Parts Holding Europe

Simplified stock company (*société par actions simplifiée*)[1]
with a share capital of €68,263,140.84

Registered Office:
22, avenue Aristide Briand
94110 Arcueil
488 077 165 Créteil Trade and Companies Register

REGISTRATION DOCUMENT

This Registration Document has been approved by the AMF on May 10, 2021, in its capacity as competent authority under Regulation (EU) 2017/1129.

The AMF has approved this Registration Document after having verified that the information it contains is complete, coherent and comprehensible. This Registration Document has been given the following approval number: I.21-019.

This approval should not be considered as a favorable opinion about the Company referring to in this Registration Document.

This Registration Document may be used for the purposes of a public offering of securities or the admission to trading of securities on a regulated market if it is supplemented by a securities note and, if applicable, a summary and supplement(s) to this Registration Document. The resulting document is then approved by the AMF in accordance with Regulation (EU) 2017/1129. It remains valid until May 10, 2022 and, during this period and, at the latest, simultaneously with the securities note and pursuant to articles 10 and 23 of Regulation (EU) 2017/1129, must be completed by a supplement in the event of significant new facts, errors or significant inaccuracies.

Copies of this Registration Document may be obtained free of charge at the Company's registered office at 22, avenue Aristide Briand, 94110 Arcueil, France, as well as on the dedicated website for the purpose of the Proposed Admission of the Company, (www.phe-ipoproject.com) and on the website of the AMF (www.amf-france.org).

[1] As of the date of this Registration Document, the Company is a simplified stock company (*société par actions simplifiée*). The Company will adopt the form of a limited liability company with a board of directors (*société anonyme à conseil d'administration*) no later than the date upon which the AMF will grant its approval on the prospectus for the proposed admission to listing of the Company's shares on the regulated market of Euronext Paris (the "**Proposed Admission**"). As part of the Proposed Admission, the bylaws and the internal regulations of the Company, as well as the composition of the board of directors, will be modified with effect as of the date of the settlement of the sale and delivery of the Company's shares to be issued and/or sold as part of the Proposed Admission (the "**IPO Settlement Date**"). The description of the corporate form and corporate bodies of the Company contained in this Registration Document is that of the corporate form and bodies of the Company as they will exist as of the IPO Settlement Date. See Chapter 4 "Group Information", Chapter 6 "Organizational Structure", Chapter 8 "Liquidity and Capital Resources" and Chapter 12 "Administrative, Management and Supervisory Bodies and Senior Management" of this Registration Document.

NOTE

Definitions

In this Registration Document:

- the term "**AMF**" mean the *Autorité des marchés* financiers, as competent authority under Regulation (EU) 2017/1129;
- the term "**Bain Capital**" refers to the several funds controlled by Bain Capital Private Equity (Europe), LLP;
- the term "**Company**" refers to Parts Holding Europe, a simplified stock company (*société par actions simplifiée*) organized under the laws of France, with its registered office located at 22, avenue Aristide Briand, 94110 Arcueil, France, registered with the Créteil Trade and Companies Register under number 488 077 165 (for more information about the Company, see Chapter 4 "Group Information" of this Registration Document); the Company will adopt the form of a limited liability company with a board of directors (*société anonyme à conseil d'administration*) no later than the date upon which the AMF grants its approval of the prospectus in relation to the Proposed Admission; as part of the Proposed Admission, the bylaws and the internal regulations of the Company, as well as the composition of the board of directors, will be modified with effect as of the IPO Settlement Date; the description of the corporate form and corporate bodies of the Company contained in this Registration Document are those that will exist as of the IPO Settlement Date;
- the term "**Dakar Acquisition**" refers to Dakar Acquisition S.A., a limited liability company (*société anonyme*) organized under the laws of Luxembourg, which is, as of the date of this Registration Document, the direct subsidiary of Dakar (BC) (as defined below), and the direct parent company of the Company (see Section 6.1.1 "Organizational chart as of the date of this Registration Document" of this Registration Document); Dakar Acquisition will be merged, through a series of transactions referred to herein as the Reorganization (as defined below), with the Company on the IPO Settlement Date, immediately prior to the IPO Settlement (as described in Section 6.1.3 "Description of the Reorganization" of this Registration Document);
- the term "**Dakar (BC)**" refers to Dakar (BC) Luxco S.à r.l., a private limited liability company (*société à responsabilité limitée*) organized under the laws of Luxembourg, which is, as of the date of this Registration Document, the direct holding company of Dakar Acquisition, the direct subsidiary of Dakar Finance (as defined below) and an indirect parent company of the Company (see Section 6.1.1 "Organizational chart as of the date of this Registration Document" of this Registration Document); Dakar (BC) will be merged with the Company as a result of the Reorganization to be implemented on the IPO Settlement Date, immediately prior to the IPO Settlement (as described in Section 6.1.3 "Description of the Reorganization" of this Registration Document);
- the term "**Dakar Finance**" refers to Dakar Finance S.A., a limited liability company (*société anonyme*) organized under the laws of Luxembourg, which is, as of the date of this Registration Document, the direct holding company of Dakar (BC), the direct subsidiary of Dakar Intermediate (as defined below) and an indirect parent company of the Company (see Section 6.1.1 "Organizational chart as of the date of this Registration Document" of this Registration Document); Dakar Finance will be merged with the Company as a result of the Reorganization to be implemented on the IPO Settlement

Date, immediately prior to the IPO Settlement (as described in Section 6.1.3 "Description of the Reorganization" of this Registration Document);

- the term "**Dakar Holdings**" refers to Dakar Holdings S.C.A., a partnership limited by shares (*société en commandite par actions*) organized under the laws of Luxembourg, which is, as of the date of this Registration Document, the direct holding company of Dakar Intermediate, the direct subsidiary of Dakar Topco (as defined below) and an indirect parent company of the Company (see Section 6.1.1 "Organizational chart as of the date of this Registration Document" of this Registration Document); Dakar Holdings will be merged with the Company as a result of the Reorganization to be implemented on the IPO Settlement Date (as described in Section 6.1.3 "Description of the Reorganization" of this Registration Document);
- the term "**Dakar Intermediate**" refers to Dakar Intermediate S.à r.l., a private limited liability company (*société à responsabilité limitée*) organized under the laws of Luxembourg, which is, as of the date of this Registration Document, the direct holding company of Dakar Finance, the direct subsidiary of Dakar Holdings and an indirect parent company of the Company (see Section 6.1.1 "Organizational chart as of the date of this Registration Document" of this Registration Document); Dakar Intermediate will be merged with the Company as a result of the Reorganization to be implemented on the IPO Settlement Date, immediately prior to the IPO Settlement (as described in Section 6.1.3 "Description of the Reorganization" of this Registration Document);
- the term "**Dakar Topco**" refers to Dakar Topco S.à r.l., a private limited liability company (*société à responsabilité limitée*) organized under the laws of Luxembourg for purposes of the acquisition by Bain Capital of the Company in 2015; Dakar Topco is fully owned by Bain Capital and is, as of the date of this Registration Document, an indirect parent company of the Company (see Section 6.1.1 "Organizational chart as of the date of this Registration Document" of this Registration Document); Dakar Topco will become a direct shareholder of the Company following the Reorganization to occur on the IPO Settlement Date, immediately prior to the IPO Settlement (as described in Section 6.1.3 "Description of the Reorganization" of this Registration Document);
- the term "**Group**" refers to the Company and its consolidated subsidiaries, collectively;
- the term "**IPO Settlement**" refers to settlement of the sale and delivery of the Company's shares to be issued and/or sold as part of the Proposed Admission;
- the term "**IPO Settlement Date**" refers to date of the IPO Settlement;
- the term "**Proposed Admission**" refers to the proposed admission to listing on the regulated market of Euronext Paris of the Company's shares; and
- the term "**Reorganization**" refers to reorganization transactions that are intended to be implemented to simplify the corporate and shareholding structure of the Company as part of the Proposed Admission, as described in Section 6.1.3 "Description of the Reorganization" of this Registration Document.

Forward-looking statements

This Registration Document contains "forward-looking statements" regarding the prospects and growth strategies of the Group. Forward-looking statements involve known and unknown risks and uncertainties, many of which are beyond the Group's control and all of which are based on the Group's current beliefs and expectations about future events. Forward-looking statements are sometimes identified by the use of forward-looking terminology, such as "believes", "expects", "may", "will", "aims", "intends", "should", "could", "anticipates", "estimates", "plans", "assumes", "consider", "envisage", "think", "wish" and "might" or, if applicable, the negative form thereof, other variations thereon or comparable expressions or formulations. Forward-looking statements have no factual basis and should not be interpreted as a guarantee of future performance, and the Group's actual financial condition, results of operations and cash flows and the developments in the industry where the Group operates may differ materially from those made in or suggested by the forward-looking statements contained in this Registration Document. The forward-looking statements contained in this Registration Document are based on data, assumptions and estimates the Group considers reasonable. Such information is subject to change or modification based on uncertainties in the economic, financial, competitive or regulatory environments. Forward-looking statements appear in a number of chapters of this Registration Document and include statements relating to the Group's intentions, estimates and targets with respect to its markets, strategies, growth, results of operations, financial situation and liquidity. The Group's forward-looking statements speak only as of the date of this Registration Document. Absent any applicable legal or regulatory requirements, and notwithstanding the application of Regulation (EU) No 596/2014 dated April 16, 2014 on market abuse, the Group expressly disclaims any obligation to update any forward-looking statements contained in this Registration Document to reflect any change in its expectations or any change in events, conditions or circumstances on which any forward-looking statement contained in this Registration Document is based. For a discussion of risks that may affect the occurrence or achievement of such forward-looking statements, see Chapter 3 "Risk Factors" of this Registration Document. In addition, new risks, uncertainties and other factors may emerge that may cause actual results to differ materially from those contained in any forward-looking statements.

Information on the market and competitive environment

This Registration Document contains information about the Group's markets and its competitive position, including information about the size of such markets. In addition to estimates made by the Group, the facts on which the Group bases its statements are taken primarily from a study performed by an internationally recognized expert at the Company's request (see Section 1.3 "Third-party information and statements by experts and declarations of any interest" of this Registration Document), as well as from studies, estimates, research, information and statistics of independent third parties and professional organizations, and figures published by the Group's competitors, suppliers and customers, as well as the Company's own experience and knowledge of conditions and trends in the markets in which the Group operates.

These various studies, estimates, statistics, research and information, which the Company considers reliable, have not been independently verified by the Company or any other person. The Group believes the market information included herein is useful in explaining the major trends in the Group's industry. However, the Group has not independently verified any third-party information and cannot guarantee that a third party using other methods to collect, analyze or compile the market data would obtain the same results. The Group's competitors may also define their markets and product categories differently than the Group does.

In addition, given the rapidly evolving and dynamic market in which the Group operates, the market or the Group's competitive position may evolve differently from the projections included in this Registration Document, and some information may prove to be incorrect or outdated. Additionally, the Group's activities may evolve differently from the projections included in this Registration Document. Investors should not place any reliance on the industry and market data included in this Registration Document. The Group undertakes no obligation to publish any updates to the market information contained in this Registration Document, unless required by law or stock exchange regulation.

IFRS and non-IFRS financial measures

This Registration Document includes the Group's consolidated financial statements established under IFRS as adopted by the European Union ("**IFRS**") for the years ended December 31, 2020, 2019 and 2018. This Registration Document also includes certain unaudited measures of the Group's performance that are not required by, nor are presented in accordance with, IFRS, including the Non-IFRS Measures (as defined below).

In assessing the performance of the Group's business, the Group considers a variety of performance and financial measures. The key measures used to determine how the Group's business is performing are current EBITDA, current EBITDA margin, cash conversion, change in working capital and net operating cash flow (the "**Non-IFRS Measures**"). Management internally assesses the Group's performance and cash flows on a consolidated basis and of each operating segment on the basis of current EBITDA. For more information on the Non-IFRS Measures and the limitations thereof, see Section 7.5.1 "Non-IFRS measures" of this Registration Document.

The Non-IFRS Measures are not recognized measures under IFRS or any other generally accepted accounting standards. Additionally, certain of the Non-IFRS Measures or similarly-titled measures are used by different companies for different purposes and are often calculated in ways that reflect the circumstances of such companies. The Group believes the Non-IFRS Measures are useful in evaluating the Group's performance and results of operations because they are commonly used in its sector. However, readers should exercise caution in comparing any of the Non-IFRS Measures to the non-IFRS measures of other companies. The information presented by the Non-IFRS Measures has not been prepared in accordance with IFRS or any other accounting standards. The Non-IFRS Measures are not measures of financial condition, liquidity or profitability under IFRS, and should not be considered to be an alternative to consolidated net income, cash flows generated by operating activities or any other measure recognized by and determined in accordance with IFRS. The Non-IFRS measures have important limitations as analytical tools, and readers should not consider them in isolation nor as a substitute for analysis of the Group's results of operations.

Risk factors

Investors should carefully consider the risk factors in Chapter 3 "Risk Factors" of this Registration Document, as well as the other information contained in this Registration Document before making an investment decision. The occurrence of any such risks, separately or in combination, could have a material adverse effect on the Group's business, reputation, financial condition, results of operations or prospects. In accordance with article 16 of Regulation (EU) 2017/1129 of the European Parliament and of the Council, this Registration Document presents only the main risks that impact the Group's business, results of operations, financial position, reputation and prospects as identified by the Group following an assessment of the materiality, probability of occurrence and expected magnitude of the impact of such risks, and after taking into account measures implemented to address such risks, as applicable.

Additional risks and uncertainties not currently known to the Group or that it currently deems to be unlikely to occur or be material, may also have a material adverse effect on the Group's business, financial condition, results of operations, reputation or prospects.

Trademarks and trade names

The Group owns or has rights to certain trademarks or trade names that it uses in conjunction with the operation of its business. Each trademark, trade name or service mark of any other company appearing in this Registration Document belongs to its respective holder.

Rounding

Certain figures (including data expressed in thousands or millions) and percentages contained in this Registration Document, including financial information, have been subject to rounding adjustments. Accordingly, in certain instances, the sum of the numbers in a column or a row in tables may not conform exactly to the total figure given for that column or row, or the sum of certain numbers presented as a percentage may not conform to the total percentage given.

Websites and hyperlinks

References to any website or the content of any hyperlink contained in this Registration Document do not form a part of this Registration Document.

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CHAPTER 1. PERSONS RESPONSIBLE, THIRD-PARTY INFORMATION, EXPERTS' REPORTS AND COMPETENT AUTHORITY APPROVAL

1.1 PERSON RESPONSIBLE FOR THE REGISTRATION DOCUMENT

1.1.1 Name and position of the person responsible for the Registration Document

Mr. Stéphane Antiglio, president of the Company.

1.1.2 Name and position of the person responsible for financial information

Mr. Christophe Gouthière
Group Chief Financial Officer
22, avenue Aristide Briand
94110 Arcueil, France
+33 (0)1 69 79 89 89

1.2 CERTIFICATION OF THE PERSON RESPONSIBLE FOR THE REGISTRATION DOCUMENT

I hereby certify that the information contained in this Registration Document is, to the best of my knowledge, in accordance with the facts and contains no omission likely to affect its import.

May 10, 2021

Mr. Stéphane Antiglio, president of the Company.

1.3 THIRD-PARTY INFORMATION, EXPERTS' REPORTS AND DECLARATIONS OF ANY INTEREST

This Registration Document contains statistics, data and other information relating to markets, market sizes, market shares, market positions and other industry data pertaining to the Group's business and markets. Unless otherwise indicated, such information is based on the Group's analysis of multiple sources, including a market study it commissioned from Roland Berger in January 2021 (the "**Roland Berger Market Study**"). The Group understands from Roland Berger that its market study includes, and is based on, primary interviews and field visits it conducted with industry experts and participants, its secondary market research and internal financial and operational information supplied by, or on behalf of, the Group, as well as information obtained from: (i) data providers, including GlobalData and Xerfi; (ii) industry associations and country organizations, including GIPA, SRA, IHS and ECAR; and (iii) publicly available information from other sources, such as information publicly released by the Group's competitors.

As far as the Group is aware and is able to ascertain from information published by Roland Berger, this information has been accurately reproduced and no facts have been omitted which would render the reproduced information inaccurate or misleading.

CHAPTER 2. STATUTORY AUDITORS

2.1 STATUTORY AUDITORS

DELOITTE & ASSOCIÉS
6, Place de la Pyramide
92208 Paris La Défense Cedex

Represented by Mr. Benoît Pimont.

Deloitte & Associés is a member of the *Compagnie Régionale des Commissaires aux Comptes* (the Regional Association of Auditors) of Versailles.

Deloitte & Associés was appointed as statutory auditor by decision of the sole shareholder of the Company on May 13, 2019 for a term of six years to expire at the close of the annual shareholders' meeting to be convened to approve the financial statements for the fiscal year ending December 31, 2024.

ERNST & YOUNG AUDIT
Tour First
TSA 14444
92037 Paris La Défense Cedex
Represented by Mr. Henri-Pierre Navas.

Ernst & Young Audit is a member of the *Compagnie Régionale des Commissaires aux Comptes* (the Regional Association of Auditors) of Versailles.

Ernst & Young Audit was appointed as statutory auditor by decision of the sole shareholder of the Company on May 13, 2019 for a term of six years to expire at the close of the annual shareholders' meeting to be convened to approve the financial statements for the fiscal year ending December 31, 2024.

2.2 ADDITIONAL AUDITORS

Not applicable.

CHAPTER 3. RISK FACTORS

Investors should carefully consider the risks described below as well as the other information contained in this Registration Document before making an investment decision. Any of the following risks may have a material adverse effect on the Group's business, financial condition, results of operations, reputation or prospects. The risks described below are not the only risks the Group faces. Additional risks and uncertainties not currently known to the Group or that it currently deems to be unlikely to occur or be material may also have a material adverse effect on the Group's business, financial condition, results of operations, reputation or prospects.

In accordance with article 16 of Regulation (EU) 2017/1129 of the European Parliament and of the Council, this Chapter 3 presents the main risks that impact the Group's business, results of operations, financial position, reputation and prospects as identified by the Group following an assessment of the materiality and probability of occurrence of such risks and after taking into account measures implemented to address such risks, as applicable (for more information about such measures, see Section 3.6.2.4 "Evaluation and management of specific risks" of this Registration Document). Within each category of risks mentioned below, the risk factors that the Group considers to be the most material are marked with an asterisk and are presented in order of decreasing materiality and likelihood of occurrence. The occurrence of new events, either internal or external to the Company, may change the order of importance of such risks in the future.

3.1 RISKS RELATED TO THE GROUP'S INDUSTRY

3.1.1 Risks related to the Group's competitive environment.*

The Group operates in highly competitive Western European automotive spare parts independent aftermarkets ("**IAMs**"). The Group, which operates in Belgium, France, Italy, Luxembourg, the Netherlands and Spain, competes with a variety of spare parts distributors, mainly on the basis of product range and availability, delivery lead time, quality and availability of technical support. The Group's main competitors are OEMs (as defined below) and other spare parts distributors in France (such as Groupauto), Benelux (such as LKQ), Italy (such as LKQ) and Spain, as well as newer online spare parts distributors (such as auto-doc.fr. and mister-auto.com) that mainly compete with the Group on the basis of price and convenience.

The Group sources spare parts from spare parts suppliers and manufacturers ("**original equipment suppliers**" or "**OESs**"), such as Bosch, Knorr-Bremse and Valeo. The Group and its professional customers, which include independent garages, body shops, fastfitters, fleet garages for vehicles, and car centers ("**garages**"), face increasing competition from branded spare parts manufacturers ("**car manufacturers**", "**original equipment manufacturers**" or "**OEMs**"), such as Peugeot, Fiat, Volkswagen and Renault, and their affiliated dealers, who also source spare parts from the OESs and who distribute parts and provide maintenance services to end-customers. OEMs and their affiliated dealers typically specialize in vehicles aged between zero and three to five years old and capture a large share of repairs covered by warranties. In recent years, certain manufacturers and their dealer networks, particularly truck manufacturers, have extended their new vehicle warranties to up to eight years, and provide long-term service programs to customers. If such manufacturers continue to expand the scope of their warranties beyond the current limits, especially for replacement parts and maintenance items, the replacement and maintenance of parts covered by such extended warranties would likely be performed by dealers rather than IAM operators such as the Group and its professional customers, which would reduce demand for the Group's products. Additionally, certain manufacturers, such as Peugeot (via Distrigo), are using their own logistics platforms to distribute spare parts even outside the usual warranty periods and for third-party vehicle brands and models. Such increased competition from OEMs has an impact across the Group's business and could reduce the Group's market share in the future, which would, in turn, have a material adverse effect on its business, financial condition and results of operations. For more information about the competitive position of the Group in the markets in which it operates, see Section 5.1.1 "Overview" and 5.6 "Competitive position" of this Registration Document.

The Group also faces competition from online spare parts distributors in both its B2C and B2B businesses. Most online spare parts distributors currently operate using a B2C business model, directly competing with the Group's B2C business and addressing the same customer base of drivers. In addition, some of the Group's competitors in the B2B distribution market may expand their business to include online operations (as the Group did with its acquisition of Oscaro) or may expand their existing online activity in order to capture a portion of the B2C market. Additionally, new online pure play competitors may emerge and successfully compete with the Group's offering or disrupt existing business models in ways that cannot be predicted. Such changes to the competitive dynamics in the markets in which the Group operates could reduce the Group's market share and, in turn, have a material adverse effect on its business, financial condition and results of operations.

The Group's performance could also be impeded if its competitors adopt aggressive pricing policies, expand their distribution networks, undertake extensive marketing campaigns, offer more appealing products or adapt more quickly to changes in technology or customer preferences and trends. Certain of the Group's competitors may possess greater financial resources, newer or better technology and materials, greater economies of scale, lower cost bases, better integrated manufacturing capabilities, stronger brand recognition and customer loyalty and/or better entrenched relationships with suppliers as compared to the Group, any of which may give them a competitive advantage over the Group and could result in a loss of market share for the Group. The Group may be compelled to respond to such competitive pressures by lowering prices and/or increasing expenditures, leading to a decrease in its profit margins or free cash flow. Actions taken by the Group's competitors and the Group's response thereto may have a material adverse effect on its business, results of operations and financial condition. Likewise, the Group's failure to adapt to these or other changes in the competitive landscape could result in decreased revenue, lower profit margins and loss of market share, which would have a material adverse effect on the Group's business, results of operations, financial condition and prospects. For further information on competitors and conditions in the markets in which the Group operates, see Section 5.2 "Industry and principal markets" of this Registration Document.

3.1.2 Risks related to the outbreak of communicable diseases, such as COVID-19.*

Significant outbreaks of contagious diseases, including the COVID-19 pandemic or other diseases, may result in a widespread health crisis that could adversely affect the economies and financial markets of many countries, resulting in an economic downturn and substantial declines in consumer purchasing power that could affect demand for the Group's products, limit its ability to collect against existing trade receivables and reduce its operating results.

In response to the COVID-19 pandemic, on March 17, 2020, the French government imposed a nationwide lockdown together with several other measures, which collectively have had a material adverse impact on the overall French economy, and have impacted how the Group conducts its business. As a result of these restrictive measures in France and the other markets in which the Group operates, many of the Group's sites closed temporarily, and many of those that remained open or which the Group was permitted to reopen were subject to reduced opening hours during the initial phase of the first lockdown. During this period, the Group maintained a limited number of employees on-site in business-critical functions, and transitioned all of its eligible employees to remote working or to the French furlough scheme (*chômage partiel*). While the first lockdown in France was lifted on May 11, 2020, a subsequent lockdown was implemented from October 30 to December 15, 2020 and significant restrictions, curfews and social distancing measures remain in place. Further significant lockdowns and other restrictions may be implemented by the government in response to virus circulation rates, hospital capacity and the arrival of new variants, which cannot be predicted. The Group believes the greatest risk associated with the COVID-19 pandemic is the re-imposition of significant lockdown measures, such as those that were imposed in the first half of 2020, which could significantly reduce car usage, lead to decreased expenditures on vehicle maintenance and reduce the frequency of visits by end-customers to garages, which would have a material adverse effect on the Group's business, results of operations, financial condition and prospects. The full impact of these restrictions on the French economy and on the Group's business is not yet known. For more information about the impact of the COVID-19 pandemic on the Group, and its results and the Group's responses to the COVID-19 pandemic, see Section 5.1.4 "Impact of and response to COVID-19" and Section 7.3 "Key factors affecting the comparability of the Group's results of operations—COVID-19" of this Registration Document. Similar measures remain in place in the other countries in which the Group operates, including Benelux, Italy and Spain. If a significant portion of the Group's workforce is unable to work effectively due to prolonged illness, lockdowns, quarantines, shelter-in-place arrangements, government actions, facility closures or other reasons in connection with the COVID-19 pandemic (or any similar event), the Group's operations could be further materially impacted. The Group may also be unable to fully perform its contracts and carry out new sales activity, and some of the Group's costs or expenditures in light of the COVID-19 pandemic may not be recoverable in part or in full, and may not be adequately covered by insurance.

In addition, as a result of social distancing measures and restrictions imposed in response to the COVID-19 pandemic, the Group's suppliers and professional customers may not be able to operate their businesses at historical levels or at all for a prolonged and indeterminate period of time, which would have a material adverse effect on the Group's operations. Additionally, the continued spread of COVID-19, further waves of infection or a renewed or extended lockdown would cause further disruption to the Group's business operations. Domestic and international travel may continue to be or be further restricted, which may limit the Group's ability to obtain new customers and enter new markets, to operate in the areas in which the Group's customers are currently located or otherwise conduct its operations as it would do under normal circumstances. The disruptions triggered by COVID-19 in countries where the Group's suppliers are located may also result in a slowdown or stoppage of their production activities and other disruptions (including in particular in Asia, as was the case during the initial wave of COVID-19 in 2020), which could have a material impact on the Group's business, results of operations and financial condition, if the Group is not able to mitigate the impact of such events, such as by placing large orders when it anticipates potential delivery issues, as it did during the first wave of COVID-19 in 2020.

The Group has implemented enhanced health and safety measures in its operations in line with public health rules and guidelines and industry practices to combat the spread of COVID-19. In addition to the increased costs associated with the implementation of such measures, the Group is also exposed to the risk of an increase in the number of workplace and third-party claims arising from actual or alleged failures to implement such measures adequately, or at all, and a potential increase in legal, advisory and other costs as a result from any COVID-19 pandemic-related claims from employees, customers, suppliers and third parties that may come into contact with the Group's operations.

Any of these factors could have a material adverse effect on the Group's business, results of operations, financial condition, reputation and prospects. To the extent the COVID-19 pandemic adversely affects the Group's business, results of operation, financial condition and prospects, it may also have the effect of heightening many, if not all, of the other risks described in this Chapter 3 "Risk Factors".

3.1.3 Risks related to macroeconomic factors, trends and conditions in the markets in which the Group operates.

Demand for the products the Group distributes may be significantly impacted by the condition of the global economy and in particular by economic, political and social conditions in France, Benelux, Italy and Spain, which are the primary countries in which the Group operates. France is the Group's principal geographic market, representing 73% of its revenue and 84% of its current EBITDA for the year ended December 31, 2020. Internationally, the Group also operates in Benelux, Italy and Spain, with the Group's International segment representing 27% of its revenue and 23% of its current EBITDA for the year ended December 31, 2020. The outlook for the global economy remains subject to significant uncertainty, which may lead to prolonged periods of economic instability or contraction in the Group's main markets. Deterioration in the IAMs in which the Group operates, including due to economic conditions in the Eurozone or the global economy, could decrease consumer confidence and could lead to decreased expenditures on vehicle maintenance or less frequent visits by end-customers to the garages that the Group serves, which could have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

The light vehicle spare parts aftermarket is generally positively impacted in the early period of an economic recession, when end-customers tend to maintain existing cars in lieu of purchasing new cars. However, prolonged or severe economic recessions can have a negative impact on the light vehicle spare parts aftermarket if economic conditions drive end-customers to significantly delay car maintenance. In such conditions, purchases of the Group's products by end-customers may be adversely affected by economic drivers such as employment levels, salary and wage levels, the availability of consumer credit, the level of consumer debt, inflation, interest rates, tax rates and consumer confidence. However, the Group believes car maintenance is, to a certain extent, non-discretionary, with many maintenance issues capable of being delayed but not entirely foregone.

The Group is also subject to increased operating costs due to shifts in general economic conditions (which could lead to increases to minimum wages, social charges and transport costs). For example, responses by governments and central banks to the

COVID-19 pandemic may result in higher inflation, which would, in turn, increase wages and social charges, and may require the Group to incur higher labor-related costs. Likewise, economic shifts that drive higher fuel costs could increase the Group's up- and downstream supply chain costs. The Group's ability to pass such cost increases on to its customers may be limited, particularly in the context of decreased consumer spending on vehicle maintenance, which could impact its business, results of operations and financial condition. Even when the Group is able to pass on a portion of such costs to its customers, its margins may be negatively impacted as a result.

Over the past year, global economic conditions have deteriorated and become increasingly unpredictable due to the unprecedented COVID-19 pandemic. For more information about the impact of the COVID-19 pandemic on the Group and the markets in which it operates, see Section 3.1.2 "Risks related to the outbreak of communicable diseases, such as COVID-19" of this Registration Document.

Demand for the Group's products is also impacted by the age, mileage, condition and number of vehicles in the markets in which it operates, as well as the length of service intervals for vehicles in those markets. The Group considers its core market to be vehicles aged over three to five years and up to 30 years. As vehicles age, the cost of the relevant spare parts generally increases and, after a certain number of years, warranties provided by manufacturers expire, which historically has generated additional demand for the Group's products. The mix of the condition of vehicles impacts demand for spare parts, with lower-quality vehicles generally requiring more frequent and more costly maintenance and repairs and higher-quality vehicles generally requiring more expensive replacement parts.

While the Group believes the average age of vehicles is generally increasing in the markets in which it operates, which favors the Group by positively impacting maintenance frequency and demand for spare parts (in France, for example, which is the Group's principal geographic market, representing 73% of its revenue and 84% of its current EBITDA for the year ended December 31, 2020, the average age of light vehicles increased from 8.5 years in 2007 to 10.2 years in 2020, and is expected to increase to 10.4 years by 2030; in Italy, the average age of light vehicles increased from 8.3 years in 2000 to 12.4 years in 2019), any factor that drives a "younger" vehicle parc (*i.e.*, a reduction to the average age of vehicles in the markets in which the Group operates) or which leads to a vehicle parc that is in better condition, smaller in number or lower in mileage, or in which service intervals are longer, could lead to decreased demand for the products that it distributes.

In addition, average annual mileage of vehicles in the vehicle parc impacts demand for the Group's products because higher mileage, like vehicle age, increases the need for maintenance and replacement. A decline in the mileage of vehicles in the countries in which the Group operates could result in a decrease in demand for spare parts. Factors such as gasoline prices and taxes, significant deteriorations in economic conditions (which can reduce both number of car trips), the level of public works and construction, environmental concerns, the introduction of road charges and bans of certain types of vehicles could reduce the mileage and size of the vehicle parc in the countries in which the Group operates. For example, the French government is currently developing incentives for drivers that are intended to phase out older vehicles that generate high levels of pollution. The outcomes of these efforts are not yet known but could lead to short-term decreases in the size of the older vehicle parc in France if drivers choose to scrap older vehicles and replace them with new vehicles. Likewise, changes in traveling or commuting behavior, for example through increased work-from-home arrangements, increased use of public transport and car sharing and continued urbanization, and changes in mobility trends, patterns and consumers' habits, could decrease average mileage and, thus, decrease demand for the products that the Group distributes. Such a decline in demand would have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

Similarly, technological and quality improvements in new vehicles or of certain vehicle components can lead to a decrease in demand and reduced replacement frequency for such parts. These improvements can also lengthen the intervals at which vehicle maintenance and repairs are made, and limit extent of maintenance and repairs that may be required, which could have a material adverse effect on the Group's business, results of operations and financial condition.

The Group's business may be materially adversely affected by a wide variety of other factors and conditions that negatively affect the frequency with which drivers visit the garages that the Group serves, including, but not limited to, terrorism, social unrest, public health situations and political and social instability. The Group cannot predict the extent to which such events may occur and affect its business, directly or indirectly, in the future and losses that result from such events may not be covered or coverable by insurance.

3.2 RISKS RELATED TO THE GROUP'S BUSINESS

3.2.1 Risks related to information technology, online operations and digitalization.*

The Group depends on the timely implementation and uninterrupted performance of its hardware, network, websites, ordering platforms, call centers, applications and other IT platforms, infrastructures and systems, including those which may be provided by third parties or which may be hosted online or in the "cloud" for the smooth functioning of its operations, and, in particular, with respect to Oscaro. IT risks are increasing in number, complexity and relevance as more of the Group's business moves online and becomes dependent on IT functions and as more of the Group's IT systems interface with the public.

The various software and information technology platforms and systems that the Group uses facilitate its ability to efficiently manage supply flows, operational data and other management and financial information, and to provide management with current inventory levels at its warehouses. In particular, the Group's customized IT platforms and systems allow it to identify the availability of any particular product that is ordered within its distribution network in real time, which is a mission-critical function for the Group. The Group depends on the continuous availability and reliability of its IT platforms, infrastructure and systems, which, in turn, depends on the functioning of the Group's and third-party IT hardware and software, and is, therefore, subject to significant operational risks, such as equipment failures, power interruptions and unlawful conduct by third parties, including external attacks and other security issues. In addition, the Group relies on third parties for maintenance, technical support and periodic upgrades to these platforms and systems. A material disruption of the Group's IT platform, infrastructure or systems could significantly affect the Group's warehouses, distribution sites, logistics platform or transportation network and affect the Group's ability to meet customer demand in a timely manner or at all, which, in turn, would have a material adverse effect on its business, results of operations, financial condition and prospects.

The performance of the Group's IT systems also depends, among other things, on its ability to effectively upgrade its existing IT systems, implement new IT systems or safeguard its IT systems against interruptions to telecommunication services, data breaches (including breaches that result in the theft or compromise of customer data), hacking and phishing attempts and the introduction of malware and computer viruses. The occurrence of any such events, and any consequent slowdown or interruption to telecommunication services, may impair the Group's ability to manage supply flows, operational data and other management and financial information, and to provide management with current inventory levels at its warehouses, which could, in turn, have a material adverse effect on the Group's reputation, business, results of operations, financial condition and prospects.

The Group may also face certain IT-based risks in relation to its client-facing online operations. The Group operates a number of business-to-business online portals that allow its affiliated independent distributors and customers to order certain of its products, and provide them access to technical databases and management tools. The Group also operates www.idgarages.com and www.ad.fr, which allow end-customers to locate and compare garages, and schedule service appointments online. The Group's client-facing online operations are subject to numerous risks, including:

- reliance on third parties for certain ordering and customer fulfillment software and payment services;
- vulnerability to phishing, hacking, data breaches (including customer data) and system breaches which could expose the Group to consumer complaints, regulatory action or legal claims that could damage its reputation and business;
- the risk that the Group's websites may become unstable or unavailable due to failures or necessary upgrades of its computer systems or related IT support systems, or disruption of internet service;
- customers finding the websites difficult to use, being less willing to use the websites than the Group expects or not being confident that they are secure;
- logistical difficulties in delivering products to customers in a satisfactory manner;
- violations of national, EU or international laws;
- liability for online credit card fraud and problems adequately securing the Group's payment systems;
- adapting its services to various software and hardware platforms, including mobile devices; and
- the incurrence of additional costs due to the necessity of investing in the maintenance of an online look, presence and connectivity that is commensurate with the Group's brand positioning.

One of the Group's strategies is to continue increasing sales of spare parts, tools and equipment that it distributes through its websites and applications by improving digitalization of its businesses and interconnectivity between its suppliers and certain of its distribution websites. The implementation of this strategy will require additional IT resources and may result in disruption to the Group's existing computer and telecommunications systems, whether in connection with the implementation of expanded capabilities or otherwise, which could, in turn, adversely affect the Group's online sales and/or its business reputation. The Group cannot guarantee that it will be able to maintain and upgrade its e-commerce sites or other IT systems in a manner that will avoid interruptions or disruptions of such systems. Any failure by or inability of the Group to maintain, protect and upgrade its IT systems, and the Group's failure to respond appropriately to these risks and uncertainties, could reduce its revenue from its online portals, damage its reputation and relationships with customers and reduce the efficiency of the Group's operations, which could, in turn, have a material adverse effect on its business, results of operations and financial condition.

3.2.2 Risks related to the Group's supply chain, distribution network and logistics operations.*

The Group's success is dependent on its ability to consistently execute its mission of providing the right product at the right place and the right time. The Group is deeply reliant on the smooth functioning of its supply chain and logistics platforms, in particular its warehouse and transport network and its IT capabilities. Any material disruption to the Group's supply chain, distribution network, logistics operations or IT functions would have a material adverse effect on its reputation, business, results of operations and financial condition.

To efficiently execute its mission, the Group depends, to a large extent, on its suppliers and affiliated independent distributors. The Group must be able to provide its products through its network of affiliated independent distributors and branded garages, either directly from suppliers or through its various logistics platforms, in all the markets in which the Group operates, which depends on the performance of its supply chain and logistics platforms. The Group's supply chain and logistics platforms are, in turn, dependent on the smooth functioning of the Group's IT systems, including its hardware, software, network, websites, ordering platforms, call centers and other computer-based systems, some of which may be provided by third parties. For more information on the Group's IT systems, see Section 3.2.1 "Risks related to information technology, online operations and digitalization" of this Registration Document.

Material difficulties or disruptions at several of the Group's warehouses, distribution sites, logistics platforms or transportation networks caused by catastrophic events, such as fire, severe weather, natural disasters, public health situations, social and political unrest, terrorism, war, labor actions and inadequacies in the transport infrastructure in the countries in which the Group operates, or from which it sources its products, could significantly disrupt the Group's ability to meet customer demand in a timely manner or at all, which, in turn, would have a material adverse effect on its reputation, business, results of operations, financial condition and prospects. For example, in 2020, the Group's automated warehouse Logisteo was the largest independent logistics platform for light vehicle parts for maintenance and repair in France, and accounted for approximately two-thirds of the volume of purchases in the Group's light vehicle business in its France segment. In 2020, Logisteo stored approximately 95,000 SKUs, prepared approximately 63,000 lines per day and completed approximately 3,000 orders per hour, serving approximately 500 local distributors (for more information about Logisteo, see Section 5.1.3.1 "Operating Segments—France" of this Registration Document). Any of the catastrophic events mentioned above could result in a temporary disruption to or stoppage of the logistics operations of the Group at Logisteo. Even if such disruption to, or stoppage of, Logisteo's operations were to be partially offset by increasing the logistics operations at other Group logistics platforms, such stoppage or disruption could significantly delay delivery of products to the Group's customers, which could, in turn, have a material adverse effect on the Group's reputation, customers' relationships business, results of operations, financial condition and prospects. As an example of this risk, in 2018 (before the Group acquired Oscaro), Oscaro experienced a temporary liquidity shortfall which led to a situation where it accepted orders from customers but could not deliver products, as suppliers insisted on payment before delivering their products to Oscaro.

In addition, and as noted above, the Group believes the re-imposition of significant lockdown measures in response to the COVID-19 pandemic, such as those imposed in the first half of 2020, including restrictions to freight activities, could result in increased transportation time, delayed delivery of products (both to the Group and to the Group's customers) and disruptions at the Group's logistics platforms, which could impact the Group's supply chain, distribution network and logistics operations, which are key to the Group's business. The Group's insurance coverage may be insufficient to compensate the Group for any losses that it may incur in relation to such disruptions. For more information about the Group's insurance policies, see Section 3.6.1 "Insurance" of this Registration Document.

The Group also relies, directly and indirectly, upon independent third-party logistics providers to ship most of its products from its suppliers to the Group and to transport products from its logistics platforms to its distribution network. The Group's use of any logistics provider is subject to significant risks, including increases in fuel prices, which could increase the Group's shipping and transportation costs. Strikes, work stoppages, quarantines, shelter-in-place arrangements, government actions, facility closures, natural disasters, civil unrest and weather may impact such logistics providers' ability to provide delivery services that adequately meet the Group's needs. If the Group changes it arrangements with or loses one of its important third-party logistics providers, it could face logistical difficulties that could materially adversely affect its operations and could lead to the incurrence of significant costs and the expenditure of resources in connection with such change. For more information about the risks associated with the Group's supplier concentration strategy, see Section 3.2.3 "Risks related to the Group's dependence on third-party suppliers" of this Registration Document. Moreover, the Group may not be able to obtain terms as favorable as those received from the third-party logistics providers it currently uses, which, in turn, would increase the Group's costs.

The Group is also exposed to increases in transportation costs. In the year ended December 31, 2020, transportation costs incurred by the Group accounted for 4.8% of the Group's revenue. Transportation costs historically have fluctuated significantly over time, particularly in connection with oil prices, and increases in transportation costs could result in reduced profits for the Group. Any disruption to transportation services, particularly to the road transport network on which the Group relies for the prompt transfer of its products from its warehouses and distribution sites to its customers, or any increases in the cost of transportation, could have a material adverse effect on the Group's business, results of operations and financial condition.

Additionally, because the Group distinguishes itself on the basis of its superior delivery times (some of which are as short as a few hours), any material disruption that lengthens delivery times to its customers could make the Group less competitive or strain its relationships with customers and, as a result, may affect the Group's business, results of operations, financial condition, prospects and reputation.

3.2.3 Risks related to the Group's dependence on third-party suppliers.

The Group does not manufacture any of the products that it distributes and is dependent on the ability of its third-party suppliers to meet its product requirements. The Group continues to implement a supplier concentration strategy, by which it has rationalized its supplier relationships, reducing the number of suppliers through CPUs from 293 in 2010 to approximately 250 in 2020, which allows the Group to negotiate with a smaller group of suppliers. For the year ended December 31, 2020, the Group's top ten suppliers of its CPUs accounted for approximately 52% of its products purchases by volume (as compared with 35% in the year ended December 31, 2010), and the Group's top three suppliers of its CPUs accounted for 27% of its products by volume and, other than the top supplier, no supplier accounted for more than 7% of the Group's products by volume. The Group generally maintains several suppliers for the parts it distributes, other than for its truck spare parts business for which the Group relies on a more limited number of suppliers.

The Group's business and, ultimately, its results of operations are dependent on the ability of its suppliers to provide the Group with products. The use of third-party suppliers entails a number of risks, including termination of the relationship and limited control over the quality of manufactured products. The Group's suppliers may fail to meet delivery deadlines, to provide it with sufficient products or to comply with its quality requirements. In addition, the Group's supply chain from its third-party suppliers could be disrupted due to a wide variety of factors, including closure of supplier plants or critical manufacturing lines due to, among other things, labor action, breakdowns, outages, fire, explosions, terrorist attacks, economic, political or social developments, facility closures, weather, natural disasters, public health situations, border closures, delayed customs processing and restrictions imposed on freight activities. For more information about the impact of the COVID-19 pandemic on the Group and the markets in which it operates, see Section 3.1.2 "Risks related to the outbreak of communicable diseases, such as COVID-19" of this Registration Document. In the event that one or more of the Group's suppliers experiences operational, financial or other difficulties, their capacity to meet the Group's supply requirements may be constrained and they may be susceptible to production difficulties, disruption in the supply of spare parts, insufficient quality control, failures to meet production deadlines or increases in manufacturing costs or other factors that negatively affect the quantity or quality of their production. If the Group is unable to secure alternative sources in a timely manner or on commercially beneficial terms, the Group may experience inventory shortages which could result in unfilled customer orders and lost revenue as a result of the Group's "just-in-time" delivery approach, as well as damage to the Group's reputation and relationships with its customers. Any of these risks, in isolation or in combination, could materially adversely affect the Group's business, results of operations, financial condition, prospects and reputation.

Additionally, if the Group's suppliers do not continue to provide it with products under the presently agreed terms (or materially similar terms), or if the Group is unable to obtain products from its suppliers in the future at favorable prices, the Group's margins will likely be negatively impacted and there could be a material adverse effect on the Group's business, results of operations and financial condition. Moreover, if there is a significant or unexpected drop in customer demand or if there is a significant increase in customer demand that the Group is unable to meet with its "on-hand" inventory or to procure in time from its suppliers, the Group's business, results of operations and financial condition could be adversely affected.

From time to time and in a limited number of cases, the Group has entered into agreements with, or provided services to, certain suppliers that may not be formalized in writing or at all, and the Group may enter into such agreements or provide such services in the future. In such circumstances, such suppliers could potentially demand higher prices or more stringent payment terms, or may break off the agreement with limited notice and the Group may have no contractual remedy against such suppliers if it suffers losses as a result of their actions. The Group's ability to ensure continuity of supply from such suppliers might also be limited as a result of these arrangements, which could, in turn, materially adversely affect the Group's business, results of operations and financial condition.

3.2.4 Risks related to recruitment and management of qualified personnel.

The Group's relies significantly on its employees. As of December 31, 2020, the Group had 7,718 employees. The Group's success depends in part on its ability to continue to attract, motivate and retain qualified employees, while controlling labor costs. In addition, the Group's ability to support its overall strategy may be limited by its ability to employ, train, motivate and retain sufficient skilled personnel.

In order to motivate and retain qualified employees, the Group focuses on developing employees' skills, which the Group considers to be key to its performance and business development. However, in 2020, the number of employees trained and the number of hours of training provided by the Group to its employees decreased by 14.4% and 36.7%, respectively, due to the remote working scheme implemented by the Group in response to the COVID-19 pandemic (see Section 15.1.3.5 "Training and professional development" of this Registration Document).

The Group's ability to meet its labor needs, while controlling labor costs, depends on many external factors, including competition for and availability of qualified personnel in a given market, unemployment levels within those markets, prevailing wage rates, minimum wage laws, health and other insurance costs, union membership levels and activity among its employees and changes in employment and labor laws or other workplace regulations. The supply of qualified employees is limited and competition for qualified personnel is intense. The Group may not be able to attract and retain qualified personnel in the future, which could hinder its ability to run and develop its business successfully. In addition, competition to hire and retain qualified personnel may result in higher labor costs. Any failure by the Group to adequately hire, train and retrain qualified employees may have a material adverse effect on its business, results of operations and financial condition.

3.2.5 Risks related to acquisitions and integrations of strategic targets.

The Group has a history of successfully acquiring and integrating strategic targets in adjacent geographic markets. In 2018, the Group acquired G-Group, an independent spare parts distributor in Italy, building on its entry into the Italian market with the creation in 2017 of a joint company, Autodis Italia Holding S.r.l., with three Italian distributors (OVAM, Top Car and Ricauto). In 2018, the Group also acquired Oscaro, significantly expanding its reach in the French B2C online business, as well as Geevers and Verviers Freins, further expanding its operations in Benelux, following its initial expansion into Benelux with the acquisition of the Doyen Auto Group in 2016. In 2019, the Group acquired a 75.0% stake in AD Bosch, which enabled the Group to enter the Spanish market.

When making acquisitions, the Group assesses and anticipates certain cost savings and synergies following the integration of the acquired business. For example, the Group often acquires a target business with the expectation that it would be possible to integrate such target's operations into the Group's business, optimize the target's performance, complement the Group's existing offer of products and services, and realize purchasing synergies and cost savings. The Group's anticipated cost savings and purchasing synergies following an acquisition are based upon assumptions about the Group's ability to implement these measures in a timely manner and within certain cost parameters. The Group's assumptions about such cost savings or synergies may prove to be incorrect. The Group's ability to achieve the planned cost savings is also dependent upon a significant number of factors, some of which may not be fully anticipated by the Group at the time of the acquisition. Finally, the Group's acquisitions and new business initiatives could result in unintended consequences, such as the loss of qualified personnel, key customers and suppliers.

The integration of an acquired business and its systems, operations and personnel, particularly in respect of businesses operating in adjacent markets, could be more difficult and time-consuming than anticipated, leading to increased operating costs, the loss of key employees and customers, and a failure to realize anticipated operating savings. The Group may not be able to successfully integrate acquired businesses within a reasonable time following such acquisition. As a result, the Group may not be able or in a position to realize anticipated cost savings and purchasing synergies when it acquires such targets. To achieve any of the foregoing, the Group could also be required to make additional capital expenditures, which may be significant. Any failure by the Group to successfully acquire and integrate strategic targets or benefit from anticipated cost savings, and purchasing synergies may have a material adverse effect on its business, results of operations and financial condition.

3.2.6 Risks related to technological advancements.

Demand for the products that the Group distributes is affected by technological and qualitative improvements in new vehicles, such those related to the development of electric and hybrid vehicles. The vehicle market is characterized by frequent technical advances, automation and increases in the complexity of existing components. Certain spare parts may feature complex or innovative technology that can be maintained only by persons with special training or at specialized garages. The Group's success depends in large part on its ability to access, follow, interpret and react to changing technological and qualitative specifications in an appropriate and timely manner. The Group's products must be adapted to the technological needs of a broad range of customers, which may not be foreseeable with certainty and are subject to change.

In order to efficiently develop its offering, the Group needs to access new and detailed information on vehicles provided by vehicle manufacturers. If such manufacturers were to refuse to provide appropriate and timely access to such information, or if a new regulation were to limit access to such information, the Group would be unable to efficiently develop its offering to its customers, which would have a material adverse effect on its results of operations and financial condition. For further information about European Union regulations that address the provision of information relating to spare parts, see Section 9.1 "European Union regulations" of this Registration Document.

New vehicle technology may also require continuous training and regular updating in relation to a particular vehicle model. For example, repairs of sensors as well as repairs of air conditioning systems require special skills, training and equipment. The independent garages that are the primary end-users of the parts the Group distributes may not continue to obtain the information and training necessary to maintain the complex technology featured in the Group's end-customers' vehicles, and the expertise to install and repair these parts may only be available at car dealers. Moreover, the expenses required for specialized staff training, as well as the sophisticated equipment required to test and repair these evolving components, could result in higher costs or higher capital expenditure for the Group or for its end-customers. In certain cases, it may no longer be economically feasible for independent garages to offer repair services or spare parts for particular vehicle models. Furthermore, sophisticated manufacturing technology for spare parts improves their quality and reduces the number of replacements and repairs they require. If spare parts are replaced less frequently, the Group's revenue could decrease.

The IAM in which the Group operates differs from the OEM, in which operators are linked to the vehicle manufacturers who supply them directly with the necessary technical information on vehicle components and repair procedures. Due to ongoing technological developments in the manufacturing of vehicles, independent garages need to develop appropriate technical expertise in newly developed components. The failure of the Group's main customers, *i.e.*, independent garages, to develop the appropriate technical expertise, or acquire access to the tools, instruments and parts that such technological developments demand, may result in an increase in demand for maintenance and repair services provided by dealers with the necessary technical expertise (and such garages represent only a small portion of the Group's customers and revenue), which could, in turn, have a material adverse effect on the Group's business, results of operations and financial condition.

3.2.7 Risks related to agreements with the Group's distribution network.

The Group has entered into affiliation agreements with affiliated independent light vehicle spare parts distributors in France, pursuant to which these affiliated independent distributors are allowed to use the Autodistribution brand and to benefit from the commercial conditions the Group negotiates with its suppliers and from loyalty bonuses. The Group's agreements with its affiliated independent distributors in France typically have a seven-year term. The Group is currently in the process of renewing the agreements with its affiliated independent distributors in France, including the Group's agreement with UDIAD (*Union des distributeurs indépendants Autodistribution*), which includes certain members of the Group's network (for more information about the Group's affiliated independent distributors, including UDIAD, see Section 5.1.2.3 "Operational model—Local distribution" and Section 6.1.1 "Organizational chart as of the date of this Registration Document" of this Registration Document). If the Group is not able to renew its contractual relationship with a very large number of these distributors, the number of affiliated independent distributors in the Group's French network would decrease, and the size of the Group's French distribution network and its customer base could be reduced and its profitability significantly harmed as a result.

3.3 RISKS RELATED TO LEGAL, TAX AND REGULATORY MATTERS

3.3.1 Risks related to litigation and arbitration proceedings.

From time to time, the Group is involved in legal proceedings relating to the conduct of its business including, but not limited to, claims from employees, claims of intellectual property infringement and claims asserting unfair competition and unfair business practices by third parties. The outcomes of such proceedings are extremely difficult to predict. In addition, from time to time, the Group may be subject to product liability and personal injury claims relating to the products it distributes and the properties it operates. In particular, French law provides for specific protection for consumers in regards to liability for defective products (see Section 3.3.3 "Risks related to product liability, warranties and recalls" and Chapter 9 "Regulatory Environment" of this Registration Document). Further, the Group is and has been subject to various tax audits and may be subject to tax audits from time to time in the future. In addition, the Group could face a wide variety of employee claims, including general discrimination, privacy, labor and employment and disability claims. The outcomes of such proceedings are extremely difficult to predict. Any such claims could result in litigation against the Group and could also result in regulatory proceedings being brought against the Group by various governmental agencies.

The Group could become involved in legal disputes in the future which may involve substantial claims for damages or other payments. Claims, audits and legal proceedings often raise complex factual and legal issues, which are subject to risks and uncertainties and which could require significant management time and legal expenses. Individually, these proceedings typically do not involve substantial amounts. In the aggregate such proceedings or any increase in the number of such proceedings may have a material adverse effect on the Group's business, results of operations and financial condition. As of December 31, 2020, the Group's provision for litigation amounted to €3.5 million. For further information relating to the Group's provisions for litigation, see Section 18.4 "Legal and arbitration proceedings" of this Registration Document.

In the event of a negative outcome of any material legal proceeding, whether based on a judgment or a settlement agreement, the Group could be obligated to make substantial payments, which could have a material adverse effect on its business, results of operations and financial condition. In addition, the costs related to litigation proceedings may be significant. Even where the Group successfully defends itself against a claim, it might still have to bear part or all of its advisory and other costs, to the extent they are not reimbursable by other litigants, insurance or otherwise, and these costs may be significant. Even if there is a positive outcome of such proceedings, any negative publicity surrounding claims against the Group or its management could materially adversely affect the Group's brands and reputation. All of the foregoing could materially adversely affect the Group's business, results of operations, financial condition, reputation and prospects.

3.3.2 Risks related to changes in tax laws and regulations, tax audits or disputes in relation to deferred tax assets.

The Group is subject to complex and evolving tax legislation in the countries in which it operates. Changes in tax laws or regulations, or in their interpretations, could adversely affect the Group's tax position, such as its effective tax rate or tax payments.

In particular, European and French tax laws and regulations are extremely complex and are subject to varying interpretations. For example, the current implementation into

French tax law of the Organization for Economic Cooperation and Development's (the "**OECD**") principles related to base erosions and profit shifting ("**BEPS**") included in the final reports released by the OECD, as well as the Multilateral Convention to Implement Tax Treaty Related Measures to Prevent BEPS signed in Paris on June 7, 2017 and ratified by France on September 26, 2018, may increase the administrative efforts within the Group's business and impact existing structures.

Furthermore, the European Union continues to harmonize the tax legislation of the Member States. In this respect, the Council of the European Union adopted a directive "laying down rules against tax avoidance practices that directly affect the functioning of the internal market" on July 12, 2016 (Council Directive 2016/1164) (the "**ATAD**"). The ATAD was later amended on May 29, 2017, by Council Directive (EU) 2017/952 (the "**ATAD 2**"), which, among other things, extends the scope of the ATAD to hybrid mismatches involving third countries, and provides that its provisions shall apply (subject to certain exceptions) as from January 1, 2020. The ATAD provides, in particular, for a general interest limitation rule pursuant to which the tax deduction of net financial expenses is limited to 30% of the taxpayer's EBITDA or to a maximum amount of €3 million, whichever is higher (subject to several exceptions). Such rules have applied since January 1, 2019, following their transposition into French tax law by article 34 of the French Finance Law for 2019 (Law 2018-1317 of December 28, 2018) (the "**French Finance Law for 2019**"). The French Finance Law for 2020 (Law 2019-1479 of December 28, 2019) (the "**French Finance Law for 2020**") also introduced under French tax law the provisions of the ATAD 2 and, thus, repealed the former French anti-hybrid rules, as set forth in article 212-I-b of the French Tax Code.

In addition, article 108 of the French Finance Law for 2019 introduced under French tax law, in article 205 A of the French Tax Code, the anti-abuse provision provided for by the ATAD with respect to French corporate income tax, which aims to address abusive tax practices that are not dealt with by specifically targeted provisions. Pursuant to this provision, the French tax authorities might ignore an arrangement, or a series of arrangements, which, having been put into place for the main purpose or one of the main purposes of obtaining a tax advantage that defeats the object or purpose of the applicable tax law, are not genuinely taking into account all relevant facts and circumstances.

The Group often relies on generally available interpretations of tax laws and regulations in the jurisdictions in which it operates. The Group cannot be certain that the relevant tax authorities are in agreement with its interpretation of these laws. If the Group's tax positions are challenged by the relevant tax authorities (notably in the current international tax context tending towards enhanced mandatory disclosure obligations), the imposition of additional taxes could require the Group to pay taxes that it currently does not collect or pay, or increase the costs of the Group's products or services to track and collect such taxes, which could increase the Group's costs of operations and have a negative effect on its business, results of operations and financial condition.

Finally, political responses to the economic consequences of the COVID-19 pandemic may include increases in taxes or implementation of new taxes in various jurisdictions.

With respect to deferred tax assets in particular, the Group may record deferred tax assets on its balance sheet, reflecting future tax savings resulting from discrepancies between the tax and accounting valuation of the assets and liabilities or in respect of tax loss carry-forwards from its subsidiaries. The actual realization of these assets in future years depends on tax laws and regulations, the outcome of potential tax audits and the future results of the relevant entities. In particular, pursuant to article 209, I, paragraph 3 of the French tax code (*Code général des impôts*) (the "**French Tax Code**"), the fraction of French tax loss carry-forwards that may be used to offset taxable profits with respect to a given fiscal year is limited to €1.0 million plus 50% of the portion of the taxable profit exceeding €1 million. Similar rules apply to tax losses generated by French tax consolidated groups. As of December 31, 2020, the Group had recorded tax loss carry-forwards notably in France. The French tax loss carry-forwards have been reflected in the Group's financial statements for the year ended December 31, 2020, resulting in the amount of €55.2 million of deferred tax assets corresponding to the tax savings the Group expects to recognize by offsetting taxable operating profits in the following fiscal years, and using a 25.8% effective corporate income tax rate with tax loss carry-forwards. Any reduction in the Group's ability to use these tax assets due to changes in laws and regulations, potential tax reassessment or lower than expected results could have a negative impact on its business, results of operations and financial condition.

3.3.3 Risks related to product liability, warranties and recalls.

As a distributor of vehicle spare parts, the Group may be exposed to product liability and warranty claims (particularly in regards to its truck repairer business where, as in installer, its exposures are greater, although this is a comparatively limited part of the Group's overall business, with the repair business accounting for only about half of the Group's trucks business) in the event that the products it sells and/or installs actually or allegedly fail to perform as expected, or the use of a product distributed by the Group results, or is alleged to have resulted, in bodily injury, death and/or property damage.

Accordingly, the Group could experience material warranty or product liability losses in the future and incur significant costs to defend these claims. In addition, if any of the products that the Group distributes are, or are alleged to be, defective, the Group may be required to participate in a recall of that product if the defect or the alleged defect relates to safety. As a distributor of vehicle spare parts, the Group will be able to seek recourse and obtain indemnification from its supplier or the product manufacturer, as the case may be. However, in certain circumstances, the Group may not be able to seek recourse or obtain indemnification from its supplier or the product manufacturer, as the case may be, including as a result of unfavorable supplier warranties or supplier credit issues. Although historically there have been no major recalls with respect to the products distributed by the Group, there can be no assurance that a product recall will not occur in the future. Product liability, warranty and recall costs may have a material adverse effect on the Group's business, results of operations and financial condition. In addition, the Group's brand, reputation and relationships with its customers, and thus, its business, results of operations, financial condition and prospects, could also be damaged by the distribution of defective products, especially in the event of serious defects, such as those that compromise vehicle safety or incorporate harmful substances that cause bodily injury, other physical harm or other health problems. There is also a risk that compliance lapses by the Group's international suppliers could occur, which could lead to investigation by agencies responsible for international trade compliance. Resulting penalties or enforcement actions could delay future imports or otherwise negatively impact the Group's business. In all such cases, especially if there is a prolonged impact on product quality or availability, the Group's business, results of operations, financial condition, prospects and reputation may be materially adversely affected.

In addition, the Group may be held liable for defective products if it brands products with one of its own trademarks, such as ISOTECH, and presents itself as the producer of such products or distributes products imported from countries outside the European Union. Some of the products that the Group distributes are branded with its ISOTECH trademark. In addition, the Group sells products imported from countries outside the European Union. By selling products under Group trademarks or imported from countries outside the European Union, the Group may be held liable for any unforeseen defects in products requiring repair under warranty or recall, which, notwithstanding possible recourse against the relevant manufacturer and supplier, could have a material adverse effect on the Group's business, results of operations, financial condition and reputation. Likewise, if the Group's affiliated independent distributors or branded garages improperly install products, the Group may be exposed to liability and reputational harm. Additionally, the Group can offer no assurance that suppliers will replace defective products in a timely manner or provide the Group with sufficient refunds or indemnifications. The Group could experience material warranty or product liability losses in the future, and incur significant costs to defend any such claims.

3.3.4 Risks related to employment, health and safety, environmental, anti-corruption laws and regulations and compliance with ethical business practices.

The Group's operations and properties are subject to a wide variety of European directives and regulations, national, state and local laws, rules, taxes and regulations relating to transparency, anti-corruption, the protection of employees, the environment, workers' health and safety, and the use, management, storage and disposal of hazardous substances, wastes and other regulated materials.

With respect to transparency and anti-corruption, the Group must comply with the anti-bribery law dated December 9, 2017 ("*loi pour la transparence de la vie économique*" or "Loi Sapin II") which significantly strengthens and improves the anti-corruption system in France, in addition to other similar anti-corruption laws and regulations in the markets in which the Group operates.

With respect to employment, environment and health and safety, these laws and regulations include, in particular, requirements governing employee safety and working hours and the disposal of used oil, batteries, tires and other materials processed in the Group's recycling business. These laws, rules and regulations may affect the way in which the Group conducts its operations, and the failure to comply with these regulations could lead to fines and other penalties, as well as negative publicity which could damage the Group's brands and reputation. In addition, various environmental laws also may subject the Group to liability for the costs of cleaning up and responding to hazardous substances that may have been released on its properties, including releases that are unknown to the Group. These environmental laws and regulations also could require the Group to pay for environmental remediation and response costs at third-party locations where it has disposed of or recycled hazardous substances. With environmental regulations becoming increasingly stringent, the cost of complying with the various environmental requirements, as they now exist or may be altered in the future, could materially adversely affect the Group's business, results of operations and financial condition.

With respect to compliance with ethical business practices, the use of third-party suppliers entails a number of risks for the Group, including limited control over third-party suppliers' business practices. The Group adopted operating guidelines in order to promote ethical business practices, such as environmental responsibility, fair wage practices and compliance with child labor laws, among others, through commitments in suppliers' contracts to apply the Group's code of ethics and the Group's suppliers code of conduct. However, from time to time, the Group's suppliers or manufacturers may not be in compliance with local labor law or recognized ethical or environmental standards, among other things. A lack of compliance could lead the Group to seek alternative suppliers, which could increase its costs and result in delayed delivery of its products, product shortages or other disruptions to its operations. Violation of environmental or labor or other laws by the Group's third-party suppliers or the divergence of a third-party supplier's labor or other practices from those generally accepted as ethical in the European Union could also lead to liability and attract negative publicity for the Group, and harm the integrity of the Group's brands and damage the Group's reputation. Any incident calling into question the integrity of the Group's suppliers and their business practices could have a material adverse effect on the Group's business, results of operations and financial condition.

3.4 RISKS RELATED TO THE GROUP'S FINANCIAL PROFILE AND STRUCTURE

3.4.1 Risks related to the Group's significant leverage.

The Group currently has and, after the Proposed Admission, will continue to have, a significant amount of outstanding debt with substantial debt service requirements. As of December 31, 2020, the Group's third-party borrowings amounted to €1,288.5 million, which reflects external loans and borrowings, including liabilities. For further information, see Section 8.2.2.1 "Overview of the Refinancing to occur as part of the Proposed Admission" of this Registration Document.

The Group's significant leverage could have important consequences for its business and operations, including, but not limited to:

- making it more difficult for the Group to satisfy its obligations with respect to debt and liabilities;
- requiring the Group to dedicate a substantial portion of its cash flow from operations to payments on debt, thereby reducing the availability of its cash flow to fund internal growth through working capital and capital expenditures, and for other general corporate purposes;
- increasing the Group's vulnerability to a downturn in its business or general economic or industry conditions;
- placing the Group at a competitive disadvantage relative to competitors that have lower leverage or greater financial resources than the Group has;
- limiting the Group's flexibility in planning for or reacting to competition or changes in its business and industry;
- negatively impacting credit terms with the Group's creditors;
- restricting the Group from pursuing strategic acquisitions or exploiting certain business opportunities; and
- limiting, among other things, the Group's ability to borrow additional funds or raise equity capital in the future and increasing the costs of such additional financings.

Any of these or other consequences or events could have a material adverse effect on the Group's ability to satisfy its debt obligations. The Group's ability to make payments on and refinance its indebtedness and to fund working capital expenditures and other expenses will depend on its future operating performance and ability to generate cash from operations. The Group's ability to generate cash from operations is subject, in large part, to general economic, competitive, legislative and regulatory factors and other factors that are beyond the Group's control. The Group may not be able to generate sufficient cash flow from operations or obtain enough capital to service its debt or fund its planned capital expenditures.

3.4.2 Risks related to restrictive covenants that limit the Group's operating, strategic and financial flexibility.

On the IPO Settlement Date, the Group intends to (i) repay and redeem in full the Existing Floating Rate Notes (as defined in Section 8.1 "Overview" of this Registration Document) with the proceeds of the new shares to be issued as part of the Proposed Admission, and (ii) repay and redeem a portion of the 2020 Existing Senior Secured Notes (as defined in Section 8.1 "Overview" of this Registration Document) with the proceeds of the new shares to be issued as part of the Proposed Admission. Following the IPO Settlement, a portion of the 2020 Existing Senior Secured Notes consequently will remain outstanding and therefore the indenture relating to the 2020 Existing Senior Secured Notes will remain applicable. The indenture for the 2020 Existing Senior Secured Notes (as defined in Section 8.1 "Overview" of this Registration Document) contains covenants that may impose significant restrictions on the way the Group can operate following the IPO Settlement, including restrictions on the ability of certain subsidiaries of the Group to:

- incur or guarantee additional debt and issue preferred stock;
- create or incur certain liens;
- make certain payments, including dividends or other distributions;
- prepay or redeem subordinated debt or equity;
- make certain investments or acquisitions, including participating in joint ventures;
- engage in certain transactions with affiliates;
- create unrestricted subsidiaries;
- create encumbrances or restrictions on the payment of dividends or other distributions, loans or advances to, and on the transfer of, assets to the issuer of the Existing Notes or any restricted subsidiary;
- sell assets, consolidate or merge with or into other companies;
- sell or transfer all or substantially all of the Group's assets or those of the Group's subsidiaries on a consolidated basis;
- impair security interests for the benefit of the holders of the Existing Notes; and
- issue or sell share capital of certain subsidiaries.

All of these limitations are subject to significant exceptions and qualifications. These covenants could limit the Group's ability to finance future operations and capital needs, and its ability to pursue acquisitions and other business activities that may be in its interest. The Group's ability to comply with these covenants and restrictions may be affected by events beyond its control. These include prevailing economic, financial and industry conditions. If the Group breaches any of these covenants or restrictions, in addition to being in default under the indenture for the Existing Notes, the Group could be in default under the terms of the New Revolving Credit Facility Agreement (as defined in Section 8.1 "Overview" of this Registration Document), and the relevant lenders could elect to declare the debt, together with accrued and unpaid interest and other fees, if any, immediately due and payable and proceed against any collateral securing that debt. This would also result in an event of default under the indenture for the Existing Notes. If the debt under the indenture for the Existing Notes and the New Revolving Credit Facility Agreement, the Existing Notes or the guarantees of the Existing Notes or any other material financing arrangement that the Group has entered into were to be accelerated, the Group's assets may be insufficient to repay its debt.

Additionally, the New Revolving Credit Facility Agreement contains, and the Group's other financing agreements following the Proposed Admission are expected to contain covenants that may impose restrictions on the way the Group can operate (see Chapter 8 "Liquidity and Capital Resources" of this Registration Document). In particular, subject to certain exceptions, the New Revolving Credit Facility Agreement and the Group's expected financing arrangements following the Proposed Admission are expected to include restrictions, among others, on its ability to:

- create or permit to subsist certain security interests in its assets;
- sell, transfer or otherwise dispose of assets;
- make certain acquisitions;
- enter into certain mergers or corporate reorganizations; and
- change the general nature of the business of the Group.

In addition, the New Revolving Credit Facility Agreement and the Group's financing agreements following the Proposed Admission are expected to require the Group to comply with certain affirmative covenants and to avoid exceeding specified financial ratios. These covenants could affect the Group's ability to operate its business and may limit its ability to react to market conditions or take advantage of potential business opportunities as they arise. If the Group breaches any of these covenants or restrictions, it could be in default under the related financing agreements.

If there were an event of default under any of the Group's debt instruments that was not cured or waived, the holders of the defaulted debt could terminate their commitments thereunder and cause all amounts outstanding with respect to such indebtedness to become due and payable immediately, which, in turn, could result in cross defaults or cross acceleration under the Group's other debt instruments. In these circumstances, the assets and cash flow might not be sufficient to repay in full that debt and the Group's other debt if some or all of these instruments were accelerated, which could force the Group into bankruptcy or liquidation.

3.5 MARKET RISKS

3.5.1 Interest rate risk.

The Group borrows at fixed and variable rates and is, therefore, exposed to interest rate fluctuations and related risks on the portion of debt corresponding to Parts Europe S.A.'s (formerly Autodis S.A.) €690 million aggregate principal amount of the Existing Floating Rate Notes and €100.0 million Existing Revolving Credit Facility (each as defined in Section 8.1 "Overview" of this Registration Document). In connection with the Proposed Admission, on the IPO Settlement Date, the Group intends to (i) repay and redeem in full the Existing Floating Rate Notes (as defined in Section 8.1 "Overview" of this Registration Document) with the proceeds of the new shares to be issued as part of the Proposed Admission, and (ii) repay and redeem a portion of the 2020 Existing Senior Secured Notes (as defined in Section 8.1 "Overview" of this Registration Document) with the proceeds of the new shares to be issued as part of the Proposed Admission. Following the IPO Settlement, a portion of the 2020 Existing Senior Secured Notes consequently will remain outstanding. In addition, as part of the Proposed Admission, the Group entered into the New Revolving Credit Facility Agreement (as defined in Section 8.1 "Overview" of this Registration Document). On or around the IPO Settlement Date, the Group intends to repay certain amounts outstanding under the COVID-19 Loans (as defined in Section 8.1 "Overview" of this Registration Document) and cancel the available commitments under the Existing Revolving Credit Facility (as defined in Section 8.1 "Overview" of this Registration Document).

EURIBOR may increase significantly in the future, resulting in additional interest expense for the Group, reducing the free cash flow for investments and limiting its ability to service its indebtedness. For more information about the interest rate risk and the impact of an increase of the three-month EURIBOR on the Group's interest costs, see Note 13.6.1 (Interest rate risk) of the consolidated financial statements of the Group for the fiscal years ended December 31, 2020, 2019 and 2018 presented in Section 18.1.1 "Group audited consolidated financial statements for the years ended December 31, 2018, 2019 and 2020" of this Registration Document.

3.5.2 Liquidity risk.

The Group's financial liabilities mainly include borrowings and trade and other payables. These liabilities may expose the Group to liquidity risk in the event of early repayment or short maturity. In order to manage its liquidity risk, the Group relies on cash on hand and additionally contracts revolving credit or bank facilities for an appropriate amount and maturity to ensure it has adequate available funds to meet its commitments with a large range of financial institutions. The Group had cash and cash equivalents of €113.4 million (excluding bank overdrafts) as of December 31, 2020. The total amount of credit facilities that were not used as of December 31, 2020 was €164.5 million, compared to €101.6 million as of December 31, 2019 and €68.7 million as of December 31, 2018. In connection with the Proposed Admission, the Group has entered into the New Revolving Credit Facility Agreement (as defined in Section 8.1 "Overview" of this Registration Document). The ability of the Group to draw revolving credit under such facility is subject to compliance with certain covenants and conditions precedent, as further described under Section 8.2.2.2 "New Revolving Credit Facility" of this Registration Document.

The table below shows the maturity ranges of the Group's financial debt as of December 31, 2020:

	As of December 31, 2020
Under 1 year	175.8
Between 1 year and 5 years	1,094.8
More than 5 years	17.9
Total	**1,288.5**

3.6 INSURANCE AND RISK MANAGEMENT

3.6.1 Insurance

The Group maintains insurance to cover risks associated with the ordinary operation of its business, including property and casualty insurance policies that are typical for the industry in which the Group operates, at levels the Group believes are appropriate when taking into account its size and the risks incurred.

The Group's global insurance programs are negotiated and coordinated by the Group's headquarters, which is responsible for identifying the Group's insurable risks, quantifying their potential consequences for the Group, and designing or structuring adequate insurance programs with the support of leading insurance brokers with international networks. The Group aims to ensure it maintains sufficient coverage for all its activities and locations worldwide. The Group has established internal claims procedures for each of its insurance policies in the event the Group experiences a loss. It also reviews its insurance coverage periodically in light of innovative and new risk transfer solutions offered by the insurance markets in order to ensure the terms and conditions of its coverage are adequate, to verify that its deductibles and premiums are at reasonable levels and to reflect changes in its risk profile that arise as a result of events, such as mergers and acquisitions, new fields of activity and the development of new technologies.

The Group's global insurance programs generally take the form of master policies, which apply to the Group's operations worldwide. The Group enters into local insurance policies generated from these master programs to comply with local insurance-related regulatory obligations, as applicable in certain countries. The Group does not operate, rent nor own any captive insurance vehicles.

The Group's main insurance policies, entered into with reputable insurance companies, cover lines of exposures including the following:

- general liability insurance, which covers general corporate liability;
- IT insurance, which covers technology-based risks;
- workers' compensation insurance;
- property damage and business interruption insurance;
- environmental liability insurance;
- transit freight insurance;
- director and officer liability insurance; and
- fleet insurance.

The Group's insurance policies contain exclusions, caps and deductibles that could expose it to unfavorable consequences in the event of a significant event or legal action against it. Moreover, the Group may be required to indemnify third parties for certain damages that are not covered by its insurance policies, or to incur significant expenses that may not be covered, or may be insufficiently covered, under its insurance policies.

Certain insurance programs are also negotiated and implemented at a local level by certain subsidiaries of the Group for specific activities and in specific locations. For example, AD Normandie Maine, AD-Autoparts NV and Geevers maintain their own insurance programs for their activities in France, Belgium and the Netherlands, respectively. Partenaires Produits et Services also maintains a specific insurance program covering property damage. Verviers Freins S.A. maintains a specific insurance program related to work accidents.

3.6.2 Risk management

Risk management refers to the measures that the Group implements to identify, analyze and manage the risks to which it is exposed in the ordinary course of its business. The Group considers risk management and internal control to be closely related and a priority.

The Group's internal risk management and control systems are based on a combination of appropriate resources, policies, procedures, behavior and actions intended and designed to ensure the Group conducts its business in compliance with ethical rules and with applicable laws and regulations. Risk management and internal control are also intended to identify and mitigate the risks which could have a material impact on the Group's assets, results, operations or the Group's ability to implement its objectives and strategy, whether these risks are operational, commercial, legal, financial or related to compliance with ethical rules or applicable laws and regulation.

Risk management and internal control is managed by the Group's internal audit committee. This committee ensures the appropriateness, reliability and implementation of the Group's internal control procedures, as well as the procedures designed to identify and manage risks related to its business and to its accounting and financial information.

For further discussion of the Group's risk management and internal control processes, see Section 14.6 "Internal control" of this Registration Document.

3.6.2.1 *Risk-mapping*

The Group has performed a risk-mapping exercise to identify, assess and prioritize risks that may affect the Group's ability to achieve its objectives, and is currently updating and enhancing its risk-mapping. The Group's risk-mapping process was last updated in March 2021 and its risk-mapping methodology involves third-party audits, workshops and self-assessment questionnaires to enable management to evaluate and comment on the main risks faced by the Group, their relative importance and the effectiveness of mitigation measures. Based on this appraisal, the Group ranks identified risks based on potential impact, likelihood and effectiveness of the controls in place to address the risk. Following this assessment, the Group assigns each risk to an "owner", prioritizing risks requiring action and formulating action plans to be implemented in order to address these risks. To further enhance the Group's ongoing efforts to identify and mitigate risks faced by the Group, reports on the status of such action plans are presented to the Group's senior management at regular intervals.

3.6.2.2 *Review of internal procedures and systems*

In light of its growth objectives and in anticipation of the Proposed Admission, the Group has strengthened its internal control procedures and systems. In that context, the Group continuously reviews its internal procedures and processes. This review allows the Group to:

- evaluate the Group's internal control systems, procedures and tools, in particular in light of the Group's objectives and expectations in terms of quality and compliance; and
- define an action plan, tailored to the Group's business and designed to improve its systems through better efficiency and broader coverage.

This general review focuses on the Group's systems for reporting, treasury, tax and cash management, legal and the CPUs. The Group also intends to update its audit charter following the Proposed Admission.

3.6.2.3 *Risk management system*

In connection with the risk-mapping exercise and the review of internal procedures and systems that the Group has or is undertaking, the Group will continue to adapt its risk management system to the needs of its business. The Group's risk management system is designed to embed risk management into the Group's day-to-day operations and to align risk management with planning and control cycles, in order to ensure that risk management is an integral part of the Group's organizational culture.

The Group's risk management system takes a structured approach to identifying, prioritizing and managing risks throughout the Group by:

- clarifying the Group's strategic objectives and identifying principal risks by conducting interviews with managers from each of the Group's two operating segments;
- prioritizing identified risks through a risk workshop with senior management;
- periodic reporting to senior management on action plans to mitigate risks; and
- ensuring the effectiveness of risk responses and the overall risk management system through the audit committee.

3.6.2.4 *Evaluation and management of specific risks*

The Group has specific procedures in place to deal with specific risks, including the following:

- *Risks related to the Group's industry and competitive environment.* The Group operates in an increasingly competitive industry, facing competition from many other spare parts distributors and sellers. However, because the markets in which the Group operates tend to be fragmented (for example, in the French B2B market, the Group competes with approximately 2,000 small local and regional independent players; in 2019, in Italy, Spain and Belgium, small local and regional independent distributors held a market share of approximately 65%, 62% and 50%, respectively, in their respective national spare parts IAMs), the Group is positioning itself as a consolidator in these markets and pursues strategic acquisitions in order to strengthen its market share and to capture economies of scale and expanded distribution network opportunities. The Group also differentiates itself from its competitors on the basis of its wide product offering, superior delivery times and value-added services offering.

- *Risks related to information technology, online operations and digitalization*. The Group has implemented security policies governing its IT infrastructure (including hardware, network, websites, ordering platforms, applications and other IT platforms) and its intellectual property, premises, personnel and assets. The Group also employs a range of physical and digital safeguards designed to provide security around the collection, storage and access of information that the Group has in its possession. In addition, the Group is complying in all respects with Regulation (EU) No. 2016/679 dated April 27, 2016 (General Data Protection Regulation).
- *Risks related to the Group's supply chain, distribution network and logistics operations.* The Group maintains two distribution flows for spare parts: a direct delivery flow from suppliers to distributors and a platform-based flow from suppliers to distributors via the Group's logistics platforms (see Section 5.1.2.2 "Operational model—Upstream logistics control" of this Registration Document). This approach reduces the risk associated with interruptions to the functioning of the Group's logistical platforms and distribution network, as deliveries can be made to customers directly by the Group's suppliers. In addition, for some of the Group's logistics platforms, temporary stoppages or disruptions may be partially or entirely offset by increasing the logistics operations at other Group logistics platforms located nearby. The Group has also implemented internal control assessment tools for its distribution sites.
- *Risks related to the Group's dependence on third-party suppliers.* In recent years, the Group has pursued a strategy of supplier rationalization and concentration, reducing its number of suppliers from 293 in 2010 to 242 in 2017 and to approximately 250 in 2020. This concentration strategy has allowed the Group to further improve its negotiating leverage and has resulted in more favorable purchasing terms and increased volumes, while maintaining a sufficient number of suppliers to avoid undue reliance on particular suppliers. In addition, the Group focuses on implementing appropriate processes to ensure its commercial agreements with, and services to, its suppliers, are properly documented.
- *Risks related to technological advancements.* The Group maintains a wide and diversified product offering that addresses its customers' needs and continually adapts its offering to meet changing technological demands. The high visibility of the Group's addressable market enables the Group to adjust its offering in time to meet such demand. The Group also has a strong focus on innovation, offering a comprehensive suite of digital services to both suppliers and customers.
- *Risks related to employment, health and safety, environmental, anti-corruption laws and regulations, and compliance with ethical business practices*. With respect to transparency, anti-corruption, gifts and entertainment, the Group implements internal procedures (including reporting procedures), adopted guidelines and organizes in-house trainings in order to raise awareness of its employees about these matters. With respect to compliance with ethical business practices, the Group adopted operating guidelines in order to promote ethical

business practices, through commitments in suppliers' contracts to apply the Group's ethical charter and the Group's suppliers code of conduct.

3.6.2.5 *Compliance procedures*

In order to comply with applicable laws and regulations governing all aspects of its business, the Group has developed and is currently strengthening its compliance procedures with respect to fraud prevention, anti-corruption, anti-money laundering and economic sanctions.

The Group is committed to conducting its business in compliance with the laws of each of the countries in which it operates, as well as more broadly with the laws of the EU. This includes compliance with all laws, domestic and foreign, prohibiting improper payments to or inducements from any person, including public officials, and laws governing dealings with persons and organizations which are sanctioned persons or subject to sanctions. Given the diversity of contexts and geographic regions in which the Group operates and the significance of its investments therein, the Group has implemented various policies and procedures designed to mitigate the risks of corruption and fraud. These anti-corruption and anti-fraud measures are carried out as part of the Group's internal control processes, and verifications of these measures are carried out by the Group's audit committee. For example, the Group has implemented risk assessment processes since 2017 in connection with compliance with Loi Sapin II, the French corporate social responsibility law (*Loi n° 2017-399 du 27 mars 2017 relative au devoir de vigilance des sociétés mères et des entreprises donneuses d'ordre*) and the EU's General Data Protection Regulation.

The Group has had code of ethics in place since 2018, as well as an additional conduct code specific to suppliers of the Group, and offers anti-corruption training modules for employees.

CHAPTER 4. GROUP INFORMATION

4.1 LEGAL AND COMMERCIAL NAME OF THE COMPANY

The legal name of the Company is Parts Holding Europe.

The commercial name of the Company is Parts Holding Europe.

4.2 PLACE OF REGISTRATION, REGISTRATION NUMBER AND LEI NUMBER

The Company is registered with the Créteil Trade and Companies Register under number 488 077 165.

The LEI number of the Company is 969500QVWE7T2KIVFP56.

4.3 DATE OF INCORPORATION AND DURATION

4.3.1 Date of incorporation of the Company

The Company was incorporated on January 18, 2006 under the corporate name Parts Holdings (France) S.A.S. The Company's corporate name was changed to "Autodis Group" on March 1, 2015 and, subsequently, to "Parts Holding Europe" on November 5, 2018.

4.3.2 Duration of the Company

The Company's duration is 99 years from the date of its registration with the Créteil Trade and Companies Register, subject to early dissolution or extension.

4.4 REGISTERED OFFICE, LEGAL FORM, APPLICABLE LEGISLATION, COUNTRY OF INCORPORATION AND WEBSITES

4.4.1 Registered office and telephone number

The Company's registered office is located at 22, avenue Aristide Briand, 94110 Arcueil, France and its telephone number is +33 (0)1 69 79 89 89.

4.4.2 Legal form, applicable legislation and country of incorporation

As of the date of this Registration Document, the Company is a simplified stock company (*société par actions simplifiée*) governed by French law, including, in particular, Book II of the French commercial code and its bylaws.

The Company will adopt the form of a limited liability company with a board of directors (*société anonyme à conseil d'administration*) no later than the date upon which the AMF will grant its approval on the prospectus for the Proposed Admission. As part of the Proposed Admission, the bylaws and the internal regulations of the Company, as well as the composition of the board of directors, will be modified with effect as of the IPO Settlement Date. The description of the corporate form and corporate bodies of the Company contained in this Registration Document is that of the corporate form and bodies of the Company as they will exist as of the IPO Settlement Date. For further information, see Chapter 6 "Organizational Structure", Chapter 8 "Liquidity and Capital Resources" and Chapter 12 "Administrative, Management and Supervisory Bodies and Senior Management" of this Registration Document.

4.4.3 Websites of the Company and the Group

The websites of the Company are listed below:

- For the purpose of the Proposed Admission: www.phe-ipoproject.com.
- For commercial purposes: https://www.partsholdingeurope.com.

The information set forth on the websites listed above does not form part of this Registration Document.

CHAPTER 5. BUSINESS OVERVIEW[2]

5.1 PRINCIPAL ACTIVITIES

5.1.1 Overview

The Group is a leading, integrated, omnichannel, digitally-enabled and reliable distributor of automotive spare parts in continental Western Europe, contributing to affordable and sustainable mobility. The Group operates in the independent aftermarkets ("**IAMs**") in Belgium, France, Italy, Luxembourg, the Netherlands and Spain, and has nearly 60 years of experience and a winning business model driving consistent value creation in distribution. Since the acquisition of Oscaro in November 2018, the Group has become an omni-channel (online and offline) distributor focused on both business-to-business ("**B2B**") and business-to-consumer ("**B2C**") offerings. The Group's B2C customers include a significant number of "do it yourself" ("**DIY**") customers, who are end-customers who buy parts and make repairs themselves, rather than relying on garages to source parts and make repairs, as well as "do it for me" ("**DIFM**") customers who rely on garages to make repairs for them. The Group considers its target market to be vehicles aged over three to five years and up to 30 years. The Group benefits from having full control of its value chain, state-of-the-art logistics, a powerful network of garages, a strong position in the online B2C market and a unique range of value-added services.

In December 2019, a novel strain of coronavirus, SARS-CoV-2, causing a disease referred to as COVID-19 ("**COVID-19**"), was reported in Wuhan, China. The coronavirus has since spread and infections have been found in most countries around the world, including throughout the Western European countries where the Group operates. For more information about the impact of COVID-19 on the Group, and the Group's response thereto, see Section 5.1.4 "Impact of and response to COVID-19" and Section 7.3 "Key factors affecting the comparability of the Group's results of operations—COVID-19" of this Registration Document. The IAMs in which the Group operates have shown structural resilience through the COVID-19 pandemic thus far, supported by strong market fundamentals, such as the largely non-discretionary nature of the products and services the Group distributes and provides, a low risk of trading down from end-customers (since spare parts available in the IAM are generally more affordable) and an aging and growing used car market, which generally drives increasing need for maintenance checks (see "Forward-looking statements" and Section 3.1.2 "Risks related to the outbreak of communicable diseases, such as COVID-19" of this Registration Document).

The Group holds strong regional positions in structurally resilient and growing markets, supported by its unique and differentiated operational model and value-added services proposition, its track record of strong sales and current EBITDA expansion, as well as a history of value-accretive acquisition-led growth based on a highly synergistic M&A strategy. For the year ended December 31, 2020, the Group outperformed the markets in which it operates, generating revenue of €1,761.7 million and current EBITDA of €203.5 million and made market share gains that the Group believes are sustainable. Since 2018, the Group has significantly enriched its integrated business model with the successful integration of Oscaro (marking its entry into the online segment) and the development of its international footprint (having entered Spain in 2019), delivering on

[2] Unless otherwise stated, market information in this Chapter 5 is derived from third-party sources presented in Section 1.3 "Third-party information, statements by experts and declarations of interest" of this Registration Document.

both the execution of its strategic roadmap and its financial objectives, in line with its previous guidance (see Section 5.4.1.4 "Benefitting from a proven long-term track record of strong organic growth, accretive M&A, margin expansion and low capital intensity" of this Registration Document).

The IAMs in which the Group operates are part of growing and resilient automotive spare parts distribution "core" aftermarkets[3]. These IAMs are strong, generally outperforming or on par with original equipment dealer networks (the "**OE car dealer networks**" and "**OE truck dealer networks**") that are affiliated with original equipment manufacturers ("**OEMs**"), as well as the wider core aftermarkets.

Key market drivers for both the IAMs in which the Group operates are expected to be favorable during the 2019 to 2030 period, including a growing and aging addressable vehicle parc and rising prices driven by increasing complexity of spare parts. The core Western European aftermarket for automotive spare parts distribution is large and growing steadily, having generated total revenue of approximately €49.7 billion in 2019, while the wider Western European automotive spare parts distribution aftermarket generated total revenue of approximately €89.4 billion in 2019, and has been experiencing rebounding performance following initial COVID-19-related lockdowns during 2020. From 2019 to 2025, the core Western European IAM is forecast to grow at a compound annual growth rate ("**CAGR**") of 1.1% (assuming a wide roll-out of vaccines by the third quarter of 2021 that prevents a resurgence of COVID-19) and, from 2025 to 2030, is forecast to grow at a CAGR of 1.4%, driven largely by increasing size of the vehicle parc and increased average spending. In France, where the Group is the market leader in the IAMs in which it operates, with the largest independent single-branded distribution network and 41.5% of market share (in terms of revenue) in 2020 (including in the French online B2C market, where Oscaro holds approximately 40% to 50% of market share). Internationally, the Group holds leading positions in the other countries in which it operates: in 2020, it was the second largest light vehicle IAM distributor in both Belgium and Italy (with 23.3% and 8.4% of market share (in terms of revenue), respectively), the fourth largest light vehicle IAM distributor in the Netherlands (with 7% of market share (in terms of revenue)) and, after entering the Spanish light vehicle IAM with the acquisition of a 75.0% stake in AD Bosch in 2019, has become a leading B2B distributor in Catalonia, with approximately 34 sites as of December 31, 2020, and is a member of AD Parts, which is the leading light vehicle IAM distributor in Iberia, with 27% of market share (in terms of revenue) in 2020.

The Group believes it is poised to benefit from continued consolidation in the IAMs in which it operates, as well as from the growing role of the IAM channel overall, both of which are expected to be accelerated by the evolution of automotive technologies and continued penetration of electric and hybrid vehicles, in a market that is highly predictable for the next 10 to 15 years.

The Group operates its business through two operating segments: France, which addresses the light vehicle and truck independent aftermarkets in France and includes the Group's French B2B (including over-the-counter sales) and B2C businesses and Oscaro's online business (the "**France**" segment), and International, which addresses certain light vehicle independent aftermarkets in Benelux, Italy and Spain (the "**International**" segment).

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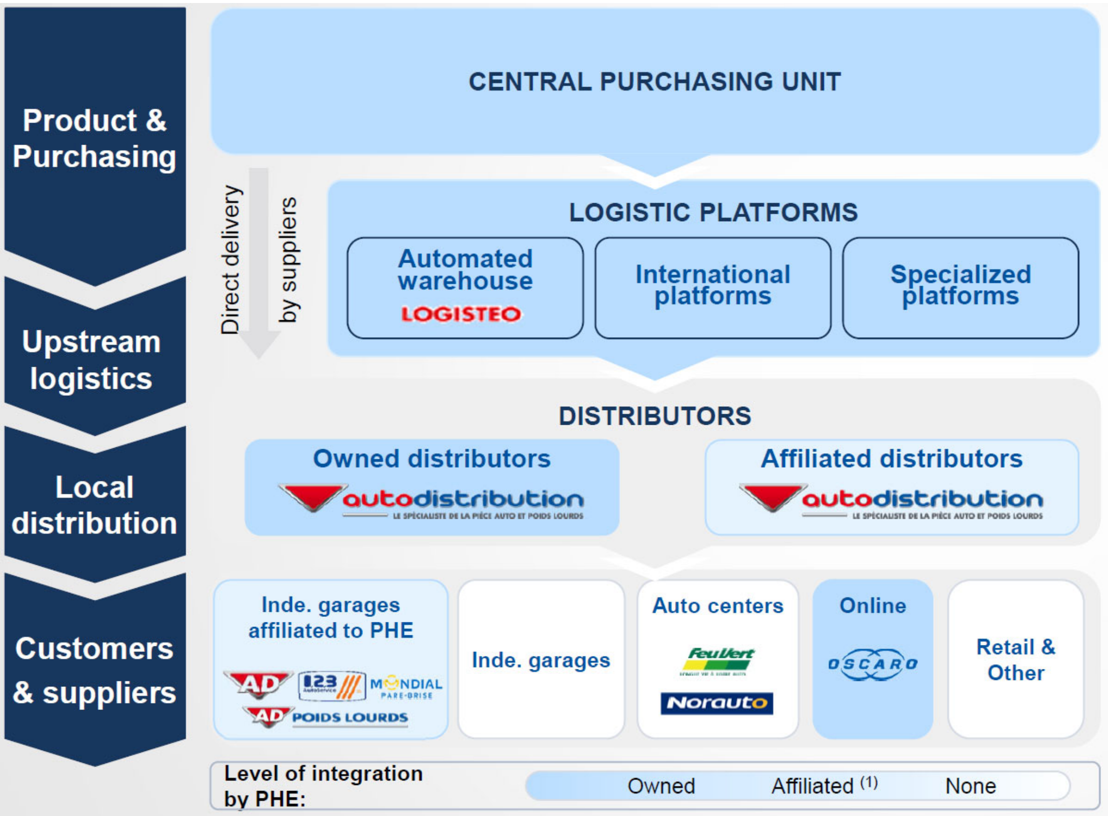
[3] References to the "core" aftermarkets exclude tires, oil, accessories, consumables and batteries.

The Group's distribution activities are carried out by a variety of wholly-owned distributors, AD-affiliated distributors and local wholesale distributors who distribute the Group's products to a variety of customers, including AD-branded garages, independent garages, retail locations and online players. The key to the Group's success lies in its control over the value chain through its proven omni-channel operational model that delivers superior product availability and best-in-class delivery times.

The Group's integrated value chain has a strong impact on margins. For example, the Group's automated platforms enable the Group to centralize more flows, which, in turn, drives logistics fees generated from suppliers. Generally, the logistics fees charged by the Group to suppliers are greater than the logistics costs incurred by the Group.

The Group's operational model is founded on its excellent relationships with suppliers, its fully-integrated state-of-the-art logistical platforms, an extensive continental Western European distribution network and a broad and loyal base of professional customers, to which the Group delivers a wide range of value-added services, as well as end-customers (drivers) through its over-the-counter, B2C and online offerings.

The Group's operational model is centered around four components: procurement and suppliers, upstream logistics control, local distribution and customers.



(Source: Group information)
Note: (1) Not owned by the Group, third-party companies strongly affiliated to the Group via the use of a the Group's brand and commercial agreements.

The Group's business model is based on a differentiated, dual proposition of distribution of products to customers coupled with the provision of value-added services (many of which are digital or online services) to both suppliers and customers.

To suppliers, the Group offers a win-win proposition, giving them unique access to a wide, diversified and fragmented customer base, which suppliers are not able to efficiently address themselves. The Group also offers suppliers a number of value-added services, such as marketing support and access to the Group's state-of-the-art automated warehousing capabilities which allows suppliers to direct deliveries to a single delivery point. To customers, the Group provides a comprehensive product offering and best-in-class delivery times combined with value-added services, such as commercial, technical and training support, strong, integrated branding and online tools, which cultivates high customer loyalty and drives market share gain.

The Group's revenue grew from €1,169.5 million in the year ended December 31, 2014 to €1,254.8 million in the year ended December 31, 2017, and to €1,761.7 million in the year ended December 31, 2020, representing average organic growth of approximately 2.0% per annum over the 2014 to 2017 period and 1.6% per annum over the 2017 to 2020 period. Over the 2017 to 2020 period, organic growth was supported by leveraging operational excellence (as seen in the successful ramp-up of Logisteo) and further operational improvements, a growing offering of value-added services provided to customers and investments in faster growing segments (such as in the windshield market or in the digital market segments).

Over the 2014 to 2020 period, profitability also grew. In the year ended December 31, 2014, current EBITDA was €64.3 million and current EBITDA margin was 5.5% and, in the year ended December 31, 2017, current EBITDA had almost doubled to €118 million and current EBITDA margin was 9.4%. In the year ended December 31, 2020, current EBITDA reached €203.5 million and current EBITDA margin reached 11.6%, representing average organic growth of approximately 2.9% per annum over the 2017 to 2020 period. Margin expansion over the 2017 to 2020 period was supported by a continuous increase in current EBITDA margin across the historical perimeter, as the Group benefitted from increased scale at the Western European level and further operational optimization, while delivering synergies at the acquired businesses level.

In terms of external growth, in recent years the Group has expanded its reach with strategic acquisitions in adjacent geographies (such as the acquisitions of Doyen and Geevers in Benelux, Verviers Freins in Belgium, OVAM, Ricauto, Top Car and G-Group in Italy and AD Bosch in Spain) and complementary product offerings (such as the acquisition of Mondial Pare-Brise, giving the Group access to the windscreen and window ("**auto glass**") replacement market). In 2018, the Group significantly expanded its reach in the B2C online business by acquiring Oscaro, the French leader in online sales of light vehicle spare parts. Since 2014, the Group has focused on recentering itself in continental Western Europe, divesting its Polish subsidiary in 2017, while expanding in Benelux, Italy and Spain. In addition to this profitable growth, the Group also benefits from a clear roadmap of potential targets for geographic expansion, as well as in adjacent activities, and a proven acquisition and integration strategy led by its experienced management team, all of which positions the Group to continue making strategic acquisitions.

The Group is also poised to take advantage of certain key megatrends, in both the short- and the mid-term to 2030. Megatrends that are developing in the short-term include rising spare parts prices driven by the increasing technical complexity of vehicle systems and spare parts. Megatrends that are expected to develop over the mid-term to 2030 include increasing use of electric and hybrid vehicles, further development of mobility solutions and expansion of connectivity services and online tools. The Group has demonstrated its ability to continuously ramp-up its product and service offering to serve increasingly complex, computerized cars by proactively investing in technical support systems, state-of-the-art garage technology, technician training and diagnostic tools that are adapted to electric and hybrid vehicles, as well as rolling out connectivity and mobility products and online services to meet customer demand. The Group believes its growth strategy and continuous adaptation of its operational model and IT systems will help it prepare to address these new challenges.

5.1.2 Operational model

The Group has developed a fully-integrated, omni-channel purchasing, logistical and distribution model that gives the Group full control over the value chain, leading to superior product availability and delivery times, and enables it to address both B2B and B2C customers. The Group initially developed this model in its light vehicle operations in France over the course of its nearly 60-year history, and has successfully replicated it across its business, including internationally and in the online channel. The Group's operational model is centered around four components: procurement and suppliers, upstream logistics control, local distribution and customers, as described further below.

5.1.2.1 *Procurement and suppliers*

The Group's procurement and supply strategy is organized around its central purchasing units ("**CPUs**"), suppliers and private label offerings.

<u>Central purchasing units</u>

The Group's CPUs buy spare parts, equipment and tools from suppliers. The Group uses its CPUs to monitor customer purchases across its network and to adjust its product portfolio in order to meet customer demand. The Group's CPU management strategy is built around purchasing sufficient quantities of relevant parts, so that the savings made by buying in bulk offset the costs associated with maintaining inventories at its warehouses.

<u>Suppliers</u>

The Group's key suppliers are spare parts suppliers ("**original equipment suppliers**" or "**OESs**"). The Group has cultivated long-term relationships with most of its suppliers. The Group's suppliers are geographically diversified across countries in which the Group operates, such as France (Valeo, Michelin and Facom) and Italy (Sogefi), as well as other countries where it does not operate, such as Germany (Bosch, Knorr-Bremse and Schaeffler), Sweden (SKF) and the United States (Gates, Tenneco, TRW Automotive and DriV). This approach to sourcing allows the Group to cover the full portfolio of products that its customers seek, while retaining control over its relationships with suppliers and optimizing and diversifying its sourcing across multiple countries. The Group generally maintains several suppliers for the parts it distributes, with a strategy that generally focuses on two to three suppliers for each product family.

The Group's leading market position, large-scale operations, large purchasing volumes and centralized purchasing approach provide it with significant purchasing power, which it uses to negotiate volume rebates and fees with its suppliers. These rebates and fees lower the purchase price the Group pays by 15% to 20%, and include service and logistics fees charged by the Group to suppliers, as well as end-of-year volume rebates, strategic rebates and AD International rebates applied by suppliers. For example, the Group's logistical capabilities enable its suppliers to make deliveries to a single point, which allows the Group to charge suppliers logistics fees that are generally greater than the logistics costs that it incurs. Moreover, the Group benefits from a competitive pricing policy in relation to suppliers, with regular calls for tenders, one-to-one annual renegotiations and international benchmarks ensuring competition between suppliers. In addition, the price of spare parts is indexed to that of equivalent OEM spare parts and, thus, accounts for inflation.

Suppliers also benefit from their relationship with the Group, which provides them with increased volumes and a number of value-added services in exchange for a fee, as well as access to the Group's customer base.

The services the Group offers to its suppliers are focused on improving suppliers' efficiency and promoting their products, and primarily include:

- *Marketing tools*: the Group offers information about suppliers' products to, and promotes suppliers' products with, its customers, including in connection with new product launches.
- *Online support*: the Group includes references to suppliers' products in the Group's online portals (such as Oscaro, Autossimo, Truckissimo and Salto), which help increase brand and product awareness for suppliers and generate orders for their products.
- *Invoicing and back-office support*: the Group offers a central ordering, purchasing and invoicing system, and suppliers benefit from having a single invoicing counterparty and from payment guarantees.
- *Market intelligence*: the Group gives suppliers access to the Group's valuable market data.

In addition to the services described above, the Group also gives its suppliers access to AD International ("**ADI**"), a purchasing group of aftermarket distributors, which the Group founded. As of and for the year ended December 31, 2020, ADI had 23 members, of which the Group was the leader, accounting for 25% purchases, while the second largest member accounted for 15% of purchases. In 2020, ADI generated €7 billion in revenue, was present in 48 countries with 45 suppliers, 500 distributors (who have access to 3,000 distribution outlets) and 4,500 AD-branded garages across 12 countries. ADI benefits members by giving them enhanced negotiating power with major suppliers, allowing them to operate under a common brand, enabling them to share know-how and offering support services, including diagnostic tools and a technical hotline. ADI benefits suppliers by giving them access to an international network of distributors with high sales volumes and extensive customer coverage, giving such suppliers high levels of visibility into the market.

In 2020, the Group worked with approximately 253 main suppliers through its CPUs (as compared with 293 suppliers in 2010) and the Group's top ten suppliers (Bosch, Schaeffler, Sogefi, Gates, Facom, DriV, SKF, TRW Automotive, Michelin and Valeo) provided approximately 52% of its products by volume (as compared with 35% in 2010). The Group is considered a preferred aftermarket customer by its suppliers, a reliable partner and a growth accelerator due to its increasing market share. In 2020, the Group's top three suppliers provided 27% of its products by volume and no other supplier provided more than 7% of its products by volume. In 2020, the Group was one of the top three clients of Bosch, Schaeffler and Federal Mogul and was Sogefi's number one client. In 2020, the Group's top three suppliers (Bosch, Schaeffler and Sogefi) accounted for approximately 12%, 6% and 4% of the Group's purchases, respectively.

The Group selects its suppliers via tender procedures for each product category that it distributes. When selecting its suppliers, the Group takes into account the quality and price of the relevant products, as well as the supplier's ability to deliver items within the deadlines specified by the Group. For example, the Group selects its brake and battery suppliers via tender processes that are conducted every three years. The Group generally enters into annually-renewable contracts with its suppliers, which include standard terms and conditions, such as supply specifications regarding lead time, frequency of deliveries, packaging and performance target and rebates. The Group's contracts with its suppliers generally contain provisions that permit the Group to return oversupplied or unsold product to suppliers, which helps it efficiently manage its inventory.

<u>Private label offerings</u>

In addition to its procurement activities described above, the Group also distributes products from its own private label offerings, ISOTECH, Requal and Xenergy, which it sources from manufacturers to which it subcontracts production.

- *ISOTECH* is a high-quality product line that the Group relaunched in 2008 to cover the French market, which offered approximately 4,800 stock keeping units ("**SKUs**") for the automotive aftermarket, as well as truck spare parts for maintenance and repair in 2020. ISOTECH's product offering is focused on the older part of the vehicle parc (*i.e.*, vehicles aged over eight years) and ISOTECH's offering is comprehensive, covering most of the needs of the vehicle parc. The Group offers competitive pricing on ISOTECH products to customers by giving a discount as compared to prevailing market prices. Despite these lower prices, the Group benefits from more attractive margins on ISOTECH products compared to margins on premium brands. Additionally, the ISOTECH product line is a strategic response to certain of the pricing pressures created by web dealers. ISOTECH's market share has been growing steadily. In 2015, the Group expanded the ISOTECH offering to include equipment, which the Group sources from Asia, while carefully monitoring product quality and lead times. In 2020, ISOTECH products sales accounted for approximately €85 million.

- *Requal* is a product line of light vehicle spare parts, such as brake pads and wiper parts, that is focused on price-competitive products for cars aged four years and older, and which covers the Benelux market. The Group acquired the Requal brand in connection with the Group's acquisition of the Doyen Auto Group in 2016. In 2020, Requal represented €11.5 million of revenue, with an average margin of 38.8%.

- *Xenergy* is the Group's private label covering the Italian market, which is CE-certified and is composed of nine product families: brakes, shock absorbers, batteries, bulbs, alternators/starters, wipers, water pumps, filters and lubricants. In 2020, Xenergy represented €8 million of revenue, with an average margin of 40%.

5.1.2.2 *Upstream logistics control*

<u>Logistics platforms</u>

The flow of products purchased by the Group's CPUs is primarily managed by the Group's logistics platforms. The Group's France segment is serviced by (i) four logistics platforms: Logisteo (the Group's automated warehouse), ACR (a platform focused on key accounts and online customers), Cora (a platform focused on light vehicle body parts for collision repair) and Bremstar (a platform focused on truck spare parts) and (ii) two cross-docking logistics platforms supporting Oscaro's online business. The Group's International segment is serviced by a number of Group logistics platforms, including Doyen Auto and Geevers (addressing Belgium and the Netherlands, as well as certain online customers), Autodis Italia (OVAM, Ricauto, Top Car and G-Group) for spare parts (addressing Italy) and AD Bosch (addressing Catalonia). The Group's logistics platforms benefit from right-sized capabilities with room for additional SKUs, reinforced by ongoing optimization of stock between platforms.

The Group's upstream logistics control model is state-of-the-art, featuring automated central warehouses that have enabled the Group to reduce costs while improving product availability and delivery times. The Group's logistics platforms have the following key responsibilities:

- *Inbound logistics*: accepts incoming products from suppliers and monitors compliance with negotiated specifications.
- *Stocking*: determines the shelf space to be allocated to each product and shelf placement in accordance with turnover indices and product size. Proper placement of products within the dedicated space is crucial to optimizing available space: space management allows the Group to maximize efficiency in locating and retrieving products from the shelves and assembling orders of outgoing products.
- *Picking, packing and outbound logistics*: picks and packages products for delivery. If products have not been previously packaged by suppliers, the Group's logistics platforms are able to carry out this activity.
- *Shipping*: organizes and monitors transportation.

Direct delivery versus platform-based flows

The Group's logistical operations include two flows of spare parts: a "**direct delivery flow**" directly from suppliers to distributors, and a "**platform-based flow**" through the Group's logistics platforms. In the year ended December 31, 2020, 64% of the Group's products were distributed via the Group's platform-based flow, compared to 18% in 2010. The Group plans to further develop its platform-based flow, as it drives improved product availability and delivery times, and leads to favorable financial conditions for the Group, including higher logistics fees.

Transport

The transport of products from the Group's logistics platforms to its distribution network via both its direct delivery and its platform-based flows, is carried out by independent, third-party carriers. The Group's logistics department is responsible for setting performance targets and related incentives and penalties for such carriers, while continuously monitoring their performance in order to improve the customer experience. The Group plans and monitors its product flows through its IT systems. The Group leases, rather than owns, most of its logistics platforms, thereby limiting its permanent investment in fixed assets.

5.1.2.3 *Local distribution*

Distribution network

The Group's local distribution model includes wholly-owned distributors ("**wholly-owned distributors**"), independent distributors who are affiliated with the Group ("**affiliated independent distributors**"), local wholesalers who are not affiliated with the Group and online players. The Group's distribution network in France is dense and allows the Group to offer its customers premium solutions and services: in the light vehicle spare parts distribution aftermarket, the Group's dense distribution network enables it to keep products close to customers and to make up to six deliveries per day to most customers. As a result, distributors are able to provide their customers with best-in-class delivery times, with deliveries to garages generally able to be made in under two hours, when necessary, deliveries to key accounts generally able to be made in under two hours, when necessary, or one business day and deliveries to web dealers generally able to be made within four hours, when necessary, or one business day. The density of the Group's local distribution network also gives the Group the ability to negotiate with key accounts at a national level.

As of December 31, 2020, the Group operated through a network of approximately 300 wholly-owned distribution sites and 170 affiliated independent distribution sites in France making the Group the largest independent single-branded spare parts distribution network in France.

Affiliated independent distributors

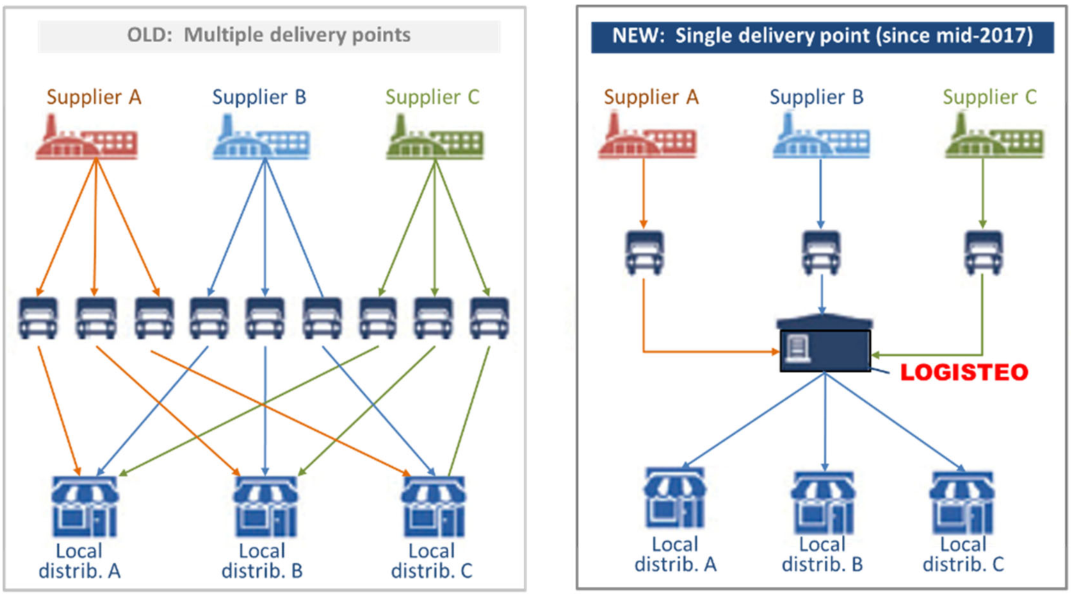
The Group's local distribution model in France includes affiliated independent distributors with whom the Group benefits from strong relationships governed by long-term contracts. The Group's network of affiliated independent distributors is large and stable, with most members having been part of the network for at least 30 years, and certain members of this network who belong to the *Union des distributeurs indépendants Autodistribution* ("**UDIAD**") are also shareholders of Dakar Holdings S.C.A.

The contractual arrangements with the Group's affiliated independent distributors in France include agreements and commercial contracts that are governed by a framework that is negotiated at a global level, but the specific terms of which are agreed individually with the affiliated independent distributors, which are negotiated every seven years and were last renewed in April and May 2015, with effect as of January 1, 2015. The Group currently is in the process of renewing these contracts. These renewals will be applicable as of January 1, 2022. For more information relating to this renewal process, see Section 3.2.7 "Risks related to agreements with the Group's distribution network" of this Registration Document. Pursuant to the Group's affiliation agreements, its affiliated independent distributors agree to operate under the Autodistribution brand and to receive the Group's support services in exchange for a membership fee. The Group's CPUs enter into commercial contracts with both its wholly-owned distributors and its affiliated independent distributors, which include the same purchase conditions and volume discounts for both wholly-owned distributors and affiliated independent distributors. The Group's affiliated independent distributors receive a loyalty bonus if purchases made through the Group's CPUs. In 2020, an average of more than 87% of affiliated independent distributor purchases in the Group's light vehicle business were made through its CPUs. Additionally, the Group passes on a portion of the rebates it receives from suppliers to all of its distributors, which in turn pass on a portion of the rebates to the garages to which they sell. The Group's wholly-owned and affiliated independent distributors also benefit from belonging to a single brand. The Group involves its wholly-owned and affiliated independent distributors in governance and decision-making through an annual steering committee.

Evolution of the Group's distribution model

In recent years, the Group has redesigned the distribution model for its France segment to improve its operational efficiency, enhance customer service, cover multiple regions with small regional platforms ("**pivot sites**"), rationalize flows and optimize inventory and warehousing, focusing on offering higher availability of more SKUs at the regional level while maintaining rapid delivery times.

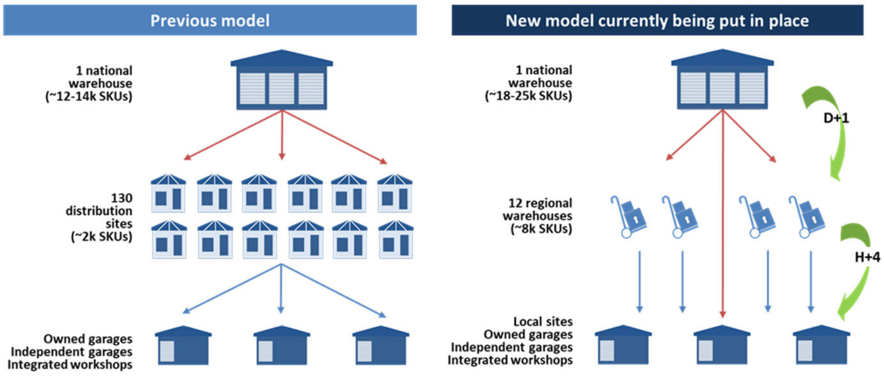
The graphic below compares the Group's distribution model in France, as it operated before 2014, with the Group's current distribution model. This new model led to the consolidation of supplies in a single delivery point (*e.g.*, Logisteo), from 17% in 2010 to 59% in 2020, therefore generating lower transport costs and overall servicing costs, which are shared between the Group and its suppliers.



(Source: Group information)

Within its France segment, the Group has also reduced its number of spare parts distribution regions to seven (compared to ten in 2016) by closing certain loss-making locations and merging other locations in order to reduce overlap. The Group is in the process of expanding its AD Poids Lourds-branded garages, having recruited 109 AD Poids Lourds garages in 2019 and 112 AD Poids Lourds garages in 2020, with the objective of reaching 250 distribution and repair sites, including 150 AD Poids Lourds garages, by 2025. The Group is also working to rationalize its AD Poids Lourds garage network by closing certain loss-making locations and merging other locations in order to reduce overlap.

In addition, the Group is also in the process of redesigning its truck spare parts distribution model, with 11 regional warehouses deployed in 2020 and two more expected to be deployed by the end of 2021. The graphic below compares the Group's truck spare parts distribution model, as it operated before 2017, with the distribution model that is being put in place.



(Source: Group information)

The Group's new truck spare parts distribution model has increased the number of regional warehouses to 11 as of December 31, 2020 (compared to six in 2017), leading to higher product availability at the regional level, stocking 8,000 SKUs exclusively for trucks.

The redesign of the Group's distribution models in France is part of a larger project the Group has undertaken to modernize its networks. Other components of this effort include the rationalization and upgrading of the Group's real estate parc, with the consolidation of the number of locations and the rationalization of the Group's storage capacity, the modernization of the Group's logistics platforms, with 100% of the Group's platforms now using bar codes for inventory management, the creation of a dedicated logistics department and the modernization of the Group's monitoring systems, with the implementation of performance and operational indicators.

5.1.2.4 *Customers*

The Group's principal customers are professional customers. In 2020, the Group distributed products to approximately 70,000 professional customers in France. No single customer accounted for more than 3% of the Group's revenue in 2020.

The Group's professional customers include independent (*i.e.*, unaffiliated with the OEM networks) garages, body shops, fast-fitters, online operators and integrated workshops, some of which the Group is affiliated with (but does not own) and which operate under the Group's brands ("**branded garages**"), as well as other garages that are independent (with no formal affiliation with the Group and which are sometimes affiliated with an OEM), as well as certain retail operators, certified repairers/agents, truck fleet owners and operators, the Group's key accounts and web dealers. The Group also serves end-customers (drivers) through its B2C offering and certain of its online offerings.

<u>Independent and branded garages</u>

As of December 31, 2020, the Group's garage network in France included approximately 3,470 branded garages.

The Group enters into agreements with independent garages, pursuant to which these garages become AD-branded garages and receive enhanced service and support from the Group in exchange for a membership fee, and the Group's wholly-owned and affiliated independent distributors are designated as their preferred distributors of spare parts.

The Group's branded garages in its light vehicle activities are not owned by the Group. Joining the AD brand allows garages to remain independent while gaining the benefit of accessing the Group's services and the commercial terms the Group has negotiated with suppliers. The Group's network of branded garages provides it with a reliable source of orders, as branded garages agree to purchase a minimum amount (generally 70%) of their products from the Group per year and also pay fees to the Group in exchange for certain value-added services.

<u>Retail customers, key accounts and web dealers</u>

The Group also distributes products to certain retail customers and other outlets, such as Midas, Euromaster and Speedy, and to certain key accounts that have a national presence, such as Feu Vert, Norauto and Auto 5. Key accounts represent an increasing share of the Group's revenue. In 2014, sales to key accounts represented €44 million of the Group's revenue and in 2020, they represented €61 million of the Group's revenue. The Group also distributes its products to third-party web dealers. The Group's sales to web dealers are made largely outside France and account for an increasing share of its revenue. In 2017, sales to third-party web dealers represented €101.0 million of the Group's revenue, and in 2020 they represented €49.6 million of the Group's revenue.

<u>Customer experience and services</u>

The Group offers an extensive range of spare parts designed to match its customers' needs, which vary according to customer type. For example, the Group's garage customers, who tend to be focused on maintenance and body parts, rely on distributors because they need to be able to provide services rapidly to their customers, which requires them to maintain a large and diversified product portfolio that can be supplied quickly, while holding little to no inventory. Being able to provide garages with the right part at the right place and right time, is therefore, critical to meeting the Group's garage customers' needs, and, as a result, the Group offers a distribution model based on proximity. Garages also need technical support with diagnostics, identification of parts and repair methods, and the ordering of tools and often require frequent training, as spare parts become more complex. The Group receives orders from its B2B customers via three channels: Autossimo, its C2A call center and salesforce. The Group provides these services, replicating the types of programs that OEMs provide to their own networks but expanding these services across the full range of light vehicles. The Group's online customers and key accounts have similar needs to those of garages: supplying their customers quickly with a large product assortment while having little to no capacity for inventory and storage. The Group meets these needs by offering up to two deliveries a day to these customers, with some deliveries being made within two hours of the order placement, through two dedicated logistics platforms, ACR and Doyen Auto. Professional customers generally select spare part suppliers and distributors based on a number of factors, including product range and availability, service offering and price. End-customers (drivers) that the Group serves in its B2C business generally select products based on price and convenience, particularly when shopping online. The Group's distribution model, combined with the services the Group offers, is designed to match customers' needs, leading to customer loyalty.

The services the Group offers to its customers include:

- *Best-in-class delivery times*: The Group makes deliveries to certain of its customers up to six times per day through its automated warehouses, and delivery times for some products can be as short as two to four hours from the time of order, with many other products being delivered within one day.

- *Commercial support*: The Group's service offering is strengthened by its partnership with the IDRAC business school, which helps select and integrate new sales teams, notably via apprenticeships. The Group has created a tablet-based e-book customers can use to view product details and instructional and support videos. The Group also provides customer service through its Assistance Diag call centers, which handled approximately 80 calls per day in 2020 for the Group's 1,576 key users. Assistance Diag addresses 40% of the products the Group distributes and 19,259 technical issues, with nine hotlines that are specialized by carmaker.

- *Training and technical support*: The Group strives to anticipate the needs of its customers and to adapt to an evolving ecosystem. The Group offers a range of technical support services to its customers, including a multi-brand diagnostic tool, Diag'issimo, which helps customers identify the source of product and systems breakdowns, and advanced driver-assistance systems ("**ADAS**") calibration equipment in partnership with Bosch and Texa. The Group also offers comprehensive training opportunities, including for technicians. For example, the Group's professional customers can benefit from dedicated training modules through AD Academy. In 2017, the Group acquired Grup Eina, a company based in Spain with call centers and staff dedicated to the French market, in order to enhance the Group's digital support and training offerings, with practical trainings that address the increasing complexity of car maintenance, including simulations of data system breakdowns.

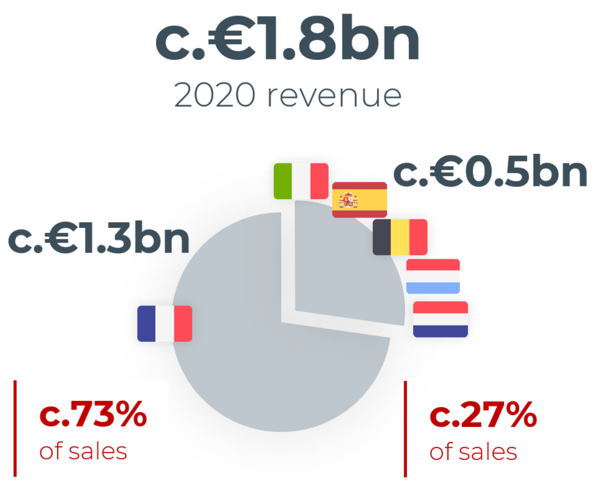
- *Strong commercial concept and integrated branding*: Another key differentiating feature is the Group's strong commercial concept and integrated branding. The Group is a highly recognized distributor of automotive spare parts in continental Western Europe. The Group's brands benefit from strong brand awareness among drivers and efficient advertising campaigns. For example, according to an independent third-party survey conducted in France in 2017, the "Autodistribution" brand enjoys the highest brand awareness among the Group's peers, with 92% brand awareness (of which 74% is unprompted awareness and 18% is prompted awareness). The second-ranking player in France had only 37% brand awareness. According to an independent third-party survey conducted in France in 2020, the "AD" brand enjoys a 46% brand awareness, one of the highest among the Group's peers and constantly growing since 2014 (from 28.6% in July 2014 to 35% in March 2016 and 41% in July 2018). Prompted awareness for the "AD" brand reached 12.4% in July 2020, and has been constantly growing since 2014 (from 4.6% in July 2014 to 6.8% in July 2017 and 7.5% in May 2019).

- *Business leads to key third-party providers*: The Group partners with certain third-party providers, such as major insurers (such as Allianz, MAAF, Macif and AXA) and car fleets (such as AVIS, Europcar and Eiffage), which helps drive B2B and, to a smaller extent, B2C sales, within the Group's repairer customers' networks, as insurers are able to book appointments directly in the Group's garages. The Group manages these partnerships with four dedicated teams, employing 35 people, and, in 2020, handled approximately 500,600 requests, leading to approximately 450,600 servicings. The Group estimates that such partnerships drove approximately €260 million in business to its AD-branded garages and Mondial Pare-Brise customers in 2020.

- *Online tools and technological solutions*: The Group has developed online tools to support its customers with online ordering, as well as other IT functions. For example, the Group's proprietary online portal, Autossimo, processed an average of approximately 16,300 product orders per day in 2020. Autossimo improves the experience for professional customers by offering a user-friendly portal for garages to search through a large selection of spare parts, directly order parts online and obtain technical information about those parts. Autossimo features approximately 2.1 million parts in the Group's catalogue, supplied by 455 OEMs/OESs. In 2020, 42% of French garages were Autossimo customers and 42% of the Group's orders were placed online (compared to 12% in 2014). In 2020, Oscaro processed approximately 20,000 product orders per day and featured approximately 1,000,000 million parts. The Group also offers end-customers (drivers) digital support through AD Connect, a high-tech service that connects a vehicle with a range of services, including monitoring for service and repair needs, scheduling of servicing, geolocation and eco-driving advice. The Group has also created ID Garages and www.ad.fr, which allows drivers to get a quote and schedule a service appointment online, driving business to the Group's branded garages and to the Group's AD-branded garages, respectively. The Group believes ID Garages are a win-win solution for the Group, allowing it to retain a percentage of the fee quoted, and allowing its suppliers and garages to collect fees from business gained through the portal. In 2020, ID Garages served more than 45,000 subscribers and had approximately six million unique web visitors, with an average of 5,000 bookings made per month via this portal. The Group estimates that ID Garages generated approximately €1.9 million in subscriptions and fees for the Group, and drove approximately €7 million worth of business to the Group's garage customers for the year ended December 31, 2020.

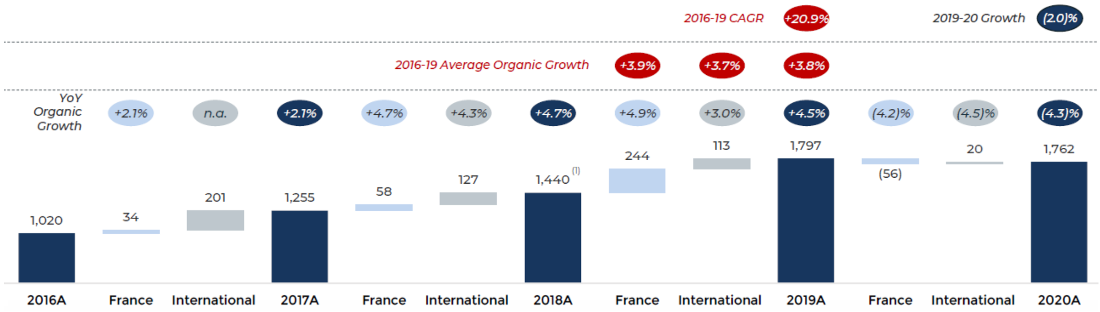
5.1.3 Operating segments

The Group operates its business through two operating segments: the France segment, which addresses the light vehicle and truck independent aftermarkets in France and includes the Group's French B2B (including over-the-counter sales) and B2C businesses and Oscaro's online business, and the International segment, which addresses certain light vehicle independent aftermarkets in Benelux, Italy and Spain. The chart below shows the breakdown of the Group's revenue by segment for the year ended December 31, 2020.

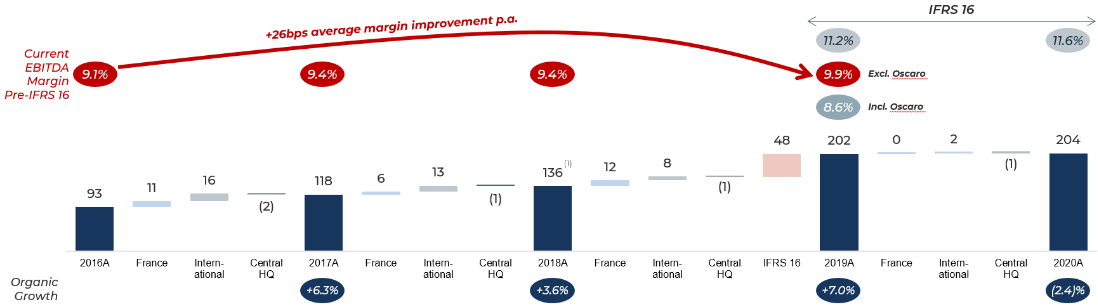


(Source: Group information)

The charts below show the evolution of the Group's revenue and current EBITDA margin in the France segment and the International segment from 2016 to 2020.



(Source: Group information)
Note: (1) Excluding sales from Oscaro (€26 million).



(Source: Group information)
Note: (1) Excluding Oscaro current EBITDA impact (€6 million related to Oscaro and €2 million related to ACR/Doyen loss due to Oscaro).

5.1.3.1 *France*

The France segment is the Group's historical core activity, generating revenue of €1,278.3 million and current EBITDA of €171.5 million in the year ended December 31, 2020, and distributing spare parts and products to garages, body shops, fast-fitters, online operators, integrated workshops, certain retail operators, certified repairers/agents, truck fleet owners and operators, the Group's key accounts and web dealers. The Group has grown its France segment organically and with strategic acquisitions, such as the acquisitions of ACR (2014) and Mondial Pare-Brise, GPR Auto, Vallespir Auto Diffusion S.à r.l., Loire Pare-Brise and Oscaro (2018). For the year ended December 31, 2020, the Group's B2B activities in France generated 69% of the Group's sales for the France segment. In France, the Group benefits from a strong presence across the value chain, from purchasing (via its CPUs) to upstream logistics activities (via its logistics platforms Logisteo, Cora, ACR and Bremstar), local distribution (via its wholly-owned network of garages and affiliated distributors) and customers (via its network of affiliated garages, including garages operating under the Group's brands, including AD Mechanique, AD Carrosserie, Auto Primo, 1, 2, 3 Auto Service and Mondial Pare-Brise).

<u>Distributors</u>

In 2020, the Group had approximately 600,000 SKUs circulating on a regular basis through its B2B activity. The Group's France network included approximately 470 distributor sites and 3,470 branded and affiliated garages as of December 31, 2020. The Group's distribution network for its France segment also addresses the Benelux market, where it makes up to six deliveries per day, with delivery times as rapid as two hours in some cases.

Logistics platforms

The Group's France segment is supported by four logistics platforms: Logisteo, ACR, Cora and Bremstar.

- *Logisteo* is the Group's automated warehouse. It is a central platform with 36,000 square meters of storage space that enables stock deliveries to French distributors once per day. Logisteo is located in Réau, France and represented total costs of €29 million during the year ended December 31, 2017, and total operating costs of €22.7 million as of December 31, 2020. As of 2020, it was the largest independent logistics platform for light vehicle parts for maintenance and repair in France. In 2020, it stored approximately 95,000 SKUs (compared to storage of approximately 55,000 SKUs in the Group's platform before the implementation of Logisteo). Logisteo prepared approximately 63,000 lines per day (compared to approximately 30,000 lines per day before the implementation of Logisteo) and completed approximately 3,000 orders per hour, serving approximately 500 local distributors, in 2020. The Group estimates that, as of December 31, 2020, Logisteo had driven a 30% improvement in productivity since 2014. In 2020, Logisteo supplied virtually all of the Group's French automotive distribution locations and employed approximately 200 full-time employees as of December 31, 2020 (a reduction of approximately 100 full-time employees dedicated to the Group's logistics platform since the inception of Logisteo). Deliveries of regular orders made before 8:00 a.m. arrive the same business day. Logisteo has also enabled the Group to consolidate its supply flows to a single delivery point, which permits it to offer a wide range of constantly available products while capturing logistics fees from its suppliers that generally exceed its logistics costs, generating higher margins.

- *ACR* is a specialized, automated platform that services the Group's key accounts and online customers in France, with stock deliveries of light vehicle spare parts being made two times per day, and emergency deliveries being made to wholesalers as needed. Deliveries of regular orders are made within four hours. ACR was established in 1993 and was acquired by the Group in 2014. In 2020, storage space at nine regional locations across France and a central platform in Gennevilliers, France and stocked approximately 75,000 SKUs in total.

- *Cora* is the Group's specialized, partially automated platform for light vehicle body parts for collision repair in France. Cora was established in 1967 and was acquired by the Group in 2005. Cora operates from the Group's hub in Chaponnay, France. In 2020, it stored approximately 75,000 SKUs. Deliveries of regular orders are made within one business day. In 2020, Cora entered into more than 80 sourcing agreements with its suppliers. Cora's sales team consists of approximately 50 people.

- *Bremstar* is a specialized, partially automated logistics platform for truck spare parts. Bremstar was established in 1995 and was acquired by the Group in 2008. Bremstar operates from the Group's hub in Saint-Fargeau-Ponthierry, France. As of December 31, 2020, Bremstar had stocked approximately 20,000 SKUs. Deliveries of regular orders are made within one business day.

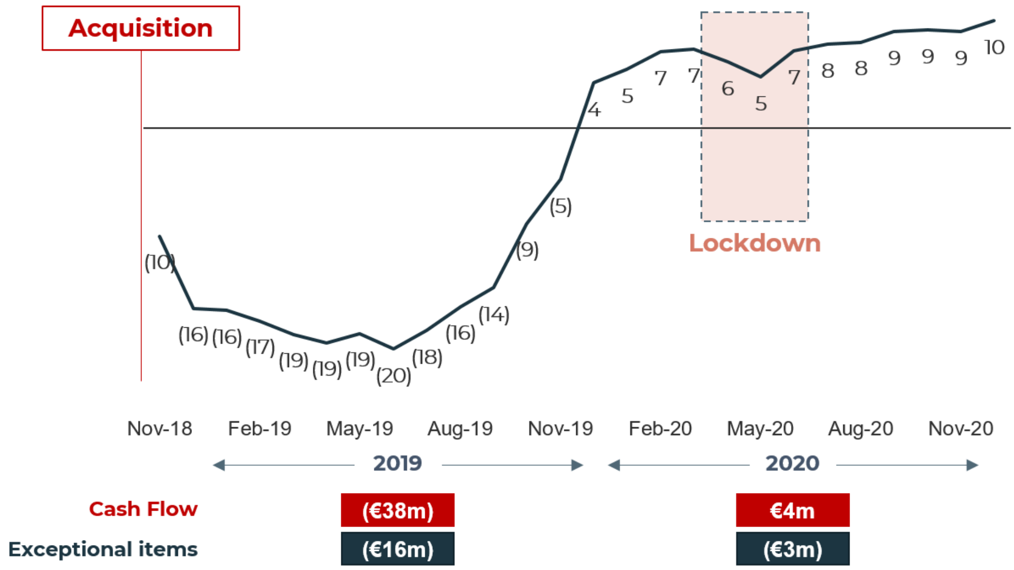
If one or more of the Group's logistics platforms were to become unavailable, or if their operations were to be materially impaired, the Group would be able to shift to its direct delivery flow model in order provide continuity to its customers.

Oscaro

The France segment also includes the Oscaro online business (19% of the Group's sales for the France segment for the year ended December 31, 2020, generating revenue of €245 million and current EBITDA of €13 million in the year ended December 31, 2020), which is the key online B2C channel in the Group's France segment and addresses its B2C customers' needs and requirements; such customers may be either end-customers who buy parts themselves, rather than relying on garages to source parts, and either make repairs themselves or rely on garages to make repairs with the parts they have purchased.

The Group's online B2C business is broadly comparable to, and shares key features with, the rest of its business in France, with key differentiators for B2C customers being price and availability: for example, "do it yourself" customers are more likely to value lower prices, may be willing to wait for products to be shipped and may place less importance on seeing an expert in person and, thus, may prefer to make purchases online, whereas "do it for me" customers may be willing to pay slightly higher purchases in order to get a part immediately and to benefit from in person expert advice and thus may prefer to visit a garage or other distribution center. In July 2018, the Group acquired a 4.95% ownership stake in Oscaro for consideration of €10 million. On November 13, 2018, the Group increased its total ownership stake in Oscaro to 82.49% for incremental consideration of €81.3 million, which included a capital investment of €55 million in Oscaro. Indenoï, the holding company of Oscaro's founder Pierre-Noël Luiggi, currently retains a share of up to approximately 17.5% in Oscaro. Mr. Luiggi does not hold any operational role in the company.

Established in 2001, Oscaro is an independent online distributor of light vehicle spare parts. It is the leader in online sales of light vehicle spare parts in France and, in 2020, had an online market share of approximately 35% to 45% in France based on online sales. Oscaro's e-commerce platform allows car owners to buy automotive parts online from a range of manufacturers, without going through automotive dealers. Oscaro's product offering includes new spare parts from manufacturers and wholesalers, such as Bosch, Continental, Contiteck, Luk, SKF, TRW Automotive and Valeo. Oscaro generates revenue primarily from "do it yourself" customers and operates mainly in France and, to a lesser extent, in other markets. Oscaro is supported by two cross-docking logistics platforms, which are located in Cergy and Argenteuil, and its upstream logistics operations are integrated with ACR, Doyen and Logisteo. Cross-docking is used for approximately 75% of Oscaro's sales. In 2020, Oscaro served approximately 2.5 million customers in France, Spain, Belgium and Portugal, processed approximately 20,000 product orders per day, with an average order size of €70, a gross margin of approximately 35% and a net margin of approximately 22% after transportation and variable marketing costs and featured a portfolio of approximately 1,000,000 SKUs. In 2019, approximately 5,000 SKUs accounted for 45% of Oscaro's revenue and approximately 50% of Oscaro's business was generated by 20% of its customers. Since the completion of the Oscaro acquisition, the Group has implemented various initiatives to bring Oscaro back to profitability and to implement the Group's strategy via the Oscaro business model in order to benefit from the same growth drivers that impact the Group's overall business in France. These initiatives include the implementation of a best-in-class identification tool supported by mechanics in the customer contact center, a lower product return rate compared to peers, which the Group believes is the lowest in the industry at approximately 4% to 5%, improved price perception thanks to Oscaro's overall competitive stance on price and purchasing conditions supported by the Group and an improved delivery model based primarily on cross-docking logistics platforms designed to improve supply chain and logistics operations. These initiatives were successful, with Oscaro returning to profitability in the third quarter of 2019 and reaching positive EBITDA for the years ended December 31, 2019 and 2020. The graphic below shows the evolution of Oscaro's current EBITDA since its acquisition by the Group in November 2018.



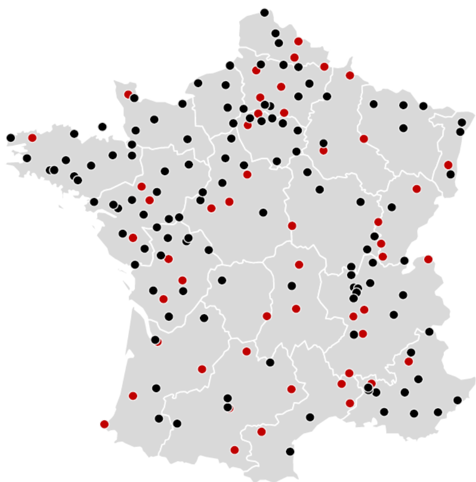
(Source: Group information and estimates)
Note: LTM current EBITDA pre-IFRS-16 (in € million), excluding current EBITDA generated at the Group level, notably with the sales of Oscaro to ACR and Doyen

As of December 31, 2020, Oscaro had more than 2.5 million customers and, in 2019, benefitted from high brand awareness in the French market (approximately 62%), more than three times as much as its closest online pure play competitor (approximately 17%), driving organic traffic to approximately 5 million individual visitors per month. In addition, Oscaro displays approximately 2,000 tutorials on its website Oscaro.com. Oscaro has a strong leadership in the growing French online light vehicle spare parts aftermarket, with an approximate market share of 50% in 2020, mainly due to its high brand awareness and customer loyalty. The Group's general strategy for Oscaro is to remain focused on its core spare parts offering while strengthening its international reach, developing its private label offering to enhance margins and grow its offering in certain key product areas where the Group sees opportunities for strategic expansion, such as tires and repair tools. The Group intends to increase Oscaro's conversion rate by enhancing the customer experience through an agile and iterative approach, deploying a comprehensive customer experience roadmap based on customer journey analysis and further developing cross-selling opportunities to increase revenue generated by its existing customer base.

Truck distribution, repair and maintenance

Within the France segment, the Group's trucks business (12% of the Group's sales for the France segment for the year ended December 31, 2020, generating revenue of €151 million and current EBITDA of €11 million in the year ended December 31, 2020), addresses two market levels: distribution (approximately 60% of sales for the Group's trucks business), and repair and maintenance (approximately 40% of sales for the Group's trucks business). The primary focus of the Group's trucks business is the trading of parts, as is the case for the rest of the Group's French business; the Group's truck repair business is a comparatively small part of the Group's trucks business and of the Group's French business overall. At the distribution level, the Group distributes products to garages and integrated workshops, and is able to make deliveries in under four hours around France. At the repair and maintenance level, the Group offers its services through a wholly-owned network of garages.

The Group benefits from a scale effect, holding a 24% market share in the truck IAM in France in 2020 and, as of December 31, 2020, managed a large network of approximately 237 locations (of which, approximately 13 are service and distribution locations, and approximately 220 are AD Poids Lourds-branded garages). In recent years, the Group's trucks business has experienced challenges due to difficult market conditions, as well as a lack of truck spare parts specialization embedded in the light vehicle business, a lack of central focus and performance monitoring and underperforming locations. The graphic below illustrates the high density of the Group's trucks business's network in France.



● **AD Trucks sites**
(Distribution and Repair service offering)

● **AD Trucks garages**
(Only Repair service offering)

(Source: Group information and estimates)

The Group's value-added services approach for its trucks business is based on and adapted from the same approach the Group uses across the rest of its business and includes:

- *Best-in-class delivery times*: The Group maintains dedicated logistics platform space for its trucks business, which stored approximately 20,000 SKUs, as of December 31, 2020.

- *Commercial support*: The Group employs locally-based sales teams, which comprised 206 professionals as of December 31, 2020, of which, nine were sales managers, eight were key accounts managers and 189 were salespersons.
- *Training and technical support*: The Group employs approximately 392 technicians. The Group runs a training center (Institut AD) and a technical support platform dedicated to the Group's trucks business through a partnership with IMA Technologies.
- *Strong commercial concept and integrated branding*: The Group employs an integrated, single-brand approach in its trucks business, leading to strong lock-up of affiliates (both distributors and garages). The Group offers multi-brand fleet management services, full maintenance plans and mandatory compliance control procedures. AD Poids Lourds is a unique brand that had the highest brand recognition (64% unprompted awareness) among independent players in France in 2019, with more than two times higher awareness than its competitors. Demonstrating the power of this brand awareness, the Group is a partner of choice for truck fleet operators and garages.
- *Business focus on key accounts*: In the year ended December 31, 2020, 20% of the Group's revenue in its trucks business was generated from national key accounts (such as Veolia and Geodis), with 70% of revenue in the Group's trucks business being generated from national and regional key accounts collectively.
- *Online tools*: The Group offers a dedicated online portal, Truckissimo, for its trucks business, which includes continuously updated technical databases and management tools, such as an easy-to-use tool outlining repair methods and connected diagnostic and costing tools, parts identification tools, price comparison tools by brand and inventory access.

The Group also seeks to capture upside from its partnership with Alltrucks, a joint venture created by OESs to establish a network of affiliated workshops. Founded in 2013 and present at 700 sites in Europe as of 2020, Alltrucks offers the Group's affiliated workshops exclusive multi-brand diagnostics and trainings, technical assistance and access to a pan-European workshop network. The Group benefits from its membership in Alltrucks, and its Level 2 accreditation with three OESs grants the Group an improved access to parts and access to foreign truck operations that are active in France.

With respect to its truck distribution, repair and maintenance business, the Group intends to benefit from the restructuring carried out from 2017 to 2020 (which generated €4 million in exceptional costs for the year ended December 31, 2020), finalize the roll-out of its new distribution model (11 regional platforms to be fully rolled out by 2023), optimize downstream transportation costs and exploitation costs, and improve workshop productivity. The Group intends to increase the reach of its national distribution platform, expand the coverage of its repair network, develop its external network and export activities, introduce new pricing initiatives by increasing transportation invoiced to customers, strengthen the expertise of its teams and increase capacity to 28,000 references.

5.1.3.2 *International*

The Group's International segment, which generated revenue of €483.4 million and current EBITDA of €46.3 million in the year ended December 31, 2020, is supported by seven logistics platforms: Doyen Auto and Geevers (Benelux), OVAM, Ricauto, Top Car and G-Group (Italy) and AD Bosch (Catalonia).

<u>Benelux</u>

The Group's network in Benelux, which accounted for 50% of the Group's International segment revenue for the year ended December 31, 2020, included 104 distributors. The Group's distribution network in Benelux makes up to two deliveries per day, with delivery times under three hours. From 2016 to 2020, the Doyen Auto Group's revenue in Benelux grew organically at a CAGR of 14%.

In 2016, the Group acquired the Doyen Auto Group, giving the Group access to the Belgian and Dutch markets through Doyen Auto's network of affiliated distributors (API) and two networks of branded garages (1,2,3 AutoService and Requal). The acquisition of the Doyen Auto Group also gave the Group exposure to the web dealer channel in Benelux strengthened its position with web dealers in France, and expanded its market share in France through Doyen Auto Group's light vehicle spare parts distribution operations. Doyen Auto's activities are managed on an international level from Belgium. Since the acquisition of Doyen Auto, the Group has exported the Autodistribution concept, network and platforms to these new markets, while developing a complementary offer that targets differentiated customers, such as smaller distributors.

In 2018, the Group acquired Geevers, an independent retailer of light vehicle spare parts in Benelux, which stocked over 72,000 SKUs of approximately 38 brands and generated revenue of €72 million in 2020. The Group intends to increase synergies between Geevers, Cora (with respect to purchasing, catalogue and identification tools) and Doyen (with respect to commercial and logistics operations). In 2018, the Group acquired also Verviers Freins, a Belgian multi-brand distributor of mechanical parts, bodywork, paint, tools and garage equipment in the Liège region.

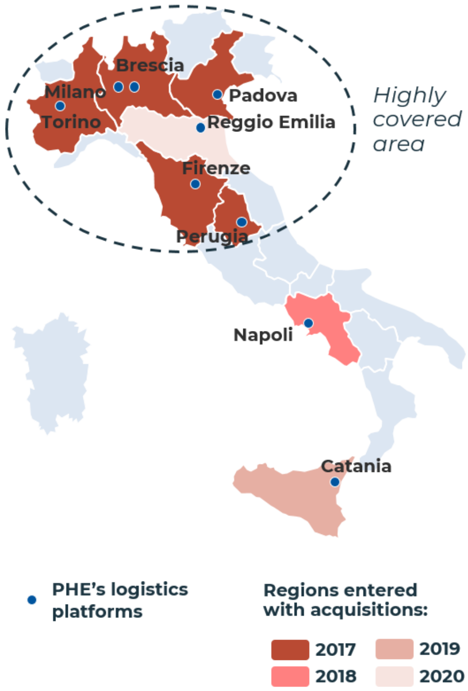
The Group's customers in Benelux are API distributors (wholesalers with an API distribution contract) and wholesalers (independent auto parts distributors) which accounted for €144 million of revenue for the year ended December 31, 2020 (64% of the Group's revenue in Benelux), web players (such as AUTODOC, Mister-Auto and Winparts) which accounted for €53 million of revenue for the year ended December 31, 2020 (24% of the Group's revenue in Benelux), repairer groups (such as Auto 5, First Stop and Midas), and Autodistribution distributors, which accounted for €27 million of revenue for the year ended December 31, 2020 (12% of the Group's revenue in Benelux).

<u>Italy</u>

As of December 31, 2020, the Group's network in Italy (which generated revenue of €176 million in the year ended December 31, 2020) stocked approximately 170,000 SKUs representing more than 100 brands, and included ten dependent and nine independent distributors in 2020.

In 2017, the Group acquired three Italian players, OVAM, Ricauto and Top Car, making the Group the number two player in Italy. OVAM operates in five distribution locations (operating in the Padua and Treviso area under the Sarco brand and in the Florence area under the Sarpi brand), which served a network of approximately 1,200 local dealer sand more than 5,000 installers. Ricauto and Top Car operate in two distribution locations (mainly in the Padua area) and offered approximately 100,000 SKUs in 2020. In March 2018, the Group expanded further into Italy with the acquisitions of Sarco and FGL. Sarco and FGL operated one distribution site each and stocked 40,000 SKUs and 35,000 SKUs, respectively. In June 2018, the Group acquired G-Group, which operates in southern Italy, and served a network of 1,500 local dealers and more than 5,000 installers and repairers with approximately 130,000 active SKUs in 2020. In 2019, the Group expanded in Sicily, where it acquired Team Ricambi S.r.l., a historic Sicilian spare parts distributor based in Catania. In 2020, the Group acquired 2G Padauto S.r.l., a spare parts distributor based in Bologna and operating in the Emilia-Romagna region. In December 2020, the Group acquired 2G Padauto S.r.l., which recorded sales of approximately €15 million[4] in 2019, stocked 70,000 SKUs and had spare parts storage capacity of 10,000 square meters.

The map below shows the Group's presence in Italy as of December 31, 2020.



(Source: Group information)

The Group is working on capturing synergies in Italy through a local CPU, which is modeled on its CPU in France, and by replicating its negotiating strategy with suppliers in France.

[4] 2G Padauto S.r.l. was acquired by the Group in December 2020; 2G Padauto S.r.l.'s sales for the year ended December 31, 2020 are presented on a standalone basis and are not reported in the Group's consolidated financial statement for the year ended December 31, 2020.

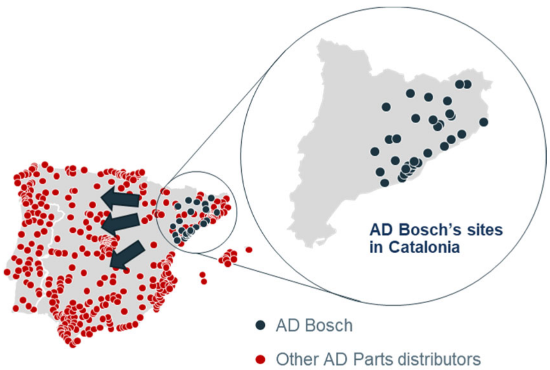
Spain

In 2019, the Group acquired a 75.0% stake in AD Bosch, a distributor offering a variety of products and specialized services in the automotive industry in Catalonia, and the Group increased its ownership in AD Bosch to 75.1% in 2020. AD Bosch generated revenue of €64 million in 2020. AD Bosch's activities are mainly focused on the distribution of spare parts, the sale of lubricants and other chemicals, the sale of machinery for repair and washing stations, after-sales support services, industrial supplies and a range of services such as training and technical assistance. AD Bosch is the leading distributor in Catalonia and, as of December 31, 2020, had a network of 34 stores, primarily in the Barcelona and Girona areas.

AD Bosch is one of the largest members of AD Parts, a leading independent auto parts network of purchasing, distribution, manufacturing and services in Iberia that comprised 27 independent affiliated distributors and 538 distribution centers in Spain and Portugal as of December 31, 2020 and historically has demonstrated a strong growth track record, gaining market share from its competitors.

As of December 31, 2020, the Group stocked approximately 300,000 SKUs representing more than 250 brands in Spain. The Group's network in Spain includes 27 distributors.

The map below shows AD Parts presence in Iberia, with a focus on AD Bosch's presence in Catalonia, as of December 31, 2020.



(Source: Group information)

5.1.4 Impact of and response to COVID-19

5.1.4.1 *Financial impact and recovery*

In December 2019, COVID-19 emerged in Wuhan, China. The coronavirus has since spread and infections have been found in most countries around the world, including throughout Europe. In March 2020, the World Health Organization recognized COVID-19 as a pandemic based on the global spread of the disease, the severity of illnesses it causes and its effects on society. In response to the COVID-19 pandemic, the governments of many countries, states and cities have taken preventative or protective actions, such as imposing restrictions on travel and business operations, and advising or requiring individuals to limit or forego their time outside of their homes. Accordingly, the COVID-19 pandemic has severely restricted the level of economic activity in many countries, including all of the countries in which the Group operates, and continues to adversely impact global economic activity and has contributed to significant volatility in financial markets.

While it is too early to assess whether the economic downturn that is likely to follow the COVID-19 pandemic will have a material impact on the Group's growth in 2021 and beyond, the Group believes the markets in which it operates are resilient and underpinned by strong fundamentals and structural trends, including the non-discretionary nature of the products and services that the Group offers, an increasingly aged vehicle parc due to a significant drop in volumes of new car sales during the lockdown, additional opportunities for market consolidation due to the financial impact of COVID-19 and subsequent containment measures on smaller players and, as a result of the pandemic, the reluctance of the public to use public transport, which, in turn, generally drives higher kilometers driven across the vehicle parc. For more information about the impact of COVID-19 on the Group's results, see Section 7.3 "Key factors affecting the comparability of the Group's results of operations—COVID-19" of this Registration Document.

The Group also believes the IAMs in which it operates will continue to grow as mobility returns to normal levels, and expects to be able to capitalize on market shares gained during the lockdown, as a result of remaining open during the initial lockdowns, potentially reinforcing the Group's position in continental Western Europe. The Group cannot predict, however, the degree to which, or the time period over which, its businesses will be affected by the COVID-19 pandemic and its impact on the economic conditions in the geographies in which it operates, or potential subsequent outbreaks of COVID-19 or other communicable diseases or similar widespread crises (see "Forward-looking statements" and Section 3.1.2 "Risks related to the outbreak of communicable diseases, such as COVID-19" of this Registration Document).

5.1.4.2 *Responsive measures*

During the initial lockdowns, the Group made the strategic decision to remain open as a "corporate citizen" in all its markets while implementing an effective COVID-19 activity plan. The Group took immediate action to help its employees, partners and customers during the initial phases of the pandemic, and to ensure the continuity of essential mobility within the countries in which it operates. The Group also provided remote working solutions to eligible employees and put in place dedicated processes to ensure appropriate levels of safety for its workforce and customers.

During the initial phase of the lockdown measures in Europe, the Group implemented certain cost control measures, leveraging government initiatives in the markets in which it operates, such as the French furlough scheme (*chômage partiel*), and implementing a temporary freeze on discretionary spending and capital expenditures. The Group believes these targeted measures helped mitigate the impact of COVID-19 on its profitability for the year ended December 31, 2020.

The Group also took pro-active steps to protect its liquidity by participating in government incentive schemes, such as tax and/or social charge deferrals, entering into government-backed financing or additional credit lines with local banks in the markets in which its operates (as described further below), undertaking constructive discussions with its largest suppliers to obtain the earlier payment of year-end rebates and to adapt the timing of its payments to suppliers accordingly, and enhancing cash collections from customers, despite granting payment deferrals to its most affected customers and partners.

5.1.4.3 *COVID-19 related financing*

Since March 31, 2020, the Group entered into certain government-backed loans or loans with certain of its local commercial banks to enhance its liquidity. On July 1, 2020, the Group entered into a €25.0 million government-backed loan from BNP Paribas and Société Générale. For more information about the PGE Loan (as defined in section 8.1 "Overview" of this Registration Document), see Section 8.2.1 "Principal sources of financing" of this Registration Document.

In addition, the Group entered into government-backed loans or loans with local commercial banks and increased certain of its existing lines of credit to strengthen its liquidity position in Italy (€24.7 million), Spain (€5.0 million) and Belgium (€7.5 million) in 2020 as a response to the COVID-19 pandemic.

5.1.5 Sales, marketing and customer service

5.1.5.1 *Sales and marketing*

The Group's success is largely attributable to the loyalty of its customers, and the Group commits substantial time and resources to understanding, communicating with and meeting the needs of its customers.

The Group's sales department is responsible for managing relationships with existing customers and establishing relationships with new customers, setting sales targets and implementing sales policies, which include customer payment terms in cooperation with the finance and control department, and managing payment collection in cooperation with the administration department.

The Group's central marketing department is located at its headquarters in Arcueil, France, and is focused on improving awareness and perception of the Group's brands. Local marketing teams are also located in each of the Group's main markets. The Group markets its distribution services to both affiliated independent distributors and garages, and engages in joint marketing campaigns with its suppliers that target customers. The Group believes this integrated branding approach increases its visibility and helps it recruit new branded garages.

The Group continuously invests in its marketing efforts in order to sustain sales and upgrade its existing offerings. The Group's professional websites are one of its main marketing tools. The Group's professional websites received an average of approximately 5.2 million individual visitors per month in 2020. The Group also regularly organizes promotional campaigns for certain of the spare parts that it distributes.

As the Group expands its online offering, it is more widely exposed to a broad consumer base, and social media and other online forums (many of which enable instant and widespread public comment) play an increasing role in the Group's brand management. The Group is continually assessing its online brand management and social media strategy, and adapting to changing needs and evolving norms.

5.1.5.2 *Customer service*

The Group provides support to its customers through call centers, mobile technology, training programs and customer outreach. The Group has structured its customer service around the principle of bringing business to its customers by leveraging the various value-added services it offers customers to help them grow their own sales and services offerings. The Group adjusts its customer service approach to suit the specificities of the different countries it operates in. For example, in France and Spain, where the Group operates a two-step customer service model (whereby it generally sells to garages, who are the installer and who serve end-customers), the Group employs salespersons who are trained to work with these garages. In contrast, in Italy and Benelux, where the Group operates a three-step customer service model (whereby it sells to an intermediate party (such as jobbers or, in Italy, *recambisti*), who, in turn, sells to garages), as a result, the Group does not rely on salespersons in Italy and Benelux. The Group also adapts its customer service approach to suit the differences between business lines. For example, online and over-the-counter customers have slightly different needs, and the Group addresses each with specific services tailored to those needs.

5.1.6 Information technology

The Group's business depends on having advanced, secure information systems and capacity to store, retrieve, process and manage large quantities of information. The Group's IT strategy is focused both on infrastructure (such as developing and maintaining appropriate security protocols) and applications (such as the digitalization of the Group's front and back office functions and the implementation of "purchase to pay" programs). IT matters touch all elements of the Group's business, from supplier management to production and tracking of key performance indicators to the Group's electronic catalogue and customer-facing portals (such as Oscaro).

IT matters, particularly relating to cybersecurity and information security, are of increasing importance to the Group. As the Group's online functions and presence grows, its systems are more open to the public and as the Group's systems become increasingly digitalized, they are, in turn, increasingly vulnerable to attacks (such as phishing, malware, ransomware hacking and data breach, among others). In response to these increasing threats, the Group is highly focused on IT security. Various business plans have been created to prevent and respond to IT incidents, as well as to provide for business continuity. These plans are regularly reviewed, tested and updated. For more information, see Section 3.2.1 "Risks related to information technology, online operations and digitalization" of this Registration Document.

The Group's IT strategy is currently structured around local IT teams that are adapted to its business needs in specific locations, while taking a centralized approach for its financial reporting systems. The Group's IT teams play an important role in its distribution process and operations by providing support for sales, inventory and supply chain logistics, accounting and internal controls. The Group's IT systems are supervised by its information officer and are managed in-house by teams of IT professionals, who are, in turn, supported by third parties. In addition, the Group's online activities are overseen by managers with e-commerce experience. The Group also seeks to leverage its acquisition targets' IT systems that are in place at the time of an acquisition. Additionally, following the Group's recent international expansion, it plans to implement a transformation of its global IT strategy, which is focused on leveraging best practices and coherence and consistency among its IT systems.

Three data centers support the continuity and connectivity of the Group's IT systems, and the Group's data is backed up daily. The Group is in the process of regrouping its various data centers into a smaller number of centralized data centers. For example, the ACR data center will become part of the Autodistribution data center in the course of 2021.

The Group's IT systems provide a full range of business process support and information to its management, logistics platforms and customers. The Group utilizes a combination of customized and industry-standard software systems to provide various functions related to:

- contact with the Group's suppliers;
- inventory management;
- quality control;
- front office and back office applications;
- digitalized invoicing; and
- e-commerce fulfillment.

The Group's IT teams, in coordination with the sales department, have developed software, including customized licensed software, such as Autossimo and Truckissimo, to integrate the Group's logistics platforms with an electronic interface that allows customers to place orders online and obtain information regarding product availability, sales terms, conditions and shipping times. The Group also continues to upgrade its systems to address evolving technology and customer needs.

The Group's IT teams collaborate with the Group's logistics department, primarily to update the software and algorithms used to determine adequate inventory levels at the Group's warehouses, product flows and optimal shelf positioning for products. The Group has recently upgraded, and continues to invest in, the warehouse IT management system of its light vehicle logistics platform, Logisteo, in order to manage inventory more efficiently. The Group's IT system also enables it to determine product availability in real time and update the inventories in its warehouses accordingly, and to accelerate the Group's sourcing initiatives by improving data management.

5.1.7 Employees and human resources

5.1.7.1 *Employees and employee relations*

As of December 31, 2020, the Group employed a total of 7,718[5] people in six countries (France, Belgium, Italy, Luxembourg, the Netherlands and Spain). The table below shows the evolution of the size of the Group's workforce, split by segment, over the last three years:

	Year ended December 31,		
	2020	**2019**	**2018**
France	6,185	6,185	6,255
International	1,533	1,405	852
Total	**7,718**	**7,590**	**7,107**

The workforce described in this Section 5.1.7 "Employees and human resources" only takes into account Group companies, and does not take into account companies or persons who are affiliated with the Group through a franchise agreement or that are

[5] Includes approximately 290 apprentices in France.

affiliated with the Group through an affiliation agreement but do not belong to the Group. The Group's franchise business is fairly small and is limited to Doyen and Mondial Pare-Brise.

In the last three years, the Group has not experienced any material disruption to its business as a result of strikes, work stoppages or other labor disputes that were specific to the Group. The Group believes its relations with its employees are generally good.

For more information about the Group's employees, see Chapter 15 "Employees" of this Registration Document.

5.1.7.2 *Human resources*

The Group's human resources strategy strives to achieve the right balance of a profitable business mindset, a global strategy and a cooperative social climate and is structured around four key values the Group believes drives its success: acting benevolently, exactingly and cooperatively, and in an engaged manner. The Group accomplishes this by focusing its human resources efforts on combining rigorous standards for excellence with consideration for, and respectful treatment of, all employees.

The Group organizes its human resources strategy around seven pillars:

- *Recruiting*: In 2020, the Group received more than 7,080 job applications and featured approximately 950 job opportunities on its website. The Group has also partnered with the IDRAC business school to hire future salespersons.
- *Training and development*: In 2020, in France[6], 1.5% (amounting to approximately €2,158.0 million) of total wages to training and development programs, and approximately 1,363 full-time employees received training (noting that 2020 is a unique year considering the COVID-19 pandemic and the lockdown measures implemented in 2020). The Group has also partnered with EM Lyon to train local mangers.
- *Compensation*: The Group engages in payroll monitoring and employs standardized compensation policies, including a profit-sharing mechanism.
- *People and talent review*: The Group had staff turnover of 14.5% in 2020 (based on employees with permanent contracts) and pursues a strategy of active career management for its employees. The Group has created career committees at the local level, with an appraisal process that is managed by the executive committee. The Group also has a talent management program that identifies the top 200 to 300 Group employees.
- *Work environment*: The Group invests in its workspaces and employs mechanization where possible to reduce strain on the part of workers, particularly in warehouses.
- *Social climate*: The Group has fostered a positive social climate, while still seeking productivity improvements. The Group has not experienced a strike in the last three years that was specific to the Group.

The Group continually assesses its HR model to adapt it to the changing needs of its business and workforce, including to accommodate increasing use of work from home,

[6] French perimeter under the Wholesale National Collective agreement, representing 81.1% of the Group's headcount in France as of December 31, 2020, which excludes Oscaro, Mondial Pare-Brise, Plateforme Technique Nationale de Montajault, Glass Auto Service and Logisteo.

telecommuting and flextime solutions, which has been accelerated by the COVID-19 pandemic. These new ways of working implicate many elements of the Group's internal operations beyond HR, including IT and security, and are likely to impact the ability of the Group to attract and retain talent.

Further, during COVID-19, the Group's HR function adapted to the lockdown measures implemented in Europe in response to the COVID-19 pandemic. As a result of these restrictive measures in France and the other markets in which the Group operates, the Group's sites experienced partial or full closure during the initial phase of the first lockdown, and certain employees were transitioned to the French furlough scheme (*chômage partiel*). In France, the Group transitioned 425 of its employees to remote working and 5,207 of its employees to the French furlough scheme (*chômage partiel*) for economic reasons. For the three-month period ended March 31, 2021, 506 employees of the Group remained under the French furlough scheme (*chômage partiel*), representing 8.1% of the Group's total workforce.

5.1.7.3 *Training and development*

The Group attaches great importance to providing high-quality and expert service to its customers. Maintaining and repairing complex light vehicles and trucks requires well-trained and skillful employees. Distributing spare parts and equipment and tools also requires expertise regarding the products and their use. The Group, therefore, provides its employees with a broad range of training.

5.1.8 Property, plant and equipment

The majority of the Group's sites are leased. As of December 31, 2020, the Group leased and owned the following property, plant and equipment:

<u>France segment</u>

- One office that serves as the Group's headquarters in France, located at 22, avenue Aristide Briand, 94110 Arcueil, France.
- 18 warehousing and logistics sites in France, substantially all of which the Group leases.
- A network of approximately 2,100 garages which are dedicated to the Group's light vehicle operations and 90 additional garages that are dedicated to the Group's trucks business.
- Approximately 300 distribution sites.

<u>International segment</u>

- One office that serves as the Group's headquarters in Belgium, located at W.A. Mozartlaan 8, 1620, Drogenbos, Belgium.
- One warehousing logistics center near Seneffe, Belgium.
- One office that serves as the Group's headquarters in the Netherlands, located at De Run 5141, 5503LV Veldhoven, The Netherlands.
- Three warehousing and logistics centers in Zwolle, Veldhoven and Waalwijk in the Netherlands.
- One office that serves as the Group's headquarters in Italy, located at 12 via Isaac Newton, Pero, Milano, Italy.

- 17 warehouses in Italy, in and around Napoli, Catania, Brescia, Florence, Milan, Padua, Reggio Emilia, Torino and Perugia.
- One office that serves as the Group's headquarters in Spain, located at 17458 Fornells de la Selva, Girona, Spain.
- One warehousing logistics center and the Group's Spanish headquarters in Girona, Spain.
- Approximately six distribution sites and 34 AD Bosch stores in Catalonia.

5.1.9 Environmental, social and corporate governance

The Group is a leading, integrated, omnichannel, digitally-enabled and reliable distributor of automotive spare parts in continental Western Europe, contributing to affordable and sustainable mobility. The Group directly contributes and plans to continue contributing in the future to improving vehicle safety and energy-efficiency by offering and supplying drivers with efficient and affordable repair and maintenance solutions, notably in order to reduce their impact on the environment, for example, by offering and supplying innovative, high-performance exhaust pipes and particle filters that limit exhaust emissions and reduce greenhouse gas emissions. The Group believes this approach will help drivers equip ICE vehicles with improved technology that will make these vehicles cleaner and more efficient, thus providing affordable and cost-efficient alternatives to electric or hybrid vehicles, which may not be accessible to certain drivers in the medium- to long-term.

The Group strives to grow and develop its activities and its operational model in a way that positively impacts the environment, its employees and local communities. The Group applies its sustainable development policy across its operations. The Group's strategy combines an awareness of its social and environmental responsibilities and seeks to respond effectively to sustainable development issues. In accordance with the Group's values, the Group's commitment to corporate, social and environmental responsibility is built on three pillars: (i) improving the environmental impact of the Group's operations, (ii) promoting constructive and efficient social dialogue and acting for diversity, inclusion, health, safety and development of employees and (iii) contributing to the circular economy and the development of local communities while encouraging constructive and sustainable relationships with stakeholders, and promoting ethical business practices and transparency.

Starting in the financial year ending December 31, 2021, and following the Proposed Admission, the management report of the Company's Board of Directors to the shareholders' meeting will include a non-financial performance statement (*déclaration de performance extra-financière*). This report will contain information about how the Company is dealing with the social and environmental consequences of its business operations and its social commitments to promote sustainable development, limit discrimination and promote diversity, in accordance with the provisions of article L. 225-102-1 of the French Commercial Code.

(i) Improving the environmental impact of the Group's operations.

The Group seeks to reduce its environmental impact, in particular by optimizing its logistics operations and flows, managing waste and packaging efficiently and improving energy efficiency of the facilities, plants and premises where the Group operates.

Optimizing logistics operations

The Group is a leading, integrated, omnichannel, digitally-enabled and reliable distributor of automotive spare parts in continental Western Europe, operating in the IAMs in Belgium, France, Italy, Luxembourg, the Netherlands and Spain. In France, the Group's logistical operations include two flows of spare parts (a "direct delivery flow" directly from suppliers to distributors and a "platform-based flow" through the Group's logistics platforms) supplying approximately 70,000 professional customers. As of December 31, 2020, the Group's network included 104 distributors in Benelux, 27 distributors in Spain and 19 distributors in Italy. For more information about the Group's logistics operations, see Section 5.1.2 "Operational model" and Section 5.1.3 "Operating segments" of this Registration Document.

The Group's upstream and downstream logistics operations are state-of-the-art, featuring fully and partially automated central warehouses (upstream) and a large network of logistics platforms, cross-docking logistics platforms and warehouses (downstream), that have enabled the Group to significantly reduce the impact of transportation on the environment and limit the greenhouse gas emissions of its logistics operations.

The Group's upstream logistics control model enables the Group to optimize, rationalize and reduce the number of deliveries from its suppliers to its sites. For example, with respect to Logisteo, the number of deliveries was reduced by 85%, from approximately one million deliveries a year to approximately 150,000 deliveries.

The Group's downstream logistics operations are supported by a large network of logistics platforms, cross-docking logistics platforms and warehouses, enabling dense geographical coverage of the Group's activities. Such geographical coverage, combined with the ongoing optimization and rationalization of the Group's downstream logistics operations and flows (see Section 5.1.2.3 "Operational model—Local distribution" of this Registration Document), enable the Group to limit the impact of its logistics operations on the environment. Several initiatives have been implemented by the Group in order to reduce the environmental impact of the Group's downstream logistics operations, including efforts toward optimizing fleet management, implementation of route planning algorithms (reducing the mileage of the Group's deliveries to its customers by 15% since its implementation), favoring short rotations, using GPS-equipped vehicles and electric vehicles (tested in the Ile-de-France region and Lyon) and developing driving monitoring tools and trainings.

Managing waste and packaging

The Group's waste and packaging management best practices aim to reduce the Group's waste, including packaging waste created by, among others, its logistics operations. Several initiatives have been implemented by the Group and have led to waste reduction and efficient management of packaging and other waste.

In 2020, the Group invested in a custom-made packaging cutting machine that enables the Group to avoid over-packaging and improves packaging quality by providing greater product protection. In addition, packaging waste is mostly sorted and recovered or reused, where possible. The Group has progressively stopped using foam and has reduced its consumption of bubble wrap, a component made of plastics that is only minimally recyclable, in favor of cardboard and kraft paper, which, once sorted, are easily recoverable and reusable. The Group is also implementing an extensive program to raise awareness among its employees and cleaning service providers relating to the importance of sorting waste. This program is currently being implemented at the ACR and Doyen sites, and the Group intends to roll it out at other Group sites in the coming years. In addition, at the Group's ACR logistics platform, waste recycling increased by 37% between 2019 and 2020. At the Cora logistics platform, the Group expects to reduce the amount of packaging used for the transportation of spare parts by one-third in the coming years as compared to current usage, by optimizing the preparation of orders and transportation operations. Furthermore, the use of sustainable packaging is key to reducing the Group's impact on the environment. At the Cora logistics platform, the products currently are placed collectively into re-usable wooden boxes in order to be shipped instead of being packed and shipped individually in different cardboard and kraft paper boxes. The Group currently is making cardboard-free deliveries in the Ile-de-France region, which has reduced the amount of cardboard used by approximately 60,000 since September 2020. The Group intends to progressively roll-out this cardboard-free delivery policy.

With respect to hazardous waste, the Group is committed to efficiently and adequately managing hazardous waste that it uses and stores from time to time. Such hazardous waste includes tires, used oils, fluids, batteries, electrical and electronic equipment waste. Other hazardous waste is collected and managed by appropriate providers, in compliance with environmental laws and regulations.

Certification and labelling

The Group is focused on obtaining and renewing certifications of its logistics platforms and branded garages.

With respect to the Group's logistics platforms, Cora, Doyen and Geevers logistics platforms are ISO 9001-certified. The Group's objective is to obtain ISO 9001 certification for its ACR logistics platform by early 2022. In addition, within its Geevers business line, the Group has set up the Greenline label in order to guarantee that used original parts from its suppliers are rigorously selected and have been subject to enhanced quality control.

The Group also promotes labelling of its branded garages. The "ECO ENTRETIEN®" label certifies an ecological and innovative car maintenance service by technicians to limit the vehicle's excess pollutant emissions. The services provided in compliance with the "ECO ENTRETIEN®" label consist of providing a fast and simple diagnosis of the general conditions of the engine with the purpose of finding adequate and targeted solutions to significantly reduce the level of pollutant emissions (including by replacing the considering spare parts).

As of December 31, 2020, approximately 180 of the Group's branded garages were "ECO ENTRETIEN®"-certified, and the Group aims to have 500 "ECO ENTRETIEN®"-certified garages within the coming years.

Improving energy efficiency of the Group's facilities, plants and premises

The Group operates logistics platforms, certain of which are automated, such as the Logisteo and ACR logistics platforms, others of which are partially automated, such as the Cora, Bremstar and Doyen logistics platforms, and the remainder are non-automated, such as in Italy and Spain, warehouses and distribution sites. For more information about the Group's logistics platforms, see Section 5.1.2.2 "Upstream logistics control" and Section 5.1.3 "Operating segments" of this Registration

Document. In several sites, the Group has performed energy audits which have led to recommendations that the Group has, in some cases, rolled out at the Group level. In order to reduce energy consumption at the Group's sites, the Group has replaced neon lights with low-consumption LED lights, changed heating modes and improved isolation at certain of the Group premises, all of which have contributed to reduced energy consumption.

(ii) Promoting constructive and efficient social dialogue and acting for diversity, inclusion, health, safety and development of employees.

The Group benefits from a strong internal culture and the Group focuses significant and sustained efforts on maintaining and improving this internal culture in order to promote and support strong relationships with its employees and employee representatives. With these values in mind, the Group believes it has developed fair, constructive and sustainable relations with its employees and the employee representatives.

The Group's human resources strategy strives to achieve the right balance of a profitable business mindset, a global strategy and a cooperative social climate, and is structured around four key values the Group believes drives its success: acting benevolently, exactingly and cooperatively, and in an engaged manner. The Group accomplishes this by focusing its human resources efforts on combining rigorous standards for excellence with consideration for, and respectful treatment of, all employees. For more information about the Group's employees and human resources, see Section 5.1.7 "Employees and human resources" and Chapter 15 "Employees" of this Registration Document.

Protecting the safety and health of its employees is a high priority for the Group and is an essential part of its success. Making safety a constant concern for all its employees, so that they protect themselves and their colleagues, is one of the Group's main objectives. A risk and safety prevention plan, which has already been implemented through the Group, is being further strengthened at several sites, including for Doyen and Oscaro. The Group supports each person working on its sites by providing them with the information and tools necessary for their safety. In this respect, the Group has invested in handling aids with suction cup systems at Cora and automated gripping machines for heavy parts in order to limit the impact of certain handing activities on its employees. The Group delivers dedicated employee trainings on safety, working conditions, fires and first aid. In France in 2020, 421 employees were provided with a dedicated health-and-safety-at-work training. These initiatives have led to a decrease in work-related accidents. For example, at Oscaro, work-related accidents decreased by 58% between 2017 and 2019.

Along with safety, employee skill development is another prerequisite for success. The Group also focuses on developing employees' skills, which are key to the Group's performance and business development, as well as to employees' well-being. The Group's trainings place employees at the heart of their learning and development path. These training programs can be personalized and individual, as well as collective. Each year, the training sessions supplied to the Group's employees are refreshed, completed and adapted to the needs of the Group's employees. In 2019, approximately 26% of the Group's workforce received at least one training[7]. In 2020, the Group dedicated

[7] France perimeter under the Wholesale National Collective agreement, representing 81.1% of the Group's headcount in France as of December 31, 2020, which excludes Oscaro, Mondial Pare-Brise, Plateforme Technique Nationale de Montajault, Glass Auto Service and Logisteo.

€2,158,000 to training, representing 1.5% of total payroll[8]. In 2020, 18,380 hours of training were provided to 1,363 employees in France.[1] For more information about the Group's training programs, see Section 15.1.3.5 "Training and professional development" of this Registration Document.

Another objective of the Group is to promote diversity and inclusion. The Group has received awards that recognize the quality of its human resources strategy, including with regards to diversity and inclusion initiatives: in 2019, the Group was recognized as the best employer in the distribution sector by the monthly-magazine, Capital, and in 2020, the Group was ranked twelfth by the Financial Times for its diversity and inclusion strategy and initiatives. These initiatives include hiring people with disabilities (240 people with disabilities were employed in France by the Group in 2020), promoting equality between employees and gender equality among the Group (in 2020, 20% of the Group's employees are women and 18% of the Group's managerial positions are held by women), and promoting local employment and apprenticeship (approximately 290 apprentices in France as of December 31, 2020). The Group promotes youth employment through the apprenticeship scheme, by building close relationships with the *École Nationale des Professions de l'Automobiles* (GARAC) in the Greater Paris Area and delivering trainings in a dedicated training center leading to the granting of a diploma.

Additionally, the Group implements a profit-sharing plan (in addition to the profit-sharing scheme that is required by law) in order to include employees in the growth and financial performance of the Group. For more information about this plan, see Section 15.3.1 "Profit-sharing agreements" of this Registration Document.

(iii) Contributing to the circular economy and the development of local communities while encouraging constructive and sustainable relationships with stakeholders, and promoting ethical business practices and transparency.

The Group plays a critical role in the circular, local and regional economies. The Group's dense local network contributes to local mobility and seeks to serve local and regional economies. In addition, the Group strives to contribute to the development of local communities where the Group operates by promoting close relationships with its customers, suppliers and stakeholders, while promoting ethical business practices and transparency.

The Group plays a critical role in the circular economy. The Group's re-manufacturing initiatives and promotion of second-hand products serve to extend the useful life of both vehicles and parts, which is a valuable contribution to efforts to reduce waste. For example, in 2020, the Logisteo and ACR logistics platforms sold approximately 600,000 recycled spare parts out of more than 20 million spare parts sold through these two logistics platforms. The Plateforme Technique Nationale de Montajault provides another example of the Group's contribution to the circular economy, while promoting sustainable local mobility and serving local and regional economies. Created in 2011, the Plateforme Technique Nationale de Montajault is a renovation center for engine injectors and injection pumps, with re-manufacturing processes validated by major OESs such as Bosch, Delphi, Continental and Denso. The Plateforme Technique Nationale de Montajault processes approximately 20,000 injectors per year and offers

[8] France perimeter under the Wholesale National Collective agreement, representing 81.1% of the Group's headcount in France as of December 31, 2020, which excludes Oscaro, Mondial Pare-Brise, Plateforme Technique Nationale de Montajault, Glass Auto Service and Logisteo.

a competitive price positioning compare to equivalent new spare parts (with prices approximately 30% to 35% lower than new equivalent spare parts). The Plateforme Technique Nationale de Montajault, which employed 25 people in 2020, generated revenue of approximately €12 million and EBITDA of approximately €2 million for the year ended December 31, 2020.

With respect to its customers, the Group endeavors to maintain good communication and relationships with its customers, and assesses their level of satisfaction on a regular basis. The Group has implemented a customer satisfaction assessment tool called Critizr to monitor customer satisfaction. On the basis of the customer satisfaction assessment performed from June 2019 to February 2021, the Group's average customer satisfaction was 4.73/5. In addition, the Group currently is extending the Group's Qualicert certification across its trucks business. As of the date of this Registration Document, approximately 40% of the Group's truck business network is Qualicert-certified. The Group is also providing training to the branded garage members of its network in order to match its customers' needs, which vary according to customer type and to evolution of laws and regulations.

With respect to its suppliers, the Group has adopted operating guidelines in order to promote ethical business practices, such as environmental responsibility, fair wage practices and compliance with child labor laws, among others, through commitments in suppliers' contracts to apply the Group's code of ethics and the Group's suppliers code of conduct.

With respect to its stakeholders, the Group focuses significant and sustained efforts on maintaining constructive and sustainable relationships with its stakeholders. The Group is an active member of several professional and inter-professional associations. The Group's involvement in such professional and inter-professional associations, such as the *Fédération de la distribution automobile* (FEDA), the *Conseil national des professions de l'automobile* (CNPA), the *Fédération Nationale de l'Automobile* (FNA), the *Groupement inter Professionnel de l'Automobile* (GiPA) and the *Association nationale pour le développement de la mobilité électrique* (AVERE), is key to sharing the Group's strategic views and opinions in the spare parts distribution environment and, more generally, in the automotive sector in France and continental Western Europe, and to identify and anticipate macroeconomic trends and changes, changes in mobility trends, patterns and consumers' habits that could impact the Group in the medium- and long-term.

5.2 INDUSTRY AND PRINCIPAL MARKETS

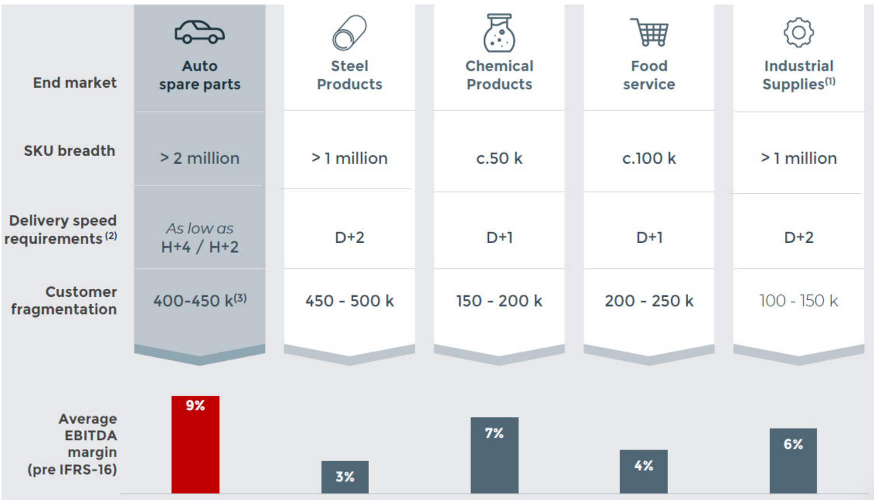
5.2.1 Overview

The Group is a leading distributor in the continental Western European automotive spare parts independent aftermarket. The Group's role as a distributor is crucial due to the specificities of this market, which include the wide breadth of SKUs involved, the increasing complexity of parts, the need to identify and match parts with specific vehicle models across an increasing number of vehicle brands, the need to quickly supply customers and the fragmentation of end-customers (*i.e.*, drivers), all of which are expected to lead to an increasing advantage for IAM players, such as the Group, that are already at significant scale.

The core Western European aftermarket for automotive spare parts distribution is large and growing steadily, having generated total revenue of approximately €49.8 billion in 2019, while the wider Western European automotive spare parts distribution aftermarket generated total revenue of approximately €89.4 billion in 2019 and has been experiencing rebounding performance following initial COVID-19-related lockdowns during 2020. From 2019 to 2025, the core Western European IAM is forecast to grow at a CAGR of 1.1% (assuming a wide roll-out of vaccines by the third quarter of 2021 that prevents a resurgence of COVID-19) and, from 2025 to 2030, is forecast to grow at a CAGR of 1.4%, driven largely by the increasing size of the vehicle parc and increased average spending.

The Western European automotive spare parts aftermarket is resilient and predictable, as demonstrated by structural growth of 1.4% over the 2014 to 2019 period, and is supported by strong underlying drivers that are expected to remain relevant over the mid- to long-term, including steady customer demand even during economic downturns, high visibility on vehicle parc patterns and megatrend-driven opportunities that are forecast to positively impact the market beginning around 2030.

The automotive spare parts market is also profitable, generally benefitting from higher margins as compared to other B2B distribution markets, as shown in the graphic below. This is primarily due to key differentiating factors of the automotive spare parts market, including lower supplier bargaining power, a significant service component, complex logistics requirements, greater assortment/SKU requirements and scale benefits.



(Source: Group information and estimates)

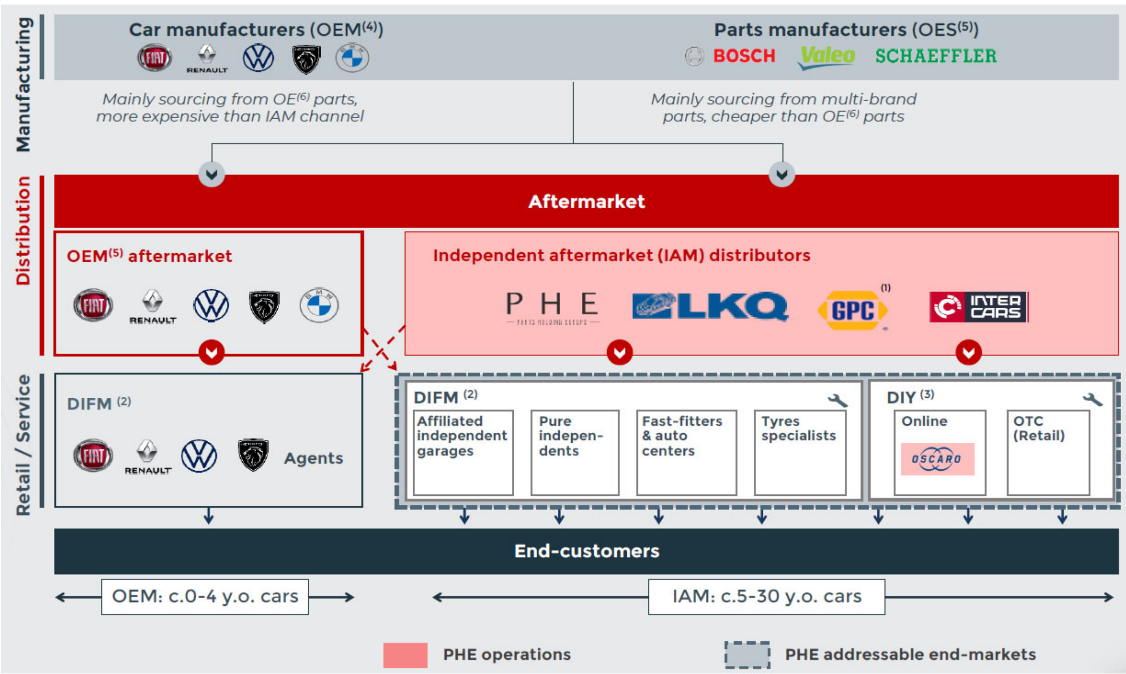
Notes: (1) Including tools, protection, machining, equipment. (2) H+x: delivered in the next x hours. D+y: delivered in the next y days. (3) Number of garages in Europe.

The Group operates in the Western European IAM for automotive spare parts, which is characterized by leadership by IAM players as compared to OEM players, fragmentation of IAM players (with consolidation underway favoring larger players) and an increasing role for digital solutions, which has been further driven by the impact of COVID-19 and which is expected to drive structural growth.

The Group believes that consolidation within the Western European automotive spare parts IAMs tends, and will continue to tend, to favor large players, like the Group, who have already achieved significant economies of scale, supported by broad and deep SKU assortments, state-of-the-art logistics systems enabling short delivery times, strong purchasing power leading to competitive pricing, ability to train both customers and employees on new technologies and to address megatrends, superior service offerings bolstered by strong online, digital and data activities and superior margins. Each of these factors presents significant barriers to entry to smaller players, as well as new market entrants of larger scale that do not already have extensive existing spare parts distribution capabilities.

5.2.1.1 *Overview of the Western European spare parts aftermarkets and IAMs*

The Western European automotive spare parts market comprises three layers: (1) the manufacturing and supply of spare parts by parts manufacturers ("**original equipment suppliers**" or "**OESs**") (such as Valeo, Bosch and Faurecia) and car manufacturers ("**car manufacturers**" or "**OEMs**") (such as Renault, Peugeot and VW), who are in turn supplied with spare parts by the OESs, as well as by certain generic manufacturers; (2) the distribution of spare parts in the OE aftermarket (such as by the dealer networks of OEMs such as Renault, Peugeot and VW) and the IAM (such as by the Group, LKQ and Alliance Automotive Group), which serve professional customers and for which the end-customers are drivers (including both "do it for me" and "do it yourself" driver customers), as well as the online channel (such as through the Group's Oscaro online business, which accounted for 14% of the Group's revenue in 2020, Mister-Auto, Auto-doc and, to a lesser extent, Amazon, which primarily serve B2C DIY customers) and (3) retail sales and service to certified repairers and agents, "chained" IAM operators including auto centers (such as FeuVert and Norauto), fast fitters (such as Midas and Speedy) and tire specialists (such as Euromaster), over-the-counter ("**OTC**") retailers (such as spare parts outlets and scrap yards) and independent mechanical garages, which may be affiliated garages (such as AD-affiliated, Groupauto-affiliated or Eurorepar-affiliated garages) or pure independent garages that are not affiliated with a wider network. The graphic below shows the flow of automotive spare parts from manufacturers, through distributors to retail and service center customers and, finally, to end-customers (*i.e.*, drivers).



(Source: Group information and estimates)

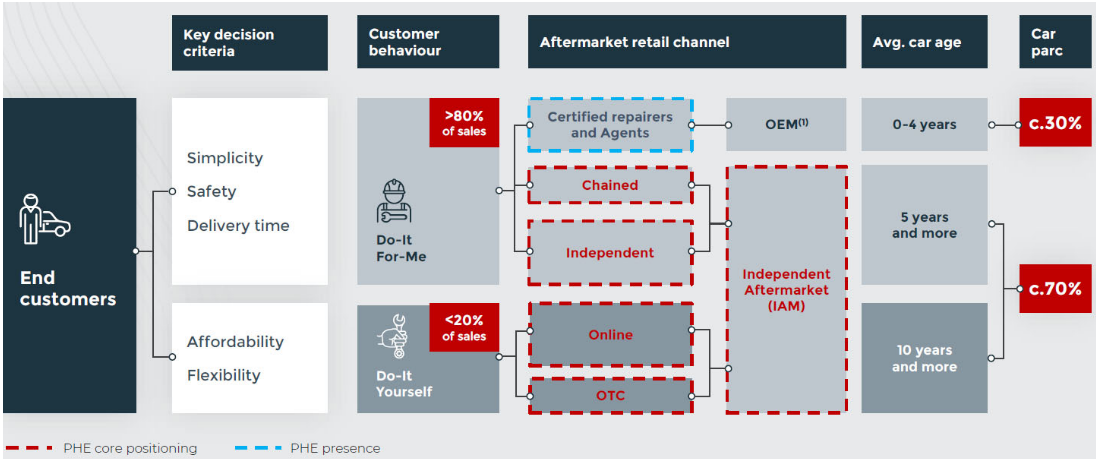
Notes: (1) GPC acquired AAG. (2) "do it for me". (3) "do it yourself". (4) original equipment manufacturer. (5) original equipment supplier. (6) original equipment. (7) Based on 2019 figures for France, Spain, Italy and Benelux.

The Western European automotive spare parts aftermarket distributes spare parts to agents, "chained" IAM operators (including auto centers, fast fitters and tire specialists), OTC retailers and independent mechanical garages (which may be affiliated garages or pure independent garages) and web dealers, each of which is described in further detail below.

- *Certified repairers and agents* are garages that operate under an OEM banner, such as Renault, Peugeot or VW, which generally sell own-brand spare parts.
- *"Chained" IAM operators* include auto centers, fast fitters and tire specialists.
    - Auto centers are generally self-service shops and are often located near hypermarkets. Norauto and Feu Vert are examples of auto centers.
    - Fast fitters are focused on quick service, focused on regular maintenance and tires. Speedy, Midas and Feu Vert Services are examples of fast fitters.
    - Tire specialists' principal activity is tire sales and changing. Point S, Euromaster and Eurotyre are examples of tire specialists.
- *OTC retailers* include spare parts outlets, hyper/supermarkets, scrap yards and gas stations. Total is an example of an OTC retailer.
- *Independent operators* include independent repairers and web dealers.
    - Independent repairers may operate as affiliated garages or as pure independent garages, and generally repair all vehicle brands. Affiliated garages include AD-branded garages, Bosch Service, MonGarage and Top Garage.
    - Web dealers can be split into three categories: pure-player specialists (such as Oscaro, Mister-Auto and Auto-doc), online product specialists (such as Allopneus for tires) and, to a much lesser extent, e-commerce generalists (such as eBay and Amazon) who are predominately focused on accessories.

The truck spare parts aftermarket in France also distributes spare parts to similar customers as the light vehicle spare parts market, as well as to integrated workshops. Integrated workshops are owned by truck fleet operators and often outsource repairs other than routine maintenance to OEM and IAM networks.

End-customers who seek spare parts in the "do it for me" channel tend to be motivated largely by convenience and speed of delivery time, while end-customers in the "do it yourself" channel tend to be more price-conscious, which, in turn, requires distributors to be able to meet both sets of needs within the same business model. The graphic below shows the key decision criteria and behavior of end-customers in the Western European automotive spare parts aftermarket, as well as the retail channels that address these customers and the average age and relative proportion of the French car parc and the Group's positioning therein.



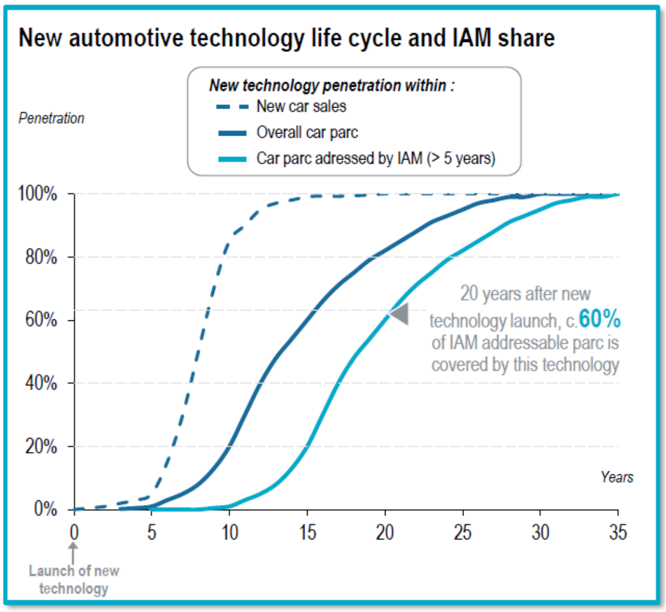
(Source: Group information and estimates)
Note: (1) original equipment manufacturer.

The Group also operates in the IAM of the truck spare parts market in France, although this business is comparatively small as compared to the Group's automotive spare parts distribution business: the Group's trucks business accounted for 8% of Group revenue in 2020. Like the Western European automotive spare parts market, the truck spare parts distribution and repair market in France comprises manufacturing and supply, distribution and sales and services to end-customers. The end-customers of the truck spare parts market IAM in France are truck fleet owners and operators, such as XPO Logistics, Fraikin and RATP. The Group acts as both a distributor and a maintenance and repair service provider in the IAM of the truck spare parts market in France.

Spare part manufacturing is characterized by a high level of part complexity and density. Due to the number of vehicle variants in the market and the multiplicity of pieces per vehicle (8,000 per car on average), spare parts manufacturers collectively produce several million SKUs. Additionally, the increasing number of car brands increases the number of parts that need to be supplied overall, making it harder for a player that only represents one brand to remain competitive and to maintain market share. Vehicle spare parts and products can be generally grouped as follows: (1) repair and maintenance parts, include mechanical, steering and suspension, wear and tear and service parts, such as radiators, alternators, steering and suspension components, exhaust systems, brake systems, spark plugs, oil filters and air filters; (2) body parts, such as hoods, bumpers, doors, wings, glass, light housing, paint and solvents; (3) repairer equipment, such as diagnostic tools, air compressors, welding tools and wheel aligners and (4) oil, tires, consumables and accessories, such as antifreeze, coolant, in-car entertainment, floor mats, tow bars and navigation systems.

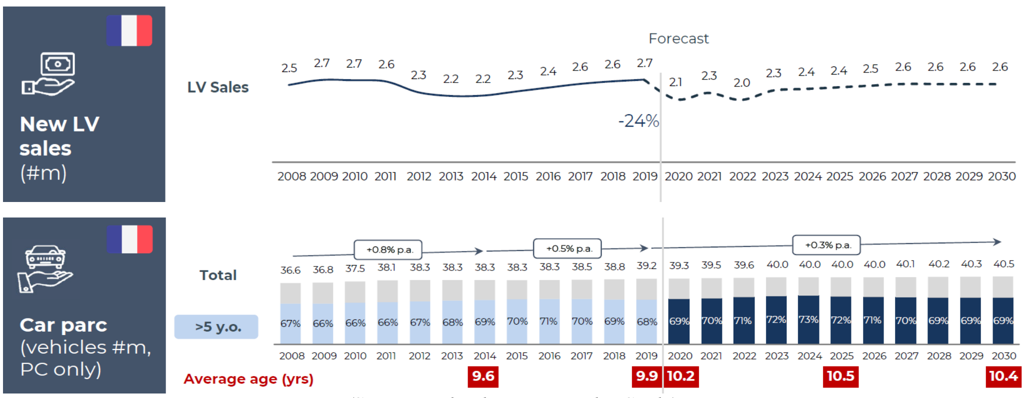
The Western European automotive spare parts aftermarket is steadily growing, with structural growth of 1.4% over the 2014 to 2019 period, driven by strong underlying dynamics that are broadly the same across the geographies in which the Group operates and that create resilience and predictability, including a growing and aging vehicle parc, steady customer demand, rebounding performance following initial COVID-19-related lockdowns during 2020 and high visibility on vehicle parc patterns, each of which is described in further detail below.

- *A growing and aging vehicle parc*, accelerated by the drops in new car sales that are often observed during economic downcycles, anticipated increasing mileage in years to come and increasing prices for parts across product categories (driven, for example, by enhancements to transmission systems, evolution of headlight systems, improved efficiency in exhaust systems, improved quality of body parts and development of advanced driver assistance systems, as well as by megatrends in safety and comfort), which generally tend to offset lengthening repair intervals. The IAM channel is well-positioned to capture additional growth generated by technological development and innovation in parts, as shown by the chart below.



(Source: Roland Berger Market Study)

- *Steady customer demand even during economic downturns*, including the 2008-2009 global financial crisis, driven by a stable underlying vehicle parc, as maintenance and repair is a structural need for vehicle owners and which is increasingly the case as more stringent and frequent technical controls take effect. The graphics below show new light vehicle sales and the size of the car parc, in each case, in France and for the periods presented, as well as forecasts through 2030, illustrating the stability of the French car parc.



(Source: Roland Berger Market Study)

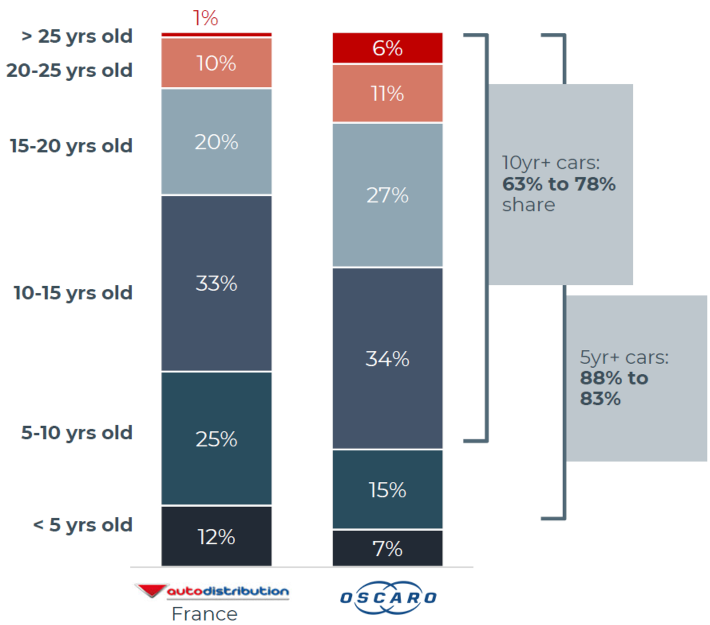
- *Rebounding performance following initial COVID-19-related lockdowns during 2020*, resulting from car mileage that was approximately 15% lower in 2020 than in 2019, with an expected return to market fundamentals once the COVID-19 situation has concluded, and expected growth in France of 1.1% per annum over the 2019 to 2025 period (reflecting the impact of COVID-19 and assuming a wide roll-out of vaccines by the third quarter of 2021 that prevents a resurgence of COVID-19) and 1.4% per annum over the 2025 to 2030 period. The graphic below shows the evolution of the addressable automotive spare parts aftermarket in France for the periods presented, as well as forecasts through 2030, illustrating this forecasted rebound effect.

(Source: Roland Berger Market Study)

The addressable core Western European aftermarket contracted in 2020 due to the impact of COVID-19, but, assuming a wide roll-out of vaccines by the third quarter of 2021 that prevents a resurgence of COVID-19, is expected to grow through 2030, with a return to pre-COVID-19 levels by 2022.

- *Predictability stemming from high visibility on vehicle parc patterns*, with IAM players having visibility five to ten years into the future and beyond, due to known fleet dynamics. 50% of the vehicles that the Group expects to service in 2030 and 100% of the cars that the Group expects to service in 2025 are already in service today. The Group's core market is vehicles aged over three to five years. In France in 2019, the average car was 9.9 years old, which increased to 10.2 years old in 2020, and is forecast to increase to 10.5 in 2025 and remain materially stable at 10.4 in 2030: the average car served by the Group in 2021 was approximately 13 years old.

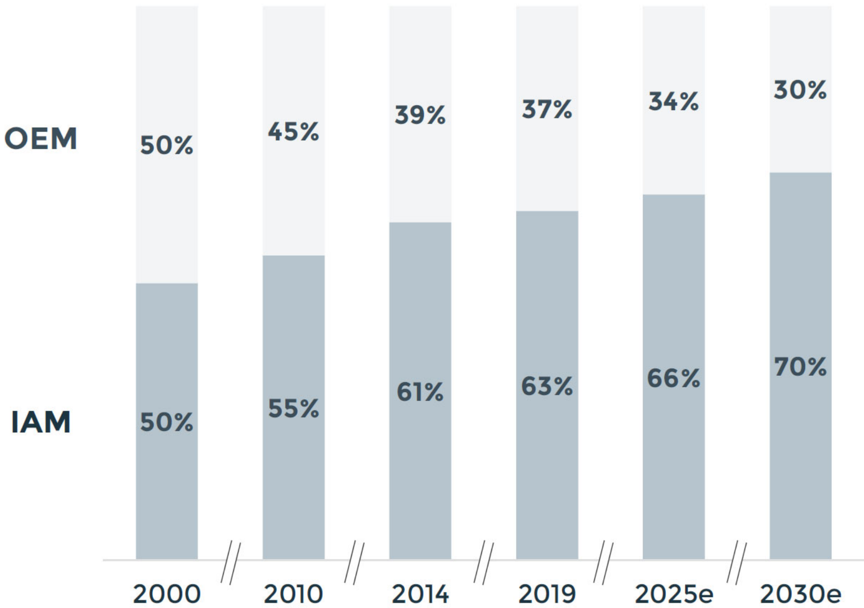
For further illustration, the graphic below shows the age of the vehicles served by the Group, split by the Group's B2B business and Oscaro, as a percentage of revenue, in France as of January 2021.



(Source: Roland Berger Market Study, Group information)

The Western European automotive spare parts aftermarket is characterized by IAM leadership and fragmentation and increasing roles for high-tech and digital solutions, each of which is described in further detail below.

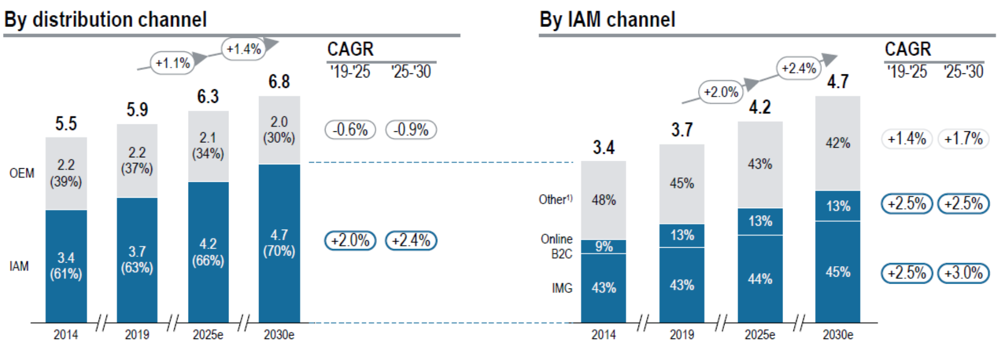
- *Leadership by IAM players as compared to OEM players* in France, Italy, Spain, Belgium and the Netherlands, with IAM players holding approximately 60% of market share, having grown continuously over the last 20 years, gaining an average of 0.5% to 1% of market share per annum and being expected to continue growing. For example, in France, the IAM is forecast to continue growing at 2% per annum to 2025, with market share increasing to 66% in 2025 and 70% in 2030, driven by an aging vehicle parc and attractive multibrand positioning. The rise of IAM players' market share at the expense of OEM players has been a long-term trend since 2000, which has accelerated since 2010 and is expected to continue through 2030, as shown in the chart below.



(Source: Roland Berger Market Study)

*Note: (1) IAM: independent mechanical garages (**"IMG"**), auto centers, fast fitters, tire specialists, retailers and online players.*

The charts below further illustrate the historical and forecast strength of the IAM within the addressable French automotive spare parts distribution market and the addressable French automotive spare parts IAM split by channel, in each case for the periods presented and with forecasts through 2030.

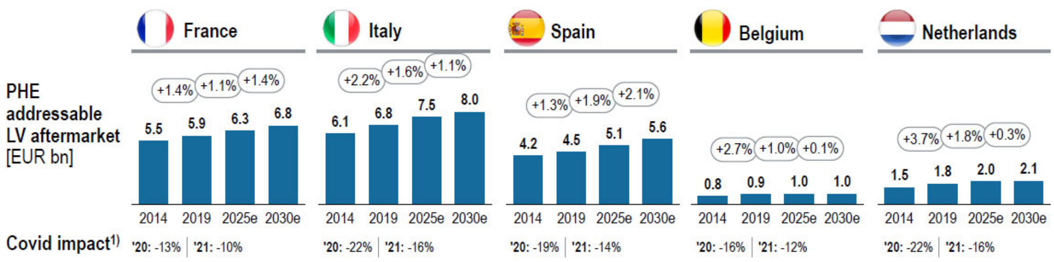


(Source: Roland Berger Market Study)

Note: (1) auto centers, tire specialists, fast fitters, parts accessories dealers, hypermarkets and crash repair centers.

- *Fragmentation of IAM players*, with the top ten IAM players accounting for approximately one-third of the Western European IAM (including independent groups of regional and local distributors), as compared to 78% in the United States, with structural factors (such as purchasing power, logistics, digital assets and the emergence of well-known B2C brands) that favor large players driving consolidation, with such large players (including the Group) gaining share over smaller independent distributors both organically and through acquisitions. Approximately 50,000 independent distributors account for two-thirds of the Western European spare parts IAM, with such independent distributors having an average of €1 to €2 million in annual sales.
- *An increasing role for digital solutions*, further accelerated by the impact of COVID-19 social distancing rules and norms, driving growth in online ordering by B2B customers, growth of B2C web dealers and B2C2B service tools (such as garage comparison and booking services), and which is expected to drive continued structural growth.

Each of the Group's addressable automotive spare parts distribution core aftermarkets in France, Italy, Spain, Belgium and the Netherlands is expected to continue growing through 2030, as shown in the graphic below, driven largely by increasing size of the relevant vehicle parcs and increased average spending, as described above.



(Source: Roland Berger Market Study)
Note: (1) assuming a return to market fundamentals after 2021.

<u>Overview of the online channel of the IAM</u>

The Group is a spare parts distributor in the French online B2C channel of the French IAM via Oscaro, and also offers online and digital tools, such as Autossimo, Truckissimo and Salto, for its professional customers. The Group created Autossimo, its online B2B light vehicle repair and maintenance web portal, in 2000 and Truckissimo, its online B2B truck repair and maintenance web portal, in 2001.

Online spare-parts distributors are generally categorized in three groups: core B2C players (such as Oscaro, Mister-Auto and Auto-doc), marketplaces (such as Cdiscount, eBay, Amazon and Leboncoin) and tire specialists (such as Allopneus). In 2020, the key players in the French core B2C online channel were the Group (via Oscaro) (approximately 40% to 50% of market share), Mister-Auto (approximately 15% of market share), Auto-doc (approximately 15% of market share) and Yakarouler (approximately 5% of market share), who collectively account for 75% to 80% of the market, with the remainder being split across approximately 30 small players.

Key drivers for the B2C online channel include an aging vehicle parc, price sensitivity, particularly for DIY end-customers, flexibility, convenience and delivery times, particularly for DIFM end-customers, as well as online penetration. Online penetration in the core B2C market varies fairly significantly across the countries in which the

Group operates: in 2019, online penetration was high in France (13%), at intermediate levels in Belgium (8%) and the Netherlands (7%) and somewhat lower in Italy (6%) and Spain (5%). Online penetration is projected to grow in all of these countries through 2025, reaching 15% in France (2.5% growth per annum), 11% in Belgium (5.7% growth per annum), 9% in the Netherlands (6.1% growth per annum), 8% in Italy (7.6% growth per annum)and 6% in Spain (5.5% growth per annum), which is expected to work to the benefit of online players, particularly those who are already well-known and operating at scale. France has a mature online channel, due in part to the early emergence of online players, including Oscaro. In France in 2019, online sales represented 12% of total DIY transactions but 50% of total DIY value. The online offer in Belgium and the Netherlands has helped to drive intermediate levels of penetration, but is still developing. The online channels in Italy and Spain are in a development phase and are characterized by less mature e-commerce markets generally and the absence of large, leading players.

5.2.1.2 *Overview of the truck spare parts and repair aftermarket and IAM in France*

The Group also acts as an IAM truck spare parts distributor and repairer in France, although to a lesser extent than the automotive spare parts IAM. The truck spare parts distribution and repair core market in France is a mature market; the overall truck repair market was valued at €5.2 billion in 2019, of which the Group's core market accounted for €1.3 billion (of which €0.7 billion was pure repair and €0.6 billion was spare parts distribution). The Group is the number one IAM player in the truck spare parts and repair aftermarket in France. The Group holds 26% of market share of the addressable market and its key competitors in the truck spare parts distribution and repair core market in France in 2019 were Alliance Automotive Group (22% of market share), TVI (13% of market share) and Todd (6% of market share), with the remaining 33% of market share being held by smaller players. The IAM held approximately an 18% market share of the overall truck spare parts distribution and repair aftermarket in France in 2019. The IAM's share of the truck spare parts distribution and repair aftermarket market in France is expected to grow through 2030, reaching 21%. This growth is expected to be driven by forecasted fleet aging, as well as the increasing technical complexity of trucks. This impacts the capacity of integrated workshops to perform in-house maintenance and leads to loss of share by such integrated workshops for certain complex operations.

5.2.2 Market drivers and growth potential

There are five structural market drivers in the Western European automotive spare parts IAM, which are broadly similar across the geographies in which the Group operates:

- *Size of the vehicle parc*, which refers to the total number of vehicles in operation and which is driven primarily by new vehicle sales, as well as by the proportion of cars remaining on the road over time.
- *Age of the vehicle parc*, which refers to the average age of vehicles in operation and which is driven by the frequency with which older vehicles are replaced with new vehicles.
- *Prices for spare parts*, which are steadily increasing, driven in large part by evolving technology and increasing complexity and sophistication of parts, which in turn favors market players who are already operating at scale.

- *Job frequency*, which refers to the frequency with which repairs and replacement parts are needed, which is, in turn, connected to the number of accidents, the increasing reliability of vehicles and average mileage.
- *Industry megatrends*, which are expected to create new revenue opportunities from partnerships with OEMs as well as product categories in which large IAM players such as the Group are well placed, including in relation to (i) safety features, such as improved quality of body parts and increasing use of sensors, (ii) comfort features, such as upgrades to the overall driver/passenger experience and the use of more sophisticated components and (iii) batteries and other electric vehicle components. Growth driven by safety and comfort features is expected to largely offset the negative impacts of electric vehicle powertrain impacts on maintenance costs (which are expected to arise as a result of the electrification of the vehicle parc). In the longer term, other megatrends, such as technological inflation (driven by increasing use of new technologies such as ADAS equipment (sensors and frontal radars, which are highly vulnerable, with a double-digit increase in replacements being observed in recent years, and cameras, which are mostly protected but which need to be recalibrated each time auto glass is replaced), LiDAR sensors, LED matrix headlights, new exhaust and converter systems and carbon fiber bumpers) and connectivity solutions (which are expected to increase maintenance frequency and increased spending, as well as increasing the use and value of data-connected services), are expected to create upsides to counterbalance certain of the potential negative impacts from pure electric vehicles and autonomous vehicles (such as EV brake pads experiencing less and wear and tear and thus requiring less frequent replacement and pure EVs not generally requiring motor oil) that may emerge after 2025 and 2030, respectively.

In addition, the Group benefits from a regulatory environment that, despite its uncertainty, presents clear opportunities for IAM players, as it is characterized by deregulation of captive parts as well as EU-level initiatives relating to the transition to low- and zero-emission vehicles, technical inspections and free access to data, each of which is described in further detail below.

- *Deregulation of captive parts* pursuant to Commission Regulation (EU) No 461/2010 of May 27, 2010 and Commission Regulation (EU) No 330/2010 of April 20, 2010, which has had a liberalizing effect that opened the way for further competition for the distribution of these parts, is expected to favor IAM players over OEM players and which is expected to create opportunities for the Group to increase its ability to address cars under five years old as well as in the five- to ten-year-old range; more parts are expected to be subject to liberalizing regulation by 2025, although there are ongoing regulatory efforts in France that resist this trend.
- *EU-level initiatives that favor the transition to low- and zero-emission vehicles* pursuant to the Paris agreement, which is expected to positively impact IAM players by increasing the frequency and number of compulsory tests for vehicles in order to meet various emissions standards, as well as contributing to a more general trend whereby more complex, "new generation" vehicles drive higher parts prices.
- *Increasingly stringent EU-level regulation on technical inspections* of vehicles, with an EU-harmonization being implemented via Directive 2014/45/EU of the

European Parliament and of the Council of April 3, 2014; this trend is expected to lead to increased servicing and repairs, particularly for vehicles over five years old, as well as to increased equipment sales to garages of products, such as gas analyzers and de-scaling machines, and sales of auto parts related to de-pollution systems, such as particle filters, EGR valves and flowmeters.

- *EU regulations relating to free access to data*, as OEMs have had to share connected car data with third parties since September 2020 pursuant to EU regulation, which works to the benefit of IAM operators who now have access to this valuable information.

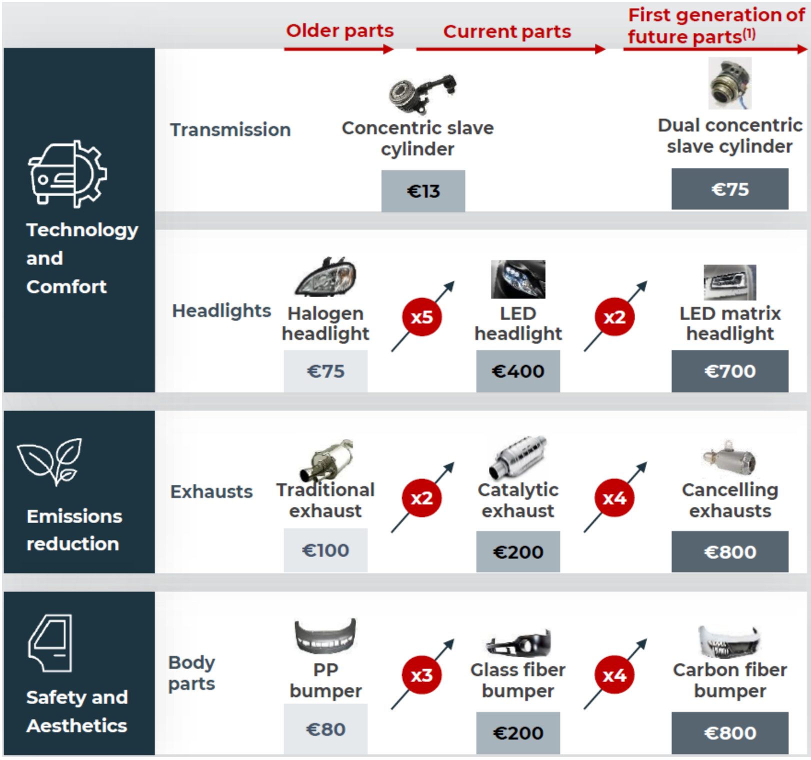
5.2.2.1 *Market drivers and growth potential of the automotive spare parts distribution aftermarket and IAM in France*

The addressable French automotive spare parts distribution core aftermarket is large and mature, with revenue of €5.9 billion in 2019, and is forecast to grow at a CAGR of 1.1% over the 2019 to 2025 period, reaching €6.3 billion in 2025, and a CAGR of 1.4% over the 2025 to 2030 period, reaching €6.8 billion in 2030. This represents similar growth to the 2014 to 2019 period (a CAGR of 1.4%).

Growth of the French automotive spare parts distribution core aftermarket through 2030 is expected to be supported primarily by vehicle parc growth (forecast to grow from approximately 39 million units in 2019 to approximately 41 million units in 2030), which positively impacts maintenance frequency to the benefit of IAM players, as well as general trends of vehicle parc aging, increasing average car mileage and increasing spare parts prices. When vehicles get older and fall outside of the OEM warranty period, customers tend to shift to IAM operators, who generally offer more affordable products. IAM garages benefit from increased expertise and professionalization from distributors, who contribute to an overall increase in quality of service through specialized training and technical support.

The IAM in France generated revenue of €3.7 billion in 2019, which is expected to increase to €3.9 billion by 2022. In 2019, the IAM in France held 63% of market share, which is expected to increase to 66% by 2025 and 70% in 2030, driven by the vehicle parc's aging positively impacting IAM volumes, attractiveness of multi-brand positioning and consumer trends favoring lower-cost solutions.

In the coming years through 2030, French IAM players are expected to continue to gain market share from OEM players, having driven market growth for IAM players by 0.6% in the 2014 to 2019 period, and being forecast to drive market growth for IAM players by 0.8% and 1.2% per annum, respectively, in the 2019 to 2025 and 2025 to 2030 periods. Together with other growth drivers in the aftermarket, including parts content increase, vehicle parc developments and electrification, these factors have driven growth in the French automotive spare parts IAM of 2.1% per annum over the 2014 to 2019 period, and are expected to drive growth of 2.0% and 2.4% per annum over the 2019 to 2025, and 2025 to 2030 periods, respectively, with parts content increase being the most significant growth factor. The graphic below shows how parts content increase tends to drive higher average selling prices across multiple product categories.



(Source: Roland Berger Market Study, Group information and estimates)
Note: (1) Starting with premium vehicles.

Further, the Group tends to make higher euro-per-part margins on higher price components. For example, on premium brand clutch kits, which are relatively high-price components, the average selling price is €402 and the Group's average margin (pre-transportation) is €167 while, on wiper blades, which are relatively low-price components, the average selling price is €13 and the Group's average margin (pre-transportation) €6.

5.2.2.2 *Market drivers and growth potential of the automotive spare parts distribution aftermarkets and IAMs in Western Europe*

a. Belgium and the Netherlands

The addressable Belgian and Dutch automotive spare parts distribution core aftermarkets are well-developed, with revenue of €0.9 billion and €1.8 billion, respectively, in 2019, and are forecast to grow at CAGRs of 1.0% and 1.8%, respectively, over the 2019 to 2025 period, reaching €1.0 billion and €2.0 billion, respectively, in 2025, and CAGRs of 0.1% and 0.3%, respectively, over the 2025 to 2030 period, to €1.0 billion and €2.1 billion, respectively, in 2030. This represents slower growth as compared to the 2014 to 2019 period (CAGRs of 2.7% and 3.7%, respectively). Growth in the Belgian and Dutch automotive spare parts distribution core aftermarkets through 2030 is expected to be driven primarily by rising spare parts prices, particularly after 2025.

The IAMs in Belgium and the Netherlands generated revenue of €0.6 billion and €1.1 billion, respectively, in 2019. In 2019, the IAMs in Belgium and the Netherlands held 61% of market share, which is expected to increase to 62% by 2025 and 65% in 2030, driven by the vehicle parc's aging positively impacting IAM volumes, attractiveness of multi-brand positioning and consumer trends favoring lower-cost solutions.

b. Italy

The addressable Italian automotive spare parts distribution core aftermarket is well-developed, with revenue of €3.3 billion in 2019, and is forecast to grow at a CAGR of 1.6% over the 2019 to 2025 period, reaching €3.6 billion in 2025, and a CAGR of 1.1% over the 2025 to 2030 period, reaching €3.9 billion in 2030. This represents slower growth as compared to the 2014 to 2019 period (CAGR of 2.3%). Growth in the Italian automotive spare parts distribution core aftermarket through 2030 is expected to be driven primarily by increasing mileage and slightly increasing spare parts prices, particularly after 2025.

The IAM in Italy generated revenue of €2.1 billion in 2019. In 2019, the IAM in Italy held 63% of market share, which is expected to increase to 68% by 2025 and 71% in 2030, driven by the vehicle parc's aging positively impacting IAM volumes, attractiveness of multi-brand positioning and consumer trends favoring lower-cost solutions.

c. Spain

The addressable Spanish automotive spare parts distribution core aftermarket is well-developed, with revenue of €4.5 billion in 2019, and is forecast to grow at a CAGR of 1.9% over the 2019 to 2025 period, reaching €5.1 billion in 2025, and a CAGR of 2.1% over the 2025 to 2030 period, reaching €5.6 billion in 2030. This represents accelerated growth as compared to the 2014 to 2019 period (CAGR of 1.3%). Growth in the Spanish automotive spare parts distribution core aftermarket through 2030 is expected to be driven primarily by a growing vehicle parc and increasing spare parts prices due to technological improvements.

The IAM in Spain generated revenue of €2.6 billion in 2019. In 2019, the IAM in Spain held 57% of market share, which is expected to increase to 60% by 2025 and 62% in 2030, driven by the vehicle parc's aging positively impacting IAM volumes, attractiveness of multi-brand positioning and consumer trends favoring lower-cost solutions.

5.2.2.3 *Drivers and growth potential of the online channel of the IAM*

The key decision factors for online B2C customers are price and affordability (in the case of DIY B2C customers) and speed of delivery, flexibility and convenience (in the case of DIFM B2C customers).

Penetration in the core B2C online channel varies fairly significantly across the countries in which the Group operates: in 2019, online penetration was high in France (13%), at intermediate levels in Belgium (8%) and the Netherlands (7%), and somewhat lower in Italy (6%) and Spain (5%). Online penetration is projected to grow in all of these countries through 2025, reaching 15% in France (2.5% growth per annum), 11% in Belgium (5.7% growth per annum), 9% in the Netherlands (6.1% growth per annum), 8% in Italy (7.6% growth per annum) and 6% in Spain (5.5% growth per annum), which is expected to work to the benefit of online players, particularly those who are already well-known and operating at scale. France has a mature online channel, due, in part, to the early emergence of online players, including Oscaro. In France in 2019, online sales represented 12% of total DIY transactions but 50% of total DIY value. The online offer in Belgium and the Netherlands has helped drive intermediate levels of penetration, but is still developing. The online channels in Italy and Spain are in a development phase and are characterized by less mature e-commerce markets generally and the absence of large, leading players. The key drivers of online penetration are the development of an offer-driven market (such as by large players) that creates a competitive landscape and information availability, overall internet/e-commerce maturity led by high levels of customer affinity for tech and the internet and the appeal of online channel for both DIY and DIFM (B2C2B) end-customers, which is, in turn, driven by the age of the vehicle parc and price sensitivity.

The French core B2C online channel is mature and was valued at approximately €484 million in 2019 and is forecast to grow to approximately €560 million by 2025 (a CAGR of 2.5%), with core B2C online penetration forecast to grow from 13% to 15% and IAM online penetration remain stable at 13%, in each case over the same period.

The Belgian core B2C online channel is at an intermediate stage of development. This channel was valued at approximately €43 million in 2019 and is poised for growth, being forecast to grow to approximately €60 million by 2025 (a CAGR of 5.7%), with both core B2C and IAM online penetration forecast to grow from 8% to 11% over the same period.

The Dutch core B2C online channel is at an intermediate stage of development. This channel was valued at approximately €82 million in 2019 and is poised for growth, being forecast to grow to approximately €117 million by 2025 (a CAGR of 6.1%), with both core B2C and IAM online penetration forecast to grow from 7% to 9% over the same period.

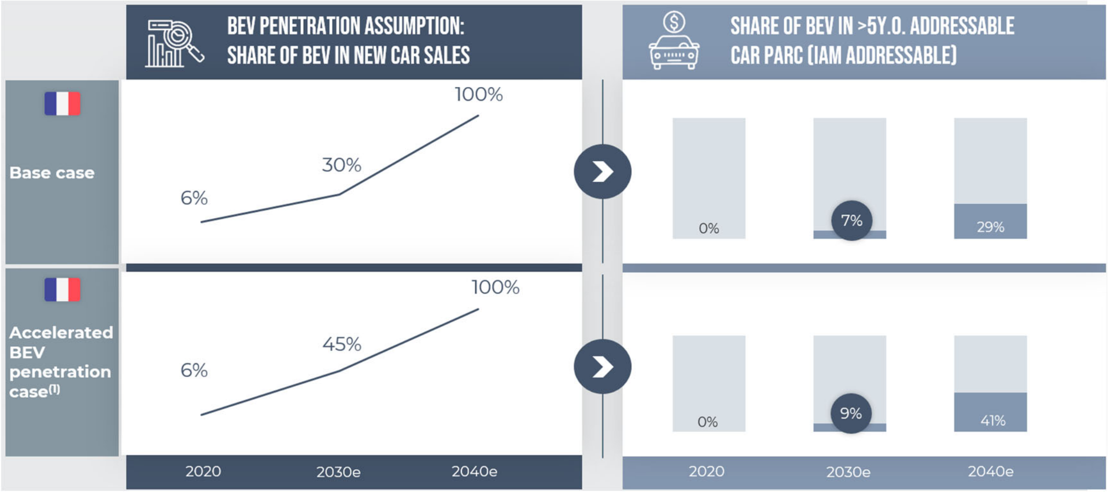
The Italian core B2C online channel is less developed than the French B2C online channel, but is poised for growth. This channel was valued at approximately €257 million in 2019 and is forecast to grow to approximately €359 million by 2025 (a CAGR of 7.6%), with both core B2C and IAM online penetration forecast to grow from 6% to 8% over the same period.

The Spanish core B2C online channel is less developed than the French B2C online channel, but is poised for growth. This channel was valued at approximately €136 million in 2019 and is forecast to grow to approximately €188 million by 2025 (a CAGR of 5.5%), with both core B2C and IAM online penetration forecast to grow from 5% to 6% over the same period.

5.2.2.4 *Drivers and growth potential related to the penetration of electric vehicles*

Electric vehicle penetration in the Group's addressable automotive spare parts distribution core aftermarket is expected to be progressive, with little material impact before 2030.

The graphics below show the expected share of electric vehicles in (i) new car sales between 2020 and 2040 in France and (ii) the car parc aged over five years in France between 2020 and 2040.



(Source: Roland Berger Market Study)

Note: (1) Assuming a +15% BEV penetration by 2030 in accelerated BEV penetration case v. base case.

Annual maintenance costs per vehicle are expected to keep growing through 2040, driven in part by electric vehicles. According to the Group, average fleet yearly maintenance costs per vehicle, as adjusted for the Group's addressable product mix, are expected to increase by 11% by 2030 and by 19% by 2040 in France. However, such maintenance costs are expected to vary depending on vehicle technology. In France, by 2030, average fleet yearly maintenance costs per vehicle technology, as adjusted for the Group's addressable product mix, are expected to (i) increase by 13% for traditional light vehicles (internal combustion engine vehicles), which will account for 91% of the car parc aged over five years in 2030, (ii) increase by 16% for plug-in hybrid electric vehicles, which will account for 2% of the car parc aged over five years in 2030 and (iii) decrease by 15% for electric vehicles, which will account for 7% of the car parc aged over five years in 2030. This reflects the fact that while electric vehicles have approximately 25% less content, as compared to traditional light vehicles, they are subject to the same content increase trends as other vehicles.

5.3 HISTORY AND IMPORTANT EVENTS

The Group was founded in 1962 to formalize the cooperation among a number of existing independent light vehicle aftermarket distributors, and quickly became a key operator in France, providing a link between original equipment suppliers and spare parts suppliers, on the one hand, and garages, local spare parts distributors, body shops, fast-fitters and car centers, on the other hand. In 1983, the Group expanded its footprint throughout France, both at the distributor level and the garage level, by forming its network of wholly-owned distributors and, in 1985, by rolling out its concept of a network of branded garages that comprised key customers that operate independently from the Group. The Group launched its truck business in 1988 to supply spare parts for trucks, tractors and trailers, and was the first independent distributor network of truck spare parts in France. The Group's strategy in recent years has focused on regrouping its footprint in France and expanding into adjacent continental Western European markets and complementary channels and product offerings. The Group also distributes its own private label product offerings, ISOTECH (rolled out in 2001), Requal (in Benelux) and Xenergy (in Italy), which feature spare parts, such as batteries, brake pads, lubricants, water pumps and headlights.

The Group has continued expanding its logistics platforms, distribution network and product and service offering in France through organic growth and strategic acquisitions. For example, the Group enhanced its logistics platforms and expanded its offering to include body parts through the acquisitions of Cora, a leading independent French distributor of light vehicle parts for collision repair, in 2005, and Bremstar, a distributor with a logistics platform dedicated to truck parts for maintenance and repair, in 2008. Between 2012 and 2017, the Group increased its footprint in France by acquiring a number of French distributors.

In 2017, the Group purchased Mondial Pare-Brise, a French auto glass repair network, expanding into a complementary product range. The Group has also expanded into complementary channels to address new customer bases. For example, the Group has progressively enhanced its online offering over the past two decades. The Group created Autossimo, its online B2B light vehicle repair and maintenance web portal, in 2000 and Truckissimo, its online B2B truck repair and maintenance web portal, in 2001. As another example, the Group acquired ACR, a specialized French distributor of light vehicle spare parts, in 2014, and Doyen Auto, a Belgium-headquartered distributor of aftermarket light vehicle spare parts, in 2016, which the Group believes has enabled it to become a leading distributor to online players and to expand its platform to serve its key customers. The Group also created www.ad.fr and www.idgarages.com, which allow customers to locate and compare garages and schedule service appointments online, and has led to the enhanced development of the Group's relationships with web dealers.

The Group also has a history of successfully acquiring and integrating strategic targets in adjacent geographic markets, which remains its strategy today. The Group was acquired by its current principal shareholder, Bain Capital, in 2015. Since 2015, the Group has diversified and internationalized its business with new product and channel offerings and expansions into adjacent geographies, as with the acquisition of Doyen in 2016, and has also focused on improving profitability with Bain Capital's support.

In 2017, the Group entered the Italian market with the creation of a joint company, Autodis Italia Holding S.r.l., with three Italian distributors (OVAM, Top Car and Ricauto) and, in 2018, the Group acquired G-Group, an independent spare parts distributor in Italy. In 2016, the Group acquired the Doyen Auto Group, allowing it to expand into Benelux, and, in 2018, the Group acquired Geevers and Verviers Freins, further expanding its operations in Benelux. In 2018, the Group significantly expanded its reach in the B2C online business by acquiring Oscaro, the French leader in online sales of light vehicle spare parts. In 2019, the Group acquired a 75.0% stake in AD Bosch for a consideration of €48.1 million, which enabled the Group to enter the Spanish market and subsequently increase its ownership in AD Bosch to 75.1% in 2020. AD Bosch is a leading B2B independent spare parts distributor in Catalonia with approximately 34 distribution sites as of December 31, 2020. AD Bosch is one of the largest members of AD Parts, a leading independent auto parts network of purchasing, distribution, manufacturing and services in Iberia that comprised 27 independent affiliated distributors and 538 distribution centers in Spain and Portugal as of December 31, 2020. AD Parts historically has demonstrated a strong growth track record, gaining market share from its competitors. In 2019, the Group expanded in Italy, where it acquired Team Ricambi S.r.l., a historic Sicilian spare parts distributor based in Catania. In 2020, the Group expanded in Belgium, where it acquired AD-Autoparts NV, and in Italy, where it acquired 2G Padauto S.r.l., a spare parts distributor based in Bologna and operating in the Emilia-Romagna region.

The Group has also developed and implemented operating strategies designed to increase its revenue, reduce its leverage, costs and capital expenditures, and improve margins. These strategies include the introduction of a new management team in 2010, the implementation of a profit-improvement plan, the revision of distributor margins and the roll-out of fully-integrated logistics platforms, such as Logisteo. For example, the Group has implemented a transparent model with a rationalized distribution network, which has led to higher customer loyalty, and is also increasingly focused on transition from direct-flow business to platform-flow business that uses its fully integrated logistics platforms.

Having started out as a traditional spare parts distributor, the Group has evolved through a period of market leadership in France to its position today as a leader in the IAMs in which it operates. Today, the Group continues its original mission of linking suppliers to customers in France, Benelux, Italy and Spain, offering value-added services and leveraging its logistical prowess as a fully-integrated intermediary serving all levels of the value chain in the spare parts markets.

5.4 STRENGTHS AND STRATEGIES

5.4.1 Strengths

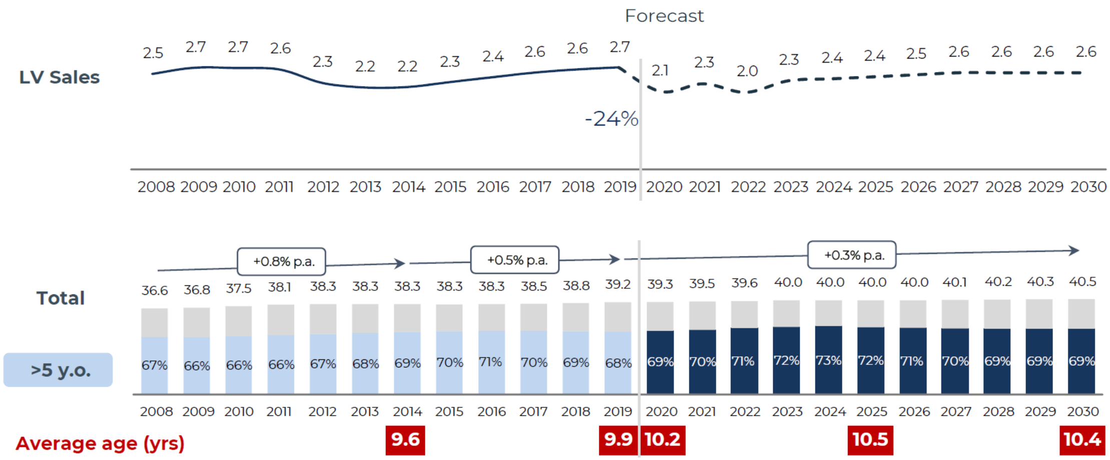
5.4.1.1 *A leading player in the structurally growing, resilient, predictable and fragmented continental Western European automotive spare parts IAMs, contributing to affordable and sustainable mobility.*

The Group is a leading IAM distributor in the continental Western European automotive spare parts aftermarkets. The Group has consistently delivered outstanding performance in this attractive, low-risk sector that is distinguished by strong fundamentals. The IAMs in which the Group operates are structurally growing, resilient, predictable and fragmented, with clear benefits of scale driving increasing consolidation by large IAM players that are already at scale (such as the Group) who are consistently gaining market share from OEM players who struggle to compete with the price advantage offered by IAM players, and who are structurally disadvantaged in a market composed of an increasingly large variety of automotive brands.

The Western European automotive spare parts distribution core IAM is large and growing steadily as a result of long-term structural factors (including, in particular, a growing and aging car parc and increasing complexity and technology-driven nature of vehicles and spare parts (also referred to as "content increase")), posting structural growth of 1.4% over the 2014 to 2019 period and having generated total revenue of approximately €49.7 billion in 2019, with the wider Western European automotive spare parts distribution aftermarket having generated total revenue of approximately €89.4 billion in 2019. The Group's markets have been experiencing rebounding performance following initial COVID-19-related lockdowns during 2020, as described further in Section 5.4.1.5 "Demonstrating resilient performance through COVID-19, significantly outperforming its peers and markets and well-positioned for a post COVID-19 market rebound" of this Registration Document. From 2019 to 2025, the Western European automotive spare parts distribution core aftermarket is forecast to grow at a CAGR of 1.1% (assuming a wide roll-out of vaccines by the third quarter of 2021 that prevents a resurgence of COVID-19) and, from 2025 to 2030, is forecast to grow at a CAGR of 1.4%, driven largely by increasing size of the vehicle parc and increased average spending.

The Western European automotive spare parts aftermarket is resilient and predictable, and is supported by strong underlying drivers that are expected to remain relevant over the mid- to long-term through 2025 and 2030. These drivers include exposure to an aging, large and steadily growing existing car parc with limited impact from new car sales volatility (the Group's addressable market is a car parc of approximately 128 million vehicles, with 7 million additional cars being added to this market each year), gradual car parc evolution and steady customer demand even during economic downturns. The drivers create high visibility on vehicle parc patterns (five to ten years into the future, and beyond, for IAM players).

The graphics below show the evolution of new light vehicle sales and the size and age of the car parc in France (the Group's main market) for the periods presented, as well as forecasts through 2030, demonstrating the historical and projected stability of the French car parc and its aging nature.



(Source: Roland Berger Market Study)

The high visibility that benefits the IAM is illustrated by the fact that 50% of the vehicles the Group expects to service in 2030 and 100% of the cars the Group expects to service in 2025 are already in service today. The age of the car parc is also structured advantageously for the Group: the Group's core market is vehicles aged over three to five years and, in France in 2019, the average car was 9.9 years old, which increased to 10.2 years old in 2020 and is forecast to increase to 10.5 years old in 2025, and to remain materially stable at 10.4 years old in 2030. The average car served by the Group in 2021 was approximately 13 years old. The Group believes this visibility into the size and composition of the car parc enables it to anticipate and seize opportunities that are driven by long-term trends.

The IAM also benefits from increasingly complex and expensive spare parts (such as front cameras, rear view cameras, radars, automated driving systems, powertrains, driver monitoring systems, surround view sensors, LiDAR sensors (*i.e.*, remote sensing technology that measures distance by illuminating a target with a laser and analyzing the reflected light)) driven by new technologies and exposure to industry megatrends. These industry megatrends, which relate to safety, comfort and power train evolution, are expected to create new revenue opportunities from partnerships with OEMs, as well as exposure to product categories in which large IAM players, such as the Group, are well-placed.

At present, the Group's markets are fragmented and are forecast to continue consolidating in the coming years, to the advantage large IAM players. The top ten IAM players account for approximately one-third of the Western European IAM (including independent groups of regional and local distributors), as compared to 78% in the United States, with structural factors, such as purchasing power, developed logistics operations, digital assets and the emergence of well-known B2C brands, that favor large players (and which particularly favor the Group) driving consolidation, with such large players gaining share over smaller independent distributors through organic and M&A-led growth. In France in 2019, the Group held the largest market share in terms of revenue among IAM players (39% (including Autodistribution, Oscaro, Cora, ACR, Doyen France, Mondial Pare-Brise and API), an increase from 29% in 2017 and which increased to 41.5% in 2020), followed by GPC/Alliance Automotive Group through its French subsidiaries (29%, an increase from 26% in 2017), Groupe IDLP (5%), Laurent (3%, and which went into liquidation at the end of 2019) and Aurilis (3%). Smaller players in the French IAM are under significant competitive pressure, due in part to having weaker purchasing and pricing power and less-developed logistics expertise, as compared with larger players.

The Group believes that consolidation within the Western European automotive spare parts IAMs tends, and will continue to tend, to favor large players like the Group, who have already achieved significant economies of scale, supported by broad and deep SKU assortments, state-of-the-art logistics systems enabling rapid and frequent deliveries, strong purchasing power leading to competitive pricing and superior service offerings bolstered by strong online, digital and data platforms, and who are able to achieve superior margins as a result of these factors. Each of these factors presents significant barriers to entry to smaller players, as well as new market entrants, including those of larger scale who do not already have extensive existing spare parts distribution capabilities.

In the coming years, French IAM players are expected to continue to gain market share from OEM players: these gains drove market growth for IAM players of 0.6% in the 2014 to 2019 period, and are forecast to drive market growth for IAM players by 0.8% and 1.2% per annum, respectively, in the 2019 to 2025 and 2025 to 2030 periods. Together with other growth drivers in the aftermarket, including parts content increase, vehicle parc developments and electrification, these gains have driven growth in the French automotive spare parts IAM of 2.1% per annum over the 2014 to 2019 period, and are expected to drive growth of 2.0% and 2.4% per annum over the 2019 to 2025 and 2025 to 2030 periods, respectively, with parts content increase being the most significant growth factor. Further, the combination of increasing professionalization of IAM garages and shrinking OAM networks is expected to further propel IAM market share gains at the cost of OEM operators. IAM garages are increasingly capable of handling vehicles with complex technological content. To this respect, approximately 850 multibrand diagnostic tools for electric and electronic failures were sold by the Group in 2020 (representing approximately 30% of market share of this market). The Group's garages are especially prepared for this trend, with more than 3,500 of the Group's garages having been trained on hybrid and electric cars via Institut AD over the 2018 to 2020 period, and approximately 170 of the Group's garages and body shops having been equipped with ADAS safety tools as of 2020. The Group estimates that in 2020 there were approximately 12,900 OEM dealers in France, a 12% decline from approximately 14,700 in 2014, and expects this population to shrink by approximately 20% to 10,300 in 2025. The Group believes this reflects decreasing customer interest in visiting OEM dealers (as evidenced by over 40% of car buyers in France purchasing their car with no test) and also reflects ongoing OEM network rationalization efforts.

The Group's industry is distinguished by the unique and attractive features described above and the automotive spare parts distribution business also generally commands higher margins than other B2B distribution businesses, with an average pre-IFRS 16 current EBITDA margin of 9% as compared to steel products (average pre-IFRS 16 current EBITDA margin of 3%), chemical products (7%), food service (4%) and industrial supplies (6%). This is primarily due to key differentiating characteristics of the automotive spare parts market, including lower supplier bargaining power, a significant service component, complex logistics requirements, greater assortment/SKU requirements and scale benefits.

In these large and attractive markets, the Group is a strong leader. In France, the Group is the market leader in the IAMs in which it operates, with both the largest independent single-branded distribution network and the largest market share by revenue (41.5% in 2020), including in the French online B2C market, where Oscaro holds an estimated 40% to 50% of market share by revenue. Internationally, the Group holds leading positions as well. In 2020, it was the second largest light vehicle IAM distributor in both Belgium and Italy (with 21% and 8% of market share in terms of revenue, respectively), the fourth largest light vehicle IAM distributor in the Netherlands (with 6% of market share in terms of revenue) and, after entering the Spanish light vehicle IAM with the acquisition of a 75.0% stake in AD Bosch in 2019, it has become a leading B2B distributor in Catalonia, with approximately 34 sites as of December 31, 2020, and is a member of AD Parts, which is the leading light vehicle IAM distributor in Iberia, holding 27% of market share in terms of revenue in 2020.

The Group is also well-positioned in regards to and has a clear strategy to capitalize on anticipated opportunities from the mix shift in parts that is expected to arise from the penetration of electric and autonomous vehicles. In 2018, traditional engine-related spare parts accounted for 25% of the Group's revenue for light vehicles, while other components accounted for 75%. The Group anticipates benefiting from an increase in prices of spare parts for electric and autonomous vehicles, driving higher margins for these components and offsetting a decrease in higher volumes but lower margins spare parts of internal combustion engine. The Group expects a positive impact on prices of electric-only vehicles spare parts (such as high-voltage batteries, traction motors, inverters and on-board chargers) and safety / comfort-related spare parts (such as ADAS equipment, tires, shock absorbers and disc brakes) and a negative impact on internal combustion engine spare parts of traditional vehicles (such as turbo chargers, 48 volt batteries, timing belts and oils). The Group believes it will be able to: (i) reinforce its position in existing non-impacted products (such as tires, windshields, oil and other consumables and accessories), which the Group is already doing in its Cora business, which stocks body parts and glass for electric and hybrid vehicles, as well as with the addition of Lexus to the Group's brand portfolio, over the short-term, (ii) enable its professional customers to address the electric vehicle market through training, diagnostic equipment and software support over the mid-term, (iii) partner with new electric vehicle OEMs that do not have a wholesaler or repairer network, potentially leading to outsourcing of maintenance and spare parts logistics, as the Group is already doing with its partnership with Aiways, over the mid-term, (iv) develop its electric vehicle powertrain parts offering and enter adjacent channels, such as battery re-manufacturing, over the long-term, and (iv) win share over smaller competitors that are less equipped to manage the emergence of significant numbers of electric vehicles joining the vehicle fleet over the long-term.

Finally, the Group plays a critical role as an active promoter of affordable and sustainable mobility, as well as in the circular, local and regional economies. The Group sells products that are generally more affordable than those sold by OEM competitors while also lowering such vehicles' environmental impact and ensuring their continued safety and reliability on the road throughout the useful life of the vehicle. The Group's re-manufacturing initiatives and promotion of second-hand products also serve to extend the useful life of both vehicles and parts, which is a valuable contribution to the circular economy. The Group's dense local network contributes to local mobility, serving local and regional economies. The Group continuously strives to lessen the environmental impact of its business, through a strong focus on reducing and recycling packaging and logistics initiatives aimed at reducing its carbon footprint, including through the implementation of route planning algorithms and the use of GPS-equipped and electric vehicles.

5.4.1.2 *A leading integrated, omnichannel and digitally-enabled automotive spare parts distributor with a proven, winning business model.*

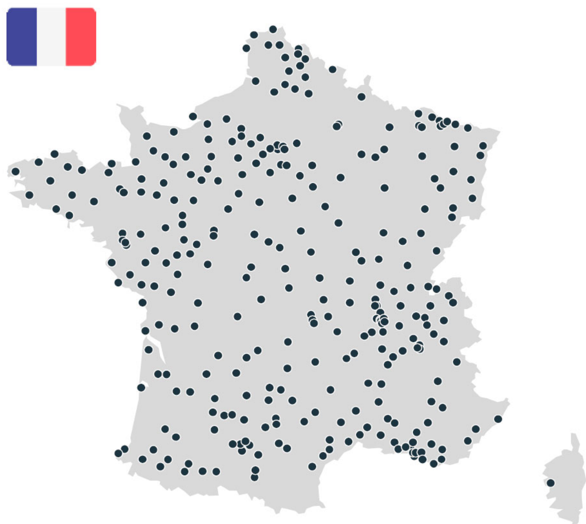
The Group plays a crucial role as a distributor within the large and complex spare parts distribution ecosystem, due to the specificities of this ecosystem, which include the wide breadth of SKUs involved, increasing complexity of parts, the need to identify and match parts with specific vehicle models across an increasing number of vehicle brands, the need to quickly supply customers and who cannot anticipate needs far in advance and the fragmentation of end-customers (*i.e.*, drivers), all of which are expected to lead to an increasing advantage for IAM players, such as the Group, that are already operating at significant scale.

The Group's success is driven by its proven integrated, omnichannel and digitally-enabled business model, which allows it to deliver the right product, to the right place, at the right time. The Group's business model is distinguished by its comprehensive available product assortment, optimized approach to purchasing and pricing, logistics excellence, dense distribution network, dual-proposition distribution and service offering that serve both suppliers and customers, and an online and digitally-enabled, data-driven approach that is applied across its entire business. This business model has been the engine for the Group's consistent organic growth that has surpassed that of its peers and its market, as well as its sustained margin expansion. The Group's differentiated model is founded on its long-standing relationships with its suppliers, its fully-integrated logistical platforms, its extensive continental Western European distribution network and its commitment to online and digital innovation and excellence.

The Group works with over 250 spare parts suppliers and purchased more than €1.3 billion of spare parts in 2020. This scale gives the Group significant purchasing power, which allows it to obtain excellent purchasing terms, influence purchasing habits of downstream customers and strengthen international purchasing cooperation, including through AD International. In 2020, 19% of the Group's purchases consisted of body parts and paints, 24% of which were mechanical and technical parts, 8% of which were steering and suspension spare parts, 15% of which were wear and tear-related parts, 13% of which were service spare parts, 8% of which was repairer equipment and 12% of which were other consumables, with an increasing share of equipment for garages and consumable products. The Group benefits from strong expertise in product assortment selection and aims to maintain a maximum of two main brands per product, with additional brands to cover certain spare parts. The Group's purchasing strategy is centered around its powerful central purchasing unit, which has significant bargaining power due to its scale and its ability to influence the purchasing practices of its downstream customers.

The Group operates a state-of-the-art logistics control model centered on its fully-automated central warehouse and logistics platform, Logisteo, that helps control costs while improving product availability and delivery times. Logisteo has enabled the Group to optimize its upstream logistics offering and to consolidate supply flows via the use of a single delivery point (accounting for approximately 60% of supply flows in 2020 as compared to 18% in 2010), which helps optimize logistics flows with suppliers, drive lower costs and reduce the Group's carbon footprint. Logisteo also has enabled the Group to internationalize its approach to logistics, which has been critical in its international expansion efforts.

The Group manages a high-density downstream distribution network, based on a highly efficient inventory model that allows it to offer excellent product availability and delivery times to its customers, alongside premium solutions and services. This distribution network enables approximately 90% of the Group's products to be delivered within two hours, 95% of the Group's products to be delivered within four hours and 100% of the Group's products to be delivered within one day. The Group benefits from a superior ability to manage its vast, growing and highly technical product mix. The Group carefully manages SKUs from its platforms, with approximately 600,000 SKUs offered at Group level and approximately 95,000 SKUs managed via Logisteo, to its regional pivot sites, which stock up to 27,000 SKUs, and its local distribution sites, which stock up to 14,000 SKUs. This downstream network flows from suppliers (who generally stock over three million SKUs) down to the Group's professional customers, who are generally able to carry only very limited inventory, with the Group bringing this critical gap. The Group distribution network is dense, with 400 sites in France (72 of which are pivot/regional sites, 293 of which are delivery sites and 35 of which are proximity sites), creating coverage that is very difficult for competitors to match. The power and scale of this distribution network also enable the Group to negotiate with its key accounts at a national level, giving it substantial bargaining power. The graphic below illustrates the high density of the Group's distribution network in France.



(Source: Group information and estimates)

Private label parts are another area in which the Group has been a pioneer, developing an extensive complementary offering within a growing universe of proprietary and price-competitive private label products that are well-situated in a large, growing and highly technical assortment of products. The Group launched its private label ten years ago, while competition in this arena was still in a nascent stage. The Group has grown this offering and is now the top private label brand among French distributors, with a penetration rate of approximately 20% in covered product categories (based on total volumes for light vehicles in France), reaching, for example, approximately 60% for starter-alternators, and growing historically by approximately 200 basis points per annum. The Group's private label offering covers approximately 45 product categories, from braking equipment to filters, oil, batteries, consumables and garage equipment. The Group's private label offering also offers attractive margins, with a gross margin increment as compared to "premium" products of greater than 5%. The Group has a number of levers for margin improvement within its private label offering, including consolidating and concentrating sourcing for these products at the European level (with this process for ISOTECH and Requal slated to be finalized in 2021 and the next areas of focus being Xenergy in Italy and AD in Spain), its ability to regularly improve negotiating terms as volumes increase and its ability to further develop direct Asian sourcing options.

Another distinguishing feature of the Group's business model is the dual nature of its proposition, offering efficient and rapid distribution to customers and providing value-added services (including digital and online solutions and technology support) to both customers and suppliers. The Group believes this approach fosters a win-win relationship with the Group's customers that is based on availability, services and business development, alongside a garage value proposition based on purchase commitment, technical standards and sales promotion.

The Group is also a pioneer in using an omnichannel approach to serve its customers, having developed digital and online solutions to enhance its offering to customers across the B2B, B2C and B2C2B channels, which it believes drives customer loyalty and market share gains. The Group is a leader in digital differentiation across segments, offering innovative and value-additive digital customer experiences and services in B2B online ordering (Autossimo and Truckissimo), B2C2B online platforms (www.ad.fr and www.idgarages.com), B2C e-commerce (Oscaro) and technical support (Institut AD and Grup Eina Digital). This approach drives clear benefits for the Group, giving it a strong identification tool that enables deeper market understanding through data collection, increasing customer stickiness, improving efficiency, lowering selling costs and generating additional business for garage customers. This approach creates clear benefits for the Group's customers, giving them access to a premier tool for identifying spare parts and an enhanced and seamless ordering and technical support experience.

The Group is focused on both the B2B and the B2C channels. The Group's B2B business accounted for approximately 80% of its revenue in 2020 and serves approximately 70,000 professional customers (of which approximately 3,700 are the Group's branded independent garages that comprise the top multibrand IAM network in France) at approximately 490 distribution sites that collectively stock approximately 600,000 SKUs. The Group's network of affiliated garages include garages operating under the AD Mechanique brand (1,365 affiliated garages), AD Carrosserie brand (738 affiliated garages), Auto Primo brand (987 affiliated garages), Staff Auto brand (148 affiliated garages), 1, 2, 3 Auto Service brand (140 affiliated garages) and Mondial

Pare-Brise brand (347 affiliated garages) brands, which benefit from high levels of brand awareness. The Group's B2C business accounted for approximately 20% of its revenue in 2020 and serves approximately 2.5 million customers with its market leading e-commerce platform, Oscaro, which the Group acquired in 2018 and which offers approximately one million SKUs, as well as via over-the-counter B2C sales at brick-and-mortar distribution sites. Oscaro also benefits from high brand awareness (approximately 80%) as compared to its peers: the Group believes that one of its closest competitors, Mister-Auto, has approximately 40% brand awareness.

The Group has focused the development of its digital and online channels on a compelling online presence and price differentiation. The success of the Group's online strategy is illustrated by the success of Oscaro's turnaround to profitability and the growth of Autossimo, which is a leading online ordering portal for professional customers. In 2020, Autossimo generated revenue of approximately €229 million (42% growth since 2017 and 51% growth in the first quarter of 2021 as compared to the first quarter of 2019), had approximately 14,500 subscribers (36% growth since 2017) who placed on average approximately 14,300 orders per day (42% growth since 2017) and had a portfolio of approximately three million SKUs. Additionally, in 2020, Autossimo had more than 7,000 daily users and approximately 60 million license plates were searched on the platform over the course of the year. www.idgarages.com (an online platform for finding and comparing garages) and www.ad.fr (a national portal for AD-branded affiliated garages), which are both real-time, fully-automated and scalable online platforms, have demonstrated similar success. In 2020, www.idgarages.com was rated the number one online quote platform in France on Qualiscore, generated approximately 61,000 bookings (10% growth since 2019), contributed approximately €7 million in sales to the Group's garage customers, had approximately six million unique visitors and computed approximately 36 million quotes, while scoring 4.4 out of 5 in terms of customer satisfaction. In 2020, www.ad.fr generated approximately 19,000 bookings (11% growth since 2019), contributed approximately €3 million in sales to garages, had approximately two million unique visitors and computed approximately 11 million quotes, while scoring 4.5 out of 5 in terms of customer satisfaction. The Group recognizes three sources of revenue from www.idgarages.com and www.ad.fr: subscriptions, share of business directed to garages and media content and referencing.

5.4.1.3 *Employing a highly synergistic, disciplined and low risk M&A strategy.*

The Western European automotive spare parts market and the IAMs in which the Group operates are characterized by a high degree of fragmentation, with a limited number of clear leaders, leaving significant scope for consolidation. The Group is well-poised to capitalize on the opportunity this creates.

The Group has a sound and tested approach to M&A based on clear acquisition criteria, which it has developed through years of experience in its core French market and which it has successfully rolled out in other geographic markets, as evidenced by its successful acquisitions in Benelux, Italy and Catalonia in recent years, and into complementary products areas, as evidenced by its successful acquisition of Mondial Pare-Brise.

M&A strategy

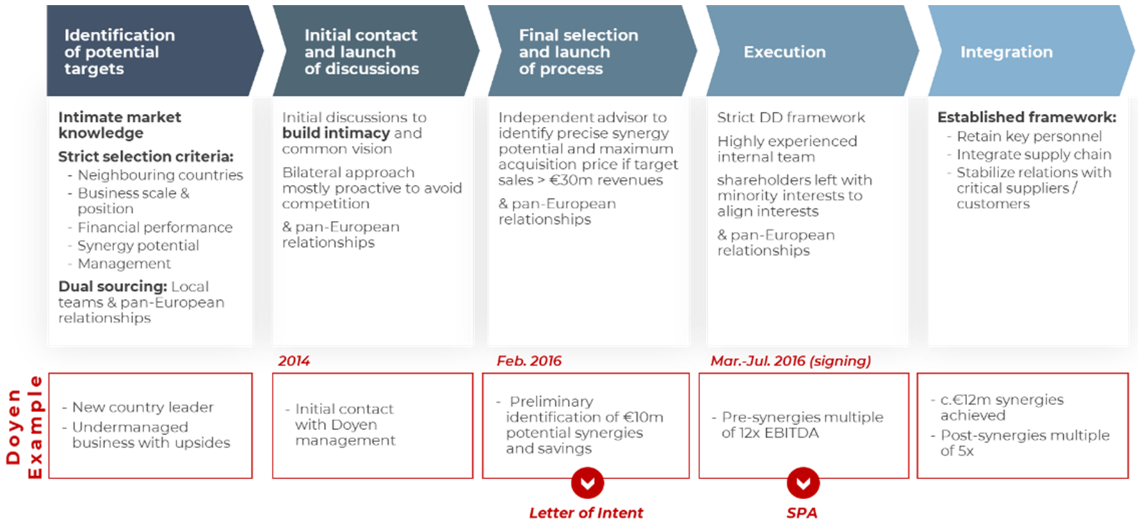
When identifying and selecting potential M&A targets, the Group first considers which countries and regions it would like to expand into or expand its presence in (where it believes it can become a leader, usually focusing on neighboring countries where the

Group can leverage its existing logistics operations and infrastructure), then considers specific players in those geographies and then contacts management of these targets (generally focusing on companies the Group knows well through proprietary dialogue) and, finally, executes acquisitions in a manner that is tailored to country specificities.

The pillars of the Group's M&A strategy are: (i) selecting targets that are strong regional players led by excellent management teams (the Group usually retains target management as minority shareholders in order to provide stability, institutional knowledge and continuity), (ii) executing acquisitions and integrating targets in a manner that is appropriately adapted to regional and target specificities, (iii) focusing on regions that border the Group's existing geographical footprint in order to leverage the Group's logistics systems and market knowledge, (iv) identifying targets with significant purchasing synergies and (v) emphasizing long-term opportunities to replicate commercial best practices and services. The Group believes this strategy enables it to realize superior synergies, while limiting risk and expanding its business prudently.

M&A process

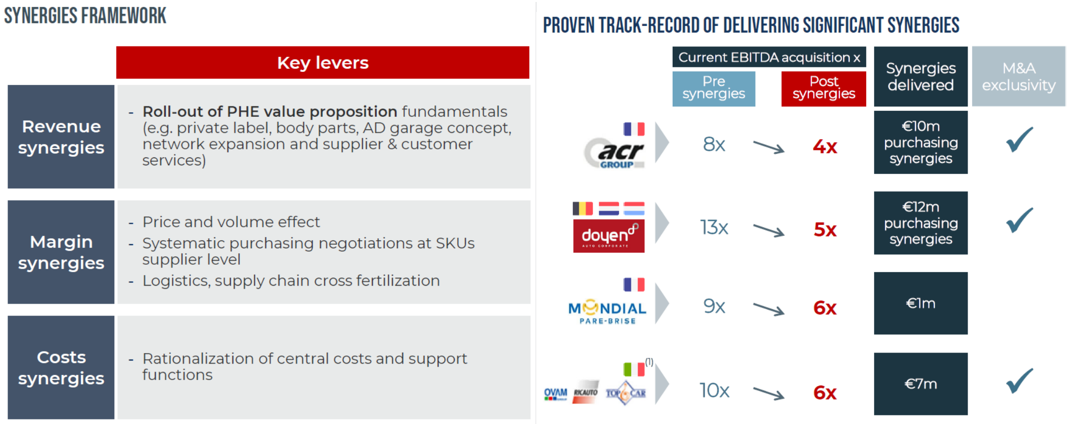
The graphic below illustrates each step of the Group's M&A process, from target identification to integration, along with a case study of the 2016 Doyen acquisition.



(Source: Group information and estimates)

M&A track record

The Group has a strong track record of using this strategy to pursue value-enhancing acquisitions and to then successfully realize synergies from such acquisitions. The graphics below illustrate the synergies framework employed by the Group and the track record of certain of the Group's recent acquisitions.

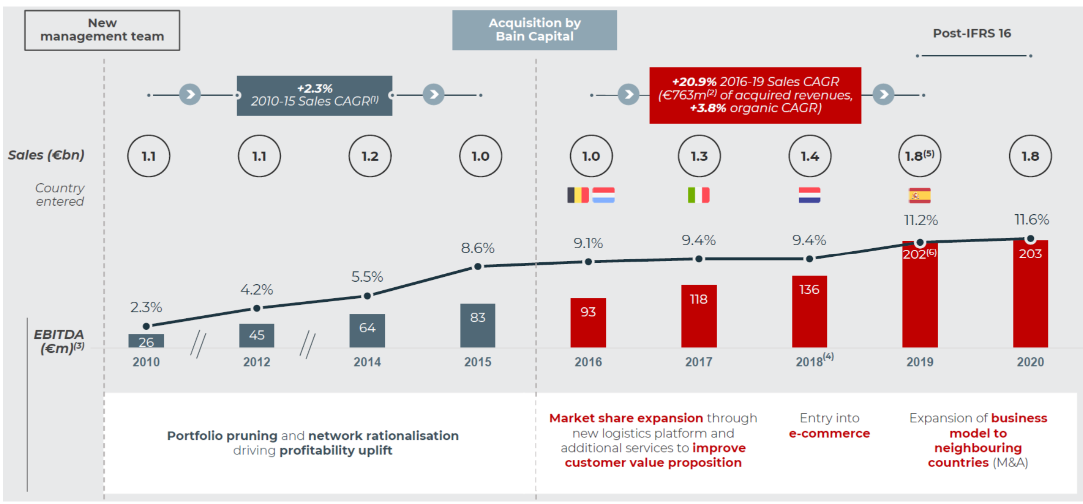


(Source: Group information and estimates)
Note: (1) Includes Ovam, Ricauto and Topcar.

5.4.1.4 *Benefitting from a proven long-term track record of strong organic growth, accretive M&A, margin expansion and low capital intensity.*

Since 2010, when the current management team took control of the Group, the Group has been on a highly successful journey of revenue and current EBITDA growth and margin expansion paired with high cash conversion rates, as well as significant expansion into neighboring countries and complementary product markets. The Group's revenue and current EBITDA in 2010 were €1.1 billion and approximately €26 million (current EBITDA margin of 2.3%), respectively. In 2020, the Group's revenue was €1,761.7 million (of which €1,278.3 million (72.6%) was generated in the France segment and €483.4 million (27.4%) was generated in the International segment) and current EBITDA was €203.5 million (a current EBITDA margin of 11.6%), and the Group had a cash conversion rate of approximately 84% (as compared with 76% in 2016).

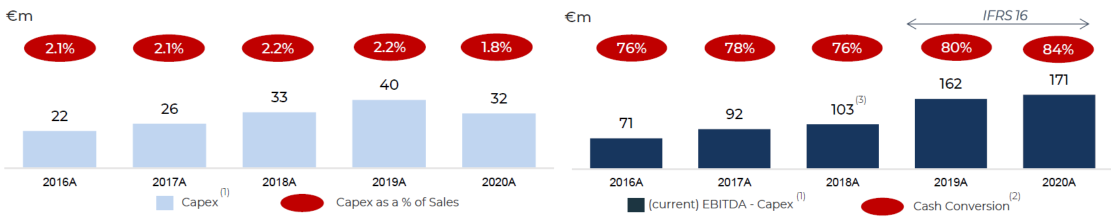
The graphic below illustrates the evolution of the Group's revenue, current EBITDA and current EBITDA margin, with key milestones in the Group's development, over the 2010 to 2020 period.



(Source: Group information)
Notes: (1) Adjusted for IFRS 15 impact. (2) Net external sales of companies acquired between 2016 and 2019, as of 2019. (3) Current EBITDA for 2018, 2019 and 2020. (4) Excluding Oscaro 5-week contribution, and with ACR and Doyen EBITDA normalized for Oscaro one-off negative impact. (5) €1.5 billion excluding Oscaro. (6) €151.5 million pre-IFRS 16 excluding Oscaro.

The Group generated per annum organic revenue growth of 3.8% over the 2016 to 2019 period, while gradual margin expansion of 26 basis points drove organic current EBITDA growth of 5.6% over the 2016 to 2019 period (approximately 20 basis points per annum), fueled in part by the turnaround to profitability of Oscaro, overperformance in the Group's France segment (3.9% average organic growth over the 2016 to 2019 period, as compared to 2.0% for the IAM and 1.4% for the aftermarket) and successful expansion in the Group's International segment, with the Group having acquired significant revenue through its M&A activity (approximately €190 million in revenue per annum over the 2016 to 2019 period) in addition to 3.7% average organic growth per annum over the 2016 to 2019 period.

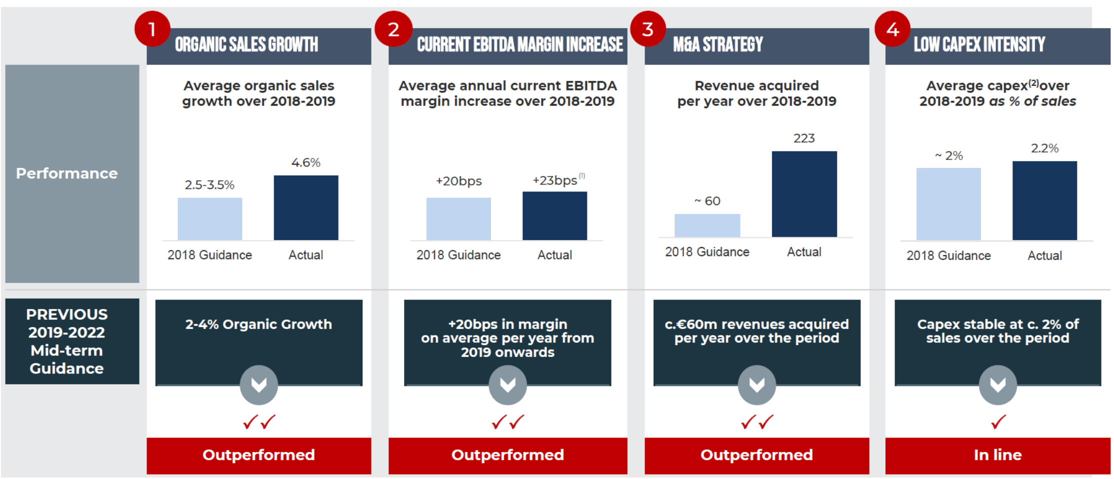
The Group's low capital intensity (with capital expenditures accounting for approximately 2% of revenue since 2016, largely attributable to maintenance) has also supported strong and consistent cash conversion of over 75% over the last five years. The graphic below shows the evolution of the Group's capital expenditures and cash conversion over the 2016 to 2020 period.



(Source: Group information)

Notes: (1) Gross capex from operations, excluding one-offs (notably Logisteo capital expenditure in 2016 and 2017). (2) Calculated as (EBITDA – gross capital expenditure from operations)/ EBITDA and as (current EBITDA – gross capital expenditure from operations)/ current EBITDA for 2018, 2019 and 2020. (3) Excluding negative Oscaro impact on current EBITDA (€6 million related to Oscaro and €2 million related to ACR/Doyen loss due to Oscaro).

This strong financial performance has resulted in over-delivery on the guidance that was provided in connection with the 2018 IPO process, as shown in the graphic below.



(Source: Group information and estimates)

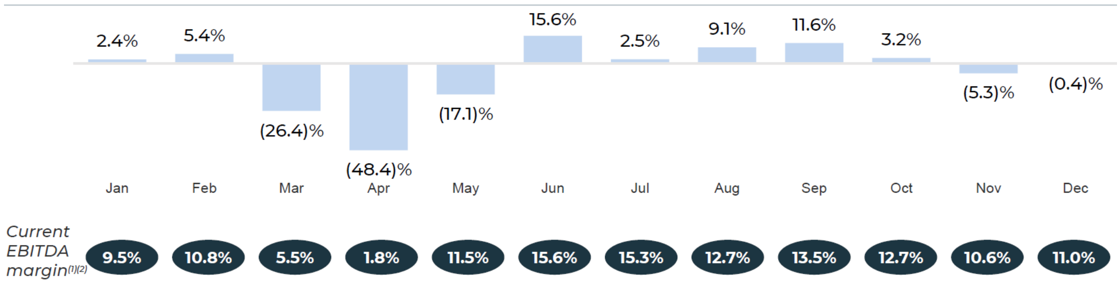
Notes: (1) Pre-IFRS 16, excluding Oscaro contribution. (2) Capital expenditure from operations, excluding one-offs (notably Logisteo capital expenditure in 2016 and 2017).

5.4.1.5 *Demonstrating resilient performance through the COVID-19 pandemic, significantly outperforming its peers and markets, and being well-positioned for an expected post-COVID-19 market rebound.*

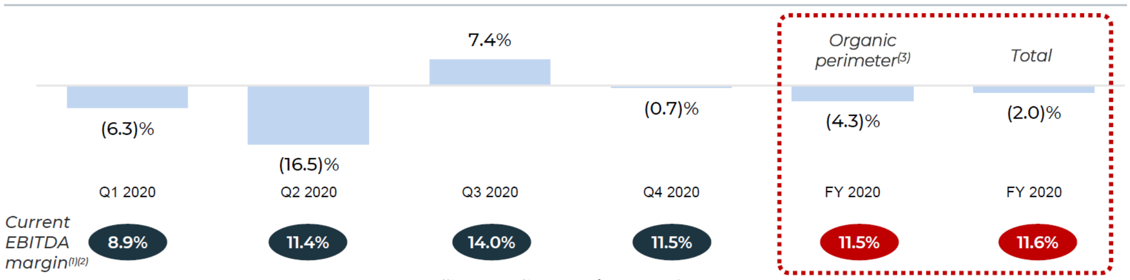
Throughout the COVID-19 pandemic, the Group has consistently outperformed its spare parts distributor peers, in spite of exposure to geographies that were significantly impacted by lockdown and confinement measures that had the effect of reducing average mileage by approximately 15% (France, according to the Roland Berger Market Study), 35% (Italy, according to Apple Mobility), 9% (Catalonia, according to Apple Mobility) and 15% (the Netherlands, according to Apple Mobility) in 2020 compared to 2019, as commuting patterns were disrupted by increasing numbers of people working from home. The Group's 2020 year-on-year revenue growth was negative 2% and its year-on-year EBITDA growth was 1% (with a 40 basis point increase in EBITDA margin), as compared to (i) negative 7% year-on-year revenue growth and 3% year-on-year EBITDA growth for LKQ in France, (ii) negative 6% year-on-year revenue growth and EBITDA growth for LKQ Europe and (iii) negative 6% year-on-year revenue growth and negative 38% year-on-year EBITDA growth for GPC. Additionally, the Group believes its differentiated operating model has allowed it to continue to gain market share across all of the geographies in which it operates, which has helped to limit the impact of the COVID-19 pandemic to the topline. In 2020, the Group made market share gains of 2.5 points in France, 2.3 points in Belgium, 1.0 points in the Netherlands, 0.4 points in Italy and 0.5 points in Spain.

In addition to performing well compared to its peers and its markets, the Group's operating performance was largely stable over 2020, with a significant COVID-19-related impact from March to May and a rebound from June onwards, fueled by the Group's strategic decision to remain open (in contrast to certain peers who chose to shut down their distribution operations for up to several weeks at the beginning of the COVID-19 pandemic in Europe) and the implementation of an effective COVID-19 action plan that enabled the Group to match its activity to demand. The Group believes these decisions contributed to market share gains during the first wave of the COVID-19 pandemic and also believes it maintained these gains in subsequent months. The Group experienced slight revenue declines in November and December, following the tightening of restrictive measures across Europe in response to a second wave of COVID-19. However, the Group's margins have proven resilient, due in large part to the flexibility of the Group's business model and the efficacy of cost reduction measures, as well to temporary benefits achieved from the French furlough scheme (*chômage partiel*). The graphics below show the year-on-year comparison of the Group's organic sales growth and current EBITDA margins in 2020 on a monthly and quarterly basis.

MONTHLY ORGANIC SALES GROWTH[1] EVOLUTION (% YOY)



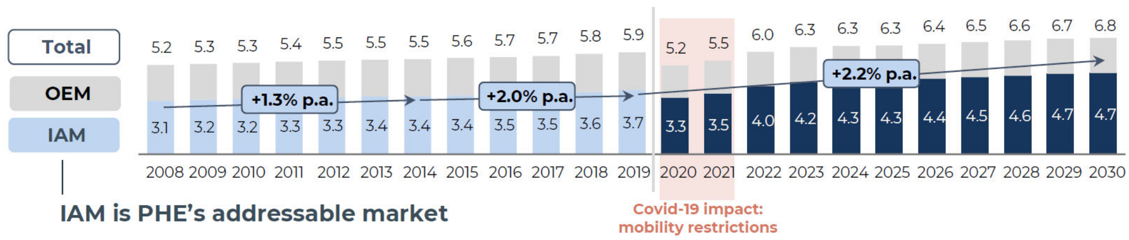
QUARTERLY ORGANIC SALES GROWTH[1] EVOLUTION (% YOY)



(Source: Group information)

Notes: (1) Including AD Bosch from October onwards. (2) For a definition of "current EBITDA" and a reconciliation of current EBITDA to operating income from ordinary activities, see Section 7.5.2 "Current EBITDA" of this Registration Document. (3) Excluding AD Bosch.

Assuming the most severe period of the COVID-19 pandemic and responsive measures has already passed and assuming a wide roll-out of vaccines by the third quarter of 2021 that prevents a resurgence of COVID-19, the IAMs in which the Group operates are expected to rebound quickly and to continue to grow over the long-term. The graphic below shows the evolution of the addressable automotive spare parts aftermarket in France for the periods presented, as well as forecasts through 2030, illustrating this steady forecasted rebound effect.



(Source: Roland Berger Market Study)

During the rebound period, there are several other structural tailwinds that are expected to support the IAMs in which the Group operates, including: (i) the non-discretionary nature of certain essential vehicle services, (ii) the low substitution risk created by the generally lower prices offered by IAM players as compared to OEM players, (iii) continued aging of the car parc, (iv) increasing used car sales driving increasing maintenance checks, (v) increasing use of personal cars instead of public transport due to concerns about exposure to the virus, (vi) increasing customer adoption of digital solutions and online purchasing options and (vii) ongoing and accelerating market consolidation. As a result of these factors and based on its resilience during the COVID-19 pandemic so far, the Group believes it is well-positioned to capitalize on the anticipated post-COVID-19 rebound in the IAMs in which it operates, particularly in its core French market.

5.4.1.6 *Led by an experienced management team with a strong track record, committed to delivering the Group's strategic ambition.*

The Group is led by an experienced management team with a long history within the Group. In particular, the Group's CEO, Mr. Stéphane Antiglio, and CFO, Mr. Christophe Gouthière, have a proven track record of leading the Group through the development and implementation of turnaround and growth strategies, having joined the Group 10 and 11 years ago, respectively, and having spearheaded the Group's renewal since 2010 and the turnaround to profitability at Oscaro. They are supported by an experienced team with a strong corporate culture that is founded on core values of goodwill, kindness, teamwork and passion, in-depth distribution and automotive aftermarket knowledge and skilled execution, and which puts ESG at the heart of the business model. This team has successfully implemented profit improvement initiatives and integrated 13 new businesses into the Group in the last seven years. The Group has received multiple awards (including France's Best Employer of 2019 in distribution, based on a Capital survey across more than 2,000 companies) and is characterized by providing superior customer service.

5.4.2 Strategies

5.4.2.1 *Reinforce the Group's operating models in order to continue gaining market share in the French light vehicle IAM and to maintain a track record of superior growth.*

The Group intends to reinforce its operating models in order to continue gaining market share in the French light vehicle IAM and to maintain its track record of superior growth by: (i) focusing on offering the largest, most relevant and most attractive product range by expanding its product assortment and private label offering to generate more orders from its professional customers, (ii) increasing its territorial presence through organic growth by developing its leading network of independent affiliated garages in France and leveraging its powerful brands and (iii) constantly improving on its superior availability of parts and value-added services that differentiate the Group from many of its competitors.

Focusing on generating more orders from professional customers by offering the largest, most relevant and most attractive product range

The Group plans to keep its focus on offering the largest, most relevant and most attractive product range by expanding its product assortment generally, and its private label brands specifically, which it expects will, in turn, prompt professional customers to place more orders. The Group believes this approach will enable it to expand its share of professional customer spending (also referred to as "wallet impact") both horizontally (by expanding product categories) and vertically (by addressing complementary segments via its private label offering). One of the key ways the Group intends to pursue this strategy is by addressing complementary segments in terms of car parc needs, and to continue to optimize the price positioning of its private label products *vis à vis* "premium" brands.

In terms of horizontal expansion, the Group intends to develop its strong position in garage equipment, grow recently-developed product categories (such as tires and oil and other consumables, as well as accessories) and develop value-added components (such as Cotrolia Onboard Electronics and ADAS sensors and radars). In terms of vertical expansion, the Group intends to address complementary segments across the car parc (with the aim of addressing approximately 90% of the needs of cars aged 15 years or older), to optimize price positioning versus "premium" brands and to create value with its private label offering by pursuing purchasing savings on a European-level and seeking best-country sourcing opportunities in order to drive improved margins. The Group also intends to expand its private label product ranges. For example, in the Group's ISOTECH private label, there were approximately 4,500 and 4,800 references in 2019 and 2020, respectively, and the Group aims to grow this to between 8,000 and 10,000 references over the long-term, while growing the number of product categories from 43 to over 60.

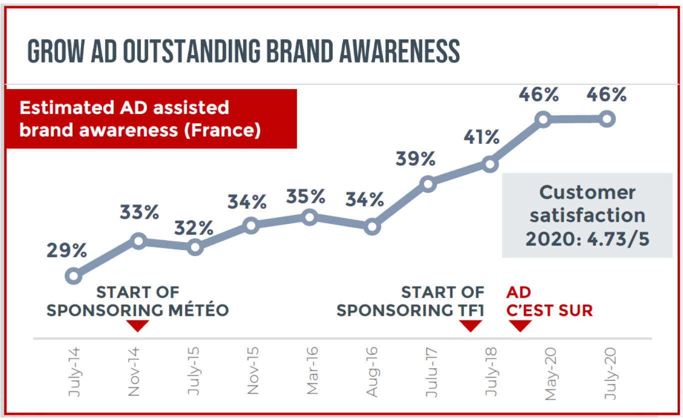
The Group believes these combined efforts will give it the largest and most relevant product range, as well as the most attractive range from a pricing perspective, which it believes will, in turn, generate more orders from distributors and garages.

Increasing the Group's territorial presence by developing its garage network and brands

The Group intends to upgrade and expand its territorial presence in its core French market by growing its networks of AD-branded and Auto Primo-branded garages by approximately 50 and 30 net garages per year, respectively, over the 2020 to 2026 period, which it expects will drive share of wallet impacts of €25,000 to €100,000 and €10,000 to €50,000, respectively. This will bring these networks from a combined total of approximately 2,950 garages in 2017 and approximately 3,100 garages in 2020 to approximately 3,600 garages in 2026.

Additionally, the Group plans to continue to grow the already powerful brand awareness of the AD brand and to relaunch the Auto Primo brand, leveraging the techniques and approach that have already proven successful in the expansion and management of the AD brand, including rolling out new exterior signage.

The graphic below shows the increasing awareness of the AD brand in France for the periods presented. The Group hopes to secure similar success in its relaunch of the Auto Primo brand.



(Source: Group information and estimates)

Continuously improving parts availability and value-added services

In addition to the efforts above, the Group is continuously improving parts availability, which is at the core of its mission to deliver the right part, to the right place, at the right time, and to expand the value-added services that differentiate it from its peers, including offering training opportunities and tech support, as well as access to a trusted and highly recognizable brand. The Group believes this will further its efforts to continue gaining market share in the French light vehicle IAM and maintaining its track record of superior growth.

5.4.2.2 *Increase exposure to superior growth businesses.*

The Group intends to increase its exposure to certain business that it believes represent high-growth opportunities, including by improving how it addresses the growing auto glass market, continuing to grow its body parts business and strengthening its position as a partner of choice for key accounts and web dealers.

Continue addressing the growing auto glass market by improving the Mondial Pare-Brise business model and taking advantage of available white space

The Group has already begun to seek out ways to grow its exposure to the auto glass business (which is characterized by increasing sophistication and the integration of more tech elements in windshields and lateral glass) with the introduction of a new platform in November 2019, and the Group already benefits from an estimated 51% brand awareness in this channel through Mondial Pare-Brise. In 2020, approximately 330,000 operations were performed in the 353 Mondial Pare-Brise technical centers (an increase of 22 Mondial Pare-Brise technical centers in two years). The Group aims to achieve 3% growth at a constant perimeter within its owned-branch network and 4% in its franchisee perimeter, while deploying a new Mondial Pare-Brise franchise contract model. The Group also believes there is white space in this channel (and has the goal of adding 15 large workshops in urban areas (the Group's "Urban Master Centers") over the 2022 to 2024 period), and that there are further opportunities to develop Mondial Pare-Brise by extending opening hours and introducing Saturday openings within the owned-store perimeter, in order to capture greater volumes.

Continue growing the Group's body parts business

Overall, the body parts market is decreasing in size due to the increased safety of vehicles and fewer accidents, which is only partially offset by increasing component prices. However, the Group's share as an independent operator in this market is growing, in line with the wider market trend of IAM players taking market share from OEM players. In order to enhance the Group's existing capabilities to drive continued superior market positioning in this segment, it intends to continue developing its Cora distribution platform, to seek out expanded opportunities in certain product ranges (particularly related to comfort and safety features, such as heating, air conditioning and ADAS equipment) and to leverage the new version of the Autossimo online platform, which was launched in mid-2019 and features over 120,000 SKUs.

Strengthen the Group's position as a partner of choice for key accounts and web dealers

The Group already appeals to key accounts and web dealers with its superior service offering that combines excellent logistics with rapid delivery times and enhanced capabilities that result from the Group's significant purchasing power. To grow its appeal with these customer segments, the Group plans to implement key strategic initiatives, including developing partnerships with new electric vehicle OEMs and keeping pricing for key accounts competitive. The Group also intends to reinforce the common approach already taken between ACR and Doyen Auto and to eventually build out a joint web dealers unit between them, to generate internal distribution synergies with Oscaro and to initiate a drop-shipment delivery model.

5.4.2.3 *Enhance profitability by continuously leveraging purchasing terms, optimizing logistics and improving pricing strategy.*

The Group plans to enhance its profitability by strengthening its purchasing power, optimizing its logistics operations and protecting and expanding its margins by enhancing and professionalizing its pricing strategy.

Strengthen the Group's purchasing power and leverage its scale to improve purchasing terms

The Group plans to continue strengthening its purchasing power by leveraging the scale of its supply chain and obtaining increased purchasing power, including through opportunistic M&A, as well as a result of supplier consolidation. Tools the Group has at its disposal include its ability to: (i) increase its share of purchases from certain referenced suppliers, (ii) optimize the number of suppliers it uses, including in its acquired businesses, and (iii) employ best-country sourcing initiatives, which allow it to benchmark prices by country at SKU-level to improve domestic purchasing terms on a European scale. The Group has already successfully implemented this best-country sourcing approach (which is an example of the synergies the Group has realized as a result of its European expansion) between its French and Italian operations, sourcing Nissan Micra air filters from Italy at €1.50 (as opposed to €3.70 in France) and sourcing Audi A3 rear shocks in France at €13.00 (as opposed to €29.00 in Italy).

Continue to optimize the Group's logistics operations

The Group intends to optimize its logistics operations at the European level by leveraging the logistics systems it has already developed in France in its international operations. For example, the Logisteo platform, which is based in France, is also able to serve Benelux and Italy. The Group intends to explore other ways to use its existing footprint in one region to serve the Group and its customers in other regions.

The Group also intends to further optimize its transportation and delivery process by improving transportation performance (for example, by using GPS tracking to manage its delivery fleet, which it began doing in 2019, allowing it to optimize costs and reduce CO_2 emissions by limiting distances travelled and duration of trips and reducing loading times), focusing on last mile delivery (using algorithms for route planning to improve delivery performance and customer service, which limits driver waiting and drop-off times) and continuously innovating (such as by using dynamic management to adjust drivers routes while they are on the road and communicating real-time delivery information to customers).

The Group also intends to continue improving efficiency in its trucks business by completing the roll-out of the new distribution model that was implemented in 2019, and to focus on growing revenue and improving margins in this business.

Protect and grow the Group's margin by enhancing and professionalizing its pricing strategy

The Group intends to protect and grow its margins by continuing to enhance its pricing strategy by focusing on both sales and margin performance, as well as on optimizing segment pricing by analyzing pricing by channel, customer segment and product category, with the aim of having a tailored pricing strategy for each region, by both customer segment and product family.

This strategy will be supported by the Group's ability to implement smart pricing initiatives to increase invoicing fees, limit the impact of price forcing and increase the amount charged for deliveries. The Group can also leverage nationwide benchmarking of local pricing policies, which compares price levels, analyzes price sensitivity within product categories and sets prices strategically while validating pricing initiatives at the local entity level. The Group has two additional levers to assist this strategy: its dedicated and growing team of professionals who analyze and support local execution, and its IT tools, including its "data lake", data mining capabilities and its expanding pricing tool bank.

5.4.2.4 *Continue growing the Group's e-commerce offering by growing the core online business in France and increasing profitability.*

In order to successfully grow the Group's e-commerce offering across its markets, the Group intends to build on Oscaro's leadership in the French B2C online segment, increase profitability and then strategically expand to other European countries by leveraging the power of Oscaro.

Growing the core French business

Oscaro is the French pioneer and market leader in B2C online auto spare parts distribution market with 40% to 50% of market share in terms of revenue in 2020, with its success underpinned by its first-mover advantage and compelling value proposition. In order to build on Oscaro's success in France, the Group intends to continue growing the core online business by pursuing profitable growth. The Group has a number of levers to accomplish this goal, including enhancing the user experience (such as with the introduction of an Oscaro mobile app planned for 2021), leveraging its top-tier, data-driven CRM tools and processes to optimize customer lifetime value (enhancing both customer experience to increase conversion rates and customer loyalty while assisting the Group with customer identification), and using its economies of scale to optimize purchasing power. The Group has set a goal for the next phase in Oscaro's already successful turnaround plan of generating 50% of its business from 20% of its customers in the coming years.

Increasing profitability

The Group plans to further expand margins in its Oscaro business by optimizing pricing and ranking in order to improve gross margins while maintaining price competitiveness (such as by using its CRM tools to target promotions to the most price-sensitive customers with the oldest vehicles), and by expanding its profitable private label and exclusive brands (particularly in wiper blades and batteries). The Group also expects to be able to further streamline its cost base by revamping its supply chain to improve efficiency and increase the level of automation, optimizing call centers, leveraging its headquarters and completing its warehouse consolidation project.

The Group is implementing a four-step approach to enhancing its pricing strategy: (i) ensuring price competitiveness (focusing on the approximately 5,000 SKUs that drove 45% of Oscaro revenue in 2019), (ii) initiating price increases on low visibility categories (targeting 5% to 10% increases on long-tail items), (iii) implementing test-and-learn adjustments on visible categories (targeting 1% to 3% on low margin categories) and (iv) building a systematic price optimization process (the Group is already building an AI-supported algorithm focused on optimizing revenue and margins by integrating price elasticities and competitor behavior).

5.4.2.5 *Continue to expand and diversify the Group's presence in attractive European markets, leveraging its French expertise to deliver on its profitability potential and growing the e-commerce business across Europe.*

The Group plans to continue expanding and diversifying its presence in attractive European markets principally through M&A-led growth, with some plans for organic growth, by leveraging the expertise it has honed in its French business, in order to deliver on profit potential. The Group intends to consolidate its leadership positions in the countries where it already has a presence, building on areas of strength and using a model that is adapted to each country's specificities, informed by the Group's experience from prior successful expansion efforts. In Belgium, Italy and the Netherlands, the Group positions itself as a true distribution partner with wholesalers, contrary to most other players that have tried integrating wholesalers via acquisitions, which the Group believes gives it an advantage in these markets. The graphic below summarizes the Group's view of the level of integration across Benelux, Italy and Spain across a number of relevant factors.

	Benelux 2016	Italy 2017	Spain 2019
Purchasing synergies	✓✓✓	✓✓	✓✓
Supply chain combination	✓	✓	–
Private label development	✓✓	✓	–
Pricing initiatives	✓	✓	✓
Garage network concept	✓✓	✓	✓✓
Training & hotline	✓✓	✓	✓✓✓
IAM Market growth 16-19[1]	+3.8%	+2.6%	+2.4%
	Focus on continuing track-record of integration	Keep expanding the coverage	

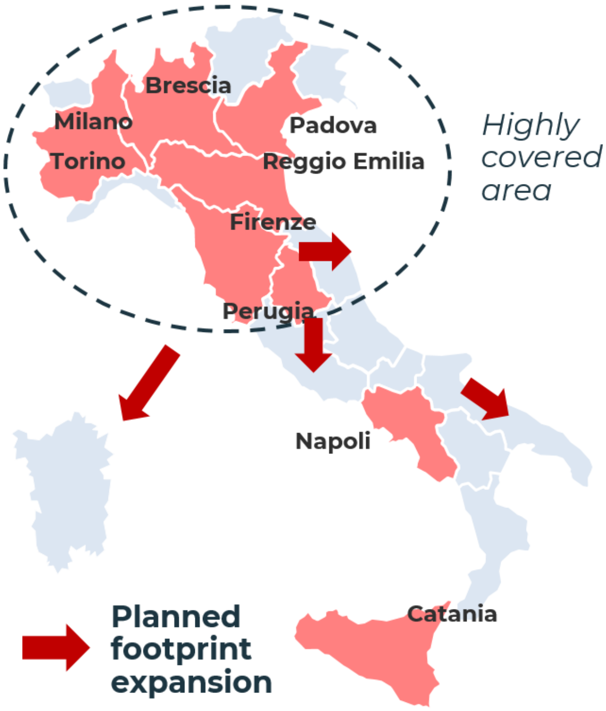
✓ : Low level of integration (initiated but still early stage)
✓✓ : Medium level of integration (initiated and ongoing)
✓✓✓ : High level of integration (advanced)

(Source: Group information and estimates)
Notes: (1) Roland Berger Market Study.

The Group's strategy for expanding and diversifying its presence in Belgium is to focus on high-momentum web dealer customers, maintaining its hands-on relationships with these customers during monthly negotiations and adding new product lines and brands, such as Bilstein, Sachs and AVA. The Group also intends to grow the API network of distributors and wholesalers by targeting approximately 50 distribution locations and 250 garages for integration into the Group's Belgian networks in the coming years.

The Group's strategy for expanding and diversifying its presence in the Netherlands is to develop its commercial relationships using a segmented approach and to expand its product range. The Group also plans to work on improving purchasing terms and realizing procurement synergies through its Cora distribution platform, consolidating suppliers to two to three strong suppliers per category, improving purchasing terms hand-in-hand with volume increases and building common supply chain networks and increasing sourcing via Cora.

The Group's strategy for expanding and diversifying its presence in Italy is to grow the Italian business through M&A. The Group believes it will be able to acquire approximately €45 million in revenue in Italy in the 2021 to 2026 period. The map below shows where the Group believes the best opportunities are for the expansion of its footprint in Italy.



(Source: Group information)

The Group also plans to grow its Italian business by: (i) expanding its geographical footprint through additional distribution centers (with supply and assortment managed from existing centers), (ii) expanding its private label and body parts offering, (iii) reinforcing its garage strategy (by developing the AD service brand to include approximately 450 garages and further developing Xmaster's services and trainings for garages), (iv) expanding business opportunities with e-commerce players and (v) improving purchasing terms through an expanded number of suppliers (to capitalize on synergies and better cover product demand) and rolling out pricing initiatives that it has developed in its French business. The Group has identified approximately €100 million of potential target revenue within the Giadi network.

The Group's strategy for expanding and diversifying its presence in Spain (which the Group believes is a strategic area where its opportunities for value creation are particularly high) is to strengthen its position by further consolidating the AD Parts network, within which the Group has identified approximately €700 million of potential targets, with the aim of eventually acquiring approximately 65% of the AD Parts network in Spain (including AD Bosch), which the Group believes will lead to acquired revenue of approximately €465 million over the 2021 to 2026 period (excluding AD Bosch). The Group is engaged in ongoing discussions with other AD Parts partners about further integrating this network.

Growing the e-commerce business across Europe

The Group intends to expand Oscaro's presence internationally by capturing profitable growth in Spain and Belgium through organic growth and entering neighboring Eurozone countries, in each case managing the international expansion of Oscaro from France and leverage the Group's existing French infrastructure. The Group believes that relatively limited investment will be required to expand into these markets, as it plans to leverage the strength of its French footprint and cost base. The Group has set the goal of becoming the leader in the Iberian online channel in the coming years, targeting a 30% market share, and is pursuing this goal by rolling out an optimized pricing strategy. The Group hopes to accelerate its organic growth in Belgium through catalogue improvement, strong marketing and leveraging its existing best-in-class capabilities (for example, by leveraging the Doyen supply chain across Benelux, as well as with through its dedicated pricing teams). The Group has plans to enter the German online channel in 2021, and also believes there may be potential to enter the Austrian, Dutch and Italian online channels in the future. The German online market is sizeable, being valued at approximately €590 million in 2019, is projected to grow at a CAGR of approximately 3.3% over the 2019 to 2025 period and is highly fragmented. The Group believes the advantages to entering the German market include the need for very limited additional fixed costs (with only three full-time employees being needed), the ability to leverage the Group's French logistics and its "pick the right part" capabilities, and to leverage Oscaro's prices, which the Group believes will be competitive as compared to existing players. The Group hopes to enter other European online channels with local websites, strong marketing investments and central distribution from Group warehouses.

5.5 INTELLECTUAL PROPERTY

5.5.1 Proprietary rights

The Group's intellectual property comprises a combination of complementary rights, including the following:

- *Copyrights*. The Group maintains a policy of filing preliminary copyright applications (*enveloppes Soleau*) with the French *Institut National de la Propriété Industrielle* for its product designs. The Group submits its drawings and designs to a bailiff (*huissier*), which identifies the Group as the inventor, and which is intended to prevent competitors from copying the Group's designs.

- *Trademarks*. The Group owns the right to the "Autodis Group" and "Autodistribution" names, its most important trademarks, which it has registered with the European Community Trademark and International Trademark Registration. Autodistribution also owns the right to certain other names that the Group uses in ordinary course of business, including Cora, Oscaro, Mondial Pare-Brise, Garage Expert AD, Auto Primo, Autossimo, AD PL and ISOTECH, as well as the "AD" logo, each of which the Group has registered with the European Community Trademark and International Trademark Registration.

- *Database rights*. The Group owns certain rights with respect to its customer database, in compliance with European and French regulations in particular, with the regulations promulgated by the French National Commission on Informatics and Liberty (*Commission nationale de l'informatique et des libertés*) relating to notification of the use of cookies.

- *Domain names*. The Group owns a portfolio of domain names and has registered them with the relevant authorities.

For further information relating to the risks associated with the Group's intellectual property, see Section 3.3.1 "Risks related to litigation and arbitration proceedings" of this Registration Document.

5.5.2 Third-party licenses

Some of the Group's products integrate third-party technologies. In order to obtain the rights to use these third-party technologies, the Group entered into license agreements in connection with certain software that it uses for its back-office, finance, human resources and store management systems.

5.6 COMPETITIVE POSITION

There are three principal types of players in the Western European automotive spare parts distribution aftermarket: OE aftermarket distributors (such as the dealer networks of OEMs such as Renault, Peugeot and VW), and IAM distributors (such as the Group, LKQ and Alliance Automotive Group), which serve professional customers and for which the end-customers are drivers (including both DIFM and DIY driver customers), as well as online players (such as the Group's Oscaro online channel, Mister-Auto, Auto-doc and Amazon), which primarily serves B2C DIY customers. The OE aftermarket is composed of certified repairers and agents. The IAM is composed of a large number of small, independent distributors and a limited number of large groups, which incorporate a number of distribution and retail brands. For more information about the markets which the Group operates, see Section 5.2 "Industry and principal markets" of this Registration Document.

The Group is a multi-specialist parts distributor that addresses cars and, in France only, trucks, and is one of the top three players in the Western European IAM. The Group has a substantial footprint in continental Western Europe and has a multi-channel strategy that allows it to address both B2B and B2C customers across the vehicle parc, particularly for cars over three to five years old. The Group is also positioned well across all three segments of the online channel, via Autossimo (B2B online ordering), Oscaro (the leading French B2C web dealer, which is number two across Europe) and www.idgarages.com and www.ad.fr (B2C2B service sites).

The Group has historically outperformed the market and believes it benefits from opportunities that are expected to drive its growth going forward. The Group's revenue and current EBITDA margin growth has historically been greater than that of the wider IAM, with 3.8% organic revenue growth between 2016 and 2019 and average per annum current EBITDA margin growth of 26 basis points over the 2016 to 2019 period, driven by its ability to capture the benefits of key success factors, including scale benefits in purchasing and logistics, service offering to professional customers, strong affiliated garage networks, investments in value-added services and an efficient and streamlined operating model. The Group is expected to benefit from several factors, including its winning business model supported by organic growth, strong positioning allowing it to benefit from megatrends such as electric vehicles, safety, comfort and infotainment, a regional expansion strategy (particularly in Spain) and the ability to be a consolidator, thanks to its proven track record of synergistic acquisition and integration of strategic targets.

The main Western European IAM players tend to have a pan-Western European footprint. However, not all are leaders in those countries. The Group is present in France, Belgium, Italy, Luxembourg, the Netherlands and Spain; LKQ is present in 25 countries, including Austria, Belgium, Germany, Italy, the Netherlands and the United Kingdom; GPC is present in six countries, including France, Germany, Poland and the United Kingdom and WM is present in five countries, with a strong presence in Germany.

5.6.1 Competitive landscape in the automotive spare parts distribution aftermarket in France

The IAM in France accounted for 63% of the French automotive spare parts core aftermarket in 2019. The IAM in France is led by the Group and is fragmented, with the top two players holding approximately 68% of market share and approximately 2,000 small local or regional independent players holding 22% of market share in 2019. In 2019, the Group held the largest market share among independent players (39% (including Autodistribution, Oscaro, Cora, ACR, Doyen France, Mondial Pare-Brise and API), an increase from 29% in 2017), followed by GPC/Alliance Automotive Group through its French subsidiaries (29%, an increase from 26% in 2017), (Groupauto (17%), Precisium (7%), Partner's (4%), and GEF'Auto (1%)), Groupe IDLP (5%), Laurent (3%) (and which went into liquidation at the end of 2019) and Aurilis (3%). Smaller players in the French IAM are under significant competitive pressure, due in part to having weaker purchasing power and less logistics expertise as compared with larger players; certain small, non-integrated players have gone through bankruptcy procedures in recent years. M&A activity among larger players has been aimed at integrating some of these smaller players. Since the acquisition of Oscaro, the Group is the only multichannel IAM player in France.

The French core B2C online channel is mature and was valued at approximately €484 million in 2019. In 2020, the key players in the French core B2C online channel were the Group (via Oscaro) (approximately 40% to 50% of market share), Mister-Auto (approximately 15% of market share), Auto-doc (approximately 15% of market share) and Yakarouler (approximately 5% of market share), which collectively account for 75% to 80% of the market, with the remainder being split across approximately 30 small players.

5.6.2 Competitive landscape in the automotive spare parts distribution aftermarkets in Western Europe

In addition to being the number one IAM player in France, the Group is the number one IAM player in Catalonia (and is a member of AD Parts, which is the leading light vehicle IAM distributor in Iberia, holding 27% of market share in terms of revenue in 2020), the number two IAM player in Belgium and Italy and the number four IAM player in the Netherlands.

5.6.2.1 *Belgium and the Netherlands*

The automotive IAM in Belgium is relatively consolidated, with the top four players holding approximately 50% of market share in 2019. In 2019, LKQ held the largest market share (22%), followed by the Group (21%), MP (4%) and Auto Binck Group (3%).

The automotive IAM in the Netherlands is already highly consolidated, with the top three players holding 82% of market share in 2019. In 2019, LKQ held the largest market share (40%), followed by Auto Binck Group (36%), Groupauto (10%) and the Group (6%).

The Belgian and Dutch core B2C online channels are at an intermediate stage of development. These markets were valued at approximately €43 million and approximately €82 million, respectively, in 2019.

The key players in the Belgian core B2C online channel in 2020 were Mister-Auto (20% to 25%), AUTODOC (10% to 15%), Yakarouler and Winparts (each approximately

5%) and Oscaro (less than 3%), with the remaining 50% of market share being dispersed across smaller players, such as Mijnautoon and Marktplaats.

The key players in the Dutch core B2C online channel in 2020 were Mister-Auto and AUTODOC (each 20% to 25%), Winparts (approximately 15%) and Mijnautoon (less than 10%), with the remaining 30% of market share being dispersed across smaller players, such as Marktplaats.

5.6.2.2 *Italy*

The automotive IAM in Italy is extremely fragmented, with the top three players holding only 35% of market share in 2019, with the remainder held by independent distributors. In 2019, LKQ held the largest market share (21%), followed by the Group (8%) and CATI (5%).

The Italian core B2C online channel is less developed than the French B2C online channel. This channel was valued at approximately €257 million in 2019. The key players in the Italian core B2C online channel in 2020 were Mister-Auto and AUTODOC (each 10% to 15%) and Recambio (less than 5%), with the remaining 40% to 50% of market share being dispersed across smaller players, such as Autozona and Automarket.

5.6.2.3 *Spain*

The automotive IAM in Spain is fragmented, with the top two players holding only 38% of market share in 2019. In 2019, Grupo Davasa held the largest market share (8%), followed by the Group (2%).

Market consolidation is expected to continue across Western Europe in the coming years, particularly in fragmented markets like Spain, which is expected to result in market share gains for the largest players, at the cost of smaller players' collective market share.

The Spanish core B2C online channel is less developed than the French B2C online channel. This channel was valued at approximately €136 million in 2019. The key players in the Spanish core B2C online channel in 2020 were Oscaro and AUTODOC (each 10% to 15%), Mister-Auto (approximately 10%) and Recambio (less than 5%), with the remaining 40% to 50% of market share being dispersed across smaller players, such as Sabeauto and Autohispania.

5.7 INVESTMENTS

5.7.1 Historical investments

5.7.1.1 *Acquisitions of intangible and tangible assets*

The Group's capital expenditures consist solely of the acquisition and maintenance of existing assets. The Group's capital expenditures include the further expansion of its operations and the maintenance of its existing operations. In particular, the Group's capital expenditure on tangible assets mainly relates to purchases of shelving and machinery for the transport and storage of products in its warehouses, as well as purchases of commercial delivery vans that are used in its operations. The Group's capital expenditure on intangible assets mainly relates to the capitalization of new functional development costs of its enterprise resource planning, the purchase of software licenses relating to management and financial reporting, technical databases and inventory management. For a more detailed description of the Group's capital expenditures, see Section 8.4.2.1 "Capital expenditures" of this Registration Document.

For the year ended December 31, 2020, the Group made IT capital expenditures of €16.1 million, or 50.2% of total capital expenditure, mostly related to an upgrade for Autossimo, an improvement on Oscaro's website and the implementation of a new secured private cloud.

For the year ended December 31, 2019, the Group made IT capital expenditures of €15.4 million, or 38.7% of total capital expenditure, primarily due the integration of capitalized development costs from Oscaro.

For the year ended December 31, 2018, the Group made IT capital expenditures of €12.6 million, or 38.7% of total capital expenditure, primarily due to the increase in maintenance capital expenditures following the acquisitions of OVAM, Ricauto, Topcar and Mondial Pare-Brise.

During the fiscal years ended December 31, 2020, 2019 and 2018, the Group made total capital expenditures of €32.4 million, €40.0 million and €32.8 million, respectively, relating to software, licenses and maintenance of the Group's ongoing operations.

The Group's total capital expenditures represented 1.8%, 2.2% and 2.2% of revenue and 15.9%, 19.8% and 25.6% of current EBITDA in the years ended December 31, 2020, 2019 and 2018, respectively.

5.7.1.2 *Financial investments*

The Group's primary financial investments have been acquisitions of businesses that reflect the Group's operational strategy. During the years ended December 31, 2020, 2019 and 2018, the Group invested nil, €51.8 million and €163.4 million, respectively, net of cash acquired in business acquisitions, principally related to the acquisitions of AD Bosch in 2019 and G-Group, Geevers, Verviers Freins and Oscaro in 2018. For a more detailed description of the Group's financial investments, see Section 8.4.3 "Net cash flow from (used in) financing activities" of this Registration Document.

The Group has a history of successfully acquiring and integrating strategic targets in adjacent geographic markets. In 2018, the Group acquired G-Group, an independent spare parts distributor in Italy, building on its entry into the Italian market with the 2017 creation of a joint company, Autodis Italia Holding S.r.l., with three Italian distributors (OVAM, Top Car and Ricauto) and also acquired Geevers and Verviers Freins, further expanding its operations in Benelux, following its initial expansion into Benelux with the 2016 acquisition of the Doyen Auto Group.

In 2019, the Group acquired a 75.0% stake in AD Bosch for a consideration of €48.1 million, which enabled the Group to enter the Spanish market. AD Bosch is a leading B2B independent spare parts distributor in Catalonia with approximately 34 distribution sites as of December 31, 2020. The Group subsequently increased its ownership in AD Bosch to 75.1% in 2020. AD Bosch is one of the largest members of AD Parts, a leading independent auto parts network of purchasing, distribution, manufacturing and services in Iberia that comprised 27 independent affiliated distributors and 538 distribution centers in Spain and Portugal as of December 31, 2020. AD Parts has historically demonstrated a strong growth track record, gaining market share from its competitors.

5.7.2 Ongoing investments

The Group currently expects that its capital expenditures in 2021 will amount to approximately €40.0 million. For more information, see Chapter 11 "Profit Forecasts or Estimates" of this Registration Document. The planned capital expenditures for 2021 include ongoing maintenance capital expenditures, as well as IT investments.

5.7.3 Material joint ventures

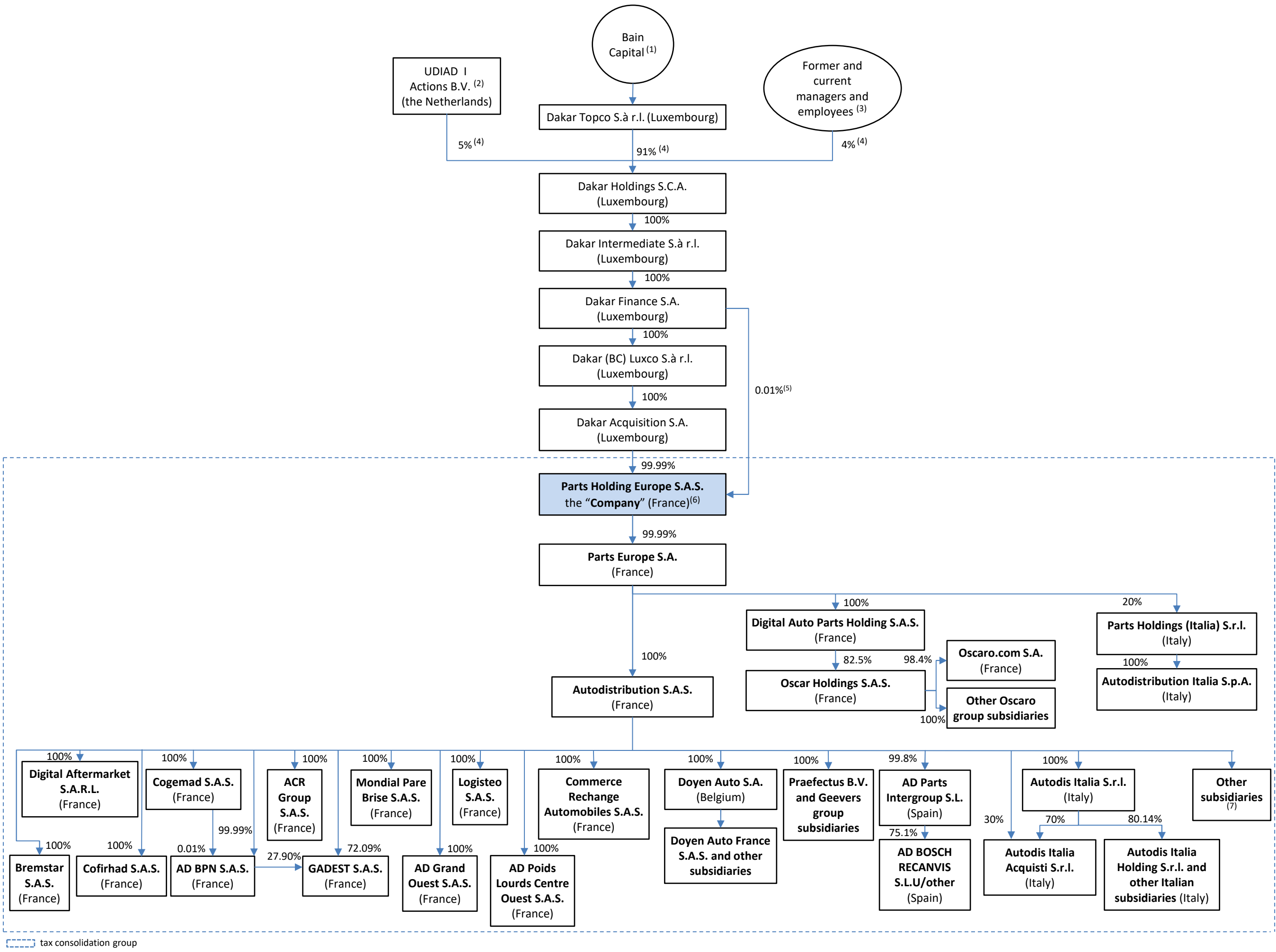
Not applicable.

CHAPTER 6. ORGANIZATIONAL STRUCTURE

6.1 SIMPLIFIED GROUP ORGANIZATIONAL CHART

6.1.1 Organizational chart as of the date of this Registration Document

The organizational chart below sets forth the legal organization of the Group as of the date of this Registration Document, before taking into consideration the Proposed Admission and the Reorganization, as described in Section 6.1.3 "Description of the Reorganization" of this Registration Document. The percentages set forth below represent the percentages of share capital.



(1) As of the date of this Registration Document, Bain Capital holds indirectly (through Dakar Topco) approximately 91% of the share capital of Dakar Holdings.

(2) As of the date of this Registration Document, UDIAD Actions 1 B.V., a private limited liability company (*besloten venootschap*) organized under the laws of the Netherlands ("**UDIAD**") directly holds approximately 5% of the share capital of Dakar Holdings.

(3) As of the date of this Registration Document, former and current managers and employees of the Group directly and indirectly hold approximately 4% of the share capital of Dakar Holdings.

(4) These ownership percentages are based (i) on the securities issued by Dakar Holdings as of the date of this Registration Document, which includes ordinary shares, preferred shares, management shares (held by the general partner of Dakar Holdings) and preferred equity certificates ("**PECs**"), except preferred shares resulting from the capitalization of PECs interests, and (ii) on the valuation of such securities at the time of the acquisition of the Group by Bain Capital in 2015.

(5) As of the date of this Registration Document, 99.99% of the share capital and 99.99% of the voting rights of the Company are held by Dakar Acquisition. For the purpose of the Conversion (as defined below), Dakar Acquisition and Dakar Finance entered into a share loan agreement on April 21, 2021, pursuant to which Dakar Finance acquired one ordinary share of the Company. Dakar Acquisition and Dakar Finance are indirectly held by Dakar Holdings.

(6) As of the date of this Registration Document, the Company is a simplified stock company (*société par actions simplifiée*). No later than the date upon which the AMF grants its approval on the prospectus in relation to the Proposed Admission, the Company will be converted into a limited liability company with a board of directors (*société anonyme à conseil d'administration*).

(7) Other subsidiaries are mainly wholly-owned distributors.

6.1.2 Description of the Conversion

As of the date of this Registration Document, the Company is a simplified stock company (*société par actions simplifiée*). The Company will be converted into a limited liability company with a board of directors (*société anonyme à conseil d'administration*) by decision of the shareholders of the Company prior to the date upon which the AMF grants its approval on the prospectus in relation to the Proposed Admission (the "**Conversion**").

The description of the corporate form and corporate bodies of the Company contained in this Registration Document are those of the corporate form and bodies of the Company as they will exist as of the IPO Settlement (for further information about the corporate form and corporate bodies of the Company, see Section 12.1 "Composition of management and supervisory bodies" of this Registration Document).

6.1.3 Description of the Reorganization

6.1.3.1 *Reorganization steps*

As of the date of this Registration Document, the Company is directly owned by Dakar Acquisition (99.99%) and Dakar Finance (0.01%). As part of the Proposed Admission, the Group intends to simplify its corporate and shareholding structure. The Reorganization includes the transactions described below, which will be submitted to the approval of the shareholders of the relevant entities prior to the date of determination of the price of the initial public offering to be conducted as part of the Proposed Admission (the "**IPO Price**") and will each become effective on the IPO Settlement Date: (i) the merger of Dakar Intermediate with and into Dakar Finance; (ii) the merger of Dakar (BC) Luxco with and into Dakar Finance; (iii) the merger of Dakar Acquisition with and into Dakar Finance; (iv) the merger of Dakar Holdings with and into the surviving company, Dakar Finance; and (v) the merger of Dakar Finance with and into the Company, implemented in accordance with French laws and regulations applicable to cross-border mergers, *i.e.*, articles L. 236-25 *et seq.* of the French Commercial Code and provisions of articles L. 236-1 *et seq.* of the same which are not contrary to the above mentioned articles L. 236-25 *et seq.* of the French Commercial Code and the laws and regulations of the Grand Duchy of Luxembourg applicable to the mergers, *i.e.*, articles 1020-1 *et seq.* of Chapter 2, Section X on mergers of the law of August 10, 1915 on commercial companies, as amended (collectively, the "**Mergers**"). The exchange ratio for the proposed Mergers will be determined on the basis of the actual value of each company involved in the relevant Merger, calculated by reference to the IPO Price.

As a result of the Reorganization and effective as of the IPO Settlement Date, the share capital of the Company will be composed of ordinary shares and Dakar Topco, UDIAD and former and current managers and employees of the Group will become direct holders of ordinary shares of the Company.

6.1.3.2 *Conversion of Dakar Holdings PECs*

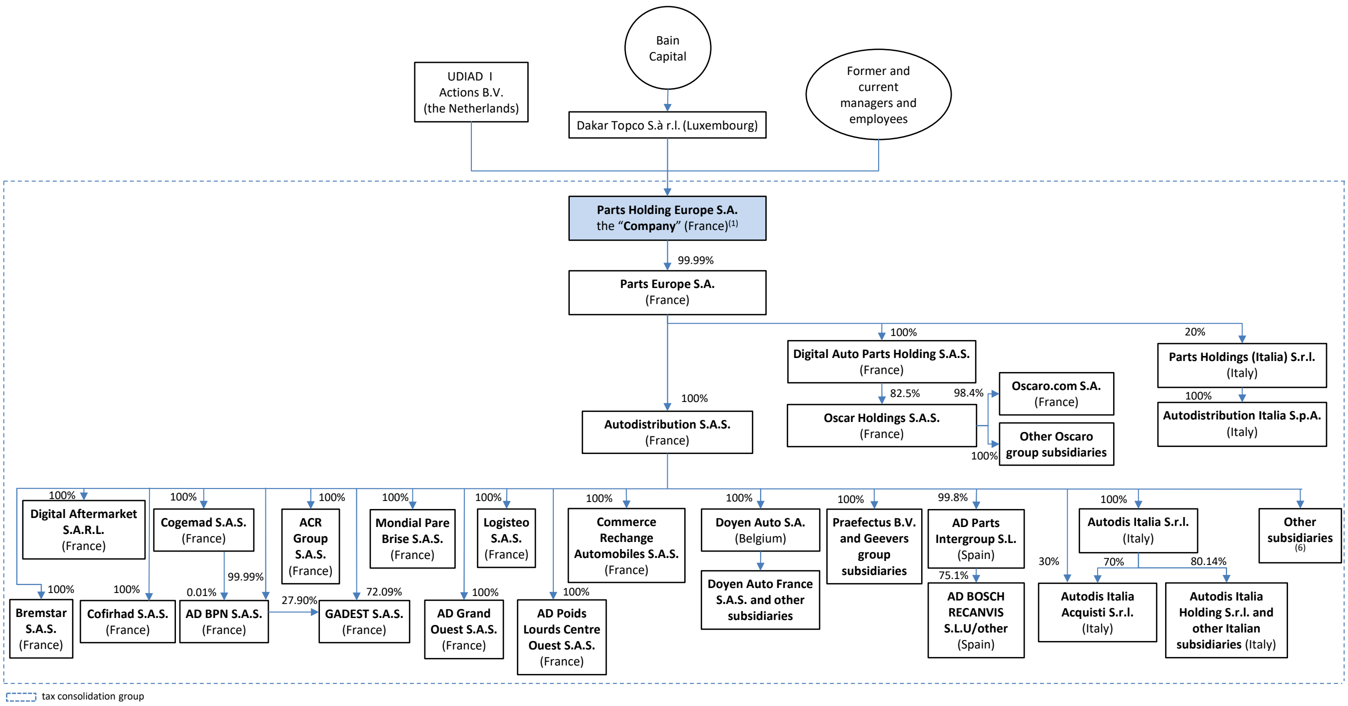
In connection with the acquisition and the financing of the acquisition of the Group by Bain Capital in December 2015 (see Section 5.3 "History and important events" of this Registration Document), Dakar Holdings issued PECs to some of its shareholders (collectively, the "**Dakar Holdings Shareholder Loans**").

Because the Dakar Holdings Shareholder Loans were issued by Dakar Holdings, which is an indirect holding company of the Company, such Dakar Holdings Shareholder Loans do not appear on the consolidated balance sheet of the Company as presented in the consolidated financial statements of the Group for the fiscal years ended December 31, 2020, 2019 and 2018 included in Section 18.1.1 "Group audited consolidated financial statements for the years ended December 31, 2018, 2019 and 2020" of this Registration Document.

The Dakar Holdings Shareholder Loans were repaid on December 31, 2019, save for the PECs held by certain shareholders. As part of the Reorganization, the PECs held by these shareholders, which amounted to €4.1 million in principal amount and accrued interest as of December 31, 2020, will be converted into ordinary shares of Dakar Holdings effective as of the IPO Settlement Date on the basis of the IPO Price.

6.1.4 Simplified organizational chart of the Group after the Reorganization

The organizational chart below sets forth the legal organization of the Group immediately after the Reorganization but without taking into account the potential impact of the offering of the Company's shares or any capital increase to occur as part of the Proposed Admission. The percentages set forth below represent the percentages of share capital and voting rights[9].



(1) As of the date of this Registration Document, the Company is a simplified stock company (*société par actions simplifiée*). No later than the date upon which the AMF grants its approval on the prospectus in relation to the Proposed Admission, the Company will be converted into a limited liability company with a board of directors (*société anonyme à conseil d'administration*).

6.2 SUBSIDIARIES AND EQUITY INTERESTS

6.2.1 Material subsidiaries

The main direct or indirect subsidiaries of the Company are described below.

- **ACR Group S.A.S.** is a simplified stock company (*société par actions simplifiée*) organized under the laws of France with its registered office located at 2-3, route du Mole, Bâtiment 1, 92230 Gennevilliers, France and registered

[9] The percentage that Dakar Topco, UDIAD and the former and current managers and employees of the Group will hold in the share capital of the Company following the Reorganization will depend on the IPO Price.

with the Trade and Companies Register under number 392 038 824 RCS Nanterre. Autodistribution S.A.S. holds 100% of the share capital and voting rights of ACR Group S.A.S. ACR Group S.A.S. main activities consist of providing logistics services to the Group in France.

- **AD Bosch Recanvis S.L.U.** ("**AD Bosch Recanvis**") is a private limited liability company (*sociedad de responsabilidad limitada*) organized under the laws of Spain, with its registered office at Carretera Nacional II, kilometro 711, 17458 Fornells de la Selva, Gerona, Spain and registered with the Commercial Registry of Gerona under number B-550090450. AD Bosch Recanvis is the direct holding company of the main operational subsidiaries of the Group in Spain. The Company indirectly holds 75.1% of the share capital and voting rights of AD Bosch Recanvis (through AD Parts Intergroup S.L.). The remaining 24.9% is held by Bosch Grup 1937 S.L. The shareholders' agreement entered into between AD Parts Intergroup S.L. and Bosch Grup 1937 S.L. notably provides for: (i) a put option in favor of Bosch Grup 1937 S.L. to sell its entire shareholding in AD Bosch Recanvis' share capital to AD Parts Intergroup S.L. which may be exercised if the following events, among others, are triggered: (x) in case of an indirect change of control in AD Parts Intergroup S.L. to the benefit of an industrial third-party purchaser and (y) on or after July 30, 2024; and (ii) a call option in favor of AD Parts Intergroup S.L. to acquire the entire shareholding held by Bosch Grup 1937 S.L. in AD Bosch Recanvis' share capital which may be exercised, *inter alia*, within one month from the date of expiration of the put option mentioned above.

- **AD Grand Ouest S.A.S.** is a simplified stock company (*société par actions simplifiée*) organized under the laws of France with its registered office located at ZI Saint-Serge rue Vaucanson, 49000 Angers, France and registered with the Trade and Companies Register under number 775 609 431 RCS Angers. Autodistribution S.A.S. holds 100% of the share capital and voting rights of AD Grand Ouest S.A.S. AD Grand Ouest S.A.S. is an operating company carrying out light vehicle spare parts wholesale activities in the West of France.

- **AD Poids Lourds Centre Ouest S.A.S.** is a simplified stock company (*société par actions simplifiée*) organized under the laws of France with its registered office located at 44, rue du Maréchal Leclerc, 28110 Lucé, France and registered with the Trade and Companies Register under number 349 790 204 RCS Chartres. Autodistribution S.A.S. holds 100% of the share capital and voting rights of AD Poids Lourds Centre Ouest S.A.S. AD Poids Lourds Centre Ouest S.A.S. is an operating company carrying out truck spare parts wholesale activities in the West of France.

- **Autodistribution S.A.S.** is a simplified stock company (*société par actions simplifiée*) organized under the laws of France with its registered office located at 22, avenue Aristide Briand, 94110 Arcueil, France and registered with the Trade and Companies Register under number 962 227 351 RCS Créteil. Parts Europe S.A. holds 100% of the share capital and voting rights of Autodistribution S.A.S. Autodistribution S.A.S. is an intermediate holding company.

- **Autodistribution Bassin Parisien Nord S.A.S.** ("**AD BPN S.A.S.**") is a simplified stock company (*société par actions simplifiée*) organized under the laws of France with its registered office located at 6, rue Vaucanson, ZI Saint-Serge, 49000 Angers, France and registered with the Trade and Companies Register under number 315 493 270 RCS Angers. Autodistribution S.A.S. holds 99.99% of the share capital and voting rights of AD BPN S.A.S. The remaining 0.01% is held by Cogemad S.A.S. AD BPN S.A.S. is an operating company carrying out light vehicle spare parts wholesale activities in Ile-de-France.

- **Autodis Italia S.r.l.** is a limited liability company (*società a responsabilità limitata*) organized under the laws of Italy with its registered office located at 67, Foro Buonaparte (MI) Italy and registered under the unique identification number 09828680968. Autodistribution S.A.S. holds 100% of the share capital and voting rights of Autodis Italia S.r.l. Autodis Italia S.r.l. is an intermediate holding company.

- **Autodis Italia Acquisti S.r.l.** is a limited liability company (*società a responsabilità limitata*) organized under the laws of Italy with its registered office located at Via Newton 12, Pero (MI) Italy and registered under the unique identification number 10099760968. Autodis Italia S.r.l. holds 70% of the share capital and voting rights of Autodis Italia Acquisti S.r.l. The remaining 30% is held by Autodistribution S.A.S. Autodis Italia Acquisti S.r.l. is an operating company carrying out light vehicle spare parts wholesale activities in Italy.

- **Autodis Italia Holding S.r.l.** ("**Autodis Italia Holding**") is a private limited liability company (*società a responsabilità limitata*) organized under the laws of Italy, with its registered office at 12 via Newton, Pero, Italy and registered with the Milan Business Register under number 09834150964. Autodis Italia S.r.l. holds 80.14% of Autodis Italia Holding. The remaining 19.86% is held by certain managers of Autodis Italia Holding S.r.l.'s subsidiaries, *i.e.*, OVAM S.p.A, Ricauto S.p.A, Top Car S.r.l and Genfin S.r.l. The shareholders' agreement entered into between Autodis Italia S.r.l. and the minority shareholders of Autodis Italia Holding S.r.l. notably provides for: (i) a put option granted to each of the minority shareholders to sell all of their shares in Autodis Italia Holding and (ii) a call option granted to Autodis Italia S.r.l. to purchase all outstanding shares of Autodis Italia Holding both of which may only be exercised as of the date of approval of the financial statements as of December 31, 2021 and within 40 days thereafter, at a pre-agreed fixed EBITDA acquisition multiple of 8.25x. The main business of Autodis Italia Holding is to manage and control OVAM S.p.A, Ricauto S.p.A, Top Car S.r.l. as well as Genfin S.r.l. and their respective subsidiaries.

- **Bremstar S.A.S.** is a simplified stock company (*société par actions simplifiée*) organized under the laws of France with its registered office located at 4, rue du Maréchal Leclerc, 28110 Lucé, France and registered with the Trade and Companies Register under number 400 207 957 RCS Chartres. Autodistribution S.A.S. holds 100% of the share capital and voting rights of Bremstar S.A.S. Bremstar S.A.S.'s main activities consist of providing logistics services to the Group in France for its truck spare parts activities.

- **Cofirhad S.A.S.** is a simplified stock company (*société par actions simplifiée*) organized under the laws of France with its registered office located at 17-19, rue Ampère, 03300 Cusset, France and registered with the Trade and Companies Register under number 351 438 239 RCS Cusset. Autodistribution S.A.S. holds 100% of the share capital and voting rights of Cofirhad S.A.S. Cofirhad S.A.S. is an operating company carrying out wholesale activities and retail trade of general supplies for the automotive, industrial, heavy-duty, public works, agricultural and aeronautical sectors.

- **Commerce Rechange Automobiles S.A.S.** is a simplified stock company (*société par actions simplifiée*) organized under the laws of France with its registered office located at Zone industrielle du Chapotin – Parc d'affaires de Chaponnay, 69970 Chaponnay, France and registered with the Trade and Companies Register under number 967 505 660 RCS Lyon. Autodistribution S.A.S. holds 100% of the share capital and voting rights of Commerce Rechange Automobiles S.A.S. Commerce Rechange Automobiles S.A.S. is an operating company carrying out light vehicle spare parts wholesale activities in France.

- **Digital Auto Parts Holding S.A.S.** is a simplified stock company (*société par actions simplifiée*) organized under the laws of France with its registered office located at 22, avenue Aristide Briand, 94110 Arcueil, France and registered with the Trade and Companies Register under number 843 745 712 RCS Créteil. Parts Europe S.A. holds 100% of the share capital and voting rights of Digital Auto Parts Holding S.A.S. Digital Auto Parts Holding S.A.S. is an intermediate holding company.

- **Doyen Auto S.A.** is a limited liability company (*société anonyme*) organized under the laws of Belgium with its registered office located 1 rue Charles Richet, 7180 Seneffe, Belgium and registered with the Crossroads Bank for Enterprises under number 0456.837.435. Autodistribution S.A.S. holds 100% of the share capital and voting rights of Doyen Auto S.A. Doyen Auto S.A. is the holding company of the Doyen Auto Group, a major Belgian-based spare parts distributor and repair and maintenance services provider acquired by the Group in 2016.

- **Doyen Auto France S.A.S.** is a simplified stock company (*société par actions simplifiée*) organized under the laws of France with its registered office located at 6, rue de l'Ourmède, 31620 Castelnau-d'Estrétefonds, France and registered with the Trade and Companies Register under number 452 197 478 RCS Toulouse. Doyen Auto holds 100% of the share capital and voting rights of Doyen Auto France S.A.S. Doyen Auto France S.A.S. is an operating company of the Doyen Group Auto whose main activities consist of the distribution of spare parts in France and the provision of repair and maintenance services.

- **Gadest S.A.S.** is a simplified stock company (*société par actions simplifiée*) organized under the laws of France with its registered office located at 9, rue Antoine Becquerel, 21300 Chenôve, France and registered with the Trade and Companies Register under number 015 550 882 RCS Dijon. Autodistribution S.A.S. holds 72.09% of the share capital and voting rights of Gadest S.A.S. The remaining 27.91% is held by AD BPN S.A.S (27.90%) and Mr. Charles Hawner

(0.01%). Gadest S.A.S. is an operating company carrying out light vehicle spare parts wholesale activities in the East of France.

- **Logisteo S.A.S.** is a simplified stock company (*société par actions simplifiée*) organized under the laws of France with its registered office located at 2102, rue Denis Papin, Parc d'Activités de l'A5, 77550 Réau, France and registered with the Trade and Companies Register under number 503 755 944 RCS Melun. Autodistribution S.A.S. holds 100% of the share capital and voting rights of Logisteo S.A.S. Logisteo is the main logistics platform and storage and packaging site of the Group and provides logistics, storage and packaging services to the Group.

- **Mondial Pare-Brise S.A.S.** is a simplified stock company (*société par actions simplifiée*) organized under the laws of France with its registered office located at 3, rue Joseph Monier, 92500 Rueil-Malmaison, France and registered with the Trade and Companies Register under number 418 505 343 RCS Nanterre. Autodistribution S.A.S. holds 100% of the share capital and voting rights of Mondial Pare-Brise S.A.S. Mondial Pare-Brise S.A.S. is an operating company carrying out wholesale installation and repair of car glasses and car accessories.

- **Oscar Holding S.A.S.** is a simplified stock company (*société par actions simplifiée*) organized under the laws of France with its registered office located at 6-8 boulevard Haussmann, 75009 Paris, France and registered with the Trade and Companies Register under number 532 480 175 RCS Paris. Digital Auto Parts Holding S.A.S. holds 82.5% of the share capital and voting rights of Oscar Holding S.A.S. The remaining 17.5% is held by Indenoï S.A.S. Oscar Holding S.A.S. is an intermediate holding company for the Oscaro group. The shareholders' agreement entered into between, *inter alios*, Indenoï S.A.S., Digital Auto Parts Holding S.A.S. and the Company notably provides for: (i) a put option granted by Digital Auto Parts Holding S.A.S. in favor of Indenoï S.A.S. to sell its entire shareholding in Oscar Holding S.A.S.'s share capital to any third party and which may be exercised notably in case of an initial public offering of the Company, it being specified that the price of such put option will be determined on the basis of the fairness opinion issued by the investment banks in charge of such initial public offering, as well as (ii) a call option granted by Indenoï S.A.S. in favor of Digital Auto Parts Holding S.A.S. to acquire its entire shareholding in Oscar Holding S.A.S.'s share capital which may be exercised between the 5th and 7th anniversary of the Oscaro group acquisition completion date (*i.e.*, November 13, 2018) and which shares' price shall be determined by an expert.

- **Oscaro.com S.A.** is a limited liability company with a management and supervisory board (*société anonyme à conseil de directoire*) organized under the laws of France with its registered office located at 6-8 boulevard Haussmann, 75009 Paris, France and registered with the Trade and Companies Register under number 434 474 284 RCS Paris. Oscar Holding S.A.S. holds 98.52% of the share capital and voting rights of Oscaro.com S.A. The remaining 1.48% is held by Mr. Gilles Hamou. Oscaro.com S.A. is an operating company carrying out online distribution activities of light vehicle spare parts, accessories, products and equipment in France.

- **Parts Europe S.A.** is a limited liability company with a board of directors (*société anonyme à conseil d'administration*) organized under the laws of France with its registered office located at 22, avenue Aristide Briand, 94110 Arcueil, France and registered with the Trade and Companies Register under number 086 380 706 RCS Créteil. The Company holds 99.99% of the share capital and voting rights of Parts Europe S.A. The remaining 0.01% is held by certain former managers of the Group. Parts Europe S.A. is an intermediate holding company.

- **Parts Holding (Italia) S.r.l.** is a limited liability company (*società a responsabilità limitata*) organized under the laws of Italy with its registered office located at 10, via Bruno Buozzi (TO) Italy and registered under the unique identification number 02209510060. Parts Europe S.A. holds 20% of the share capital and voting rights of Parts Holding (Italia) S.r.l. The remaining 80% is held by Giadi Group S.r.l., Ricauto, General Auto S.r.l., C.I.R.E., Concessionaria Italian Ricambi Elettrodiesel S.p.A., 2G Paudauto S.r.l. and other minority shareholders. Parts Holding (Italia) S.r.l. is an intermediate holding company.

- **Praefectus B.V.** is a private limited liability company (*Besloten vennootschap met beperkte aansprakelijkheid*) organized under the laws of the Netherlands with its registered office located at De Run 5141 5503 LV Veldhoven, the Netherlands and registered with the Trade and Companies Register under number 63226251. Autodistribution S.A.S. holds 100% of the share capital and voting rights of Praefectus B.V. Praefectus B.V. is an intermediate holding company for the Geevers group.

For a description of the Group's consolidated subsidiaries, see note 21 (Consolidated companies) of the consolidated financial statements of the Group for the fiscal years ended December 31, 2020, 2019 and 2018 presented in Section 18.1.1 "Group audited consolidated financial statements for the years ended December 31, 2018, 2019 and 2020" of this Registration Document.

6.2.2 Main acquisitions and recent disposals of subsidiaries

For a description of the Group's main acquisitions and recent disposals of subsidiaries, see Section 5.3 "History and important events" of this Registration Document.

6.2.3 Shareholdings

Not applicable.

6.2.4 Material joint ventures

Not applicable.

CHAPTER 7. OPERATING AND FINANCIAL REVIEW

This operating and financial review should be read together with the Group's audited consolidated financial statements for the years ended December 31, 2020, 2019 and 2018, which were prepared in accordance with IFRS as adopted by the European Union and which are included in Section 18.1.1 "Group audited consolidated financial statements for the years ended December 31, 2018, 2019 and 2020" of this Registration Document, as well as the information included in Chapter 8 "Liquidity and Capital Resources", Chapter 10 "Trend Information" and Chapter 11 "Profit Forecasts or Estimates" of this Registration Document.

The historical consolidated financial information for the years ended December 31, 2018 and 2019 presented in the Group's audited consolidated financial statements for the years ended December 31, 2020, 2019 and 2018 includes the following changes as compared to the consolidated financial statements originally published by the Group for the years ended December 31, 2019 and 2018:

- 2019 restatements to reflect the effect of the purchase price allocation of the acquisition of AD Bosch, acquired in 2019;
- 2019 restatement for an adjustment relating to the impacts of IFRS 16 to reflect (i) a correction in the first application of IFRS 16 and (ii) the IFRS IC decision of December 16, 2019 clarifying the enforceable period of a lease, which should reflect broader economics and clarifying the relationship between the useful life of non-removable leasehold improvements and the lease term under IFRS 16;
- 2018 restatements to reflect the effects of the purchase price allocation of the acquisition of the Oscaro group, acquired in 2018; and
- changes to the segment reporting to (i) reflect the new structure of the Group's internal reporting, in compliance with IFRS 8 "Operating Segments" and (ii) to restate the Group's "current EBITDA" key performance indicator to no longer adjust for the IFRS 16 impact on rental costs.

See Section 7.6 "Restatements of previously reported financial statements" of this Registration Document for further information.

7.1 OVERVIEW

The Group is a leading automotive spare parts distributor in independent aftermarkets ("**IAMs**") in Belgium, France, Italy, Luxembourg, the Netherlands and Spain, with nearly 60 years of experience. Since the acquisition of Oscaro in November 2018, the Group has become an omni-channel (online and offline) distributor focused on both business-to-business ("**B2B**") and business-to-consumer ("**B2C**") offerings. The Group's B2C customers include a significant number of "do it yourself" customers, who are end-customers who buy parts and make repairs themselves rather than relying on garages to source parts and make repairs, as well as "do it for me" customers who rely on garages to make repairs for them. The Group considers its target market to be vehicles aged over three to five years and up to 30 years. The Group benefits from having full control of its value chain, state-of-the-art logistics, a powerful network of garages, a strong position in the online B2C market and a unique range of value-added services.

The Group is supported by its strong positioning in favorable markets, its unique operational model and value-added services proposition, its history of organic growth and value-accretive, acquisitions-led growth as well as its strong financial profile. For the year ended December 31, 2020, the Group generated revenue of €1,761.7 million and current EBITDA of €203.5 million.

For information about the Group's history and development, see Chapter 5 "Business Overview" of this Registration Document.

7.2 KEY FACTORS AFFECTING THE GROUP'S RESULTS OF OPERATIONS

The following are key factors that have significantly affected the Group's results of operations during the years ended December 31, 2020, 2019 and 2018 for which the Group expects will significantly affect (or continue to affect) its results of operations in the future.

7.2.1 Factors related to the Group's industry

7.2.1.1 *Dynamics of the independent aftermarkets for spare parts and collision repair*

The following factors may affect the distribution aftermarkets in which the Group operates in any given period:

- **Number of vehicles**. The number of vehicles on the road impacts the size of the aftermarket for vehicle spare parts. The size of the car parc in Europe has grown steadily in recent years and is expected to increase at a CAGR of 0.44% in France between 2020 and 2025. Growth of the car parc is impacted by population size, the rate at which new cars are introduced into circulation and the rate at which old cars are retired from the road. The size of the truck fleet in France, the Group's primary truck market, has remained more or less flat in recent years and is expected to grow slightly between 2019 and 2023.

- **Age and condition of vehicles**. The average age of vehicles in operation also has an impact on the distribution aftermarkets in which the Group operates. In the EU, the average age of the light vehicle car parc has increased from approximately 9.6 years in 2011 to 10.5 years in 2019, a trend which is expected to continue. In France, the Group's largest market, the average age of the light vehicle car parc has increased from approximately 8.0 years in 2007 to 9.9 years in 2019 and is expected to increase to 10.4 years by 2030. In general, older vehicles require more repair and maintenance services and spare parts than younger ones and are less likely to be covered by warranty. As a result, an increase in the age of vehicles is expected to have a positive impact on the Group's operations due to lower competition from dealers and OEMs. The age of vehicles is impacted by various factor including by the sales price and production quality of new vehicles because both high sales prices and increasing production quality (which generally enables vehicles to run longer without repair or replacement) generally lead owners to delay the purchase of new vehicles and result in an older average age of the car parc. However, higher production quality could lead to decreased demand in the short term for the Group's products and services, although as new vehicles age and begin to require more frequent maintenance it could potentially stimulate demand for the Group's products and services in the medium- to long-term. Additionally, regulations may continue to evolve in connection with gas emissions, which may lead to upgrades to the car parc overall, but also provide an opportunity for the Group to expand its product offerings to fulfil the requirements of new regulations.

- **Mileage**. Vehicles that are frequently used and driven for longer distances typically require more repair and maintenance services and replacement of spare parts than those that have travelled less. The average annual mileage for light vehicles is generally stable and structurally resilient. General economic conditions may nonetheless impact mileage and government incentives that encourage carpooling and the use of public transportation or other alternatives to driving may also reduce miles travelled. In 2020, because of the lockdown measures adopted in response to the COVID-19 pandemic, there was a decrease in mileage during the initial lockdown initiated mid-March in many European countries due to the mobility restrictions (in April 2020, the decrease in vehicle mobility in France reached 80% as compared to January 2020). After the initial lockdown, the decrease in use of light vehicles due to remote working was partially offset by an increase in driving as a result of reluctance to use public transportation and a general decrease in car sharing. With the lifting of lockdown measures and mobility restrictions in the second and third quarters of 2020, vehicle mobility improved and reached a positive peak of 90% in July 2020, as compared to January 2020. During the second lockdown, in the fourth quarter of 2020, vehicle mobility decreased by approximately 10% as compared to January 2020.

- **Service intervals**. The Group's results are impacted by the frequency with which vehicle owners and operators seek repairs (*i.e.*, service intervals) on their vehicles or require replacement parts. Higher job frequency benefits the Group because it increases demand for the products that the Group distributes and the services it provides. A number of factors affect job frequency. As vehicles age, the need for repairs and/or maintenance increases, thus increasing job frequency. Likewise, increased average mileage of vehicles tends to also translate into greater job frequency, as parts reach the end of their useful lives sooner. Finally, general economic conditions can also impact job frequency, as during an economic downturn, drivers or truck fleet managers may postpone non-essential vehicle repairs and maintenance due to their diminished spending power.

- **Preference for independent garages over manufacturers' dealers' garages**. The Group believes that the diminished spending power of consumers and the increasing age of vehicles could encourage drivers and truck fleet managers to rely more on garages operating in the independent segment in which the Group operates, as opposed to the manufacturers' dealers' segment. On average, the IAM provides more competitive pricing than the OEMs. However, certain customers prefer to have their vehicle serviced in a manufacturer's dealer's garage, particularly during the warranty coverage period, due to the link between the manufacturers' dealers' garage and the original vehicle manufacturer, despite current EU regulations that allow customers to use independent garages without impacting their warranty. Manufacturers' dealers' garages tend to use vehicle manufacturer parts that generally have higher prices than those offered by the Group.

- **Diversity of the car parc**. There are many brands and models of vehicles on the road in the countries in which the Group operates, each of which requires specific spare parts for repairs. The increase in the variety of spare parts benefits large, integrated distributors such as the Group because it has the scale to stock a wide variety of spare parts. As a result, the Group can serve as a reliable supplier for its end-customers, who increasingly require a wider range of products. This increase in brands and models of vehicles may adversely affect manufacturers' dealers' distributors, which focus on single brands, and small-scale IAM distributors, which are less able to offer a wide variety of spare parts. An increase in the variety of brands and models of vehicles may lead to further consolidation among smaller IAM distributors, thereby further benefiting established, large and integrated distributors such as the Group.

The factors described above have generally had a positive impact on the Group's results for the periods under review and Group management believes they have generally increased the Group's ability to maintain stable earnings and cash flow.

7.2.1.2 *Technological trends in the Group's industry*

The Group's results are impacted by evolving technical specifications and new technologies in its industry and its ability to timely respond to such trends. Technological advancements in vehicles, such as the increasing number of driver assistance systems, collision prevention systems, control devices and other electronic components, have resulted in more complex and more expensive repair processes and related spare parts. The increased use of technology in the manufacturing of vehicles and their respective spare parts has improved the quality and extended the lifespan of key vehicle components, such as exhaust systems, tires and brakes. These trends have adversely affected the Group's operations in certain of its business segments because spare parts tend to wear out less frequently, which in turn lengthens maintenance service cycles, lowers job frequency and leads to lower demand for spare parts and repair services.

Furthermore, due to ongoing technological developments, independent garages need to acquire the appropriate technical expertise in newly developed components and gain access to the training, tools, instruments and parts that such technological developments demand. Failure by independent garages to do so may result in an increase in demand for maintenance and repair services provided by manufacturers' dealers' garages with the necessary technical expertise. Similarly, given the extended lifespan of spare parts, certain vehicle manufacturers have extended their new warranties (in the case of light vehicles to eight years or more, as compared to four to five years in the past) and provide long-term service programs to customers. Nevertheless, in many cases, decreasing volumes have been offset by increased prices for technologically advanced spare parts and complex repair services. In addition, certain technological advancements may require entire modules or systems to be replaced in certain types of light vehicles (which favors services by dealers' garages), as opposed to discrete parts, thereby increasing replacement costs and decreasing market shares for small garages.

7.2.1.3 *Competition*

The garages that are the Group's key professional customers and to whom the Group sells the majority of its products and services face competition from two principal types of market participants: OEM distributors and other IAM distributors. The OEM segment typically specializes in vehicles ranging from newly purchased to three- to five-years old and captures a large share of vehicle repairs covered by warranties, as well as a more limited share of repairs of vehicles aged four years and older. Certain vehicle manufacturers have, however, extended their new light vehicle warranties to up to eight years and now cover longer-term maintenance and repairs. Garages also face direct competition from other IAM distributors, particularly on the basis of operational efficiency and price. Demand for the Group's products from its garage customers may be impacted by the competition from OEM and other IAM distributors.

The Group also competes against other online spare parts retailers that mainly compete with the Group's B2C online platform, Oscaro, on the basis of price. The Group believes that an increasing number of end-customers (drivers) compare prices on the Internet before making a spare part purchase and generally choose to purchase products online based on competitive pricing, rather than making their decision based on the perceived advantages of purchasing at brick and mortar locations that offer expert insight and immediate service and fulfilment, but which may be more expensive or less convenient. The Group realized at an early stage that the Internet offered innovative opportunities for spare parts distributors. In order to take advantage of these opportunities, in November 2018 the Group acquired Oscaro, the French leader in online sales of light vehicle spare parts. Oscaro is one of the first online players to offer new spare parts from manufacturers and wholesalers, generating the majority of its revenue from "do it yourself" customers.

For a further discussion on the competition that the Group faces, see Section 5.6 "Competitive position" of this Registration Document.

7.2.1.4 *General economic conditions*

The Group's business and the demand for certain products that the Group distributes are affected by general economic conditions in the markets in which the Group operates. The Group's business and the IAMs in Western Europe as a whole have generally proven resilient during economic cycles, including the current economic downturn caused by COVID-19. During periods of weaker general economic conditions, vehicle owners tend to switch from manufacturers' dealers' garages to cheaper independent garages, and the average age of vehicles increases, increasing demand for maintenance. This provides the Group's business with an element of counter-cyclicality, despite some vehicle owners delaying repairs for a short period of time. In addition, certain of the Group's products, such as brake pads, belts and other critical parts, tend to exhibit inelastic demand, even during difficult economic conditions, while more discretionary items, such as accessories, tend to be impacted more by the economic climate.

7.2.1.5 *Regulation.*

The market for the supply and distribution of spare parts is affected by regulatory changes in each of the geographies in which the Group operates, including those that govern access to the spare parts aftermarket for IAM distributors and those that seek to impact vehicle safety and other driver behaviors.

Block Exemption Regulation

The market for the supply and distribution of automotive spare parts and the provision of repair and maintenance services has been generally liberalized as a result of EU regulations. Regulation (EU) No. 461/2010 dated May 27, 2010 was adopted to promote fair and effective competition among aftermarket players, vehicle manufacturers and authorized repairers, by ensuring that aftermarket players have access to spare parts and technical information relating to such spare parts. The current regulatory framework (valid through May 2023) is favorable for IAM players such as the Group because it provides for: (i) full access for independent automotive spare parts manufacturers and garages to the technical information needed to ensure effective competition within and between the IAM and the OE aftermarket, (ii) customers' right to engage independent garages throughout the life of the light vehicle with no warranty limitations, (iii) the unrestricted sale of automotive spare parts in the IAM and (iv) resellers' rights to use private brands and logos for automotive spare parts sales. For a more detailed description of the regulation of automotive spare parts distribution in the markets in which the Group operates, see Chapter 9 "Regulatory Environment" of this Registration Document.

Traffic laws and policy

The overall market for collision repair in France and the other jurisdictions where the Group operates has been affected by a decline in collisions as a result of the increased enforcement of and publicity surrounding traffic laws. The Group has, however, increased its market share in this declining market by strengthening its relationships with car insurance companies, providing collision parts at lower prices and improving its supply chain for the delivery of light vehicle parts for collision repair. Likewise, regulations applicable to trucks are particularly stringent and apply high standards for truck safety through periodic technical controls.

COVID-19 restrictions

In response to the COVID-19 pandemic, on March 17, 2020, the French government imposed a nationwide lockdown and other restrictions on movement, which, together with similar measures imposed in other European countries, have had a material adverse impact on the overall economy in the markets in which the Group operates and have impacted how the Group conducts its business. While the first lockdown in France was lifted on May 11, 2020, a subsequent lockdown was implemented from October 30 to December 15, 2020 and significant restrictions, curfews and social distancing measures remain in place. As a result of these restrictive measures in France and in the other markets in which the Group operates, the Group's sites experienced partial or full closure during the initial phase of the first lockdown and certain employees were transitioned to the French furlough scheme (*chômage partiel*). In France, the Group transitioned 425 of its employees to remote working and 5,207 of its employees to the French furlough scheme (*chômage partiel*). The Group also benefited from government assistance received in the countries in which it operates, amounting to €20.9 million, in order to maintain employees transitioned to a furlough scheme (*chômage partiel*) or equivalent schemes and pay all or part of their salaries, which allowed the Group to avoid drastic measures in the early months of the lockdown period implemented in response to the COVID-19 pandemic.

The disruptions triggered by COVID-19 in countries where the Group's suppliers are located have also impacted their activities and may result in future slowdowns or stoppages of their production activities and other disruptions (in particular for suppliers based in Asia, as was the case during the initial wave of COVID-19 in 2020), which could have a material impact on the Group's business, results of operations and financial condition if the Group is not able to mitigate the impact of such events. In early 2020 during the first wave of the pandemic, in anticipation of the potential disruptions in delivery, the Group significantly increased its orders from suppliers in Asia. While the Group was able to mitigate the impact on upstream delivery and avoid supply disruptions due to COVID-19 in 2020, future lockdown measures, such as international travel restriction which have resulted in less international freight and shipping to Europe, continue to pose a threat to production activities. Additionally, during the first lockdown disruptions in postal services impacted downstream delivery to online customers of the B2C business. While these disruptions were resolved in the months after the first lockdown, possible future delays or interferences affecting postal services could impact the Group's B2C business.

7.2.2 Factors specific to the Group's business

7.2.2.1 *Operational improvement measures*

The Group's results are affected by operational improvement measures that it implements. The Group has developed and continues to implement operating strategies designed to enhance profits. One of the Group's most important competitive advantages has been its ability to use the purchasing power it has derived from its large size and its fully integrated, automated warehouse and logistics systems. In recent years, the Group has strategically reduced the number of suppliers it uses (in 2020, the Group's CPU supply chain worked with approximately 250 main suppliers as compared with 293 suppliers in 2010) concentrating larger volumes of purchases among fewer suppliers, which has enabled the Group's CPU to negotiate better purchasing terms and conditions for the products that the Group distributes. The Group has also streamlined its state-of-the-art logistics platforms and distribution network to get products to its customers with increasing speed and cost efficiency. These measures have contributed to the Group's ability to significantly improve its cash flows from operating activities from continuing operations from €58.9 million for the year ended December 31, 2018, to €109.9 million for the year ended December 31, 2019 and to €206.4 million for the year ended December 31, 2020. The Group intends to continue optimizing purchase conditions with its key suppliers. In addition, the Group intends to continue to integrate its upstream supply chain to increase its margins.

7.2.2.2 *Distribution network and branded garages in France*

The Group's local distribution model includes wholly-owned distributors and independent affiliated distributors. The Group had 300 wholly-owned distributors as of December 31, 2020. Conversions of wholly-owned distributors to independent affiliated distributors, and vice-versa, may have an impact on the Group's profitability in part because overhead costs are higher for administering the wholly-owned network of distributors as compared with the network of independent affiliated distributors. Additionally, if the Group's network of distributors, including both wholly-owned and independent affiliated distributors, were to shrink or expand, the Group's revenue in France could be impacted.

Many of the Group's end-customers are garages, some of which are branded garages. The Group had 3,470 branded garages located in France as of December 31, 2020. Turnover in and maintenance or extension of the Group's network of branded garages also has an impact on revenue. For example, if the Group's network of branded garages were to shrink, the Group might generate lower revenue as a result. On the other hand, if the Group's network of branded garages were to expand, it might generate higher revenue in France.

7.3 KEY FACTORS AFFECTING THE COMPARABILITY OF THE GROUP'S RESULTS OF OPERATIONS

7.3.1 COVID-19

The Group's operating performance is subject to global, economic and market conditions, including their impact on the global automotive industry. Lockdowns imposed in response to the COVID-19 pandemic have severely restricted the level of economic activity in many countries, including in regions in which the Group operates. These restrictions have impacted the Group's operational and financial performance for the year ended December 31, 2020.

Prior to the lockdown measures, in the two months ended February 29, 2020, the Group's revenue represented organic growth of 3.8% and an actual growth of 7.3%, as compared to the two months ended February 28, 2019. Current EBITDA for the two months ended February 29, 2020 represented growth of approximately 17.8% as compared to the two months ended February 28, 2019.

Following the first lockdown measures implemented in March 2020, the Group's revenue and current EBITDA declined sharply in the second half of March 2020, April 2020 and May 2020 as compared to the months of March 2019, April 2019 and May 2019, by 23.7%, 47.2% and 14.5%, respectively, for revenue and by 61.1%, 86.5% and 22.2%, respectively, for current EBITDA. Despite the sharp drop in revenue and current EBITDA, the Group outperformed the market in terms of the trough in its performance during the lockdown (with a decline of 60% in the last week of March 2020 compared to a decline of 80% for the market overall) and in the pace of recovery, as the Group was less impacted than the overall market every single week of the initial lockdown in the markets in which it operates.

The month of June 2020 saw a 19.3% increase in revenue, including 15.4% of organic growth and a 79.6% increase in current EBITDA as compared to the month of June 2019, following the easing of lockdown measures in Europe and an increase of economic activity. For the three months ended September 30, 2020, the Group generated revenue of €482.5 million, an increase of 8.8% compared to the three months ended September 30, 2019, and current EBITDA of €68.2 million, an increase of 20.4% compared to the three months ended September 30, 2019. Organic revenue for the three months ended September 30, 2020 increased by 6.7%. The impact of the second lockdown in France on the Group was moderate: the Group's revenue increased slightly by 0.4% and current EBITDA increased slightly by 0.2% in the fourth quarter of 2020.

Overall, despite the pandemic, the Group benefited from its strong standing in the resilient market in which it operates, and its total revenue for the year ended December 31, 2020 decreased only slightly by 2.0%, compared to the year ended December 31, 2019. Additionally, current EBITDA slightly increased by €1.5 million, or 0.7%, for the year ended December 31, 2020 as compared to the year ended December 31, 2019. Furthermore, AD Bosch, which is based in Catalonia and was acquired by the Group in 2019, performed well throughout 2020 and in spite of significant COVID-19 impacts in Spain, as evidenced by its +3.4% revenue organic growth in the year ended December 31, 2020 and offers the Group a strong foothold to expand in the Iberian peninsula.

The impact of the COVID-19 pandemic on the Group's operations limits the comparability of its results for the year ended December 31, 2020, compared to the year ended December 31, 2019. For additional information on the impact of the COVID-19 pandemic on the Group and the measures the Group implemented following the

COVID-19 pandemic, see Section 5.1.4 "Impact of and response to COVID-19" of this Registration Document. For further analysis of the Group's results for the year ended December 31, 2020, see Section 7.9 "Analysis of the Group's results of operations for the years ended December 31, 2019 and December 31, 2020" of this Registration Document.

7.3.2 Acquisitions and disposals

The Group has pursued external growth through acquisitions in the past and intends to continue to seek out opportunities for acquisitions in the future. While the Group made no significant acquisitions in 2020, the Group successfully acquired several businesses in 2019 and 2018 that are complementary to the Group's existing operations, including:

- The Group expanded its footprint in the French market by acquiring:
  - in 2018, an 82.49% interest in Oscaro, the leading online seller of light vehicle spare parts in France, for a purchase price of €91.3 million; and a 100% interest in: Vallespir Auto Diffusion S.à r.l., a wholesale and retail vehicle spare parts distributor, for a purchase price of €2.3 million; Loire Pare-Brise, a windshield repair specialist that is a subsidiary of Mondial Pare-Brise, for a purchase price of €2.4 million; Société Française d'Industrie Automobile ("**SFIA**"), a wholesale and retail light vehicle spare parts distributor, for a purchase price of €0.7 million; and GPR Auto, a wholesale and retail light vehicle spare parts distributor, for a purchase price of €0.4 million; and
  - in 2019, a 100% interest in Maillot Pièces Poids Lourds, a truck spare parts distributor in Eastern France, for a purchase price of €0.8 million.
- The Group also developed its geographical markets in Spain, Italy and Benelux by acquiring:
  - in 2018, a 100% interest in Geevers, an independent distributor of light vehicle spare parts in Benelux, for a purchase price of €50.2 million; G-Group, an independent spare parts distributor in Italy, for a purchase price of €15.8 million; Verviers Freins, a multi-brand distributor of mechanical parts, bodywork, paint, tools and garage equipment in Belgium, for a purchase price of €13.8 million; and FGL S.r.l., an Italian distributor specialized in car body parts and lighting, for a purchase price of €3.0 million; and
  - in 2019, a 75% interest in AD Bosch, the leading parts distributor in Catalonia, for a purchase price of €48.1 million; and a 100% interest in Team Ricambi S.r.l., a wholesaler specialized in light vehicle, truck spare parts and industrial components based in Italy, for a purchase price of €0.3 million; and Loek Autoparts B.V., a distributor of collision repair parts in the Netherlands, for a purchase price of €0.4 million.
- The Group increased its ownership in Sarco from 49% to 100% in 2018 and in AD Bosch by acquiring an additional 0.10% interest in 2020, increasing its ownership interest to 75.1%.

These acquisitions have impacted the Group's results and limit the comparability thereof from period to period. These acquisitions as well as potential future acquisitions and disposals will continue to impact the Group's results.

By further participating in the industry-wide consolidation of the Group's markets and integrating acquired entities into the Group, the Group believes that it can increase the purchasing power of its CPUs to negotiate better contractual terms with suppliers, thereby improving the Group's margins. The Group believes it is well positioned to be a natural consolidator in the fragmented markets in which it operates, and the Group intends to continue to selectively pursue acquisitions to further expand its network in order to increase its market share and purchasing power, as well as realize additional economies of scale.

7.3.3 Changes to accounting standards

7.3.3.1 *IFRS 9 (Financial instruments)*

The Group adopted IFRS 9 (Financial Instruments) on January 1, 2018, prospectively. Under IFRS 9, the Group applied the simplified approach permitted thereby, which requires expected lifetime losses to be recognized at the initial recognition of the receivables. For receivables of the Group's major customers, a probability-weighted estimate of credit losses is recognized based on each customer's credit ratings. For other receivables, a portfolio approach is applied to the extent they have similar credit risk characteristics and provision is recognized according to certain criteria based on days past due of the receivables and actual historical default rates. The impact of the first adoption of IFRS 9 on the Group's consolidated statement of financial position as of January 1, 2018 is described in Note 4.1.2 "Impact of the standard application" of the consolidated financial statements of the Group for the fiscal years ended December 31, 2020, 2019 and 2018 presented in Section 18.1.1 "Group audited consolidated financial statements for the years ended December 31, 2018, 2019 and 2020" of this Registration Document.

7.3.3.2 *IFRS 16 (Leases) correction and IFRS IC decision of December 16, 2019*

On January 13, 2016, the IASB published IFRS 16 (Leases), and the European Union adopted IFRS 16 on November 9, 2017, requiring that leases be placed on-balance sheet by recognizing a "right-of-use" asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. In the income statement, this standard application results in an amortization and interest expense recognition. The Group adopted IFRS 16 from January 1, 2019, which has an impact on its reported consolidated assets, liabilities, income statement and cash flow statement. The Group prepared its financial statements for the year ended December 31, 2019 under the modified retrospective approach pursuant to which comparative results for the year ended December 31, 2018 are not restated. On transition, for leases previously accounted for as operating leases with a remaining lease term of less than 12 months and for leases of low-value assets, the Group has applied the optional exemptions to not recognize right-of-use assets but to account for the lease expense on a straight-line basis over the remaining lease term. For those leases previously classified as finance leases, the right-of-use asset and lease liability are measured at the date of initial application at the same amounts as under IAS 17 immediately before the date of initial application.

As a result of the Group's adoption of IFRS 16 from January 1, 2019, the Group's results of operations for the years ended December 31, 2020 and 2019 (which reflect the application of IFRS 16) are limited in comparability to its results of operations for the year ended December 31, 2018 (which do not reflect the application of IFRS 16).

As of December 31, 2019, the implementation of IFRS 16 resulted in an increase in total assets of €198.4 million and in total liabilities of €200.3 million, and a favorable impact on current EBITDA of €47.6 million for the year ended December 31,2019.

On December 16, 2019, the IFRS IC published its decision in response to a request for clarification on the following matters:

- determination of the enforceable period of an automatically renewable lease or of an indefinite-term lease that may be terminated by one of the parties subject to a specified notice period; the issue to be clarified concerned the notion of penalties on which the definition of the enforceable period is based; and
- the relationship between the useful life of non-removable leasehold improvements and the lease term under IFRS 16.

The IFRS IC:

- concluded that the economics of a lease (rather than just the legal form) should be considered to determine the enforceable period of a lease; and
- provided clarification on the relationship between the lease term under IFRS 16 and the useful life of non-removable leasehold improvements.

The Group did not apply this decision when preparing its consolidated financial statements as of and for the year ended December 31, 2019, but applied it in 2020 with retrospective effect for 2019. Dedicated columns in the tables set forth in the next pages show the adjustments recorded for each individual item. The impact related to the IFRS IC decision on the property, plant and equipment financial statement line is €21.4 million.

7.3.3.3 *IFRIC 23 (Uncertainty over income tax treatments)*

In June 2017, the IFRS Interpretation Committee issued IFRIC 23 (Uncertainty over income tax treatments), which clarifies the accounting treatment of uncertainties in income taxes, specifically in relation to taxable profit or loss, tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under IAS 12.

IFRIC 23 states that an entity should assume that the applicable taxation authority will have full knowledge of all relevant information when examining amounts reported to it. An entity therefore has to consider whether it is probable that the applicable authority will accept a certain tax treatment in the entity's income tax filing and either adopt an approach consistent with the tax treatment in its income tax filings or use the expected value of the tax treatment when determining taxable profit or loss, tax bases, unused tax losses, unused tax credits and tax rates.

IFRIC 23 is applicable for annual reporting periods beginning on or after January 1, 2019 with early adoption permitted. In adopting IFRIC 23, the Group applied a modified retrospective approach whereby the cumulative effect of initially applying IFRIC 23, if any, should be recognized in opening equity at the date of initial application. As part of its adoption of IFRIC 23, the Group has identified €0.8 million of deferred tax liabilities as of December 31, 2019.

7.4 EXPLANATION OF KEY INCOME STATEMENT LINE ITEMS

The following is a brief description of the revenue and expenses that are included in the line items of the Group's income statement.

7.4.1 Revenue

Revenue is recognized when the Group satisfies a performance obligation by transferring a promised good or service to the customer. An asset is transferred when the customer obtains control of that asset. Revenue can be broken down as follows:

- <u>Sales revenue through the Group's logistics platforms:</u>

  The Group operates a business that distributes spare parts for vehicles. Revenue from sales is recognized based on the specified pricing, including variable considerations, if any. Revenue is recognized when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

- <u>Direct flow sales commission:</u>

  The Group also sells spare parts, equipment and tools that are delivered directly by suppliers to independent distributors and do not pass through the Group's logistics platforms. When such third-party suppliers other than the Group are involved in providing goods to a customer, the Group assesses whether the nature of its promise to the customer is a performance obligation to provide the specified goods itself or to arrange for the suppliers to provide those goods or services. The Group is considered an agent if its performance obligation is to arrange for the provision of goods by the suppliers and revenue is recognized for the amount of any commission to which the Group expects to be entitled in exchange for arranging for the suppliers to provide their goods. The commission earned is net of consideration that the Group retains after paying the suppliers the consideration received in exchange for the goods to be provided by such supplier.

7.4.2 Cost of goods sold

Cost of goods sold includes purchases of goods, supplier rebates, change in inventories and net allocation to inventories depreciation.

7.4.3 Personnel costs

Personnel costs include wages, social security contributions, profit-sharing plans and pension costs. Pension costs include the allocation to provisions for retirement benefits for the year as well as the reversal of provisions as a result of benefits paid during the year.

7.4.4 External expenses

External expenses relate to non-direct operating costs, including rental expenses (under IFRS 16, for 2019 and 2020, rental expenses were recorded within external expenses only for immaterial and short-term leases), shipping expenses, maintenance and repair costs, legal and other fees, IT expenses, advertising expenses, subcontracting costs, travelling and other expenses.

7.4.5 Taxes other than income taxes

Taxes other than income taxes include taxes on salaries (mainly taxes in respect of vocational training), the social construction tax (*Participation à l'effort de construction*), the real estate business contribution *(Cotisation foncière des entreprises)*, the social solidarity contribution *(Contribution sociale de solidarité des sociétés,* a tax calculated based on a percentage of revenue) and other taxes other than income tax.

7.4.6 Other operating income and expenses

Other operating income and expenses include other items related to the Group's ordinary activities, such as losses for doubtful accounts and service fees related to B2B websites for electronic catalogues and commissions paid and received as part of the service connecting insurers and vehicle repairers.

7.4.7 Depreciation and amortization expenses

Depreciation expenses represent the depreciation of property, plant and equipment and right-of-use following the application of IFRS 16. Amortization relates to intangible assets, excluding indefinite intangible assets such as goodwill and brands. Assets are depreciated over their estimated useful lives.

7.4.8 Other income and expenses from operations

Other income and expenses from operations generally relate to one-off events or other events outside the Group's ordinary business. Other income and expenses from operations can include gains and losses on the disposal of operations, of property, plant and equipment and intangible assets, as well as costs relating to provisions and expenses relating to significant and unusual restructuring, employee and tax disputes and impairment losses/reversals on goodwill and brands, including AD and costs related to major acquisitions and to the Group's previously contemplated initial public offering in 2018.

7.4.9 Financial income and expenses

Financial income includes income from financial investments, foreign exchange gains and other financial income. Financial expenses include interest on external loans and bank overdrafts payable by the Group, discounting of borrowings and debt, expenses related to financial instruments and to leases, foreign exchange losses and other financial expenses.

7.4.10 Income tax

Income tax consists of current tax expense, CVAE *(Cotisation sur la Valeur Ajoutée des Entreprises)* and changes in deferred tax assets.

7.5 KEY PERFORMANCE INDICATORS

7.5.1 Non-IFRS measures

The Group uses certain non-IFRS measures, such as current EBITDA, current EBITDA margin, change in working capital, net operating cash flow and cash conversion, which in the view of Group management provide alternative measures with which to monitor the Group's economic, financial and operating performance. These measures are not indicative of historical operating results, nor are they meant to be predictive of future results. These measures are used by the Group's management to monitor the Group's underlying performance and operations. The following are the non-IFRS measures used by the Group:

(€ in millions, unless indicated otherwise)	Year ended December 31, 2020	2019 (Restated)[*]	2018
Current EBITDA[(a)]	203.5	202.0	128.1
Current EBITDA margin[(b)]	11.6%	11.2%	8.7%
Change in working capital[(c)]	34.5	(41.8)	(30.9)
Net operating cash flow[(d)]	205.6	120.2	64.4
Cash conversion[(e)]	84.1%	80.2%	74.4%

(a) For a definition of "current EBITDA" and a reconciliation of current EBITDA to operating income from ordinary activities, see Section 7.5.2 "Current EBITDA" of this Registration Document.

(b) "Current EBITDA margin", expressed as a percentage, is calculated as current EBITDA divided by revenue.

(c) "Change in working capital" represents the change in inventories, trade payables, trade receivables and other receivables and payables.

(d) "Net operating cash flow" is calculated as current EBITDA, net of capital expenditure and including change in working capital, as shown in the table below:

(€ in millions)	Year ended December 31, 2020	2019 (Restated)[*]	2018
Current EBITDA	203.5	202.0	128.1
Change in working capital	34.5	(41.8)	(30.9)
Capital expenditures	(32.4)	(40.0)	(32.8)
Net operating cash flow	**205.6**	**120.2**	**64.4**

(e) "Cash conversion", expressed as a percentage, is calculated as current EBITDA minus capital expenditures, divided by current EBITDA; capital expenditures consist of acquisitions and maintenance of tangible and intangible assets.

(*) Certain financial information for the year ended December 31, 2019 has been restated in the financial statements for the year ended December 31, 2020 to reflect adjustments related to the impacts of IFRS 16 application and adjustments resulting from the purchase price allocation of AD Bosch acquired in 2019. For a discussion on restatements to the financial statements, see Section 7.6 "Restatements of previously reported financial statements" of this Registration Document.

None of the key performance indicators described above are recognized measures under IFRS. Additionally, certain of the Non-IFRS Measures are used by different companies for different purposes and are often calculated in ways that reflect the circumstances of such companies. The Group believes that the Non-IFRS Measures are useful in evaluating the Group's performance and results of operations because they are commonly used in its sector. Investors should exercise caution in comparing any of the Non-IFRS Measures mentioned in this Registration Document as reported by the Group to the non-IFRS measures of other companies. The information presented by the Non-IFRS Measures used herein has not been prepared in accordance with IFRS or any other accounting standards. The Non-IFRS Measures are not measures of financial condition, liquidity or profitability under IFRS and should not be considered to be an alternative to consolidated net income for the period, cash flows generated by operating activities or any other measure recognized by and determined in accordance with IFRS. The Non-IFRS Measures have important limitations as analytical tools and investors should not consider them in isolation or as a substitute for analysis of the Group's results of operations.

7.5.2 Current EBITDA

In assessing the performance of the Group's business, the Group considers a variety of performance and financial measures. The key measure used for determining how the Group's business is performing is the current EBITDA. Management internally assesses the performance and cash flows of each operating segment based on current EBITDA.

Current EBITDA is not a recognized measure under IFRS. Additionally, current EBITDA is used by different companies for different purposes and is often calculated in ways that reflect the particular circumstances of such companies. The Group believes that current EBITDA is useful in evaluating the Group's performance and results of operations because it is commonly used in its sector. Investors should exercise caution in comparing any of the Non-IFRS measures mentioned in this Registration Document as reported by the Group, including current EBITDA, to the non-IFRS measures of other companies. The information presented by the Non-IFRS measures used herein, including current EBITDA, has not been prepared in accordance with IFRS or any other accounting standards. Current EBITDA is not a measure of financial condition, liquidity or profitability under IFRS and should not be considered to be an alternative to consolidated net income for the period, cash flows generated by operating activities or any other measure recognized by and determined in accordance with IFRS. Such non-IFRS measure has important limitations as analytical tools and investors should not consider it in isolation or as a substitute for analysis of the Group's results of operations. In addition, current EBITDA mentioned in this Registration Document, as defined below and as reported by the Group, has the same definition as EBITDA as used in the Group audited consolidated financial statements for the years ended December 31, 2018, 2019 and 2020, which are set forth in Section 18.1.1 "Group audited consolidated financial statements for the years ended December 31, 2018, 2019 and 2020" of this Registration Document.

"**Current EBITDA**" is defined as operating income from ordinary activities before depreciation and amortization expenses adjusted for certain items that the Group considers to be non-recurring or exceptional in nature, or otherwise not reflective of the ongoing performance of its business, including start-up costs related to new businesses, income and expenses attributable to the implementation of the Group's transformation plan, fees paid to the Group's shareholders and exceptional one-off expenses related to professional conferences. For a description of the limitations of current EBITDA as a financial measure, see Section 7.5.1 "Non-IFRS measures" of this Registration Document.

A reconciliation between operating income from ordinary activities and current EBITDA, as well as a description of the nature of the adjustments, is provided below:

	Year ended December 31,		
(€ in millions)	**2020**	**2019 (Restated)[g]**	**2018**
Operating income from ordinary activities	**90.1**	**82.9**	**73.5**
Depreciation and amortization expenses	93.8	96.8	39.4
Start-up costs[a]	1.9	2.2	2.3
Non-recurring expenses attributable to implementation of the group transformation plan[b]	15.0	18.5	8.5
Additional receivables provision[c]	2.0	—	—
Purchasing power exceptional bonus[d]	—	—	1.2
Sponsor fees paid to shareholders[e]	1.6	1.7	1.7
Exceptional one-off expenses related to professional conferences[f]	(0.9)	(0.1)	1.4
Current EBITDA	**203.5**	**202.0**	**128.1**

(a) Represents the start-up costs associated with the launch of the www.idgarages.com website, which is currently in the exploratory phase and has minimal revenue. These start-up costs are primarily composed of staff costs, IT development costs and marketing charges.

(b) Represents certain non-recurring costs included in external expenses related to the implementation of the Group's transformation plan including legal fees, restructuring costs and advisory costs related to the financial and capital transformation of the Group.

(c) Represents a one-off write-off on receivables in connection with a customer whose business has ceased.

(d) Represents a bonus received as part of the "prime Macron" program following the *gilets jaunes* strikes in France.

(e) Represents sponsor fees paid to shareholders included in other purchases and external expenses, including long-term management incentives, as applicable, but excluding social charges. Sponsor fees will cease to be paid subject to and as of the Proposed Admission.

(f) Represents the portion of the expenses borne by the Group for the year ended December 31, 2018 for the organization of two trade fairs that take place every four years.

(g) Depreciation and amortization expenses for the year ended December 31, 2019 have been restated in the financial statements for the year ended December 31, 2020 to reflect adjustments related to the impacts of IFRS 16 application and adjustments resulting from the purchase price allocation of AD Bosch acquired in 2019. For a discussion on restatements to the financial statements, see Section 7.6 "Restatements of previously reported financial statements" of this Registration Document.

7.5.3 Revenue organic growth and current EBITDA organic growth

Revenue organic growth and current EBITDA organic growth between two periods (N and N-1) are determined as follows:

- In respect of acquisitions made in period N, by deducting, from the period N revenue and current EBITDA, revenue and current EBITDA, respectively, generated in period N by such acquisitions;
- In respect of acquisitions made in period N-1, by deducting from the period N and period N-1 revenue and current EBITDA, revenue and current EBITDA, respectively, generated in period N and N-1 by such acquisitions and
- In respect of disposals, by deducting, from the period N and, if applicable, N-1 revenue and current EBITDA, the revenue and current EBITDA, respectively, generated by disposals made in period N and, if applicable, in period N-1.

From time to time, the Group acquires, sells or closes individual sites or businesses as part of the Group's ongoing network management. These transactions are considered not material over the historical period and are deemed to be part of organic growth. For a description of the limitations of Revenue organic growth and current EBITDA organic growth as financial measures, see Section 7.5.1 "Non-IFRS measures" of this Registration Document.

	Year ended December 31,		
(€ in millions, unless indicated otherwise)	**2020**	**2019 (Restated)**	**2018**
Revenue	1,761.7	1,797.4	1,465.8
Revenue organic growth	(4.3%)	4.5%	4.7%
Current EBITDA	203.5	202.0	128.1
Current EBITDA organic growth	(2.3)%	6.9%*	3.6%

(*) As IFRS 16 was not applicable in 2018, for the purpose of comparability, 2019 current EBITDA organic growth is calculated using 2019 organic current EBITDA pre-IFRS 16 and 2018 organic current EBITDA.

7.6 RESTATEMENTS OF PREVIOUSLY REPORTED FINANCIAL STATEMENTS

7.6.1 Integration of AD Bosch into the Group's consolidated financial statements

The Group acquired 75% of the AD Bosch group on August 5, 2019 and an additional 0.1% in 2020 for fiscal integration purposes in Spain. It was integrated in the 2019 consolidated financial statements. A provisional goodwill was calculated in 2019 and recorded on the balance sheet as of December 31, 2019, in accordance with IFRS 3 "Business combinations".

In 2020, the definitive purchase price allocation was performed and as a result, the income statement, the statement of financial position and cash flow statements as of December 31, 2019 have been restated to give effect to this adjustment.

7.6.2 Integration of Oscaro into the Group's consolidated financial statements

The Group acquired Oscaro on November 13, 2018. Oscaro was integrated in the 2018 consolidated financial statements. This period of one and a half months did not allow for a complete evaluation of Oscaro and a provisional goodwill was calculated and recorded on the balance sheet as of December 31, 2018, in accordance with IFRS 3 "Business combinations".

In 2019, the definitive purchase price allocation calculation was performed and as a result the financial position and cash flow statements as of December 31, 2018 have been restated to give effect to this adjustment.

7.6.3 IFRS 16 Leasing adjustment

In 2020, in line with the Group's efforts to improve the quality of its consolidated financial information, the Group adjusted the 2019 impacts related to the adoption of IFRS 16. These adjustments relate to contracts for which the commencement date had occurred in 2019 but had not been recognized in the 2019 financial statements and contracts with improved lease incentives.

7.7 CONSOLIDATED INCOME STATEMENT DATA

(€ in millions)	Year ended December 31, 2020	2019 (Restated)(*)	2018
Revenue	**1,761.7**	**1,797.4**	**1,465.8**
Purchases of goods and inventory variation	(1,022.0)	(1,037.6)	(844.2)
Personnel costs	(349.2)	(361.6)	(306.9)
Other purchases and external expenses	(190.9)	(209.2)	(193.8)
Taxes	(14.0)	(12.3)	(11.3)
Other operating income and expenses	(1.6)	3.0	3.1
Depreciation and amortization expenses	(93.8)	(96.8)	(39.4)
Recurring operating income	**90.1**	**82.9**	**73.5**
Other non-recurring income	0.6	—	0.8
Other non-recurring charges	(1.2)	(9.0)	(15.4)
Operating income	**89.6**	**73.9**	**58.8**
Financial income	0.6	1.1	1.5
Financial expenses	(74.1)	(58.5)	(44.0)
Share of income of associates	0.1	—	—
Income before tax	**16.2**	**16.5**	**16.3**
Income taxes	(14.5)	(1.6)	(12.6)
Net income from continuing operations	**1.7**	**14.9**	**3.7**
Net income from discontinued operations	—	—	—
Net income	**1.7**	**14.9**	**3.7**
Net income attributable to owners of the parent	(0.6)	13.4	3.4
Net income attributable to non-controlling interests	2.3	1.5	0.3
Basic earnings per share (in euros per share)	**(0.017)**	**0.381**	**0.097**
Diluted earnings per share (in euros per share)**	**(0.017)**	**0.381**	**0.097**

(*) Depreciation and amortization expenses, financial expenses and income taxes for the year ended December 31, 2019 have been restated in the financial statements for the year ended December 31, 2020 to reflect adjustments related to the impacts of IFRS 16 application and adjustments resulting from the purchase price allocation of AD Bosch acquired in 2019. For a discussion on restatements to the financial statements, see Section 7.6 "Restatements of previously reported financial statements" of this Registration Document.

(**) The Group did not issue any dilutive equity instruments in any of the periods presented.

7.8 SEGMENT INFORMATION

The Group's segments are France and International, each of which is described below.

7.8.1 France

The Group's France segment includes the activities of the central purchasing activity dedicated to automotive spare parts, the central warehouse (Logisteo), the logistics platforms for light vehicles (Cora and ACR), the logistics platform for truck spare parts (Bremstar), Mondial Pare-Brise, the network of French distributors and the B2C Oscaro online platform.

7.8.2 International

The Group's International segment includes the international spare parts distribution network for light vehicles following numerous external growth operations (mainly Doyen Group, Autodis Italia, Geevers and AD Bosch) in Italy, the Netherlands, Belgium and Spain.

The Group's headquarters activities and support functions are partially allocated to the France segment. Costs that cannot be attributed to this segment are presented in a separate segment entitled "Headquarters".

7.9 ANALYSIS OF THE GROUP'S RESULTS OF OPERATIONS FOR THE YEARS ENDED DECEMBER 31, 2020 AND DECEMBER 31, 2019

The table below sets forth the Group's results of operations for the year ended December 31, 2020 compared to the year ended December 31, 2019:

	Year ended December 31,			
(€ in millions)	**2020**	**2019 (Restated)(*)**	**Var.**	**%**
Revenue	**1,761.7**	**1,797.4**	**(35.7)**	**(2.0) %**
Purchases of goods and inventory variation	(1,022.0)	(1,037.6)	15.6	(1.5) %
Personnel costs	(349.2)	(361.6)	12.4	(3.4) %
Other purchases and external expenses	(190.9)	(209.2)	18.3	(8.7) %
Taxes	(14.0)	(12.3)	(1.7)	13.8%
Other operating income and expenses	(1.6)	3.0	(4.6)	(153.3) %
Depreciation and amortization expenses	(93.8)	(96.8)	3.0	(3.1) %
Recurring operating income	**90.1**	**82.9**	**7.2**	**8.7%**
Other non-recurring income	0.6	—	0.6	100.0%
Other non-recurring charges	(1.2)	(9.0)	7.8	(86.7) %
Operating income	**89.6**	**73.9**	**15.7**	**21.2%**
Financial income	0.6	1.1	(0.5)	(45.5) %
Financial expenses	(74.1)	(58.5)	(15.6)	26.7%
Share of income of associates	0.1	—	(0.1)	**100.0%**
Income before tax	**16.2**	**16.5**	**(0.3)**	**(1.8) %**
Income taxes	(14.5)	(1.6)	(12.9)	806.3%
Net income from continuing operations	**1.7**	**14.9**	**(13.2)**	**(88.6) %**
Net income from discontinued operations	—	—	—	—
Net income	**1.7**	**14.9**	**(13.2)**	**(88.6) %**

(*) Depreciation and amortization expenses, financial expenses and income taxes as of December 31, 2019 have been restated in the December 31, 2020 financial statements to reflect adjustments related to the impacts of IFRS 16 application and adjustments resulting from the purchase price allocation of AD Bosch acquired in 2019. For a discussion on restatements to the financial statements, see Section 7.6 "Restatements of previously reported financial statements" of this Registration Document.

7.9.1 Revenue

Revenue decreased by €35.7 million, or 2.0%, from €1,797.4 million for the year ended December 31, 2019, to €1,761.7 million for the year ended December 31, 2020, mainly due to the impact of the COVID-19 pandemic on the France segment.

	Year ended December 31,			
(€ in millions)	**2020**	**2019**	**Var.**	**%**
Revenue	**1,761.7**	**1,797.4**	**(35.7)**	**(2.0)%**
Of which France	*1,278.3*	*1,335.9*	*(57.6)*	*(4.3)%*
Of which International	*483.4*	*461.5*	*21.9*	*25.1%*

7.9.1.1 *France Segment Revenue*

France segment revenue decreased by €57.6 million, or 4.3%, from €1,335.9 million for the year ended December 31, 2019, to €1,278.3 million for the year ended December 31, 2020, primarily due to a decrease in revenue of €73.5 million during the first half of 2020 as compared to the first half of 2019 as a result of the initial lockdown measures implemented in response to the COVID-19 pandemic. The decrease in the first half of 2020 was offset by a subsequent recovery during the second half of 2020, following the easing of the initial lockdown measures and through the second, less stringent lockdown, with an increase in France segment revenue of €15.9 million as compared to the second half of 2019.

7.9.1.2 *International Segment Revenue*

International segment revenue increased by €21.9 million, or 4.7%, from €461.5 million for the year ended December 31, 2019, to €483.4 million for the year ended December 31, 2020 as a result of the full year revenue contribution of AD Bosch (revenue of €64.2 million generated for the year ended December 31, 2020), which performed well in 2020 despite significant COVID-19 impacts in Spain, as evidenced by 3.1% revenue organic growth due to market share gain resulting from the decline of a major competitor. This increase was partially offset by the impact of the COVID-19 pandemic on other components of the International segment.

7.9.2 Purchases of goods and inventory variation

	Year ended December 31,			
(€ in millions, unless indicated otherwise)	**2020**	**2019**	**Var.**	**%**
Purchases of goods and inventory variation	**(1,022.0)**	**(1,037.6)**	**15.6**	**(1.5)%**
Purchases of goods and inventory variation as a % of revenue	*58.0%*	*57.7%*	30 bps	—

Purchases of goods and inventory variation decreased by €15.6 million, or 1.5%, from €1,037.6 million for the year ended December 31, 2019, to 1,022.0 million for the year ended December 31, 2020, primarily due to a decrease in sales as a result of the lockdown measures that were implemented in response to the COVID-19 pandemic.

As a percentage of revenue, purchases of goods and inventory variation increased slightly from 57.7% for the year ended December 31, 2019 to 58.0% for the year ended December 31, 2020.

7.9.3 Personnel costs

(€ in millions, unless indicated otherwise)	Year ended December 31,			
	2020	**2019**	**Var.**	**%**
Personnel costs	**(349.2)**	**(361.6)**	**12.4**	**(3.4%)**
Personnel costs as a % of revenue	*19.8%*	*20.1%*	(28) bps	—

Personnel costs decreased by €12.4 million, or 3.4%, from €361.6 million for the year ended December 31, 2019, to €349.2 million for the year ended December 31, 2020, primarily due to the French furlough scheme (*chômage partiel*) implemented in response to the COVID-19 pandemic, which resulted in personnel costs savings in an amount of €20.9 million for the year ended December 31, 2020 as a result of government assistance received by the Group. This decrease was partially offset by an increase to personnel costs of €8.6 million due to the full-year impact of the acquisition of AD Bosch.

As a percentage of revenue, personnel costs slightly decreased from 20.1% for the year ended December 31, 2019 to 19.8% for the year ended December 31, 2020.

7.9.4 Other purchases and external expenses

(€ in millions, unless indicated otherwise)	Year ended December 31,			
	2020	**2019**	**Var.**	**%**
Other purchases and external expenses	**(190.9)**	**(209.2)**	**18.3**	**(8.7)%**
Other purchases and external expenses as a % of revenue	*10.8%*	*11.6%*	*(80) bps*	—

Other purchases and external expenses decreased by €18.3 million, or 8.7%, from €209.2 million for the year ended December 31, 2019, to €190.9 million for the year ended December 31, 2020, primarily due to: (i) a decrease of €8.1 million in shipping expenses for the year ended December 31, 2020 as a result of decreased activity resulting from lockdown measures implemented in response to the COVID-19 pandemic, (ii) a decrease of €5.6 million in legal fees as a result of the completion of the integration of the Oscaro business and related transaction expenses incurred during the year ended December 31, 2019 and (iii) overall cost savings measures implemented by the Group, including a decrease of €4.1 million in subcontracting fees for the year ended December 31, 2020.

As a percentage of revenue, external expenses slightly decreased from 11.6% for the year ended December 31, 2019 to 10.8% for the year ended December 31, 2020, due to cost optimization measures carried out by the Group.

7.9.5 Taxes

Taxes increased by €1.7 million, or 13.8%, from €12.3 million for the year ended December 31, 2019, to €14.0 million for the year ended December 31, 2020.

7.9.6 Other operating income and expenses

Other operating income and expenses decreased by €4.6 million, from an income of €3.0 million for the year ended December 31, 2019 to an expense of €1.6 million for the year ended December 31, 2020. This was mainly due to a one-off write off on receivables in the year ended December 31, 2020 in an amount of €2.0 million in connection with a customer whose business ceased for reasons not connected with the COVID-19 pandemic.

7.9.7 Depreciation and amortization expenses

(€ in millions, unless indicated otherwise)	**Year ended December 31,**			
	2020	**2019 (Restated)(*)**	**Var.**	**%**
Amortization expenses on intangible assets from acquired business combinations	(13.1)	(17.2)	4.1	(23.8)%
Amortization expenses on other intangible assets	(13.1)	(13.0)	(0.1)	0.8%
Property, plant and equipment depreciation expenses	(23.0)	(21.8)	(1.2)	5.5%
Right-of-use depreciation (IFRS 16)	(44.6)	(44.9)	0.3	(0.7)%
Depreciation and amortization expenses	**(93.8)**	**(96.8)**	**3.0**	**(3.1)%**

(*) For a discussion on restatements to the financial statements, see Section 7.6 "Restatements of previously reported financial statements" of this Registration Document.

Amortization expenses on intangible assets from acquired business combinations decreased by €4.1 million from €17.2 million for the year ended December 31, 2019 to €13.1 million for the year ended December 31, 2020, primarily due to a decrease of €5.4 million in such amortization expenses as a result of certain customer relationships, including for Doyen Group and Mondial Pare-Brise, that were fully amortized in 2019 and was partially offset by an increase of €1.5 million from the full-year contribution of AD Bosch.

Amortization expenses on other intangible assets increased by €0.1 million, or 0.8%, from €13.0 million for the year ended December 31, 2019 to €13.1 million for the year ended December 31, 2020.

Property, plant and equipment depreciation expenses increased by €1.2 million, or 5.5%, from €21.8 million for the year ended December 31, 2019 to €23.0 million for the year ended December 31, 2020, primarily due to the full-year effect in 2020 of the depreciation expenses related to AD Bosch.

7.9.8 Recurring operating income

As a result of the factors described above, the Group's recurring operating income increased by €7.2 million, or 8.7%, from €82.9 million for the year ended December 31, 2019 to €90.1 million for the year ended December 31, 2020.

7.9.9 Current EBITDA

Current EBITDA slightly increased by €1.5 million, or 0.7%, from €202.0 million for the year ended December 31, 2019 to €203.5 million for the year ended December 31, 2020.

(€ in millions, unless indicated otherwise)	Year ended December 31,			
	2020	**2019 (Restated)** (*)	**Var.**	**% change**
Current EBITDA	**203.5**	**202.0**	**1.5**	**0.7%**
Current EBITDA margin	**11.6%**	**11.2%**	**40 bps**	**—**
Current EBITDA France	171.5	171.1	*0.4*	*0.2%*
Current EBITDA margin France	13.4%	12.8%	*60 bps*	—
Current EBITDA International	46.3	44.2	2.1	*4.8%*
Current EBITDA margin International	9.6%	9.6%	0 bps	—
Current EBITDA Headquarters	(14.3)	(13.3)	(1.0)	*7.5%*

(*) The consolidated income statement for the year ended December 31, 2019 has been restated in the December 31, 2020 financial statements to reflect adjustments related to the impacts of IFRS 16 application and adjustments resulting from the purchase price allocation of AD Bosch acquired in 2019. For a discussion on restatements to the financial statements, see Section 7.6 "Restatements of previously reported financial statements" of this Registration Document.

7.9.9.1 *France Segment current EBITDA*

Current EBITDA for the Group's France segment increased by €0.4 million, or 0.2%, from €171.1 million for the year ended December 31, 2019 to €171.5 million for the year ended December 31, 2020 and current EBITDA margin of the Group's France segment increased from 12.8% for the year ended December 31, 2019 to 13.4% for the year ended December 31, 2020, primarily due to a decrease in revenue and purchases of goods and inventory variance as a result of the COVID-19 pandemic and offset by decreases in operating expenses including Other purchases and external expenses and personnel cost. See Section 7.9.1 "Revenue" through Section 7.9.4 "Other purchases and external expenses" of this Registration Document for an analysis on these fluctuations.

7.9.9.2 *International Segment current EBITDA*

Current EBITDA for the Group's International segment increased by €2.1 million, or 4.8%, from €44.2 million for the year ended December 31, 2019 to €46.3 million for the year ended December 31, 2020 and current EBITDA margin of the International segment was stable at 9.6% for the years ended December 31, 2019 and 2020, despite the COVID-19 pandemic, primarily due to the full-year contribution of AD Bosch coupled with AD Bosch's positive performance during 2020, which led to current EBITDA contribution of €8.0 million for the year ended December 31, 2020 as compared to €1.8 million for the year ended December 31, 2019. This increase was partially offset by the impact of the COVID-19 pandemic in the other components of the International segment.

7.9.9.3 *Headquarters*

Current EBITDA of the Group's headquarters function decreased by €1.0 million, or 7.5%, from negative €13.3 million for the year ended December 31, 2019 to negative €14.3 million for the year ended December 31, 2020, primarily due to the Group's decision to strengthen its central functions to support its development in light of the Group's continued expansion.

7.9.10 Other non-recurring income

Other non-recurring income increased by €0.6 million from nil for the year ended December 31, 2019 to €0.6 million for the year ended December 31, 2020.

7.9.11 Other non-recurring charges

Other non-recurring charges decreased by €8.4 million, or 93.3%, from €9.0 million for the year ended December 31, 2019 to €1.2 million for the year ended December 31, 2020, primarily due to: (i) a decrease of €4.3 million as a result of the costs of consultant fees incurred in connection with a strategic business review that was conducted in 2019, (ii) a decrease of €2.6 million in IT assessment costs primarily due to an IT restructuring project being put on hold in 2020 as part of the cost saving measures implemented in response to the COVID-19 pandemic and (iii) a decrease in acquisition fees of €1.7 million as a result of minimal M&A activity in 2020.

7.9.12 Net Financial Result

	Year ended December 31,			
(€ in millions)	**2020**	**2019 (Restated)** (*)	**Var.**	**%**
Financial income	0.6	1.1	(0.4)	(45.5)%
Financial expenses	(74.1)	(58.5)	(15.6)	26.7%
Net financial expense	**(73.5)**	**(57.4)**	**(16.1)**	**28.0%**

(*) Financial expenses for the year ended December 31, 2019 have been restated to reflect adjustments related to the impacts of IFRS 16 application. For a discussion on restatements to the financial statements, see Section 7.6 "Restatements of previously reported financial statements" of this Registration Document.

Net financial expense increased by €16.1 million, from €57.4 million for the year ended December 31, 2019 to €73.5 million for the year ended December 31, 2020, primarily due to an increase of €9.6 million in costs of external loans and bank overdrafts as a result of increased indebtedness in 2020 and an increase of €6.4 million in capitalized refinancing fees amortization due to accelerated depreciation of the capitalized fees for the 2019 Floating Rate Notes which were fully redeemed and repaid in 2020.

7.9.13 Income taxes

Income taxes amounted to €1.6 million for the year ended December 31, 2019 as compared to €14.5 million for the year ended December 31, 2020. For the year ended December 31, 2020, income taxes comprised CVAE of €6.6 million (compared to €6.8 million for the year ended December 31, 2019), current income tax expense of €7.3 million (compared to current income tax expense of €6.0 million for the year ended December 31, 2019) and a deferred tax expense of €0.7 million (compared to a deferred tax credit of €11.2 million earned in the year ended December 31, 2019, primarily due to the integration of the Oscaro business which had a tax loss position in 2019 resulting in the recognition and utilization of tax loss carry-forwards in an amount of €12.3 million).

7.9.14 Net income

As a result of the factors described above, the Group's net income decreased by €13.2 million, or 88.6%, from a net income of €14.9 million for the year ended December 31, 2019 to a net income of €1.7 million for the year ended December 31, 2020.

7.10 ANALYSIS OF THE GROUP'S RESULTS OF OPERATIONS FOR THE YEARS ENDED DECEMBER 31, 2019 AND DECEMBER 31, 2018

The table below sets forth the Group's results of operations for the year ended December 31, 2019 compared to the year ended December 31, 2018:

	Year ended December 31,			
(€ in millions)	**2019 (Restated)(*)**	**2018**	**Var.**	**%**
Revenue	**1,797.4**	**1,465.8**	**331.6**	**22.6%**
Purchases of goods and inventory variation	(1,037.6)	(844.2)	(193.4)	22.9%
Personnel costs	(361.6)	(306.9)	(54.7)	17.8%
Other purchases and external expenses	(209.2)	(193.8)	(15.4)	7.9%
Taxes	(12.3)	(11.3)	(1.0)	8.8%
Other operating income and expenses	3.0	3.1	(0.1)	(3.2)%
Depreciation and amortization expenses	(96.8)	(39.4)	(57.4)	145.7%
Recurring operating income	**82.9**	**73.5**	**9.4**	**12.8%**
Other non-recurring income	—	0.8	(0.8)	(100.0)%
Other non-recurring charges	(9.0)	(15.4)	6.4	(41.6)%
Operating income	**73.9**	**58.8**	**15.1**	**25.7%**
Financial income	1.1	1.5	(0.4)	(26.7)%
Financial expenses	(58.5)	(44.0)	(14.5)	33.0%
Share of income of associates	—	—	—	—
Income before tax	**16.5**	**16.3**	**0.2**	**1.2%**
Income taxes	(1.6)	(12.6)	11.0	(87.3)%
Net income from continuing operations	**14.9**	**3.7**	**11.2**	**302.7%**
Net income from discontinued operations	—	—	—	—
Net income	**14.9**	**3.7**	**11.2**	**302.7%**

(*) Depreciation and amortization expenses, financial expenses and income taxes as of December 31, 2019 have been restated in the financial statements for the year ended December 31, 2020 to reflect adjustments related to the impacts of IFRS 16 application and adjustments resulting from the purchase price allocation of AD Bosch acquired in 2019. For a discussion on restatements to the financial statements, see Section 7.6 "Restatements of previously reported financial statements" of this Registration Document.

7.10.1 Revenue

Revenue increased by €331.6 million, or 22.6%, from €1,465.8 million for the year ended December 31, 2018, to €1,797.4 million for the year ended December 31, 2019, mainly due to the expansion of operations through acquisitions in France, Benelux and Italy.

	Year ended December 31,			
(€ in millions)	**2019**	**2018**	**Var.**	**%**
Revenue	**1,797.4**	**1,465.8**	**331.6**	**22.6%**
Of which France	*1,335.9*	*1,096.9*	*239.0*	*21.8%*
Of which International	*461.5*	*368.9*	*92.6*	*25.1%*

7.10.1.1 *France segment revenue*

France revenue increased by €239.0 million, or 21.8%, from €1,096.9 million for the year ended December 31, 2018, to €1,335.9 million for the year ended December 31, 2019, primarily due to €233.8 million of revenue from the 2019 full-year effect of Oscaro, acquired in November 2018. Additionally the increase is attributed to (i) the full-year effect of the 2018 acquisitions of Vallespir Auto Diffusion S., GRP Auto and SFIA, (ii) the organic growth generated by gains in market shares mainly as a result of higher activity from Affiliated Distributors and an increase in CPU revenue due to an increase in the volume of sales made through the Group's automated Logisteo platform, (iii) the strengthening of the Mondial Pare-Brise network due to the acquisition of Loire Pare-Brise, a windshield repair specialist operating under the Mondial Pare-Brise brand and (iv) an increase in sales made through the Bremstar platform, which was partially offset by a decrease in revenue from Affiliated Distributors.

7.10.1.2 *International segment revenue*

International revenue increased by €92.6 million, or 25.1%, from €368.9 million for the year ended December 31, 2018, to €461.5 million for the year ended December 31, 2019, mainly due to (i) the full-year effect of the 2018 acquisitions in Italy (FGL S.r.l. and G-Group), the Netherlands (Geevers) and Belgium (Vervier Freins) and the acquisition of AD Bosch in 2019, based in Spain and (ii) the increase in 2019 of the sales of Doyen Group to AUTODOC, a web dealer positioned in Western Europe.

7.10.2 Purchases of goods and inventory variation

	Year ended December 31,			
(€ in millions, unless indicated otherwise)	**2019**	**2018**	**Var.**	**%**
Purchases of goods and inventory variation	**(1,037.6)**	**(844.2)**	**(193.4)**	**22.9%**
Purchases of goods and inventory variation as a % of revenue	*57.7%*	*57.6%*	10 bps	—

Purchases of goods and inventory variation increased by €193.4 million, or 22.9%, from €844.2 million for the year ended December 31, 2018, to €1,037.6 million for the year ended December 31, 2019, primarily due to higher sales volume as a result of both acquisitions and organic growth.

As a percentage of revenue, purchases of goods and inventory variation remained stable at 57.6% for the year ended December 31, 2018 and 57.7% for the year ended December 31, 2019.

7.10.3 Personnel costs

	Year ended December 31,			
(€ in millions, unless indicated otherwise)	**2019**	**2018**	**Var.**	**%**
Personnel costs	**(361.6)**	**(306.9)**	**(54.7)**	**17.8%**
Personnel costs as a % of revenue	*20.1%*	*20.9%*	(80) bps	—

Personnel costs increased by €54.7 million, or 17.8%, from €306.9 million for the year ended December 31, 2018, to €361.6 million for the year ended December 31, 2019, mainly due to an increase of €41.4 million resulting from the 2019 full-year effect of the 2018 acquisitions of Oscaro, G-Group, Geevers and Verviers Freins and a €6.2 million increase resulting from the integration of AD Bosch, which was acquired in 2019. As a percentage of revenue, personnel costs decreased from 20.9% for the year ended December 31, 2018, to 20.1% for the year ended December 31, 2019. This slight decrease as a percentage of revenue was mainly due to the increase in revenue between the two periods.

7.10.4 Other purchases and external expenses

	Year ended December 31,			
(€ in millions, unless indicated otherwise)	**2019**	**2018**	**Var.**	**%**
Other purchases and external expenses	**(209.2)**	**(193.8)**	**(15.4)**	**7.9%**
Other purchases and external expenses as a % of revenue	*11.6%*	*13.2%*	*(158) bps*	—

Other purchases and external expenses increased by €15.4 million, or 7.9%, from €193.8 million for the year ended December 31, 2018, to €209.2 million for the year ended December 31, 2019, mainly due to an increase in transportation expenses of €26.9 million, subcontracting expenses of €9.9 million resulting from the full-year effect of the acquisition of Oscaro, G-Group, Geevers, Verviers Freins in 2018 and partly offset by a decrease in rental expenses of €39.5 million between 2018 and 2019 due to the impact of the adoption of IFRS 16 in 2019.

As a percentage of revenue, external expenses decreased from 13.2% for the year ended December 31, 2018, to 11.6% for the year ended December 31, 2019, mainly due to the full-year effect of the acquisition of Oscaro partly offset by the impact of IFRS 16 in 2019.

7.10.5 Taxes

Taxes increased by €1.0 million, or 8.8%, from €11.3 million for the year ended December 31, 2018, to €12.3 million for the year ended December 31, 2019.

7.10.6 Other operating income and expenses

Other operating income and expenses decreased by €0.1 million, or 3.2%, from an income of €3.1 million for the year ended December 31, 2018, to an income of €3.0 million for the year ended December 31, 2019.

7.10.7 Depreciation and amortization expenses

(€ in millions, unless indicated otherwise)	Year ended December 31,			
	2019 (Restated)(*)	**2018**	**Var.**	**%**
Amortization expenses on intangible assets from acquired business combinations	(17.2)	(12.8)	(4.4)	34.4%
Amortization expenses on other intangible assets	(13.0)	(8.7)	(4.3)	49.4%
Property, plant and equipment depreciation expenses	(21.8)	(17.9)	(3.9)	21.8%
Right-of-use depreciation (IFRS 16)	(44.9)	—	(44.9)	100%
Depreciation and amortization expenses.........	**(96.8)**	**(39.4)**	**(57.4)**	**145.7%**

(*) Depreciation and amortization expenses for the year ended December 31, 2019 have been restated to reflect adjustments related to the impacts of IFRS 16 application and adjustments resulting from the purchase price allocation of AD Bosch acquired in 2019. For a discussion on restatements to the financial statements, see Section 7.6 "Restatements of previously reported financial statements" of this Registration Document.

Amortization expenses on intangible assets from acquired business combinations increased by €4.4 million, from €12.8 million for the year ended December 31, 2018, to €17.2 million for the year ended December 31, 2019, mainly impacted by the amortization of the customer relationships of Oscaro in the context of the business combinations.

Amortization expenses on other intangible assets increased by €4.3 million, or 49.4%, from €8.7 million for the year ended December 31, 2018, to €13.0 million for the year ended December 31, 2019 and property, plant and equipment depreciation expenses increased by €3.9 million, or 21.8%, from €17.9 million for the year ended December 31, 2018, to €21.8 million for the year ended December 31, 2019, mainly due to the full-year effect of the acquisition of Oscaro which increased the amount of depreciation and amortization expenses.

7.10.8 Recurring operating income

As a result of the factors described above, the Group's recurring operating income increased by €9.4 million, or 12.8%, from €73.5 million for the year ended December 31, 2018, to €82.9 million for the year ended December 31, 2019.

7.10.9 Current EBITDA

Current EBITDA increased by €73.9 million, or 57.7%, from €128.1 million for the year ended December 31, 2018, to €202.0 million for the year ended December 31, 2019, primarily due to the application of IFRS 16 in 2019 which resulted in an increase of €47.6 million, and an increase in current EBITDA in the Group's France segment, as well as, to a lesser extent, in the International segment.

(€ in millions, unless indicated otherwise)	**Year ended December 31,**			
	2019 (Restated)(*)	**2018**	**Var.**	**% change**
Current EBITDA	**202.0**	**128.1**	**73.9**	**57.7%**
Current EBITDA margin	**11.2%**	**8.7%**	**250 bps**	**—**
Current EBITDA France	171.1	110.7	*60.4*	*54.6%*
Current EBITDA margin France	12.8%	10.1%	*270 bps*	—
Current EBITDA International	44.2	29.8	14.4	*48.3%*
Current EBITDA margin International	9.6%	8.1%	150 bps	—
Current EBITDA Headquarters	(13.3)	(12.4)	(0.9)	*7.3%*

(*) The consolidated income statement for the year ended December 31, 2019 has been restated in the financial statements for the year ended December 31, 2020 to reflect adjustments related to the impacts of IFRS 16 application and adjustments resulting from the purchase price allocation of AD Bosch acquired in 2019. For a discussion on restatements to the financial statements, see Section 7.6 "Restatements of previously reported financial statements" of this Registration Document.

7.10.9.1 *France segment current EBITDA*

Current EBITDA of the Group's France segment increased by €60.4 million, or 54.6%, from €110.7 million for the year ended December 31, 2018, to €171.1 million for the year ended December 31, 2019 and current EBITDA margin of the Group's France segment increased from 10.1% for the year ended December 31, 2018 to 12.8% for the year ended December 31, 2019, primarily due to the full-year effect in 2019 of the acquisition of Oscaro and the implementation of the Group's turnaround plan for this business, resulting in a positive contribution to current EBITDA of €7.4 million in 2019, compared to a negative contribution to current EBITDA of €6.1 million in 2018. Additionally the increase is also due to (i) the good performance of the body parts platform, as a result of both a higher activity and lower shipping costs linked to the Group's collaboration with a new shipping partner in 2019, (ii) a higher mechanical parts activity in 2019, (iii) an increase in the Group's CPU revenue through the automated Logisteo platform, as a result of the higher rebates granted to customers and (iv) adjustments in sales prices of certain products, as a result of the Group's effort to generate higher net margins.

7.10.9.2 *International segment current EBITDA*

Current EBITDA of the Group's International segment increased by €14.4 million, from €29.8 million for the year ended December 31, 2018, to €44.2 million for the year ended December 31, 2019 and current EBITDA margin of the International segment increased from 8.1% for the year ended December 31, 2018, to 9.6% for the year ended December

31, 2019, primarily due to the 2019 full-year effects of 2018 acquisitions in Italy and Spain and higher purchasing synergies in Italy.

7.10.9.3 *Headquarters*

Current EBITDA of the Group's Headquarters function decreased by €0.9 million, or 7.3%, from €(12.4) million for the year ended December 31, 2018, to €(13.3) million for the year ended December 31, 2019, primarily due to the Group's decision to strengthen its central functions to support its development in light of the Group's continued expansion.

7.10.10 Other non-recurring income

Other non-recurring income decreased by €0.8 million, or 100.0%, from €0.8 million for the year ended December 31, 2018, to nil for the year ended December 31, 2019, primarily due to a one-off reimbursement received in 2018.

7.10.11 Other non-recurring charges

Other non-recurring charges decreased by €6.4 million or 41.6% from €15.4 million for the year ended December 31, 2018, to €9.0 million for the year ended December 31, 2019, primarily due to the one-off expense of €7.9 million incurred in connection with the IPO project the Group undertook in 2018, partly offset by an increase in strategic review costs of €4.3 million in 2019.

7.10.12 Net financial result

	Year ended December 31,			
(€ in millions)	**2019 (Restated)(*)**	**2018**	**Var.**	**%**
Financial income	1.1	1.5	(0.4)	(26.7)%
Financial expenses	(58.5)	(44.0)	(14.5)	33.0%
Net financial expense	**(57.4)**	**(42.5)**	**(14.9)**	**35.1%**

(*) Financial expenses for the year ended December 31, 2019 have been restated to reflect adjustments related to the impacts of IFRS 16 application. For a discussion on restatements to the financial statements, see Section 7.6 "Restatements of previously reported financial statements" of this Registration Document.

Net financial expense increased by €14.9 million or 35.1% from €42.5 million (of which €35 million relates to the interest cost of external borrowings and bank overdrafts) for the year ended December 31, 2018, to €57.4 million (of which €45.8 million relates to the interest cost of external borrowings and bank overdrafts) for the year ended December 31, 2019 primarily due to (i) higher interest costs of €10.8 million, mainly related to the Existing Notes (as defined in Section 8.1 "Overview" of this Registration Document) and (ii) the interest on lease right-of-use of €5.3 million linked to the adoption of IFRS 16 in 2019, partly offset by the one-off depreciation in Oscaro's shares of €4.7 million in 2018.

7.10.13 Income taxes

Income taxes amounted to a €12.6 million expense for the year ended December 31, 2018 and a €1.6 million expense for the year ended December 31, 2019. For the year ended December 31, 2019, income taxes comprised CVAE of €6.8 million (compared to €5.4 million in for the year ended December 31, 2018), a current income tax expense of €6.0 million (compared to a €4.2 million current income tax expense for the year ended December 31, 2018) and a deferred tax credit of €11.2 million (compared to a deferred tax expense of €2.9 million for the year ended December 31, 2018) primarily due to the integration of the Oscaro business in 2019 which had a tax loss position for the year ended December 31, 2019, resulting in the recognition and utilization of tax loss carry-forwards in the amount of €12.3 million.

7.10.14 Net income

As a result of the factors described above, the Group's net income increased by €11.2 million, or 302.7%, from a net income of €3.7 million for the year ended December 31, 2018, to a net income of €14.9 million for the year ended December 31, 2019.

CHAPTER 8. LIQUIDITY AND CAPITAL RESOURCES

This discussion of liquidity and capital resources should be read together with the Group's audited consolidated financial statements for the years ended December 31, 2020, 2019 and 2018, which were prepared in accordance with IFRS as adopted by the European Union and which are included in Section 18.1.1 "Group audited consolidated financial statements for the years ended December 31, 2018, 2019 and 2020" of this Registration Document, as well as the information included in Chapter 7 "Operating and Financial Review", Chapter 10 "Trend Information" and Chapter 11 "Profit Forecasts or Estimates" of this Registration Document.

The historical consolidated financial information for the years ended December 31, 2018 and 2019 presented in the Group's audited consolidated financial statements for the years ended December 31, 2020, 2019 and 2018, includes the following changes as compared to the consolidated financial statements originally published by the Group for the years ended December 31, 2019 and 2018:

- 2019 restatements to reflect the effect of the purchase price allocation of the acquisition of AD Bosch, acquired in 2019;
- 2019 restatement for an adjustment relating to the impacts of IFRS 16 to reflect (i) a correction in the first application of IFRS 16 and (ii) the IFRS IC decision of December 16, 2019 clarifying the enforceable period of a lease, which should reflect broader economics and clarifying the relationship between the useful life of non-removable leasehold improvements and the lease term under IFRS 16;
- 2018 restatements to reflect the effects of the purchase price allocation of the acquisition of the Oscaro group, acquired in 2018; and
- changes to the segment reporting to (i) reflect the new structure of the Group's internal reporting, in compliance with IFRS 8 "Operating Segments", and (ii) to adjust the Group's "current EBITDA" key performance indicator to no longer adjust for the IFRS 16 impact on rental costs.

See Section 7.6 "Restatements of previously reported financial statements" of this Registration Document for further information.

8.1 OVERVIEW

The Group's principal financing needs arise from its working capital needs, debt service obligations, capital expenditures, operating losses, acquisitions and contractual obligations and commitments. Historically, the Group has met these requirements principally through cash generated from operations, factoring facilities, bank overdraft facilities and finance leases.

The Group monitors its total net financial debt, which historically has included its Existing Notes (as defined below), net of debt issuance costs, borrowings from factoring programs, leases, PGE financing in France, local lines of credit incurred by the Group's subsidiaries in Italy, Spain and Benelux, bank overdrafts and other cash borrowings less the Group's cash and cash equivalents.

In 2016, 2017 and 2018, Parts Europe S.A. (formerly Autodis S.A.) issued senior secured floating rate notes due 2022 in an aggregate principal amount of €515.0 million, which bear interest at a rate of EURIBOR plus 4.375% (the "**Existing Floating Rate**

Notes"), of which an aggregate principal amount of €304.0 million currently remains outstanding.

In 2019, Parts Europe S.A. (formerly Autodis S.A.) issued senior secured floating rate notes due 2022 in an aggregate principal amount of €175 million, which bear interest at a rate of EURIBOR plus 4.375% (the "**2019 Floating Rate Notes**"), which were redeemed and repaid in full in 2020.

In 2020, Parts Europe S.A. completed two issuances of senior secured notes due 2025 which bear interest at a rate of 6.5% (the "**2020 Existing Senior Secured Notes**" and, together with the Existing Floating Rate Notes, the "**Existing Notes**"), of which an aggregate principal amount of €580.0 million remains currently outstanding.

Since 2016, the Group has also benefited from a multi-currency revolving credit facility for a maximum available amount of €100.0 million, bearing an interest rate equal to EURIBOR or LIBOR (subject to a 0% floor), plus a margin of 2.50% to 3.50% per annum (the "**Existing Revolving Credit Facility**"), which was drawn on a non cash basis under letters of credit and ancillary facilities issued or established (as applicable) under the Existing Revolving Credit Facility (the "**Existing Ancillary Facilities**") in an amount of €21.6 million as of December 31, 2020 (for further information about the Group's financial liabilities and their maturities, see Section 8.2.1 "Principal sources of financing" of this Registration Document). As part of the Proposed Admission, the Group entered into a new revolving credit facility agreement (the "**New Revolving Credit Facility Agreement**") on April 28, 2021. The Existing Ancillary Facilities will be rolled over on a non cash basis into the New Revolving Credit Facility on and from the IPO Settlement Date. For more information regarding the New Revolving Credit Facility Agreement, see Section 8.2.2.2 "New Revolving Credit Facility" of this Registration Document.

Since 2020, the Group has also benefited from a government-backed super senior liquidity facility, bearing an interest rate equal to EURIBOR (subject to a 0% floor), plus a margin of 1.30% per annum (the "**PGE Loan**"), of which an aggregate principal amount of €25 million is outstanding as of December 31, 2020, as well as certain other COVID-19 related government-backed loans in Italy and Belgium, of which an aggregate principal amount of €32 million was outstanding as of December 31, 2020 (together with the PGE Loan, the "**COVID-19 Loans**").

8.2 FINANCIAL RESOURCES

8.2.1 Principal sources of financing

The Group historically has relied on the sources of financing described below.

- *Borrowings and other financial debt*. The Group had total third-party financial debt of €1,288.5 million, €1,311.5 million and €1,014.2 million outstanding as of December 31, 2020, 2019 and 2018, respectively.
- *Cash on hand*. Cash and cash equivalents (excluding bank overdrafts) as of December 31, 2020, 2019 and 2018 amounted to €113.4 million, €71.3 million and €81.3 million, respectively.
- *Net cash from operating activities*. Net cash from operating activities (excluding discontinued operations) amounted to €206.4 million, €109.9 million and €58.9 million for the years ended December 31, 2020, 2019 and 2018, respectively.

The following table summarizes the composition of the borrowings and debt of the Group at the dates indicated.

	As of December 31,		
	2020	2019 (Restated) (*)	2018
(in € million)			
Non-current portion of borrowings and debt			
Existing Notes**	881.5	864.9	762.9
Value of put option held by minority shareholders**	46.5	56.6	48.6
Amounts owed under finance leases (more than one year)	2.0	2.3	2.2
IFRS 16 Lease right-of-use-related debt (more than one year)	155.6	164.4	-
Other borrowings and accrued interest	27.1	6.4	6.9
Total non-current portion of borrowings and debt	1,112.7	1,094.6	820.7
Current portion of borrowings and debt			
Existing Notes**	19.4	6.7	5.7
Sup Bonds***	1.2	1.2	1.2
Value of put option held by minority shareholders****	10.3	14.7	6.1
Amounts owed under finance leases (less than one year)	1.7	1.3	1.0
Existing Revolving Credit Facility	-	50.0	90.0
Other borrowings and accrued interest	57.6	27.0	24.3
CGA, KBC, BNP, Factofrance factoring	20.8	22.7	22.0
Spain local lines of credit	6.0	5.3	-
Italian local lines of credit	16.8	39.5	39.5
Bank overdrafts	2.6	7.8	3.9
IFRS 16 Lease right-of-use-related debt (less than one year)	39.4	40.7	-
Total current portion of borrowings and debt	175.8	216.9	193.6
Total borrowings and debt	1,288.5	1,311.5	1,014.2

(*) Borrowings and debt as of December 31, 2019 have been restated to reflect adjustments resulting from the impacts of IFRS 16 application. For a discussion on restatements to the financial statements, see Section 7.6 "Restatements of previously reported financial statements" of this Registration Document.

(**) The Existing Notes are shown here net of unamortized portion of capitalized debt issuance costs of €2.5 million, €13.1 million and €12.1 million as of December 31, 2020, 2019 and 2018, respectively. The 2019 Floating Rate Notes were redeemed and repaid in full in 2020. The Existing Notes, as of December 31, 2021, include €304.0 million and €580.0 million in aggregate principal amount of the Existing Floating Rate Notes and the 2020 Existing Senior Secured Notes, respectively. The Group intends to repay in full the Existing Floating Rate Notes and a portion of the 2020 Existing Senior Secured Notes, in each case on the IPO Settlement Date, in connection with the Proposed Admission. For more information see Section 8.2.2.1 "Overview of the Refinancing to occur as part of the Proposed Admission" of this Registration Document.

(***) In 2009, the Group issued certain subordinated bonds (the "**Sup Bonds**") to its then-shareholders, which included a contingent redemption option. The period for such contingent redemption has passed and the Sup Bonds are now redeemable at a fixed price but not all shareholders have exercised their option. The amount included in the Group's balance sheet represents the portion of the Sup Bonds that have not yet been redeemed.

(****) "Put options held by non-controlling interest holders in subsidiaries" is the value of the liability recorded in the balance sheet for the options that allow minority shareholders to sell their interests to the Group. There is also a receivable on the put option related to the Oscaro business, which amounted to €13.8 million, €13.8 million and €14.3 million as of December 31, 2020, 2019 and 2018, respectively.

The main categories of debt of the Group include:

- *Existing Floating Rate Notes*. In 2016, 2017 and 2018, Parts Europe S.A. (formerly Autodis S.A.) issued the Existing Floating Rate Notes in an aggregate principal amount of €515.0 million. The Existing Floating Rate Notes bear interest at a rate of EURIBOR (subject to a 0% floor) plus 4.375%, paid quarterly in February, May, August and November of each year. The stated maturity of the Existing Floating Rate Notes is May 1, 2022. Until 2020, the Group redeemed and repaid an aggregate principal amount of €211 million of the Existing Floating Rate Notes. As part of the Proposed Admission, the Group intends to redeem and repay the remaining outstanding amount of €304 million of the Existing Floating Rate Notes in connection with the Proposed Admission on the IPO Settlement Date.

- *2020 Existing Senior Secured Notes*. In July 2020 and October 2020, Parts Europe S.A. issued the 2020 Existing Senior Secured Notes in a principal amount of €300 million and €280 million, respectively. The 2020 Existing Senior Secured Notes bear interest at a rate of 6.5%, paid semi-annually in January 15 and July 15 of each year. The stated maturity of the 2020 Existing Senior Secured Notes is July 2025. As part of the Proposed Admission, the Group intends to leave a portion of the 2020 Existing Senior Secured Notes outstanding as of the IPO Settlement Date.

- *Existing Revolving Credit Facility.* In November 2015, Dakar (BC) and Dakar Acquisition entered into the Existing Revolving Credit Facility agreement. During the periods under review, the Existing Revolving Credit Facility could be drawn for general corporate purposes up to a maximum amount of €100 million, subject to compliance with certain financial covenants and conditions precedent. Drawings under the Existing Revolving Credit Facility bear interest at a rate equal to EURIBOR or LIBOR (subject to a 0% floor), plus a margin of 2.50% to 3.50% per annum. The available commitments under the Existing Revolving Credit Facility will be cancelled in connection with the Proposed Admission on and subject to the IPO Settlement Date, and replaced with the New Revolving Credit Facility. The Existing Ancillary Facilities established under the Existing Revolving Credit Facility will be rolled over to the New Revolving Credit Facility. During the periods under review, the Group has incurred commitment fees on undrawn amounts in respect of the Existing Revolving Credit Facility equaling 30% to 35% of the applicable margin on the undrawn amounts.

- *Factoring.* The Group has recourse factoring arrangements with Compagnie Générale d'Affacturage ("**CGA**"), KBC and BNP Paribas. These arrangements have recourse to the Group and, therefore, the Group is deemed to have retained late payment and credit risks. Accounting treatment of such arrangements prohibit deconsolidation of the factored receivables and a factoring debt is recorded to offset the cash received from the factors. The Group also has non-recourse arrangements with Factorfrance for a portion of its receivables. As of December 31, 2020, 2019 and 2018, the Group had factored receivables under non-recourse program of €82.8 million, €93.0 million and €83.8 million, respectively and under recourse programs of €15.7 million, €23.7 million and €28.7 million, respectively.

- *PGE financing*. On July 1, 2020, the Group entered into the loan agreement in respect of the PGE Loan. The interest rate on the PGE Loan is the rate per annum equal to the aggregate of the applicable margin and EURIBOR (as applicable, subject to a 0% floor). The margin under the PGE Loan is 1.30% per annum for the first 12 months of its term, and a rate to be agreed between the Issuer and the lenders afterward. The PGE Loan will mature on the date falling 12 months after the date of funding. The Company has the option to extend the maturity date by one, two, three, four or five years at its sole discretion. On or around the IPO Settlement Date, the Group intends to repay certain amounts outstanding under the COVID-19 Loans.

- *Other borrowings.* Other borrowings mainly consist of debts held by the Group's subsidiaries and amounted to (i) €84.7 million as of December 31, 2020, including debts held by entities in Italy in the amount of €33.5 million, PGE loan of €25.0 million, debt held by Doyen Auto Group in the amount of €21.7 million, and debts held by Geevers Auto Parts in the amount of €3.1 million (ii) €33.3 million as of December 31, 2019, including those held by Doyen Auto Group in the amount of €14.2 million, debts held by entities in Italy in the amount of €10.5 million and debts held by Geevers Auto Parts in the amount of €7.2 million and (iii) €31.3 million as of December 31, 2018, including debts held by entities in Italy in the amount of €11.7 million, those held by Doyen Auto Group in the amount of €9.5 million and debts held by Geevers Auto Parts in the amount of €6.2 million.

8.2.2 Financing structure following the Proposed Admission

8.2.2.1 *Overview of the Refinancing to occur as part of the Proposed Admission*

In connection with the Proposed Admission, the Group intends to refinance and repay on or around the IPO Settlement Date certain of its outstanding indebtedness (the "**Refinancing**"). The purpose of the Refinancing is to improve the Group's leverage ratio and reduce the Group's interest expense.

Assuming a share capital increase to be implemented as part of the Proposed Admission of approximately €450 million and fees and expenses related to the Proposed Admission and the Refinancing of approximately €33 million, the Group intends to use the proceeds of such capital increase, as well as approximately €45 million of cash on balance sheet, to:

- repay and redeem in full the Existing Floating Rate Notes, for an aggregate amount of approximately €306 million (including accrued and unpaid interest); and
- repay and redeem a portion of the 2020 Existing Senior Secured Notes[10], as well as certain amounts outstanding under the COVID-19 Loans and other debt, for an aggregate amount of approximately €156 million (including accrued and unpaid interest).

In addition, the Group will cancel, on the IPO Settlement Date, the available commitments under the Existing Revolving Credit Facility. Although the New Revolving Credit Facility will become available on the IPO Settlement Date, the Group does not intend to draw any cash amount under the New Revolving Credit Facility on the IPO Settlement Date. However, any non-cash utilization in the form of Existing Ancillary Facilities (such as letters of credit and overdraft guarantees) issued or established under the Existing Revolving Credit Facility outstanding as of the IPO Settlement Date will be rolled over on a non-cash basis under the New Revolving Credit Facility on the IPO Settlement Date. As of December 31, 2020, off-balance sheet

[10] The 2020 Existing Senior Secured Notes are redeemable with the proceeds of an initial public offering at a price equal to par plus coupon of 6.5%.

amounts related to such non-cash utilizations drawn under the Existing Revolving Credit Facility amounted to €21.6 million as of December 31, 2020.

8.2.2.2 *New Revolving Credit Facility*

In connection with the Proposed Admission, on April 28, 2021 the Group entered into the New Revolving Credit Facility Agreement with a syndicate of international banks (the "**Lenders**") in respect of a €130.0 million new revolving facility (the "**New Revolving Credit Facility**").

On the IPO Settlement Date, the Existing Revolving Credit Facility will be cancelled, and the New Revolving Credit Facility will become available. The non cash Existing Ancillary Facilities issued or established under the Existing Revolving Credit Facility, which amounted to an aggregate amount of €21.6 million as of December 321, 2020, will be rolled over on a non cash basis and established under the New Revolving Credit Facility on the Initial Utilization Date (as defined below).

Subject to certain conditions provided for in the New Revolving Credit Facility Agreement and without the need for any waiver or consent of the then-existing Lenders, the Group may increase the amount available under the New Revolving Credit Facility available under the New Revolving Credit Facility Agreement and/or incur additional facilities *pari passu* with or junior to the New Revolving Credit Facility (an "**Incremental Facility**"), provided that, prior to the refinancing of the 2020 Existing Senior Secured Notes in full, such incurrence or increase shall be permitted under the 2020 Existing Senior Secured Notes.

The New Revolving Credit Facility Agreement is governed by English law.

The following presents a brief description of the material terms of the New Revolving Credit Facility Agreement.

Borrower(s): The initial borrower under the New Revolving Credit Facility is Parts Europe S.A.

Availability: The New Revolving Credit Facility will be available from the date of the initial utilization of the New Revolving Credit Facility (expected to be the IPO Settlement Date) (the "**Initial Utilization Date**") to the date falling one month prior to the maturity date of the New Revolving Credit Facility.

Maturity date(s): The maturity date of the New Revolving Credit Facility will be six years from the Initial Utilization Date or, if earlier, the date falling three months prior to (i) the maturity date of the 2020 Existing Senior Secured Notes (to the extent not refinanced in full prior to such date) or (ii) the maturity date of any financial indebtedness which is applied to refinance the 2020 Existing Senior Secured Notes in full.

Interest: The interest rate applicable to the New Revolving Credit Facility is EURIBOR, plus a certain margin, which will initially be set at 2.25%.

The margin will be subject to a margin ratchet based on the total net leverage ratio (defined as total net debt to consolidated *pro forma* current EBITDA) beginning six months after the Initial Utilization Date and subject to certain conditions.

Fees: A commitment fee of 30% of the applicable margin on the undrawn commitments under the New Revolving Credit Facility will be payable starting from the Initial Utilization Date. A one-time only arrangement fee of 1.25% will be payable on the commitments under the New Revolving Credit Facility as of the Initial Utilization Date (excluding any rolled over commitments held by a lender under the Existing Revolving Credit Facility and/or the PGE Loan).

Purpose: The purpose of the New Revolving Credit Facility is to (i) refinance existing indebtedness of the Group (other than the portion of the 2020 Existing Senior Secured Notes that will remain outstanding on the IPO Settlement Date) and to pay fees, costs and expenses arising in connection with the Refinancing, and (ii) finance or refinance the working capital requirements and/or general corporate purposes of the Group (including by way of letters of credit, loans, bank guarantees and performance bonds).

Currency: The base currency of the New Revolving Credit Facility is euro.

Guarantees: The New Revolving Credit Facility benefits from guarantees from the Company, Parts Europe S.A. and any Material Companies within the Group (defined as subsidiaries with current EBITDA that represents at least 5% of the Group's consolidated current EBITDA) and additional subsidiaries within the Group to the extent required to ensure the Guarantors represent at least 80% of the Group's consolidated current EBITDA.

Security: The New Revolving Credit Facility shares in certain of the security granted in connection with the 2020 Existing Senior Secured Notes. If the 2020 Existing Senior Secured Notes are repaid in full with the proceeds of an unsecured term loan facility and subject to certain terms and conditions, all security will be released and the New Revolving Credit Facility will be unsecured.

Financial covenants: The New Revolving Credit Facility Agreement requires compliance with the following financial covenant prior to the refinancing of the 2020 Existing Senior Secured Notes:

The Group's drawn super senior leverage ratio, which is defined under the New Revolving Credit Facility Agreement as the ratio of the aggregate outstanding loans under the New Revolving Credit Facility and any Incremental Facility which benefits from the financial covenant to consolidated *pro forma* EBITDA ("**Drawn Super Senior Leverage Ratio**"), shall not exceed 1.10:1 ("**Drawn Super Senior Leverage Covenant**"), provided that the Drawn Super Senior Leverage Covenant shall be tested only if, on any testing date, the aggregate outstanding amount of all loans under the New Revolving Credit Facility exceed 40% of the total commitments under the New Revolving Credit Facility on such testing date (or, if higher, as of the date of the New Revolving Credit Facility Agreement). Failure to comply with the Drawn Super Senior Leverage Covenant will be a draw stop event only.

After the refinancing of the 2020 Existing Senior Secured Notes, the Drawn Super Senior Leverage Covenant will cease to apply. The New Revolving Credit Facility Agreement requires compliance with the following financial covenant:

The Group's leverage ratio, which is defined under the New Revolving Credit Facility as the ratio of total net debt to consolidated *pro forma* current EBITDA ("**Leverage Ratio**") shall not exceed a leverage limit to be specified and calculated by the Company with reference to the most recent financial statements delivered on or prior to the refinancing of the 2020 Existing Senior Secured Notes and subject to certain adjustments and assumptions, but which shall not exceed 5.50:1 ("**Total Net Leverage Covenant**"), provided that the Total Net Leverage Covenant shall be tested only on a testing date (being the last day of each financial year or financial half-year, as the case may be).

Undertakings: Prior to the refinancing of the 2020 Existing Senior Secured Notes, the New Revolving Credit Facility Agreement is subject to incurrence covenants substantially similar to the covenants applicable to the 2020 Existing Senior Secured Notes. After the refinancing of the 2020 Existing Senior Secured Notes, the New Revolving Credit Facility Agreement is subject to certain financial reporting covenants (which are, in the opinion of the Group, compatible with the obligation resulting from Regulation (EU) No 596/2014 dated April 16, 2014 on market abuse, to which the Company will be subject following the Proposed Admission) and certain positive and negative covenants, including the requirement to refrain from:

- mergers (with the exception of mergers or reorganizations permitted by the New Revolving Credit Facility Agreement);
- granting a guarantee or security in respect of any indebtedness owed to persons who are not members of the Group in excess of a certain threshold;
- disposing of assets;
- granting security over Group assets (subject to a negative pledge);
- providing guarantees and security to other third-party creditors; and
- changing the nature of the Group's business,

in each case, subject to usual exceptions and baskets for this type of financing.

Prepayments and cancellation: The terms of the New Revolving Credit Facility require mandatory prepayment in the event of a change of control, a sale of substantially all of the business and assets of the Group or an illegality event. In the event the 2020 Existing Senior Secured Notes are prepaid prior to their scheduled repayment date and the aggregate principal face amount of 2020 Existing Senior Secured Notes being repaid exceeds 50% of the original aggregate principal face amount of the 2020 Existing Senior Secured Notes (the "**Notes Purchase Basket**"), the Group will be required to cancel the commitments, and if applicable, prepay the utilisation, under the New Revolving Credit Facility in the same proportion by which the 2020 Existing Senior Secured Notes in excess of the Notes Purchase Basket are prepaid, until the total commitments under the New Revolving Credit Facility have been reduced to €65,000,000. Amounts borrowed under the New Revolving Credit Facility can be repaid and subsequently re-borrowed. The New Revolving Credit Facility can be cancelled at any time by the Company, subject to a customary notice period.

Events of Default: The New Revolving Credit Facility Agreement contains standard events of default provisions for facilities of this kind, provided that, prior to the refinancing of the 2020 Existing Senior Secured Notes, the events of default provisions under the 2020 Existing Senior Secured Notes shall apply.

8.3 PRINCIPAL USES OF CASH

8.3.1 Financial investments and capital expenditure

A large portion of the Group's cash flow is used to finance its development through business acquisitions. There were no significant acquisitions made in the year ended December 31, 2020. During the years ended December 31, 2019 and 2018, the Group made financial investments of €51.8 million and €163.4 million, respectively, net of cash acquired, principally related to the 2019 acquisitions of AD Bosch for €48.1 million, Maillot Pièces Poids Lourds for €0.8 million, as well as Loek Autoparts and Team Ricambi and the 2018 acquisitions of Oscaro for €91.3 million and Geevers Auto Parts for €50.2 million, as well as Sarco, FGL S.r.l., G-Group, Verviers Freins, Loire Pare Brise, Vallespir Auto Diffusion, GPR Auto, Société Française d'Industrie Automobile. For a more detailed description of the Group's capital expenditures and financial investments, see Section 8.4.2 "Net cash flow used in investing activities" of this Registration Document.

Capital expenditures consist solely of the acquisition and maintenance of non-current assets. The Group's capital expenditures include the further expansion of its operations and the maintenance of its existing operations. In particular, the Group's capital expenditure on tangible assets mainly relates to purchases of shelving and machinery for the transport and storage of products in the warehouses, as well as purchases of commercial delivery vans that the Group uses in its operations. The Group's capital expenditure on intangible assets mainly relates to the capitalization of new functional development costs of its Enterprise Resource Planning software, the purchase of software licenses relating to management and financial reporting, technical automotive databases and inventory management. During the years ended December 31, 2020, 2019 and 2018, the Group made capital expenditures of €32.4 million, €40.0 million and €32.8 million, respectively, related to software, licenses and maintenance of the Group's ongoing operations.

8.3.2 Repayment of borrowings and capital

During the periods under review, the Group entered into a series of refinancing transactions, including:

- the repayment of borrowings in the amount of €740.3 million during the year ended December 31, 2020, primarily related to the redemption and repayment of €574.4 million of the 2019 Floating Rate Notes and Existing Notes, €78.0 million of the Existing Revolving Credit Facility and repayment of €43.1 million in relation to IFRS 16 lease debt;
- the repayment of borrowings in the amount of €210.1 million during the year ended December 31, 2019, primarily related to repayment of €90.0 million of the Existing Revolving Credit Facility, €72.1 million in relation to the redemption and repayment of the 2019 Floating Rate Notes and repayment of €41.4 million in relation to IFRS 16 lease debt; and
- the repayment of borrowings in the amount of €7.1 million in the year ended December 31, 2018, including repayment of €5.9 million for CICE financing.

The Group also paid aggregate cash interest amounting to €49.4 million, €51.1 million, and €34.6 million for the years ended December 31, 2020, 2019 and 2018, respectively.

8.3.3 Financing of working capital requirements

Working capital is comprised of trade working capital and other receivables and payables. The Group's trade working capital is comprised of inventories, trade payables and trade receivables. Other receivables and payables are primarily comprised of tax and employee benefit payables.

The Group's inventory levels are affected by the development of new logistics platforms, product range strategy and its ability to manage stocks locally. The change in trade payables and receivables is mainly linked to the varying terms of payment. The level of receivables may also be impacted by its ability to recover payments from the customers.

The Group's working capital requirements have limited seasonality, although its working capital typically peaks in June and July and reaches its trough in November. Certain spare parts demonstrate limited seasonality. For example, sales of body parts, which are closely linked to mileage, tend to peak in the summer, sales of tires tend to peak in the winter in connection with winterizing, sales of auto glass tend to peak in the summer and winter, due to thermal variations between vehicles and the outside environment and spare parts purchased in connection with annual and other periodic checks tend to peak in May and June.

The Group primarily finances its working capital requirements with cash flow from operating activities. The Group also utilizes various factoring arrangements for its receivables including factored receivables under non-recourse program of €82.8 million, €93.0 million and €83.8 million as of December 31, 2020, 2019 and 2018, respectively, and under recourse programs of €15.7 million, €23.7 million and €28.7 million as of December 31, 2020, 2019 and 2018, respectively, with a total available credit line of €197.5 million as of December 31, 2020, of which €102.3 million was drawn down by the Group as of December 31, 2020.

8.3.4 Income tax paid

A portion of the Group's cash flow is applied to the payment of income tax and CVAE (*Cotisation sur la Valeur Ajoutée des Entreprises*). Income tax paid totaled €12.9 million, €13.4 million and €9.3 million for the years ended December 31, 2020, 2019 and 2018, respectively.

8.4 ANALYSIS OF CONSOLIDATED CASH FLOWS

The following table summarizes the Group's cash flows for the periods indicated.

	Year ended December 31,		
(€ in millions)	**2020**	**2019 (Restated)(*)**	**2018 (Restated)(*)**
Net income	1.7	14.9	3.7
Net cash from operating activities—continuing operations	206.4	109.9	58.9
Net cash from (used in) investing activities—continuing operations	(31.5)	(91.0)	(201.3)
Net cash from (used in) financing activities—continuing operations	(127.6)	(32.9)	149.1
Cash and cash equivalents at beginning of period	63.5	77.4	70.6
Cash and cash equivalents at end of period	110.9	63.5	77.4

(*) The cash flow statement as of December 31, 2019 has been restated to reflect adjustments for the impacts of IFRS 16 application and adjustments resulting from the purchase price allocation of AD Bosch acquired in 2019. The cash flow statement as of December 31, 2018 has been restated to reflect adjustments resulting from the purchase price allocation of Oscaro acquired in 2018. For a discussion on restatements to the financial statements, see Section 7.6 "Restatements of previously reported financial statements" of this Registration Document.

8.4.1 Net cash from operating activities

The following table sets forth the components of the Group's net cash flow from operating activities for the periods indicated.

	Year ended December 31,		
(€ in millions)	**2020**	**2019 (Restated)(*)**	**2018 (Restated) (*)**
Net income	**1.7**	**14.9**	**3.7**
Adjustments for income and expenses with no cash impact	126.3	104.1	53.7
Adjustments for financial income and expenses	42.3	44.7	29.1
Income taxes	14.5	1.6	12.6
Changes in working capital	34.5	(41.8)	(30.9)
Income taxes paid	(12.9)	(13.4)	(9.3)
Net cash from operating activities—continuing operations	**206.4**	**109.9**	**58.9**

(*) The cash flow statement for the year ended December 31, 2019 has been restated to reflect adjustments for the impacts of IFRS 16 application and adjustments resulting from the purchase price allocation of AD Bosch acquired in 2019. The cash flow statement for the year ended December 31, 2018 has been restated to reflect adjustments resulting from the purchase price allocation of Oscaro acquired in 2018. For a discussion on restatements to the financial statements, see Section 7.6 "Restatements of previously reported financial statements" of this Registration Document.

Net cash from operating activities is mainly impacted by changes in working capital and other items with a cash effect, in addition to changes in net income and cancellation of income, and expenses with no cash impact (mainly depreciation and amortization and financial income and expenses with no cash impact) effect and the elimination of income tax.

Net cash from operating activities from continuing operations amounted to €206.4 million, or 11.7% of revenue, for the year ended December 31, 2020, primarily due to a favorable change in working capital of €34.5 mainly resulting from an inflow of €35.0 million in other receivables and payables, including the deferral of payment terms granted by tax and social security authorities in response to the COVID-19 pandemic.

Net cash from operating activities from continuing operations amounted to €109.9 million, or 6.1% of revenue, for the year ended December 31, 2019, and includes the impact of the adoption of IFRS 16 in 2019, which increased depreciation and amortization expenses by €44.9 million. Excluding the impact of the adoption of IFRS 16, net cash from operating activities from continuing operations for the year ended December 31, 2019 was driven primarily by the unfavorable change in working capital of €41.8 million due to an increase in inventories mainly in connection with the build-up of stock by Doyen Auto to supply AUTODOC.

Net cash from operating activities from continuing operations amounted to €58.9 million, or 4.0% of revenue, for the year ended December 31, 2018, primarily due to an unfavorable change in working capital of €30.9 million due to an increase in inventories, mainly at the Logisteo platform.

8.4.1.1 *Change in working capital*

The following table sets forth the Group's change in working capital requirement for the periods indicated.

(€ in millions)	Year ended December 31, 2020	2019 (Restated) (*)	2018 (Restated) (*)
Inventories decrease/(increase)	9.1	(16.9)	(37.1)
Trade receivables decrease/(increase)	8.3	(8.3)	20.3
Trade payables increase/(decrease)	(17.9)	(9.3)	(7.6)
Other receivables and payables	35.0	(7.3)	(6.5)
Change in working capital	**34.5**	**(41.8)**	**(30.9)**

(*) The cash flow statement for the year ended December 31, 2019 has been restated to reflect adjustments for the impacts of IFRS 16 application and adjustments resulting from the purchase price allocation of AD Bosch acquired in 2019. The cash flow statement for the year ended December 31, 2018 has been restated to reflect adjustments resulting from the purchase price allocation of Oscaro acquired in 2018. For a discussion on restatements to the financial statements, see Section 7.6 "Restatements of previously reported financial statements" of this Registration Document.

For the year ended December 31, 2020, the Group generated a positive change in working capital of €34.5 million, primarily due to: (i) an inflow of €35.0 million in other receivables and payables mainly due to the rescheduling of payment terms for payables of €16.0 million granted by tax and social security authorities in response to the COVID-19 pandemic, an inflow of €6.7 million related to CICE and inflow of €6.0 million as a result of lower transfers of receivables to non-recourse factoring programs in 2020 and, to a lesser extent, (ii) a decrease in inventories of €9.1 million and a decrease in trade receivables of €8.3 million, as a result of overall decreases in the Group's activities as a result of the COVID-19 pandemic, partly offset by a decrease in trade payables of €17.9 million, primarily as a result of the utilization of supplier credit notes.

For the year ended December 31, 2019, the Group generated a negative change in working capital of €41.8 million, primarily due to: (i) an increase in inventories of €16.9 million in connection with the build-up of stock by Doyen Auto to supply AUTODOC and the build-up of stock by Geevers and G-Group as part of their product offering expansion, (ii) a decrease in trade payables of €9.3 million mainly due to the Oscaro turnaround plan implemented just after the acquisition in 2018 and which included the payment of the supplier debts and (iii) an outflow of €7.3 million in net other receivables and payables mainly due to VAT.

For the year ended December 31, 2018, the Group generated a negative change in working capital of €30.9 million, primarily due to an increase in inventories of €37.1 million as a result of the expansion of the Group's product offering to take advantage of favorable purchasing conditions, which was partly offset by a €20.3 million decrease in receivables mainly due to the increase of the Group's non-recourse factoring program from €60.1 million in 2017 to €83.8 million in 2018, reducing the amount of trade receivable on the balance sheet as of December 31, 2018 as compared December 31, 2017.

8.4.1.2 *Income taxes*

For the year ended December 31, 2020, income taxes recorded in the income statement were €14.5 million, mostly comprising CVAE of €6.6 million, which is based on the added-value generated by the Group's French entities and current tax expense of €7.3 million.

For the year ended December 31, 2019, income taxes were €1.6 million, comprising deferred tax benefits of €11.2 million offset by CVAE expense of €6.8 million and current tax expense of €6.0 million.

For the year ended December 31, 2018, income taxes were €12.6 million, mostly comprising CVAE of €5.4 million, which is based on the added-value generated by the Group's French entities and current tax expense of €4.2 million.

8.4.2 Net cash flow used in investing activities

The following table sets forth the components of the Group's net cash flow used in investing activities for the periods indicated.

	Year ended December 31,		
(€ in millions)	**2020**	**2019 (Restated)(*)**	**2018 (Restated)(*)**
Acquisitions of non-current assets	(32.4)	(40.0)	(32.8)
Acquisitions of customer relationship intangible assets	—	—	(5.3)
Disposals of non-current assets	—	2.4	0.8
Business acquisitions (net of cash acquired)	—	(51.8)	(163.4)
Disposals of business (net of cash transferred)	0.3	—	—
Change in customer financing and other transactions	0.6	(1.5)	(0.6)
Net cash used in investing activities—continuing operations	**(31.5)**	**(91.0)**	**(201.3)**

(*) The cash flow statement for the year ended December 31, 2019 has been restated to reflect adjustments for the impacts of IFRS 16 application and adjustments resulting from the purchase price allocation of AD Bosch acquired in 2019. The cash flow statement for the year ended December 31, 2018 has been restated to reflect adjustments resulting from the purchase price allocation of Oscaro acquired in 2018. For a discussion on restatements to the financial statements, see Section 7.6 "Restatements of previously reported financial statements" of this Registration Document.

Cash flow used in investing activities relates to (i) capital expenditure, which consists of the acquisitions of non-current assets, and (ii) acquisitions of businesses, net of cash acquired.

For the year ended December 31, 2020, the Group's investing activities resulted in a net cash outflow of €31.5 million driven by capital expenditures of €32.4 million, including €5.3 million in expenditures related to property and fixtures, €3.7 million in technical fitting costs and €10.3 million in expenditures for software and licenses.

For the year ended December 31, 2019, the Group's investing activities resulted in a net cash outflow of €91.0 million driven by (i) new business acquisitions of €51.8 million mainly due to the acquisition of AD Bosch, a leading parts distributor in Catalonia, for the purchase price of €48.1 million, and (ii) capital expenditures of €40.0 million related to maintenance of the Group's ongoing operations, mainly due to the acquisition of software and licenses in the amount of €11.4 million and property and fixtures in the amount of €11.6 million, and partly offset by a cash inflow from disposal of assets of €2.4 million.

For the year ended December 31, 2018, the Group's investing activities resulted in a net cash outflow of €201.3 million driven by new business acquisitions of €163.4 million, mainly due to the acquisition of the Oscaro customer relationship asset (€4.8 million) and brand (€50.6 million), and capital expenditures of €32.8 million.

8.4.2.1 *Capital expenditures*

Capital expenditures decreased by €7.6 million to €32.4 million, or 1.8% of revenue, for the year ended December 31, 2020 from €40.0 million, or 2.2% of revenue, for the year ended December 31, 2019, primarily due to a decrease of €6.3 million in acquisitions of property and fixtures, and as a result of the Group's efforts to reduce expenditures in 2020 due to the COVID-19 pandemic.

Capital expenditures increased by €7.2 million, to €40.0 million, or 2.2% of revenue, for the year ended December 31, 2019, from €32.8 million, or 2.2% of revenue, for the year ended December 31, 2018, primarily due to the integration of capitalized development costs from Oscaro for €3.0 million and €1.2 million of investment in Mondial Pare-Brise.

Capital expenditures increased by €4.8 million, to €32.8 million, or 2.2% of revenue, for the year ended December 31, 2018, from €28.0 million, or 2.2% of revenue, for the year ended December 31, 2017, primarily due to the increase in maintenance capital expenditures following the acquisition of OVAM, Ricauto, Topcar and Mondial Pare-Brise, partly offset by a decrease in capital expenditures related to the automated Logisteo platform finalized and launched in 2017.

8.4.2.2 *Business acquisitions*

Business acquisitions mainly relate to external acquisitions. The amount of the acquisition is presented net of cash (or overdraft) held by such acquired entity.

There were no significant business acquisitions during the year ended December 31, 2020.

Business acquisitions and advances paid amounted to €51.8 million, or 2.9% of revenue, for the year ended December 31, 2019, mainly due to the acquisition of a 75% interest in AD Bosch for a purchase price of €48.1 million in August 2019.

Business acquisitions and advances paid amounted to €163.4 million, or 11.1% of revenue, for the year ended December 31, 2018, mainly due to the acquisitions of: (i) 82.49% of the capital stock of Oscaro, the leader in online sales of light vehicle spare parts in France, for an amount of €91.3 million in November 2018; (ii) 100% of the capital stock of G-Group for an amount of €15.8 million in May 2018, which enabled the Group to enter the Central and Southern Italian market and to strengthen its position in the Italian market, and (iii) 100% of the capital stock of Geevers, the leading independent retailer of multi-brand car body parts in Benelux, for a purchase price of €50.2 million in May 2018.

See Section 5.7 "Investments" of this Registration Document for a description of the principal investments made by the Group for the periods presented.

8.4.3 Net cash flow from (used in) financing activities

The following table sets forth the components of the Group's net cash flow from (used in) financing activities for the periods indicated.

	Year ended December 31,		
(€ in millions)	**2020**	**2019 (Restated)(*)**	**2018 (Restated)(*)**
Dividends paid to the owners of the parent company	—	—	(65.4)
Dividends paid to non-controlling interests of consolidated subsidiaries	(0.5)	(0.3)	(0.3)
Dividends received from associates	—	—	—
Repayment of capital	—	—	—
Interest paid	(49.4)	(51.1)	(34.6)
Interest received	0.4	0.8	1.2
Increase in borrowings	662.3	227.8	263.2
Repayment of borrowings	(740.3)	(210.1)	(7.1)
Change in other financial liabilities	—	—	(7.8)
Net cash from (used in) financing activities—continuing operations	**(127.6)**	**(32.9)**	**149.1**

(*) The cash flow statement for the year ended December 31, 2019 has been restated to reflect adjustments for the impacts of IFRS 16 application and adjustments resulting from the purchase price allocation of AD Bosch acquired in 2019. The cash flow statement for the year ended December 31, 2018 has been restated to reflect adjustments resulting from the purchase price allocation of Oscaro acquired in 2018. For a discussion on restatements to the financial statements, see Section 7.6 "Restatements of previously reported financial statements" of this Registration Document.

Net cash from financing activities amounted to an outflow of €127.6 million, or 7.2% of revenue, for the year ended December 31, 2020. The Group's financing activities consisted mainly of: (i) the €740.3 million of repayment of borrowings primarily related to the redemption and repayment of €574.4 million of Existing Floating Rate Notes and 2019 Floating Rate Notes, repayment of €43.1 million in relation to IFRS 16 lease debt and net repayment of €50 million on the Existing Revolving Credit Facility and (ii) new borrowings of €662.3 million mainly related to the issuance of the 2020 Existing Senior Secured Notes in June 2020 and October 2020 by Parts Europe S.A. in an aggregate principal amount of €300 million and €280 million, respectively, €32.2 million in government-backed loans and €25.0 million related to other financing in response to the COVID-19 pandemic.

Net cash from financing activities amounted to an outflow of €32.9 million, or 1.8% of revenue, for the year ended December 31, 2019. The Group's financing activities consisted mainly of: (i) an increase in borrowings of €227.8 million, mainly due to the issuance of €175.0 million of the 2019 Floating Rate Notes and the drawdown of €50 million under the Existing Revolving Credit Facility, (ii) €210.1 million of repayment of borrowings, mainly related to the repayment of the Existing Revolving Credit Facility and (iii) €51.1 million interest paid.

Net cash from financing activities amounted to an inflow of €149.1 million, or 10.2% of revenue, for the year ended December 31, 2018. The Group's financing activities consisted mainly of an increase in borrowings of €263.2 million, primarily due to the issuance of €175.0 million of additional Existing Floating Rate Notes in July 2018, and a drawing of €90.0 million under the Existing Revolving Credit Facility. The increase due to borrowings was offset by a €65.4 million dividend payment to the owners of the parent company, and a €34.6 million interest payment on borrowings.

The Group's financing arrangements are described under "Borrowings and other financial debt" in Section 8.2.1 "Principal sources of financing" of this Registration Document.

CHAPTER 9. REGULATORY ENVIRONMENT

The Group is subject to a wide variety of laws and regulations. Some of the most pertinent to the business sector in which the Group operates are laws and regulations that pertain to the light vehicle and truck wholesale sector and light vehicle inspections. The paragraphs below briefly describe some of those laws and regulations (focusing on French and EU laws and regulations). This section does not purport to be a comprehensive description of all the laws and regulations to which the Group is subject, and that may be relevant to an investment decision.

9.1 EUROPEAN UNION REGULATIONS

9.1.1 Block exemption regulation applicable to categories of vertical agreements and concerted practices in the motor vehicle sector

The light vehicle and truck spare parts wholesale, repair, maintenance and services sectors are regulated in the European Union by Commission Regulation (EU) No. 461/2010 dated May 27, 2010 (the "**New BER**"), which replaced Commission Regulation (EC) No. 1400/2002 dated July 31, 2002 (the "**BER 2002**") in 2010. Unlike BER 2002, the New BER does not apply to the purchase, sale or resale of new motor vehicles, which are covered by the General Vertical Block Exemption Regulation (Commission Regulation (EU) No. 330/2010 dated April 20, 2010 on the Application of the Treaty on the Functioning of the European Union to categories of vertical agreements and concerted practices (the "**General BER**")). Accordingly, the material scope of the New BER is now limited to the distribution of spare parts and the provision of repair and maintenance services for motor vehicles.

The New BER also applies to: (i) general EU competition law and (ii) the General BER and the corresponding EU Guidelines on Vertical Restraints.

These provisions aim to ensure fair competition in the European Union to ensure that original and equivalent spare parts manufacturers competing with those branded by the light vehicle (referred to as "passenger cars" under the New BER) and truck (referred to as "commercial vehicles" under the New BER) manufacturers, have full access to the market.

Pursuant to these rules, agreements relating to the sale or distribution of light vehicle and truck spare parts and repair and maintenance services are exempted from the application of article 101(1) of the Treaty on the Functioning of the European Union (the "**TFEU**"), which prohibits anticompetitive agreements and concerted practices, if they comply with the provisions of both:

- the General BER, which only applies if:
  - (a) both parties have less than 30% of the market share in their respective markets; and
  - (b) the agreement does not contain any of the hardcore restrictions provided in the General BER; and
- the New BER, which implies that:
  - (a) no restrictions may be imposed on the business of independent garages by way of a selective distribution system under which a member of the network is prohibited from selling goods or services to independent garages;

(b) no limitations may be imposed on any supplier of spare parts, repair tools, diagnostic or other equipment to sell such goods freely to independent or authorized distributors, garages or end-users; and

(c) no restrictions may be imposed on suppliers of components for the initial assembly of motor vehicles limiting their ability to place their own trademark or logo effectively and easily on the components supplied or on spare parts.

Furthermore, the European Commission may declare that both the General BER and the New BER are not applicable where parallel networks with similar competition restraints cover more than 50% of a relevant market.

The agreements relating to the sale and distribution of spare parts that do not fulfil the conditions of the General BER and/or of the New BER (which, according to the European Commission, is likely to be the case for most agreements) may, nonetheless, benefit from an individual exemption if they fulfil the conditions provided in article 101(3) of the TFEU.

In this regard, however, Commission Notice no. 2010/C 138/05 (Supplementary guidelines on vertical restraints in agreements for the sale and repair of motor vehicles and for the distribution of spare parts for motor vehicles) ("Notice 2010/C 138/05"), which provides some guidelines on the application and interpretation of the New BER, further specifies that it is very doubtful that selective distribution agreements containing any of the two following restrictions could benefit from an exemption under article 101(3) of the TFEU:

- failure of the motor vehicle manufacturer to provide independent operators (including independent repairers, spare parts manufacturers and distributors, manufacturers of repair equipment or tools, publishers of technical information, automobile clubs, roadside assistance operators, operators offering inspection and testing services, and operators offering training for repairers) with appropriate access to the brand-specific technical information required to perform repair and maintenance work on branded motor vehicles in fair competition with authorized garages and distributors; and
- explicit or implicit reservation of repair services by the supplier to the members of its authorized network only. As Recital 69 of Notice 2010/C 138/05 clarifies, the legal or extended warranty may not, for example, be conditioned either (i) on the obligation for the end-user to have the repair and maintenance services not covered by the warranty exclusively performed by a member of the network or (ii) on the obligation for the end-user to use spare parts branded by the manufacturer in respect of replacements not covered by the warranty.

The foregoing provisions essentially aim to foster access to the repair and maintenance services marketed by independent garages, and to facilitate the identification of compatible spare parts of alternative suppliers, thereby fostering competition between such articles (known as "equivalent" parts) and those bearing the manufacturer's trademark.

As further specified by the European Commission in Notice 2010/C 138/05, the New BER also aims to protect access by spare parts suppliers to the motor vehicle aftermarkets, thereby ensuring that competing brands of spare parts continue to be available to both independent and authorized repairers, as well as to parts wholesalers.

The European Commission emphasizes that the availability of such spare parts entails significant advantages for consumers, especially since there are often large differences in price between parts sold by the manufacturer and alternative parts. In particular, the following may be employed as substitutes for spare parts bearing the manufacturer's trademark: (i) original parts manufactured and distributed by original equipment suppliers and (ii) replacement parts of "equivalent quality" to the original components. In the same notice, the European Commission specifies that in order to be considered of "equivalent quality", spare parts must be "of a sufficiently high quality that their use does not endanger the reputation of the authorized network" that employs them. The European Commission places the burden of proving that a part does not satisfy the requirements for being considered of "equivalent quality" on the vehicle manufacturer.

In France, the New BER, as well as the General BER, are binding and directly applicable. Accordingly, the French courts and the French Competition Authority assess vertical agreements entered into in the sectors of light vehicle and truck spare parts wholesale, and repair and maintenance services in light of these regulations and of the corresponding guidelines.

9.1.2 Product safety regulation

The spare parts industry is subject to extensive product safety regulations. In particular, manufacturers and distributors, such as the Group, who put products on the market in the EU, must ensure such products are safe, pursuant to (i) Directive 2001/95/EC of the European Parliament and of the Council dated December 3, 2001 on general product safety and (ii) Regulation (EU) 2018/858 of the European Parliament and of the Council dated May 30, 2018 repealing Directive 2007/46/EC of the European Parliament and of the Council dated September 5, 2007 establishing a legal framework for the approval of motor vehicles and their trailers, and of systems, components and separate technical units intended for such vehicles ("**Regulation (EU) 2018/858**") and decision No. 768/2008/EC of the European Parliament and the Council of the European Union dated July 9, 2008 on a common framework for the marketing of products. Manufacturers and distributors are required to provide consumers with relevant information necessary in order to assess a product's inherent risks, particularly where such risks are not directly obvious. In particular, distributors are required to act with due care to help ensure compliance with applicable safety requirements, including by not supplying products which they know or should have known, on the basis of information in their possession and as professionals, do not comply with the EU's safety requirements. Distributors must participate in monitoring the safety of products placed on the market by them by, among other things, passing on information on product risks, keeping and providing the documentation necessary for tracing the origin of products and cooperating in actions taken by producers and competent authorities to mitigate such risks. Additionally, according to Regulation (EU) 2018/858, manufacturers of spare parts or equipment shall submit to the relevant authority a report drafted by a designated technical service which certifies that the spare parts or equipment for which authorization is sought comply with the requirements referred to in Regulation (EU) 2018/858. A violation of the above-mentioned requirements may be punished with a fine and, in severe cases, with criminal liability. Such violations may also result in civil proceedings.

9.1.3 REACH (Regulation (EC) No. 1907/2006)

The Group operates in the automotive spare parts distribution aftermarkets in the countries in which it is present. Certain products and spare parts that the Group distributes, or manufactures through its private label product offerings, may contain certain chemicals. As a result, the Group may be subject to Regulation (EC) No. 1907/2006 of the European Parliament and of the Council dated December 18, 2006 concerning the Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH). REACH requires all companies manufacturing or importing chemical substances into the EU in quantities of one ton or more per year to register these substances with the European Chemicals Agency. REACH also addresses the continued use of chemical substances of very high concern ("**SVHCs**") because of their potential to negatively impact human health or the environment. As of June 1, 2011, the ECHA must be notified of the presence of any SVHCs in products where it equates to more than 0.1% of the mass of the object.

9.1.4 Pollution prevention and control regulations

Directive 2008/1/EC of the European Parliament and of the Council dated January 15, 2008 concerning integrated pollution prevention and control ("**Directive 2008/1/EC**") and Directive 2010/75/EU of the European Parliament and of the Council dated November 24, 2010 on industrial emissions ("**Directive 2010/75/EU**" and together, with Directive 2008/1/EC, the "**Pollution Prevention and Control Regulations**") establish the European legal framework on integrated prevention and control of pollution arising from industrial activities. In the ordinary course of its business, the Group undertakes certain industrial activities and manufactures and distributes products and substances that may fall within the scope of the Pollution Prevention and Control Regulations. Pursuant to the Pollution Prevention and Control Regulations, Member States are required to take necessary measures to ensure that certain installations, facilities or plants are not operated without a permit. Pollution Prevention and Control Regulations set forth, among other things, (i) the conditions for permit application, (ii) the conditions under which the permits are granted, renewed and revoked, and (iii) the rules and conditions relating to environmental inspections and site closures.

9.1.5 Inspection

European light vehicle inspections are currently regulated by Directive 2014/45/EU of the European Parliament and the Council dated as of April 3, 2014 ("**Directive 2014/45/EU**"), as amended, providing for periodic technical inspections of each vehicle matriculated in a Member State.

With regard to light vehicles with fewer than eight seats (excluding the driver's seat) and trucks permitted to operate up to 3.5 tons, Directive 2014/45/EU requires inspections to be made (i) four years after the first utilization and (ii) every two years thereafter. With regard to light vehicles with more than eight seats (excluding the driver's seat), trucks authorized to carry more than 3.5 tons, taxis and ambulances, such controls must be performed within one year from the first utilization and every year thereafter.

In France, the requirements set forth in Directive 2014/45/EU have been provided for in the French Highway Code since 2004. If vehicles are not inspected when due, pecuniary penalties can be imposed and may be increased for repeated violation or for vehicles on the road that were suspended as a result of the inspection, and may also entail the impoundment of the vehicle or the confiscation of the vehicle registration certificate (articles R. 323-1 *et seq.* of the French Highway Code).

9.1.6 Import-export restrictions

The Group sources many of its products from the European Union and the United States. Within the European market, the principle of free movement of goods applies.

With respect to the import and export of goods from countries which are not members of the EU, the Group must comply with national and EU foreign trade and customs regulations. At the EU level, the Group's relevant regulatory framework is based on Regulation (EU) No. 952/2013 of the European Parliament and of the Council dated October 9, 2013 laying down the Union Customs Code. Whereas imports and exports within the EEA are, in principle, not liable to customs duty, the movement of goods beyond the frontiers of the EEA is subject to customs control. Customs offices may, from time to time, initiate customs inspections to assess whether customs regulations have been infringed.

9.2 FRENCH REGULATIONS

9.2.1 Protection of design and models for "visible" parts

In the absence of EU harmonization, each Member State remains free to govern the legal protection of designs and models for "visible" parts. In France, according to the French Intellectual Property Code, "visible" spare parts (such as wings, hoods, lights, bumpers and windscreens) are protected by copyright (*droit d'auteur*, articles L. 111-1 *et seq.* of the French Intellectual Property Code) and industrial design rights (*droit des dessins et modèles*, articles L. 511-1 *et seq.* of the French Intellectual Property Code). Consequently, only the manufacturers of such "visible" spare parts (*i.e.*, the OESs) have the right to distribute them to repairers. In 2012, the French Competition Authority recommended the gradual removal of the restrictions imposed on the of "visible" spare parts for repairs by amending the legal provisions of the French Intellectual Property Code applicable to copyright (*droit d'auteur*) and industrial design rights (*droit des dessins et modèles*) applicable to "visible" spare parts. Such recommendation was intended to be implemented by law n°2020-1525 dated December 7, 2020 (*loi n° 2020-1525 du 7 décembre 2020 d'accélération et de simplification de l'action publique*). However, the French Constitutional Court (*Conseil Constitutionnel*) declared such legal provision to be unconstitutional because such legal provision was not directly or indirectly related to the purpose of law n°2020-1525 dated December 7, 2020.

9.2.2 Right to be informed and to opt for re-used spare parts from the circular economy

Decree 2016-703, dated May 30, 2016 ("**Decree 2016-703**"), aims to promote ecologically responsible approaches to and initiatives in the motor vehicle spare parts' wholesale, repair and maintenance services sector. From January 1, 2017 onwards, Decree 2016-703 requires all professionals providing repair and maintenance services of motor vehicles weighing less than 3.5 tons to inform the consumer of its right to choose re-used spare parts instead of new spare parts, unless (i) such re-used spare parts are not available in a timely manner and (ii) such vehicles are subject to repair and maintenance services provided free of charge or for which the contractual warranty still applies. The re-used spare parts that the consumer may choose must come from authorized centers (end-of-life vehicle centers regulated by articles R. 543-156 *et seq.* of the French Highway Code), in which such re-used spare parts are cleaned and tested in order to guarantee that they conform to applicable standards.

9.2.3 Employment

French working time regulations generally provide for a statutory weekly average working time of 35 hours. An employer may be prosecuted for offenses of "undeclared work" (*travail dissimulé*) in connection with the failure to properly declare time worked beyond 35 hours per week, which may result in fines and imprisonment. As a result of undeclared work, an employer may also be liable to employees for the payment of a fixed penalty representing six months of salary, in the event of the termination of the employee's contract. In addition, noncompliance with legal provisions regarding overtime may expose the Group to additional fines. Moreover, because any compensation paid to an employee is subject to the payment of social security contributions, social security contributions related to overtime hours may be reassessed, which may result in the payment of additional social security contributions, as well as additional charges for the late payment of contributions, penalties for late declarations and fines. The French labor code, however, provides for a certain degree of flexibility in applying the statutory weekly average working time of 35 hours per week for certain categories of employees. Under French law, the relationship between an employer and an employee may also be subject to collective bargaining agreements at both the national and local level. The requirements under a collective bargaining agreement vary by industry and govern employment relationships in conjunction with the French labor code.

9.2.4 Franchise activities

Certain of the Group's operations are carried out pursuant to franchise agreements. In France, the protection and the legal status of franchisees is provided by the Law no. 89-1008 of December 31, 1989 ("**Loi Doubin**"), pursuant to which franchisees are considered to be independent entrepreneurs. Loi Doubin also provides certain protections to franchisees when entering into a franchise agreement. Pursuant to Loi Doubin, franchisors are subject to regulations preventing undue interference of a franchisor in franchisees' business operations, as well as regulations requiring that franchisors provide certain information to franchisees and potential franchisees. Franchisors are required to provide potential franchisees, or current franchisees contemplating the opening of a new store, with certain information concerning the franchisor at least 20 days prior to entering into a franchise agreement. Such pre-contractual information ("*Document d'Information Précontractuel*") should address the franchisor's performance, network, industry, local market and the terms of the franchise agreement.

Ordonnance nº2016-131 dated February 10, 2016 reforming general contract law and proof of obligations came into force on October 1, 2016. This ordonnance introduced new provisions to French law certain of which are likely to have an impact on the franchise contracts and the precontractual information documents that the Group enters into with its franchisees. Although, as of the date of this Registration Document, the Group has examined, with legal counsel, the potential impact of this reform on its franchise contracts, the Group does not anticipate that there will be a significant impact on its operations as a result of this reform. In order for the Group to take these new provisions into account, the Group must be able to modify certain provisions of the franchise contracts and/or the precontractual information document entered into or renewed with its franchisees.

Law no. 2016-1088 dated August 8, 2016 relating to labor, the modernization of labor relations and securing careers (the "**Labor Law**"), adopted on July 21, 2016 and promulgated on August 8, 2016, introduced new dispositions related to collective bargaining in French law. Article 64 of the Labor Law requires the establishment of a personnel representative body in each franchise network consisting of more than 300 employees (as is the case of the Group), for when the franchisor makes decisions that will affect the size or structure of its workforce, the duration of work or employment conditions and the work of its franchisees' employees. This committee will consist of an employee representative, a representative of each franchisee and a representative of the franchisor. The Group's operational methods exclude any management of its franchisees' employees, the Group makes no decisions likely to affect the volume or the structure of its workforce, the duration of work or employment condition of its franchisees' employees. As such, the Group does not expect that it will be subject to the provisions of article 64 of law no. 2016-1088 dated August 8, 2016 nor that it will have to establish a personnel representative body.

9.2.5 Commercial lease law

Commercial leases for the Group's operations in France are regulated by Decree No. 53-960 of September 30, 1953 ("**Decree 53-960**"), codified in part in articles L. 145-1 *et seq.* and R. 145-1 *et seq.* of the French Commercial Code. Decree 53-960 as modified by the Law No. 2014-626 on craft industries, trade and small enterprises. Most of the Group's facilities, including its wholly-owned garages, are leased under commercial lease agreements subject to articles L. 145-1 *et seq.*, R. 145-1 *et seq.* of the French Commercial Code and the non-codified sections of Decree 53-960, which grant the lessee certain rights.

French commercial leases have a minimum initial duration of nine years, but rarely exceed 12 years. The lessee has the right to terminate a commercial lease at the conclusion of each three-year period. The lessor may only terminate the lease at the conclusion of each three-year period in certain limited circumstances. At the end of the contractual term of the lease, the lessee is entitled to a renewal. If the lessor does not accept such renewal, the lessor will be required to compensate the lessee, unless the lessor can show good cause (*un motif sérieux et légitime*). Upon expiration of the lease agreement, if the lessor and lessee take no action to renew or to terminate the lease, the original lease will be extended automatically until a notice of termination is served by either the lessee or the lessor. An automatically renewed lease (*tacite reconduction*) may be terminated at any time by either the lessee or the lessor upon providing six months' prior notice.

The parties are free to determine the initial rent, generally according to the current market value of the property. The rent may be fixed, variable or composed of a fixed portion and a variable portion. Generally, the lease contains an annual rent indexation clause. The agreed index must have some connection with the activity carried out by one of the parties or to the purpose of the lease. Alternatively, parties can choose to refer to the Commercial Rent Index (*ILC*) or the Index Applicable to Leases of the Service Sector (*ILAT*) (*indice des loyers des activités tertiaires*), both published by INSEE, the French public statistics institute.

Additionally, certain of the Group's premises may be subject to the safety standards applicable to buildings open to the public (*établissements recevant du public*), as defined in articles L. 123-1 to L. 123-4 and articles R. 123-l to R. 123-55 of the French Construction and Housing Code. Builders, owners and operators of buildings open to the public are required, both during construction and operation, to comply with certain preventive and protective measures to ensure safety, and must also ensure the facilities and equipment are maintained and repaired in accordance with applicable regulations.

CHAPTER 10. TREND INFORMATION

10.1 BUSINESS TRENDS

Detailed descriptions of the Group's results for the year ended December 31, 2020 and of the principal factors affecting the Group's results of operations are included in Chapter 7 "Operating and Financial Review" of this Registration Document.

10.2 MEDIUM-TERM OBJECTIVES FOR 2023-2026

The objectives presented below are based on data, assumptions and estimates the Group considers reasonable as of the date of this Registration Document in light of its expectations for its future economic prospects.

The Group's objectives result from, are driven by, and depend upon, the success of the Group's overall strategy, as described in Section 5.4 "Strategy and objectives" of this Registration Document. The Group's objectives do not constitute forecasts or estimates of the Group's future results. The figures, data, assumptions, estimates and objectives set out below may change, evolve or be adjusted as a result of changes and uncertainties in the economic, financial, competitive, regulatory, accounting or tax environments, among others, as a result of other factors that are not under the Group's control, are unforeseeable or of which the Group was not aware of as of the date of this Registration Document.

In addition, the occurrence or materialization of one or more of the risks described in Chapter 3 "Risk Factors" of this Registration Document could have a material adverse effect on the Group's business, results of operations, financial condition, market position, reputation, prospects or outlook, and could, therefore, affect its ability to achieve the objectives described below.

The Group does not and cannot guarantee, and gives no assurance as to, the achievement, in whole or in part, of the objectives described in this section.

10.2.1 Revenue

For the period covering the fiscal years 2023 to 2026, the Group's objective is to reach an organic revenue growth above 3% per year on average, reflecting a continuation of past organic growth performance above market, both for its France and International segments, and is expected to be driven by:

- continuing market share gains by IAM segment at the cost of market share for OEM segment, mainly supported by an aging car park, the ongoing professionalization of independent garages and OEM network rationalization; and

- continuing Group growth in the markets in which the Group operates, outperforming the market and supported by its differentiated and high-performing business model, optimized logistics operations and value-added services, significant scale and purchasing advantages and the continued development of the Group's affiliated network of garages.

The Group's objective is that acquisitions made over the period contribute an average additional revenue of approximately €90 million per year (on a full-year basis) and will be supported by:

- continuation of the Group's successful value-accretive acquisitions strategy, characterized by acquiring companies that are (i) strong regional players, (ii) well-known by the Group, (iii) in neighboring countries where the Group believes it can become a leader and (iv) providing significant opportunities to create purchasing and logistics synergies; the Group aims to maintain the previous owners of acquired companies as minority shareholders, and tailors its acquisition and integration strategy to local market needs; and

- a pipeline of acquisitions supported by a detailed and continuously-updated list of targets with which the Group holds ongoing discussions; in particular, potential acquisitions for the coming years include: (i) over €450 million in potential acquired revenue to be targeted in Spain over the 2021-2026 period, mostly from potential acquisitions of other members of the AD Parts network and (ii) the continuing consolidation of the IAM in Italy, with potential acquired revenue of approximately €45 million over the 2021-2026 period.

10.2.2 Current EBITDA

The Group's objective is to grow its current EBITDA margin by 20 basis points on average per year over the 2023-2026 period, by taking advantage of:

- the Group's scale effect by promoting flexibility among its existing and growing network, enabling revenue growth without significantly increasing its fixed cost base;

- a continued improvement of purchasing conditions with key suppliers;

- the implementation of purchasing and logistics synergies with acquired companies; and

- specific initiatives to improve profitability within each business unit, including pricing initiatives, purchasing improvements, supply chain logistics, productivity enhancement and optimization of overhead costs.

10.2.3 Leverage[11]

With respect to its capital structure, the Group intends to follow a continued and progressive deleveraging trajectory starting from the Group's net leverage ratio (net financial debt to current EBITDA) of approximately 2.5x for the financial year ending December 31, 2022, to reach a net leverage ratio of approximately 2.0x during the 2023-2026 period, while pursuing its value-accretive acquisitions strategy. In the event the Group is able to acquire additional value-accretive targets, enabling the Group to accelerate its value-accretive acquisitions strategy beyond what is currently anticipated, the Group's objective will be to maintain its net leverage ratio between 2.0x and 3.0x during the 2023-2026 period.

[11] Calculated as total net financial debt (as described in Section 8.1 "Overview" of this Registration Document) divided by current EBITDA.

10.2.4 Cash Tax

The Group anticipates that its normative cash tax rate over the 2023-2026 period will remain at a level of approximately 20% of its income before tax, which will reflect the continued benefit of the existing net operating losses.

10.2.5 Dividend

Finally, subject to the approval of the shareholders of the Company at the annual shareholders' meeting, the Group's objective is to distribute dividends to its shareholders over the 2023-2026 period in an annual amount of approximately 35% of its net income, starting from and subject to the approval of the shareholders of the Company at the annual shareholders' meeting convened in 2023 to approve the financial statements for the year ending December 31, 2022, assuming all objectives described above have been achieved.

CHAPTER 11. PROFIT FORECASTS OR ESTIMATES

11.1 ESTIMATES FOR THE QUARTER ENDED MARCH 31, 2021

Based on management accounts, the Group estimates that revenue for the quarter ended March 31, 2021 was approximately €489 million, as compared to €437 million for the quarter ended March 31, 2020 and €451 million for the quarter ended March 31, 2019, reflecting over 10% organic growth versus the quarter ended March 31, 2020.

Current EBITDA for the quarter ended March 31, 2021 was significantly above current EBITDA for the quarters ended March 31, 2020 and March 31, 2019 (€39 million and €43 million, respectively), with an estimated current EBITDA for the quarter ended March 31, 2021 of approximately €57 million. Current EBITDA for the 12 months ended March 31, 2021 was approximately €222 million.

The increase in revenue during the quarter ended March 31, 2021 was mainly driven by lower impact of the COVID-19 pandemic on sales in March 2021 as compared to March 2020, and by organic growth mainly generated through gains in market share in France and Italy. Additionally, Current EBITDA increased for the same period mainly driven by increase in activity and improvements in purchasing conditions through the Group's CPUs, combined with a more integrated supply chain leading to improvements in margins.

Cash conversion[12] for the quarter ended March 31, 2021 was approximately 84%, with net financial debt[13] of approximately €1,064 million as of March 31, 2021, a decrease of approximately €55 million as compared to net financial debt of approximately €1,118 million as of December 31, 2020. Cash equivalents amounted to approximately €157 million as of March 31, 2021, as compared to approximately €113 million as of December 31, 2020.

The Group's operations have remained resilient throughout the COVID-19 pandemic, including in terms of revenue, current EBITDA and cash generation during the first quarter of 2021, with the Group remaining operational across all business areas and regions, despite mobility restrictions implemented in the countries where the Group operates starting mid-March 2020. In addition, the Group has further secured its capital structure, with a group of banks committing to a bridge facility to refinance in full its €304.0 million Existing Floating Rate Notes.

In terms of M&A strategy, the Group's acquisition of 2G Padauto in Italy in 2020 resulted in additional revenue of approximately €3 million in the first quarter of 2021. The Group believes the pipeline for potential acquisitions to be made in the course of 2021 is strong, having already signed letters of intent for the acquisition of two distributors in Spain, with the aim of acquiring 75% of the share capital of each company. These two acquisitions are estimated to represent approximately €60 million of acquired revenue. These acquisitions are part of the Group's ongoing efforts, through its subsidiary AD Parts Intergroup, to consolidate certain Spanish distributors that are members of the AD Parts network. The acquisition process for these targets is ongoing

[12] Cash conversion, expressed as a percentage, is calculated as current EBITDA minus capital expenditures, divided by current EBITDA; capital expenditures consist of acquisitions and maintenance of tangible and intangible assets.

[13] Net financial debt is described in Section 8.1 "Overview" of this Registration Document.

and signing and closing of these acquisitions is expected to occur before the summer of 2021, subject to the completion of on-going due diligence and other customary procedures.

The information presented above relating to the Group's performance for the quarter ended March 31, 2021 is derived from internal management accounts. It has not been audited, reviewed or verified by the Group's statutory auditors. This information is preliminary and subject to change. This information has been compiled and prepared on a basis which is both comparable with the historical financial information and consistent with the Company's accounting policies. Full interim financial statements for the quarter ended March 31, 2021 are in the process of being finalized by the Company (which has finished its internal work related thereto), and reviewed by its auditors. Final reviewed interim financial statements for the quarter, as well as the corresponding limited review report from the auditors, will be included in the final prospectus to be approved in connection with the Proposed Admission.This information may not be indicative of the Group's performance during the remainder of the year ending December 31, 2021 or any future period.

11.2 FORECASTS FOR THE YEARS ENDING DECEMBER 31, 2021 AND DECEMBER 31, 2022

The forecasts for the year ending December 31, 2021 and December 31, 2022 set forth below are based on data, assumptions and estimates that the Group considers reasonable as of the date of this Registration Document. These figures, data, assumptions and estimates may change, evolve or be adjusted as a result of changes and uncertainties in the economic, sanitary, financial, competitive, regulatory, accounting or tax environments, among others, or as a result of other factors that are not under the Group's control, are unforeseeable or of which the Group was not aware of as of the date of this Registration Document. In addition, the occurrence or materialization of one or more of the risks described in Chapter 3 "Risk Factors" of this Registration Document could have a material adverse effect on the Group's business, results of operations, financial condition, market position, reputation, prospects or outlook, and could, therefore, affect its ability to achieve these forecasts in whole or in part. Moreover, the achievement by the Group of the forecasts presented below is dependent upon the success of the Group's strategy. Therefore, the Group does not and cannot guarantee and gives no assurance as to the achievement in whole or in part of the forecasts described in this section.

The forecasts presented below and their underlying assumptions were prepared in accordance with the provisions of delegated Regulation (EU) No. 2019/980 and ESMA recommendations on forecasts.

11.2.1 Assumptions

The Group prepared its forecasts for the years ending December 31, 2021 and December 31, 2022 in accordance with the accounting methods and policies applied by the Company for the preparation of its consolidated financial statements as of and for the years ended December 31, 2020, 2019 and 2018 (including IFRS 16, which the Group applied starting as of January 1, 2019, see Section 7.3.3.2 "IFRS 16 (*Leases*) correction and IFRS IC decision of December 16, 2019" of this Registration Document and Notes 5.1.2 and Note 5.3.1 to the Group audited consolidated financial statements for the years ended December 31, 2018, 2019 and 2020 included in Section 18.1.1 "Group audited consolidated financial statements for the years ended December 31, 2018, 2019 and 2020" of this Registration Document).

These forecasts are also mainly based on the assumptions as set forth below.

11.2.1.1*Assumptions about factors that the Group can influence*

Assumptions regarding factors on which the Group has control over:

- the implementation of a share capital increase without preferential rights of approximately €450 million, as part of the Proposed Admission;
- the repayment and redemption in full, on the IPO Settlement Date, of the Existing Floating Rate Notes, in an aggregate amount of €306 million, including accrued and unpaid interest;
- the repayment, on or around the IPO Settlement Date, of certain other indebtedness of the Group, including a portion of the 2020 Existing Senior Secured Notes, the COVID-19 Loans and other debt, for an aggregate amount of approximately €156 million (including accrued and unpaid interest);
- the incurrence, on or around the IPO Settlement Date, of approximately €33 million of non-recurring cash outs, primarily related to fees and expenses to be incurred in connection with the Proposed Admission and the Refinancing;
- the consummation, on or around the IPO Settlement Date, of approximately €45 million of cash on balance sheet in order to pay, along with the proceeds of the IPO capital increase, for the repayment of certain indebtedness and for the expenses related to the Proposed Admission as listed above;
- the redemption, after the Proposed Admission, of the remaining outstanding 2020 Existing Senior Secured Note early 2022, when the 2020 Existing Senior Secured Note will be callable without make-whole;
- the incurrence, during the year ending December 31, 2022, of approximately €25 million of non-recurring cash outs, primarily related to fees and expenses to be incurred in connection with the redemption of the remaining outstanding 2020 Existing Senior Secured Note early 2022;
- revenue growth primarily driven by organic growth outperforming the overall market due to:
    - organic growth within the Group's France segment; and
    - the Group being well-positioned for a market rebound following the COVID-19 pandemic;
- acquisitions of approximately €30 million of revenue for the year ending December 31, 2021 and €105 for the year ending December 31, 2022 (representing approximately €60 million and €90 million of acquired revenue on a full-year basis during the years ending December 31, 2021 and 2022, respectively);
- Current EBITDA improvement resulting from:

- continuation of existing action plans implemented by the Group within each business unit to optimize net margins and fixed cost structure, including pricing initiatives, purchasing improvements, supply chain logistics, productivity enhancement and optimization of overhead costs; and
- the current EBITDA contribution of certain value-accretive acquisitions; and

- capital expenditures of approximately €40 million for the year ending December 31, 2021.

11.2.1.2 *Assumptions about factors outside of the Group's control*

Assumptions about factors outside of the Group's control are listed below:

- the absence of material changes in the accounting principles and policies as compared to the accounting principles and policies applied by the Company for the year ended December 31, 2020;
- the absence of significant changes to regulatory and tax conditions compared to those in effect a December 31, 2020; and
- the absence of additional significant lockdown and other mobility restrictive measures related to the COVID-19 pandemic in the main markets in which the Group operates, beyond those already announced as of the date of this Registration Document.

11.2.2 Forecast for the year ending December 31, 2021

On the basis of and subject to the assumptions described above, the Group believes it will achieve the following for the year ending December 31, 2021:

- *Revenue:* between €1.85 billion and €1.95 billion;
- *Current EBITDA*: approximately €220 million;
- *Net leverage*: below 3x as of December 31, 2021;
- *Income cash tax:* between €10 million and €15 million; and
- *Dividends:* none in 2022 in respect of the year ending December 31, 2021.

11.2.3 Forecast for the year ending December 31, 2022

On the basis of and subject to the assumptions described above, the Group believes it will achieve the following for the year ending December 31, 2022:

- *Revenue:* between €2.05 billion and €2.15 billion;
- *Current EBITDA*: between €235 million and €245 million;
- *Net leverage*: approximately 2.5x;

- *Income cash tax:* between €15 million and €20 million; and
- *Dividends:* subject to the approval of the shareholders of the Company at the annual shareholders' meeting convened in 2023 to approve the financial statements for the year ending December 31, 2022, dividends to its shareholders of approximately 35% of its net income, assuming all objectives described above have been achieved.

11.3 REPORT OF THE STATUTORY AUDITORS ON THE PROFIT FORECASTS FOR THE YEARS ENDING DECEMBER 31, 2021 AND DECEMBER 31, 2022

Parts Holding Europe

Statutory auditors' report on the profit forecasts for the years ended 31 December 2021 and 31 December 2022

DELOITTE & ASSOCIES
Tour Majunga
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92908 Paris-La Défense cedex
S.A.S. au capital de € 2 188 160
572 028 041 RCS Nanterre

Commissaire aux Comptes
Membre de la compagnie
régionale de Versailles et du Centre

ERNST & YOUNG Audit
Tour First
TSA 14444
92037 Paris-La Défense cedex
S.A.S. à capital variable
344 366 315 R.C.S. Nanterre

Commissaire aux Comptes
Membre de la compagnie
régionale de Versailles et du Centre

Parts Holding Europe

Statutory auditors' report on the profit forecasts for the years ended 31 December 2021 and 31 December 2022

To the President,

In our capacity as statutory auditors of your company and upon your request, we hereby report to you on the profit forecasts (current EBITDA) of Parts Holding Europe for the years ended 31 December 2021 and 31 December 2022 set out in section 11.2 of the registration document.

It is your responsibility to compile the profit forecasts, together with the material assumptions upon which they are based, in accordance with the requirements of Commission Regulation (EU) n°2017/1129 supplemented by Commission Delegated Regulation (EU) 2019/980 and ESMA's guidelines on profit forecasts.

It is our responsibility to express an opinion, based on our work, as to the proper compilation of these forecasts on the basis stated.

We performed the work that we deemed necessary according to the professional guidance issued by the French institute of statutory auditors ("CNCC") applicable to such engagement. Our work included an assessment of the procedures undertaken by management to compile the profit forecasts as well as the implementation of procedures to ensure that the accounting policies used are consistent with the policies applied by Parts Holding Europe for the preparation of the historical financial information. Our work also included gathering information and explanations that we deemed necessary in order to obtain reasonable assurance that the profit forecasts have been properly compiled on the basis stated.

Since profit forecasts, by nature, are uncertain and may differ significantly from actual results, we do not express an opinion as to whether the actual results reported will correspond to those shown in the profit forecasts.

In our opinion:

- the profit forecasts have been properly compiled on the basis stated; and
- the basis of accounting used for the preparation of the profit forecasts is consistent with the accounting policies of Parts Holding Europe.

This report has been issued solely for the purposes of:

- the approval of the registration document by the French financial markets authority (*Autorité des marchés financiers*) and
- the admission to trading on a regulated market and a public offer, of equity securities of Parts Holding Europe in France and in other EU member states in which the prospectus, including the registration document, approved by the AMF is notified;

and cannot be used for any other purpose.

Paris-La-Défense, May 10, 2021

The Statutory Auditors

DELOITTE & ASSOCIES	ERNST & YOUNG Audit
Benoît Pimont	Henri-Pierre Navas

CHAPTER 12. ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES AND SENIOR MANAGEMENT

As of the date of this Registration Document, the Company is a simplified stock company (*société par actions simplifiée*).

The Company will adopt the form of a limited liability company with a board of directors (*société anonyme à conseil d'administration*) (the "**Board of Directors**") no later than the date upon which the AMF grants its approval on the prospectus in relation to the Proposed Admission.

As part of the Proposed Admission, the bylaws and the internal regulations of the Company, as well as the composition of the Board of Directors will be modified no later than the date upon which the AMF grants its approval on the prospectus in relation to the Proposed Admission, with effect as of the IPO Settlement Date. The description of the corporate form and corporate bodies of the Company contained in this Registration Document is of the corporate form and bodies of the Company as they will exist as of the IPO Settlement Date. For further information about the corporate form and corporate bodies of the Company as of the IPO Settlement Date, see Section 12.1 "Composition of management and supervisory bodies" of this Registration Document.

A description of the main provisions of the bylaws that are contemplated to be adopted, subject to the IPO Settlement and effective as of the IPO Settlement, by the Company's shareholders no later than the date of approval (*approbation*) by the AMF of the prospectus relating to the Proposed Admission (the "**Bylaws**"), in relation with the functioning and powers of the Board of Directors of the Company, as well as a summary of the main provisions of the internal regulations of the Board of Directors and of the committees of the Board of Directors that the Company intends to create on the IPO Settlement Date are included in Chapter 14 "Board Practices" and Chapter 19 "Additional Information" of this Registration Document.

12.1 COMPOSITION OF MANAGEMENT AND SUPERVISORY BODIES

12.1.1 Board of Directors

The table below sets forth the composition of the Board of Directors that is contemplated to be approved, subject to the IPO Settlement and effective as of the IPO Settlement Date, by the shareholders of the Company at an extraordinary shareholders' meeting to be held no later than the date the AMF grants its approval on the prospectus in relation to the Proposed Admission[14]. This table also sets forth, among other things, the main board memberships and offices held by such persons within and outside of the Group during the last five years.

[14] To comply with article L. 225-27-1 of the French Commercial Code, the Bylaws of the Company will provide for the appointment of two directors representing the employees. The directors representing the employees will be appointed no later than six months following the conversion of the Company into a limited liability company with a board of directors (*société anonyme à conseil d'administration*).

<table>
<tr><th>Personal information</th><th colspan="6">Position on the Board of Directors</th><th>Experience</th></tr>
<tr><th>Name; date of birth; nationality; business address; number of Company shares held</th><th>Main position within the Company</th><th>Independence (pursuant to AFEP-MEDEF Code)</th><th>Participation in committees of the Board of Directors</th><th>Initial date of appointment</th><th>Expiration date of term of office</th><th>Length of service on the Board of Directors</th><th>Number of directorships in listed companies

Main board memberships and offices held outside the Company and Group during the last five years</th></tr>
<tr><td><u>Name</u>:
Michel Plantevin[1]

<u>Date of birth</u>:
24/10/1956

<u>Nationality</u>:
French

<u>Business address</u>:
200 Clarendon Street
Boston, MA 02116
(United-States of America)

<u>Number of Company shares held:</u>
0</td><td>Chairman of the Board of Directors</td><td>No</td><td>Member of the Compensation and Nomination Committee</td><td>Extraordinary shareholders' meeting to be held no later than the date the AMF grants its approval on the prospectus in relation to the Proposed Admission</td><td>Annual shareholders' meeting convened to approve the financial statements for the fiscal year ending December 31, 2026</td><td>6 years</td><td><u>Number of directorships held in listed companies as of the date of this Registration Document</u>:
- 2

<u>Positions and offices held as of the date of this Registration Document</u>:
Within the Group:
- Director of Parts Europe S.A.
- Member of the supervisory board of Autodistribution S.A.S.

Outside of the Group:
- Senior advisor at Bain Capital
- Member of the supervisory board of IMCD N.V.[2]
- Member of the board of directors of Diversey Holdings, Ltd.[2] (and member of the nomination and governance committee thereof)
- Member of the board of Constellation (BC) S.à r.l.
- Member of the board of Compact (BC) S.à r.l.
- Member of the board of Compact (BC) GP S.à r.l.
- Member of the board of Compact (BC) Lux II S.C.A.
- Member of the board of Compact (BC) 4 S.à r.l.
- Member of the board of Magnolia (BC) Manager S.à r.l.
- Member of the board of Magnolia (BC) Holdco S.à r.l.

<u>the last five years that are no longer held</u>:
Within the Group:
- N/A.

Outside of the Group:
- Member of Global Private Equity Board of Bain Capital Investors, LLC
- Member of the board of directors of Ibstock plc[2]
- Director of Trinseo S.A.[2]</td></tr>
</table>

(1) Director appointed upon proposal of Bain Capital.

(2) Listed companies.

Personal information	Position on the Board of Directors						Experience
Name; date of birth; nationality; business address; number of Company shares held	**Main position within the Company**	**Independence (pursuant to AFEP-MEDEF Code)**	**Participation in committees of the Board of Directors**	**Initial date of appointment**	**Expiration date of term of office**	**Length of service on the Board of Directors**	**Number of directorships in listed companies** **Main board memberships and offices held outside the Company and Group during the last five years**
Name: Stéphane Antiglio Date of birth: 03/10/1962 Nationality: French Business address: 22 avenue Aristide Briand, 94110 Arcueil (France) Number of Company shares held: 0[(3)]	CEO and director	No	N/A	Extraordinary shareholders' meeting to be held no later than the date the AMF grants its approval on the prospectus in relation to the Proposed Admission	Annual shareholders' meeting convened to approve the financial statements for the fiscal year ending December 31, 2026	6 years	Number of directorships held in listed companies as of the date of this Registration Document: - N/A Positions and offices held as of the date of this Registration Document: *Within the Group:* - Chairman and non-executive director of Parts Europe S.A. - President of Digital Auto Parts Holding S.A.S. - Chairman and director of Autodis Italia Holding S.r.l. - Director of AD Parts Intergroup S.L. - Director of Doyen Auto S.A. - Member of the management board of Oscaro.com S.A. - Director and chairman of Autodis Italia Acquisiti S.r.l. - Director and chairman of Autodis Italia S.r.l. - Director of Genfin S.r.l. *Outside of the Group:* - N/A Positions and offices held during the last five years that are no longer held: *Within the Group:* - Director of OVAM S.p.A. - Director of Top Car S.r.l. - Director of Ricauto S.p.A. *Outside of the Group:* - N/A

Personal information	Position on the Board of Directors						Experience
Name; date of birth; nationality; business address; number of Company shares held	**Main position within the Company**	**Independence (pursuant to AFEP-MEDEF Code)**	**Participation in committees of the Board of Directors**	**Initial date of appointment**	**Expiration date of term of office**	**Length of service on the Board of Directors**	**Number of directorships in listed companies** **Main board memberships and offices held outside the Company and Group during the last five years**
Name: Christophe Gouthière Date of birth: 03/04/1960 Nationality: French Business address: 22 avenue Aristide Briand, 94110 Arcueil (France) Number of Company shares held: 0[(3)]	Director	No	N/A	Extraordinary shareholders' meeting to be held no later than the date the AMF grants its approval on the prospectus in relation to the Proposed Admission	Annual shareholders' meeting convened to approve the financial statements for the fiscal year ending December 31, 2026	6 years	Number of directorships held in listed companies as of the date of this Registration Document: - N/A Positions and offices held as of the date of this Registration Document: *Within the Group:* - CEO and director of Parts Europe S.A. - Member of the management board of Autodistribution S.A.S. - Director of Autodis Italia Holding S.r.l. - Director of AD Parts Intergroup S.L. - Director of Doyen Auto S.A. - President of the supervisory board of Oscaro.com S.A. - Director of Ariane S.A.S. - Director of Autodis Italia Acquisiti S.r.l. - Director of Autodis Italia S.r.l. - Director of Genfin S.r.l. *Outside of the Group:* - N/A Positions and offices held during the last five years that are no longer held: *Within the Group:* - Director of OVAM S.p.A. - Director of PHI S.r.l. *Outside of the Group:* - N/A

(3) Mr. Stéphane Antiglio and Mr. Christophe Gouthière do not hold any shares in the capital of the Company as of the date of this Registration Document. Mr. Stéphane Antiglio and Mr. Christophe Gouthière each currently holds a stake in Dakar Holdings and will hold a participation in the share capital of the Company following the Reorganization the level of which will depend on the IPO Price. See Section 6.1 "Simplified Group organizational chart" of this Registration Document.

Personal information	Position on the Board of Directors						Experience
Name; date of birth; nationality; business address; number of Company shares held	**Main position within the Company**	**Independence (pursuant to AFEP-MEDEF Code)**	**Participation in committees of the Board of Directors**	**Initial date of appointment**	**Expiration date of term of office**	**Length of service on the Board of Directors**	**Number of directorships in listed companies** **Main board memberships and offices held outside the Company and Group during the last five years**
Name: David Danon[(4)] Date of birth: 27/09/1981 Nationality: French Business address: Devonshire House, One Mayfair Place, W1J 8AJ London (United-Kingdom) Number of Company shares held: 0	Director	No	Member of the Audit Committee	Extraordinary shareholders' meeting to be held no later than the date the AMF grants its approval on the prospectus in relation to the Proposed Admission	Annual shareholders' meeting convened to approve the financial statements for the fiscal year ending December 31, 2026	6 years	Number of directorships held in listed companies as of the date of this Registration Document: - N/A Positions and offices held as of the date of this Registration Document: *Within the Group:* - Non-executive director of Parts Europe S.A. - President of the supervisory board of Autodistribution S.A.S. *Outside of the Group:* - Member of the board of MSX International, Inc. - Member of the board of Italmatch Chemicals Group S.p.A. Positions and offices held during the last five years that are no longer held: *Within the Group:* - N/A *Outside of the Group:* - N/A

(4) Director appointed upon proposal of Bain Capital.

Name: Thierry Talbot Date of birth: 18/12/1958 Nationality: French Business address: 8 rue du Fief Marron, 79100 Sainte-Radegonde (France) Number of Company shares held: 0	Director	No	N/A	Extraordinary shareholders' meeting to be held no later than the date the AMF grants its approval on the prospectus in relation to the Proposed Admission	Annual shareholders' meeting convened to approve the financial statements for the fiscal year ending December 31, 2024	4 years	Number of directorships held in listed companies as of the date of this Registration Document: - N/A Positions and offices held as of the date of this Registration Document: *Within the Group:* - Non-executive director of Parts Europe S.A. - Member of the supervisory board of Autodistribution France S.A.S. *Outside of the Group:* - Director and vice-chairman of the board of directors of Banque Populaire Aquitaine Centre Atlantique - Member of the audit committee, of the nomination committee and of the compensation committee of Banque Populaire Aquitaine Centre Atlantique - CEO and chairman of Autodistribution Talbot S.A.S. - CEO and chairman of Autodistribution Talbot 16-17 - CEO and chairman of Autodistribution Talbot 86 - CEO and chairman of Saga Automobiles S.A.S. - CEO of TMR S.A.S. - Co-manager of SCI Capiframa 1 - Co-manager of SCI Capiframa 2 - Co-manager of SCI Capiframa 3 - Co-manager of SCI Capiframa 4.85 - Co-manager of SCI PIMA 1.16-17 - Co-manager of SCI PIMA 2.79 - Co-manager of SCI PIMA 3.86 - Co-manager of SCI des Chênes - Co-manager of SCI du Grand Rosé - Manager of Automarques S.A.R.L. - Manager of UDIAD Actions 1 B.V. Positions and offices held during the last five years that are no longer held: *Within the Group:* - N/A *Outside of the Group:* - N/A

Name: Maria Andrisani[5] Date of birth: 28/07/1985 Nationality: Italian Business address: Devonshire House, One Mayfair Place, W1J 8AJ London (United-Kingdom) Number of Company shares held: 0	Director	No	N/A	Extraordinary shareholders' meeting to be held no later than the date the AMF grants its approval on the prospectus in relation to the Proposed Admission	Annual shareholders' meeting convened to approve the financial statements for the fiscal year ending December 31, 2026	6 years	Number of directorships held in listed companies as of the date of this Registration Document: - N/A Positions and offices held as of the date of this Registration Document: *Within the Group:* - N/A *Outside of the Group:* - N/A Positions and offices held during the last five years that are no longer held: *Within the Group:* - N/A *Outside of the Group:* - N/A

(5) Director appointed upon proposal of Bain Capital.

Name: Pierre Pouletty Date of birth: 27/05/1960 Nationality: French Business address: 56 rue de Boulainvilliers, 75016 Paris (France) Number of Company shares held: 0	Independent Director	Yes	Chairman and member of the Audit Committee	Extraordinary shareholders' meeting to be held no later than the date the AMF grants its approval on the prospectus in relation to the Proposed Admission	Annual shareholders' meeting convened to approve the financial statements for the fiscal year ending December 31, 2024	4 years	Number of directorships held in listed companies as of the date of this Registration Document: - N/A Positions and offices held as of the date of this Registration Document: *Within the Group:* - N/A *Outside of the Group:* - Director and chairman of Cromology Holding S.A.S. - President of Cromology S.A.S. - Managing director of Cromology Services S.A.S. - Managing director of Cromology Treasury S.A.S. - Manager of Hippo SF S.A.R.L - Manager of Hippobilier S.A.R.L - Manager of Hippobilier 2 SCI - Manager of Hippobilier 3 SCI Positions and offices held during the last five years that are no longer held: *Within the Group:* - N/A *Outside of the Group:* - CEO of Rubix France S.A.S. - Director of Rubix Group Holdings Limited
Name: Alice Holzman Date of birth: 18/03/1968 Nationality: French Business address: 58 rue de la Victoire, 75009 Paris (France) Number of Company shares held: 0	Independent Director	Yes	Member of the Audit Committee	Extraordinary shareholders' meeting to be held no later than the date the AMF grants its approval on the prospectus in relation to the Proposed Admission	Annual shareholders' meeting convened to approve the financial statements for the fiscal year ending December 31, 2024	4 years	Number of directorships held in listed companies as of the date of this Registration Document: - N/A Positions and offices held as of the date of this Registration Document: *Within the Group:* - N/A *Outside of the Group:* - CEO of Ma French Bank S.A. - Permanent representative of SF 2 S.A., director of La Banque Postale Assurances IARD - Director of KissKissBankBank & Co S.A.S. Positions and offices held during the last five years that are no longer held: *Within the Group:* - N/A *Outside of the Group:* - Executive director of digital and communication of La Banque Postale

Name: Corinne Fernandez Date of birth: 15/02/1962 Nationality: French Business address: 3, square Claude Debussy, 75017 Paris (France) Number of Company shares held: 0	Independent Director	Yes	Member of the Compensation and Nomination Committee	Extraordinary shareholders' meeting to be held no later than the date the AMF grants its approval on the prospectus in relation to the Proposed Admission	Annual shareholders' meeting convened to approve the financial statements for the fiscal year ending December 31, 2024	4 years	Number of directorships held in listed companies as of the date of this Registration Document: 1 Positions and offices held as of the date of this Registration Document: *Within the Group:* - N/A *Outside of the Group:* - Independent director of the board of directors of Ubisoft Entertainment S.A. (1) Positions and offices held during the last five years that are no longer held: *Within the Group:* - N/A *Outside of the Group:* - Independent director of the board of directors of Coheris(1)
Name: Agnès Bureau-Mirat Date of birth: 07/09/1963 Nationality: French Business address: 7 rue de Bretteville 92200 Neuilly-sur-Seine (France) Number of Company shares held: 0	Independent Director	Yes	Chairwoman and member of the Compensation and Nomination Committee	Extraordinary shareholders' meeting to be held no later than the date the AMF grants its approval on the prospectus in relation to the Proposed Admission	Annual shareholders' meeting convened to approve the financial statements for the fiscal year ending December 31, 2024	4 years	Number of directorships held in listed companies as of the date of this Registration Document: 1 Positions and offices held as of the date of this Registration Document: *Within the Group:* - N/A *Outside of the Group:* - Senior Business Advisor of X-PM Transition Partners - President of SpringBoard S.A.S. - Independent non-executive director and chairwoman of the nomination and remuneration committee of IFACI (Institut Français de l'Audit et du Contrôle Interne) - Independent non-executive director, member of the nomination and remuneration committee and member of the audit and risks committee of Parrot S.A.(1) Positions and offices held during the last five years that are no longer held: *Within the Group:* - N/A *Outside of the Group:* - Group senior vice president human resources and CSR of Elior Group - Director of Grupo Areas - Director of Fondation Elior Agir pour l'Éducation - Member of the supervisory board of Elior Participations

(1) Listed companies.

The members of the Board of Directors will be appointed for a term of either four or six years, to expire at the close of the annual shareholders' meeting convened to approve the financial statements for the fiscal year ending in 2024 or in 2026, respectively.

As from the annual shareholders' meeting convened to approve the financial statements for the fiscal year ending in 2024, it is expected that the Board of Directors will be renewed on a rolling basis. In order to allow for rolling renewal, the directors composing the initial Board of Directors are divided into two groups, appointed for respective terms of four or six years. It is expected that the Company's Board of Directors will examine the duration of the terms of office of the members of the Board of Directors of the Company for next replacements, possibly providing for shorter duration of the terms of office of the members of the Board of Directors appointed for six year.

12.1.1.1 *Biographical information of the members of the Board of Directors*

Michel Plantevin, 64, Chairman of the Board of Directors (*Président du Conseil d'Administration*), has been a member of the board of directors of Parts Europe S.A. and a member of the supervisory board of Autodistribution S.A.S. since 2015. Mr. Plantevin joined Bain Capital in 2003 as a managing director. Mr. Plantevin has been a senior advisor at Bain Capital since 2021. Prior to joining Bain Capital, he was a managing director of Goldman Sachs International in London, initially in the investment banking division, then in the merchant banking division (PIA). Prior to Goldman Sachs, he was a consultant with Bain & Company in London and later headed the Bain & Company Paris office as a managing director.

Mr. Plantevin holds a master of business administration (MBA) from Harvard Business School and an undergraduate and a master's degree in engineering from the École Supérieure d'Électricité (Supélec) in France.

Stéphane Antiglio, 58, CEO (*Directeur Général)* of the Company and member of the Board of Directors, was appointed chief executive officer in 2010 and president (*président*) of the Company in June 2018. Previously, Mr. Antiglio served as chief executive officer and member of the executive board of Pomona Passion Froid, the fresh and frozen food distribution subsidiary of the Pomona group from 1999 to 2009.

Mr. Antiglio graduated from École des Hautes Études Commerciales (HEC), Paris.

Christophe Gouthière, 61, member of the Board of Directors, was appointed chief financial officer of the Group since 2010. Previously, Mr. Gouthière served as chief financial officer of Dole Europe, a subsidiary of the Dole group, a leading distributor of fruits and vegetables, from 2001 to 2010. Mr. Gouthière also serves on the board of directors of several subsidiaries of the Group.

Mr. Gouthière graduated from École des Hautes Études Commerciales (HEC), Paris.

David Danon, 39, member of the Board of Directors, has been a member of the board of directors of Parts Europe S.A. and a member of the supervisory board of Autodistribution S.A.S. since 2015. Mr. Danon is a managing director in the industrial and energy vertical practice and is a member of the European Private Equity team at Bain Capital, which he joined in 2007. Prior to joining Bain Capital, Mr. Danon worked in London for Lehman Brothers' middle-market buyout fund, Lehman Brothers Merchant Banking Partners.

Mr. Danon holds a master of science (MSc) from École des Hautes Études Commerciales (HEC), Paris.

Thierry Talbot, 62, will be a member of the Board of Directors as from the IPO Settlement Date. Mr. Talbot was appointed director of Autodis S.A. in 2010 and has controlled AD Talbot since 1989, one of the Group's affiliated independent distributors. Mr. Talbot has also controlled SAGA Automobiles since 1991, a garage affiliated with Peugeot. Previously, Mr. Talbot worked as the sales manager of Laboratoires Rivadis from 1983 to 1989. Mr. Talbot has been the president of UDIAD since 2005 (for further information about UDIAD, see Section 6.1.1 "Organizational chart as of the date of this Registration Document" of this Registration Document).

Mr. Talbot graduated from Institut des Hautes Études Économiques et Commerciales (INSEEC) Bordeaux.

Maria Andrisani, 35, member of the Board of Directors, has joined Bain Capital Private Equity in 2016, where she is in charge of the capital markets division. Prior to joining Bain Capital Private Equity, she worked at J.P. Morgan in a variety of positions within the investment banking division. More recently, she was a vice president in the European leveraged finance origination with responsibility for underwriting and distributing high yield bonds and leveraged loans for European financial sponsors and levered corporates. Prior to this, Ms. Andrisani worked in the equity capital markets division covering Iberia and Greece and in the technology, media and telecom (TMT) M&A advisory team, covering clients in the telecom and media industries.

Ms. Andrisani graduated from Bocconi University in Milan (Italy), where she earned a master of science (MSc) and a bachelor of science (BSc) in finance.

Pierre Pouletty, 60, will be an independent member of the Board of Directors as from the IPO Settlement Date. Mr. Pouletty joined Rubix (formerly known as IPH-Brammer) in 2000, the European leader in distribution of industrial supplies and then became its president from 2002 to 2018. Mr. Pouletty began his career in the United States, at ELF Technologies, prior to joining Bain & Company in London and Paris. He then joined Steelcase Strafor where he held different positions over 10 years, the last one being CEO of Steelcase Strafor in the United Kingdom.

Mr. Pierre Pouletty holds a master of business administration (MBA) from École des Hautes Études Commerciales (HEC), Paris, and Stanford University, United States, and graduated from École Centrale Paris (ECP).

Alice Holzman, 53, will be an independent member of the Board of Directors as from the IPO Settlement Date. Ms. Holzman began her career with Gemini Consulting, before joining France Télécom-Orange. She was appointed executive director of consumer marketing of Orange. In 2013, Ms. Holzman was appointed executive director of distribution at Société d'Édition de Canal Plus S.A. In 2015, she was appointed executive director of digital and communication of La Banque Postale. Since January 2018, Ms. Holzman has been the CEO of Ma French Bank, a subsidiary of La Banque Postale.

Ms. Alice Holzman graduated from ESSEC Business School (France).

Corinne Fernandez, 59, will be an independent member of the Board of Directors as from the IPO Settlement Date. Ms. Fernandez began her career with SNCF before joining the Boston Consulting Group as a consultant in 1986. In 1988, she joined GSI, a digital services company, where she held various positions. In 1999, Ms. Fernandez joined Progress S.A., where she is currently a partner and practice leader in industrial and technology, specializing in senior executive. In 2016, she was appointed as independent director of the board of directors of Coheris S.A. She is an independent director of the board of directors of Ubisoft Entertainment S.A.

Ms. Corinne Fernandez graduated from École des Hautes Études Commerciales (HEC), Paris.

Agnès Bureau-Mirat, 57, will be an independent member of the Board of Directors as from the IPO Settlement Date. Ms. Bureau-Mirat has been a member of the executive committee of Elior from 2009 to 2016, the third largest contract restaurants operator group in Europe. Previously, Ms. Bureau-Mirat worked for Arjowiggins, the worldwide leader in paper production and distribution, and for Valeo, a leader in automotive equipment.

Ms. Agnès Bureau-Mirat graduated from Institut d'Études Politiques de Paris (SciencesPo Paris) in 1986. Ms. Bureau-Mirat also obtained a post-graduate master's degree in human resources management from University Paris IX Dauphine in 1987. She has been a certified Sciences Po IFA director (Institut Français des Administrateurs) since 2016 and she obtained a diploma in corporate governance from the Institute of Directors in London since 2017.

12.1.1.2 *Independent members of the Board of Directors*

In connection with the Proposed Admission, the Company intends to appoint, subject to the IPO Settlement and effective as of the IPO Settlement Date, at an extraordinary shareholders' meeting to be held no later than the date upon which the AMF grants its approval on the prospectus in relation to the Proposed Admission, four directors intended to be considered to be independent pursuant to the criteria set forth in the AFEP-MEDEF Code.

The table below sets forth the analysis of the independence of each member of the Board of Directors that are intended to be appointed subject to the IPO Settlement and effective as of the IPO Settlement Date, as per the criteria set forth in the AFEP-MEDEF Code.

Criteria(1)	David Danon	Stéphane Antiglio	Christophe Gouthière	Michel Plantevin	Thierry Talbot	Maria Andrisani	Pierre Pouletty	Alice Holman	Corinne Fernandez	Agnès Bureau-Mirat
Criterion 1: employee corporate officer within the past 5 years	✗	✗	✗	✓	✗	✓	✓	✓	✓	✓
Criterion 2: cross-directorships	✓	✗	✗	✓	✓	✓	✓	✓	✓	✓
Criterion 3: significant business relationships	✓	✓	✓	✓	✗	✓	✓	✓	✓	✓
Criterion 4: family ties	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Criterion 5: auditor	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Criterion 6: period of office exceeding 12 years	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Criterion 7: status of non-executive officer	✓	✗	✗	✓	✓	✓	✓	✓	✓	✓
Criterion 8: status of major shareholder	✗	✓	✓	✗	✓	✗	✓	✓	✓	✓

(1) Criteria of independence set forth in the AFEP-MEDEF Code. In this table, ✓ means that a criterion for independence of a member of the Board of Directors is satisfied, ✕ means that a criterion for independence of a member of the Board of Directors is not satisfied.

12.1.1.3 *Balance in the composition of the Board of Directors*

Effective as of the IPO Settlement Date, and subject to the IPO Settlement, the Board of Directors of the Company will consist of six men and four women, complying with applicable French legal and regulatory requirements with respect to gender balance in board of directors of listed companies.

12.1.2 Senior management

In accordance with article 18 of the Bylaws that are contemplated to be adopted subject to the IPO Settlement and effective as of the IPO Settlement Date, at an extraordinary shareholders' meeting to be held no later than the date upon which the AMF grants its approval on the prospectus in relation to the Proposed Admission, the Board of Directors will separate the offices of chairman of the Board of Directors (the "**Chairman**" (*Président du Conseil d'Administration*)) and chief executive officer (the "**CEO**" (*Directeur Général*) and, together with the Chairman, "**Senior Management**").

Upon the IPO Settlement Date, it is contemplated that Mr. Michel Plantevin will become Chairman of the Board of Directors (*Président du Conseil d'Administration*) and that Mr. Stéphane Antiglio will become CEO (*Directeur Général*) of the Company.

12.1.3 Statement regarding the Board of Directors and senior management

As of the date of this Registration Document, to the Company's knowledge, there are no family relationships among the members of the Company's Board of Directors and Senior Management.

To the Company's knowledge, and except as indicated below, over the course of the past five years: (i) none of the above persons has been convicted of fraud; (ii) none of the above persons has been associated with any bankruptcy, receivership or judicial liquidation; (iii) no accusations or official public sanctions have been brought against any of the above persons by statutory or regulatory authorities (including designated professional bodies); and (iv) none of the above persons has been disqualified by a court from acting as a member of the administrative, management or supervisory body of any company, or from being involved in the management or performance of business of any company.

12.2 CONFLICTS OF INTEREST

To the Company's knowledge, and subject to the relationships described in Chapter 17 "Related-Party Transactions" of this Registration Document, as of the date of this Registration Document, there are no potential conflicts of interest between the duties of the members of the Board of Directors and Senior Management of the Company and their private interests.

As of the date of this Registration Document and subject to certain customary lockup agreements to be entered into with the underwriters of the initial public offering to be conducted in connection with the Proposed Admission (a description of which will be included in the prospectus relating to the Proposed Admission), and subject to the provisions of the shareholders' agreements and related documents referred to in Section 16.4 "Shareholders' Agreements" of this Registration Document (which will be terminated on the IPO Settlement Date), the members of the Company's Board of Directors and Senior Management have not agreed to any restrictions relating to the sale of their holdings in the Company's share capital, except for the rules relating to the prevention of insider trading.

CHAPTER 13. COMPENSATION AND BENEFITS

The tables below summarize the compensation and benefits of any kind paid to the CEO, the Chairman of the Company's Board of Directors and the directors of the Company by: (i) the Company, (ii) the companies controlled by the Company and (iii) the companies controlled by companies that control the Company, within the meaning of article L. 233-16 of the French commercial code. Because the Company belongs to a group of companies as of the date of this Registration Document, the information below relates to the amounts owed by all companies in the chain of control in connection with offices held by the CEO, the Chairman of the Company's Board of Directors and the directors.

As of the date of this Registration Document, the Company is a simplified stock company (*société par actions simplifiée*) managed by a president (*president*) ("**President**") and a managing director (*directeur general*). Effective as of the IPO Settlement Date, the Company will be organized as a limited liability company with a board of directors (*société anonyme à conseil d'administration*), Mr. Michel Plantevin will become the Chairman of the Company's Board of Directors and Mr. Stéphane Antiglio will become the CEO of the Company. See Section 12.1.1 "Board of Directors" of this Registration Document.

13.1 MEMBERS OF THE BOARD OF DIRECTORS AND EXECUTIVE OFFICERS COMPENSATION AND BENEFITS FOR THE FISCAL YEARS ENDED DECEMBER 31, 2019 AND 2020

13.1.1 Compensation and benefits of members of the Company's Board of Directors

The member of the Company's Board of Directors, other than the executive officers, did not receive any compensation from the Company during the years ended December 31, 2019 and 2020, except Mr. Christophe Gouthière in his capacity as Chief Financial Officer ("**CFO**") of the Company. The table below summarizes the compensation received by Mr. Christophe Gouthière during the years ended December 31, 2019 and 2020.

Table 3 (AMF definition)

Summary table of compensation (fixed, variable) and other compensation awarded to directors during the fiscal years ended December 31, 2019 and 2020				
(*in euros*)	**2019**		**2020**	
	Due	**Paid**	**Due**	**Paid**
Mr. Christophe Gouthière, director[15]				
Compensation (fixed, variable)	€636,923.12	€510,879.54	€670,000	€551,870.08
Other Compensation[16]	€29,170.84	€29,170.84	€30,875.26	€30,875.26
TOTAL	**€666,093.96**	**€540,050.38**	**€700,875.26**	**€582,745.34**

[15] This amount includes the compensation received by Mr. Christophe Gouthière as employee of the Group, in its capacity as Chief Financial Officer of the Company ("**CFO**").

[16] The other compensation for Mr. Christophe Gouthière include the premiums paid in relation to a benefit scheme (*plan de prévoyance*).

13.1.2 Compensation and benefits of executive officers

The tables below summarize the compensation and benefits received by Mr. Stéphane Antiglio and Mr. Michel Plantevin during the years ended December 31, 2019 and 2020.

Table 1 (AMF definition)

Summary table of compensation, options and shares awarded to each executive officer during the fiscal years ended December 31, 2019 and 2020		
(in euros)	**2019**	**2020**
Mr. Stéphane Antiglio, CEO[17]		
Compensation for the fiscal year (*as detailed in table 2 below*)	€825,715.02	€870,205.86
Valuation of multi-year variable compensation awarded during the fiscal year	0	0
Valuation of options granted during the fiscal year (*as detailed in table 4 in section 13.1.3 below*)	0	0
Valuation of free shares granted during the fiscal year (*as detailed in table 6 in section 13.1.4 below*)	0	0
Valuation of other long-term compensation awarded during the fiscal year	0	0
TOTAL	**€825,715.02**	**€870,205.86**

Summary table of compensation, options and shares awarded to each executive officer during the fiscal years ended December 31, 2019 and 2020		
(in euros)	**2019**	**2020**
Mr. Michel Plantevin, Chairman[18]		
Compensation for the fiscal year (*as detailed in table 2 below*)	0	0
Valuation of multi-year variable compensation awarded during the fiscal year	0	0
Valuation of options granted during the fiscal year (*as detailed in table 4 in section 13.1.3 below*)	0	0
Valuation of free shares granted during the fiscal year (*as detailed in table 6 in section 13.1.4 below*)	0	0
Valuation of other long-term compensation awarded during the fiscal year	0	0
TOTAL	**0**	**0**

[17] Mr. Stéphane Antiglio will be appointed as CEO as of the date of the conversion of the Company from a simplified joint stock company (*société par actions simplifiée*) to a limited liability company with a Board of Directors (*société anonyme à conseil d'administration*) no later than the date upon which the AMF approves the prospectus in relation to the Proposed Admission.

[18] Mr. Michel Plantevin will be appointed as Chairman of the Board of Directors as of the date of the conversion of the Company from a simplified joint stock company (*société par actions simplifiée*) to a limited liability company with a Board of Directors (*société anonyme à conseil d'administration*) no later than the date upon which the AMF approves the prospectus in relation to the Proposed Admission.

Table 2 (AMF definition)

Summary table of the compensation of each executive officer for the fiscal years ended December 31, 2019 and 2020				
(*in euros*)	**2019**		**2020**	
	Due	**Paid**	**Due**	**Paid**
Mr. Stéphane Antiglio, CEO				
Fixed compensation	€458,005.52	€458,219.59	€475,000	€466,336.97
Annual variable compensation[19]	€458,005.52	€282,277.90	€475,000	€313,850.49
Multi-year variable compensation	0	0	0	0
Exceptional compensation	0	0	0	0
Directors' fees	0	0	0	0
Benefits in kind[20]	€85,217.53	€85,217.53	€90,018.40	€90,018.40
TOTAL	**€1,001,228.57**	**€825,715.02**	**€1,040,018.40**	**€870,205.86**

Summary table of the compensation of each executive officer for the fiscal years ended December 31, 2019 and 2020				
(*in euros*)	**2019**		**2020**	
	Due	**Paid**	**Due**	**Paid**
Mr. Michel Plantevin, Chairman of the Board of Directors				
Fixed compensation	0	0	0	0
Annual variable compensation	0	0	0	0
Multi-year variable compensation	0	0	0	0
Exceptional compensation	0	0	0	0
Directors' fees	0	0	0	0
Benefits in kind	0	0	0	0
TOTAL	**0**	**0**	**0**	**0**

[19] The annual variable compensation for Stéphane Antiglio includes the annual bonus as well as the participation paid in accordance with the profit-sharing plan implemented by the Company.

[20] The benefits in kind for Mr. Stéphane Antiglio include the use of a company car, the premiums paid by the Company with regard to unemployment insurance (*assurance chômage GSC*), and the premiums paid in relation to a benefit scheme (*plan de prévoyance*).

Table 11 (AMF definition)

	Employment agreement		Supplemental pension plan		Severance or other benefits due or likely to become due as a result of termination or change of office		Compensation under a non-compete clause	
	Yes	No	Yes	No	Yes	No	Yes	No
Mr. Stéphane Antiglio, CEO		X		X	X(1)		X(2)	
Mr. Michel Plantevin, Chairman of the Board of Directors		X		X		X		X

(1) In the event of a termination of the office of Mr. Stéphane Antiglio in its capacity as President of the Company, except in the event of (i) gross negligence or willful misconduct, (ii) violation of certain obligations of Mr. Stéphane Antiglio in its capacity as President of the Company, not remedied within three business days following the notification of such violation or (iii) the resignation of Mr. Stéphane Antiglio in its capacity as President of the Company (other than in specific circumstances), Mr. Stéphane Antiglio is entitled to receive a severance indemnity for a gross amount equal to 18 months of his average gross monthly fixed and variable compensation for the 24 months preceding such termination date. The non-compete indemnity would not be deducted from the amount of this severance indemnity.

(2) In consideration of a two-year non-compete arrangement following the termination of Mr. Stéphane Antiglio's office in its capacity as President of the Company, Mr. Stéphane Antiglio is currently entitled to receive a monthly gross compensation equal to 50% of his average gross monthly fixed compensation received over the two-year period preceding such termination.

13.1.3 Stock subscription and purchase options awarded by the Company or by any Group company

Table 4 (AMF definition)

Stock subscription and purchase options awarded to each executive officer by the Company or by any Group company during the fiscal year ended December 31, 2020						
Name of the executive officer	**Plan No. and date**	**Option type (subscription or purchase)**	**Valuation of the options according to the method used for the consolidated financial statements**	**Number of options awarded during the fiscal year**	**Exercise price**	**Exercise period**
Mr. Stéphane Antiglio, CEO	None					
Mr. Michel Plantevin, Chairman of the Board of Directors	None					
TOTAL	None					

Table 5 (AMF definition)

Stock subscription or purchase options exercised by each executive officer during the fiscal year ended December 31, 2020			
Name of the executive officer	**Plan No. and date**	**Number of options exercised during the fiscal year**	**Exercise price**
Mr. Stéphane Antiglio, CEO	None		
Mr. Michel Plantevin, Chairman of the Board of Directors	None		
TOTAL	None		

Table 8 (AMF definition)

History of allocation of stock subscription or purchase options			
Information about stock subscription or purchase options			
	Plan n° 1	Plan n° 2	Plan n° 3
Date of shareholders' meeting:	None		
Date of board of directors' meetings:			
Number of total subscription or purchase options, of which number are available for subscription or purchased by: • Mr. Stéphane Antiglio, CEO • Mr. Michel Plantevin, Chairman of the Board of Directors • Mr. David Danon, director • Mr. Christophe Gouthière, director • Mr. Thierry Talbot, director • Ms. Maria Andrisani, director • Mr. Pierre Pouletty, independent director • Ms. Alice Holzman, independent director • Ms. Corinne Fernandez, independent director • Ms. Agnès Bureau-Mirat, independent director			
Option start date:			
Expiration date:			
Subscription/purchase option price:			
Number of shares issued on December 31, 2020:			
Cumulative number of stock subscription or purchase options cancelled or expired:			
Stock subscription or purchase options remaining at the end of the fiscal year:			

Table 9 (AMF definition)

Stock subscription or purchase options awarded to the Company's top ten non-executive officers employees				
	Number of options awarded / shares subscribed during the fiscal year	**Average weighted price**	**Plan No. and date**	**Plan No. and date**
Options granted during the year, by the Company and by any company included in this scope to the 10 employees of the Company and any company included in this scope, whose number of options awarded is highest (overall figure)	None			
Options held in respect of the Company and the companies previously mentioned exercised during the year by the 10 employees of the Company and such companies whose number of purchased or subscribed options is highest (overall figure)				

13.1.4 Free shares

A free ordinary and preferred shares' allocation plan has been implemented at the level of Dakar Holdings, pursuant to which ordinary and preferred shares were issued on December 20, 2017 by Dakar Holdings. The free ordinary and preferred shares will be exchanged for ordinary shares of Dakar Finance in the context of the merger of Dakar Holdings with and into Dakar Finance, which will, in turn, be merged with and into the Company prior to the date of determination of the IPO Price, and which will become effective on the IPO Settlement Date. The exchange ratio for the proposed Mergers will be determined on the basis of the actual value of each company involved in the relevant Merger, calculated by reference to the IPO Price (for further information about Reorganizations, see Section 6.1.3 "Description of the Reorganization" of this Registration Document).

Table 6 (AMF definition)

Free shares awarded to each director by the Company or by any Group company during the fiscal year ended December 31, 2020						
Name of the director	**Plan No. and award date**	**Number of shares awarded during the fiscal year**	**Valuation of shares according to the method used for the consolidated financial statements (IFRS 2)**	**Vesting date**	**Availability date**	**Performance conditions**
Mr. Stéphane Antiglio, CEO	None					
Mr. Michel Plantevin, Chairman of the Board of Directors	None					

Free shares awarded to each director by the Company or by any Group company during the fiscal year ended December 31, 2020						
Name of the director	**Plan No. and award date**	**Number of shares awarded during the fiscal year**	**Valuation of shares according to the method used for the consolidated financial statements (IFRS 2)**	**Vesting date**	**Availability date**	**Performance conditions**
Mr. David Danon, director	None					
Mr. Christophe Gouthière, director	None					
Mr. Thierry Talbot, director	None					
Ms. Maria Andrisani, director	None					
Mr. Pierre Pouletty, independent director	None					
Ms. Alice Holzman, independent director	None					
Ms. Corinne Fernandez, independent director	None					
Ms. Agnès Bureau-Mirat, independent director	None					
TOTAL	None					

Table 7 (AMF definition)

Free shares of the Company or of any Group company that have become available for each director during the fiscal year ended December 31, 2020			
Free shares issued and made available to each senior manager	**Plan No. and date (grant date (board date))**	**Number of shares available during the fiscal year**	**Conditions of acquisitions**
Mr. Stéphane Antiglio, CEO	None		
Mr. Michel Plantevin, Chairman of the Board of Directors	None		
TOTAL	None		

Table 10 (AMF definition)

History of allocation of free shares	
Information about free shares awarded	
Date of the shareholders' meeting: Shareholders' meeting of Dakar Holdings dated December 9, 2015	Plan n° 1
Date of the board of directors' meeting:	December 20, 2016
Total number of free ordinary and preferred shares issued by Dakar Holdings, the number issued to:	24,491 ordinary shares 547,509 preferred shares
• **Mr. Stéphane Antiglio**, CEO	None
• **Mr. Michel Plantevin**, Chairman of the Board of Directors	None
• **Mr. Christophe Gouthière**, director	2,569 ordinary shares 57,431 preferred shares
• **Mr. David Danon**, director	None
• **Mr. Thierry Talbot**, director	None
• **Ms. Maria Andrisani**, director	None
• **Mr. Pierre Pouletty,** independent director	None
• **Ms. Alice Holzman**, independent director	None
• **Ms. Corinne Fernandez,** independent director	None
• **Ms. Agnès Bureau-Mirat**, independent director	None
Vesting date end date:	December 20, 2017
Holding period end date:	December 20, 2018
Number of shares vested on December 31, 2017:	572,000
Total number of cancelled or lapsed shares:	None
Free shares outstanding at the end of the fiscal year:	None

13.1.5 Management and consulting services

Bain Capital and its affiliates received fees for consulting services (including corporate management and financial services, services related to human resources and investment strategy services) during the years ended December 31, 2019 and 2020 pursuant to a services agreement entered into between Dakar Acquisition and Bain Capital and its affiliates on December 8, 2015, which will be terminated as of, and subject to, the IPO Settlement. The consulting services fees and related expenses amounted to approximately €1 million and €1.8 million in the years ended December 31, 2020 and 2019, respectively. These fees are recorded in external expenses.

No services agreement has been entered into directly or indirectly between the Company and Mr. Stéphane Antiglio.

13.2 Compensation and benefits of directors and senior management in connection with the Proposed Admission

13.2.1 One-off payment to Bain Capital

In accordance with the consulting services agreement entered into between Dakar Acquisition and Bain Capital and its affiliates (see Section 13.1.5 "Management and consulting services" of this Registration Document), which employ the Chairman and two other members of the Board of Directors of the Company, on December 8, 2015, and prior to its termination as part of the Reorganization as a result of the Merger, Bain Capital will receive at or shortly after the IPO Settlement a one-off payment from Dakar Acquisition of approximately €2 million in consideration for the consulting, support and strategic assistance and services which are provided by Bain Capital for the direct benefit of the Company in the context of its anticipated Proposed Admission, as well as the Refinancing.

13.2.2 IPO bonuses

Exceptional bonuses will be paid to certain corporate officers and managers of the Group in connection with the Proposed Admission.

13.3 Amount of provisions made or recorded by the Company or by its subsidiaries for the payment of pensions, retirement plans or other benefits

For Mr. Stéphane Antiglio and Mr. Christophe Gouthière pension scheme, the total amounts recorded are respectively €202,658 and €137,845 for the 12-month period ended December 31, 2020.

The Company has not made other provisions for amounts for payment of pensions, retirement or other similar benefits for its directors.

CHAPTER 14. RULES APPLICABLE TO CORPORATE BODIES AND MANAGEMENT COMMITTEES

14.1 TERMS OF OFFICE OF MEMBERS OF THE CORPORATE BODIES AND MANAGEMENT BODIES

The terms of office and the length of service on the Board of Directors of the members of the Company's Board of Directors can be found in Section 12.1 "Composition of management and supervisory bodies" of this Registration Document.

14.2 INFORMATION ON SERVICE CONTRACTS BETWEEN MEMBERS OF THE ADMINISTRATIVE AND MANAGEMENT BODIES AND THE COMPANY OR ANY ONE OF ITS SUBSIDIARIES

To the Company's knowledge, and other than as noted in Chapter 17 "Related-Party Transactions", there are no service contracts between members of the Company's Board of Directors and the Company or any of its subsidiaries providing for the granting of benefits.

14.3 COMMITTEES OF THE BOARD OF DIRECTORS

Pursuant to article 1.4 of the Internal Regulations that are contemplated to be adopted on the IPO Settlement Date, the Board of Directors may create committees in charge of examining questions submitted to them by the Board of Directors or its Chairman.

It is expected that two committees will be created within the Board of Directors of the Company: an audit committee (the "**Audit Committee**") and a nomination and compensation committee (the "**Nomination and Compensation Committee**").

The main provisions relating to the composition, responsibilities, powers and procedural rules of these committees are summarized below.

The composition of each committee of the Board of Directors will comply with the recommendations of the AFEP-MEDEF Code.

14.3.1 Audit Committee

The Company's Board of Directors will create an Audit Committee composed of three members, of which at least two-thirds will be independent members.

The duties of the Audit Committee are to assist the Board of Directors in its mission of approving the individual and consolidated financial statements and in preparing the information to be provided to the shareholders and to the public. The Audit Committee ensures that the internal control systems and the risk management procedures of the Group are effective and efficient. It also monitors questions relating to the preparation and control of the financial statements and financial information, as well as the legal control of the financial statements.

In that context, the Audit Committee has the following duties:

(A) monitoring of the preparation of the financial information;

(B) monitoring of the legal control of the individual and consolidated accounts by the auditors of the Company; and

(C) monitoring of the statutory auditor's independence.

It is expected that the Audit Committee will consist of the following members, as of the IPO Settlement Date and for a duration corresponding to the term of their respective mandates as members of the Board of Directors, in compliance with the recommendations of the AFEP-MEDEF Code:

- Chairman of the Audit Committee: Pierre Pouletty (independent director);
- Member of the Audit Committee: Alice Holzman (independent director); and
- Member of the Audit Committee: David Danon.

14.3.2 Nomination and Compensation Committee

The Company's Board of Directors will create a Nomination and Compensation Committee composed of three members, of which a majority will be independent members.

The Nomination and Compensation Committee is a specialized committee of the Board of Directors, the main mission of which is to assist the Board of Directors in the appointment of the members of the Board of Directors, the Chairman of the Board of Directors, the CEO and, as the case may be, the Deputy CEO of the Company, as well as in determining and assessing, on a regular basis: (i) the global amount of and the methods used for the distribution of fees awarded to members of the Board of Directors, and the compensation and benefits of the Chairman of the Board, the CEO or, as the case may be, the Deputy CEO of the Group (including all deferred benefits and/or compensation for voluntary or involuntary departures from the Group) and (ii) the long-term incentives of the executive managers (including any member of the Group's executive committee (*comité exécutif*)) other than the CEO and, as the case may be, the Deputy CEO. The Nomination and Compensation Committee is informed of the other elements of the compensation policy of the executive managers other than the CEO and, as the case may be, the Deputy CEO, and shall discuss those elements with the CEO and, as the case may be, the Deputy CEO, it being specified that their final determination will be made by the CEO and, as the case may be, by the Deputy CEO.

The Nomination and Compensation Committee is also responsible for performing an annual evaluation of the independence of the members of the Board of Directors pursuant to the criteria set forth in the AFEP-MEDEF Code.

It is expected that the Nomination and Compensation Committee will consist of the following members, as of the IPO Settlement Date and for a duration coinciding with the term of their respective mandates as members of the Board of Directors, in compliance with the recommendations of the AFEP-MEDEF Code:

- Chairwoman of the Nomination and Compensation Committee: Agnès Bureau-Mirat (independent director);

- Member of the Nomination and Compensation Committee: Michel Plantevin; and

- Member of the Nomination and Compensation Committee: Corinne Fernandez (independent director).

14.4 STATEMENT RELATING TO CORPORATE GOVERNANCE

Subject to, and effective as of, the Proposed Admission, the Company intends to comply with the recommendations of the AFEP-MEDEF Code, in particular in connection with the preparation of the management report and the corporate governance report, provided for by articles L. 225-37 and L. 225-100 of the French Commercial Code, on the composition of the Board of Directors and the application of the principle of gender balance in the Board of Directors' composition, the terms for preparation and organization of the Board of Directors' work and the internal control and risk management procedures implemented by the Company, with the exception of the following recommendation:

- the duration of the terms of office of the members of the Board of Directors of the Company will be four years. However for a group of directors the duration of the terms of office will be of six years, as it is intended and expected to provide for a staggering of the terms of the members of the Board of Directors of the Company, and to favor stability in the composition of the Board of Directors following the Proposed Admission; as a result, the duration of the terms of office of the members of the Board of Directors of the Company will not comply with recommendation 14.1 of the AFEP-MEDEF Code which recommends that the duration of directors' terms of office should not exceed four years. It is expected that the Company's Board of Directors will examine the duration of the terms of office of the members of the Board of Directors of the Company for the next replacements, possibly providing for shorter duration of the terms of office of the members of the Board of Directors; and

- the Bylaws will not provide for a minimum number of Company shares to be held personally by the members of the Board of Directors; as a result, the Bylaws will not comply with recommendation 20 of the AFEP-MEDEF Code which recommends that the members of the Board of Directors should personally be shareholders and hold a minimum number of Company shares. In view of the shareholder structure of the Company and the resulting composition of the Board of Directors, it was decided not to comply with this recommendation.

The French version of the AFEP-MEDEF Code may be consulted on the Internet at https://afep.com/wp-content/uploads/2020/01/Code-Afep_Medef-r%C3%A9vision-janvier-2020_-002.pdf. The English version of the AFEP-MEDEF Code may be consulted on the Internet at https://afep.com/wp-content/uploads/2020/01/Afep_Medef-Code-revision-2020-EN-.pdf. The Company makes copies of the AFEP-MEDEF Code available to the members of its governing bodies at all times.

14.5 POTENTIAL MATERIAL IMPACTS ON THE CORPORATE GOVERNANCE, INCLUDING FUTURE CHANGES IN THE BOARD AND COMMITTEES COMPOSITION

N/A.

14.6 INTERNAL CONTROL

The internal control systems implemented by the Group are described in detail in Section 3.6.2 "Risk management" of this Registration Document.

These systems of internal control and risk management are reviewed and monitored on a constant basis to ensure their appropriateness and relevance *vis-à-vis* the objectives of the Group, in particular in light of the specific risks associated with the business of the Group.

This constant monitoring is designed to enable detection and prevention of incidents and accidents. The senior management of the Group plays an important role in the day-to-day supervision of the implementation of these internal control systems.

As of the date of this Registration Document, the Company is a simplified stock company (*société par actions simplifiée*). As the Company's shares are not listed on a regulated market, it is not required, in accordance with article L. 22-10-35 of the French Commercial Code, to include a description of the main characteristics of the internal control and risk management procedures implemented by the Group in the management report provided for in article L. 225-100 of the French Commercial Code.

Prior to the date upon which the AMF grants its approval on the prospectus in relation to the Proposed Admission, the Company will adopt the form of a limited liability company with a board of directors (*société anonyme à conseil d'administration*) and, beginning with the fiscal year ending December 31, 2021 and for so long as the Group's shares are listed on Euronext Paris, it will be required to include, in the management report provided for in article L. 225-100 of the French Commercial Code: (i) in accordance with article L. 22-10-35 of the French Commercial Code a description of the main characteristics of the internal control and risk management procedures implemented by the Group and (ii) in accordance with articles L. 225-102-1 and L 22-10-36 of the French Commercial Code, information on how the Company takes into account social and environmental consequences of its business, as well as its social commitments to sustainability, diversity and anti-discrimination.

CHAPTER 15. EMPLOYEES

15.1 HUMAN RESOURCE MANAGEMENT

The Group employed 7,718[21] people in six countries (France, Belgium, Italy, Luxembourg, the Netherlands and Spain) as of December 31, 2020, and must comply with a variety of complex labor laws in the ordinary course of business. For more information about the labor laws to which the Group is subject, see Section 9.2.3 "Employment" of this Registration Document.

The Group's human resources strategy strives to achieve the right balance of a profitable business mindset, a global strategy and a cooperative social climate, and is structured around four key values that the Group believes drives its success: acting benevolently, exactingly and cooperatively and in an engaged manner. The Group accomplishes this by focusing its human resources efforts on combining rigorous standards for excellence with consideration for and respectful treatment of all employees. For more information about the Group's human resources strategy, see Section 5.1.7.2 "Human resources" of this Registration Document. The workforce described in this Chapter 15 "Employees" only takes into account Group companies and does not take into account companies or persons who are affiliated with the Group through a franchise agreement, or who are affiliated with the Group through an affiliation agreement but do not belong to the Group. The Group's franchise business is fairly small and is limited to Doyen and Mondial Pare-Brise.

15.1.1 Evolution of the workforce

15.1.1.1 *Workforce size*

The table below shows the evolution of the size of the Group's workforce, split by segment, over the last three years:

	Year ended December 31,		
	2020	**2019**	**2018**
France	6,185	6,185	6,255
International	1,533	1,405	852
Total	**7,718**	**7,590**	**7,107**

In France, approximately 98% of the Group's workforce[22] were full-time employees as of December 31, 2020.

[21] Includes approximately 290 apprentices in France.

[22] Excludes AD Normandie Maine, Oscaro and Autocontrole 193.

15.1.1.2 *Recruitment with a permanent contract*

The table below shows the total number of employees recruited with a permanent contract, split by segment, over the last three years:

Recruitment with permanent contracts	**Year ended December 31,**	
	2020	**2019**
France	820	1,139
International	92	89
TOTAL	**912**	**1,228**

The share of the employees recruited with a permanent contract into the Group's global workforce amounted to 11.8% and 16.2 as of the years ended December 31, 2020 and 2019, respectively.

15.1.1.3 *Departures*

The table below shows the total number of departures (including voluntary and involuntary departures, dismissals for cause and termination by mutual consent), split by segment, from the Group over the last three years:

Departures	**Year ended December 31,**	
	2020	**2019**
France	1,510	1,894
International	298	281
TOTAL	**1,808**	**2,175**

In 2020, of a total of 1,808 departures, 897 departures from the Group were related to employees with permanent contracts and were categorized as follows:

- 162 terminations by mutual consent;
- 169 dismissals;
- 454 resignations; and
- 112 end of trial period.

Other departures were mainly related to the end of fixed-term employment contracts (*contrat à durée déterminée)* or retirement.

15.1.2 Breakdown of the workforce as of year-end 2020

15.1.2.1 *Breakdown by country*

In 2020, the Group's employees were mainly located in France, Belgium, Spain, Italy and the Netherlands. The table below shows the total number of employees in the Group's workforce, as organized by country of employment:

Total workforce	Total workforce as of year-end 2020
France	6,185
International	1,533
Of which Belgium	396
Of which Italy	354
Of which the Netherlands	187
Of which Spain	596
TOTAL	**7,718**

15.1.2.2 *Breakdown by type of employment contract*

At year-end in 2020, the breakdown of the Group's employees by type of employment contract was as follows:

Type of employment contract	Workforce as of year-end 2020
Permanent contract	7,087
Other (including fixed-term contracts, apprenticeships but excluding temporary work contracts)	631
TOTAL	**7,718**

15.1.2.3 *Breakdown by gender*

The table below shows the breakdown of employees between men and women as of year-end 2020 and 2019:

	As of year-end	
	2020	2019
Gender		
Women	1,424	1,445
Men	6,294	6,145
TOTAL	**7,718**	**7,590**

15.1.2.4 *Breakdown by age*

The table below shows the breakdown of employees by age as of year-end 2020 and 2019:

	As of year-end	
Age	**2020**	**2019**
< 30 years old	1,531	1,482
Between 31 and 40 years old	1,943	1,971
Between 41 and 50 years old	2,052	2,002
Between 51 and 55 years old	963	967
> 55 years old	1,229	1,168
TOTAL	**7,718**	**7,590**

The average age of the employees of the Group is approximately 40 years old.

15.1.3 Human resources policy

15.1.3.1 *Professional equality*

The Group has a policy of respecting professional equality and seeks to maintain a dialogue with key stakeholders on topics such as disabilities, discrimination and diversity.

The Group's recruitment policy is driven by technical, regulatory and other specifications applicable to its operations, taking into account diversity and non-discrimination in the selection process of applicants.

15.1.3.2 *Compensation and benefits*

The table below shows the Group's wages as of year-end 2020, 2019 and 2018:

	As of year-end		
(in € million)	**2020**	**2019 (*Restated*)**	**2018 (*Restated*)**
Wages	254.7	263.3	223.5

15.1.3.3 *Human resources initiatives*

The Group's human resources operations are focused on initiatives that:

- identify, recruit and develop talent through individual career path management via local career committees and partnership with business school programs;
- provide ongoing training and development, with in-person and online learning options; and
- lead to conditions in the working environment and reduce strain on individual employees, such as investments in automation and work space improvements.

In 2020, in France, approximately 950 job offerings were listed on the Group's website and the Group received approximately 7,130 job applications. Additionally, at year-end 2020 and in France, the Group had approximately 290 apprenticeship and training contracts in France (*contrats de professionnalisation)*.

15.1.3.4 *Social relations*

Overall relations

The Group's subsidiaries are subject to different legal and regulatory requirements regarding staff representation between the countries in which they are located. The Group complies with local requirements regarding staff representation and union representation.

The majority of the Group's employees are covered by national collective bargaining agreements. These agreements typically complement applicable statutory provisions in respect of, among other things, the general working conditions of the Group's employees, such as maximum working hours, holidays, termination, retirement, welfare and incentives.

The Group believes it has developed fair relations with the employee representatives present in each country in which it operates. In the last five years, the Group has not experienced any material disruption to its business as a result of strikes, work stoppages or other labor disputes that were specific to the Group.

15.1.3.5 *Training and professional development*

The Group focuses on developing employees' skills, which are considered to be key to the Group's performance and business development. The table below shows the Group's training budget in France[1] as of year-end 2020, 2019 and 2018:

	As of year-end		
(*in € thousands*)	**2020**	**2019**	**2018**
Contribution to continuing training programs[2]	1,491	1,540	1,560
Additional training budget	667	1,730	1,873
TOTAL	2,158	3,270	3,433
Portion of total payroll dedicated to employee training	1.5%	2.1%	2.3%

[1] France perimeter under the Wholesale National Collective agreement, representing 81.1% of the Group's headcount in France as of December 31, 2020, which excludes Oscaro, Mondial Pare-Brise, Plateforme Technique Nationale de Montajault, Glass Auto Service and Logisteo.

[2] Contribution to continuing training programs (including the apprenticeship tax) (*contribution unique à la formation professionnelle, incluant la taxe d'apprentissage*) is a mandatory financing program by the employer relating to the training of employees, which amounts to 1% of the annual total payroll (*masse salariale*) paid by the employer.

The table below shows the number of training sessions and hours of training conducted by the Group in France[1] in 2020, 2019 and 2018:

	As of year-end		
	2020	**2019**	**2018**
Number of trained workforce	1,363	1,593	2,012
Number of hours of training	18,380	29,055	34,312

[1] France perimeter under the Wholesale National Collective agreement, representing 81.1% of the Group's headcount in France as of December 31, 2020, which excludes Oscaro, Mondial Pare-Brise, Plateforme Technique Nationale de Montajault, Glass Auto Service and Logisteo.

Training projects are structured to contribute to the Group's commercial success and are organized around three pillars:

- discovering employees' skills;
- guiding employees throughout their development; and
- training employees through in-person sessions and online learning.

The Group estimates that approximately 2,182 full-time employees in France have received training via eLearning platforms since their implementation by the Group in 2015.

15.2 SHAREHOLDINGS AND STOCK SUBSCRIPTION OR PURCHASE OPTIONS HELD BY MEMBERS OF SENIOR MANAGEMENT OF THE GROUP

15.2.1 Managerial ownership of the Company

Certain managers, senior executives and employees of the Group are indirect shareholders of the Company through the ownership of 4% of the share of capital of Dakar Holdings held by Dakar Topco, Dakar Holdings Manager S.a.r.l., UDIAD and certain management shareholders.

Following the Reorganization to be implemented as of the IPO Settlement Date, such managers, senior executives and employees of the Group will become direct shareholders of the Company.

15.2.2 Stock subscription and purchase options held by members of the senior management of the Group

Not applicable.

15.3 EMPLOYEE SHAREHOLDING PLANS

15.3.1 Profit-sharing agreements

Pursuant to article L. 3322-2 of the French Labor Code, profit-sharing agreements are required in businesses with more than 50 employees and having a taxable profit of greater than 5% of return on equity. French entities with more than 50 employees pay such profit-sharing based on the formula set forth in the French labor code.

The Group's profit-sharing expense for the years ended December 31, 2020, 2019 and 2018 amounted to €6.9 million, €7.5 million and €7.1 million, respectively.

CHAPTER 16. MAIN SHAREHOLDERS

16.1 SHAREHOLDERS

16.1.1 Main direct and indirect shareholders

In 2015, Bain Capital agreed to acquire the Company from the Group's previous shareholders. The acquisition of the entire share capital and voting rights of the Company was completed by Dakar Acquisition on December 8, 2015.

As of the date of this Registration Document, Bain Capital indirectly holds (through Dakar Topco) approximately 91% of the share capital of Dakar Holdings, UDIAD directly holds approximately 5% of the share capital of Dakar Holdings, and former and current managers and employees of the Group directly and indirectly hold approximately 4% of the share capital of Dakar Holdings.[23]

For the current direct and indirect shareholding of the Company, see Section 6.1.1 "Organizational chart as of the date of this Registration Document" of this Registration Document.

16.1.2 Share capital and voting rights ownership

As of the date of this Registration Document, 99.99% of the share capital and 99.99% of the voting rights of the Company are held by Dakar Acquisition and 0.01% of the share capital and 0.01% of the voting rights of the Company are held by Dakar Finance.

The table below provides a breakdown of the Company's share capital and voting rights as of the date of this Registration Document:

Shareholder	Number of shares (ordinary shares)	% of share capital	Number of voting rights	% of voting rights
Dakar Acquisition	35,187,185	99.99%	35,187,185	99.99%
Dakar Finance	1	0.01%	1	0.01%
TOTAL	35,187,186	100%	35,187,186	100%

There has been no change in the Company's share capital over the last three fiscal years except as indicated in Section 19.1.7 "History of the Company's share capital" of this Registration Document.

After the Reorganization and effective as of the IPO Settlement Date, the share capital of the Company will be composed of ordinary shares and Dakar Topco, UDIAD and

[23] These ownership percentages are based (i) on the securities issued by Dakar Holdings as of the date of this Registration Document, which includes ordinary shares, preferred shares, management shares (held by the general partner of Dakar Holdings) and PECs, except preferred shares resulting from the capitalization of PECs interests, and (ii) on the valuation of such securities at the time of the acquisition of the Group by Bain Capital in 2015.

former and current managers and employees of the Group will become direct holders of ordinary shares of the Company.

For the shareholding of the Company after the Reorganization, see Section 6.1.4 "Simplified organizational chart of the Group after the Reorganization" of this Registration Document.

16.2 VOTING RIGHTS OF THE SHAREHOLDERS

Each share of the Company entitles its holder to one vote.

It is contemplated that the Bylaws, as amended and effective as of the IPO Settlement Date, will not provide for any double voting rights in respect of the shares of the Company, through a disapplication of article L. 22-10-46 of the French Commercial Code.

16.3 CONTROL OF THE COMPANY

It is expected that, at the IPO Settlement Date, Dakar Topco (a company controlled by Bain Capital) will be the Company's principal shareholder. Due to its large shareholding, Dakar Topco is expected to exercise significant influence with respect to resolutions to be adopted by a simple majority (such as the appointment and replacement of members of the board of directors or the distribution of dividends) and to be in a position to block resolutions to be adopted by a two-thirds' shareholder majority (including amendment to the Bylaws of the Company). In order for such significant influence not to be exercised in an abusive way, the Company's Board of Directors will consist of, effective as of the IPO Settlement Date, and subject to the IPO Settlement, four independent members (*i.e.*, 40%), pursuant to the recommendations of the AFEP-MEDEF Code, and three members appointed upon Bain Capital's proposal (*i.e.*, 30%). In addition, effective as of the IPO Settlement Date, and subject to the IPO Settlement, two-thirds of each of the Nomination and Compensation Committee and the Audit Committee will both consist of independent members and both such committees will be chaired by independent members.

16.4 SHAREHOLDERS' AGREEMENTS

On December 9, 2015, the following separate agreements were entered into among all or certain of the shareholders of the Company: (i) a shareholders' agreement entered into among Dakar Topco, UDIAD and the former and current managers and employees invested in the Group, mainly addressing the rules applicable to the transfer of the Company's securities ("**Shareholders' Agreement 1**"), (ii) a shareholders' agreement entered into among Dakar Topco and certain former and current managers and employees invested in the Group, mainly addressing call and put options granted over the Company's securities held by individual shareholders ("**Shareholders' Agreement 2**") and (iii) a shareholders' agreement entered into among Dakar Topco, Mr. Stéphane Antiglio and Mr. Christophe Gouthière, mainly addressing governance rules within the structure ("**Shareholders' Agreement 3**" and, together with Shareholders' Agreement 1 and Shareholders' Agreement 2, the "**Shareholders' Agreements**").

The Shareholders' Agreements provide for governance rules of the Company and Dakar Intermediate, and sets forth certain corporate actions that require the prior approval of the board of managers of Dakar Intermediate (including a favorable vote from all of Dakar Topco's representatives) before being implemented at any level within the Group. The Shareholders' Agreements also provide for customary anti-dilution and direct liquidity rights in favor of certain former and current managers and employees invested in the Group in the event of a new issuance of securities by Dakar Holdings or in the event of a listing of an entity of the Group. Moreover, direct transfers of interest in Dakar Holdings are generally restricted for a period of ten years, except for certain unrestricted transfers (including, *inter alia*, through a public offering). In addition, the Shareholders' Agreements contain certain put and call option rights granted over the shares of Dakar Holdings held by certain former and current managers and employees invested in the Group.

The Shareholders' Agreements provide for a framework for Dakar Topco, UDIAD and the former and current managers and employees invested in the Group to exit from their investment in the Group, through a public offering or an auction sale initiated by Dakar Topco or an offer from a third party, with a drag-along right in favor of Dakar Topco in the event of an exit in favor of a third party. The parties to the Shareholders' Agreements also benefit from certain tag-along rights (and a pre-emption right to the benefit of Dakar Topco) applicable under certain circumstances.

The Shareholders' Agreements will be terminated as of the IPO Settlement Date and the parties to the Shareholders' Agreements do not intend to enter into any new shareholders' agreements after the IPO Settlement Date.

16.5 AGREEMENTS LIKELY TO LEAD TO A CHANGE OF CONTROL

To the Company's knowledge, there is no agreement as of the date of this Registration Document, the implementation of which might lead to a change in its control.

CHAPTER 17. RELATED-PARTY TRANSACTIONS

17.1 MAIN RELATED-PARTY TRANSACTIONS

The main agreements entered into between the Company and associated companies of the Group and between the Company and Dakar Acquisition and between the Company and key management persons and/or shareholders as of the date of this Registration Document are described in this section. As of the date of the Proposed Admission, the Company intends to comply with the AFEP-MEDEF Code and with AMF recommendations, particularly section 4.8 of Recommendation n° 2012-05, dated July 2, 2012, as amended as of October 4, 2018, which requires the Board of Directors of the Company to review ongoing related-party transactions each year. See Section 14.4 "Statement relating to corporate governance" of this Registration Document.

17.1.1 Transactions with Dakar Acquisition

Following the acquisition of the Group by Bain Capital in 2015, the Company entered into a services agreement with Dakar Acquisition, dated December 8, 2015, which was amended and restated on July 5, 2017. The Company paid a total of approximately €1.3 million and €2.1 million to Dakar Acquisition in consideration for (i) the corporate management, financial and cash management services (approximately €0.3 million and €0.3 million), and (ii) the investment strategy services and services related to human resources (approximately €1 million and €1.8 million), during the fiscal years ended December 31, 2020 and 2019, respectively. This services agreement will be terminated as part of the Reorganization as a result of the Mergers.

17.1.2 Transactions with key management persons and/or shareholders

At the time of the acquisition of the Group, the Group's current main shareholder, Bain Capital, entered into an arrangement with certain managers of the Group and Group managers subscribed to non-voting preferred shares of category A (the "**Preferred Shares A**") in Dakar Holding.

The Group managers further agreed to sell back to Bain Capital the Preferred Shares A in Dakar Holding in the event they leave the Group before a certain period. The selling price of the Preferred Shares A is determined on the basis of a number of conditions including the service period and the nature of the departure (voluntary or dismissal).

In the Group's consolidated financial statements, this arrangement was classified as equity, as the Group did not have any obligation to settle the transaction with the Group managers. In addition, since the investment by the Group managers was measured at fair value, no expense was recognized in income for the year.

17.2 AUDITOR'S SPECIAL REPORTS ON RELATED-PARTY TRANSACTIONS

As the Company was a simplified stock company (*société par actions simplifiée*) for the fiscal years ended December 31, 2020, 2019 and 2018, and held 100% by Dakar Acquisition, it is exempt from the requirement to provide a special report of the statutory auditors on related-party transactions.

CHAPTER 18. FINANCIAL INFORMATION CONCERNING THE GROUP'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFITS AND LOSSES

18.1 HISTORICAL FINANCIAL INFORMATION

18.1.1 Group audited consolidated financial statements for the years ended December 31, 2018, 2019 and 2020

The Group presents earnings per share as calculated based on the net income as presented in the income statement in the Group's audited consolidated financial statements for the years ended December 31, 2020, 2019 and 2018. Earnings per share calculated based on the net income attributable to the Group, as per IFRS, is presented in the table above and in Note 16 "Earnings per share" of the consolidated financial statements of the Group for the fiscal years ended December 31, 2020, 2019 and 2018 presented in this section.

In addition, current EBITDA mentioned in this Registration Document, as defined in Section 7.5.2 "Current EBITDA" of this Registration Document and as reported by the Group, has the same definition as EBITDA as used in the Group audited consolidated financial statements for the years ended December 31, 2018, 2019 and 2020, which are set forth in this Section 18.1.1 "Group audited consolidated financial statements for the years ended December 31, 2018, 2019 and 2020" of this Registration Document.

Parts Holding Europe SAS

Consolidated Financial Statements

For the years ended 31 December 2020, 31 December 2019 and 31 December 2018

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Consolidated income statement

(in millions of euros)	Notes	2020 12 months	2019 Restated* 12 months	2018 12 months
REVENUE	*8.1*	**1,761.7**	**1,797.4**	**1,465.8**
Purchases of goods & inventory variance	*8.2*	(1,022.0)	(1,037.6)	(844.2)
Personnel costs	*8.7*	(349.2)	(361.6)	(306.9)
Other purchases and external expenses	*8.8*	(190.9)	(209.2)	(193.8)
Taxes		(14.0)	(12.3)	(11.3)
Other operating income and expenses	*8.9*	(1.6)	3.0	3.1
Depreciation/amortisation expense	*10.3.1*	(93.8)	(96.8)	(39.4)
RECURRING OPERATING INCOME		**90.1**	**82.9**	**73.5**
Other non-recurring incomes	*8.10*	0.6	-	0.8
Other non-recurring charges	*8.11*	(1.2)	(9.0)	(15.4)
OPERATING INCOME		**89.6**	**73.9**	**58.8**
Financial income	*13.4*	0.6	1.1	1.5
Financial expenses	*13.5*	(74.1)	(58.5)	(44.0)
Share of income of associates		0.1	-	-
INCOME BEFORE TAX		**16.2**	**16.5**	**16.3**
Income tax	*14*	(14.5)	(1.6)	(12.6)
NET INCOME		**1.7**	**14.9**	**3.7**
Net income attributable to owners of the parent		*(0.6)*	*13.4*	*3.4*
Net income attributable to non-controlling interests		*2.3*	*1.5*	*0.3*
***Basic earnings per share** (in euros per share)*	*16*	*0.048*	*0.423*	-
Diluted earnings per share** (in euros per share)		*0.048*	*0.423*	-

*Restated of AD Bosch purchase accounting & IFRS 16 as detailed in note 5.

** The Group did not issue any dilutive equity instruments in any of the periods.

Consolidated statement of comprehensive income

(in millions of euros)	**2020** *12 months*	**2019 restated** *12 months*	**2018** *12 months*
NET INCOME	**1.7**	**14.9**	**3.7**
Items that will not be reclassified subsequently to profit/ (loss)			
Actuarial gains/ (losses) on defined benefit plans – continuing operations	(0.1)	(1.2)	1.1
Deferred taxes on actuarial gains/ (losses) – continuing operations	(0.3)	0.1	(0.1)
OTHER COMPREHENSIVE INCOME/ (EXPENSE) FROM CONTINUING OPERATIONS	**(0.4)**	(1.1)	1.0
TOTAL COMPREHENSIVE INCOME	**1.3**	**13.8**	**4.7**
Attributable to:			
Owners of the parent:	**(0.9)**	**12.3**	**4.4**
Non-controlling interests	**2.2**	**1.5**	**0.3**

Consolidated statement of financial position

(in millions of euros)	*Notes*	**31 December 2020**	**31 December 2019 Restated***	**31 December 2018 Restated****
ASSETS				
Goodwill, net	*10.1*	303.3	298.3	274.2
Intangible assets, net	*10.2*	323.6	336.4	325.9
Property, plants and equipments, net	*10.3*	290.1	306.1	103.6
Investments in associates		4.7	4.6	4.6
Financial assets at fair value through income	*13*	0.7	0.8	0.9
Other non-current assets, net	*11*	30.3	30.5	26.9
Deferred tax assets	*14.2*	29.1	33.2	71.9
TOTAL NON-CURRENT ASSETS		**981.9**	**1,009.9**	**808.1**
Inventories, net	*8.3*	360.1	362.0	331.0
Trade receivables, net	*8.4*	248.9	254.1	226.4
Current tax receivables		3.9	5.6	4.0
Other current assets, net	*8.5*	44.3	60.1	62.5
Cash and cash equivalents	*13.2*	113.4	71.3	81.3
TOTAL CURRENT ASSETS		**770.6**	**753.1**	**705.3**
TOTAL ASSETS		**1,752.5**	**1,763.0**	**1,513.4**
EQUITY AND LIABILITIES				
Share capital	*15*	68.3	68.3	68.3
Other reserves	*15*	(11.2)	(24.1)	(20.4)
Net income attributable to the owners of the parent		(0.6)	13.4	3.4
SHAREHOLDERS' EQUITY - PART GROUP		**56.5**	**57.6**	**51.3**
NON-CONTROLLING INTERESTS		**5.3**	**2.2**	**1.0**
TOTAL EQUITY		**61.8**	**59.8**	**52.3**
Non-current borrowings and debts	*13.1.6*	1,112.7	1,094.6	820.7
Liabilities relating to employee benefits	*9.1*	34.9	32.4	29.5
Other non-current liabilities		8.9	10.0	5.5
Deferred tax liabilities	*14.2*	11.8	15.0	57.0
TOTAL NON-CURRENT LIABILITIES		**1,168.3**	**1,151.9**	**912.6**
Current borrowings and debts	*13.1.6*	175.8	216.9	193.6
Current provisions	*12*	7.1	7.5	13.5
Trade payables	*8.6*	228.5	236.4	245.7
Other current liabilities	*8.6*	111.0	90.5	95.7
Derivative financial instruments		-	-	-
TOTAL CURRENT LIABILITIES		**522.5**	**551.3**	**548.6**
TOTAL EQUITY AND LIABILITIES		**1,752.5**	**1,763.0**	**1,513.4**

*Restated of AD Bosch purchase accounting & IFRS16 as detailed in note 5.1

**Restated of Oscaro purchase accounting as detailed in note 5.2

Consolidated statement of changes in equity

(in millions of euros)	Share capital	Foreign exchange gains/ (losses)	Actuarial gains/ (losses) on defined benefit pension plans	Consolidated reserves and net income	**Shareholders' equity**	Non-controlling interests	**Total equity**
At 31 December 2017	**75.3**	**(0.9)**	**9.3**	**31.6**	**115.2**	**(0.3)**	**114.9**
IFRS9 adoption impact	-	-	-	**(0.9)**	(0.9)	-	**(0.9)**
At 1 January 2018	**75.3**	**(0.9)**	**9.3**	**30.7**	**114.3**	**(0.3)**	**114.0**
Net income for the year	-	-	-	**3.4**	**3.4**	0.3	**3.7**
Other comprehensive income/ (expense)	-	-	**1.0**	-	**1.0**	-	**1.0**
Comprehensive income/ (expense)	**75.3**	**(0.9)**	**10.3**	**34.1**	**118.7**	**-**	**118.7**
Capital decrease*	(7.0)	-	-	(58.4)	**(65.4)**	**-**	**(65.4)**
Other changes**	-	-	-	(2.0)	**(2.0)**	1.3	**(0.7)**
Dividends paid	-	-	-	-	**-**	(0.3)	**(0.3)**
At 31 December 2018	**68.3**	**(0.9)**	**10.3**	**(26.3)**	**51.3**	**1.0**	**52.3**
IFRIC 23 adoption impact	-	-	-	**(0.8)**	**(0.8)**	-	**(0.8)**
At 1 January 2019	**68.3**	**(0.9)**	**10.3**	**(27.1)**	**50.4**	**1.0**	**51.5**
Net income for the year	-	-	-	**14.9**	14.9	1.8	**16.7**
Other comprehensive income/ (expense)	-	-	**(1.1)**	-	(1.1)	-	**(1.1)**
Comprehensive income/ (expense)	**68.3**	**(0.9)**	**9.2**	**(12.2)**	**64.2**	**2.9**	**67.0**
Other changes*	-	-	-	(5.1)	**(5.1)**	(0.1)	**(5.2)**
Dividends paid	-	-	-	-	-	(0.3)	**(0.3)**
At 31 December 2019 (published)	**68.3**	**(0.9)**	**9.2**	**(17.3)**	**59.0**	**2.5**	**61.5**
AD Bosch opening balance sheet correction	-	-	-	(0.9)	(0.9)	(0.2)	(1.1)
IFRS 16 adjustments				(0.6)	(0.6)	(0.1)	(0.7)
At 31 December 2019 (restated)	**68.3**	**(0.9)**	**9.2**	**(18.9)**	**57.6**	**2.2**	**59.8**
Net income for the period	-	-	-	(0.6)	(0.6)	2.3	1.7
Other comprehensive income/ (expense)	-	-	(0.3)	-	(0.3)	(0.1)	(0.4)
Comprehensive income/ (expense)	**68.3**	**(0.9)**	**8.9**	**(19.5)**	**56.7**	**4.4**	**61.1**
Other changes*	-	-	-	-	-	1.3	1.3
Dividends paid	-	-	-	(0.2)	(0.2)	(0.3)	(0.5)
At 31 December 2020	**68.3**	**(0.9)**	**8.9**	**(19.7)**	**56.5**	**5.3**	**61.8**

*Share buyback operation

**Subsequent measurement of minority shareholders put option, fair valued through OCI

Consolidated statement of cash flows

	Notes	2020 12 months	2019 Restated 12 months	2018 12 months
Cash flows from operating activities				
Net income		**1.7**	**14.9**	**3.7**
Adjustments for income and expenses with no cash impact				
- Depreciation and amortization expenses	*10*	93.8	96.8	39.4
- Provisions (net of reversals)		1.2	(5.1)	0.1
-Share of net income of equity-accounted companies		(0.1)	-	-
- Gain or loss on fixed assets sold	*10.1 & 10.2*	*0.8*	(0.9)	0.5
- Financial income and expenses with no cash impact		*31.2*	12.7	13.3
- Other income and expenses with no cash impact		*(0.6)*	0.6	0.4
Adjustments for financial income and expenses		42.3	44.7	29.1
Income taxes	*14*	14.5	1.6	12.6
Changes in working capital, net				
- Inventories		9.1	(16.9)	(37.1)
- Trade receivables		8.3	(8.3)	20.3
- Trade payables		(17.9)	(9.3)	(7.6)
- Other receivables and payables		35.0	(7.3)	(6.5)
Income taxes paid		(12.9)	(13.4)	(9.3)
Net cash from (used in) operating activities		**206.4**	**109.9**	**58.9**
Cash flows from investing activities				
Acquisitions of non-current assets	*10.3*	(32.4)	(40.0)	(32.8)
Acquisitions of customer relationship intangible assets		-	-	(5.3)
Disposals of non-current assets		-	2.4	0.8
Business acquisitions (net of cash acquired)	*6.1*	-	(51.8)	(163.4)
Disposals of business (net of cash transferred)		0.3	-	-
Changes in customer financing transactions		0.6	(1.5)	(0.6)
Net cash used in investing activities		**(31.5)**	**(91.0)**	**(201.3)**
Cash flows from financing activities				
Dividends paid to the owners of the parent company		-	-	(65.4)
Dividends paid to non-controlling interests of consolidated subsidiaries		(0.5)	(0.3)	
Dividends received from associates		-	-	-
Repayment of capital		-	-	-
Interest paid		(49.4)	(51.1)	(34.6)
Interest received		0.4	0.8	1.2
Increase in borrowings	*13.1*	662.3	227.8	263.2
Repayment of borrowings	*13.1*	(740.3)	(210.1)	(7.1)
Change in other financial liabilities		-	-	(7.8)
Net cash from (used in) financing activities		**(127.6)**	**(32.9)**	**149.1**
Cash and cash equivalents at beginning of year	*13.2*	**63.5**	**77.4**	**70.6**
Change in cash and cash equivalents		47.4	(13.9)	6.7
Cash and cash equivalents at end of year	*13.2*	**110.9**	**63.5**	**77.4**

Notes to the consolidated financial statements

1. Preparation and approval of the consolidated financial statements

The consolidated financial statements for the years ended 31 December 2018, 2019 and 2020 have been prepared in the context of the proposed public offer and the admission of shares to trading on the regulated market in France. They were prepared specifically for the purposes of the registration document subject to approval by Autorité des marchés financiers (the "AMF").

On 17 March 2021, the Chairman approved Parts Holding Europe SAS's consolidated financial statements for the year ended 31 December 2020, 2019 and 2018. This unique set of consolidated financial statements covering three years does not replace the historical consolidated financial statements for the years ended 31 December 2019 and 2018, approved by the Chairman of the Management Board on 26 March 2020 and on 29 March 2019, respectively.

Events that occurred subsequent to the dates of approval are not reflected in these consolidated financial statements, in accordance with the decision of the IASB Interpretation Committee (IFRS IC Rejection – IAS 10 Events After the Reporting Period: Reissuing Previously Issued Financial Statements of May 2013). In particular, with regard to the years ended 31 December 2019 and 2018, these financial statements do not reflect events occurring after 26 March 2020 and 29 March 2019 (date of approval of the historical IFRS financial statements by the Chairman of the Management Board).

These audited consolidated financial statements for the years ended 31 December 2018, 2019 and 2020 include the following changes as compared to the consolidated financial statements originally published by the Group for the years ended 31 December 2018 and 2019:

- 2018 restatement to reflect the retrospective adjustment to the preliminary purchase accounting of Oscaro accounted for under IFRS 3 "Business Combinations", as mentioned in Note 5.2.1
- 2019 restatement to reflect retrospective adjustment to the preliminary purchase accounting of AD Bosch accounted for under IFRS 3 "Business Combinations", as mentioned in Note 5.1.1
- 2019 restatement to adjust the impacts of IFRS 16 to reflect (i) a correction in the first adoption application of IFRS 16 and (ii) the IFRS IC decision of 16 December 2019 clarifying the enforceable period of a lease, which should reflect broader economics and clarifying the relationship between the useful life of non-removable leasehold improvements and the lease term under IFRS 16.
- Changes on the segment reporting information disclosure note to (i) reflect the new structure of the Group's internal reporting, in compliance with IFRS 8 "Operating Segments" in 2020 and (ii) to adjust the key performance indicator of the Group "EBITDA" to no longer being restated for the IFRS 16 impact on the rental costs.

2. Information relating to the reporting entity

Parts Holding Europe SAS is a simplified joint-stock company (*société par actions simplifiée*) domiciled in France and registered with the Créteil Trade and Companies Registry under number 488 077 165. It was incorporated on 18 January 2006 under the corporate name Parts Holdings (France) SAS and subsequently changed its corporate name to "Parts Holding Europe" on 5 November 2018. The address of its registered office is 22 Avenue Aristide Briand, 94110 Arcueil, France.

Parts Holding Europe SAS has a share capital of €68,263,141 as of 31 December 2020. As a result of the Group's acquisition on 8 December 2015, Parts Holding Europe and its subsidiaries (collectively, the "Group") are deemed subsidiaries of Dakar Acquisition SA, a Luxembourg-based limited liability company (*société anonyme*) whose registered office is located at 4, rue Lou Hemmer, L-1748 Luxembourg Findel (Luxembourg), registered with the Luxembourg Trade and Companies

Registry under number B201035 as the sole shareholder of Parts Holding Europe. Dakar Acquisition SA is a subsidiary of Dakar Topco Sarl., a Luxembourg-based private limited company (*société a responsabilité limitée*) and is the ultimate parent company of the Group, who is in turn a subsidiary of Bain Capital.

The Group is a leading aftermarket light vehicle spare parts distributor and truck spare parts distributor and repairer in Western Europe, mainly active in France, Benelux and Italy. The Group operates in the independent aftermarkets of the Western European light vehicle spare parts distribution "core" aftermarket and the truck spare parts distribution and repair "core" aftermarket in France.

3. Accounting policies and standards

The consolidated financial statements of Parts Holding Europe SAS and its subsidiaries have been prepared in accordance with the International Financial Reporting Standards ("IFRS") published by the International Accounting Standards Board ("IASB"), as adopted by the European Union as of 31 December 2020 and available on the following website: http://ec.europa.eu/finance/company-reporting/ifrs-financial-statements/index_fr.htm

The consolidated financial statements have been prepared using the historical cost convention, except for certain categories of assets and liabilities as indicated, in accordance with IFRS principles.

The consolidated financial statements are presented in euros and all values are rounded to the nearest million unless otherwise stated.

3.1 Standards and interpretations adopted by the IASB effective at 31 December 2020

The accounting principles applied are consistent with those used to prepare the annual consolidated financial statements for the year ended 31 December 2019, with the exception of the adoption of the following new standards and amendments:

Standards	**Effective date**
Amendments to IAS 1 and IAS 8 – Definition of material	1 January 2020
Amendments to References to the Conceptual Framework in IFRS Standards	1 January 2020
Amendments to IFRS 3 – Business combinations	1 January 2020
Amendments to IFRS 9, IAS 39 and IFRS 7 – Interest rate benchmark reform	1 January 2020
Amendment to IFRS 16 – Leases Covid 19 – Related rent concessions (*)	1 June 2020

(*) The amendment allows a change of method because it provides lessees with an optional practical expedient which allows not to assess whether rent concessions that reduce lease payments due on or before 30 June 2021, occurring as a direct consequence of the covid-19 pandemic and with no other substantial changes to the lease, are lease modifications or not. The lessees can account for such rent concessions as if they were not lease modifications. The group chose to apply this practical expedient and hence to account for these reliefs negotiated by 31 December 2020 by derecognising the lease liability for the amount of the relief in application of IFRS 16 and the corresponding adjustment in operating income. Group operating income from ordinary activity full year impact is €1.0 million.

3.2 Standards and interpretations adopted by the IASB whose application is not mandatory at 31 December 2020

None of the standards that were newly issued but are not yet effective at 31 December 2020 are expected to have any impact on the Group's consolidated financial statements.

3.3 Significant judgements and estimates

The preparation of financial statements in compliance with IFRS requires the use of certain significant accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies.

Estimates are made based on a going concern assumption and on information available at the date of their preparation. Estimates and judgements are continuously evaluated and are based on historical experience and other factors, including expectations about future events that may have a financial impact on the entity and are believed to be reasonable under the circumstances. When the Group makes estimates and assumptions concerning the future, the resulting accounting estimates will, by definition, seldom equal the related actual results.

The estimates and judgements applied for the preparation of these consolidated financial statements mainly concern:

- Recoverable amount of goodwill, other intangible assets and property, plant and equipment (see Note 10.1, 10.2 and 10.3)
- End-of-year supplier rebates (see Note 8.6)
- Employee costs and benefits (see Note 9)
- Recognition of deferred tax assets and some tax credits (see Note 14.2)

4. Covid 19 impacts

During the spring lockdown period from mid-March to mid-May the Group experimented a significant drop of activity, even though our services remained opened as our spare parts distribution and repair activities for light vehicles and trucks were considered by the government to be essential for the functioning of the country and appear in the list of businesses that could remain opened.

In order to structurally protect the Group and our employees, the following action plan were taken:

- partial unemployment measures, depending on local situations (FY 2020 savings amounted to €20.9 million)
- implementation, for each country, of government support, including taxes and social security charges delays.
- renewal confidence with our banks.
- implementation of punctual financing guaranteed by the different countries.
- daily monitoring of cash disbursements to the most vulnerable of our partners.

The group chose to apply Amendment to IFRS 16 – Leases Covid 19 – Related rent concessions practical expedient and hence to account for these reliefs negotiated by 31 December 2020 by derecognizing the lease liability for the relief amount and the corresponding adjustment in operating income. Group operating income from ordinary activity full year impact is €1.0 million.

Covid 19 related financing - France

Since 31 March 2020, the Group has entered into certain government-backed loans or loans with certain of its local commercial banks to enhance its liquidity. On 1 July 2020, the Group entered into a €25.0 million government backed loan from BNP Paribas and Société Générale (the "PGE Loan"). The PGE Loan will mature on the date falling twelve months after the date of funding. The Issuer has the option to extend the maturity date by one, two, three, four or five years at its sole discretion. No such decision has been made to date, therefore the PGE is accounted under current borrowings.

Covid 19 related financing - International

In addition, the Group has entered in 2020 into government-backed loans or loans with local commercial banks and increased certain of its existing lines of credit to strengthen its liquidity position in Italy (€24.7 million) classified as non-current borrowings and Belgium (€7.5 million) classified as current borrowing, as a response to the COVID 19 outbreak.

Since the end of this 1st lockdown period the Group's activity strongly recovered in the European countries in which the Group operates.

5. Change in accounting methods, adjustment of AD Bosch goodwill and IFRS16 application

5.1 Change related to the year 2019

5.1.1 Adjustment of AD Bosch purchase accounting

On 5 August 2019, Parts Holding Europe acquired 75% of the AD Bosch group. This group was integrated into the 2019 consolidated accounts. On this occasion, a preliminary goodwill was calculated and recorded in accordance with IFRS 3 "business combinations".

During 2020, purchase accounting was finalized, within the 12-month period after the acquisition, with changes relating to both customer relationship & inventory fair valuation finalization. These changes impact the consolidated accounts retrospectively.

Dedicated columns on the next page tables show the adjustments recorded for each individual item.

5.1.2 IFRS 16 correction

The Group has restated the impacts related to the restatement of IFRS 16.

These adjustments relate to two type of contracts:

- Contracts for which commencement date had occurred in 2019 but had not been recognised in 2019 financial statements.
- Contracts for which the completeness treatment of lease incentives has been improved.

Dedicated columns on the next page tables show the adjustments recorded for each individual item.

5.1.3 IFRS IC decision of 16 December 2019

On 16 December 2019, the IFRS IC published its decision in response to a request for clarification on the following matters:

- determination of the enforceable period of an automatically renewable lease, or of an indefinite-term lease, that may be terminated by one of the parties subject to a specified notice period. The issue to be clarified concerned the notion of penalties on which the definition of the enforceable period is based;
- the relationship between the useful life of non-removable leasehold improvements and the lease term under IFRS 16.

The IFRS IC:

- concluded that the economics of a lease (rather than just the legal form) should be taken into account to determine the enforceable period of a lease;
- provided clarification on the relationship between the lease term under IFRS 16 and the useful life of non-removable leasehold improvements.

The Group did not apply this decision when preparing its consolidated financial statements at 31 December 2019, it applied it in 2020 with a retrospective effect in 2019. Dedicated columns on the next page tables show the adjustments recorded for each individual item. The impact related to the IFRS IC decision on the property, plant and equipment financial statement line is of €21.4 million and €21.7 million on the lease liability (€20.2 million non-current and €1.5 million current) as at 31 December 2019.

5.1.4 Details of adjustments

(in millions of euros)	**31 December 2019 Published**	**AD Bosch Goodwill adjustment**	**IFRS 16 adjustments**	**31 December 2019 Restated**
REVENUE	**1,797.4**	**-**	**-**	**1,797.4**
Cost of goods for sale	(1,037.6)			(1,037.6)
Personnel costs	(361.6)			(361.6)
Other purchases and external expenses	(209.2)			(209.2)
Taxes	(12.3)			(12.3)
Other operating income and expenses	3.0			3.0
Depreciation/amortisation expense	(95.0)	(1.5)	(0.3)	(96.8)
RECURRING OPERATING INCOME	**84.7**	**(1.5)**	**(0.3)**	**82.9**
Other income from operations	-			-
Other expenses from operations	(9.0)			(9.0)
OPERATING INCOME	**75.7**	**(1.5)**	**(0.3)**	**73.9**
Financial Income	1.1			1.1
Financial expenses	(57.9)		(0.6)	(58.5)
Share of income of associates	-			-
INCOME BEFORE TAX	**18.9**	**(1.5)**	**(0.9)**	**16.5**
Income tax	(2.2)	0.4	0.2	(1.6)
NET INCOME FROM CONTINUING OPERATIONS	**16.7**	**(1.1)**	**(0.7)**	**14.9**
Net income (loss) from discontinued operations	-			
NET INCOME FOR THE PERIOD	**16.7**	**(1.1)**	**(0.7)**	**14.9**
Attributable to :				
- Parent firm ordinary shareholders	14.9	(0.9)	(0.6)	13.4
- Minority interests	1.8	(0.2)	(0.1)	1.5

(in millions of euros)	31 December 2019 Published	AD Bosch goodwill adjustments	IFRS 16 adjustments	31 December 2019 Restated
ASSETS				
Goodwill, net	317.2	(18.9)		298.3
Intangible assets, net	310.7	25.7		336.4
Property, plant and equipment, net	278.1		28.0	306.1
Investments in equity method investees	4.6			4.6
Financial assets at fair value through income	0.8			0.8
Other non-current assets, net	30.5			30.5
Deferred tax assets	33.0		0.2	33.2
TOTAL NON-CURRENT ASSETS	**974.9**	**6.8**	**28.2**	**1,009.9**
Inventories, net	363.5	(1.5)		362.0
Trade receivables, net	254.1			254.1
Current tax receivables	5.6			5.6
Other current assets, net	60.1			60.1
Cash and cash equivalents	71.3			71.3
TOTAL CURRENT ASSETS	**754.6**	**(1.5)**		**753.1**
TOTAL ASSETS	**1,729.5**	**5.3**	**28.2**	**1,763.0**
EQUITY AND LIABILITIES				
Share capital	68.3			68.3
Other reserves	(24.1)			(24.1)
Net income attributable to owners of the parent	14.9	(0.9)	(0.6)	13.4
SHAREHOLDERS' EQUITY	**59.1**	**(0.9)**	**(0.6)**	**57.6**
NON-CONTROLLING INTERESTS	**2.5**	**(0.2)**	**(0.1)**	**2.2**
TOTAL EQUITY	**61.6**	**(1.1)**	**(0.7)**	**59.8**
Non-current portion of borrowings and debt	1,068.8		25.8	1,094.6
Provisions related to employee benefits	32.4			32.4
Other non-current liabilities	10.0			10.0
Deferred tax liabilities	8.6	6.4		15.0
TOTAL NON-CURRENT LIABILITIES	**1,119.7**	**6.4**	**25.8**	**1,151.9**
Current portion of borrowings and debt	213.8		3.1	216.9
Current portion of provisions	7.5			7.5
Trade payables	236.4			236.4
Other current liabilities	90.5			90.5
Derivative financial instruments	-			-
TOTAL CURRENT LIABILITIES	**548.2**	**-**	**3.1**	**551.3**
TOTAL EQUITY AND LIABILITIES	**1,729.5**	**5.3**	**28.2**	**1,763.0**

(in millions of euros)	**31 December 2019 Published**	**AD Bosch goodwill adjustments**	**IFRS 16 adjustments**	**31 December 2019 Restated**
Cash flows from operating activities				
Net income	**16.7**	**(1.1)**	**(0.7)**	**14.9**
Adjustments for income and expenses with no cash impact				
- Depreciation and amortization expenses	95.0	1.5	0.3	96.8
- Provisions (net of reversals)	(5.1)			(5.1)
- Impairment of intangible assets (net of reversals)	-			-
- Gain or loss on fixed assets sold	(0.9)			(0.9)
- Financial income and expenses with no cash impact	12.7			12.7
- Other income and expenses with no cash impact	0.6			0.6
Adjustments for financial income and expenses with cash impact	44.1		0.6	44.7
Income taxes	2.2	(0.4)	(0.2)	1.6
Changes in working capital, net				
- Inventories	(16.9)			(16.9)
- Trade receivables	(8.3)			(8.3)
- Trade payables	(9.3)			(9.3)
- Other receivables and payables	(7.3)			(7.3)
Income taxes paid	(13.4)			(13.4)
Net cash from (used in) operating activities – continuing operations	**109.9**	**-**	**-**	**109.9**
Cash flows from investing activities				
Acquisitions of non-current assets	(40.0)			(40.0)
Acquisitions of customer relationship intangible assets	-			-
Disposals of non-current assets	2.4			2.4
Business acquisitions (net of cash acquired)	(51.8)			(51.8)
Disposals of business (net of cash transferred)	-			-
Changes in customer financing transactions	(1.5)			(1.5)
Net cash used in investing activities – continuing operations	**(91.0)**	**-**	**-**	**(91.0)**
Cash flows from financing activities				
Dividends paid to the owners of the parent company	-			-
Dividends paid to non-controlling interests of consolidated subsidiaries	(0.3)			(0.3)
Dividends received from associates	-			-
Repayment of capital	-			-
Interest paid	(50.5)		(0.6)	(51.1)
Interest received	0.8			0.8
Increase in borrowings	227.8			227.8
Repayment of borrowings	(210.7)		0.6	(210.1)
Change in other financial liabilities	-			-
Net cash from (used in) financing activities – continuing operations	**(32.9)**	**-**	**-**	**32.9**
Cash and cash equivalents at beginning of year	**77.4**	**-**	**-**	**77.4**
Change in cash and cash equivalents – continuing operations	(13.9)	-		(13.9)
Change in cash and cash equivalents – discontinued operations	-			-
Impact of currency rate fluctuations	-			-
Cash and cash equivalents at end of year	**63.5**	**-**	**-**	**63.5**

5.2 Change related to the year 2018

5.2.1 Adjustment of Oscaro purchase accounting

Parts Holding Europe acquired Oscaro group on 13 November 2018. This group was integrated into the 2018 consolidated financial statements. This period of one and a half months did not allow for a complete evaluation of Oscaro group and a preliminary goodwill was calculated and recorded in accordance with IFRS 3 "Business combinations". During 2019, the purchase accounting was updated and it retrospectively impacts the consolidated accounts. The purchase accounting is detailed in point 7.1.3.3 and the impact of the adjustments in 6.2.3.

5.2.2 Details of adjustment

	31 December 2018 Published	**Oscaro purchase price allocation accounting**	**31 December 2018 Restated**
ASSETS			
Goodwill, net	321.1	(46.9)	274.2
Intangible assets, net	270.5	55.4	325.9
Property, plant and equipment, net	103.6		103.6
Investments in equity method investees	4.6		4.6
Financial assets at fair value through income	0.9		0.9
Other non-current assets, net	24.9	2.0	26.9
Deferred tax assets	64.7	7.2	71.9
TOTAL NON-CURRENT ASSETS	**790.4**	**17.7**	**808.1**
Inventories, net	331.1		331.1
Trade receivables, net	223.5	2.9	226.4
Current tax receivables	3.9	0.1	4.0
Other current assets, net	62.6	(0.1)	62.5
Cash and cash equivalents	81.3		81.3
TOTAL CURRENT ASSETS	**702.4**	**2.9**	**705.3**
TOTAL ASSETS	**1,492.8**	**20.5**	**1,513.4**
EQUITY AND LIABILITIES			
Share capital	68.3		68.3
Other reserves	(20.4)		(20.4)
Net income attributable to owners of the parent	3.4		3.4
SHAREHOLDERS' EQUITY	**51.3**		**51.3**
NON-CONTROLLING INTERESTS	**1.0**		**1.0**
TOTAL EQUITY	**52.3**		**52.3**
Non-current portion of borrowings and debt	820.7		820.7
Provisions related to employee benefits	29.5		29.5
Other non-current liabilities	5.5		5.5
Deferred tax liabilities	42.7	14.3	57.0
TOTAL NON-CURRENT LIABILITIES	**898.3**	**14.3**	**912.6**
Current portion of borrowings and debt	193.6		193.6
Current portion of provisions	10.5	3.0	13.5
Trade payables	244.8	0.9	245.7

Other current liabilities	93.4	2.4	95.7
Derivative financial instruments	-		-
TOTAL CURRENT LIABILITIES	**542.3**	**6.3**	**549.6**
TOTAL EQUITY AND LIABILITIES	**1,492.8**	**20.5**	**1,513.4**

5.3 Impacts of application of the IFRS 16 standard and IFRIC 23

5.3.1 IFRS 16

In January 2016, the International Accounting Standards Board issued IFRS 16 'Leasing', replacing IAS 17, which represents the first major overhaul in lease accounting for over 30 years. These changes become effective from 1 January 2019.

IFRS 16 has a substantial impact on the financial statements of lessees of property and high value equipment – requiring that leases be placed on-balance sheet by recognising a 'right-of-use' asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. In the income statement, this standard application results in an amortisation and interest expenses recognition.

The group has applied IFRS 16 using the modified retrospective approach, without cumulative effects in equity as an adjustment to the opening balance of retained earnings for the current period. Prior periods have not been restated.

For those leases previously classified as finance leases, the right-of-use asset and lease liability are measured at the date of initial application at the same amounts as under IAS 17 immediately before the date of initial application.

The Group mainly leases buildings and at a lesser extend vehicles and equipment.

The table below reconciles the amount of off-balance sheet commitments as of December 31, 2018 with the liability from IFRS 16 first application:

(in millions of euros)	
Off-balance sheet commitments as of December 31, 2018	**199.2**
Average marginal rate as of 1 January 2019	*2.35%*
Discount rate difference	(17.8)
Options not considered as of 31 December 2018	(4.1)
Lease agreements excluded from IFRS 16 scope	(2.9)
Other	1.2
revaluation adjustment of contract durations (2020 adjustments)	28.3
Liability for IFRS 16 application as of 1 January 2019	**212.2**

Practical expedients applied

In applying IFRS 16 for the first time, the group has used the following practical expedients permitted by the standard:

- applying a single discount rate to a portfolio of leases with reasonably similar characteristics
- accounting for operating leases with a remaining lease term of less than 12 months as at 1 January 2019 as short-term leases
- accounting for operating leases for the leases with a unit asset value below 5,000 Euro

- excluding initial direct costs for the measurement of the right-of-use asset at the date of initial application, and

Recognition and measurement of lease liabilities

The lease liability is initially measured at the present value of future lease payments, discounted over the estimated lease of the lease liability using the lessee's incremental borrowing rate. This is estimated using available market data and taking account of the average lease term. The selected duration of the lease term is the minimum contractual increased by potential renewals based on the economic conditions and if the lessee is reasonably certain to exercise them.

Average discount rates used as at 1 January 2019 until 31 December 2020 (the Group reviews the discount rates at each reporting date):

Duration of the lease term	**3 years**	**6 years**	**9 years**	**12 years**
Belgium	1.65%	2.75%	3.75%	5.25%
Spain	1.80%	2.94%	3.94%	5.44%
France	1.53%	2.45%	3.28%	4.50%
Italy	1.84%	2.77%	3.57%	4.79%
Netherlands	1.65%	2.75%	3.75%	5.25%

Recognition and measurement of Right of Use assets

The initial value of the lease right - of - use asset comprises the amount of the initial measurement of the lease liability, initial direct costs and any obligation to restore the asset. The lease right - of – use asset is depreciated over the period adopted for the calculation lease of the lease liability.

5.3.2 IFRIC 23

The Group determined whether its tax treatments should be considered as uncertain according to IFRIC 23 application. Impacts as at Dec 18 is estimated to be €0.8M of additional deferred tax liabilities.

5.3.3 Impact on the consolidated statement of financial position

IFRS 16 and IFRIC 23 have been applied without restatement of comparative information. Reclassifications and adjustments resulting from the standard application are not taken into account in the balance sheet as of 31 December 2018 but are recognized in the opening balance sheet as of 1 January 2019.

The following Balance Sheet shows the adjustments recorded for each line item.

	31 December 2018 Restated	IFRS 16 impacts	IFRIC 23 impacts	1 January 2019 Restated
ASSETS				
Goodwill, net	274.2			274.2
Intangible assets, net	325.9			325.9
Property, plant and equipment, net	103.6	208.8		312.4
Investments in equity method investees	4.6			4.6
Financial assets at fair value through income	0.9			0.9
Other non-current assets, net	26.9			26.9
Deferred tax assets	71.9			71.9
TOTAL NON-CURRENT ASSETS	**808.1**	**208.8**		**1016.9**
Inventories, net	331.1			331.1
Trade receivables, net	226.4			226.4
Current tax receivables	4.0			4.0
Other current assets, net	62.5	(1.8)		60.7
Cash and cash equivalents	81.3			81.3
TOTAL CURRENT ASSETS	**705.3**	**(1.8)**		**703.5**
TOTAL ASSETS	**1,513.4**	**207.0**		**1,720.4**
EQUITY AND LIABILITIES				
Share capital	68.3			68.3
Other reserves	(20.4)		(0.8)	(21.2)
Net income attributable to owners of the parent	3.4			3.4
SHAREHOLDERS' EQUITY	**51.3**		**(0.8)**	**50.5**
NON-CONTROLLING INTERESTS	**1.0**			**1.0**
TOTAL EQUITY	**52.3**		**(0.8)**	**51.5**
Non-current portion of borrowings and debt	820.7	172.8		993.5
Provisions related to employee benefits	29.5			29.5
Other non-current liabilities	5.5			5.5
Deferred tax liabilities	57.0		0.8	57.8
TOTAL NON-CURRENT LIABILITIES	**912.6**	**172.8**	**0.8**	**1,086.2**
Current portion of borrowings and debt	193.6	39.4		233.0
Current portion of provisions	13.5			13.5
Trade payables	245.7	(5.2)		240.5
Other current liabilities	95.7			95.7
Derivative financial instruments	-			-
TOTAL CURRENT LIABILITIES	**549.6**	**34.2**		**583.8**
TOTAL EQUITY AND LIABILITIES	**1,513.4**	**207.0**		**1720.4**

6. Scope of consolidation

Consolidation

The consolidated financial statements include the financial statements of Parts Holding Europe SAS and its controlled entities. Control is assessed as having (i) the power over the investee through voting rights or similar rights, (ii) exposure to variable returns from involvement with the investee, and (iii) the ability to use power over the investee to affect the amount of the investor's returns. Controlled entities are consolidated from the date the Group obtains control until such time the Group ceases to exercise control.

All intragroup balances and transactions as well as unrealized income, expenses, gains and losses that are included in the carrying amounts of the assets and which are generated by internal transactions are eliminated.

In the event of an acquisition of additional shares in an entity already controlled by the Group, the difference between the acquisition price of the shares and the additional interest acquired by the Group in consolidated equity is recorded in stockholders' equity. The value of the entity's identifiable assets and liabilities (including goodwill) for consolidation purposes remains unchanged.

Entities over which the Group has significant influence, but does not have control, are accounted for using the equity method. The investments in such entities are initially recognized at cost, including the goodwill of the acquisition, and is subsequently restated for the Group's share of the profit or loss in the investee, net of any accumulated impairment loss. In the event of an acquisition of additional shares in entities that were previously accounted for using the equity method that results in the Group obtaining control, the previously held equity interest is remeasured at fair value and the difference between the fair value and carrying value is recorded as a gain or loss in the income statement.

When the parent company loses control of a previously consolidated entity, assets and liabilities related to such entity is derecognized including any goodwill and a gain or loss associated with the loss of control of the former entity is recognized.

6.1 Acquisitions and disposals

Business combinations are recorded in accordance with IFRS 3, by applying the acquisition method. The acquired entity's identifiable assets, liabilities and contingent liabilities that meet IFRS accounting criteria are recorded at acquisition-date fair value, including any previously held interest but with the exception of non-current assets classified as held for sale, which are recorded at fair value less costs to sell, and other assets and liabilities (IAS 19 and IAS 12) valued in accordance with the applicable standards. The costs directly attributable to the acquisition are recorded as expenses during the period in which they are incurred.

Goodwill represents any excess of the amount of consideration transferred and, where appropriate, non-controlling interests, over the net fair value of the acquired company's identifiable assets and liabilities. Refer to Note 10.1 for impairment of goodwill.

Adjustments to the value of assets and liabilities related to acquisitions recorded on a preliminary basis are recorded as retrospective adjustments of goodwill if they occur within a maximum 12 months of the acquisition date. After the end of the allocation period, the effects are recorded directly in the income statement unless they correspond to corrections of errors.

IFRS 10 on Consolidated Financial Statements presents a single consolidation model and provides a definition of control that includes:

- Power over the entity
- Exposure, or right, to variable returns of the entity,

- The ability to use its power to impact the amount of its returns

An entity is controlled when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The Group considers all facts and circumstances when assessing whether it controls an investee, such as rights resulting from contractual arrangements or substantial potential voting rights held by the Group

Over the last 3 years, 4 significant acquisitions (disclosed in the notes below) have been made by the Group:

Year	Acquired Companies	Segment
2019	AD Bosch Recanvis	International
2018	Geevers	
	G-Group	

Year	Acquired Companies	Segment
2018	Oscaro	France

Other undisclosed non-significant acquisitions were the below over these 3 periods:

Year	Acquired Companies	Segment
2020	Autovak	International
	AD Autoparts	
	2G Padauto	
2019	Loek Autoparts	
	Team Recambi	
2018	FGL	
	Sarco	
	Verviers Freins	

Year	Acquired Companies	Segment
2019	Maillot Pièces Poids Lourds	France
2018	SFIA	
	GPR Auto	
	Vallespir Auto Diffusion	
	Loire Pare Brise	

6.1.1 Acquisitions in 2020

No significant acquisition has been made in 2020.

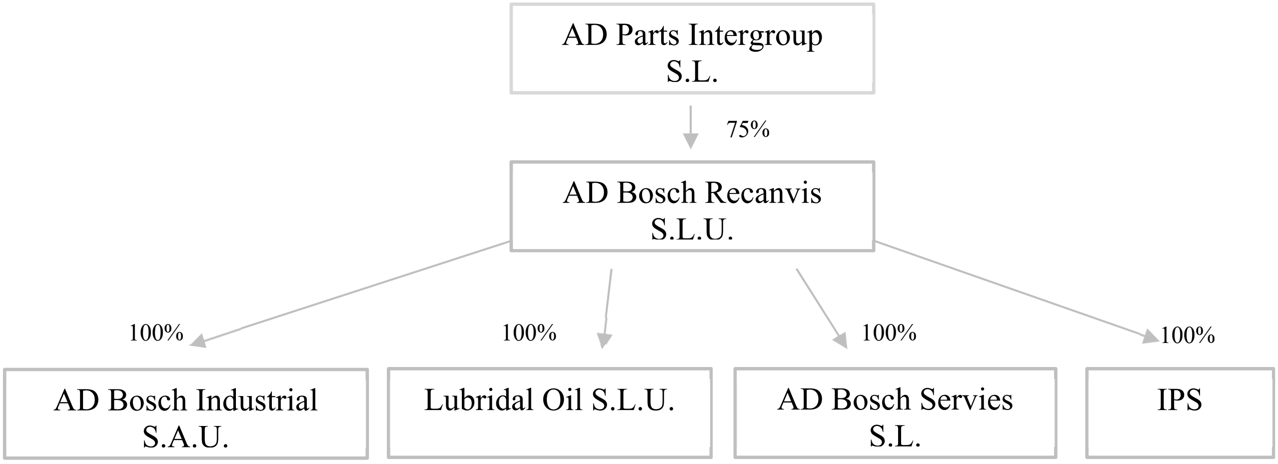
Group increased its ownership from 69.128% to 80.134% of the Italian group through minority shareholders transactions which amounted to a total cash out of € 14.5 million (activation of a part of the minority shareholders put option), leading to a remaining € 22.6 million put option.

6.1.2 Acquisitions in 2019

International

On 5 August, the Group acquired 75% interest in **AD Bosch Recanvis S.L.U**, a distributor member of AD Parts, for a purchase price of €48.1 million, paid from the RCF drawdown.

AD Bosch is the number one independent automotive spare part, lubricant, tyre, body part, paint and garage equipment distributor grouping in Spain, also present in Portugal and Andorra. This family business was established by Josep Bosch Sayols in 1970. Thanks to its effective distribution network (27 stores) and the quality of the solutions offered to its repair customers, AD Bosch has become the leading distributor in Catalonia. In 2018, the company achieved a turnover of approximately €70 million. Its Chairman, Josep Bosch Sayols, is also the founder and Chairman of AD Parts and the Chairman of AD Parts Intergroup. The operational management of Bosch AD remains the same. Transaction costs in relation to the acquisition amounts to €3 million since 2017.



The identifiable assets acquired, liabilities assumed and contingent liabilities measured at fair value at acquisition date are as follows (in M€):

	31/12/2019 published	Purchase Price Allocation Adjustments	31/12/2019 Restated
Purchase price paid in cash	**48.1**	**(0.1)**	**48.0**
Intangible assets	-	27.2	27.2
Tangible assets	6.6	0	6.6
Other non-current assets	0.7	-	0.7
Deferred taxes - Assets	0.1	-	0.1
Inventories	14.7	(1.5)	13.2
Trade receivables	19.0	-	19.0
Cash and cash equivalents	2.6	-	2.6
Trade payables	(7.4)	-	(7.4)
Debts and overdrafts	(11.7)	-	(11.7)
Value of put option held by minority shareholders	(16.5)	-	(16.5)
Deferred taxes - Liabilities	-	(6.8)	(6.8)
Other current liabilities	(2.3)	-	(2.3)
Net assets acquired at fair value	**5.8**	**18.8**	**24.7**
Goodwill	**42.3**	**(18.9)**	**23.3**

The goodwill resulting from the purchase accounting is €23.3 million, reflecting the synergies expected to be derived from the acquisition in terms of trading and cost savings, increase in market share and growth potential. The entire goodwill was allocated to the International segment.

If the acquisition had taken place on 1 January 2019, the turnover and the net result for the year ended 31 December 2019 considering 12 months of exercise would be as follows:

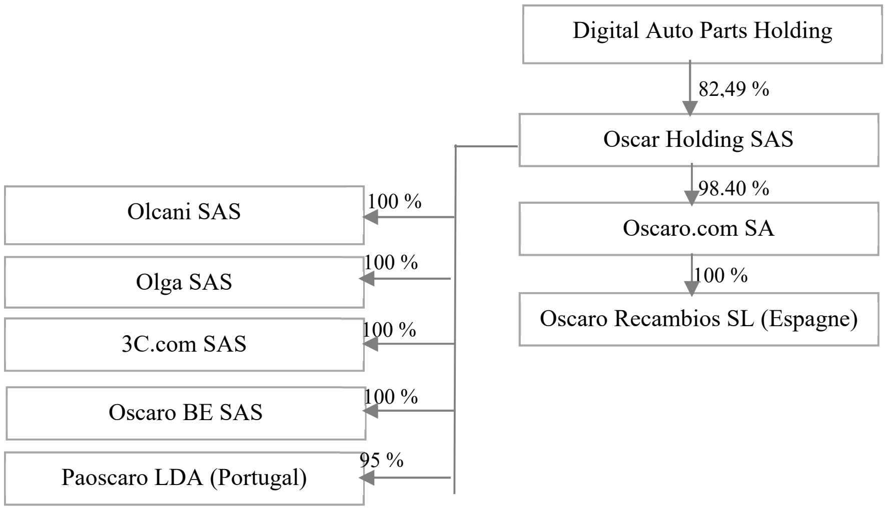
(in M€)	Pre-acquisition	Post-acquisition	Pro forma FY 2019
Turnover	**37.9**	**24.2**	**62.1**
Net income	**1.9**	**0.8**	**2.7**

6.1.3 Acquisition in 2018

France

On 13 November 2018, the Group acquired 82.5% of Groupe OSCARO, French leader in the LV spare parts online sale, for €91.3 million[(1)], paid drawing the RFC credit line for an amount of €90.0 million. The OSCARO Group is the French leader in online sales of automotive spare parts. It currently has more than 8 million customers and a turnover that has increased tenfold in ten years, reaching €320 million in 2017. Its alliance with the Group will enable to create a European omni-channel leader together, across all professional and non-professional customer segments and in a complementary and durable way. Following the process, Pierre-Noël LUIGGI, founder of the OSCARO Group, will retain a share of up to 17.5% through his company Indenoï and will sit on the Oscaro board. Transaction costs in relation to the acquisition amounts to €1.1 million.

The post-acquisition organizational structure is presented below:



(1) The Oscaro Groups' securities value of € 91.3 million breaks down as follows:

Event	Date	Value in M€	Holding %
Acquisition	July 2018	10.0	4.95%
Share value impairment*		-4.6	
Capital increase	November 2018	55.0	51.70%
Acquisition		30.9	25.84%
	November 13, 2018	**91.3**	**82.49%**

*Reflecting the Oscaro group acquisition done by steps. As a result, the non-controlling acquisition in July was derecognized at fair value on November 13, 2018.

The identifiable assets acquired, liabilities assumed and contingent liabilities measured at fair value at acquisition date are as follows (in €M):

	31/12/2018 published	Purchase Price Allocation adjustments (2)	31/12/2018 Restated
Purchase price paid in cash	91.1	0.2	91.3
Liability guarantee		(2.0)	(2.0)
Oscaro.com trademark	-	50.6	50.6
Customer relationship	-	4.8	4.8
Intangible assets	6.6	-	6.6
Tangibles assets	6.4	-	6.4
Other non-current assets	8.2	-	8.2
Deferred taxes	0.3	7.2	7.5
Inventories	7.2	-	7.2
Trade receivables	(12.2)	2.9	(9.3)
Cash and cash equivalents (1)	59.4	-	59.4
Other current assets	2.9	-	2.9
Trade payables	(76.9)	(0.9)	(77.8)
Debts and overdrafts	(2.1)	-	(2.1)
Provision for risks and charges	(3.4)	(2.9)	(6.3)
Pension provision	(0.9)	-	(0.9)
Non-current financial debts	(30.9)	-	(30.9)
Deferred tax liabilities	-	(14.3)	(14.3)
Other non-current and current liabilities	(13.6)	(2.2)	(15.8)
Net assets acquired at fair value	(49.0)	45.1	(3.9)
Goodwill	140.1	(46.9)	93.2

(1) of which €55.0 million of capital increase injected by Digital Parts Holding to be used to pay the trade payables by the acquired group.

(2) Main adjustments recorder in the year following the Oscaro acquisition are the brand valuation and related deferred taxes. An earn-out and the activation of liability guarantees have also been recognized. The adjustments made in the consolidated financial statements are detailed in note 5.2.

The goodwill resulting from the purchase price accounting is €93.2 million, reflecting the synergies expected to be derived from the acquisition in terms of trading and cost savings, increase in market share and growth potential. The entire goodwill was allocated to France segment in 2018.

The fair value of the Oscaro brand and customer relationships were respectively recorded at €50.6 million and €4.8 million. The assets linked to the brand were valued using the royalty method with a rate of 2% based on the analysis of the Oscaro brand characteristics and on a review of the royalty rates applied in the sector. Customer relationships have been evaluated based on the cost of acquisition calculated as follows:

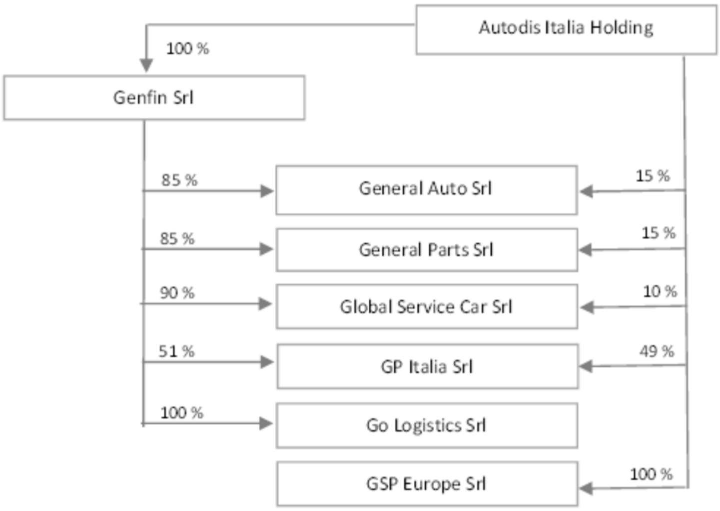
	Customers	Single customer acquisition cost	Value
Loyal customers (having ordered in the last 12 months)	2.5	1.0	2.5
Other customers	4.6	0.5	2.3
Total	**7.1**	**1.5**	**4.8**

International

On 31 May 2018, Autodis Italia Holding (a consolidated subsidiary of the Group in which the Group holds a 55% interest) finalized the acquisition of a 100% interest in G-Group, a leading automotive spare parts distributor in southern Italy, for a purchase price of €15.8 million. G-Group is a family business that was founded in Naples by the Carini family in 1948. In 2017, G-Group achieved revenue of approximately €55.0 million, 10% more compared to 2016. The goodwill resulting from the purchase price allocation is €11.3 million. As part of the acquisition, the Carini family acquired a minority interest in Autodis Italia Holding SrL, representing a continued partnership with the local entrepreneur.

Following the acquisitions of OVAM, Topcar and Ricauto in 2017 and Sarco and FGL in 2018, this acquisition allows Autodis Italia to establish itself in Central and Southern Italy. This acquisition also enables Autodis Italia to strengthen its number two position in the Italian market.

The post-acquisition organizational structure is presented below:



The purchase price was € 15.8 million and transaction costs related to the transaction were € 0.5 million.

Purchase price paid in cash	15.8
Customer relationships intangible assets	10.5
Deferred taxes on customer relationships	(2.9)
Intangible assets	0.4
Tangible assets	1.2
Other non-current assets	0.1
Deferred taxes	0.1
Inventories	10.6
Trade receivables	26.1
Cash and cash equivalents	8.0
Other current assets	3.2
Trade payables	(16.8)
Debts and overdrafts	(33.2)
Provision for risks and charges	(0.3)
Pension provision	(0.9)
Other current liabilities	(1.7)
Net assets acquired at fair value	**4.4**
Goodwill	**11.3**

An intangible asset in the amount of €10.5 million was recognized in the opening statement of financial position to reflect the acquisition of Italian customer relationships.

	Attrition rate	Discount rate	Fair value	Amortization period
Spare parts distributor	15 %	11 %	10.5M€	9 years

If the acquisition took place on January 1, 2018, the turnover and the net result for the year ended December 31, 2018 considering 12 months of exercise would be as follows:

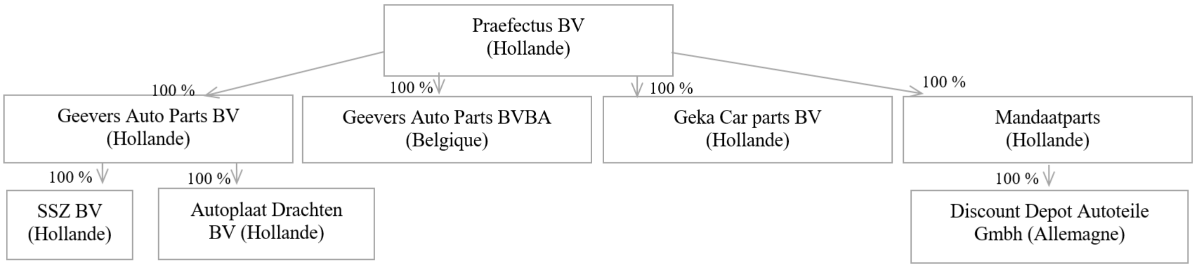
(in M€)	Pre-acquisition	Post-acquisition	Pro forma FY 2018
Turnover	**25.1**	**36.4**	**61.5**
Net income	**1.4**	**1.8**	**3.2**

On 31 May 2018, the Group acquired a 100% interest in Geevers Auto Parts B.V., the leading independent retailer of multi-brand car body parts in the Benelux countries, for a purchase price of €50.2 million, paid in cash.

Based in the Netherlands since 1967, Geevers Auto Parts B.V. is the leading independent retailer of car body parts in the accident and repair markets in Holland, Belgium and Luxembourg. Geevers, with 200 employees, achieved a turnover of approximately €64.0 million and a growth of more than 10% per year. On the full year 2018 the turnover amounts to 72.0M€. Transaction costs in relation to the acquisition amounts to €0.4 million.

The goodwill resulting from the purchase price allocation is €32.9 million, reflecting the synergies expected to be derived from the acquisition in terms of trading and cost savings, increase in market share and growth potential. The entire goodwill was allocated to the International segment (see note 9.1).

The post-acquisition organizational structure is presented below:



The identifiable assets acquired, liabilities assumed and contingent liabilities measured at fair value at acquisition date are as follows (in M€):

Purchase price	**50.2**
Customer relationships intangible assets	20.8
Deferred taxes on customer relationships	(5.2)
Tangible assets	2.4
Inventories	5.0
Trade receivables	12.3
Cash and cash equivalents	0.4
Other current assets	1.7
Trade payables	(13.0)
Debts and overdrafts	(4.3)
Other current liabilities	(2.8)
Net assets acquired at fair value	**17.3**
Goodwill	**32.9**

An intangible asset in the amount of €20.8 million was recognized in the opening balance sheet to reflect the acquisition of the customer relationships.

	Attrition rate	**Discount rate**	**Fair value**	**Amortization period**
Ar body parts workshop	Growth from 5% to 15 % in 5 years	13 %	20.8M€	9 years

If the acquisition took place on 1 January 2018, the turnover and the net result for the year ended 31 December 2018 considering 12 months of exercise would be as follows:

(in M€)	Pre-acquisition	Post-acquisition	Pro forma FY 2018
Turnover	**31.4**	**40.9**	**72.3**
Net income	**(1.2)**	**0.2**	**(1.0)**

7. Segment information

Group Management analyses and measures activity performance in the geographic areas where the Group is present, France and International. The geographic analysis reflects the segmentation used for internal reporting purposes, the strategy of the Group, and enables management to monitor the performance:

- Commercial development with a focus on trends in the market in which the Group operates across Europe (France and international).

- Operations and finance strategies as management of treasury and support services, investment and financing policies and M&A policies are determined and implemented by geographic location.

The Group's strategy is to continue growing organically by offering a superior supplier and customer experience, to become the key consolidator in the fragmented markets in France and International in which it operates by using its proven approach to M&A and to develop their online activity and their position as a fully multi-channel player.

Costs attributed to headquarters activities and support functions are allocated to France segment either directly or based on an allocation key. Items not allocated correspond to headquarter expenses. Inter – segment transactions are carried out on an arm's length basis (see Note 7.1).

The performance of operating segments is measured base on revenue and EBITDA, a non-GAAP measure which is further defined in the "Use of EBITDA" section of these notes. These indicators enable the measurement of the operating performance of the France and International segments, and include business results from internal and external growth.

In 2017, the Group presented in its financial statements in three segments: Light Vehicule France, Trucks and Light Vehicule International. In 2018, after the acquisition of Oscaro, management implemented a turnaround plan to develop Oscaro, the Group's online business. As part of this plan, the profitability and activity of Oscaro was monitored on a separate segment, BtC Digital.

For the past 3 years The Group has experienced significant external growth over the past 3 year(2018, 2019 and 2020) through its business acquisitions. (see Note 6.1). Each of the acquisitions has been supported by a clear external growth strategy focused on neighbouring European countries with similar car parcs to France and targeting strong local leaders with potential to quickly generate purchasing synergies, align interests with management, expand the reach of the Groups operations and increase exposure to fast-growing segments and markets.

In 2020, the Group's management has decided to monitor and measure performance and activity by geographic area ie France and International consistent with its strategic approach and aligned its internal reporting accordingly.

Management of the Group monitors profitability by revenue and EBITDA, a non-GAAP measure which is further defined in the "Use of EBITDA" section of these notes, and by the following operating segments:

- The **France** operational segment, includes the activities of the central purchasing activity dedicated to Light Vehicule spare parts, the central warehouse Logisteo, logistics platforms for light vehicles (Cora, ACR), the logistics platform Bremstar for truck spare parts, Mondial Pare-Brise, as well as the network of French distributors and the B2C Oscaro online platform.

- The **International** operational segment, includes the international distribution network of spare parts for Light Vehicle spare parts following numerous external growth operations (mainly Doyen Group, Autodis Italia, Geevers, AD Bosch) in Italy, Netherlands, Belgium, Spain

The Group's headquarters activities and support functions are partially allocated to France segment when costs are directly attributable to this segment. Costs that cannot be attributed to the segment identified above are presented in a separate segment entitled "Headquarters".

The recoverable amount of goodwill is monitored at the level of each segment (see Note 10.1).

7.1 Key indicators by segment

2020 **(in millions of euros)**	France	International	**Subtotal**	Headquarters	**Total**
Revenue	1,385.6	504.8	**1,890.4**	-	**1,890.4**
Of which sales to external clients	1,278.3	483.4	**1,761.7**	-	**1,761.7**
Of which inter-segment sales	107.3	21.4	**128.7**	-	**128.7**
EBITDA	171.5	46.3	**217.8**	(14.3)	**203.5**

2019 **(in millions of euros)**	France	International	**Subtotal**	Headquarters	**Total**
Revenue	1,458.8	485.5	**1,944.3**	-	**1,944.3**
Of which sales to external clients	1,335.9	461.5	**1,797.4**	-	**1,797.4**
Of which inter-segment sales	122.9	24.0	**146.8**	-	**146.8**
EBITDA	171.1	44.2	**215.3**	(13.3)	**202.0**

2018 **(in millions of euros)**	France	International	**Subtotal**	Headquarters	**Total**
Revenue	1,201.3	369.9	**1,571.2**	-	**1,571.2**
Of which sales to external clients	1,096.9	368.9	**1,465.8**	-	**1,465.8**
Of which inter-segment sales	104.5	1.1	**105.6**	-	**105.6**
EBITDA	110.7	29.8	**140.5**	(12.4)	**128.1**

7.2 Key indicators by geographical region

2020 (in millions of euros)	France	Other countries	**Group total**
Revenue	1,298.8	462.8	**1,761.7**
Intangible assets	256.7	66.9	**323.6**
Property, plant and equipment	243.7	46.5	**290.1**

2019 (in millions of euros)	France	Other countries	**Group total**
Revenue	1,361.6	435.8	**1,797.4**
Intangible assets as of 31 December 2019, restated	258.9	77.5	**336.4**
Property, plant and equipment as of 31 December 2019, restated	256.1	50.0	**306.1**

2018 (in millions of euros)	France	Other countries	**Group total**
Revenue	1,154.8	311.0	**1,465.8**
Intangible assets as of 31 December 2018, restated	264.5	61.4	**325.9**
Property, plant and equipment as of 31 December 2018, restated	85.2	18.4	**103.6**

7.3 Use of EBITDA

In assessing the performance of the Group's business, the Group considers a variety of performance and financial measures. The key measure used for determining how the Group's business is performing is EBITDA. Management internally assesses the performance and cash flows on a consolidated basis of each operating segment based on EBITDA.

EBITDA represents operating income from ordinary activities before depreciation and amortization expenses and restated for certain items that the Group believes are non-related to ordinary activities or otherwise not reflective of the ongoing performance of the business, namely start-up costs related to new businesses, income and expenses attributable to the implementation of the group transformation plan and the sponsor fees paid to the shareholders and exceptional one-off expense related to professional conferences.

A reconciliation between Operating income from ordinary activities and EBITDA and a description of the nature of the adjustments are provided below:

(in millions of euros)	**2020** *12 months*	**2019** *12 months*	**2018** *12 months*
Operating income from ordinary activities	**90.1**	**82.9**	**73.5**
Depreciation and amortization expenses	93.8	96.8	39.4
Start-up costs (1)	1.9	2.2	2.3
Non-recurring expenses attributable to implementation of the group transformation plan (2)	15.0	18.5	8.5
Additional receivables provision	2.0	-	-
Purchasing power exceptional bonus	-	-	1.2
Sponsor fees paid to shareholders (3)	1.6	1.7	1.7
Exceptional one-off expenses related to professional conferences (4)	(0.9)	(0.1)	1.4
EBITDA	**203.5**	**202.0**	**128.1**

1) Start-up costs a part included in personnel costs and a part in external expenses, they are costs related to the customer website include expenses associated with launching of the *IDGARAGES.com* website, which is still in its exploratory phase and generates only marginal revenue;

2) Non-recurring costs included in external expenses related to the implementation of the group transformation plan include legal fees, restructuring costs, or advisory costs related to the financial and capital transformation of the Group;

3) The sponsor fees paid to shareholders included in other purchases and external expenses, including management long term incentives, if applicable, but excluding social charges;

4) Exceptional expenses related to professional conferences included in external expenses: expenses which occur every 2 and 4 years will be spread.

8. Operating performance

Recurring operating income comprises of revenue, cost of goods sold, personnel costs, external expenses, taxes other than on income, other operating income and expenses, and depreciation and amortization expenses. It also includes, in particular, the share of expenses for pension obligations relating to the cost of services rendered during the period, the cost of employee profit-sharing plans, foreign exchange gains and losses relating to recurring operating activities, as well as gains and losses on the disposal of property, plant and equipment and intangible assets in connection with the Group's ordinary activities.

Cost of goods for sale includes purchases of goods, supplier rebates, change in inventories and net additions to inventories depreciation.

Other income and expenses from operations relate to unusual and material events. Other income from operations can include gains on the disposal of operations and on the disposal of property, plant and equipment and intangible assets. Other expenses from operations can include losses on the disposal of operations and on the disposal of property, plant and equipment and intangible assets, as well as any cost relating to past disposals, the costs of restructuring or closing sites and impairment losses on assets.

8.1 Revenue

Revenue is recognized when the Group satisfies a performance obligation by transferring a promised good or service to the customer. An asset is transferred when the customer obtains control of that asset.

Sales revenue

The Group operates a distribution of spare parts for light vehicles and trucks. Revenue is recognized when control of the products has been transferred. Revenue from sales is recognized based on the price specified in the contract, including variable considerations if any (i.e. Loyalty bonuses, Year-end rebates). Estimates of any variable revenues are included in the transaction price. To make such an estimate, the Group considers the specific facts and circumstances of the contract and its past experience with similar contracts.

A receivable is recognized when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

Direct flow sales commission

The Group also operates sales of spare parts, equipment and tools delivered directly by suppliers to independent distributors that do not pass through the Group's logistics platforms. When such third-party suppliers other than the Group are involved in providing goods to a customer, the Group assesses whether it is acting as an agent or a principal in the transaction. The Group acts as a "principal" when it obtains control of the goods before transferring them to the customer. In such a case, the transaction is presented on a gross basis in the Income Statement (amounts charged by suppliers are presented in operating expenses). If the Group acts as an "agent", the transaction is recorded on a net basis (amounts charged by suppliers are recorded as a deduction to revenue). For example, transactions are recorded on a net basis when the Group does not have the primary responsibility for the fulfilment of the contract and does not bear inventory and customer acceptance risk.

The Group has recognized the following amounts relating to revenue in the consolidated income statement

	2020	2019	2018
Revenue from contracts with customers	1,761.7	1,797.4	1,465.8
Total revenue	**1,761.7**	**1,797.4**	**1,465.8**

The Group derives revenue from the transfer of goods either as a principal (non-direct flow sales) or as an agent (direct sales transactions) in the following major product lines:

	2020		
(in millions of euros)	France	International	**Total**
Sales revenue	1,268.2	481,7	**1,749.9**
Direct flow sales commission	10.1	1.7	**11.8**
Revenue from contract with customers	**1,278.3**	**483.4**	**1,761.7**

	2019		
(in millions of euros)	France	International	**Total**
Sales revenue	1,324.0	459.4	**1,783.4**
Direct flow sales commission	11.9	2.1	**14.0**
Revenue from contract with customers	**1,335.9**	**461.5**	**1,797.4**

	2018		
(in millions of euros)	France	International	**Total**
Sales revenue	1,081.7	366.8	1,448.5
Direct flow sales commission	15.2	2.1	17.3
Revenue from contract with customers	**1,096.9**	**368.9**	**1,465.8**

The Group does not have any material contract assets or liabilities other than receivables from contracts with customers since all its performance obligations are satisfied at a point in time and there is no significant financing or special payment terms offered to its customers. Refer to Note 8.4 for changes in receivables during the years presented.

8.2 Purchases of goods & inventory variance

(in millions of euros)	2020	2019	2018
Purchase of goods	(1,012.8)	(1,054.4)	(881.4)
Change in inventories	(7.2)	14.0	35.2
Inventories depreciation	(2.1)	2.8	1.9
Total Purchases of goods & inventory variance	**(1,022.0)**	**(1,037.6)**	**(844.2)**

8.3 Inventories

Inventories consist primarily of goods purchased from the third-party suppliers and are typically not further modified or transformed by the Group. Inventories are valued at cost or net realizable value, whichever is lower. Net realizable value is the estimated selling price at the reporting date, less estimated costs to sell taking into account technical or commercial obsolescence and the risks related to slow-moving items.

Cost is calculated using the last supplier price applicable at 31 December of the reporting period. The cost of inventories also takes into account the impact of discounts and allowances, discounts granted by suppliers, as well as the transportation cost of purchases. Given the fast inventory turnover rate, this method of inventory costing is deemed to be a good approximation of first-in, first-out valuation methodology.

Significant judgements and estimates

Inventory impairment is calculated by applying an impairment rate for each category of unsold products based on the depletion of items and their last date of sale.

(in millions of euros)	**2020**	**2019 Restated**	**2018**
Gross value	389.3	387.2	354.1
Impairment	(29.3)	(25.2)	(23.0)
Net value	**360.1**	**362.0**	**331.0**

8.4 Trade receivables

Trade receivables classification and subsequent measurement

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within 90 days and are therefore all classified as current. Trade receivables are recognised initially at the amount of consideration that is unconditional, unless they contain significant financing components, when they are recognised at fair value. The group holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method.

The group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

Significant judgements and estimates

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the group's past history and existing market conditions, as well as forward-looking estimates at the end of each reporting period. Details of the key assumptions and inputs used are disclosed in the tables above.

Factoring

The carrying amounts of the trade receivables include receivables which are subject to a recourse factoring arrangement and not the receivables which are subject to a non-recourse factoring arrangement. Under this arrangement, the Group has transferred the relevant receivables to the factor in exchange for cash and is prevented from selling or pledging the receivables. However, the Group has retained late payment and credit risk. The group therefore continues to recognise the transferred assets in their entirety in its balance sheet. The amount repayable under the factoring agreement (both recourse and non-recourse) is presented as secured borrowing. The group considers that the held to collect business model remains appropriate for these receivables and hence continues measuring them at amortised cost.

(in millions of euros)	**2020**	**2019**	**2018**
Trade receivables	336.2	331.5	317.0
Discounts, rebates and refunds	(66.3)	(58.8)	(70.5)
Impairment	(21.0)	(18.5)	(20.2)
Net value	**248.9**	**254.1**	**226.4**

Factoring

The Group has entered into recourse factoring agreements with CGA for customer receivables held by ACR and with KBC, Caisse d'Epargne and BNP and into non-recourse factoring with Factofrance and transferred its receivable for the amount of €82.8 million as of 31 December 2020, for €93.0 million as of 31 December 2019 and €83.8 million as of 31 December 2018.

As of 31 December 2020, 2019 and 2018, the relevant carrying amounts are as follows:

(in millions of euros)	**2020**	**2019**	**2018**
Receivables (recourse factoring)	15.7	23.7	28.7
Associated secured borrowing (recourse factoring)	(5.6)	(13.2)	(15.3)
Associated secured borrowing (non-recourse factoring)	(15.2)	(9.5)	(6.7)

At 31 December 2020, the analysis of trade receivables past due but not impaired was as follows:

			Trade receivables past due				
(in millions of euros)	**Total**	**Not yet due**	**Less than 30 days**	**Between 30 and 60 days**	**Between 60 and 90 days**	**Between 90 and 120 days**	**More than 120 days**
Trade receivables	336.2	280.8	15.7	6.1	3.7	1.3	28.6
Discounts, rebates and refunds	(66.3)						
Impairment	(21.0)						
Total	**248.9**						

At 31 December 2019, the analysis of trade receivables past due but not impaired was as follows:

			Trade receivables past due				
(in millions of euro	**Total**	**Not yet due**	**Less than 30 days**	**Between 30 and 60 days**	**Between 60 and 90 days**	**Between 90 and 120 days**	**More than 120 days**
Trade receivables	331.5	260.3	27.8	13.2	5.1	2.1	23.0
Discounts, rebates refunds	(58.8)						
Impairment	(18.5)						
Total	**254.1**						

At 31 December 2018, the analysis of trade receivables past due but not impaired was as follows:

			Trade receivables past due				
(in millions of euro	**Total**	**Not yet due**	**Less than 30 days**	**Between 30 and 60 days**	**Between 60 and 90 days**	**Between 90 and 120 days**	**More than 120 days**
Trade receivables	317.0	250.4	26.6	9.6	6.0	4.8	19.6
Discounts, rebates refunds	(70.5)						
Impairment	(20.2)						
Total	**226.4**						

Impairment losses on trade receivables are presented as net impairment losses within operating profit. In years 2020, 2019, and 2018 impairment relates primarily to trade receivables past due. Changes in impairment of trade receivables are broken down as follows:

	2020	**2019**	**2018 restated**
Balance at 1 January	**18.5**	**20.2**	**14.2**
Additions	7.6	5.2	4.1
Reversal	(5.2)	(6.2)	(5.4)
Changes in scope of consolidation	0.4	0.3	6.1
Reclassifications	(0.2)	(1.0)	1.2
Balance at 31 December	**21.0**	**18.5**	**20.2**

8.5 Other current assets

(in millions of euros)	**2020**	**2019**	**2018 restated**
Prepaid expenses	14.5	14.5	13.4
Other receivables	13.9	23.0	22.0
Accrued income	1.1	0.6	0.2
CICE tax credit receivables	16.4	23.1	27.9
Other	(1.6)	(1.1)	(1.0)
Total	**44.3**	**60.1**	**62.5**

8.6 Other current liabilities

Significant judgements and estimates

Trade payables are presented net of end-of-year supplier rebates, which are estimated based on the volumes purchased and the terms of each supplier contract. The amount of rebates claimable in the subsequent year may differ from the provisions initially recognized.

(in millions of euros)	**2020**	**2019**	**2018 restated**
Trade payables	**228.5**	**236.4**	**245.7**
Other current liabilities:			
Tax and social security liabilities, personnel	85.1	63.0	65.7
Employee profit-sharing (current)	3.7	4.3	3.8
Other payables	17.7	19.8	22.4
Prepaid income	4.4	3.4	3.8
Sub-total	**111.0**	**90.5**	**95.7**
Total	**339.5**	**326.9**	**341.4**

8.7 Personnel costs

(in millions of euros)	**2020**	**2019**	**2018**
Wages (*)	(254.7)	(263.3)	(223.5)
Social security contributions	(85.6)	(89.6)	(75.4)
Profit-sharing plans	(6.9)	(7.5)	(7.1)
Pension costs	(2.0)	(1.3)	(0.9)
Personnel costs	**(349.2)**	**(361.6)**	**(306.9)**

(*) In the context of Covid 19, Group set up partial unemployment measures, depending on local situations. FY 2020 savings amounted to €20.2 million.

Pension costs include the addition to provisions for retirement benefits for the year as well as the reversal of provisions as a result of benefits paid during the year.

The Group's workforce at 31 December is broken down as follows:

Number of employees	**2020**	**2019**	**2018**
Engineers and managerial-grade staff	1,485	1,294	1,174
Technical and supervisory staff	911	930	908
Other	5,028	5,123	4,817
Total workforce(*)	**7,424**	**7,347**	**6,899**

(*) Without apprenticeship

8.8 External expenses

(in millions of euros)	2020	2019	2018
Rental expenses [1]	(10.9)	(9.2)	(48.7)
Shipping expenses	(83.7)	(91.8)	(64.9)
Maintenance and repairs	(25.6)	(24.4)	(20.0)
Legal and other fees	(14.7)	(20.3)	(14.1)
IT expenses	(9.9)	(10.4)	(8.7)
Advertising expenses	(14.8)	(15.8)	(11.6)
Subcontracting	(15.8)	(19.9)	(10.0)
Travelling expenses	(3.8)	(6.4)	(5.7)
Other expenses	(11.7)	(11.0)	(10.1)
External expenses	**(190.9)**	**(209.2)**	**(193.8)**

(1) Including out of IFRS 16 scope rent expenses and real estate charges. IFRS 16 restated rent expenses are €47.6 million in 2019 & €48.1 million in 2020.

8.9 Other operating income and expenses

(in millions of euros)	2020	2019	2018
Net (allocation to)/reversal of impairment of receivables	(2.4)	0.8	1.6
Net (allocation to)/reversal of current provisions for liabilities	-	(0.7)	(1.0)
Gain (Loss) on disposals of tangible and intangible fixed assets – continuing operations	(0.7)	1.2	(0.1)
Other	1.5	1.7	2.6
Other operating revenues and expenses	**(1.6)**	**3.0**	**3.1**

8.10 Other non-recurring incomes

(in millions of euros)	2020	2019	2018
Insurance indemnity related to fire accident	-	-	0.6
Other income [1]	0.6	-	0.2
Other income from operations	**0.6**	**-**	**0.8**

(1) For the year ended 31 December 2020, other income includes an accrued income with one of our subsidiary former owner. For the year ended 31 December 2018, other income includes indemnity received following the winding up of Finelist.

8.11 Other non-recurring charges

(in millions of euros)	2020	2019	2018
IPO project costs carried out in 2018	-	-	(7.9)
Acquisition fees	(0.3)	(2.0)	(5.1)
IT restructuring	(0.1)	(2.7)	(2.4)
Strategic review	-	(4.3)	-
Other [1]	(0.7)	-	-
Other expenses from operations	**(1.2)**	**(9.0)**	**(15.4)**

(1) For the year ended 31 December 2020, other expenses relate to statutory adjustments of one of our subsidiary pre acquisition.

9. Employee costs and benefits

The Group's employees benefit from the following plans:

- Defined contribution plans: The benefits paid depend solely on the total contributions made and the return on these investments. The Group's liability is limited to contributions paid which are recorded as an expense.

- Defined benefit plans: In accordance with French legislation, each Group employee receives retirement benefits. These plans are largely unfunded. Actuarial gains and losses from valuation of these plans are recognized immediately in equity. The Group has no multi-employer plans.

Significant judgements and estimates

An independent actuary calculates the Group's commitment under the defined benefit plans annually using the projected unit credit method. These calculations include demographic actuarial assumptions concerning mortality, severance, retirement conditions and future salary projections. Probable future benefits are discounted using a discount rate with reference to the yield on investment-grade bonds.

The cost of defined benefit plans is calculated based on actuarial valuations. These valuations are based on assumptions such as the discount, salary increase, staff turnover and mortality rates. Due to the long-term nature of such plans, there is considerable uncertainty around these estimates.

9.1 Changes in the obligations and provisions on the statement of financial position

Changes in the pension obligations recorded in the statement of financial position were as follows:

(in millions of euros)	**2020**	**2019**	**2018**
Obligation at 1 January	**32.7**	**29.7**	**27.4**
Service cost	3.6	2.9	2.1
Interest cost	0.2	0.4	0.4
Actuarial gains/ (losses)	(0.2)	1.2	(1.1)
Past service cost	0.2	-	-
Change in scope of consolidation	0.2	-	2.2
Benefits paid	(1.3)	(1.7)	(1.2)
Obligation at 31 December	**35.4**	**32.7**	**29.7**

Changes in the provision recorded in the statement of financial position were as follows:

(in millions of euros)	**2020**	**2019**	**2018**
Provision at January 1st	**32.4**	**29.5**	**27.2**
Expense for the year	3.8	3.4	2.4
Benefits paid	(1.3)	(1.7)	(1.2)
Actuarial gains (losses)	(0.2)	1.2	(1.1)
Changes in scope of consolidation/curtailments	0.2	-	2.2
Provision at December 31	**34.9**	**32.4**	**29.5**

9.2 Costs of retirement benefits recorded in income

Costs of retirement benefits recorded in the income statement:

(in millions of euros)	**2020**	**2019**	**2018**
Service cost	(1.1)	(1.3)	(0.8)
Past service cost	-	-	-
Interest cost	(0.2)	(0.4)	(0.4)
Expense for the year	**(1.3)**	**(1.7)**	**(1.2)**

9.3 Actuarial assumptions

The salary growth rate has been determined on the basis of the Group's projected and historical policy.

For mortality rates, tables TGH 05 and TGF 05 have been used, which take into account both gender and age factors. The discount rates applied are obtained by reference to the long-term yield on investment-grade bonds, such as the 10-year Euro corporates bonds for AA-grade companies. The valuation assumptions used in the calculations for the periods presented are as follows

	2020		**2019**		**2018**	
	France / Benelux	Italy	France / Benelux	Italy	France / Benelux	Italy
Discount rate	0.30%	0.35%	0.70%	0.5%	1.65%	1.5%
Long-term salary growth rate:						
Employees – supervisors	2.00%/year	2.00%/year	2.00%/year	2.00%/year	2.00%/year	2.00%/year
Managerial-grade staff (*cadres*)	3.00%/year	2.00%/year	3.00%/year	2.00%/year	3.00%/year	2.00%/year

9.4 Sensitivity tests

An increase or decrease of 0.25% in the discount rate and assumed rate of increase in salaries would have the following impacts on the provisions and service cost as at 31 December 2020 related to employees in France:

(in millions of euros)	Discount rate		
	0.05%	**0.30%**	**0.55%**
Provision in the statement of financial position	31.0	30.0	29.0
Service cost	2.7	2.6	2.5

(in millions of euros)	Long-term salary increase rate		
Employees – supervisors	**1.75%**	**2.00%**	**2.25%**
Managerial-grade staff (*cadres*)	**2.75%**	**3.00%**	**3.25%**
Provision in the statement of financial position	29.0	30.0	31.0
Service cost	2.5	2.6	2.7

10. Intangible assets and property, plant and equipment

10.1 Goodwill

In business combinations, goodwill represents any excess of the amount of consideration transferred and, where appropriate, non-controlling interests, over the net fair value of the acquired company's identifiable assets and liabilities. Goodwill balances are allocated to the different cash-generating units based on the value in use contributed to each unit.

Goodwill is tested where there are indications of impairment and at least once a year in order to determine whether the carrying amount is less than the recoverable amount. If the recoverable amount is less than the carrying amount, an impairment loss is recorded for the difference.

For the purpose of the impairment test, goodwill is grouped with other assets and liabilities of a cash-generating unit (CGU) or a group of CGUs which represents the level at which Goodwill are monitored and no higher than operating segments. The goodwill is allocated and tested on the two operating segments: France and International.

Significant judgements and estimates

The impairment test consists of measuring the CGU's recoverable amount and comparing it to its carrying amount. The recoverable amount is defined as the higher of fair value less costs to sell and value in use.

The value in use of each cash-generating unit is measured using the discounted future cash flow method, based on the various assumptions : future cash flows expected based on in the five-year strategic plan approved by the Executive Committee, growth and profitability rates considered reasonable. Long-term growth rates and discount rates are determined taking account of the specific characteristics of each segment. Discount rates reflect the weighted average cost of capital and reflects current market assessments of the time. When the recoverable amount of a cash-generating unit is less than its carrying amount, the impairment loss is deducted from goodwill to the extent possible and charged under "Other operating income and expenses"

(in millions of euros)	Gross value	Impairment	**Net value**
At 31 December 2017	**489.9**	**(363.8)**	**126.0**
Newly-consolidated companies	195.1	-	195.1
Disposals	-	-	-
Impairment for the period	-	-	-
At 31 December 2018	**685.0**	**(363.8)**	**321.1**
Oscaro goodwill adjustment	(46.9)	-	(46.9)
At 31 December 2018 (restated)	**638.1**	**(363.8)**	**274.2**
Newly-consolidated companies	43.0	-	43.0
Disposals	-	-	-
Impairment for the period	-	-	-
At 31 December 2019 (published)	**681.0**	**(363.8)**	**317.2**
AD Bosch goodwill adjustment	(18.9)	-	(18.9)
At 31 December 2019 (restated)	**662.1**	**(363.8)**	**298.3**
Newly-consolidated companies	5.0	-	5.0
Disposals	-	-	-
Impairment for the period	-	-	-
At 31 December 2020	**667.2**	**(363.8)**	**303.3**

Year ended 2020

Allocation of Goodwill by Operating Segment

	December 31, 2020		
	Gross value	**Impairment**	**Net value**
France	531.0	(363.8)	167.2
International	136.1	-	136.1
Total	**667.1**	**(363.8)**	**303.3**

Determination of the recoverable value

France

	December 31, 2020
Carrying value	653.4
Value in use	1,020.0
Headroom	366.6
WACC	8.4%
Perpetual growth rate	1%

A sensitivity analysis was performed on the % of achievement of BP and on the discount rate. No sensitivity test was performed on a perpetual growth rate due to the significant margin given by the impairment test result.

		Discount rate				
		7.5%	**8.0%**	**8.4%**	**8.5%**	**9.0%**
% achievement of BP	**90%**	1,047.8	972.2	918.0	906.8	849.6
	95%	1,106.0	1,026.2	969.0	957.2	896.8
	100%	1,164.2	1,080.2	1,020.0	1,007.5	944.0

International

	December 31, 2020
Carrying value	378.1
Value in use	390.4
Headroom	12.3
WACC	9.0%
Perpetuity growth rate	1%

A sensitivity analysis was performed on the % of achievement of BP, on the discount rate and on the perpetual growth rate :

		Discount rate				
		8.0 %	**8.5%**	**9.0%**	**9.0%**	**9.5%**
% achievement of BP	**90%**	400.7	374.3	351.3	351.3	330.9
	95%	423.0	395.1	370.9	370.8	349.3
	100%	445.2	415.9	390.4	390.3	367.7

		Discount rate 9.0%
Perpetuity growth rate	0.50%	373.0
	0.75%	381.4
	1.00%	390.4
	1.25%	399.9
	1.50%	410.1

Year ended 2019 and Year ended 2018

In 2019 and 2018, the French goodwill was allocated and tested following the previous segments:

- LV France;
- Trucks;
- Digital BtoC.

Allocation of Goodwill by Operating Segment

	December 31, 2019 restated			December 31, 2018 restated		
	Gross value	Impairment	Net value	Gross value	Impairment	Net value
LV France	420.7	(348.3)	72.4	420.7	(348.3)	72.4
Trucks	16.8	(15.6)	1.3	16.7	(15.6)	1.2
Digital BtC	93.2	-	93.2	93.2	-	93.2
International	131.4	-	131.4	107.5	-	107.5
Total	**662.1**	**(363.8)**	**298.3**	**638.1**	**(363.8)**	**274.2**

Determination of the recoverable value

LV France

	December 31, 2019	December 31, 2018
Carrying value	479.3	306.2
Value in use	789.5	847.3
Headroom	310.2	541.1
WACC	8.5%	8.5%
Perpetuity growth rate	1%	1%

A sensitivity analysis was performed on the % of achievement of BP and on the discount rate. No sensitivity test was performed on a perpetual growth rate due to the significant margin given by the impairment test result.

		Discount rate									
		2019					2018				
		7.5%	8.0%	8.5%	9.0%	9.5%	7.5%	8.0%	8.5%	9.0%	9.5%
% achievement of BP	90%	819.7	761.2	710.6	666.3	627.2	880.9	817.5	762.5	714.5	672.1
	95%	865.2	803.5	750.1	703.3	662.1	929.9	862.9	804.9	754.2	709.4
	100%	910.7	845.8	789.5	740.3	696.9	978.8	908.3	847.3	793.9	746.8

Trucks

	December 31, 2019	December 31, 2018
Carrying value	43.2	48.9
Value in use	45.0	50.5
Headroom	1.8	1.6
WACC	8.5%	8.5%
Perpetuity growth rate	1%	1%

A sensitivity analysis was performed on the % of achievement of BP, on the discount rate and on the perpetual growth rate.

		Discount rate									
		2019					2018				
		7.5%	8.0%	8.5%	9.0%	9.5%	7.5%	8.0%	8.5%	9.0%	9.5%
% achievement of BP	90%	47.9	44.0	40.5	37.5	34.8	53.5	49.2	45.5	42.2	39.4
	95%	50.6	46.4	42.8	39.6	36.8	56.4	51.9	48.0	44.6	41.6
	100%	53.3	48.8	45.0	41.7	38.7	59.4	54.6	50.5	46.9	43.7

		2019	2018
		Discount rate 8.5%	Discount rate 8.5%
Perpetuity growth rate	0.50%	42.3	47.7
	0.75%	43.6	49.0
	1.00%	45.0	50.5
	1.25%	46.5	52.1
	1.50%	48.0	53.8

Digital BtoC

	December 31, 2019
Carrying value	137.4
Value in use	194.3
Headroom	56.9
WACC	11.0%
Perpetuity growth rate	1%

Oscaro and its subsidiaries were acquired on November 13, 2018. Since the assets were recorded at fair value at the acquisition date in November 2018 and no significant event indicates any potential impairment loss, no valuation was performed at December 31, 2018 and no impairment loss has been recorded.

		Discount rate				
		2019				
		10.0%	10.5%	11.0%	11.5%	12.0%
% achievement of BP	90%	196.7	185.2	174.8	165.5	157.0
	95%	207.6	195.5	184.5	174.7	165.7
	100%	218.6	205.8	194.3	183.9	174.4

International

	December 31, 2019	December 31, 2018
Carrying value	329.6	324.6
Value in use	332.5	490.7
Headroom	2.9	166.1
WACC	8.5%	8.5%
Perpetuity growth rate	1%	1%

A sensitivity analysis was performed on the % of achievement of BP and on the discount rate for 2019 and 2018. A sensitivity analysis on the perpetual growth rate in 2019. No sensitivity test was performed on a perpetual growth rate in 2018 due to the significant margin given by the impairment test result.

		Discount rate									
		2019					2018				
		7.5%	8.0%	8.5%	9.0%	9.5%	7.5%	8.0%	8.5%	9.0%	9.5%
% achievement of BP	90%	349.4	322.5	299.3	278.9	261.0	510.4	473.6	441.6	413.7	389.1
	95%	368.8	340.5	315.9	294.4	275.5	538.8	499.9	466.2	436.7	410.7
	100%	388.2	358.4	332.5	309.9	290.0	567.1	526.2	490.7	459.7	432.3

		2019
		Discount rate 8.5%
Perpetuity growth rate	0.50%	314.8
	0.75%	323.4
	1.00%	332.5
	1.25%	342.3
	1.50%	352.8

10.2 Intangible assets

Intangible assets acquired separately are valued at acquisition cost. Intangible assets acquired in connection with a business combination are recorded at fair value on the acquisition date. Costs relating to intangible assets created internally are recorded under assets when the criteria set out in IAS 38 Intangible Assets are met.

In accordance with IAS 38 "Intangible Assets", development expenses are capitalized as an intangible asset when the following criteria are met:

- the technical feasibility of the project is demonstrated;

- the intention exists to finish the project and use or sell the products created during the project;

- the ability to use or sell the products created during the project is demonstrated;

- a potential market for the products created during the project exists or their usefulness, in case of internal use, is demonstrated, leading one to believe that the project will generate probable future economic benefits;

- adequate resources are available to complete the project; and

- the expenditure attributable to the project during its development phase can be reliably measured.

Compliant with IAS 38, research expenses, or development expenses that do not meet the criteria set out above, are recorded as expenses in the year in which they are incurred.

Intangible assets with a finite useful life (Software, Licenses, Customer Relationships)

Intangible assets with a finite useful life are amortized over their useful lives for accounting purposes and are tested for impairment whenever there is an indication that they may be impaired. Amortization of intangible assets with finite useful lives is recorded in the income statement in the appropriate expense category based on the intangible asset's function. The Group's intangible assets fall into this category and primarily comprise Movex accounting software licenses, as well as capitalized development costs.

Amortization begins when the asset is available for use, ie when it is in the location and condition necessary for it to be capable of operating in the manner intended by management.

Intangible assets are amortized on a straight-line basis over the following estimated useful life:

Software (licences)	5 years
Capitalized development costs	2 to 5 years
Customer relationships	Estimated term of contracts held in the portfolio

Intangible assets with an indefinite useful life (Brands & Goodwill)

Intangible assets with an indefinite useful life are not amortized but are tested for impairment at least once a year on 31 December, either individually or at the level of the CGU to which they belong, and whenever there is an indication that they may be impaired.

Impairment

After initial recognition, intangible assets are valued at their acquisition cost less accumulated amortization and impairment. The assets are tested for impairment by comparing its recoverable amount with its net carrying amount, where the recoverable amount is defined as the higher of its fair value less costs to sell and its value in use. It is determined for each asset separately, unless the asset generates cash flows that are largely dependent on the cash flows generated by other assets or groups of assets. Impairment of continuing operations is recorded in the income statement in the appropriate expenses category with regard to the function of the impaired asset. An assessment is made on each reporting date in order to identify whether a previously identified indication of impairment has decreased or no longer exists. In this case, the Group estimates the recoverable amount and an impairment loss previously recorded is reversed to the asset's recoverable amount. When an impairment loss is reversed, the carrying amount of an asset must not exceed the carrying amount that would have been determined, less depreciation and amortization, had no impairment been recorded for said asset during previous periods. An impairment loss reversal is recorded in the income statement.

Significant judgements and estimates

The amortization period and method for intangible assets with finite useful lives are reviewed at least once a year at the reporting date. The useful life of an intangible asset with an indefinite useful life is reviewed annually at the reporting date in order to determine whether the indefinite useful life assessment is still justified. If it is not, the change in assessment of the nature of the useful life from indefinite to finite is recorded prospectively.

For the purpose of impairment testing, value in use is determined using the projected future cash flows based on the five-year business plan approved by the Executive Committee, discounted by applying a discount rate that reflects current market assessments of the time

Gross value	Software and licenses	Brands	Customer relationships	Other	**Total**
At 31 December 2017	**85.6**	**170.7**	**58.6**	**2.6**	**317.5**
Asset acquisitions	10.7	-	-	0.8	11.5
Customer relationship acquisition	-	-	5.3	-	5.3
Reclassification	1.8	-	-	(1.9)	(0.1)
Asset disposals	(0.1)	-	-	-	(0.1)
Business combinations	6.5	-	33.4	0.4	40.3
At 31 December 2018 (published)	**104.4**	**170.7**	**97.3**	**1.8**	**374.3**
Oscaro brand and customer relationship evaluation		50.6	4.8		**55.4**
At 31 December 2018 (restated)	**104.4**	**221.3**	**102.2**	**1.8**	**429.7**
Asset acquisitions	11.4	-	-	1.7	13.1
Customer relationship acquisition	-	-	-	-	-
Reclassification	1.1	-	-	(0.5)	0.6
Asset disposals	-	-	-	(0.1)	(0.2)
At 31 December 2019 (published)	**116.7**	**221.3**	**102.2**	**2.8**	**443.1**
AD Bosch brand and customer relationship evaluation	-	-	27.2	-	**27.2**
At 31 December 2019 (restated)	**116.7**	**221.3**	**129.4**	**2.8**	**470.2**
Asset acquisitions	10.3	-	-	3.0	13.3
Customer relationship acquisition	-	-	-	-	-
Reclassification	1.3	-	-	(1.3)	-
Asset disposals	-	-	-	-	-
At 31 December 2020	**128.3**	**221.3**	**129.4**	**4.5**	**483.5**

Amortization and impairment	Software and licenses	Brands	Customer relationships	Other	**Total**
At 31 December 2017	**73.7**	**-**	**8.3**	**0.5**	**82.5**
Amortization	8.6	-	12.8	0.2	21.5
Reclassification	(0.1)	-	-	-	(0.1)
Impairment and reversals	(0.1)	-	-	-	(0.1)
At 31 December 2018	**82.0**	**-**	**21.1**	**0.7**	**103.8**
Amortization	12.6	-	15.7	0.4	28.7
Reclassification	(0.1)	-	-	0.1	0.1
Impairment and reversals	(0.1)	-	-	-	(0.1)
At 31 December 2019 (published)	**94.4**	**-**	**36.9**	**1.1**	**132.3**
AD Bosch brand and customer relationship evaluation	**-**	**-**	**1.5**	**-**	**1.5**
At 31 December 2019 (restated)	**94.4**	**-**	**38.4**	**1.1**	**133.9**
Amortization	12.8	-	13.2	0.2	26.2
Reclassification	-	-	-	-	-
Impairment and reversals	(0.1)	-	-	-	(0.1)
At 31 December 2020	**107.1**	**-**	**51.6**	**1.3**	**159.9**

Net value					
At 31 December 2018 (published)	**22.4**	**170.7**	**76.3**	**1.1**	**270.5**
At 31 December 2018 (restated)	**22.4**	**221.3**	**81.1**	**1.1**	**325.9**
At 31 December 2019 (published)	**22.4**	**221.3**	**65.3**	**1.8**	**310.7**
At 31 December 2019 (restated)	**22.4**	**221.3**	**91.0**	**1.8**	**336.4**
At 31 December 2020	**21.3**	**221.3**	**77.8**	**3.2**	**323.6**

10.3 Property, plant and equipment

Items of property, plant and equipment, including land, property and the corresponding fixtures, are carried at cost less accumulated depreciation and impairment losses. Routine maintenance costs are expensed as incurred.

Items of property, plant and equipment are depreciated on a straight-line basis over the following useful lives:

Properties	25 years
Equipment and machinery	10 years
General fixtures and fittings	5 years
Transportation equipment	5 years
Furnishings	5 years
IT equipment	2 years

The useful lives of the assets and the depreciation methods are reviewed and modified when necessary on each annual reporting date.

An item of property, plant and equipment is derecognized when it is disposed of or when no further future economic benefits are expected from its use. Any gain or loss resulting from derecognizing an asset (calculated based on the difference between the net proceeds on disposal and the net carrying amount) is recorded in the income statement in the year in which it is derecognized.

(in millions of euros) ***Gross value***	Land	Property and fixtures	Technical fittings	Vehicles	IT equipment	Furnishings	Assets in progress	Total excluding IFRS16 impacts	IFRS16 right of use*	**Total**
At 31 December 2017	**5.7**	**117.1**	**52.5**	**13.2**	**23.6**	**7.7**	**1.0**	**220.9**	-	**220.9**
Asset acquisitions	-	7.0	4.3	2.0	2.5	0.6	5.0	**21.3**	-	**21.3**
Reclassification	-	0.7	0.2		0.2	(0.1)	(0.8)	**-**	-	**-**
Disposals	-	(2.4)	(2.2)	(1.6)	(0.4)	(0.2)	-	**(6.7)**	-	**(6.7)**
Business combinations	-	2.9	4.1	1.0	1.5	1.1	0.1	**10.7**	-	**10.7**
At 31 December 2018	**5.7**	**125.2**	**58.9**	**14.5**	**27.2**	**9.1**	**5.3**	**246.1**	**-**	**246.1**
IFRS16 first application									**180.5**	**180.5**
Asset acquisitions	-	11.6	4.9	2.7	3.5	0.9	3.2	27.0	32.4	59.3
Reclassification	-	2.0	0.4	(0.2)	-	2.0	(5.6)	(1.0)	(3.2)	(4.2)
Disposals	(0.2)	(3.0)	(1.5)	(1.5)	(0.4)	(0.1)	-	(7.0)	(1.9)	(8.6)
Business combinations	-	0.1	0.7	0.8	0.2	0.1	-	1.9	5.5	7.4
At 31 December 2019 (published)	**5.6**	**135.9**	**63.5**	**16.4**	**31.1**	**11.9**	**2.9**	**267.2**	**213.2**	**480.3**
IFRS16 adjustments									**28.3**	**28.3**
At 31 December 2019 (restated)	**5.6**	**135.9**	**63.5**	**16.4**	**31.1**	**11.9**	**2.9**	**267.2**	**241.5**	**508.6**
Asset acquisitions	-	5.3	3.7	2.6	3.3	0.3	3.8	19.0	37.4	56.4
Reclassification	-	1.0	0.2	0.2	0.4	-	(1.9)	-	(2.8)	(2.8)
Disposals	-	(4.4)	(0.9)	(1.4)	(0.5)	-	-	(7.0)	(5.9)	(13.0)
Business combinations	-	0.2	0.5	0.2	-	-	-	1.0	-	1.0
At 31 December 2020	**5.6**	**137.9**	**67.1**	**18.0**	**34.3**	**12.2**	**4.9**	**280.0**	**270.2**	**550.2**

*Mainly related to property and fixtures.

Depreciation and impairment	Land	Property and fixtures	Technical fittings	Vehicles	IT equipment	Furnishings	Assets in progress	Total excluding IFRS16 impacts	IFRS16 right of use*	**Total**
At 31 December 2017	**1.6**	**63.7**	**34.5**	**9.0**	**17.2**	**4.5**	**-**	**130.5**	**-**	**130.5**
Depreciation	-	8.2	4.0	1.8	2.9	1.0	-	17.9		17.9
Reversals related to disposals of business	-	(1.8)	(2.0)	(1.5)	(0.2)	(0.1)	-	(5.7)		(5.7)
At 31 December 2018	**1.6**	**69.7**	**36.6**	**9.5**	**20.0**	**5.1**	**-**	**142.5**	**-**	**142.5**
Depreciation	-	8.9	6.1	2.2	3.3	1.3	-	21.8	**44.5**	**66.3**
Reclassification	-	-	-	(0.2)	-	0.1	-	(0.1)	**-**	**(0.1)**
Reversals related to disposals of business	-	(2.8)	(1.2)	(1.3)	(0.3)	(0.1)	-	(5.6)	**(1.5)**	**(7.1)**
Business combinations	-	-	-	-	-	-	-	-	**1.0**	**1.0**
At 31 December 2019 (published)	**1.6**	**75.8**	**41.5**	**10.2**	**23.0**	**6.4**	**-**	**158.6**	**43.6**	**202.2**
IFRS16 adjustments	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**0.3**	**0.3**
At 31 December 2019 (restated)	**1.6**	**75.8**	**41.5**	**10.2**	**23.0**	**6.4**	**-**	**158.6**	**44.0**	**202.6**
Depreciation	-	9.5	6.3	2.2	3.9	1.2	-	23.0	**44.6**	**67.7**
Reclassification	-	(0.1)	-	0.2	0.1	-	-	0.2	**-**	**0.2**
Reversals related to disposals of business	-	(3.8)	(0.7)	(1.2)	(0.5)	-	-	(6.2)	**(4.2)**	**(10.4)**
Business combinations	-	-	-	-	-	-	-	-	**0**	**0.0**
At 31 December 2020	**1.6**	**81.4**	**47.1**	**11.5**	**26.5**	**7.5**	**-**	**175.7**	**84.4**	**260.1**
Net Value										
At 31 December 2018	**4.1**	**55.5**	**22.3**	**5.0**	**7.2**	**4.0**	**5.3**	**103.6**	**-**	**103.6**
At 31 December 2019 (restated)	**4.0**	**60.0**	**22.0**	**6.1**	**8.1**	**5.4**	**2.9**	**108.6**	**197.6**	**306.1**
At 31 December 2020	**4.0**	**56.6**	**19.9**	**6.5**	**7.8**	**4.7**	**4.9**	**104.3**	**185.8**	**290.1**

*Mainly related to property and fixtures.

10.3.1 Reconciliation of depreciation and amortization expense recorded in the income statement

(in millions of euros)	**2020**	**2019 Restated**	**2018**
Intangible assets from acquired business combinations	(13.1)	(17.2)	(12.8)
Other intangible assets	(13.1)	(13.0)	(8.7)
Total intangible assets	(26.2)	(30.2)	(21.5)
Right of use depreciation (IFRS16)	(44.6)	(44.9)	-
Property, plant and equipment	(23.0)	(21.8)	(17.9)
Total tangible assets	(67.6)	(66.7)	(17.9)
Depreciation and amortization expense	**(93.8)**	**(96.8)**	**(39.4)**

10.3.2 Reconciliation of property, plant and equipment and intangible asset acquisitions shown in the statement of cash flows

(in millions of euros)	**2020**	**2019**	**2018**
Intangible assets (excl. customer relationships)	13.3	13.1	11.5
Tangible assets (excl. IFRS16 acquisition)	19.1	26.9	21.3
Acquisitions of non-current assets, total	**32.4**	**40.0**	**32.8**

11. Other non-current assets

(in millions of euros)	**Loans**	**Deposits, guarantees and other sureties**	**Total**
Gross value			
At 31 December 2017	**10.5**	**9.0**	**19.6**
Acquisitions	0.5	4.1	**4.6**
Reclassification	-	(0.2)	**(0.2)**
Disposals	(5.6)	(1.4)	**(7.1)**
Business acquisitions	0.6	8.4	**9.0**
Foreign exchange gains/ (losses)	-	-	-
At 31 December 2018 (published)	**6.0**	**19.9**	**25.9**
Business acquisitions	**-**	**2.0**	**2.0**
At 31 December 2018 (restated)	**6.0**	**21.9**	**27.9**
Acquisitions	0.9	4.1	**5.0**
Reclassification	-	0.5	**0.5**
Disposals	(1.1)	(1.5)	**(2.6)**
Business acquisitions	0.2	0.3	**0.5**
At 31 December 2019	**6.0**	**25.3**	**31.3**
Acquisitions	0.5	1.0	**1.5**
Reclassification	0.7	-	**0.7**
Disposals	(0.2)	(1.2)	**(1.5)**
Business acquisitions	(1.1)	(0.1)	**(1.0)**
At 31 December 2020	**5.9**	**25.1**	**31.0**
Amortization and impairment			
At 31 December 2017	**0.1**	**0.2**	**0.2**
Amortization and impairment	0.5	0.2	0.7
At 31 December 2018	**0.6**	**0.4**	**1.0**
Amortization and impairment	-	(0.2)	(0.2)
At 31 December 2019	**0.6**	**0.1**	**0.7**
Amortization and impairment	-	-	-
At 31 December 2020	**0.6**	**0.1**	**0.7**
Net value			
At 31 December 2018 (published)	**5.4**	**19.5**	**24.9**
At 31 December 2018 (restated)	**5.4**	**21.5**	**26.9**
At 31 December 2019	**5.4**	**25.1**	**30.5**
At 31 December 2020	**5.3**	**25.0**	**30.3**

12. Provisions

A provision is recorded when the Group has a current obligation (legal or implied) arising as a result of a past event, when it is likely that an outflow of resources representing economic benefits will be necessary in order to settle the obligation and the amount of the obligation can be reliably estimated. In the ordinary course of its operations, the Group may be involved in legal procedures relating to industrial disputes, commercial disputes, etc. In such cases, in conjunction with its legal advisors, the Group analyses the circumstances of the disputes and assesses the probability that an outflow of resources will be required to settle them.

When the Group expects the provision to be partly or wholly refunded, for example through an insurance policy, the refund is recorded as a separate asset but only if it is virtually certain. The amount of the expense corresponding to a provision is recorded in the income statement net of any refunds.

If the effect of the time value of money is material, provisions are discounted on the basis of a current rate before tax, which reflects the risks specific to the liability. When the provision is discounted, the increase relating to the passage of time is recorded as a financial expense.

Changes in current provisions are as follows:

(in millions of euros)	**31 Dec 2019**	Newly consolidated	Reclassifi-cations	Additions and disposals	Reversals (used provisions)	Reversals (surplus provisions)	**31 Dec 2020**
Employee disputes	**1.9**	0.2	0.1	1.4	(0.5)	(0.2)	**2.9**
Site closures	**0.1**	-	-	0.3	-	-	**0.4**
Tax risk	**2.3**	-	-	-	-	(1.0)	**1.3**
Sales disputes	**1.0**	(0.2)	(0.1)	0.3	-	(0.3)	**0.6**
Other provisions	**2.2**	-	-	0.4	(0.6)	(0.2)	**1.9**
Total	**7.5**	**-**	**-**	**2.4**	**(1.1)**	**(1.7)**	**7.1**

(in millions of euros)	**31 Dec 2018 (restated)**	Newly consolidated	Reclassifi-cations	Additions and disposals	Reversals (used provisions)	Reversals (surplus provisions)	**31 Dec 2019**
Employee disputes	**2.4**	-	(0.1)	1.1	(1.1)	(0.4)	**1.9**
Site closures	**0.3**	-	-	-	(0.1)	(0.1)	**0.1**
Tax risk	**2.7**	-	-	-	(0.2)	(0.2)	**2.3**
Sales disputes	**5.2**	-	-	0.2	(3.4)	(1.0)	**1.0**
Other provisions	**3.0**	(0.2)	-	0.2	(0.7)	(0.1)	**2.2**
Total	**13.5**	**(0.2)**	**(0.1)**	**1.5**	**(5.5)**	**(1.8)**	**7.5**

(in millions of euros)	**31 Dec 2017**	Newly consolidated	Reclassifi-cations	Additions and disposals	Reversals (used provisions)	Reversals (surplus provisions)	**31 Dec 2018**
Employee disputes	**3.2**	1.2	(0.6)	0.7	(1.4)	(0.4)	**2.4**
Site closures	**0.4**	-	(0.1)	0.3	(0.3)	-	**0.3**
Tax risk	**0.4**	1.5	0.6	0.4	(0.2)	-	**2.7**
Sales disputes	**0.5**	3.7	-	1.3	(0.5)	(0.1)	**5.2**
Other provisions	**2.6**	0.9	-	0.2	(0.4)	(0.3)	**3.0**
Total	**7.1**	**4.3**	**(0.1)**	**2.9**	**(2.8)**	**(0.8)**	**13.5**

13. Financial assets and liabilities

Financial instruments consist of:

— Financial assets, including other non - current assets, trade receivables, other current assets, cash management assets and cash and cash equivalents;

— Financial liabilities, including long- and short - term borrowings and bank overdrafts, lease liabilities, accounts payable and other current and non - current liabilities;

Financial assets

IFRS 9 introduces a classification approach for financial assets, either at amortized cost or at fair value through income. The financial asset is classified in its entirety and is not subject to complex rules of decomposition.

Two criteria are used to determine how financial assets should be classified and measured:

- the business model of the entity for the management of financial assets, and

- the characteristics of the contractual cash flows of the financial asset.

For a financial asset in the scope of IFRS 9, there are 3 types of economic models:

- If the objective of the business model is exclusively to hold financial assets to cash out contractual cash flows and the characteristics of the contractual cash flows of the financial asset are Solely Payments or Principal and Interests: the financial asset is measured at amortized cost.

- If the objective of the business model is both to hold financial assets to cash out in contractual cash flows and to sell financial assets and the characteristics of the contractual cash flows of the financial asset are Solely Payments or Principal and Interests: the financial asset is measured at fair value through profit or loss.

- If financial assets that are not held in any of the two business models above are measured at fair value through profit or loss.

The Group's financial assets are classified as financial assets at fair value through profit or loss and in the category of financial assets measured at amortized cost.

Financial liabilities

Financial liabilities are subsequently measured at fair value through profit or loss, fair value through other comprehensive income or amortized cost

All loans are initially recorded at fair value, less directly related transaction costs.

After initial recognition, interest-bearing loans are valued at amortized cost using the effective interest rate method. The incremental and directly attributable issue costs have an impact on the initial carrying amount and are recognized over the term of the loan using the effective interest rate method. The amortized issue costs are presented as a deduction from the liabilities to which they relate. Gains and losses are recorded in the income statement when the liabilities are derecognized through the amortized cost mechanism.

The put options held by minority shareholders are measured at fair value through Other Comprehensive Income ("OCI")

Fair value

IFRS 13 *Fair Value Measurement*, as effective for as of 1 July 2014, establishes a fair value hierarchy consisting of three levels:

Level 1: prices on the valuation date for identical instruments to those being valued, quoted on an active market to which the entity has access;

Level 2: directly observable market inputs other than Level 1 inputs;

Level 3: inputs not based on observable market data (for example, data derived from extrapolations).This level applies when there is no observable market or data and the entity is obliged to rely on its own assumptions to assess the data that other market participants would have applied to price other instruments.

Financial assets and liabilities classification:

At 31 December 2020:

(in millions of euros)	Assets/ liabilities at fair value through income	Assets/ liabilities at fair value through OCI	Assets/ liabilities at amortized cost	**Total net carrying amount**	**Total fair value**
Financial assets at fair value through income	0.7	-	-	0.7	**0.7**
Other non-current assets, net	-	-	30.3	30.3	**30.3**
Trade receivables, net	-	-	248.9	248.9	**248.9**
Other current assets, net	-	-	44.3	44.3	**44.3**
Cash and cash equivalents	113.4	-	-	113.4	**113.4**
Financial assets	**114.1**	**-**	**323.5**	**437.7**	**437.7**
Borrowings and debt (current and non-current)	1.2	56.8	1,230.5	1,288.5	**1,313.3**
Trade payables	-	-	228.5	228.5	**228.5**
Other non-current liabilities	-	-	8.9	8.9	**8.9**
Other current liabilities[1]	-	-	25.9	25.9	**25.9**
Financial liabilities	**1.2**	**56.8**	**1,493.8**	**1,551.8**	**1,576.6**

[1] Excluding tax and social security liabilities outside the scope of IAS 39.

At 31 December 2019 (restated):

(in millions of euros)	Assets/ liabilities at fair value through income	Assets/ liabilities at fair value through OCI	Assets/ liabilities at amortized cost	**Total net carrying amount**	**Total fair value**
Financial assets at fair value through income	0.8	-	-	0.8	**0.8**
Other non-current assets, net	-	-	30.5	30.5	**30.5**
Trade receivables, net	-	-	254.1	254.1	**254.1**
Other current assets, net	-	-	60.1	60.1	**60.1**
Cash and cash equivalents	71.3	-	-	71.3	**71.3**
Financial assets	**72.1**	**-**	**344.7**	**416.8**	**416.8**
Borrowings and debt (current and non-current)	1.2	71.3	1,239.0	1,311.5	**1,327.8**
Trade payables	-	-	236.4	236.4	**236.4**
Other non-current liabilities	-	-	10.0	10.0	**10.0**
Other current liabilities[1]	-	-	27.4	27.4	**27.4**
Financial liabilities	**1.2**	**71.3**	**1,512.8**	**1,585.3**	**1,601.6**

[1] Excluding tax and social security liabilities outside the scope of IFRS 9.

At 31 December 2018 (restated):

(in millions of euros)	Assets/ liabilities at fair value through income	Assets/ liabilities at fair value through OCI	Assets/ liabilities at amortized cost	**Total net carrying amount**	**Total fair value**
Financial assets at fair value through income	0.9	-	-	0.9	**0.9**
Other non-current assets, net	-	-	26.9	26.9	**26.9**
Trade receivables, net	-	-	226.4	226.4	**226.4**
Other current assets, net	-	-	62.5	62.5	**62.5**
Cash and cash equivalents	81.3	-	-	81.3	**81.3**
Financial assets	**82.2**	**-**	**315.8**	**398.0**	**398.0**
Borrowings and debt (current and non-current)	1.2	54.7	958,4	1,014.2	**998,6**
Trade payables	-	-	245.7	245.7	**245.7**
Other non-current liabilities	-	-	5.5	5.5	**5.5**
Other current liabilities(1)	-	-	30.0	30.0	**30.0**
Financial liabilities	**1.2**	**54.7**	**1,239.6**	**1,295.4**	**1,279.8**

(1) Excluding tax and social security liabilities outside the scope of IFRS 9.

The following table presents the fair value of financial instruments broken down according to the three classification levels defined above.

	2020			**2019**			**2018**		
(in millions of euros)	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial assets at fair value through income	-	-	0.7	-	-	0.8	-	-	0.9
Cash and cash equivalents	113.4	-	-	71.3	-	-	81.3	-	-
Financial assets	**113.4**	**-**	**0.7**	**71.3**	**-**	**0.8**	**81.3**	**-**	**0.9**
Borrowings and debt (current and non-current)	-	-	58.0	-	-	72.5	-	-	55.9
Financial liabilities	**-**	**-**	**58.0**	**-**	**-**	**72.5**	**-**	**-**	**55.9**

13.1 Long-term debt

13.1.1 Group financing as of 31 December 2020

On July 17th, 2020, Group has issued €300.0 million in aggregate principal amount of fixed rate Senior Secured Notes due 2025 at an issue price of 100.00% with a coupon of 6.50% per annum. The proceeds of the Senior Secured Notes has been used to: (i) fund the redemption of the entire aggregate principal amount outstanding of the Issuer's €260.0 million 4.375% Senior Secured Notes due 2022 and the redemption of €37.0 million aggregate principal amount of the Issuer's €175.0 million Senior Secured Floating Rate Notes due 2022; and (ii) pay the fees and expenses incurred in connection with the foregoing.

On October 29, 2020, Group has issued €280.0 million in aggregate principal amount of its 6.50% Senior Secured Notes due 2025. These Senior Secured Notes have been issued at a price of 101.0% plus accrued and unpaid interest from July 17, 2020. The proceeds of the Senior Secured Notes has been used (i) to fund the redemption of €139.0 million in aggregate principal amount of the Issuer's existing senior secured floating rate notes due 2022 issued under an indenture dated as of November 14, 2016, (ii) to fund the redemption of the entire aggregate principal amount of the Issuer's existing Senior Secured Floating Rate Notes due 2022 issued under an indenture dated as of February 7, 2019, (iii) for general corporate purposes and (iv) to pay the fees and expenses incurred in connection with the foregoing.

At 31 December 2020, the Group's financing are as follows:

Bond issue *(in millions of euros unless otherwise indicated)*	**Nominal value**	**Fair value**	**Value at amortized cost**	**Fixed interest rates**	**Variable interest rates**	**Maturity**	**Comments**
Senior Secured Floating Rate Notes	304.0	303.1	302.3	-	Euribor+4.375 %	April 2022	Fully underwritten
Senior Secured Fixed Rate Notes	580.0	603.2	579.2	6.5%	-	July 2025	Fully underwritten
Sup Bonds	1.2	1.2					Fully underwritten

13.1.2 Group financing as of 31 December 2019

At 31 December 2019, the Group's financing are as follows:

Bond issue *(in millions of euros unless otherwise indicated)*	**Nominal value**	**Fair value**	**Value at amortized cost**	**Fixed interest rates**	**Variable interest rates**	**Maturity**	**Comments**
Senior Secured Floating Rate Notes	443.0	444.4	436.9	-	Euribor+4.375 %	April 2022	Fully underwritten
Senior Secured Fixed Rate Notes	175.0	175.6	170.6	-	Euribor+5.5%	April 2022	Fully underwritten
Senior Secured Fixed Rate Notes	260.0	261.2	257.4	4.375%	-	April 2022	Fully underwritten
Sup Bonds	1.2	1.2					Fully underwritten

In addition, the Revolving Credit Facility line was used for € 50 million in the context of the acquisition of AD Bosch.

13.1.3 Group financing as of 31 December 2018

On 5 July 2018, the Group issued an additional €175.0 million of the Senior Secured Floating Rate Notes paying variable interest at Euribor+4.375%, maturing in 2022 at an issue price of 99.5%.

At 31 December 2018, the Group's financing are as follows:

Bond issue *(in millions of euros unless otherwise indicated)*	**Nominal value**	**Fair value**	**Value at amortized cost**	**Fixed interest rates**	**Variable interest rates**	**Maturity**	**Comments**
Senior Secured Floating Rate Notes	515.0	500.0	506.5	-	Euribor+4.375 %	April 2022	Fully underwritten
Senior Secured Fixed Rate Notes	260.0	247.3	256.4	4.375%	-	April 2022	Fully underwritten
Sup Bonds	1.2	1.2					Fully underwritten

The Revolving Credit Facility was used for €90 M in connection with the acquisition of an equity stake in Oscaro on November 13, 2018.

13.1.4 Refinancing transactions

The refinancing transactions are summarized in the table below:

(in millions of euros)	**2020**	**2019 Restated**	**2018**
Senior Secured Notes	582.8	173.7	175.0
Refinancing fees	(3.2)	(4.6)	(5.2)
Revolving credit facility – drawing	28.0	50.0	90.0
French guaranteed loan	25.0	-	-
International guaranteed loan	32.2	-	-
Other loans	0.9	8.8	3.4
Increase in borrowings	**665.8**	**227.8**	**263.2**
Repayment of Revolving credit facility	(78.0)	(90.0)	-
Repayment of Senior Secured Notes	(574.4)	(72.1)	-
CICE financing	-	-	(5.9)
Repayment of IFRS16 borrowings	(43.1)	(41.4)	-
Repayment of other borrowings and loans	(48.3)	(6.6)	(1.2)
Repayment of borrowings	**(743.8)**	**(210.1)**	**(7.1)**

13.1.5 Non-current borrowings and debt by maturity

The amounts below include contractual cash flows net of projected repayments plus interest payable.

At 31 December 2020

	Interest payments				**Gross repayments**				
(in millions of euros)	Less than 1 year	Between 1 and 5 years	More than 5 years	**Sub-total**	Less than 1 year	Between 1 and 5 years	More than 5 years	**Sub-total**	**Total**
Senior Secured Notes	50.5	156.3	-	**206.7**	-	884.0	-	**884.0**	**1,090.7**
Sup Bonds	-	-	-	**-**	1.2	-	-	**1.2**	**1.2**
Revolving credit facility	-	-	-	**-**	-	-	-	**-**	**-**
Amounts owed under finance leases	-	-	-	**-**	1.7	2.0	-	**3.7**	**3.7**
Other borrowings and accrued interest	0.7	0.8		**1.4**	80.4	27.1	-	**107.5**	**108.9**
Lease debt (IFRS16)	5.9	14.1	4.6	**24.7**	39.4	137.7	17.9	**195.0**	**219.7**
Total non-current borrowings and debt	**57.1**	**171.2**	**4.6**	**232.8**	**122.7**	**1,050.8**	**17.9**	**1,191.4**	**1,424.2**

At 31 December 2019, restated

	Interest payments				Gross repayments				
(in millions of euros)	Less than 1 year	Between 1 and 5 years	More than 5 years	**Sub-total**	Less than 1 year	Between 1 and 5 years	More than 5 years	**Sub-total**	**Total**
Senior Secured Notes	40.5	60.5	-	**100.9**	-	878.0	-	**878.0**	**978.9**
Sup Bonds	-	-	-	**-**	1.2	-	-	**1.2**	**1.2**
Revolving credit facility	-	-	-	**-**	50.0	-	-	**50.0**	**50.0**
Amounts owed under finance leases	0.1	-	-	**0.1**	1.3	2.3	-	**3.6**	**3.7**
Other borrowings and accrued interest	0.2	-	-	**0.2**	71.7	6.4	-	**78.1**	**78.4**
Lease debt (IFRS16)	5.0	12.6	2.8	**20.4**	40.7	131.2	33.3	**205.3**	**225.5**
Total non-current borrowings and debt	**45.8**	**73.1**	**2.8**	**121.6**	**164.9**	**1,017.9**	**33.3**	**1,216.2**	**1,337.8**

At 31 December 2018,

	Interest payments				Gross repayments				
(in millions of euros)	Less than 1 year	Between 1 and 5 years	More than 5 years	**Sub-total**	Less than 1 year	Between 1 and 5 years	More than 5 years	**Sub-total**	**Total**
Senior Secured Notes	33.9	84.7	-	**118.6**	-	775.0	-	**775.0**	**893.6**
Sup Bonds	-	-	-	**-**	1.2	-	-	**1.2**	**1.2**
Revolving credit facility	-	-	-	**-**	90.0	-	-	**90.0**	**90.0**
Amounts owed under finance leases	0.1	-	-	**0.1**	1.0	2.2	-	**3.2**	**3.3**
Other borrowings and accrued interest	0.2	0.1	-	**0.3**	24.3	7.0	-	**31.3**	**31.6**
Total non-current borrowings and debt	**34.2**	**84.8**	**-**	**119.0**	**116.5**	**784.2**	**-**	**900.7**	**1,019.7**

13.1.6 *Breakdown of borrowings and debt by type*

(in millions of euros)	**2020**	**2019 restated**	**2018**
Non-current			
Senior Secured Notes	881.5	864.9	762.9
Value of put option held by minority shareholders	46.5	56.6	48.6
Amounts owed under finance leases (more than one year)(1)	2.0	2.3	2.2
IFRS16 Lease right of use related debt (more than one year)	155.6	164.4	-
Other borrowings and accrued interest(2)	27.1	6.4	6.9
Sub-total of non-current borrowings and debt	**1,112.7**	**1,094.6**	**820.7**
Current			
Senior Secured Notes interest	19.4	6.7	5.7
Sup Bonds	1.2	1.2	1.2
Value of put option held by minority shareholders	10.3	14.7	6.1
Amounts owed under finance leases (less than one year)(1)	1.7	1.3	1.0
Revolving credit facility	-	50.0	90.0
Other borrowings (less than one year) (2)	57.6	27.0	24.3
CGA, KBC, BNP, Factofrance factoring	20.8	22.7	22.0
Spain local lines of credit	6.0	5.3	-
Italian local lines of credit	16.8	39.5	39.5
Bank overdrafts(3)	2.6	7.8	3.9
IFRS16 Lease right of use related debt (less than one year)	39.4	40.7	-
Sub-total of current borrowings and debt	**175.8**	**216.9**	**193.6**
Total borrowings and debt	**1,288.5**	**1,311.5**	**1,014.2**

(1) Amounts owed under finance leases are the result of leases and sale and leaseback agreements used to finance the purchase of vehicles and certain investments in real estate, IT and furniture.

(2) Borrowings and debt incurred by some of the Group's subsidiaries including additional debt negotiated with Bank in the context of Covid 19, here of France PGE for € 25 million. Group considers that PGE rate is slightly below to those the Group would have obtained at market conditions, but the impact has been deemed as insignificant.

(3) Bank overdrafts in France and bank account debit balances resulting from normal time lags between the value date for banking purposes and entry dates in the accounts.

Interest on bank overdrafts used by the Group and its subsidiaries is charged at market rates.

At 31 December 2020, the Group had available credit lines of €164.5 million as follows:

	Conditions	Drawdowns
Revolving credit facility – JP Morgan / Citibank / BNP Paribas	€100.0 million at Euribor +3.5% ● €21.6 M out of reach – BNP guaranty /escrow purposes (AD Bosch/Oscaro/ Doyen) ● €78.4 M available for funding	€17.1M used as guaranty on AD Bosch Acquisition €2.55M used as escrow against Oscaro Bank facility €2 M used as escrow against Doyen Bank facility
Parts Europe - Covid19 - New Loan (BNP/SOCGEN)	€25.0 million at 1.3%	Full drawdown
Doyen group – Covid19 - New Financing (KBC)	€3.5 million at 1.25%+upfront premium 0.5%	Full drawdown
Doyen group – Covid19 - New Financing (ING)	€4 million at 1.25%+upfront premium 0.5%	Full drawdown
Autodis Italia Srl Group – Covid19 - New Financing (with several banks)	€24.7 million	Full drawdown
AD Bosch (Spain) – Covid19 - New Financing - Caixa/Sabadell/Bankinter	€5.0 million	Fully Available
French Entities Loans with several banks	Straight loans - outstanding €0.7 million	Full drawdown
Doyen group – Club Deal (BNP/KBC/ING)	Revolving credit limited to €12.0 million	Full drawdown
Doyen group – Overdrafts and facilities	Overdrafts and facilities limited to €3.1 million	Full drawdown
Autodis Italia Srl Group – *Loans with several banks*	€8.8 million (BNL. CREDEM. etc.)	Partial drawdown of €7.4million
Geevers – DFM Credit line	€10 million	Partial drawdown of €3.1 million
Oscaro – ARKEA/BNP overdrafts	€5.58 million	Partial drawdown of €2million
Autodis Italia Srl Group – *ricevuta bancaria* - with several banks	€63.67 million (BNL. CREDEM. etc.)	Partial drawdown of €17.9 million
PHE Group – non recourse Factoring Factofrance	€150 million at +0.88% all in costs	Utilization at €96.7 million - Debt €15.2million
ACR group – CGA factoring	€18.0 million at +0.70%	Fully available
Doyen group – BNP factoring	€18.0 million at Euribor +0.60%	Partial drawdown of €0.6 million
Doyen group – KBC factoring	€11.5 million at Euribor +0.95%	Partial drawdown of €5 million
AD Bosch (Spain) – local credit lines	€10.8 million	Partial drawdown of €6.0 million

13.2 Cash and cash equivalents

Cash and cash equivalents recorded in the statement of financial position include cash at bank and on hand, short term deposits with a term of three months or less and marketable securities which meet the criteria of cash equivalents, i.e., investments that are:

short-term;
highly liquid;
readily convertible into known amounts of cash; and
subject to an insignificant risk of changes in value.

For the purposes of the consolidated statement of cash flows, cash and cash equivalents include the cash and cash equivalents as defined above, less bank overdrafts.

(in millions of euros)	**2020**	**2019**	**2018**
Cash equivalents	-	-	0.1
Cash at bank and on hand	113.4	71.3	81.0
Restricted cash	-	-	0.2
Total	**113.4**	**71.3**	**81.3**

The carrying amount of all these items corresponds to their fair value.

For the purposes of the consolidated statement of cash flows, the "Cash and cash equivalents" heading includes the following items at 31 December:

(in millions of euros)	**2020**	**2019**	**2018**
Cash equivalents	-	-	0.1
Cash at bank and on hand	113.4	71.3	81.0
Restricted cash	-	-	0.2
Bank overdrafts	(2.6)	(7.8)	(3.9)
Net cash and cash equivalents – continuing operations	**110.9**	**63.5**	**77.4**

13.3 Liabilities from financing activities

(in millions of euros)	At 31 December 2019, restated	Cash flows from financing activities	Other non-cash movements	At 31 December 2020
Senior Secured Notes, net of issuance cost[(1)]	864.9	5.3	11.3	881.5
Revolving credit facility	50.0	(50.0)	-	-
French guaranteed loan	-	25.0	-	25.0
Other borrowings	33.4	24.4	1.9	59.7
Factoring	22.7	(1.9)		20.8
Amounts owed under finance lease	3.7	(1.3)	1.3	3.7
Value of put option on non-controlling interests	71.3	(14.4)	(0.1)	56.8
Spanish credit lines	5.3	0.7	-	6.0
Italian credit lines	39.5	(23.0)	0.3	16.8
Sup Bonds	1.2	-	-	1.2
Lease debt (IFRS16)	205.2	(10.2)	-	195.0
Total liabilities from financing activities	**1,297.2**	**(45.4)**	**14.7**	**1,266.5**

(1) The Senior Secured Notes are shown here net of unamortized portion of capitalized debt issuance costs of €2.5 million and €13.1 million as of 31 December 2020 and 2019, respectively.

13.4 Financial income

(in millions of euros)	**2020**	**2019**	**2018**
Income from financial investments	0.4	0.2	0.4
Gains on the disposal of non-current financial assets	-	0.4	0.7
Other	0.2	0.5	0.4
Total financial income	**0.6**	**1.1**	**1.5**

13.5 Financial expense

(in millions of euros)	2020	2019 Restated	2018
Cost of external loans and bank overdrafts	(55.4)	(45.8)	(35.0)
Capitalized refinancing fees amortization*	(11.4)	(5.0)	(2.6)
Expenses related to financial instruments	(0.9)	(0.8)	(0.9)
Interest cost of provision for retirement benefits	(0.2)	(0.4)	(0.4)
Value adjustment on Oscaro shares acquired in 2018	-	-	(4.7)
Interests on lease IFRS 16	(5.8)	(5.3)	-
Other financial expenses	(0.4)	(1.1)	(0.5)
Total financial expenses	**(74.1)**	**(58.4)**	**(44.0)**

*Hereof including the accelerated depreciation of the capitalised fees for the Senior Secured Notes refinanced in 2020.

13.6 Financial risk management objectives and policies

The Group manages its capital structure and makes adjustments in light of changes in economic conditions. In order to maintain or adjust the capital structure, the Group can adjust the payment of dividends to shareholders, repay some of the capital or issue new shares. The Group does not have any equity-based covenants.

The Group's main instruments consist of borrowings and bank overdrafts, amounts owed under finance leases, trade payables, lease agreements with a purchase option and loans granted. The financial instruments are contracted principally to finance the Group's operating activities. The Group has other financial assets such as trade receivables, cash and cash equivalents and short-term deposits, which are generated directly by its operations.

The main risks related to the Group's financial instruments are cash flow interest rate risk, foreign exchange risk, counterparty risk and liquidity risk. The policies in place for managing these risks are summarized below.

The Group manages its capital in such a way as to optimize debt to equity ratios and the financial leverage obtained by debt.

13.6.1 Interest rate risk

The Group borrows at fixed and variable rates, and is therefore exposed to interest rate risk on the portion of debt corresponding to the €304.0 million Senior Secured Notes paying interest at Euribor +4.375%. An increase in the 3-month Euribor rate would have the following impacts on the interest costs per year related to the Senior Secured Notes:

	3-month Euribor						
(in millions of euros)	**0.00%**	**0.10%**	**0.20%**	**0.30%**	**0.50%**	**0.70%**	**1.00%**
€304.0 million debt	13.3	13.6	13.9	14.2	14.8	15.4	16.3

13.6.2 Foreign exchange risk

The Group does not have any subsidiaries whose functional currency is other than euro.

13.6.3 Counterparty risk

The Group's policy is to verify up front the financial health of all customers that wish to obtain payment credit terms.

The Group has put in place procedures for monitoring outstanding receivables in order to reduce its credit default exposure. These procedures are based on classifying customers by type, payment history, past or present financial difficulties, and the existence of any legal proceedings.

Regarding the credit risk relating to the Group's other financial assets, particularly cash and cash equivalents, available-for-sale financial assets and some derivative instruments, the Group's exposure relates to potential defaults by the third parties concerned and its maximum exposure equals the carrying amount of these instruments.

13.6.4 Liquidity risk

The Group's objective is to maintain a balance between the continuity and flexibility of financing through the use of bank borrowings, bonds, finance leases and purchases on credit. In the context of Covid-19, the Group has entered into certain government-backed loans to enhance its liquidity (See Note 4 "Covid 19 Impacts").

For the fiscal year ended 31 December 2020, the Group assesses that cash flows generated by it's operating activities, it's cash surplus, net from the amounts used to reduce its debt, as well as the funds available through unused bank credit lines, will be sufficient to cover the expenses and investments necessary for its operations, for the repayment of its debt, payment of taxes, as well as its investment plan if any in the next 12 months. The Group also assesses no impact on the respect on covenants on Senior Secured Notes.

13.6.5 Capital management

The Group's main objective in terms of its capital management is to ensure that it maintains a good credit risk rating and healthy capital ratios so as to facilitate its operations and maximise value for shareholders.

14. Income tax

The Group opted for tax consolidation in France. This option concerns all the Group's French companies with the exception of non-material subsidiaries.

Income tax payable

Income tax assets and liabilities payable in respect of the current year and previous years are valued at the amount expected to be recovered from or paid to the tax authorities. The tax rates and tax laws applied to determine said amounts are those that had been enacted or substantively enacted at the reporting date. The tax payable in relation to items recorded directly in equity is recorded in equity rather than in the income statement.

The 2010 French Finance Act introduced the Territorial Economic Contribution (*Contribution Economique Territoriale* – CET), which includes the Company Value-Added Contribution (*Cotisation sur la Valeur Ajoutée des Entreprises* – CVAE). The Group has analysed the methods for determining said contribution with regard to the provisions adopted by the International Financial Reporting Interpretations Committee (IFRIC) and the French national accounting board (*Conseil National de la Comptabilité* – CNC) and it concluded that this contribution meets the definition of tax payable according to IAS 12. This contribution has therefore been classified in the "Income tax" line of the financial statements since 1 January 2010.

14.1 Tax expense

The tax benefit/ (expense) for the reference years is as follows:

(in millions of euros)	**2020**	**2019 Restated**	**2018**
Current tax benefit/ (expense)	(7.3)	(6.0)	(4.2)
Deferred tax benefit	(0.7)	11.2	(2.9)
Company Value-Added Contribution (CVAE)	(6.6)	(6.8)	(5.4)
Income tax benefit/ (expense)	**(14.5)**	**(1.6)**	**(12.6)**

14.1.1 Tax proof

Reconciliation between the effective tax expense and the theoretical tax charge based on the tax rate applicable in France is as follows:

(in millions of euros)	**2020**	**2019 Restated**	**2018**
Income (loss) before tax	**16.2**	**16.5**	**16.3**
Theoretical tax: tax rate	32.02%	34.43%	34.43%
Theoretical tax benefit (expense)	**(5.1)**	**(5.8)**	**(5.6)**
Differences in tax rates	0.1	(0.1)	0.3
Company Value-Added Contribution (CVAE)	(6.6)	(6.8)	(5.4)
Recognition and utilization of tax loss carryforwards – France	(0.9)	12.3	4.4
Permanent reintegration	(0.4)	(0.4)	1.0
Other	(1.7)	(0.8)	(7.3)
Tax benefit (expense) recorded in the consolidated income statement	**(14.5)**	**(1.6)**	**(12.6)**
Effective tax rate	90.0%	9.8%	75.9%

14.2 Deferred tax

Deferred tax is recorded using the balance sheet liability method for any timing differences existing at the reporting date between the tax base of the assets and liabilities and their carrying amount in the statement of financial position. Deferred tax assets and liabilities are offset if there is a legally enforceable right of set-off and when they relate to the same taxable entity and tax authority.

Deferred tax assets and liabilities are valued at the tax rate that is expected to apply for the year in which the asset is realized or the liability settled, on the basis of tax rates (and tax rules) enacted or substantively enacted at the reporting date. Deferred taxes related to items recognized directly in equity is recorded in equity rather than in the income statement.

Significant judgements and estimates

Deferred tax liabilities are recorded for any taxable timing differences while deferred tax assets are recorded for any deductible timing differences and unused tax losses and tax credits carried forward, to the extent that it is probable that a taxable profit will be available against which they may be offset. The calculation of the amount of deferred tax assets that can be recognized requires management to estimate how long it will take to use up the losses carried over and the level of future taxable profits considering tax management strategies. Recognized deferred tax assets are assessed based on the Group's six-year business plan.

The carrying amount of the deferred tax assets is reviewed at each reporting date and reduced if it no longer appears probable that enough taxable profits will be available against which some or all of said deferred tax assets can be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and recognized if it becomes likely that future taxable profits will be available against which they can be utilized.

Breakdown of deferred tax according to type before set off:

(in millions of euros)	**2020**	**2019 restated**	**2018 restated**
Deferred tax on adjustments to pension liabilities for companies not consolidated for tax purposes	0.7	0.8	0.8
Deferred tax on recognition of loss carryforwards – France	55.2	61.2	56.9
Deferred tax on retirement benefits	8.7	8.1	7.4
Deferred tax on the Autodistribution & Oscaro brands	26.8	26.8	26.8
Deferred tax on miscellaneous adjustments	5.3	4.6	4.7
Deferred tax assets before set off	**96.7**	**101.5**	**96.6**

(in millions of euros)	**2020**	**2019 restated**	**2018 restated**
Deferred tax on the Autodistribution & Oscaro brands	(53.6)	(53.6)	(53.6)
Deferred tax on actuarial gains and losses on pension obligations	(1.2)	(1.2)	(1.3)
Deferred tax on acquisition of intangible assets through business combinations	(21.5)	(25.0)	(23.3)
Deferred tax on miscellaneous adjustments	(3.1)	(3.9)	(3.5)
Deferred tax liabilities before set off	**(79.4)**	**(83.7)**	**(81.6)**
Deferred tax assets recognized in the statement of financial position	**29.1**	**33.2**	**71.9**
Deferred tax liabilities recognized in the statement of financial position	**11.8**	**15.0**	**57.0**

In 2006, the Group exercised the expanded tax base option (which allows offset of income from companies in a previous tax group against losses in the new tax group in which they belong) for companies Parts Europe (formerly Autodis) consolidates for tax purposes. This tax consolidation group's tax loss carry-forwards were offset against the taxable income of the profitable companies in an expanded base in 2020. There is also a French tax consolidation group whose parent company is Parts Holding Europe and which includes the companies acquired after 2006 and the companies in the expanded tax base (previously consolidated with Parts Europe for tax purposes).

In 2020, the fiscal group's result is - €14.7 million. In 2019, it was - €3.6 million. In 2018, it was nil.

According to French Finance Act of 2013, effective as of 31 December 2012, loss carry-forward is limited to €1.0 million plus 50% of the profit exceeding that amount. Taxable profit is calculated initially at the level of the expanded base by offsetting 50% of the tax loss carry-forwards. The result obtained is then included in the Parts Holding Europe tax consolidation group to which the 50% recognition limit for tax loss carryforwards also applies.

A tax planning exercise for operations in France was carried out on the basis of the six-year business plan for France to determine the future utilization of tax loss carry-forwards in light of existing offset rules and to assess the deferred tax asset to be recognized in the financial statements at 31 December 2020.

This exercise shows that €245.0 million in tax loss carry-forwards would be utilized, i.e., a tax saving of €55.2 million. As a precautionary measure, and as there is little visibility beyond the timeframe of the business plan, the deferred tax asset recognized in the financial statements was limited to this amount.

At 31 December 2020, tax loss carry-forwards, after utilizing €34.3 million in 2020, stood at €49.0 million for the expanded base and €297.6 million for the Parts Holding Europe tax consolidation group in France.

No other deferred tax asset was recorded in respect of consolidation adjustments likely to reverse in the long term. As these adjustments fall outside the time horizon of the Group's 2021 budget and the five-year business plan, the Group deemed it prudent not to record any deferred tax assets after the said period, except as a deduction from the deferred tax liabilities identified at the reporting date. At 31 December 2020, unrecognized tax loss carry-forwards amounts to €188.0 million.

15. Issued capital and reserves

(in millions of euros)	Share capital	Consolidated reserves	Non-controlling interests	Total equity
At 31 December 2017	**75.3**	**31.6**	**(0.3)**	**106.6**
IFRS9 impact	-	(0.9)	-	(0.9)
At 1 January 2018	**75.3**	**30.7**	**(0.3)**	**105.7**
Capital decrease	(7.0)	(58.4)	-	(65.4)
Other changes	-	(2.0)	1.4	(0.7)
Dividends paid	-	-	(0.3)	(0.3)
Net income for the year	-	3.4	0.3	3.7
Other comprehensive income/ (expense)	-	-	-	-
At 31 December 2018	**68.3**	**(26.3)**	**1.0**	**43.0**
IFRIC23 impact		(0.8)		(0.8)
At 1 January 2019	**68.3**	**(27.2)**	**1.0**	**42.2**
Other changes	-	(5.1)	(0.1)	(5.3)
Dividends paid	-	-	(0.3)	(0.3)
Net income for the year	-	14.9	1.8	(16.7)
Other comprehensive income/ (expense)	-	-	-	-
At 31 December 2019	**68.3**	**(17.3)**	**2.5**	**53.5**
AD Bosch opening balance sheet correction	-	(0.9)	(0.2)	(1.1)
IFRS 16 adjustments		(0.6)	(0.1)	(0.7)
At 1 January 2020	**68.3**	**(18.9)**	**2.2**	**51.5**
Other changes	-	-	1.3	1.3
Dividends paid	-	(0.2)	(0.3)	(0.5)
Net income for the year	-	(0.6)	2.3	1.7
Other comprehensive income/ (expense)	-	-	(0.1)	(0.1)
At 31 December 2020	**68.3**	**(19.7)**	**5.3**	**53.9**

As of 31 December 2017, the share capital of Parts Holding Europe amounted to €75,311,807.83, represented by 77,641,039 shares with a par value of €0.97. No preference shares were issued.

As of 31 December 2018, the share capital of Parts Holding Europe amounted to €68,263,141.45, represented by 35,187,186 shares with a par value of €1.94. No preference shares were issued.

As of 31 December 2019, and 2020, no preference shares were issued.

16. Earnings per share

Basic earnings per share are calculated by dividing the net income for the period attributable to the owners of the parent by the weighted average number of ordinary shares outstanding during the year, excluding the average number of shares held in treasury stock.

	2020	**2019 Restated**	**2018**
Net income from continuing operations attributable to owners of the parent *(in millions of euros)*	(0.6)	13.4	3.4
Weighted average number of ordinary shares *(in number of shares)*	35,187,186	35,187,186	35,187,186
Total basic earnings per share *(in euros per share)*	**(0.017)**	**0.381**	**0.097**

The Group did not issue any dilutive equity instruments in any of the periods.

17. Commitments

17.1 Commitments under operating leases

The Group has entered into operating leases relating primarily to real estate and light and commercial vehicles, as well as payment terminals and miscellaneous IT and office equipment. These future rents are historically presented in this section. Since 1 January 2019, most of the contracts have been restated following the IFRS16 application. The minimum future rents payable under non-cancellable operating leases excluding IFRS16 restated contracts are as follows:

17.1.1 Rent payables under operating leases at 31 December 2020

(in millions of euros)	Less than 1 year	Between 1 and 5 years	More than 5 years	**Total**
Real estate rental	-	-	-	**-**
Vehicle rental	-	-	-	**-**
Other	0.9	0.6	-	**1.5**
Total	**0.9**	**0.6**	**-**	**1.5**

17.1.2 Rent payables under operating leases at 31 December 2019

(in millions of euros)	Less than 1 year	Between 1 and 5 years	More than 5 years	**Total**
Real estate rental	-	-	-	**-**
Vehicle rental	-	-	-	**-**
Other	0.9	0.9	-	**1.8**
Total	**0.9**	**0.9**	**-**	**1.8**

17.1.3 Rent payables under operating leases at 31 December 2018

(in millions of euros)	Less than 1 year	Between 1 and 5 years	More than 5 years	**Total**
Real estate rental	33.4	104.4	45.0	**182.9**
Vehicle rental	4.5	6.8	-	**11.3**
Other	2.0	2.8	0.2	**5.0**
Total	**39.9**	**114.0**	**45.3**	**199.2**

Rental expenses for 2018 amount to €48.7 million.

17.2 Guarantees

17.2.1 Guarantees relating to the Senior Secured Notes and Super Senior Revolving Credit Facility Agreement

The assets pledged as collateral are those of Parts Holding Europe and Autodistribution.

Pledges

Four categories of asset have been pledged as part of the Senior Secured Notes and Super Senior Revolving Credit Facility Agreement financing arrangements:

- Pledge of equity interests:

The following securities have been pledged as collateral under the financing arrangements:

Pledged securities (In number of shares)	**Parts Holding Europe**	**Parts Europe**	**Auto-distribution**
Parts Europe	5,420,840,892		
Autodistribution		3,790,300	
Cora			5,883
Cofirhad			195,170
AD Grand Ouest			1,815,040
ACR			1,770

- Pledge of bank accounts

The following corporate bank accounts have been pledged as collateral under the financing arrangements:

	Pledged bank accounts
Parts Holding Europe	BNP Paribas
Parts Europe	BNP Paribas
Autodistribution	BNP Paribas, Crédit Lyonnais, Natixis
Cora	Crédit Lyonnais
Cofirhad	BNP Paribas, La Banque Postale
AD Bassin Parisien	Crédit Lyonnais
AD Grand Ouest	BNP Paribas, Crédit Lyonnais
ACR	Société Générale, Crédit Lyonnais

- Pledged receivables

The following intragroup receivables have been pledged as collateral under the financing arrangements:

	Pledged intragroup receivables
Parts Holding Europe	Parts Europe
Parts Europe	Autodistribution,
Autodistribution	Gibelin Espace Auto, Ile de France Poids Lourds, FPLS, FIA, Gadest, Autodistribution SOGO, AD Grand Ouest, Etablissements Rembaud, AD Normandie Maine, Autodistribution Gobillot Rhône, Comptoir du Frein, Logisteo, Bremstar, Comptoir VI, Cogemad, Cofirhad, TCS, AD BPN, Val de Loire PL, Cora, Busnengo, Digital Aftermarket, STAC, Autodistribution Poids Lourds, Plateforme Technique Nationale Montajault

- Pledge of the brands owned by Autodistribution:

  - "L'Autodistribution" (term) in France under registration number 1629230;
  - "Autodistribution" (semi-figurative) in France under registration number 1554818;
  - "AD" (term and design) in France under registration number 1629231.

Bank covenants

The Revolving Credit Facility Agreement includes a covenant on the amount that may be financed. Financing added to the Senior Secured Notes divided by consolidated pro forma EBITDA may not exceed a ratio of 0.7:1. This covenant must be tested each quarter whenever drawdowns on the Revolving Credit Facility Agreement are equal to or greater than 35%.

The Doyen group must issue consolidated financial statements with minimum €20 million in restated shareholders' equity.

There were no breach of financial covenant over the past three years.

17.2.2 Other Group guarantees

The guarantees below were given by Autodistribution SA to FPLS group banks:

- Banque Populaire de l'Ouest: €1.2 million in respect of overdrafts plus €0.5 million in respect of the discount line.

The Doyen financing guarantees are described below:

- Doyen Auto and Doyen Auto Belgium: Club agreement with BNP Fortis, ING and KBC for €12.0 million.

17.3 Personal training account

The personal training account is managed by a third party through *Caisse des dépôts et consignations*. The related contributions – amounting to 0.2% of payroll – are paid over to Caisse des dépôts et consignations via two training organizations (OPCA and OPACIF). All of the Group's entities are subject to the rules governing the personal training account.

18. Transactions with related parties

Relationship with the shareholder

The sole shareholder of Parts Holding Europe SAS is Dakar Acquisition SA, a subsidiary of Bain Capital. In 2018, 2019 and 2020, the Group paid management fees, including the sponsor fees, in the amount of €1.9 million, €1.6 million and €1.8 million to Dakar Acquisition SA.

Relations with equity-accounted companies

Neoparts is an independent distributor with contractual relationships with the Autodistribution purchasing unit for automotive spare parts.

AD International is a company governed by Belgian law that negotiates preferential tariffs with suppliers for all members of the AD network. Each year, the Group receives end-of-year rebates depending on the volumes it has purchased.

Parts Holdings Italy was a wholly-owned subsidiary of the Group until the Group sold 80% of the shares to Giadi in 2013.

The Group did not have any significant intercompany transactions with these investees in the years ended 31 December 2020, 2019 and 2018. There are no restrictions on the transfer of funds with these entities or any unrecognized share of losses, in accordance with the equity method.

Relationship with Parts Holding Europe managers

At the time of the acquisition of Parts Holding Europe, the new main shareholder, Bain Capital, entered into an arrangement with certain managers of the Group. Parts Holding Europe managers subscribed to shares in Dakar Holdings SCA at a price that approximates the market price of the underlying shares at the date of grant.

The Parts Holding Europe managers further agreed to sell back to Bain Capital the shares in Dakar Holdings SCA in the event they leave the Group before a certain service period. The selling price of the shares is determined on the basis of a number of conditions including the service period and the nature of the departure (voluntary or dismissal).

In the Group's consolidated financial statements, this arrangement was classified within equity, as the Group did not have any obligation to settle the transaction with the Parts Holding Europe managers. In addition, since the investment by the Parts Holding Europe managers was measured at fair value, no expense was recognized in income for the year.

18.1 Management compensation

The key management personnel of a group are those persons having authority and responsibility for planning, managing and supervising the activities of the entity, directly or indirectly, including any director (executive or otherwise) of that entity.

The Group's key management personnel are the members of the Executive Committee, directors, area managers and brand general managers.

Compensation paid by the Group in 2020, 2019 and 2018 is set out in the table below.

(in millions of euros)	**2020**(1)	**2019**(1)	**2018**(1)
Basic salaries	7.2	6.8	6.4
Bonuses	3.1	2.7	2.9
Social security (excl. paid leave and termination benefits)	4.6	4.2	4.0
Other	-	-	0.1
Personnel costs, net (excl. paid termination benefits)	**15.0**	**13.7**	**13.4**
Termination benefits	0.7	0.6	0.4

(1) Management personnel present at 31 December.

No directors' fees have been paid or are payable in any period.

19. Fees paid to statutory auditors

Fees paid to the Group's statutory auditors in France and recognized in the consolidated statement of income are as follows:

	Deloitte						E&Y						Others					
(in millions of euros unless otherwise indicated)	**20**	**19**	**18**	**20**	**19**	**18**	**20**	**19**	**18**	**20**	**19**	**18**	**20**	**19**	**18**	**20**	**19**	**18**
Statutory audit, certification and audit of the individual and consolidated financial statements	1.5	1.3	1.3	76%	98%	68%	1.1	0.9	0.9	70%	88%	64%	0.1	0.2	-	100%	100%	-
Other audit engagements	0.5	-	-	24%	-	-	0.5	-	-	30%	-	-	-	-	-	-	-	-
Subtotal	**2.0**	**1.3**	**1.3**	**100%**	**98%**	**68%**	**1.5**	**0.9**	**0.9**	**100%**	**88%**	**64%**	**0.1**	**0.2**	**-**	**100%**	**100%**	**-**
Tax services	-	-	-	-	1%	1%	-	-	-	-	-	-	-	-	-	-	-	-
Other non-audit services		-	0.5	-	1%	31%	0.1	0.1	0.5	-	12%	36%	-	-	-	-		-
Subtotal	**-**	**-**	**0.5**	**-**	**2%**	**32%**	**0.1**	**0.1**	**0.5**	**-**	**12%**	**36%**	**-**	**-**	**-**	**-**	**-**	**-**
Total	**2.0**	**1.3**	**1.8**	**100%**	**100%**	**100%**	**1.5**	**1.0**	**1.5**	**100%**	**100%**	**100%**	**0.1**	**0.2**	**-**	**100%**	**100%**	**-**

20. Events after the end of the reporting period

No events after the end of the reporting period.

21. Consolidated companies

At 31 December 2020, 2019 and 2018 the scope of consolidation was as follows:

	Consolidation method	*Country*	*% interest 2020*	*% control 2020*	*% interest 2019*	*% control 2019*	*% interest 2018*	*% control 2018*
PARTS HOLDING EUROPE SAS (formerly Autodis group)	Parent	France	100,00	100,00	100,00	100,00	100,00	100,00
ACR	Full	France	100,00	100,00	100,00	100,00	100,00	100,00
AD BASSIN PARISIEN NORD	Full	France	99,99	100,00	99,99	100,00	99,99	100,00
AD Belux	Full	Belgium	100,00	100,00	100,00	100,00	100,00	100,00
AD Bosch Industrial	Full	Spain	75,10	100,00	75,00	100,00	0,00	0,00
AD Bosch Recanvis	Full	Spain	75,10	100,00	75,00	100,00	0,00	0,00
AD Bosch Serveis	Full	Spain	75,10	100,00	75,00	100,00	0,00	0,00
AUTODISTRIBUTION GOBILLOT RHONE	Full	France	100,00	100,00	100,00	100,00	100,00	100,00
AD GRAND OUEST	Full	France	100,00	100,00	100,00	100,00	100,00	100,00
AD INTERNATIONAL	Equity method	Belgium	14,90	14,90	14,90	14,90	20,00	20,00
AD NORMANDIE MAINE	Full	France	79,40	100,00	79,40	100,00	79,40	100,00
AD Parts Intergroup	Full	Spain	99,98	100,00	99,98	100,00	0,00	0,00
API Aube	Full	France	100,00	100,00	100,00	100,00	100,00	100,00
API Marne	Full	France	100,00	100,00	100,00	100,00	100,00	100,00
Ariane	Full	France	100,00	100,00	100,00	100,00	100,00	100,00
PARTS EUROPE	Full	France	100,00	100,00	100,00	100,00	100,00	100,00
Autodis Holding Italia SRL	Full	Italy	80,134	100,00	69,128	100,00	55,00	100,00
Autodis Italia Acquisti srl	Full	Italy	100,00	100,00	100,0	100,00	70,00	100,00
Autodis Italia SRL	Full	Italy	100,00	100,00	100,00	100,00	100,00	100,00
AUTODISTRIBUTION	Full	France	100,00	100,00	100,00	100,00	100,00	100,00
AUTODISTRIBUTION POIDS LOURDS	Full	France	100,00	100,00	100,00	100,00	100,00	100,00
AUTODISTRIBUTION SOGO	Full	France	99,95	100,00	99,95	100,00	99,95	100,00
BDN - Grup EINA	Equity method	Spain	37,50	37,50	37,50	37,50	37,50	37,50
BREMSTAR	Full	France	100,00	100,00	100,00	100,00	100,00	100,00
BUSNENGO	Full	France	99,98	100,00	99,98	100,00	99,98	100,00

COFIRHAD	Full	France	100,00	100,00	100,00	100,00	100,00	100,00
COGEMAD	Full	France	100,00	100,00	100,00	100,00	100,00	100,00
COMPTOIR DU FREIN	Full	France					100,00	100,00
COMPTOIR VI	Full	France	100,00	100,00	100,00	100,00	100,00	100,00
CORA SAS	Full	France	100,00	100,00	100,00	100,00	100,00	100,00
DIGITAL AFTERMARKET	Full	France	100,00	100,00	100,00	100,00	100,00	100,00
DIGITAL AUTO PARTS HOLDING	Full	France	100,00	100,00	100,00	100,00	100,00	100,00
Doyen Auto Belgique	Full	Belgium	100,00	100,00	100,00	100,00	100,00	100,00
Doyen Auto France	Full	France	100,00	100,00	100,00	100,00	100,00	100,00
Doyen Auto Holding	Full	Belgium	100,00	100,00	100,00	100,00	100,00	100,00
Doyen Auto Pays Bas	Full	The Netherlands	100,00	100,00	100,00	100,00	100,00	100,00
VERVIERS FREINS	Full	Belgium	100,00	100,00	100,00	100,00	100,00	100,00
ETABLISSEMENT ROUGON QUEYREL 05	Full	France					100,00	100,00
ETABLISSEMENTS REMBAUD	Full	France	100,00	100,00	100,00	100,00	100,00	100,00
FIA	Full	France	100,00	100,00	100,00	100,00	100,00	100,00
FGL	Full	Italy	80,134	100,00	69,128	100,00	55,00	100,00
FPLS GROUPE	Full	France	100,00	100,00	100,00	100,00	100,00	100,00
AD POIDS LOURDS GOBILLOT	Full	France	100,00	100,00	100,00	100,00	100,00	100,00
GADEST	Full	France	100,00	100,00	100,00	100,00	100,00	100,00
GADSO	Full	France			100,00	100,00	100,00	100,00
GENFIN SRL	Full	Italy	80,134	100,00	69,128	100,00	55,00	100,00
GENERAL AUTO SRL	Full	Italy					55,00	100,00
GENERAL PARTS SRL	Full	Italy					55,00	100,00
GLOBAL SERVICE SRL	Full	Italy					55,00	100,00
GP ITALIA SRL	Full	Italy					55,00	100,00
GSP EUROPE SRL	Full	Italy					55,00	100,00
GO LOGISTICS SRL	Full	Italy	80,134	100,00	69,128	100,00	55,00	100,00
GIBELIN	Full	France	99,92	100,00	99,92	100,00	99,92	100,00
GIRDE	Full	France			100,00	100,00	100,00	100,00
GLASS AUTO SERVICE	Full	France	100,00	100,00	100,00	100,00	100,00	100,00

ILE DE France POIDS LOURDS	Full	France	100,00	100,00	100,00	100,00	100,00	100,00
IPS	Full	Spain	75,00	100,00	75,00	100,00	0,00	0,00
LOGISTEO	Full	France	100,00	100,00	100,00	100,00	100,00	100,00
LOEK Autoparts BV	Full	Belgium	100,00	100,00	100,00	100,00	0,00	0,00
MAGENTA AUTOS PIECES	Full	France			99,97	100,00	99,97	100,00
MONDIAL PARE BRISE	Full	France	100,00	100,00	100,00	100,00	100,00	100,00
MAILLOT PIECES POIDS LOURDS	Full	France			100,00	100,00	0,00	0,00
LOIRE PARE BRISE	Full	France	100,00	100,00	100,00	100,00	100,00	100,00
Lubrial Oil	Full	Spain	75,00	100,00	75,00	100,00	0,00	0,00
OVAM	Full	Italy	80,134	100,00	69,128	100,00	55,00	100,00
PAO	Full	Belgium	100,00	100,00	100,00	100,00	100,00	100,00
Partenaires produits et services (PPS)	Full	France	100,00	100,00	100,00	100,00	100,00	100,00
PARTS Distributizione Italia	Equity method	Italy	18,16	20,00	18,16	20,00	18,16	20,00
PARTS HOLDINGS Italie	Equity method	Italy	20,00	20,00	20,00	20,00	20,00	20,00
Plateforme Tech. Nationale Montajault	Full	France	100,00	100,00	100,00	100,00	100,00	100,00
Port Marly Accessoires (PMA)	Full	France	100,00	100,00	100,00	100,00	100,00	100,00
Proxi Pièces Auto (PPA)	Full	France			95,00	100,00	95,00	100,00
RICAUTO	Full	Italy	80,134	100,00	69,128	100,00	55,00	100,00
RM DISTRIBUTION	Full	France	100,00	100,00	100,00	100,00	100,00	100,00
SARCO	Full	Italy	80,134	100,00	69,128	100,00	55,00	100,00
SARL AUTO CONTRÔLE	Full	France	100,00	100,00	100,00	100,00	100,00	100,00
SARL FRA	Full	France	100,00	100,00	100,00	100,00	100,00	100,00
SARPI	Full	Italy	80,134	100,00	69,128	100,00	33,00	60,00
SCI LORAT	Full	France	100,00	100,00	100,00	100,00	100,00	100,00
SDFM	Full	France			100,00	100,00	100,00	100,00
SERVICE SRL	Full	Italy					55,00	100,00
SIRAUTO SRL	Full	Italy			69,128	100,00	29,70	54,00
SLPA	Equity method	France	49,00	49,00	49,00	49,00	49,00	49,00
TEAM RICAMBI	Full	Italy	80,134	100,00	69,128	100,00	0,00	0,00
TOP CAR	Full	Italy	80,134	100,00	69,128	100,00	55,00	100,00

TRUCK CAR SERVICES	Full	France	100,00	100,00	100,00	100,00	100,00	100,00
AD PL CENTRE OUEST	Full	France	100,00	100,00	100,00	100,00	100,00	100,00
VAD	Full	France	100,00	100,00	100,00	100,00	100,00	100,00
OSCARO Holding	Full	France	82,49	100,00	82,49	100,00	82,49	100,00
OSCARO.COM	Full	France	82,49	100,00	82,49	100,00	82,49	100,00
OLCANI	Full	France	82,49	100,00	82,49	100,00	82,49	100,00
OSCARIOS RECAMBIOS	Full	Spain	82,49	100,00	82,49	100,00	82,49	100,00
OSCARO BE	Full	Belgium			82,49	100,00	82,49	100,00
3C.COM	Full	France	82,49	100,00	82,49	100,00	82,49	100,00
OLGA	Full	France			82,49	100,00	82,49	100,00
OSCARO PORTUGAL	Full	Portugal	82,49	100,00	82,49	100,00	82,49	100,00
AUTOPLAAT	Full	The Netherlands					100,00	100,00
GEEVERS AUTO PARTS (NETHERLANDS)	Full	France	100,00	100,00	100,00	100,00	100,00	100,00
GEEVERS AUTO PARTS (BELGIUM)	Full	Belgium	100,00	100,00	100,00	100,00	100,00	100,00
MANDAATPARTS	Full	The Netherlands					100,00	100,00
DISCOUNT DEPOT AUTOTEILE	Full	Germany	100,00	100,00	100,00	100,00	100,00	100,00
GEKA CAR PARTS	Full	The Netherlands					100,00	100,00
PRAEFECTUS	Full	The Netherlands	100,00	100,00	100,00	100,00	100,00	100,00
SSZ	Full	The Netherlands	100,00	100,00	100,00	100,00	100,00	100,00
AD Autoparts	Full	Belgium	100,00	100,00				
AUTOVAK	Full	Belgium	100,00	100,00				
2G PADAUTO	Full	Italy	80,134	100,00				
EUMA Parts SL	Business combination	Spain	50,00	50,00				
EUMA Pro 2020 SL	Full	Spain	100,00	100,00				

18.1.2 Statutory auditor's report on the Group audited consolidated financial statements for the years ended December 31, 2018, 2019 and 2020

DELOITTE & ASSOCIES ERNST & YOUNG Audit

PARTS HOLDING EUROPE

Years ended December 31, 2018, 2019 and 2020

Statutory auditors' report on the consolidated financial statements

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572 028 041 RCS Nanterre

Commissaire aux Comptes
Membre de la compagnie
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Commissaire aux Comptes
Membre de la compagnie
régionale de Versailles et du Centre

Parts Holding Europe

Years ended December 31, 2018, 2019 and 2020

Statutory auditors' report on the consolidated financial statements

To the sole shareholder of Parts Holding Europe,

In our capacity as statutory auditors' of the company Parts Holding Europe and in accordance with Commission Regulation (UE) 2017/1129 supplemented by Commission Delegated Regulation (EU) n°2019/980 in the context of the contemplated offer to the public and admission of equity securities of the Company to trading on the regulated market of Euronext Paris, we have audited the accompanying consolidated financial statements prepared for the purpose of the registration document under International Financial Reporting Standards ("IFRS") as adopted by the European Union for the years ended 2018, 2019 and 2020 (thereafter the "Consolidated Financial Statements").

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

These Consolidated Financial Statements are the responsibility of the President. Our role is to express an opinion on these Consolidated Financial Statements based on our audit.

We conducted our audit in accordance with professional standards applicable in France, as well as with the professional guidance of the French Institute of Statutory Auditors ("CNCC") applicable to such engagement. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Consolidated Financial Statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selections, to obtain audit evidence about the amounts and disclosures in the

Consolidated Financial Statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the Consolidated Financial Statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the Consolidated Financial Statements prepared for the purpose of the registration document, present fairly, in all material respects, the assets and liabilities and the financial position of the Group as at December 31 2018, 2019 and 2020, and the results of its operations for the years then ended in accordance with IFRS as adopted by the European Union.

Without modifying our opinion, we draw your attention to the matters described in 5.1.3, 5.3.1 and 5.3.3to the consolidated financial statements which set out the impacts of the first-time application of IFRS 16 "Leases" and of the IFRS IC decision clarifying IFRS 16 application.

Paris-La-Défense, on March 30, 2021

The Statutory Auditors

DELOITTE & ASSOCIES	**ERNST & YOUNG Audit**
Benoît Pimont	Henri-Pierre Navas

18.2 DATE OF LATEST FINANCIAL INFORMATION

The latest financial information of the Group, which has been the subject of an audit by the statutory auditors and is included in this Registration Document, is the consolidated financial statements and report of Deloitte & Associés and Ernst & Young Audit for the fiscal year ended December 31, 2020.

18.3 DIVIDEND DISTRIBUTION POLICY

The Company made no dividend distributions to its shareholders for the years ended December 31, 2018, 2019 and 2020. The Company distributed €0.3 million of dividends in respect of non-controlling interests of consolidated subsidiaries for the years ended December 31, 2018, 2019 and 2020, respectively.

The Group's future dividend policy is described in Section 10.2.5 "Dividend", Section 11.2.2 "Forecast for the year ending December 31, 2021" and Section 11.2.3 "Forecast for the year ending December 31, 2022" of this Registration Document.

18.4 LEGAL AND ARBITRATION PROCEEDINGS

During the last 12 months, there has been no governmental, legal or arbitration proceeding (including any such proceeding which is pending or threatened of which the Company is aware) which may have, or have had, a significant effect on the Company's and/or on the Group's financial position or profitability.

18.5 SIGNIFICANT CHANGE IN FINANCIAL OR COMMERCIAL POSITION

To the Company's knowledge, there has been no material change in the financial or commercial position of the Group since December 31, 2020, other than as described in this Registration Document.

CHAPTER 19. ADDITIONAL INFORMATION

19.1 SHARE CAPITAL

19.1.1 Subscribed share capital and authorized but unissued share capital

As of the date of this Registration Document, the Company's share capital amounts to €68,263,140.84 divided into 35,187,186 shares at par value of €1.94, fully subscribed and paid-up.

At an ordinary and extraordinary shareholders' meeting of the Company to be held prior to the Proposed Admission, it is intended to grant the following financial delegations to the Board of Directors, subject to and effective as of the IPO Settlement:

Nature of the decision / delegation	Duration	Maximum nominal amount
Authorization granted to the Board of Directors to carry out transactions on the company's shares (share buyback program) (1) (9th resolution)	18 months	Within the limit of 10% of shares existing as of the implementation date of the program or 5% of shares existing as of the implementation date of the program if acquired with a view to retention or future delivery in connection with external growth transactions
Authorization granted to the Board of Directors to reduce the share capital through cancellation of treasury shares (1) (12th resolution)	18 months	10% of the share capital as of the date of the decrease of share capital per 24-month period
Delegation of authority granted to the Board of Directors to increase the share capital by incorporation of reserves, profits or premiums or other items (1) (2) (13th resolution)	26 months	20% of the share capital of the company following the IPO Settlement
Delegation of authority granted to the Board of Directors to increase the share capital with preferential subscription right (issuance of shares / securities giving access to the share capital / securities granting entitlement to the allocation of debt securities) (1) (2) (14th resolution)	26 months	40% of the share capital of the company following the IPO Settlement (3) 250 million euros in debt securities
Delegation of authority granted to the Board of Directors to increase the share capital without preferential subscription right by public offering other than those referred to in article L. 411-2, 1° of the French Monetary and Financial Code (issuance of shares / securities giving access to the share capital / securities granting entitlement to the allocation of debt securities) (1) (2) (4) (15th resolution)	26 months	20% of the share capital of the company following the IPO Settlement (3) 250 million euros in debt securities

Nature of the decision / delegation	Duration	Maximum nominal amount
Delegation of authority granted to the Board of Directors to increase the share capital, without preferential subscription right (issuance of shares / securities giving access to the share capital / securities granting entitlement to the allocation of debt securities), by public offering referred to in article L. 411-2, 1° of the French Monetary and Financial Code (1) (2) (16th resolution)	26 months	20% of the share capital of the company following the IPO Settlement (3) 250 million euros in debt securities
Authorization granted to the Board of Directors to determine the price of the share capital increases without preferential subscription right (in the event of an issue without preferential subscription right, by public offering) (1) (5) (17th resolution)	26 months	10% of the share capital per year
Greenshoe - Authorization granted to the Board of Directors to increase the amount of issues with or without preferential subscription right (1) (18th resolution)	26 months	Maximum over-allotment of 15% of the initial issuance (legal requirement) (3)
Delegation of authority granted to the Board of Directors to increase the share capital in consideration for contributions in kind by issuing shares or securities without preferential subscription right (issuance of shares / securities giving access to the share capital / securities granting entitlement to the allocation of debt securities) (1) (2) (19th resolution)	26 months	10% of the share capital of the company following the IPO Settlement (3) 150 million euros in debt securities
Delegation of authority granted to the Board of Directors to increase the share capital without preferential subscription right by issuing shares of the Company reserved for employees who are members of a French company savings plan (*plan d'épargne entreprise*) (1) (20th resolution)	26 months	1.5% of the share capital of the company following the IPO Settlement (3) (6)
Delegation of authority granted to the Board of Directors to increase the share capital without preferential subscription right in favor of a category of beneficiaries (direct and indirect investment of employees and corporate officers) (1) (7) (21st resolution)	18 months	1.5% of the share capital of the company following the IPO Settlement (3) (6)
Authorization granted to the Board of Directors to allot free existing or new shares (*actions gratuites*), to certain employees and corporate	38 months	3,5% of the share capital of the company following the IPO Settlement (with a maximum of 20% of all allocations made by the Board of

Nature of the decision / delegation	Duration	Maximum nominal amount
officers of the Company and its affiliated companies (1) (22nd resolution)		Directors under this delegation for the Company's executive corporate officers) (3)
Global cap of authorizations to issue securities with or without preferential subscription right (1) (23rd resolution)	-	60% of the share capital of the company following the IPO Settlement

(1) Resolution adopted subject to and effective as of the IPO Settlement.

(2) In the event of a public offer for the Company's shares being filed by a third-party and without prior authorization of the shareholders at a shareholders' meeting, suspension of the delegation during the offer period.

(3) The maximum aggregate nominal amount of the capital increases that may be carried out pursuant to this delegation shall be deducted from the global cap sets forth in the 23rd resolution with respect to immediate and/or future capital increases.

(4) Including in the context of a public exchange offer initiated by the Company (article L. 22-10-54 of the French Commercial Code).

(5) The issue price shall be at least equal to the weighted average market price of the Company's shares on the regulated market of Euronext Paris during the three trading days immediately preceding the determination of the subscription price of the capital increase, possibly reduced by a maximum discount of 15%.

(6) A sub-cap set at 1.5% of the share capital of the Company following the IPO Settlement, applies to these issues.

(7) The maximum discount compared to the average market price of the Company's shares on the regulated market of Euronext Paris during the 20 trading days immediately preceding the decision setting the opening date of the subscription may not exceed 30%.

19.1.2 Securities not representing share capital

As of the date of this Registration Document, the Company has not issued any securities not representing share capital.

19.1.3 Shares controlled by the Company, treasury shares and purchase by the Company of its own shares

As of the date of this Registration Document, the Company does not hold any of its own shares and no shares of the Company are held by any of its subsidiaries or by any third party on its behalf.

19.1.4 Securities giving access to share capital

As of the date of this Registration Document, the Company has not issued any stock options or other convertible, exchangeable securities or securities with warrants or any other securities giving access to its share capital.

19.1.5 Terms of any right of acquisition and/or any obligation attached to subscribed but not paid-up capital

None.

19.1.6 Share capital of any company of the Group that is the subject of an option or of an agreement to put it under option

Not applicable.

19.1.7 History of the Company's share capital

The Company was organized on January 18, 2006 with a share capital €37,000 consisting of 37,000 shares of €1.00 par value. On March 1, 2006, the sole shareholder of the Company decided to proceed with a share capital increase amounting to €55,900,000 by the issuance of 55,900,000 shares of €1.00 par value. Following such share capital increase, the share capital amounted to €55,937,000, consisting of 55,937,000 shares of €1.00 par value.

There has been no change in the Company's share capital over the last three fiscal years except as indicated below.

On April 16, 2018, the sole shareholder of the Company decided to subscribe to one additional share of the Company. Subsequently, on the same date, the sole shareholder decided to reduce the number of shares of the Company through a reverse stock split, increasing the par value of the shares from €0.97 to €1.94. Following the implementation of the reverse stock split, the Company's share capital amounted to €75,311,808.80 divided into 38,820,520 shares at par value of €1.94, fully subscribed and paid-up.

On July 13, 2018, the sole shareholder of the Company decided to proceed with a reduction of the share capital of the Company not justified by losses, from €75,311,808.80 to €68,263,140.84, by way of a repurchase and cancellation of 3,633,334 shares of the Company. Consequently, as of the date of this Registration Document, the Company's share capital amounts to €68,263,140.84 divided into 35,187,186 shares at par value of €1.94, fully subscribed and paid-up.

19.2 CONSTITUTIVE DOCUMENTS AND BYLAWS

The principal provisions described below have been taken from the bylaws that are contemplated to be adopted, subject to and effective as of the IPO Settlement, by the shareholders of the Company prior to the date upon which the AMF grants its approval on the prospectus in relation to the Proposed Admission (the "**Bylaws**").

19.2.1 Corporate purpose (article 2 of the Bylaws)

Pursuant to article 2 of the Bylaws, the Company's purpose is, in France and abroad:

- the direct or indirect purchase of shares or securities in any companies, partnerships, legal private or public entities or other organizations, already established or to be established, irrespective of their nature or purpose;
- the holding, management and trading of shares or securities, the participation to management, administrative or supervisory corporate bodies, and, more generally, any activities within the scope of activities of a "holding" company;
- the provision of services to third parties and to direct and indirect subsidiaries, including in particular the provision of administrative, financial, legal and tax services and of consulting services on strategy, marketing and commercial policy;

- all industrial, commercial and financial operations, concerning movable or immovable property, directly or indirectly relating to this purpose or any similar or related purposes that may be useful to facilitate or likely to facilitate the successful accomplishment of this purpose; and
- more generally, any operations, irrespective of their nature, directly or indirectly relating to this purpose and that may be useful to facilitate or likely to facilitate the successful accomplishment of this purpose.

19.2.2 Board of Directors and senior management

19.2.2.1 *Members of the Board of Directors (article 15 of the Bylaws)*

The Company is governed by a Board of Directors composed of at least three members and, at most, 18 members. Directors are appointed for a four-year term. The term of office of the members of the Board of Directors may be of a longer period of time, with a maximum six-year term, or a shorter period of time to ensure a staggered renewal of the Board of Directors.

19.2.2.2 *Chairman of the Board of Directors (Président du Conseil d'Administration) (article 17 of the Bylaws)*

The Board of Directors elects a Chairman from among the members of the Board of Directors who are natural persons. The Chairman organizes and manages the work of the Board of Directors and reports on such work to the general shareholders' meeting. He oversees the proper functioning of the Company's governing bodies and ensures the directors are able to carry out their duties.

19.2.2.3 *Chief Executive Officer (Directeur Général) (article 18 of the Bylaws)*

At the option of the Board of Directors, the Company may be managed either by the Chairman or by a natural person appointed by the Board of Directors with the title of Chief Executive Officer ("**CEO**"). The CEO represents the Company in its relations with third parties.

The powers of the CEO are limited by the purpose of the Company and those the law and the Bylaws expressly confer to the shareholders' meetings and to the Board of Directors. In addition, the Internal Regulations may provide that certain decisions can only be made with the prior approval of the Board of Directors.

19.2.2.4 *Deputy Chief Executive Officer (Directeur Général Délégué) (article 18 of the Bylaws)*

On the proposal of the CEO, the Board of Directors may appoint one or more natural persons in charge of assisting the CEO, holding the title of deputy chief executive officer ("**Deputy CEOs**").

In agreement with the CEO, the Board of Directors determines the scope and duration of the powers conferred to the Deputy CEOs. Vis-à-vis third parties, the Deputy CEOs have the same powers as the CEO.

19.2.2.5 *Convening and holding of Board of Directors' meetings (article 16 of the Bylaws)*

The Board of Directors meets as often as necessary in the Company's interest. The Chairman convenes the meetings of the Board of Directors. Decisions are made by a majority of members present or represented. The Internal Regulations can provide that certain decisions require a greater majority. In the event of a tie, the vote of the chairman of the meeting does not prevail.

The Board of Directors sets its operating procedures in the Internal Regulations in line with the law and the Bylaws of the Company. It can decide to create committees responsible for the study of questions that the Board of Directors or its chairman submits to their review.

19.2.2.6*Decisions requiring the Board of Directors' approval*

As defined in the Internal Regulations, the following decisions can be taken only with the prior approval of the Board of Directors:

(i) any issuance of shares or securities of any kind by a Group company (excluding the Company) for an amount greater than €5,000,000 including, without limitation, any stock-options plan, any free shares plan, any company savings plan, any incentive mechanism of the employees of the group, or as a dividend payment, unless such issuance benefits another Group company;

(ii) any decision by a Group company the share capital of which is not entirely held by another Group company to distribute dividends or reserves for an amount greater than €5,000,000, unless such distribution benefits another Group company;

(iii) the approval and modification of the annual budget of the Group;

(iv) the close of the consolidated annual accounts of the Company (including the allocation of results) and any material change to the accounting principles and/or methods;

(v) the appointment and dismissal of the statutory auditors of the Group;

(vi) the creation or dissolution, purchase or sale of any company, business, subsidiary, branch, economic interest group (*groupement d'intérêt économique*), association, trust, joint venture, de facto company (*société créée de fait*) or any other entity involving an enterprise value greater than €10,000,000, except however, regarding any creation or dissolution, purchase or sale of any company, business, subsidiary, branch, economic interest group (*groupement d'intérêt économique*), association, trust, joint venture, de facto company (*société créée de fait*) or any other entity involving an enterprise value lower than €30,000,000, if such transaction has been expressly approved within the annual budget;

(vii) any merger, de-merger, dissolution, winding-up or contribution, change in the legal form and, more generally, any legal restructuring involving one or more Group companies contributing more than 7.5% to the consolidated turnover of the Group or more than 7.5% to the consolidated yearly profit of the Group, except, however, if such transaction has already been approved within the annual budget or constitutes an internal reorganization and is performed in the ordinary course of business;

(viii) the sale or purchase of assets or of a business (*fonds de commerce*) with a value greater than €10,000,000 per transaction, except however if such transaction has already been approved within the annual budget;

(ix) the agreement to, or amendment of agreements relating to, borrowings (other than the short-term borrowings to fund cash flow or working capital within a limit of an annual amount of €50,000,000) from any Group entity in any way (including by way of a financial lease) of an amount greater than €30,000,000 per transaction during the same fiscal year or having the effect of increasing the consolidated indebtedness of the Group beyond the amount authorized under the terms of the financing agreements entered into by the Group;

(x) the granting of any charge, pledge, guarantee or any other security in any way in respect of an amount greater than €10,000,000 per transaction during the same financial year, other than in the ordinary course of business and except for security interest that have been authorized by the financing documents entered into by Group companies;

(xi) any decision involving immediate or future expenditure (capital expenditures) in one or more installments, in excess of the annual budget for an amount greater than €5,000,000;

(xii) the conclusion, amendment or termination of any agreement that will generate, or is reasonably likely to generate, an income for or expenditure by the Group of an amount greater than €75,000,000 during its term unless made in the ordinary course of business;

(xiii) any settlement agreement (excluding severance indemnities to a manager or key employee, notably in connection with a *rupture conventionnelle*) as defendant or plaintiff and in which the amount at stake exceeds €5,000,000;

(xiv) any settlement agreement (including severance indemnities) with a manager or key employee, notably in connection with a *rupture conventionnelle*, in which the amount at stake exceeds €750,000;

(xv) the recruitment or the dismissal (except dismissal for gross negligence or serious misconduct requiring immediate suspension) of any member of the Group's executive committee (*comité exécutif*) whose gross annual remuneration (excluding any termination indemnities and long-term incentive, as the case may be, but including variable compensation) exceeds €500,000;

(xvi) any agreement between a Group company (excluding the Company) and one of its direct or indirect shareholders for an amount that may exceed €5,000,000, excluding agreements made with another Group company;

(xvii) any undertaking to perform any of the acts referred to above or to grant an option or to perform any other agreement whose exercise will require or may require Group companies to perform one of the acts referred to above; and

(xviii) any substantial change in the nature or the scope of the activities of any Group entity.

19.2.3 Rights, privileges and restrictions attached to shares

19.2.3.1 *Voting rights (article 11 of the Bylaws)*

Pursuant to the provisions of article L. 225-122 of the French Commercial Code, the voting right attached to the shares is proportional to the fraction of share capital they represent and each share gives right to at least one vote.

As of the date of this Registration Document, it is contemplated that the Bylaws will not provide for double voting rights in respect of the shares of the Company, through a disapplication of article L. 22-10-46 of the French Commercial Code.

19.2.3.2 *Financial rights (article 11 of the Bylaws)*

Each share carries a proportional right in the corporate assets and profits, based on the fraction of share capital it represents.

19.2.3.3 *Shareholders' identification process (article 10 of the Bylaws)*

The Company is informed of the composition of its shareholding within the conditions set forth by the law. In this respect, the Company may make use of all applicable legal provisions provided in relation to the identification of holders of securities granting immediately, or in the future, voting rights at the shareholders' meeting. The Company may request from the intermediary in charge of the Company's share registry, details regarding the holders of securities and the number of securities held by each such holder.

19.2.3.4 *Modifications of the rights of shareholders (article 11 of the Bylaws)*

The rights of shareholders may be modified in accordance with applicable laws and regulations. The Bylaws do not contain any particular provisions with respect to modification of the rights attached to the ordinary shares that are more stringent than the law.

19.2.3.5 *Crossing of bylaws thresholds (article 14 of the Bylaws)*

In addition to the thresholds provided for by applicable laws and regulations, any natural person or legal entity or shareholder who comes to hold, directly or indirectly, acting alone or in concert within the meaning of article L. 233-10 of the French Commercial Code, a number of shares or voting rights (including any assimilation thereof as determined under applicable regulations) equal or greater than 1% of the total number of shares or voting rights, or any multiple of 1% thereafter, must inform the Company of the total number of shares, voting rights, or securities giving access to the share capital or voting rights of the Company that such person holds, as well as of any securities giving access to the share capital or to voting rights potentially attached thereto, by registered letter with return receipt requested sent to the Company's registered office within four trading days after crossing such threshold(s). Any shareholder whose shareholding or voting rights fall below the abovementioned thresholds will also be under obligation to inform the Company in the same manner.

In the event of a failure to comply with the above provisions, the non-compliant shareholder may be deprived of its voting rights for the shares in excess of the threshold provided for in the Bylaws, only upon the request, recorded in the minutes of the shareholders' meeting, of one or more shareholders holding at least 1% of the Company's share capital or voting rights.

19.2.3.6 *Convening and holding of ordinary shareholders' meetings and extraordinary shareholders' meetings (article 19 of the Bylaws)*

Shareholders' meetings are convened and held in accordance with the rules and conditions provided for under French law.

Shareholders' meetings are called "extraordinary" when their purpose is to modify the Bylaws or nationality, or when the law so provides. All other shareholders' meetings are "ordinary". Decisions at extraordinary shareholders' meetings are made by a two-thirds vote of the shares present or represented, and decisions at ordinary shareholders' meetings are made by a simple majority of the shares present or represented.

19.2.4 Annual accounts – allocation of profits (articles 6, 21 and 22 of the Bylaws)

19.2.4.1 *Fiscal year (article 6 of the Bylaws)*

The Company has a fiscal year of 12 months, beginning on January 1 and ending on December 31 of each year.

19.2.4.2 *Annual accounts (article 21 of the Bylaws)*

The Board of Directors holds a regular accounting of corporate transactions and prepares annual accounts in accordance with the law. A general shareholders' meeting, convened to decide on the financial accounts of the past fiscal year and on the consolidated accounts, must take place within six months following the close of the financial year, or, in case of extension, within the time period determined by a court decision.

19.2.4.3 *Allocation of profits (article 22 of the Bylaws)*

The annual results are determined in accordance with applicable laws and regulations.

On the profit of a financial year, less any prior losses if any, it is first collected at least 5% for the constitution of a reserve fund as required by law. This collection ceases to be mandatory when the reserve fund reaches one-tenth of the share capital.

The ordinary shareholders' meeting or any other shareholders' meeting may decide to distribute sums and/or values drawn down in cash or in kind from the reserves at its disposal, expressly indicating the reserve account from which the drawdowns are performed. However, dividends are drawn down in priority from the distributable income of the financial year.

The general shareholders' meeting will have the right to grant to shareholders, for all or part of the dividends distributed or of the interim dividends, an option between payment in cash and payment in shares on the terms set out by the regulations in force. In addition, the general shareholders' meeting may decide, for all or part of the dividends, the interim dividends, the reserves or premiums distributed, or for any capital decrease, that such distribution of dividends, reserves or premiums or such capital decrease will be performed in kind by providing assets of the Company.

Each shareholder will be liable to contribute to the losses in proportion to its share of the share capital. Each shareholder will be entitled to the profits.

19.2.5 Particular provisions governing modification of the share capital

As the Bylaws do not contain any particular provisions, the share capital may be increased, decreased or amortized by any methods or means authorized by law.

19.2.6 Control of the Issuer

There are no provisions in the Bylaws or in the Internal Regulations that could have the effect of delaying, postponing or preventing a change of control of the Company.

CHAPTER 20. MATERIAL CONTRACTS

20.1 NEW REVOLVING CREDIT FACILITY

In connection with the Proposed Admission, the Group procured the New Revolving Credit Facility (as defined in Section 8.2.2.2 "New Revolving Credit Facility" of this Registration Document) pursuant to the New Revolving Credit Facility Agreement (as defined in Section 8.1 "Overview" of this Registration Document) on April 28, 2021. For more information about the New Revolving Credit Facility, see Section 8.2.2.2 "New Revolving Credit Facility" of this Registration Document.

On the IPO Settlement Date, the Group intends to redeem and repay a portion of the 2020 Existing Senior Secured Notes with the proceeds of the new shares to be issued as part of the Proposed Admission. Following the IPO Settlement Date, it is expected that a portion of the 2020 Existing Senior Secured Notes will remain outstanding. For more information about the 2020 Existing Senior Secured Notes, see Section 8.1 "Overview" and Section 8.2.1 "Principal sources of financing" of this Registration Document. The 2020 Existing Senior Secured Notes were issued on July 17, 2020 pursuant to an indenture governed by New York law dated July 17, 2020.

CHAPTER 21. DOCUMENTS AVAILABLE

Copies of this Registration Document are available free of charge at the registered office of the Company. This Registration Document may also be consulted on the Company's dedicated website for the purpose of the Proposed Admission (www.phe-ipoproject.com) and on the AMF's website (www.amf-france.org).

While this Registration Document is valid, the following documents (or a copy of such documents) may be viewed:

- the Bylaws;
- any report, correspondence or other historical financial information or document, assessment or statement prepared by an expert upon the Company's request, of which a part is included or referred to in this Registration Document; and
- the historical financial information included in this Registration Document.

All such legal and financial documents relating to the Company and made available to shareholders in accordance with applicable regulations may be viewed at the Company's registered office.

As of the date of the Proposed Admission, regulated information (within the meaning of the AMF's General Regulations) will also be available on the Company's website.

ANNEX I. CROSS-REFERENCE TABLE

The following cross-reference table aims to facilitate access to the sections of this Registration Document that describe the information referred to in Annex I of Commission Delegated Regulation (EU) 2019/980 of 14 March 2019.

N°	Information specified in Annex I of Commission Delegated Regulation (EU) 2019/980 of 14 March 2019	Registration Document section or chapter
1.	**PERSONS RESPONSIBLE, THIRD-PARTY INFORMATION, EXPERTS' REPORTS AND COMPETENT AUTHORITY APPROVAL**	Chapter 1
1.1.	All persons responsible for the information or any parts of it, given in the registration document with, in the latter case, an indication of such parts. In the case of natural persons, including members of the issuer's administrative, management or supervisory bodies, indicate the name and function of the person; in the case of legal persons indicate the name and registered office.	Section 1.1
1.2.	A declaration by those responsible for the registration document that to the best of their knowledge, the information contained in the registration document is in accordance with the facts and that the registration document makes no omission likely to affect its import.	Section 1.2
1.3.	Where a statement or report attributed to a person as an expert, is included in the registration document, provide the following details for that person: (a) name (b) business and address; (c) qualifications; (d) material interest if any in the issuer. If the statement or report has been produced at the issuer's request, state that such statement or report has been included in the registration document with the consent of the person who has authorised the contents of that part of the registration document for the purpose of the prospectus.	Section 1.3
1.4.	Where information has been sourced from a third party, provide a confirmation that this information has been accurately reproduced and that as far as the issuer is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. In addition, identify the source(s) of the information.	Section 1.3
1.5.	A statement that: (a) the registration document has been approved by the French Financial Markets Authority, as competent authority under Regulation (EU) 2017/1129; (b) the French Financial Markets Authority only approves this registration document as meeting the standards of completeness, comprehensibility and consistency imposed by Regulation (EU) 2017/1129;	Cover page

N°	Information specified in Annex I of Commission Delegated Regulation (EU) 2019/980 of 14 March 2019	Registration Document section or chapter
	(c) such approval should not be considered as an endorsement of the issuer that is the subject of this registration document.	
2.	**STATUTORY AUDITORS**	Chapter 2
2.1.	Names and addresses of the Issuer's auditors for the period covered by the historical financial information (together with their membership in a professional body).	Section 2.1
2.2.	If auditors have resigned, been removed or have not been re-appointed during the period covered by the historical financial information, indicate details if material.	N/A
3.	**RISK FACTORS**	Chapter 3
3.1.	A description of the material risks that are specific to the issuer, in a limited number of categories, in a section headed "Risk Factors". In each category, the most material risks, in the assessment undertaken by the issuer, offeror or person asking for admission to trading on a regulated market, taking into account the negative impact on the issuer and the probability of their occurrence shall be set out first. The risks shall be corroborated by the content of the registration document.	
4.	**INFORMATION ABOUT THE ISSUER**	Chapter 4
4.1.	The legal and commercial name of the issuer	Section 4.1
4.2.	The place of registration of the issuer, its registration number and legal entity identifier ("LEI")	Section 4.2
4.3.	The date of incorporation and the length of life of the issuer, except where the period is indefinite	Section 4.3
4.4.	The domicile and legal form of the issuer, the legislation under which the issuer operates, its country of incorporation, the address, telephone number of its registered office (or principal place of business if different from its registered office) and website of the issuer, if any, with a disclaimer that the information on the website does not form part of the prospectus unless that information is incorporated by reference into the prospectus.	Section 4.4
5.	**BUSINESS OVERVIEW**	Chapter 5
5.1.	**Principal activities**	Section 5.1
5.1.1.	A description of, and key factors relating to, the nature of the issuer's operations and its principal activities, stating the main categories of products sold and/or services performed for each financial year for the period covered by the historical financial information.	Section 5.1.1 Section 7.2
5.1.2.	An indication of any significant new products and/or services that have been introduced and, to the extent the development of new products or services has been publicly disclosed, give the status of their development.	Section 5.1.2.1

N°	Information specified in Annex I of Commission Delegated Regulation (EU) 2019/980 of 14 March 2019	Registration Document section or chapter
5.2.	<u>**Principal markets**</u> A description of the principal markets in which the issuer competes, including a breakdown of total revenues by operating segment and geographic market for each financial year for the period covered by the historical financial information.	Section 5.1.3 Section 5.2
5.3.	The important events in the development of the issuer's business	Section 5.1.4 Section 5.3
5.4.	<u>**Strategy and objectives**</u> A description of the issuer's business strategy and objectives, both financial and non-financial (if any). This description shall take into account the issuer's future challenges and prospects	Section 5.4
5.5.	If material to the issuer's business or profitability, summary information regarding the extent to which the issuer is dependent, on patents or licences, industrial, commercial or financial contracts or new manufacturing processes	Section 5.5
5.6.	The basis for any statements made by the issuer regarding its competitive position	Section 1.3 Section 5.6
5.7.	<u>**Investments**</u>	Section 5.7
5.7.1.	A description, (including the amount) of the issuer's material investments for each financial year for the period covered by the historical financial information up to the date of the registration document.	Section 5.7.1 Section 7.3.2
5.7.2.	A description of any material investments of the issuer that are in progress or for which firm commitments have already been made, including the geographic distribution of these investments (home and abroad) and the method of financing (internal or external).	Section 5.7.2
5.7.3.	Information relating to the joint ventures and undertakings in which the issuer holds a proportion of the capital likely to have a significant effect on the assessment of its own assets and liabilities, financial position or profits and losses.	Section 5.7.3 Section 6.2.4
5.7.4.	A description of any environmental issues that may affect the issuer's utilisation of the tangible fixed assets.	Section 5.1.9
6.	**ORGANISATIONAL STRUCTURE**	Chapter 6
6.1.	If the issuer is part of a group, a brief description of the group and the issuer's position within the group. This may be in the form of, or accompanied by, a diagram of the organisational structure if this helps to clarify the structure.	Section 6.1
6.2.	A list of the issuer's significant subsidiaries, including name, country of incorporation or residence, the proportion of ownership interest held	Section 6.2

N°	Information specified in Annex I of Commission Delegated Regulation (EU) 2019/980 of 14 March 2019	Registration Document section or chapter
	and, if different, the proportion of voting power held.	
7.	**OPERATING AND FINANCIAL REVIEW**	Chapter 7
7.1	**Financial condition**	
7.1.1.	To the extent not covered elsewhere in the registration document and to the extent necessary for an understanding of the issuer's business as a whole, a fair review of the development and performance of the issuer's business and of its position for each year and interim period for which historical financial information is required, including the causes of material changes. The review shall be a balanced and comprehensive analysis of the development and performance of the issuer's business and of its position, consistent with the size and complexity of the business. To the extent necessary for an understanding of the issuer's development, performance or position, the analysis shall include both financial and, where appropriate, non-financial Key Performance Indicators relevant to the particular business. The analysis shall, where appropriate, include references to, and additional explanations of, amounts reported in the annual financial statements.	Section 7.1 Section 7.3 Section 7.4 Section 7.5 Section 7.6
7.1.2.	To the extent not covered elsewhere in the registration document and to the extent necessary for an understanding of the issuer's business as a whole, the review shall also give an indication of: (a) the issuer's likely future development; (b) activities in the field of research and development. The requirements set out in item 7.1 may be satisfied by the inclusion of the management report referred to in Articles 19 and 29 of Directive 2013/34/EU of the European Parliament and of the Council.	- Section 7.2.1.2
7.2.	**Operating results**	
7.2.1	Information regarding significant factors, including unusual or infrequent events or new developments, materially affecting the issuer's income from operations and indicate the extent to which income was so affected.	Section 7.2 Section 7.3 Section 7.6
7.2.2	Where the historical financial information discloses material changes in net sales or revenues, provide a narrative discussion of the reasons for such changes.	Section 7.3.1 Section 7.3.2
8.	**CAPITAL RESOURCES**	Chapter 8
8.1	Information concerning the issuer's capital resources (both short term and long term).	Section 8.1
8.2	An explanation of the sources and amounts of and a narrative description of the issuer's cash flows.	Section 8.2

N°	Information specified in Annex I of Commission Delegated Regulation (EU) 2019/980 of 14 March 2019	Registration Document section or chapter
		Section 8.4
8.3	Information on the borrowing requirements and funding structure of the issuer	Section 8.2.2
8.4	Information regarding any restrictions on the use of capital resources that have materially affected, or could materially affect, directly or indirectly, the issuer's operations.	Section 8.2 Section 8.3
8.5	Information regarding the anticipated sources of funds needed to fulfil commitments referred to in item 5.7.2	Section 8.2 Section 8.3.1
9.	**REGULATORY ENVIRONMENT**	Chapter 9
9.1	A description of the regulatory environment that the issuer operates in and that may materially affect its business, together with information regarding any governmental, economic, fiscal, monetary or political policies or factors that have materially affected, or could materially affect, directly or indirectly, the issuer's operations.	
10.	**TREND INFORMATION**	Chapter 10
10.1	A description of: (a) the most significant recent trends in production, sales and inventory, and costs and selling prices since the end of the last financial year to the date of the Registration Document; (b) any significant change in the financial performance of the group since the end of the last financial period for which financial information has been published to the date of the registration document, or provide an appropriate negative statement.	Section 10.1 Section 10.2 Section 10.1
10.2	Information on any known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the issuer's prospects for at least the current financial year.	-
11.	**PROFIT FORECASTS OR ESTIMATES**	Chapter 11
11.1	Where an issuer has published a profit forecast or a profit estimate (which is still outstanding and valid) that forecast or estimate shall be included in the registration document. If a profit forecast or profit estimate has been published and is still outstanding, but no longer valid, then provide a statement to that effect and an explanation of why such forecast or estimate is no longer valid. Such an invalid forecast or estimate is not subject to the requirements in items 11.2 and 11.3.	N/A
11.2	Where an issuer chooses to include a new profit forecast or a new profit estimate, or a previously published profit forecast or a previously published profit estimate pursuant to item 11.1, the profit forecast or estimate shall be clear and unambiguous and contain a statement setting out the principal assumptions upon which the issuer has based its forecast, or estimate.	Section 11.1

N°	Information specified in Annex I of Commission Delegated Regulation (EU) 2019/980 of 14 March 2019	Registration Document section or chapter
	The forecast or estimate shall comply with the following principles: (a) There must be a clear distinction between assumptions about factors which the members of the administrative, management or supervisory bodies can influence and assumptions about factors which are exclusively outside the influence of the members of the administrative, management or supervisory bodies; (b) the assumptions must be reasonable, readily understandable by investors, specific and precise and not relate to the general accuracy of the estimates underlying the forecast; (c) in the case of a forecast, the assumptions shall draw the investor's attention to those uncertain factors which could materially change the outcome of the forecast.	
11.3	The prospectus shall include a statement that the profit forecast or estimate has been compiled and prepared on a basis which is both: (a) comparable with the historical financial information; (b) consistent with the issuer's accounting policies.	Section 11.1
12	**ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES AND SENIOR MANAGEMENT**	Chapter 12
12.1	Names, business addresses and functions within the issuer of the following persons and an indication of the principal activities performed by them outside of that issuer where these are significant with respect to that issuer: (a) members of the administrative, management or supervisory bodies; (b) partners with unlimited liability, in the case of a limited partnership with a share capital; (c) founders, if the issuer has been established for fewer than five years; (d) any senior manager who is relevant to establishing that the issuer has the appropriate expertise and experience for the management of the issuer's business. Details of the nature of any family relationship between any of the persons referred to in points (a) to (d). In the case of each member of the administrative, management or supervisory bodies of the issuer and of each person referred to in points (b) and (d) of the first subparagraph, details of that person's relevant management expertise and experience and the following information: (a) the names of all companies and partnerships where those persons have been a member of the administrative, management or supervisory bodies or partner at any time in the previous five years, indicating whether or not the individual is still a member of the administrative, management or supervisory bodies or partner. It is not necessary to list all the subsidiaries of an issuer of which the person is also a member of	Section 12.1

N°	Information specified in Annex I of Commission Delegated Regulation (EU) 2019/980 of 14 March 2019	Registration Document section or chapter
	the administrative, management or supervisory bodies; (b) details of any convictions in relation to fraudulent offences for at least the previous five years; (c) details of any bankruptcies, receiverships, liquidations or companies put into administration in respect of those persons described in points (a) and (d) of the first subparagraph who acted in one or more of those capacities for at least the previous five years; (d) details of any official public incrimination and/or sanctions involving such persons by statutory or regulatory authorities (including designated professional bodies) and whether they have ever been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of an issuer or from acting in the management or conduct of the affairs of any issuer for at least the previous five years. If there is no such information required to be disclosed, a statement to that effect is to be made.	
12.2	Administrative, management and supervisory bodies and senior management conflicts of interests Potential conflicts of interests between any duties to the issuer, of the persons referred to in item 12.1, and their private interests and or other duties must be clearly stated. In the event that there are no such conflicts, a statement to that effect must be made. Any arrangement or understanding with major shareholders, customers, suppliers or others, pursuant to which any person referred to in item 12.1 was selected as a member of the administrative, management or supervisory bodies or member of senior management. Details of any restrictions agreed by the persons referred to in item 12.1 on the disposal within a certain period of time of their holdings in the issuer's securities.	Section 12.2
13.	**REMUNERATION AND BENEFITS**	Chapter 13
	In relation to the last full financial year for those persons referred to in points (a) and (d) of the first subparagraph of item 12.1:	
13.1	The amount of remuneration paid (including any contingent or deferred compensation), and benefits in kind granted to such persons by the issuer and its subsidiaries for services in all capacities to the issuer and its subsidiaries by any person. That information must be provided on an individual basis unless individual disclosure is not required in the issuer's home country and is not otherwise publicly disclosed by the issuer.	Section 13.1
13.2	The total amounts set aside or accrued by the issuer or its subsidiaries to provide for pension, retirement or similar benefits.	Section 13.2
14.	**BOARD PRACTICES**	Chapter 14

N°	Information specified in Annex I of Commission Delegated Regulation (EU) 2019/980 of 14 March 2019	Registration Document section or chapter
	In relation to the issuer's last completed financial year, and unless otherwise specified, with respect to those persons referred to in point (a) of the first subparagraph of item 12.1.	
14.1	Date of expiration of the current term of office, if applicable, and the period during which the person has served in that office.	Section 14.1
14.2	Information about members of the administrative, management or supervisory bodies' service contracts with the issuer or any of its subsidiaries providing for benefits upon termination of employment, or an appropriate statement to the effect that no such benefits exist.	Section 14.2
14.3	Information about the issuer's audit committee and remuneration committee, including the names of committee members and a summary of the terms of reference under which the committee operates.	Section 14.3
14.4	A statement as to whether or not the issuer complies with the corporate governance regime(s) applicable to the issuer. In the event that the issuer does not comply with such a regime, a statement to that effect must be included together with an explanation regarding why the issuer does not comply with such regime.	Section 14.4
14.5	Potential material impacts on the corporate governance, including future changes in the board and committees composition (in so far as this has been already decided by the board and/or shareholders meeting).	Section 14.5
15.	**EMPLOYEES**	Chapter 15
15.1	Either the number of employees at the end of the period or the average for each financial year for the period covered by the historical financial information up to the date of the registration document (and changes in such numbers, if material) and, if possible and material, a breakdown of persons employed by main category of activity and geographic location. If the issuer employs a significant number of temporary employees, include disclosure of the number of temporary employees on average during the most recent financial year.	Section 15.1
15.2	**Shareholdings and stock options** With respect to each person referred to in points (a) and (d) of the first subparagraph of item 12.1 provide information as to their share ownership and any options over such shares in the issuer as of the most recent practicable date.	Section 15.2
15.3	Description of any arrangements for involving the employees in the capital of the issuer.	Section 15.3
16.	**MAJOR SHAREHOLDERS**	Chapter 16
16.1	In so far as is known to the issuer, the name of any person other than a member of the administrative, management or supervisory bodies who, directly or indirectly, has an interest in the issuer's capital or voting rights which is notifiable under the issuer's national law, together with the amount of each such person's interest, as at the date of the	Section 16.1.1

N°	Information specified in Annex I of Commission Delegated Regulation (EU) 2019/980 of 14 March 2019	Registration Document section or chapter
	registration document or, if there are no such persons, an appropriate statement to that that effect that no such person exists.	
16.2	Whether the issuer's major shareholders have different voting rights, or an appropriate statement to the effect that no such voting rights exist.	Section 16.1.2 Section 16.2
16.3	To the extent known to the issuer, state whether the issuer is directly or indirectly owned or controlled and by whom and describe the nature of such control and describe the measures in place to ensure that such control is not abused.	Section 16.3
16.4	A description of any arrangements, known to the issuer, the operation of which may at a subsequent date result in a change in control of the issuer.	Section 16.5
17.	**RELATED PARTY TRANSACTIONS**	Chapter 17
17.1	Details of related party transactions (which for these purposes are those set out in the Standards adopted in accordance with the Regulation (EC) No 1606/2002 of the European Parliament and of the Council, that the issuer has entered into during the period covered by the historical financial information and up to the date of the registration document, must be disclosed in accordance with the respective standard adopted under Regulation (EC) No 1606/2002 if applicable. If such standards do not apply to the issuer the following information must be disclosed: (a) the nature and extent of any transactions which are, as a single transaction or in their entirety, material to the issuer. Where such related party transactions are not concluded at arm's length provide an explanation of why these transactions were not concluded at arm's length. In the case of outstanding loans including guarantees of any kind indicate the amount outstanding; (b) the amount or the percentage to which related party transactions form part of the turnover of the issuer.	Section 17.1
18.	**FINANCIAL INFORMATION CONCERNING THE ISSUER'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFITS AND LOSSES**	Chapter 18
18.1	Historical financial information	Section 18.1
18.1.1	Audited historical financial information covering the latest three financial years (or such shorter period as the issuer has been in operation) and the audit report in respect of each year.	Section 18.1.1
18.1.2	**Change of accounting reference date** If the issuer has changed its accounting reference date during the period for which historical financial information is required, the audited historical information shall cover at least 36 months, or the entire period for which the issuer has been in operation, whichever is shorter.	N/A

N°	Information specified in Annex I of Commission Delegated Regulation (EU) 2019/980 of 14 March 2019	Registration Document section or chapter
18.1.3	**Accounting standards** The financial information must be prepared according to International Financial Reporting Standards as endorsed in the Union based on Regulation (EC) No 1606/2002. If Regulation (EC) No 1606/2002 is not applicable, the financial information must be prepared in accordance with: (a) a Member State's national accounting standards for issuers from the EEA, as required by Directive 2013/34/EU; (b) a third country's national accounting standards equivalent to Regulation (EC) No 1606/2002 for third country issuers. If such third country's national accounting standards are not equivalent to Regulation (EC) No 1606/2002 the financial statements shall be restated in compliance with that Regulation.	Section 18.1.1 N/A N/A N/A
18.1.4	**Change of accounting framework** The last audited historical financial information, containing comparative information for the previous year, must be presented and prepared in a form consistent with the accounting standards framework that will be adopted in the issuer's next published annual financial statements having regard to accounting standards and policies and legislation applicable to such annual financial statements. Changes within the accounting framework applicable to an issuer do not require the audited financial statements to be restated solely for the purposes of the prospectus. However, if the issuer intends to adopt a new accounting standards framework in its next published financial statements, at least one complete set of financial statements (as defined by IAS 1 Presentation of Financial Statements as set out in Regulation (EC) No 1606/2002), including comparatives, must be presented in a form consistent with that which will be adopted in the issuer's next published annual financial statements, having regard to accounting standards and policies and legislation applicable to such annual financial statements.	Section 7.3.3
18.1.5	Where the audited financial statements is prepared according to national accounting standards, it must include at least the following: (a) the balance sheet; (b) the income statement; (c) a statement showing either all changes in equity or changes in equity other than those arising from capital transactions with owners and distributions to owners; (d) the cash flow statement; (e) the accounting policies and explanatory notes.	N/A
18.1.6	**Consolidated financial statements**	Section 18.1.1

N°	Information specified in Annex I of Commission Delegated Regulation (EU) 2019/980 of 14 March 2019	Registration Document section or chapter
	If the issuer prepares both stand-alone and consolidated financial statements, include at least the consolidated financial statements in the registration document.	
18.1.7	**Age of financial information** The balance sheet date of the last year of audited financial information may not be older than one of the following: (a) 18 months from the date of the registration document if the issuer includes audited interim financial statements in the registration document; (b) 16 months from the date of the registration document if the issuer includes unaudited interim financial statements in the registration document.	Section 18.2
18.2	Interim and other financial information	N/A
18.2.1	If the issuer has published quarterly or half-yearly financial information since the date of its last audited financial statements, these must be included in the registration document. If the quarterly or half-yearly financial information has been audited or reviewed, the audit or review report must also be included. If the quarterly or half-yearly financial information is not audited or has not been reviewed, state that fact. If the registration document is dated more than nine months after the date of the last audited financial statements, it must contain interim financial information, which may be unaudited (in which case that fact must be stated) covering at least the first six months of the financial year. Interim financial information prepared in accordance with the requirements of Regulation (EC) No 1606/2002. For issuers not subject to Regulation (EC) No 1606/2002, the interim financial information must include comparative statements for the same period in the prior financial year, except that the requirement for comparative balance sheet information may be satisfied by presenting the year's end balance sheet in accordance with the applicable financial reporting framework.	N/A
18.3	Auditing of historical annual financial information	Section 18.1
18.3.1	The historical annual financial information must be independently audited. The audit report shall be prepared in accordance with the Directive 2014/56/EU of the European Parliament and Council and Regulation (EU) No 537/2014 of the European Parliament and of the Council. Where Directive 2014/56/EU and Regulation (EU) No 537/2014 do not apply: (a) the historical annual financial information must be audited or reported on as to whether or not, for the purposes of the registration document, it gives a true and fair view in accordance with auditing	Section 18.1.2

N°	Information specified in Annex I of Commission Delegated Regulation (EU) 2019/980 of 14 March 2019	Registration Document section or chapter
	standards applicable in a Member State or an equivalent standard; (b) If audit reports on the historical financial information have been refused by the statutory auditors or if they contain qualifications, modifications of opinion, disclaimers or an emphasis of matter, such qualifications, modifications, disclaimers or emphasis of matter must be reproduced in full and the reasons given.	
18.3.2	Indication of other information in the registration document that has been audited by the auditors.	Section 11.3
18.3.3	Where financial information in the registration document is not extracted from the issuer's audited financial statements state the source of the information and state that the information is not audited.	N/A
18.4	*Pro forma* financial information	N/A
18.4.1	In the case of a significant gross change, a description of how the transaction might have affected the assets, liabilities and earnings of the issuer, had the transaction been undertaken at the commencement of the period being reported on or at the date reported. This requirement will normally be satisfied by the inclusion of *pro forma* financial information. This *pro forma* financial information is to be presented as set out in Annex 20 and must include the information indicated therein. *Pro forma* financial information must be accompanied by a report prepared by independent accountants or auditors.	N/A
18.5	Dividend policy	Section 18.3
18.5.1	A description of the issuer's policy on dividend distributions and any restrictions thereon. If the issuer has no such policy, include an appropriate negative statement.	Section 10.2.5 Section 11.2.2 Section 11.2.3
18.5.2	The amount of the dividend per share for each financial year for the period covered by the historical financial information adjusted, where the number of shares in the issuer has changed, to make it comparable.	Section 18.3
18.6	Legal and arbitration proceedings	Section 18.4
18.6.1	Information on any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the issuer is aware), during a period covering at least the previous 12 months which may have, or have had in the recent past significant effects on the issuer and/or group's financial position or profitability, or provide an appropriate negative statement.	Section 18.4
18.7	Significant change in the issuer's financial position	Section 18.5
18.7.1	A description of any significant change in the financial position of the	Section 18.5

N°	Information specified in Annex I of Commission Delegated Regulation (EU) 2019/980 of 14 March 2019	Registration Document section or chapter
	group which has occurred since the end of the last financial period for which either audited financial statements or interim financial information have been published, or provide an appropriate negative statement.	
19.	**ADDITIONAL INFORMATION**	Chapter 19
19.1	**Share capital** The information in items 19.1.1 to 19.1.7 in the historical financial information as of the date of the most recent balance sheet:	Section 19.1
19.1.1	The amount of issued capital, and for each class of share capital: (a) the total of the issuer's authorised share capital; (b) the number of shares issued and fully paid and issued but not fully paid; (c) the par value per share, or that the shares have no par value; and (d) a reconciliation of the number of shares outstanding at the beginning and end of the year. If more than 10% of capital has been paid for with assets other than cash within the period covered by the historical financial information, state that fact.	Section 19.1.1
19.1.2	If there are shares not representing capital, state the number and main characteristics of such shares.	Section 19.1.2
19.1.3	The number, book value and face value of shares in the issuer held by or on behalf of the issuer itself or by subsidiaries of the issuer.	Section 19.1.3
19.1.4	The amount of any convertible securities, exchangeable securities or securities with warrants, with an indication of the conditions governing and the procedures for conversion, exchange or subscription.	Section 19.1.4
19.1.5	Information about and terms of any acquisition rights and or obligations over authorised but unissued capital or an undertaking to increase the capital.	Section 19.1.5
19.1.6	Information about any capital of any member of the group which is under option or agreed conditionally or unconditionally to be put under option and details of such options including those persons to whom such options relate.	Section 19.1.6
19.1.7	A history of share capital, highlighting information about any changes, for the period covered by the historical financial information.	Section 19.1.7
19.2	**Memorandum and Articles of Association**	Section 19.2
19.2.1	The register and the entry number therein, if applicable, and a brief description of the issuer's objects and purposes and where they can be found in the up to date memorandum and articles of association.	Section 19.2.1

N°	Information specified in Annex I of Commission Delegated Regulation (EU) 2019/980 of 14 March 2019	Registration Document section or chapter
19.2.2	Where there is more than one class of existing shares, a description of the rights, preferences and restrictions attaching to each class.	Section 19.2.3
19.2.3	A brief description of any provision of the issuer's articles of association, statutes, charter or bylaws that would have an effect of delaying, deferring or preventing a change in control of the issuer.	Section 19.2.1
20.	**MATERIAL CONTRACTS**	Chapter 20
20.1	A summary of each material contract, other than contracts entered into in the ordinary course of business, to which the issuer or any member of the group is a party, for the two years immediately preceding publication of the registration document. A summary of any other contract (not being a contract entered into in the ordinary course of business) entered into by any member of the group which contains any provision under which any member of the group has any obligation or entitlement which is material to the group as at the date of the registration document.	Section 20.1
21.	**DOCUMENTS AVAILABLE**	Chapter 21
21.1	A statement that for the term of the registration document the following documents, where applicable, can be inspected: (a) the up to date memorandum and articles of association of the issuer; (b) all reports, letters, and other documents, valuations and statements prepared by any expert at the issuer's request any part of which is included or referred to in the registration document. An indication of the website on which the documents may be inspected.	Chapter 21