



**Incergo S.A.**

33 rue du Puits Romain L-8070 Bertrange, Grand Duchy of Luxembourg

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# INFORMATION MEMORANDUM

**21 November 2022**

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**REGISTRATION OF SHARES FOR ADMISSION TO TRADING ON  
THE VIENNA STOCK EXCHANGE DIRECT MARKET SEGMENT**

**WARNING:**

This document is not an approved prospectus pursuant to the Capital Market Act in conjunction with Regulation (EU) 2017/1129 or otherwise pursuant to Regulation (EU) 2017/1129. The information memorandum has been prepared for the purpose of inclusion in trading in the Vienna MTF, which is a multilateral trading system and not a regulated market. It is not permitted to use the information memorandum for a public offering; it is not updated, amended or supplemented after the time of inclusion. The information included in this document has been made available by the applicant for inclusion in the Vienna MTF. The applicant is responsible for this document and hereby declares that it has exercised the due care and diligence required to ensure that to the best of its knowledge the information given in the document is correct and no facts have been left out that in all likelihood would cause the statements in the document to change. The Vienna Stock Exchange has not checked the information memorandum as to its accuracy.

**Please note:** The corporate language of Incergo S.A. is French. Accordingly, the Articles of Association included in this Information Document have been translated into English from French version, and their content appears for information purposes. For the avoidance of doubt, the French versions are the formal and legally binding versions of the Articles of Association. In case of any discrepancies, and for legal purposes, the French version is available at 33 rue du Puits Romain L-8070 Bertrange, Grand Duchy of Luxembourg.

A certified version of the articles of association of the company are attached in the Appendix.

## **1 Responsible Person**

### **1.1 PERSON IN CHARGE OF THE INFORMATION DOCUMENT**

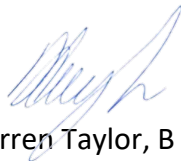
The person below assumes responsibility for the completeness and truthfulness of the data and information contained in the information document:

Darren Taylor, company director, born on 19 September 1977 in Dorchester (United Kingdom) and residing at Thornton Cottage, Sturminster Newton, Moorside, Dorset DT10 1HF.

### **1.2 STATEMENT OF RESPONSIBILITY**

“I declare that to the best of my knowledge, the information provided in this Information Document is accurate and that, to the best of my knowledge, the Information Document is not subject to any (material) omissions and that all relevant information is included in the Information Document.”

Date: 21 November 2022  
for Incergo S.A.



Darren Taylor, B Director

## 2 General Information about the Issuer

### 2.1 NAME

Incergo S.A.

### 2.2 REGISTERED OFFICE

33 rue du Puits Romain, L-8070 Bertrange, Grand-Duchy of Luxembourg

### 2.3 BUSINESS ADDRESS

13 Chaldicott Barns, Semley, Shaftesbury, SP7 9AW, United Kingdom

### 2.4 TELEPHONE NUMBER

+44 (0) 208 908 1234

### 2.5 WEBSITE ADDRESS

Head Company: [www.incergo.net](http://www.incergo.net)  
Vertical Website: [www.franchising-international.com](http://www.franchising-international.com)  
Operating Company: [www. https://www.pvcvendo.com](https://www.pvcvendo.com)

### 2.6 DATE OF INCORPORATION

The Company was incorporated on 16 October 2018 as a Luxembourg public limited company (société anonyme) with its registered office at 33 rue du Puits Romain, L-8070 Bertrange, Grand Duchy of Luxembourg, and was registered with the Luxembourg Trade and Companies Register (the "RCS") under the section B number 228.776.

The legal entity identifier number of the Company is 2549006BRZ37L3ZAWM25.

### 2.7 COMPANY'S REGISTRATION NUMBER

R.C.S. Luxembourg B number 228.776

### 2.8 JURISDICTION OF FORMATION

Grand Duchy of Luxembourg

## **2.9 SHARE CAPITAL, NUMBER, CLASS AND NOMINAL VALUE OF SHARES**

The share capital of the Company is composed of Euros (“EUR”) 1,012,000 represented by 5,060,000 shares with a nominal value of EUR 0.20 per share.

## **2.10 SHAREHOLDER STRUCTURE**

The shareholders with more than 5% holdings is Darren Taylor Holdings Ltd (64.7% of the total issued shares of the Company).

The number of shareholders with less than 5% holdings is 47.

## **2.11 LEGAL STATUTORY AUDITORS**

Horus Audit & Associés S.à r.l.  
283, route d’Arlon  
L-8011 Strassen  
Grand Duchy of Luxembourg

## **2.12 PAYING AGENT AND LUXCSD PRINCIPAL AGENT**

Banque Internationale à Luxembourg S.A. (hereafter “BIL”)  
69, route d’Esch  
L-2953 Luxembourg

## **2.13 ADDITIONAL INFORMATION**

CFI Code:	ESXXXR
FISN:	INCERGO S.A./SHS
ISIN :	LU1917297225
Short Code Vienna Stock Exchange:	ICG
LEI:	2549006BRZ37L3ZAWM25
Market Maker:	None
VAT Registration Number:	N/A
Tax Identification Number:	2018 2208 621
Paying Agent:	Banque Internationale à Luxembourg S.A

### 3 EXECUTIVE SUMMARY AND OVERVIEW

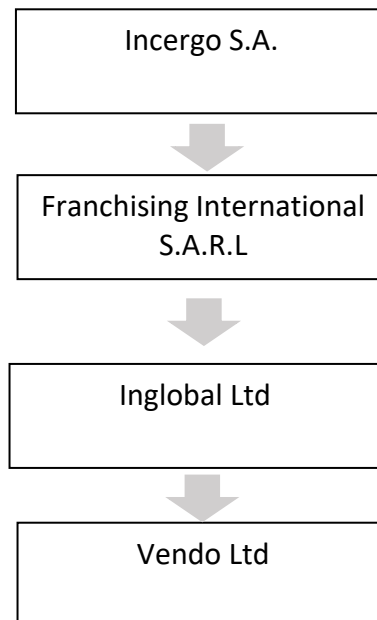
#### 3.1 THE COMPANY

Incergo S.A. (hereinafter the “**Company**”) was incorporated on 16 October 2018 as a Luxembourg public limited company (société anonyme) with its registered office at 33 rue du Puits Romain, L-8070 Bertrange, Grand Duchy of Luxembourg, and was registered with the Luxembourg Trade and Companies Register (the “RCS”) under the section B number 228.776.

The Company’s business strategy is a holding company that acquires companies that are master franchise businesses. The Company acquired Franchising International S.A. (formed on 25 January 2017) as a Société A Responsabilité Limitée (S.à r.l.) and with registration number B 212064 under the laws of the Grand Duchy of Luxembourg as a holding company for the acquisition of Inglobal Ltd (a company limited by shares and with registration number 12212332) formed on 17 September 2019 under the laws of the United Kingdom and with primary offices at Flat 10 Leighton Lodge, 15 Branksome Wood Road, Bournemouth, England, BH2 6BX (hereinafter “**Inglobal**”).

Inglobal is a holding company which, through its wholly-owned subsidiary Vendo Ltd, a company limited by shares formed on 1 July 1981 with registration number 01571834 under the laws of the United Kingdom and with primary offices at 13 Chaldicott Barns, Semley, Shaftesbury, SP7 9AQ, United Kingdom (hereinafter “**Vendo**”) owns and operates a franchisor business that provides streamlined corporate systems and services to customers and franchisees.

#### 3.2 CORPORATE STRUCTURE



Franchising International S.à r.l. acquired Inglobal on 8 June 2020. Inglobal acquired Vendo on 17 October 2019.

### **3.3 VALUATION REPORT**

#### **3.3.1 SUMMARY**

##### **DESCRIPTION OF VALUATION ASSIGNMENT AND VALUERS' EXPERIENCE**

Optimal Compliance Services, referred to as OC, has been retained to determine the fair market value of Vendo Limited, referred to as Vendo. OC and the partner responsible for this report, David Hart, have significant experience gained over the last 20 years in valuing unquoted businesses for tax and commercial purposes including securing the agreement of the UK tax authorities to the valuations where required.

##### **VALUATION APPROACHES**

The Valuation Methods we saw fit to adopt in determining the estimate of value are the Discounted Cash Flow (DCF) and Public Company Comparables (Comps), which are elaborated more in subsequent sections. OC has heavily relied on management accounts, audited accounts, and public market data in the creation of this report.

##### **VALUATION FINDINGS SUMMARY**

Using the DCF method, we estimate that the fair value of Vendo is approximately GBP 4.3m or EUR 5.1m. The valuation report is contained at <https://www.incergo.net/corporate-news>

#### **3.3.2 PROPOSED REFERENCE PRICE**

The proposed reference price is EUR 1.00 per share.

### **3.4 THE FOUNDATIONS OF THE ACTIVITY**

#### **3.4.1 STRATEGY**

The main strategy and focus of the Company is to provide a system and network where all franchisees can benefit through the following services:

- Share support services (invoicing, invoice collection, administration, marketing, human resource);
- Management expertise;

- Marketing and branding; and
- Customer service.

The execution of this strategy is achieved through a combination of organic growth and growth through acquisitions. Management believes that there are many small to medium size businesses that require a system that the Company will provide to enable it to grow. The Company generates revenue from the provision of these services and normally charges based on an initial franchise fee and a percentage of revenue of the franchise business.

### 3.4.2 INDUSTRY ANALYSIS

This information memorandum focuses on:

- a) The current industry Vendo operates in; and
- b) The Franchise industry market.

#### **Cleaning Sector in the United Kingdom: Overview**

The UK cleaning sector covers a range of activities including interior and exterior cleaning of buildings, cleaning of industrial machinery, cleaning of public and private vehicles, street sweeping, provision of landscape care and maintenance. The British Cleaning Council (BCC) estimated in 2018 that the overall size of the cleaning sector in UK was GBP 54.5 Billion, a 28% increase since 2013<sup>1</sup>. Between 2010 and 2018, there has been a 38% increase in the number of companies involved in cleaning, waste, FM and landscaping services, rising from 45,970 to 63,490<sup>2</sup>.

There are approximately 1.63 million workers in the sector, making up 5% of the UK workforce. This puts the sector on par with the Transport and Storage Sector, making it one of the top 10 largest UK industries for employment.

Outlook for the sector remains positive. In 2019, despite Brexit uncertainties, the sector was forecasted to grow GBP 450 million over the next five years. This is due to factors such as an increase in public sector contract cleaning; the 2019 Public Spending Review boosted growth in Education, Health and Transport/Infrastructure contract cleaning<sup>3</sup>.

#### **Franchising in the United Kingdom: Overview**

A 2018 report by the British Franchising Association and NatWest found that the franchising industry contributed GBP 17 Billion to the UK economy, and increase of GBP 2 Billion since the previous statistics produced in 2015. As seen in figure 1, between 1984 to 2018, the industry has grown at a CAGR of 9.1%.

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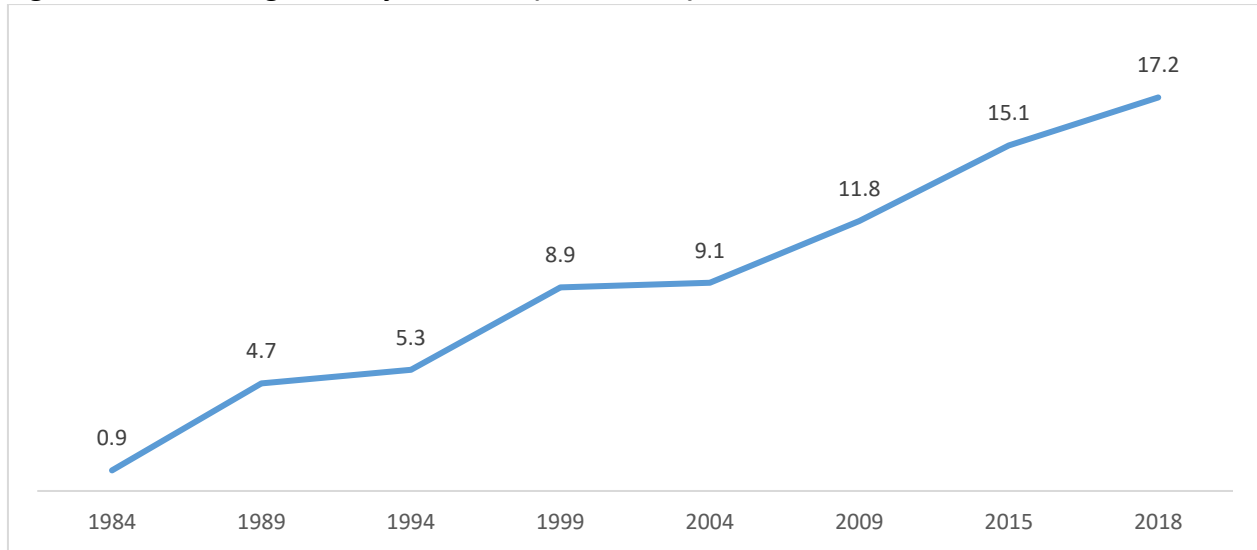
<sup>1</sup> <https://www.fmj.co.uk/research-reveals-uk-cleaning-industry-makes-up-5-of-the-national-workforce/>

<sup>2</sup> <http://britishcleaningcouncil.org/2019/03/19/british-cleaning-council-publishes-latest-industry-research-at-the-cleaning-show/>

<sup>3</sup> <https://www.tidychoice.com/blog/2019/overview-of-the-uk-cleaning-sector>



**Figure 1: Franchising Industry Turnover (GBP Billion)**



Source: bfa/NatWest, 2018

In 2018, there was an estimated 48,600 franchised units in the UK. In the 22 years since 1996, this number has doubled. Much of this growth has been attributed to the hotel and catering sector which include big pub chains, fast food chains and coffee shop chains. The categories listed in Table A serve as a classification of business type that the EFF (European Franchise Federation) has utilized.

The fastest growing sectors since 2013 have been Personal Services (entertainment and tutoring, personal trainers, pet services, etc) and Hotel & Catering. Retail and Business & Commercial Services (printing, office supplies, training, accountancy) have decreased in the same period. This may be attributed to sector-specific environmental challenges, such as the rise of online retailers and software services. In general, franchises which require a physical presence or service which is provided will be able to withstand the challenges posed by online retailers and service providers.

**Table A: Number of Franchise Systems by Category**

	2013	2015	2018	% Change since 2013
Hotel & Catering	135	144	152	+2.4%
Store Retailing	105	86	92	-2.6%
Personal Services	213	234	248	+3.1%
Property Services	228	211	212	-1.4%
Transport & Vehicle Services	65	63	64	-0.3%
Business & Commercial Services	184	163	167	-1.9%

Source: bfa/Natwest, 2018

Between the period of 2001 to 2018, the estimated total number of people working in franchising has grown at a CAGR of 3.3%; from 407,000 to 710,000. Of the 710,000, 50.4% (358,000) are employed full time.

The report found that while around 70% of franchises are male, an estimated 65% of those employed within franchise units are female. More females are becoming franchisees, with a 20% jump since the 2015 report. There is also a growing trend of the younger population getting into franchising by becoming franchise business owners; as of 2018, 18% of all franchisees were under 30, as compared to 3% in 2015 and 5% in 2011. Of this 18%, 52% are female. This highlights the growing involvement of female in entrepreneurship, a testament to the franchise community's drive to empower women into business.

### **Franchising in the United Kingdom: Impact of COVID19**

The recent COVID19 pandemic has had a profound effect on the global economy. Countries including the UK had to introduce movement lockdowns to curb the spread of the virus. However, with the advancement of the vaccine development, lockdowns have been slowly phased out; in the UK, the country is looking to end its most recent lockdown in gradual stages beginning 29 March 2021<sup>4</sup>.

The economy in the UK as of January 2021 was 9.0% below the level in February 2020, the last full month of "normal" operating conditions. As per ONS UK, During January 2021, all the main components of monthly GDP remained below their pre-pandemic levels<sup>5</sup>. The main contributor to this decline was the fall in services, which was 10.2% below its level in February 2020. While the services sector as a whole had not recovered to pre-pandemic levels, some of its industries (transport, travel agencies and tour operators, and accommodation) have been more severely affected than others. Other industries, such as repair of computers and personal and household goods, postal and courier services, and human health activities have performed more strongly. Additionally, with the planned reopening of the economy, British consumer confidence has improved to the highest levels since March 2020 (-35); March 2021 is currently at -15<sup>6</sup>.

The period between March to June 2020 (when lockdowns were first introduced) saw the emergence of the "new normal". Businesses had to adapt to the new trading environment and were eagerly anticipating the easing of lockdown and assessing the opportunities moving forward. This has led to a new optimism in the franchise industry. The core obligation of franchisors in providing support and guidance to franchisees and the strength of a branded network are seen as having genuine value to businesses across all sectors versus independent operators. There is an opportunity for businesses in recession-proof or high demand sectors to expand during this period via franchising<sup>7</sup>.

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<sup>4</sup> <https://www.bbc.co.uk/news/explainers-52530518>

<sup>5</sup> <https://www.ons.gov.uk/economy/grossdomesticproductgdp/articles/coronavirusandtheimpactonoutputintheukeconomy/january2021>

<sup>6</sup> <https://www.ft.com/content/fe6f6a2b-7888-41f8-a45d-858c59b8cd2c>

<sup>7</sup> <https://www.pointfranchise.co.uk/articles/boost-the-economy-during-the-covid-19-crisis-by-franchising-your-6465/>

The Company believes that there is an opportunity to consolidated businesses into a franchise framework to leverage off the systems and processes that a franchisor offers. The appeal of being in a franchise is largely due to reducing head office costs, allows the franchisee purely on customer acquisition and standardisation of brand and processes.

### **Franchising in Europe: Overview**

In a 2009 report, the European Franchise Federation estimated that there were nearly 10,000 franchises operating across 20 countries in Europe. Table A summarises the 2009<sup>8</sup> and 2014<sup>9</sup> comparison of data of the top five countries by number of brands. Between 2009 to 2014, the growth rate of number of brands by country is; Turkey: 2.8%; France: 6.7%; Germany: 0.6%; Spain: 5.9%; and the UK: 3.1%. Taking into account the workforce employed, the 2010 statistics are as follows (per 10,000 citizens); Turkey: 350,000 (48.2); France: 328,000 (50.8); Germany: 463,000 (56.6); Spain: c. 150,000 (32.3); UK: 521,000 (83.4).

While the UK ranks fifth by number of brands in both 2009 and 2014, the country's number of brands per million citizens is higher than that of Germany in third place. The UK also has the third highest growth rate in the number of brands, and higher than that of Turkey. This shows that there are no signs of slowdown in the franchise industry in the UK. Additionally, out of all five countries, the UK employs the largest workforce and has the highest workforce per 10,000 citizens in the franchising industry.

**Table A: Summary of Franchise Statistics by Country**

	2009		2014	
	No. of Brands	No. of Brands per Million Citizens <sup>10</sup>	No. of Brands	No. of Brands per Million Citizens
Turkey	1,600	22.4	1,840	24.0
France	1,300	20.2	1,796	27.2
Germany	960	11.7	990	12.3
Spain	900	19.5	1,199	25.8
UK	800	12.9	930	14.5

Source: European Franchise Federation, 2015

High proportions of domestic brands as summarized in Table B are found in countries in which franchising has been long-established. These countries tend to have economies which have rapidly modernized and grown in the last 25 years. While Central and East European countries tend to have lower proportions, this presents an opportunity for larger established franchises from North and West European countries to expand.

<sup>8</sup> <https://www.franchise-ed.org.au/uncategorized/franchise-statistics-for-europe/>

<sup>9</sup> <http://www.eff-franchise.com/Data/FRANCHISE%20STATISTICS%20-%20EUROPE%20-%20source-EFF.pdf>

<sup>10</sup> 2009, 2010 and 2014 population statistics gathered from Google

**Table B: Proportion of Domestic Franchise Brands (in %)**

<b>France</b>	<b>Italy</b>	<b>Netherlands</b>	<b>Denmark</b>	<b>Spain</b>	<b>Turkey</b>	<b>Germany</b>
85	85	85	82	81	81	80
<b>Sweden</b>	<b>Britain</b>	<b>Finland</b>	<b>Poland</b>	<b>Greece</b>	<b>Hungary</b>	<b>Portugal</b>
80	80	74	74	70	70	62
<b>Belgium</b>	<b>Czech Rep.</b>	<b>Slovenia</b>	<b>Austria</b>	<b>Croatia</b>	<b>Serbia</b>	<b>Switzerland</b>
60	55	48	46	30	-	-

Source: European Franchise Federation, 2012

## **Key Drivers in the Franchising Industry**

### **1. Franchising promotes creation of enterprises:**

The creation of enterprises occurs as a result of new franchise concepts being created, each with its potential of creating a network of new franchised enterprises. In other words, at a high level there is the creation of new franchise brands and concepts, and within each brand, the development of its network of franchised businesses with independent franchisees progresses to drive organic growth.

### **2. Franchising promotes creation of employment:**

Employment is created at various levels in a franchised business including: at the level of the franchisor, and at the level of each franchised unit. Additionally, franchised businesses contribute to the employment in enterprises upstream and downstream of their own activity. As a particular sector contributes to job creation, it will be highly likely for governments to provide additional support in terms of funding and favourable policies. For example, in 2012 the UK launched the “GrowthAccelerator” programme, aimed at creating 55,000 new jobs in the service industry through co-investing in innovation and strategic internal operations efforts<sup>11</sup>. Companies in such sectors will then be able to tap on government funds to grow further.

### **3. Franchising contributes to a middle-level economic platform:**

Franchising, with its development at SME level, contributes to safeguarding and even enhancing competition as well as promoting market diversity. Franchised businesses offer the adaptability, flexibility and resources to operate in competitive markets. As geographical expansion is adopted as a development strategy, franchises will be able to focus efforts aimed at middle-level and smaller, more targeted markets at the onset of the expansion. This benefits the franchisees to grow market share whilst the franchisor focuses on brand promotion and internal systems and processes.

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<sup>11</sup> <https://www.mercoservices.com/high-growth-low-cost-how-the-uk-government-is-supporting-growth-for-the-uk-cleaning-industry/>

#### **4. Franchising preserves and transforms traditional independent trades:**

Many classic, traditional "high-street" independent trades and artisans such as hairdressers, flower shops, small groceries, and restaurants, etc., have already opted for or converted their development strategy to franchising. This strategy contributes to modernizing their operations, image and appeal to customers, thereby dynamizing a significant SME segment of the economy. This presents an opportunity for geographical expansion where traditional trades are still largely prevalent. The dynamism is an element which can be adapted, giving a "global identity" flavor to local trade and services.

#### **5. Franchising is a formidable vector for cross-border trade and export:**

The replicable factor of franchising makes this business strategy particularly suited to territorial expansion, either within national borders or cross-border as well as international. The international import/export of successful franchise brands finds its source in a world where consumer tastes and living habits are now "global" in reference, sustained by demographics and new spending power in emerging markets. As countries work together to facilitate healthy trade amongst each other, regional and international franchise brands will stand to benefit.

### 3.5 SELECTED FINANCIAL INFORMATION

The financial information presented below constitutes the following:

- Audited financial statements for the Issuer for the years ended 31 December 2020, 31 December 2021 and management financial statements for the period to 30 September 2022; and
- audited financial statements for the operating subsidiary Vendo for years ended 31 March 2019, 31 March 2020, and 31 March 2021, and management accounts for the period to 31 December 2021. Incergo S.A., Franchising International S.A. and Inglobal Ltd are all holding companies.

#### Incergo S.A. Simplified Profit and Loss Statement (EUR)

	2020	2021	2022
	Audited	Audited	Mgmt. Accounts
Revenue	-	-	-
Profit before tax	(6,555)	(34,828)	(32,563)
Profit after tax	(8,855)	(37,083)	(32,563)

#### Incergo S.A. Simplified Balance Sheet (EUR)

	2020	2021	2022
	Audited	Audited	Mgmt. Accounts
Current Assets	6,162	5,162	4,362
Non Current Assets	500,000	500,000	500,000
Total Assets	506,162	505,162	504,362
Current Liabilities	54,967	91,050	122,814
Non Current Liabilities	-	-	-
Total Liabilities	54,967	91,050	122,814
<b>Net Assets</b>	<b>451,195</b>	<b>414,112</b>	<b>381,548</b>
<u>Paid up capital</u>	1,012,000	1,012,000	1,012,000
<u>Retained earnings</u>	(560,805)	(597,888)	(630,452)
<b>Total Equity</b>	<b>451,195</b>	<b>414,112</b>	<b>381,548</b>
<b>Equity Ratio</b>	<b>0.89</b>	<b>0.82</b>	

**Vendo Ltd. Simplified Profit and Loss Statement (GBP)**

	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
	<b>Audited</b>	<b>Audited</b>	<b>Audited</b>	<b>Mgmt. Accounts</b>	<b>Mgmt. Accounts</b>
Revenue	659,726	1,797,262	1,493,297	1,792,358	959,183
EBITDA	244,006	222,829	75,430	122,510	111,872
Profit before tax	232,513	169,332	26,106	79,038	92,539

**2019:** Represents 18 months from 1 October 2017 to 31 March 2019. This is to realign the year end.

**2020:** Represents year ended 31 March 2020

**2021:** Represents year ended 31 March 2021

**2022:** Represents year ended 31 March 2022

**2023:** Represents 6 months from 1 April 2022 to 30 September 2022

**Vendo Ltd. Simplified Balance Sheet (GBP)**

	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
	<b>Audited</b>	<b>Audited</b>	<b>Audited</b>	<b>Mgmt. Accounts</b>	<b>Mgmt. Accounts</b>
Current Assets	889,659	1,206,704	1,226,820	1,332,191	831,011
Non Current Assets	33,141	39,127	58,230	92,967	623,027
Total Assets	922,800	1,245,831	1,285,050	1,425,158	1,454,038
Current Liabilities	649,581	723,089	642,631	656,930	685,076
Non Current Liabilities	26,157	123,589	200,620	241,883	176,874
Total Liabilities	675,738	846,678	843,251	898,813	861,950
<b>Net Assets</b>	<b>247,062</b>	<b>399,153</b>	<b>441,799</b>	<b>526,345</b>	<b>592,088</b>

**2019:** as at 31 March 2019

**2020:** as at 31 March 2020

**2021:** as at 31 March 2021

**2022:** as at 31 March 2022

**2023:** as at 30 September 2022

## 3.6 COMPETITIVE ANALYSIS

Vendo is well placed with a solid network of franchisees with excellent systems in place managing customers and franchisees requirements. We will be able to acquire several other brands in the United Kingdom which are a prime for acquisition that would provide significant synergies and benefit from the knowledge and experience in the existing management team.

### 3.6.1 COMPETITORS

We have identified companies which have a similar model; multiple-brands franchise businesses which may or may not be limited to a particular industry. These companies are in the UK and US. Table C provides a summary of metrics for publicly traded competitors.

#### **Franchise Brands PLC (LON: FRAN)**

Franchise Brands PLC (Franchise Brands) was founded in 2008 and currently has 7 franchise brands in the group in the cleaning, vehicle and personal services industries.

The company's website is <https://www.franchisebrands.co.uk/>

#### **Neighborly (Private)**

Neighborly (formerly Dwyer Group) was founded in 1981 and has 20 franchises primarily related to the home service sector in 9 countries including the US and the UK.

The company's website is <https://www.neighborlybrands.com/>.

#### **Ampex Brands (Private)**

Ampex Brands was formed in 2005 and owns food and beverages franchise units under the brands KFC, Tim Hortons, Long John Silver's, and Taco Bell. The company operates out of North America.

The company's website is <http://www.ampexbrands.com/>

#### **HRI Holdings (Private)**

HRI Holdings, Inc. was founded in 1977 and is the owner of the Chem-Dry, N-Hance and Delta Disaster Services franchise businesses; owning up to 3,000 franchise units in the cleaning and maintenance sector.

Company's profile on Franchising.com is <https://www.franchising.com/hriholdingsinc/>

#### **First Service Brands (NASDAQ: FSV)**

FirstService Brands is the property services arm of FirstService Corporation. FirstService Corp also has a property management arm in FirstService Residential. FirstService Brands operates 6 franchise networks which cater primarily to home services in North America.

The company's website is <https://www.fsvbrands.com/default.html>

#### **Driven Brands (Private)**

Driven Brands was founded in 1972 and currently owns over 2,500 automotive aftermarket service-related franchise units in North America.

The company's website is <http://www.drivenbrands.com/>



**Amsric Group (Private)**

Amsric Group is a multi-brand franchisee of KFC, Starbucks and Anytime Fitness having 71 stores across the South of England.

The company's website is <https://www.amsric.co.uk/>

**Property Franchise Group (LON: TPFG)**

Property Franchise Group was founded in 1986 and comprises of 6 national and regional estate agency and lettings brands with over 375 branches across the UK. These brands include Martin & Co, EweMove, Whitegate, Ellis & Co, CJ Hole and Parkers.

The company's website is <https://www.propertyfranchise.co.uk/>

**Franchise Group Inc (NASDAQ: FRG)**

Franchise Group was founded in 1997 and currently operates 4 franchises in the personal services and home services sectors in the US.

The company's website is <https://www.franchisegrp.com/>

**Table C: Summary of Financial Metrics (as of 17 Oct 2022)**

	<b>Franchise Brands</b>	<b>First Service Corporation</b>	<b>Property Franchise Group</b>	<b>Franchise Group Inc</b>
Exchange	LSE	Nasdaq	LSE	Nasdaq
Ticker	FRAN	FSV	TPFG	FRG
MCAP ('000)	193,710	5,290,000	86,190	1,040,000
PE (TTM)	26.05	42.05	15.10	4.55
Revenue (TTM in '000)	74,405	3,471,655	26,009	4,001,568
EBIT (TTM in '000)	8,362	216,092	7,157	468,855
Net Income (TTM in '000)	6,241	125,273	5,684	356,025

Source: Yahoo Finance

## 4 COMPANY PRESENTATION

### 4.1 ABSTRACT

The Company's mission is to recruit quality companies that provides a framework to acquire franchisees, maintain, and grow national and international coverage for the United Kingdom and Europe commercial transportation industry. The Company strives to provide a system for franchisees that is seamless and assists in them in achieving their strategic and growth goals in the most efficient and cost effective way. The addition of our proprietary know-how and institutional knowledge into "best-practices" policies for the Company's customers provides a distinct advantage when they compete with others in the marketplace. In addition, the systems built around the Common Law system of the United Kingdom can be easily integrated into other first world economies as franchise law in these jurisdiction is largely based on the United Kingdom model.

Vendo strives to provide an efficient back end operating system for its franchisees within the commercial transportation industry. This will then enable its franchisees to deliver a professional and quality service to the end customer.

Vendo provides the following services to its franchisees:

- **Know-how:** Create the know-how to ensure the franchisees have the knowledge to operate the franchisee business;
- **Tools:** Creates the tools that are required to operate the business;
- **Procurement:** centralized procurement of supplies;
- **Branding:** define and promote the brand;
- **Quality:** define and ensure quality standards are being adhered to;
- **Software:** Our bespoke software, 'Pro Wash', automates many of the admin-related tasks previously carried out by the franchisees. The software presents and manages relevant information to the accounts team at head office in such a way that is virtually a '1 click' process, from completion of the task, to delivery of the invoice to the customer; and
- **Corporate services:** administration services such as invoicing and cash collection.

Vendo brand itself provides the following services:

- UK nationwide network of fully trained and highly experienced franchisees; and
- comprehensive interior and exterior commercial vehicle cleaning services.

Key brands that uses Vendo's services vary from large and small, including the likes of FedEx, DHL, B&Q and Royal Mail. We are currently a national operation with over 42 franchised territories in the UK each territory at regular intervals (weekly fortnightly or 4 weekly) go to lorry yards and cleans the trucks.

## **4.2 VENDO'S ACTIVITIES**

### **4.2.1 REVENUE MODEL**

The Company realizes revenue from several streams:

- A management fee based on 20% of franchisees revenue;
- Leasing of head office equipment; and
- Margins on the supply of operational materials to franchisees.

## **4.3 MAJOR STRATEGIC INITIATIVES OF THE COMPANY**

### **4.3.1 EXPANSION INTO UNITED KINGDOM AND EUROPEAN MARKETS**

The Company intends to direct its expansion efforts through the following avenues:

#### **1. Geographic**

Both United Kingdom and European markets are key jurisdictions that the Company intends to mount major expansion efforts in.

The Company also plans a roll out of a master licence infrastructure across Europe starting in the Netherlands where there is extensive commercial transportation activity and the country's status as the gateway to other European countries is a key driver. Dutch attitudes towards franchising are very favourable and local franchise rules in the country are very similar to the United Kingdom providing for easy deployment of the Company's business model. The board and management of the Company have experience in brand introduction in the Netherlands as well.

Darren Taylor has a number of franchise brands within his portfolio (<https://www.taylormadefranchising.co.uk/>) and Vendo is one of them. Darren has already successfully expanded one of the brands into the Netherlands and have gain the contacts and the experience required to expand Vendo into the Netherlands.

#### **2. Increasing Services**

The Company will continue to invest in innovation with the intent of increasing its service offering. Vendo's traditional service is to offer, an outside wash of a commercial vehicle and an internal payload wash where required. During the COVID-19 pandemic PVC Vendo added a sani-clean service for the cab. A cleaner is used to kill all bacteria and viruses within a cab.

This proved very popular during the lockdown, and become approximately 10% of our turnover.

### **3. Expansion into Current Industries**

The central systems and service offerings of the Company should enable easy expansion into existing transport and haulage enterprises. With the current marketing and sales plan the Company expects to acquire 5-8 new franchisees per year in the United Kingdom alone.

The aim is to increase the number of franchisees so that Vendo can have sufficient supply capacity and reach geographically to service and tender for larger customers such as DHL. The Company has various plans to promote and incentivise the acquisition of territories and franchisees. The aim is obtain further scale.

### **4. Expansion into New Industries**

The plan for expansion into new industries is through acquisition of similar franchise companies and/or the rolling out of systems and services that the Company currently offers to new Industries with compatible business models. The Company has identified a number of new or nascent industries which are prime for consolidation and which will be a strong focus of the Company's expansion efforts.

### **5. Acquisition using Company's Shares**

As part of the listing process, the Company intends to acquire through issuance of its own Company Shares. The Company intends to acquire at least one company every 2 months subject to market conditions. The Company may seek external capital (whether it being debt or equity funding) to fund an acquisition. However the Company believes the first preference would be to issue shares in the Company for acquisitions. Each acquisition should be earnings per share accretive.

#### **4.3.2 SOFTWARE**

Vendo provides its franchisees a bespoke electronic customer relationship management (CRM) business management system which allows for the franchisee to manage the workflow of the franchisee's business. The CRM system enables a seamless communication between customers and the franchisee from the beginning to the end of the entire workflow.

#### **4.3.3 CONTINUOUS DEVELOPMENT**

The Company will continue to invest in further research and development to improve the CRM system to ensure the service and solutions provided are at the top of the industry.

#### 4.3.4 STAFF RETENTION

Vendo believes staff retention is critical to the success of the business. The Company has an excellent record for retaining its management staff. The average length of service of the staff at Vendo is 20.25 years.

#### 4.3.5 MARKETING AND ADVERTISING STRATEGY

Vendo has a highly targeted approach to attracting new prospective customers for both customers of the business and attracting new franchisees. The Company uses a range of digital and traditional marketing channels and are very targeted to ensure effectiveness. This refined approach maximises the return on investment of the promotional activity.

#### 4.3.6 CUSTOMER ACQUISITION

The approach to franchisee recruitment is similarly targeted, although a wider mix of proven channels are utilised to capture the attention of people looking to invest in becoming their own boss with an established franchise opportunity.

## 5 RISK MANAGEMENT

The Company is subject to various risks. The following is a discussion of risks that could materially and adversely affect the Company's business, operating results, and financial condition.

### 5.1 RISK RELATED TO THE COMPANY

The key risks of the Company are as follows:

- ***Favourable operating performance.*** Our ability to expand our business through additional adding new franchisees is dependent on a sufficiently favourable level of operating performance to support the management, personnel and capital resources necessary to successfully open and operate new locations and in new industries.
- ***Ability to implement growth strategy.*** The Company intends to pursue expansion through both the acquisition of new businesses, and through the development of existing and new clients and new products and services within its current businesses. However, there is no guarantee that the Company will be able to grow its businesses in this way and hence meet its growth and financial targets. Any failure to implement these strategies successfully, or the failure of these strategies to deliver the anticipated benefits in relation to the acquired businesses, could have a material adverse effect on the Company's performance prospects, results of operations and financial condition.
- ***Ability to access financing.*** The Company expects to incur expenses in connection with its acquisition strategy (although it should be noted that the Company intends to use share

based consideration for the majority of future acquisitions). In order to finance fully the Company's acquisition strategy, the Company may require more capital than is available from its existing cash balances. Access to adequate additional financing, whether through, for example, debt financing or an equity capital raising, may not be available to the Company on acceptable terms, or at all. If the Company is unable to raise capital, the Company could be forced to delay and/or withdraw from certain potential acquisitions. Any equity fundraising may be dilutive for Shareholders and could depress the value of the Ordinary Shares. Any of these events could have a material adverse effect on the Company's business, financial condition, capital resources, results and/or future operations and may lead the Company to delay, reduce or abandon certain of its businesses and/or their products and services.

- **Ability to attract good franchises.** Our ability to be successful is also dependent on the quality of the franchisees.
- **Ability to attract and retain management.** the Company being able to hire and retain additional competent personnel. Being listed will assist by providing various compensation packages to attract and retain personnel which may include compensation in the form of shares in the Company.
- **Litigation.** The Company is currently not engaged in material litigation. However, from time to time, the Company may be subject to litigation arising from its operations, distribution and sales. Damages claimed, awarded, settled or paid under any litigation or arbitration may be material or may be indeterminate, and the outcome of such litigation or arbitration may have a material adverse effect on the Company's business, financial condition, capital resources, results and/or future operations.
- **Protection of Intellectual Property Rights.** The Company's ability to compete depends in part upon the successful protection of its intellectual property, in particular its copyright, trademarks, know-how and trade secrets. The Company seeks to protect its intellectual property through the use of robust confidentiality obligations on its employees (and any contractors) and in the future it may file patent and trademark applications if appropriate. Despite these precautions that may be taken by the Company to protect its intellectual technology and products, unauthorised third parties may attempt to copy, or obtain and use its technology and products. A third party may infringe upon the intellectual property of the Company's underlying businesses, release information considered confidential about the Company's intellectual property and/or claim technology that is registered to the Company. In addition, the Company may fail to discover infringement of its intellectual property, and/or any steps taken or that will be taken by it may not be sufficient to protect its intellectual property rights or prevent others from seeking to invalidate its intellectual property or block sales of its products by alleging a breach of their intellectual property. Any of these events may have a material adverse effect on the Company's business, financial condition, results and/or future operations.
- **IT Systems.** Any material failure in the Company's IT applications, systems and infrastructure or any failure to maintain, invest in or improve them over the coming years may lead to material operational and systems disruptions which could have a material adverse effect on the Company's results of operations, financial condition and future

prospects. In addition, poor maintenance of any part of the Company's IT infrastructure may result in the loss of information and data stored by the Company and any such loss may have a material adverse effect on the Company's reputation, results of operations, financial condition and future prospects. In addition, the Company may face online security breaches, including hacking and vandalism. The Company cannot guarantee absolute protection against unauthorised attempts to access its information technology and communication systems, including malicious third-party applications that may interfere with or exploit security flaws in its products and services. Viruses, worms and other malicious software programs could, among other things, jeopardise the security of information stored in the Company's computer systems. If any compromise in the Company's security measures were to occur and the Company's efforts to combat this breach are unsuccessful, the Company's reputation may be harmed leading to a material adverse effect on the Company's business, financial condition, capital resources, results and/or future operations.

- **Labour Costs.** Wage rate inflation may result in an increase in net labour costs, and/or the loss of skilled staff to a higher paying role in a different company. There is also a risk concerning the statutory costs to employ across the regions in which the Company's businesses operates, which could increase. Any increases in labour costs and costs to employ, could have an adverse effect on the Company's results.
- **Geographic concentration.** The Company's business is geographically concentrated; therefore, the Company's results of operations may be adversely affected by unfavorable conditions in its local markets. The Company's performance is subject to local economic, competitive, and other conditions prevailing in the state where the Company operates. The Company's current results of operations depend substantially on general economic conditions and consumer spending habits in the local Utah markets. Any decline in the general economic conditions or decreased consumer spending in these markets may have a negative effect on the Company's results of operations.

## 5.2 RISK RELATED TO MARKET AND COMPETITION

Key risks include:

- **Brexit:** The extent of the impact of Brexit on the Group will depend in part on the nature of the arrangements that are put in place between the UK and the EU following Brexit. In addition, the macroeconomic effect of Brexit on the childcare industry is unknown. It remains unclear how Brexit will affect the UK's trading relationships, corporate taxation policy, movement of people and other regulatory affairs. As such, it is not possible to state accurately the impact that Brexit will have on the Group and its operations or those of its customers. Brexit could also potentially increase the regulatory compliance and/or tax burden on the Group. Brexit could restrict the Group's future activities and may have a material adverse effect on the Group's business, financial condition, capital resources, results and/or future operations.

- **Labour:** The potential labour shortage within the industry and potential impact from Brexit may hamper the growth of the industry.
- **Fuel Emissions:** The ever changing consumer focus on clean energy may result in changes in the way the transportation industry operates.

## 6 COMPANY ORGANIZATION

### 6.1 MANAGEMENT AND STAFF

#### 6.1.1 OPERATIONAL STRUCTURE OF VENDO

There are key management staff are as follows

#### **Darren Taylor (CEO)**

Darren Taylor is the CEO of the Company has nearly 20 years in the franchising industry. Darren bought his first franchise business in 2006 at 29 yrs old. Having been successful in a sales role he was keen to run his own business. Internet research brought him to the door of Stumpbusters UK Ltd, a tree stump grinding franchise which serviced both the industrial and the commercial sectors. Darren managed to grow Stumpbusters into franchise network that has 28 franchisees across the United Kingdom.

From the first successful acquisition, Darren created the brand Taylor Made Franchising focusing on ethical franchising and all of the brands Darren owns are members of the British Franchise Association. The brands under Darren's ownership has grown to five franchise businesses consisting of:

- StumpBusters;
- Vendo;
- Wilkins Chimney Sweep
- Thomas Cleaning; and
- Trass Pest Control.

The website for Taylor Made Franchising is <https://www.taylormadefranchising.co.uk/>.

Taylor is married with two children and lives in Dorset.

#### **David Callister (Group Franchise Director)**

David Callister is the Group Franchise Director of Taylor Made Franchising, a business based in the UK which owns 5 franchise brands. He has responsibility for the overall performance of all the



brands within the group which are Stump Busters, Wilkins Chimney Sweep, PVC Vendo, Thomas Cleaning and Traas.

With 27 years' experience in franchise support, David can support in areas such as; recruitment of new franchisees, finding locations and building the branded outlet, supporting new franchisees in building their business, monitoring brand standards, P&L interpretation, writing business plans, recruitment and training of franchisees staff, national accounts management and supplier liaison.

Having worked in the 1980s for British Sugar where obtained a BTEC National Diploma. He also gained "A" levels in Pure Maths, Applied Maths and Economics at Boston College FE. David moved into the world of franchising in 1993, where he worked for national and international brands such as Eismann, Drain Doctor, FASTSIGNS and FoneDoctor.

David has won awards at:

- Eismann – BDM of the Year
- Drain Doctor – Head Office Award for the biggest contribution to the network by a member of the HO team

**Karen Salisbury (Financial Controller)**

MAAT qualified worked in the business for 10 years. Karen also operate a small bookkeeping and admin outsourcing business. Her previous roles include Account Manager and roles with HMRC.

**Mick Heapy (Operations manager)**

Mick has been with the company for over 25 years. He is very experienced with the Company's systems and processes.

**6.2 COMPOSITION OF THE BOARD OF DIRECTORS**

**Incergo S.A.**

The Board of Directors of the Incergo S.A. is composed by:

<b>Member</b>	<b>Address</b>	<b>Position</b>
Gauri TALATHI-LAMB	6 Crescent Way, London N12 0RE, United Kingdom	Director
Stephen PRATT	26. The Sails, Queensway Quay, Gibraltar GX11 1AA.	Director
Charles ETONDE	33 rue du Puits Romain L-8070 Bertrange, Luxembourg	Director

Darren Taylor	Thornton Cottage Sturminster Newton, Moorside, Dorset, DT10 1HF, United Kingdom	Director
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### **Gauri Talathi-Lamb**

Mrs Gauri TALATHI-LAMB is a company Director and was born in Khed MS, United Kingdom, on February 21, 1984. She is managing the following companies except the Issuer:

- Assetree Partners LLP (UK company)
- Assetree Management Ltd (UK company)
- Assetree Group Ltd (UK company)
- FHP Engineering Services Solutions Ltd (UK company)
- Iolas Management Services LLP (UK company)
- PGJL Holdings Ltd (UK company)
- SRRT24 Holdings Ltd (UK company)
- DU Boulay Holdings Ltd (UK company)
- DEI Holdings Ltd (UK company)
- FLC London Ltd (UK company)
- Recover Your Debt Ltd (UK company)
- DU Boulay Partners LLP (UK company)
- Dicks (Electrical Installations) Ltd (UK company)

A brief biography of Mrs TALATHI-LAMB is set out below.

With over 15 years of experience in Construction, Engineering, Retail and Consumer Goods, Mrs TALATHI-LAMB is an investor and business turnaround expert with experience in Operations, HR, Contracts, Legal and Construction. She invests in companies that require turnaround (distressed) as well as profitable businesses seeking investment for growth. She uses her corporate experience being sensitive to agility and speed of SMEs to achieve greater results. Mrs TALATHI-LAMB has a collaborative and supportive style. She believes in the management teams they have invested in and provide support and value with the focused aim of delivering growth and sustainable performance. Importantly, the values and the style she operates in ensures a strong buy in from the management team. There is a well-positioned balance between being a key investor and owner in a business and allowing the management team to own the strategy and to be accountable for the business performance. The perspective she takes is a long term one with a clear focus on the talent and team in the business, ensuring the culture is a collegiate and engaging one. Mrs TALATHI-LAMB has a refreshing and practical approach to business. She naturally understands the need to build a bigger picture whilst ensuring the detail and the execution happens. This approach is very straight forward, with a common-sense mind set in making things happen. Importantly, she will provide access to capital and expertise to allow a small business to grow and to reach its potential. Mrs TALATHI-LAMB with the team will find a win-win and ensure that a partnership approach drives mutual benefit.

## **Stephen PRATT**

Mr Stephen PRATT is a company Director and was born in Mansfield, United Kingdom, on November 10, 1978. He is managing the following companies except the Issuer:

- EXPRESS UNITED FREIGHT LIMITED
- PD Properties & Investments Ltd
- ASCOT CAPITAL LTD
- POINT OF DISPLAY GROUP LTD
- LIGHTHOUSE DISPLAY INTERNATIONAL LIMITED
- NOTTINGHAM PLATERS PARTNERSHIP LLP
- Nottingham Platers Ltd
- SDP ASSET MANAGEMENT LTD
- CHARLES DEAN PROPERTY LIMITED
- CHARLES DEAN LIMITED
- Charles Dean Group Ltd
- EXCLUSIVE ASSET MANAGEMENT LIMITED

Following a military career, Mr PRATT changed direction into financial services, specializing in providing advice to SME business owners with revenues (typically) up to GBP 20,000,000. He quickly became a business owner and grew from a start up to a robust advice firm with 20+ advisers and GBP 3,000,000 revenue. Subsequently, Mr PRATT set up a financial conduct authority regulated fund Management Company and created two regulated funds, both of which are still in existence today. During this time, he also bought and sold a few companies, including the sale of the fund management company. He invested the proceeds into a property portfolio and today holds a portfolio of twenty-eight (28) residential and commercial properties (one of which is a trading estate, on a 1-acre site). Mr PRATT has a very broad range of business experience including rapid growth, rapid decline and a credit value adjustment, all of which has given him valuable experience in managing company takeovers.

## **Charles ETONDE**

Mr Charles Etonde is a company director and was born in Douala (Cameroon) on 27 February 1976. He is managing the following companies except the Issuer:

- E.RE.A.S. MANAGEMENT S.à r.l.

- SunMirror Luxembourg S.A.

A brief biography of Mr. ETONDE is set out below.

With other 15 years of experience in corporate management, Mr. Charles ETONDE is a French qualified lawyer. He studied at the University of Valenciennes and has a master’s degree in business law.

**Darren Taylor**

Darren Taylor is the CEO of the Company has nearly 20 years in the franchising industry. Darren bought his first franchise business in 2006 at 29 yrs old. Having been successful in a sales role he was keen to run his own business. Internet research brought him to the door of Stumpbusters UK Ltd, a tree stump grinding franchise which serviced both the industrial and the commercial sectors. Darren managed to grow Stumpbusters into franchise network that has 28 franchisees across the United Kingdom.

From the first successful acquisition, Darren created the brand Taylor Made Franchising focusing on ethical franchising and all of the brands Darren owns are members of the British Franchise Association. The brands under Darren’s ownership has grown to five franchise businesses consisting of:

- StumpBusters;
- Vendo;
- Wilkins Chimney Sweep
- Thomas Cleaning; and
- Trass Pest Control.

The website for Taylor Made Franchising is <https://www.taylormadefranchising.co.uk/>.

Taylor is married with two children and lives in Dorset.

**Franchising International S.A.**

The Board of Directors of the Franchising International S.A. is composed by:

<b>Member</b>	<b>Address</b>	<b>Position</b>
Darren Wesley TAYLOR	Thornton Cottage Sturminster Newton, Moorside, Dorset, DT10 1HF, United Kingdom	Director
Adrian John KNIGHT	6 St. Mary's Way Burghfield Common, Reading RG7 3YR, United Kingdom	Director

David Graham CALLISTER	17 Marshland Drive, Holbeach, Spalding, Lincolnshire PE12 7QQ, United Kingdom.	Director
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The biographies of Mr Darren Taylor and Mr David Callister can be found in section 6.1.1.

### **Mr Adrian Knight**

At age 30 I left corporate life with a single vision, to build a leading, international Franchise Group, that offers credible, well respected and financially lucrative franchise opportunities to experienced professionals who are looking for a change in career.

I started in 2015, by building Knight Franchises, specialists in helping professionals explore franchising as an alternative career option and helping them to make a transition into franchising, should it be right for them and their families. Knight Franchises has since gone on to become the leading organisation of its kind and is driven by a superb team who are as passionate about franchising as I am.

My main focus now is on building out the wider group, primarily through a 'buy and build' strategy, where we are actively acquiring Franchisor/Licensor organisations that have the ability to become market leading, if they are not already, and that would benefit from our centralised support services of Sales, Digital & Offline Marketing, Franchisee Recruitment and Franchisee Training/Support.

In early 2020 Knight Franchise Group made its first acquisition - a 30-year old white collar franchise with an established and reputable network of franchisees.

As part of this continued acquisition strategy, I am proactively looking for Franchisors/Licensors, ideally in the UK or USA, with £1m+/\$1m+ in network sales and that have key personnel in place to drive the daily aspects of the business. I am looking for networks that have between 5-50 franchisees but would be open to exploring anything larger. We are experienced in making these transitions a success and ensuring franchisees are a part of the transition process.

Outside of Knight Franchise Group, I operate as an investor with my private investment vehicle, Athena Investments. Typically, I invest in companies where we can use our proven skills to add significant value and we only work with companies we know we can help. We are interested in creating long term value and 'building on the shoulders of giants' - rather than coming in and turning a business upside down and we specialise in; Franchise, Franchising, M&A, Acquisitions, Franchise Acquisitions, Investor, Business Turnaround, Career Transition, Career Change, Franchise Recruitment, Social Franchising, Social Enterprise and Social Missions.

### 6.3 COMPANY SITES AND FACILITIES

The Company's office and leased properties are as follows:

Address	Area(ft <sup>2</sup> )	Usage
215 East lane Wemblely HA0 3NG, United Kingdom	10,000	Office
13 Chaldicott Barns, Semley, Shaftesbury, SP7 9AW, United Kingdom	25,000	Office

### 6.4 HUMAN RESOURCES

The aggregate staff of the Company at present is 12, including but not limited to, managerial, sales, finance, accounts payable, service desk staff, and business development.

Staffing costs includes salaries, bonuses, other allowances, benefits-in-kind and contributions to pension schemes. The Company's management believes that our employees are among the most valuable assets of the Group and have contributed to the success of the Group. The company offers training relating to the Group and its structure to new employees. The Company also provide in-house training to its employees to enhance their knowledge of the products, production methods, workplace safety standards, quality standards, sales and marketing skills and corporate culture. During the past few years, the company did not experience any significant turnover of staff or any disruption to its business operations due to labour disputes. The Directors consider that the company has maintained a good relationship with its employees.

The total salary and compensation paid to the employees in 2022 was approximately GBP 122,535. This includes statutory requirements such as national insurance and pension.

#### 6.4.1 EMPLOYEE PROFIT SHARING OR BONUS SCHEMES

There is currently no profit sharing scheme for employees. It is envisaged that upon a successful listing, the Board of Directors will consider an employee equity plan.

## **7 GENERAL INFORMATION**

### **7.1 OTHER COMPANY INFORMATION / CORPORATE GOVERNANCE**

#### **7.1.1 COMPANY PURPOSES (ARTICLE 2 OF THE ARTICLES OF ASSOCIATION)**

The corporate purpose of the Company is:

“...the acquisition of ownership interests, in Luxembourg or abroad, in any companies or enterprises in any form whatsoever and the management of such ownership interests.”

#### **7.1.2 DURATION (ARTICLE 3 OF THE ARTICLES OF ASSOCIATION)**

The Company is incorporated for an unlimited period.

#### **7.1.3 FINANCIAL YEAR (ARTICLE 22 OF THE ARTICLES OF ASSOCIATION)**

The financial year end is 31 December of each year.

#### **7.1.4 DIVIDENDS**

For the three previous financial years, Incergo S.A. has not paid any dividends.

#### **7.1.5 PAYMENT OF DISTRIBUTIONS (ARTICLE 24 OF THE ARTICLES OF ASSOCIATION)**

The members at the majority vote will determine by the relevant laws that the profit after deduction of any reserve be either paid to the members or carried forward or transferred to an extraordinary reserve.

### **7.2 MANAGEMENT, BOARD OF DIRECTORS & CONTROL**

#### **7.2.1 ELECTION AND COMPOSITION OF THE BOARD OF DIRECTORS (ARTICLE 11 OF THE ARTICLES OF ASSOCIATION)**

The Company's board of directors shall be composed of at least 3 members. The members of the board of directors are elected for a period of up to 6 years. The board of directors constitutes itself.

## **7.2.2 MEETINGS AND RESOLUTIONS (ARTICLE 12 OF THE ARTICLES OF ASSOCIATION)**

Quorum, passing of resolutions and the bylaws are governed by the organizational regulations. Resolutions to a proposed motion may also be passed by written consent, unless any member requests oral deliberation. Resolutions shall require a majority vote.



## 8 INFORMATION CONCERNING OPERATIONS

### 8.1 REGISTRATION WITH VIENNA DIRECT MTF

Registration procedure:	Technical admission on Vienna Stock Exchange Direct MTF Segment
Number of shares to be listed:	5,060,000 shares
Amount of the share capital:	EUR 1,012,000
Listing price per share:	EUR 1.00
Market capitalisation:	EUR 5,060,000
ISIN Code:	LU1917297225
Legal Entity Identifier:	2549006BRZ37L3ZAWM25
Registration Number:	B228.776
Financial service:	Vienna Stock Exchange / Vienna MTF
Initial listing and trading date:	24 November 2022

### 8.2 MAIN OBJECTIVE OF THE LISTING PROCESS

Incerto S.A. is seeking admission to trading on the Vienna Direct MTF for these 5,060,000 shares.

The key reasons for listing on Vienna Direct MTF are as follows:

- Institutional fundraising for acquisition purposes;
- Price stability for future investors;
- Price stability for acquisition of companies as it's the primary objective to acquire using the Company's own shares;
- Assists with the Company's objective to focus on the United Kingdom and Europe;
- Reputable stock exchange; and
- Credibility for the Company being listed in Europe.

### **8.3 CALENDAR OF RELEVANT FUTURE EVENTS**

Publication of sales figures for the financial year ending on 31 December 2022: 31 May 2023

Next Annual General Meeting: 31 May 2023

### **8.4 COMPANY'S SHARE CAPITAL**

Article 6 of the articles of association sets out the Company's share capital. Share capital (Article 6 of the Articles of Association) The Company's share capital is 5,060,000 shares and par value EUR 0.20. The share capital is fully paid up.

### **8.5 COMPANY'S SHAREHOLDING STRUCTURE**

As the date of the Information Document and according to the shareholders' register, the principal shareholders are indicated below:

<b>Shareholders</b>	<b>Number of Shares</b>	<b>% of Ownership</b>
Darren Taylor Holdings Ltd	3,275,000	64.7%
Other shareholders	1,785,000	35.3%

### **8.6 MAIN CHARACTERISTICS OF THE SHARES**

#### **8.6.1 PAYMENT OF SHARES (ARTICLE 2 OF THE ARTICLES OF ASSOCIATION)**

Shares can be either paid by cash or in kind.

#### **8.6.2 TRANSFER OF SHARES (ARTICLE 9 OF THE ARTICLES OF ASSOCIATION)**

Shares maybe freely transferrable among members in accordance to article 430-4 of the Luxembourg Law