

D'Ieteren Group SA/NV
Public limited liability company
(*naamloze vennootschap/société anonyme*)
Maliestraat 50
1050 Ixelles (Belgium)
Company number 0403.448.140 (RPE Brussels, French-speaking division)

(the **Company**,
and together with its “affiliates” as defined
in article 1:20 of the BCCA, hereinafter referred to as the **Group**)

**SPECIAL REPORT OF THE BOARD OF DIRECTORS IN ACCORDANCE WITH ARTICLE
7:151/1, §2 OF THE BCCA**

1. INTRODUCTION

In accordance with article 7:151/1 §1 of the Belgian Code of Companies and Associations (the **BCCA**), any transfer of assets representing at least 75 percent of the consolidated assets of the Company must be approved by a shareholders’ meeting by a simple majority.

In accordance with article 7:151/1 §2, the board of directors of the Company (the **Board of Directors**) must draw up a special report prior to the submission of the Potential Transfer (as defined below) to the shareholders of the Company for approval in which it justifies the Potential Transfer (the **Report**). The Report must be mentioned in the agenda of the extraordinary shareholders’ meeting and a copy of the Report will be made available in accordance with article 7:132 of the BCCA.

2. DESCRIPTION OF THE PROPOSED TRANSFER AND OF THE CALCULATION OF ASSETS

2.1 Description of the Potential Transfer

As per the press release issued by the Company on 9 September 2024, the Company intends to issue a dividend of EUR 3,974m or EUR 74 per share to its shareholders (the **Inca Dividend Distribution**).

Additional financing will be attracted at the level of (i) Inca for a total amount of EUR 1.0bn, structured through syndicated term facilities with certain financial institutions (the **Inca Financing**) and (ii) Becan consisting partly of (a) a refinancing of the current financing arrangements at Becan level up to approximately EUR 4,280m and (b) additional debt at Becan level for an amount equal to approximately EUR 3,800m, structured through a combination of a TLB and high yield bond financing (the **Becan Financing**).

To secure the Inca Financing, the following security interests must be granted for the benefit of the financing parties under the Inca Financing:

- (i) a pledge on 100% of the shares in DPM Lux granted by the Company, 75% of the shares in D'Ieteren Automotive SA/NV granted by the Company and 100% of the shares in Spider Bidco SA granted by DPM BE (a subsidiary of the Company); and
- (ii) a pledge on the intercompany loans granted by the Company to DPM BE, DPM Lux, D'Ieteren Automotive SA/NV, Parts Holding Europe SAS and Moleskine s.r.l. (the **Inca Security Package**).

Whereas, to secure the Began Financing, the following security interests must be granted for the benefit of the secured financing parties under the TLB and the high yield bonds:

- (i) a pledge on shares held in the borrowers and guarantors (if held by a borrower or another guarantor);
- (ii) substantially all assets of the borrowers and guarantors organized in the U.S.;
- (iii) to the extent security may be perfected solely by way of a floating charge, substantially all assets of the borrowers and guarantors organized in the U.K.; and
- (iv) a pledge of intercompany loans owing to any borrower or guarantor organized in France, Germany or Luxembourg (the **Began Security Package**, and together with the Inca Security Package hereinafter referred to as the **Security Package**).

If either the Inca Security Package or Began Security Package is enforced, this will lead to the transfer of all or part of the collateral to either a third party or the financing parties directly (the **Potential Transfer**), whereby such Potential Transfer can be implemented purely through the direct enforcement of the Security Package, requiring no further involvement of the Company or Began itself.

2.2 Description of the calculation of assets on a consolidated basis

Although it is at present not possible to determine whether the value of the consolidated amount of assets targeted in both the Inca Security Package and Began Security Package represents at least 75 percent of the total assets of the Company, it could be that, if either the Inca Security Package or Began Security Package is enforced, the Potential Transfer would at such time represent at least 75 percent of the total assets of the Company. In light thereof, the Board of Directors has issued this report, justifying the Potential Transfer, to the extent required.

2.3 Application of article 7:151/1 §1 of the BCCA

Considering that from a legal perspective it is not at all clear whether a transfer of collateral resulting from an enforcement of security interests granted in the connection with a financing transaction falls within the scope of article 7:151/1 §1 of the BCCA and although there are convincing arguments to argue that article 7:151/1 §1 of the BCCA should not apply in such case, the Board of Directors has nevertheless decided to take a prudent approach by including the approval of the Potential Transfer as one of the items to be approved by the Company's shareholders' meeting that will decide on the Inca Dividend Distribution.

3. JUSTIFICATION OF THE POTENTIAL TRANSFER

3.1 Justification of the Security Package

In line with market practice, due to the type of financing, the amounts and the professional parties involved, the Inca Financing and the Began Financing each require the granting of security interests, which in this case will be established through the respective Security Packages. The Board of Directors confirms that the respective Security Packages, pursuant to extensive negotiations by the relevant management teams, are indeed market standard and in line with what is to be expected in a financing transaction of this size and complexity.

Aside from the specific terms and scope of the Security Package, it is clear to the Board of Directors, that without the granting of the Security Package to the relevant financing parties, it would not have been possible to structure the Inca Financing or Began Financing, let alone in the optimal way it is presented at present.

4. CONCLUSION

Therefore, in light of the above, the Board of Directors deems the Security Package, and indirectly the Potential Transfer, in accordance with article 7:151/1 §2 of the BCCA justified, as the Security Package was a market standard condition to the Inca Financing and Becan Financing, both being optimized financing structures allowing the funding of the Inca Dividend Distribution (in part).