

TRELLIDOR HOLDINGS LIMITED
(Incorporated in the Republic of South Africa)
(Registration number: 1970/015401/06)
Share code: TRL
ISIN: ZAE000209342
("Trellidor" or "the Company")



ACQUISITION OF REALLY SECURE COMPANY UK LIMITED

1. INTRODUCTION

Shareholders are advised that on 28 October 2020, the Company, through its wholly-owned subsidiary Trellidor UK Investments Limited ("**Trellidor UK**"), entered into a sale of shares agreement ("**Agreement**") with James Francis Milburn ("**Seller**") and Really Secure Company UK Limited ("**RSC**"), in terms of which the Company will purchase 100% of the issued share capital of RSC ("**Sale Shares**") from the Seller for a maximum purchase consideration of £1 569 991 ("**Purchase Consideration**") ("**Acquisition**").

2. DESCRIPTION OF THE BUSINESS OF RSC

RSC operates as a Trellidor product franchisee.

3. RATIONALE FOR THE ACQUISITION

Given the strong brand presence and customer base that has been established over the more than 15 years Trellidor has been operating in the UK, RSC is key to Trellidor's distribution growth strategy within the UK and potentially the rest of Europe.

4. DUE DILIGENCE INVESTIGATION

Trellidor has a detailed understanding and knowledge base of RSC, given that it has operated as a Trellidor product franchisee for 6 years. Trellidor have completed an initial due diligence assessment and based on this together with their knowledge base of RSC, Trellidor is comfortable to proceed with the Acquisition subject to a downward adjustment of the Purchase Consideration, which calculation will be determined based on the finalisation of an extended post-closing due diligence ("**Post Closing Due Diligence**").

5. PURCHASE CONSIDERATION

5.1. The Purchase Consideration is equal to the aggregate of:

- 5.1.1. £969 991, being the aggregate of the net asset value of RSC as at 30 June 2020 less £100 000 ("**First Payment**");
- 5.1.2. a maximum amount £300 000, subject to a downward adjustment ("**Second Payment**") which calculation will be determined based on the finalisation of the Post Closing Due Diligence; and
- 5.1.3. a maximum amount of £300 000, subject to a downward adjustment to be determined based on the achievement of the target sales threshold for the 12-month period commencing 1 July 2020 and ending on 30 June 2021 ("**Third Payment**")

- 5.2. The First Payment will be paid to the Seller within in 10 business days of the Closing Date (as defined below).
- 5.3. The Second Payment will be paid to the Seller by no later than 31 March 2021 or such later date as the Second Payment has been determined by the auditors of RSC.
- 5.4. The Third Payment will be paid to the Seller by no later than 30 September 2021.

6. CONDITIONS PRECEDENT

- 6.1. The Acquisition is subject to the fulfilment of the following outstanding conditions precedent ("**Conditions Precedent**"):
 - 6.1.1. the board of directors of RSC has approved or ratified (as the case may be) the conclusion of the Agreement and has approved the transfer of the Sale Shares to Trellidor UK;
 - 6.1.2. the Seller has delivered the statutory accounts of RSC for the period ending 30 June 2020 and the monthly management accounts of RSC in respect of the period commencing on 1 July 2020 and expiring on 31 August 2020, to Trellidor UK;
 - 6.1.3. the counterparties to the agreement for the supply of goods and services entered into between Sainsbury's Supermarkets Limited and RSC on 16 September 2020, have consented in writing to the change in control of RSC; and
 - 6.1.4. Trellidor UK has not, by 30 October 2020, delivered a written notice of cancellation to the Seller in accordance with the terms of the Agreement.
- 6.2. The Conditions Precedent are to be fulfilled by not later than 30 October 2020. If any of the Conditions Precedent are not fulfilled by the aforementioned date, any of the parties shall be entitled to give written notice in writing to the other party that unless the relevant Conditions Precedent is fulfilled within 30 days of the date of issue of this notice, the period for fulfilment or waiver of the relevant Condition Precedent will expire on the expiry of the 30 days period.
- 6.3. If the relevant Condition Precedent is not fulfilled before the expiry of the 30 day period (referenced in 6.2), the Agreement will then lapse.

7. EFFECTIVE DATE AND CLOSING DATE OF THE ACQUISITION

- 7.1. The closing date of the Acquisition, being the date on which possession and effective control of the Sale Shares will be given to Trellidor UK, will occur on the first business day following the date on which the Conditions Precedent are fulfilled ("**Closing Date**"), which is anticipated to be 2 November 2020.
- 7.2. Notwithstanding the Closing Date, the effective date of the Acquisition, being the date when all risk in and all benefit attaching to the Sale Shares will have deemed to pass to Trellidor UK, will be 1 July 2020, subject to the fulfilment of the Conditions Precedent.

8. FINANCIAL INFORMATION

- 8.1. The value of the net assets of RSC as at 30 June 2020, being the date of the last statutory accounts of RSC, was £1 069 991. The net asset value includes cash on hand of £561 140.

- 8.2. The profits after tax attributable to RSC for the year ended 30 June 2020, was £214 216, based on the statutory accounts of RSC for the year ending 30 June 2020.
- 8.3. Trellidor is satisfied with the quality of the statutory accounts of RSC. Shareholders are advised that they are unaudited.

9. WARRANTIES AND OTHER SIGNIFICANT TERMS OF THE AGREEMENT

- 9.1. The Agreement contains representations and warranties by the Seller in favour of Trellidor UK which are standard for a transaction of this nature.
- 9.2. In terms of the Agreement, Trellidor irrevocably, unconditionally and on the basis of a severable and discrete obligation enforceable against Trellidor, guarantees to the Seller the full, prompt and complete payment of the First Payment when same becomes due.

10. CLASSIFICATION OF THE ACQUISITION

The Acquisition constitutes a category 2 transaction in terms of the JSE Limited Listings Requirements.

11. OTHER

The Company confirms, for purposes of paragraph 9.16 of the JSE Limited Listings Requirements, that nothing in the constitutional documents of RSC will, in any way, frustrate or relieve the Company from compliance with the JSE Limited Listings Requirements.

Durban
28 October 2020

Sponsor and Transaction Adviser

PSG Capital



PSG CAPITAL