



Capital increase

**with preferential subscription
Rights to ALD exiting shareholders
("Rights issue")**

November 2022

Editorial



Dear Sir, dear Madam, dear shareholder,

We live in a world – and a sector – driven by change. Sometimes it is imposed on us, by external regulation, changes in technology, the shift from ownership to usership, and increasing awareness of the environment. And sometimes we deliberately seek it out, aiming to transform reality to our advantage.

In January 2022, ALD announced its intention to embark on a major historical phase in its growth by acquiring LeasePlan. I am thrilled that ALD has now received the main regulatory and antitrust approvals, allowing to proceed with closing. This acquisition is a unique opportunity for ALD to accelerate its strategy and represents a step-change towards becoming the leading global player in sustainable mobility.

Leveraging on complementary capabilities as well as a strong innovative mindset, the combined entity will be ideally positioned to capture sectoral growth with ever greater demand for digitalization and sustainability. With new customer needs constantly emerging in the sustainable mobility ecosystem, we will be in the right place with the right offering and set-up to grasp the exciting opportunities arising.

LeasePlan is the perfect fit for ALD to step-up its development. Thanks to unparalleled client reach, we expect the combined entity to accelerate its growth and achieve at least +6% fleet growth p.a.

post-acquisition. Reaping the benefits of scale, it will be ideally positioned to lead the way to net zero and shape the digital transformation of the industry. All the elements are therefore in place for a highly synergetic combination which would generate EUR 440 million annual run-rate synergies by 2025. With significantly improved operating efficiency, ALD would be even more resilient in the face of headwinds and would provide attractive returns to its shareholders. At closing, ALD will become a regulated entity, with a robust capital structure and stronger access to diversified sources of funding, while the strong support from the main shareholder Societe Generale will continue.

With closing expected in the first quarter of 2023, this acquisition of 100% of the share capital of LeasePlan for a total consideration of EUR 4.5 billion involves both a cash component – financed by the proposed EUR 1.2 billion capital increase in addition to EUR 0.6 billion subordinated debt - and a share component made of shares and warrants issued to LeasePlan shareholders, the former worth 30.75% of combined share capital.

The proposed capital increase with preferential subscription rights allows you to be part of ALD's strategic transformation and the compelling value creation it will generate. You have therefore the opportunity to participate in a capital increase with preferential subscription rights (PSR) in the amount of EUR 1.2 billion, which will contribute to the overall financing of this acquisition. This transaction is supported by Societe Generale, which will underwrite the capital increase and remain ALD's majority shareholder in the long-term.

Both ALD and LeasePlan teams are excited to start this next phase of our strategic journey and to be able to offer you this excellent opportunity to join us as we move forward.

Thank you for your continued trust and loyalty.

Tim Albertsen
Chief Executive Officer

Key figures

ALD fleet

(As of 9M 2022)

~1,762k

EV share of passenger car deliveries

(As of 9M 2022)

*12-month rolling average. EU+:
European Union + UK, Norway, Switzerland*

27%

Cost/Income

(Excl. Used car sales, as of 9M 2022)

49.6%

Net income

(Group share, as of 9M 2022)

EUR 918m

Ecovadis

74/100 (Gold)

Improvement to Top 2%

Rights issue size:

1,212m

Subscription price:

EUR 7.50

per New Share

Subscription ratio:

2 New Shares for every 5 existing shares

Rights trading period:

From 30 November 2022 to
9 December 2022 inclusive

Subscription period:

From 2 December 2022 to
13 December 2022 inclusive

ISIN codes:

Shares: FR0013258662

Rights: FR001400E0A9

Reasons to participate to the offering

A unique opportunity to create the leading global player in sustainable mobility

- › A step-change towards creating the leading global player in sustainable mobility
- › Leading the digital transformation of the industry
- › A global provider of sustainable mobility solutions
- › Best positioned to benefit from the growth of the new mobility economy



An attractive value creation potential

- › Best-in-class efficient operating platform
- › Significant cost and procurement synergies
- › Attractive dividend policy

High growth

- ✓ Annual long-term fleet growth post integration

≥6%

- Megatrends powering strong market growth

Substantial cost synergies

- ✓ Annual costs synergies to fully materialize by 2025

EUR440m

- +EUR 60m vs. EUR 380m announced previously (January 2022)

Strong operating leverage

- ✓ Cost/Income ratio⁹ 2025E target

46-47%

- Best-in-class Cost/Income ratio
- Positive operating leverage from scale and efficiency
- c. 7-8pts improvement vs. 2021 combined C/I ratio

Attractive returns for investors

- ✓ 2022-2025E dividend pay-out

50%

- Strong organic capital generation capability
- Investor-friendly dividend distribution

⁽¹⁾ As of June 2022

⁽²⁾ VW AG and VW Financial services Credit investor update 26/09/22

⁽³⁾ Toyota presentation materials for investors

⁽⁴⁾ ALD estimation based on Mobilize H1 2022 business report

⁽⁵⁾ Taking into account the disposal of LeasePlan's USA announced in June 2022 and impact of remedies

⁽⁶⁾ Sum of ALD and LeasePlan total fleets as of 30 June 2022

⁽⁷⁾ Funded fleet

⁽⁸⁾ As publicly communicated by Element in November 2022

⁽⁹⁾ Computed as: Total overheads/Gross margin (excluding used car sales result and cost of risk)

Terms of the offer

1 ALD share = 1 preferential subscription right ("Right")

5 Rights allow to subscribe 2 New Shares

Subscription price: EUR7.50 per New Share

Example

A shareholder owning 101 shares and choosing to subscribe for New Shares pro rata its stake:

	100 exercised Rights	1 remaining Right unexercised
101 Rights Owned	STEP 1 40 New Shares subscribed at a subscription price of EUR 7.50 per New Share via the exercise of 100 Rights Subscription price: EUR 7.50 x 40 = 300	STEP 2 2 options for remaining unexercised Right Option 1: 1 additional New Share subscribed following the acquisition of 4 additional Rights during the Rights trading period to get a multiple of 5 Additional required investment: 4 Rights + 2 x EUR 7.50 This option is not eligible for Rights owned in an Equity Savings Plan ("PEA") Option 2: Sale of the 1 remaining Right during the Rights trading period

Key dates

- › **28 November:** AMF approval of the prospectus
- › **29 November:** Announcement of the terms of the Rights issue
- › **29 November:** Last day to buy/sell ALD shares cum Rights
- › **30 November:** Rights detachment (before market opening) & start of Rights trading period (ISIN of the Rights: FR001400E0A9)
- › **2 December:** Start of the subscription period
- › **9 December:** End of the Rights trading period
- › **12 December - 13 December:** During this period, Rights are exercisable but not tradable
- › **13 December:** End of the subscription period/Rights shall lapse
- › **16 December:** Results of the Rights issue
- › **20 December:** Settlement & delivery of the Rights issue and start of trading of the New Shares on Euronext Paris on the same line as existing shares (ISIN: FR0013258662)

Warning

- › If you have not been contacted by your financial intermediary, contact it as soon as possible or, if your shares are under the registered form (nominatif pur), contact Societe Generale Securities Services.
- › At the end of the trading session on 13 December 2022 the Right(s) not exercised will lapse. In order not to lose the value attached to the Right(s), you must either exercise it/them or sell it/them⁽¹⁾ in the market during the trading period. Orders will not be considered post that period.
- › The sale of Rights is subject to social security contributions, taxation of capital gains and to fees related to financial intermediaries.

⁽¹⁾ Sale of Rights might compensate dilution, subject to Rights market price evolution

Questions & Answers

1 What is a capital increase with preferential subscription Rights?

A capital increase with preferential subscription Rights allows a company to raise equity by granting priority to its existing shareholders. The right to subscribe to the new issued shares is granted to them on a preferred basis through the exercise of a specific subscription right attached to each share held.

2 What is the rationale for this Rights issue?

The Rights issue aims at financing part of LeasePlan acquisition, with the objective to create a leading global player in sustainable mobility with a total combined fleet of c.3.3m vehicles (as at 30 June 2022).

3 When do I have to be a shareholder to be entitled Rights?

Each ALD share already held on your securities account or acquired the day before the Rights detachment (29 November 2022) will entitle you to receive 1 Right.

4 Can I subscribe to the capital increase if I am not entitled Rights?

To subscribe for new shares, you must hold or purchase Rights. If you are not a shareholder of ALD on 29 November 2022, you can buy Rights in the market during the Rights trading period (30 November to 9 December 2022) and then exercise them, no later than 13 December 2022.

5 What is the value of a Right?

The theoretical value of a Right is EUR 1.00 based on ALD share price as of 25 November 2022 close EUR 11.00. Right value is theoretical: Rights will be listed and tradable on the regulated market of Euronext Paris under the ISIN code FR001400E0A9 during the Rights trading period (from 30 November to 9 December 2022) with a value that may fluctuate downward or upward.

6 What to do if I hold ALD shares on several accounts or via several financial intermediaries?

Rights must be exercised or sold on a per account basis. You must give your instructions to exercise your Rights (in order to subscribe for new shares) or to sell them to each financial institution for the number of Rights held in each book.

7 What happens if I do not exercise or sell my Rights?

If you do nothing (i.e. you do not exercise your Rights nor sell them before the end of the trading period), they will lapse and lose their value. They will automatically disappear from your securities account and will be lost (as well as the market value attached to them).

8 How can I be sure that my subscription was received on time?

We invite you to contact your financial intermediary to find out about any potential specific constraints for the placing and registration of orders. In any case, we recommend you to anticipate the end of the Rights trading period and of the subscription period to make sure you respect the deadlines.

9 Can I subscribe to a number of new shares superior to the number of Rights I was allotted?

Yes. Two scenarios are possible:

On an irreducible basis, you may subscribe additional shares by purchasing Rights in the market during the Rights trading period. Liaise with your financial intermediary for this matter.

You may also subscribe to new shares on a reducible basis in addition to the subscription on an irreducible basis. To note, you may only subscribe on a reducible basis if you have already subscribed on an irreducible basis. There is also no guarantee to be allocated the shares requested. Allocation on a reducible basis will depend on (i) the total number of new shares not subscribed on an irreducible basis and on (ii) the num-

Questions & Answers

ber of Rights you subscribed to on an irreducible basis. Allocation rules will be communicated on 16 December 2022 by Euronext Paris, together with capital increase results.

10 When shall I pay for my new acquired shares?

Your payment must be made at the time of your subscription. The amount of your payment must be equal to the total subscription price (irreducible and reducible basis). In the absence of payment, your subscription will be canceled. If you are not allocated the entirety of the number of shares subscribed on a reducible basis, the surplus will be refunded without interest. We advise you to contact your financial intermediary for more details.

11 What costs will I incur in connection with the capital increase?

We advise you to contact your financial intermediary for more details. If you are a registered shareholder (nominatif pur), you will not bear any costs for the exercise of your Right(s) and for the subscription of new shares. In case of sale or purchase of Rights, the usual brokerage fees of SGSS, registrar, will be applied.

12 Is the exercise of Rights subject to tax?

The exercise of Rights is not taxed in France. For persons who are French tax residents receiving Rights outside the PEA, the proceeds of the sale of Rights are taxed from the first euro and without deduction to the income tax according to the capital gains tax on securities scheme and is subject to social contributions on income.

13 How can I subscribe to the Rights issue from my PEA?

Rights are detached and exercisable from your PEA. You can subscribe for new shares using exclusively the cash account of your PEA. They will be delivered in your PEA. If you sell Rights in your PEA, the sale amount will feed into the cash account of the PEA. On the other hand, it is not possible to buy Rights in your PEA or to register on the PEA Rights detached from shares that are not registered there.

14 Do new issued shares have the same Rights as existing shares?

New issued shares have the same Rights (notably dividend, vote at the General Meeting) as existing shares with the ISIN code FR0013258662.

Key takeaways

1 ALD share = 1 preferential subscription right (“Right”)

5 Rights allow to subscribe 2 New Shares

Subscription price: EUR7.50 per New Share

Each existing share held will entitle its holder to one Right.

5 Rights are required to subscribe for 2 New Shares at a subscription price set at EUR 7.50 per New Share.

Application	I subscribe		I do not subscribe	
	1	2	3	4
Options				
Take up	Exercise all your Rights (received and/or purchased)	Exercise part of your Rights (received and/or purchased)	No subscription	No subscription
Actions	Subscription of new shares at a subscription price set at EUR 7.50 per New Share	Sell part of the Rights, including to finance subscription of New Shares	Sell all of your Rights and benefit from cash proceeds	No action and lose value of Rights
Proceeds	No proceeds	Proceeds from sale may be used to finance subscription	Benefit from cash proceeds	No proceeds
Dilution	No/Limited dilution	Less dilution	Full dilution	Full dilution

