



**MANAGEMENT REPORT**

**FOR THE YEAR ENDED DECEMBER 31, 2023**

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Dear Shareholders,

We have called this meeting in accordance with both the law and the provisions of the articles of association of Europcar Mobility Group (the “**Company**”), to ask you to approve the financial statements for the year ended December 31, 2023.

The requisite notifications were duly sent to you and all the documents required by law and applicable regulations have been made available to you within the legally required timescale.

The financial statements for the year ended December 31, 2023 have been prepared in accordance with generally accepted accounting principles and methods as described in Section 1.3 of the Group’s consolidated financial statement. The presentation of the financial statements and the valuation methods used are identical to those of the previous year.

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## 1. SITUATION AND ACTIVITY OF THE COMPANY

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### 1.1. DESCRIPTION OF THE COMPANY'S BUSINESS ACTIVITIES

Europcar Mobility Group S.A. (the "Company") is a French company, with its registered office at 13ter boulevard Berthier, 75017 Paris, France.

Europcar Mobility Group S.A. was registered on March 9, 2006, with an initial share capital of 235,000 euros, and was transformed into a French limited company on April 25, 2006. As of today, and since June 29, 2022, EMG is a limited company with a Management Board and a Supervisory Board. It does not perform any operational activities, but is the parent company of, and acts as the holding company for, the Europcar group of companies (the "Group").

The Group operates through several brands, the main ones being Europcar®, Goldcar® and Fox Rent-A-Car®. The Group is present worldwide through a network of over 129 countries.

#### 1.1.1. OUR PURPOSE & STRATEGY

In 1949, the French entrepreneur Raoul-Louis Mattei created "L'Abonnement Automobile", a company which would later become Compagnie Internationale Europcars. Compagnie Internationale Europcars subsequently became Europcar and now is the Company. Our beginnings show that shared mobility is at the core of our DNA.

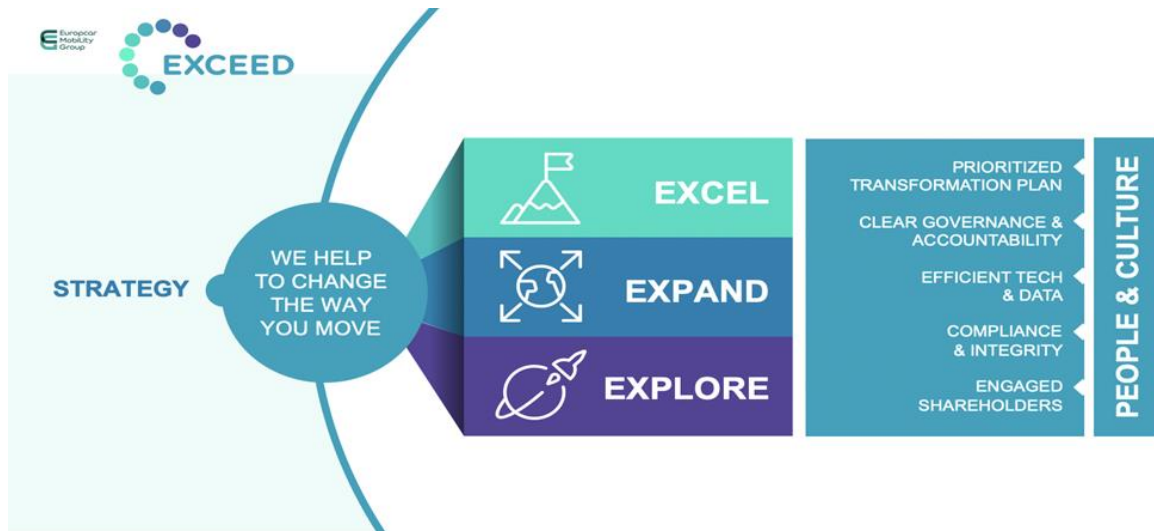
*"We help to change the way you move"* is our purpose and what brings us together:

- For the planet by reducing CO2 emissions and offering sustainable solutions
- For the people by being the brands of choice for our customers and taking care of the Group's employees
- While ensuring profitable growth to secure long term viability

EXCEED is the name of our strategic plan, which encompasses all the priority strategic initiatives that will enable the company to move forward in these three directions and create value.

The Group's strategy is based on 3 pillars Excel / Expand / Explore:

- Excel: simplify and optimise our business model to make it more efficient, robust, convenient & sustainable
- Expand: grow and develop profitably rental activities in high value segments and geographical areas
- Explore: prepare the future by developing new business models and investigating adjacent businesses



Our people and culture are at the foundation of the overall strategy. Our strategy furthermore relies on key enablers as depicted above.

Compliance & Integrity is one of these key enablers. The Group’s commitment to act ethically and responsibly is set out in its Code of Ethics & Commitments. In 2023, a project was launched to redesign the Code of Ethics and Commitments and transform it into a Group Code of Conduct in 2024. The objective is to provide its employees and other stakeholders with a comprehensive document codifying the Group’s commitment to business ethics, while including clear guidance for each topic.

### 1.1.2. OUR BUSINESS

The Group offers a wide range of car and vans & trucks rental as well as car sharing services:

- For a few hours, a few days, a week, a month or more;
- Through on-demand, rental or subscription offers; and
- For businesses and individuals.

In addition, Europcar is also active, to a minor extent, in the sale of used cars.

The Group operates three main distinctive brands, responding to differentiated needs, use cases and expectations in terms of level of service:

- Europcar® - A European leader of car rental and light commercial vehicle rental (traditional and upscale market)
- Goldcar® - A low cost leader in Europe
- Fox® a dynamic low cost offer in the United States.

The Group also operates an emerging subscription platform for vehicle use, under the “MyEuropcar” brand, and Ubeeqo®, a player in European roundtrip car-sharing.

Europcar Mobility Group serves its customers through various distribution channels:

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

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- 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 use a third party operated computerised reservation system, known as a Global Distribution System or “GDS”, to contact Europcar and make the reservation on behalf of the customer.

Europcar Mobility Group delivers its mobility solutions worldwide through an extensive network in over 129 countries. The Group is:

- Active in 16 countries through wholly owned subsidiaries located in Europe (Belgium, Denmark, Finland, France, Germany, Ireland, Italy, Luxemburg, the Netherlands, Norway, Portugal, Spain, and the UK), Australia, New Zealand and the USA, (the “Corporate Countries”); and
- Operates in 113 countries through franchisees and completed by partners (4 countries).

The Group employs more than 8,800 employees in its Corporate Countries.

The Group’s Fleet is sourced through varying models. We operate vehicles that we principally buy and then hold for resale (at-risk), on leases (“lease”) from third parties, or on contracts with a guaranteed resale value (“buyback”). This allows the Group to optimise the level of vehicle supply, cost of financing and risk according to market situations.

### **1.1.3. RESEARCH & DEVELOPMENT**

The Group is constantly looking for innovative solutions to accelerate its transformation, both in its technology and business, especially in the area of “green” and digital mobility solutions

## **1.2. HIGHLIGHTS OF THE YEAR AND SIGNIFICANT EVENTS SINCE THE END OF THE FISCAL YEAR**

### **1.2.1. HIGHLIGHTS OF THE YEAR**

- **Upgrade in the Group’s rating**

On January 31, 2023, S&P upgraded the Group’s rating from B positive outlook to B+ stable outlook. On April 13, 2023, Moody’s upgraded the Group’s rating from B3 to B2 and changed the outlook to stable.

- **Early settlement of a hedging instrument**

In February 2023, the Group terminated early a €350 million interest rate swap contract which had not been eligible for hedge accounting and for which the contractual maturity date was December 20, 2024. This termination resulted in the Group receiving a cash payment of €12.5 million, corresponding to the fair value of the instrument at the date of termination, plus accrued interest. The amount of unrealized losses recognized in equity at the date of disqualification and not yet amortised has been fully recycled to 2023 financial income (loss), with an offsetting entry in other comprehensive income, in the amount of €7.5 million.

- **Acquisition of a 51% majority stake in Euromobil GmbH**

On September 15, 2023, the Group announced its intention to acquire a 51% majority stake in Euromobil GmbH, subject to the approval of the competition authorities.

On October 30, 2023, after obtaining the agreement of the competition authorities, Europcar Participations SASU, a wholly-owned subsidiary of the Company, acquired 51% of the capital of Euromobil GmbH, which operates a rent-a-car and car subscription business across Volkswagen Group's brands and dealerships in Germany. The remaining 49% of the capital of Euromobil GmbH remains with EURO-Leasing GmbH, a wholly-owned subsidiary of Volkswagen Financial Services, which in turn is a wholly-owned subsidiary of Volkswagen AG. Euromobil GmbH has been fully consolidated since November 1, 2023.

- **US Securitisation program**

The Group increased the securitisation program for Fox Rent-a-Car in the USA from USD 225 million to USD 300 million. This facility will progressively refinance the existing local lines.

- **Conflict between Ukraine and Russia**

Since the 2022 financial year, the Group suspended its contracts with its Ukrainian, Russian and Belarusian franchisees. The consequences of the conflict on the Group's activities are not significant.

- **Alain Favey succeeds Peter Gowers as Chairman of the Management Board and Group Chief Executive Officer of Europcar Mobility Group**

Effective June 1, 2023, Alain Favey was appointed as Chairman of the Management Board and Group Chief Executive Officer of the Group. Alain Favey succeeds Peter Gowers, who stepped down as planned after supporting the acquisition of the Group by Green Mobility Holding.

### **1.2.2. SIGNIFICANT EVENTS SINCE THE END OF THE FISCAL YEAR**

There have been no significant events since the end of the fiscal year. For any subsequent events, please refer to Note 14 of the Company's consolidated financial statements for the year ending December 31, 2023.

### **1.3. OUR ORGANISATION: SUBSIDIARIES**

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 through its directly held subsidiaries assists its Corporate Countries through a number of support functions.

#### **1.3.1. SITUATION AND ACTIVITY OF SUBSIDIARIES AND CONTROLLED COMPANIES**

The Company's main subsidiaries are listed below:

### List of consolidated entities

Company name	Head office (city)	Country	Consolidation method <sup>(1)</sup>	% of interest	% of control
<b>Parent company</b>					
Europcar Mobility Group SA	Paris	France	FC	100,0 %	100,0 %
<b>Information on consolidated companies</b>					
Europcar International S.A.S.U.	Paris	France	FC	100,0 %	100,0 %
EC 4 S.A.S.U.	Paris	France	FC	100,0 %	100,0 %
Europcar Holding S.A.S.	Paris	France	FC	100,0 %	100,0 %



Europcar Lab S.A.S.U.	Paris	France	FC	100,0 %	100,0 %
Europcar Lab UK Ltd	Leicester	United Kingdom	FC	100,0 %	100,0 %
E-Car Club Holding Ltd	Leicester	United Kingdom	FC	100,0 %	100,0 %
E-Car Club	Leicester	United Kingdom	FC	100,0 %	100,0 %
Europcar Participations S.A.S.U.	Paris	France	FC	100,0 %	100,0 %
Ubeeqo International S.A.S.	Paris	France	FC	100,0 %	100,0 %
Ubeeqo France S.A.S.	Paris	France	FC	100,0 %	100,0 %
Ubeeqo SPRL	Zaventem	Belgium	FC	100,0 %	100,0 %
Ubeeqo GmbH	Berlin	Germany	FC	100,0 %	100,0 %
Guidami S.r.L.	Milan	Italy	FC	100,0 %	100,0 %
Dos Palos Spain S.L	Madrid	Spain	FC	100,0 %	100,0 %
Blue Sostenible S.L.	Madrid	Spain	FC	100,0 %	100,0 %
Securitifleet Holding S.A.	Paris	France	FC	99,30 %	8,26 %
Securitifleet Holding Bis S.A.S.U.	Paris	France	FC	0,0 %	0,0 %
EC Finance PLC	London	United Kingdom	FC	0,0 %	0,0 %
FCT Sinople	Paris	France	FC	0,0 %	0,0 %
Europcar France S.A.S.	Paris	France	FC	100,0 %	100,0 %
Securitifleet France S.A.S.U.	Paris	France	FC	99,30 %	8,26 %
Securitifleet Location S.A.S.U.	Rouen	France	FC	99,30 %	8,26 %
Parcoto Services S.A.S	Rouen	France	FC	100,0 %	100,0 %
Monaco Auto Location SAM	Monaco	Monaco	FC	100,0 %	100,0 %
Europcar International S.A.S.U. und Co OHG	Hamburg	Germany	FC	100,0 %	100,0 %
Europcar Autovermietung GmbH (sub-level consolidation)	Hamburg	Germany	FC	100,0 %	100,0 %
Securitifleet GmbH	Hamburg	Germany	FC	100,0 %	5,41 %
Europcar S.A.	Zaventem	Belgium	FC	100,0 %	100,0 %
InterRent S.a.r.l	Luxembourg	Luxembourg	FC	100,0 %	100,0 %
Europcar Netherlands BV	Amsterdam	Netherlands	FC	100,0 %	100,0 %
Europcar IB S.A.	Madrid	Spain	FC	100,0 %	100,0 %
Securitifleet S.L.	Madrid	Spain	FC	100,0 %	0,40 %
Ultramar Cars S.L.	Madrid	Spain	FC	100,0 %	100,0 %
LC EC Participations Investments S.L.U	Madrid	Spain	FC	100,0 %	100,0 %
GoldCar Spain S.L.U.	Alicante	Spain	FC	100,0 %	100,0 %
Goldfleet Spain SLU	Alicante	Spain	FC	100,0 %	100,0 %
Goldhire Portugal SLU	Faro	Portugal	FC	100,0 %	100,0 %
Goldcar Italy S.r.l.	Laives	Italy	FC	100,0 %	100,0 %
Goldfleet Italy S.p.A	Laives	Italy	FC	100,0 %	100,0 %
Goldcar France S.A.R.L	Vitrolles	France	FC	100,0 %	100,0 %
Goldcar Rental D.O.O.	Zagreb	Croatia	FC	100,0 %	100,0 %
Goldfleet Location S.A.S	Rouen	France	FC	100,0 %	100,0 %
Europcar Italia S.p.A.	Bolzano	Italy	FC	100,0 %	100,0 %
Securitifleet S.p.A.	Bolzano	Italy	FC	99,32 %	13,76 %
Europcar Lab Italia S.R.L	Milan	Italy	FC	100,0 %	100,0 %
Europcar Internacional Aluguer de Automoveis S.A.	Lisbon	Portugal	FC	100,0 %	100,0 %
Europcar Longa Duracao	Lisbon	Portugal	FC	100,0 %	100,0 %
Europcar UK Limited	Leicester	United Kingdom	FC	100,0 %	100,0 %
PremierFirst Vehicle Rental EMEA Holdings Ltd	Leicester	United Kingdom	FC	100,0 %	100,0 %
PremierFirst Vehicle Rental Holdings Ltd	Leicester	United Kingdom	FC	100,0 %	100,0 %
Provincial Assessors Ltd	Leicester	United Kingdom	FC	100,0 %	100,0 %
Europcar Group UK Limited	Leicester	United Kingdom	FC	100,0 %	100,0 %
PremierFirst Vehicle Rental Franchising Ltd	Leicester	United Kingdom	FC	100,0 %	100,0 %
Securitifleet UK Limited	London	United Kingdom	FC	0,0 %	0,0 %
Europcar Securitifleet UK Issuer PLC	London	United Kingdom	FC	0,0 %	0,0 %
Securitifleet UK Holdings Limited	London	United Kingdom	FC	0,0 %	0,0 %
G1 Holdings Australia Pty Ltd	Melbourne	Australia	FC	100,0 %	100,0 %
Europcar Australia Pty Ltd (sub-level consolidation)	Victoria	Australia	FC	100,0 %	100,0 %
Goldcar Rental New Zealand Ltd	Christchurch	New Zealand	FC	100,0 %	100,0 %
EC New Zealand Ltd (sub-level consolidation)	Christchurch	New Zealand	FC	100,0 %	100,0 %
Executive Trust Limited	Dublin	Ireland	FC	100,0 %	100,0 %
Irish Car Rentals Limited	Dublin	Ireland	FC	100,0 %	100,0 %
Interrent Oy	Vantaa	Finland	FC	100,0 %	100,0 %
Interrent AS	Hovik	Norway	FC	100,0 %	100,0 %
Europcar Mobility Group Denmark A/S	Aarhus	Denmark	FC	100,0 %	100,0 %
Europcar Mobility Group USA LLC	Delaware	United States	FC	100,0 %	100,0 %
Euroguard cells	Gibraltar	Gibraltar	FC	100,0 %	100,0 %

Europcar Services SA	Lisbon	Portugal	FC	100,0 %	100,0 %
Fox Rent-A-Car Inc.	Tulsa	United States	FC	100,0 %	100,0 %
Fox Reservation System Inc.	Tulsa	United States	FC	100,0 %	100,0 %
EMGFX Vehicle Financing LLC	Tulsa	United States	FC	100,0 %	100,0 %
EMGFX LLC	Tulsa	United States	FC	100,0 %	100,0 %
Nordcar Finance A/S	Silkeborg	Denmark	FC	100,0 %	100,0 %
Euromobil GmbH	Sittensen	Germany	FC	51,0 %	51,0 %

(1) FC: fully consolidated.

For further details please refer to Note 12 of the Company's consolidated financial statements for the year ending December 31, 2023.

### **1.3.2. SIGNIFICANT HOLDINGS ACQUIRED OR TAKEOVERS OF COMPANIES**

In Q4 2023, Europcar Participations SASU, a wholly-owned subsidiary of the Company, acquired a controlling stake (51%) in Euromobil GmbH, which operates a rent-a-car and car subscription business across Volkswagen Group's brands and dealerships in Germany. The other 49% of the shares in Euromobil GmbH remain with EURO-Leasing GmbH, a wholly-owned subsidiary of Volkswagen Financial Services, which in turn is a wholly-owned subsidiary of Volkswagen AG.

### **1.3.3. DISPOSAL OF SUBSIDIARIES OR HOLDINGS**

During the year ended December 31, 2023, the Company did not dispose of any subsidiaries or significant holdings or the control of any company.

## **2. PRESENTATION OF THE COMPANY'S FINANCIAL STATEMENTS**

### **2.1. KEY FINANCIAL INDICATORS**

#### **1.3.4. INDIVIDUAL FINANCIAL STATEMENTS**

The Company's individual financial statements and the statutory auditors' report relating thereto are presented in Appendix 1.

- **Revenue**  
Revenue for fiscal year 2023 amounts to €13.2 million versus €13.9 million for fiscal year 2022, down by 0,05% compared to 2022.
- **Operating result**  
Operating result for fiscal year 2023 amounted to a loss of €23.5 million compared with a loss of €31.3 million for the previous year.
- **Net financial result**  
Net financial result for fiscal year 2023 (including financial charges related to the fleet and movements in provision for impairment of financial assets) was €26.7 million versus a net expense of €147.1 million in 2022.
- **Income tax**  
Income tax represented a €10.5 million credit versus a credit of €1.2 million in 2022.
- **Net profit or Loss**  
The Company's individual financial statements for the fiscal year 2023 show a gain of €13.3 million versus a gain of €117.7 million for the fiscal year 2022.

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### 1.3.5. CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements of the Company and the statutory auditors' report relating thereto are presented in Appendix 2.

- **Revenue**  
Revenue for fiscal year 2023 amounts to €3,098 million versus €3,084 million in 2022.
- **Fleet holding costs**  
Fleet holding costs for fiscal year 2023 amount to €892 million versus €712 million in 2022.
- **Fleet operating, rental and revenue related costs**  
Fleet operating, rental and revenue related costs consist of the operating costs of the fleet (including insurance costs), commissions and franchise fees related to ordinary revenue. Fleet operating, rental and revenue related costs for fiscal year 2023 amount to €981 million versus €994 million in 2022.
- **Personnel costs**  
Personnel costs which include both headquarters and network costs for fiscal year 2023 amount to €505 million versus €493 million in 2022.
- **Overhead costs**  
Overhead costs which include both headquarters and network costs for fiscal year 2023 amount to €252 million versus €231 million in 2022.
- **Impairment of non-current assets**  
Impairment losses of non-current assets for fiscal year 2023 amount to €41 million versus €97 million in 2022.
- **Other non-recurring income and expenses**  
Other non-recurring income and expenses for fiscal year 2023 amount to a net expense of €98 million versus €71 million in 2022 and primarily include:
  - Reorganisation and transformation costs;
  - Professional fees;
  - Disputes relating to tax audits and litigations; and
  - Other exceptional income and expenses outside the normal course of business.
- **Operating income**  
Operating income for fiscal year 2023 amounts to €164 million, compared to €313 million in 2022.
- **Net financial results**  
Net financial results (including financial charges related to the fleet) for fiscal year 2023 amount to a net expense of €227 million versus a net expense of €185 million in 2022.
- **Income tax**

Income tax for fiscal year 2023 amounts to a charge of €75 million, versus €73 million in 2022.

- **Net profit or Loss**

The Company's consolidated financial statements for the fiscal year 2023 are showing a consolidated net loss of €139 million versus a net profit of €55 million in 2022.

## **2.2. SHAREHOLDERS' EQUITY – DECISION TO BE TAKEN PURSUANT TO THE PROVISIONS OF ARTICLE L.225-248 OF THE FRENCH COMMERCIAL CODE**

Not applicable.

## **2.3. PROPOSED ALLOCATIONS OF NET INCOME**

The Company's individual financial statements for the fiscal year 2023, show a net profit of €13.3 million versus a gain of €117.7 million for the fiscal year 2022. It is proposed to allocate this profit to "retained earnings" which would then be increased to € (115.4) million. Total equity is over €2 billion due to a share premium account mostly resulting from the debt conversion accounted for in 2021.

## **2.4. TABLE OF RESULTS FOR THE LAST FIVE FISCAL YEARS OF EUROPCAR MOBILITY GROUP S.A. (ALL FINANCIAL RESULTS ALL QUOTED IN €)**

	Year ended 31/12/2019	Year ended 31/12/2020	Year ended 31/12/2021	Year ended 31/12/2022	Year ended 31/12/2023
Duration of the fiscal year, months	12	12	12	12	12
<b>Share capital at the end of the fiscal year</b>					
Share capital (at the end of the fiscal year)	163,884 279	163,884 279	50,156,401	50,156,401	50,156,401
Number of ordinary shares	163,884 279	163,884 279	5,015,640,081	5,015,640,081	5,015,640,081
<b>Operations and results</b>					
Revenue excluding taxes	11,682 568	6,510 298	7,166,490	11,288,450	11 547 254
Profit/(loss) before tax, investment, amortisation, depreciation and provisions,	21,945 796	(63,697,925)	(27,813,061)	(12,947,655)	12 280 114
Income taxes	21,279 255	6,590 689	739,753	1,218,290	10 451 874
Net profit (Gain)	11,207 882	(225,746,832)	(37,487,396)	117,661,989	13 261 727
Net profit/(loss) distributed	0	0	0	0	0

<b>Profit / (Loss) per share</b>					
Profit/(loss) after tax, investment and before amortisation, depreciation and provisions	0.39	(0.39)	(0.006)	(0.003)	0.002
Net profit (loss)	0.30	(1.37)	(0.007)	0.024	0.003
Dividend distributed	0	0	0	0	0
<b>Personnel</b>					
Average workforce	14	11	7.5	7	8
Payroll	5,314,142	4,491 143	6,259,409	10,448,415	8 498 290
Amounts paid in benefits (social security, other staff benefits, etc.)	2,867 80	1,752 145	2,911,143	3,044,258	2 251 785

## **2.5. DIVIDEND DISTRIBUTION OVER THE LAST THREE FISCAL YEARS**

We would like to remind you that for the last three fiscal years, dividends have been distributed as follows.

	31/12/2020	31/12/2021	31/12/2022
Total amount of ordinary dividend	0	0	0
Total of extraordinary dividend	0	0	0
Total amount of distribution by deduction from share, merger and contribution premium	0	0	0

From the fiscal years starting on or after December 31, 2021, the payment of dividend depends on its debt to equity ratio, in accordance with the PGE.

## **2.6. DISCLOSURE OF FEES AND EXPENDITURE EXCLUDED FROM DEDUCTIBLE EXPENSES FOR THE CORPORATE TAX BASE (ARTICLES 223 QUATER AND 223 QUINQUIES OF THE FRENCH GENERAL TAX CODE)**

In accordance with the provisions of Article 223 *quater* and 223 *quinquies* of the French General Tax Code, we inform you that, in respect of the year ended, no excessive non-deductible expenses or charges have been recorded for tax purposes within the meaning of Article 39-4 of the French General Tax Code, nor excessive overheads within the meaning of Article 39-5 of the French General Tax Code.

## **2.7. INFORMATION ON PAYMENT TERMS**

## At 3 December 31, 2023: EMG Suppliers

AS OF DECEMBER 31, 2023

<u>OUTSTANDING INVOICES RECEIVED BUT NOT SETTLED BY THE CLOSING DATE OF THE FISCAL YEAR, PAST DUE</u>						
<u>IN THOUSANDS OF EUROS</u>	<u>DUE IN 0 DAYS</u>	<u>DUE BETWEEN 1 AND 30 DAYS</u>	<u>DUE BETWEEN 31 AND 60 DAYS</u>	<u>DUE BETWEEN 61 AND 90 DAYS</u>	<u>DUE MORE THAN 91 DAYS</u>	<u>TOTAL (1 DAY AND MORE)</u>
<b>A. PAYMENT DELAY SEGMENT</b>						
<u>NUMBER OF INVOICES CONCERNED</u>	0	1	8	1	16	26
<u>TOTAL AMOUNT OF CONCERNED INVOICES EXCLUDING TAXES</u>	0	288	2	0	273	563
<u>PERCENTAGE OF THE TOTAL AMOUNT OF PURCHASES EXCLUDING TAXES FOR THE FISCAL YEAR</u>	0%	1,31%	0,01%	0%	1,24%	2,56%
<u>PERCENTAGE OF THE TURNOVER EXCLUDING TAXES FOR THE FISCAL YEAR</u>						
<b>B. PAYMENT DELAY SEGMENT</b>						
<u>NUMBER OF EXCLUDED INVOICES</u>	0					
<u>AMOUNT OF EXCLUDED INVOICES</u>	0					
<b>C. PAYMENT TERMS USED FOR THE CALCULATION OF PAYMENT DELAYS</b>						
<u>PAYMENT TERMS USED FOR THE CALCULATION OF PAYMENT DELAYS</u>	<u>CONTRACTUAL PAYMENT TERMS OF 60 DAYS END OF MONTH FROM INVOICE DATE</u>					

AS OF DECEMBER 31, 2023

ISSUED INVOICES NOT SETTLED BY THE CLOSING DATE OF THE FISCAL YEAR, PAST DUE

<u>IN THOUSANDS OF EUROS</u>	<u>DUE IN 0 DAYS</u>	<u>DUE BETWEEN 1 AND 30 DAYS</u>	<u>DUE BETWEEN 31 AND 60 DAYS</u>	<u>DUE BETWEEN 61 AND 90 DAYS</u>	<u>DUE MORE THAN 91 DAYS</u>	<u>TOTAL (1 DAY AND MORE)</u>
<b>A. PAYMENT DELAY</b>						
<b>SEGMENT</b>						
<b>NUMBER OF INVOICES CONCERNED</b>	<b>0</b>	<b>2</b>	<b>6</b>		<b>6</b>	<b>14</b>
<b>TOTAL AMOUNT OF CONCERNED INVOICES INCLUDING TAXES</b>	<b>0</b>	<b>102</b>	<b>542</b>	<b>0</b>	<b>4 224</b>	<b>4 868</b>
<b>PERCENTAGE OF THE TOTAL AMOUNT OF PURCHASES EXCLUDING TAXES FOR THE FISCAL YEAR</b>						
<b>PERCENTAGE OF THE TURNOVER EXCLUDING TAXES FOR THE FISCAL YEAR</b>	<b>0%</b>	<b>1%</b>	<b>5%</b>	<b>0%</b>	<b>37%</b>	<b>42%</b>
<b>B. PAYMENT DELAY</b>						
<b>SEGMENT</b>						
<b>NUMBER OF EXCLUDED INVOICES</b>				<b>0</b>		
<b>TOTAL AMOUNT OF EXCLUDED INVOICES</b>				<b>0</b>		
<b>C. PAYMENT TERMS</b>						
<b>USED FOR THE CALCULATION OF PAYMENT DELAYS</b>						
<b>PAYMENT TERMS USED FOR THE CALCULATION OF PAYMENT DELAYS</b>	<b>CONTRACTUAL PAYMENT TERMS OF 30 DAYS END OF MONTH FROM INVOICE DATE</b>					

## **2.8. FORESEEABLE DEVELOPMENTS AND FUTURE OUTLOOK**

The Company intends to continue with the execution of its EXCEED strategy presented in December 2023, to remain a global leader in the rental car market and profitably expand into adjacent mobility solutions.

The focus of the group is expected to continue to be:

1. Improving its customer experience, with a more premium brand experience at Europcar through a more premium fleet and more convenient services, and by making Goldcar a leader in low-cost rental through greater simplicity in customer terms, standardisation and efficiency.
2. Ensuring excellence is the service and in operations, through enhanced digital solutions and leveraging data to better steer the business.

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3. Regaining market position across geographies and through stronger commercial capabilities supported by new tools on Revenue Management and Pricing, a new loyalty program.
  4. Better managing our fleet (fleet cost, risk exposure, sustainable fleet), in a context of increasing fleet costs.
  5. Developing the adjacent services that contribute to building a platform for the future of mobility through its subscription service 'MyEuropcar', and the on-demand activity.

The focus is also on the development of a new technology infrastructure to support our business ambition.

The Company has been through significant change in recent years, including the challenges of the pandemic, its financial restructuring and the process for change of ownership. We are now embarked upon a program of work to ensure we take advantage of the opportunities presented by new ownership and continue to identify the principal risks to our business and mitigate those risks.

Looking ahead, in addition to the opportunities presented by our strategy and mitigating the risks identified in this report, we note several important factors:

- The recovery from Covid continues and we expect global leisure travel to recover strongly and business travel to recover more slowly, linked to economic conditions, particularly in vans and trucks. However, both may be subject to factors such as global political conditions, airline capacity, local industrial action in the transport network, regulation and border restrictions.
- The recent supply shortages of vehicles in the car and van industry have led to higher prices for vehicles and also higher levels of retail prices. Fleet costs are expected to remain at a very high level which will result in a strong pressure on margin. The level of resale prices in the vehicle market is also subject to possible variations which will have the greatest impact on values of our at-risk vehicles.
- The changing move to electrification of vehicle fleets, in a regulatory framework that is increasingly demanding, is subject to the availability of vehicle supply, electric charging facilities, access to the electricity network and other factors. The pace of change may vary by country and by year, according to conditions, and may impact our profitability due to higher cost for these vehicles and a downward pressure on prices resulting from low demand from customers.
- Regulatory change in the field of new mobility is rapid, including growth in low-emission zones, changing requirements at airports, new data protection rules and consumer and competition measures. The group may have to adjust business practices rapidly in response to changes.
- Levels of inflation around the world have been rising, and this places pressure on staff costs where the group intends to remain competitive.
- Opportunities are increasing in new mobility, particularly in subscription. These businesses are subject to high levels of competition from players beyond the rental car industry, and we may choose to invest in building positions in these sectors which take longer to reach profitability than our traditional operations.
- The Company has opportunities to create value for customers by cooperating, on an arm's-length basis and at commercial terms, with entities controlled by its ultimate shareholders.

While the geopolitical environment, economic conditions, limited fleet supply and uncertainty of fleet values (both to acquire and residual values) make it difficult to forecast the coming years, the company remains confident in its long-term prospects.

## **2.9. STATUTORY AUDITORS' TERMS OF OFFICE**



	Start date of 1st term	Date of renewal of last term of office	Term (expiration) of current term of office
<b>PricewaterhouseCoopers Audit</b> (member of the Compagnie Regionale des Commissaires aux Comptes de Versailles) Represented by Romain Dumont 63 rue de Villiers, 92200 Neuilly-sur-Seine	March 09, 2006	May 17, 2018	At the end of the Shareholders' Meeting called to approve the financial statements for the fiscal year ended December 31, 2023
<b>Mazars</b> (member of the Compagnie Regionale des Commissaires aux Comptes de Versailles) Represented by Guillaume Devaux 61 rue Henri-Regnault, 92400 Courbevoie, France	May 16, 2013	April 26, 2019	At the end of the Shareholders' Meeting called to approve the financial statements for the fiscal year ended December 31, 2024

### 3. LIQUIDITY AND FINANCIAL POSITION

#### 3.1 TOTAL NET DEBT

As of December 31, 2023, Group corporate gross debt excluding IFRS 16 amounted to €347 million, compared with €280 million as of December 31, 2022. The Group recorded corporate cash (excluding undrawn corporate facilities) of €271 million as of 31 December 2023 versus €288 million as of December 31, 2022.

As of the same date, total fleet net debt, excluding fleet-related lease liabilities, totaled €3,011 million, compared to €2,759 million as of December 31, 2022.

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

<i>(in millions of €)</i>	<i>As at December 31, 2023</i>	
State Guaranteed Loans	(A)	209
New Term Loan (€500m) & RCF	(B)	655
Earn-out		25
Corporate debt reclassified as cash in fleet	(C) -	542
<b>Gross Corporate debt</b>		<b>347</b>
Cash in hand, restricted cash & short-term investments	(D) -	271
<b>Corporate net debt (excl. Leases)</b>		<b>76</b>
High Yield EC Finance Notes	(E)	500
Senior asset revolving facility (€1.7bn SARF EU Program)		868
Senior asset revolving facility (\$225m US Program)		267
Senior asset revolving facility (£450m UK Program)		267
Corporate debt reclassified as cash in fleet and others		545
UK, Australia, IRE, DNK & other fleet financing facilities		793
<b>Gross financial fleet debt</b>		<b>3 241</b>
Cash in hand, restricted cash & short-term investments	-	230
<b>Fleet net debt (excl. Leases)</b>		<b>3 011</b>

- (A) For the purpose of consolidating the Group's liquidity to allow it to address its vehicle financing needs and its corporate needs related to the impacts of the Covid-19 pandemic, on 2 May 2020, the Group negotiated a €220 million loan, 90% guaranteed by the French government. This loan had an initial maturity of one year which was extended to five years on 23 April 2021, and will be used to meet the Group's general requirements. During the second quarter of 2020, the Group also negotiated state-guaranteed loans from the Spanish government (70% guarantee) amounting to €101 million. These loans, with a three-year maturity that was extended by three years

to 2026 in March 2021, are intended to finance the working capital requirements of the borrower and/or finance the vehicle fleet in Spain.

- (B) On 30 November 2022, the group refinanced its corporate debt and replaced the existing financing arrangements by a €500m 5 year VW Bank Term-loan and a €250m RCF maturing in August 2027. In 2023, RCF increased from €250m to €280m. As of 31 December 2023, €155m was drawn under the RCF.
- (C) Includes investments in Junior Notes of the three securitisations and cash used to finance the fleet, both restated from corporate debt to impact the fleet debt.
- (D) Short-term investments include bond investments made by the Group's two captive insurers and considered to be liquid due to their maturities.
- (E) On 7 October 2021, EC Finance Plc issued the EC Finance Notes (green bond) for a total amount of €500 million due in October 2026.

### **3.2 ANALYSIS OF THE CORPORATE FREE CASH FLOW**

The Corporate free cash flow is prepared by the indirect method and excludes IFRS 16 impacts.

#### **Management cash flow statement**

Group including Euromobil excluding IFRS16 Reported rate (in million EUR)	YTD		Vs. 2022 ACT
	2022 ACT	2023 ACT	
<b>Adjusted CEBITDA</b>	<b>434</b>	<b>244</b>	<b>(190)</b>
Non recurring expenses	(48)	(59)	(11)
Non fleet capex	(68)	(97)	(29)
Change in NFWC	88	(60)	(148)
Change in provisions	32	3	(29)
Income tax paid	(27)	(96)	(69)
<b>Corporate free cash flow before Interest on corporate debt</b>	<b>411</b>	<b>(65)</b>	<b>(476)</b>
<b>Conversion ratio rate %</b>	<b>95%</b>	<b>-27%</b>	

Free cash flow of the year 2023 consisted of an outflow of -€65 million, compared to €411 million inflow in the year 2022, mainly coming from the CEBITDA of €434 million, compared to €244 million in 2023.

- Non-recurring expenses of €59 million in 2023, compared to an expense of €48 million 2022. For both 2023 and 2022, they mainly reflect the adaptation measures taken at headquarters and in the Group station network, mostly in Germany and France, as well as strategic project expenses.
- Acquisition of intangible assets and property, plant and equipment (capital expenditure net of proceeds from disposals and excluding fleet acquisition) totalled €97 million in 2023 compared to €68 million in 2022. Changes in working capital requirements (excluding rental fleet) amounted to -€60 million in 2023, compared to +€88 million in 2022, reflecting good payment behaviour in 2023 and exceptional performance in 2022.
- Changes in provision amounted to +€3 million in 2023, compared to +€32 million in 2022, mainly due to Insurance reassessment
- Income tax outflows in 2023 amounted to €96 million, increasing, compared to €69 million outflow in 2022.

#### **4. MAIN RISKS AND UNCERTAINTIES FACING THE COMPANY**

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As mentioned previously, Europcar Mobility Group delivers its mobility solutions worldwide through an extensive network in over 129 countries. The Group is:

- Active in its 16 Corporate Countries through wholly owned subsidiaries located in various countries in Europe, the USA, Australia and New Zealand; and
- Operates in 113 countries through franchisees and completed by partners (4 countries).

Below the Company provides an overview of the main risks and uncertainties it faces.

#### **4.1. RISKS RELATING TO THE GROUP'S INDUSTRY AND MARKETS**

##### **4.1.1. RISKS RELATED TO THE DECREASE IN DEMAND FOR TRAVEL AND TRANSPORT IN THE REGIONS IN WHICH THE GROUP OPERATES**

Demand for vehicle rentals in a given region, and for “corporate” rentals in particular, is affected by trends in gross domestic product (GDP). Declines in, or stagnation of, GDP negatively impacts the level of vehicle rental demand. This could lead to a tightening in the credit market, a drop in business and leisure travel, a reduction in consumption and greater volatility in fuel prices. All these factors could negatively impact the vehicle rental industry, and particularly demand in the “business” segment. The current situation and the outlook for 2024 for the Eurozone remain very uncertain, with a risk of stagnation.

A deflationary or inflationary environment in the EEA, the USA or our other markets would limit the Group's growth prospects and any deterioration in the eurozone economy could adversely affect the Group's business, operating income, financial position and prospects.

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

The Group continues to be vigilant in order to take the appropriate steps, both in terms of its staff and its customers, and its business, should a pandemic recur. In that circumstance, the Group would expect to regularly review the course of the pandemic as well as its impact on the Group's business, operations and financial position, and to take all appropriate measures for its customers, employees, stations and fleet. A protracted global epidemic and the continuation of restrictive measures to control it, insofar as it is creating a slowdown in business and tourist travel, is likely to have a significant impact on the Group's business, operating income and financial position.

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

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#### **4.1.2. 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, brokers and new mobility players of varying size and alternative providers such as leasing companies. 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 may to respond to expectations and changes in demand in the regions in which they operate.

Price is one of the industry's main competitive factors. Pricing is highly dependent on demand levels, the supply of vehicles available for rent relative to demand, and oversupply of rental vehicles relative to demand can lead to intense pressure on prices as vehicle rental companies seek to maintain high fleet utilisation 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 one of the main sources of differentiation. This trend is expected to continue. This increase in online reservations is due, among other things, to the ease of use of this distribution channel (including for "last minute" bookings) and the fact that it enables price and service comparisons. These trends could have a material adverse effect on the Group's business, results of operations, financial position and prospects.

The emergence of new mobility solutions creates opportunities but is not devoid of risks. The entry into the market of new potential competitors that have adopted a digital-only model – such as companies offering car sharing and car-pooling services – and their growing presence in the mobility market, or the arrival of leasing companies on the market for shorter-term contracts, could also affect the Group's competitive position. In response to such competition and to these changes market conditions the group is investing into digital tools and digital distribution.

#### **4.1.3. RISKS RELATED TO THE SEASONAL NATURE OF THE VEHICLE RENTAL INDUSTRY AND ITS SENSITIVITY TO WEATHER CONDITIONS**

The third quarter of the year has historically been the Group's strongest quarter due to higher levels of leisure travel in the summer months. The 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.

In addition, changing climate trends over the long term may alter the pattern of seasonality around the world, requiring us to adapt. Local weather events or changes such as absences of snow in ski resorts, wildfires, floods and wind can impact travel at short notice over a significant area.

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## **4.2. OPERATIONAL RISKS RELATED TO THE BUSINESS**

### **4.2.1. RISKS RELATED TO THE SUPPLY OF THE GROUP'S VEHICLE FLEET AND TO MANUFACTURERS' 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 or be forced to restrict the production or sale of vehicles to the rental industry for various reasons, or could be affected by the occurrence of unforeseeable events, such as the conflict in Ukraine. 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.

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

Procurement and fleet holding costs may also increase due to taxes linked to emission reduction requirements and the transition to electric vehicles. Car manufacturers are gradually stepping up their production of electric vehicles and scaling back production of internal combustion engine vehicles, causing a significant cost increase. If the Group is unable to obtain favourable pricing and other terms when it acquires vehicles and is unable to pass on increased costs to its prices, the Group's results of operation and financial position could be materially adversely affected.

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

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

However, given the current pressure on vehicle availability on "buy back" arrangements being often at higher prices, the Group's vehicles purchase policy is also resulting in an increasing proportion of at-risk purchases to safeguard the fleet. This increases the risk exposure of second hand car market price and residual value on vehicles.

Manufacturers continue to reduce the proportion of diesel vehicles in favour of gasoline vehicles in 2022, furthering the transition started in previous years.

The WLTP Procedure (Worldwide-harmonised Light vehicles Test procedure), used to measure fuel consumption and emissions of CO<sub>2</sub> and other pollutants, became effective on September 1, 2018. Since the entry into force of the WLTP procedure, CO<sub>2</sub> levels have been found to be higher than those recorded under the previous standard, and this has led to an increase in taxes imposed on vehicles. The financial impact from the taxation of CO<sub>2</sub> emissions has been mitigated thanks to an improvement in both model and engine (low-emissions engines combined with a larger proportion of hybrid and electric vehicles) as well as longer holding periods.

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The Group might have to spend considerable sums if a manufacturer or dealer were no longer able to respect its buyback 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 fulfil the aforementioned obligations could leave the Group with a substantial and uncertain unpaid claim, particularly with respect to vehicles that have been (i) resold for an amount less than the contractually guaranteed amount, and therefore requiring the manufacturer or the dealer to compensate the Group for the loss incurred, or (ii) returned to the manufacturer or dealer, but for which the Group may risk not receiving any payment or only partial payment. Such failure to perform could lead the Group to incur a substantial loss.

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

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

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, as it is possible with "buy back" and would increase its exposure to fluctuations in the residual value of used vehicles. Additionally, any reduction in the residual values of "at-risk vehicles" could cause the Group to sustain a loss when such vehicles are ultimately resold and would affect its liquidity by decreasing the value of the asset base upon which financing is based.

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

#### **4.2.2. RISKS RELATED TO THE CONTRACTUAL RELATIONSHIPS WITH CERTAIN KEY PARTNERS AND KEY DISTRIBUTION CHANNELS**

In the leisure segment, the Group relies on a number of targeted partnerships and third-party distribution channels, which generate significant rental revenue.

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

The loss of certain of these partnerships, distribution channels or contracts, unfavourable 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.

#### **4.2.3. RISKS RELATED TO THE GROUP'S POTENTIAL FAILURE TO DETECT FRAUD**

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

#### **4.2.4. RISKS RELATED TO CONTRACTUAL RELATIONSHIPS WITH CERTAIN KEY SUPPLIERS (IN ADDITION TO CAR MANUFACTURERS)**

The Group signed a number of contractual agreements with suppliers other than car manufacturers, in particular insurance providers and information technology suppliers. The Group also maintains important business relationships with several software and service providers that it uses to operate its IT systems, manage reservations and its fleet, and provide certain customer services.

The suppliers on which the Group relies may be unwilling to extend contracts under terms that are favourable 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.

#### **4.2.5. RISKS RELATED TO CONTRACTUAL RELATIONSHIPS WITH FRANCHISEES, AGENTS AND AFFILIATES**

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

The Group cannot guarantee that all of its franchise contracts will be renewed or renewed according to the terms and conditions proposed by the Company in the new franchise contract. The Group could lose franchisees to competing networks offering more favourable terms, or franchisees could cease operating. If one or more of the Group's franchisees were to leave the Group's networks, its geographic coverage could be reduced and transition costs may be incurred; and if the Group is unable to secure agreements with replacement franchisees at terms and conditions that are at least equally favourable, 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

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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.

Furthermore, the Group faces risks related to the actions or omissions of its franchisees, agents and affiliates (for further information, see Section "Risks related to the Group's ability to develop and maintain favourable brand recognition").

#### **4.2.6. RISKS RELATED TO THE GROUP'S POTENTIAL INABILITY TO CONTINUE OPERATIONS ON ACCEPTABLE TERMS AT CERTAIN MAJOR AIRPORTS AND TRAIN STATIONS**

The Group operates rental agencies at airport and train stations generally through three-year to five-year agreements. While historically such arrangements have been renewed, they are frequently competitively tendered and 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.

### **4.3. RISKS RELATED TO THE OPERATION AND ORGANIZATION OF THE GROUP**

#### **4.3.1. 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 changes in customer preferences and its customer mix in its existing markets.

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

It also depends in part on its ability to continue to expand into geographic areas where the Group has little experience and where competitive pressures, particularly on prices, may be substantial. The Group operates in over 129 countries and territories through its subsidiaries, franchisees and partnerships. The Group is therefore likely to expand into other countries in line with its development strategy. Difficulties related to maintaining a corporate culture as the Group expands, and disparities in approaches to governance, may limit the Group's ability to successfully penetrate new markets. Operations in certain of these markets are also inherently subject to higher economic, political and legal risks than in more mature markets.

The Group's forays into new markets or market segments may take the form of franchise arrangements in line with a traditional approach through organic growth such as a joint venture or partnership with another company, or the acquisition of an existing business. However, the Group may not be successful in identifying appropriate opportunities, potential franchisees, joint-venture partners, alliances or agents, or in entering into agreements with them. The Group's partners may also have economic or business interests or goals that are inconsistent with the Group's or they may be unable or unwilling



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to fulfil 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).

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 capitalise on the expertise of the integrated companies in order to optimise growth efforts, and to manage any potential differences in culture and work practices between the Group and the acquired company or companies, especially when they operate in geographical areas or industries that are very different from the Group's core business.

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

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

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

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

#### **4.3.2. RISKS RELATED TO THE ABILITY OF THE GROUP TO ANTICIPATE THE FAILURE OR UNAVAILABILITY OF THE GROUP'S CENTRALISED INFORMATION SYSTEMS AND 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 centralised its Information Systems and relies on communications service providers to link its systems with the business locations these systems serve. A major failure of IT or other systems, or a major disruption of communications between the systems and the locations they serve, whatever the reason (especially a cyberattack), could cause a loss of reservations, slow rental and sales processes, interfere with the Group's ability to manage its fleet and otherwise materially adversely affect its ability to manage its business effectively. The Group's systems design and business continuity plans may not be sufficient to appropriately respond to any such failure or disruption. Cybercrime trends and information warfare in the context of a geopolitical conflict could disrupt or block some or all of our IT systems and interfere with the Group's ability to manage its fleet, affect its operations and have a material impact on the Group's business, operating income and financial position.

To achieve its strategic objectives and remain competitive, the Group must continue to develop and enhance its information systems in order to meet customers' increasing expectations as regards digital

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solutions, remain competitive and keep pace with new information technology developments. This may require investment in and development of new proprietary software or other technology, the acquisition of equipment and software, or upgrades to the Group's existing systems. The Group has invested and continues to invest in its information systems – including within the framework of its core-system simplification program, which is part of its Product & Tech Transformation project – but no assurances can currently be given that the Group will be able to fully anticipate such developments, or that it will have the resources to acquire, design, develop, implement or utilise, 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.

#### **4.3.3. RISKS RELATED TO THE GROUP'S ABILITY TO DEVELOP AND MAINTAIN FAVOURABLE BRAND RECOGNITION**

The Group invests in the promotion of its brands, particularly through the signing of partnerships and advertising campaigns. However, since the Group is exposed to a number of factors affecting its brand recognition that are often beyond its control, such efforts may not be successful. The integration of the Group's acquired brands could also represent a reputational risk for the Group and have a materially adverse effect on its business, results of operations, and financial position.

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

#### **4.3.4. RISKS RELATED TO THE GROUP'S POTENTIAL FAILURE TO PROTECT CUSTOMER DATA AGAINST SECURITY BREACHES AND CYBER ATTACKS**

The Group's systems regularly collect, store and process customer data, including the personal data of private individuals and businesses' non-public data. Failure by the Group to secure the data it holds or the integrity of its systems – whether as the result of the Group's own error or the malfeasance, errors, or malicious acts of others – could harm the Group's reputation and give rise to significant liabilities.

The last years have seen a marked increase in the risk of cyberattacks, owing to the number of attacks generally reported by companies and to the widespread use of teleworking arrangements. The Group observed a marked increase in malicious activity on the Europcar website, which the Group was able to contain. Remote access capabilities have been reinforced and, on the whole, have proved satisfactory in that they allow for operational continuity of administrative tasks. Additionally, employees have been sensitised to the main identified risks and the associated risks of fraud. However, third parties may possess the technology or expertise to breach the security measures put in place by the Group to protect its own and customer data.

Particularly in light of cybercrime trends and information warfare in the context of a geopolitical conflict, the Group's security measures may not prevent security breaches that could result in temporary interruptions to the service concerned or a temporary interruption to the operations of the Group entity targeted in the attack, which are likely to cause substantial harm to the Group's business, operating income and reputation. The Group is taking steps to implement and encryption and/or authentication solution, including for credit-card numbers. However, advances in technology, new discoveries in the field of cryptography, or other developments may compromise or affect the effectiveness of the technology the Group uses to protect data processed during customer

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transactions. In addition, individuals who are able to circumvent the Group's security measures could misappropriate proprietary information or disrupt the Group's operations.

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

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

#### **4.3.5. RISKS RELATED TO THE GROUP'S HUMAN CAPITAL**

- **Risks Related To Attracting And Retaining Talent And Skills Management**

The Group relies on a number of key employees with specialised skills and extensive experience in their respective fields. The Group believes that the growth and success of its business depends on its ability to attract and retain highly skilled and qualified personnel with specialised know-how in the vehicle rental and mobility solutions industry. If the Group were to lose certain employees, its ability to successfully implement its business strategy, financial and marketing plans and other programs geared toward achieving its objectives, could be significantly affected. The role of the Human Resource Department is to secure the key skills required for the Group's transformation.

- **Risks Related To Personal Safety**

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

- **Psychosocial Risks**

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

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#### **4.4. FINANCIAL RISKS**

##### **4.4.1. MARKET RISKS**

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

The Group continuously assesses the financial risks identified (including market risk, credit risk, liquidity risk and inflation) and documents its exposure in its consolidated financial statements. A detailed analysis of these risks is set out in Note 8 of the Company's consolidated financial statements for the year ending December 31, 2023.

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

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

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

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

##### **4.4.2. RISKS RELATED TO THE GROUP'S ABILITY TO GENERATE CASH AND/OR SECURE FINANCING TO FUND ITS INDEBTEDNESS OR FORECAST LIQUIDITY REQUIREMENTS**

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.

##### **4.4.3. THE COMPANY IS A HOLDING COMPANY WHOSE ABILITY TO GENERATE CASH COMES FROM ITS SUBSIDIARIES**

Europcar Mobility Group S.A. is a holding company and, as such, its principal assets consist of direct and indirect investments in its different subsidiaries, which generate the Group's cash flow. The Company's ability to generate cash to meet its debt service obligations or to pay dividends on its shares

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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.

#### **4.4.4. 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 UK securitisation and the US securitisation and other arrangements.

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 favourable 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:

- a pandemic, or conflict (such as in the Ukraine), its spread, and its consequences for the European economy and procurement;
- requirements by the rating agencies that provide credit ratings for the Group's asset-backed indebtedness to change the terms or structure of the Group's asset-backed financing, including increased credit enhancement (i) by securing additional financing or by refinancing existing asset-backed debt, (ii) upon the occurrence of external events, such as changes in general economic and market conditions or a deterioration in the credit ratings of the Group's principal vehicle manufacturers, including the Volkswagen group, Fiat, Ford, Renault or Peugeot Citroën, or (iii) otherwise;
- the insolvency or a deterioration in the financial position of one or more swap counterparts or financial institutions involved in any capacity in the Group's asset-backed financing;
- the occurrence of certain events that, under the agreements governing the Group's existing asset-backed financing, could result, among other things, in particular in (i) an amortisation event pursuant to which payments of principal and interest on the relevant indebtedness may be accelerated, or (ii) a default event pursuant to which the security trustee or relevant creditors would be permitted to require the sale of fleet vehicles that collateralize the asset-backed financing;
- legal and regulatory changes (including the implementation of the changes under Basel III that have an adverse impact on the Group's asset-backed financing structure).

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

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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.

#### **4.4.5. RISKS RELATED TO COVENANTS INCLUDED IN THE GROUP'S DEBT INSTRUMENTS**

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

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

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

The SARF also includes restrictive clauses applicable to certain *ad hoc* entities incorporated as part of the asset-backed financing agreement, in particular Securitifleet Holding S.A. (Securitifleet Holding), the *ad hoc* entity through which financing is provided for the purchasing and rental of fleet vehicles from Securitifleet companies in France, Italy, Spain and Germany, and from GoldFleet companies in France, Spain and Italy. Failure to fulfil these covenants and conditions could lead to a decrease in the advance rate and an increase in the margin under the SARF, or a default thereunder. In addition to customary default provisions, the SARF provides that any acceleration with respect to the RCF/VW Bank TL, or the EC Finance Notes will constitute a "level 2" default event under the SARF. 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 RCF/VW Bank TL or the notes of the Group), the lenders thereunder could cancel the availability of the facilities and elect to declare all amounts outstanding under the SARF, together with accrued interest, immediately due and payable.

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

- incur additional indebtedness;

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

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

The obligations of Securitifleet Holding under the SARF, together with its obligations to repay the proceeds borrowed under a proceeds loan between EC Finance plc and Securitifleet Holding (the "Securitifleet Proceeds Loan") (which would allow EC Finance plc to repay the proceeds of the EC Finance Notes) are secured directly or indirectly by shared collateral.

#### **4.5. REGULATORY AND LEGAL RISKS**

##### **4.5.1. RISKS RELATED TO CHANGES IN PREVAILING LEGISLATION AND REGULATIONS, APPLICABLE TO THE GROUP'S BUSINESS ACTIVITIES**

Operating in over 129 countries and territories throughout the world (directly or through franchises, agents or partnerships), the Group is subject to a vast array of international, national and local laws and regulations.

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

Changes to laws, regulations, case law or to any other rules applicable to the Group's business as well as, more generally, any change in the decision-making process of the competent authorities could affect the Group's liability, or the way the Group tracks and monitors regulations to which it is subject. The Group's business in France or outside France could be non-compliant with applicable laws and regulations for which the Group would be liable. Non-compliance by the Group with the laws and regulations to which it is subject, both in France and abroad, could potentially also lead to different types of sanctions, including the restriction, suspension or banning of certain activities and the imposition of fines, payment of compensation or other penalties. Any of these incidents could have a material adverse effect on the Group, its financial position, operating income, reputation or prospects.

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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.

- **Risks related to compliance with Consumer Protection regulations**

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

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

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.

- **Risks related to compliance with personal data protection regulations**

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

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



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

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

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

- **Risks related to environmental and health and safety rules**

The Group has its own petroleum product storage facilities, and car wash and maintenance centres. As such, the Group's operations are subject to environmental laws and regulations, particularly as regards (i) the ownership and operation of petroleum product storage facilities – e.g. for gasoline and diesel – and (ii) the production, storage, transportation and disposal of waste, including sludge from car washes, wastewater 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 licences, which could force it to close down temporarily or permanently the installations in question and pay the resulting costs of closure, maintenance and repair. Bringing the Group into compliance with environmental law and regulations could have an effect on its results of operation and financial position.

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

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

- **Risks related to compliance with regulations on franchisees**

The Group has national and international franchise 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

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an indemnity payment in the event of termination), or refusing the renewal or transfer of these agreements, could have a material adverse effect on the Group's business, financial position and results of operations.

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

#### **4.5.2. RISKS RELATED TO LIABILITY AND INSURANCE**

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

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

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.

#### **4.5.3. RISKS RELATED TO THE PROTECTION OF INTELLECTUAL PROPERTY RIGHTS**

The Group's business and its future growth depend on its ability to obtain, maintain and protect its trademarks, domain names, "GreenWay®" technology and its other intellectual property rights. The Group grants its franchisees, agents and service providers licences to use its trademarks and other intellectual property rights. The Group, its franchisees, agents, affiliates or service providers may not be able to adequately protect these trademarks and other intellectual property rights against challenges to their validity, violations and abusive use by third parties, in particular in markets in which the Group has not been active in the past.

Furthermore, some of the intellectual property rights used by the Group were granted to it by partners pursuant to cross-license agreements under which Group companies are granted an exclusive licence

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on certain brands in countries where the Group is established or has a franchise, excluding countries where the partner operates directly . An inability to continue using these intellectual property rights could have a material adverse effect on the Group's business. Moreover, the Group relies on these third parties to take adequate measures in order to protect and enforce its intellectual property rights, which have been granted to the Group under a licence. It is also possible that disputes arise as part of the Group's use of trademarks subject to licences, 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, licences 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.

#### **4.5.4. RISKS RELATED TO REGULATORY, LEGAL AND ARBITRATION PROCEEDINGS**

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

#### **4.5.5. RISKS RELATED TO COMPETITION LAW**

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

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

### **4.6. RISK MANAGEMENT PROCEDURES**

#### **4.6.1. RISK MANAGEMENT STRUCTURE**

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

- ensure that operations and resource use are efficient; and

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

The Group's risk management process is also monitored by the Supervisory Board which 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.

#### **4.6.2. MAIN RISK MANAGEMENT PROCEDURES**

- **Group's risk map**

The Group's Internal Audit, internal control and Risks Department regularly prepares and updates a risk map for the Group. The risk map is presented to the Management Board, which - having consulted the Group Executive Committee - decides 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 Group executives, and with other key staff within the Group, in order to identify the risks to which their scope of responsibility is exposed. These interviews are conducted by the Group's Risk Management 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. The mapping thus completed for a given year facilitates an assessment of risks confronting the Group. The resulting map obtained for a given year (i) can be compared with the previous year's map, and helps in understanding the development of risks to which the Group is exposed, and (ii) allows the Group to establish a dashboard with the estimated degree of control of each of the identified risks, to identify those that must be dealt with as a matter of priority, and to ensure that internal controls are adequate to prevent and detect them;
- review and approval of the risk map by the Management Board and presentation to the Audit & Risk Committee of the Supervisory Board.

- **Risk monitoring and action plans**

Depending on the principal risks identified, the concerned departments draw up action plans to be carried out by the Group or local managers of the departments in question.

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

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

- the Group has measures in place for CSR governance under the authority of the Group Head of CSR;
- 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 4.1.3 "Risks

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

- the sensitivity of the vehicle rental business to the financial risks related to the effects of climate change is limited. Currently, this risk is only partially controlled, through the implementation of a carbon reduction plan. The strategy seeks to minimise the carbon footprint of all emissions produced directly as a result of the Group's operations and indirectly as a result of its fleet usage by its customers. In the framework of the Science Based Targets Initiative that has officially approved its carbon reduction targets, the Group intends to reduce its direct and indirect CO<sub>2</sub> emissions by 2030 (base year 2019), to be in line with the Paris Agreement objectives: - 46,2% on Scope 1 & 2 (direct emissions) and - 27,5% on Scope 3 (indirect emissions).

Europcar Mobility Group's sustainable mobility ambitions are now subject to a systematic approach to reducing carbon emissions, which includes all of the Company's key processes. In line with this ambition, in September 2021 the Group launched a €500 million sustainability-linked bond issue to refinance its fleet on the basis of "green" criteria. Along with the transformation of the Group's business model, the use of sustainable financial instruments acts as a powerful driver of engagement for the Group's stakeholders. Even though the Group complies with all the laws and regulations to "Risks related to environmental and health and safety rules" that international law-making and regulatory bodies have historically contemplated – and are likely to continue contemplating – numerous measures related to greenhouse gas emissions and climate change. If rules designed to cap emissions or tax the companies seen as responsible should come into force, it could affect demand for the Group's services and the vehicle fleet and/or other costs could rise with adverse implications for its results of operation and financial position

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

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

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

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

#### **4.7. LEGAL AND ARBITRATION PROCEEDINGS**

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In the normal course of business, the Group becomes involved in legal, administrative or regulatory proceedings. The main disputes and proceedings that are ongoing or have developed during the preceding financial year are as follows:

- **Investigation by Leicester City Council's Trading Standards Services**

On June 23, 2017, Leicester City Council's Trading Standards Services opened an investigation into Europcar UK for breaching Regulation 9 of the Consumer Protection from Unfair Trading Regulations 2008, based on allegations that Europcar UK (i) charged its customers, without their consent, for repairs to vehicles in cases where the damage was disputed, and (ii) charged excessive amounts, in excess of the cost of the repairs. Europcar UK is cooperating with the investigating authorities. Europcar UK has agreed with the Trading Standards the list of documents to be submitted by the company and has appointed Deloitte to carry out this task. The results of Deloitte's investigations were presented to the Trading Standards in November 2018.

The Leicester Trading Standards investigations are ongoing and the Group continues to cooperate fully with the authorities. There has not been any recent contact from the Trading Standards on this matter.

In its financial statements as at December 31, 2017, the Group recorded a provision of £38 million as a non-recurring expense. This amount continues to represent the Group's best estimate and the Group continues to hold the provision of £38 million at December 31, 2023.

- **Goldcar Rentals Italy S.r.L. and Goldcar Spain S.L.U. - Italian Competition Authority (AGCM)**

On May 30, 2019, the ICA conducted a site visit as part of an investigation into various consumer complaints of unlawful practices. The hearing took place on August 1, 2019 and on November 4, 2019, the Italian Competition Authority entered a condemnation procedure and imposed a fine of €3.4 million for non-compliance with its previous decision. This fine has been paid by the Group. Goldcar appealed this decision on December 27, 2019 before the Administrative Court of Lazio. The appeal has been lodged. On October 31, 2023 the court issued a judgement upholding Goldcar's appeal. As a result of the above, Goldcar is now entitled to obtain a refund of the amount paid as sanction (Euro 3,400,000, plus interests). An application to request the reimbursement of this amount has been filed.

- **Fire in a car park in Paris: criminal proceedings and civil liability action (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 loss recorded at this stage amounts to €1.1 million) and damaged the integrity of the building's structure. The public prosecutor has opened a criminal investigation (criminal proceedings). At the same time, Europcar France and its insurer, AIG EUROPE Limited, initiated proceedings against the owner of the garage, his insurer, the building's co-owners' association and the French Diabetes Association, before the President of the Paris Tribunal de Grande Instance to request the appointment of an expert to determine the origin of the fire and to assess the amount of the damage suffered by each of the parties (civil proceedings). The criminal proceedings were closed by the investigating magistrate on 24 November 2016. The decision to close this case was based on the fact that the judicial investigation did not determine the cause of the fire and that the expert report ordered by the investigating magistrate indicated that the fire was probably caused by an electrical fault in a vehicle.

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The expert report ordered in the civil proceedings is still pending. Europcar France has brought a professional liability action against the experts named in these proceedings.

ALLIANZ IARD brought an action against Europcar France and AIG before the Commercial Court of Nanterre on the basis of the law of 5 February 1985 in order to obtain a joint order to pay the sum of 3,902,743.47 euros, Europcar and AIG asked the Court to stay the proceedings pending the decision of the Court of Appeal in the dispute over the liability of the experts. In July 2020, Europcar's professional liability claim against the experts was dismissed by the Paris Court of First Instance, a judgement against which Europcar has appealed. There were no new events during the 2023 financial year.

- **Litigation against GEFION regarding Charterline's vehicle insurance coverage**

Charterline Fuhrpark Service GmbH concluded insurance cover for its fleet with the insurer GEFION (third-party liability and damage) in 2018 for up to 16,058 vehicles. GEFION stopped honouring the damage reimbursements and terminated the contract in February 2019. Charterline then had to terminate the contract in February 2019 and had to compensate for the missed reimbursements by not paying premiums to GEFION in return for the period from February 2019 to December 2019. In the meantime, Charterline filed 321 individual claims with the District Court of Bad Kreuznach at the end of June 2019 for an amount of €620,000. To date, more than 13,000 claims have not been honoured (including those brought before the court).

GEFION filed a counterclaim requesting the termination of the insurance contract and thus the reimbursement of all compensation already paid to Charterline. In April 2020, the court rejected all of Charterline's arguments and ruled that the framework agreement was void and demanded full reimbursement of all insurance benefits paid. The appeal was filed. The hearing before the Koblenz Regional Court took place in March 2021. The court annulled the first decision and rejected GEFION's claims.

In January 2023, the Federal Court of Justice rejected the appeal for non-admission in favour of EMobG Services Germany GmbH (renamed following the merger of Charterline into EMobG Services Germany GmbH) so insurance benefits should still be received, though the premiums remain payable to GEFION. The Financial statements accurately reflect this position with a gross receivable for insurance benefits and a payable for premiums due to GEFION.

The Danish insurance regulator Finanstilsynet (Danish Financial Supervisory Authority - DFSA) has informed BaFin that the Danish Maritime and Commercial High Court opened insolvency proceedings against Gefion in June 2021. Already on June 24, 2020, the DFSA had withdrawn Gefion's licence to conduct business. Effective July 13, 2020, the company was in liquidation.

- **Other**

The Company is subject to other claims, (threats of) legal proceedings and investigations carried out by various authorities. With respect to these matters, the Company will bear the related costs, including the cost of resolving these matters. A provision is recognized in the balance sheet when the Group has an obligation as a result of a past event, it is possible that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be reliably estimated. Provisions taken for these matters are included in "Other Provisions" (see Note 10 of the Company's consolidated financial statements for the year ending December 31, 2023), whereby none of these liabilities taken individually are considered significant.

#### **4.8 . DUTY OF CARE REPORT**

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In accordance with Article L.225-102-4 French Commercial Code, the Company has prepared a Report on its Duty of Care Plan and implementation thereof, which is contained in a separate document and which is available on the Group's website.

## **5. SHAREHOLDING**

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### **5.1. SHAREHOLDING (31 DECEMBER 2023)**

In a changing world, the Group is well positioned to work towards long-term objectives and growth given its stable shareholding.

	<b>Shares</b>	<b>% of share capital</b>	<b>Voting rights</b>	<b>% of voting rights</b>
<b>GREEN MOBILITY HOLDING SA</b>	5 007 087 758	99,83%	5 007 087 758	99,83%
<b>EUROPCAR MOBILITY GROUP SA</b>	8 552 323	0,17%	8 552 323	0,17%
<b>TOTAL</b>	<b>5 015 640 081</b>	<b>100,00%</b>	<b>5 015 640 081</b>	<b>100,00%</b>

### **5.2. STATUS OF EMPLOYEE'S SHAREHOLDING IN THE SHARE CAPITAL**

In accordance with Article L. 225-102 of the French Commercial Code, we inform you that as of December 31, 2023 no employees held any shares in the Company's share capital.

### **5.3. SHARE BUYBACK PROGRAM**

Following the delisting of the Company, pre-existing share buyback programs have been closed.

## **6. STATEMENT OF NON-FINANCIAL PERFORMANCE**

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In 2017, the Group initiated a structured Corporate Social Responsibility (CSR) approach with the Commit Together program in order to share its commitments with all its stakeholders. In 2017, the Group initiated a structured Corporate Social Responsibility (CSR) approach with the Commit Together program in order to share its commitments with all its stakeholders. The results of the Commit Together program are reflected in the Statement of Non-Financial Performance (i.e., results of the Commit Together program are reflected in the Statement of Non-Financial Performance (i.e., Corporate Social Responsibility Report). This report). This report and the related independent third party report verifying the contents thereof report verifying the contents thereof are contained in a separate document, which is available on the Group's website on the Group's website.





## CORRELATION TABLE WITH THE MANAGEMENT REPORT

The correlation table below identifies the information contained in the Management Report drawn up by the Management Board in compliance with the Art. L 225-100 and seq. of the French Commercial Code.

Information	Management Report 2023
Situation of the Company and the Group during the past financial year	Chapter 1
Foreseeable evolution for the Company and the Group	Chapter 2.8
Important events that occurred between the date of the closing of the financial year and the date on which the report is drawn up of the Company and the Group	Chapter 1.2
Research and development activities of the Company and the Group	Chapter 1.1.3
Existing branches ( <i>succursales</i> )	Not applicable
An objective and comprehensive analysis of the development of the Company and the Group's business, results and financial position, including its debt position, in relation to the volume and complexity of the business	Chapter 1, 2 and 3
For an understanding of the development of the Company and the Group's business, results or position, key performance indicators of a financial nature and, where appropriate, of a non-financial nature relating to the specific activity of the company, including information relating to environmental and personnel matters	Chapter 2 and 6
A description of the principal risks and uncertainties facing the Company and the Group	Chapter 4
Where relevant to the assessment of its assets, liabilities, financial position and profit or loss, information about its objectives and policies for hedging each major class of anticipated transactions for which hedge accounting is used, and its exposure to price, credit, liquidity and cash flow risks. This information shall include the undertaking's use of financial instruments.	Chapter 2 and 3
Statement of employees' shareholdings in the Company's capital as of the last day of the fiscal year, and establishes the proportion of the capital represented by the shares held by the company's employees and by the employees of related companies	Chapter 5.2
Activity and results of the Company's subsidiaries and controlled companies	Chapter 1.4.1
Acquisition of significant shareholdings in companies based in France or the acquisition of control of such companies	Chapter 1.4.2 + 1.4.3
Disposal of shares in order to regularise cross-shareholdings	Not applicable
Distribution of share capital and treasury shares	Chapter 5.1
Non-financial performance statement + Independent third-party report (CSR Report)	Chapter 6
Dividend distribution over the last three fiscal years	Chapter 2.5
Amount of loans with a term of less than three years granted by the Company as an accessory to its main activity to micro-enterprises or "PME" (Small and Medium Enterprise) with which it has justifiable economic links if the company has an auditor	Not applicable
Share buy-back	Chapter 5.3

Information	Management Report 2023
Elements of calculation and result of the adjustment of the bases of conversion and of the conditions of subscription or exercise of the securities giving access to the capital or of the options of subscription or purchase of shares	Please refer to the Governance report
Financial penalties for anti-competitive practices imposed by the French Competition Authority and which the latter has ordered to be disclosed in the management report as an additional penalty	Not applicable
Information on Payment terms of suppliers and customers	Chapter 2.7
Duty of Care Plan and the report on its effective implementation	Chapter 4.8
Table of results for the last five fiscal years	Chapter 2.4
Disclosure of fees and expenditure excluded from deductible expenses for the corporate tax base	Chapter 2.6