



COMFORTDELGRO CORPORATION LIMITED
(Company Registration No. 200300002K)
(Incorporated in the Republic of Singapore)

ANNOUNCEMENT ON ACQUISITION OF ADDISON LEE GROUP

1. INTRODUCTION

1.1 The Proposed Acquisition

The board of directors ("**Directors**" or the "**Board**") of ComfortDelGro Corporation Limited (the "**Company**", and together with its subsidiaries, the "**Group**") is pleased to announce that the Company and its indirect wholly-owned subsidiary, CFN Apex Bidco Limited ("**BidCo**") have on 23 October 2024 entered into a sale and purchase agreement (the "**SPA**") with certain institutional sellers and certain management sellers (collectively, the "**Sellers**") to acquire all of the issued shares (the "**Sale Shares**") of Atlas Topco Limited (the "**Target**", and the Target and its subsidiaries, the "**Target Group**" and the acquisition, the "**Proposed Acquisition**"). The Target indirectly owns 100 per cent. of the shares in Addison Lee Limited.

2. INFORMATION ON TARGET GROUP

2.1 Information on the Target Group

The Target is a private limited company incorporated in the United Kingdom. The Target Group is principally engaged in the provision of ground transportation activities, including private hire and managed vehicles, executive cars and chauffeuring services, and courier services.

Addison Lee Limited operates one of the largest fleets of private hire vehicles in London, including fully electric vehicles, zero-emission capable hybrids and black taxis.

2.2 Financial Information on the Proposed Acquisition

Based on the unaudited pro forma¹ consolidated management accounts of the Target Group for the financial year ended 31 August 2024:²

- (a) the book value of the Target Group is approximately £166.9mil (approximately equivalent to S\$286.4mil);
- (b) the net tangible assets attributable to the Target Group is approximately £64.7mil (approximately equivalent to S\$111.1mil); and
- (c) the Target Group's profits before tax is approximately £7.7mil (approximately equivalent to S\$13.2mil).

¹ Assuming the Debt Pay-Off Amount (as defined below) is discharged on 31 August 2024.

² In this paragraph 2.2, figures in £ have been converted to S\$ based on a £:S\$ exchange rate of 1:1.71635, which was the exchange rate as at 31 August 2024.

The open market value of the Sale Shares is not available as the Sale Shares are not publicly traded. No independent valuation was conducted on the Target Group or the Sale Shares or the Proposed Acquisition.

3. RATIONALE FOR THE PROPOSED ACQUISITION

The Proposed Acquisition presents an opportunity for the Company to acquire a portfolio of businesses in line with the Company's growth plan to scale its taxi and private hire business in the United Kingdom, through an expansion of the customer base and increase in the fleet of vehicles and number of private hire drivers.

4. INFORMATION ON THE SELLERS

The Sellers, being the shareholders of the Target, comprise:

	Name of Seller
	<u>Institutional Shareholders</u>
(a)	Barclays Converted Investments (No.2) Ltd
(b)	Canada Square Nominees (UK) Ltd
(c)	Cheyne European Strategic Value Credit S.à r.l. 2
(d)	Crédit Industriel et Commercial, London branch
(e)	HSBC Bank PLC
(f)	ING Bank N.V., London branch
(g)	Warwick European Opportunities Holding III LP
	<u>Individual Shareholders</u>
(h)	Glen Davis
(i)	Jonathan Kim Walden
(j)	Liam Griffin
(k)	Patrick Gallagher
(l)	Paul Suter
(m)	Peter Ingram
(n)	Richard Davies
(o)	Sharon Lowrie
(p)	Wesley Bishop

As at the date of this announcement, save for certain Sellers who hold less than 5% in the Company as part of an investment portfolio or on behalf of clients, none of the Sellers hold any shares, directly or indirectly in the Company and, so far as they are aware, are not related to

the Company, the Group, the Directors or controlling Shareholders of the Company or their respective associates.

The intention is that current key management team of the Target ("**Key Management Personnel**") will be retained as personnel of the Target immediately following the Proposed Acquisition.

5. KEY TERMS OF THE PROPOSED ACQUISITION

5.1 Consideration

The consideration for the Proposed Acquisition at the completion of the Proposed Acquisition ("**Completion**") shall be an amount equal to the sum of £269.1mil (approximately equivalent to S\$461.2 mil)³ ("**Completion Consideration**"). Settlement of the Completion Consideration will take effect on or around 7 November 2024.

It is further agreed that certain amounts arising from the legal claims which the Target Group is currently pursuing will form part of the Consideration from BidCo to the Sellers if the Target Group is successful in its claims ("**Litigation Amount**") and such Litigation Amount, if claims are successful, is currently estimated to be in the range of approximately 2% to 4% of the Completion Consideration (the Completion Consideration and the Litigation Amount are collectively referred to as the "**Aggregate Potential Consideration**").

The Litigation Amount is not guaranteed and is subject to reimbursement of all costs and expenses incurred by BidCo for the purposes of pursuing the legal claims.

5.2 Basis of Consideration

The Aggregate Potential Consideration was arrived at on a willing-buyer-willing-seller basis following arms-length negotiations, taking into account, amongst others, the Target Group's financial performance, the Target Group's experience in the industry, the Target Group's potential performance, the potential synergistic benefits to the Group arising from the Proposed Acquisition, as well as relevant historical and current market analysis.

5.3 Repayment of Existing Indebtedness of the Target Group

On Completion, BidCo shall pay or procure the payment of the amount required to pay-off and discharge the existing debt facilities provided to the Target Group in full at Completion, including (in each case) all amounts owed or owing by any Target Group Company under or in connection with the debt facilities and the payment of all amounts of principal, interest, fees, costs, taxes, expenses, prepayment costs, premium, penalty, break fees, break costs, accrued amounts, gross-up or indemnity payments and any associated withholding or deduction for or on account of tax, and the payment of all costs and expenses incurred in relation to the pay-off and discharge of the debt facilities provided to the Target Group (the "**Debt Pay-Off Amount**").

5.4 Management Incentive Program

As a means to incentivise the Key Management Personnel to, *inter alia*, remain in the Target and to continue growing the business of the Target Group, certain incentives may be provided to the Key Management Personnel, details of which are being finalised as at the date of this announcement.

³ Based on an exchange rate of £1.00 to S\$1.7139

5.5 Guarantee

The SPA contains a guarantee given by the Company to the Sellers in connection with certain obligations of BidCo.

5.6 Other Terms

The SPA contains customary provisions relating to the Proposed Acquisition, including warranties and covenants which are customary in transactions of this nature.

6. PAYMENT TERMS

The Company intends to fund the Completion Consideration with external borrowings.

7. CHAPTER 10 OF THE LISTING MANUAL

7.1 Relative Figures under Rule 1006 of the Listing Manual of the SGX-ST

The relative figures in respect of the Proposed Acquisition as computed on the basis set out in Rule 1006 of the Listing Manual are as follows:

Rule 1006	Bases	Relative Figure
(a)	The net asset value of the assets to be disposed of, compared with the Group's net asset value	Not applicable ⁽¹⁾
(b)	The net profits attributable to the assets acquired or disposed of, compared with the Group's net profits	4.4% ⁽²⁾
(c)	The aggregate value of the consideration payable for the Proposed Acquisition, compared with the Company's market capitalisation based on the total number of issued Shares excluding treasury shares	15.1% ⁽³⁾
(d)	The number of equity securities to be issued by the Company as consideration for an acquisition, compared with the number of equity securities of the Company previously in issue	Not applicable ⁽⁴⁾
(e)	The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the Group's probable and proved reserves	Not applicable ⁽⁵⁾

Notes:

- (1) Not applicable as the transaction is not a disposal.
- (2) "Net profits" means profit or loss including discontinued operations that have not been disclosed and before income tax and non-controlling interests. Based on the consolidated management accounts of the Target Group, the profits before tax of the Target Group for the financial year ended 31 August 2024 is approximately £7.7 million (approximately equivalent to S\$13.2 million, based on an exchange rate of £1.00 to S\$1.7139). Based on the latest announced consolidated financial statements of the Group for the last 12 months ended 30 June 2024, the profits before tax of the Group is approximately S\$300.1 million.

- (3) Based on the Aggregate Potential Consideration scenario (comprising both the Completion Consideration and estimated Litigation Amount at 4% of Completion Consideration) and the Company's market capitalisation of approximately S\$3,171.4 million based on its total number of 2,166.1 million issued Shares excluding treasury shares and the volume-weighted average price of S\$1.4641 per Share on 23 October 2024, being the last full day of trading prior to this announcement.
- (4) Not applicable as the Company does not intend to issue any equity securities as consideration.
- (5) Not applicable as the transaction is not a disposal, and the Company is not a mineral, oil and gas company.

7.2 Discloseable Transaction

As the relative figures for the Proposed Acquisition as computed on the bases set out in Rule 1006 of the Listing Manual exceeds 5% but does not exceed 20%, the Proposed Acquisition will be classified as a "discloseable transaction" under Rule 1010 of the Listing Manual.

8. FINANCIAL EFFECTS OF THE PROPOSED ACQUISITION

The pro forma financial effects of the Proposed Acquisition as set out below are strictly for illustrative purposes and do not necessarily reflect the actual financial position and performance of the Company or the enlarged Group following the Proposed Acquisition.

The pro forma financial effects of the Proposed Acquisition on the Group as set out in this paragraph 8 are based on the audited consolidated financial statements of the Group for the financial year ended 31 December 2023 ("**FY2023**") and the unaudited consolidated management accounts of the Target Group for the financial year ended 31 August 2024.

8.1 Financial Effects of the Proposed Acquisition on the Group's NTA

The pro forma financial effects on the net tangible assets ("**NTA**") per Share of the Group as at 31 December 2023 (based on the audited consolidated financial statements of the Group for FY2023), assuming completion of the Proposed Acquisition had taken place on 31 December 2023, are as follows:

As at 31 December 2023	NTA of the Group (S\$'mil)	Number of issued and paid-up Shares ⁴ ('mil)	NTA per Share (S\$)
Before the Proposed Acquisition	1,775.1	2,165.7	0.82
After the Proposed Acquisition	1,419.2	2,165.7	0.66

8.2 Financial Effects of the Proposed Acquisition on the Group's EPS

The pro forma financial effects on the basic earnings per Share ("**EPS**") of the Group (based on the audited consolidated financial statements of the Group for FY2023), assuming completion of the Proposed Acquisition had taken place on 1 January 2023, are as follows:

⁴ Excluding treasury shares of 1.7 mil

FY2023	Net profit ⁵ of the Group (S\$'mil)	Average number of issued and paid-up Shares ⁶ ('mil)	Earnings per Share (S\$)
Before the Proposed Acquisition	180.5	2,165.9	0.08
After the Proposed Acquisition ⁷	193.0	2,165.9	0.09

9. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

To the best of the knowledge of the Board: (i) none of the Directors (other than in his/her capacity as director or shareholder, as the case may be) of the Company has any interest, direct or indirect in the Proposed Acquisition; and (ii) there are no substantial shareholders in the Company who have any interest, direct or indirect, in relation to the Proposed Acquisition.

10. SERVICE CONTRACTS

No person is proposed to be appointed to the Board as part of the Proposed Acquisition and no director's service contract is proposed to be entered into by the Company with any person in connection with the Proposed Acquisition.

11. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the SPA will be made available for inspection during normal business hours at the registered office of the Company for three (3) months from the date of this Announcement. Prior appointment with the Company is required for the foregoing inspection.

12. CAUTION IN TRADING

Shareholders and potential investors of the Company are advised to exercise caution in trading their Shares in the Company as there is no certainty or assurance as at the date of this announcement that the Proposed Acquisition will be completed. The Company will make the necessary announcements as and when there are further developments. Shareholders should consult their stock brokers, bank managers, solicitors or other professional advisers if they have any doubt about the actions that they should take.

By Order of the Board
 Angeline Joyce Lee Siang Pohr
 Company Secretary
 23 October 2024

⁵ Net Profit attributable to shareholders of the Group

⁶ Weighted average number of ordinary shares (excluding treasury shares) in issue during the financial year

⁷ Net profit for the Target has been adjusted to normalized for non-recurring expenses and assuming the Debt Pay-Off Amount had been repaid on 1 January 2023