FIRST PROSPECTUS SUPPLEMENT DATED 14 APRIL 2022 TO THE BASE PROSPECTUS DATED 2 FEBRUARY 2022

ARVAL SERVICE LEASE

Euro 15,000,000,000

Euro Medium Term Note Programme

This first prospectus supplement (the "**First Prospectus Supplement**") is supplemental to, and should be read in conjunction with, the base prospectus dated 2 February 2022 which received approval no. 22-024 on 2 February 2022 from the *Autorité des marchés financiers* (the "**AMF**") (the "**Base Prospectus**") prepared in relation to the Euro 15,000,000,000 Euro Medium Term Note Programme (the "**Programme**") of Arval Service Lease (the "**Issuer**"). The Base Prospectus constitutes a base prospectus for the purpose of Article 8 of Regulation (EU) 2017/1129 of 14 June 2017, as amended (the "**Prospectus Regulation**").

Application has been made for approval of this First Prospectus Supplement to the AMF in its capacity as competent authority pursuant to the Prospectus Regulation.

This First Prospectus Supplement has been prepared pursuant to Article 23 of the Prospectus Regulation, for the purpose of giving information which amends or is additional to the information already contained in the Base Prospectus.

This First Prospectus Supplement has been prepared for the purposes of:

(i) amending the "Risks Factors" section;

(ii) incorporating by reference the Issuer's 2021 Consolidated Financial Statements;

(iii) amending the "Description of Arval" section; and

(iv) amending the "General Information" section.

Save as disclosed in this First Prospectus Supplement, there has been no other significant new factor, material mistake or material inaccuracy relating to information included in the Base Prospectus which is material in the context of the Programme since the publication of the Base Prospectus.

Unless the context otherwise requires, terms defined in the Base Prospectus shall have the same meaning when used in this First Prospectus Supplement.

To the extent that there is any inconsistency between (a) any statement in this First Prospectus Supplement and (b) any other statement in or incorporated by reference in the Base Prospectus, the statements in (a) above will prevail.

Copies of this First Prospectus Supplement (a) may be obtained, free of charge, from the registered office of the Issuer during normal business hours, (b) will be available on the website of the Issuer (www.arval.com/investors), (c) will be available on the website of the AMF (https://www.amf-france.org) and (d) may be obtained without charge from the registered office of the Issuer during normal business hours.

Pursuant to Article 23.2 of the Prospectus Regulation, investors who have already accepted to purchase or subscribe for any Notes to be issued under the Program before this First Prospectus Supplement is published, shall have the right, exercisable within a time limit which shall not be shorter than three business days after the publication of this First Prospectus Supplement, to withdraw their acceptances, provided that the new factor, material mistake or material inaccuracy was prior to the final closing of the public offer and delivery of the financial securities. This right to withdraw shall expire by close of business on 20 April 2022. Investors may contact the Authorised Offeror(s) should they wish to exercise the right of withdrawal.

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RISK FACTORS

In relation to the amendments to the "Risk Factors" section of the Base Prospectus set out in this section: (i) text which, by virtue of this First Prospectus Supplement is deleted therefrom is shown in red/with a line drawn through the middle of the deleted text, and (ii) text which, by virtue of this First Prospectus Supplement is added thereto is shown green.

The section entitled "**Risk Factors**" appearing on pages 13 to 35 of the Base Prospectus is amended as follows:

- the risk factors appearing under the heading "**I. Risks relating to the Issuer and its operations**" on pages 13 to 26 of the Base Prospectus are amended as follows:
  - the risk factors appearing under the heading "**A. Risks related to the Issuer's business activity**" on pages 13 to 17 of the Base Prospectus are amended as follows:

"A. Risks related to the Issuer's business activity

Risks linked to residual value of leased vehicles

As a specialist in full service vehicle leasing, the Issuer's gross operating income ("**GOI**") is well diversified with a ~~financial~~ lease contract margin (that represents ~~43.6~~ 45.6 per cent. of the Issuer's GOI at the end of December 2020 and ~~42.4%~~ 41.5% at the end of ~~June~~ December 2021), a service margin (including various types of services and insurance) (that represents ~~45.3~~ 42.9 per cent. of the Issuer's GOI at the end of December 2020 and ~~37.9%~~ 37.2% at the end of ~~June~~ December 2021) and a used car margin (that represents 11.6 per cent. of the Issuer's GOI at the end of December 2020 and ~~19.6%~~ 21.3% at the end of ~~June~~ December 2021). With respect to the used car margin, the Issuer retains the residual value risk on its leased vehicles and sells vehicles returned by its clients at the end of the lease, at a profit or loss. Gross operating profit from such vehicle sales totalled ~~EUR 129 million in 2019,~~ EUR 159 million in 2020 and EUR ~~166~~ 370 million in ~~the first half of~~ 2021. However, the Issuer may be unable to sell its used vehicles at desirable prices, and faces risks related to the residual value of its vehicles in connection with such disposals. The Issuer is exposed to a potential loss in a financial year from (i) resale of vehicles related to leases, which expire during the period whose resale value is lower than their net carrying amount and (ii) additional impairment during the lease period if residual value drops below contractual residual value.

The proceeds invoiced upon the sale of a used vehicle and the risk of such proceeds being less than the book value of such vehicle as at the contractual end date may depend on a number of factors, which may be outside the Issuer's control. Profit from future sales and estimated losses, and consequently the risk of such sales proceeds being less than the contractual residual value, are impacted by internal remarketing performance and external factors such as macroeconomic conditions, government policies, tax and environmental regulations, emission values and fuel prices, consumer choices, consumer confidence, new vehicle prices, new vehicle sales, new vehicle brand images or marketing programs, the actual or perceived quality, safety or reliability of vehicles, the level of current used vehicle values, etc.

Technological change can also create uncertainties as to the future value of vehicles. Some technologies can become less desirable if vehicle performance or regulations change. An example observed 3 years ago is the impact on diesel used car prices following the DieselGate and the ban of diesel cars in some areas and in large cities. At that time the impact on diesel used car prices was estimated at EUR three hundred (300) per car with the rateable value of EUR ten thousand (10,000) in average, which constitutes three (3%.) per cent. An action plan was set up in 2017 to compensate the effect of the diesel crisis, mainly based on: remarketing initiatives, fleet booster and insurance initiatives, and also through new products launch and productivity gains. Since 2017, a strong attention has also been put on transforming the car mix in the new production (cars entering the fleet) ~~with a 5-year ambition~~ which allowed to reduce the diesel share from 90% to ~~45%~~ 44% in 2021.

Any of the factors above that may reduce the leased vehicle sales proceeds could force the Issuer to reduce concurrently the estimated residual values of the leased vehicles in its fleet and cause a loss from increased prospective depreciation expenses or cause a loss on the sale of the vehicle on lease termination. Arval re-evaluates on a quarterly basis the future margin on used car sales. A decrease in the residual value of the Issuer's leased vehicles could have a material adverse effect on the Issuer's business, financial position and results of operations.

Risks linked to adverse developments in the automotive industry

General developments in the automotive industry are important for the Issuer, due to their effects on the terms and conditions (including price levels) for purchasing, servicing and eventually reselling its vehicles, which in turn could impact the demand for, and pricing of, the Issuer's services. These could influence both the purchase prices of vehicles and the resale prices of used vehicles.

The Issuer is dependent on developments in automotive trends and technology changes, which are subject to a variety of factors that it cannot influence. These include, for example, the evolution of oil prices and renewable energy prices and infrastructure, the expansion of public transport infrastructure, availability of popular electric vehicle models, new technologies such as autonomous driving software, urban policies adversely affecting personal car use, changes in government policies affecting diesel vehicles in Europe or other markets in which the Issuer operates, the imposition of carbon taxes and other regulatory measures to address climate change, pollution or other negative impacts of mass transport, the development of alternative transportation means in the city (bikes, scooters, etc.). A negative development of these factors may affect the use of vehicles in general and therefore the business of the Issuer. Current shortage of semi-conductors worldwide has a negative impact or delivery time by car manufacturers. This could result in a lower than expected fleet growth.

Market consolidation or down-sizing or liquidations of individual car manufacturers could also materially affect the availability of certain vehicles and the bargaining power of the Issuer when negotiating competitive prices for the vehicles it purchases to satisfy the Issuer's customer needs.

The Issuer is subject to risks related to the climate change and pollution concerns, together with evolutions in the environmental regulation. Legal requirements relating to environmental protection are growing in importance in the European Union and in other regions of the world. In recent years, some car manufacturers have been accused of manipulating emission levels. Such scandals may induce stricter regulations, influence customer purchasing decisions and the market prices of certain affected vehicle models. Emission scandals in the past or future could potentially negatively affect the market prices of certain of its used vehicles (including diesel powered vehicles) and have other adverse effects on the business of the Issuer. In ~~2020~~ 2021, ~~56%~~ 44% of vehicles registered in full service leasing were Diesel (~~45% year to date as at 30 September 2021~~ 56% in 2020).

This evolution also impacted the transition to a lower-carbon economy. Given the nature of its business, the risks the Issuer faces are linked to its transition from internal combustion engines vehicles in the Issuer's fleet to low and zero emission alternatives. Such transition could impact aspects of the Issuer's business model where internal combustion engines vehicles represented ~~89%~~ 84% of its fleets at the end of December ~~2020~~ 2021 (~~85% at the end of September 2021~~ 89% at the end of December 2020), which is why the Issuer aims to reduce the share of the latter in its portfolio and promote green alternatives. In some cases, the profitability of parts of the Issuer's value chain could be adversely affected.

The Issuer has set-up an Energy Transition Plan which set target in terms of decrease diesel share in production together with increasing electric vehicles ("**EV**") share. The Issuer has also developed consulting approach for its clients in order to support them in the choice of the right structure of their fleet, depending of their drivers' usage, the total cost of ownership of the vehicles and their objectives in terms of reducing pollution and CO_2 emissions.

Finally, prices for petroleum-based products, which include petrol, diesel and tyres, have experienced major volatility in the past. If oil prices were to recover and return to higher levels, automotive travel patterns might be adversely affected in many ways. Significant increases in fuel prices could significantly discourage customers from using leased vehicles and this could have an adverse effect on demand for the leased vehicles offered by the Issuer.

The materialisation of any of the risks described above could materially alter the existing business practices, financial condition and results of operations of the Issuer.

The Issuer faces risks related to its motor insurance business

The Issuer is, amongst others, exposed to third-party liability claims (which include personal injury, death and property damage), motor material damage claims, passenger indemnity and legal assistance claims through Greenval Insurance DAC ("**Greenval**"), an insurance company based in Ireland and working exclusively for Arval since its creation in 2007, which has been acquired by Arval from BNP Paribas Ireland in December 2020. On the basis of the ~~2020 combined~~ 2021 consolidated profit and loss account ~~(cf. note 1.b of the 2020 Consolidated Financial Statements)~~, Greenval represented ~~4.4%~~ 3.6% of the gross operating income of the Arval Group at 31 December ~~2020~~ 2021.

Greenval provides insurance to Arval Group companies and their customers for third-party liability (~~54%~~ 52% of Greenval Gross Written Premium or "**GWP**"), motor own damage (~~37%~~ 39% of Greenval GWP), and other various covers (9% of GWP) as passengers & driver indemnity, legal assistance risks in relation to vehicle leasing and fleet management. In order to limit the financial impact of a single accident or event, Greenval purchases external reinsurance covers with a panel of large highly solvent reinsurer companies, on an excess of loss basis for two principal risks, motor third-party liability and catastrophic events. However, the Issuer and Greenval remain partly exposed to large claims and insufficient premiums to cover their risk exposure. In some cases, Arval Group companies may keep the material damages risk occurring to the lease vehicle which can result in losses in the event of high vehicle repairs costs.

Arval Group is active in a complex and changing legal and regulatory environment related to insurance which could affect its insurance products distribution in case of evolving regulation.

As of 31 December 2021, Greenval is directly operating under Freedom of Service ("**FOS**") in 14 European Union countries to provide insurance coverage to Arval Group companies and their customers in these markets. Greenval is also acting as a reinsurer in six other European countries.

In some cases, the Issuer may face uninsured liability for fleet damage or theft or natural events at levels significantly in excess of historical levels which may adversely affect the Issuer's revenues and profitability.

The Issuer is subject to changes in financial reporting standards, such as IFRS 17 Insurance contracts, or policies, which could materially adversely affect Issuer's reported results of operations and financial condition and may have a corresponding material adverse impact on capital ratios.

The Issuer's consolidated financial statements are prepared in accordance with International Financial Reporting Standards ("**IFRS**") as adopted by the European Union. Accordingly, from time to time the

Issuer is required to adopt new or revised IFRS issued by the International Accounting Standards Board ("**IASB**") and adopted by the European Union.

The Issuer and Greenval, its fully owned insurance subsidiary, will adopt IFRS 17 by the required effective date of January 2023. IFRS 17 includes a current measurement model where estimates are re-measured each reporting period. The standard allows a choice between recognizing changes in discount rates either in the income statement or directly in other comprehensive income. A simplified premium allocation approach may be applied for contracts that meet specific conditions which might apply to most of Issuers contracts. This approach is quite similar to current accounting under IFRS 4. The Arval Group is currently assessing the impact of IFRS 17, and as such is not able to quantify its impact.

These and further changes in financial reporting standards or policies, including as a result of choices made by the Issuer, could have a material adverse effect on the Issuer's reported results of operations and financial condition and may have a corresponding material adverse effect on capital ratios.

Risks linked to maintenance services and tyres

The leasing contracts entered into by the Issuer provide estimates regarding the preventive and curative maintenance, tyre change costs, body repair, roadside assistance, etc. Costs of maintenance, tyres, body repair and glasses represented altogether about EUR 1.2 billion in ~~2020~~ 2021. However, the actual costs of maintenance incurred during the contract life may be greater than the costs forecasted and included in the quotation at the beginning of the contract.

Maintenance pricing setting is done locally using scores calibrated on local historical statistics. A global review of the maintenance margins is carried out for each of the thirty (30) countries[1] in which the Arval Group operates on a regular basis in order to backtest the pricing assumptions in terms of costs and frequencies and to make the necessary adjustments if maintenance and tyre costs are higher in the latter part than in the first part of a contract's life.

The costs described above may be influenced by a number of factors that include, extension of maintenance to services not initially included, maintenance frequency higher than initial assumptions (poor evaluation, type of usage on the part of customers), price of supplies needed for maintenance of vehicles higher than initially estimated, labour cost higher than initially estimated.

The Issuer's pricing structure and assumptions regarding the future maintenance and repair costs and tyre costs of the vehicles in its fleet over the term of the lease may prove to be inaccurate. As most of the Issuer's leases are on a fixed-fee basis, the Issuer may not be able to pass on the increased prices to its existing customers, which may in turn result in reduced margin or losses on the relevant leasing contracts. The Issuer may not be able to recover the unbudgeted costs and this could have an adverse impact on the Issuer's financial condition and results of operations.

Dependence on third-party providers

The Arval Group may distribute vehicle leasing services either in the "direct channel" or "indirect channel". These indirect contractual arrangements accounted for ~~26%~~ 23% of the total fleet in full service leasing (including private lease contracts) of the Arval Group at 31 December ~~2020~~ 2021 (out of which ~~8%~~ 9% are constituted by contractual arrangements concluded with external partners and ~~18%~~ 15% by contractual arrangements with BNP Group).

- External bank: in particular, the leasing activities of one European subsidiary of the Issuer are partly based on contractual relationships with an external bank acting as intermediary in the distribution of vehicle leasing contracts and, as this contractual arrangements accounted for 4% of

[1] Arval Group entities propose their leasing services in 30 countries. Arval Group is also present in Ireland where the insurance company Greenval is incorporated.

the total fleet (including private lease contracts) of Arval Group at 31 December ~~2020~~ 2021, Arval Group may face a temporary decrease of its total fleet upon termination by such counterparty of these contractual arrangements.

- Car manufacturers and dealers: the Issuer also depends on car manufacturers and dealers for the supply of attractive vehicle models on competitive terms, in sufficient quantities, with satisfactory quality and on a timeline compatible with its business model (during the year ~~2020~~ 2021, Arval Group have registered ~~349,800~~ 373,911 new vehicles) and for maintenance and spare parts. Arval Group entities also rely on other suppliers of aftersales service. In addition, the Issuer's vehicles and their components or equipment may become subject to recalls by their manufacturers or by governments, which would negatively impact its business.

- Other suppliers: the Issuer also depends on short-term rental companies in order to propose replacement vehicles to its long-term leasing customers. Arval Group is working in this respect with several short-term rental operators that enable some flexibility towards the client. During the year ~~2020~~ 2021, Arval Group's have paid ~~57,7~~ 66.4 million of euros of short term rental costs. Therefore, the Issuer could be negatively impacted in circumstances where such companies would not be able to continue providing short-term rental services to the Issuer. It should be noted however that relief vehicles may also be provided by Arval third party suppliers under roadside assistance contracts.

The Issuer uses partners for maintenance, towing or the supply of replacement vehicles. This situation creates sometimes situation of dependency which may generate pricing risks, and the quality of service and quality of the customer management may be deteriorated, which could have an adverse impact on the Issuer's reputation, financial condition and results of operations."

- the risk factors appearing under the heading "**B. Credit risks**" on pages 18 to 19 of the Base Prospectus are amended as follows:

"B. Credit risks

The Issuer is exposed to credit risk from customers who may default in respect of their payment obligations

The credit risk is the risk of loss resulting from the inability of customers or contractual counterparties of the Issuer to meet the financial commitments in their contracts. This includes the risk of a default on lease payments and accounts receivable due to the Issuer.

The Issuer credit risk depends heavily on:

- the concentration and risk profile of its customers: the Issuer's portfolio is not concentrated per client: Top 10 large corporate clients (other than BNP Group (being BNP Paribas together with its consolidated subsidiaries, the "**BNP Group**")) represent only 7% of the total exposure at ~~30 June~~ 31 December 2021. Top 20 large corporate clients represent twelve (12%) per cent of total exposure at ~~30 June~~ 31 December 2021;

- the geographical and industry segmentation of its credit exposure: the Issuer's portfolio is well diversified by industry:
  - No large industry segment exceeds thirteen (13%) per cent of the portfolio at ~~30 June~~ 31 December 2021;
  - Sensitive industry to the Covid-19 crisis only represents a very small part of the portfolio: aviation/air transportation, automotive, retail nonfood, textile, and tourism/leisure, all together account for around eight point ~~four~~ three (~~8.4%~~ 8.3%) per cent of the portfolio at ~~30 June~~ 31 December 2021;

- Automotive segment represents two (2%) per cent at ~~30 June~~ 31 December 2021;

- the nature of this credit exposure and the quality of its leased vehicles portfolio: the Issuer's client portfolio has a good credit profile with the investment grade part at fifty-four (54%) per cent at ~~30 June~~ 31 December 2021 (56% at 31 December 2020). One third of the portfolio is the equivalent of a "BB" credit rating, which let only a small part (six (6%) per cent) rated "B" and below. The Issuer applies the global rating policy of BNP Group, adopts systematically BNP Paribas ratings for shared clients with BNP Paribas and achieves systematically annual internal rating review;

- economic factors may influence customers' capacity to make scheduled payments, including business failures, corporate debt levels and debt service burdens and demand for the products and services of its customers. For instance, during the global economic crisis in 2008 and 2009, the Issuer briefly experienced moderately higher default rates from corporate and small and medium sized enterprises. Since 2016, the cost of risk has remained below 23 bps annually (20bps in 2019). It was 30 bps in 2020 in relation with Covid crisis. It was ~~14~~ 15 bps in ~~the first half of~~ 2021. The large share of B2B with large corporate clients let Issuer's business has an overall low credit risk (historically around 20bps):

  - Corporate clients usually pay their rental even if they face difficulties as they need the vehicles for their activity. The cost of risk is low for this segment (around 10bps).
  - The Issuer remains owner of the vehicles and can get them back if the rental is not paid.
  - Credit risk is higher in the retail segment (around 50bps).
  - At the end of December ~~2020~~ 2021, annualized cost of risk amounted to ~~30~~ 15 bps (~~16 bps for the first nine months of 2021~~ 30 bps in 2020).

At 31 December ~~30 June~~ 2021, the Issuer receivables with customers and financial institutions was EUR 231.88 ~~242.7~~ million. At this same date, the Issuer had EUR 36.11 ~~34.4~~ million in allowances for impairment concerning trade receivables, thus net receivables of EUR 195.77 ~~208.3~~ million[2].

While the Issuer generally has the ability to recover and resell leased vehicles following a customer default, the resale value of the recovered vehicles may not be adequate to cover its loss as a result of a default. The Issuer may not be able to resell the relevant vehicle at all which could have an adverse impact on the Issuer's results of operations.

If several countries go into recession as a result of the Covid-19 crisis, the clients' default rates could rise despite the preventive measures taken by the Issuer (tighter lending criteria, greater attention to collection).

Arval Group is exposed to credit risk from its counterparties on its investment portfolio instruments and reinsurance contracts

Greenval, the fully owned insurance subsidiary of Arval, enters into reinsurance agreements with ten reinsurers with respect to third-party liability and natural catastrophic events, ceded premiums to reinsurers representing circa ~~10%~~ 4% of Greenval GWP. Its reinsurance agreements and investment portfolio holdings arrangements expose Greenval to credit risk in the event of a default of its counterparties. It is therefore possible that Greenval could suffer losses because of its counterparty exposures and such losses could have a material adverse effect on its revenues, reserves and profit. Risk impact on the Greenval investment portfolio on a single (non BNP Group) counterparty/issuer is limited by Greenval investment policy at ~~5%~~ 10% of the investments held in the technical reserves portfolio. ~~Furthermore,~~ Greenval solvency margin cover has grown ~~from 152%~~ to 174% at fourth

[2] Arval's audited consolidated accounts.

quarter ~~2020~~ 2021 (152% at fourth quarter 2020).~~, reflecting the significant increase in the capital base of Greenval while the Solvency Capital Requirement also increased, albeit to a smaller degree.~~"

- the risk factors appearing under the heading "**C. Strategic risks**" on pages 19 to 21 of the Base Prospectus are amended as follows:

"C. Strategic risks

Risks linked to the Issuer's competitiveness and strategy

The Issuer is exposed to a risk related to its competitive and strategic environment, which is a risk including loss of clients, volumes of activity, or revenues resulting from the inability to maintain its competitive position or to carry out its strategy.

Intense competition from a variety of competitors: The Issuer operates in a competitive industry characterized by consolidation in a number of its core markets, particularly in the more mature European markets. On a global scale, the full-service leasing market remains fragmented, with few players providing global coverage. The Issuer's key competitors are the ALD group, LeasePlan and Alphabet, which are international multi-brand leasing companies operating in the same geographies as the Issuer. Arval Group is the European leader in the multibrand full service leasing market. At the end of December ~~2020~~ 2021, Arval Group's full service leasing fleet reached ~~1,382~~ 1,470 thousand vehicles (~~1,441~~ 1,382 thousand vehicles as at ~~30 September 2021~~ 31 December 2020), to be compared with ~~1,372~~ 1,427 thousand vehicles for ALD (~~1,382~~ 1,372 thousand vehicles as at ~~30 September 2021~~ 31 December 2020)[3] and to ~~1,311~~ 1,328 thousand vehicles estimated for LeasePlan (1,311 thousand vehicles estimated as at ~~30 September 2021~~ 31 December 2020)[4]. Alphabet reported ~~705~~ 696 thousand fleet contracts at the end of ~~2020~~ 2021 (705 thousand fleet contracts at the end of 2020)[5]. On the 6 January 2022, ALD announced the signing of a Memorandum of Understanding to acquire 100% of LeasePlan. The closing of the transaction, which is expected by end 2022 and is subject to several closing conditions, would create the leader in multi brand full service leasing.

The Issuer's principal competitors are, at the global level, international independent operators, bank affiliates and car manufacturer captives. In addition, in certain markets, the Issuer may be in competition with local players.

Pressure on the prices charged for its services: The Issuer's competitors, some of whom belong to group held by car manufacturers or banks that may have access to substantial funding at a low cost, may seek to compete aggressively on the basis of pricing, particularly with the consolidation of main players. Further, the Issuer may be required by customers to match competitors' downward pricing either to maintain or gain market share, which may adversely affect the margins that can be achieved and the results of operations of the Issuer. If the Issuer's prices are too far from those of its competitors, it may lose customers and/or business volume.

Continuous development of new services: In addition, the Issuer's positioning is dependent on its ability to meet customers' expectations i.e. its ability to continuously improve its existing range of products and services and to develop new products, services, systems and software that meet the evolving needs of its customers. Technological advancements may lead to changes in customer behaviour, especially in relation to mobility patterns, which may require the Issuer to make substantial investments in order to stay abreast of such developments; technological advancements may also result

[3] ALD Q4-~~2020~~2021 and Q~~3~~4-~~2021~~2020 results press release.

[4] LeasePlan Q4-~~2020~~2021 and Q~~3~~4-~~2021~~2020 results press release and Arval's management estimation based on ~~the following~~ total fleet breakdown for LeasePlan at 2019 year end: ~~71% full service leasing, 27% fleet management (LeasePlan's 2019 annual report), 2% financial leasing (and at 30 September 2021: 74% full service leasing, 25% fleet management, 1% financial leasing).~~

[5] BMW ~~2020~~ 2021 annual report.

in car manufacturers offering mobility solutions on the basis of self-driving vehicles, thereby circumventing vehicle rental and leasing providers and increasing competition in the vehicle rental and leasing industry. Therefore, the Issuer may be unable to compete successfully or competition may increase in the businesses in which it operates, which may affect the Issuer's business, financial position or results of operations.

Also, the Issuer intends to develop its business and its growth ambitions involve expansion into selective segments, such as increasing penetration of the retail segment, development in specific geographical areas, which has an higher cost of risk than the corporate one.

Arval Group strategic objectives are detailed in the "Arval Beyond" plan launched to target these new objectives for the years 2020-2025. Arval Beyond strategic plan is a roadmap for the Arval Group between now and 2025 with the following targets:

- Arval's growth and financial performance through in particular reaching 2 million leased cars worldwide;
- Arval's CSR & Energy Transition resulting in 700,000 electrified vehicles in its fleet, ~~30%~~ 35% reduction in CO2 emissions vs. 2020, and Arval remaining a carbon neutral company;
- A business model, covering a wider mobility concept including the car;
- The percentage of the women's share in Arval's COMEX being 40%.

Any future recession could have a material adverse impact on the execution of the Issuer's growth strategy, however if the Issuer is unable to develop into these new markets, to expand into new areas or with new categories of customers, and fails to successfully implement its strategy or if it does not yield the expected results, this could have a material adverse effect on its business, financial condition, revenues, reputation, and results of operations."

- the risk factors appearing under the heading "**D. Operational risks**" on pages 21 to 24 of the Base Prospectus are amended as follows:
    - the paragraph headed "*Epidemics and pandemics, including the ongoing coronavirus (COVID-19) pandemic and their economic consequences may adversely affect Arval Group's business, operations, results and financial condition.*" on page 21 to 22 of the Base Prospectus is amended as follows:

"**D. Operational risks**

Epidemics and pandemics, including the ongoing coronavirus (COVID-19) pandemic and their economic consequences may adversely affect Arval Group's business, operations, results and financial condition.

~~Since emerging in China in December 2019 a novel strain of the coronavirus (COVID-19) became a pandemic and spread globally, with a high concentration of cases in several countries in which Arval Group operates. Both the pandemic and government measures taken in response (border closings, travel restrictions, lockdown measures, vaccine accelerated process …) have had a major impact, both direct and indirect, on economic activity and financial markets globally. In particular, the sharp slowdowns of the economies in many regions as well as the reduction in global trade and commerce more generally have had severe negative effects on global economic conditions as global production, investments, and will continue to affect supply chains and consumer spending.~~

A global pandemic linked to a novel strain of coronavirus (Covid-19) has severely disrupted economies and financial markets worldwide since 2020. The introduction of lockdown measures and other restrictions initially caused economies in many regions to contract, trade to decline, production capacity to decrease, growth forecasts to be cut and supply chains to be disrupted. In a second phase, the roll-out of vaccination campaigns and the adaptation of economic actors allowed the gradual adaptation of these measures and restrictions, leading to a recovery in economic activity. As a result, various growth forecasts have showed a strong economic recovery in 2021 and 2022. Nevertheless, uncertainties remain as to the strength and sustainability of the recovery, both in terms of the public health situation (e.g., the appearance of new strains of the virus) and the economy which could lead to doubts as to the extent and durability of the recovery. Various complicating factors will affect the trajectory of economic recovery. International supply chains – which had been strained severely by the pandemic – related mobility restrictions – remain heavily disrupted, generating shortages of certain consumer goods (such as a dearth of semiconductors causing delays in the production of telephones and automobiles) and oil and gas supply and labour market constraints, having both specific (e.g. raw materials price increases) and general (i.e. inflation rate) effects on prices. Further, while various governments and central banks implemented and supplemented measures to support the economy and its recovery – in order to mitigate the adverse economic and market consequences of the pandemic – there can be no assurance that such measures will suffice to redress the pandemic's negative impact on the regional or global economy over time, entirely compensate for or mitigate regional or global recessions (which occurred and could recur), or fully and over time prevent possible disruptions to the financial markets.

~~In response to the adverse economic and market consequences of the pandemic, various governments and central banks have taken or announced measures to support the economy (loan guarantee schemes, tax payment deferrals, expanded unemployment coverage…) or to improve liquidity in the financial markets (increased asset purchases, funding facilities…). Such measures have eased the negative effects of the pandemic on the economy regionally or globally, without fully mitigating regional or global recessions or to stabilize financial markets fully and sustainably. However~~

As a consequence, economic environment has improved in 2021 but remain uncertain. Arval Group's results and financial condition could be adversely affected notably by supply chain issues on semiconductors and other commodities that affect new car deliveries in its principal markets. The containment measures taken in several of the principal countries where Arval Group operates, have significantly reduced economic activity to recessionary levels in 2020 and a substantial reinstitution of such measures, in case of a new severe wave of Covid would have a similar effect. Arval Group's results have been affected in 2020 by such measures due to reduced revenues and to deteriorated credit quality both generally and in specific sectors that are particularly affected. ~~Uncertainty as to the duration and extent of the pandemic's remaining course as well as the pace of emergence from lockdowns and loosening of mobility and other restrictions makes the overall impact on the economies of Arval Group's principal markets as well as the world economy difficult to predict. The extent to which the economic consequences of the pandemic will continue to affect Arval Group's results and financial condition will indeed depend largely on (i) the timing and extent of a return to pre-pandemic lifestyles, business operations and economic interactions, (ii) the effects of the measures taken to date or future measures that may be taken by governments and central banks to attenuate the economic fallout of the pandemic and (iii) the duration and extent of the pandemic's remaining course, including the prospect of additional waves and hence of a reinstitution of containment measures in the various markets where Arval Group operates.~~

The extent to which the short, medium and long-term economic consequences of the pandemic will continue to affect the Arval Group's results and financial condition will depend largely on i) the intensity and duration of restrictive measures that have been put in place or their periodic reintroduction, depending on the evolution of the health situation, ii) the timing and extent of a return to pre-pandemic lifestyles, business operations and economic interactions, iii) the effects of the measures taken to date or future measures that may be taken by governments and central banks to attenuate the economic fallout of the pandemic or the terms and conditions for lifting these measures and iv) the duration and extent of the pandemic's remaining course, including the prospect of new waves or the appearance of new strains of the virus and, consequently, a reinstatement or strengthening of lockdown measures or other restrictions, such as in relation to travel, in the Arval Group's various markets, as well as the pace and mechanisms of deployment of immunisation programmes. Due to the unprecedented environment generated by the Covid-19 crisis, various pandemic-related uncertainties around public health, society and the economy, persist. The consequences for the Arval Group will depend on the duration of the impact of the crisis, the measures taken by governments and central banks, and the ability of society to recover, and are therefore difficult to predict.

The ability of the Issuer to make any principal and interest payments in respect of the Notes may be also materially affected by the evolution of results of operations and financial position of BNP Group within the COVID-19 crisis~~ since the Issuer remains dependent on BNP Paribas for the financing of its activity (see also risk factor "*Liquidity risks*")~~.

Regarding the impacts of this crisis on the Issuer's business, it is too early to draw any detailed conclusions, but we can expect an impact if the general lockdown measures are renewed, as already seen in 2020:~~.~~

~~Different direct impacts have already been seen in 2020:~~

- requests to delay payments by some companies whose business has been hard hit by lockdown measures;
- a significant fall in sales of used vehicles due to lockdown measures and as a consequence delays in the sale of used cars and increased stocks; a recovery of the used car market was observed after the end of the first lockdown in the second quarter of 2020;
- in some countries vehicles cannot be registered which effectively means that the clients have to keep their old vehicles (lease extensions); it being specified that Arval Group also proposed proactively extensions to its clients;
- an increase in refinancing costs;
- delays in receiving deliveries of spare parts, which could result in greater demand for replacement vehicle services provided to clients;
- on the other hand, the less intensive use of the vehicles due to lockdown measures will have a positive impact on their value.

Indirect impacts can be expected over the longer term if several large countries enter into stagnation or economic recession:

- higher default rates among the clients (even though most of the receivables are protected by ownership of the vehicles);
- a fall-off in demand for leasing, whose ultimate impact will depend on the length and depth of the crisis, currently difficult to gauge;
- risk of a fall in demand for used vehicles, prompting a fall in profit generated by resale of used vehicles and, potentially, the need to book additional impairment of the existing fleet;
- lower availability of refinancing sources and higher cost of debt (in particular if the Issuer or BNP Paribas ratings were downgraded);
- a deterioration in the cost/income ratio due to the lower increase in business activity. In anticipation of this, measures have been taken to limit non-essential investments.

Arval Group showed in 2020 good resilience to COVID-19 crisis thanks to the diversity of its income sources and the long term maturity of its vehicle leasing contracts. COVID-19 crisis had however a direct adverse impact on the results with the increase in the risk costs ~~of~~ by EUR 24 (twenty four) million in 2020 (at 60 (sixty) million euros) in comparison with 2019.

~~First 2021 Semester~~ 2021 showed better results with much less Cost of Risk than in 2020~~, and~~ (34 (thirty four) million euros cost of risk in 2021 that is a decrease of 26 (twenty six) million euros in comparison with 2020. 2021 showed also good Used Car sale revenues due to tensions on used car market generated by new car shortage and a favourable demand level for cars."

- the paragraph headed "*Brexit Risks*" on page 24 of the Base Prospectus is amended as follows:

"***Brexit Risks***

The United Kingdom ("**UK**") left the European Union ("**EU**") on 31 January 2020 at 11pm and the transition period ended on 31 December 2020 at 11pm. Therefore, the Treaty on the European Union and the Treaty on the Functioning of the European Union have ceased to apply to the UK. The European Union (Withdrawal) Act 2018 (as amended by the European Union (Withdrawal Agreement) Act 2020) and secondary legislation made under it ensure there is a functioning statute book in the UK. The EU-UK Trade and Cooperation Agreement (the "**Trade and Cooperation Agreement**"), which governs relations between the EU and UK following the end of the Brexit transition period and which had provisional application pending completion of ratification procedures, entered into force on 1 May 2021.

Arval Group is active in the UK, with a fleet representing ~~13%~~ 12% of the rental fleet within the countries and regions in which Arval Group operates in ~~2020~~ 2021, and a gross operating income of EUR ~~166~~ 223 million in the UK for ~~2020~~ 2021. Although Arval Group has prepared for Brexit with a view to ensuring the continuity of its activities, it is exposed to Brexit risks and could be ~~adversely~~ impacted.

~~In practice, Arval Group has worked with the British and European regulators in order to ensure the continuity of its operational systems and has prepared various adaptation measures to enable clients based in the United Kingdom, to continue to benefit from Arval Group's broad range of products and services at the end of the transition period.~~ With respect to Arval Group, the potential impact of Brexit is assessed in case of adverse scenarios in the range of EUR five (5) to ten (10) million."

- a paragraph headed "*Risks linked to the war in Ukraine*" is added on page 24 of the Base Prospectus, after the paragraph headed "*Brexit Risks*", as follows:

"***Risks linked to the conflict in Ukraine***

Arval Group has no activity in Ukraine. With regard to Russia, which is subject to severe economic sanctions imposed notably by the European Union, USA and UK, Arval Service Lease owns a subsidiary which represents 0.9% of its fleet (14 400 vehicles at YE 2021). The shareholder equity of Arval Russia was 68M€ (IFRS accounts) at the end of 2021. The assets of Arval Russia are financed through resources in Rub and with the same maturity as the contracts signed with the clients which are for the vast majority of them subsidiaries of large international groups.

In addition, some customers or counterparties of the Arval Group have activities in Ukraine and in Russia and could see their financial position weakened by the conflict and its consequences.

The Arval Group is closely monitoring developments in the situation in conjunction with the authorities concerned and with the BNP Paribas Group."

- the risk factors appearing under the heading "**F. Market Risks**" on pages 25 to 26 of the Base Prospectus are amended as follows:

"F. Market Risks

Liquidity risks

The Issuer's ongoing operations, expansion, and growth ambitions require access to significant amounts of funding. The Issuer is therefore exposed to liquidity risk, which is the risk of not being able to meet cash flow requirements when they fall due and at a reasonable price due to insufficient liquidity, for instance, to finance new vehicle purchases for lease contracts. A structural liquidity position is derived from the maturities of all outstanding balance sheet or off-balance sheet positions according to their liquidity profile.

The Issuer remains dependent for the financing of its development on BNP Paribas, which brings about 90% of the Issuer's funding needs.

The risk of not accessing existing or new sources of funds, in sufficient quantity, on favourable terms, or at a satisfactory price, may lead to insufficient liquidity, which would have a material adverse impact on the Issuer's business, liquidity, cash flows, financial condition and results of operations.

Interest and exchange rate risk

Arval Group is marginally exposed to interest rate risk. Arval Group's policy consists in financing the underlying assets with fixed rate loans as lease contracts are mostly priced at fixed rates, in order to avoid any mismatch between assets and liabilities. There can be however a residual discrepancy (surplus or deficit) in the forecast fixed rates position of each entity. Arval Group calculates periodically interest rate sensitivity and sensitivity limits are assessed for each entity. Although the Issuer monitors its interest rate risk using a methodology common to Arval Group, risk hedging may not always be appropriate and changes in interest rates cannot be always predicted or hedged, which could adversely affect Arval Group's business, financial condition and operating results.

Arval Group's exposure to a foreign exchange risk in countries outside the Euro zone relates to GBP (~~12%~~ 15% of funding), and other currencies (13, mainly in emerging markets) representing ~~9%~~ 10% of the total funding exposure.

Arval Group's functional and reporting currency is the Euro. However, Arval Group is present in thirty (30) countries[6], some of which being countries outside the Euro zone, and has substantial assets, liabilities, revenues and costs denominated in foreign currencies. Due to its international activity, Arval Group is exposed to foreign exchange risks, such as high volatility of exchange rates, related to inflows and outflows of cash from daily business activities as well as participations in subsidiaries established outside the Euro zone. Currency risks related to current business activities are limited, as there are no cross-border leasing activities. Leasing contracts and financing of Arval Group are originated in local currencies preventing any cross border currency risk. Arval Group may also incur a currency risk related to the conversion of net results generated in local currencies. When Arval Group prepares its consolidated financial statements, it must translate foreign currency-denominated assets and liabilities, monetary and non-monetary, into Euro using the spot exchange rate at the balance sheet date. Income and expense items are translated at the average rate for the period. The Arval Group recorded a net

[6] Arval Group entities propose their leasing services in 30 countries. Arval Group is also present in Ireland where the insurance company Greenval is incorporated.

foreign exchange loss of ~~10.6~~ 0.3 million euros for ~~2020~~ 2021 (~~0.2~~ 10.6 million euros in foreign exchange gain in 2020 ~~the first half of 2021~~).

Fluctuations in exchange rates could have a material effect on the Issuer's business, financial condition and results of operations, and could also significantly affect the comparability of Arval Group's results of operations between periods.

The greater volatility of the markets following the Covid-19 crisis has led to an increase in interest rate and exchange rate risks."

DOCUMENTS INCORPORATED BY REFERENCE

The section entitled "**Documents Incorporated by Reference**" appearing on pages 37 to 45 of the Base Prospectus is deleted in its entirety and replaced with the following:

"This Base Prospectus should be read and construed in conjunction with the sections referred to in the table below included in the following documents (see hyperlinks in **pink** below):

a. the consolidated audited financial statements of the Issuer as at and for the year ended 31 December 2021 and the related notes thereto prepared in accordance with International Financial Reporting Standards as adopted by the European Union and the statutory auditors' report thereon (the "**2021 Consolidated Financial Statements**");

b. the press release relating to the 2021 full year results of the Issuer dated 7 March 2022 (the "**2021 Full Year Results Press Release**");

c. the consolidated audited financial statements of the Issuer as at and for the year ended 31 December 2020 and the related notes thereto prepared in accordance with International Financial Reporting Standards as adopted by the European Union and the statutory auditors' report thereon (the "**2020 Consolidated Financial Statements**"); and

d. the press release relating to the 2020 full year results of the Issuer dated 10 March 2021 (the "**2020 Full Year Results Press Release**").

The sections referred to in the table below shall be deemed to be incorporated in, and form part of this Base Prospectus to the extent that a statement contained in a section which is deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purpose of this Base Prospectus to the extent that a statement contained herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Base Prospectus. Non-incorporated parts of the documents incorporated by reference are either not relevant for the investors or covered elsewhere in this Base Prospectus.

Copies of the 2021 Consolidated Financial Statements and the 2020 Consolidated Financial Statements which contain the sections incorporated by reference are published and available on the website of the Issuer (www.arval.com/investors) and may be obtained without charge from the registered office of the Issuer during normal business hours.

For the purposes of the Prospectus Regulation, the information incorporated by reference in this Base Prospectus is set out in the cross-reference table below. For the avoidance of doubt, the information requested to be disclosed by the Issuer as a result of Annex 7 of the Commission Delegated Regulation (EU) 2019/980 supplementing the Prospectus Regulation, as amended (the "Commission Delegated Regulation") and not referred to in the cross-reference tables below is either contained in the relevant sections of this Base Prospectus or is not relevant to the Issuer. "Not Applicable" in the cross-reference table below means that the information is not relevant for the purposes of Annex 7 of the Commission Delegated Regulation.

Any information not listed in the following cross-reference table but included in the documents listed above is given for information purposes only.

Unless otherwise explicitly incorporated by reference into this Base Prospectus in accordance with the list above, the information contained in the website of the Issuer shall not be deemed incorporated by reference herein and is for information purposes only. Therefore it does not form any part of this Base Prospectus and has not been scrutinised or approved by the AMF.

Cross-reference table

Commission Delegated Regulation – Annex 7	2021 Consolidated Financial Statements (page number)	2021 Full Year Results Press Release	2020 Consolidated Financial Statements (page number)	2020 Full Year Results Press Release
11.1 Historical financial information				
11.1.1 Historical financial information covering the latest two financial years (at least 24 months) or such shorter period as the Issuer has been in operation and the audit report in respect of each year.	1 to 67	All pages	6 to 65	All pages
11.1.2 **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 financial information shall cover at least 24 months, or the entire period for which the Issuer has been in operation, whichever is shorter.	Not Applicable	Not Applicable	Not Applicable	Not Applicable
11.1.3 **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 statements must be prepared according to:	19	Not Applicable	23 to 24	Not Applicable

Commission Delegated Regulation – Annex 7	2021 Consolidated Financial Statements (page number)	2021 Full Year Results Press Release	2020 Consolidated Financial Statements (page number)	2020 Full Year Results Press Release
(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. Otherwise the following information must be included in the registration document: (a) a prominent statement that the financial information included in the registration document has not been prepared in accordance with International Financial Reporting Standards as endorsed in the Union based on Regulation (EC) No 1606/2002 and that there may be material differences in the financial information had Regulation (EC) No 1606/2002 been applied to the historical financial information; (b) immediately following the historical financial information a narrative description of the differences between Regulation (EC) No 1606/2002 as adopted by the Union and the accounting principles adopted by the Issuer in preparing its annual financial statements.				

Commission Delegated Regulation – Annex 7	2021 Consolidated Financial Statements (page number)	2021 Full Year Results Press Release	2020 Consolidated Financial Statements (page number)	2020 Full Year Results Press Release
11.1.4 Where the audited financial information is prepared according to national accounting standards, the financial information must include at least the following: (a) the balance sheet; (b) the income statement; (c) the accounting policies and explanatory notes.	5 to 67	Not Applicable	10 to 65	Not Applicable
11.1.5 **Consolidated financial statements** If the Issuer prepares both stand-alone and consolidated financial statements, include at least the consolidated financial statements in the registration document.	5 to 67	Not Applicable	10 to 65	Not Applicable
11.1.6 **Age of financial information** The balance sheet date of the last year of audited financial information may not be older than 18 months from the date of the registration document.	7	Not Applicable	Not Applicable	Not Applicable
11.2 <u>Auditing of Historical financial information</u>				
11.2.1 The historical annual financial information must be independently audited. The audit report shall be prepared in accordance with Directive 2006/43/EC and Regulation (EU) No 537/2014.	B to G	Not Applicable	3 to 5	Not Applicable

Commission Delegated Regulation – Annex 7	2021 Consolidated Financial Statements (page number)	2021 Full Year Results Press Release	2020 Consolidated Financial Statements (page number)	2020 Full Year Results Press Release
Where Directive 2006/43/EC and Regulation (EU) No 537/2014 do not apply, the historical 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 standards applicable in a Member State or an equivalent standard. Otherwise, the following information must be included in the registration document: (a) a prominent statement disclosing which auditing standards have been applied; (b) an explanation of any significant departures from International Standards on Auditing.				
11.2.1a Where audit reports on the historical financial information have been refused by the statutory auditors or where they contain qualifications, modifications of opinion, disclaimers or an emphasis of matter, the reason must be given, and such qualifications, modifications, disclaimers or emphasis of matter must be reproduced in full.	Not Applicable	Not Applicable	Not Applicable	Not Applicable

Commission Delegated Regulation – Annex 7	2021 Consolidated Financial Statements (page number)	2021 Full Year Results Press Release	2020 Consolidated Financial Statements (page number)	2020 Full Year Results Press Release
11.2.2 Indication of other information in the registration document which has been audited by the auditors.	Not Applicable	Not Applicable	Not Applicable	Not Applicable
11.2.3 Where financial information in the registration document is not extracted from the Issuer's audited financial statements state the source of the data and state that the data is not audited.	Not Applicable	Not Applicable	Not Applicable	Not Applicable

"

DESCRIPTION OF ARVAL

The section entitled "**Description of Arval**" appearing on pages 96 to 105 of the Base Prospectus is amended as follows[7]:

- The paragraph entitled "***Products and services offering***" appearing on pages 96 to 97 is deleted in its entirety and replaced with the following:

"***Products and services offering***

The Issuer's core business focuses on full-service vehicle leasing (which represented ~~97%~~ 98% of total fleet at the end of ~~2020~~ 2021). In addition, remarketing is part of the business activity of the Issuer as, at the end of the vehicle leasing, the Issuer sells the used car. The Issuer also develops various integrated mobility solutions, adapting to customer needs. Fleet management (which represented ~~3%~~ 2% of the fleet at the end of ~~2020~~ 2021) and consulting services are also parts of the Issuer's products and services offered.

Full-service leasing allows customers to use a vehicle without legal ownership, the customer pays a monthly rent which covers the financing, depreciation of the vehicle and the cost of various management services provided relating to the vehicle. The Issuer has a consulting role and will advise the customer on selecting the vehicle-related services.

The Issuer proposes long term rental under full service leasing ("**LTR**"), but also mid-term rental ("**MTR**"). MTR offers a leasing solution for a period between 1 and 24 months and is attractive for customer by providing a response to their specific or even organizational needs via offering them less commitment (vehicles available within 48 hours) and more competitive rates than short-term rental. The Issuer also proposes the **Re-lease**, offering customers the option of leasing selected used vehicles.

Services available under a full-service lease include the following (at the choice of the customer):

- **vehicle selection** – the customer chooses the vehicle (brand, model and options) and the leasing company purchases the vehicle selected by the customer and/or his/her driver;
- **repair, maintenance and tyres** – the leasing company provides repair, maintenance and tyre replacement services for both routine and emergency situations through its network of selected workshops and tyre fitters;
- **insurance** – third party liability, material damage, theft & fire, legal expenses, financial loss and driver insurance are distributed or made available by the Issuer to its customers;
- **driver support** and **roadside assistance**;
- **relief vehicles** – the Issuer may arrange for provision of a replacement vehicle in case of routine maintenance or accident repairs;
- **flexibility and technology**: the Issuer proposes various digital services in order to offer more flexibility on contracts and leveraging technology and connected services for an increased experience to drivers and passengers (in car delivery, street parking payment, access to information and entertainment):

[7] In relation to the amendments to the language included in the Base Prospectus set out in this section: (i) text which, by virtue of this First Prospectus Supplement is deleted therefrom is shown in red/with a line drawn through the middle of the deleted text, and (ii) text which, by virtue of this First Prospectus Supplement is added thereto is shown green.

- ***Arval Outsourcing Solutions*** is a solution to outsource agreed daily driver related tasks while ensuring a great user experience of the drivers.
- ***Arval Connect ~~Active Link~~*** is an in-house solution for connected cars, combining two major elements: monitoring system and digital web-platform to receive fleet data.
- ***My Arval Mobile*** is "ALL-in-ONE" application and incremental part of the digital story for drivers. It offers access to a wide range of services and support leading the driver through the contract life-cycle.

Remarketing / Sale of used cars: the Issuer sells the used vehicles at the end of the lease period, around 300,000 vehicles are sold by the Arval Group per year (among which around 61.000 vehicles were sold by the Issuer in 2021). ~~65%~~ 60% of vehicles are sold to vehicle traders using MotorTrade, a digital auction platform to ensure a competitive valuation is received for each vehicle. 20% of vehicles are sold to international buyers, with export managed through the Arval Trading entity (a French company fully owned by the Issuer). ~~A growing percentage of~~ The remaining 20% vehicles are sold directly to consumers, either online, through retail partners or to the driver at the end of the lease. ~~2020 has~~ 2021 and 2022 have also seen the growing development of **Re-lease**, offering customers the option of leasing selected used vehicles.

Mobility services: the Issuer is constantly answering clients' needs and develops integrated and seamless mobility solutions for employees of its clients which involve not only cars but also other means of transportation and which offer various mobility means, in particular:

- ***Arval Car Sharing*** is a digital app which enables Arval clients' fleet cars to be available for short and flexible use in a full digital mode. Drivers can manage booking, car pickup and return from a dedicated Application on their mobile phone for professional or private purposes.
- ***Arval Bike Lease*** consists in providing a comprehensive bike solution to the employees of Arval's corporate clients composed by the leasing of the bike, the service, maintenance and repair of the bike, and optional assistance and insurance;
- ***Arval ~~360~~ Mobility as a Service Platform*** offers a B2B mobility platform aggregating Arval and third parties mobility services (including public transport), allowing employees to plan, book and pay their trip through a dedicated application and use a mobility budget, and allowing corporates to manage this budget and taxes, reporting, user accounts, etc...

Fleet management is the provision of fleet management services when the customer outsources to the Issuer the management of its own fleet of vehicles (in respect of vehicles not owned by the Issuer) but either owned by the customer or leased by another company to the customer).

Consulting services: the Issuer advises clients thanks to its consultative approach. Arval Consulting is a service aimed at providing solutions to its clients with their strategic and organisational issues by maximising the performance of their fleet and supporting them in their energy and mobility transition. Arval Consulting has performed more than 10,000 missions since 2008 and is active in 11 countries."

- The paragraph entitled "***Business overview***" appearing on pages 99 to 101 is amended as follows:

"***Business overview***

Within the framework of its activities, Arval Group total fleet was ~~1,421,565~~ 1,505,027 vehicles at 31 December ~~2020~~ 2021 (of which ~~1,381,555~~ 1,469,753 in full service leasing). Arval Group total fleet was ~~1,475,308~~ 1,421,565 vehicles at 31 December 2020 ~~30 September 2021~~ (of which 1,381,555 ~~1,441,087~~ in full service leasing).

There were ~~7,254~~ 7,535 employees within the Arval Group and ~~1,401~~ 1,455 employees within Arval France at the end of December ~~2020~~ 2021 (~~7,501~~ 7,256 employees within the Arval Group and ~~1,446~~ 1,401 employees within Arval France at the end of December 2020 ~~September 2021~~).

Vehicles are leased on a long term basis which gives high visibility on revenues. Average duration of vehicle leasing contracts is 42 months. All vehicle leasing contracts are with a duration at origination above 1 year and ~~91%~~ more than 90% of vehicle leasing contracts are with a duration at origination higher than 3 years. Revenues are well diversified with a financial margin, a service margin (including various types of services and insurance) and a used car margin.

Arval Group has a very large customer base with about 30,000 corporate clients and 270,000 retail clients. As of the end of December ~~2020~~ 2021, the Arval Group's customers were mainly mid & large corporates (~~73%~~ 70% of the Issuer's full service leasing fleet at the end of ~~2020~~ 2021), SMEs (18% of the Issuer's full service leasing fleet at the end of ~~2020~~ 2021), individual (~~8%~~ 9% of the Issuer's full service leasing fleet at the end of ~~2020~~ 2021) and Mid Term Rental activity (~~2%~~ 3% of the Issuer's full service leasing fleet at the end of ~~2020~~ 2021). Corporate clients are very diversified by industry with no industry segment above 13% of the portfolio.

Arval Group is proposing vehicle leasing services either directly to its customer under the "direct channel", or through an "indirect channel" based on contractual relationships between Arval Group and intermediaries in respect of the distribution of vehicle leasing contracts (e.g. car manufacturers, banks, insurance companies). These contractual arrangements accounted for ~~26%~~ 23% of the total fleet in full service leasing (including private lease contracts) of the Arval Group at 31 December ~~2020~~ 2021 (out of which ~~8%~~ 9% are constituted by contractual arrangements concluded with external partners and ~~18%~~ 15% by contractual arrangements with BNP Group).

Arval Group is mainly present in Europe (95% of the fleet) with more than 90% of the fleet in developed European countries. The Arval Group market share is about 20% in France, Italy and Spain[8] where it has # 1 market positions and 10% in the United Kingdom[9] (# 4 position), which altogether represented 66% of the Issuer's activity in ~~2020~~ 2021. The Issuer's market share is about 15% in Belgium and Poland and ~~4% to~~ 5% in the Netherlands and Germany[10]. These eight countries represented 86% of the Issuer's activity in ~~2020~~ 2021. The remaining 14% is spread across 21 countries including, but not limited to Northern Europe, Central and Southern Europe, Turkey, Morocco and Latin America[11].

The leased fleet registered good growth in ~~2020~~ 2021, ~~to~~ at 6.4% over the year despite the Covid-19 pandemics (~~+6.5%~~ +6.4% year on year also in 2020 ~~as at 30 September 2021~~). The organic growth of the leased fleet was 6.3%. Over the last ~~3.75~~ 4 years, the leased fleet of the Issuer grew at an average annual rate of 7.5%. The total fleet was ~~1.48~~ 1.5 million vehicles at the end of ~~September~~ December 2021, up ~~5.7%~~ 5.9% compared with the previous year. ~~The organic growth of the total fleet was 5.3%.~~ All the geographical regions contributed to this performance. The leased fleet registered in ~~2020~~ 2021 a good rise in Europe despite the health crisis, ~~1.5%~~ 0.9% in France, ~~5.2%~~ 6.6% in Italy, ~~15.1%~~ 14.5% in Spain, ~~4.5%~~ 3.6% in the United Kingdom, ~~3.8%~~ 7.8% in Germany, ~~7.9%~~ 7.2% in Belgium and ~~13.3%~~ 11.2% in the Netherlands[12].

At ~~30 June~~ 31 December 2021, Arval Group's consolidated non-current borrowing from financial institutions amounted to ~~15,208~~ 14,849 million euros.

[8] Local rental/leasing associations.
[9] FN50, November 2019, https://www.fleetnews.co.uk/fleet-leasing/fn50-data/
[10] Local rental/leasing associations and Arval's unaudited internal source.
[11] Arval's unaudited internal source.
[12] Arval's unaudited internal source.

Arval Group generated in ~~2020~~ 2021 a ~~combined~~ consolidated net profit of ~~518.6~~ 720.5 million euros[13] (~~499.2 million euros in 2019~~ 471.4 million euros in 2020[14]). ~~It generated in the first half of 2021 a consolidated net profit of 334.6 million euros (210.0 million euros in the first half of 2020).~~

Overview of the leasing markets

Arval is seeing a continuous change in behaviour from ownership to usage across different customer segments, including individuals. Hence, market has been growing for 25 years. Pay-as-you-use and risk outsourcing (vehicle resale, mechanical problems, etc.) initially attracted the largest companies and for 15 years mid-sized companies (Mid and SMEs) and for 5 years individuals. There are still plenty of geographies where SMEs still have strong growth expected in respect of leased vehicles, as do individuals. We are also seeing emerging growth in used cars leasing and more recent growth in Mid Term Rental. Arval Group's strategic partnerships with intermediaries in the distribution of vehicle leasing contracts (e.g. car manufacturers, brokers, banks, insurance companies, retail websites) will facilitate the acceleration of growth in the Retail segments.

The growth in mature markets is expected to come from the development of indirect channels to target SMEs, where penetration remains lower, but where there is a trend towards outsourcing of fleet. Emerging economies have a lower penetration of full-service leasing as a proportion of all vehicle registrations than mature markets, so there is strong growth potential as car fleets grow and more companies look to outsource their fleet management. The private lease segment is developing rapidly in a number of key markets and is expected to continue to do so in the context of the shift away from ownership.

In terms of energy, at the end of December ~~2020~~ 2021, the proportion of different types of vehicles at Arval Group was the following: ~~56%~~ 44% of light vehicles in full service leasing registrations were Diesel vehicles (~~45%~~ 56% at the end of ~~September 2021~~ December 2020), ~~27%~~ 25% petrol vehicles (~~25%~~ 27% at the end of ~~September 2021~~ December 2020), ~~11%~~ 20% hybrid vehicles (~~20%~~ 11% at the end of ~~September 2021~~ December 2020), ~~4%~~ 9% electric vehicles (~~8%~~ 4% at the end of ~~September 2021~~ December 2020), 2% other technologies vehicles (*Gaz Naturel pour Véhicules*, GNV (Gaz)) (2% at the end of ~~September 2021~~ December 2020)[15].

Leasing market growth trends and drivers

The growth of the full-service leasing and fleet management market has been driven by several factors:

- the rising volume of corporate fleets has increased the importance and potential for fleet management solutions;

- customer acceptance of leasing has risen, as corporates have become aware of the potential to improve leverage and save costs by outsourcing non-core activities, thereby strengthening their performance; ~~according to Arval Mobility Observatory 2020 Fleet Barometer, 39% of corporate clients consider to increase the share of full service leasing vehicles in their fleet;~~

- there is an ongoing behavioural shift from ownership to usage across different customer segments, including private customers;

- the rise of connected cars and digital services encourages the development of new high value-added services for the customer to optimise the usage cost of vehicles. Such specialist technology solutions require niche expertise.

[13] Arval's audited ~~combined~~ consolidated accounts ~~including Greenval~~.
[14] Arval's audited ~~combined~~ consolidated accounts ~~including Greenval~~.
[15] Arval's unaudited internal source.

Scale is needed to amortise costs of development, making it difficult to implement in-house by customers. New mobility solutions, such as car sharing, autonomous driving and connected cars, constitute opportunities for the Arval Group to expand its range of services to both corporate and private customers."

- The paragraph entitled "***Competitive position***" appearing on pages 101 and 102 is amended as follows:

"***Competitive position***

In its activities, the Issuer competes with other international full-service leasing companies. This includes both vertically integrated companies offering full-service leasing and financing services and companies that offer fleet management only. In some of the Issuer's markets, it also competes with strong local players offering full-service leases.

On a global scale, the full-service leasing market remains fragmented, with few players providing global coverage. The Issuer's key competitors are the ALD group, LeasePlan and Alphabet, which are international multi-brand leasing companies operating in the same geographies as the Issuer. Arval Group is the European leader in the multibrand full service leasing market. At the end of December ~~2020~~ 2021, Arval Group's full service leasing fleet reached ~~1,382~~ 1,470 thousand vehicles (~~1,441~~ 1,382 thousand vehicles as at ~~30 September 2021~~ 31 December 2020), to be compared with ~~1,372~~ 1,427 thousand vehicles for ALD (~~1,382~~ 1,372 thousand vehicles as at ~~30 September 2021~~ 31 December 2020)[16] and to ~~1,311~~ 1,328 thousand vehicles estimated for LeasePlan (1,311 thousand vehicles estimated as at ~~30 September 2021~~ 31 December 2020)[17]. Alphabet reported ~~705~~ 696 thousand fleet contracts at the end of ~~2020~~ 2021 (705 thousand fleet contracts at the end of 2020)[18]. On the 6 January 2022, ALD announced the signing of a Memorandum of Understanding to acquire 100% of LeasePlan. The closing of the transaction, which is expected by end 2022 and is subject to several closing conditions, would create the leader in multi brand full service leasing.

In financing, the Issuer competes with the captive finance subsidiaries of large car manufacturers. The Issuer also competes with third-party service providers that offer fleet consulting, bidding solutions and procurement.

Competitors in the global leasing services market generally fall into three broad categories based on their ownership structure, namely bank affiliates, car manufacturers' captives and independent operators. The ownership structure of a given competitor is often a key driver in the nature of its operations.

(i) Bank affiliates

Bank affiliates include entities that are part of a financial group, mostly subsidiaries of banks, such as ALD group (Société Générale). In many cases, multi-brand vehicle leasing started as an extension of conventional banking products to satisfy the needs of corporate customers, but gradually banks developed semi-autonomous leasing units within their corporate structure.

(ii) Car manufacturers' captives

Car manufacturers' captives, i.e. entities owned and controlled by car manufacturers, generally focus on increasing sales of their owner's vehicle brands. These entities benefit from brand synergies and access to the dealership

[16] ALD Q4-~~2020~~2021 and Q~~3~~4-~~2021~~2020 results press release.
[17] LeasePlan Q4-~~2020~~2021 and Q~~3~~4-~~2021~~2020 results press release and Arval's management estimation based on ~~the following~~ total fleet breakdown for LeasePlan at 2019 year end: ~~71% full service leasing, 27% fleet management (LeasePlan's 2019 annual report), 2% financial leasing (and at 30 September 2021: 74% full service leasing, 25% fleet management, 1% financial leasing).~~
[18] BMW ~~2020~~ 2021 annual report.

network of their manufacturer, parent or affiliate, but the growth of the business is tied to the underlying demand for the manufacturer's specific vehicle brands.

The importance of captive operating lease and fleet management companies, such as Volkswagen Leasing, RCI Bank, PSA Finance and FCA Leasys, is increasing as their parent companies seek to present themselves as all-round providers of mobility solutions who are able to capture a greater share of the market for acquiring and operating vehicles, rather than solely as car manufacturers.

The majority of larger car manufacturers have established special financial services subsidiaries to oversee their leasing businesses and, in some cases, to assist in raising funds for their manufacturing businesses.

(iii) Independent operators

Multi-brand independent operators include entities that are not directly related to banking institutions or car manufacturers. Lack of scale and access to external financing on attractive terms are the key challenges faced by such entities."

GENERAL INFORMATION

The "General Information" section on pages 127 to 130 of the Base Prospectus is amended as follows[19]:

1/ The paragraph 3 entitled "**No Significant change**" appearing on page 127 of the Base Prospectus is amended as follows:

"**3. No Significant change**

As of the date of this Base Prospectus, there has been no significant change in the financial position or financial performance of the Issuer or the Arval Group since 31 December 2021 ~~30 June 2021~~."

2/ The paragraph 4 entitled "**No Material adverse change**" appearing on page 127 of the Base Prospectus is amended as follows:

"**4. No Material adverse change**

As of the date of this Base Prospectus, there has been no material adverse change in the prospects of the Issuer since 31 December 2021 ~~2020~~"

3/ The paragraph 9 entitled "**Statutory auditors**" appearing on page 128 of the Base Prospectus is amended as follows:

"**9. Statutory auditors**

Mazars at Tour Exaltis, 61 rue Henri Regnault, 92400 Courbevoie, France, an entity regulated by the *Haut Conseil du Commissariat aux Comptes*, duly authorised as *Commissaires aux comptes* and members of the *Compagnie Régionale des Commissaires aux Comptes de Versailles*, have audited and rendered an unqualified audit report on the consolidated financial statements of the Issuer as at and for the year ended 31 December 2020~~, and on the consolidated financial statements and on the combined financial statements of the Issuer as at and for the years ended 31 December 2019 and 31 December 2018~~.

Deloitte & Associés, 6 place de la Pyramide, 92908 Paris La Défense Cedex, France, an entity regulated by the Haut Conseil du Commissariat aux Comptes, duly authorised as *Commissaires aux comptes* and members of the *Compagnie Régionale des Commissaires aux Comptes de Versailles*, was appointed as auditor (*commissaires aux comptes*) at the General Annual Meeting of 9 March 2021 for a mandate of 6 years in compliance with applicable laws and regulations.

~~The consolidated half-year financial statements of the Issuer for the six-month period ended 30 June 2021 have not been audited but were subject to a limited review, without qualification, by~~ Mazars and Deloitte & Associés have audited and rendered an unqualified audit report on the consolidated financial statements of the Issuer as at and for the year ended 31 December 2021~~, as stated in their limited review report incorporated by reference in this Base Prospectus~~."

[19] In relation to the amendments to the language included in the Base Prospectus set out in this section: (i) text which, by virtue of this First Prospectus Supplement is deleted therefrom is shown in red/with a line drawn through the middle of the deleted text, and (ii) text which, by virtue of this First Prospectus Supplement is added thereto is shown green.

PERSON RESPONSIBLE FOR THE INFORMATION GIVEN IN THE FIRST PROSPECTUS SUPPLEMENT

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

Arval Service Lease
1, boulevard Haussmann
75009 Paris
France

duly represented by:

Stéphane de Marnhac
Chief Financial Officer (*Directeur Financier*)

on 14 April 2022

AMF | AUTORITÉ DES MARCHÉS FINANCIERS

This First Prospectus Supplement has been approved by the AMF, in its capacity as competent authority under Regulation (EU) 2017/1129. The AMF has approved this First Prospectus Supplement after having verified that the information it contains is complete, coherent and comprehensible within the meaning of Regulation (EU) 2017/1129.

This approval is not a favourable opinion on the Issuer and on the quality of the Notes described in the Base Prospectus (as amended by this First Prospectus Supplement). Investors should make their own assessment of the opportunity to invest in such Notes.

This First Prospectus Supplement has been approved on 14 April 2022. This First Prospectus Supplement obtained the following approval number: n°22-109.