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## **Garda World Security Corporation**

("GardaWorld") through its wholly-owned subsidiary  
Fleming Capital Securities, Inc. ("Fleming")

### **Extension of Cash Offer for G4S plc**

On 17 October 2020, GardaWorld published an offer document (the "**Offer Document**") setting out the full terms and conditions of its offer, made through its wholly-owned subsidiary Fleming, to acquire the entire issued and to be issued share capital of G4S plc ("**G4S**") announced on 30 September 2020 (the "**Offer**").

G4S subsequently issued its defence document on 29 October 2020. Notable items and claims included:

- ✎• *"Vision 2025"* - a programme that demands shareholders wait another five years for delivery of satisfactory performance after management has failed to deliver for the past seven years
- ✎• *A target of 7.0% PBITA margin "over the medium term" which the company said should not be construed as a profit forecast or interpreted as such* - it should be noted that G4S has never achieved this margin under the current senior management team, despite having spent over Â£250 million on restructuring since 2012; in fact PBITA margins have declined by more than one percentage point since 2016 even though technology-related revenue increased during the same time period
- ✎• *Further "aspirational" free cash flow and revenue targets* - presumably reflecting the fact that this business has missed organic revenue growth targets for four of the last six years, and only achieved its leverage target once in the last seven years
- ✎• *Resolved long-standing litigation* - notably excludes numerous remaining exposures that risk a continuation of significant ongoing legal settlements including: alleged price-fixing, alleged breaches of the US Anti-Terrorism Act, a shareholder suit regarding the SFO probe, claims of material under-contribution to the India Provident Fund and a newly filed US labour lawsuit resembling the Â£87m California class action settlement in 2019
- ✎• *A dividend policy only to be resumed when uncertainty surrounding the pandemic reduces to an acceptable level* - despite claiming "resilient trading performance" with no definition of "acceptable" level
- ✎• *As a responsible employer our priorities embrace sustainable investment to secure the health and safety of our employees* - which contrasted with the letter from the European Works Council: "Despite well-known health, safety, and well-being concerns, we have done our best to implement management's goals. Our day-to-day work shows that it is impossible to continue the course of increasing our workloads in the hope of achieving higher margins."

Nonetheless, G4S continues to hold out the prospect of a strong independent future under the current management team.

#### **Extension of Offer**

The Offer, which remains subject to the terms and conditions set out in the Offer Document, is being extended and will remain open for acceptance until 1.00 p.m. (London time) on Saturday, 28 November 2020.

#### **Stephan Cr tier, Founder, Chairman, President and CEO of GardaWorld said:**

"We are extending our offer for G4S because, despite its past problems and uncertain future, we believe we can turn the business around. We can give G4S shareholders the certainty of cash today,

not jam tomorrow. We believe G4S is misrepresenting its prospects under the current management team. It is time they tell shareholders and employees the truth."

### **Actions to be taken**

G4S Shareholders who have not yet accepted the Offer are urged to do so as soon as possible and by the following deadlines:

- If you hold your G4S Shares in certificated form (that is, not in CREST), you should complete and return the Form of Acceptance as soon as possible and in any event so as to be received by the Receiving Agent, Computershare Investor Services PLC, **by no later than 1.00 p.m. (London time) on Saturday, 28 November 2020.**
- If you hold your G4S Shares in uncertificated form (that is, in CREST), you should ensure that an Electronic Acceptance is made by you or on your behalf and that settlement occurs as soon as possible and in any event **by no later than 1.00 p.m. (London time) on Saturday, 28 November 2020.** If you hold your G4S Shares through a CREST sponsored member, you should contact your CREST sponsor as only your CREST sponsor will be able to send the necessary instruction to Euroclear.

Full details on how to accept the Offer are set out in the Offer Document. The Offer Document is available online at: [www.garda.com/investors/g4s](http://www.garda.com/investors/g4s).

G4S Shareholders with any questions relating to this announcement or the completion and return of the Form of Acceptance or the making of an Electronic Acceptance (as the case may be) should telephone the Receiving Agent, Computershare, on 0370 707 4021 or, if calling from outside the United Kingdom, +44 (0) 370 707 4021. Lines are open from 8.30 a.m. until 5.30 p.m. (London time) Monday to Friday (excluding English and Welsh public holidays). Calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the Offer nor give any financial, legal or tax advice.

Defined terms used but not defined in this announcement have the same meanings as set out in the Offer Document.

### **Level of acceptances**

As at 1.00 p.m. (London time) on 7 November 2020 (being the First Closing Date of the Offer), Fleming had received valid acceptances in respect of a total of 2,629,833 G4S Shares, representing approximately 0.16 per cent. of the issued share capital of G4S, which Fleming may count towards the satisfaction of the Acceptance Condition. So far as Fleming is aware, none of these acceptances have been received from persons acting in concert with Fleming.

In addition, Fleming holds in aggregate 24,065,190 G4S Shares, representing approximately 1.55 per cent. of G4S's issued share capital.

Accordingly, Fleming either holds, or has received valid acceptances of its Offer in respect of, a total of 26,695,023 G4S Shares, representing approximately 1.72 per cent. of G4S's issued share capital, which may count towards satisfaction of the Acceptance Condition.

The percentage of G4S Shares referred to in this announcement is based upon a figure of 1,551,594,436 G4S Shares in issue.

**- Ends -**

### **For more information**

#### **GardaWorld**

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CEO  
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### Sources and Bases

**Note 1:** Vision 2025 sourced from page 2 of the G4S Defence Circular

**Note 2:** Aspirational target of 7.0% PBITA margin over the medium term sourced from page 17 of the G4S Defence Circular

**Note 3:** Over Â£250m on restructuring charges since 2012 sourced from G4S annual reports from 2013 to 2019 and G4S interim report 2020:

	<b>Restructuring Charges (GBPm)</b>
FY2013	68
FY2014	29
FY2015	44
FY2016	12
FY2017	20
FY2018	31
FY2019	57
<b>Total</b>	<b>261</b>

**Note 4:** PBITA margins declining by more than one percentage point between 2016 and H1 2020 despite an increase in technology-related revenue in the same time period sourced from G4S annual report from 2016 and G4S interim report 2020:

	<b>Consolidated PBITA Margin</b>	<b>Technology-enabled Security Solutions Revenues</b>
FY2016	6.7%	37%
H12020	5.6%	49%

**Note 5:** Performance against annual organic revenue targets sourced from G4S annual reports and transcripts:

	<b>Organic Revenue Growth - Target</b>	<b>Organic Revenue Growth - Reported</b>
FY2014	5 - 8% in long term	3.9%
FY2015	5 - 8% in long term	2.9%
FY2016	4 - 6% in medium term	5.6%
FY2017	4 - 6% in medium term	3.2%
FY2018	4 - 6% in medium term	1.0%

**Note 6:** Performance against annual net leverage (defined as net debt / adjusted EBITDA) targets sourced from G4S annual reports:

	<b>Leverage - Target</b>	<b>Leverage - Reported</b>
FY2013	Less than 2.5x	2.6x
FY2014	Less than 2.5x	2.8x
FY2015	Less than 2.5x	3.3x
FY2016	Less than 2.5x	2.8x
FY2017	Less than 2.5x	2.4x
FY2018	Less than 2.5x	2.7x
FY2019	2.0x to 2.5x	2.9x
H1 2020	-	2.6x

**Note 7:** Sources of examples of litigation:

- <https://www.brusselstimes.com/all-news/belgium-all-news/justice-belgium/116979/bpost-boss-suspected-of-illegal-commercial-practices/>
- the G4S Group faces a lawsuit from US personnel injured or killed in Afghanistan or their families alleging that members of the G4S Group provided support to the Taliban in Afghanistan; *Am. Compl., Cabrera et al. v. Black & Veatch Special Projects Corp. et al., No. 1:19-cv-03833-EGS-ZMF, Dkt. No. 82 (D.D.C. Jun. 5, 2020)*;
- G4S faces a claim by institutional shareholders for losses arising from alleged misleading statements relating to Ministry of Justice work, which has already resulted in a significant Serious Fraud Office investigation and settlement with the Ministry of Justice; *Allianz Global Investors GmbH & Others v. G4S PLC, case number FL-2019-000007*;
- details of the India Provident Fund-related contingent liability are set out in the final paragraph under Note 32 (Provisions and contingent liabilities) on pg. 226 of the G4S 2019 Integrated Annual Report and Accounts; and
- despite its expensive track record of class action settlements (including the California class action settled in 2019, taken from page 56 of the G4S annual report and accounts 2019), new class actions continue to hit the G4S Group for its alleged violation of labour laws, the latest of which was filed in California on 21 August 2020; *James Starvoice v. G4S Secure Solutions (USA) Inc., Case No. 37-2020-00029421-CU-OE-CTL (Cal. Sup. Ct. Aug 21, 2020)* (available at [https://view.flipdocs.com/?ID=10004307\\_801562](https://view.flipdocs.com/?ID=10004307_801562)) (as well as: *Mahomes v. G4S Secure Solutions (USA) Inc., Docket No. 3:20-cv-01144 (N.D. Tex. May 07, 2020)*; and *Shoultz v. G4S Secure Solutions (USA) Inc., Docket No. 2:19-cv-02408 (D. Ariz. Apr 15, 2019)*).

**Note 8:** G4S claim of resilient trading performance sourced from page 8 of the G4S Defence Circular

**Note 9:** Opinions from European Works Council sourced from page 54 to 55 of G4S Defence Circular

### Important Notices

Capitalised terms used in this section (*Important Notices*) but not defined have the meanings given to them in the Offer Document.

#### Important notices relating to financial advisers

Barclays Bank PLC, acting through its Investment Bank ("**Barclays**"), which is authorised by the Prudential Regulation Authority and regulated in the United Kingdom by the FCA and the Prudential Regulation Authority, is acting exclusively for GardaWorld and Fleming and no one else in connection with the matters described herein and will not be responsible to anyone other than GardaWorld or Fleming for providing the protections afforded to clients of Barclays nor for providing advice in relation to the other matters referred to herein.

UBS AG London Branch is authorised and regulated by the Financial Market Supervisory Authority in Switzerland. It is authorised by the Prudential Regulation Authority and subject to regulation by the FCA and limited regulation by the Prudential Regulation Authority in the United Kingdom. UBS AG London Branch and UBS Securities LLC (collectively, "**UBS**") are acting exclusively for GardaWorld and Fleming and no one else in connection with the matters described herein and will not be responsible to anyone other than GardaWorld or Fleming for providing the protections afforded to clients of UBS nor for providing advice in relation to the matters referred to herein.

Merrill Lynch International ("**BofA Securities**"), which is authorised by the Prudential Regulation Authority and regulated in the United Kingdom by the FCA and the Prudential Regulation Authority, is acting exclusively for GardaWorld and Fleming and no one else in connection with the matters

described herein and will not be responsible to anyone other than GardaWorld or Fleming for providing the protections afforded to clients of BofA Securities nor for providing advice in relation to the matters referred to herein.

Jefferies International Limited ("**Jefferies**") which is authorised and regulated in the UK by the Financial Conduct Authority, is acting exclusively for GardaWorld and Fleming and no one else in connection with the Offer and shall not be responsible to anyone other than GardaWorld or Fleming for providing the protections afforded to clients of Jefferies nor for providing advice in connection with the matters referred to herein. Neither Jefferies, nor any of its affiliates, subsidiaries or branches owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person other than GardaWorld or Fleming in connection with any statement contained herein or otherwise.

### **Further information**

This announcement is for information purposes only and is not intended to and does not constitute, or form part of, an offer, invitation or the solicitation of an offer to purchase, subscribe for, otherwise acquire, sell or otherwise dispose of any securities or the solicitation of any vote or approval in any jurisdiction pursuant to the offer referenced herein or otherwise, nor shall there be any sale, issuance or transfer of securities in any jurisdiction in contravention of applicable law. The Offer will be implemented solely pursuant to the terms of the Offer Document and the accompanying Form of Acceptance which, together, contain the full terms and conditions of the Offer, including details of how to accept the Offer.

G4S Shareholders are advised to read the Offer Document and the Form of Acceptance carefully because they contain important information in relation to the Offer. Any decision by G4S Shareholders in respect of the Offer should be made only on the basis of the information contained in the Offer Document and the Form of Acceptance.

This announcement has been prepared for the purpose of complying with English law and the City Code and the information disclosed may not be the same as that which would have been disclosed if this announcement had been prepared in accordance with the laws and regulations of jurisdictions outside the United Kingdom. The Acquisition will be subject to the applicable requirements of the Code, the Panel, the London Stock Exchange ("LSE") and the Financial Conduct Authority ("FCA").

### **Rounding**

Certain figures included in this announcement have been subjected to rounding adjustments.

### **Publication on website and availability of hard copies**

A copy of this announcement and the documents required by Rule 26 of the City Code will be available, subject to certain restrictions relating to persons resident in Restricted Jurisdictions, for inspection on GardaWorld's website ([www.garda.com/investors/g4s](http://www.garda.com/investors/g4s)) by no later than 12 noon (London time) on the Business Day following this announcement. The content of the websites referred to in this announcement are not incorporated into and does not form part of this announcement.

G4S Shareholders may request a hard copy of the Offer Document and Form of Acceptance by contacting Computershare, by telephone between 8.30 a.m. and 5.30 p.m. (London time) Monday to Friday (excluding English and Welsh public holidays) on 0370 707 4021 or, if calling from outside the United Kingdom, +44 (0) 370 707 4021. Calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the Offer nor give any financial, legal or tax advice.

If you are in any doubt about the contents of this announcement or the action you should take, you are recommended to seek your own independent financial advice immediately from your stockbroker, bank manager, solicitor, accountant or from an independent financial adviser duly authorised under the Financial Services and Markets Act 2000 (as amended) if you are located in the United Kingdom or, if you are located outside the United Kingdom, from an appropriately authorised independent financial adviser.