

Further Statement re Possible Offer

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FOR IMMEDIATE RELEASE

15 September 2020

FURTHER STATEMENT REGARDING UNSOLICITED POSSIBLE CASH OFFER

- *Highly opportunistic proposal received from Garda World Security Corporation and BC Partners*
- *The Board of G4S unanimously rejected the proposal on the basis that it significantly undervalues the Company and its prospects and is not in the best interests of shareholders or other stakeholders*
- *The Chairman, on behalf of the Board, engaged with BC Partners and following the most recent proposal, explained to the Chairman of BC Partners why it significantly undervalues G4S*
- *G4S has significantly reshaped its portfolio over recent years and is well placed to deliver growth, profitability and substantial free cash flow*
 - *Increasingly focused global integrated security business post disposal of the majority of conventional cash assets*
 - *Highly attractive, industry-leading brand with a strong position in the structural growth market of global security services*
 - *Strong and open stakeholder relationships built on trust and a track record of service excellence*
 - *Growing technology enabled services and solutions*
 - *Increasing value from the development of Retail Cash Solutions, the market leading and fast-growing software and service business*
 - *Strong, resilient financial characteristics and clear strategic priorities*

Following yesterday’s announcement by Garda World Security Corporation (“GardaWorld”), the Board of G4S plc (“G4S” or “the Company” or “the Group”) confirmed in its announcement released yesterday, that on 1 September 2020, it received an unsolicited proposal from BC Partners and GardaWorld, regarding a possible cash offer of 190 pence per G4S share for the entire issued, and to be issued, share capital of G4S (the “New Proposal”), which represents a premium of 31% to the price of 145 pence per share prevailing immediately prior to the announcement of the possible offer. This followed earlier proposals at 145 pence per share (15 June 2020) and 153 pence per share (26 June 2020), each of which was unanimously rejected by the Board.

Following careful consideration, together with its financial and legal advisors, the Board of G4S unanimously rejected the New Proposal on 12 September 2020, on the basis that it significantly undervalues the Company and its prospects and is not in the best interests of shareholders or other stakeholders.

The Board believes that the timing of the proposals is highly opportunistic, coming as it does at a time of severe turbulence in global financial markets.

Furthermore, the Company’s financial performance following the outbreak of COVID-19 has been particularly resilient, as outlined in the Company’s interim results for the six months ended 30 June 2020, issued on 23 July 2020.

- The Board also believes that the timing of the proposals is highly opportunistic when considering that G4S is at a critical inflexion point in the execution of the Company’s corporate strategy.

- The sale of the conventional cash business has strengthened G4S's strategic, commercial and operational focus while providing additional strength to its balance sheet.
- G4S has significantly reshaped its portfolio over recent years, exiting mature, sub-scale, lower margin and capital intensive businesses, re-deploying investment and focusing on growing its security and technology businesses in addition to extracting significant cost savings.
- G4S has also resolved a significant number of longstanding and material legacy liabilities and onerous contracts and put in place enhanced governance and controls.
- The Board believes the Company is increasingly well placed to deliver growth, profitability and substantial free cash flow as it delivers its vision of being the world's leading global, integrated security company and the trusted partner of choice in the industry.
- The Group's resilient performance in the first half of 2020 provides confidence in the strategy and its execution.

Shareholders are strongly advised to take absolutely no action in relation to the New Proposal.

The Board reached its conclusion based on a number of other important considerations:

1. Increasingly focussed global integrated security business post disposal of the majority of conventional cash assets and significant reshaping of G4S in recent years

- G4S's Secure Solutions business today represents over 90% of the Group's pro-forma revenues up from 84% in 2014.
- G4S is now a highly focused global integrated security business delivering technology-enabled security solutions for many of its business clients accounting for 49% of its secure solutions revenues.
- This has been achieved through the fundamental restructuring of the Group, exiting more than 50 non-core and under-performing businesses and culminating in the sale of a substantial proportion of its conventional Cash business, announced on 26 February 2020, for an enterprise value of £727m.
- The Group has also exited a number of material onerous contracts and resolved substantial long-term legacy issues.
- At the same time as dealing with legacy issues and restructuring the Group, G4S continued to generate significant profits and operating cash flow whilst reinvesting in the business, paying substantial dividends and pension contributions, and reducing leverage.
- Between 2015 and 2019, the Group has made pension scheme deficit contributions totalling £216m.
- The Group reduced leverage, with net debt to EBITDA decreasing from 3.27 times at 31 December 2015 to 2.58 times at 30 June 2020.
- As stated on 11 March 2020, although the refocusing has been substantial, the Board expects to continue to simplify the Group going forward, through the sale of additional non-strategic businesses in its portfolio. This is also expected to reduce leverage further and provide the opportunity to accelerate investment in the Group's core businesses.

2. G4S has a highly attractive, industry-leading brand and a strong position in the structural growth market of global security services

- G4S is the largest global player in the security services market with turnover of £6,490m in 2019 for the businesses retained following the disposal of the conventional Cash businesses.
- The global secure solutions market is estimated at \$186bn by 2022 and to have a long-term growth rate of 5% p.a. between 2018-2022^a. The more technology-focused elements of the global market are expected to demonstrate long-term growth rates significantly above this level.
- The Company has a broad product and service offering, including global security, risk consulting and security technology as well as our market leading retail technology solutions business and our care and

justice services.

- The Company is geographically highly diversified and operates in more than 80 countries with a unique geographic footprint in developing markets compared to its industry peers.
- G4S has technology centres of excellence in North America, Latin America, Europe, UK and Africa.
- G4S reported strong 2019 revenue growth rates across regions with 6.3% in Africa, 8.8% in the Americas, principally driven by North America, and 4.4% in Asia. The Company's strong growth in North America, the world's largest security market demonstrates the strength of our integrated secure solutions strategy. Our strategic plan is focussed on extending this success to all of our key markets around the world.

3. G4S has strong and open stakeholder relationships built on trust and a track record of service excellence

·Through its operations in more than 80 countries G4S plays an important role in societies throughout the world where millions of citizens rely on G4S to keep them safe and secure.

·G4S has strong customer relationships which have been developed over a number of years, resulting in high customer retention rates of c.90%. In many cases, G4S has developed security and related services in partnership with customers which are tailored to their specific security risks and needs. The Group has developed unique capabilities and trusted partnerships which enable it to provide sensitive and critical services to national governments.

·G4S has a positive culture and a highly engaged workforce of more than 530,000 dedicated colleagues serving customers across a wide range of market sectors. G4S works together with employees and unions to create a positive and safe working environment which protects staff and enables them to deliver high quality services to customers.

·G4S has significant competitive advantage arising from its strong brand in security markets, highly experienced people, and deep customer relationships with clients across a broad range of business sectors, including, in particular financial services, telecoms, IT, utilities, retail and critical national infrastructure.

4. G4S is becoming an ever more technology-driven business

- As a result of G4S's consistent investment in technology over many years, it is deriving an increasing proportion of revenues from technology-enabled solutions (c.49% as at June 2020 up from 45% in December 2018). G4S believes that it possesses the strategy, capabilities and market positions to create material additional value by deepening and extending technology-enabled solutions to the mutual benefit of customers and shareholders.
- G4S's technology-enabled security solutions include its Risk Consulting and Security Technology business (10% of the Group) where it is targeting revenue growth of 10-12% per annum and delivered attractive margins of 12% in H1 2020.
- The Company's technology focus creates additional security and efficiency benefits for customers, strengthens contract retention and increases G4S's ability to differentiate its offering in the security market.
- The execution of G4S's technology enabled security strategy is increasingly starting to deliver strong results, accelerating profitable growth in a number of its key markets including, for example, United States, the world's largest security market in which the Group has grown 8% per annum in recent years and increased margin by 80 basis points since 2017.
- It is a clear strategic priority for G4S to continue to accelerate growth in Risk Consulting and Security Technology Solutions providing the opportunity for the Company to offer higher-value services, achieve higher margins and drive a positive margin-mix.

5. G4S has created Retail Cash Solutions, the market leading and fast-growing software and service solution

- G4S Retail Technology Solutions includes Retail Cash Solutions (RCS), CASH360, G4S Pay and SA-Deposita. Combined Retail Technology Solutions grew revenue by 18% in 2019 to £250 million. RCS has grown organically from a zero base reflecting the success of the Group's investment in people, technology and

innovation.

- G4S Retail Cash Solutions combines market-leading hardware, proprietary cash management software, real-time banking integration, same-day credit, and customer service and support, which enable a step-change in the security, ease of use, control and efficiency of retailers' cash operations. The strength of our solutions is reflected in our strong track record of contract wins over a number of years which has continued in 2020.
- In North America, G4S's industry leading business is uniquely positioned to serve a large addressable market (with the retail market estimated to be \$13bn across 2 million outlets). The low current penetration in this market and G4S's industry leading position is reflected in the strong, profitable growth of this business. G4S's current portfolio of customers and contracts combined with secular tailwinds provide confidence in continued robust growth.
- The subscription-based, asset light revenue model is strongly cash generative and has high, resilient margins as the business provides a high value added service to clients, based on G4S's proprietary, patent protected software.
- G4S's proprietary retail technology solutions (RTS) are being delivered each day to over 10,000 retail locations across the United States and Canada, covering 7,500 large store formats where G4S has established a leading market position in the provision of cash management technology and to mid-size and small store formats where we have experienced very strong growth with the new solution we launched in 2019.
- Our North America RTS business has a confirmed orders backlog of around 7,500 stores. Executing these backlog orders has re-commenced this month after a COVID-19 related pause earlier this year. Our mobilisation plan sees most of the backlog being executed during 2020/2021.
- G4S has a large pipeline of signed contracts and pilot programmes across market segments providing good revenue visibility and underpinning confidence in the outlook for Retail Technology Solutions, which has the potential to grow very strongly at 14-16% per annum.

6. The Company has strong, resilient financial characteristics and clear strategic priorities

Focus on integrated, technology-enabled solutions:

	H1 2020 % of Group Revenue	H1 2020 PBITA Margin	Revenue Growth Potential p.a.
Secure Solutions (excl. Risk Consulting and Security Technology Solutions)	83%	6%	4-6%
Risk Consulting and Security Technology Solutions	10%	12%	10-12%
<i>Total Secure Solutions</i>	<i>93%</i>		
Retail Technology Solutions	3%	13%	14-16%
Conventional Cash	4%	2%	-

- G4S possesses attractive financial characteristics with 2019 organic growth for the Group of 4.2%, a 6.0% 2019 pro-forma PBITA margin, a 10.3% pro-forma EBITDA margin and 126% underlying operating cash conversion.
- Reflecting the critical importance of the businesses in which G4S operates the Company's recent performance has also been highly resilient during the COVID-19 pandemic as highlighted by G4S half-year results announced on 23 July 2020, with Secure Solutions revenues in the first half of this year maintained and net margin improved 20 basis points, despite the severe economic downturn seen across the globe. The Group is also playing an important role, which it expects to continue, in testing and assurance for return to work and compliance programmes in major markets such as the UK and US.
- Furthermore, the Company's competitive performance continues to be strong. In the six months to 30 June 2020, the Group had won new contracts and retained business with an annual contract value of £1.4bn providing further confidence in G4S's outlook.
- G4S has and will continue to execute substantial cost-saving programmes to maximise efficiency. As previously reported, the Company is implementing direct and indirect cost savings of £100m in 2020, which are now

materially complete, following the disposal of the conventional cash businesses and in response to COVID-19.

- Going forward, G4S will continue to focus and simplify and, as such, expects to identify and realise additional savings in direct, indirect and general and administrative costs.
- The Company is robustly financed with the disposal of the conventional cash business generating significant proceeds of c£650m. At H1 2020, net debt to EBITDA was 2.58x and the Group expects to maintain net debt to EBITDA between 2.0 and 2.5x over time. Net debt is being reduced and the Company has a conservative debt maturity profile and ample liquidity. On 31 March 2020, Standard & Poor's re-affirmed G4S's investment grade rating of BBB- with a stable outlook.
- The Company is well positioned and committed to delivering against its three key strategic priorities:
 - Growth
 - Continue to drive organic growth in core services
 - Accelerate growth in risk consulting and technology solutions
 - Profitability
 - Higher value solutions drive positive margin mix
 - Expects to deliver direct and indirect cost savings of £100m in 2020
 - Deliver free cash-flow to invest in business, reduce leverage and resume dividends

In summary, the Board believes that G4S is a highly focused and resilient global integrated security business, operating in high-growth markets with real competitive strength. The Company is at a very important inflexion point having transformed the business over recent years and it is the Board's view that the underlying fundamentals of the Company are very strong. The GardaWorld proposals are highly opportunistic and do not begin to reflect G4S's commercial and financial prospects.

In accordance with Rule 2.6(a) of the Code, GardaWorld must, by not later than 5.00 p.m. (London time) on 12 October 2020, either announce a firm intention to make an offer for G4S in accordance with Rule 2.7 of the Code or announce that GardaWorld does not intend to make an offer for G4S, in which case the announcement will be treated as a statement to which Rule 2.8 of the Code applies. This deadline can be extended with the consent of the Takeover Panel in accordance with Rule 2.6(c) of the Code.

This announcement has been made without the consent of GardaWorld.

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Notes to Editors:

G4S is the leading global security company, specialising in the provision of security services and solutions to customers. Our mission is to create material, sustainable value for our customers and shareholders by being the supply partner of choice in all our markets.

G4S is quoted on the London Stock Exchange and has a secondary stock exchange listing in Copenhagen. After taking account of the businesses being sold in the year, G4S is active in more than 80 countries and has around 533,000 employees. For more information on G4S, visit www.g4s.com.

Important Notices

Citigroup Global Markets Limited ("Citi"), which is authorised by the Prudential Regulation Authority ("PRA") and

regulated in the UK by the Financial Conduct Authority ("FCA") and the PRA, is acting exclusively for G4S and no one else in connection with the matters set out in this announcement and will not regard any other person as its client in relation to the matters in this announcement and will not be responsible to anyone other than G4S for providing the protections afforded to clients of Citi nor for providing advice in relation to any matter referred to herein.

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All historical financial information has been extracted from the Company's audited financial statements, interim reports and presentations. ³Freedonia 2018 ex. China and Residential.

Disclosure Requirements

Under Rule 8.3(a) of the Code, any person who is interested in 1% or more of any class of relevant securities of an offeree company or of any securities exchange offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the offer period and, if later, following the announcement in which any securities exchange offeror is first identified. An Opening Position Disclosure must contain details of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) applies must be made by no later than 3.30 pm (London time) on the 10th business day following the commencement of the offer period and, if appropriate, by no later than 3.30 pm (London time) on the 10th business day following the announcement in which any securities exchange offeror is first identified. Relevant persons who deal in the relevant securities of the offeree company or of a securities exchange offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.

Under Rule 8.3(b) of the Code, any person who is, or becomes, interested in 1% or more of any class of relevant securities of the offeree company or of any securities exchange offeror must make a Dealing Disclosure if the person deals in any relevant securities of the offeree company or of any securities exchange offeror. A Dealing Disclosure must contain details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s), save to the extent that these details have previously been disclosed under Rule 8 of the Code. A Dealing Disclosure by a person to whom Rule 8.3(b) applies must be made by no later than 3.30 pm (London time) on the business day following the date of the relevant dealing.

If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of an offeree company or a securities exchange offeror, they will be deemed to be a single person for the purpose of Rule 8.3 of the Code.

Opening Position Disclosures must also be made by the offeree company and by any offeror and Dealing Disclosures must also be made by the offeree company, by any offeror and by any persons acting in concert with any of them (see Rules 8.1, 8.2 and 8.4 of the Code).

Details of the offeree and offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made can be found in the Disclosure Table on the Takeover Panel's website at www.thetakeoverpanel.org.uk, including details of the number of relevant securities in issue, when the offer period commenced and when any offeror was first identified. You should contact the Panel's Market Surveillance Unit on +44 (0)20 7638 0129 if you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure.

Rule 26.1 Disclosure

In accordance with Rule 26.1 of the Code, a copy of this announcement will be available at www.g4s.com, by no later than 12 noon (London time) on the business day following this announcement. The content of the website referred to in this announcement is not incorporated into and does not form part of this announcement.