Fiat Chrysler Automobiles N.V.

(Incorporated as a public limited liability company (*naamloze vennootschap*) under the laws of the Netherlands No. 60372958)

as Issuer and as Guarantor, in respect of Notes issued by
Fiat Chrysler Finance Europe société en nom collectif
and

Fiat Chrysler Finance Europe

société en nom collectif

(Incorporated with limited liability under the laws of the Grand-Duchy of Luxembourg;
Registre de Commerce et des Sociétés de Luxembourg No. B-59500)

as Issuer

€20,000,000,000

Euro Medium Term Note Programme

This base prospectus supplement (the **Supplement**) is supplemental to and should be read in conjunction with the Base Prospectus dated March 28, 2019 (the **Base Prospectus**), the Base Prospectus supplement dated June 7, 2019, the Base Prospectus supplement dated August 12, 2019 and the Base Prospectus supplement dated November 25, 2019 in relation to the €20,000,000,000 Euro Medium Term Note Programme (the **Programme**) of Fiat Chrysler Automobiles N.V. (**FCA**) and Fiat Chrysler Finance Europe *société en nom collectif* (**FCFE**) (each an **Issuer** and together the **Issuers**). The payments of all amounts due in respect of Notes issued by FCFE will be unconditionally and irrevocably guaranteed by FCA (in such capacity, the **Guarantor**). This Supplement constitutes a base prospectus supplement for the purposes of Article 16 of Directive 2003/71/EC, as amended (the **Prospectus Directive**) and is prepared in connection with the Programme. This Supplement has been approved by the Central Bank of Ireland (the **Central Bank**), as competent authority under the Prospectus Directive. The Central Bank only approves this Supplement as meeting the requirements imposed under Irish and EU law pursuant to the Prospectus Directive.

Terms defined in the Base Prospectus have the same meaning when used in this Supplement.

FCA, in its capacity as an Issuer, accepts responsibility for the information contained in this document, with the exception of any information in respect of FCFE. To the best of the knowledge of FCA, the information contained in this document in respect of which it accepts responsibility is in accordance with the facts and does not omit anything likely to affect the importance of such information.

FCA, in its capacity as a Guarantor, accepts responsibility only for the information contained in this document relating to itself and to the Guarantee. To the best of the knowledge of the Guarantor, the information contained in those parts of this document relating to itself and to the Guarantee is in accordance with the facts and does not omit anything likely to affect the importance of such information.

FCFE accepts responsibility for the information contained in this document, with the exception of any information in respect of FCA when the latter is acting as an Issuer. To the best of the knowledge of FCFE, the information contained in this document in respect of which it accepts responsibility is in accordance with the facts and does not omit anything likely to affect the importance of such information.

Purpose of the Supplement

1. Incorporation of FCA and FCFE financial statements and auditor's reports

On February 25, 2020, FCA published its Annual Report and Form 20-F for the year ended December 31, 2019 (the **2019 EU Annual Report**) which includes: (i) its audited consolidated and company financial statements as at and for the year ended December 31, 2019, and (ii) the independent auditor's report in relation thereto. FCA's financial statements as at and for the year ended December 31, 2019 will be submitted for the approval of FCA's shareholders at FCA's annual general meeting, which is convened for April 16, 2020. Copies of such audited consolidated and company financial statements and the independent auditor's report in relation thereto were filed with the Autoriteit Financiële Markten (AFM) and with the Central Bank and are available on pages 168 to 279 (in the case of the audited consolidated financial statements), on pages 280 to 295 (in the case of the audited company financial statements) and on pages 315 to 324 (in the case of the independent auditor's report on the audited consolidated and company financial statements) of the 2019 EU Annual Report available on FCA's website at https://www.fcagroup.com/en-US/investors/financial_regulatory/financial_reports/files/FCA_NV_2019_Annual_Report.pdf. By virtue of this Supplement, such audited consolidated and company financial statements and the independent auditor's report in relation thereto are deemed to be incorporated in, and form part of, the Base Prospectus.

On March 5, 2020, FCA published FCFE's audited financial statements as at and for the year ended December 31, 2019 and the independent auditor's report in relation thereto. These financial statements were approved by FCFE's shareholders at its annual general meeting, which was held on February 28, 2020. Copies of such audited financial statements and the independent auditor's report in relation thereto were filed with the Central Bank and are available on FCA's website at https://www.fcagroup.com/en-US/investors/bond_info_and_credit_rating/emtn_programme/financial_statements/Fiat_Chrysler_Finance_Europe_SENC_annual_accounts_31_12_2019.pdf. By virtue of this Supplement, such audited financial statements and the independent auditor's report in relation thereto are deemed to be incorporated in, and form part of, the Base Prospectus.

2. Updates to Non-GAAP Financial Measures

The section entitled "Non-GAAP Financial Measures" contained within the section "PRESENTATION OF FINANCIAL AND OTHER INFORMATION" shall be deleted and replaced with the following:

"***Non-GAAP Financial Measures***

The Group monitors its operations through the use of several non-generally accepted accounting principles ("non-GAAP") financial measures: Adjusted Earnings Before Interest and Taxes ("Adjusted EBIT"), Adjusted net profit, Adjusted diluted earnings per share ("Adjusted diluted EPS"), Industrial free cash flows and certain information provided on a constant exchange rate ("CER") basis. The Group believes that these non-GAAP financial measures provide useful and relevant information regarding its operating results and enhance the overall ability to assess its financial performance. They provide the Group with comparable measures which facilitate management's ability to identify operational trends, as well as make decisions regarding future spending, resource allocations and other operational decisions. These and similar measures are widely used in the industry in which the Group operates, however, these financial measures may not be comparable to other similarly titled measures of other companies and are not intended to be substitutes for measures of financial performance as prepared in accordance with IFRS as issued by the IASB as well as IFRS adopted by the European Union.

Adjusted EBIT

Adjusted EBIT excludes certain adjustments from Net profit from continuing operations including gains/(losses) on the disposal of investments, restructuring, impairments, asset write-offs and unusual income/(expenses) that are considered rare or discrete events that are infrequent in nature, and also excludes Net financial expenses and Tax expense/(benefit).

Adjusted EBIT is used for internal reporting to assess performance and as part of the Group's forecasting, budgeting and decision making processes as it provides additional transparency to the Group's core operations. The Group believes this non-GAAP measure is useful because it excludes items that it does not believe are indicative of its ongoing operating performance and allows management to view operating trends, perform analytical comparisons and benchmark performance between periods and among the Group's segments. The Group also believes that Adjusted EBIT is useful for analysts and investors to understand how management assesses the Group's ongoing operating performance on a consistent basis. In addition, Adjusted EBIT is one of the metrics used in the determination of the annual performance bonus and the achievement of certain performance objectives established under the terms of the 2019-2021 equity incentive plan for the Chief Executive Officer of the Group and other eligible employees, including members of the Group Executive Council ("GEC").

The following table summarises the reconciliation of Net profit from continuing operations, which is the most directly comparable measure included in the Group's Consolidated Income Statement, to Adjusted EBIT.

	Years ended December 31,	
(€ million)	**2019**	**2018**
Net profit from continuing operations	**2,700**	**3,330**
Tax expense	1,321	778
Net financial expenses	1,005	1,056
Adjustments:		
Impairment expense and supplier obligations	1,542	353
Restructuring costs, net of reversals	154	103
Gains on disposal of investments	(15)	-
Brazilian indirect tax - reversal of liability/recognition of credits	(164)	(72)
Charge for U.S. diesel emissions matters	-	748
China inventory impairment	-	129
Costs for recall, net of recovery - airbag inflators	-	114
U.S. special bonus payment	-	111
Employee benefits settlement losses	-	92
Port of Savona (Italy) flood and fire	-	43
(Recovery of)/costs for recall - contested with supplier	-	(50)
North America capacity realignment	-	(60)
Other	125	63
Total Adjustments	1,642	1,574
Adjusted EBIT	**6,668**	**6,738**

Adjusted Net Profit

Adjusted net profit is calculated as Net profit from continuing operations excluding post-tax impacts of the same items excluded from Adjusted EBIT, as well as financial income/(expenses) and tax income/(expenses) considered rare or discrete events that are infrequent in nature.

The Group believes this non-GAAP measure is useful because it also excludes items that it does not believe are indicative of the Group's ongoing operating performance and provides investors with a more meaningful comparison of its ongoing operating performance. In addition, Adjusted net profit is one of the metrics used in the determination of the annual performance bonus and the achievement of certain performance objectives established under the terms of the 2014-2018 equity incentive plan for the Chief Executive Officer of the Group and other eligible employees, including members of the Group Executive Council.

The following table summarises the reconciliation of Net profit from continuing operations, which is the most directly comparable measure included in the Group's Consolidated Income Statement, to Adjusted net profit:

	Years ended December 31,	
(€ million)	2019	2018
Net profit from continuing operations	**2,700**	**3,330**
Adjustments (as above)	1,642	1,574
Tax impact on adjustments	(122)	(125)
Net derecognition of deferred tax assets and other tax adjustments	77	—
Impact of U.S. tax reform	—	(72)
Total adjustments, net of taxes	1,597	1,377
Adjusted net profit	**4,297**	**4,707**

Adjusted diluted EPS

Adjusted diluted EPS is calculated by adjusting Diluted earnings per share from continuing operations for the impact per share of the same items excluded from Adjusted net profit.

The Group believes this non-GAAP measure is useful because it also excludes items that the Group does not believe are indicative of the Group's ongoing operating performance and provides investors with a more meaningful comparison of the Group's ongoing quality of earnings.

The following table summarises the reconciliation of Diluted earnings per share from continuing operations, which is the most directly comparable measure included in the Consolidated Financial Statements, to Adjusted diluted earnings per share:

	Years ended December 31,	
(€ per share except otherwise noted)	2019	2018
Diluted earnings per share from continuing operations	**1.71**	**2.12**
Impact of adjustments above, net of taxes, on Diluted earnings per share from continuing operations	1.02	0.88
Adjusted diluted earnings per share	**2.73**	**3.00**
Weighted average number of shares outstanding for Diluted earnings per share from continuing operations (thousand)	1,570,850	1,567,839

Industrial Free Cash Flows

Industrial free cash flows is the Group's key cash flow metric, and is calculated as Cash flows from operating activities less: cash flows from operating activities from discontinued operations; cash flows from operating activities related to financial services net of eliminations; investments in property, plant and equipment and intangible assets for industrial activities; adjusted for net intercompany payments between continuing operations and discontinued operations; and adjusted for discretionary pension contributions in excess of those required by the pension plans, net of tax. The timing of Industrial free cash flows may be affected by the timing of monetisation of receivables and the payment of accounts payable, as well as changes in other components of working capital, which can vary from period to period due to, among other things, cash management initiatives and other factors, some of which may be outside of the Group's control.

The following table provides a reconciliation of Cash flows from operating activities; the most directly comparable measure included in the Group's Consolidated Statement of Cash Flows to Industrial free cash flows for the years ended December 31, 2019 and December 31, 2018.

	Years ended December 31,	
(€ million)	2019	2018
Cash flows from operating activities (including discontinued operations)	**10,462**	**9,948**
Less: cash flows from operating activities – discontinued operations	(308)	484
Cash flows from operating activities – continuing operations	**10,770**	**9,464**
Less: operating activities not attributable to industrial activities	74	59
Less: capital expenditures for industrial activities	8,383	5,389
Add: net intercompany payments between continuing and discontinued	(200)	(46)
Add back: discretionary pension contribution, net of tax	-	478
Industrial free cash flows	**2,113**	**4,448**

Constant Currency Information

Information about the Group's results is included at constant exchange rates, which is calculated by applying the prior-year average exchange rates to translate current financial data expressed in local currency in which the relevant financial statements are denominated (see Note 2, *Basis of preparation,* within the Consolidated Financial Statements incorporated by reference herein for the exchange rates applied). The Group believes that results excluding the effect of currency fluctuations provide additional useful information to investors regarding the operating performance and trends in its business on a local currency basis."

3. **Updates to risk factors relating to the business of FCA and FCFE**

(a) The risk factor entitled "The Group's businesses are affected by global financial markets and general economic and other conditions over which the Group has little or no control" shall be replaced with the following:

"***The Group's businesses may be adversely affected by global financial markets, general economic conditions, pandemics, changes to and enforcement of government incentive programmes as well as other macro developments over which the Group has little or no control.***

The Group's results of operations and financial position may be influenced by various macroeconomic factors within the various countries in which the Group operates including changes in gross domestic product, the level of consumer and business confidence, changes in interest rates for or availability of consumer and business credit, the rate of unemployment and foreign currency exchange rates.

In addition to slow economic growth or recession, other economic circumstances, such as increases in energy prices, fuel prices and fluctuations in prices of raw materials (including as a result of tariffs) or contractions in infrastructure spending, could have negative consequences for the industry in which the Group operates and, together with the other conditions discussed above, could have a material adverse effect on the Group's business, financial condition and results of operations.

The Group has operations in a number of emerging markets, including Turkey, China, Brazil, Argentina, India and Russia. The Group is particularly susceptible to risks relating to local political conditions, import and/or export restrictions (including the imposition of tariffs on raw materials that the Group procures and on vehicles that the Group sells), and compliance with local laws and regulations in these markets.

In Brazil, the Group has historically received and continues to receive certain tax benefits and other government grants, which have favourably affected the results of the Group's operations, and were recently extended through 2025. Expiration of these tax benefits and government grants without their renewal or any change in the amount of such tax benefits or government grants could have a material adverse effect on the Group's business, financial conditions and results of operations.

The Group is also susceptible to risks relating to epidemics and pandemics of diseases. The current outbreak of COVID-19, a virus causing potentially deadly respiratory tract infections, is spreading worldwide and governments in affected countries are imposing travel bans, quarantines and other emergency public safety measures. In light of the rapid spread of the illness within Italy, the Italian government has imposed restrictions on travel and the movement and gathering of people in the country, as well as restrictions on commercial activity, and other countries are adopting similar measures. As of the date hereof, most dealers have temporarily closed in Italy, France and Spain. These measures, though expected to be temporary, may intensify depending on developments in the outbreak. In addition to disrupting supply chains globally, these measures have had a significant and immediate effect on demand for the Group's vehicles and ability to ship to and invoice dealers. In order to respond to the interruption of market demand by ensuring optimisation of supply, effective March 16, 2020, the Group has temporarily suspended production across the majority of its European manufacturing plants. Furthermore, on March 18, 2020, the Group announced that it had agreed to cease production at its plants across North America, starting progressively from that date through the end of March. In addition to the immediate impact arising from restrictions of commercial activities and supply chain disruptions, the COVID-19 outbreak is likely to negatively affect economic conditions regionally as well as globally and the affected automobile markets are expected to experience significantly reduced demand. The ultimate severity, geographical reach and duration of the COVID-19 outbreak is unknown at this time and therefore the Group cannot predict the extent of the impact it may have on its end markets and operations; however, the effect the Group's business, financial condition and results of operations could be material and adverse.

The Group is also subject to other risks inherent to operating globally. For example, the Group is subject to multiple tax regimes, including regulations relating to transfer pricing and withholding and other taxes on remittances and other payments to or from its subsidiaries. European developments in data and international developments in digital taxation may also negatively affect some of the Group's automated driving and infotainment connected services. Unfavourable developments in any one or a combination of these risk areas (which may vary from country to country) could have a material adverse effect on the Group's business, financial condition and results of operations and on its ability to execute planned strategies.

On June 23, 2016, a majority of voters in a national referendum in the UK voted in favour of the UK leaving ("Brexit") the European Union (the "EU"). The UK left the EU on January 31, 2020 and pursuant to a negotiated withdrawal agreement, there will be an 11-month transition period under which EU rules will continue to apply in the UK. During this period, the UK and the EU will seek to reach an agreement on their future relationship. There can be no assurance that an agreement with regard to future trade and co-operation will be reached prior to the end of the transition period.

Although the Group does not believe Brexit will have a direct material impact on the Group's operations or materially impact its tax expense, the form of Brexit remains uncertain and may result in greater restrictions on imports and exports between the UK and EU countries, a fluctuation in currency exchange rates and additional regulatory complexity as well as further global economic uncertainty, all of which could have a material adverse effect on the Group's business, financial condition and results of operations.

There has been a recent and significant increase in activity and speculation regarding tariffs and duties between the U.S. and its trading partners. The Group manufactures a significant percentage of its vehicles outside the U.S. (particularly in Canada, Mexico and Italy) for import into the U.S. The Group also manufactures vehicles in the U.S. that are exported to China. Tariffs or duties implemented between the U.S. and its trading partners could have a material adverse effect on the Group's business, financial condition and results of operations. Tariffs or duties that directly impact the Group's products could reduce consumer demand and/or make the Group's products less profitable. In addition, a continued escalation in tariff or duty activity between the U.S. and its major trading partners could negatively impact global economic activity, which could in turn reduce demand for the Group's products."

(b) The risk factor entitled "If FCA is deemed to not maintain a permanent establishment in Italy, FCA could experience a material increase in FCA's tax liability" shall be deleted.

4. **Updates to FCA's board composition and senior management**

(a) The line item for Ruth J. Simmons in the table under the heading "Board of Directors" shall be replaced with a line item for Richard K. Palmer (Year of Birth: 1966; Position: executive director).

(b) The biography of Ruth J. Simmons shall be deleted and the following biography added for Richard K. Palmer:

"**Richard K. Palmer (executive director)** - Richard K. Palmer was appointed Chief Financial Officer and a member of the GEC in September 2011. He was also named Head of Business Development in July 2018. On April 12, 2019 he was appointed to the Board of Directors of FCA as an executive member. Previously he also served as Chief Operating Officer Systems and Castings. In his current role, Mr. Palmer is responsible for all financial activities of the Group including control, treasury and tax. Mr. Palmer was Chief Financial Officer of FCA US from June 2009 until 2017. Mr. Palmer joined FCA US from the former Fiat Group Automobiles, where he held the position of Chief Financial Officer beginning in December 2006. In 2003, he joined the Group as Chief Financial Officer of Comau, and in 2005, moved to Iveco in the same role. Prior to that appointment, he was Finance Manager for several business units at General Electric Oil and Gas. Mr. Palmer spent the first years of his career in audit with Price Waterhouse and later with United Technologies Corporation. Mr. Palmer served as a member of the Board of Directors of R.R. Donnelley & Sons Company from 2013 to September 2016. From October 2016 to September 2019, Mr. Palmer served as member of the Board of Directors of LSC Communications, Inc., which was spun off from R.R. Donnelly and Sons Company. Mr. Palmer is a Chartered Accountant and member of ICAEW (UK) and holds a Bachelor of Science degree in Microbiology from the University of Warwick (UK). Mr. Palmer was born in Keynsham, England in 1966."

(c) The list of regional COOs and leaders of the key corporate functions in the section entitled "Senior Management" shall be replaced with the following:

"The regional COOs and leaders of the key corporate functions are:

- Michael Manley as Chief Executive Officer;
- Richard K. Palmer as Chief Financial Officer;
- Pietro Gorlier as Chief Operating Officer EMEA and Global Head of Parts & Service (MOPAR);
- Antonio Filosa as Chief Operating Officer LATAM;
- Mark Stewart as Chief Operating Officer North America;
- Davide Grasso as Chief Operating Officer Maserati; and
- Giorgio Fossati as Corporate General Counsel."

5. **Updates to FCA's shareholders**

The section entitled "Major Shareholders" shall be replaced with the following:

"**Major Shareholders**

Exor N.V. ("Exor") is the largest shareholder of FCA through its 28.66 percent shareholding interest in FCA N.V.'s issued common shares (as of February 25, 2020). As a result of the loyalty voting mechanism, Exor's voting power is 41.74 percent.

Consequently, Exor could strongly influence all matters submitted to a vote of FCA N.V. shareholders, including approval of annual dividends, election and removal of directors and approval of extraordinary business combinations.

Exor is controlled by Giovanni Agnelli B.V. ("GA"), which holds 52.99 percent of its share capital. GA is a private limited liability company under Dutch law with its capital divided in shares and currently held by members of the Agnelli and Nasi families, descendants of Giovanni Agnelli, founder of Fiat S.p.A. Its present principal business activity is to purchase, administer and dispose of equity interests in public and private entities and, in particular, to ensure the cohesion and continuity of the administration of its controlling equity interests. The directors of GA are John Elkann, Tiberto Brandolini d'Adda, Alessandro Nasi, Andrea Agnelli, Eduardo Teodorani-Fabbri, Luca Ferrero de' Gubernatis Ventimiglia, Jeroen Preller and Florence Hinnen.

Based on the information in FCA N.V.'s shareholder register, regulatory filings with the Dutch Authority for Financial Markets (the "AFM") and the Securities and Exchange Commission of the U.S. government (the "SEC") and other sources available to FCA, the following persons owned, directly or indirectly, in excess of three percent of FCA N.V.'s capital and/or voting interest as of February 25, 2020:

FCA Shareholders	Number of Issued Common Shares	Percentage Owned
Exor N.V.(1)	449,410,092	28.66
BlackRock, Inc.(2)	62,912,116	4.01

(1) *In addition, Exor N.V. holds 375,803,870 special voting shares; Exor N.V.'s beneficial ownership in FCA is 41.74 percent, calculated as the ratio of (i) the aggregate number of common and special voting shares owned by Exor N.V. and (ii) the aggregate number of outstanding common shares and issued special voting shares.*

(2) *BlackRock, Inc. beneficially owns 62,912,116 common shares (3.18 percent of total issued shares, which is the aggregate number of outstanding common shares and issued special voting shares) and 77,228,433 voting rights (4.92 percent of outstanding common shares and 3.91 percent of total issued shares).*"

6. **Updates to FCFE's name**

All references to "Fiat Chrysler Finance Europe *société anonyme*" shall be replaced with "Fiat Chrysler Finance Europe *société en nom collectif*".

7. **Updates to PRIIPs legends and EEA Selling Restriction**

(a) The section entitled "IMPORTANT – PROHIBITION OF SALES TO EEA RETAIL INVESTORS" shall be deleted and replaced with the following:

"**IMPORTANT – PROHIBITION OF SALES TO EEA AND UK RETAIL INVESTORS**

If the Final Terms in respect of any Notes include a legend entitled "Prohibition of Sales to EEA and UK Retail Investors", the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**") or in the UK. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended, the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Directive. Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA or in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA or in the UK may be unlawful under the PRIIPs Regulation."

(b) The section entitled "PROHIBITION OF SALES TO EEA RETAIL INVESTORS" contained within the section entitled "APPLICABLE FINAL TERMS" shall be deleted and replaced with the following:

"[**PROHIBITION OF SALES TO EEA AND UK RETAIL INVESTORS** - The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**") or in the United Kingdom ("**UK**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended, the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Directive 2003/71/EC (as amended or superseded, the "**Prospectus Directive**"). Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the "PRIIPs Regulation") for offering or selling the Notes or otherwise making them available to retail investors in the EEA or UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA or UK may be unlawful under the PRIIPs Regulation.]"

(c) The line item entitled "Prohibition of Sales to EEA Retail Investors" contained within the section entitled "DISTRIBUTION" in the "APPLICABLE FINAL TERMS" shall be deleted and replaced with the following:

"(v)	Prohibition of Sales to EEA and UK Retail Investors:	[Applicable/Not Applicable] (*If the Notes may constitute "packaged" products and no KID will be prepared, "Applicable" should be specified.*)"

(d) The section entitled "Prohibition of Sales to EEA Retail Investors" contained within the section entitled "SUBSCRIPTION AND SALE" shall be deleted and replaced with the following:

"**Prohibition of Sales to EEA and UK Retail Investors**

Unless the Final Terms in respect of any Notes specifies the "Prohibition of Sales to EEA and UK Retail Investors" as "Not Applicable", each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms in relation thereto to any retail investor in the European Economic Area or in the United Kingdom. For the purposes of this provision:

(a) the expression "retail investor" means a person who is one (or more) of the following:

(i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or

(ii) a customer within the meaning of the Insurance Distribution Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or

(iii) not a qualified investor as defined in the Prospectus Directive; and

(b) the expression an "offer" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes.

If the Final Terms in respect of any Notes specifies "Prohibition of Sales to EEA and UK Retail Investors" as "Not Applicable", in relation to each member state of the European Economic Area which has implemented the Prospectus Directive and the UK (each, a "Relevant State"), each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant State (the "**Relevant Implementation Date**") it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the final terms in relation thereto to the public in that Relevant State, except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Notes to the public in that Relevant State:

(a) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;

(b) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the relevant Issuer for any such offer; or

(c) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Notes referred to in (a) to (c) above shall require the relevant Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an "offer to the public" in relation to any Notes in any Relevant State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Relevant State by any measure implementing the Prospectus Directive in that Relevant State and the expression "Prospectus Directive" means Directive 2003/71/EC (as amended or superseded), and includes any relevant implementing measure in the Relevant State.

The European Economic Area and UK selling restriction is in addition to any other selling restrictions set out below."

8. Updates to Significant or Material Change Statement

The paragraph headed "Significant or Material Change" in the "GENERAL INFORMATION" section of the Base Prospectus is deleted in its entirety and replaced with the following:

"Except as disclosed in the section entitled "Recent Developments", there has been no significant change in the financial or trading position of any of FCA or the Group, including FCFE, since December 31, 2019, and there has been no material adverse change in the prospects of the Issuers or the Guarantor since December 31, 2019."

9. Updates to business description

The section entitled "THE FCA GROUP" shall be deleted and replaced with the following:

"THE FCA GROUP

The FCA Group is a global automotive group engaged in designing, engineering, manufacturing, distributing and selling vehicles, components and production systems worldwide through over a hundred manufacturing facilities and over forty research and development centres. The Group has operations in more than forty countries and sells its vehicles directly or through distributors and dealers in more than a hundred and thirty countries. The Group designs, engineers, manufactures, distributes and sells vehicles for the mass-market under the Abarth, Alfa Romeo, Chrysler, Dodge, Fiat, Fiat Professional, Jeep, Lancia and Ram brands and the SRT performance vehicle designation. For its mass-market vehicle brands, the Group has centralised design, engineering, development and manufacturing operations, which allows the Group to efficiently operate on a global scale. The Group supports its vehicle shipments with the sale of related service parts and accessories, as well as service contracts, worldwide under the Mopar brand name for mass-market vehicles. In addition, the Group designs, engineers, manufactures, distributes and sells luxury vehicles under the Maserati brand. The Group makes available retail and dealer financing, leasing and rental services through the Group's subsidiaries, joint ventures and commercial arrangements with third party financial institutions. In addition, the Group operates in the components and production systems sectors under the Teksid and Comau brands. As announced in December 2019, FCA will continue work on the separation of its holding in Comau, which will be separated promptly following closing of the proposed merger with Groupe PSA.

In 2019, the Group shipped 4.4 million vehicles (including the Group's unconsolidated joint ventures), resulting in Net revenues of €108.2 billion and Net profit of €6.6 billion, of which €2.7 billion was attributable to continuing operations, and generated €2.1 billion of Industrial free cash flows. At December 31, 2019, the Group's available liquidity was €23.1 billion (including €7.6 billion available under undrawn committed credit lines).

HISTORY OF THE GROUP

Fiat Chrysler Automobiles N.V. was incorporated as a public limited liability company (*naamloze vennootschap*) under the laws of the Netherlands on April 1, 2014 and became the parent company of the Group on October 12, 2014. Its principal office is located at 25 St. James's Street, London SW1A 1HA, United Kingdom (telephone number: +44 (0) 20 7766 0311).

Fiat S.p.A., the predecessor to FCA, was founded as *Fabbrica Italiana Automobili Torino*, on July 11, 1899 in Turin, Italy as an automobile manufacturer. In 1902, Giovanni Agnelli, Fiat's founder, became the Managing Director of the company.

FCA US LLC, then known as Chrysler Group LLC, ("FCA US") acquired the principal operating assets of the former Chrysler LLC in 2009 as part of a government-sponsored restructuring of the North American automotive industry. Between 2009 and 2014, Fiat S.p.A. expanded its initial 20 percent ownership interest to 100 percent of the ownership of FCA US and on October 12, 2014, Fiat S.p.A. completed a corporate reorganisation resulting in the establishment of FCA NV as the parent company of the Group, with its principal executive offices in the United Kingdom. FCA common shares commenced trading on the Milan Mercato Telematico Azionario ("MTA") and the New York Stock Exchange ("NYSE") on October 13, 2014. As a result, FCA NV, as successor of Fiat S.p.A., is the parent company of the Group.

In January 2011, the separation of Fiat S.p.A.'s non-automotive capital goods business was completed with the creation of Fiat Industrial, now known as CNH Industrial N.V.

The spin-off of Ferrari N.V. from the Group was completed in January 2016. The assets and liabilities of the Ferrari segment were distributed to holders of FCA shares and mandatory convertible securities.

Magneti Marelli Sale

On October, 22, 2018, FCA announced a definitive agreement to sell its Magneti Marelli business to CK Holdings, Co., Ltd completing the sale on May 2, 2019.

FCA-PSA Merger

On December 17, 2019, FCA and PSA entered into a combination agreement (the "combination agreement") providing for a merger of their businesses (the "merger"). In addition, certain shareholders of FCA and PSA have made undertakings to support the merger and, among other things, vote their shares in favour of the merger at their respective extraordinary general meetings of shareholders. Below is a summary of the transaction and the main provisions of the combination agreement and the shareholders' undertakings.

The following summary is qualified in all respects by reference to the complete text of the combination agreement and the shareholders' undertakings.

Transaction structure and merger consideration

If the merger is approved by the requisite votes of FCA's shareholders and the PSA shareholders and the other conditions precedent to the merger are satisfied or, to the extent permitted under the combination agreement and by applicable law, waived, PSA will be merged with and into the Company. The combined company ("DutchCo") will be named by mutual agreement of the Company and PSA with effect from the day immediately following completion of the merger.

The closing of the merger shall take place on the second Friday after satisfaction or (to the extent permitted under the combination agreement and by applicable law) waiver of the closing conditions and the merger shall be effective at midnight (Central European Time) following the signing of the merger deed (the "Effective Time"), at which time, the separate corporate existence of PSA shall cease, and DutchCo shall continue as the sole surviving corporation, and, by operation of law, DutchCo, as successor, shall succeed to and assume all of the rights and obligations, as well as the assets and liabilities, of PSA in accordance with Dutch law and French law.

At the Effective Time, by virtue of the merger and without any action on the part of any holder of PSA ordinary shares or FCA N.V. common shares, PSA shareholders will have the right to receive 1.742 DutchCo common shares for each PSA ordinary share that they hold and each issued and outstanding common share of FCA shall remain unchanged as one (1) common share in DutchCo. There will be no carryover of the existing double voting rights currently held by Exor in the Company pursuant to the existing Company loyalty voting structure. To that end, the combination agreement provides that at the Effective Time all special voting shares of the Company held by Exor will be reacquired by DutchCo for no consideration.

The combination agreement provides that DutchCo will have its tax residence in the Netherlands.

Governance of DutchCo

The combination agreement provides for certain arrangements relating to the governance of DutchCo, including causing DutchCo to adopt, immediately following the Effective Date, new articles of association, board regulations and a loyalty voting program in the agreed form. The principal terms of such governance arrangements are summarised below.

DutchCo board composition

The combination agreement provides that, after closing of the merger, the board of directors of DutchCo (the "DutchCo Board") shall be a single tier board initially composed of 11 members, including the following initial directors:

- the CEO of DutchCo;
- two (2) Independent Directors nominated by the Company;
- two (2) Independent Directors nominated by PSA;
- two (2) directors nominated by Exor;
- one (1) director nominated by Bpifrance (Bpifrance shall include jointly Bpifrance Participations S.A. and its wholly-owned subsidiary Lion Participations SAS. (or EPF/FFP, as further described below));
- one (1) director nominated by EPF/FFP; and
- two (2) employee representatives.

For these purposes, "Independent Director" means a director meeting the independence requirements under the Dutch Corporate Governance Code and, with respect to members of the Audit Committee, also meeting the independence requirements of Rule 10A-3 under the Exchange

Act, and the NYSE listing requirements.

Nomination rights

The rights of Exor, EPF/FFP and Bpifrance to nominate the number of directors mentioned above also apply to future terms of office of the DutchCo Board; provided that:

- if the number of DutchCo common shares held by Bpifrance, and/or any of its affiliates, or EPF/FFP, and/or any of its affiliates, falls below 5 percent of the issued and outstanding DutchCo common shares, such shareholder shall no longer be entitled to nominate a director (in which case any director nominated by Bpifrance or EPF/FFP, as the case may be, shall be required to promptly resign); and

- if, at the Effective Time, at any time within the six (6) years following the closing of the merger or on the sixth (6^{th}) anniversary of the closing of the merger, both: (i) the number of DutchCo common shares held by EPF/FFP and/or their affiliates increases to 8 percent or more of the issued and outstanding DutchCo common shares; and (ii) the number of DutchCo common shares held by Bpifrance and/or its affiliates falls below 5 percent of the issued and outstanding DutchCo common shares, then EPF/FFP shall be entitled to nominate a second director to the DutchCo Board to replace the Bpifrance nominee (the "EPF/FFP Additional Director").

As an exception to the foregoing, if, at the Effective Time or within six (6) years of the Effective Time:

- the number of DutchCo common shares held by Bpifrance and its affiliates, on the one hand, or EPF/FFP and its affiliates, on the other hand, represents between 4 percent and 5 percent of the issued and outstanding DutchCo common shares (the "Threshold Stake");

- either Bpifrance or EPF/FFP has not lost its right to nominate a director in accordance with the preceding paragraph; and

- the number of DutchCo common shares held by Bpifrance, EPF/FFP and their respective affiliates represents, in aggregate, 8 percent or more of the issued and outstanding DutchCo common shares.

The shareholder which holds the Threshold Stake will maintain its right to nominate a director to the DutchCo Board until the sixth (6^{th}) anniversary of the closing of the merger (it being understood that while Bpifrance is entitled to nominate a director pursuant to this proviso, EPF/FFP shall not be entitled to nominate the EPF/FFP Additional Director).

Additionally, Exor's right to nominate directors will decrease in the event Exor and/or its affiliates reduce their equity ownership in DutchCo as follows:

- if the number of shares held by Exor. and/or its affiliates falls below the number of shares corresponding to 8 percent of the issued and outstanding DutchCo common shares, Exor will be entitled to nominate one (1) director instead of two (2); and

- if the number of shares held by Exor and/or its affiliates falls below the number of shares corresponding to 5 percent of the issued and outstanding DutchCo common shares, Exor will no longer be entitled to nominate a director.

In such cases, the director designated by Exor for resignation from among the directors nominated by Exor shall be required to resign as promptly as reasonably practicable after the number of DutchCo common shares held by Exor and/or its affiliates falls below the applicable threshold.

Any event or series of events (including any issue of new shares) other than a transfer (including transfer under universal title) of PSA shares or DutchCo shares shall be disregarded for the purpose of determining whether the applicable shareholder reaches the relevant threshold(s).

Initial management of DutchCo

The combination agreement provides that the following positions shall be filled by the following individuals from the day immediately after the closing of the merger:

- Chairman: John Elkann;

- CEO: Carlos Tavares;

- Vice Chairman: a director nominated by EPF/FFP; and

- Senior Independent Director: an Independent Director nominated by PSA.

The initial term of office of each of the Chairman, CEO, Senior Independent Director and Vice Chairman shall be five (5) years, in each case beginning on the day immediately after the closing of the merger. The initial term of office for each of the other directors shall be four (4) years. Mr. Elkann and Mr. Tavares will be the only executive directors.

The board regulations provide that in addition to the Chairman's other powers set out in the board regulations, if the Chairman is an executive director, he or she will be consulted and work together with the CEO on that basis on important strategic matters affecting DutchCo as set forth in the board regulations.

In addition to his/her powers set out in the DutchCo articles of association and board regulations, the CEO will be responsible for the management of DutchCo in accordance with the Dutch Civil Code and will be vested with full authority to represent DutchCo individually.

The Senior Independent Director (acting as the *voorzitter* under Dutch Law) shall preside over the meetings of the DutchCo Board and shall be vested with the powers to convene the board and the general meetings of shareholders of DutchCo.

Voting Limitations

The combination agreement provides that under the DutchCo articles of association no shareholder, acting alone or in concert, together with votes exercised by affiliates of such shareholder or pursuant to proxies or other arrangements conferring the right to vote, may cast 30 percent (the "Voting Threshold") or more of the votes cast at any general meeting of shareholders of DutchCo, including after giving effect to any voting rights exercisable through DutchCo special voting shares. Any voting right in excess of the Voting Threshold will be suspended. Furthermore, the DutchCo articles of association will provide that, before each shareholders' meeting, any shareholder holding voting rights in excess of the Voting Threshold shall notify DutchCo of its shareholding and total voting rights in DutchCo and provide, upon request by DutchCo, any information necessary to ascertain the composition, nature and size of the equity interest of that person and any other person acting in concert with it. This restriction (i) may be removed by the affirmative vote of the holders of two-thirds of the issued and outstanding DutchCo common shares (for the avoidance of doubt, without giving effect to any voting rights exercisable through DutchCo special voting shares, and subject to the aforementioned 30 percent voting cap) and (ii) shall lapse upon any person holding more than 50 percent of the issued and outstanding DutchCo common shares (other than DutchCo special voting shares) as a result of a tender offer for DutchCo common shares.

Shareholders' matters

Each of Exor, Bpifrance, EPF/FFP and Dongfeng (each a "Reference Shareholder"), in its capacity as shareholder of PSA or FCA, as applicable, has entered into a letter agreement (a "Letter Agreement") with PSA or FCA, as applicable, setting forth, among other things, the following undertakings relating to the merger and the future governance of DutchCo:

- *Support of the merger* - each Reference Shareholder has undertaken to vote or cause to be voted all shares owned or controlled by it or as to which it has the power to vote in favour of any decision in furtherance of the approval of the transactions contemplated by the combination agreement that is submitted to the shareholders;

- *Standstill* - each Reference Shareholder shall be restricted from buying shares to increase its interest in PSA, FCA (before the merger) or DutchCo for a period ending seven years following the Effective Time, except that EPF/FFP may increase its shareholding by up to a maximum of 2.5 percent in DutchCo (or 5 percent in PSA) by acquiring shares from Bpifrance and/or Dongfeng and/or on the market, provided that market acquisitions may not represent more than 1 percent of the DutchCo common shares or 2 percent of the PSA ordinary shares plus, if applicable, the percentage of DutchCo common shares (or PSA ordinary shares) sold by Bpifrance to buyers other than EPF/FFP or any of its affiliates;

- *Lock-up* - from the date of the combination agreement until 3 years after closing of the merger, Exor, Bpifrance and EPF/FFP will be subject to a lock-up in respect of their shareholdings in the relevant company before closing of the merger and in DutchCo thereafter, except that Bpifrance will be permitted to reduce its shareholdings by 5 percent in PSA or 2.5 percent in DutchCo; and

- *Dongfeng buy-back* - Dongfeng has agreed to sell, and PSA has agreed to buy, 30.7 million PSA ordinary shares prior to closing of the merger (the ordinary shares repurchased by PSA will be cancelled). Notwithstanding the above, Dongfeng may sell all or part of such shares to third parties prior to the closing of the merger, in which case the purchase by PSA described in the prior sentence will apply to the balance of such 30.7 million PSA ordinary shares not otherwise sold by Dongfeng. Dongfeng is subject to a lock up until the Effective Time for the balance of its participation in PSA, resulting in an ownership of 4.5 percent in DutchCo immediately after the Effective Time.

Certain covenants

In addition to making reciprocal customary representation and warranties and agreeing to customary restrictions on their respective operations as from the time of the combination agreement until the Effective Time, FCA and PSA each have agreed to take certain actions between the date of the combination agreement and the Effective Time, such as the seeking of competition law and other regulatory approvals, the making of stock exchange and securities filings, and the application for listing of the DutchCo common shares issued in connection with the merger on the NYSE, Euronext Paris and the MTA prior to the closing date of the merger.

Pre-merger distributions

Prior to the Effective Time (i) an extraordinary cash distribution of €5.5 billion may be paid by FCA to its shareholders, (ii) an ordinary dividend for an amount of €1.1 billion in respect of the fiscal year ending December 31, 2019 may be paid by each of the Company and PSA and (iii) if the closing of the merger has not occurred before the 2021 annual general meetings of PSA and the Company, an ordinary dividend in respect of the fiscal year ending December 31, 2020 for an amount to be agreed by the Company and PSA on the basis of their respective distributable amounts shall be paid by each of PSA and the Company, in the case of (ii) and (iii) subject to the availability of sufficient distributable amounts.

Faurecia distribution

PSA is permitted to distribute to its shareholders by special or interim dividend all of the shares held by PSA in Faurecia prior to the Effective

Time with no material changes in any currently existing commercial arrangements between PSA and Faurecia, other than amendments in the ordinary course.

Comau separation

Promptly following the Effective Time, DutchCo is permitted to allocate to its shareholders through a demerger or similar transaction all the shares held by DutchCo in Comau or implement other value-creating alternative structures, including the sale of all the shares held by DutchCo in Comau (each of such transactions, the "Comau Separation"). The Company shall, prior to the closing of the merger, work diligently to prepare for the Comau Separation to enable the Comau Separation to be completed promptly following the closing of the merger, including by establishing the perimeter, capital structure and governance of Comau in consultation with PSA and, if applicable, preparing all necessary documentation for the listing of Comau shares on the appropriate securities exchange.

Other provisions

The combination agreement contains customary exclusivity provisions requiring the parties to refrain from soliciting any acquisition proposal from third-parties as well as covenants requiring the board of directors of each of the Company and PSA to recommend that their respective shareholders approve the transaction, subject to limited exceptions to ensure compliance with the directors' fiduciary duties in connection with a superior proposal.

The obligation of each party to effect the merger is subject to customary closing conditions, including the absence of a material adverse effect with respect to the other party, regulatory clearances and approval by the shareholders of PSA and the Company.

OVERVIEW OF THE GROUP'S BUSINESS

As of the date of this Base Prospectus, the Group's activities are carried out through five reportable segments:

(i) North America: the Group's operations to support distribution and sale of mass-market vehicles in the United States, Canada, Mexico and Caribbean islands, primarily under the Jeep, Ram, Dodge, Chrysler, Fiat, Alfa Romeo and Abarth brands.

(ii) LATAM: the Group's operations to support the distribution and sale of mass-market vehicles in South and Central America, primarily under the Fiat, Jeep, Dodge and Ram brands, with the largest focus of its business in Brazil and Argentina.

(iii) APAC: the Group's operations to support the distribution and sale of mass-market vehicles in the Asia Pacific region (mostly in China, Japan, India, Australia and South Korea) carried out in the region through both subsidiaries and joint ventures, primarily under the Jeep, Fiat, Alfa Romeo, Abarth, Fiat Professional, Ram and Chrysler brands.

(iv) EMEA: the Group's operations to support the distribution and sale of mass-market vehicles in Europe (which includes the 27 members of the European Union, the UK and the members of the European Free Trade Association), the Middle East and Africa, primarily under the Fiat, Fiat Professional, Jeep, Alfa Romeo, Lancia, Abarth, Ram and Dodge brands.

(v) Maserati: the design, engineering, development, manufacturing, worldwide distribution and sale of luxury vehicles under the Maserati brand.

During 2019, the Group's previously reported "NAFTA" segment was renamed "North America" in response to the expected ratification of the United States-Mexico-Canada Agreement ("USMCA"). Other than the change of name, no other changes were made to the segment.

The Group also owns or holds interests in companies operating in other activities and businesses. These activities are grouped under "Other Activities", which primarily consists of the Group's industrial automation systems design and production business, under the Comau brand name, and the Group's cast iron and aluminium business, which produces cast iron components for engines, gearboxes, transmissions and suspension systems, and aluminium cylinder heads and engine blocks, under the Teksid brand name, as well as companies that provide services, including accounting, payroll, tax, insurance, purchasing, information technology, facility management and security for the Group, and manage central treasury activities.

Design and Manufacturing

The Group sells mass-market vehicles in the sport utility vehicles ("SUVs"), passenger car, truck and light commercial vehicle markets. The Group's SUV and crossover utility vehicles ("CUVs") portfolio includes the all-new Jeep Gladiator, all-new Jeep Commander PHEV, Jeep Grand Cherokee, Jeep Cherokee, Jeep Wrangler, Jeep Renegade, Jeep Compass, Maserati Levante, Dodge Durango, Dodge Journey and Alfa Romeo Stelvio. The Group's passenger car product portfolio includes vehicles such as the Fiat 500, Alfa Romeo Giulia, Maserati Quattroporte, Dodge Challenger and Charger, Chrysler 300, Lancia Ypsilon and minivans such as the Chrysler Pacifica. The Group sells light and heavy-duty pickup trucks such as the Ram 1500, all-new Ram 2500/3500, the Fiat Toro and Fiat Fullback and chassis cabs such as the all-new Ram 3500/4500/5500. The Group's light commercial vehicles include vans such as the Fiat Professional Doblò, Fiat Professional Ducato and Ram ProMaster.

The Group has deployed World Class Manufacturing ("WCM") principles throughout its manufacturing operations. WCM principles were developed by the WCM Association, a non-profit organisation dedicated to developing superior manufacturing standards. The Group is the only original equipment manufacturer ("OEM") that is a member of the WCM Association. WCM fosters a manufacturing culture that targets improved safety, quality and efficiency, as well as the elimination of all types of waste. Unlike some other advanced manufacturing programmes, WCM is designed to prioritise issues, focus on those initiatives believed likely to yield the most significant savings and improvements, and direct resources to those initiatives. The Group also offers several types of WCM programmes to the Group's suppliers whereby they can learn and incorporate WCM principles into their own operations.

Sales Overview

The Group's new vehicle sales represent sales of FCA vehicles primarily by dealers and distributors, or, directly by the Group in some cases, to retail customers and fleet customers. Sales include mass-market and luxury vehicles manufactured at the Group's plants, as well as vehicles manufactured by the Group's joint ventures and third party contract manufacturers and distributed under the Group's brands. The Group's sales figures exclude sales of vehicles that it contract manufactures for other OEMs. While vehicle sales are illustrative of the Group's competitive position and the demand for the Group's vehicles, sales are not directly correlated to the Group's Net revenues, Cost of revenues or other measures of financial performance in any given period, as such results are primarily driven by the Group's vehicle shipments to dealers and distributors.

The following table shows the Group's new vehicle sales by reportable segment for the periods presented:

	Years ended December 31,	
	2019	**2018**
	(millions of units)	
North America	2.5	2.5
LATAM	0.6	0.6
APAC	0.2	0.2
EMEA	1.3	1.4
Total Mass-Market Vehicle Brands	**4.6**	**4.7**
Maserati	0.03	0.04
Total Worldwide	**4.6**	**4.8**

North America

North America Sales and Competition

The following table presents the Group's mass-market vehicle sales and estimated market share in the North America segment for the periods presented:

	Years ended December 31,			
	2019(1),(2)		**2018**(1),(2)	
North America	**Sales**	**Market Share**	**Sales**	**Market Share**
	Thousands of units (except percentages)			
U.S.	2,204	12.6%	2,235	12.6%
Canada	223	11.6%	225	11.3%
Mexico and Other	63	4.7%	74	5.1%
Total	**2,490**	**12.0%**	**2,534**	**12.0%**

(1) Certain fleet sales that are accounted for as operating leases are included in vehicle sales.
(2) Estimated market share data presented are based on management's estimates of industry sales data, which use certain data provided by third-party sources, including IHS Markit and Ward's Automotive.

The following table presents the estimated new vehicle market share information for the Group and its principal competitors in the U.S., its largest market in the North America segment:

	Years ended December 31	
U.S.	**2019**	**2018**
Automaker	**Percentage of industry**	
GM	16.5%	16.7%
Ford	13.8%	14.1%
Toyota	13.6%	13.7%
FCA	**12.6%**	**12.6%**

U.S.	Years ended December 31	
	2019	2018
Automaker	**Percentage of industry**	
Honda	9.2%	9.1%
Nissan	7.7%	8.4%
Hyundai/Kia	7.6%	7.2%
Other	19.0%	18.2%
Total	**100.0%**	**100.0%**

U.S. industry sales, including medium- and heavy-duty vehicles, increased from 10.6 million units in 2009 to 17.5 million units in 2019. The strong recovery in the automotive sector, from 2009 through 2019, was supported by robust macroeconomic and automotive specific factors, such as growth in per capita disposable income, improved consumer confidence, the increasing age of vehicles in operation, improved consumer access to affordably priced financing and higher prices of used vehicles.

The vehicle line-up in the North America segment leverages the brand recognition of the Jeep, Ram, Dodge and Chrysler brands to offer utility vehicles, pickup trucks, cars and minivans under those brands. The Group's vehicle sales and profitability in the North America segment are generally weighted towards larger vehicles such as utility vehicles, trucks and vans, consistent with overall industry sales trends in the North America segment, which have become increasingly weighted towards utility vehicles and trucks in recent years.

The Group's 2019 sales were at a comparable level to 2018, primarily from the strong performance of the Ram brand, for which growth was underpinned by the launch of Ram Heavy Duty and supported by higher sales of Ram Light Duty, as well as the launch of the all-new Jeep Gladiator, despite lower overall shipments.

North America Distribution

In the North America segment, the Group's vehicles are sold primarily to dealers in the Group's dealer network for sale to retail consumers and to fleet customers. Fleet sales in the commercial channel are typically more profitable than sales in the government and daily rental channels since they more often involve customised vehicles with more optional features and accessories; however, vehicle orders in the commercial channel are usually smaller in size than the orders made in the daily rental channel. Fleet sales in the government channel are generally more profitable than fleet sales in the daily rental channel primarily due to the mix of products included in each respective channel.

North America Dealer and Customer Financing

In the North America segment, the Group does not have a captive finance company or joint venture and instead relies upon independent financial service providers including Santander Consumer USA Inc. ("SCUSA") to provide financing for dealers and retail customers in the U.S. In February 2013, the Group entered into a private label financing agreement with SCUSA (the "SCUSA Agreement"), under which SCUSA provides a wide range of wholesale and retail financial services to the Group's dealers and retail customers in the U.S., under the Chrysler Capital brand name and covering the Chrysler, Jeep, Dodge, Ram, Fiat, and Alfa Romeo brands.

The SCUSA Agreement has a ten-year term from February 2013, subject to early termination in certain circumstances, including the failure by a party to comply with certain of its ongoing obligations under the agreement. Under the SCUSA Agreement, SCUSA has certain rights, including limited exclusivity to participate in specified minimum percentages of certain retail financing rate subvention programmes. SCUSA's exclusivity rights are subject to SCUSA maintaining certain performance standards and price competitiveness based on minimum approval rates and market benchmark rates to be determined through a steering committee process as set out in the SCUSA Agreement. SCUSA and FCA US have been in continual discussion regarding performance under the SCUSA Agreement. The parties entered into a tolling agreement in July 2018 with respect to the SCUSA Agreement, pursuant to which, among other things, the parties agreed each party shall fully preserve and retain its respective rights, claims and defences as they existed on April 30, 2018.

On June 28, 2019, FCA US entered into an amendment (the "Amendment") to the SCUSA Agreement. The Amendment modified certain terms of the agreement, with the remaining term unchanged until February 2023, and in connection with its execution, SCUSA made a one-time, nonrefundable, non-contingent, cash payment of U.S.$60 million (€53 million) to FCA US as part of a negotiated resolution of open matters.

As of December 31, 2019, SCUSA was providing wholesale lines of credit to approximately 10 percent of the Group's dealers in the U.S., while Ally Financial Inc. ("Ally") was at 33 percent. For the year ended December 31, 2019, the Group estimates that approximately 87 percent of the vehicles purchased by the Group's U.S. retail customers were financed or leased, of which approximately 55 percent were financed or leased through SCUSA (40 percent) and Ally (15 percent). Alfa Romeo brand development within the U.S. is also supported by dealer and retail customer financing with primary financial institutions. Additionally, the Group has arrangements with a number of financial institutions to provide a variety of dealer and retail customer financing programmes in Canada and a private label agreement with Inbursa Group in Mexico.

LATAM

LATAM Sales and Competition

The following table presents the Group's mass-market vehicle sales and market share in the LATAM segment for the periods presented:

LATAM	Years ended December 31,			
	2019(1)		2018(1)	
	Sales	Market Share	Sales	Market Share
	Thousands of units (except percentages)			
Brazil	497	18.7%	434	17.5%
Argentina	54	12.4%	99	12.8%
Other LATAM	29	2.7%	33	2.9%
Total	**580**	**13.9%**	**566**	**12.8%**

(1) Estimated market share data presented are based on management's estimates of industry sales data, which use certain data provided by third-party sources, including IHS Markit, National Organisation of Automotive Vehicles Distribution and Association of Automotive Producers.

The following table presents the Group's mass-market vehicle market share information and its principal competitors in Brazil, the Group's largest market in the LATAM segment:

Brazil	Years ended December 31,	
	2019(1)	2018(1)
Automaker	Percentage of industry	
FCA	**18.7**%	**17.5**%
GM	17.9%	17.6%
Volkswagen	15.6%	14.8%
Ford	8.2%	9.2%
Other	39.6%	40.9%
Total	**100.0%**	**100.0%**

(1) The Group's estimated market share data presented are based on management's estimates of industry sales data, which use certain data provided by third-party sources, including IHS Markit, National Organisation of Automotive Vehicles Distribution and Association of Automotive Producers.

The automotive industry volumes within the countries in which the LATAM segment operates decreased 5 percent from 2018 to 4.2 million vehicles (cars and light commercial vehicles) in 2019, which was primarily driven by a 43 percent decline in vehicle sales in Argentina, reflecting the impact of the Argentina economic downturn, partially offset by a 7.6 percent increase in vehicle sales in Brazil, reflecting continued improvement in market conditions.

The Group's market share in LATAM increased 110 basis points from 12.8 percent to 13.9 percent, primarily reflecting market share growth in Brazil. In Brazil, overall market share increased 120 basis points to 18.7 percent from 17.5 percent while, in Argentina, overall market share decreased 40 basis points to 12.4 percent from 12.8 percent in 2018.

The Group's vehicle line-up in LATAM leverages the brand recognition of Fiat, as well as the relatively urban population of countries like Brazil, to offer vehicles in smaller segments, such as the Fiat Mobi, Argo and Cronos. Fiat also leads the pickup truck market in Brazil, with the Fiat Strada (22.3 percent market share) and the Fiat Toro (19.1 percent market share). Jeep leads the small and medium SUV segments in Brazil with the Jeep Renegade (11.5 percent market share) and the Jeep Compass (10.1 percent market share).

LATAM Distribution

In the LATAM segment, the Group generally enters into multiple dealer agreements with individual dealerships. Outside the Group's major markets of Brazil and Argentina, the Group mainly distributes its vehicles through general distributors.

LATAM Dealer and Customer Financing

In the LATAM segment, the Group provides access to dealer and retail customer financing both through 100 percent owned captive finance companies and also through strategic relationships with financial institutions.

The Group has two 100 percent owned captive finance companies in the LATAM segment that offer dealer and retail customer financing: Banco Fidis S.A. ("Banco Fidis") in Brazil and FCA Compañia Financiera S.A. in Argentina. In addition, in Brazil, the Group has two significant commercial partnerships with Banco Itaù and Bradesco to provide financing to retail customers purchasing FCA branded vehicles. Banco Itaù is a leading vehicle retail financing company in Brazil, and this partnership was renewed in August 2013 for a ten-year term ending in 2023. Under this agreement, which applies only to the Group's retail customers purchasing Fiat branded vehicles, Banco Itaù has exclusivity on the Group's promotional campaigns and preferential rights on non-promotional financing. The Group receives commissions in connection with each vehicle financing above a certain threshold. In July 2015, FCA Fiat Chrysler Automoveis Brasil ("FCA Brasil") and Banco Fidis signed a ten-year partnership contract with Bradesco, one of the leading Brazilian banks, through its affiliate Bradesco Financiamentos, whereby Bradesco Financiamentos finances retail sales of Jeep, Chrysler, Dodge and Ram vehicles in Brazil. Under this agreement, Bradesco has exclusivity on promotional campaigns and FCA Brasil promotes Bradesco as its official financial partner. Banco Fidis is in charge of the commercial management of this partnership and receives commissions for this partnership agreement and for acting as banking agent, based on profitability and penetration.

APAC

APAC Sales and Competition

The following table presents the Group's vehicle sales and market share in the APAC segment for the periods presented:

	Years ended December 31			
	2019(1),(4)		2018(1),(4)	
APAC	**Sales**	**Market Share**	**Sales**	**Market Share**
	Thousands of units (except percentages)			
China(2)	92	0.4%	163	0.8%
Japan	24	0.6%	22	0.5%
India(3)	12	0.4%	19	0.6%
Australia	9	0.8%	11	1.0%
South Korea	10	0.7%	8	0.5%
APAC 5 major Markets	147	0.5%	223	0.7%
Other APAC	5	—	5	—
Total	**152**	**—**	**228**	**—**

(1) Estimated market share data presented are based on management's estimates of industry sales data, which use certain data provided by third-party sources, including IHS Markit and China Association of Automobile Manufacturers. Effective January 2019, industry data sourced from China Passenger Car Association.
(2) Sales data include vehicles shipped by the Group's joint venture in China.
(3) India market share is based on wholesale volumes.
(4) Sales reflect retail deliveries. APAC industry reflects aggregate for major markets where the Group competes (China, Australia, Japan, South Korea, and India). Market share is based on retail registrations except, as noted above, in India where market share is based on wholesale volumes.

The automotive industry in the APAC segment has shown a year-over-year decline, with industry sales in the five key markets (China, India, Japan, Australia and South Korea) decreasing by 6 percent to 31.2 million. Overall for the ten year period in the five key markets in which the Group competes, industry sales have increased from 16.1 million in 2009 to 31.2 million in 2019, a compound annual growth rate ("CAGR") of approximately 7 percent. Industry demand decreased from 2018 to 2019 with decreases in China (-7 percent), Australia (-8 percent), India (-12 percent), South Korea (-2 percent), and Japan (-2 percent).

The Group sells a range of vehicles in the APAC segment, including small and compact cars and utility vehicles. Although the Group's smallest mass-market segment by vehicle sales, the Group believes that the APAC segment represents a significant growth opportunity and has invested in building relationships with key joint venture partners in China and India in order to increase its presence in the region. In 2010, GAC Fiat Chrysler Automobiles Co. (the "GAC FCA JV"), the Group's joint venture with Guangzhou Automobiles Group Co. Ltd., was formed. In 2015, the Group expanded local production through the GAC FCA JV with the production of the Jeep Cherokee and in 2016 the Jeep Renegade and the Jeep Compass. In 2016, the Jeep brand also made its return to India, with the launches of the imported Jeep Wrangler and Jeep Grand Cherokee. In 2017 the Group launched the imported Alfa Romeo Giulia and Alfa Romeo Stelvio in China and local production of the Jeep Compass was launched in the Ranjangaon, India plant for sale in India and other right-hand drive countries. In 2018, the Group launched the Grand Commander in China, a premium seven-seater SUV produced at the GAC FCA JV plant in Changsha, China. In 2019, the Group launched the all-new Jeep Commander PHEV, a 5-passenger plug-in hybrid SUV developed for China. In other parts of the APAC segment, the Group distributes vehicles that it manufactures in the U.S., Europe and India through its dealers and distributors.

APAC Distribution

In the key markets in the APAC segment (China, Australia, India, Japan and South Korea), the Group sells its vehicles through 100 percent owned subsidiaries or through its joint venture to local independent dealers. In other markets where the Group does not have a substantial presence, it has agreements with general distributors.

APAC Dealer and Customer Financing

In the APAC segment, the Group operates a 100 percent owned captive finance company, FCA Automotive Finance Co., Ltd, which supports, its sales activities in China on a non-exclusive basis through dealer and retail customer financing. Cooperation agreements are also in place with third-party financial institutions to provide dealer network and retail customer financing in India, South Korea, Australia and Japan.

EMEA

EMEA Sales and Competition

The following table presents the Group's vehicle sales in the EMEA segment for the periods presented:

EMEA	Years ended December 31			
	2019 (1),(2),(3)		2018 (1),(2),(3)	
	Sales	Market Share	Sales	Market Share
	Thousands of units (except percentages)			
Italy	521	24.8%	571	27.3%
Germany	130	3.3%	155	4.0%
France	127	4.7%	139	5.3%
Spain	87	5.9%	97	6.4%
UK	53	2.0%	62	2.3%
Other Europe	244	4.7%	252	4.9%
Europe*	1,162	6.4%	1,276	7.1%
Other EMEA**	165	—	152	—
Total	**1,327**	**—**	**1,428**	**—**

** 28 members of the European Union (including the UK for the periods presented) and members of the European Free Trade Association (other than Italy, Germany, UK, France, and Spain).*
*** Market share not included in Other EMEA because the Group's presence is less than one percent.*
(1) Certain fleet sales accounted for as operating leases are included in vehicle sales.
(2) Estimated market share data is presented based on the European Automobile Manufacturers Association (ACEA) Registration Databases and national Registration Offices databases.
(3) Sale data includes vehicle sales by the Group's joint venture in Turkey.

The following table summarises the Group's new passenger vehicle market share information and its principal competitors in Europe, its largest market in the EMEA segment:

Europe-Passenger Cars	Years ended December 31	
	2019(*)	2018(*)
Automaker	Percentage of industry	
Volkswagen	24.5%	23.9%
PSA	15.6%	16.0%
Renault	10.5%	10.5%
Hyundai/Kia	6.7%	6.7%
BMW	6.6%	6.6%
Daimler	6.4%	6.2%
Ford	6.1%	6.4%
FCA(2)	**6.0**%	**6.5**%
Toyota	5.0%	4.9%
Other	12.6%	12.3%
Total	**100.0%**	**100.0%**

(1) Including all 28 European Union (EU) Member States (including the UK for the periods presented) and the 4 European Free Trade Association member states, or EFTA member states.
(2) Market share data is presented based on the European Automobile Manufacturers Association, or ACEA Registration Databases, which also includes Maserati within the Group for all periods presented.

In 2019, the Fiat brand continued its leadership in the European A minicar segment in EU 28+EFTA (including the UK), with Fiat 500 and Fiat Panda accounting for 29.1 percent of market share in the segment and Fiat 500 remaining segment leader, with sales down 2.2 percent.

The Jeep Brand posted sales of more than 167 thousand vehicles. Sales of the Alfa Romeo Brand decreased, primarily from the discontinuance of the Mito and of certain engines of the Giulietta. In Europe, the Group's sales are largely weighted to passenger cars, with 37.4 percent of the Group's total vehicle sales in the small car segment for 2019, reflecting demand for smaller vehicles due to driving conditions prevalent in many European cities and stringent environmental regulations.

EMEA Distribution

In Europe, the Group's relationship with individual dealer entities can be represented by a number of contracts (typically, the Group enters into one agreement per brand of vehicles to be sold), and the dealer can sell those vehicles through one or more points of sale.

In Europe, the Group sells its vehicles directly to independent and its own dealer entities located in most European markets, as well as to fleet customers (including government and rental). In other markets in the EMEA segment in which the Group does not have a substantial presence, it has agreements with general distributors.

EMEA Dealer and Customer Financing

In the EMEA segment, dealer and retail customer financing is primarily managed by FCA Bank, the Group's joint venture with Crédit Agricole Consumer Finance S.A. ("CACF"). FCA Bank operates in Europe, including the five major markets of Italy, France, Germany, Spain and the UK, and provides dealer and retail financing and, within selected countries, also rentals, to support the Group's mass-market vehicle brands. FCA Bank provides its services to the Group's Maserati luxury brand, as well as certain other OEMs, including Ferrari. The Group began this joint venture in 2007 and agreed with Crédit Agricole to extend its term through December 31, 2024, which may be automatically renewed unless notice of non-renewal is provided no later than three years before end of the term.

The Group also operates a joint venture, Koç Fiat Kredi, providing financial services mainly to retail customers in Turkey, and operates vendor programmes with bank partners in other markets to provide access to dealer and retail customer financing in those markets.

MASERATI

Maserati, a luxury vehicle brand founded in 1914, became part of the Group in 1993. In 2013, the Maserati brand was re-launched by the introduction of the next generation Quattroporte and the introduction of the Ghibli (luxury four door sedans), the first in the flagship large sedan segment and the second in the luxury full-size sedan vehicle segment. Maserati's current vehicles also include the GranTurismo, the brand's first modern two door, four seat coupe, also available in a convertible version and the Maserati Levante, the first SUV in Maserati's history.

In September 2019, Maserati announced plans for its lineup of new and electrified vehicles to be produced at Modena, Cassino and Turin (Mirafiori and Grugliasco), for the construction of a new production line at Cassino for a new Maserati utility vehicle, scheduled to open at the end of the first quarter of 2020 with the first pre-series cars expected to roll off the production line by 2021, and for the Turin production hub, where the all-new GranTurismo and GranCabrio will be produced.

The following table shows the distribution of Maserati sales by geographic regions as a percentage of total sales for each year ended December 31, 2019 and 2018:

	As a percentage of 2019 sales	As a percentage of 2018 sales
U.S.	31%	32%
China	24%	24%
Europe Top 4 countries(1)	17%	17%
Japan	5%	4%
Other countries	23%	23%
Total	**100%**	**100%**

(1) Europe Top 4 Countries by sales are Italy, UK, Germany and Switzerland.

In 2019, a total of 26,000 Maserati vehicles were sold to retail consumers, a decrease of 26 percent compared to 2018 as a result of reduced sales in China, the U.S., and other key markets, partially due to lower industry volumes in Maserati relevant segments.

FCA Bank provides access to dealer and retail customer financing for Maserati brand vehicles in Europe and the Group's 100 percent owned captive finance company, FCA Automotive Finance Co. Ltd, provides dealer and retail financing on a non-exclusive basis in China. In other regions, the Group relies on local agreements with financial services providers for financing of Maserati brand vehicles to dealers and end customers.

NET INDUSTRIAL CASH/(DEBT)

Net industrial cash/(debt) is computed as: Debt plus derivative financial liabilities related to industrial activities less (i) cash and cash equivalents, (ii) certain current debt securities, (iii) current financial receivables from Group or jointly controlled financial services entities and (iv) derivative financial assets and collateral deposits; therefore, debt, cash and cash equivalents and other financial assets/liabilities pertaining to financial services entities are excluded from the computation of Net industrial cash/(debt). Net industrial cash/(debt) (including held for sale) includes both Net industrial cash/(debt) and Net industrial cash/(debt) classified as held for sale.

The following table provides a reconciliation of Debt to Net industrial cash/(debt):

Net Debt by activity

Unaudited

(€ million)	At December 31, 2019 Group	Industrial activities	Financial services	At December 31, 2018 Group	Industrial activities	Financial services
Third parties debt (Principal)	(12,910)	(11,121)	(1,789)	(14,575)	(12,169)	(2,406)
Capital market[(1)]	(6,676)	(6,277)	(399)	(8,112)	(7,699)	(413)
Bank debt	(3,868)	(2,642)	(1,226)	(5,320)	(3,772)	(1,548)
Other debt[(2)]	(726)	(564)	(162)	(882)	(437)	(445)
Lease liabilities[(3)]	(1,640)	(1,638)	(2)	(261)	(261)	—
Accrued interest and other adjustments[(4)]	9	10	(1)	47	47	—
Debt with third parties (excluding held for sale)	**(12,901)**	**(11,111)**	**(1,790)**	**(14,528)**	**(12,122)**	**(2,406)**
Debt classified as held for sale	(81)	(81)	—	(177)	(177)	—
Debt with third parties including held for sale	**(12,982)**	**(11,192)**	**(1,790)**	**(14,705)**	**(12,299)**	**(2,406)**
Intercompany, net[(5)]	—	792	(792)	—	560	(560)
Current financial receivables from jointly-controlled financial services companies[(6)]	83	83	—	242	242	—
Debt, net of intercompany, and current financial receivables from jointly-controlled financial service companies, including held for sale	**(12,899)**	**(10,317)**	**(2,582)**	**(14,463)**	**(11,497)**	**(2,966)**
Derivative financial assets/(liabilities), net of collateral deposits (excluding held for sale)[(7)]	(178)	(178)	—	151	150	1
Current debt securities[(8)]	480	480	—	219	219	—
Cash and cash equivalents	15,014	14,867	147	12,450	12,275	175
Cash and cash equivalents, current debt securities and Derivative financial assets/(liabilities), net, classified as held for sale[(9)]	17	17	—	725	725	—
Total Net cash/(debt) including held for sale	**2,434**	**4,869**	**(2,435)**	**(918)**	**1,872**	**(2,790)**
Net industrial cash/(debt) (excluding held for sale)[(10)]		4,859			1,768	
Net industrial cash/(debt) from held for sale[(10)]		10			104	
Total Net industrial cash/(debt)		**4,869**			**1,872**	

Note: The assets and liabilities of Magneti Marelli have been classified as Assets held for sale and Liabilities held for sale within the Consolidated Statement of Financial Position at December 31, 2018. The disposal of Magneti Marelli was completed on May 2, 2019. The assets and liabilities of FCA's global cast ion components business have been classified as held for sale within the Consolidated Statement of Financial Position at December 31, 2019.

(1) Includes notes issued under the Medium Term Programme, or MTN Programme, and other notes (€6,277 million at December 31, 2019 and €7,699 million at December 31, 2018) and other debt instruments (€399 million at December 31, 2019 and €413 million at December 31, 2018) issued in financial markets, mainly from LATAM financial services companies.

(2) Includes asset-backed financing, i.e. sales of receivables for which de- recognition is not allowed under IFRS (€153 million at December 31, 2019 and €464 million at December 31, 2018), and other debt.

(3) Includes Lease liabilities determined in accordance with IFRS 16 - Leases effective January 1, 2019, which resulted in an increase in Lease liabilities of €1,069 million, of which €1,067 million related to the Industrial activities. Finance leases previously included in Other debt have been reclassified to Lease liabilities.

(4) Includes adjustments for fair value accounting on debt and net (accrued)/deferred interest and other amortizing cost adjustments.

(5) Net amount between industrial activities entities' financial receivables due from financial services entities (€960 million at December 31, 2019 and €958 million at December 31, 2018) and industrial activities entities' financial payables due to financial services entities (€168 million at December 31, 2019 and €398 million at December 31, 2018).

(6) Financial receivables due from FCA Bank.

(7) Fair value of derivative financial instruments (net negative €220 million at December 31, 2019 and net positive €90 million at December 31, 2018) and collateral deposits (€42 million at December 31, 2019 and €61 million at December 31, 2018).

(8) Excludes certain debt securities held pursuant to applicable regulations (€50 million at December 31, 2019 and €72 million at December 31, 2018).

(9) At December 31, 2018 this amount included current debt securities of €9 million and there were no collateral deposits classified as held for sale.

(10) At December 31, 2018 amounts include net financial payables due from Magneti Marelli to other group companies of €444 million. At December 31, 2019 amounts include net intercompany financial payables due to activities included within assets held for sale of €74 million.

RESEARCH AND DEVELOPMENT

The Group engages in research and development activities aimed at improving the design, performance, safety, fuel efficiency, reliability, consumer perception and sustainability of the Group's products and services. As of December 31, 2019, the Group operated 46 research and development centres worldwide with a combined headcount of approximately 18,000 employees supporting the Group's research and development efforts.

The Group concentrates the majority of its efficiency research efforts in two areas: reducing vehicle energy demand and reducing fuel consumption and emissions. Fuel consumption and emissions reduction activities have been primarily focused on powertrain technologies including: engines, transmissions and drivelines, hybrid and electric propulsion and alternative fuels. In recent years, the Group has increased its research and development efforts on automated driving and connectivity technologies.

EMPLOYEES

At December 31, 2019, the Group had 191,752 employees (excluding employees of joint arrangements, associates and unconsolidated subsidiaries).

LEGAL PROCEEDINGS

Various legal proceedings, claims and governmental investigations are pending against the Group on a wide range of topics, including vehicle safety, emissions and fuel economy, competition, tax and securities matters, alleged violations of law, labour, dealer, supplier and other contractual relationships, intellectual property rights, product warranties and environmental matters. Some of these proceedings allege defects in specific component parts or systems (including airbags, seats, seat belts, brakes, ball joints, transmissions, engines and fuel systems), in various vehicle models or allege general design defects relating to vehicle handling and stability, sudden unintended movement or crashworthiness. These proceedings seek recovery for damage to property, personal injuries or wrongful death and in some cases include a claim for exemplary or punitive damages. Adverse decisions in one or more of these proceedings could require the Group to pay substantial damages, or undertake service actions, recall campaigns or other costly actions.

Takata airbag inflators

Putative class action lawsuits were filed in March 2018 against FCA US in the U.S. District Courts for the Southern District of Florida and the Eastern District of Michigan, asserting claims under federal and state laws alleging economic loss due to Takata airbag inflators installed in certain of the Group's vehicles. The Group is vigorously defending against this action, and at this stage of the proceedings, the Group is unable to reliably evaluate the likelihood that a loss will be incurred or estimate a range of possible loss.

Emissions matters

On January 10, 2019, the Group announced that FCA US reached final settlements on civil, environmental and consumer claims with the U.S. Environmental Protection Agency ("EPA"), U.S. Department of Justice ("DoJ"), the California Air Resources Board, the State of California, 49 other States and U.S. Customs and Border Protection, for which the Group has accrued €748 million during the year ended December 31, 2018. Approximately €350 million of the accrual was related to civil penalties to resolve differences over diesel emissions requirements. A portion of the accrual was attributable to settlement of a putative class action on behalf of consumers in connection with which FCA US agreed to pay an average of $2,800 per vehicle to eligible customers affected by the recall. That settlement received final court approval on May 3, 2019. Nevertheless, the Group continues to defend individual claims from approximately 3,200 consumers that have exercised their right to opt out of the class action settlement and pursue their own individual claims against the Group (the "Opt-Out Litigation"). The Group has engaged in further discovery in the Opt-Out Litigation and participated in court-sponsored settlement conferences, but have reached settlement agreements with only a very small number of these remaining plaintiffs. As of December 31, 2019, the Group's best estimate of a probable loss has been included within the provision previously recognised.

In the U.S., the Group remains subject to diesel emissions-related investigations by the U.S. Securities and Exchange Commission (the "SEC") and the DoJ, Criminal Division. In September 2019, the DoJ filed criminal charges against an employee of FCA US for, among other things, fraud, conspiracy, false statements and violations of the Clean Air Act primarily in connection with efforts to obtain regulatory approval of the vehicles that were the subject of the civil settlements described above. The Group continues to cooperate with these investigations and present the Group's positions on concerns raised by these governmental authorities. The Group may also engage in discussions in an effort to reach an appropriate resolution of these investigations. At this time, the Group cannot predict whether or when any settlement may be reached or the ultimate outcome of these investigations and the Group is unable to reliably evaluate the likelihood that a loss will be incurred or estimate a range of possible loss. The Group also remains subject to a number of related private lawsuits (the "Non Opt-Out Litigation").

The Group has also received inquiries from other regulatory authorities in a number of jurisdictions as they examine the on-road tailpipe emissions of several automakers' vehicles and, when jurisdictionally appropriate, the Group continues to cooperate with these governmental agencies and authorities.

In Europe, the Group has been working with the Italian Ministry of Transport ("MIT") and the Dutch Vehicle Regulator ("RDW"), the authorities that certified FCA diesel vehicles for sale in the European Union, and the UK Driver and Vehicle Standards Agency in connection with their review of several of the Group's vehicles.

The Group also initially responded to inquiries from the German authority, the Kraftfahrt-Bundesamt ("KBA"), regarding emissions test results for the Group's vehicles, and the Group discussed the KBA reported test results, the Group's emission control calibrations and the features of the vehicles in question. After these initial discussions, the MIT, which has sole authority for regulatory compliance of the vehicles it has certified, asserted its exclusive jurisdiction over the matters raised by the KBA, tested the vehicles, determined that the vehicles complied with applicable European regulations and informed the KBA of its determination. Thereafter, mediations have been held under European Commission ("EC") rules, between the MIT and the German Ministry of Transport and Digital Infrastructure, which oversees the KBA, in an effort to resolve their differences. The mediation was concluded with no action being taken with respect to FCA. In May 2017, the EC announced its intention to open an infringement procedure against Italy regarding Italy's alleged failure to respond to EC's concerns regarding certain FCA emission control calibrations. The MIT has responded to the EC's allegations by confirming that the vehicles' approval process was properly performed.

In December 2019, the MIT notified the Group that the Dutch Ministry of Infrastructure and Water Management ("I&W") had been communicating with the MIT regarding certain irregularities allegedly found by the RDW and the Dutch Center of Research TNO in the emission levels of certain Jeep Grand Cherokee Euro 5 models and a vehicle model of another OEM that contains a Euro 6 diesel engine supplied by the Group. In January 2020, the Dutch Parliament published a letter from the I&W summarising the conclusions of the RDW regarding those vehicles and engines and indicating an intention to order a recall and report their findings to the Public Prosecutor, the EC and other Member States. The Group is in the process of providing a response to the MIT and engaging with the RDW to present the Group's positions and cooperate to reach an appropriate resolution of this matter. In addition, at the request of the French Consumer Protection Agency, the Juge d'Instruction du Tribunal de Grande Instance of Paris is investigating diesel vehicles of a number of automakers including FCA, regarding whether the sale of those vehicles violated French consumer protection laws.

In December 2018, the Korean Ministry of Environment ("MOE") announced its determination that approximately 2,400 FCA vehicles imported into Korea during 2015, 2016 and 2017 were not emissions compliant and that the vehicles with a subsequent update of the emission control calibrations voluntarily performed by FCA, although compliant, would have required re-homologation of the vehicles concerned. In May 2019, the MOE revoked certification of the above-referenced vehicles and announced an administrative fine for an amount not material to the Group. The Group has appealed the MOE's decision. The Group's subsidiary in Seoul, Korea is also cooperating with local criminal authorities in connection with their review of this matter and with the Korean Fair Trade Commission regarding a purported breach of the Act on Fair Labeling and Advertisement in connection with the subject vehicles.

The results of the unresolved governmental inquiries and private litigation cannot be predicted at this time and these inquiries and litigation may lead to further enforcement actions, penalties or damage awards, any of which may have a material adverse effect on the Group's business, financial condition and results of operations. It is also possible that these matters and their ultimate resolution may adversely affect the Group's reputation with consumers, which may negatively impact demand for the Group's vehicles and consequently could have a material adverse effect on its business, financial condition and results of operations. At this stage, the Group is unable to evaluate the likelihood that a loss will be incurred with regard to the unresolved inquiries and Non Opt-Out Litigation or estimate a range of possible loss.

National Training Center

In connection with an on-going government investigation into matters at the UAW-Chrysler National Training Center, the U.S. Department of Justice ("DoJ") has brought charges against a number of individuals including former FCA US employees and individuals associated with the UAW for, among other things, tax fraud and conspiring to provide money or other things of value to a UAW officer and UAW employees while acting in the interests of FCA US, in violation of the Labor Management Relations (Taft-Hartley) Act. Several of the individual defendants have entered guilty pleas and some have claimed in connection with those pleas that they conspired with FCA US in violation of the Taft-Hartley Act. The Group continues to cooperate with this investigation and is in discussions with the DOJ about a potential resolution of its investigation. The outcome of those discussions is uncertain; however, any resolution may involve the payment of penalties and other sanctions. At this time, the Group cannot predict whether or when any settlements may be reached or, if no settlement is reached, the ultimate outcome of any litigation. As such, the Group is unable to reliably evaluate the likelihood that a loss will be incurred or estimate a range of possible loss.

Several putative class action lawsuits have been filed against FCA US in U.S. federal court alleging harm to UAW workers as a result of these acts. Those actions have been dismissed both at the trial court stage and on appeal. Three plaintiffs in these lawsuits also filed charges alleging unfair labour practices with the U.S. National Labor Relations Board (the "Board"). The Board issued a complaint regarding these allegations and is seeking a cease and desist order as well as the posting of a notification with respect to the alleged practices. At this stage, the Group is unable to reliably evaluate the likelihood that a loss will be incurred or estimate a range of possible loss.

U.S. sales reporting investigations

On July 18, 2016, the Group confirmed that the U.S. Securities and Exchange Commission ("SEC") had commenced an investigation into the Group's reporting of vehicle unit sales to end customers in the U.S. and that inquiries into similar issues have been received from the DoJ. These vehicle unit sales reports relate to unit sales volumes primarily by dealers to consumers while the Group generally recognises revenues based on shipments to dealers and other customers and not on vehicle unit sales to consumers.

On September 27, 2019, the SEC announced the resolution of its investigation which included the Group's agreement to pay an amount that is not material to the Group. The Group has also cooperated with a DoJ investigation into the same issues, the outcome of which remains uncertain. Any resolution of that matter may involve the payment of penalties and other sanctions. At this time, the Group is unable to reliably evaluate the likelihood that a loss will be incurred or estimate a range of possible loss in connection with that investigation.

As previously reported, two putative securities class action lawsuits were filed against the Group in the U.S. District Court for the Eastern District of Michigan making allegations with regard to the Group's reporting of vehicle unit sales to end consumers in the U.S. These lawsuits were consolidated into a single action and on October 4, 2018, the Group entered into an agreement in principle to settle the consolidated litigation, subject to court approval, for an amount that is not material to the Group. On June 5, 2019, the Court granted final approval to this settlement.

General Motors litigation

On November 20, 2019, General Motors LLC and General Motors Company (collectively, "GM") filed a lawsuit in the U.S. District Court for the Eastern District of Michigan against FCA US, FCA N.V. and certain individuals, claiming violations of the Racketeer Influenced and Corrupt Organizations (RICO) Act, unfair competition and civil conspiracy in connection with allegations that FCA US paid bribes to UAW officials that corrupted the bargaining process with the UAW and as a result FCA US enjoyed unfair labour costs and operational advantages that caused harm to GM. GM also claimed that FCA US had made concessions to the UAW in collective bargaining that the UAW was then able to extract from GM through pattern bargaining which increased costs to GM in an effort to force a merger between GM and FCA N.V.

The Group is defending vigorously against this action and, on January 24, 2020, it filed a motion to dismiss all claims. However, at this stage, the Group is unable to reliably evaluate the likelihood that a loss will be incurred or estimate a range of possible loss.

U.S. import duties

Historically, the Group has paid a 2.5 percent duty on Ram ProMaster City light commercial vehicles imported into the U.S. as passenger vehicles and later converted into cargo vans rather than the 25 percent duty applicable to vehicles that are imported into the U.S. as cargo vans. In litigation between a competitor and U.S. Customs and Border Protection ("CBP") involving similar vehicles, the U.S. Court of Appeals for the Federal Circuit (the "Federal Circuit") ruled in June 2019 that vehicles previously imported by the competitor are subject to the 25 percent duty. In October 2019, the Federal Circuit declined to rehear the case and the competitor announced its intent to appeal the matter to the U.S. Supreme Court.

The Group believes there are facts that distinguish its case from that of the competitor. However, if CBP prevails against the competitor, it may seek to recover increased duties for the Group's prior imports, plus interest, and may assert a claim for penalties. At this stage, the Group is unable to reliably evaluate the likelihood that a loss will be incurred or estimate a range of possible loss.

CREDIT RATING

The Group is currently rated with the following corporate credit ratings:

- Ba1 with a positive outlook from Moody's Deutschland GmbH ("Moody's");
- BB+ with a positive outlook from S&P Global Ratings Europe Limited ("Standard & Poor's"); and
- BBB- with a stable outlook from Fitch Ratings España S.A.U. ("Fitch").

With reference to the rating on the Notes, in the case of Moody's, the rating on the Notes issued by FCA and FCFE is Ba2, while in the case of Standard & Poor's and Fitch, the ratings on the Notes issued by FCA and FCFE are the same as the respective corporate credit ratings.

RECENT DEVELOPMENTS

The current outbreak of COVID-19, a virus causing potentially deadly respiratory tract infections, is spreading worldwide and governments in affected countries are imposing travel bans, quarantines and other emergency public safety measures. In light of the rapid spread of the illness within Italy, the Italian government has imposed restrictions on travel and the movement and gathering of people in the country, as well as restrictions on commercial activity, and other countries are adopting similar measures. As of the date hereof, most dealers have temporarily closed in Italy, France and Spain. In addition to disrupting supply chains globally, these measures have had a significant and immediate effect on demand for the Group's vehicles and ability to ship to and invoice dealers. In order to respond to the interruption of market demand by ensuring optimisation of supply, effective March 16, 2020, the Group has temporarily suspended production across the majority of its European manufacturing plants. Furthermore, on March 18, 2020 the Group announced that it had agreed to cease productions at its plants across North America, starting progressively from that date through the end of March. The Company has also announced that it is evaluating the impact of all steps being taken by the Group and of macro-economic conditions related to the COVID-19 emergency on the Group's current financial guidance and that an update will follow once that evaluation is complete.

10. Additional risk factors related to the FCA-PSA Merger

(a) A new risk factors section shall be added as follows:

"**Risks Related to the FCA-Peugeot S.A. ("PSA") Merger**

The merger is subject to receipt of antitrust approvals from several competition authorities and the expiration of the applicable waiting period under the Hart Scott Rodino Act (the "HSR Act"). As a condition to obtaining the required antitrust approvals, the relevant regulatory authorities may impose conditions that could have an adverse effect on the combined company or, if such approvals are not obtained, could prevent the consummation of the merger.

Before the merger may be completed, any waiting period (or extension thereof) applicable to the merger must have expired or been terminated, and any competition approvals, consents or clearances required in connection with the merger must have been received, in each case, under the applicable antitrust laws of the EU, under the HSR Act, and under the competition laws of the Federative Republic of Brazil, the Republic of Chile, the United States of Mexico, the People's Republic of China, Japan, the Republic of India, the Republic of South Africa, People's Democratic Republic of Algeria, the Kingdom of Morocco, Israel, the Swiss Confederation, Ukraine, the Russian Federation, the Republic of Serbia, the Republic of Turkey, and, potentially, the Argentine Republic. The consummation of the merger might be delayed due to the time required to fulfil the requests for information by the relevant regulatory authorities. The terms and conditions of any antitrust approvals, consents and clearances that are ultimately granted may impose conditions, terms, obligations or restrictions on the conduct of the combined company's business.

FCA and PSA are obliged under the combination agreement to take all actions necessary to consummate the merger as soon as reasonably practicable, including the relevant competition approvals and to undertake and comply with such commitments as the regulatory authorities may require as a condition for such competition approvals. As an exception to the foregoing, neither FCA nor PSA are required to nor may, without the consent of the other party, undertake or comply with any commitments or take any action: (i) if any such commitment or action, individually or in the aggregate, would, or would reasonably be expected to, result in a substantial detriment to the combined company; or (ii) unless any such commitment or action is conditioned upon the consummation of the merger.

Regulatory authorities may impose conditions, and any such conditions may have the effect of delaying the consummation of the merger or imposing additional material costs on, or materially limiting, the revenues of the combined company following the consummation of the merger. In addition, any such conditions may result in the delay or abandonment of the merger. FCA and PSA may each terminate the combination agreement if the merger has not been completed by June 30, 2021 as a result of a failure to obtain the required approvals from the applicable antitrust regulatory authorities.

Failure to timely complete the merger could negatively affect the Group's business plans and operations and the Company's share price.

The obligation of FCA and PSA to effect the merger is subject to various closing conditions, some of which are beyond the Group's control and the control of PSA and any of which may prevent, delay or otherwise materially adversely affect the consummation of the merger. The consummation of the merger is conditioned upon, among other conditions: (i) the approval of the merger by FCA's shareholders and by the PSA shareholders; (ii) the approval from the NYSE, the Euronext Paris and the MTA for listing of the combined company's common shares; (iii) the effectiveness of the FCA's registration statement on Form F-4; (iv) the receipt of the required approvals from antitrust authorities; (v) the receipt of any consents necessary to be obtained in order to consummate the merger; (vi) the receipt of ECB clearance; and (vii) the absence of injunctions or restraints of any governmental entity that prohibit or make illegal the consummation of the merger, but only to the extent that any failure to comply with such prohibition would reasonably be expected to result in a substantial detriment to the combined company. The Group cannot provide any assurance as to when these conditions will be satisfied or waived, if at all, or that other events will not intervene to delay or result in the failure to complete the merger. Any delay in completing the merger could prevent or delay the combined company from realising some or all of the anticipated cost savings, synergies, growth opportunities and other benefits that the Group expects to achieve if the merger is successfully completed within the expected time frame.

If the merger is not completed for any reason, including as a result of FCA's shareholders and PSA's shareholders failing to approve the merger, the Group's business, cash flows, financial condition or results of operations may be materially adversely affected. Without realising any of the anticipated benefits of completing the merger, the Group would be subject to a number of risks, including:

- the Group may experience negative reactions from the financial markets, including an adverse effect on the market value of the Notes;
- the Group may experience negative reactions from its customers, suppliers, regulators and employees and other stakeholders; and
- the Group may be adversely affected by the substantial commitments of time and resources undertaken by the Group's management team in connection with the merger, which would otherwise have been devoted to day-to-day operations and other opportunities that may have been beneficial to the Group's business had the merger not been contemplated.

The combined company may fail to realise some or all of the anticipated benefits of the merger.

FCA and PSA currently operate, and up to the closing of the merger will continue to operate, independently as separate companies. The success of the merger will depend, in part, on the combined company's ability to realise the anticipated cost savings, synergies, growth opportunities and other benefits from combining the businesses. The achievement of the anticipated benefits of the merger is subject to a number of uncertainties, including general competitive factors in the marketplace and whether the Group is able to integrate its business with PSA's business in an efficient and effective manner and establish and implement effective operational principles and procedures. Failure to achieve these anticipated benefits could result in increased costs, decreases in the revenues of the combined company and diversion of management's time and energy, and could materially impact the combined company's business, cash flows, financial condition or results of operations. If the combined company is not able to successfully achieve these objectives, the anticipated cost savings, synergies, growth opportunities and other benefits that the Group expects to achieve as a result of the merger may not be realised fully, or at all, or may take longer than expected to realise.

The combined company will have to devote significant management attention and resources to integrating the business practices and the Group's operations and the operations of PSA. Potential difficulties that the combined company may encounter as part of the integration process include complexities associated with managing the business of the combined company, such as difficulty integrating manufacturing processes, systems and technology, in a seamless manner, as well as integrating the workforces of the two companies. In addition, the integration of the Group's business and PSA's business may result in additional and unforeseen expenses, capital investments and financial risks, such as the incurrence of unexpected write-offs, the possible effect of adverse tax treatments and unanticipated or unknown liabilities relating to PSA or the merger. All of these factors could decrease or delay the expected accretive effect of the merger.

It is possible that the integration process could take longer or be more costly than anticipated or could result in the loss of key employees, the disruption of each company's ongoing businesses or inconsistencies in standards, controls, procedures and policies that adversely affect the ability of the combined company to maintain relationships with suppliers, customers and employees, to achieve the anticipated benefits of the merger or maintain quality standards. An inability to realise the full extent of, or any of, the anticipated benefits of the merger, as well as any delays encountered in the integration process, could have an adverse effect on the combined company's business, cash flows, financial condition or results of operations.

The announcement and pendency of the merger could adversely affect the Group's business, cash flows, financial condition or results of operations.

The announcement and pendency of the merger could cause disruptions in and create uncertainty surrounding the Group's business, including with respect to its relationships with existing and future customers, suppliers and employees, which could have an adverse effect on the Group's business, cash flows, financial condition or results of operations, irrespective of whether the merger is completed. The Group's business relationships may be subject to disruption as customers, suppliers and other persons with whom the Group has a business relationship may delay or defer certain business decisions or might decide to seek to terminate, change or renegotiate their relationships with the Group or consider entering into business relationships with parties other than the Group or the combined company. The risk, and adverse effect, of any such disruptions could be exacerbated by a delay in the consummation of the merger.

The Group will incur significant transaction costs in connection with the merger and, if the merger is consummated, the combined company will incur significant integration costs.

The Group has incurred, and expects to continue to incur, significant costs in connection with the merger, including the fees of its professional advisors. The Group may also incur unanticipated costs associated with the transaction and the listings on the NYSE, the Euronext Paris and the MTA of the combined company's common shares as required in connection with the merger, and these unanticipated costs may have an adverse impact on the results of operations of the combined company following the effectiveness of the merger. In addition, if the merger is consummated, the combined company will incur significant integration costs following the consummation of the merger. The Group cannot provide assurance that the realisation of efficiencies related to the integration of its business with the business of PSA will offset the incremental transaction and integration costs in the near term, if at all.

Uncertainties associated with the merger may cause a loss of management personnel or other key employees which could adversely affect the future business and operations of the combined company.

The Group depends on the experience and industry knowledge of its officers and other key employees to execute its business plan. The combined company's success after the consummation of the merger will also depend, in part, upon the ability of the combined company to attract and retain key management personnel and other key employees. Current employees may experience uncertainty about their roles within the combined company following the consummation of the merger, which may have an adverse effect on the Group's ability to retain key management and other key personnel.

While the merger is pending, the Group is subject to restrictions on its business activities.

Under the combination agreement, the Group is subject to certain restrictions on the conduct of its business and generally must operate in the ordinary course and consistent with past practice (subject to certain exceptions agreed between FCA and PSA in the combination agreement), which may restrict the Group's ability to carry out certain business strategies. These restrictions may prevent the Group from pursuing otherwise attractive business opportunities, making certain investments or acquisitions, selling assets, engaging in capital expenditures in excess of certain agreed limits, incurring certain indebtedness or making changes to the Group's business prior to the completion of the merger or termination of the combination agreement, as applicable. These restrictions could have an adverse effect on the Group's business, cash flows, financial condition, results of operations.

The Group may not have discovered certain liabilities or other matters related to PSA, which may adversely affect the future financial performance of the combined company.

In the course of the due diligence review that the Group conducted prior to the execution of the combination agreement, the Group may not have discovered, or may have been unable to properly quantify, issues relating to PSA which may lead the combined company to write-down or write-off assets or incur impairment or other charges that could result in losses that may be significant. In addition, even if the due diligence review conducted by the Group successfully identified certain risks, unexpected risks may arise and previously known risks may materialise in a manner not consistent with the Group's preliminary risk analysis. Noteholders would not be compensated for any such losses. In addition, the Group expects that PSA, like FCA and other automakers, will be significantly affected by developments related to the current outbreak of COVID-19. For example, PSA announced on March 16, 2020 that it plans to close temporarily all of its production plants in Europe. For a discussion of COVID-19-related developments and risks see *"Risk Factors -- The Group's businesses may be adversely affected by global financial markets, general economic conditions, pandemics, changes to and enforcement of government incentive programmes as well as other macro developments over which the Group has little or no control" and "Recent Developments".*

(b) The heading of the risk factor entitled "FCA N.V. operates so as to be treated as exclusively resident in the UK for tax purposes, but the relevant tax authorities may treat it as also being tax resident elsewhere" shall be deleted and replaced with "FCA N.V. currently operates so as to be treated as exclusively resident in the UK for tax purposes, but the relevant tax authorities may treat it as also being tax resident elsewhere" and the following underlined text shall be included in that risk factor:

"FCA N.V. set up and it has thus far maintained, and intends to continue to maintain, FCA N.V.'s management and organisational structure in such a manner that it should not be regarded as an Italian tax resident either for Italian domestic law purposes or for the purposes of the Italy-UK tax treaty and (subject to any future change as set out below in the section "The FCA Group – History of the Group – FCA-PSA Merger" below) should be deemed resident in the UK from its incorporation for the purposes of the Italy-UK tax treaty."

11. Incorporation of Groupe PSA financial statements and auditor's reports

On February 26, 2020, Peugeot S.A. (**Groupe PSA**) published its Annual Report for the year ended December 31, 2019 (the **2019 PSA EU Annual Report**) which includes: (i) its audited consolidated financial statements as at and for the year ended December 31, 2019, and (ii) the independent auditor's report in relation thereto. Copies of such audited consolidated financial statements and the independent auditor's report in relation thereto are available on pages 13 to 103 (in the case of the audited consolidated financial statements) and on pages 104 to 108 (in the case of the independent auditor's report on the audited consolidated financial statements) of the 2019 PSA EU Annual Report available on Groupe PSA's website at https://www.groupe-psa.com/content/uploads/2020/02/Groupe-PSA-Annual-report-2019-incl.-auditors-report.pdf. By virtue of this Supplement, such audited consolidated financial statements and the independent auditor's report in relation thereto are deemed to be incorporated in, and form part of, the Base Prospectus.

On February 26, 2019, Groupe PSA published its Annual Report for the year ended December 31, 2018 (the **2018 EU Annual Report**) which includes (i) its audited consolidated financial statements as at and for the year ended December 31, 2018, and (ii) the independent auditor's report in relation thereto. Copies of such audited consolidated financial statements and the independent auditor's report in relation thereto are available on pages 9 to 94 (in the case of the audited consolidated financial statements) and on pages 95 to 99 (in the case of the independent auditor's report on the audited consolidated financial statements) of the 2018 EU Annual Report available on Groupe PSA's website at https://www.groupe-psa.com/content/uploads/2019/02/Annual-results-Groupe-PSA-2018.pdf. By virtue of this Supplement, such audited consolidated financial statements and the independent auditor's report in relation thereto are deemed to be incorporated in, and form part of, the Base Prospectus.

12. Update to auditor information

The following shall be added to the section entitled "Independent Auditors" contained within the section entitled "GENERAL INFORMATION":

"The statutory auditors of PSA are Ernst & Young et Autres, 1/2 Place des Saisons, 92400 Courbevoie, Paris La Défense 1, and Mazars, Tour Exaltis 61 rue Henri Regnault, 92400 Courbevoie (both entities duly authorised as Commissaires aux Comptes and are members of the compagnie régionale des commissaires aux comptes de Versailles) and they have audited and rendered audit reports on the PSA's consolidated and statutory financial statements for the fiscal years ended December 31, 2019 and December 31, 2018."

General Information

Neither FCA's website nor its content (except for the audited financial statements and independent auditor's report in relation thereto available at the link mentioned above) form part of this Supplement. Copies of all documents incorporated by reference in the Base Prospectus can be obtained free of charge from the registered office of FCA or FCFE and at the offices of the paying agents. Non-incorporated parts of any document referred to above are either not relevant for an investor or are covered elsewhere in the Base Prospectus, as supplemented.

To the extent that there is any inconsistency between (a) any statement in this Supplement or any statement incorporated by reference into the Base Prospectus by this Supplement and (b) any other statement in, or incorporated by reference in, the Base Prospectus, such statements described in clause (b) will be deemed to be superseded by such statements described in clause (a).

Save as disclosed in this Supplement no significant new factor, material mistake or inaccuracy relating to the information included in the Base Prospectus, which is capable of affecting the assessment of Notes issued under the Programme, has arisen or been noted, as the case may be, since the publication of the Base Prospectus.
