

RNS Offer Update

## Offer for G4S - Competition Clearances

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Garda World Security Corporation  
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### Garda World Security Corporation

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

### Offer for G4S plc - North American Competition Clearances

As part of GardaWorld's offer, via its wholly-owned subsidiary Fleming, to acquire the entire issued and to be issued share capital of G4S plc ("G4S"), GardaWorld has submitted filings with a number of competition regulators around the world.

GardaWorld has enjoyed constructive and positive discussions with regulatory authorities and is delighted to announce that competition regulators in Canada and the United States have cleared the way for the combination of GardaWorld and G4S to proceed, by allowing the relevant waiting periods to expire without requiring any further investigation or consequent remedial action.

GardaWorld's board has long believed that a combination with G4S creates a significant global business with the ability to challenge larger market participants, benefiting buyers of its services and creating a rewarding environment in which its people can succeed.

In contrast, G4S has held discussions with Allied Universal ("Allied") about a combination of those companies which GardaWorld projects would combine the number one and number three ranked players by revenue in the US outsourced security services market. GardaWorld believes that a combination of Allied and G4S would raise significant competition issues in the United States. Based on its understanding of the market, GardaWorld estimates the following:

- Allied/G4S would have an estimated 40% of the US outsourced security services market. This would represent a market share greater than the next 10 operators combined.
- Further, the combined firm would have approximately 70% of the accounts in the estimated US \$3.5 billion US National Accounts segment.
- The only other meaningful player in the US National Accounts segment is Securitas, thus a '3 to 2' market situation would be created.
- GardaWorld believes that projected market dominance on such a scale would result in higher prices for customers and poorer pay and conditions for employees.
- GardaWorld believes that such a proposed combination would be vulnerable to:
  - a) litigation to block the merger outright, as in the Staples/Office Depot and the Sysco/US Foods proposed mergers in 2015; or
  - b) structural ('non-behavioural') remedies such as entire business divestments.

In any event, GardaWorld believes that such a combination, if pursued, would involve an extended regulatory review stretching many months, with no certainty that it would ultimately be cleared.

**Stephan Crétier, Founder and CEO of GardaWorld said:**

"We are pleased to have cleared North American antitrust reviews swiftly and without conditions. Unlike other real or imagined bidders, our financing is agreed, our offer is a matter of public record and our intent is serious."

- Ends -

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**Sources and bases**

**Note 1:** Statement that Allied is the number 1 and G4S is the number 3 ranked players by revenue in the US market is taken from pages 1 and 4 of Allied Universal Holdco LLC's offering circular in respect of its Senior Secured Notes due 2026, dated 9 July 2020 ("**Allied Notes Offering Circular**").

**Note 2:** Estimates of the US outsourced security services market shares are based on the following GardaWorld internal management estimates:

- a) estimated Allied US revenue of US \$8.3 billion is based on Allied's revenue for the 12 months ended 31 March 2020, taken from page 4 of the Allied Notes Offering Circular;
- b) estimated G4S US revenue of US \$2.3 billion, based on GardaWorld's internal management estimate using G4S's Secure Solutions revenue in the Americas of £2.703 billion (as disclosed on page 69 of G4S's integrated annual report and accounts, noting that G4S does not disclose revenue on a country-by-country basis); and
- c) estimated total US revenue of US \$25.1 billion, estimated based on The Freedonia's Group's Global Security Services industry report, October 2018 and market intelligence from GardaWorld's involvement in the market.

**Note 3:** Estimates of the US National Accounts segment and the combined Allied/G4S market share and revenue numbers are based on the following GardaWorld internal management estimates:

- a) estimated Allied US National Account revenue of US \$1.7 billion is based on GardaWorld's internal management estimate, derived from a bottom-up analysis using GardaWorld's market intelligence of Fortune 500 companies with national footprint and single-sourced accounts over US \$5 million and based on disclosure on page 6 of the Allied Notes Offering Circular that over 20% of Allied's revenue is derived from US National Accounts;
- b) estimated Securitas US National Account revenue of US \$1.1 billion, based on GardaWorld's internal management estimate, is derived from a bottom-up analysis using GardaWorld's market intelligence of Fortune 500 companies with national footprint and single-sourced accounts over US \$5 million;
- c) estimated G4S US National Account revenue of US \$0.7 billion, based on GardaWorld's internal management estimate, is derived from a bottom-up analysis using GardaWorld's market intelligence of Fortune 500 companies with national footprint and single-sourced accounts over US \$5 million; and
- d) estimated total US National Account revenue of US \$3.5 billion, is based on GardaWorld's internal management estimate.

**Note 4:** Statement that there are currently only three meaningful players in the US National Accounts segment is based on GardaWorld's understanding of the segment, including Allied's recent acquisition of U.S. Security Associates (July 2018) and SOS Security (November 2019).

**Note 5:** Statement of potential antitrust consequences of a proposed Allied/G4S combination is based on:

- a) [www.ftc.gov](http://www.ftc.gov) (Press releases dated February 19, 2015 (Sysco/US Foods) and December 7, 2015 (Staples/Office Depot));

- b) [www.ftc.gov](http://www.ftc.gov) (Statement of the Federal Trade Commission's Bureau of Competition on Negotiating Merger Remedies); and
- c) [www.justice.gov](http://www.justice.gov) (US Dep't of Justice Merger Remedies Manual, September 2020).

### 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.

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#### 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.

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