THIS ANNOUNCEMENT AND THE INFORMATION HEREIN IS NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION IN ANY JURISDICTION WHERE TO DO SO WOULD CONSTITUTE A VIOLATION OF THE RELEVANT LAWS OF SUCH JURISDICTION

THIS ANNOUNCEMENT INCLUDES INSIDE INFORMATION

28 July 2022

INCHCAPE PLC

PROPOSED ACQUISITION OF DERCO - EXTENDING INCHCAPE'S GLOBAL LEADERSHIP IN AUTOMOTIVE DISTRIBUTION

Inchcape announces business combination with Derco, Latin America's largest independent automotive distributor

Inchcape PLC (the "**Company**" and together with its subsidiaries "**Inchcape**"), the leading independent multi-brand global automotive distributor, announces the signing of an agreement to implement a business combination to acquire Derco ("**Derco Holdings**" and together with its subsidiaries, "**Derco**"), the largest independent automotive distributor in Latin America, for a cash and share consideration valuing Derco at £1.3 billion[1] on a debt and cash free basis (the "**Transaction**").

Derco is a family-owned multi-brand automotive distributor, and the largest independent distributor by volume in Latin America, with a strong track record of profitable growth. Derco has significant presence across four attractive markets of Chile, Peru, Colombia and Bolivia, and has long-standing partnerships with global automotive brands such as Suzuki, Mazda, Chevrolet, Changan, JAC, Renault, Great Wall and Haval.

Derco is led by an experienced management team with deep knowledge of the markets in which they operate, and on average 15 years of experience. This team will be a strong addition to Inchcape's fast-growing platform in the Americas.

STRATEGIC HIGHLIGHTS

- Brings together two leading automotive distributors in Latin America: Inchcape, with broad geographic reach and extensive brand representation, and Derco, the largest independent distributor by volume
- Significantly expands Inchcape's position in highly attractive and fast growth markets within Latin America
- Combines two best-in-class operators with complementary market footprints and OEM brand portfolios, providing significant opportunities for customers, OEMs and employees of the enlarged business
- Expected to deliver significant value creation through enhanced growth prospects and delivery of meaningful recurring synergies
- Derco is a well-managed company, strongly aligned culturally and strategically with Inchcape. The Del Río family (Derco's ultimate owners) will become a shareholder (9.3% stake) in Inchcape and will be entitled to nominate one director to the Inchcape Board following Completion

TERMS AND FUNDING OF THE DEAL

- The agreement is based on total consideration, including cash and shares, of approximately £1.3 billion on a debt free, cash free basis
- This values Derco at:
    - 5.5x FY2021A EBITDA[2]; and

    - approximately 6x (pre-IFRS 16)[3] based on normalised margins plus recurring synergies
- The transaction will be financed by Inchcape through
    - Utilising existing cash (approximately £400 million) on Inchcape's balance sheet;
    - New debt facilities of £600 million; and
    - Approximately 39 million of newly issued Inchcape Shares (the "**Consideration Shares**"), valued at approximately £280 million based on the Company's 20-day VWAP up to and including 26 July

FINANCIAL IMPACT

- The Transaction will result in a step-change in the size of Inchcape's Distribution business, adding £2.0 billion of distribution revenue. The addition of Derco to Inchcape's existing platform is expected to increase the weight of Distribution to approximately 75% of the enlarged group's revenue, with an enlarged Americas & Africa segment representing approximately 35% of the enlarged group's revenue.
- For FY 2021, Derco reported revenue of £2.0 billion and operating profit of £236 million[4]
    - Over the longer term, Derco has demonstrated revenue and profit growth, driven by new vehicle volume growth, underpinned by low motorisation rates, market share gains, new contract wins and cost-discipline
    - More recently, in 2019 and 2020, Derco saw a decline in revenue and operating profit margins due to geopolitical volatility in its markets and the pandemic, mitigated in part by overhead efficiencies. This was followed by strong revenue recovery and elevated margins in 2021
    - Derco's performance in 2021 benefited from strong supply for many of its brands, coupled with pricing management and cost-control, which drove strong growth of profitability and margins
    - Derco has continued to deliver strong financial performance in FY 2022 YTD, with revenue over the last twelve months of £2.2 billion, driven by robust consumer demand in its markets
    - As of today, there is still significant pent-up demand for new vehicles. However, once the ongoing supply constraints are resolved and the supply-demand situation rebalances, the Company expects Derco to generate an operating margin towards the top-end of the range for a typical automotive distribution business (5-7%), before recurring synergies
- The Company expects that the Transaction will generate significant value for Shareholders, through enhanced growth prospects and delivery of meaningful synergies
    - The Inchcape Board expects the Transaction to deliver annualised pre-tax recurring synergies of at least £40 million, with the significant majority delivered by end of the second year following Completion. These primarily comprise organisational efficiencies, procurement savings, footprint optimisation and technology efficiencies by leveraging Inchcape's global and regional infrastructure
    - There are also opportunities to drive significant revenue synergies by deploying Derco's commercial model to certain Inchcape brands, harnessing Inchcape's data and digital capabilities, and leveraging the expanded OEM relationships, geographic footprint and best practices of both Derco and Inchcape
    - The Company expects that the realisation of recurring and revenue synergies will require one-off cash costs of up to £60 million in aggregate over two years
    - Furthermore, the Transaction is expected to accelerate growth and be margin accretive for Inchcape, even before the benefit of synergies
- As a result, the Transaction is expected to:

    - be 15+% accretive to Inchcape's earnings per share (excluding implementation costs) in the first full financial year following Completion, and 20+% accretive to earnings per share from the second year onwards as synergies are delivered
    - generate a Return on Invested Capital (ROIC) in excess of project cost of capital in the third full financial year following Completion
- Following Completion, Inchcape will retain a strong balance sheet with the Transaction expected to increase the Company's leverage to c. 0.6x Net Debt / EBITDA (pre-IFRS16), this is expected to reduce quickly given the highly cash generative nature of the business
- In light of the Transaction, the Company will not proceed with the second £50 million tranche of its FY22 £100 million share buyback programme
- The Company's dividend policy is unchanged, and it expects to continue to pay out 40% of its adjusted basic earnings per share

TIMETABLE

- The size of the Transaction means that it is classed as a Class 1 Transaction under the Listing Rules (the "**Listing Rules**") of the Financial Conduct Authority (the "**FCA**"). Accordingly, the Transaction is conditional upon, among other matters, the approval of Inchcape Shareholders
- The Transaction is also subject to merger control clearance in Chile and Peru and a merger control filing in Colombia
- The Company expects to publish a shareholder circular, including a notice of General Meeting (the "**Circular**") by late September or early October 2022. Subject to satisfaction of the conditions to the Transaction, Completion is expected to occur in late 2022 or early 2023
- The Inchcape Board intends to recommend in the Circular that Inchcape Shareholders vote in favour of the requisite shareholder resolution to approve the Transaction (the "**Class 1 Resolution**"). The directors of the Company intend to vote in favour of Class 1 Resolution in respect of their own beneficial holdings, which amount to approximately 0.1% of Inchcape's total issued ordinary share capital as at the date of this Announcement
- In a separate announcement, the Company has today reported its Interim results for the six months to 30 June 2022, reconfirming its financial outlook for the year

Duncan Tait, Chief Executive Officer, Inchcape, commented:

"The combination with Derco is a transformative and unique opportunity to accelerate our global distribution business. We believe it will deliver substantial shareholder value and is another great example of our Accelerate strategy in action.

Derco will dramatically increase our scale in the fast growth Americas region, bolstering our presence in several existing markets, and will secure Bolivia as a new Inchcape distribution market. Derco also brings a fantastic set of highly complementary OEM relationships, including deepening our decades-long relationship with Suzuki, and broadens our brand footprint in the region, with Mazda, Chevrolet, Changan, JAC, Renault, Great Wall, Haval, Citroen, DS and Joylong.

We have long admired Derco's business, and we are delighted to partner with the Del Río family. We are also excited about working with our talented new colleagues at Derco to continue to accelerate the growth of the enlarged Americas business. Together we will have extensive access to customer and vehicle data, which is at the heart of our strategy to capture a greater share of the vehicle lifecycle value.

As the leading independent automotive distributor globally, Inchcape will continue to drive sector consolidation in an industry primarily made up of regional and more local distributors and where the combination of digital capabilities, and data and consumer insights are ever more valuable."

Romeo Lacerda, CEO Americas and Africa, Inchcape, commented:

"Derco is a great business with strong and long-established relationships with leading OEMs. It has a reputation for operational excellence and has been successful in expanding its distribution footprint in recent years.

Growing demand for new vehicles in Derco's highly attractive markets is underpinned by compelling long-term demographic and economic trends in Chile, Peru, Colombia, and Bolivia. These powerful market dynamics provide a long run-way of growth opportunities for our business.

Inchcape's scale and geographic diversification together with its track record for successful integration, engaging and retaining talent and market-leading digital and data capabilities provide a strong platform for continued profitable growth and superior value creation.

I am really looking forward to welcoming our new colleagues from Derco into Inchcape Americas."

Juan Pablo Del Río, Shareholder and member of the Board of Derco, added:

"Inchcape's track record of expansion across the Americas is impressive, and we have great respect for the business. Both companies enjoy a strong strategic and cultural fit, sharing the same values and commitment to deliver excellence for our OEM partners and consumers across our communities.

As well as its established reputation for distribution excellence, Inchcape is the undisputed leader in digital and data for automotive distribution across the Americas. This is an increasing area of focus for automotive OEMs, and is one of the reasons they are so supportive of our proposed combination.

I am excited by the combination with Inchcape, and the opportunities we have to further accelerate the growth in the Americas region, together with the continued support of our colleagues."

OVERVIEW OF INCHCAPE

Inchcape is the leading independent multi-brand global automotive distributor, operating in over 40 markets and territories with a portfolio of the world's leading automotive brands.

Inchcape entered the Americas in 1993, initially distributing BMW new vehicles and parts in Chile and Peru. The business has a fantastic track record of both organic and inorganic growth, catalysed by the acquisition of Indumotora in 2016, Grupo Rudelman in 2018, Mercedes-Benz distribution in 2020 and Ditec, Simpson Motors and ITC in 2022. Today, it distributes new vehicles and parts in more than 11 markets and territories across South and Central America, for OEMs including BMW, Mercedes-Benz and Daimler, Subaru, Suzuki, DFSK, Jaguar, Land Rover, Geely, and various commercial vehicle partners. Today, Americas is one of Inchcape's fastest growing regions due to low motorisation rates, which are expected to rise considerably as the economies continue to prosper.

OVERVIEW OF DERCO

Derco was founded in 1959 by Jose Luis Del Río Rondanelli and is today still almost exclusively owned by the Del Río family. It is the largest independent multi-brand automotive distributor by volume in Latin America operating more than 375 dealerships across Chile, Peru, Colombia and Bolivia. It has over 60 years of heritage in automotive distribution and has developed strong market positions in its markets – number one in Chile, Peru and Bolivia and number three in Colombia by volume - through a combination of both organic and inorganic growth. It has long standing distribution partnerships with Suzuki (since 1976) and Mazda (since 1982), and a track record of winning and introducing new brands into its markets: Chevrolet in 1999; Renault in 2000; Changan, Great Wall, JAC and Haval between 2006 and 2007; Citroen and DS in 2016; Joylong in 2020.

Derco distributes passenger vehicles to a network of customer-facing dealerships that are operated either directly by Derco (as a vertically integrated model), or by independent third-party dealers. The majority of dealership sites in Chile, Peru and Colombia operate under the *DercoCenter* brand (passenger vehicles), in which multiple brands are sold and serviced in a single integrated site. In Bolivia, where the business operates as *ImCruz* rather than Derco, these dealerships operate under the *ImCruzCenter* brand.

In addition, Derco engages in other businesses such as distribution of machinery and trucks, for brands such as JAC, Mack and Fuso, and an aftermarket spare parts and accessories business.

INVESTOR AND ANALYST WEBCAST

A virtual presentation for investors and analysts will be held today, Thursday 28th July 2022 at 08:30AM BST, in conjunction with Inchcape's interim results. The slides accompanying the presentation will be available on Inchcape's website shortly after the conclusion of the webcast.

The preceding summary should be read in conjunction with the full text of the following Announcement, including its appendices. The defined terms set out in Appendix II apply to this Announcement.

Enquiries:

Inchcape plc – Investor Relations	
Raghav Gupta-Chaudhary	+44 7933 395 158 investors@inchcape.com
Brunswick Group – Media Enquiries	
Susan Gilchrist, Kate Holgate	+44 20 7404 5659 inchcape@brunswickgroup.com
Greenhill – Financial Adviser and Sponsor	
Charles Gournay, Dean Rodrigues	+44 20 7198 7400
J.P. Morgan Cazenove – Financial Adviser and Joint Corporate Broker	
Nicholas Hall, Ameya Velhankar	+44 20 7742 4000
Jefferies International – Financial Adviser and Joint Corporate Broker	
Ed Matthews, Philip Noblet	+44 20 7029 8000

Important notices

This Announcement contains inside information for the purposes of Article 7 of the Market Abuse Regulation (EU) 596/2014 as it forms part of UK domestic law by virtue of the European Union

(Withdrawal) Act 2018 ("**UK MAR**") and is issued on behalf of the Company by Tamsin Waterhouse, Group Company Secretary. This Announcement is issued at 7.00am BST on 28 July 2022.

This Announcement is not intended to, and does not constitute, or form part of, any offer to sell or issue or any solicitation of an offer to purchase, subscribe for, or otherwise acquire, any securities or a solicitation of any vote or approval in any jurisdiction. Inchcape Shareholders are advised to read carefully the Circular once it has been published. Any response to the Transaction should be made only on the basis of the information in the Circular to follow.

Greenhill & Co. International LLP ("**Greenhill**"), which is authorised and regulated in the UK by the FCA, J.P. Morgan Securities plc (which conducts its UK investment banking activities as J.P. Morgan Cazenove ("**J.P. Morgan Cazenove**")), which is authorised by the Prudential Regulatory Authority (the "**PRA**") and regulated by the FCA and the PRA in the UK, and Jefferies International Limited (**"Jefferies"**) which is authorised and regulated by the FCA in the UK (together, the "**Financial Advisers**"), are acting exclusively for the Company and no one else in connection with the Transaction and accordingly will not be responsible to anyone other than the Company for providing the protections afforded to their clients, or for providing advice in connection with the Transaction, the contents of this Announcement or any other transaction, arrangement or other matter referred to in this Announcement as relevant.

Apart from the responsibilities and liabilities, if any, which may be imposed on each of the Financial Advisers under by the Financial Services and Markets Act 2000, as amended (the "**FSMA**") or the regulatory regime established thereunder, or under the regulatory regime of any jurisdiction where the exclusion of liability under the relevant regulatory regime would be illegal, void or unenforceable, neither of the Financial Advisers nor any of their respective subsidiaries, branches or affiliates, accept any duty, liability or responsibility whatsoever (whether direct or indirect) to any person for any acts or omissions of the Company in relation to the Transaction or makes any representation or warranty, express or implied, as to the contents of this Announcement, including its accuracy, completeness. verification or sufficiency or for any other statement made or purported to be made by it, or on its behalf, in connection with the Company or the Transaction, or any other matter referred to herein and nothing in this Announcement should be relied upon as a promise or representation in this respect, whether or not as to the past or future. Each of the Financial Advisers and their respective subsidiaries, branches and affiliates accordingly disclaim all and any duty liability and responsibility whether arising in tort, contract, statute or otherwise (save as referred to above) in respect of this Announcement or any such statement or otherwise.

Cautionary statement regarding forward-looking statements

This Announcement may contain "**forward-looking statements**" with respect to certain of the Company's plans and its current goals and expectations relating to its future financial condition, performance, strategic initiatives, objectives and results. Forward-looking statements sometimes use words such as "**aim**", "**anticipate**", "**target**", "**expect**", "**estimate**", "**intend**", "**plan**", "**goal**", "**believe**", "**seek**", "**may**", "**could**", "**outlook**" or other words of similar meaning. By their nature, all forward-looking statements involve risk and uncertainty because they are based on numerous assumptions regarding Inchcape's present and future business strategies, relate to future events and depend on circumstances which are or may be beyond the control of Inchcape and/or Derco and which could cause actual results of trends to differ materially from those made in or suggested by the forward-looking statements in this Announcement, including, but not limited to, domestic and global economic business conditions; market-related risks such as fluctuations in interest rates; the policies and actions of governmental and regulatory authorities; the effect of competition, inflation and deflation; the effect of legislative, fiscal, tax and regulatory developments in the jurisdictions in which Inchcape and Derco and their respective affiliates operate; the effect of volatility in the equity, capital and credit markets on profitability and ability to access capital and credit; a decline in credit ratings of Inchcape and/or Derco; the effect of operational and integration risks; an unexpected decline in revenues for Inchcape or Derco; inability to realise anticipated synergies; any limitations of internal financial reporting controls; and the loss of key personnel. Any forward-looking statements made in this Announcement by or on behalf of Inchcape speak only as of the date they are made. Save as required by the UK MAR, the Disclosure Guidance and Transparency Rules, the Listing Rules or by law, the Company undertakes no obligation to update these forward-looking statements and will not publicly release any revisions it may make to these forward-looking statements that may occur due to any change in its expectations or to reflect events or circumstances after the date of this Announcement.

28 July 2022

INCHCAPE PLC

PROPOSED ACQUISITION OF DERCO

Inchcape announces business combination with Derco, Latin America's largest independent automotive distributor

1. Introduction

The Inchcape Board today announces that Inchcape companies have entered into a conditional agreement with the shareholders of Derco (the "**Family Owners**") to implement a business combination that will result in an acquisition of Derco by wholly-owned subsidiaries of Inchcape. The Transaction, to be satisfied through cash and share consideration, values Derco at an enterprise value of approximately £1.3 billion, on a debt free and cash free basis.

Derco is a family-owned multi-brand automotive distributor in Latin America, and the largest independent distributor by volume, with a strong track record of profitable growth. Derco has significant presence across four attractive markets - Chile, Peru, Colombia and Bolivia - and partnerships with global automotive brands such as Suzuki, Mazda, Changan, JAC, Renault, Great Wall and Haval. In FY21 Derco generated revenue of £2.0 billion. Derco is led by an experienced management team with deep knowledge of the markets in which they operate, and on average 15 years of experience.

In view of the Transaction's size in relation to the Company, it is classified as a Class 1 transaction for the purposes of the Listing Rules and accordingly is conditional on the approval of Inchcape Shareholders at a General Meeting. The Circular containing further details of the Transaction, the Directors' recommendation, the notice of the General Meeting and the Class 1 Resolution, is expected to be published by late September or early October 2022.

2. Background and rationale for the Transaction

Inchcape is the leading independent multi-brand global automotive distributor, operating in over 40 markets and territories with a portfolio of the world's leading automotive brands.

Inchcape entered Americas in 1993, initially distributing BMW new vehicles and parts in Chile and Peru. The business has a fantastic track record of both organic and inorganic growth, catalysed by the acquisition of subsidiaries and affiliates of Indumotora in 2016, Grupo Rudelman in 2018, Mercedes-Benz distribution in 2020 and Ditec, ITC and Simpson Motors in 2022. Today, it distributes new vehicles and parts in more than 11 markets and territories across South and Central America, for OEMs including BMW, Mercedes-Benz and Daimler, Subaru, Suzuki, DFSK, Jaguar, Land Rover, Geely, and various commercial vehicle partners.

The Americas comprises highly attractive markets with strong growth potential due to low motorisation rates, attractive demographics, and strong GDP per capita growth prospects. The Automotive distribution sector in the Americas is highly fragmented, with >300 independent distributors operating across the region comprising of mostly small, multi-generation family-run businesses. Across these fragmented markets, Inchcape is the leading regional player in terms of the number of geographic markets in which it operates and the breadth of OEM brands that it represents.

It is with these attractive industry dynamics and Inchcape's differentiated proposition in mind that the Company has agreed the acquisition of Derco. The combination brings together Derco, Latin

America's largest independent automotive distributor by volume and Inchcape, the leading independent automotive distributor in terms of geographic reach and brand representation. The Inchcape Board believes the Transaction to be in the best interests of Inchcape for the following reasons:

- Brings together two leading automotive distributors in Latin America: Inchcape, with broad geographic reach and extensive brand representation, and Derco, the largest independent distributor by volume
- Significantly expands Inchcape's position in highly attractive and fast growth markets within Latin America
- Combines two best-in-class operators with attractive complementary market footprints and OEM brand portfolios, providing significant opportunities for customers, OEMs and employees of the enlarged business
- Expected to deliver significant value creation through enhanced growth prospects and delivery of meaningful recurring synergies
- Derco is a well-managed company, strongly aligned culturally and strategically with Derco. The Del Río family will become a shareholder (9.3%) in the Company and will be entitled to nominate one director to the Inchcape Board following Completion

Brings together two leading automotive distributors in Latin America: Inchcape, with broad geographic reach and extensive brand representation, and Derco, the largest independent distributor by volume

Derco is the largest independent distributor by volume in Latin America. It has a strong distribution platform with leading market positions across its four markets. Derco has a track record of market share gains (from 12% in 2014 to 18% in 2021 across its 4 markets in aggregate) largely underpinned by a portfolio of 11 brands well-tailored to its markets. It has long standing distribution partnerships with global automotive brands such as Suzuki, Mazda, Renault, Changan, JAC Great Wall and Haval.

Within a short space of time Inchcape has developed a leading platform across the Americas region with a broad geographic reach, 11 markets, and extensive brand representation – 25 in total.

The Transaction significantly expands the scale of Inchcape's distribution presence in the highly attractive and fast growing Americas region, bolstering Inchcape's brand footprint in existing markets of Chile, Peru and Colombia, in addition to gaining entry into a new market, in Bolivia.

Significantly expands Inchcape's position in highly attractive and fast growth markets within Latin America

The Transaction combines Derco's distribution business with Inchcape's in the Americas. Based on 2021 performance it would add £2.0bn of revenues to Inchcape's existing platform, which generated revenue of approximately £1.2 billion[5] in 2021 (inclusive of full year FY21 contributions from Ditec and ITC/Simpson Motors).

Americas has long been an attractive market for Inchcape, benefiting from stronger macroeconomic dynamics compared to more developed markets. This is the primary reason that the majority of acquisitions in Inchcape's recent history have been concentrated in the region.

Americas is home to over 200m people compared to 900m across Inchcape's global footprint, and while the region lags developed markets in terms of GDP/capita, the growth prospects are considerably better. Furthermore, as illustrated in the table below, the lower motorisation rates highlights how underpenetrated the car parc is across the Americas, and as the economies prosper this will gradually converge with more developed markets. The TIV index also shows how much upside there is for annual new car volumes in the region to recover to their 10 year average – the speed of recovery in the short term will be dictated by an improvement in vehicle supply. Another factor which will support growth in the Americas over the medium and long-term is the growth of private debt, which has significant headroom in the region. Lastly, EV adoption is a key topic across the industry. While the Americas is likely to lag more developed markets, the Company expects adoption of battery electric vehicles will gradually rise, and the Company is embracing this trend.

	Inchcape Americas + Bolivia	**Inchcape markets worldwide**	**Developed markets[6]**
Population (total)	**218m**	**911m**	**-**
GDP / capita (average)	**US$10k** (from US$3k to US$17k)	**US$23k** (from US$1k to US$72k)	**US$50k** (from US$39k to US$69k)
GDP growth (2021-26)	**3.3%**	**3.6%**	**1.8%**
Motorisation (average)	**193** (from 80 to 314)	**446** (from 33 to 767)	**700** (from 543 to 805)
2021 TIV index 100 = 10 year average vols	**78**	**87**	**89**
Private debt % of GDP	**64%**	**115%**	**177%**
EV penetration 2030 forecast	**c. 8%**	**c. 25%**	**c. 50%**
Inflation (5 year average)	**5.8%**	**2.7%**	**1.6%**

See Note 7 in Appendix I for information sources.

Combines two best-in-class operators with complementary market footprints and OEM brand portfolios, providing significant opportunities for customers, OEMs and employees of the enlarged business

Like Inchcape, Derco has several long-standing distribution partnerships with global brands, namely Suzuki (since 1976) and Mazda (since 1982). And like Inchcape, Derco has a track record of winning and introducing new brands into its markets: Chevrolet in 1999, Renault in 2000; Changan, Great Wall, JAC and Haval between 2006 and 2007, Citroen and DS in 2016, and Joylong in 2020.

Together, Inchcape and Derco have an attractive exposure to:

- A broad range of leading global and growing automotive brands;
- A cross-section of brands across the pyramid, from entry-level volume brands to luxury brands;
- Fast-growing segments of the market such as SUVs, pick-ups and electric-vehicles; and
- The full breadth of automotive segments, from passenger cars to commercial vehicles

Derco's extensive brand portfolio broadens Inchcape's existing relationships with certain brands (e.g. adds Suzuki in Chile, Peru, Colombia, and Bolivia), and broadens Inchcape's brand footprint in its existing markets, with Mazda, Changan, JAC, Renault, Great Wall, Haval, Citroen and DS as summarised in the table below:

		Derco relationships	
	Current Inchcape in-market relationships	**Broadening Inchcape's existing relationship**	**New to Inchcape**
Chile	BMW, BMW-Motorrad, Rolls Royce, Subaru, Hino, DFSK,	Suzuki, Mazda, JAC, Changan, Great Wall	Renault, Haval,

	MINI, Geely, Jaguar, Land Rover, Porsche and Volvo		
Peru	BMW, Subaru, DFSK, BYD, Hino, BMW-Motorrad, MINI	Suzuki, JAC, Changan, Citroen, Great Wall, Mazda	Haval, Renault
Colombia	Subaru, DFSK, Hino, Mack, Dieci, Doosan, Jaguar, Land Rover and Mercedes Benz	Suzuki, Citroen	DS Automobiles
Bolivia	-	Suzuki, Chevrolet, JAC, Changan, Mazda	Renault, Joylong,

The combination of the two businesses will provide an enlarged platform offering significant benefits and opportunities for customers, OEMs and employees.

- For customers, they will benefit from Inchcape's digital platform, and the leading customer experience this provides
- For OEMs, the enlarged scale will drive enhanced data analytics and insights, and a broader network to support growth
- For employees, they will have an opportunity to develop careers in a bigger business, locally, regionally and globally

Inchcape has a strong track record of acquiring and successfully integrating distribution businesses in new and existing markets globally and across Latin America, having added over 10 new businesses to the group since 2016.

Given the importance of the relationships with OEMs to both Inchcape and Derco, both companies have proactively engaged with their OEM partners to secure their support regarding the Transaction.

Expected to deliver significant value creation through enhanced growth prospects and delivery of meaningful recurring synergies

The Company expects that the Transaction will significantly enhance value for Inchcape Shareholders. It will add £2.0 billion to Inchcape's revenue from continuing operations. Furthermore, the Transaction is expected to accelerate growth and be margin accretive for Inchcape even before the benefit of synergies.

The Company believes that the Transaction presents an opportunity to deliver recurring synergies of at least £40 million per annum. These primarily comprise organisational efficiencies, procurement savings, footprint optimisation and technology efficiencies by leveraging Inchcape's global and regional infrastructure.

The Company expects approximately 30% of recurring synergies can be realised within the first full year following Completion, as they depend on internal decisions and short-term contracts, with the remainder delivered in subsequent years. The Company expects to deliver the significant majority of recurring synergies by the end of second financial year following Completion.

In addition to the synergies quantified above, Inchcape believes that the combination with Derco will provide significant revenue synergy opportunities, through the ability to deploy Derco's commercial model to certain Inchcape brands, harnessing Inchcape's data and digital capabilities, and leveraging the expanded OEM relationships, geographic footprints and best practices of both Derco and Inchcape. Examples include, improving aftersales retention rates and driving higher penetration of finance and insurance products. This will be supported by an accelerated roll out of

Vehicle Lifecycle Services (a key growth pillar and exciting opportunity) businesses such as *bravoauto* (a digital first, multi-brand used car platform). These have not been publicly quantified at this stage.

The recurring synergies and publicly unquantified revenue synergies indicated above are contingent on Completion and would not be achievable by Inchcape and Derco operating independently. The Company confirms that the narrative above reflects both the beneficial elements and relevant costs associated in achieving these recurring synergies.

The Company expects the realisation of recurring and revenue synergies will require one-off cash costs of up to £60 million in aggregate over two years.

The Company has considered areas of potential dis-synergy and these were determined to be immaterial relative to the Transaction.

As a result, the Company expects that the Transaction will be 15+% accretive to Inchcape's earnings per share (excluding implementation costs) in the first full financial year following Completion and 20+% accretive from the second year onwards as synergies are delivered.

Furthermore, the Company expects the return on invested capital for the Transaction to exceed the cost of capital in the third full financial year and exceeding Inchcape's cost of capital in the first full financial year following Completion.

Derco is a well-managed company, strongly aligned culturally and strategically with Inchcape. The Del Río family will become a shareholder in Inchcape

Derco is a highly complementary business to Inchcape, both in respect of its strategy for growth in automotive distribution, and the values with which it operates its businesses.

Derco has over 60 years of experience operating as an automotive distributor, since the Del Río family began importing of automotive vehicles into Chile in 1959. Over time, Derco has developed long-term partnerships with a number of OEM brands.

Derco's strategy, and cultural focus as an organisation, is to focus on providing a superior experience to customers, maximise loyalty from all stakeholders (OEM partners, end-customers, employees, retail partners in its dealership network) and providing new digital opportunities to customers. In delivering against this strategy, it benefits from an experienced management team, with a combined 195 years of experience across Derco, automotive distribution, and global FMCG operations in Latin America.

Derco leverages its diversified portfolio (in terms of geographic presence across four markets, as well as a range of OEM partners), high quality distribution capabilities, and targeting marketing initiatives to enhance customer experience. Following its launch in 2003 Derco has achieved strong levels of brand equity and customer trust in its *DercoCenter* (Chile, Peru and Colombia) and *ImCruz* (Bolivia) customer-facing brands.

Derco's strategy is consistent with Inchcape's *Accelerate* strategy, particularly with respect to leveraging a "relationship first" culture and efficient distribution operations as enablers to deliver Distribution Excellence. The addition of Inchcape's global scale and digital capabilities to Derco's existing strategy is expected to support accelerated growth in the Americas region.

While Derco has remained a private, family-owned company over this period, it has been run with independent management since 1980s, and benefits from a comprehensive financial control regime.

As part of the Transaction, the Family Owners will receive approximately 39 million newly issued Inchcape Shares, which will result in the Family Owners owning approximately 9.3% of the enlarged share capital of the Company, and will be entitled to nominate one director to the Inchcape Board following Completion.

3. Information on Derco

History of Derco

Derco's history dates back to 1959, when José Luis del Río Rondanelli first began importing automotive vehicles into Chile. Operating as a standalone "Derco" entity since 1970, the business commenced distribution of Suzuki vehicles in 1976, and over subsequent years continued to expand its OEM partnerships, including Mazda in 1982, Chevrolet in 1999, Renault in 2000, Changan, Great Wall, JAC and Haval between 2006 and 2007, Citroen and DS Automobiles in 2016 and Joylong in 2020.

Over this period and in conjunction with growing its portfolio of OEM relationships, Derco also successfully entered geographically adjacent markets of Bolivia (1990), Peru (1997), and Colombia (2009), as well as establishing distribution and rental operations for machinery and truck OEMs including Komatsu forklifts (1981), Massey Ferguson tractors (1984), Landini tractors (1984), JCB construction vehicles (1997), and several other brands spanning construction, material handling, transport and agricultural machinery.

In 2003 Derco launched *DercoCenter* having launched *DercoMaq* in 1999, its customer-facing dealerships for passenger vehicles and machinery / trucks respectively, as well as launching *DercoMaq Rental* as a machinery rental offering. In 2008 Derco launched *AutoPlanet*, a spare parts business targeting Derco customers in the later stages of their vehicle lifecycle journey.

Current operations

Today, Derco is the largest independent automotive distributor in Latin America in terms of volume, and it distributes vehicles for a broad range of OEM partners across its markets.

The passenger vehicle distribution business, which accounts for the vast majority of the business, includes the following brands:

Passenger vehicles	**Chile**	**Peru**	**Colombia**	**Bolivia**
Suzuki	✓	✓	✓	✓
Changan	✓	✓	-	✓
JAC	✓	✓	-	✓
Mazda	✓	✓	-	✓
Renault	✓	✓	-	✓
Great Wall-	✓	✓	-	-
Haval	✓	✓	-	-
Citroen and DS Automobiles	-	✓	✓	-
Chevrolet	-	-	-	✓
Joylong	-	-	-	✓

In each of the four markets, Derco distributes to a network of customer-facing dealerships that are operated either directly by Derco (as a vertically integrated model), or by independent third-party dealers. The majority of dealership sites in Chile, Peru and Colombia operate under *DercoCenter* (passenger vehicles), in which multiple brands are sold and serviced in a single integrated site. In Bolivia, where the business operates as *ImCruz* rather than *Derco*, these centres operate under the *ImCruzCenter* brand.

In addition, Derco engages in other businesses such as distribution of machinery and trucks, for brands such as JAC, Mack and Fuso, and an aftermarket spare parts and accessories business.

Derco's machinery and trucks distribution business operates in a similar manner to its passenger vehicles distribution business, with customer-facing and rental sites operating in an integrated multi-brand manner under the *DercoMaq* and *DercoMaq Rental* brands in Chile, Peru and Colombia, and *ImCruz Maq* and *ImCruz Maq Rental* brands in Bolivia.

Derco's parts retail business sells third party (non-OEM) parts and accessories to customers from approximately 90 retail sites across Chile, under the *AutoPlanet* brand for passenger vehicle parts, and *SERGO* brand for machinery parts.

Summary financial information on Derco[4,8,9]

The table below shows Derco's financial performance in local currency (CLP) for each of the past three years and are prepared on the basis of local IFRS reporting:

CLP'bn, y/e 31-Dec	**2019**	**2020**	**2021**
Revenue	1,628	1,323	2,048
Growth		*(18.7%)*	*54.7%*
Adj. EBITDA	129	86	293
Margin	*7.9%*	*6.5%*	*14.3%*
Adj. EBIT	87	44	246
Margin	*5.4%*	*3.3%*	*12.0%*

Figures in table below converted from CLP to GBP at the average exchange rate for the year:

GBP'm, y/e 31-Dec	**2019**	**2020**	**2021**
Revenue	1,793	1,292	1,962
Adj. EBITDA	142	84	281
Margin	*7.9%*	*6.5%*	*14.3%*
Adj. EBIT	96	43	236
Margin	*5.4%*	*3.3%*	*12.0%*

Over the longer term, the Derco has demonstrated revenue and profit growth, driven by new vehicle volume growth, underpinned by low motorisation rates, market share gains, new contract wins and cost-discipline.

More recently, in 2019 and 2020, Derco saw a decline in revenue and operating profit margins due to geopolitical volatility in its markets and the pandemic, mitigated in part by overhead efficiencies. This was followed by strong revenue recovery and elevated margins in 2021.

Derco's performance in 2021 benefited from strong supply for many of its brands, coupled with pricing management and cost-control, which drove strong growth of profitability and margins.

Derco has continued to deliver strong financial performance in FY 2022 YTD, with revenue over the last twelve months of £2.2 billion, driven by robust consumer demand in its markets.

As of today, there is still significant pent-up demand for new vehicles. However, once the ongoing supply constraints are resolved and the supply-demand situation rebalances, the Company expects Derco to generate an operating margin towards the top-end of a typical automotive distribution business (5-7%), before recurring synergies.

The preceding financial information has derived (in the case of Revenue, Adj. EBITDA and Adj. EBIT) from the IFRS combined financial statements of Derco for the financial years ended 31 December 2019, 2020 and 2021. These figures have been further adjusted to reflect a form consistent with the accounting policies adopted by Inchcape in its own annual consolidated financial statements. This financial information is subject to further external audit procedures by Inchcape's auditors prior to publication of the Circular which, in accordance with the Listing Rules, will include full historical three year financial information on Derco presented in accordance with the accounting policies adopted by Inchcape in its own annual consolidated financial statements. Therefore such financial information may differ from the summary financial information on Derco set out in the table above and elsewhere in this Announcement.

4. Financial effects of the Transaction

The Transaction will result in a step-change in the size of Inchcape's Distribution business, adding £2.0bn of distribution revenue.

The Transaction is consistent with Inchcape's *Accelerate* strategy, which is centred around growing its Distribution exposure and focusing on high growth markets. Based on 2021 financials (on the basis of continuing operations), the addition of Derco to Inchcape's platform is expected to increase the weight of Distribution to approximately 75% of Inchcape's global revenue, with an enlarged Americas & Africa segment representing approximately 35% of enlarged group revenue.

The Transaction is expected to accelerate growth and be margin accretive for Inchcape, even before the benefit of synergies.

5. Integration and Management

Inchcape has a strong track record of acquiring and successfully integrating distribution businesses in new and existing markets across Latin America, including:

- Interamericana Trading Corporation and Simpson Motors (operating across 30 Caribbean territories) in 2022;
- Ditec (operating in Chile) in 2022;
- Mercedes-Benz distribution businesses in Colombia, El Salvador, and Guatemala in 2020;
- Autolider (operating in Uruguay and Ecuador) in 2019;
- Rudelman (operating in Costa Rica and Panama) in 2018; and
- Subsidiaries and affiliates of Indumotora (operating in Chile, Peru, Colombia and Argentina) in 2016

As a result of these acquisitions and Inchcape's organic growth, its presence in the Americas has increased significantly with the business generating £1.2 billion[5] of aggregate revenue in 2021, compared to £160 million in 2016.

Inchcape's approach to integration has been to draw on the best of both businesses, and Inchcape looks to capitalise on talent from the businesses it has acquired to strengthen its own management capabilities: 7 out of 12 members of the Inchcape Americas current Executive Team joined Inchcape as a result of acquisitions.

Inchcape expects to balance the opportunity to streamline the enlarged business with the need to retain and invest in valuable talent in sales, distribution and operational functions. The objective will be to retain the best talent from both organisations to play an important role in driving the next phase of Inchcape's ambition in the Americas and globally.

During the integration and thereafter, the combined group will focus on operational rigour, quality and compliance as the foundations of a successful business.

6. Key terms and conditions of the Transaction

Transaction Agreement

Under the terms of the Transaction Agreement, entered into between Inchcape, the Family Owners, Indigo Chile, IAC and Inchcape International Holdings Limited, the Family Owners have conditionally agreed to sell 100% of Dercorp CL, the holding company the Derco Group's businesses in Chile, to IAC, a wholly-owned subsidiary of the Company, and to merge 100% of Dercorp Ex ,the Chilean holding company of Derco's and *Imcruz's* businesses in Bolivia, Colombia and Peru, into Indigo Chile, a wholly owned subsidiary of the Company.

The aggregate consideration is based on an agreed enterprise value of £1,267 million, on a debt free and cash free basis at Completion, which will be satisfied through the utilisation of existing cash on Inchcape's balance sheet, new debt facilities of £600 million and approximately £280 million of Inchcape shares. The Family Owners will be issued approximately 39 million new Inchcape Consideration Shares (which would represent 9.3% of the total issued Inchcape Shares immediately following Admission, assuming that no other Inchcape Shares are issued or repurchased by the Company between the date of this Announcement and the date of Completion). Application will be made to the FCA and the London Stock Exchange for admission of the Consideration Shares prior to Completion.

At Completion, the Family Owners will receive only new shares in Indigo Chile as consideration for the merger with Dercorp Ex, which they will be required to contribute to the Company in exchange for the issue of the Consideration Shares.

The cash to be paid on Completion is subject to adjustment dependent on the levels of net debt and net working capital at Completion.

Of the consideration, £19 million in cash and 10 million Consideration Shares will be placed in escrow for a total period of up to two years in the event of any claims under the Transaction Agreement.

Completion of the Transaction is subject to customary conditions including:
- merger control approvals in Chile and Peru and a merger control filing in Colombia; and
- approval by the Inchcape Shareholders of the Class 1 Resolution.

A break fee of 1% of Inchcape's market capitalisation as at 27 July 2022 would be payable by Inchcape if the Inchcape Board exercises a fiduciary out from the Transaction or Inchcape fails to convene and hold the general meeting at which the Class 1 Resolution will be proposed.

The Company expects Completion to occur by the end of 2022 or in early 2023.

The Transaction Agreement, which is governed by Chilean law, contains customary representations, warranties, indemnities (including a tax covenant), limitations on liability, and termination provisions.

Inchcape International Holdings Limited guarantees the performance of the obligations of IAC and Indigo Chile under the Transaction Agreement.

Relationship Agreement

As a result of the fact that the Family Owners will hold approximately 9.3%. of the Inchcape Shares following Completion, the Family Owners and the Company will enter into a Relationship Agreement which will govern their relationship following Completion.

The Relationship Agreement will entitle the Family Owners to nominate one director to the Inchcape Board. In line with the UK Corporate Governance Code, the director will be subject to election or re-election annually at the Company's annual general meeting and the Company has agreed, subject to certain terms and conditions including the Family Owners maintaining at least a 7%. shareholding in the Company, that the director will continue to be nominated for reappointment until and including at the Company's annual general meeting in 2026.

The Family Owners have agreed not to dispose of any of the Consideration Shares for a period of two years from Admission (subject to customary exceptions), and for one year thereafter to dispose of Inchcape Shares only after consultation with, and in accordance with the reasonable directions of, the Company's brokers. The Family Owners have also agreed a standstill whereby they and their affiliates will not acquire Inchcape Shares which would give them and/or their affiliates an aggregate shareholding in the Company of 10% or more.

In addition, Inchcape will establish an Americas Advisory Board on which two representatives of the Family Owners will sit alongside two senior executives from Inchcape.

The Relationship Agreement will terminate on the earlier of: (i) 31 December 2026, (ii) the Company ceasing to be Admitted to Listing, (iii) the Family Owners holding less than 3% of the Inchcape Shares and (iv) the Family Owners holding less than 7% of the Inchcape Shares as a result of a dilution event where Inchcape exercises its right to require the shareholder appointed director to resign from the Inchcape Board.

7. Financing the Transaction

The consideration in respect of the merger of Dercorp Ex will be satisfied, indirectly, through the issue of Inchcape Shares to the Family Owners and, in respect of the acquisition of Dercorp CL, by cash payable directly to the Family Owners. Inchcape will also assume or refinance Derco's outstanding debt.

The Company has agreed to issue approximately 39 million Inchcape Shares to the Family Owners on Completion pursuant to the terms of the Transaction Agreement. Based on Inchcape's 20 day VWAP of 727p per share up to and including 26 July 2022, the Inchcape Shares are valued at approximately £280 million. As a result of the Consideration Shares issuance, the Family Owners are expected to receive a holding of approximately 9.3% of Inchcape's issued and outstanding share capital at Completion.

The cash requirements for the Transaction will be funded from Inchcape's existing cash on balance sheet and bank debt. The Company signed a facilities agreement with MUFG Bank, Ltd. and BNP Paribas (acting as underwriters, bookrunners and mandated lead arrangers) with respect to acquisition financing of £600 million, comprising a £350 million bridge facility and a £250 million term loan facility. The bridge facility will have an initial term of 12 months commencing from the date of Completion (or 26 April 2023, whichever is earlier), but the term is extendable at Inchcape's option by up to 12 months. The term loan will have a term of 2 years commencing from the date of

Completion (or 26 April 2023, whichever is earlier). The facilities agreement largely mirrors the terms of Inchcape's existing syndicated revolving credit facility agreement.

Following Completion, the Transaction is expected to increase Inchcape's leverage to c.0.6x Net Debt / EBITDA (pre-IFRS16), this is expected to reduce quickly given the highly cash generative nature of the business.

8. Circular, General Meeting and Timetable to Completion

In view of the Transaction's size in relation to the Company, it is classified as a Class 1 Transaction for the purposes of the Listing Rules and accordingly is conditional on the approval of Shareholders at a General Meeting.

The Circular containing further details of the Transaction, the Directors' recommendation, the notice of the General Meeting and the Class 1 Resolution required to approve the Transaction, is expected to be published by late September or early October 2022.

The completion of the Transaction is also subject to the conditions set out in the Key terms and conditions of the Transaction paragraph above and is expected to take place by the end of 2022 or early 2023.

* * * *

APPENDIX I

KEY NOTES

1. Calculated based on EV of CLP1,449 billion converted to GBP at a 20 day average FX rate up to and including 26 July 2022 of 1,144
2. Calculated based on EV of CLP1,449 billion and 2021A EBITDA (pre IFRS 16) of CLP265 billion. The multiple would be 5.5x 2021A EBITDA (post IFRS 16) based on EV of CLP1,608 billion (including capitalised lease liabilities of CLP159 billion) and 2021A EBITDA (post IFRS 16) of CLP293 billion. 2021A operating profit (post IFRS 16) was CLP246 billion and 2021A operating (pre IFRS 16) was CLP240 billion
3. Normalisation based on LTM sales of approximately CLP2.5 trillion, a normalised operating margin of 7%, 2021 Depreciation and Amortisation (pre IFRS 16) of CLP25 billion, plus recurring synergies
4. Historical financial information on Derco included in this announcement has been extracted or otherwise based on the audited IFRS statutory accounts of Derco for the financial years ending 31 December 2019, 2020 and 2021 (as applicable), based on local IFRS reporting and Derco's accounting policies. For the purposes of this announcement, financial information reported in CLP has been converted to GBP at the average FX for the year

   In accordance with the Listing Rules, the Circular (when published) will include full historical three year financial information on Derco in a form consistent with the accounting policies adopted by the Company in its own annual consolidated accounts. Such financial information will differ from the financial information on Derco set out in this Announcement.
5. 2021 revenue pro-forma adjusted for portfolio changes (retail disposals and new distribution businesses)
6. Developed markets include USA, UK, France, Germany, and Japan
7. Sources for
   - Population, GDP, GDP Growth, and inflation: International Monetary Fund, World Economic Outlook Database, April 2022
   - Motorisation: Fitch
   - TIV (Total Industry Volume): IHS markit
   - Private debt % of debt: Fitch
   - EV (including includes battery-electric (BEV) and, plug-in hybrid vehicles (PHEV) and mild hybrid electric vehicles (MHEV)) penetration: Bloomberg NEF
8. For the purposes of Chapter 10 of the Listing Rules, reported gross assets of Derco as at 31 December 2021 were approximately £1.2 billion; and reported profit before tax for the financial year ending 31 December 2021 was approximately £0.2 billion.
9. The Adjusted EBIT and EBITDA presented in this Announcement are derived from the IFRS combined financial statements of Condor for the respective financial years; and have been further been adjusted for consistency with the accounting policies adopted by Harrier including adjustments in relation to non-trading items. Non-trading items are items charged or credited in the income statement which are material and non-recurring in nature

APPENDIX II

DEFINITIONS

The definitions set out below apply through this document, unless the context requires otherwise.

"£" or "**GBP"**	the lawful currency of the UK;
"Admission"	admission of the Consideration Shares to listing on the premium listing segment of the Official List of the FCA and to trading on the London Stock Exchange's main market for listed securities becoming effective (and "Admitted to Listing" shall be construed accordingly)
"Announcement"	this announcement, made by Inchcape on 28 July 2022 in relation to the Transaction;
"Cash Consideration"	the cash payable by IAC for the transfer of shares in Dercorp CL pursuant to the terms of the Transaction Agreement
"Circular"	the circular to Inchcape Shareholders to be prepared by Inchcape in connection with the Transaction
"Class 1 Resolution"	the ordinary resolution of the Inchcape Shareholders in respect of the Transaction, to be proposed at the general meeting of the Inchcape Shareholders, the notice of which will be contained in the Circular
"Company"	Inchcape plc
"Completion"	completion of the Transaction in accordance with the terms of the Transaction Documents
"Consideration Shares"	new Inchcape Shares to be issued and allotted by the Company to the Family Owners pursuant to the terms of the Transaction Agreement
"Derco"	Dercorp CL SpA and Dercorp Ex and their respective subsidiaries
"Derco Holdings"	Dercorp CL SpA and Dercorp Ex
"Dercorp CL"	Dercorp CL SpA, a holding company for Derco Group's businesses in Chile
"Dercorp Ex"	Dercorp Ex SpA, a holding company for Derco Group's businesses in Bolivia, Colombia and Peru
"Family Owners"	Cerro Mayo SpA, DT Huillinco SpA, Peňuelas Corp. SpA which are holding companies of the Del Río family
"FCA"	the Financial Conduct Authority of the UK
"FSMA"	the Financial Services and Markets Act 2000, as amended

"IFRS"	UK-adopted international accountant standards in accordance with International Financial Reporting Standards
“IAC”	Inchcape Automotriz Chile S.A., the Company's existing wholly-owned subsidiary in Chile
"Inchcape"	the Company and its subsidiary undertakings
“Inchcape Board”	the board of directors of the Company
"Inchcape Shares"	ordinary shares of nominal value of £0.10 each in the capital of the Company, including, if the context requires, the Consideration Shares
"Indigo Chile"	Indigo Chile Holdings SpA, the Company's existing wholly-owned subsidiary in Chile
"Listing Rules"	the listing rules made by the FCA under section 73A of the FSMA, as amended from time to time
"Relationship Agreement"	the agreement between the Family Owners and the Company, which will take effect from Admission, and govern the relationship between the parties whilst the Family Owners remain substantial shareholders in the Company
"Shareholders"	a holder of Inchcape Shares, and "Shareholders" shall be construed accordingly
"TIV"	Total Industry Volumes
"Transaction"	the proposed business combination consisting of the acquisition of the Derco Group businesses in Chile by IAC and the proposed merger between Indigo Chile and Dercorp Ex (the holding company of the Derco and Imcruz businesses in Peru, Colombia and Bolivia)
“Transaction Agreement”	the agreement between the Company, the Family Owners, IAC, Indigo Chile and Inchcape International Holdings Limited in relation to the Transaction
"Transaction Documents"	the Transaction Agreement and the other agreements, including the Relationship Agreement, a merger agreement and a contribution and subscription agreement, which give effect to the Transaction
"UK MAR"	Market Abuse Regulation (EU) 596/2014 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018
"US Dollar" or "US$"	the lawful currency of the United States of America from time to time
“VWAP”	volume weighted average price