The impact of the COVID-19 outbreak or similar public health crises could cause disruption to the manufacture and sale of the combined group’s products and could adversely impact its business.

Public health crises such as pandemics or similar outbreaks could adversely impact the Group’s business. On March 11, 2020, the COVID-19 outbreak was declared a global pandemic by the World Health Organization (“WHO”), leading to government imposed quarantines, travel restrictions, “stay-at-home” orders and similar mandates for many individuals to substantially restrict daily activities and for businesses to curtail or cease normal operations. The impact of COVID-19, including changes in consumer behavior, pandemic fears and market downturns, as well as restrictions on business and individual activities, has led to a global economic slowdown and a significant decrease in demand in the global automotive market, which may persist even after the restrictions related to the COVID-19 outbreak are lifted.

As a result of the restrictions described above, and consumers’ reaction to the COVID-19 outbreak in general, showroom traffic at the Group’s dealers has dropped significantly and many dealers have temporarily ceased operations, thereby reducing the demand for the Group’s products and leading to dealers purchasing fewer vehicles, parts and accessories. In addition, the COVID-19 outbreak has significantly disrupted the
Group’s supply chains and may negatively impact the availability and price at which the Group is able to source components and raw materials globally, which could reduce the number of vehicles the Group will be able to manufacture and sell. The Group may not be able to pass on increases in the price of components and raw materials to its customers, which may adversely impact its results of operations. Furthermore, the COVID-19 pandemic may lead to financial distress for the Group’s suppliers or dealers as a result of which they may have to permanently discontinue or substantially reduce their operations. The pandemic may also lead to downward pressure on vehicle prices and contribute to an already challenging pricing environment in the automotive industry. In addition, the COVID-19 outbreak has led to higher working capital needs and reduced liquidity or limitations in the supply of credit, which may lead to higher costs of capital for the Group. These and other factors arising from the COVID-19 pandemic could have a material adverse impact on the Group’s business, financial condition and results of operations.

The Group took a number of steps as a result of the pandemic, in line with advice provided by the WHO and the public health measures imposed in the countries in which it operates. For example, the Group implemented a temporary suspension of production across its facilities, which lasted, depending on the region, several weeks or months, with full production now resumed in all regions at pre-COVID-19 shift patterns except in EMEA, where a full restart is expected in the third quarter of 2020.

The Group’s automotive operations generally realise minimal revenue while its facilities are shut down, but it continues to incur expenses. The negative cash impact is exacerbated by the fact that the Group has to continue to pay suppliers for components purchased in a high volume environment while they do not record vehicle sales. In addition, the Group suspended a significant number of capital expenditure programmes, delayed non-essential spending, and significantly reduced marketing spend. These measures could have a material adverse effect on the Group’s ability to ramp up production quickly and thereafter maintain it.

Further, as restrictions on movement and business operations are eased, the Group may still elect to continue the shutdown of some, or all, of its production sites and other facilities, either in the event of an outbreak of COVID-19 among its employees, or as a preventive measure to contain the spread of the virus and protect the health of its workforce.

In addition, government-sponsored liquidity or stimulus programmes in response to the COVID-19 pandemic may not be available to the Group’s customers, suppliers or dealers, and if available, the terms may be unattractive or may be insufficient to address the impact of COVID-19.

The extent to which the COVID-19 pandemic will impact the Group’s results will depend on the scale, duration and geographic reach of future developments, which are highly uncertain and cannot be predicted, including, among other things, any new information which may emerge concerning the severity of the COVID-19 pandemic and any additional action to contain its spread or mitigate its impact whether government-mandated or elected by the Group. For example, it may take several months for production to fully return to prior levels, depending, in part, on developments in global demand for vehicles and whether the Group’s suppliers will have resumed normal operations. These disruptions could have a material adverse effect on the Group’s business, financial condition and results of operations. In addition, the COVID-19 pandemic may exacerbate many of the other risks described in this Base Prospectus, including, but not limited to, the general economic conditions in which the Group operates, increases in the cost of raw materials and components and disruptions to the Group’s supply chain and liquidity.”

**Updates to business description section**

(a) The section entitled “The FCA Group – Overview of the Group’s Business – North America”, which is contained on pages 95 to 97 of the Base Prospectus, shall be amended by deleting the following text (which was introduced in the base prospectus supplement dated May 15, 2020):

“**2020 Industry Outlook**

As a result of the COVID-19 pandemic, the FY 2020 Industry Outlook for North America has changed. The outlook for total vehicle sales (including medium/heavy trucks) for the North America region has been reduced from 20.3 million units to 15.0 million units (down 28 percent year over year) and for the U.S. has been reduced from 17.0 million units to 12.5 million units (down 29 percent year over year).”

(b) The section entitled “The FCA Group – Overview of the Group’s Business – LATAM”, which is contained on pages 97 to 99 of the Base Prospectus, shall be amended by deleting the following text (which was introduced in the base prospectus supplement dated May 15, 2020):

“**2020 Industry Outlook**

As a result of the COVID-19 pandemic, the FY 2020 Industry Outlook for LATAM has changed. The outlook for passenger cars and LCVs for the LATAM region has been reduced from 4.3 million units to 3.0 million units (down 29 percent year over year) and for Brazil has been reduced from 2.8 million units to 1.9 million units (down 30 percent year over year).”

(c) The section entitled “The FCA Group – Overview of the Group’s Business – APAC”, which is contained on pages 99 to 100 of the Base Prospectus, shall be amended by deleting the following text (which was introduced in the base prospectus supplement dated May 15, 2020):

“**2020 Industry Outlook**

As a result of the COVID-19 pandemic, the FY 2020 Industry Outlook for APAC has changed. The outlook for passenger cars for the APAC region has been reduced from 31.2 million units to 27.1 million units (down 13 percent year over year) and for China has been reduced from 21.3 million units to 18.6 million units (down 13 percent year over year).”

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1 Source: IHS Global Insight, Wards, China Passenger Car Association and Group estimates
2 APAC industry reflects aggregate for major markets where the Group competes (China, Australia, Japan, South Korea and India)
The Group has applied to obtain a guarantee from SACE (Italy’s export credit agency) under the recently enacted Italian Liquidity Decree, and, in that connection, is discussing with a leading Italian lender a 3-year facility of up to Euro 6.3 billion for borrowings by the Italian subsidiaries of the Group to finance the Group’s activities in Italy. The facility would be guaranteed by FCA N.V." shall be replaced with:

“On June 24, 2020, FCA Italy S.p.A. entered into a facility agreement with a leading Italian lender for borrowings of up to €6.3 billion by the Italian subsidiaries of the Group to finance the Group’s activities in Italy. The facility is unsecured and guaranteed by FCA N.V. and will mature in March 2023, amortising in 5 equal quarterly instalments with the first such instalment due on March 31, 2022. SACE (Italy’s export credit agency) will guarantee 80% of the borrowings under that facility under the recently enacted Italian Liquidity Decree. The funds under the facility will be available upon issuance of the SACE guarantee.

The covenants of the loan facility include financial covenants which apply under certain conditions, as well as negative pledge, pari passu, cross-default and change of control clauses. Failure to comply with these covenants, and in certain cases if not suitably remedied, can lead to the requirement of early repayment of any outstanding amounts.

In connection with SACE’s guarantee, the Group has given the following industrial commitments applicable while any loans are outstanding under the facility: (i) to continue to carry out certain Italian investment projects currently underway and previously announced; (ii) not to delocalise outside Italy production of vehicles under such investment projects; and (iii) to pursue the goal of full re-employment of employees in Italy by the end of 2023, each with agreed milestones for implementation. If the industrial commitments previously described are not implemented by the agreed milestones, the Group may at its option: (i) implement those industrial commitments within an additional six month period following the milestones; (ii) negotiate and agree alternative milestones and/or commitments with the Italian government; or (iii) repay the loan at any time within 18 months (including a 6 months negotiation period) from the milestones by which those industrial commitments were first agreed to be implemented.

In addition, while loans under the facility are outstanding, FCA N.V. has committed not to approve or pay dividends or other shareholder distributions in the 2020 calendar year (except dividends related to the pending merger with Peugeot), and the Italian subsidiaries of the Group have committed not to distribute dividends or to make other shareholder distributions until May 26, 2021.”; and

(b) the following sentence shall be added to page 107 of the Base Prospectus as a new final paragraph in the “Recent Developments” section: “On May 28, 2020, Moody’s Investors Service confirmed the “Ba1” Corporate Family Rating on FCA N.V. and the “Ba2” ratings on the senior unsecured instruments issued or guaranteed by FCA N.V. The outlook on all ratings is developing. This rating action concludes a review with direction uncertain that began on March 25, 2020.”

General Information

Neither FCA’s website nor its content 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 are either not relevant for an investor or are covered elsewhere in the Base Prospectus.

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, as supplemented, 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, as supplemented.