



MTBS M&A – Lead Buy-Side Advisory Services

Overall Approach

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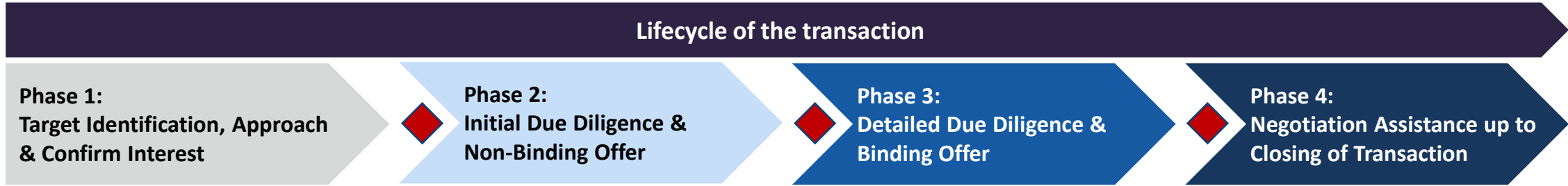
Activities per Phase

Four-phased approach to buy-side advisory mandates

Transaction lifecycle for an investment opportunity matching the client's investment criteria:

 *key decision moment to continue transaction process*

Lifecycle of the transaction



Phase 1: After initial discussions with the client to align on transaction strategy and potential business cases, MTBS M&A performs a scan¹ of a specific region or sector to identify companies that fit the client's criteria. Subsequently, these businesses are approached to test their willingness to sell.



Phase 2: MTBS M&A conducts an initial due diligence (red flag approach and preliminary information request) and valuation of the identified target under phase 1. If the target is sufficiently attractive for the client, MTBS M&A assists the client in preparing and submitting a non-binding offer.



Phase 3: After the target's acceptance of the non-binding offer, MTBS M&A starts the detailed due diligence and coordinates the transaction process. Based on the due diligence findings and other input gained in this phase, MTBS M&A will further develop the binding offer and assist the client with its internal approvals.



Phase 4: Negotiation support and assistance, in cooperation with the client's legal advisor, with drafting the relevant transaction documentation. Furthermore, MTBS M&A will support in the coordination with all different stakeholders to facilitate the completion of the transaction.

¹ In case the client has already identified a target, MTBS M&A will proceed with approaching the target.

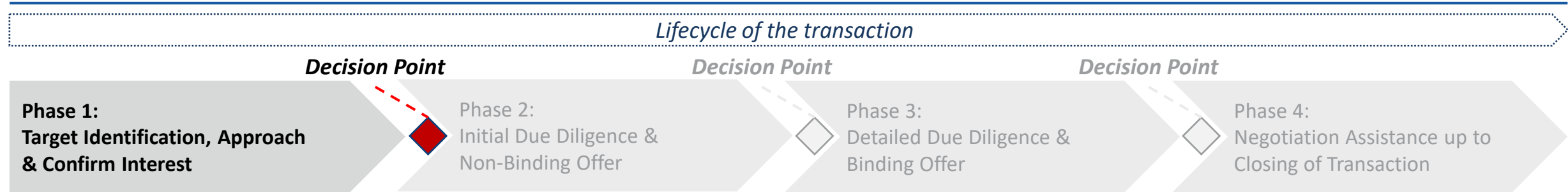
Activities per Phase

Phase 1 – Target identification, approach & confirm interest

Overall Approach

Activities per Phase

Phase 1 aims to identify suitable targets and to short-list those with a willingness to sell or to partner with an external investor



Objective



- The identification of a target that suits the client’s investment criteria and is open to selling either all or part of the shares.

Activities



- Scan a specific region and/or sector to identify suitable targets that match the client’s investment criteria.
- Gauge the interest of the targets’ shareholders in (partially) divesting their shares.
- Preparation of an investment profile highlighting the main considerations of the proposed investment opportunity for the client’s management.
- Gather relevant market and commercial information to enable the client to formulate an informed go / no-go decision on the investment opportunity.

Output



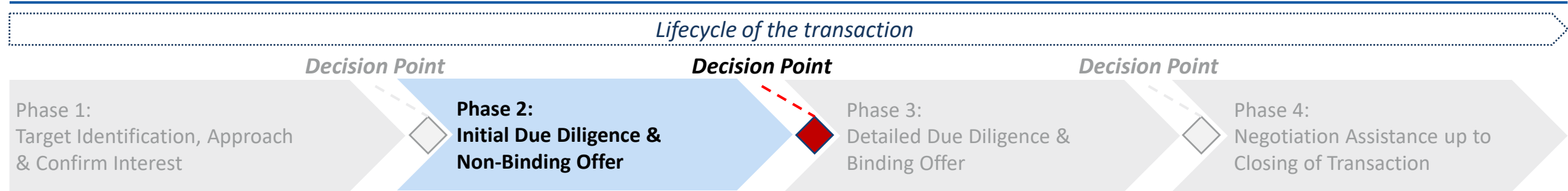
- **Investment profile:** Concise document outlining the main investment considerations and value potential of the identified investment opportunity allowing the client to take an informed decision on whether to proceed with the transaction.
- **Expression of interest:** An expression of interest from the target’s shareholder(s) confirming their willingness to divest a shareholding in the asset as well as their preferred transaction structure. This enables MTBS M&A to begin initial due diligence on the target company in phase 2.



Activities per Phase

Phase 2 – Initial due diligence & non-binding offer

Phase 2 comprises the initial due diligence required to prepare a comprehensive non-binding offer



Objective



- Conduct an initial due diligence on the identified target to assess its attractiveness for the client and submit a non-binding offer towards the existing shareholders of the target.

Activities

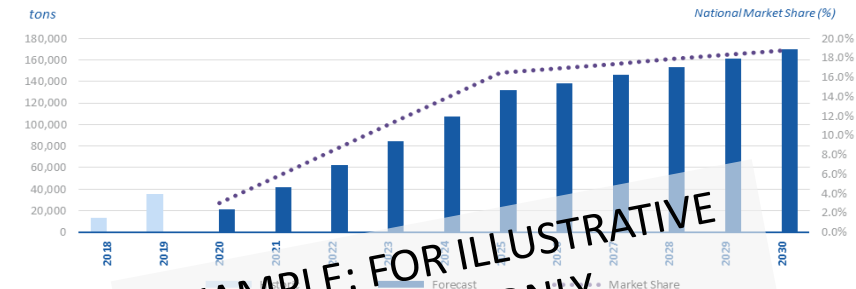


- Conduct initial due diligence, including the following items:
- Submit a preliminary information request list to the target’s management, procure the answers and source any other relevant information available in the public domain.
 - High-level analysis of the target’s business case and a valuation based on available information.
 - Initial review of the target’s financials and compile a matrix of risks and mitigators.
- Prepare non-binding offer:
- Design deal structure, formulate the initial offer and propose the next steps.
 - Draft the non-binding offer in co-operation with the legal advisor of the client.

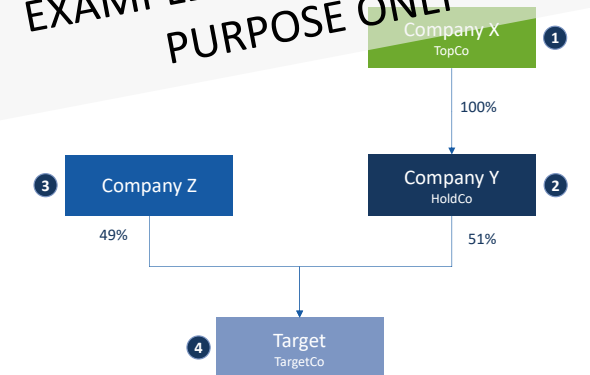
Output



- Initial due diligence report:** Report containing all detailed assessments that are part of the main due diligence activities. The report is focused on the core outcomes and main recommendations.
- Financial model:** The underlying analysis of the valuation, including scenario analyses.
- Non-binding offer:** A final non-binding offer covering all required aspects, ready to be submitted on behalf of the client.



EXAMPLE: FOR ILLUSTRATIVE PURPOSE ONLY



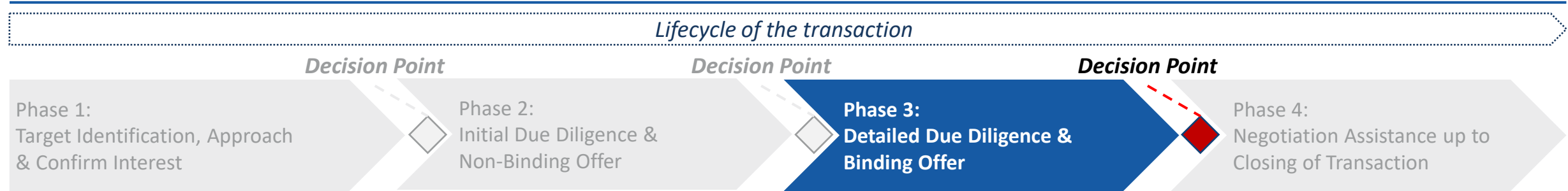
Activities per Phase

Phase 3 – Detailed due diligence & binding offer

Overall Approach

Activities per Phase

Phase 3 comprises detailed due diligence underlying the binding offer deal value and aims for the mitigation of identified risks



Objective



- Coordinate the detailed due diligence and determine a suitable price (structure) for the target company based on key findings from the various due diligence workstreams and the detailed valuation model prepared by MTBS M&A. On the basis hereof, the client submits their binding offer.

Activities



Detailed due diligence activities including:

- Full commercial due diligence on the target based on a review of the virtual data room.
- Coordination of all due diligence workstreams performed by external advisors.
- Develop a fully-flexible valuation model to help determine the target's enterprise and equity value.
- Run a Q&A process with the target's management and external experts.

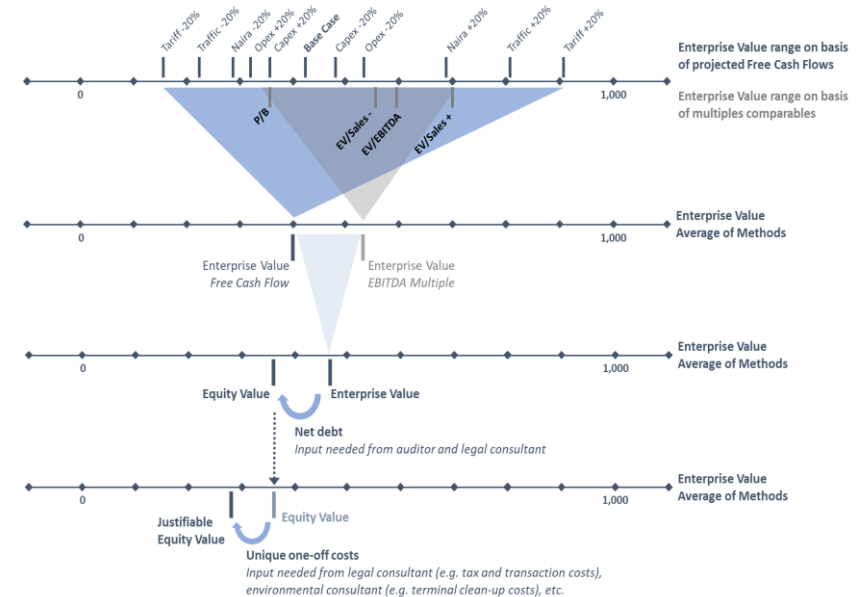
Prepare binding offer:

- Define the purchase price, closing mechanism and overall structure for the transaction.
- Draft the binding offer and support the client with any internal approvals.

Output



- Detailed due diligence report:** Report including the key findings of the detailed due diligence.
- Financial model:** The underlying analysis of the valuation, including scenario analyses.
- Binding offer:** A final binding offer covering all required aspects, ready to be submitted on behalf of the client.



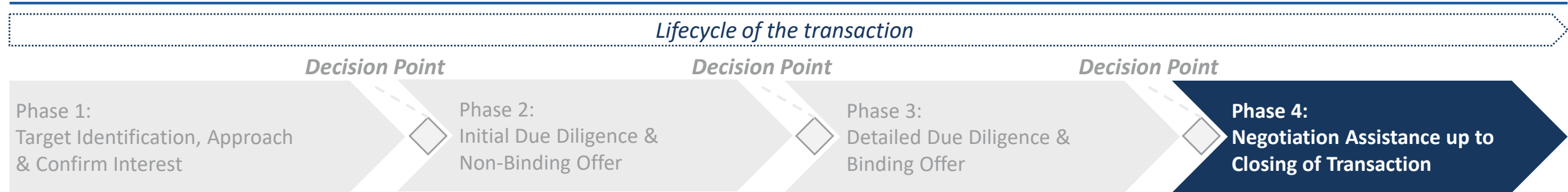
Activities per Phase

Phase 4 – Negotiation assistance up to closing of transaction

Overall Approach

Activities per Phase

Phase 4 comprises negotiation assistance focused on supporting the client in reaching contractual close on the target



Objective



- Successfully conclude the transaction by acceptance of the binding offer by the target's owner(s) and successfully negotiating mutually satisfactory transaction documents.

Activities



- Advise the client on key contractual parameters for the share purchase agreement (purchase price, closing mechanism, conditions precedent, reps & warranties, etc.) and the shareholders' agreement (in case of acquisition <100% and/or acquisition together with a partner).
- Facilitate the coordination with the relevant stakeholders in order to close the transaction in a timely fashion. MTBS M&A will also support the preparation of any documentation required by the regulatory authorities with respect to the envisaged transaction.
- Prepare the required transaction documentation in collaboration with the legal advisor of the client.
- Full negotiation support up to signing of the transaction documentation and thereafter up to financial close of the transaction.

Output



- **Signed transaction documentation:** The main output envisioned for phase 4 is a signed share purchase agreement and other relevant transaction documentation between the client and the target's owners or between the client and its partners (in case of a shareholders' agreement).



Disclaimer

DISCLAIMER

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