✔	✔	✔	✔	✔	✔	✔	✔	✔
Adèle Mofiro		✔	✔	✔	✔	✔		✔	

In consideration of his role as Chairman of the Supervisory Board, a specific review was conducted into the independence of Mr. Jean-Paul Bailly. As the table above shows, Mr. Jean-Paul Bailly has and has had no relationship of any kind with the Company or Group except for his service as member and Chairman of the Company's Supervisory Board. Nor has he received any compensation from the Company, other than compensation for his work as Chairman and member of the Company's Supervisory Board. As Chairman of the Supervisory Board in a dual corporate governance structure, Mr. Jean-Paul Bailly has no executive functions and does not take part in the Company's operating decisions. As a result, Mr. Jean-Paul Bailly is deemed to be independent.

On the criterion of business relationships, the AFEP-MEDEF Code states that the evaluation of the significant or non-significant relationship with the Company or its Group must be discussed by the Board and the quantitative and qualitative criteria that lead to the evaluation must be explicitly stated in the Registration Document. The review by the Compensation and Nominations Committee of the situation of each member in respect of this criterion found that none of the independent members have any business relationships with the exception of a 6-month consultant agreement concluded between the Company and Basin Street Partners LLC in which Mr. Sanford Miller is a managing partner. Because of the small amount involved and the short duration and very specific, non-exclusive nature of the agreement (which does not present any economic dependency for either party), the Supervisory Board, upon the recommendations of the Compensation and Nominations Committee, acknowledged that said agreement did not represent a significant amount for either the Company or Mr. Sanford Miller.

5.1.3.5 Diversity policy in the composition of the Supervisory Board

The Supervisory Board 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 Supervisory Board is to strengthen the Group's strategy through its members' expertise, particularly in terms of management and knowledge of the transportation and tourism industry, and the Group's car rental, customer experience, digitalization and mobility.

The Management Board also ensures that executive corporate officers implement a policy of non-discrimination and diversity, in particular where gender balance in the management bodies is concerned.

At the date of this Registration Document, the Supervisory Board is composed of eleven members, including five women, or 40% of members of the Supervisory Board excluding the employee representative, which is in accordance with Law No. 2011-103 of January 27, 2011 on gender balance in the composition of the Board of Directors and the Supervisory Board.

As regards international representation, as of the date of this Registration Document, the Supervisory Board includes two foreign members, one German and one American, i.e. a proportion of 20% of the members of the Supervisory Board. Four members of the Supervisory Board developed, throughout their careers, a true international experience, which strengthens the internationalization of the Board. Four members of the Board in the course of their careers have gained true international business experience, which enhances the international outlook of the Supervisory Board.

The average age of the members of the Supervisory Board is 55 at the date of this Registration Document.

These points are summarized in the table below.

SUMMARY TABLE OF THE COMPOSITION OF THE COMPANY'S SUPERVISORY BOARD AT THE DATE OF THIS REGISTRATION DOCUMENT

Name	Date first appointed	End of Term of office	Independence	Diversity in the composition of the Board	Membership of a committee	Attendance rate at Board meetings in 2017	Investments/ Number of meetings of the Board in 2018	Attendance rate at Board meetings in 2018	Attendance rate at Committee meetings in 2018
Jean Paul Bailly	06/08/2015	2019			Strategic Committee	100%	15/15	100%	100%
Pascal Bazin	06/08/2015	2022	✔		Audit Committee Compensation and Nominations Committee	82%	15/15	100%	100%
Patrick Sayer	02/24/2015	2019			Strategic Committee	82%	9/15	60%	100%
Philippe Audouin	02/24/2015	2021			Audit Committee Strategic Committee	80%	11/15	73.3%	100%
Virginie Fauvel	02/24/2015	2021	✔	Women's representation	Audit Committee Strategic Committee	73%	14/15	93.3%	100%
Petra Friedmann	05/17/18	2022	✔	Women's representation	Compensation and Nominations Strategic Committee	N/A	7/8	88%	100%
Sanford Miller	06/08/2015	2019	✔	International representation		100% (1)	11/15	73.3%	
Amandine Ayrem	07/24/2017	2020		Women's representation		50%	13/15	86.7%	
Eric Schaefer	02/24/2015	2022			Compensation and Nominations Committee	55%	12/15	80%	100%
Kristin Neumann	05/10/2016	2020	✔	Women's representation International representation	Audit Committee	91%	13/15	86.7%	100%
Adèle Mofiro	12/21/2018	2022	Member representing employees	Women's representation	Compensation and Nominations Committee	N/A	1/1	100%	

(1) Attendance rate calculated based on her co-option on July 24, 2017

5.1.3.6 Representation of employees and employee shareholders in the Supervisory Board

Ms. Adèle Mofiro was appointed by the Group Committee as a member of the Supervisory Board of the Company representing employees, in accordance with the Company's bylaws and pursuant to Article L. 225-79-2 of the French Commercial Code. Ms. Mofiro has been a member of the Company's Supervisory Board and entitled to voting rights since December 21, 2018. In addition, by decision of the Supervisory Board on December 21, 2018, she was appointed member of the Compensation and Nominations Committee.

Pursuant to Article L. 225-71 of the French Commercial Code, listed companies whose shares held by employees represent more than 3% of the share capital are required to appoint one or more employee representatives to sit on their Supervisory Board. Given that at December 31, 2018, the number of Company shares held by employees was less than 3%, the Company is exempt from this obligation.

5.1.3.7 Terms of office of members of the Supervisory Board

The terms of office of the members of the Supervisory Board expire on a staggered basis in order to allow for the rolling renewal of the Supervisory Board's membership, in accordance with the recommendations of the AFEP-MEDEF Code.

The terms of office of Mr. Jean-Paul Bailly, Mr. Sanford Miller and Mr. Pascal Sayer will end at the end of the Annual Shareholders' Meeting called to approve the financial statements for the year ended December 31, 2018. Their renewal for a further four-year term, until the end of the Annual Shareholders' Meeting which will approve in 2023 the financial statements as at December 31, 2022, will be submitted to the vote at the Annual Shareholders' Meeting to be held on April 26, 2019.

5.1.4 Application of the AFEP-MEDEF Code

The Company refers to the AFEP-MEDEF Code, as revised in June 2018 (1) and regularly reviews and improves its corporate governance practices.

At its meeting of September 20, 2018, the Supervisory Board reviewed the recommendations of the revised AFEP-MEDEF Code.

As permitted by this Code and by the Law, the Company has set aside or amended some of the Code's provisions to suit its specific circumstances or to comply with other provisions of the Code. These are summarized in the table below, along with the reasons for these choices.

AFEP-MEDEF Code recommendations	Company practice and justification
Severance payment to the Chairman of the Management Board (Article 24.5.1 of the AFEP-MEDEF Code) "[...] The performance conditions set by the Boards for these benefits should be assessed over at least two fiscal years. [...]"	The performance conditions set under the terms of Ms. Caroline Parot's corporate officer agreement dated December 22, 2016, in case of termination of her duties as Chairwoman of the Management Board, are assessed over 24 months, from January 1, 2019. In case of removal, the degree to which the objectives on the criteria set have been achieved would be assessed either over the average of the last eight quarters ended (this rule applying as of January 1, 2019), or over the average of the quarters ended since January 1, 2017 (this rule applied from January 1, 2018 through December 31, 2018). The above rules were decided by the Supervisory Board on December 15, 2016, upon the recommendation of the Compensation and Nominations Committee, since Ms. Caroline Parot's performance as Chairwoman of the Management Board could only be assessed over two fiscal years as of January 1, 2019.
Non-compete agreement of the members of the Management Board (Article 23.4 of the AFEP-MEDEF Code) "The Board provides that the payment of the non-compete compensation is excluded as soon as the officer asserts his pension rights. In any event, no compensation can be paid beyond 65 years of age"	Regarding the renewal of term of office as members of the Management Board for Caroline Parot and Fabrizio Ruggiero as well as the appointment of Olivier Baldassari as a new member of the Management Board for a term of four years, decided by the Board during its meeting on December 21, 2018, and the appointment of Albéric Chopelin as a member of the Management Board during the 2019 fiscal year, the Supervisory Board did not consider it useful to specify that the non-compete clause that may be exercised by the Company be excluded as soon as the manager asserts his pension rights over age 65 since given the current ages of the members of Management Board, they are not asserting their pension rights for at least 10 or 15 more years. The Supervisory Board decided however to agree to respect this AFEP-MEDEF Code recommendation within the appointment or renewal of a term of office during which the member of the Management Board could assert his pension right or work past age 65.

(1) *Available on the following website http://www.afep.com/contenu/focus/code-de-gouvernement-d-entreprise-des-societes-cotees.*

5.1.5 Other management bodies

On July 22, 2016, the Company appointed Ms. Caroline Parot as Deputy CEO, Mr. Kenneth McCall as Deputy CEO – Countries and Operations and Mr. Fabrizio Ruggiero as Deputy CEO – Sales, Marketing, Customers & Low Cost. Ms. Caroline Parot was appointed Chairwoman of the Management Board by decision of the Supervisory Board on November 13, 2016. Her term of office as member and Chairwoman of the Management Board was renewed for another four-year period by a decision of the Supervisory Board on December 21, 2018. Fabrizio Ruggiero's term of office as a member of the Management Board was also renewed for another four-year period.

Following the resignation of Mr. Kenneth McCall as member of the Management Board and CEO of the Company on November 21, 2018 and the appointment of Mr. Olivier Baldassari as member of the Management Board starting January 1, 2019, the Supervisory Board is composed as follows at the date of this Registration Document:

- Caroline Parot Chairwoman of the Management Board;
- Fabrizio Ruggiero, Member of the Management Board, Deputy Chief Executive Officer, Head of Business Units;
- Olivier Baldassari, Member of the Management Board, Director, Countries and Operations.

Following the decision of the Supervisory Board at its meeting of January 31, 2019 Mr. Albéric Chopelin will take a seat on the Management Board when he joins the Company on April 15, 2019, as Chief Commercial & Customer Officer.

In addition, during fiscal year 2018, a Group Executive Committee and an Engagement Committee provided operational support to the Management Board in preparing and implementing the decisions and strategy defined by the Management Board.

Group Executive Committee

The role of the Group Executive Committee is to roll out the Group's strategy within the Business Units. The Group Executive Committee is led by Ms. Caroline Parot. As of the date of this Registration Document, the Group Executive Committee comprises, in addition to the members of the Management Board and each head of Business Unit, the heads of certain Group operating functions, as presented below:

Name	Position within the Group
Caroline Parot	Chairman of the Management Board
Olivier Baldassari	Director, Countries and Operations
Fabrizio Ruggiero	Member of the Management Board – Deputy CEO – Business Units Director – Member of the Management Board
Marcus Bernhardt	Director of the International Coverage Business Unit
Jose-Maria Gonzalez	Director of the Cars Business Unit
Yvonne Leuschner	Director of the Vans & Trucks Business Unit
Luc Péligry	Group Chief Financial Officer
Denis Langlois	Group Human Resources Director
Stéphane Deux	Group IT Director
Franck Rohard	Secretary General – Group Legal Director
Alexandre Crosby	Group Chief Product Officer
Xavier Courouge	Group Marketing and Digital Director
Juan Carlos Azcona	Business Unit Director – Low Cost
Aurélia Cheval	Group Director of Strategy

Mr. Albéric Chopelin will join the Group Executive Committee as from his arrival in the Company scheduled for April 15, 2019.

Investment Committee

The Investment Committee meets as often as required. Its key missions are to analyze, structure and validate the economic and financial terms of agreements struck with the main partners and major Group investment proposals (main commercial stakeholders, including customers and partners).

This Committee is chaired by Ms. Aurélia Cheval, Group Director of Strategy, and supported by the Group's PMO (project management), management control and operating functions. The Investment Committee met 13 times in 2018 and approved the implementation of 30 projects.

5.2 ROLE AND ACTIVITIES OF THE SUPERVISORY BOARD

5.2.1 Main provisions of the Company's bylaws and the Supervisory Board's Internal Regulations

The Supervisory Board's internal regulations follow best practices to ensure compliance with the basic principles of corporate governance, in particular those set out in the AFEP-MEDEF Code.

The Internal Regulations were revised by the Supervisory Board at its meetings of February 24, 2017, February 28, 2018, March 20, 2018, and September 20, 2018. It complements the Company's bylaws as well as the laws and regulations in force by specifying the duties, composition and operation of the Supervisory Board and its committees, the Audit Committee, the Compensation and Nominations Committee and the Strategic Committee, and their interactions. The internal regulations of the Audit Committee, the Compensation and Nominations Committee and the Strategic Committee are attached as an appendix to the rules of Supervisory Board's internal regulations.

The Supervisory Board's Internal Regulations may be modified at any time by a decision of the Supervisory Board.

5.2.1.1 Participation in Supervisory Board meetings by video conference or other means of telecommunication

Pursuant to applicable laws and regulations, the use of video-conference or other means of telecommunication is authorized for any Supervisory Board meeting: the means used must enable real-time and continuous transmission of speech and, if applicable, video images of the members, who must be visible to everyone. These means must also permit each member to be identified and ensure their active participation in meetings.

Members participating in a Supervisory Board meeting by means of video conference or other means of telecommunication as described above are deemed present for purposes of calculating quorum and majority. The attendance sheet includes the names of members participating in the Supervisory Board meeting in such manner. The meeting's minutes must indicate the names of those Supervisory Board members deemed present in this manner. The minutes must also mention the occurrence of any technical difficulties that may have interfered with the meeting.

In accordance with Article L. 225-82 of the French Commercial Code, Article 19-III of the Company's bylaws and Article 7.5 of the Supervisory Board's Internal Regulations, participation in Supervisory Board meetings by means of video conference or other means of telecommunication is prohibited for votes on the following decisions:

- appointing or replacing its Chairperson and Vice-Chairperson;
- appointing or removing members of the Management Board;
- closing the annual Company and consolidated financial statements and reviewing the Company and Group management reports.

5.2.1.2 Matters reserved for the Supervisory Board

Article 20.IV of the Company's bylaws sets limits on the powers of the Management Board.

a. first, the following acts are subject to the prior authorization of the Supervisory Board:
   - the granting of securities, endorsements, guarantees;

b. the bylaws also stipulate that the following transactions relating to the Company require prior authorization:
   - a proposal to the General Shareholders' Meeting to modify the bylaws;
   - any draft resolution to the General Shareholders' Meeting relating to the issuance of share or other securities giving access, immediately or in the future, to the Company's share capital, and any use of such delegations granted by the General Shareholders' Meeting;
   - any transaction on the Company's share capital that could lead, immediately or in the future, to a capital decrease (not occasioned by losses) through a decrease in the par value or a cancellation of shares;
   - any proposal to the Shareholders' Meeting to implement a share buy back program;
   - any proposal to the Shareholders' Meeting to allocate the Company's results and to distribute dividends, as well as any distribution of an interim dividend; and
   - adopting the Company's annual budget and strategic plan;

c. the bylaws also provide that the following transactions relating to the Company or to the subsidiaries it controls within the meaning of Article L 233-3 of the French Commercial Code, require prior authorization:
   - implementing an option plan or allocating stock subscription or purchase options;

- implementing a free share grant plan or granting free shares;
- the entry into or substantial modification of agreements relating to the exclusive use by a third party of any trademark owned by the Company or one of its subsidiaries (other than in connection with a franchise agreement or in the ordinary course of business);
- any decision to carry out a merger, spin-off, partial asset contribution or similar transaction involving the Company, and any vote within the Company's subsidiaries relating to a merger, spin-off, partial asset contribution or similar transaction, with the exception of intra-group reorganizations; and

d. the bylaws also provide for the following transactions relating to the Company or its subsidiaries controlled within the meaning of Article L. 233-3 of the French Commercial Code, are subject to prior authorization in the event the amount of such transactions exceeds certain thresholds as determined by the Supervisory Board's internal regulations.

In accordance with the provisions of Article 20 IV (d) of the bylaws and Article 5 of the Supervisory Board's Internal Regulations, the following transactions are subject to prior authorization of the Supervisory Board:

- decisions to change the Company's business or to diversify the Group's activities where they involve investments of more than €15 million;
- any new debt or the entry into or modification of financing agreement (including any asset-back debt or operating lease), relating to the Company or to the subsidiaries it controls within the meaning of Article L 233-3 of the French Commercial Code, where their amount exceeds (i) €100 million, or (ii) is less than €100 million but involves securities, endorsements or guarantees commitments of more than €25 million;
- grant or renewal of securities, endorsements or guarantees where their amount exceeds €25 million;
- dispute settlement agreements where their amount exceeds €10 million;
- decisions to expand into new countries, directly, through the creation of a direct or indirect subsidiary, through equity investments or entry into joint venture agreements or significant collaborations, where the amount of assets brought in exceeds €15 million;
- the acquisition, expansion or sale of equity investments by the Company or by one of its subsidiaries in any companies created or to be created, where their amount exceeds €15 million; and
- any other planned transaction (except for fleet purchase investments) not referred to in Article 20 IV of the bylaws, where the investment amount exceeds €10 million.

5.2.2 Activities of the Supervisory Board in 2018

Frequency, length and attendance at meetings

During the 2018 fiscal year, the Supervisory Board met physically eight times, with an average meeting length of four hours, except the meeting on May 22, 2018, for which an entire day was devoted to discussing the main strategic directions of the Group as proposed by the Management Board. In addition, the Supervisory Board had three meetings by teleconference of approximately one hour each. Therefore, during the 2018 fiscal year, the Supervisory Board met a total of 15 times (*versus* 11 meetings in 2017).

The overall attendance rate at meetings of Supervisory Board members was of 84% in 2018 [(1)]. The individual attendance rates by member are detailed in the table shown in Section 5.1.3.5 "*Diversity Policy in the composition of the Supervisory Board*" of this Registration Document.

Activities of the Supervisory Board in 2018

The Supervisory Board's activities in 2018 mainly related to the following topics:

- the review of the annual and consolidated financial statements for the fiscal year ended December 31, 2017;
- the review of the annual and consolidated financial statements for the first half of 2018;
- the review of the 2018 consolidated financial statements for the first and third quarters;
- the review of the drafts of financial press releases;
- the dividend policy;
- the proposals for the allocation of the fiscal year 2017 earnings;
- the review of the financing policy: the Supervisory Board in particular renewed the financial and legal authorizations granted;
- the in-depth strategy review during a full-day seminar;

(1) *Not including the attendance of Ms. Adèle Mofira at the meeting of the Supervisory Board on December 21, 2018.*

- the review of the 2019 budget; and
- the review and authorization of proposed acquisitions.

In addition, the Supervisory Board has also:

- convened the Annual Shareholders' Meeting of May 17, 2018 and adopted the reports and draft resolutions submitted to it;
- reviewed the 2017 Registration Document and the report of the Supervisory Board's Chairman as required by Article L. 225-68 of the French Commercial Code;
- acknowledged the financial statements and the regular reports provided by the Chairman of the Audit Committee, the Chairman of the Compensation and Nominations Committee and the Chairman of the Strategic Committee;
- reviewed the policy of professional and salary equality between men and women; and
- updated its Internal Regulations.

Regarding corporate governance, the Supervisory Board's work mainly related to:

- setting the principles, criteria and components of Ms. Caroline Parot's compensation as Chairwoman of the Management Board;
- setting the principles, criteria and components of compensation for the other members of the Management Board;
- setting the terms and conditions for distributing the attendance fees for the members of the Supervisory Board for the 2018 and 2019 fiscal years;
- reviewing the Company's policy regarding the executives' long-term incentive compensation;
- reviewing the selection of the Board members at the time of renewing the Board's composition;
- the renewal of the terms of office of Caroline Parot as Chairwoman of the Management Board and of Fabrizio Ruggiero as a member of the Management Board and Chief Executive Officer, as well as the appointment of Olivier Baldassari as a member of the Management Board;
- approving the succession plan for the members of the Management Board and the Group Executive Committee; and
- the policy to retain talent within the Group.

The Supervisory Board's reflection on its performance and annual assessment

Once a year, the Supervisory Board should devote a point of its agenda to the assessment of its operations and discuss its performance in view of improving its efficiency, ascertaining that important issues were properly prepared and discussed internally and measuring the actual contribution of each of its members to its work.

In addition, the Supervisory Board's internal regulations provide that a formal assessment of the Supervisory Board and its committees must be carried out every three years, where necessary under the direction of an independent member of the Supervisory Board, and, if required, an external consultant, in order to verify in particular compliance with the working principles of the Supervisory Board and identify areas in which the Supervisory Board's performance and efficiency can be improved. In the two years following the formal assessment, Supervisory Board's internal regulations allow for self-assessment by its members.

Thus, in accordance with the Supervisory Board's and the AFEP-MEDEF Code recommendations, a formalized evaluation of the composition, organization and functioning of the Supervisory Board and its committees was conducted in late 2016 by an independent outside consultant and presented to the Supervisory Board on February 24, 2017. This evaluation showed that the diversity in the composition of the members of the Board and changes in the functioning of the Supervisory Board were positive. Possible improvements have nevertheless been identified and have been implemented during 2017. They concern in particular: the prioritization of the subjects on the agendas of meetings and the establishment, in conjunction with the members of the Board, of an agenda of the subjects which will be presented and discussed by the Supervisory Board during the year. The areas for improvement suggested by the report were presented and discussed at the meeting of the Supervisory Board on February 24, 2017, during the agenda item devoted each year to discussing the functioning of the Supervisory Board.

A self-assessment on the composition, organization and functioning of the Supervisory Board and its Committees during the fiscal year 2017 was carried out by members of the Supervisory Board and supervised by the Compensation and Nominations Committee. The conclusions of this self-assessment were presented to the Supervisory Board on February 28, 2018. This self-assessment established that the areas for improvement identified at the previous assessment of the Supervisory Board and presented on February 24, 2017 had been implemented. The members of the Supervisory Board all agreed that, for the most part, implementation in fiscal year 2017 of the recommendations made and areas for improvement identified in February 2017 had been satisfactory. The new areas for improvement suggested in the findings of the self-assessment carried out in January 2018 were presented and discussed during the Supervisory Board meeting of February 28, 2018, under the agenda point devoted every year to a discussion about the way in which the Supervisory Board works. The major points were to make a greater effort to offer new Supervisory Board members a more structured integration program and to systematically conduct after-the-fact analysis of the significant strategic decisions.

A self-assessment on the composition, organization and functioning of the Supervisory Board and its Committees during the fiscal year 2018 was carried out by members of the Supervisory Board and supervised by the Compensation and Nominations Committee. The findings of this self-assessment survey were presented to, and debated by the Supervisory Board on March 20, 2019 at the item of the agenda set each year to discuss the functioning of the Supervisory Board. The conclusions of this self-assessment were presented to the Supervisory Board on March 20, 2019. This self-assessment established that the areas for improvement identified at the previous assessment of the Supervisory Board and presented at the meeting on February 28, 2018 had largely been satisfactorily implemented in 2018. According to the survey, members believe that important issues are properly prepared and debated and that the effective skills of and contributions from Board members foster cohesion and enhance the quality of debate in the Supervisory Board.

The suggested new areas of improvement include further work to be carried out and expanded on succession plans, notably those for members of the Group Executive Committee and the Supervisory Board, and optimizing the work carried out by the Strategic Committee and the Supervisory Board on value creation scenarios.

5.2.3 Committees of the Supervisory Board

Pursuant to Article 20.VI of the Company's bylaws and Article 11 of the Supervisory Board's internal regulations, the Supervisory Board may form committees charged with examining questions submitted to them by the Board or its Chairman. The Supervisory Board created an Audit Committee and Compensation and Nominations Committee whose composition, duties and operating rules are described below. The composition of these committees, as decided by the Supervisory Board, complies with the recommendations of the AFEP-MEDEF Code.

On March 20, 2018, the Supervisory Board also decided to create a Strategic Committee and adopted its Internal Regulations, the main provisions of which are set out in Section 5.2.3.3 of this Registration Document.

5.2.3.1 Audit Committee

Composition (Article 11 of the Supervisory Board's Internal Regulations)

In accordance with Article 11 of the Supervisory Board's, the Audit Committee must be comprised of two to five members chosen from among the members of the Supervisory Board, with particular consideration given to their independence and may not include any senior executive or corporate officer of the Company. In accordance with applicable legal provisions, the members of the Audit Committee must have specialized financial and/or accounting knowledge and at the time of their appointment receive Company-specific accounting, financial and operating information.

The Audit Committee members' terms expire at the same time as their terms on the Supervisory Board; however, the Supervisory Board may at any time change the composition of the Committee and thus end the term of a committee member.

The Chairman of the Audit Committee is appointed by the Supervisory Board from among the Committee's members for his/her entire term as a member of this Committee.

As of the date of this Registration Document, the Audit Committee comprises the four following members, three of which, including the Chairman, are independent members. As the proportion of independent members within the Audit Committee is three-quarters, the composition of this Committee complies with the recommendations of the AFEP- MEDEF Code. The four members of the Audit Committee have the necessary financial and accounting skills in light of their career paths and experience, as described in Section 5.1.2.1 "*Composition of the Supervisory Board*" of this Registration Document.

COMPOSITION OF THE AUDIT COMMITTEE

Members	Independence	Attendance rate
Kristin Neumann (Chairwoman)	✔	100%
Philippe Audouin		100%
Pascal Bazin	✔	100%
Virginie Fauvel	✔	100%

Duties (Article 1 of the Audit Committee's Internal Regulations)

The duties of the Audit Committee are to oversee the preparation and audit of accounting and financial information and to ensure the effectiveness of risk monitoring and internal operating control mechanisms in order to facilitate the Supervisory Board's oversight of control and verification mechanisms. Within this framework, the Audit Committee provides all advice and recommendations to the Supervisory Board in carrying out the following main duties:

(I) OVERSEEING THE PREPARATION OF ACCOUNTING AND FINANCIAL INFORMATION

Prior to their presentation to the Supervisory Board, the Audit Committee must review the parent company and consolidated financial statements, annual or half-yearly, and ensure the relevance and constancy of the accounting methods used to establish these statements. The Audit Committee will review, if needed, all major transactions that may have entailed conflicts of interest. The Audit Committee must express an opinion on any significant changes to the accounting principles applied by the Company when preparing its consolidated financial statements (annual or half-yearly) with the exception of changes caused by modified IAS/IFRS.

The Audit Committee must review the scope of consolidated companies and, if need be, the reasons why companies are excluded from the scope.

The Audit Committee must in particular examine provisions and their adjustments and any situation that may generate a significant risk for the Group as well as all financial information and all annual, half-yearly or quarterly reports drawn up in the regular course of business or for a specific transaction (for example a contribution, a merger or a market transaction).

This review must take place insofar as possible two (2) days prior to the review by the Supervisory Board.

The review of the annual and half-yearly financial statements must be accompanied by a presentation from the Statutory Auditors indicating the key points of the legal audit and of the accounting options used as well as a presentation by the Chief Financial Officer describing the risk exposure (including social unrest and environmental) and significant off-balance sheet commitments of the Company and its subsidiaries.

The Statutory Auditors must in particular be heard at the time of the Committee meetings dealing with the preparation and control of the annual and half-yearly financial statements in order to report on the execution of their mission and the conclusions of their work.

This allows the Committee to be informed of the main areas of risk or uncertainty regarding the accounts identified by the Statutory Auditors, their audit approach and any difficulties encountered during their mission.

If applicable, the Audit Committee shall make recommendations in order to guarantee the integrity of the financial information.

(II) OVERSEEING THE EFFECTIVENESS OF THE INTERNAL CONTROL, INTERNAL AUDIT AND RISK MANAGEMENT SYSTEMS CONCERNING ACCOUNTING, FINANCIAL, AND NON-FINANCIAL INFORMATION

The Audit Committee must 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. The Audit Committee monitors 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.

The Committee must also review the significant risks and off-balance sheet commitments of the Company and its subsidiaries and assess the significance of the shortcomings or weaknesses that are communicated to it and inform the Supervisory Board where necessary. The Committee must in particular interview the persons in charge of the internal audit and regularly examine the business risk map. In addition, the Committee must give its opinion on the organization of the Internal Audit Department and be informed of its audit program. It should receive the internal audit reports or a periodic summary of these reports.

(III) OVERSEEING THE LEGAL AUDIT OF THE PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS BY THE COMPANY'S STATUTORY AUDITORS

The Audit Committee must gather and monitor information from the Company's Statutory Auditors (also without the presence of members of the Management Board) notably on their general work schedule, on changes they consider necessary to the Company's accounts or other records, on any accounting irregularities, anomalies or inaccuracies they may have identified, on uncertainties or significant risks concerning the drawing up and processing of accounting, financial and non-financial data, on the conclusions drawn from their observations and corrections concerning the period's results 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

The Committee must steer the procedure for selecting and renewing the Statutory Auditors and submit the results of this selection to the Supervisory Board. In accordance with the regulations in force, the Audit Committee must appoint Statutory Auditors from new firms by conducting a tender process when the term of appointment including renewals has reached the maximum permitted (24 years as co-Statutory Auditor from the date of the Company's IPO). The Audit Committee submits a recommendation based on the results of this selection to the Supervisory Board. It also issues a recommendation on the Statutory Auditors proposed for appointment by the Shareholders' Meeting.

In order for the Audit Committee to monitor the Statutory Auditors' compliance with the rules pertaining to their independence and objectivity throughout the duration of their mandate, the Committee must obtain at the end of every fiscal year:

- as from the fourth fiscal year beginning after June 16, 2016 (i.e., in 2020), the Statutory Auditors' statement of independence, which must include in particular confirmation that non-audit services do not exceed (except with the agreement of the Statutory Auditors' High Commissioner (H3C)) the threshold of 70% of the average of fees paid over the last three consecutive fiscal years for the statutory audit of the financial statements of the Company and the companies it controls, and the Group's financial statements;
- the amount and detailed breakdown of fees paid by category of assignment to the Statutory Auditors and their network during the fiscal year by companies in which the Company has a controlling interest and by its controlling entity; and
- information on the services provided other than certification of the financial statements.

In addition, the Committee must 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 part it represents of the revenue of the Statutory Auditor firms or their networks, is not of a nature to endanger the independence of the Statutory Auditors.

In accordance with the provisions of Article L. 822-11-2 of the French Commercial Code, services other than the certification of the financial statements which are not mentioned in Section II of Article L. 822-11 and in Section I of Article L. 822-11- 1 of the French Commercial Code, may be provided by the Statutory Auditors, or members of its network, to the Company or to persons or entities controlling it or which are controlled by it within the meaning of Sections I and II of Article L. 233-3 of the French Commercial Code, subject to approval by the Audit Committee. The procedure for prior approval by the Audit Committee of such services is described in Appendix A of the Audit Committee's.

Committee meetings (Article 2 of the Audit Committee's Internal Regulations and Article 11 of the Supervisory Board's Internal Regulations)

The Audit Committee may conduct meetings in person or via video or telephone conference pursuant to the same rules as the Supervisory Board, when convened by its Chairman or secretary, so long as at least half of its members participate. Committee members may not give proxies to other members to represent them.

The Audit Committee's recommendations are adopted by a simple majority of members present. In the event of a tie, the vote of the Committee's Chairman prevails.

The notice of meeting must include an agenda and may be transmitted orally or by any other means.

The Audit Committee meets as often as necessary and, in any event, at least twice a year in connection with the Group's preparation of the annual and interim financial statements.

The Audit Committee's meetings are held prior to the meeting of the Supervisory Board and, to the extent possible, at least two days prior when the Audit Committee's agenda includes examination of interim or annual financial statements prior to their review by the Supervisory Board.

Minutes are prepared for each meeting, in the absence of other provisions, by the meeting's secretary appointed by the Committee's Chairman, under the authority of the Committee's Chairman. The minutes are sent to all members of the Committee. The Chairman of the Committee decides conditions pursuant to which it reports on its work to the Supervisory Board.

The Audit Committee may rely on, if necessary, external experts through requests for technical studies on topics relevant to their skills.

The Committee presents its work at the next Supervisory Board meeting.

Activity of the Audit Committee in 2018

During the 2018 fiscal year, the Audit Committee met five times, with an attendance rate of 100%. In 2018, the Audit Committee examined and/or formed opinions in particular on the following issues:

- the review of the 2017 annual and consolidated and the 2018 first half financial statements;
- the review of the 2018 first and third quarter financial statements;
- the review of the internal control, the actions carried out by the internal audit, and the Risk Map;
- the review of the internal IT control and of the IT systems safety plan; and
- the review of the compliance program.

5.2.3.2 Compensation and Nominations Committee

Composition (Article 11 of the Supervisory Board's Internal Regulations)

In accordance with Article 11 of the Supervisory Board's Internal Regulations, the Compensation and Nominations Committee must be comprised of two to five members chosen from among the members of the Supervisory Board, with particular consideration given to their independence and their skills with respect to the selection or compensation of corporate officers of listed companies. The Compensation and Nominations Committee may not include any executive director of the Company.

The Compensation and Nominations Committee members' terms expire at the same time as their terms on the Supervisory Board; however, the Supervisory Board may at any time change the composition of the Committee and thus end the term of a committee member.

The composition of the Compensation and Nominations Committee may be modified by the Supervisory Board, acting at the request of its Chairman, and, in any event, must be modified in the event of a change in the general composition of the Supervisory Board.

The Chairman of the Compensation and Nominations Committee is appointed from among the independent members by the Supervisory Board, upon the proposal of the Chairman of the Supervisory Board.

As of the date of this Registration Document, the Compensation and Nominations Committee comprises the four following members, two of which, including the Chairman, are independent members. A member of the Compensation and Nominations Committee is the representative of employees on the Company's Supervisory Board, pursuant to the recommendations of the AFEP-MEDEF Code. As the proportion of independent members within the Compensation and Nominations Committee is a majority, the composition of this Committee complies with the recommendations of the AFEP-MEDEF Code.

COMPOSITION OF THE COMPENSATION AND NOMINATIONS COMMITTEE

Members	Independence	Attenance rate
Pascal Bazin (Chairman)	✔	100%
Éric Schaefer		100%
Petra Friedmann	✔	100%
Adèle Mofiro	Member representing employees	(1)

(1) As Ms. Adèle Mofiro was appointed on December 21, 2018, and given that no Committee meetings were held between December 21 and December 31, 2018, her meeting participation rate is not indicated.

Duties (Article 1 of the Internal Regulations of the Compensation and Nominations Committee)

The Compensation and Nominations Committee is a specialized committee of the Supervisory Board whose main duty is to assist the Supervisory Board in constituting the Company's management bodies and determine and regularly evaluate the compensation and benefits received by the members of the Management Board, including deferred benefits and/or severance pay for voluntary or forced departure from the Group.

In this context, the Compensation and Nominations Committee carries out the following duties:

- *proposal of candidates for appointment to the Supervisory Board, to the Management Board and to Board Committees and evaluating the independent nature of the members of the Supervisory Board*

  The Compensation and Nominations Committee makes proposals for the appointment of members of the Supervisory Board (either by the Shareholders' Meeting or by co-option) and of the Management Board and for the appointment of members and chairpersons of each of the Supervisory Board's committees.

  Concerning the appointment of members of the Supervisory Board, the Committee examines in detail all elements to be taken into account in its deliberation, in particular on the basis of the composition and changes in the shareholder base of the Company, to balance the composition of the Board: gender representation, nationality, international experience, expertise, etc. In particular, the Committee organizes a procedure to select future independent members of the Supervisory Board and conducts its own studies on potential candidates before making any approach to them;

- *implementation of a succession plan for executive corporate officers*

  The Compensation and Nominations Committee has drawn up and kept up-to-date a confidential succession plan for the members of the Management Board as well as the members of the Executive Committee, so as to be in a position to quickly propose succession solutions to the Supervisory Board in the event of an unexpected vacancy. Within the performance of the above work, the Committee involves the Chairwoman of the Management Board;

  The departure of key persons of the management team and of managers of the Group was identified as a risk factor for the Company. To ensure continuity of operations upon foreseen or unforeseen departures or hires, the Compensation and Nominations Committee, assisted by the Human Resources Department, discusses in detail, prepares and keeps up to date a confidential succession plan for the Members of the Management Board as well as the Members of the Group Executive Committee. It works together with the Chairman of the Management Board. This plan should enable the Supervisory Board to on the one hand quickly find succession solutions in case of an unforeseen vacancy and on the other hand define the profiles required for potential successors, considering the Group's strategy, its diversity policy and the level of expertise and experience necessary for a successful succession. The Compensation and Nominations Committee then submits a detailed report on the succession plan to the Supervisory Board;

- *annual evaluation of all offices held by the members of the Supervisory Board*

  Each year prior to the publication of the Company's Annual Report, the Compensation and Nominations Committee examines the status of each member of the Supervisory Board with regard to the rules on the holding of multiple offices and submits its findings to the Supervisory Board so that the Supervisory Board may examine the status of the members as appropriate under these standards;

- *examination and proposal to the Supervisory Board of all components and terms of compensation of the members of the Management Board*

  The Committee studies and makes proposals that include the fixed and variable compensation, as well as, if applicable, share subscription or purchase options, free share grants, retirement and pension plans, severance packages, benefits in kind and individual benefits and all other possible direct or indirect compensation (including long-term) that may be included in the compensation of members of the Management Board.

  The Committee is informed of the compensation policy for the principal executives who are not corporate officers, as well as of the hiring and compensation of the members of the Executive Committee. The Committee works together with the members of the Management Board on this task;

- *evaluation and proposal to the Supervisory Board concerning allocation of attendance fees*

  The Committee submits a proposal to the Supervisory Board for the total amount of attendance fees and the allocation terms for the members of the Supervisory Board, taking into account their actual participation on the Board and on the Committees of which they are members, the responsibilities undertaken and the time that they must devote to their duties.

  The Committee also submits a proposal on the compensation allocated to the Chairman and Vice-Chairman of the Company's Supervisory Board;

- *exceptional duties*

  The Committee is consulted by the Supervisory Board to make recommendations on all exceptional compensation related to exceptional duties which may be given by the Supervisory Board to certain of its members.

Committee meetings (Article 2 of the Internal Regulations of the Compensation and Nominations Committee and Article 11 of the Supervisory Board's Internal Regulations)

The Compensation and Nominations Committee may conduct meetings in person or via video or telephone conference pursuant to the same rules as the Supervisory Board, when convened by its Chairman or secretary of the Committee, so long as at least half of its members participate. Committee members may not give proxies to other members to represent them.

The Compensation and Nominations Committee's recommendations are adopted by a simple majority of the members present. In the event of a tie, the vote of the Committee's Chairman prevails.

The notice of meeting must include an agenda and may be transmitted orally or by any other means.

The Compensation and Nominations Committee meets as often as necessary and, in any event, prior to any meeting at which the Supervisory Board votes on the compensation of the members of the Management Board or the allocation of attendance fees.

The Committee presents its work at the next Supervisory Board meeting. The Supervisory Board then discusses the components of compensation of Management Board members without the latter being present.

ACTIVITY OF THE COMPENSATION AND NOMINATIONS COMMITTEE IN 2018

During the 2018 fiscal year, the Compensation and Nominations Committee met five times, with an overall attendance rate of 100%.

In 2018, the Compensation and Nominations Committee examined and/or issued recommendations where appropriate on the following issues:

- determining variable compensation of the members of the Management Board in respect of the 2017 fiscal year on the basis of the 2017 financial statements;
- setting principles, criteria and elements of compensation for the members of the Management Board for the 2018 fiscal year and notably their fixed compensation and fixing criteria to determine their variable compensation;
- presenting the draft employee share ownership plan, We Share 2019;
- appointing a new member of the Supervisory Board;
- appointing new members of the Management Board and the renewals of Ms. Caroline Parot as Chairwoman of the Management Board and Mr. Fabrizio Ruggiero as Chief Executive Officer and member of the Management Board;
- developing policy to retain talent within the Group;

- establishing a succession plan for the members of the Management Board, the Group Executive Committee and the Managing Directors of the corporate countries;
- monitoring of the free share grant plans for certain employees and members of the Group's Management Board for 2015 and 2017;
- the study of the implementation of a free share grant plan for certain employees and members of the Management Board of the Group for fiscal year 2018;
- determining the terms of breakdown of attendance fees for the Supervisory Board; and
- steering the self-assessment of the Supervisory Board and its committees.

5.2.3.3 Strategic Committee

At its meeting on March 20, 2018, the Supervisory Board unanimously decided to create a strategic committee to study and examine the merits of acquisition projects and opportunities for large investments that could facilitate or accelerate the good execution of the Company's development strategy. A new version of the Supervisory Board's Internal Regulations reflecting the creation of this new committee was approved at the meeting of the Supervisory Board on March 20, 2018. The main provisions concerning the composition, duties and work of the Committee are presented below.

Composition (Article 11 of the Supervisory Board's Internal Regulations)

In accordance with Article 11 of the Supervisory Board's Internal Regulations, the Strategic Committee must be composed of two to five members chosen from among the members of the Supervisory Board.

The Strategic Committee members' terms expire at the same time as their terms on the Supervisory Board; however the Supervisory Board may at any time change the composition of the Committee and thus end the term of a committee member.

The composition of the Strategic Committee may be modified by the Supervisory Board, acting at the request of its Chairman, and, in any event, must be modified in the event of a change in the general composition of the Supervisory Board.

The Chairman of the Strategic Committee is appointed from among the independent members by the Supervisory Board, upon the proposal of the Chairman of the Supervisory Board.

As of the date of this Registration Document, the Strategic Committee comprises the five following members, three of which, including the Chairman, are independent members. The members of the Strategic Committee were appointed by decision of the Supervisory Board on June 21, 2018.

COMPOSITION OF THE STRATEGIC COMMITTEE

Members	Independence	Attendance rate
Jean-Paul Bailly (Chairman)	✔	100%
Patrick Sayer		100%
Petra Friedmann	✔	100%
Virginie Fauvel	✔	100%
Philippe Audouin		100%

Duties (Article 1 of the Strategic Committee's Internal Regulations)

The Strategic Committee analyzes in particular the Group's various potential strategic guidelines and options that are likely to favor its development.

It studies and examines the prospective relevance of partnership agreements, acquisition projects or significant investment opportunities that could facilitate or accelerate the good execution of the Company's development strategy,

It studies and issues recommendations on strategic acquisition and investment projects that are subject to the prior approval of the Supervisory Board.

It studies the risks associated with plans projects of development or establishment in countries where the Group is not present.

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 Management Board is consistent with the strategic orientations adopted by the Company or makes any recommendation to modify this policy.

The Strategic Committee's role is to assist the Supervisory Board. To that end, it issues all opinions and recommendations to the Supervisory Board in the aforementioned areas.

More generally, the Strategic Committee is tasked with identifying and submitting to the Supervisory Board any direction or initiative deemed interesting for the future of the Company, provided that it preserves its operational functioning and ensures the maintenance of the major financial balances.

Committee meetings (Article 2 of the Strategic Committee's Internal Regulations and Article 11 of the Supervisory Board's Internal Regulations)

The Strategic Committee may conduct meetings in person or via video or telephone conference pursuant to the same rules as the Supervisory Board, when convened by its Chairman or secretary, providing that at least half of its members participate. Committee members may not give proxies to other members to represent them.

The Strategic Committee's recommendations are adopted by a simple majority of members present. In the event of a tie, the vote of the Committee's Chairman prevails.

The notice of meeting must include an agenda and may be transmitted orally or by any other means.

The Committee presents its work at the next Supervisory Board meeting.

ACTIVITY OF THE STRATEGIC COMMITTEE IN 2018

During the 2018 fiscal year, the Strategic Committee met three times, with an overall attendance rate of 100%.

The Strategic Committee was consulted in 2018 and issued recommendations on the major strategic options in terms of transformation, development and acquisitions.

5.2.4 Report of the Supervisory Board on corporate governance

Report of the Supervisory Board under Article L. 225-68 of the French Commercial Code

In accordance with Article L. 225-68 of the French Commercial Code, the report by the Supervisory Board for the fiscal year ended December 31, 2018 includes information on the composition of the Supervisory Board and the conditions in which it prepares and organizes its work. It also includes the list of all the terms of office and positions held by each of the corporate officers within the Company during the fiscal year. The report also describes the application of the principle of balanced gender representation on the Supervisory Board. It presents comments of the Supervisory Board on the Management Board's report and the financial statements for the fiscal year ended December 31, 2018. It also indicates the limitations exercised by the Supervisory Board on the powers of the Management Board. This report also specifies that the Company voluntarily applies a Code of corporate governance and states the provisions that have been waived and the reasons for this. This report also states the specific procedures relating to the participation of shareholders in Shareholders' Meetings. It also lists the total compensation and benefits of any kind paid during the fiscal year ended December 31, 2018 to the corporate officers, describes 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 and the terms used to determine these commitments are also indicated. The report also shows the information provided for under Article L. 225-37-5 of the French Commercial Code. This report shows the status of regulated agreements concluded (excluding agreements concluded under normal conditions) during the fiscal year ended December 31, 2018. 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. Furthermore, it contains a table summarizing the current delegations of powers granted by Shareholders' Meetings regarding share capital increases. Lastly, it shows draft resolutions prepared by the Supervisory Board for approval of the principles and criteria for determining components of compensation and benefits of all kinds granted to the corporate officers in connection with their appointment for fiscal year 2018. These principles and criteria are also presented in the report of the Supervisory Board.

This Registration Document includes all the items from the report by the Supervisory Board referred to in Article L. 225-68 of the French Commercial Code. References to Sections of this Registration Document corresponding to the various parts of the report by the Supervisory Board can be found below.

The report of the Supervisory Board and the procedures underlying it were approved in their entirety by the Supervisory Board during its meetings of February 20, 2019 and March 20, 2019.

Items from the report on corporate governance	Registration Document Chapter/Section
Comments of the Supervisory Board on the Management Board's report and the financial statements for the fiscal year ended December 31, 2018	3.10
List of all the terms of office and positions in each company held by each of the corporate officers during the fiscal year ended December 31, 2018	5.1.1 5.1.2
Composition of the Supervisory Board and conditions in which it prepares and organizes its work	5.1.2.1 5.1.3 5.2.1 5.2.2 5.2.3 6.2.2.2
Description of the diversity policy applied to members of the Supervisory Board, and a description of the objectives of this policy, its implementing measures and the results obtained	5.1.3.5
Limitation of the powers of the Management Board	6.2.2 5.2.1.2
Reference to the Corporate Governance Code and deviations from the Code	5.1.4
Total compensation and benefits of any kind paid to the corporate officers during the fiscal year ended December 31, 2018. 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.	5.3
Specific procedures relating to the participation of shareholders in Shareholders' Meetings	6.2.5
Table of currently valid delegations granted by Shareholders' Meetings to increase the share capital	6.3.5.1
Information provided for in Article L. 225-37-5 of the French Commercial Code	6.6
Agreements concluded (excluding agreements concluded under normal conditions) entered into directly or through an intermediary by and between (i) one of the corporate officers or one of the shareholders holding more than 10% of the voting rights, and (ii) a subsidiary of the Group	7.2
Draft resolutions prepared by the Supervisory Board for approval of the principles and criteria to determine the components of compensation and benefits of all kinds granted to the corporate officers	5.3.1.3 and 5.3.2.3

5.3 COMPENSATION AND BENEFITS OF ALL KINDS TO MEMBERS OF THE MANAGEMENT BOARD AND THE SUPERVISORY BOARD

The compensation of the members of the Management Board, as well as that of the members of the Supervisory Board, is determined by the Supervisory Board on recommendation of the Compensation and Nominations Committee.

In its analysis and proposals to the Supervisory Board, the Compensation and Nominations Committee pays particular attention to comply with the recommendations of the AFEP-MEDEF Code.

5.3.1 Compensation of the members of the Management Board

5.3.1.1 Compensation principles of the members of the Management Board

All components of compensation of the members of the Management Board are examined and decided each year by the Supervisory Board, upon recommendation of the Compensation and Nominations Committee taking into account the following elements: the responsibilities of the members of the Management Board, performance, applicable regulations, the recommendations of the AFEP-MEDEF Code and market practices.

The compensation of the members of the Management Board takes into account the principles of comprehensiveness, balance, comparability, coherence, intelligibility and measure, in accordance with the recommendations of the AFEP-MEDEF Code.

Four studies conducted in 2016, 2017 early and late 2018 by an independent firm specializing in compensation analyses helped to determine all of the components of compensation of the members of the Management Board.

Given the accelerated transformation of the Group over the last two years and in the context of the renewal of the terms of office of Ms. Caroline Parot as Chairwoman of the Management Board and of Mr. Fabrizio Ruggiero as Chief Executive Officer and member of the Management Board, upon the recommendation of the Compensation and Nominations Committee on December 11, 2018, the Supervisory Board, on December 21, 2018, reviewed the compensation conditions of the members of the Management Board.

Accordingly, within the context of the Supervisory Board's deliberations on compensation policy trends in 2019 for the members of the Management Board, the Supervisory Board, on the recommendation of the Compensation and Nominations Committee, took into account the following scope of consolidation changes over the past two years:

- growth in revenue from €2.1 billion to €2.9 billion;
- an increase in the number of employees from 7,000 to more than 12,000; and
- the internationalization of the Group which is present in more than 130 countries, including 10 corporate countries compared with 20 corporate countries in 2019.

In the context of these deliberations and to take these developments into account, during the last quarter of 2018, the Compensation and Nominations Committee commissioned an independent firm to carry out a comparative study of the compensation of the members of the Management Board.

The principle of the comparative study carried out by the independent firm was to compare the compensation of members of the Management Board with those of a sample of comparable companies on the local market and with a sample of comparable companies internationally, established by the consultancy.

The sample of comparable companies on the French market is the SBF 80 for all members of the Management Board, except for Fabrizio Ruggiero. The sample of local companies for Fabrizio Ruggiero comprises 20 Italian companies comparable with the Group in terms of revenue, headcount, international scope and sectors (tourism, vehicle rental, services, digital services, mobility, etc.) listed below - Atlantia, Autogrill, Brembo, Candy Group, Chiesi, Coesia, Enel, ERG, Fincantieri, GKN, ITT Italy, Parmalat, Poste Italiane, Recordati, Saipem, Salini Impregilo, Snam, Vodafone, Whirlpool Italy, Yoox Net-a-Porter.

The international sample established by the independent firm comprises 21 companies comparable with the Group in terms of revenue, headcount, international scope and sectors (tourism, vehicle rental, services, digital services, mobility, etc.). Three of these companies are the Group's principal competitors (two with their headquarters in the United States and one with its headquarters in the European Union). The remaining 18 companies have their headquarters in the European Union and are: Telenet, Accor Hotels, Gemalto, Ingenico, Solocal, TF 1, Technicolor, CTS Eventim, DHL, Aer Lingus, Leaseplan, Amadeus, Tui Travel, British Telecom, Compass, Intercontinental Hotels, Paddy Power, Thomas Cook.

All compensation components (fixed annual, variable annual and long-term compensation) and the balance between them have been analyzed and taken into account to determine the Management Board members' compensation.

For more information on this benchmark and the results of this study as well as the consequences on the 2019 compensation policy, please see Section 5.3.1.3 "*Compensation policy in 2019*" of this Registration Document.

Compensation structure

The compensation of each member of the Management Board comprises the following components:

- fixed annual compensation payable over a period of 12 months;
- annual variable compensation expressed as a percentage of the fixed annual compensation;
- free share grants, where appropriate; and
- benefits in kind.

In addition, aside from the structure described above, members of the Management Board may, in special circumstances, be awarded exceptional compensation. The members of the Management Board may also receive compensation under the non-compete clause as described in Section 5.3.1.8 of this Registration Document. The Chairwoman of the Management Board may receive compensation for forced termination of her office, the amount of which is based on the terms and conditions discussed in Section 5.3.1.7 of this Registration Document.

Fixed compensation

The fixed compensation for each of the members of the Management Board reflects the responsibility that they assume and their respective expertise. This is consistent and takes into account the attractiveness of this compensation against the market.

A review of the fixed compensation for members of the Management Board is, in the same way as all components of compensation for members of the Management Board, conducted annually by the Supervisory Board on recommendation of the Compensation and Nominations Committee: and on the basis of a comparative study conducted by an external firm. The frequency of the changes in the fixed compensation of each of the members of the Management Board will depend on any differences that may be noted at the beginning of each fiscal year between the responsibilities assumed and the respective expertise of each of the members of the Management Board on the one hand, and the market analyses on the other, while still complying with the recommendations of the AFEP-MEDEF Code.

The fixed annual compensation was adjusted in 2017 for Fabrizio Ruggiero and Kenneth McCall. There was no adjustment to the fixed compensation of any of the members of the Management Board in 2018. The comparative study carried out at the end of 2018 revealed a discrepancy between the fixed compensation received by Ms. Caroline Parot and Mr. Fabrizio Ruggiero and the compensation obtained from market analysis. Taking into account the findings of this study and given the significant augmentation in the responsibilities of the members of the Management Board due to the increased size of the Group, on the recommendation of the Compensation and Nominations Committee on December 11, 2018, the Supervisory Board decided on December 21, 2018 to raise the fixed annual compensation of Ms. Caroline Parot and Mr. Fabrizio Ruggiero as of May 1, 2019.

This adjustment in the fixed compensation of these members of the Management Board to be applied in 2019 is part of the three-year review and is consistent with the events that have affected the Company over the past two years as well as market practices, in accordance with the compensation policy adopted by the Shareholders' Meeting of May 10, 2017. In addition, the Supervisory Board agreed to the principle that this fixed compensation could only be revised at the end of the three-year review period unless an early review is called for due to a particular event (such as a change in scope or a significant difference with the reference panel) that would justify such a modification, which would have to be explained by the Supervisory Board and made public.

Refer to the paragraphs in (A) of Section 5.3.1.2 "*Composition of compensation of members of the Management Board in respect of FY 2018*" of this Registration Document for more information on the 2018 fixed compensation for the members of the Management Board and to the paragraphs in (A) of Section 5.3.1.4 "*Compensation policy in 2019*" for more information on the 2019 fixed compensation for the members of the Management Board.

Annual Variable Compensation

The annual variable compensation of the members of the Management Board is aimed at involving them in to the Group's performance. In accordance with the AFEP-MEDEF Code, the variable compensation of each of the members of the Management Board corresponds to a percentage of their annual fixed compensation. Annual variable compensation of the members of the Management Board is intended to take into account their individual performances and the Company's performance and is based on qualitative and quantifiable performance criteria set individually for each member of the Management Board. The analysis of performance based on diverse predetermined criteria is assessed in relation to the Company's objectives, shareholders' interests and additionally, implementation of the Company's strategy. Refer to the paragraphs in (B) of Section 5.3.1.2 "*Composition of compensation of members of the Management Board in respect of fiscal year 2018*" for more information on the 2018 fixed compensation for the members of the Management Board and the paragraphs in (B) of Section 5.3.1.3 "*2019 Compensation Policy*" for more information on the 2019 variable compensation for the members of the Management Board.

Long-term compensation: performance shares

In accordance with the compensation policy set out above, the Group wishes to involve the members of the Management Board and certain employees in the Group's long-term performance through the granting of performance shares. These grants in particular align the shareholders' interests, corporate interests and those of management. The long-term compensation policy for members of the Management Board takes the form of the allocation of free shares to members of the Management Board, subject to performance and attendance conditions, for a period of three years in the form of performance share plans set up by the Management Board with the authorization of the Supervisory Board.

On this basis, while reviewing the principles for determining Management Board member compensation for 2019, the Supervisory Board maintained the principle of allocating performance shares to each member of the Management Board. The allocation of these shares is subject to long-term financial and stock market performance conditions, with the view to align the interests of management with those of shareholders.

Upon the recommendation of the Compensation and Nominations Committee on December 11, 2018, the Supervisory Board at its meeting on December 21, 2018 approved the following principles related to the allocation of performance shares of the members of Management Board, including the Chairwoman, and to their vesting: the allocation could represent annually up to 150% of the fixed annual compensation for the Chairwoman of the Management Board, a member of the Management Board and Deputy Chief Executive Officer, and up to 100% annual fixed compensation for the other members of the Management Board, in accordance with the recommendations of the AFEP-MEDEF Code and in line with market practices observed for SBF 120 companies.

The acquisition of performance shares granted to the Chairwoman of the Management Board and to other members of the Management Board, following a three year vesting period, is subject to the following two conditions:

- the beneficiary's presence in the Group throughout the vesting period as from the grant date, this vesting period being at least three years; and
- the financial and stock market performances evaluated over a period of three years.

Each member of the Management Board is subject to the specific retention obligations described in Sections 5.3.1.4.1 to 5.3.1.4.3 of the present Registration Document.

Refer to Sections 5.3.1.4.1, 5.3.1.4.2 and 5.3.1.4.3 for more information on the granting of free shares to members of the Management Board in 2015 and 2017 and 2018 and to Section 5.3.1.4.4 for more information on the granting of free shares to members of the Management Board in 2019.

Benefits in kind

The members of the Management Board are provided with a company car and an annual health check.

Where applicable, other health/provident insurance, corporate officer unemployment insurance and housing schemes are included in their compensation.

Exceptional compensation

Very specific circumstances (for example, their importance for the Company, the involvement that they require or the difficulties that they present) could give rise to exceptional compensation allocated to the members of the Management Board. The granting of exceptional compensation would be exceptional, substantiated and recommended by the Compensation and Nominations Committee and then decided by the Supervisory Board.

The amounts corresponding to compensation granted in 2018 to each of the members of the Management Board are indicated in Section 5.3.3 "*Summary of the compensation and benefits of corporate officers*" of this Registration Document.

Termination benefits and non-compete indemnities

At the time of the renewal of the terms of office as members of the Management Board of Ms. Caroline Parot and Mr. Fabrizio Ruggiero, and the appointment of Mr. Olivier Baldassari as a new member of the Management Board for a period of four years, decided by the Supervisory Board at its meeting of December 21, 2018, on the recommendation of the Compensation and Nominations Committee on December 11, 2018, and the appointment of Mr. Albéric Chopelin as a member of the Management Board by decision of the Supervisory Board on January 31, 2019 on the recommendation of the Compensation and Nominations Committee on January 29, 2019, the Supervisory Board did not deem it necessary to specify that the non-competition clause may be exercised by the Company or excluded if any member of the Management Board wished to exercise their rights to retirement or remain in office beyond the age of 65 given that, in light of the actual age of the Management Board's members, this will not happen before at least 10 or 15 years. The Supervisory Board decided however to respect this AFEP-MEDEF Code recommendation relative to the appointments or term-of-office renewals of directors for which Management Board members could exercise their rights to retirement or remain in office beyond the age of 65.

Indemnities arising from the termination of a Management Board member's functions or due to a non-competition clause are respectively presented in Sections 5.3.1.7 and 5.3.1.8 of this Registration Document.

5.3.1.2 Composition of the compensation of the members of the Management Board in respect of fiscal year 2018

Shareholders' approval of components of compensation due or awarded to members of the Management Board in respect of fiscal year 2018

The component parts of the compensation due or allocated to the members of the Management Board for fiscal year 2018 as presented in Section 5.3.1.2 of this Registration Document will be submitted, pursuant to Article L. 225-100 of the French Commercial Code, for the approval of the shareholders at the Annual Shareholders' Meeting to be held on May 26, 2019, under the terms of the draft resolutions, reproduced below.

Fourteenth resolution (Approval of the components of the compensation paid or awarded for the fiscal year ended December 31, 2018 to Ms. Caroline Parot in her capacity as Chairwoman of the Management Board)

The Annual Shareholders' Meeting, under the conditions required by Ordinary Shareholders' Meetings as to quorum and majority, having reviewed the report on corporate governance, prepared in accordance with the provisions of Article L. 225-68 of the French Commercial Code, approves the fixed, variable and exceptional components of the total compensation and the benefits of all kinds paid or awarded for the year ended December 31, 2018 to Ms. Caroline Parot, Chairwoman of the Management Board, as set out in the report on corporate governance in Section 5.3.1.2 of the Company's 2018 Registration Document.

Fifteenth resolution (Approval of the components of the compensation paid or awarded for the fiscal year ended December 31, 2018 to Mr. Fabrizio Ruggiero in his capacity as member of the s Management Board and the Deputy CEO)

The Annual Shareholders' Meeting, under the conditions required by Ordinary Shareholders' Meetings as to quorum and majority, having reviewed the report on corporate governance, prepared in accordance with the provisions of Article L. 225-68 of the French Commercial Code, approves the fixed, variable and exceptional components of the total compensation and the benefits of all kinds paid or awarded for the year ended December 31, 2018 to Mr. Fabrizio Ruggiero, member of the Management Board and Deputy Chief Executive Officer, in respect of his office, as set out in the report on corporate governance in Section 5.3.1.2 of the Company's 2018 Registration Document.

Sixteenth resolution (Approval of the components of the compensation paid or awarded for the fiscal year ended December 31, 2018 to Mr. Kenneth McCall in his capacity as member of the Company's Management Board and the Deputy CEO Until November 21, 2018)

The Annual Shareholders' Meeting, under the conditions required by Ordinary Shareholders' Meetings as to quorum and majority, having reviewed the report on corporate governance, prepared in accordance with the provisions of Article L. 225-68 of the French Commercial Code, approves the fixed, variable and exceptional components of the total compensation and the benefits of all kinds paid or awarded for the year ended December 31, 2018 to Mr. Kenneth McCall, member of the Management Board and Deputy Chief Executive Officer until November 21, 2018, in respect of his office, as set out in the report on corporate governance in Section 5.3.1.2 of the Company's 2018 Registration Document.

(A) Fixed compensation of members of the Management Board in 2018

The fixed annual compensation of the members of the Management Board for 2018 was decided by the Supervisory Board at its meeting of March 20, 2018, upon proposal made by the Compensation and Nominations Committee on March 16, 2018.

The fixed annual compensation due and paid to the members of the Management Board for 2018 is detailed below:

- the fixed annual compensation for Ms. Caroline Parot, having been revised upwards following her appointment as Chairwoman of the Management Board on November 23, 2016, was renewed at the same level, i.e. €510,000 for fiscal year 2017 and 2018. Thus, the total fixed annual compensation received by Ms. Caroline Parot in respect of 2018 amounts to €510,000;
- as Mr. Kenneth McCall had resigned as member of the Management Board and Deputy CEO of the Company on November 21, 2018, his compensation as member of the Management Board in respect of fiscal year 2018 is calculated from January 1, 2018 to November 21, 2018. The fixed annual compensation for the 2018 fiscal year for Mr. Kenneth McCall was £325,000 effective March 1, 2017, in view of his role as Deputy CEO – Group Chief Countries and Operations Officer from July 22, 2016 and in light of the findings of the comparative study of market compensation practices conducted in the first quarter of 2017 by the independent firm. Thus, the total fixed annual compensation earned by Mr. Kenneth McCall, as Deputy CEO – corporate countries and Group Operations, amounts to £289,384, i.e. €320,927 (1) in respect of fiscal year 2018 for the period from January 1, 2018 to November 21, 2018;
- the fixed annual compensation for Mr. Fabrizio Ruggiero, which in 2016 was €280,000, was reassessed at €370,000 effective March 1, 2017, in view, in particular, of his role as Deputy CEO – Sales, Marketing, Group Customers and Low Cost from July 22, 2016 and in light of the findings of the comparative study of market compensation practices conducted in the first quarter of 2016 by the independent firm. Thus, the total fixed annual compensation received by Mr. Fabrizio Ruggiero, as Deputy CEO – Sales, Marketing, Group Customers and Low Cost, in respect of 2017 amounts to €370,000 in respect of fiscal year 2018.

(1) Based on conversion from pounds sterling to euros at an average exchange rate of 1.109 at December 31, 2018.

(B) Variable compensation of members of the Management Board in 2018

Description of the composition of the 2018 annual variable compensation

The principles and criteria of the annual variable compensation (hereafter, the **"Annual Variable Compensation")** of the Chairwoman and the Management Board and the other members of the Management Board are determined and reviewed every year by the Supervisory Board, on the recommendation of the Compensation and Nominations Committee, in compliance with the applicable legal provisions and the recommendations of the AFEP-MEDEF Code.

The Annual Variable Compensation is expressed as a percentage of the fixed annual compensation.

The **"Target Variable Compensation"** of a member of the Management Board corresponds to achievement of 100% of the objectives set on quantifiable and qualitative criteria defined annually by the Supervisory Board and represents 100% of the fixed annual compensation.

Each quantifiable criterion is defined with three performance levels that enable its degree of achievement to be assessed: minimum, target and maximum. At the beginning of the year, the performance levels of each objective (by criterion) are reviewed and approved by the Supervisory Board, on the proposal of the Compensation and Nominations Committee. The degree of achievement of the objectives relating to each quantifiable criterion is calculated by linear interpolation between the levels set. Thus, the performance levels for each quantifiable criterion were examined and approved by the Supervisory Board on February 20, 2019, upon recommendation of the Compensation and Nominations Committee on February 19, 2019.

At the beginning of the fiscal year, the qualitative criteria are reviewed and approved by the Supervisory Board, on the proposal of the Compensation and Nominations Committee.

The first stage in the calculation of Annual Variable Compensation consists in determining the degree to which the objectives for each of the qualitative and quantifiable criteria have been achieved (hereafter **the "Basic Variable Compensation"**). This Basic Variable Compensation is then adjusted upward or downward via the use of a multiplying coefficient based on the degree of achievement by the Group of the quantifiable annual customer recommendation target, the Net Promoter Score which is described in Section 4.6.2.1 "*Know, monitor and measure customer satisfaction*" in this Registration Document.

The qualitative performance criteria and the weighting to be applied to the quantifiable criteria are set individually, in a precise and objective manner, for the Chairman and each of the other members of the Management Board. The Supervisory Board on March 20, 2018 decided, upon recommendation of the Compensation and Nominations Committee on March 16, 2019, to renew the weighting of the quantifiable criteria applicable in 2018, under identical terms and conditions to those applicable in 2017.

Accordingly, for fiscal year 2018, the Basic Variable Compensation of the Chairwoman of the Management Board as well as that of the other members of the Management Board may vary between 0% and 135% of the fixed annual compensation depending on the degree of achievement of the objectives set for the quantifiable and qualitative criteria. After applying the coefficient linked to the Net Promoter Score, the Annual Variable Compensation can reach up to a maximum of 155% of the fixed annual compensation.

Description of the qualitative criteria

The qualitative criteria were established and defined individually and precisely for each member of the Management Board by the Supervisory Board on the recommendation of the Compensation and Nominations Committee.

The three qualitative objectives of Ms. Caroline Parot relate to the implementation of the Group's strategy, the improvement of customer experience and managing talents in the Group.

The three qualitative objectives of Mr. Kenneth McCall relate to the implementation of the Group's strategy in operations, integration of acquisitions and improvements to the Group's operational performance (subsidiaries and franchisee network).

The three qualitative objectives of Mr. Fabrizio Ruggiero relate to the implementation of the Group's strategy in new mobilities, integration of the Low Cost BU and improvement of customer experience.

For fiscal year 2018, the qualitative criteria of the Basic Variable Compensation of the Chairwoman of the Management Board and other members of the Management Board represent 30% of their Target Variable Compensation and may vary from 0 to 30% of the fixed annual compensation depending on the degree of achievement of their individual objectives.

Description of the quantifiable criteria 2018

Taking into account the effective implementation of the new organizational model focused on five Business Units and the replacement of Mr. Kenneth McCall and Mr. Fabrizio Ruggiero, effective July 22, 2016, in their previous roles as Managing Directors of corporate countries, namely Europcar Mobility Group UK and Europcar Italia S.p.A. respectively, the Supervisory Board decided to apply identical quantifiable criteria for all of the members of the Management Board.

The quantifiable criteria and their weighting for the Chairwoman of the Management Board and the other members of the Management Board, as detailed in the table below, represent 70% of the Target Variable Compensation, and may vary between 0% and 105% of the fixed annual compensation, depending on the degree of achievement of the objectives for each criterion, as set out below:

(i) Group EBITDA, this criterion represents 40% of the Target Variable Compensation and may vary between 0% and 60% of the fixed annual compensation depending on the degree to which this criterion is achieved;

(ii) Revenue (Top Line), this criterion represents 15% of the Target Variable Compensation and may vary between 0% and 22.5% of the fixed annual compensation depending on the degree to which this criterion is achieved; and

(iii) Consolidated Net Profit, this criterion represents 15% of the Target Variable Compensation and may vary between 0% and 22.5% of the fixed annual compensation depending on the degree to which this criterion is achieved.

The weighting of the quantifiable and qualitative criteria in the Basic Variable Compensation of each of the members of the Management Board is shown in the table below.

WEIGHTING OF THE QUALITATIVE AND QUANTIFIABLE CRITERIA IN 2018

(Approved by the Supervisory Board of March 16, 2018)

	Caroline Parot			Kenneth McCall			Fabrizio Ruggiero		
Criteria	Weighting in the event that the target level of criteria is reached	Weighting in the event that the maximum level of criteria is reached	Weighting resulting from the degree of achievement of the objectives in 2018	Weighting in the event that the target level of criteria is reached	Weighting in the event that the maximum level of criteria is reached	Weighting resulting from the degree of achievement of the objectives in 2018	Weighting in the event that the target level of criteria is reached	Weighting in the event that the maximum level of criteria is reached	Weighting resulting from the degree of achievement of the objectives in 2018
Qualitative criteria	30%	30%	27.1%	30%	30%	21%	30%	30%	27%
Group EBITDA	40%	60%	32.4%	40%	60%	32.4%	40%	60%	32.4%
Total revenue	15%	22.5%	0%	15%	22.5%	0%	15%	22.5%	0%
Consolidated net profit	15%	22.5%	22.5%	15%	22.5%	22.5%	15%	22.5%	22.5%
TOTAL BEFORE APPLICATION OF THE COEFFICIENT LINKED TO THE NET PROMOTER SCORE	**100%**	**135%**	**82%**	**100%**	**135%**	**75.9%**	**100%**	**135%**	**81.9%**
TOTAL AFTER APPLICATION OF THE MAXIMUM COEFFICIENT LINKED TO THE NET PROMOTER SCORE	**115%**	**155%**	**-**	**115%**	**155%**		**115%**	**155%**	
TOTAL AFTER APPLICATION OF THE 2018 COEFFICIENT LINKED TO THE NET PROMOTER SCORE	**-**	**-**	**79.64%**	**-**	**-**	**73.7%**	**-**	**-**	**79.54%**

Application of a multiplier based on the achievement by the Group of a net promoter score

For all of the members of the Management Board, including its Chairwoman, in the event the Group improves the Net Promoter Score by more than 10% of the objective, a maximum multiplier of 1.15x is applied to the Basic Variable Portion, making it possible for their Annual Variable Compensation to reach up to 155% of the fixed annual compensation. Conversely, in the event that the Net Promoter Score is unsatisfactory and below 10% of the objective, the minimum multiplier of 0.85x will be 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%.

The Group achieved a Net Promoter Score in 2018 of 56.4%, *i.e.* 1.1 points below the target objective set, and the resulting multiplier is 0.97.

Determination of the Annual Variable Compensation in respect of the 2018 fiscal year

On February 20, 2019, the Supervisory Board, on the recommendation of the Compensation and Nominations Committee on February 19, 2019, (i) assessed and approved the level of achievement of the quantifiable and qualitative criteria objectives for 2018 for each member of the Management Board, as presented in the table below (ii) noted the Group's Net Promoter Score for the fiscal year 2018, then (iii) set the Annual Variable Compensation after application of the multiplier coefficient related to the level of the Net Promoter Score achieved.

The Supervisory Board at the abovementioned meeting approved the actions of each of the members of the Management Board in 2018 and set out the reasons for the decision on the degree of achievement of the qualitative criteria for each of them as follows:

The Management Board members' ability to achieve their respective 2018 qualitative objectives is justified because of their actions contributing to the 2018 achievements, particularly the milestone events that marked the 2018 fiscal year.

More specifically, Ms. Caroline Parot is deemed to have met 90% of her objectives by:

- the execution of the new mobilities strategy and the implementation of a new brand strategy for the Group;
- the reorganization of the Group's product activities; and
- the definition and deployment of a Talent Management policy at Group level, and in particular the creation of succession plans for the Group's key positions.

Mr. Fabrizio Ruggiero is deemed to have met 90% of his objectives by:

- the acquisition and subsequent integration of Goldcar in the Group's scope of consolidation, the synergies generated by this acquisition, and the redeployment of the InterRent brand within the Low Cost Business Unit;
- the implementation of offers designed to enhance the customer experience, including the Click & Go program; and
- the accelerated deployment of all activities in the New Mobilities Business Unit, particularly the Ubeeqo brand.

Mr. Kenneth McCall is deemed to have met 70% of his objectives by:

- the integration into the Group of Buchbinder, acquired in the third quarter of 2017, and the synergies generated by this integration;
- the launch of the strategic redefinition of the operations network in the Group's operating countries; and
- the continued deployment of the Vans & Trucks Business Unit strategy in the Group's main operating countries.

The degree of achievement of the objectives for the 2018 qualitative and quantifiable criteria of each of the members of the Management Board is shown in the table below.

Criteria	Degree of achievement of the objectives		
	Caroline Parot	Kenneth McCall	Fabrizio Ruggiero
Qualitative criteria	90%	70%	90%
Group EBITDA	98%	98%	98%
Total revenue	0%	0%	0%
Consolidated net profit	150%	150%	150%
TOTAL BEFORE APPLICATION OF THE COEFFICIENT LINKED TO THE NET PROMOTER SCORE	82%	75.9%	81.9%
TOTAL AFTER APPLICATION OF THE 2017 COEFFICIENT LINKED TO THE NET PROMOTER SCORE	79.6%	73.7%	79.5 %

The annual variable compensation due to Ms. Caroline Parot for the 2018 fiscal year is €406,133.

The annual variable compensation due to Mr. Kenneth McCall for the 2018 fiscal year is €265,665.

The annual variable compensation due to Mr. Fabrizio Ruggiero for the 2018 fiscal year is €294,286.

The amounts corresponding to fiscal year 2018 compensation for members of the Management Board are detailed in the tables in Section 5.3.3 "*Summary of the compensation and benefits of corporate officers*" of this Registration Document.

(C) Long-term compensation: free shares

Refer to Section 5.3.1.4.3 regarding free shares granted to members of the Management Board in respect of fiscal year 2018.

(D) Exceptional bonus

No exceptional bonus has been paid or granted to the members of the Management Board with respect to fiscal year 2018.

(E) Benefits in kind in 2018

The Chairwoman of the Management Board is provided with a company car, health/provident insurance, an annual health check and mandatory corporate officer unemployment insurance subscribed for on her behalf.

Mr. Kenneth McCall was provided with a company car, an annual health check as well as additional health insurance.

Mr. Fabrizio Ruggiero was provided with a company car, an annual health check, a foreign service allowance and company accommodation in Paris, as well as additional accident and health insurance.

5.3.1.3 Compensation policy in 2019

The components of the 2019 compensation follow the principles described in Section 5.3.1.1 "*Compensation policy of the members of the Management Board*" of this Registration Document. During the last quarter of 2018, the Compensation and Nominations Committee commissioned an independent firm to carry out a comparative study of the compensation of the members of the Management Board. As part of this study, this firm also carried out additional analysis on the positions held by Messrs. Olivier Baldassari and Albéric Chopelin.

The principle of the comparative study carried out by the independent firm was to compare the compensation of members of the Management Board with those of a sample of comparable companies on the local market and with a sample of comparable companies internationally, established by the consultancy.

In the comparative study carried out in 2018, the sample of comparable companies on the French market was the SBF 80 for all members of the Management Board, except for Fabrizio Ruggiero. The sample of local companies for Fabrizio Ruggiero comprises 20 Italian companies comparable with the Group in terms of revenue, headcount, international scope and sectors (tourism, vehicle rental, services, digital services, mobility, etc.) listed below - Atlantia, Autogrill, Brembo, Candy Group, Chiesi, Coesia, Enel, ERG, Fincantieri, GKN, ITT Italy, Parmalat, Poste Italiane, Recordati, Saipem, Salini Impregilo, Snam, Vodafone, Whirlpool Italy, Yoox Net-a-Porter.

The international sample established by the independent firm comprises 21 companies comparable with the Group in terms of revenue, headcount, international scope and sectors (tourism, vehicle rental, services, digital services, mobility, etc.). Three of these companies are the Group's principal competitors (two with their headquarters in the United States and one with its headquarters in the European Union). The remaining 18 companies have their headquarters in the European Union and are the following: Telenet, Accor Hotels, Gemalto, Ingenico, Solocal, TF 1, Technicolor, CTS Eventim, DHL, Aer Lingus, Leaseplan, Amadeus, Tui Travel, British Telecom, Compass, Intercontinental Hotels, Paddy Power, Thomas Cook.

The results of this study highlighted the importance of positioning each element of compensation of the members of the Management Board in relation to market practices in order to retain talents and to attract new talents.

Taking into account this study, the compensation for each member of the Management Board in 2019, as decided by the Supervisory Board at its meeting on February 20, 2019, would comprise the following components:

- fixed annual compensation payable over a period of 12 months;
- annual variable compensation expressed as a percentage of the fixed annual compensation;
- free share grants; and,
- benefits in kind;

Fiscal year 2019 compensation could include a possible exceptional compensation in very special circumstances. In addition, severance compensation for the Chairwoman of the Management Board and non-compete indemnities (if the non-compete clause is exercised) for members of the Management Board are an integral part of the 2019 compensation policy.

The Target Variable Compensation of each of the members of the Management Board corresponds to 100% of the amount of his or her fixed annual compensation, it being specified that their Annual Variable Compensation may reach, after applying the maximum coefficient associated with the Net Promoter Score, 155% of their fixed annual compensation. In addition, the number of performance shares that can be awarded to Ms. Caroline Parot in 2018 in her capacity as Chairwoman of the Management Board and to Mr. Fabrizio Ruggiero as member of the Management Board and Deputy Chief Executive Officer represents 150% of their fixed annual compensation. It represents 100% of the fixed annual compensation of the other members of the Management Board. As such, the maximum annual and multi-year variable compensation of Ms. Caroline Parot and Mr. Fabrizio Ruggiero in respect of 2019 is capped at 305% of their fixed annual compensation. The maximum annual and multi-year variable compensation of the other members of the Management Board for the 2019 fiscal year is capped at 255% of their fixed annual compensation.

Shareholders' approval of the compensation policy for members of the Management Board

In application of Article L. 225-82-2 of the French Commercial Code, under the terms of the draft resolutions shown below, the principles and criteria for determining, allocating and awarding the fixed, variable and exceptional components comprising the total compensation and benefits of any kind to be granted to the members of the Management Board, as described in Section 5.3.1.3 "*Compensation policy in 2019*" of this Registration Document, shall be submitted to the Annual Shareholders' Meeting on April 26, 2019 for approval.

Moreover, payment of the variable and exceptional elements of compensation granted to each member of the Management Board for fiscal year 2019 shall be made subject to approval by the Annual Shareholders' Meeting called in 2020 to approve the Company's financial statements for the fiscal year ended December 31, 2019.

Eighteenth resolution (Approval of the principles and criteria for determination, allocation and award of the fixed, variable and exceptional components of the total compensation and the benefits of all kinds that may be granted to Caroline Parot, Chairwoman of the Management Board)

The Annual Shareholders' Meeting, under the conditions required by Ordinary Shareholders' Meetings as to quorum and majority, having reviewed the report on corporate governance, prepared in accordance with the provisions of Article L. 225-68 of the French Commercial Code, approves the principles and criteria for determination, allocation and award of the fixed, variable and exceptional components of the total compensation and the benefits of all kinds that may be granted to the Chairwoman of the Management Board, as set out in the report on corporate governance in Section 5.3.1.3 of the Company's 2018 Registration Document.

Nineteenth resolution (Approval of the principles and criteria for determining, allocating and awarding the fixed, variable and exceptional elements comprising the total compensation and benefits of all kinds attributable to the chief executive and member of the Management Board)

The Shareholders' Meeting, ruling on the quorum and majority conditions required for Ordinary Shareholders' Meetings, after having reviewed the Supervisory Board's report on Corporate Governance prepared in application of the provisions of Article L. 225-68 of the French Commercial Code, approves the principles and criteria for determining, allocating and awarding the fixed, variable and exceptional elements comprising the total compensation and the benefits of all kinds attributable to the Chief Executive Officer and member of the Management Board, due to his terms of office, as presented in Section 5.3.1.3 of the reports on corporate governance in the Company's 2018 Registration Document.

Twentieth resolution (Approval of the principles and criteria for determining, allocating and awarding the fixed, variable and exceptional elements comprising the total compensation and benefits of all kinds attributable to other members of the Management Board)

The Shareholders' Meeting, ruling under the quorum and majority conditions required for Ordinary Shareholders' Meetings, after having reviewed the Governance report drawn up by the Supervisory Board pursuant to the provisions of Article L. 225-68 of the French Commercial Code approves the principles and criteria for determining, allocating and awarding the fixed, variable and exceptional components of the total compensation and benefits in kind attributable to other members of the Management Board, under their corporate mandates, as presented in the report on Corporate Governance presented in Section 5.3.1.3 of the reports on corporate governance in the Company's 2018 Registration Document.

The Supervisory Board on February 20, 2019 determined, upon proposal on February 19, 2019 from the Compensation and Nominations Committee the principles and criteria for determining, allocating ad awarding the fixed, variable and exceptional components comprising the total compensation and benefits of any kind attributable to the members of the Management Board, for the 2019 fiscal year, as follows:

(A) Fixed compensation of members of the Management Board in 2019

The comparative study entrusted to an independent firm during the final quarter of 2018 and for which the companies on the panel have been described in Section 5.3.1.3 revealed a certain discrepancy in the annual fixed compensation of Ms Caroline Parot compared with French and international market compensation levels. As the discrepancy noted was more than 25% compared with the median of the SBF 80 French companies' sample and more than 45% compared with the median of the international sample of 21 comparable companies, the Supervisory Board decided, upon recommendation of the Compensation and Nominations Committee, to adjust Ms Caroline Parot's annual fixed compensation in 2019, which is thus €575,000 starting from May 1, 2019, i.e. an increase of 12.7% on her annual fixed compensation for 2017 and 2018, while still remaining below the median of the companies sampled.

On the basis of the comparative study carried out in 2017 by an independent firm, Fabrizio Ruggiero's annual fixed compensation was revalued in 2017 and increased to €370,000. This annual fixed compensation was renewed identically in the 2018 fiscal year.

The comparative study entrusted to an independent firm during the final quarter of 2018, (the companies on the panel are described in section 5.3.1.3), revealed a discrepancy in Fabrizio Ruggiero's annual fixed compensation compared with Italian and international market compensation rates. As this discrepancy was more than 12% compared with the median of the sample of comparable companies on the Italian market and more than 30% compared to the median of the international sample of comparable companies, the Supervisory Board decided, on the recommendation of the Compensation and Nominations Committee, to adjust Fabrizio Ruggiero's annual fixed compensation in 2019, which is thus €415,000 starting from May 1, 2019, i.e. an increase of 12.2% compared with his annual fixed compensation for 2018.

The fixed annual compensation of Olivier Baldassari for 2019 will be €330,000. It was decided by the Supervisory Board on October 18, 2018 upon recommendation of the Compensation and Nominations Committee on October 15, 2018, based on the benchmark established in the aforementioned compensation study.

The fixed annual compensation of Mr. Albéric Chopelin for 2019 from the time he joins the Group will be €400,000 on a *prorata temporis* basis. It was decided by the Supervisory Board on January 31, 2019 upon recommendation of the Compensation and Nominations Committee on January 29, 2019, based on the benchmark established in the aforementioned compensation study.

(B) Variable compensation of members of the Management Board in 2019

DESCRIPTION OF THE COMPONENTS OF ANNUAL VARIABLE COMPENSATION IN 2019

The principles and criteria of the annual variable compensation (hereafter, the **"Annual Variable Compensation")** of the Chairwoman and the Management Board and the other members of the Management Board are determined and reviewed every year by the Supervisory Board, on the recommendation of the Compensation and Nominations Committee, in compliance with the applicable legal provisions and the recommendations of the AFEP-MEDEF Code.

The Supervisory Board on March 20, 2019, upon recommendation of the Compensation and Nominations Committee on March 14, 2019 decided to renew the principles implemented in 2018 and adopt the qualitative and quantifiable criteria applicable for 2019, as described below.

The Annual Variable Compensation is expressed as a percentage of the fixed annual compensation.

The **"Target Variable Compensation"** of a member of the Management Board corresponds to achievement of 100% of the objectives set on quantifiable and qualitative criteria defined by the Supervisory Board and represents 100% of the annual fixed compensation.

Each quantifiable criterion is described with three performance levels that enable its degree of achievement to be assessed: minimum, target and maximum. The performance levels for each quantifiable criterion were examined and approved by the Supervisory Board, on the recommendation of the Compensation and Nominations Committee. The degree of achievement of each criterion shall be approved in 2020 by the Supervisory Board upon recommendation of the Compensation and Nominations Committee during examination of the fiscal year 2019 financial statements, with linear interpolation between the defined levels.

The qualitative criteria established and defined individually in a precise and objective way by the Supervisory Board, upon proposal of the Compensation and Nominations Committee, cover the specific responsibilities of each member of the Management Board and the main group transformation projects for 2019. Moreover, the Supervisory Board also decided to renew the weighting of the quantifiable criteria applicable in 2019, under identical terms and conditions to those applicable in 2018.

The first step in calculating the Annual Variable Compensation shall consist in determining the degree to which the objectives relating to the qualitative and quantifiable performance criteria are achieved (hereafter, the **"Basic Variable Portion"**). This Basic Variable Portion is then adjusted upwards or downwards by applying a multiplier based on the degree of achievement by the Group of the quantifiable annual customer recommendation target, the Net Promoter Score, of the Group.

For the fiscal year 2019, the Basic Variable Portion of the Chairwoman and the other members of the Management Board may vary between 0% and 135% of their fixed annual compensation depending on the degree to which objectives relating to the quantifiable and qualitative criteria set by the Supervisory Board are achieved. After applying the coefficient linked to the Net Promoter Score, their Annual Variable Compensation can reach up to a maximum of 155% of their fixed annual compensation.

DESCRIPTION OF THE QUALITATIVE CRITERIA 2019

The qualitative criteria were established and defined individually and precisely for each member of the Management Board by the Supervisory Board on the recommendation of the Compensation and Nominations Committee.

The three qualitative objectives of Ms. Caroline Parot relate to:

- Group strategy, notably regarding the improvement of Total Shareholder Return (TSR) relative to fiscal 2019;
- Operational implementation with, on the one hand, the deployment of the first phase of the Click & Go improvement program and the digitalization of the customer experience and, on the other hand, the implementation of the lean and standardization program on operational structures HQ2020;
- Corporate Social Responsibility, on the one hand, with the deployment of the Group's Commit Together program, which incorporates Europcar's social, societal and environmental responsibility goals and was launched in 2018 across the entire Group, and, on the other hand, the launch of the Group's Diversity programs.

The three objectives of Mr. Fabrizio Ruggiero are focused on:

- Group strategy with the definition of the Cars Business Unit strategy, on the one hand, and the deployment of the New Mobility Business Unit, on the other;
- Operational implementation, in particular with the responsibility of deploying the Group's profitability improvement programs; and
- Corporate Social Responsibility with the rollout of the Group's values and diversity programs.

The three objectives of Mr. Olivier Baldassari are focused on:

- Group strategy with the finalization of the network operations strategy in the operating countries taking into account the deployment of the Click & Go program;
- Operational implementation of the lean and standardization program on operational structures HQ2020;
- Corporate Social Responsibility, and in particular the deployment in all operating countries of the Group's Commit Together program.

The three objectives of Mr. Albéric Chopelin are focused on:

- Strategy and the review of the Group's marketing strategy;
- Operational implementation and in particular the continued improvement of the customer experience with the second phase of the Click & Go program; and

→ Corporate Social Responsibility with participation in the Group's various programs designed to communicate common values.

With respect to fiscal year 2019, the qualitative criteria of the Basic Variable Portion of the Chairwoman and the other members of the Management Board will represent 30% of their Target Variable Compensation and may vary from 0% to 30% based on the degree to which the objectives relating to of these criteria are achieved.

DESCRIPTION OF THE QUANTIFIABLE CRITERIA 2019

The Supervisory Board which met on February 20, 2019, decided, on the recommendation of the Compensation and Nominations Committee of February 19, 2019 to apply the identical quantifiable criteria for all members of the Management Board.

The quantifiable criteria and their weighting for the Chairwoman and the other members of the Management Board, as detailed below, will represent 70% of their Target Variable Compensation, and may vary between 0% and 105% of the fixed annual compensation depending on the degree of achievement of the objectives relating to these criteria:

(i) Adjusted Corporate EBITDA (excluding the New Mobility Business Unit) (Group EBITDA), this criterion represents 40% of the Target Variable Compensation and may vary between 0% and 60% of the fixed annual compensation depending on the degree to which this criterion is reached;

(ii) revenue (Top Line), this criterion represents 15% of the Target Variable Compensation and may vary between 0% and 22.5% of the fixed annual compensation depending on the degree to which this criterion is achieved; and

(iii) consolidated net profit, this criterion represents 15% of the Target Variable Compensation and may vary between 0% and 22.5% of the fixed annual compensation depending on the degree to which this criterion is achieved.

Should the Group's revenue be less than €3 billion, the amount mentioned in section 3.8 of this Registration Document as being the Group's forecast for this criterion for fiscal year 2019, no payment will be made under this criterion.

Should the Adjusted Corporate EBITDA (excluding the New Mobility Business Unit) be less than €375 million, the amount mentioned in section 3.8 of this Registration Document as being the Group's forecast for this criterion for fiscal year 2019, no payment will be made under this criterion.

Weighting of qualitative and quantifiable criteria applicable to each member of the Management Board 2018

QUALITATIVE AND QUANTIFIABLE CRITERIA 2019

Criteria	Weighting in the event that the target level of criteria is reached	Weighting in the event that the maximum level of criteria is reached
Qualitative criteria	30%	30%
Group EBITDA	40%	60%
Total revenue	15%	22.5%
Consolidated net profit	15%	22.5%
TOTAL (BEFORE APPLYING *NET PROMOTER SCORE*)	**100%**	**135%**
TOTAL (IN THE EVENT OF APPLICATION OF THE MAXIMUM COEFFICIENT LINKED TO THE NPS)	**115%**	**155%**

APPLICATION OF A MULTIPLIER BASED ON THE ACHIEVEMENT BY THE GROUP OF A NET PROMOTER SCORE

For all the members of the Management Board, including its Chairwoman, in the event the Group improves the Net Promoter Score by more than 10%, a maximum multiplier of 1.15x will be applied to the Basic Variable Portion, making it possible for their Annual Variable Compensation to reach up to 155% of the fixed annual compensation. Conversely, in the event that the Net Promoter Score is below 10%, a minimum multiplier of 0.85x will be applied to the Basic Variable Portion. Where the Net Promoter Score is in the interval -10%/+10%, the multiplier is calculated by linear interpolation between the minimum and maximum end-points 0.85-1.15.

(C) Performance share grants in 2019

See Section 5.4.1.4.4 of this Registration Document for a description of the legal framework and the main terms and conditions concerning performance share grants in 2019.

(D) Benefits in kind 2019

For the 2019 fiscal year, the Chairwoman is provided with a company car, health/provident insurance, an annual health check and corporate officer unemployment insurance.

Mr. Olivier Baldassari is provided with a company car, an annual health check as well as health and provident insurance for Group employees. Furthermore, for joining the Group, Mr. Olivier Baldassari benefited from the reimbursement of his lease cancellation and his costs for relocating from the United States to France, as well as tax assistance from a consultancy firm.

Mr. Fabrizio Ruggiero is provided with a company car, an annual health check, a foreign service allowance and company accommodation in Paris, as well as an annual health check and an additional accident and health insurance.

Mr. Albéric Chopelin benefits from a company car and an annual medical check-up, as well as the same health and welfare coverage as the Group's employees.

5.3.1.4 Long-term compensation: Performance share grants

Purpose of the performance share allocation

The purpose of granting performance shares is first of all to personally link the Company's worldwide management, in particular the corporate officers, with the development of the Company's value, by giving them a stake in the Company's ownership. It also makes it possible to distinguish the contributing executives, through their particularly positive contribution to the Company's results. Lastly, it serves to increase the loyalty of the executives whom the Company particularly values, especially those with strong potential.

Performance share allocation policy

The allocation is differentiated based on (i) the beneficiaries' level of responsibility and contribution, (ii) the assessment of their performance, (iii) their results, and (iv) the assessment of their development potential. The persons eligible for the grant of a free share are as follows:

- members of the Management Board;
- senior executives who are members of the Group's Executive Committee and the heads of the corporate countries. They benefit in principle from variable allocations, based on their level of responsibility, performance and results. Certain executives may not be beneficiaries;
- other management beneficiaries, who are most frequently senior managers and managers with high potential for professional or managerial development or expertise.

5.3.1.4.1 PERFORMANCE SHARE GRANTS IN 2015

Following the listing of the Company's shares for trading on the Euronext Paris regulated market, on June 25, 2015, the Supervisory Board decided, following prior approval by the Management Board, to implement a performance share grant plan in favor of the members of the Group's Executive Committee (the "**Free Shares Top 13 Plan**"). Vesting of these free shares, following vesting periods of two years for Tranche 1 and three years for Tranche 2, is subject to the beneficiary's continued employment within the Group on June 25, 2017 (this will no longer apply to Tranche 2 shares from this date), and the achievement of the following performance conditions:

- with respect to the fiscal years ended December 31, 2015 and 2016, performance conditions related to Adjusted Corporate EBITDA (relating to Tranche 1 of the Free Shares Top 13 Plan); and
- with respect to the fiscal year ended December 31, 2017, performance conditions related to (i) Adjusted Corporate EBITDA and (ii) movements in the Company's stock price as compared with movements in the SBF 120 (relating to Tranche 2 of the Free Shares Top 13 Plan).

Furthermore, following the vesting period the free shares must be held for a period of two years.

Pursuant to Article L. 225-197-1 II of the French Commercial Code:

(i) the Chairperson 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.

The Management Board on June 26, 2017 acknowledged, after review by the Compensation and Nominations Committee of June 23, 2017, the final vesting of the 50% of the shares of Tranche 1 of the Free Shares Top 13 Plan by the Plan's beneficiaries, after review of the achievement of the performance conditions linked to adjusted corporate EBITDA in respect of fiscal year 2015 and regarding the fulfillment of the continued employment condition on the above-mentioned date. The Management Board also noted that the performance condition related to adjusted corporate EBITDA was not achieved in respect of fiscal year 2016 and consequently, the loss of rights by this Plan's beneficiaries to 50% of the shares in Tranche 1 of the Free Shares Top 13 Plan.

Following advice from the Compensation and Nominations Committee dated February 26, 2018, the Management Board meeting held on February 27, 2018 noted that the performance conditions applicable to Tranche 2 of the Free Shares Top 13 Plan had not been fulfilled and the loss of beneficial rights regarding Tranche 2 of the Free Shares Top 13 Plan.

Please see Section 5.3.3 "*Summary of the compensation and benefits of corporate officers*", Table 10 of this Registration Document for further information on the final vesting and the number of free shares granted to the members of the Management Board under the Free Shares 13 Plan.

Each beneficiary of the Free Shares Top 13 Plan has made a personal commitment not to resort to the use of hedging instruments prior to the end of the share retention period provided for under the terms of said plan. To the Company's knowledge, no hedging instruments were set up as of the date of this Registration Document.

5.3.1.4.2 PERFORMANCE SHARE GRANTS IN 2017

The Supervisory Board of February 24, 2017, upon recommendation of the Compensation and Nominations Committee of February 22, 2017, decided to authorize the Management Board to implement a free share plan for managers and certain employees of the Group (the "AGA 2017 Plan"). The conditions for the grant of shares, as well as the plan's main terms and conditions are as follows:

(i) the acquisition of these performance shares, following a vesting period of two years (or three years for non-French residents), was subject to the beneficiary's continued employment with the Group on the vesting date, and the weighting of related performance conditions, for the years ended December 31, 2017 and December 31, 2018, (i) Corporate EBITDA accounts for 40% of the number of shares granted, (ii) revenue for 40% of the number of shares granted, and (iii) Total Shareholder Return (TSR) for 20% of the total number of shares granted; As the first two criteria related to Corporate EBITDA in the budget, they cannot be rendered public for reasons of confidentiality, although it should be noted that these are in line with market expectations.

    Relative TSR was measured by comparing the performance of Europcar Mobility Group with a composite index formed in equal thirds by the SBF 120, a notional index tracking the stock market performance of the company's three main competitors in car rental and the STOXX 600 Travel and Leisure index. The comparison was made by measuring market performance and the performance of the composite index at 31 December 2017 and December 31, 2018 with the December 31, 2016 baseline. To limit the impact of price volatility, relative TSR was calculated based on average closing prices over one month (from December 1 to December 31 of 2016, 2017 and 2018).

    A trigger threshold is defined for each performance criterion, reaching this threshold triggering the final grant of 80% of the shares associated with the performance criteria, subject to continued employment. The trigger thresholds corresponding to objectives equivalent to the Company's guidance.

    The number of shares vested depends on the percentage of objectives achieved, it being specified that fulfillment of the performance criteria is binary in that if the criterion is not fulfilled, the fraction of the rights attached to the objective concerned will not be due and the related amount of shares will not be vested;

(ii) when the vesting period is equal to 2 years, a one-year retention period is required for free shares. No retention period is required when the vesting period is equal to 3 years;

(iii) pursuant to Article L. 225-197-1 II of the French Commercial Code:

- the Chairperson 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
- the Deputy CEOs of the Company 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 two 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.

Each beneficiary of the Free Shares 2017 Plan has made a personal commitment not to resort to the use of hedging instruments prior to the end of the share retention period provided for under the terms of said plan. To the Company's knowledge, no hedging instruments were set up as of the date of this Registration Document.

591,000 free shares were granted to 119 beneficiaries by the Management Board under the 2017 Free Shares Plan including 195,400 to the members of the Management Board (after prior authorization from the Supervisory Board), *i.e.* 0.37% of share capital on the date of this Registration Document.

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 5.3.3 of this Registration Document. 80% of the shares allocated under the AGA 2017 Plan will vest through the granting of treasury shares.

5.3.1.4.3 PERFORMANCE SHARE GRANTS IN 2018

Legal framework

It is submitted to the approval of the Annual Shareholders Meeting of April 26, 2019, pursuant to its 32th resolution, an authorization to 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 achievement of performance criteria defined when the budgets are constructed.

Main terms and conditions of the 2018 allocation of performance shares

Consistent with the principles described in Section 5.3.1.1 "*Compensation policy of the members of the Management Board*" of this Registration Document, 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 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 TSR is lower than the composite index performance no performance shares corresponding to this criterion will be allocated.

Furthermore, following the vesting period, is equal to 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 this Registration Document). The number of free shares allocated to each member of the Management Board under the Free Shares 2018 Plan is presented in Table 10 of Section 5.3.3 of this 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 Registration Document.

Details of the free shares allocated to members of the Management Board during fiscal year 2018 are provided in Table 11 under Section 5.3.3.

5.3.1.4.4 PERFORMANCE SHARE GRANTS IN 2019

Legal framework

The Annual Shareholders' Meeting of April 26, 2019, pursuant to its thirty-second resolution, will be asked to authorize 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

Consistent with the principles described in Section 5.3.1.1 "*Compensation principles of the members of the Management Board*" of this Registration Document, 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 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 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 TSR below the performance of the composite index will result in no free share purchases being awarded, as they can be vested only if the performance condition for this criterion is achieved.

Furthermore, following the vesting period, is equal to 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.

A total of 1,100,000 shares could be granted within the framework of the 2019 Free Shares Plan, including a total amount to the members of the Management Board to be determined within the limits as set forth below.

In particular, concerning the members of the Management Board, the number of performance shares that may be awarded to them in 2019 is 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.

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 Registration Document.

5.3.1.5 Preferred shares

Within the framework of the Company's Initial Public Offering, the members of the Management Board, as well as certain employee members of the Group's Executive Committee, were allowed to subscribe and purchase class C and class D preferred shares, within the meaning of Article L. 228-11 of the French Commercial Code, which may be converted according to a ratio determined according to the Group's performance.

For a description of the characteristics of the class C and class D preferred shares, please see Section 6.2.3.2 "*Specific characteristics of preferred shares*" of this Registration Document.

5.3.1.6 Employment agreements

Following her appointment as Chairwoman of the Management Board by decision of the Supervisory Board on November 23, 2016, Ms. Caroline Parot terminated her employment agreement as Group Chief Financial Officer with the Company. Since November 23, 2016, Ms. Caroline Parot receives compensation only for her corporate officer role as Chairwoman of the Management Board.

Mr. Fabrizio Ruggiero holds an employment agreement with the Company Europcar Italia S.p.A., as modified by addendum dated December 1, 2016, which details the terms of his new position as Deputy CEO of the Group. Furthermore, a secondment contract signed between Europcar Italia S.p.A. and the Company dated August 1, 2016 sets out the terms and conditions under which Mr. Fabrizio Ruggiero's assignments will be determined and rebilled. Mr. Fabrizio Ruggiero exercises the functions of Business Units Director.

Mr. Olivier Baldassari's employment contract signed with Europcar Mobility Group on October 19, 2018 went into effect on January 1, 2019. Mr. Olivier Baldassari is Chief Countries & Operations Officer.

Mr. Albéric Chopelin signed a contract of employment to serve as Group Commercial & Customer Officer with Europcar Mobility Group on February 5, 2019, which will go into effect when he joins the Group on April 15, 2019.

5.3.1.7 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.

The employment agreement of Mr. Olivier Baldassari and of Mr. Albéric Chopelin do not set forth any indemnities in the event of termination of their respective offices of Group Chief Operations Officer and Group Commercial & Clients Officer of termination of the employment agreements of Mr. Olivier Baldassari or Mr. Albéric Chopelin at the initiative of Europcar Mobility Group, the amount of indemnity that would be due to Mr. Olivier Baldassari or to Mr. Albéric Chopelin would be subject to the rules of French law and the provisions of the collective bargaining agreement applicable to the employment agreements of Mr. Olivier Baldassari or Mr. Albéric Chopelin. Consequently, his employer would be required to respect a 3-month notice period, during which time the fixed and variable compensation would be paid to Mr. Olivier Baldassari or Mr. Albéric Chopelin.

Mr. Fabrizio Ruggiero's employment agreement does not set forth any indemnities in the event of termination of office of Deputy CEO and/or member of the Management Board of the Company. In the event of termination of Mr. Fabrizio Ruggiero's employment agreement at the initiative of Europcar Italia S.p.A., the amount of indemnities that would be due to Mr. Fabrizio Ruggiero would be subject to the rules of Italian law and the provisions of the collective bargaining agreement applicable to Mr. Ruggiero's employment agreement. Consequently, his employer would be required to respect a notice period, the length of which is set by the applicable collective bargaining agreement, and which varies according to the employee's length of service, i.e. between four and eight months at the date of this Registration Document, during which time Mr. Fabrizio Ruggiero's fixed and variable compensation would be paid to him.

It is stated that if Mr. Olivier Baldassari, Mr. Fabrizio Ruggiero, or Mr. Albéric Chopelin leave the Group, the accumulated severance compensation and their non-compete indemnities with respect to their positions as members of Management Board (and Deputy CEO in the case of Mr. Fabrizio Ruggiero), their employment contract and/or the applicable legal provisions, would not exceed, for each, 24 months of their annual respective fixed and variable compensation.

5.3.1.8 Compensation under a non-compete clause

In the event that Ms. Caroline Parot would be bound by a non-compete obligation, the duration of which would be 12 months, at the time her position with the Company would be terminated, she would have the right to a non-compete payment in that regard in an amount equal to 50% of her annual compensation (fixed and variable) based on her average compensation over the course of the 12 months preceding the termination.

If the member were also to receive severance compensation (as described above), the combined non-compete and severance compensation would not exceed a ceiling corresponding to the annual fixed and variable compensation paid to the member during the two years preceding the departure.

Each of the other members of the Management Board may be bound by a twelve-month non-compete obligation applicable as of the end date of their positions as members of the Management Board and of any other position exercised within the Group. In the event that this non-compete obligation is implemented, they shall benefit from non-compete indemnity equal to 50% of their fixed annual compensation, it being specified that any non-compete indemnity paid under a non-compete clause set forth in the employment agreement for Mr. Olivier Baldassari, Mr. Albéric Chopelin, and Mr. Fabrizio Ruggiero shall be deducted from the aforementioned non-compete indemnity of 50%.

It is stated that if Mr. Olivier Baldassari, Mr. Fabrizio Ruggiero, or Mr. Albéric Chopelin leave the Group, the accumulated severance compensation and their non-compete indemnities with respect to their positions as members of Management Board and Deputy CEO, their employment contract and/or the applicable legal provisions, would not exceed, for each, 24 months of their annual respective fixed and variable compensation.

Regarding the renewal of the terms of office of Caroline Parot and Fabrizio Ruggiero as members of the Management Board as well as the appointment of Olivier Baldassari as a new member of the Management Board for a term of four years, decided by the Supervisory Board during its meeting on December 21, 2018, and the appointment of Mr. Albéric Chopelin as fourth member of the Management Board during the 2019 fiscal year, the Supervisory Board did not deem it necessary to specify that the non-compete clause could be exercised by the Company or excluded if any member of the Management Board wished to exercise their rights to retirement or remain in office beyond the age of 65, given that in light of the actual age of the Management Board's members, this will not happen before at least 10 to 15 years. The Supervisory Board decided however to agree to respect this AFEP-MEDEF Code recommendation within the appointment or renewal of a term of office during which the member of the Management Board could assert his pension right or work past age 65.

5.3.1.9 Supplemental pension plan

No member of the Management Board benefits from a supplementary pension plan in connection with his corporate office. Mr. Fabrizio Ruggiero benefits from a complementary pension plan related to his employment contract with Europcar Italia SpA. 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.

5.3.1.10 Corporate officer unemployment insurance

The Company has subscribed for corporate officer unemployment insurance for Ms. Caroline Parot.

5.3.1.11 Exceptional compensation

Very specific circumstances (for example, their importance for the Company, the involvement that they require or the difficulties that they present) could give rise to exceptional compensation allocated to the members of the Management Board. The granting of exceptional compensation would be exceptional, substantiated and recommended by the Compensation and Nominations Committee and then decided by the Supervisory Board.

5.3.2 Compensation of the members of the Supervisory Board

5.3.2.1 Compensation policy of the members of the Supervisory Board

The Company's Legal Department conducted a comparative study of the compensation of the members of the Supervisory Board, against the compensation policies implemented in companies comparable to the Company. The results of this study did not indicate any inconsistency with the compensation policy for members of the Supervisory Board. The compensation of the members of the Supervisory Board is examined and decided every year by the Supervisory Board on recommendation of the Compensation and Nominations Committee. It consists of:

- annual fixed compensation allocated to the Chairman of the Supervisory Board in respect of his responsibilities;
- attendance fees, comprising a fixed portion and a variable portion, allocated to all Supervisory Board members and paid taking into account their actual participation in Supervisory Board and Committee meetings;
- exceptional compensation that may be granted by the Supervisory Board for specific assignments or mandates entrusted to them.

The Company's Annual Shareholders' Meeting held of May 17, 2017 decided to allocate a total of €550,000 per year in attendance fees to the members of the Supervisory Board until such time as the Shareholders' Meeting decides otherwise.

The Chairman and other members of the Supervisory Board do not benefit from any grant of free shares or options nor any severance payment whatsoever.

5.3.2.2 2018 Compensation for the members of the Supervisory Board

The Supervisory Board at its meeting on March 20, 2018 upon the recommendation of the Compensation and Nominations Committee on March 16, 2018, decided to allocate attendance fees for 2018 on the following basis, subject to approval of a new limit of €550,000 at the Shareholders' Meeting of May 17, 2018 under the terms of its 17th resolution. The new limit would cancel and replace the initial total of €500,000:

- fixed portion: €30,000 for the Chairman of the Supervisory Board and €15,000 for each of the other members, with those sums to be paid *prorata temporis* to the actual duration of the office held during the fiscal year; and
- variable portion:
  - effective participation in Supervisory Board meetings: the amount of the variable portion differs depending on whether the meeting is held in person or by teleconference, it being specified that meetings held in person require significant preparation and last four hours on average, while those held by teleconference last one hour on average. Consequently, the Supervisory Board deemed that the compensation for meetings held by teleconference, which require less preparation and attendance time than meetings held in person, should be 25% of the amount of the variable portion granted for attendance at a meeting in person, as follows:
    - €3,000 per member for his or her effective participation in a Supervisory Board meeting held in person;
    - €750 per member for his or her effective participation in a Supervisory Board meeting held by telephone conference;
  - effective participation in the Audit Committee. Compensation and Nominations Committee, or Strategic Committee meetings: €1,848 per member of the Committee, with 50% additional for the Chairman of the Committee;

  all up to the overall limit of €550,000 set by the Shareholders' Meeting of May 17, 2018.

Since the Shareholders' Meeting of May 17, 2018 approved the 17th resolution, the attendance fees for fiscal year 2018 have indeed been allocated as described above. The allocation of the attendance fees in accordance with the principles described above takes into account the Strategic Committee composed of four members of the Supervisory Board and meeting four times a year. The Strategic Committee, formed on June 21, 2018, met three times during fiscal year 2018.

Therefore, except for the Chairman of the Supervisory Board, where a member has an effective participation in 100% of the Supervisory Board's Meetings, either in person or via teleconference in 2018, the annual variable portion of the attendance fees of €27,750 is more significant than the fixed portion of the attendance fees.

The Supervisory Board at its meeting dated December 28, 2018 decided, upon the recommendation of the Compensation and Nominations Committee on December 26, 2018, to grant Mr. Jean-Paul Bailly, for 2018, a fixed annual compensation of €165,000 for his role as Chairman of the Supervisory Board. This was unchanged from the fixed annual compensation granted to him for the previous fiscal year. The Chairman of the Supervisory Board also has the use of a company car or a "New Mobility" subscription of an equivalent value.

During 2018, Mr. Bailly had a company car only from January 1 through May 22, 2018.

Furthermore, the Supervisory Board on October 18, 2018, upon recommendation of the Compensation and Nominations Committee on October 15, 2018, decided to allocate to Basin Street Partners, of which Mr. Sanford Miller is Managing Director, compensation of €24,000 for a 6-month consulting agreement for the international development of the Group.

The components of compensation due or granted to the Chairman of the Supervisory Board in respect of fiscal year 2018 as presented above in Section 5.3.2.2 of this Registration Document will be, in application of Article L. 225-100 of the French Commercial Code, submitted to the shareholders for their opinion at the Annual Shareholders' Meeting of April 26, 2019, according to the terms set out in the draft resolution shown below.

The total gross amount of attendance fees allocated and paid to the members of the Supervisory Board for the 2018 fiscal year was €516,912; For more information on these amounts, see Table 3 "*Attendance fees and other compensation allocated and received by non-executive corporate officers*" in Section 5.3.3 "*Summary of the compensation and benefits of corporate officers*" of this Registration Document.

Seventeenth resolution (Approval of the components of the compensation paid or awarded for the fiscal year ended December 31, 2018 to Mr. Jean-Paul Bailly in his capacity as Chairman of the Supervisory Board)

The Annual Shareholders' Meeting, under the conditions required by Ordinary Shareholders' Meetings as to quorum and majority, having reviewed the report on corporate governance, prepared in accordance with the provisions of Article L. 225-68 of the French Commercial Code, approves the fixed, variable and exceptional components of the total compensation and the benefits of all kinds paid or awarded for the year ended December 31, 2018 to Mr. Jean-Paul Bailly, Chairman of the Supervisory Board, as set out in the report on corporate governance in Section 5.3.2.2 of the Company's 2018 Registration Document.

5.3.2.3. 2019 Compensation for the members of the Supervisory Board

The Supervisory Board at its meeting held on December 21, 2018 decided, upon the recommendation of the Compensation and Nominations Committee on December 11, 2018, decided to grant Mr. Jean-Paul Bailly, for 2018, a fixed annual compensation of €165,000 for his role as Chairman of the Supervisory Board, unchanged from the fixed annual compensation granted to him for the previous fiscal year.

Furthermore, at its meeting dated December 21, 2018, the Supervisory Board upon the recommendation of the Compensation and Nominations Committee at its December 11, 2018 meeting decided to allocate attendance fees for the fiscal year 2018 on the following basis, within the overall limit of €550,000 approved at the Shareholders' Meeting of May 17, 2018, under the terms of its 18th resolution:

- fixed portion: €30,000 for the Chairman of the Supervisory Board and €15,000 for each of the other members, these sums to be paid *prorata temporis* to the actual duration of the office held during the fiscal year; and
- variable portion:
  - effective participation in Supervisory Board meetings: the amount of the variable portion differs depending on whether the meeting is held in person or by teleconference, it being specified that meetings held in person require significant preparation and last four hours on average, while those held by teleconference last one hour on average. Consequently, the Supervisory Board deemed that the compensation for meetings held by teleconference, which require less preparation and attendance time than meetings held in person, should be 25% of the amount of the variable portion granted for attendance at a meeting in person, as follows:
    - €3,000 per member for his or her effective participation in a Supervisory Board meeting held in person;
    - €750 per member for his or her effective participation in a Supervisory Board meeting held by telephone conference;
  - effective participation in the Audit Committee or Compensation and Nominations Committee meetings: €1,848 per member of the Committee, with 50% additional for the Chairman of the Committee.

Accordingly, with the exception of the Chairman of the Supervisory Board, in the event that a member effectively participates 100% of the Supervisory Board meetings held in person and by teleconference in 2018, the annual variable portion of the attendance fees would be €27,750 and would be more significant than the fixed portion of the attendance fees.

Shareholders' approval of the compensation policy for members of the Supervisory Board

In application of the new Article L. 225-82-2 of the French Commercial Code, under the terms of the draft 21th resolution shown below, the principles and criteria for determining, allocating ad awarding the fixed, variable and exceptional components comprising the total compensation and benefits of any kind to be granted to the members of the Supervisory Board, as described in Section 5.3.2 "*Compensation of members of the Supervisory Board*" of this Registration Document, shall be submitted to the Shareholders' Meeting to be held on April 26, 2019 for approval. Moreover, payment of any variable and exceptional elements granted to the Chairman of the Supervisory Board for fiscal year 2019 shall be made subject to approval by the Annual Shareholders' Meeting called in 2020 to approve the Company's financial statements for the fiscal year ended December 31, 2019.

Twenty-first resolution (Approval of the principles and criteria for determination, allocation and award of the fixed, variable and exceptional components of the total compensation and the benefits of all kinds that may be granted to members of the Supervisory Board For Their Services).

The Shareholders' Meeting, under the conditions required by Ordinary Shareholders' Meetings as to quorum and majority, having reviewed the Supervisory Board's report, prepared in accordance with the provisions of Article L. 225-82-2 of the French Commercial Code, approves the principles and criteria for determination, allocation and award of the fi xed, variable and exceptional components of the total compensation and the benefits of all kinds that may be granted to the Chief Executive Officer of the Supervisory Board and to members of the Supervisory Board, as set out in the report on corporate governance in Section 5.3.2 of the Company's 2018 Registration Document.

5.3.3 Summary of the compensation and benefits of corporate officers

The tables below summarize the compensation and benefits in kind due and/or paid to members of the Management Board and the Supervisory Board by (i) the Company, (ii) companies controlled by the Company, (iii) companies controlled by companies that control the Company and (iv) companies that control the Company, all within the meaning of Article L. 233-16 of the French Commercial Code.

TABLE 1 – SUMMARY OF THE COMPENSATION, OPTIONS ALLOCATED AND FREE SHARES GRANTED TO EACH EXECUTIVE CORPORATE OFFICER

IN EUROS	2018	2017
CAROLINE PAROT – Chairwoman of the Management Board		
Compensation due for the fiscal year (detailed in Table 2)	933,174	661,643
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)	686,695	765,000
Value of other long-term compensation plans	-	-
TOTAL	**1,619,869**	**1,426,643**

IN EUROS *	2018	2017
KENNETH MCCALL – Deputy CEO – Countries and Operations and member of the Management Board from January 1 through November 21, 2018		
Compensation due for the fiscal year (detailed in Table 2)	652,677	484,353
Value of multi-year variable compensation paid during the fiscal year	0	0
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)		576,712
Value of other long-term compensation plans	-	-
TOTAL	**652,677**	**1,061,065**

* *Amounts indicated have been converted from pounds sterling at an average exchange rate of 1.14 at December 31, 2017 and 1.109 at December 31, 2018.*

IN EUROS	2018	2017
FABRIZIO RUGGIERO – Deputy CEO – Sales, Marketing, Customers & Low Cost and member of the Management Board		
Compensation due for the fiscal year (detailed in Table 2)	737,985	491,094
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)	498,183	555,000
Value of other long-term compensation plans	-	
TOTAL	**1,236,168**	**1,046,094**

TABLE 2 – SUMMARY OF THE COMPENSATION OF EACH EXECUTIVE CORPORATE OFFICER

	Amounts in respect of fiscal year 2018		Amounts in respect of fiscal year 2017	
IN EUROS	payable (2)	paid (3)	payable (2)	paid (3)
CAROLINE PAROT – Chairwoman of the Management Board				
Fixed compensation (1)	510,000	510,000	510,000	631,206 (4)
Annual Variable Compensation (1)	406,133	136,573 (5)	136,573	230,964 (5)
Multi-year Variable Compensation (1)	-	-	-	-
Exceptional compensation (1)	-	-	-	-
Attendance fees	-	-	-	-
Benefits in kind (6)	17,041	17,041 (6)	15,070 (6)	15,070 (6)
TOTAL	**933,174**	**663,614**	**661,643**	**877,240**

(1) Gross before taxes.
(2) Compensation granted for the fiscal year, irrespective of the payment date.
(3) Compensation paid throughout the fiscal year.
(4) Fixed compensation due in respect of fiscal year 2017 includes €107,038 in respect of the Compte Épargne Temps indemnity and for paid time off not taken as of the date of the change in Ms. Caroline Parot's status and which was paid in January 2017. To this sum, add a €42,500 payment as corporate officer, due in December 2016 but paid in January 2017, and deduct €28,334 for cancellation of his December 2016 salary as an employee. (510,000 + 107,038 + 42,500 - 28,334).
(5) Variable compensation paid during the fiscal year that is due in respect of the prior period.
(6) Ms. Caroline Parot benefits from a company car, unemployment insurance in respect of her corporate office and an annual health check.

IN EUROS *	Amounts in respect of fiscal year 2018		Amounts in respect of fiscal year 2017	
	payable (2)	paid (3)	payable (2)	paid (3)
KENNETH MCCALL – Deputy CEO and member of the Management Board from January 1 to November 21, 2018 *				
Fixed compensation (1) (4)	366,049 (4)	366,049 (4)	422,899 (4)	422,899 (4)
Annual Variable Compensation (1)	265,665	38,584	38,584	215,363
Multi-year Variable Compensation (1)	–	–	–	
Exceptional compensation (1)	–			
Attendance fees	–	–	–	–
Benefits in kind (6)	20,963	20,963	22,870	22,870
TOTAL (7)	**652,677**	**425,596**	**484,353**	**661,132**

* *Amounts indicated have been converted from pounds sterling at an average exchange rate of 1.1.14 at December 31, 2017 and 1.109 at December 31, 2018.*
(1) *Gross before taxes.*
(2) *Compensation granted for the fiscal year, irrespective of the payment date.*
(3) *Compensation paid throughout the fiscal year.*
(4) *The fixed compensation includes a cash payment in lieu of retirement contributions in an amount equal to £45,694 in 2018 and £45,694 in 2017. It is specified that these amounts are not taken into account for the calculation of the annual bonus.*
(5) *Variable compensation paid during the fiscal year is that due in respect of the prior period.*
(6) *This amount corresponds to a company car made available to Mr. Kenneth McCall, and an annual health check, as well as additional health insurance taken out in his name.*
(7) *A payment of £67,324 was made to Mr. Kenneth Mc Call for November 22, 2018 to December 31, 2018 as an employee.*

IN EUROS	Amounts in respect of fiscal year 2018		Amounts in respect of fiscal year 2017	
	payable (2)	paid (3)	payable (2)	paid (3)
FABRIZIO RUGGIERO – Deputy CEO – Sales, and member of the Management Board				
Fixed compensation (1)	370,000	370,000	370,000	370,000
Annual Variable Compensation (1)	294,286	99,083	99,083	239,636
Multi-year Variable Compensation (1)	–	–	–	
Exceptional compensation (1)	–			
Attendance fees	–	–	–	–
Benefits in kind	73,699	73,699 (5)	22,011(5)	22,011 (5)
TOTAL	**737,985**	**542,782**	**491,094**	**631,647**

(1) *Gross before taxes.*
(2) *Compensation granted for the fiscal year, irrespective of the payment date.*
(3) *Compensation paid throughout the fiscal year.*
(4) *Variable compensation paid during the fiscal year is that due in respect of the prior period.*
(5) *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.*

TABLE 3 – ATTENDANCE FEES AND OTHER COMPENSATION ALLOCATED AND RECEIVED BY NON-EXECUTIVE CORPORATE OFFICERS

Members of the Supervisory Board		Amounts paid in 2017 [(1)] (IN EUROS)	Amounts paid in 2018 (IN EUROS)
Jean Paul Bailly	Attendance fees	111,450	67,566
	Other compensation	209,815.68 [(3)]	165,528 [(4)]
Patrick Sayer	Attendance fees	74,700	38,544
	Other compensation	-	-
Pascal Bazin	Attendance fees	118,224	67,350
	Other compensation	30,000 (5)	-
Sanford Miller	Attendance fees	80,850	39,000
	Other compensation	-	-
Virginie Fauvel	Attendance fees	100,602	56,034
	Other compensation	-	-
Petra Friedmann	Attendance fees	-	34,708
	Other compensation	-	-
Angélique Gérard	Attendance fees	16,076	-
	Other compensation	-	-
Philippe Audouin	Attendance fees	95,954	53,784
	Other compensation	-	-
Éric Schaefer	Attendance fees	84,852	46,740
	Other compensation	-	-
Kristin Neumann	Attendance fees	83,680	54,360
	Other compensation	-	-
Amandine Ayrem	Attendance fees	12,575	42,750
	Other compensation	-	-
TOTAL		**1,127,390**	**682,440**

(1) Amounts including, for attendance fees, the attendance fees paid in 2017 in respect of fiscal year 2016 and attendance fees paid in 2017 in respect of fiscal year 2017. All of the attendance fees due for 2016 were paid in January 2017. All of the attendance fees due for 2017 were paid in December 2017.

(2) Amounts including, for attendance fees, the attendance fees paid in 2018 in respect of fiscal year 2018 and attendance fees paid in 2018. All of the attendance fees due for 2018 were paid in December 2018.

(3) This amount includes the amount of gross fixed compensation (€165,000) paid to Jean Paul Bailly in his capacity as Chairman of the Supervisory Board for 2017, one-quarter of his annual gross fixed compensation for 2016 (€41,250 representing 25% of €165,000) and paid in January 2017 as well as the absolute amount (€3,565.68) of the benefit in-kind (company car) that he received during 2017.

(4) This amount includes the amount of fixed compensation (i.e. €165,000) paid to Mr. Jean-Paul Bailly in his capacity as Chairman of the Supervisory Board, as well as the amount in value (i.e. €4,080) of benefits in kind (company car) which he received during fiscal year 2016.

(5) On February 24, 2016, the Supervisory Board extended the special assignment entrusted to Mr. Pascal Bazin to implement and monitor the Company's transformation plan and set his annual compensation for this assignment at €120,000 in fiscal year 2016, identical to the fiscal year 2015.

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TABLE 4 – STOCK OPTION ALLOCATIONS MADE DURING FISCAL YEAR 2018 TO EACH EXECUTIVE CORPORATE OFFICER

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					

TABLE 5 – STOCK OPTION ALLOCATIONS EXERCISED DURING FISCAL YEAR 2017 BY EACH EXECUTIVE CORPORATE OFFICER

Name of corporate officer	Plan	Type of option (purchase or subscription)	Number of options exercised during the year	Exercise price
	None			

TABLE 6 – FREE SHARES GRANTED DURING FISCAL YEAR 2018 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 2018**	Valuation of the shares	Date of acquisition	Date of availability	Performance conditions
Caroline Parot	2018 Free Shares Plan of July 24, 2018	86,052	686,695	July 25, 2021	July 25, 2021	See Section 5.3.1.4
Kenneth McCall	2018 Free Shares Plan of July 24, 2018	0	0	N/A		N/A
Fabrizio Ruggiero	2018 Free Shares Plan of July 24, 2018	62,429	498,183	July 25, 2021	July 25, 2021	See Section 5.3.1.4
TOTAL		148,481				

TABLE 7 – FREE SHARES THAT BECAME AVAILABLE DURING FISCAL YEAR 2018 TO EACH CORPORATE OFFICER

Free shares granted during the fiscal year to each corporate officer	Number and date of the plan	Number of shares available during fiscal year 2018	Acquisition conditions
Caroline Parot	-	None	-
Kenneth McCall	-	None	-
Fabrizio Ruggiero	-	None	-
TOTAL			

TABLE 8 – HISTORY OF STOCK OPTION ALLOCATIONS

	Plan
Date of Management Board meeting	None

TABLE 9 – 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

TABLE 10 – HISTORY OF FREE SHARE GRANTS

	AGA Plan Top 13 2015 (Tranche 1)	AGA Plan Top 13 2015 (Tranche 2)	AGA Plan 2017	AGA Plan 2018
Date of meeting	06/08/2015	06/08/2015	05/10/2016	5/10/2016
Date of Supervisory Board meeting	06/25/2015	06/25/2015	03/12/2017(1) 04/25/2017 07/04/2017	7/24/2018 10/25/18
Total number of shares granted	653,057	979,586	591,000 (2)	901,781
Of which granted to:				
Ms. Caroline Parot	75,102	112,653	78,800	86,502
Mr. Kenneth McCall	40,816	61,224	59,400	0
Mr. Fabrizio Ruggiero	40,816	61,224	57,200	62,429
Date shares acquired	06/25/2017	02/26/2018(3)	03/14/2019(4)(10) 04/25/2019(5)(10) 07/04/2019(6)(10)	12/31/2021 10/25/2021
Retention period end date	06/25/2019	2020 (7)	03/14/2020(4)(10) 04/25/2020(5)(10) 07/04/2020(6)(10)	07/24/2021 10/25/2021
Performance conditions	(8)	(8)	(9)	(10)
Number of shares acquired on March 19, 2019 (most recent date) including the number of shares acquired by	285,711	0	0	
Ms. Caroline Parot	-	-	63,040	
Mr. Kenneth McCall	-	-	47,520	
Mr. Fabrizio Ruggiero	-	-	45,760	
Cumulative number of shares canceled or lapsed	367,346	979,586	-	
Of which number of shares canceled or lapsed initially granted to:				
Ms. Caroline Parot	37,551	112,653	-	
Mr. Kenneth McCall	20,408	61,224	-	
Mr. Fabrizio Ruggiero	20,408	61,224	-	
Free shares granted remaining at the end of the year	0	0	0	

(1) Decision of the Supervisory Board of March 13, 2017.
(2) 195,400 shares granted by decision of the Supervisory Board on March 13, 2017, 326,100 shares granted by decision of the Management Board on April 25, 2017, and 69,500 shares granted by decision of the Management Board on July 4, 2017.
(3) On the 15th day after the decision by the Management Board approving the Company's financial statements for the fiscal year ending December 31, 2017.
(4) Regarding the 195,400 shares granted by decision of the Supervisory Board on March 13, 2017.
(5) Regarding the 326,100 shares granted by decision of the Management Board on April 25, 2017.
(6) Regarding the 69,500 shares granted by decision of the Management Board on July 4, 2017.
(7) On the 15th day after the decision by the Management Board approving the Company's financial statements for the fiscal year ending December 31, 2019.
(8) Performance criteria are presented in Section 5.3.1.3 of this Registration Document.
(9) Performance criteria are presented in Section 5.3.1.4 of this Registration Document.
(10) Under Article 9 of the AGA Plan 2017, beneficiaries who, two months before the end of the vesting period are not tax-resident in France can opt for (i) a one-year extension of their vesting period to the third anniversary of the grant date, with their eligibility being re-assessed at that date and (ii) they will then be exempt from the retention period under the AGA Plan 2017 and can sell their shares immediately as of the new vesting date.
(11) Performance criteria are presented in Section 5.3.1.4.3 of this Registration Document.

TABLE 11 – SUMMARY OF THE MULTI-ANNUAL VARIABLE COMPENSATION OF EACH EXECUTIVE CORPORATE OFFICER

Name and position	2016 fiscal year	Fiscal year 2017	Fiscal year 2018
Caroline Parot Chairman of the Management Board	None	None	None
Kenneth McCall – Member of the Management Board, Deputy CEO – Countries & Operations	None	None	None
Fabrizio Ruggiero – Member of the Management Board, Deputy CEO – Sales, Marketing, Customers & Low Cost	None	None	None

TABLE 12 – SUMMARY OF SOME OF THE INFORMATION REQUIRED WITHIN THE FRAMEWORK OF THE AFEP-MEDEF RECOMMENDATIONS

	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	
Members of the Management Board	Yes	No	Yes	No	Yes	No	Yes	No
Caroline Parot – Chairwoman of the Management Board Beginning of term: March 9, 2015 End of term: March 8, 2023		✓		✓	✓		✓	
Fabrizio Ruggiero – CEO – *Group Business* Units and member of the Management Board Beginning of term: March 9, 2015 End of term: March 8, 2023	✓			✓ (1)		✓	✓	
Olivier Baldassari – Director – Countries and Operations Beginning of term: January 1, 2019 End of term: March 1, 2023	✓			✓		✓	✓	
Albéric Chopelin – Director of Sales and Customer Accounts and member of the Management Board Beginning of term: date of arrival in the Company, scheduled for April 15, 2019 End of term: April 15, 2023	✓			✓		✓	✓	

(1) Mr. Fabrizio Ruggiero benefits from a complementary pension plan related to his employment contract with Europcar Italia S.p.A. However, this plan is not comparable to a supplementary pension plan within the meaning of Article L. 137-11 of the French Social Security Code.

5.4 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 the regulation (EU) No. 596/2014 dated April 16, 2014 on market abuses (the "MAR regulation"), the table below accounts for the transactions in Europcar Mobility Group SA securities carried out in 2018 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 AMF, available on www.amf-france.org.

Date Place	Name	Type of transaction	Unit price (IN EUROS)	Amount of transaction (IN EUROS)
None				

06

INFORMATION ON THE COMPANY AND ITS CAPITAL

6.1 INFORMATION ON THE COMPANY

6.1.1 Corporate name

The name of the Company is "Europcar Mobility Group".

The Shareholders' Meeting of May 17, 2018 approved the change of the Company name (formerly "Europcar Groupe") and the subsequent amendment of Article 2 of its bylaws.

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.

6.1.3 Date of incorporation and legal life

The Company was incorporated on March 16, 2006 for the acquisition of the Groupe Europcar by Eurazeo.

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 headquarters are located at:

13 *ter* boulevard Berthier
75017 Paris
(Tel.: +33 (0)1 80 20 90 00)

The Shareholders' Meeting of May 17, 2018 approved the transfer of the Company headquarters to 13 *ter* boulevard Berthier – Paris (75017) and the subsequent amendment of Article 4 of its bylaws.

Since March 9, 2015, Europcar Mobility Group is a public limited company *(société anonyme)* with a Management Board and a Supervisory Board under French law governed in particular by the provisions of Book II of the French Commercial Code. Before March 9, 2015, the Company was a public limited company with a Board of Directors.

The Company's fiscal year begins on January 1 and ends on December 31 of each year.

6.2 CONSTITUTION AND BYLAWS

The Company's bylaws were prepared in accordance with French law and regulations on public limited companies with a Management Board and a Supervisory Board. The key points described below are taken from the Company's bylaws approved at the General and Extraordinary Shareholders' Meetings of February 24, 2015, and amended by the Management Board on June 26, 2017 and by the Ordinary and Extraordinary Shareholders' Meetings on May 17, 2018.

6.2.1 Corporate purpose

Article 3 of the bylaws 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 companies regardless of their 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 supervisory bodies

6.2.2.1 Management Board

Appointments (Article 12 of the bylaws)

The Company is managed by a Management Board comprising two to five members appointed by the Supervisory Board. It performs its duties under the oversight of the Supervisory Board in accordance with the law and the bylaws.

The members of the Management Board may be chosen from among non-shareholders. They must be natural persons. They may always be re-elected. No member of the Supervisory Board may be a member of the Management Board.

The age limit for being a member of the Management Board is sixty-eight (68) years. Members of the Management Board are automatically deemed to have resigned at the end of the General Shareholders' Meeting convened to approve the financial statements for the fiscal year in which they reach the age of sixty-eight (68) years.

Members of the Management Board may be bound to the Company by a contract of employment which remains in force throughout their term of office and after its expiry.

All members of the Management Board are subject to the applicable laws and regulations regarding the total number of offices held.

The members of the Management Board are appointed for a term of four (4) years. In the event of a seat becoming vacant, the Supervisory Board appoints a replacement for the remainder of the predecessor's term of office in accordance with the law.

Dismissal (Article 12 of the bylaws)

Any member of the Management Board may be dismissed either by the Supervisory Board or by the General Shareholders' Meeting. If a dismissal decision is made without just cause, it can give rise to damages.

The dismissal of a member of the Management Board does not result in the termination of their contract of employment if any.

The Chairman of the Management Board and Deputy CEOs (Article 13 of the bylaws)

The Supervisory Board confers upon one of the members of the Management Board the position of Chairman. He or she exercises these duties for the duration of their term of office as a member of the Management Board. They represent the Company in its relations with third parties.

The Supervisory Board may attribute the same representative powers to one or more members of the Management Board who then have the title of Deputy CEO.

The office of Chairman and, if applicable, of Deputy CEO attributed to members of the Management Board may be withdrawn by the Supervisory Board at any time.

As regards third parties, any actions binding on the Company may be validly taken by the Chairman of the Management Board or by any member appointed by the Supervisory Board as Deputy CEO.

Deliberations of the Management Board (Article 14 of the bylaws)

The Management Board meets as often as the interests of the Company require, on a notice of meeting issued by its Chairman or at least half of its members, either at the headquarters or in any other place indicated in the notice of meeting. The agenda can be completed at the time of the meeting. Notices of meetings may be issued by any means, even orally.

A member of the Management Board may arrange to be represented at a meeting by another member of the Management Board who may not hold more than one proxy. The Chairman of the Management Board chairs its meetings. In the event that the Chairman is absent, the Management Board appoints one of its members to act as Chairman of the meeting.

The deliberations of the Management Board are only valid if at least half of its members are present or represented. Decisions are taken by a majority of the votes of members present or represented. In the event of a tied vote, the Chairman of the meeting has a casting vote.

Members of the Management Board may take part in its meetings by means of videoconferencing or other means of telecommunication under the conditions authorized by the regulations applicable to meetings of the Supervisory Board. They are then deemed to be present for the purposes of calculating the quorum and majority.

The deliberations are recorded in minutes drawn up in a special register kept at the registered office and signed by the Chairman and by the secretary or another member of the Management Board. Copies or extracts of these minutes can be validly certified by the Chairman, by the secretary or by a member of the Management Board.

Powers and obligations of the Management Board (Article 15 of the bylaws)

The Management Board is invested with the broadest powers to act in any circumstances in the name of the Company within the limitations of the corporate purpose and subject to the powers expressly attributed by law and the bylaws to Shareholders' Meetings and to the Supervisory Board.

No restriction on its powers is enforceable against third parties; these can take action against the Company to enforce obligations contracted in its name by the Chairman of the Management Board or by a Deputy CEO provided their appointments were duly published.

Members of the Management Board may divide management tasks among themselves with the authority of the Supervisory Board. Under no circumstances, however, does this division of tasks exempt the Management Board from meeting and deliberating on the most important matters regarding the running of the Company, nor does it exempt the Management Board and all of its members from their joint and several responsibilities.

The Management Board may nominate one or more of its members or any person chosen elsewhere to carry out such special, permanent or temporary assignments as it determines and delegate to them the powers it considers necessary for one or more specific purposes with or without the power to sub-delegate.

The Management Board prepares and presents to the Supervisory Board the reports required by the regulations in force as well as annual, half-yearly and, when appropriate, quarterly financial statements.

The Management Board convenes all General Shareholders' Meetings, sets their agenda and performs their decisions.

Members of the Management Board are liable to the Company or to third parties, both individually or jointly and severally, as the case may be, whether for infringements of the legal provisions governing public limited companies, or for breaches of the bylaws, or for negligence in their management, under the conditions set and subject to the penalties provided for by the legislation in force.

Compensation of the members of the Management Board (Article 16 of the bylaws)

The Supervisory Board sets the mode and amount of compensation of each member of the Management Board.

6.2.2.2 Supervisory Board

Supervisory Board's Internal Regulations

The Supervisory Board has Internal Regulations which determine its workings.

Composition and term of office (Article 17 of the bylaws and Articles 1 and 2 of the Supervisory Board's Internal Regulations)

The Supervisory Board comprises three (3) to eighteen (18) members (subject to special dispensations provided for by law) appointed by the General Shareholders' Meeting.

Members of the Supervisory Board are appointed by the General 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 General Shareholders' Meeting.

The number of members of the Supervisory Board aged over seventy (70) years may not exceed one third of members in office. Should this proportion be exceeded, the term of office of the oldest member of the Supervisory Board, other than the Chairman, expires at the end of the next General Shareholders' Meeting.

The term of office of members of the Supervisory Board is four (4) years. The General Shareholders' Meeting may, upon the appointment of certain members of the Supervisory Board, reduce their term of office to less than four (4) years in order to stagger the renewal of the terms of office of members of the Supervisory Board. They may be re-elected. The duties of a member of the Supervisory Board cease at the end of the annual General Shareholders' Meeting convened to approve the financial statements for the previous fiscal year held in the year in which their term of office expires.

Members of the Supervisory Board must own at least 500 shares in the Company throughout their term of office, at all times no later than six months after being appointed.

No member of the Supervisory Board may be a member of the Management Board. Should a member of the Supervisory Board be appointed to the Management Board, their term of office on the Supervisory Board expires as soon as they take up that office.

Should the report presented by the Management Board to the General Shareholders' Meeting pursuant to Article L. 225-102 of the French Commercial Code state that the shares owned by the Company's employees and by companies associated with the Company under Article L. 225-180 of said Code represent more than three per cent (3%) of the share capital, a member of the Supervisory Board representing employee shareholders is appointed by the General Shareholders' Meeting in accordance with the terms and conditions laid down by the laws and regulations in force and the bylaws, provided the Supervisory Board does not already have among its members one or more member(s) appointed from among the members of the Supervisory Boards of the Company mutual funds representing employees, or one or more employees elected pursuant to Article L. 225-79 of the French Commercial Code if the bylaws make use of that provision.

Prior to the General Shareholders' Meeting called to appoint the Supervisory Board member representing employee shareholders, the Chairman of the Supervisory Board 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 as stipulated in the bylaws.

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 appoint one candidate chosen from among its regular members representing employees. When there are several such company mutual funds, the Supervisory Boards of those funds can agree in identical resolutions to present two joint candidates chosen from among the sum total of their regular members representing 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, applications must be presented by a group of shareholders representing at least (5%) of the shares owned by employees exercising their voting right on an individual basis.

The Company can form an *ad hoc* election committee to ensure the process is regular.

The minutes drawn up by the Supervisory Board(s) of the Company mutual funds or by *ad hoc* election committees presenting the applications must be sent to the Supervisory Board no later than eight (8) days before the date of its meeting convened to settle the resolutions of the General Shareholders' Meeting relating to the appointment of the member of the Supervisory Board representing employee shareholders.

In order to be admissible, each application must present a principal and deputy candidate. The deputy candidate, who must satisfy the same conditions of eligibility as the principal, may be co-opted by the Supervisory Board to succeed the representative appointed by the Shareholders' Meeting in the event that they cannot complete their term of office. The co-option of the deputy by the Supervisory Board is subject to ratification by the next General Shareholders' Meetings.

In order to ensure the continuity of employee shareholder representation and in the event that the deputy also cannot complete their term of office, the Chairman of the Supervisory Board refers to the body that originally nominated the candidate (the Supervisory Board of a company mutual fund or a group of employee shareholders) for it to nominate a new candidate whose appointment will be submitted to the General Shareholders' Meeting.

The terms and conditions of nomination of candidates not defined by the laws and regulations in force or the bylaws are set by the Chairman of the Supervisory Board, in particular with regard to the timetable for the nomination of candidates.

Each procedure mentioned in a) and b) above is recorded in minutes including the number of votes received for each of the candidates. A list of all the candidates validly designated is established.

The General Shareholders' Meeting rules, under the conditions applicable to any appointment of a member of the Supervisory Board, on all the candidates validly designated. The candidate obtaining the highest number of votes held by the shareholders present or represented during this General Shareholders' Meeting will be appointed as the member representing employee shareholders. Members representing employee shareholders are not taken into account when determining the minimum and maximum numbers of members of the Supervisory Board set by the bylaws (Article 17).

The term of office of the member of the Supervisory Board representing employee shareholders is four (4) years. Their term of office ceases at the end of the annual General 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, their term of office ceases automatically and the member of the Supervisory Board representing the employee shareholders is deemed to have automatically resigned in the event that they cease to be an employee of the Company (or of an entity or economic interest grouping associated with the Company under Article L. 225-180 of the French Commercial Code).

In the event that the position of member of the Supervisory Board representing employee shareholders becomes vacant for any reason whatsoever, the replacement will be arranged under the conditions set out above, at the latest prior to the next General Shareholders' Meeting or, if this meeting occurs less than four (4) months after the position becomes vacant, prior to the subsequent General Shareholders' Meeting. The new member of the Supervisory Board is appointed by the General Shareholders' Meeting for the remainder of their predecessor's term of office.

The Supervisory Board may validly meet and deliberate until the date of replacement of the member(s) representing employee shareholders.

The above provisions shall cease to apply when, at the close of a fiscal year, the percentage of the capital owned by employees of the Company and entities associated with the Company under Article L. 225-180 of the French Commercial Code, in the context set out by Article L. 225-102 of said Code, represents less than three per cent (3%) of the share capital on the understanding that the term of office of any member appointed will expire on its expiry date.

Provisions relating to the number of shares that must be owned by a member of the Supervisory Board are not applicable to members representing employee shareholders. Nevertheless, members of the Supervisory Board 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.

The Supervisory Board also comprises, depending on the case, one or two members representing employees in accordance with Article L. 225-79-2 of the French Commercial Code.

If, during a fiscal year, the number of members of the Supervisory Board, calculated in accordance with Article L. 225-79-2 II of the French Commercial Code, is less than or equal to twelve (12) the Group Committee, stipulated by Article L. 2231-1 of the French Labor Code, appoints a single member representing employees, by a majority vote.

If, during a fiscal year, the number of members of the Supervisory Board, calculated in accordance with Article L. 225-79-2 II of the French Commercial Code, is greater than twelve, and subject to this criteria still being met on the day of the appointment, the European Works Committee, as stipulated by Article L. 2342-9 of the French Labor Code, appoints a second member representing employees.

The term of office of the members of the Supervisory Board representing employees is four (4) years, renewable one (1) time from the date of their appointment.

As an exception, if a member representing employees is appointed according to one of the two aforementioned methods during the term of office of a member representing employees, the term of office of the newly appointed member will be shortened in such a way that its end will coincide with that of the already appointed member representing employees.

If the number of members of the Supervisory Board, calculated in accordance with Article L. 225-79-2 II of the French Commercial Code, initially greater than twelve members, should fall below or become equal to twelve, the terms of office of the members representing employees are maintained until their expiration.

The terms of office of the members of the Supervisory Board representing employees cease at the end of the Annual General Shareholders' Meeting convened to approve the financial statements for the previous fiscal year, and held during the year in which their terms of office expires. Nevertheless, their term of office ends automatically under the terms and conditions stipulated by law and by the bylaws, and the member of the Supervisory Board representing employees is considered to have resigned in the event they cease to be an employee of the Company or of a company it controls under Article L. 233-3 of the French Commercial Code. In the same manner, if the terms and conditions for the application of Article L. 225-79-2 of the French Commercial Code are no longer being met, the term of office of the member(s) representing employees ceases at the end of the meeting during which the Supervisory Board records that the Company is no longer under the scope of this obligation.

In the event that the position of member of the Supervisory Board representing employees becomes vacant for any reason whatsoever, a replacement will be arranged according to the methods set out above. The Supervisory Board may validly meet and deliberate until the date of the replacement of the member(s) representing employees.

Provisions relating to the number of shares that must be owned by a member of the Supervisory Board are not applicable to members representing employees. In addition, the members of the Supervisory Board representing employees will not receive any attendance fees for holding this office, unless the Supervisory Board decides otherwise.

Supervisory Board members representing employees are not taken into account when determining the minimum and maximum numbers of members of the Supervisory Board set by the bylaws.

The Supervisory Board ensures that wherever possible, at least a third of its members are independent; independence implies no value judgment as to the quality and skills that members bring to the Board. On every appointment or reappointment of a Supervisory Board member, and at least annually before publication of the Company's Annual Report, the Supervisory Board carries out an assessment of the independence of each member (or candidate). During this assessment the Supervisory Board, having heard the opinion of the Compensation and Nominations Committee, assesses each member (or candidate) in light of the criteria set out below, any special circumstances and the person's relationship to the Company. The conclusions of this assessment are brought to the attention of shareholders in the Annual Report and, where applicable, of the General Shareholders' Meeting during the election of the members of the Supervisory Board.

To qualify as independent, members of the Supervisory Board must in particular:

(i) not be an employee or executive corporate officer of the Company, or an employee or executive member of the Board of Directors or member of the Supervisory Board of any parent or consolidated entity, and not have been such in the past five years;

(ii) not be an executive corporate officer of an entity on whose Board of Directors or Supervisory Board the Company sits directly or indirectly or of an entity on whose Board of Directors or Supervisory Board a designated or actual executive corporate officer (current or less than five years ago) of the Company sits;

(iii) not be a customer, supplier, investment banker, bank lender, or consultant (nor be directly or indirectly linked to such a person):
- of significant importance for the Company or Group;
- or for whom the Company or its Group represents a significant part of their business (or who is directly or indirectly related to such a person);

(iv) not have any close family ties with a corporate officer of the Company;

(v) not have been a Statutory Auditor to the Company within the last five years;

(vi) not have been a member of the Supervisory Board of the Company for more than twelve years, specifying that independent status is lost on the date the twelve years have been attained;

(vii) not receive or have received any variable compensation in cash or securities or any compensation linked to the Company's or the Group's performance.

Regarding Supervisory Board members who hold ten percent or more of the Company's share capital or voting rights or who represent a legal entity with an equivalent stake, the Board, on report of the Compensation and Nominations Committee, rules on their independence taking special note of the composition of the Company's share ownership and any potential conflict of interest.

The Supervisory Board may consider that a Supervisory Board member who meets the above criteria may nevertheless not be deemed independent in view of their particular circumstances or those of the Company in light of its shareholder structure or for any other reason. Conversely, the Supervisory Board may consider that a member of the Supervisory Board who does not meet all the above criteria may nonetheless be deemed independent.

Members of the Supervisory Board deemed independent must inform the Chairman of the Supervisory Board of any change in their personal circumstances affecting these criteria as soon as they become aware of such a change.

Dismissal (Article 17 of the bylaws)

Members of the Supervisory Board may be dismissed at any time by the General Shareholders' Meeting.

Officials of the Supervisory Board (Article 18 of the bylaws and Article 1.4 of the Supervisory Board's Internal Regulations)

The Supervisory Board elects a Chairman and can elect a Vice-Chairman from among its members for the duration of their term of office and in accordance with its Internal Regulations.

It determines their fixed or variable compensation.

The Chairman is responsible for convening the Supervisory Board, at least four (4) times a year, for setting the agenda of meetings and for chairing discussions.

The Vice-Chairman performs the same functions and has the same prerogatives if the Chairman is absent or when the Chairman has delegated his powers temporarily.

The Supervisory Board may appoint a secretary selected or not from among its members.

Powers and obligations of the Supervisory Board (Article 20 of the bylaws and Articles 1.5, 2.8, 2.9, 3 and 5 of the Supervisory Board's Internal Regulations)

The Supervisory Board exercises permanent control over the Management Board's running of the Company.

At any time of the year, it carries out such checks and inspections as it deems necessary and can obtain any documents from the Management Board that it considers necessary for it to carry out its task.

The Management Board, at least once every quarter, presents the Supervisory Board with a report summarizing the main management actions or decisions of the Company and containing all items for the Supervisory Board to be fully informed of the Company's business development as well as the half-yearly financial statements and quarterly accounting information.

Once a year the Management Board presents the budgets and investment plans to the Supervisory Board.

After the close of each fiscal year, and within the regulatory period, the Management Board presents the annual financial statements, consolidated financial statements and its report to the Shareholders' Meeting for verification and audit. The Supervisory Board presents its observations on the Management Board's report and the individual, parent company and consolidated financial statements to the Annual General Shareholders' Meeting.

Under no circumstances can this supervision give rise to the taking of management action by the Supervisory Board or by its members, whether directly or indirectly.

The Supervisory Board appoints and may dismiss members of the Management Board according to the law and Article 12 of the bylaws.

The Supervisory Board sets the draft resolution proposing the appointment of the Statutory Auditors to the General Shareholders' Meeting according to the law.

The transactions requiring prior approval by the Supervisory Board are listed in Section 5.2.1.2 "*Matters reserved for the Supervisory Board*" of this Registration Document. Within the limits that it shall determine and, on the terms, and conditions that it shall decide, the Supervisory Board may give prior authorization to the Management Board to carry out one or more of these transactions.

The Supervisory Board may form committees 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.

Reporting to the Supervisory Board (Article 4 of the Supervisory Board's Internal Regulations)

Each Supervisory Board member may receive, upon his or her appointment, additional training on the specifics of the Company and the companies it controls, their business and their activity segment as well as regarding their challenges in terms of corporate social responsibility.

The Chairman of the Supervisory Board, or where appropriate the Vice-Chairman, provides Supervisory Board members, in sufficient time, the information or documents in his possession allowing them to perform their duties effectively. Any Supervisory Board member who is not in possession of the information needed to cast an informed vote has the duty to report this to the Supervisory Board and to demand the information relevant for the performance of his or her duties.

As an exception to the preceding information, if a member of the Board were to experience a conflict of interest, even potential, regarding a subject due to be discussed by the Board, the Chairman will ensure, upon the recommendation of the Compensation and Nominations Committee having previously reviewed the assessed conflict of interest, that information relating to this subject will not be communicated to this member, without prejudice to the obligations of said member described above.

The Supervisory Board may hear from members of the Management Board who may be asked to attend its meetings except for meetings or deliberations called to assess the performance of the Chairman or members of the Management Board or, if applicable, the Deputy CEO(s).

The Management Board reports regularly to the Supervisory Board on the Company's and Group's business, results, cash position and commitments in accordance with the law, the bylaws, the Internal Regulations and the Internal Regulations of the Supervisory Board's Committees.

In particular, the Management Board reports the following information to the Supervisory Board:

(i) in general, the Management Board shall communicate to the Supervisory Board any document or information relating to the Company or the Group, the preparation or publication of which by the Management Board, is required by applicable regulations or to proper market information before their publication;

(ii) within ninety (90) days of the closing date of the annual accounts, the audited consolidated accounts of the Company, including in particular a balance sheet, an income statement, a cash flow statement and the notes thereto, as well as the audited company accounts, including in particular a balance sheet, an income statement and the notes thereto, together with the Statutory Auditors' reports;

(iii) bi-annually, a table summarizing the Company's shareholder structure;

(iv) quarterly, all other information, including financial and accounting information, provided by the Company to its bank lenders under credit agreements made by the Company as soon as the information is sent to the banks;

(v) monthly, a summary of the key financial and operating items of the Company and Group with a breakdown by country (including key income statement aggregates, corporate EBITDA, consolidated financial debt and cash);

(vi) at least quarterly, and whenever the Supervisory Board so requests or deems appropriate, a progress report on the business of the Company and Group;

(vii) within three months of the half-yearly closing dates, the parent company and consolidated financial statements along with the associated management report (presented first to the Audit Committee and then to the Supervisory Board for verification and audit);

(viii) within eight (8) days of being drawn up, the future projections of financial statements and accompanying analysis reports required by Articles L. 232-2 and L. 232-3 of the French Commercial Code (presented first to the Audit Committee and then to the Supervisory Board);

(ix) the Management Board presents, in order to obtain their approval, the Company's and Group's annual budget and medium-or long-term investment and financial plan for approval (the Supervisory Board may request that the Management Board provide quarterly monitoring reports on how these are being met);

(x) as required by the Audit Committee's Internal Regulations, and at least once a year, the Management Board's policy for managing and monitoring risks of all types affecting the Company and Group as well as the programs and measures implemented and the monitoring report on the effectiveness of group internal control, internal audit and risk management by the Management Board to the Audit Committee;

(xi) as required by the Compensation and Nominations Committee's Internal Regulations, and at least once a year by the Management Board to the Compensation and Nominations Committee, all information and policies relating to the fixed compensation, bonuses and benefits, deferred or conditional, of Management Board members (the Management Board reports this information to the Compensation and Nominations Committee which in turn reports it to the Supervisory Board and, if applicable, seeks its prior approval); in the same way, periodic information about succession plans for members of the Management Board and Executive Committee to the Compensation and Nominations Committee;

(xii) the Management Board shall provide any other information and documents relating to the Company or Group deemed to assist the Supervisory Board in fulfilling its duties, particularly with regard to the AFEP-MEDEF Code recommendations.

Any member of the Supervisory Board may meet members of the Executive Committee without Management Board members being present, provided they inform a Management Board member beforehand. Such meetings are purely informative and must not impair any hierarchical reporting lines to which the executives concerned are subject.

Deliberations of the Supervisory Board (Article 19 of the bylaws and Articles 6 and 7 of the Supervisory Board's Internal Regulations)

Members of the Supervisory Board are called to its meetings by its Chairman or, in the case of impediment, by the Vice-Chairman, by any means, including orally. The Chairman of the Supervisory Board must convene the Supervisory Board when at least one member of the Management Board or at least one third of members of the Supervisory Board submit a written motivated request to this effect within fifteen (15) days of its receipt. If the demand is not acted upon, its authors may themselves convene the meeting and set the agenda.

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 Supervisory Board, and in the event of the absence of the Chairman, by the Vice-Chairman. The Supervisory Board meets every three (3) months, notably to review the quarterly report presented by the Management Board with, if necessary, a report of the Audit Committee, to verify and audit the documents and information provided by the Management Board, and whenever the interests of the Company so require. Meetings must be sufficiently frequent and long to allow in-depth review and discussion of the matters falling under the Supervisory Board's responsibility.

Meetings are held and decisions made under the quorum and majority conditions provided by law. In the event of a tied vote, only the Chairman of the Supervisory Board has a casting vote.

Pursuant to applicable laws and regulations, the use of video-conference or other means of telecommunication is authorized for any Supervisory Board meeting: the means used must enable real-time and continuous transmission of speech and, if applicable, video images of the members, who must be visible to everyone. These means must also permit each member to be identified and ensure their active participation in meetings. Directors participating in a meeting by means of video conference or other means of telecommunication as described above are deemed present for purposes of calculating quorum and majority. The attendance sheet includes the names of members participating in the Supervisory Board meeting in such manner.

The meeting's minutes must indicate the names of those Supervisory Board members deemed present in this manner. The minutes must also mention the occurrence of any technical difficulties that may have interfered with the meeting.

In accordance with Article L. 225-82 of the French Commercial Code and Article 19-III of the Company's bylaws, participation in Supervisory Board meetings by means of video conference or telecommunication is prohibited for votes on the following decisions:

- appointing or replacing a Chairperson or Vice-Chairperson;
- appointing or removing members of the Management Board;
- closing the Company's annual and consolidated financial statements and reviewing the Company and Group management reports;
- The minutes of meetings of the Supervisory Board are prepared and copies or extracts thereof are delivered and certified in accordance with the law.

Compensation of members of the Supervisory Board (Article 21 of the bylaws and Article 8 of the Board's Internal Regulations)

The Shareholders' Meeting may allocate an annual fixed sum as attendance fees to the members of the Supervisory Board by way of compensation for their duties.

On recommendation of the Compensation and Nominations Committee, the Supervisory Board:

- freely divides up among its members the attendance fees allocated to the Board by the General Shareholders' Meeting. Committee members receive a share, set by the Supervisory Board and deducted from the total attendance fees allocated, according to their attendance at Committee meetings;
- determines the compensation of the Chairperson and Vice-Chairperson;
- allocates, if it sees fit, exceptional compensation to certain members for tasks or duties entrusted to them.

Attendance fees are paid annually in arrears.

The rules for dividing up attendance fees and the individual amounts paid to members must be disclosed in the corporate governance report, it being understood that the total amount paid to members of the Supervisory Board, including for their work in committees but excluding receipted expenses, cannot exceed the amount authorized by the General Shareholders' Meeting.

6.2.2.3 College of censors (Article 22 of the bylaws and Article 10 of the Supervisory Board's Internal Regulations)

The General Shareholders' Meeting may appoint censors for the purpose of assisting the Supervisory Board. Censors may or may not be shareholders and can number up to four. They are appointed for a maximum term of two (2) years. The General Shareholders' Meeting may revoke their appointment at any time. The Supervisory Board sets their attributions and determines their compensation.

The age limit of a censor is eighty (80) years. Any censor reaching that age will be deemed to have automatically resigned.

Censors are convened to all meetings of the Supervisory Board under the same terms and conditions as members of the Supervisory Board and take part in its deliberations in a solely consultative capacity. Censors express their observations during the Supervisory Board's Meetings. They cannot replace members of the Supervisory Board and only issue their opinions. The Supervisory Board may also assign specific tasks to the censors.

6.2.3 Rights and obligations attached to the shares (Articles 6, 7, 9 and 10 of the bylaws)

6.2.3.1 General Information

Fully paid up ordinary shares are held in either registered or bearer form at the shareholder's discretion. Class C and D preferred shares can only be held in registered form. They are registered in the accounts of their owners according to the laws and regulations in force.

Ownership of a share automatically implies acceptance of the bylaws and the decisions made at General 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.

Each ordinary share grants the right to vote and to be represented at any General Shareholders' Meeting in accordance with legal and statutory requirements. Bylaws governing voting rights are explained in Section 6.2.5 "*Shareholders' Meetings*" of this Registration Document.

6.2.3.2 Specific characteristics of preferred shares

Class C and D preferred shares (Appendices A and B of the bylaws)

Class C and D Shares are preferred shares under Article L. 228-11 of the French Commercial Code whose issue was agreed by the Company's Management Board on May 15, 2015 exercising powers granted it at the Annual General Shareholders' Meeting of February 24, 2015.

C and D category shares have no voting rights but otherwise confer the same rights as ordinary shares. For further details see Section 6.2.3.1 "*General principles*".

Class C preferred shares (the "C Shares") were subscribed by a number of Group employees and executives who are members of the Executive Committee (the "C Managers") and Class D preferred shares (the "D Shares") were subscribed by Eurazeo. The D Shares were subject to a promise by Eurazeo to sell them in favor of C Managers and an obligation imposed on C Managers to purchase them from Eurazeo in the event of the signing of a security agreement relating to the Initial Public Offering. The D Shares were transferred by Eurazeo to the C Managers following signature of a security agreement on May 7, 2015, as part of the Company's listing of its shares on the Euronext Paris regulated market on June 26, 2015 (the "IPO").

The terms and conditions of the C and D Shares lay down the conditions under which holders of C and D Shares may convert them into ordinary shares. Under their terms and conditions, as from the date of the IPO, C Shares can be converted into ordinary shares at any time until December 31, 2019; D Shares cannot be converted during a one year lock-in period after the IPO, i.e. until June 26, 2016, and thereafter only half of D Shares can be converted in the following year. The remainder is convertible as from two years after the IPO, i.e. as from June 26, 2017.

As from the IPO, the conversion ratio of Class C and D Shares into ordinary shares is determined on the basis of the exercise period taking into account a multiple of the value of the ordinary shares varying in line with their trading price. For the purposes of this calculation, the value of the ordinary shares is equal either to a weighted average of the share price over a period of ten trading days preceding the notification date of conversion.

Under the agreement between the C Managers and Eurazeo in respect of the issuance, neither Class C nor Class D Shares can be sold (except to Eurazeo) and ordinary shares created by the conversion of Class C Shares cannot be transferred during the lock-up period set by the underwriting banks and in any case not before a minimum period of one year. Nor can the Chairman or the members of the Management Board dispose of either class of share if this would reduce their holdings to below the corresponding minimum requirement until the end of their term of office (the minimum requirement is the lower of either (i) 10% of the ordinary shares held immediately before the sale or (ii) the equivalent of three times the annual compensation based on the value of the ordinary shares at the sale date).

The agreement also defines the joint transfer rights and commitments of the C Managers as well as their commitment to transfer their C and D Shares to Eurazeo if they leave the Group under certain specified circumstances.

No preferred shares have been converted since June 26, 2017.

If no conversion occurs before December 31, 2019, the Class C and D Shares will automatically be converted into the same number of ordinary shares in the Company.

6.2.4 Changes to shareholders' rights

The rights of shareholders may be changed under the law and regulations in force. There is no specific stipulation that restricts changes to shareholders' rights beyond the requirements of the law.

6.2.5 Shareholders' Meetings (Articles 9, 10, 24 and 25 of the bylaws)

Shareholders' Meetings are convened and deliberate in accordance with the law.

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 take part in Shareholders' Meetings either personally or by appointing a proxy (C and D shares are non-voting). They may also attend any Shareholders' Meeting by postal vote according to the laws and regulations in force.

The Management Board is empowered to authorize transfer by telecommunications (including by electronic media) to the Company of the postal proxy and voting forms in accordance with applicable law and regulations.

When e-signatures are used, they can take any form that complies with the conditions set out in the first sentence of paragraph 2 of Article 1316-4 of the French Civil Code.

If the Management Board announces in the notice of meeting that such means of telecommunication may be used, all shareholders attending by video conference or other telecommunication permitting their identification as required by applicable regulations are deemed present for purposes of calculating quorum and majority.

Meetings are chaired by the Chairman of the Supervisory Board or, in their absence, by the Vice-Chairman. Failing this, the meeting elects its own Chairman.

Minutes are taken of Shareholders' Meetings and copies or extracts provided and certified in accordance with law.

Each ordinary share grants the right to vote and to be represented at any Shareholders' Meeting in accordance with legal and statutory requirements.

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.

Double voting rights are granted to all fully paid up ordinary shares that have been held in registered form by the same holder for a continuous period of at least two (2) years. The length of time that shares were held prior to the listing date of the Company's ordinary shares on Euronext Paris will not be counted towards the two-year holding period. The Company has thus not exercised the option to waive attribution of double voting rights set out in Article L. 225-123 paragraph 3 of the French Commercial Code.

In accordance with Article L. 225-123 paragraph 2 of the French Commercial Code, in the event of a share capital increase by incorporation of reserves, earnings or share premiums, double voting rights will be granted upon issuance to new ordinary shares allocated free of charge to a shareholder in respect of existing shares already carrying such rights.

Double voting rights may be exercised at any Shareholders' Meeting.

Any ordinary share that is transferred or converted into bearer form loses its double voting right. However, a transfer of ownership through inheritance, liquidation of marital property or inter vivos donation to a spouse or relative entitled to inherit does not result in the loss of an acquired double voting right and does not interrupt the two-year holding period above.

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, in accordance with applicable law and regulations, send their proxy or voting forms by mail in either paper format or, if the Management Board so decides and announces in the notice of meeting, by telecommunications (including electronic media). The Company may, to this end, use an identification procedure that complies with the conditions in the first sentence of paragraph 2 of Article 1316-4 of the French Civil Code.

6.2.6 Bylaws provisions likely to have an effect in the event of a change of control

The Company's bylaws do not contain any provisions likely to have an effect in the event of a change of control.

6.2.7 Threshold crossing and identification of shareholders

6.2.7.1 Threshold crossings (Article 8 of the bylaws)

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 (general address) 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 a failure to comply with the above requirements, the penalties prescribed by law for any shareholder in breach of the obligation to declare the crossing of a legal threshold shall only be applied to the thresholds prescribed in the bylaws upon 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 share 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 concerned.

6.2.7.2 Identification of shareholders (Article 7 of the bylaws)

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 power to ask the persons appearing thereon, whom the Company deems potentially 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 Changes to the share capital

Unless stated otherwise in the bylaws, 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 27 of the bylaws)

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 Management Board, may deduct any sums that 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

The share capital at December 31, 2018 was at €161,030,883. The share capital is divided into 161,022,797 ordinary shares with a nominal value of one (1) euro each, 4,045 Class C preferred shares and 4,041 Class D preferred shares.

On the date of this Registration Document, the amount of the share capital was €161,030,883. The share capital is divided into 161,022,797 ordinary shares with a nominal value of one (1) euro each, 4,045 Class C preferred shares and 4,041 Class D preferred shares.

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, 2018.

The General Shareholders' Meeting of May 17, 2018 (19th, 20th, 23rd, 25th, 26th, 27th, and 28th resolutions), the General Shareholders' Meeting of May 10, 2017 (21st, 22nd and 24th resolutions) and the General Shareholders' Meeting of May 10, 2016 (12th resolution) granted various authorizations to the Management Board to issue securities giving access to the share capital, which are described in Section 6.3.5.1 "*Table of currently valid delegations on the date of this Registration Document, concerning increases in share capital and utilization as at December 31, 2018*".

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
2016	01/6/2016	Increase in share capital by the creation of new shares following conversion of Class B preferred shares	143,154,016	16,206	143,170,222	143,170,222
2016	01/11/2016	Increase in share capital by the creation of new shares following conversion of Class B preferred shares	143,170,222	8,067	143,178,289	143,178,289
2016	02/1/2016	Increase in share capital by the creation of new shares following conversion of Class B preferred shares	143,178,289	15,835	143,194,124	143,194,124
2016	03/03/2016	Increase in share capital by the creation of new shares following conversion of Class B preferred shares	143,194,124	67,172	143,261,291	143,261,296
2016	03/14/2016	Increase in share capital by the creation of new shares following conversion of Class B preferred shares	143,194,125	92,166	143,286,291	143,286,291
2016	03/29/2016	Increase in share capital by the creation of new shares following conversion of Class B preferred shares	143,286,291	39,276	143,325,567	143,325,567
2016	04/11/2016	Increase in share capital by the creation of new shares following conversion of Class B preferred shares	143,325,567	36,194	143,361,761	143,361,761
2016	04/18/2016	Increase in share capital by the creation of new shares following conversion of Class B preferred shares	143,361,761	11,343	143,373,104	143,373,104
2016	04/22/2016	Increase in share capital by the creation of new shares following conversion of Class B preferred shares	143,373,104	36,194	143,409,298	143,409,298
2017	02/24/2017	Increase in share capital reserved for members of company savings plans, with waiver of preferential subscription rights	143,409,298	2,191,397	145,600,695	145,600,695
2017	02/24/2017	Increase in share capital reserved for categories of beneficiaries as part of employee share ownership transactions	145,600,695	532,017	146,132,712	146,132,712
2017	06/23/2017	Increase in share capital through a private placement with waiver of preferential subscription rights	146,132,712	14,612,460	160,745,172	160,745,172
2017	06/26/2017	Increase in share capital by the creation of new shares for the purposes of allocating free shares	160,745,172	285,711	161,030,883	161,030,883

6.3.4 Information about potential dilution

The Company has issued preferred shares whose terms and conditions for conversion into ordinary shares appears in Section 6.2.3.2. "*Specific characteristics of preferred shares*" of this Registration Document.

At December 31, 2018 there were no stock options outstanding.

6.3.5 Summary tables of delegations relating to share capital increases

6.3.5.1 Table of currently valid delegations on the date of this Registration Document, concerning increases in share capital and utilization as at December 31, 2018

The table below summarizes all delegations and remaining valid as at December 31, 2018, granted by shareholders at the Annual General Shareholders' Meetings of May 17, 2016 and May 10, 2017 and May 17, 2018, and the use made of such

authorizations as of December 31, 2018:

General Meeting Date (resolution no.)	Type of authorization	Authorized share capital ceiling (NOMINAL AMOUNT OR PERCENTAGE)	Term (EXPIRY)	Provisions utilized during the period in 2018
05/10/2016 (resolution 12)	Authorization to the Management Board to grant free shares, with automatic waiver of subscription rights, to Group corporate officers and employees.	The total maximum number of shares granted may not exceed 5% of the share capital on the day the decision is made by the Management Board	38 months (07/09/2019)	See Section 5.3.1.4.3
05/10/2017 (resolution 21)	Delegation of authority to the Management Board to increase share capital through the issuance of shares and/or equity securities without preferential subscription rights giving access to other equity securities and/or securities entitling holders to receive debt and/or other securities giving rights to equity securities to be issued by the Company through a public offering, or as part of a takeover bid involving the exchange of shares.	€35,000,000 (1) (2) (3) €750,000,000 for the debt securities	26 months (07/09/2019)	-
05/10/2017 (resolution 22)	Delegation of authority to the Management Board to increase share capital through the issuance of shares and/or equity securities without preferential subscription rights giving access to other equity securities and/or securities entitling holders to receive debt and/or other securities giving rights to equity securities to be issued by the Company through a private placement under Article L. 411-2 II of the French Monetary and Financial Code.	10% of share capital per 12-month period (1) (2) (3) €750,000,000 for debt securities	26 months (07/09/2019)	-
05/10/2017 (resolution 24)	Authorization granted to the Management Board to increase the number of shares or securities issuable in the event of a capital increase with or without preferential subscription rights.	15% of the initial issue (1)	26 months (07/09/2019)	-
05/17/2018 (resolution 18)	Authorization for the Company's share buy back program.	€75,000,000	18 months (11/16/2019)	See Section 6.3.8
05/17/2018 (resolution 19)	Delegation of authority to the Management Board to increase share capital by capitalizing reserves, profits, share premiums, acquisition premiums or goodwill on consolidation.	€500,000,000	26 months (07/16/2020)	-

General Meeting Date (resolution no.)	Type of authorization	Authorized share capital ceiling (NOMINAL AMOUNT OR PERCENTAGE)	Term (EXPIRY)	Provisions utilized during the period in 2018
05/17/2018 (resolution 20)	Delegation of authority to the Management Board to issue, with preferential subscription rights, shares and/or equity securities giving access to other equity securities and/or giving the right to the allocation of debt securities and/or marketable securities giving rights to future shares.	€80,000,000 (2) (4) €750,000,000 in debt securities	26 months (07/16/2020)	-
05/17/2018 (resolution 23)	Authorization to the Management Board, in the event of an issue of shares and/or equity instruments without subscription rights giving access to other equity instruments and equity securities entitling holders to receive future securities to set the issue price at no more than 10% of the share capital.	10% of the share capital per period of 12-month period(4)	26 months (07/16/2020)	-
05/17/2018 (resolution 25)	Authorization granted to the Management Board to increase share capital without preferential subscription rights through the issuance of shares and/or equity securities giving access to other capital securities and/or entitlement to the award of debt securities and securities giving rights to equity securities to be issued in consideration of contributions in kind made to the Company (excluding tender offers).	10% of share capital (4)	26 months (07/16/2020)	-
05/17/2018 (resolution 26)	Delegation of authority to the Management Board to issue shares and/or equity securities giving right to other equity securities of the Company or giving right to the grant of debt securities, and to issue other securities giving right to future shares, with waiver of preferential subscription rights, for the benefit of a category of persons as part of an equity line transaction.	10% of share capital (4) (5)	18 months (11/16/2019)	-
05/17/2018 (resolution 27)	Delegation of authority to the Management Board to increase the share capital by issuing shares and/or equity securities without preferential subscription rights giving access to other equity securities and/or entitling holders to receive debt and/or other securities giving access to future shares, reserved for members of an employee savings plan.	3% of share capital (2) (4)	26 months (07/16/2020)	-
05/17/2018 (resolution 28)	Delegation of authority to the Management Board to increase the share capital by issuing without preferential subscription rights securities reserved for certain categories of beneficiaries under an employee shareholding plan.	3% of share capital (2) (4)	18 months (11/16/2019)	-

(1) The maximum global nominal amount of increases in share capital likely to be conducted pursuant to this delegation shall be deducted from the global ceiling of €70 million.
(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.
(3) The maximum global nominal amount of increases in share capital likely to be conducted pursuant to this delegation may not be greater than €35 million and shall be deducted from the global nominal ceiling of €70 million.
(4) The maximum global nominal amount of increases in share capital likely to be conducted pursuant to this delegation shall be deducted from the global ceiling of €80 million.
(5) The maximum global nominal amount of increases in share capital likely to be conducted pursuant to this delegation may not be greater than €35 million and shall be deducted from the global nominal ceiling of €80 million.

6.3.5.2 Delegations relating to share capital increases to be voted on at the Annual General Shareholders' Meeting of April 26, 2019

General Meeting Date (RESOLUTION NO.)	Type of authorization	Authorized share capital ceiling (NOMINAL AMOUNT OR PERCENTAGE)	Term (EXPIRATION)
04/26/2019 (resolution 23)	Authorization for the Company's share buy back program.	€75,000,000	18 months (10/25/2020)
04/26/2019 (resolution 32)	Authorization to the Management Board to grant free shares in the Company, with automatic waiver of subscription rights, to corporate officers and employees of the Group.	2% of share capital, of which 0.4% of share capital for corporate officers	26 months (06/25/2021)
04/26/2019 (resolution 24)	Delegation of authority to the Management Board to increase share capital by capitalizing reserves, profits, share premiums, acquisition premiums or goodwill on consolidation.	€500,000,000	26 months (06/25/2021)
04/26/2019 (resolution 25)	Delegation of authority to the Management Board to issue, with preferential subscription rights, shares and/or equity securities giving access to other equity securities or giving the right to the allocation of debt securities and/or issue marketable securities giving rights to future shares of the Company.	50% of share capital (1) (2) €750,000,000 in debt securities	26 months (06/25/2021)
04/26/2019 (resolution 26)	Delegation of authority to the Management Board to increase share capital through the issuance of shares and/or equity securities without preferential subscription rights giving access to other equity securities or securities entitling holders to receive debt and/or issue securities giving rights to equity securities to be issued by the Company through a public offering or a public exchange offering.	10% of share capital (1) (2) (3) €750,000,000 in debt securities	26 months (06/25/2021)
04/26/2019 (resolution 27)	Delegation of authoriy to the Management Board to increase share capital through the issuance of shares and/or equity securities without preferential subscription rights giving access to other Company equity securities or securities entitling holders to receive debt or other securities giving rights to equity securities to be issued by the Company as part of an offer under Article L. 411-2 II of the French Monetary and Financial Code.	10% of share capital (1) (2) (3) €750,000,000 in debt securities	26 months (06/25/2021)
04/26/2019 (resolution 28)	Authorization to the Management Board, in the event of an issue of shares and/or equity instruments without subscription rights giving access to other equity instruments or equity securities entitling holders to receive future securities to set the issue price at no more than 10% of the share capital.	10% of the share capital (1)	26 months (06/25/2021)
04/26/2019 (resolution 29)	Authorization granted to the Management Board to increase the number of shares or securities issuable in the event of increase in share capital with or without preferential subscription rights.	15% of the initial issue (1) (2) (3)	26 months (06/25/2021)
04/26/2019 (resolution 30)	Delegation of authority to the Management Board to issue, with preferential subscription rights, shares and/or equity securities giving access to other capital securities and/or entitlement to the award of debt securities and securities giving rights to equity securities to be issued in consideration of contributions in kind made to the Company.	10% of share capital (1)	26 months (06/25/2021)
04/26/2019 (resolution 31)	Delegation of authority to the Management Board to issue shares and/or equity securities giving right to other equity securities of the Company or giving right to the grant of debt securities, and to issue other securities giving right to future shares, with waiver of preferential subscription rights, for the benefit of a category of persons as part of an equity line transaction.	10% of share capital (1) (2) (3)	18 months (06/25/2021)

General Meeting Date (RESOLUTION NO.)	Type of authorization	Authorized share capital ceiling (NOMINAL AMOUNT OR PERCENTAGE)	Term (EXPIRATION)
04/26/2019 (resolution 33)	Delegation of authority to the Management Board to increase the share capital by issuing shares and/or equity securities entitling holders to receive debt and/or other securities giving access to future shares, reserved for members of an employee savings plan.	3% of share capital (1) (2)	26 months (06/25/2021)
04/26/2019 (resolution 34)	Delegation of authority to the Management Board to increase the share capital by issuing without preferential subscription rights securities reserved for certain categories of beneficiaries under an employee shareholding plan.	3% of share capital (1) (2)	18 months (10/25/2020)

(1) The overall maximum nominal amount of capital increases that may be carried out pursuant to this delegation shall count 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.
(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 26th, 27th, 28th, 29th, 30th and 31st resolutions may not be greater than 10% of the Company's share capital on the date the financial delegation is used by the Management Board, and shall count against the overall nominal ceiling representing more than 50% of the Company's share capital on the date of the General Meeting.

6.3.6 Non-equity securities

As of the filing date of this Registration Document, the Company has issued no non-equity securities.

6.3.7 Pledges

At the date of this Registration Document, to the Company's knowledge, none of the shares comprising its capital was pledged.

6.3.8 Share buy back agreement

6.3.8.1 Description of the 2018 buy back agreement

(A) Legal Framework

By approving resolution 18 of the Combined Shareholders' Meeting of May 17, 2018, shareholders authorized the Management Board to implement a share buy-back agreement in accordance with Article L. 225-209 of the French Commercial Code and AMF general regulations (the **"Buy back Agreement"**). This authorization cancels and replaces that granted at the Annual Shareholders' Meeting of May 10, 2017.

(B) Characteristics of the Buy-back Agreement

The Buy back Agreement was approved for a period of 18 months from the date of the Annual General Meeting of May 17, 2018, until November 16, 2019. The maximum purchase price per share under this authorization is €20. The Management Board was authorized to buy a number of shares representing up to 10% of the Company's share capital at the purchase date.

The various objectives of the Buy-back Agreement, in accordance with the prevailing regulations and market practices accepted by the AMF, are as follows:

- the buyback program was approved for a period of 18 months from the date of the Annual General Meeting of May 17, 2018, until November 16, 2019. Pursuant to such authorization, the maximum purchase price per share is €20.00. The Management Board was authorized to buy a number of shares representing up to 10% of the Company's share capital at the purchase date.

The objectives of the buyback program, in accordance with regulations in force and market practices accepted by the AMF, are as follows:

- canceling in whole or in part, treasury shares by virtue of an authorization to the Management Board conferred by the Extraordinary Shareholders' Meeting; or
- creating a market for the share within the framework of a liquidity contract entered into with an independent investment services provider in accordance with a Code of ethics recognized by the AMF; or
- allocating or transferring of shares to employees and corporate officers of the Company and/or companies that are or will be related to it under the conditions defined by the applicable law, notably the exercise of stock options, the grant of free shares company profit-sharing schemes; or
- all hedging operations relating to operations for the benefit of employees and corporate officers in the Company and/or related companies, as indicated above;
- delivering or exchanging shares upon the exercise of rights attached to debt securities entitling the holder, in any manner, to receive shares in the Company; or
- retaining or subsequently delivering further to an exchange or in consideration of any external growth transactions; or
- any other practice allowed or recognized by law or by the AMF, or that comes to be allowed, or any other objective that complies with the prevailing regulations.

In case of transactions undertaken for purposes other than the above, the Company shall inform its shareholders through a press release.

6.3.8.2 Share buy-backs and disposals carried out by Europcar Mobility Group in 2018

In fiscal year 2018, the Management Board implemented the Buy-back Agreement and bought a total of 5,927,009 shares at an average price of €9 for a total cost of €53,370,936, distributed as follows:

(A) Buy-back of shares for cancellation

Europcar Mobility Group did not cancel any shares during fiscal year 2018.

(B) Buy-back of shares for market making purposes under the liquidity contract

At December 31, 2018, no shares were held under this liquidity contract.

The total number of shares bought in fiscal year 2018 on behalf of the Company under a liquidity contract dated August 7, 2015, as amended by the additional agreements of August 7, 2015 and July 29, 2016, for the purposes of managing the contract entered into with Rothschild Martin Maurel, was 2,311,462 shares bought back at an average price of €8.93 per share, for a total cost of €20,643,179. 783,979 of these shares were acquired at an average price of €9.96 per share, for a total cost of €7,809,690 pursuant to the authorization granted by resolution 18 approved by the Combined General Meeting of May 10, 2017, and 5,143,030 shares were acquired at an average price of €8.86 per share, for a total cost of €45,561,245, pursuant to the authorization granted by resolution 18 approved by the Combined General Meeting of May 17, 2018.

(C) Buy-back of shares to be allocated to employees and corporate officers

During fiscal year 2018, the Company bought 3,615,547 shares at an average price of €9.05 and a total cost of €32,727,757 for the purpose of allocating shares to the employees or corporate officers.

(D) Buy-back of shares for retention and for future use in external growth transactions

During the 2018 fiscal year, the Company did not buy any shares for the purpose of retention and future use in external growth transactions.

(E) Disposals of shares during fiscal year 2018

During fiscal year 2018, the total number of shares sold on behalf of the Company, under the purchase agreement, entered into on May 17, 2018, for the purposes of market making entered into with Rothschild Martin Maurel was 2,446,212 shares at an average price of €9.07 per share for a total cost of €22,184,907.

(F) Methods used for share buy-backs

During the 2018 fiscal year, the Company purchased 3,615,547 shares through direct purchases on the market, at an average price of €9.05 per share for a total cost of €32,727,757.

Moreover, the Company purchased, under a share purchase mandate, under the share buy-back program, entered into with Rothschild Martin Maurel, a total of 2,311,462 shares at an average price of €8.93 for a total cost of €20,643,179.

The Company did not use derivatives to make its purchases during this period.

(G) Possible re-allocations

The Company did not re-allocate any shares during fiscal year 2018.

(H) Amount of trading fees

The amount of trading fees with respect to share buy-backs totaled €140,456 excluding taxes in fiscal year 2018.

6.3.8.3 Share buy-backs and disposals carried out in early 2019

Since the start of fiscal year 2019 and up to February 28, 2019, Rothschild Martin Maurel has bought, on behalf of Europcar Mobility Group, 1,108,594 shares at an average price of €7,690 for a total cost of €8,615,214.50 as part of its share acquisition mandate.

As part of a liquidity contract signed on August 7, 2015 amended by riders on August 7, 2015 and July 29, 2016 and a new liquidity contract signed on January 24, 2019 with Rothschild Martin Maurel, the total number of shares purchased between the start of fiscal year 2019 and February 28, 2019 is 255,287 shares at an average price of €7,745 per share, for a total cost of €1,947,563.72 and the total number of shares sold is 240,287 shares at an average price of €7,783 per share for a total of €1,849,755.

6.3.8.4 Authorization to be voted on at the Annual General Shareholders' Meeting of April 26, 2019

The Management Board will be seeking a new 18-month authorization at the Annual General Shareholders' Meeting to be held on May 26, 2019, to buy up to 10% of the outstanding shares in the Company (i.e., for indicative purposes, 16,103,088 shares at December 31, 2018) at a maximum price per share of €20, it being specified that the total maximum amount that the Company may devote to the buy-back of its own shares may not exceed €75 million.

If this authorization is approved by the Annual General Shareholders' Meeting of April 26, 2019, the Company will buy back these shares, in accordance with Article L. 225-209 of the French Commercial Code, Articles 241-1 *et seq.* of the AMF general regulations, Article L. 451-3 of the French Monetary and Financial Code and European regulations on market abuse for:

- canceling in whole or in part, treasury shares by virtue of an authorization to the Management Board conferred by the Extraordinary Shareholders' Meeting;
- creating a market for the share within the framework of a liquidity contract entered into with an independent investment services provider in accordance with market practices permitted by the AMF;
- allocating or transferring of shares to employees and corporate officers of the Company and/or companies that are or will be related to it under the conditions defined by the applicable law, notably the exercise of stock options, the grant of free shares company profit-sharing schemes;
- All hedging transactions relating to transactions for the benefit of employees and corporate officers of the Company and/or its related companies as indicated above;
- delivering or exchanging shares upon the exercise of rights attached to debt securities entitling the holder, in any manner, to receive shares in the Company;
- retaining or subsequently delivering further to an exchange or in consideration of any external growth transactions;
- any other practice allowed by law or by the AMF, or that comes to be allowed, or any other objective that complies with the prevailing regulations.

In case of transactions undertaken for purposes other than the above, the Company shall inform its shareholders through a press release.

These transactions may be carried out during 18 months from April 26, 2019 within the limits set by the applicable regulations.

6.3.9 Conditions governing all rights of acquisition and/or all obligations attached to subscribed but not paid up share capital

Not applicable.

6.3.10 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, 2018 and changes 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, 2018, and its changes during the last three years. In accordance with the AMF's Position-Recommendation 2009-16, it shows theoretical or "gross" voting rights, which include votes attached to non-voting shares in accordance with Article 223-11 of the AMF's general regulations. 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, 2018, to the Company's knowledge, with the exception of Eurazeo S.E., Morgan Stanley and Kairos Investment Management S.p.A., no other shareholders held, either 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 General Meetings	Voting rights exercisable in General Meetings
At December 31, 2018						
Eurazeo S.E.	48,987,740 (1)	30.42%	48,988,006	30.40%	48,988,066	31.23%
Morgan Stanley	8,177,148	5.08%	8,177,148	5.07%	8,177,148	5.21%
Kairos Investment Management S.p.A.	8,072,043	5.01%	8,072,043	5.01%	8,072,043	5.15%
ECIP Europcar Sarl (4)	4,990,000	3.10%	4,990,000	3.10%	4,990,000	3.18%
Executives and employees	2,170,500 (2)	1.35%	2,229,555	1.38%	2,229,555	1.42%
Public	84,299,003	49.91%	84,370,893	52.36%	84,370,893	53.79%
Treasury shares	4,315,547	2.68%	4,315,547	2.68%	-	0.00%
TOTAL	**161,030,883**	**100%**	**161,162,094**	**100%**	**156,846,547**	**100%**
As at Dec. 31, 2017						
Eurazeo S.E.	48,960,740 (1)	30.40%	48,961,006	30.40%	48,961,006	30.56%
Morgan Stanley	9,047,141	5.62%	9,047,141	5.62%	9,047,141	5.5%
Kairos Investment Management S.p.A	8,072,043	5.01%	8,072,043	5.01%	8,072,043	5.04%
ECIP Europcar Sarl (4)	7,017,713	4.36%	7,017,713	4.36%	7,017,713	4.38%
Executives and employees	2,399,423 (2)	1.49%	2,398,122	1.49%	2,398,122	1.50%
Public	84,699,073	52.60%	84,725,258	52.60%	84,725,258	52.88%
Treasury shares	834,750	0.52%	834,750	0.52%	-	0.00%
TOTAL	**161,030,883**	**100%**	**161,056,033**	**100%**	**160,221,283**	**100%**
At Dec. 31, 2016						
Eurazeo SA	60,545,072	42.22%	60,544,838	42.22%	60,544,838	42.41%
ECIP Europcar Sarl (4)	9,036,469	6.30%	9,036,469	6.30%	9,036,469	6.33%
Morgan Stanley	7,400,955	5.16%	7,400,955	5.16%	7,400,955	5.18%

	Shares	% of share capital	Theoretical voting rights	% of theoretical voting rights	Voting rights exercisable in General Meetings	Voting rights exercisable in General Meetings
Executives and employees	170,619 [(3)]	0.12%	162,767	0.11%	162,767	0.11%
Public	65,629,343	45.76%	65,629,343	45.77%	65,629,343	45.97%
Treasury shares	626,840	0.44%	626,840	0.44%	-	0.00%
TOTAL	**143,409,298**	**100%**	**143,401,212**	**100%**	**142,774,372**	**100%**

(1) Of which 234 Class D preferred shares.
(2) Of which 2,519 Class C preferred shares and 2,281 Class D preferred shares held by certain current or former Group employees or executives.
(3) Of which 4,045 Class C preferred shares and 3,807 Class D preferred shares held by certain current or former Group employees or executives.
(4) ECIP Europcar Sarl is a Luxembourg company whose main purpose is the holding of investment shares (Soparfi) and whose shareholders are Eurazeo Partners and Eurazeo Partners B, Luxembourg-law co-investment vehicles alongside Eurazeo.

6.4.2 Notices of threshold crossings

During fiscal year 2018, the following legal threshold crossings were declared:

Shareholder	Date of threshold crossing	No. of AMF declaration	Shares held	% of share capital and/or declared voting rights	Threshold crossing (upwards or downwards)
Morgan Stanley Plc	April 11, 2018	218C0746	85,229	0.05%	↓
Morgan Stanley Plc	May 23, 2018	218C0955	10,374,541	6.44%	↑
Morgan Stanley & Co. International Plc [(1)]	May 24, 2018	218C0968	4,737,317	2.94%	↓
Morgan Stanley France S.A. [(2)]	May 25, 2018	218C0973	9,016,732	5.60%	↑
Morgan Stanley France S.A. [(3)]	May 30, 2018	218C0998	102,909	0.06%	↓
Morgan Stanley & Co. International Plc [(3)]	May 30, 2018	218C0998	9,688,599	6.02%	↑
Morgan Stanley & Co. International Plc [(4)]	July 26, 2018	218C1384	4,950,425	3.07%	↓
Morgan Stanley & Co. International Plc [(5)]	July 27, 2018	218C1384	8,807,956	5.47%	↑
Morgan Stanley & Co. International Plc [(4)]	July 30, 2018	218C1401	5,591,579	3.47%	↓
Morgan Stanley & Co. International Plc [(5)]	August 1, 2018	218C1415	9,140,956	5.68%	↑
Morgan Stanley Plc [(6)]	October 24, 2018	218C1756	105,471	0.07%	↓
Morgan Stanley Plc [(7)]	October 26, 2018	218C1763	8,177,148	5.08%	↑
Morgan Stanley Plc [(6)]	October 30, 2018	218C1767	105,471	0.07%	↓
Morgan Stanley Plc [(7)]	October 31, 2018	218C1772	8,192,036	5.09%	↑
Morgan Stanley & Co. International Plc [(4)]	November 1, 2018	218C1793	8,008,775	4.97%	↓
Morgan Stanley & Co. International Plc [(8)]	November 2, 2018	218C1808	8,074,767	5.01%	↑

(1) This threshold crossing was the result of the restitution of shares held under securities loan agreements with a recall option.
(2) This threshold crossing was the result of the receipt of shares held under securities loan agreements.
(3) This threshold crossing was the result of a securities loan by Morgan Stanley France S.A. to Morgan Stanley & Co. International Plc, Morgan Stanley France S.A. retaining a recall option.
(4) This threshold crossing was the result of the restitution of shares held under securities loan agreements.
(5) This threshold crossing was the result of the receipt of shares held under securities loan agreements.
(6) This threshold crossing was the result of an off-market disposal of shares.
(7) This threshold crossing was the result of an off-market acquisition of shares.
(8) This threshold crossing was the result of an acquisition of shares by Morgan Stanley France S.A, lent to Morgan Stanley & Co International Plc.
↑ *Threshold crossing (upwards).*
↓ *Threshold crossing (downwards).*

6.4.3 Shareholders' voting rights

Information on voting rights are explained in Section 6.2.5 "*Shareholders' Meetings*" of this Registration Document.

6.4.4 Control of the Company

At the date of this Registration Document, Eurazeo is the Company's reference shareholder. The Company believes there is no risk that control will be exercised in an abusive manner. In this regard, at least half of the Supervisory Board is composed of independent members and each of the three specialized committees, namely the Audit Committee, the Strategic Committee and the Compensation and Nominations Committee, is made up of a majority of independent members, and all three are chaired by an independent member of the Supervisory Board.

At the date of this Registration Document, six of the ten members of the Supervisory Board are considered independent. Three of the four members of the Audit Committee, two of the four members of the Compensation and Nominations Committee, and three of the five members of the Strategic Committee are also considered to be independent.

At December 31, 2018, the Company was 30.42% held by Eurazeo, with the balance of the share capital being held by Morgan Stanley with 5.08%, Kairos Investment Management S.p.A. with 5.01%, ECIP Europcar Sarl with 3.10% and 1.36% by the employees and executives of the Group, and 49.91% by the public.

For matters concerning the absence of conflicts of interest see Section 5.1.3.3 "*No conflicts of interest*" in this Registration Document.

6.4.5 Shareholders' agreements

6.4.5.1 Agreements concerning Europcar securities declared to the AMF

Pursuant to Article L. 233-11 of the French Commercial Code, the AMF has made public the shareholders' agreement signed on July 31, 2015 between Eurazeo and ECIP Europcar (Decision and Information No. 215C1243). This agreement bears on the possible sale of their respective investments in the Company.

The main provisions of the agreement are as follows:

- absence of action in concert: the parties have declared that they do not intend to act in concert with each other with regard to the Company within the meaning of Article L. 233-10 of the French Commercial Code;
- transfer of securities: the agreement provides that in case of sale of all or part of the interest held by Eurazeo and ECIP Europcar in the capital of the Company, Eurazeo and ECIP Europcar will sell their respective investments in the Company concurrently on the same legal and financial terms. In case of partial sale, the number of shares of the Company sold respectively by Eurazeo and ECIP Europcar will be determined in proportion to their respective investments in the Company before the partial sale in question;
- term of the agreement: the agreement provides that it will last as long as each party holds shares in the Company. Either party may terminate the shareholders' agreement by written notification to the other party at least three months before the effective date of termination.

6.4.5.2 Agreements entered into by shareholders

Investment Agreement

In conjunction with the issuance by the Company of Class C and Class D preferred shares (the "C Shares" and the "D Shares") on May 7, 2015 Eurazeo concluded an agreement with a number of Group executives and employees on the Executive Committee (the "C Managers") relating to the subscription by the C Managers of C Shares and by Eurazeo of D shares (the "Investment Agreement").

The D Shares were subject to a promise by Eurazeo to sell them to C Managers and an obligation imposed on C Managers to purchase them from Eurazeo in the event of the signing of a security agreement relating to the IPO. The D Shares were sold by Eurazeo to the C Managers following the signing of a security agreement as part of the IPO.

The main provisions of this agreement remain in force since the IPO and are summarized below.

In accordance with this agreement, the Class C preferred shares and Class D preferred shares held by the C Managers may not be sold, subject to certain exceptions, such as, in particular, the sale to Eurazeo in the event of certain departures by C Managers in the two years following the effective date of the agreement. The provisions with respect to the sale of shares to Eurazeo will terminate once Eurazeo no longer holds any shares of the Company. In accordance with these provisions, following the departure of one of the C Managers, in June 2016 Eurazeo bought back 234 D shares held by the latter.

The parties also undertook to ensure that decisions subject to prior authorization by the Supervisory Board under the bylaws are not adopted without the Supervisory Board's prior authorization.

The Investment Agreement has a term of ten years and will terminate (i) in the event of a successful public offering for all of the Company's share capital following a transfer by Eurazeo of its ordinary shares to a third party, or (ii) in the event that Eurazeo tenders its ordinary shares of the Company to a public offering.

In accordance with applicable law, prior to the Annual Shareholders' Meeting of February 24, 2015 that authorized the issuance of the Class C preferred shares and the Class D preferred shares, special Statutory Auditors' reports and a report by a Contribution auditor *(commissaire aux apports)* in charge of assessing special benefits were prepared.

6.4.6 Agreements likely to lead to a change of control

As of the date of this Registration Document, to the Company's knowledge, there are no agreements whose enforcement could lead to a change of control at a later date.

6.5 PROFIT-SHARING AGREEMENT AND INCENTIVE PLANS – EMPLOYEE SHAREHOLDING

For more information on profit-sharing and on stock options held by members of the Management Board and Supervisory Board and by certain Group employees, see Section 5.3 "*Compensation and benefits in any kind for members of the Management Board and Supervisory Board*" and Section 6.3 "*Share Capital*" in this Registration Document.

As of December 31, 2018, employees of the Company and its related entities held a total of 2,119,649 ordinary shares, 1,991 Class C preferred shares, and 1,753 Class D preferred shares, representing 1.32% of the share capital.

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 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 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 shareholding

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 2019, the Group will launch the we Share 2019 Plan, a new international shareholding offer reserved for employees of the Company and some Group subsidiaries wholly owned either indirectly or indirectly by the Company, who are members of the Group's Employee Saving Plan ("GESP") and the International Group Employee Savings Plan ("IGESP") and whose headquarters are located in Germany, Australia, Austria, Belgium, Luxembourg, Denmark, Spain, France, Greece, Ireland, Italy, New Zealand, Portugal, the United Kingdom, Slovakia and Turkey. This plan received authorization from the AMF on March 15, 2019 and the plan should be launched in 2019.

The shares held by Group employees represented 1.32% of the Company's share capital at December 31, 2018.

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 AMF*" (on clauses in agreements notified to the Company pursuant to Article 233-11 of the French Commercial Code), 6.4.2. "*Notices of threshold crossings*" (relating to investments reported under Article 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 bylaws of Europcar Mobility Group), 6.3.5.1 "*Table of currently valid delegations on the date of this Registration Document, concerning increases in share capital and utilization as at December 31, 2018*" 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 2018 Registration Document.

This Registration Document is available on the AMF website (www.amf-france.org) and on the Europcar Mobility Group website (http://investors.europcar-group.com).

6.7 DIVIDEND DISTRIBUTION POLICY

6.7.1 Dividend distribution policy

In accordance with the law and the Company's bylaws, the Company's shareholders may at their Shareholders' Meeting, upon the recommendation of the Management Board and the prior approval of the Supervisory Board, authorize the distribution of dividends in respect of the fiscal year just ended, or a distribution by withdrawal from the Company's share premium.

The Company did not distribute any dividends for the fiscal year ended December 31, 2015.

For the fiscal year ended December 31, 2016, the General Shareholders' Meeting of May 10, 2017 voted in favor of a one-off cash distribution in the total amount of €59,365,633 corresponding to €0.4082 per share. The right to this special distribution was allocated on May 29, 2017 and was paid exclusively in cash on May 31, 2017.

For the fiscal year ended December 31, 2017, the General Shareholders' Meeting of May 17, 2018 voted in favor of a one-off cash distribution in the total amount of €24,440,400 corresponding to €0.1518 per share. The right to this special distribution was allocated on May 29, 2018 and was paid exclusively in cash on May 31, 2018.

The Company will submit the payment of a dividend to shareholders, representing 30% of its consolidated net profit for the 2018 fiscal year, to a vote by the General Shareholders' Meeting of April 26, 2019. Future dividends will depend in particular on the Group's overall financial position as well as any other factor considered relevant by the Management and Supervisory Boards.

The Company's future dividend distribution policy will take into account the Company's results, its financial position, the achievement of its objectives set forth in Section 3.9 "*Information on medium-term trends and objectives*" of the Registration Document, and the restrictions applicable to the distribution of dividends under the Group's various debt instruments, which are summarized in Section 6.7.2 "*Restrictions on dividend payments*" below.

A payout ratio of 30% of consolidated net profit is envisaged for the fiscal year 2019 (see Section 3.8 "*Outlook for fiscal year 2019*" of this Registration Document).

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, see Section 3.2.3 "*Description of financing as of December 31, 2018*" of this Registration Document.

2022 Subordinated Notes

With the exception of the possible distribution of dividends between restricted subsidiaries, the documentation applicable to 2022 Subordinated Notes limits the distribution of dividends or other forms of distribution by the Company and its restricted subsidiaries. Payment of dividends and other forms of distribution are authorized as summarized below.

The documentation applicable to 2022 Subordinated Notes authorizes the payment of dividends by the Company and restricted subsidiaries so long as no default or default event has occurred or might occur as a result of such payment and so long as the Company is able to incur at least €1 of additional indebtedness in compliance with the limitation on additional indebtedness (according to which new indebtedness may be incurred if, after giving effect thereto on a *pro forma* basis, the corporate consolidated fixed expense coverage ratio as defined in the terms of the 2022 Subordinated Notes is greater than 2.0; and the aggregate amount of the proposed dividend (together with other restricted payments) paid subsequent to the issue date of such Notes does not exceed the following aggregate amount (without duplication):

(a) 50% of consolidated net income for the period (treated as one accounting period) from April 1, 2015 to the end of the most recent fiscal quarter ending prior to the date of such payment for which financial statements are available (or, in case such consolidated net income is a deficit, minus 100% of such deficit); plus

(b) 100% of the aggregate net cash proceeds and the fair market value of property or assets received by the Company from the issue or sale of its qualified share capital or other capital contributions, after the completion date (other than certain exceptions); plus

(c) certain other amounts relating to the conversion of certain debt securities into stock and other amounts.

In addition, following the listing of the Company's shares on Euronext Paris, the documentation applicable to the 2022 Subordinated Notes permits the payment of dividends by the Company, so long as no default or default event has occurred, is occurring or might occur as a result, in an annual amount up to the higher of:

(a) 6% of the aggregate gross cash proceeds received by the Company in or from such public offering; and

(b) 5% of the market capitalization of the Company (on the basis of the arithmetic average of the closing price of the Company's shares in the 30 consecutive trading days preceding the dividend declaration date) provided that, after having given effect to the dividend payment on a *pro forma* basis, the consolidated corporate financial leverage ratio of the Company (as defined in the terms and conditions of the 2022 Subordinated Notes) is less than 3.0:1.0; or (ii) 3% of the market capitalization of the Company provided that, after having given effect to the dividend payment on *pro forma* basis the, consolidated corporate financial leverage ratio of the Company (as defined in the terms and conditions of the Notes) is greater than or equal to 3.0:1.0 but less than 3.5:1.0.

2024 Subordinated Notes

With the exception of the possible distribution of dividends between restricted subsidiaries, the documentation applicable to 2024 Subordinated Notes limits the distribution of dividends or other forms of distribution by the Company and its restricted subsidiaries. Payment of dividends and other forms of distribution are authorized as summarized below.

The documentation applicable to the 2024 Senior Subordinated Notes authorizes the payment of dividends or other forms of distributions by the Company and its subsidiaries as long as no default, or default events have taken place or may take place as a result of such a distribution and as long as the Company is able to take on at least €1 in additional debt in compliance with the restriction applicable to additional indebtedness (according to which the Company may contract additional debt as long as, on a *pro forma* basis, the corporate consolidated fixed charge coverage ratio (as defined under the terms of the 2024 Senior Subordinated Notes) is higher than 2.0:1.0; and the total amount of the proposed dividend (together with the amounts of the other payments subject to restrictions) and paid after the issuance date of these 2024 Subordinated Notes does not exceed the following aggregate amount (without duplication):

(a) 50% of consolidated net profit for the period (treated as one accounting period) from January 1, 2017 to the end of the most recent fiscal half ending prior to the date of such payment for which financial statements are available (or, in case such consolidated net income is a deficit, minus 100% of such deficit); plus

(b) 100% of the aggregate net cash proceeds and the fair market value of property or assets received by the Company from the issue or sale of its qualified share capital or other capital contributions, after the completion date (other than certain exceptions); plus

(c) certain other amounts relating to the conversion of certain debt securities into stock and other amounts.

Furthermore, the documentation applicable to the 2024 Subordinated Notes permits the payment of dividends by the Company so long as no default or default event has occurred or might occur as a result of such payment that may not exceed an annual total of more than the highest of either:

(a) 6% of the aggregate gross cash proceeds received by the Company in or from such public offering of equity securities (other than certain exceptions); and

(b) 7% of the Company's market capitalization (based on the arithmetic mean of the closing prices of the Company's share in the 30 consecutive trading days preceding the declaration of the dividend by no more than 7 days) provided that, after having given effect to the dividend payment on a *pro forma* basis, the Company's consolidated financial leverage ratio (as defined in the terms of the 2024 Subordinated Notes) is less than 3.0:1.0; or (b) 5% of the Company's market capitalization provided that, after having given effect to the dividend payment on a *pro forma* basis, the Company's consolidated leverage ratio (as defined in the indenture) is greater than or equal to 3.0:1.0 but less than 3.5:1.0.

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 for the EC Finance Notes authorizes the payment of dividends by the Company and its restricted subsidiaries so long as no default or default event has occurred or might occur as a result of such payment and so long as the Company is able to incur at least €1.0 of additional indebtedness in compliance with the limitation on additional indebtedness (according to which the Company may incur additional indebtedness when, on a *pro forma* basis, the consolidated fixed charge coverage ratio of the Company (as defined in the terms and conditions of the EC Finance Notes is greater than 2.0:1.0) and the aggregate amount of the proposed dividend (together with other restricted payments) paid subsequent to the issue date of these EC Finance Notes does not exceed the following aggregate amount (without duplication):

(a) 50% of consolidated net income of the Company for the period (treated as one accounting period) from January 1, 2017 to the end of the most recent fiscal half ending prior to the date of such payment for which financial statements are available (or, in case such consolidated net income is a deficit, minus 100% of such deficit); plus

(b) 100% of the aggregate net cash proceeds and the fair value of property or assets received by the Company from the issue or sale of its qualified share capital or other capital contributions, after the completion date (subject to certain exceptions); plus

(c) certain other amounts relating to the conversion of certain debt securities into stock and other amounts.

Furthermore, the documentation applicable to EC Finance Notes authorizes the payment of dividends by the Company so long as no default or default event has occurred or might occur as a result of such payment that may not exceed an annual total of more than the highest of either:

(a) 6% of the aggregate gross cash proceeds received by the Company in or from such public offering of equity securities (other than certain exceptions); and

(b) 7% of the Company's market capitalization (based on the arithmetic mean of the closing prices of the Company's share in the 30 consecutive trading days preceding the declaration of the dividend by no more than 7 days) provided that, after having given effect to the dividend payment on a *pro forma* basis, the Company's consolidated financial leverage ratio (as defined in the terms of the EC Finance Notes) is less than 3.0:1.0; or (b) 5% of the Company's market capitalization provided that, after having given effect to the dividend payment on a pro forma basis, the Company's consolidated leverage ratio is greater than or equal to 3.0:1.0 but less than 3.5:1.0.

6.8 MARKET FOR THE SHARE

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.
- Nominal value: €1.00.
- Securities outstanding at December 31, 2018: 161,022,797.
- Share price at December 31, 2018: €7,865.
- Market capitalization at December 31, 2018: €1,266,444,298.40.

6.8.2 Trading volumes and share price in 2018

Source: Bloomberg.

	2018			2017			% change 2018/2017 for the last share price of the year
Share price (IN EUROS)	High	Low	12/31/2018	High	Low	12/31/2017	
Share	11,65	6,825	7,865	13,305	9,126	10,25	-23.3%
CAC 40 Index	5,640,10	4,598,61	4,730,69	5,517,97	4,748,90	5,312,56	-10.95%

	2018		2017	
	Total	Daily average	Total	Daily average
In number of shares *	95,188,791	372,684	71,027,221	278,538
In capital (IN MILLIONS OF EUROS)	867,114	3.37	807.34	3.17

* *Source: Euronext.*

07

ADDITIONAL INFORMATION

7.1 PERSONS RESPONSIBLE FOR THE REGISTRATION DOCUMENT

7.1.1 Name and position of the person responsible for the Registration Document

Caroline Parot, Company's Chairwoman of the Management Board.

7.1.2 Statement by the person responsible for the Registration Document including the annual financial report

I hereby certify, having taken all reasonable measures to this effect, that the information contained in this Registration Document is, to the best of my knowledge, in accordance with the facts and contains no omission liable to affect its scope.

I certify that, to the best of my knowledge, 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 items of the management report contained in this Registration Document, and listed in the concordance table in Section 7.7 of this Registration Document, provides a faithful picture of the development of the business, results and financial position of the Company and all companies included in the consolidation, as well as a description of the principal risks and uncertainties they face.

I have obtained from the Statutory Auditors a work completion letter stating that they have verified the information concerning the financial position and the financial statements contained in this Registration Document, and that they have read the entire Registration Document.

Caroline Parot, Chairwoman of the Management Board

7.1.3 Name and position of the person responsible for the financial information

Luc Peligry
Chief Financial Officer
13 ter Boulevard Berthier, 75017 Paris, France

E-mail: investor.relations@europcar.com
Tel: +33 1 30 44 98 98
http://investors.europcar-group.com

7.1.4 Persons responsible for auditing the financial statements

7.1.4.1 Statutory Auditors

	Start date of 1st term	Date of renewal of last term of office	Term (expiry) of current term of office
PricewaterhouseCoopers Audit (member of the Compagnie Régionale des Commissaires aux Comptes de Versailles) Represented by François Jaumain 63 rue de Villiers, 92200 Neuilly-sur-Seine	March 9, 2006	May 17, 2018	At the end of the Shareholders' Meeting called to approve the financial statements for the fiscal year ended December 31, 2023
Mazars (member of the Compagnie Régionale des Commissaires aux Comptes de Versailles) Represented by Isabelle Massa 61 rue Henri Regnault, 92400 Courbevoie	May 16, 2013	N/A	At the end of the Shareholders' Meeting called to approve the financial statements for the fiscal year ended December 31, 2018 (1)

(1) The Company will propose at the Shareholders' Meeting of April 26, 2019, the renewal, for six years, of the term of office of Mazars as Statutory Auditors.

7.1.4.2 Alternate Statutory Auditors

	Start date of 1st term	Date of renewal of last term of office	Term (expiry) of current term of office
Yves Nicolas (member of the Compagnie Régionale des Commissaires aux Comptes de Versailles) 63 rue de Villiers, 92200 Neuilly-sur-Seine	June 8, 2012	N/A	At the end of the Shareholders' Meeting called to approve the financial statements for the fiscal year ended December 31, 2017. The renewal of the term of office was not request at the Annual General Meeting of May 17, 2018.
Gilles Rainaut (member of the Compagnie Régionale des Commissaires aux Comptes de Versailles) 61 rue Henri Regnault, 92400 Courbevoie	May 16, 2013	N/A	At the end of the Annual General Meeting called to approve the financial statements for the fiscal year ended December 31, 2018. The renewal of the term of office is not requested at the Annual General Meeting of April 26, 2019.

7.2 RELATED PARTY TRANSACTIONS

7.2.1 Guarantee

The Company has granted its subsidiaries a joint and several surety for the benefit of a group of lenders (including Crédit Agricole Corporate and Investment Bank, Deutsche Bank AG and Société Générale) to guarantee the payment of sums under Group entity borrowing arrangements (the Company, Europcar International S.A.S.U, Europcar Holding S.A.S., Europcar Autovermietung GmbH, Europcar International S.A.S.U. & Co. OHG, Europcar France S.A.S. and Europcar IB, S.A.) under the terms of Clause 24.1 of the Senior Revolving Facility Agreement entered into on July 13, 2017, as amended on December 21, 2018 in particular between the group of lenders, the borrowing Group entities and the guarantors (*i.e.* the borrowing Group entities together with Europcar UK Ltd. and Europcar Italia S.p.A.).

See Section 3.2 "*The Group's liquidity and capital resources*" in this Registration Document for information on the guarantees and securities granted by Group entities in connection with the Group's financing.

7.2.2 Cash Pooling Agreement

On April 27, 2011, the Company (as a centralized company) entered into a cash management agreement with its indirect subsidiary Europcar Holding (as a centralizing company) and certain other Group entities as centralized companies (Europcar International S.A.S.U., Europcar France S.A.S., Europcar Participations S.A.S., Europcar S.A., Europcar Autovermietung GmbH, Europcar Italia S.p.A., Europcar Internacional Aluguer de Automoveis S.A., Europcar Services, Unipessoal Lda , Europcar IB S.A., Europcar UK Ltd., Europcar Mobility Group UK Ltd., PremierFirst Vehicle Rental Franchising Limited, Executive Trust Limited, Europcar Lab S.A.S., Lor'Rent S.A.S., Buchbinder Holding GmbH, Charterline Fuhrpark Service GmbH, Car Partner Leasing GmbH, LC EC Participations Investments S.L.U., Car Rentals TopCo S.L.U., Car Rentals ParentCo S.A.U., Car Rentals Subsidiary S.A.U., Goldcar Spain S.L.U., Interrent S.à.r.l and Ubeeqo International S.A.S.) in order to optimize cash management (shortages and surpluses) within Group companies and to be able to negotiate optimal banking terms.

7.2.3 Loan Agreement

The Company and Europcar International S.A.S.U. 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.U., 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 Company created the Group by entering into tax consolidation agreements with each of the member companies to govern the subsidiaries' contribution to the tax consolidation group's taxes, of which the Company is the sole taxpayer in its capacity as the parent company. The ending of the tax consolidation agreement between the Company and the companies Europcar International S.A.S.U., Europcar Holding S.A.S., Europcar Lab S.A.S, Europcar Participations S.A.S., Europcar France S.A.S., EuropHall SAS, and Parcoto Services S.A.S, EC3 S.A.S.U., and EC4 S.A.S.U. was decided by the Supervisory Board on February 24, 2016, to the extent that this agreement is concluded between the Company and its wholly-owned subsidiaries, whether directly or indirectly, in accordance with the provisions of Article L. 225-87 of the French Commercial Code. In respect of the 2018 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., Goldcar France S.A.R.L. and Lor'Rent.

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 two other French companies (Securitifleet S.A.S. and SF Location S.A.S.).

7.2.5 General Services Agreement signed by the Company

On September 28, 2006, the Company and Europcar International S.A.S.U. entered into a services agreement pursuant to which 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 €1,607,213.84 were billed for 2018. This agreement is automatically renewable each year, with a three months' prior notice period before each renewal date.

The Company has acquired the InterRent® trademark from Europcar International S.A.S. and receives, in this respect, a royalty from Europcar International S.A.S.U. of 1% for the trademark'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 S.A.S.U. entered into license agreements for the InterRent® trademark with the operating entities using that trademark (in the United Kingdom, Spain, Portugal, France and Germany), under which Europcar International S.A.S.U. receives royalties based on a percentage of the operating entities' revenues (2.75% for the Europcar® trademark and 1% for the InterRent® trademark). 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.U. 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 European 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 complete 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.U. 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 34 "*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, 2018*" of this Registration Document.

7.2.7 Agreements signed with the Company's corporate officers

In fiscal year 2018, the following agreements were authorized by the Supervisory Board and concluded during the fiscal year under review. They are described in Section 7.4 "*Statutory Auditors' special report on related-party agreements and commitments*" of this Registration Document.

- Renewal of commitments taken in favor of 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 5.3.1.7 "*Compensation in the event of forced termination of office*" and 5.3.1.8 "*Compensation under a non-compete clause*" of this Registration Document;
- Renewal of the commitments made by the Supervisory Board meeting of Friday, 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 5.3.1.8 "*Compensation under a non-compete clause*" of this Registration Document;

- Commitments made by the Supervisory Board meeting of Thursday, 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 5.3.1.8 " *Compensation under a non-compete clause*" of this Registration Document;
- Service agreement concluded with Basin Street Partners LLC, of which Mr. Sanford Miller, a member of the Supervisory Board, is a managing partner. Exceptional compensation allocated by the Supervisory Board to Mr. Sanford Miller, member of the Supervisory Board, under a six-month consulting assignment concerning the Group's international development. Gross monthly compensation of €4,000 over a six-month period. No sums were paid during fiscal year 2018. A gross amount of €24,000 should be paid in fiscal year 2019, of which a gross amount of €8,000 for fiscal year 2018. For further information on this service agreement, see Section 5.3.2.2 of this Registration Document;

A regulated commitment has been authorized since the end of the fiscal year and has obtained the prior authorization of the Supervisory Board. It is described in Section 7.4 "*Statutory Auditors' special report on related-party agreements and commitments*" of this Registration Document.

- Commitments made in favor of Mr. Albéric Chopelin by the Supervisory Board meeting of January 31, 2019. For further information on compensation due in the event that a non-compete clause is put into effect, see Section 5.3.1.8 " Compensation under a non-compete clause" of this Registration Document;

The agreements listed below and described in Section 7.4 "*Statutory Auditors' special report on related party agreements and regulated commitments*" of this Registration Document, were authorized by the Supervisory Board during previous fiscal years and had already been approved by the Shareholders' Meeting:

- 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 5.3.1.7 "*Compensation in the event of forced termination of office*" and 5.3.1.8 "*Compensation under a non-compete clause*" of this Registration Document;
- commitments made by the Supervisory Board meeting of July 22, 2016 in favor of Mr. Kenneth McCall. For further information on compensation due in the event that a non-compete clause is put into effect, see Section 5.3.1.8 "*Compensation under a non-compete clause*" of this 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 5.3.1.8 "*Compensation under a non-compete clause*" of this 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 IMPORTANT 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 Registration Document:

- contract (indenture) for corporate bonds dated June 10, 2015, increased by a new tranche of bonds dated June 6, 2016;
- Senior Revolving Facility Agreement (RCF) (Multicurrency Revolving Facility Agreement) dated July 13, 2017 as amended on December 21, 2018;
- debt issue agreement (indenture) for corporate bonds dated November 2, 2017;
- debt issue agreement (indenture) for bonds concerning the fleet dated November 2, 2017, plus a new tranche of bonds dated June 29, 2018;
- asset Backed Financing Facility Agreement backed by the assets of the Goldcar fleet dated December 19, 2017 (partly reduced on November 9, 2018);
- amendments to the securitization documents, to allow the financing of the Goldcar fleet in France, Italy and Spain, dated May 14, 2018; and
- refinancing agreement with Club Facility dated October 19, 2018, to allow the financing of the fleet in the United Kingdom.

7.4 STATUTORY AUDITORS' SPECIAL REPORT ON RELATED PARTY AGREEMENTS AND COMMITMENTS

This is a free English translation of the Statutory auditors' special report on related party agreements and regulated commitments issued in French and is provided solely for the convenience of English-speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

To the Shareholders,

In our capacity as Statutory Auditors of your company, we hereby report on related party agreements and commitments.

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 and commitments exist. It is your responsibility, in accordance with the terms of Article R. 225-58 of the French Commercial Code, to evaluate the benefits resulting from these agreements and commitments prior to their approval.

In addition, we are required, where applicable, to inform you, in accordance with Article R. 225-58 of the French Commercial Code, of any agreements and commitments previously approved by the Shareholders' Meeting which were executed during the year.

We have performed the procedures that we deemed necessary to comply with professional standards applicable in France to such engagements. These procedures consisted in verifying that the information we were given was consistent with the underlying documentation.

AGREEMENTS AND COMMITMENTS SUBMITTED FOR APPROVAL BY THE SHAREHOLDERS' MEETING

Agreements and commitments authorized and concluded during the fiscal year under review

Pursuant to Article L. 225-88 of the French Commercial Code, we have been notified of the following related-party agreements and commitments concluded during the fiscal year under review which have received prior authorization from your Supervisory Board.

Renewal of commitments taken in favor of Caroline Parot under the terms of her mandate agreement

- **Person concerned:** Ms. Caroline Parot, Chairwoman of the Management Board since November 23, 2016. Mandate renewed by decision of the Supervisory Board on December 21, 2018 and renewal of the commitments covered by Article L. 225-90-1 of the French Commercial Code taken in favor of Ms. Caroline Parot.
- **Nature and purpose:** Mandate agreement authorized by the Supervisory Board at its meeting of December 15, 2016 and signed on December 22, 2016 between the Company and Ms. Caroline Parot in her capacity as Chairwoman of the Management Board.
- **Conditions:** In the event of revocation on or after January 1, 2018 (inclusive), the amount of severance pay will be:
  - nil if at least 95% of the objectives for the collective criteria applicable (on a weighted basis for the variable compensation for the relevant period on a 100 basis) to variable compensation have not been attained;
  - equal to 6 months' salary (as defined in the mandate agreement) if at least 95.01% of the objectives for the collective criteria applicable (on a weighted basis) to variable compensation have been attained;
  - equal to 12 months' salary if at least 100% of the objectives for the collective criteria applicable (on a weighted basis for the variable compensation for the relevant period on a 100 basis) to variable compensation have been attained;
  - equal to 18 months' salary if at least 110% of the objectives for the collective criteria applicable (on a weighted basis for the variable compensation for the relevant period on a 100 basis) to variable compensation have been attained;
  - and calculated by linear interpolation for performances situated between the limits of (95%, 100% and 110%);
  - The amount of non-compete compensation will be equal to 50% of Ms. Caroline Parot's annual compensation as defined in the mandate agreement.

No amount of severance or non-compete compensation was paid to Ms. Caroline Parot during the fiscal year.

- **Benefit for the Company:** at its meeting on December 15, 2016 the Supervisory Board confirmed that, in accordance with the provisions of Article L. 225-86 of the French Commercial Code and as proposed by the Compensation and Nominations Committee, severance and non-compete payments fall under the Company's general compensation policy and are in its interest, particularly with regard to Ms. Caroline Parot's role as Chairwoman of the Management Board.

Renewal of commitments made to Mr. Fabrizio Ruggiero

- **Person concerned:** Mr. Fabrizio Ruggiero - Member of the Management Board – Deputy Chief Executive Officer – Business Units Director.
- **Nature and purpose:** Non-compete compensation authorized by the Supervisory Board at its meeting of March 9, 2015, prior to the Company's listing with Euronext Paris, and further authorized by the Supervisory Board at its meeting of July 22, 2016, in accordance with Article L. 225-42-1 of the French Commercial Code, on the occasion of the change of functions of Mr. Fabrizio Ruggiero. Mandate as Member of the Management Board renewed by decision of the Supervisory Board on December 21, 2018 and renewal of the covered by Article L. 225-90-1 of the French Commercial Code taken in favor of Mr. Fabrizio Ruggiero.
- **Conditions:** The amount of non-compete compensation, in the event of imposition of the non-compete obligation by the Supervisory Board, would be equal to 50% of Mr. Ruggiero's fixed annual compensation.
- **Benefit for the Company:** At its meeting on July 22, 2016 the Supervisory Board confirmed that, in accordance with the provisions of Article L. 225-86 of the French Commercial Code and as proposed by the Compensation and Nominations Committee, non-compete compensation falls under the Company's general compensation policy and is in its interest, particularly with regard to Mr. Ruggiero's role as Deputy CEO and member of the Management Board.

Commitments made to Mr. Olivier Baldassari

- **Person concerned:** Mr Olivier Baldassari, Member of the Management Board - Group Chief Operations & Countries Officer
- **Nature and purpose:** Non-compete compensation authorized by the Supervisory Board on October 18, 2018 under the related party commitments as provided in Article L.225-90-1 of the French Commercial Code.
- **Conditions:** The amount of non-compete compensation, in the event of imposition of the non-compete obligation by the Supervisory Board, would be equal to 50% of Mr. Ruggiero's fixed annual compensation.
- **Benefit for the Company:** At its meeting on October 18, 2018 the Supervisory Board confirmed that, in accordance with the provisions of Article L. 225-86 of the French Commercial Code and as proposed by the Compensation and Nominations Committee, non-compete compensation falls under the Company's compensation policy and is in its interest, particularly with regard to the duties and responsibilities of the Group Chief Operations & Countries Officer.

Consulting agreement concluded with Basin Street Partners LLC, of which Mr. Sanford Miller is a managing partner

- **Person concerned:** Mr. Sanford Miller, Member of the Supervisory Board.
- **Nature and purpose:** Exceptional compensation allocated by the Supervisory Board to Mr. Sanford Miller, member of the Supervisory Board, under a six-month advisory assignment concerning the Group's international development.
- **Conditions:** Gross monthly compensation of €4,000 for a six-month period. No sums were paid during fiscal year 2018. A gross amount of €24,000 should be paid in fiscal year 2019, of which a gross amount of €8,000 for fiscal year 2018.
- **Benefit for the Company:** At its meeting of October 18, 2018, the Supervisory Board noted that this advisory assignment entrusted to Basin Street Partners LLC, of which Mr. Sanford Miller is managing partner, was, in view of his international expertise, in line with the Company's corporate interest and that the planned compensation of €24,000 for a six-month period was consistent with market practices.

Agreements and commitments authorized and concluded since the end of the fiscal year

We have been notified of the following related-party agreements and commitments, authorized since the end of the fiscal year under review, which have received prior authorization of your Supervisory Board

Commitments made to Mr. Albéric Chopelin

- **Person concerned:** Mr Albéric Chopelin, Member of the Management Board - Chief Commercial and Customer Officer.
- **Nature and purpose:** Non-compete compensation authorized by the Supervisory Board on January 31, 2019 under the related party commitments as provided in Article L.225-90-1 of the French Commercial Code.
- **Conditions:** The amount of non-compete compensation, in the event of imposition of the non-compete obligation by the Supervisory Board, would be equal to 50% of Mr. Ruggiero's fixed annual compensation.
- **Benefit for the Company:** At its meeting on January 31, 2019, the Supervisory Board confirmed that, in accordance with the provisions of Article L. 225-86 of the French Commercial Code and as proposed by the Compensation and Nominations Committee, non-compete compensation falls under the Company's compensation policy and is in its interest, particularly with regard to the duties and responsibilities of the Chief Commercial and Customer Officer.

Agreements and commitments previously approved by the Shareholders' Meeting

In accordance with R. 225-57 of the French Commercial Code, we were informed that the following agreements and commitments, previously approved by the Shareholders' Meeting in previous years, were continued during the fiscal year.

Mandate agreement with Ms. Caroline Parot

- **Person concerned:** Ms. Caroline Parot, Chairwoman of the Management Board since November 23, 2016.
- **Nature and purpose:** Mandate agreement authorized by the Supervisory Board at its meeting of December 15, 2016 and signed on December 22, 2016 between the Company and Ms. Caroline Parot in her capacity as Chairwoman of the Management Board.
- **Conditions:** In the event of revocation on or after January 1, 2018 (inclusive), the amount of severance pay will be:
  - nil if at least 95% of the objectives for the collective criteria applicable (on a weighted basis) to variable compensation have not been attained;
  - equal to 6 months' salary (as defined in the mandate agreement) if at least 95.01% of the objectives for the collective criteria applicable (on a weighted basis) to variable compensation have been attained;
  - equal to 12 months' salary if at least 100% of the objectives for the collective criteria applicable (on a weighted basis) to variable compensation have been attained;
  - equal to 18 months' salary if at least 110% of the objectives for the collective criteria applicable (on a weighted basis) to variable compensation have been attained;
  - and calculated by linear interpolation for performances situated between the limits of 95%, 100% and 110%.

The amount of non-compete compensation will be equal to 50% of Ms. Caroline Parot's annual compensation as defined in the mandate agreement.

No amount of severance or non-compete compensation was paid to Ms. Caroline Parot during the period.

- **Benefit for the Company:** At its meeting on December 15, 2016, the Supervisory Board confirmed that, in accordance with the provisions of Article L. 225-86 of the French Commercial Code and as proposed by the Compensation and Nominations Committee, severance and non-compete payments fall under the Company's general compensation policy and are in its interest, particularly with regard to Ms. Caroline Parot's role as Chairwoman of the Management Board.

Commitments made to Mr. Kenneth McCall

- **Person concerned:** Mr. Kenneth McCall, Member of the Management Board - Deputy CEO - Countries and Operations until his resignation on November 21, 2018
- **Nature and purpose:** Non-compete compensation authorized by the Supervisory Board at its meeting of March 9, 2015, prior to the admission of the Company's shares to trading on Euronext Paris, and further authorized by the Supervisory Board under regulated commitments pursuant to Article L. 225-90-1 of the French Commercial Code at its meeting of July 22, 2016, on the occasion of the change of functions of Mr. Kenneth McCall.
- **Conditions:** The amount of non-compete compensation, in the event of imposition of the non-compete obligation by the Supervisory Board, would be equal to 50% of the fixed annual compensation.

No amount of non-compete compensation was paid to Mr. Kenneth McCall during the fiscal year.

- **Benefit for the Company:** At its meeting on July 22, 2016 the Supervisory Board confirmed that, in accordance with the provisions of Article L. 225-86 of the French Commercial Code and as proposed by the Compensation and Nominations Committee, non-compete compensation falls under the Company's general compensation policy and is in its interest, particularly with regard to Mr. McCall's role as Deputy CEO and member of the Management Board.

Commitments made to Mr. Fabrizio Ruggiero

- **Person concerned:** Fabrizio Ruggiero - Member of the Management Board – Deputy CEO - Business Units Director
- **Nature and purpose:** Non-compete compensation authorized by the Supervisory Board at its meeting of March 9, 2015, prior to the admission of the Company's shares to trading on Euronext Paris, and further authorized by the Supervisory Board under regulated commitments pursuant to Article L. 225-90-1 of the French Commercial Code at its meeting of July 22, 2016, on the occasion of the change of functions of Mr. Fabrizio Ruggiero.
- **Conditions:** The amount of non-compete compensation, in the event of imposition of the non-compete obligation by the Supervisory Board, would be equal to 50% of the fixed annual compensation.

No amount of non-compete compensation was paid to Mr. Fabrizio Ruggiero during the fiscal year.

- **Benefit for the Company:** At its meeting on July 22, 2016, the Supervisory Board confirmed that, in accordance with the provisions of Article L. 225-86 of the French Commercial Code and as proposed by the Compensation and Nominations Committee, non-compete compensation falls under the Company's general compensation policy and is in its interest, particularly with regard to Mr. Ruggiero's role as Deputy CEO and member of the Management Board.

Signed in Neuilly-sur-Seine and Paris La Défense, March 25, 2019

The Statutory Auditors

Mazars	PricewaterhouseCoopers Audit
Isabelle Massa	François Jaumain

7.5 STATUTORY AUDITORS' FEES

The fees of the Statutory Auditors are presented in Note 37 "*Group auditors' fees*" of the consolidated financial statements that are shown in Section 3.4 "*Consolidated financial statements and Statutory Auditors' report for fiscal year ended December 31, 2018*" of this Registration Document.

7.6 PUBLICLY AVAILABLE DOCUMENTS

The bylaws, 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).

7.7 CONCORDANCE TABLES (EUROPEAN REGULATION NO. 809/2004, 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 Registration Document of information contained in the annual financial report referred to in Article L. 451-1-2 of the French Monetary and Financial Code and in Article 222-3 of the General regulations of the French Financial Markets Authority (AMF).

Subject		Chapters	Pages
1	**Statement of the natural persons who assume responsibility for the annual financial report**	**7.1**	**408**
2	**Management report**	**7.7**	**418 and 419**
3	**Financial statements and reports**		
3.1	Parent company financial statements	3.6	247 to 267
3.2	Statutory Auditors' report on the parent company financial statements	3.6	268 to 271
3.3	Consolidated financial statements	3.4	155 to 267
3.4	Statutory Auditors' report on the consolidated financial statements	3.4	241 to 244
4	**Other information**		
4.1	Declaration of the Statutory Auditors' fees	7.5	417
4.2	Supervisory Board report on Corporate governance	5.2.4	347 and 348
4.3	Statutory Auditors' report on the Supervisory Board report on Corporate Governance	3.6	269
4.4	Description of the share buy back program	6.3.8.1	395 and 396

Concordance table with the management report

The concordance table below enables the identification in this 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	Pages
1	**Information on the Company's business**		
1.1	Overview of the business (including progress made and difficulties encountered) and the results of the Company, each subsidiary and the Group	1.6 1.7 1.8 3.1 to 3.6	36 to 58 59 to 61 61 to 66 108 to 271
1.2	Analysis of changes in the business, results, the financial position and in particular, the indebtedness of the Company and the Group	3.1 to 3.6	108 to 271
1.3	Foreseeable Company and/or Group trends	3.8	273
1.4	Key financial and non-financial indicators of the Company and/or the Group	1.1 to 3.1.2.1	20 to 21 and 115
1.5	Post-closing events of the Company and the Group	1.2.3 to 3.10	24 and 275
1.6	Guidance on the use of financial instruments including the financial risks and the price, credit, liquidity and cash risks of the Company and the Group	2.4	80 to 86
1.7	Principal risks and uncertainties of the Company and the Group	2.1 to 2.5	70 to 91
1.8	Research and development information of the Company and the Group	1.9	67
1.9	Principal characteristics of the internal control and risk management procedures relating to the preparation and processing of financial and accounting information	2.6 to 2.8	91 to 102
1.10	Current branches	N/A	N/A
1.11	Guidance on financial risks related to the effects of climate change and the presentation of the measures that the Company is taking to reduce them by implementing a low-carbon strategy	4.5	294 to 299
2	**Legal, financial and tax information of the Company**		
2.1	Breakdown and change in shareholders	6.4.1	398 and 399
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	1.8.2.2	64
2.4	Notice of holdings of more than 10% of the share capital of another company; disposition of cross-shareholdings	N/A	N/A
2.5	Purchases and sales by the Company of its own shares (share buy back)	6.3.8.2	396 to 397
2.6	Statement of employee shareholdings	6.5	401 and 402
2.7	Notice of potential adjustments: • for securities giving access to the share capital and stock options in the case of share buy-backs; • for securities giving access to the share capital in the event of financial transactions.	6.3.5.1 6.3.5.2	392 to 393 394 to 395
2.8	Dividends paid out in the three preceding fiscal years	3.5.6	246
2.9	Non-tax-deductible expenses and charges	N/A	
2.10	Terms of payment and breakdown of balance of trade payables and trade receivables by due date	Notes 12 and 13 of parent company financial statements	257 to 258
2.11	Injunctions or fines for anti-competitive practices	2.9	102 to 106

Subject		Chapters	Pages
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	5.4	376
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)	5.3.1.4	360 to 364
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 and the usage of goods and services that it produces on climate change, the circular economy, efforts to combat food waste and efforts to promote the fight against discrimination and to encourage diversity	4	278 to 314
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	4.4.2	289 to 293
5	**Other information**		
5.1	The amount of loans of at least a two year maturity granted by the Company, and ancillary to its main business, to micro-businesses, SMEs or to medium-sized businesses with which it has economic ties justifying the loan (1)	N/A	N/A
5.2	Information on payments made to authorities in each of the countries or areas in which the Company conducts the following activities: the exploration, prospecting, discovery, exploitation or extraction of hydrocarbons, coal and lignite, metal ores, stone, sand and clay, chemical minerals and fertilizers, peat, salt or other mineral resources in the exploitation of primary forests (2)	N/A	N/A
5.3	Table showing the results for the last five years	3.5.7	246
5.4	Supervisory Board report on Corporate governance	5.2.4	347 to 348

(1) Article L. 511-6, 3 bis of the French Monetary and Financial Code as amended by law No. 2015-992 of August 17, 2015.
(2) Article L. 225-102-3 of the French Commercial Code as amended by Ordinance No. 2015-1576 of December 3, 2015.

Concordance table with the Sections from Annex 1 of European regulation No. 809/2004

The concordance table below enables identification in this Registration Document of the information discussed in the various Sections of Appendix 1 of EC regulation No. 809/2004 (European Commission) dated April 29, 2004.

Information		Chapters	Pages
1	**Persons responsible**		
1.1	Persons responsible for the information	7.1.1	408
1.2	Statement by the person responsible	7.1.2	408
2	**Statutory Auditors**		
2.1	Information related to the Statutory Auditors	7.1.4	409
3	**Selected financial information**		
3.1	Presentation of historical financial information	1.1	20 and 21
3.2	Presentation of interim financial information	N/A	N/A
4	**Risk factors**	**2.1 to 2.5**	**70 to 91**
5	**Information concerning the issuer**		
5.1	History and development of the Company	Group History 1.2	4 22 to 24
5.1.1	Legal name and trading name of the Company	6.1.1	378
5.1.2	Place and number of the Company's registration	6.1.2	378
5.1.3	The Company's date of incorporation and duration	6.1.3	378
5.1.4	Registered office, country of origin, address and telephone number, legal form and regulations applying to the Company	6.1.4	378
5.1.5	Significant events in the development of the Company's business	1.2.2 1.2.3 1.3.2 1.4.2	23 24 25 and 26 28 to 30
5.2	Investments	3.3	153 and 154
5.2.1	Description of the principal investments made by the Company	3.3.1	153 and 154
5.2.2	Description of the ongoing investments of the Company and their geographic location	3.3.2	154
5.2.3	Information related to investments the Company expects to complete	3.3.3	154
6	**Overview of businesses**		
6.1	Principal businesses	1.6 1.7 1.8	36 to 58 59 to 61 61 to 66
6.1.1	Description of the transactions carried out by the issuer and its principal businesses	1.4 1.6	27 to 30 36 to 58
6.1.2	Presentation of the new products/services brought to market	1.6 1.7	36 to 58 59 to 61
6.2	Principal markets in which the issuer operates	1.3	24 to 26
6.3	Exceptional events	N/A	N/A
6.4	The issuer's degree of dependence on patents or licenses, industrial, commercial or financial contracts or on new manufacturing procedures	1.9	67
6.5	Items forming the basis of the issuer's statement on its competitive position	1.5	30 to 35

Information		Chapters	Pages
7	**Organizational chart**		
7.1	Description of the Group	1.8	61 to 65
7.2	List of significant subsidiaries	1.8.2.1	63
8	**Property, plant and equipment**		
8.1	Significant property, plant and equipment	1.10	68
8.2	Environmental issues that may influence the issuer's use of its property, plant and equipment	N/A	N/A
9	**Review of the financial position and results**		
9.1	Financial position	3.1 to 3.6	108 to 271
9.2	Net profit (loss)	3.1.2.2 3.5.2	116 to 122 245
9.2.1	Events which impacted the issuer's operating income	3.1 to 3.6	108 to 271
9.2.2	Explanations supporting a significant change in net revenue and/or net income	3.1 to 3.6	108 to 271
9.2.3	Presentation of the economic, governmental, budgetary, monetary or political factors and strategies affecting or able to affect the issuer's business	2.1 2.2	70 to 73 73 to 77
10	**Cash and capital**		
10.1	Information about the capital resources of the Company	3.2	124 to 152
10.2	Source and amount of the issuer's cash flows and cash flow description	3.2.2	128 to 132
10.3	Information about the loan terms and conditions and the issuer's capital structure	3.2.3	132 to 152
10.4	Information relating to potential restrictions affecting the use of capital resources and able to impact upon the issuer	N/A	N/A
10.5	Expected financing sources deemed necessary for the Company to comply with its commitments	3.2	124 to 152
11	**Research and development, patents and licenses**	**1.9**	**67**
12	**Trend information**		
12.1	Principal trends affecting production, sales and inventory, costs and sales prices since the end of the latest fiscal year	1.3 1.5 3.8	24 to 26 30 to 35 273
12.2	Known trends, uncertainties or requests or commitments or events reasonably likely to significantly affect the issuer's prospects, at least for the current fiscal year	3.8	273
13	**Profit forecasts or estimates**	**3.8**	**273**
14	**Administrative, management and supervisory bodies and senior management**		
14.1	Information on the members of the administrative or management bodies of the Company	5.1	316 to 337
14.2	Conflicts of interest at the level of the administrative, management and supervisory bodies and senior management	5.1.3.3	333
15	**Compensation and benefits**		
15.1	Amount of compensation paid and benefits in kind	5.3	349 to 375
15.2	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

Information		Chapters	Pages
16	**Functioning of administrative and management bodies**		
16.1	Expiration date of current terms of office	5.1	316 to 320
16.2	Service contracts binding members of the administrative and management bodies	5.1.3.3	333
16.3	Information on the Audit Committee and the Compensation and Nominations Committee	5.2.3	341 to 347
16.4	Committee Statement of compliance with the corporate governance framework	5.1.3	333 to 336
17	**Employees**		
17.1	Number of employees	4.4	286 to 293
17.2	Shareholdings and stock options	5.3.1.3, 5.3.1.4 and 5.3.1.5	356 to 364
17.3	Agreements providing for employee shareholdings in the share capital of the issuer	6.5	401 and 402
18	**Principal shareholders**		
18.1	Shareholders holding more than 5% of the share capital	6.4.1	398 and 399
		6.4.2	399
18.2	Existence of different voting rights	6.4.3	400
18.3	Shareholdings or controlling interests in the issuer	6.4.4	400
18.4	Agreement whose implementation could lead to a change in control	6.4.6	401
19	**Related party transactions**	**7.2 to 7.4**	**409 to 416**
20	**Financial information concerning the issuer's assets, financial position and results of operations**		
20.1	Historical financial information	General comments	2
20.2	Pro forma *financial information*	Financial indicators 1.1.2	9 and 21
20.3	Financial statements	3.4	155 to 244
		3.6	247 to 271
20.4	Verification of the annual historical financial information	3.6	247 to 271
		3.1	108 to 123
20.5	Closing date of the latest fiscal year	3.6	247 to 271
20.6	Interim financial and other information	N/A	N/A
20.7	Dividend distribution policy	6.7	403 to 405
20.8	Legal and arbitration proceedings	2.9	102 to 106
20.9	Significant change in the financial or business position	3.9	274 and 275
21	**Additional information**		
21.1	Share capital	6.3	390
21.2	Constitution and bylaws	6.2	378 to 389
22	**Important contracts**	**7.3**	**412**
23	**Information from third parties, expert statements and declarations of interest**	**1.3**	**24 to 26**
24	**Publicly available documents**	**7.6**	**417**
25	**Information on shareholdings**	**1.8**	**61 to 66**

7.8 GLOSSARY

7.8.1 Operational glossary

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.

"At risk" vehicles

Vehicles purchased by the Group from car manufacturers or car dealers not benefiting from a buy-back option or agreement

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.

Average rental duration (days)

The average rental duration corresponds to the number of rental days divided by the number of rental agreements.

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.

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.

Broker

Intermediaries acting on the leisure segment and selling vehicle rental services to end customers on behalf of the Group.

Concessionary arrangement

Arrangement whereby a local authority, corporation or other legal entity grants the Group the right to use land or property.

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.

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.

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).

Customer experience

Expression that summarizes the Group's ambitions in terms of improved customer satisfaction.

E-commerce

The sale or purchase of goods or services performed by means of a remote communications network.

Esop 2017 Plan

Employee shareholding plan set up in 2017 in each of the corporate countries.

Europcar network

All of the Group's rental stations worldwide held directly or through its franchisees or agents.

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.

Fleet

All vehicles operated by the car rental company, whether or not available for rent.

Customer Relationship Management (CRM)

System for managing the Group's interactions with current and future customers.

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.

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.

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.

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.

Goldfleet companies

Companies formed in 2018 as part of the extension of the Group's securitization program, to purchase and own vehicles, lease them to the local operating companies of the Group in France, Germany, Italy and Spain.

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).

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.

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.

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.

RentWay system®

Overall vehicle rental and fleet management system for the InterRent® trademark.

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.

Stations

Locations where the Group offers its rental services. These may take the form of station counters at certain locations such as airports.

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.

7.8.2 Financial glossary

Adjusted consolidated EBITDA

Adjusted consolidated EBITDA is a Group performance indicator. It corresponds to the adjusted corporate EBITDA restated for the total fleet depreciation (including fleet depreciation included in operating leases) and for the fleet financial costs (including estimated interest included in operating leases).

Adjusted Corporate EBITDA

Adjusted corporate EBITDA is a Group performance indicator. It is equal to the recurring operating income before depreciation and amortization not connected with the vehicle fleet and after deduction of the interest expense connected with the debt serving fleet financing.

Adjusted corporate EBITDA margin

The adjusted corporate EBITDA margin is an indicator of Group profitability. It corresponds to the adjusted corporate EBITDA divided by total revenue.

Adjusted recurring operating income

Adjusted recurring operating income is a Group performance indicator. It corresponds to the recurring operating income restated for the estimated interest included in operating lease rents.

Average monthly costs per fleet unit (per month and in euros)

Average monthly costs per fleet unit corresponds to the total fleet costs (fleet holding costs and fleet operating cost) excluding interest expense included in fleet operating lease rents and insurance fees, divided by the average fleet of the period, itself divided by the number of months in the period.

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.

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).

Corporate debt leverage

Corporate debt leverage corresponds to corporate net debt divided by adjusted corporate EBITDA.

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.

Corporate free cash flow

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

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.

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).

Operating income

Operating income is a Group performance indicator. It corresponds to the net income/(loss) before net financing costs, income tax and share of profit/(loss) of associates accounted for under the equity method.

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.

Revenue per rental day – RPD (in euros)

Revenue per rental day (RPD) corresponds to vehicle rental income divided by the Number of Rental Days for the period.

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 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 appreciation.

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).

NOTES

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