

## Renaulution, now Revolution

*Live conference at 9:00 Paris time  
available on [www.renaultgroup.com](http://www.renaultgroup.com)*

### **Towards a Next Gen automotive company:**

- Significantly ahead of its initial targets, Renault Group opens the third chapter of its Renaulution plan: **Revolution**
- Renault Group revolutionizes itself focusing resources on the value chains arising from the transformation of the automotive and mobility industry: electric vehicles (EV), software, new mobility services, circular economy, in addition to ICE & hybrid vehicles
- Renault Group aims at becoming a **Next Gen automotive company** built on 5 focused businesses addressing all the new value chains:
  - **Ampere**: the first EV & Software pure player born from an OEM disruption
  - **Alpine**: a high-end zero-emission global brand with a racing pedigree. A unique asset-light model combined with proprietary technologies
  - **Mobilize**: built around a leading financial services company to enter the market of new mobility, energy and data-based services
  - **The Future Is NEUTRAL**: the first 360° circular economy company in the automotive industry from closed loop in materials to battery recycling
  - **Power**: the traditional core business of Renault Group will continue to develop innovative low emissions ICE & hybrid vehicles under the Renault, Dacia and Renault LCV brands, each with their dedicated organization and governance. To reinforce and project this part of the business into the future, we announce the creation of a leading worldwide Tier 1 supplier of ICE & hybrid powertrain technologies (Horse project)

### **Building an open partnerships ecosystem to enable future growth:**

- By creating such leading powertrain technology company, Renault Group and Geely are combining their technological, manufacturing and R&D assets. Renault Group will own 50% of this company representing revenues of €15 billion globally from Day 1
- **Ampere**: envisaged IPO on Euronext Paris earliest H2 2023 (subject to market conditions) with Renault Group keeping strong majority and the support of potential strategic cornerstone investors (including Qualcomm Technologies, Inc.)
- Renault Group has built deep partnerships with 2 major tech players, **Google** and **Qualcomm Technologies**, to create game-changing technologies that will enable the development of **Software-Defined Vehicle** (SDV) including Centralized Electronic Architecture and Car OS
- **Alpine** is set to expand globally with half of its future growth outside of Europe leveraging commercial partnerships and investors support. Alpine is open to capitalize on the financial valuation of its F1 Team assets
- Light Commercial Vehicles (LCV) to launch, in partnership with an OEM, a game changing EV & software-defined family of vans: **FlexEVan**. It allows real-time, end-to-end operations monitoring and data-driven fleet management. FlexEVan's disruptive concept and technology will ensure -30% total cost of usage for mobility operators

## Solid financial outlook entering in a new era:

- Financial outlook 2025-2030:
  - **Operating margin: above 8% in 2025 and above 10% by 2030**
  - **Free cash-flow: above €2 billion per year on average over 2023-2025 and above €3 billion per year on average over 2026-2030**
- **Dividend policy:** Renault Group plans to restore dividend payment from 2023 (for 2022 FY – pending Shareholders' General Meeting approval). This dividend policy, a first for Renault Group, will gradually grow, in a disciplined manner, up to **35%** payout ratio of Group consolidated net income – parent share, in the mid-term. To do so, the Group must achieve its first priority: return to an **investment grade rating**
- Ambition to grow **employees' shareholding to 10% by 2030**

*"Today's announcements are a new sign of Renault Group team's determination to prepare the company for the future challenges and opportunities generated by the transformation of our industry. After having executed one of the fastest and unexpected recovery plans, after having prepared the company for growth by securing the development of the best product line-up in decades, we intend to position ourselves faster and stronger than competition on the new automotive value chains: EV, software, new mobility and circular economy. We focus full-fledged teams on each of the automotive and mobility value chains. We design an agile and innovative organization to manage the volatility and fast technological evolution of our times. Speed, accountability, transparency, and specialization for excellence are the key words. Renault Group is one team of teams, benefiting from simplified governance and digital management platforms boosting collaboration and breaking silos typical of traditional organizations. Allocating up to 10% of the capital to our employees, will contribute to foster a new common culture oriented to value creation. We believe also in cooperation when it comes to invest, create and scale new businesses and technologies. This is the core of our horizontal approach, and the network of leading partners that are participating in our different projects, is the proof of the quality of our initiatives. All this is one of the most progressive re-engineering projects of the recent years in our industry, a Revolution in its kind."* said **Luca de Meo, Chief Executive Officer of Renault Group.**

*"What the Group has achieved in terms of financial turnaround in just 2 years is outstanding and we will not stop here. We are bringing our non-negotiable fundamentals – value over volume, competitiveness, and capital efficiency – to the next level. This new corporate architecture will allow us to improve our financial performance, targeting benchmark profitability, free cash-flow generation and return on capital employed. By addressing structurally more profitable value chains, it will transform our business mix and create value. Powered by the focus on growing and cash generating businesses, our plan is ambitious but also realistic in the light of the current macroeconomic context. The Renaulution plan foundation is self-financed but will be accelerated by external fundings and partnerships enabling the access to key value chains, to boost growth and innovation while reducing capital requirements. All in all, the Revolution is also financial and aims at creating value for all our stakeholders as illustrated by our dividend policy and our target to reinforce employee shareholding."* said **Thierry Piéton, Chief Financial Officer of Renault Group.**

Boulogne-Billancourt, November 8, 2022

Following approval by the Board of Directors held on November 7, 2022 under the chairmanship of Jean-Dominique Senard, Luca de Meo, CEO of Renault Group and Thierry Piéton, CFO of Renault Group, present today, during its Capital Market Day, the third chapter of its Renaulution strategy.

Until now, carmakers were evolving in an environment of mature ICE technology and stable customer expectations. The ongoing transformations, reshaping the automotive industry, are driving the emergence of additional value chains: electric vehicles (EV), software, new mobility services, and circular economy.

Today, after Resurrection and Renovation, the first two phases of the Renaulution strategic plan presented in January 2021, Renault Group opens the third chapter: it launches its **Revolution** with the ambition to become a **Next Gen automotive company**.

This new set-up will allow Renault Group to capture value across all the new profit pools (estimated by external institutions at ~€220 billion in 2030 vs €110 billion today). To seize opportunities in these markets and to adapt to today's environment, Renault Group creates full-fledged and focused organizations. It will transform its business mix by harnessing structurally more profitable value chains. Renault Group leverages a horizontal and ecosystemic approach to co-create, co-finance and scale strategic initiatives with leading partners.

## Now, Revolution

The guiding principles of this value driven and ecosystemic approach are:

- Strategic focus
- Effectiveness
- Smart capital allocation
- Best partners selection
- Asset-light by design

Renault Group is operating its own Revolution by creating 5 focused businesses with specialized teams, each built on a homogeneous set of technologies, with their **own governance and P&L**.

These businesses are:

- **Ampere**: the first EV & Software pure player born from an OEM disruption
- **Alpine**: a high-end zero-emission global brand with a racing pedigree. A unique asset-light model combined with proprietary technologies
- **Mobilize**: built around a leading financial services company to enter the market of new mobility, energy and data-based services
- **The Future Is NEUTRAL**: the first 360° circular economy company in the automotive industry from closed loop in materials to battery recycling
- **Power**: the traditional core business of Renault Group will continue to develop innovative low emissions ICE & hybrid vehicles under the Renault, Dacia and Renault LCV brands, each with their dedicated organization and governance

## **Power: innovative low emissions ICE & hybrid vehicles**

ICE & hybrid vehicles will still represent up to 50% of passenger cars sales worldwide even by 2040. Developing efficient technologies in that field remains key for the future of any global OEM. Therefore, Renault Group is ensuring the further development of its core business, with the launch of a totally new range of Renault ICE & Hybrid (passenger cars), Dacia and LCV – and with the creation of a worldwide supplier, leader in ICE & hybrid powertrain technologies.

### **Renault Group will combine its ICE & hybrid powertrain technologies (Horse project) together with Geely to create a worldwide leading supplier**

Renault Group and Geely will combine their ICE in a 50-50 entity. This dedicated business will design, develop, produce, and sell all ICE & hybrid powertrain components and systems with state-of-the-art technologies. Day 1, the entity will have a turnover of over €15 billion and a volume of 5 million units per year, already serving 8 customers who will benefit of increased synergies and productivity.

This entity will be full-fledged and global, with:

- 17 plants supplying 130 countries
- 5 R&D centers in Europe (Spain, Romania and Sweden), China, and South America for a total of 3,000 engineers
- A total of 19,000 employees, across 3 continents

It will offer a complete portfolio of technologies on all components: engine, gearbox, xHEV systems and batteries at best level. Thanks to this project, Renault Group will double both its scale and market coverage from 40% to 80% worldwide. This growth will be fueled by geographical expansion, with access to North America and China, and by products complementarity to come up with complete low emissions systems and solutions for OEMs. To do that, it will develop its technology portfolio in the field of alternative fuels seeking for cooperation with a potential partner from the energy industry.

### **Renault brand ICE & Hybrid: globally uplifted**

Even with the sharp rise of the EV offer, the combustion engine vehicles will still continue to grow especially outside of Europe. Thus, Renault brand will remain present on ICE & hybrid markets, especially in Latin America, India, South Korea and North Africa. Renault ICE & Hybrid passenger cars sales will keep growing 2% per year on average over 2022-2030.

To uplift the brand in all geographies, Renault will continue its C-segment offensive and will grow by 20% its net revenue, while expanding its contribution margin by 30% between 2022 and 2030.

## **Dacia: growing from >10% operating margin to 15% by 2030**

Dacia's model is unique, built upon the combination of three main components:

- An engineering focus on design-to-cost already providing a solid double-digit cost advantage
- A unique industrial and sourcing footprint with a benchmark cost competitiveness
- An asset-light distribution model ensuring costs comparable to agency model
- 85% retail channel mix

As a consequence, Dacia already generates an operating margin above 10%, and aims to reach 15% by 2030.

To achieve this ambition, Dacia, currently a B-segment champion will boldly enter the C-segment. After Jogger this year, Dacia Bigster will embody this move and 2 other vehicles will follow, allowing Dacia to double its profit pool coverage. In parallel, Dacia will also keep lowering costs and will benefit from the doubling of the volume of the global CMF-B platform across brands which will reach 2 million units by 2030.

Dacia will contribute to reinvent the ICE value chain through the cooperation with Horse project by developing breakthrough powertrains adaptation for alternative & synthetic fuels. Dacia will smoothly transition to EV in Europe by pioneering affordable EV solutions.

## **LCV: propelled into the future by two game changers**

Renault Group's LCV business relies on solid foundations with over 5 million vehicles in European car park, an ecosystem of over 600 dedicated Pro+ dealers, 4 plants and the most up-to-date line-up by 2026.

Renault LCV will develop two game changing projects to address a dynamic and changing market:

- **Hyvia:** the Group's joint-venture with Plug for carbon-free hydrogen mobility offers a complete ecosystem, from fuel cells vehicles, to electrolyzers, to hydrogen refueling. It combines Plug's H2 expertise with Renault Group's industrial and engineering assets. Hyvia aims for 30% of the hydrogen-powered LCV market by 2030, in Europe and a cumulated order intake of €1 billion by 2026.
- **FlexEVan:** a game changing EV & software defined family of vans to be deployed on the market from 2026. FlexEVan will be compact for urban use thanks to a specially designed EV platform. FlexEVan will benefit from the SDV developed within Ampere. The vehicle will thus become a fully connected warehouse extension, integrated into the customer's digital ecosystem. It will be the first vehicle to benefit from the application of the software-defined vehicle technology at Renault Group, allowing notably for real-time, end-to-end operations monitoring and data-driven fleet management. FlexEVan will reduce the total lifecycle cost of usage for the clients by at least 30%, i.e. more than the price of the van. To support the development of FlexEVan, Renault Group intends to create **Flexis**, a partnership with a relevant partner having experience in the sector and a complementary activity. Thanks to this partnership, developments will be shared, meaning a significant decrease in costs and a maximization of customers coverage.

## Ampere: the 1<sup>st</sup> EV and software pure player born from an OEM disruption

With Ampere, Renault Group is creating a standalone company that will be the 1<sup>st</sup> EV and software pure player born from an OEM disruption. Ampere will develop, manufacture, and sell full EV passenger cars, with cutting-edge software-defined vehicle (SDV) technology, under the Renault brand. Ampere will bring the best of both worlds: know-how and assets from Renault Group with the focus and agility of an EV pure player.

Based in France, Ampere will be a full-fledged OEM with around 10,000 employees. As a tech company, Ampere will drive innovation with around 3,500 engineers, half of them specialized in software.

Before 2030, Ampere's line-up of 6 electric cars will be ideally positioned on the fastest-growing segments in Europe covering 80% of the EV mainstream profit pool: the B segment with the new Renault 5 Electric and Renault 4 Electric, and the C segment with Megane E-tech Electric, Scénic Electric and 2 other vehicles to be revealed. A large portion of the investments of the first 4 vehicles has already been spent.

Ampere targets to produce around 1 million EVs for the Renault brand in 2031. Ampere is a growth story, with above 30% of compound annual growth rate (CAGR) in the 10 years to come.

Ampere relies on 3 tech backbones making it unique in the EV and software ecosystem:

- **A high-tech and top-competitive manufacturing footprint:** ElectriCity, already one of the major and most competitive EV production poles in Europe: in 2025, a vehicle will be produced in less than 10 hours. 400k units production capacity from day 1, scalable to 1 million leveraging other Renault Group facilities, ElectriCity also offers a unique local ecosystem with 80% of the suppliers within 300km
- **A European EV value chain:** Ampere is partnering with the most relevant players to access to know-how, to secure sustainable supply and to gain visibility and control on costs and performance. Thanks to its European-based supply chain, Ampere will secure the supply for more than 80 GWh required for its cars by 2030. From 10% coverage of the EV value chain in 2020, it is now above 30% and will reach 80% by 2030
- **A breakthrough Software-Defined Vehicle (SDV) technology:** SDV is the future of the automotive industry, allowing the car to be constantly upgradable throughout its lifecycle, learning from its users, and keeping the vehicle linked from cradle to grave to the OEM. To launch its first open and horizontal SDV in 2026, Renault Group has built deep partnerships with 2 major tech players:
  - Qualcomm Technologies to co-develop high-performance computing platforms based on Snapdragon Digital<sup>®</sup> Chassis<sup>™</sup> solutions for the Centralized Electronic Architecture. This includes System on Chip and low layers software in addition to features, in-car services and applications. Qualcomm Technologies, or one of its affiliates, intends to invest in the Renault Group's dedicated electric and software company Ampere
  - Google with whom the collaboration includes an Android-based platform for Software-Defined Vehicle and cloud software to enable a SDV digital twin

Building the SDV in a horizontal way is unique in the entire industry. It reduces development time and cost. Partnering with Google to create this open platform based on Android allows Ampere to leverage one of the world's largest global ecosystem of third-party apps developers. They will come up with a variety of services that will enrich the user experience while accelerating the development of features through the lifetime of the vehicle.

These partnerships will enable Renault Group to reduce costs, improve efficiency, flexibility and speed of vehicle developments, and increase value for end-users thanks to continuous software innovation and updates.

## **Alpine: a high-end zero-emission global brand with a racing pedigree**

Over the past two years, Alpine has had a rebirth, capitalizing on its iconic A110 sports coupé and on its entry into Formula 1, where it aims to become a championship contender. Today, Alpine is a true high-end brand, a full-fledged OEM, asset-light, tech focused, a team of 2,000 people, of which 50% are engineers. Being part of the Group ensures Alpine access to Ampere EV and Software technological assets. Looking forward, Alpine will leverage commercial partnerships and investors support to accelerate its growth and international expansion.

Alpine is developing a brand-new line-up that will fuel its growth and international ambitions. It will be full-electric from 2026. By then, Alpine will also reveal the next A110, and 2 new models: a B-hatchback and a C+ crossover. Alpine then plans to launch two D and E segments cutting-edge cars to support its international expansion. As a result, we expect half of Alpine's growth to come from new markets beyond Europe including potentially North America and China.

## **Mobilize: built around a leading financial services company to enter the market of new mobility, energy and data-based services**

Mobilize is built around a core asset, Mobilize Financial Services (MFS), one of the best financial services providers on the market with 4 million of customers. MFS will expand its traditional business while developing new businesses such as subscription, insurance, and operational leasing.

Mobilize is set to become a leading and profitable Vehicle-as-a-Service (VaaS) dedicated provider, combining financial, mobility, energy and data-based services supported by purpose-designed vehicles. These services, aggregated in a one-stop-shop solution, will serve the needs of retail customers, fleets and mobility operators while generating recurring revenue. What makes Mobilize different from any other automotive brand is that it comes from the services to the product and not the other way around. Thanks to the VaaS model, Mobilize will generate 3 times more revenue during the whole vehicle lifecycle, compared to classic sales.

## **The Future Is NEUTRAL: the first 360° circular economy company in the automotive industry from closed-loop in materials to battery recycling**

To materialize its commitment to circular economy and to move towards resources neutrality, Renault Group announced on October 13<sup>th</sup> the creation of a new company: The Future Is NEUTRAL. Bringing together all the existing expertise of the Group and its partners in this activity, this new entity offers closed-loop recycling solutions at each stage of a vehicle's life: supply of parts and raw

materials, production, usage and end of life. From around 50% of value chain coverage today, The Future Is NEUTRAL aims to reach above 90% by 2030. It is set to become the European leader at industrial scale in the closed-loop automotive circular economy. It will service Renault Group as well as the entire industry. In order to accelerate its development and strengthen its leadership, The Future Is NEUTRAL is opening up a minority of its capital to outside investors with the objective of to co-finance investments of around €500 million until 2030.

## ESG: a performance lever for Renault Group

The Group's Revolution will see an acceleration of its ESG trajectory representing a key driver for the operating and financial performance of the Group.

The business re-engineering of Renault Group will enable it to become a front-runner in the quest for carbon neutrality and inclusive future.

On the climate front, the Group aims for **carbon neutrality in Europe in 2040 and worldwide by 2050**, adopting a **cradle to grave approach**. The Group has set intermediate carbon footprint reduction targets to lead the way, with specific action plans for each of its businesses.

Each business has its own ESG objectives, all of them benefitting to the Group ESG targets:

Power	Ampere	Alpine	Mobilize	The Future Is NEUTRAL
<ul style="list-style-type: none"> <li>Affordable mobility</li> <li>Up to -70% CO<sub>2</sub> emissions per vehicle by 2030</li> </ul>	<ul style="list-style-type: none"> <li>100% EV line-up</li> <li>Carbon neutrality in production in 2025</li> <li>Local value chain</li> <li>Upskilling &amp; reskilling</li> </ul>	<ul style="list-style-type: none"> <li>100% EV line-up by 2026</li> <li>Carbon neutrality in production by 2030</li> </ul>	<ul style="list-style-type: none"> <li>100% electric line-up</li> <li>Renewable energy</li> <li>Battery second life</li> </ul>	<ul style="list-style-type: none"> <li>Car-to-car parts &amp; materials closed loops</li> <li>Battery recycling</li> <li>&gt;90% coverage of the circular economy value chain by 2030</li> </ul>

In regards with the Renault Group's tradition of social responsibility, it will accompany the transition, upskilling & reskilling of thousands of people towards the new value chains of the automotive revolution. As an example, with ReKnow University, open to the entire industry, 15,000 Renault Group's employees and 4,500 students and suppliers will be trained by 2025 to future auto industry skills in electric mobility, circular economy, software and cybersecurity & data.



## Cash talks

The Group's re-engineering along 5 businesses will be directly reflected in its financial reporting to improve simplicity, accountability and transparency, both internally and externally. The performances of these 5 businesses will continue to build on the financial discipline implemented during the Resurrection phase. The Group's levers – value over volume, competitiveness and capital efficiency – will be further accelerated respectively by its new products offensive, a strong focus on variable costs, sustainable supplier network development and digitization. And furthermore, a unique ecosystemic partnership approach will extend the coverage of key value chains with a low capital intensity bias.

To face current industry unprecedented transformation challenge, Renault Group developed an approach based on two principles:

- A self-financed plan, secured by strong free cash-flow generation from its businesses
- Partnerships or external funding to accelerate growth, innovation or competitiveness and reduce capital requirements

### **Ampere: low cash-burn & external funding**

Renault Group wishes to accelerate Ampere's future development and propel Renault brand into its electric future without drawing heavily on the Group's financial resources. In this context, the Group envisages external partners and investors to embark on the journey with assumptions as follows:

- Established EV player with limited cash burn. Free cash-flow above 0 in 2025
- Open to external investors to accelerate R&D and ecosystem development
- Alliance scale (Renault Group, Nissan, Mitsubishi Motors): equity participation under study
- Envisaged IPO on Euronext Paris earliest H2 2023 (subject to market conditions) with Renault Group keeping strong majority and the support of potential strategic cornerstone investors (including Qualcomm Technologies)

### **Horse project: financially optimizing the ICE & hybrid powertrain future**

From a financial standpoint, Horse project aims at providing productivity gains, fixed costs reduction and significant Group's balance sheet improvement. Renault Group will keep 50% of the entity, a level which would lead to the deconsolidation of this activity from Renault Group's scope and financial statements, starting from H2 2023.

The carve-out impacts are estimated as follows:

- €2.5 billion fixed assets reduction
- €1.2 billion fixed costs variabilization, per year on average and €2.4 billion reduction in R&D and Capex from 2023 to 2030
- Powertrain cost competitiveness: €2.5 billion from 2023-2030. Positive impact as early as 2024
- A dividend stream corresponding to Renault Group retained ownership
- A potential future capital gain

## Financial outlook per business: profit & cash are king

	Power	Ampere	Alpine	Mobilize	The Future Is NEUTRAL
<b>Value proposition</b>	Cash-flow generation	Profitable growth & innovation with low execution risk	Internationally growing high-end anchor	Recurring services revenue with high margins	Sustainable & profitable growth
<b>Revenue</b>	<ul style="list-style-type: none"> <li>+4% CAGR 2022-2027</li> <li>-4% CAGR 2027-2030</li> </ul>	<ul style="list-style-type: none"> <li>&gt;30% CAGR 2022-2030</li> <li>~1 million vehicles in 2031</li> <li>11% R&amp;D Capex (in % of revenue, on average, 2022-2030)</li> </ul>	<ul style="list-style-type: none"> <li>40% CAGR 2022-2030</li> <li>€2 billion revenue in 2026</li> <li>&gt;€8 billion revenue in 2030</li> </ul>	<ul style="list-style-type: none"> <li>+8% CAGR 2022-2025</li> <li>+14% CAGR 2026-2030</li> </ul>	<ul style="list-style-type: none"> <li>From €0.8 billion revenue in 2022 to &gt;€2.3 billion<sup>1</sup> in 2030</li> </ul>
<b>Operating margin</b>	<ul style="list-style-type: none"> <li>~+3pts auto operating margin 2022-2025</li> </ul>	<ul style="list-style-type: none"> <li>Breakeven in 2025</li> <li>~10% in 2030</li> </ul>	<ul style="list-style-type: none"> <li>Breakeven in 2026</li> <li>&gt;10% in 2030</li> </ul>	<ul style="list-style-type: none"> <li>MBA<sup>2</sup>: breakeven by 2025 and double-digit by 2027</li> <li>MFS<sup>2</sup>: high double-digit operating margin</li> </ul>	<ul style="list-style-type: none"> <li>&gt;10% margin<sup>1</sup> in 2030</li> </ul>

<sup>1</sup> The Future Is NEUTRAL outlook: Total Scope, Sum of the Parts - not entirely within Renault Group scope of consolidation

<sup>2</sup> MBA: Mobilize Beyond Automotive; MFS: Mobilize Financial Services

## Renault Group financial outlook: new heights!

Renault Group aims to reach the following targets:

- Operating margin: above 8% in 2025 and above 10% by 2030
- Free cash-flow: above €2 billion per year on average over 2023-2025 and above €3 billion per year on average over 2026-2030
- Free cash-flow will include Mobilize Financial Services dividend projected to be above €500m per year on average (subject to regulatory and MFS board approvals)
- R&D and Capex: capped at the maximum of 8.0% of revenue over 2022-2030
- ROCE: above 30% from 2025

Furthermore, Renault Group confirms its 2022 FY financial outlook with:

- A Group operating margin above 5%
- An Automotive operational free cash-flow above €1.5 billion

## Reinstating the dividend

Renault Group plans to restore dividend payment from 2023 (for the 2022 full year – pending Shareholders' General Meeting approval). This dividend symbolizes a new era and then will gradually grow in a disciplined manner up to 35% payout ratio of Group consolidated net income – parent share, in the mid-term. To do so, the Group must achieve its first priority which is to turn back to an investment grade rating.

## Capital allocation policy: implementing a balanced capital allocation

Renault Group aims at using at least 50% of the excess cash generated to reinvest in the Group. Looking forward, Renault Group intends to be more active on financial investments, in line with its ecosystemic approach, but limiting them to maximum 15% to 20% of its free cash-flow.

For the remaining cash allocation, aside from dividend, the Group wishes to associate its employees to its performance to foster a common sense of belonging to the project and nurture a culture of value. Through dedicated employees' shareholding programs, it ambitions to see the employee shareholding portion grow to 10% of the Group capital by 2030.

Existing bonds will remain under Renault SA, the issuer of the industrial activities of the Group. Each business could use financing instruments depending on its own needs and strategy.

## Alliance

Renault Group, Nissan and Mitsubishi Motors are currently engaged in discussions to jointly address the new challenges and opportunities driving the future of the automotive industry, which include:

- An agreement on a set of strategic common initiatives across markets, products, and technologies
- Nissan and Mitsubishi Motors consideration to invest in Ampere which will support Renault Group's Renaulution strategy and will be one of the strategic steps towards Nissan Ambition 2030 and Mitsubishi Motors strategy
- Structural improvements to ensure sustainable Alliance operations and governance

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This plan will be presented to employee representative bodies in accordance with applicable regulations.

The presentation is available on [www.renaultgroup.com](http://www.renaultgroup.com).

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## About Renault Group

Renault Group is at the forefront of a mobility that is reinventing itself. Strengthened by its alliance with Nissan and Mitsubishi Motors, and its unique expertise in electrification, Renault Group comprises 4 complementary brands - Renault, Dacia, Alpine and Mobilize - offering sustainable and innovative mobility solutions to its customers. Established in more than 130 countries, the Group has sold 2.7 million vehicles in 2021. It employs nearly 111,000 people who embody its Purpose every day, so that mobility brings people closer. Ready to pursue challenges both on the road and in competition, Renault Group is committed to an ambitious transformation that will generate value. This is centred on the development of new technologies and services, and a new range of even more competitive, balanced and electrified vehicles. In line with environmental challenges, the Group's ambition is to achieve carbon neutrality in Europe by 2040.

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