

**To:**

Exor NV  
Attn: Board of Directors

**Copy to:**

Royal Philips NV  
Attn: Management Board and Supervisory

Goldman Sachs Bank Europe SE  
Attn: Management Board

Stichting Autoriteit Financiële Markten

**Via e-mail:**

**From**

European Investors-VEB

The Hague, 22 September 2023  
Reference: 2023 045023  
Subject: VEB / Exor

Dear Madam or Sir,

European Investors / Vereniging van Effectenbezitters (“**European Investors-VEB**”) is a Dutch association representing the interests of the (retail and professional) investor community. Its constituency consists of members (retail investors) as well as partners (institutional investors).

European Investors-VEB promotes issuers to be transparent about their position in financial instruments, participations and any other financial risks in regular corporate reporting, financial interests notifications as well as mandatory and timely disclosure of inside information.

By press release of 14 August 2023, Exor NV (“**Exor**”) and Koninklijke Philips NV (“**Philips**”) announced that they have entered into a relationship agreement as a result of which Exor acquired a 15 per cent shareholding in Philips. Disclosure is legally required as

the information concerning this transaction qualifies as inside information which directly concerns both Exor and Philips.

The disclosure made does not meet the legal requirements and potentially qualifies as misleading. Exor has not yet fully disclosed the inside information on trading, the composition of the transaction and all parties involved. Neither is any information on the settlement of the deal made public. More specifically, the information regarding the financial relationship between Exor and Goldman Sachs entities (“**Goldman Sachs**”) concerning the build-up of Exor’s stake in Philips, the ex-post settlement, length of cooperation (and risk settlement) agreement, compensation and financial risk distribution has not been disclosed by Exor. The impression is given that Exor has acquired 15 per cent of Philips’ equity capital, end of story, and, from that moment onwards, Goldman Sachs is exposed to future settlement and related market and price risk on the deal. It might however be the case that Exor needs to compensate Goldman Sachs for the financial impact of the deal settlement execution risk and risk mitigating transactions and/or instantly lent the ‘acquired’ shares back to Goldman Sachs in order to cover the latter institution's (temporary or continuous?) short position. If this were the case, one might conclude that misleading information has been made public and/or Exor does not have direct control vis-à-vis its position in Philips. Investors are kept in the dark and are exposed to speculation and rumours in the media about the exact features of the relationship between Exor and Goldman Sachs.<sup>1</sup> Furthermore, investors currently cannot reasonably interpret the overall (daily) transaction volume in financial instruments issued by Philips and the impact of the trading on the share price and valuation of Philips. Neither can they reasonably assess the full financial impact of the deal for Exor.

We urge Exor to disclose in full the details of the transaction and inform the public consistently on the settlement execution to prevent any inside information to be available with Goldman Sachs and Exor on the content of the deal and the trading in Philips’ financial instruments. As long as the material information is not published, all transactions in the ex-post settlement of the deal risk being subject to insider trading. There is a clear interest to prevent this going forward. Such disclosure is essential in order to provide current and future shareholders in Exor and Philips with the opportunity to consider the ongoing implications of the transaction in their risk assessment. European Investors-VEB believes that the transaction in question will have long-term effects on the share price of Philips and Exor. The fair and orderly functioning of Dutch and EU Financial Markets is at stake. Amongst the important questions are: is Exor required to transfer shares to Goldman Sachs in order to prevent a short squeeze? Which party bears the ex-post price risk of the Philips share price in the settlement of the transaction; is that Exor or Goldman Sachs?

Under the EU Market Abuse Regulation, Exor is required to disclose this inside information because it directly relates to Exor and Philips, and if it were made public, would be likely to have a significant effect on Exor’s and Philips' stock price.<sup>2</sup> Exor is in this case not entitled to any delay of disclosure under the EU Market Abuse Regulation,

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<sup>1</sup> Reuters 12 September 2023 ‘Dutch watchdog says Goldman had short position in Philips’

<sup>2</sup> Art. 17(1) jo. art. 7(1) Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (market abuse regulation) and repealing Directive 2003/6/EC of the European Parliament and of the Council and Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/EC [2017] OJ L173/1. (“EU Market Abuse Regulation”).

because it can no longer guarantee that delaying disclosure is not likely to mislead the public.<sup>3</sup>

The mere fact that the passing of a position threshold is reported (and adjusted afterwards) does not release Exor and Goldman Sachs from the requirement to publish any information prior to any transactions. According to the Dutch Authority for the Financial Markets (“AFM”), a listed company which delays disclosure of inside information is required continuously to verify whether investors may be misled by withholding inside information.<sup>4</sup> Partial disclosure of inside information is misleading.

Legally, Exor is not allowed partially to disclose the inside information concerning its Philips transaction. At the moment of disclosure by press release of 14 August 2023 it was required to disclose in full all the inside information regarding this transaction including its current and future financial relationship with Goldman Sachs. In order to prevent incorrect or distorted price information in the market, Exor is required to disclose the essential information concerning its relationship with Goldman Sachs in the Philips transaction.

It is in the best interest of all stakeholders of Philips and Exor that Exor and Goldman Sachs disclose the contract(s) between Exor and Goldman Sachs concerning the Philips transaction as soon as possible.

We look forward to receiving your reply.

We send a copy of this letter to Philips, Goldman Sachs, and AFM.

Yours faithfully,

European Investors / Vereniging van Effectenbezitters

Gerben Everts  
Director

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<sup>3</sup> Art. 17(4)(b) EU Market Abuse Regulation.

<sup>4</sup> AFM-brochure ‘Openbaarmaking van voorwetenschap’ (juli 2017), p. 14.