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Tertre Rouge Assets PLC
27 July 2023

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27 July 2023

Tertre Rouge Assets PLC (the "Company" or "TRA")

Heads of Terms signed

Proposed Reverse Takeover

Suspension of Listing

The Company is pleased to announce that it today entered non-binding heads of terms with several parties, to acquire:

- (a) 100% of the issued share capital of The Run To Group Limited ("**Run To**") for a cash consideration of £4.6 million;
 - (b) a 1952 Ferrari Formula 2 for a cash consideration of £5.2 million;
 - (c) a 1963 Jaguar E-Type Lightweight for a cash consideration amount of \$US7.5 million (approximately £5.7 million);
 - (d) a 1971 Formula One Ferrari for a cash consideration of €10.6 million (approximately £9.1 million);
 - (e) a 1969 Lamborghini Miura P400 SV for a cash consideration of €3.25 million (approximately £2.8 million);
 - (f) a 1961 Ferrari 250 GT for a cash consideration of \$US8 million (approximately £6.1 million); and
 - (g) a 1958 Mercedes-Benz 300 SL Roadster for a cash consideration of €1.5 million (approximately £1.3 million),
- ((b) through (g), the "**Car Assets**");

subject to legal, financial and other due diligence and entry into, in the case of Run To, a legally binding share purchase agreement (the "**SPA**") and, in the case of the Car Assets, several legally binding asset purchase agreements (each an "**APA**"), (collectively, the "**Proposed Acquisition**"). As no binding agreements have yet been reached, either in relation to Run To or the Car Assets

(or any one of them), the Company cannot guarantee that the Proposed Acquisition (or any part of it) will complete.

About Run To

Run To is an events company incorporated in England and Wales, established to create the finest supercar adventures in the world. Run To creates handpicked driving routes across the globe for its clients, who drive their prestige supercars along the way.

En route, Run To's clients get to enjoy some of the finest accommodation, staying at outstanding handpicked hotels, chosen for their character and personality. Coupled with the driving and hotel experiences, Run To also hosts incredible events and parties in spectacular locations, which includes a host of performers, musicians and artistes from around the world.

Each year, Run To's signature adventure is a handpicked route to the Monaco Grand Prix, which earlier this year involved 58 supercars. Photographs from this event can be seen on Run To's website at the following link: <https://therunto.com/monaco/>.

About the Car Assets

As a broad group, the investment-grade collectible motorcar sector has performed consistently well going back to 1993. Within this group, certain assets have outperformed the market and the Car Assets meet the Company's investment criteria for assets that ought to continue to outperform the market - namely, that exceptional value comes from a combination of rarity and exceptional provenance. The Car Assets have been chosen based on their importance and significance within the global classic motorcar market, which presents the Company with a rare opportunity to acquire these capital appreciating assets.

Background to the Proposed Acquisition

TRA was formed as a 'special purpose acquisition company' with a specific focus on acquisitions of a target company, business or asset(s) that are in or otherwise focused on or ancillary to the collectible automobile sector, which could include physical automobile assets and/or companies, businesses or assets with technology and/or services relevant to the collectible automobile sector, as outlined in the Company's prospectus published on 13 July 2022 (the "**Prospectus**"). A copy of the Prospectus can be found on the Company's website at the following link:

<https://tertreroigeassets.com/publications/>

The Proposed Acquisition is in line with the Company's acquisition strategy.

The Proposed Acquisition

The Company today entered non-binding heads of terms with three selling shareholders, comprised of one corporate entity and two individuals (the individuals, the "**Founders**"), for the acquisition of 100% of the issued share capital of Run To for a cash consideration of £4.6 million

(the "**Run To Purchase Price**"). In addition to the Run To Purchase Price, the Founders will participate in an EBIT performance bonus of up to an aggregate £3 million, payable by the Company over three financial years (2024, 2025 and 2026) which is structured to reward them if the Target's operating company, being The Run To Global Limited (the "**OpCo**"), achieves forecast earnings before interest and tax ("**EBIT**") of £900k (in 2024), £1.1 million (in 2025) and £1.3 million (in 2026) (the "**EBIT Performance Bonus**"). The EBIT Performance Bonus is payable in equal amounts to each Founder and is payable, subject to the relevant performance milestones being satisfied, in addition to the Run To Purchase Price.

In addition to the Run To Purchase Price and the EBIT Performance Bonus, on completion of the Proposed Acquisition ("**Completion**"), the Company intends to allot and issue to each of the Founders 150,000 ordinary shares in the capital of TRA ("**TRA Shares**") and further intends to allot and issue to each of two staff members of the OpCo 50,000 TRA Shares. The Founders will remain employed by the OpCo following Completion and it is intended that the two staff members remain employed by the OpCo following Completion.

Also today, the Company entered non-binding heads of terms with several vendors in relation to the Car Assets, for a total cash consideration of approximately £30.2 million (the "**Car Assets Purchase Price**").

In conjunction with the Proposed Acquisition, the Company will undertake an equity financing to raise up to £50 million (the "**Placing**") to pay the cash consideration of the Proposed Acquisition, comprised of the Run To Purchase Price and the Car Assets Purchase Price, and to fund the working capital requirements of the enlarged group.

On Completion, it is the Company's intention to seek admission of its ordinary share capital, as enlarged following Completion and pursuant to the Placing, to the Standard Segment of the Official List of the Financial Conduct Authority (the "**FCA**") and to trading on the Main Market of the London Stock Exchange (together, "**Admission**").

Following Completion, the current directors of the board of the Company will remain in place.

The Proposed Acquisition is conditional on, amongst other things:

- obtaining the necessary regulatory approvals of the FCA;
- the satisfactory completion, by each of the parties, of legal, financial and commercial due diligence;
- in the case of Run To, the parties agreeing, signing and exchanging a legally binding SPA;
- in the case of the Car Assets, the parties agreeing, signing and exchanging legally binding APAs;

- Admission; and
- the Placing.

It is currently expected that should the Proposed Acquisition proceed, the prospectus will be published, and the Proposed Acquisition will complete, during Q4 2023.

The Company has engaged certain advisers, and will engage other professionals, to rapidly progress the requisite due diligence and the preparation of transaction documentation including the SPA, the APAs and the prospectus.

At this stage, there can be no guarantee that the Proposed Acquisition will complete nor as to the final terms of the Proposed Acquisition. Further announcements and updates will be made in due course.

Suspension of Listing

The Proposed Acquisition, if completed, would constitute a reverse takeover under the Listing Rules. As the Company is currently unable to provide full disclosure under Listing Rule 5.6.15, it has requested from the FCA, and been granted, a suspension of listing in its shares with immediate effect pending either the issue of an announcement providing further details on the Proposed Acquisition, the publication of a prospectus, or an announcement that the Proposed Acquisition is not proceeding. Any restoration of the listing is subject to the approval of the FCA.

There can be no certainty that the Proposed Acquisition will take place and it remains subject, amongst other things, to final terms being agreed.

Further announcements and updates will be made in due course.

Steven Schapera, Chairman of TRA, commented:

"We are delighted to have agreed heads of terms relating to the Proposed Acquisition. In the past year, we have reviewed a number of opportunities spanning businesses operating in the collectible motorcar sector, as well as physical assets comprised of investment-grade collectible motorcars. Our review has confirmed the Board's belief that this sector is a robust preserver of value and presents several compelling acquisition opportunities. Importantly, the Company is now in an enviable position to exploit these opportunities to the benefit of its shareholders. The Proposed Acquisition meets our stated objective of identifying what can potentially be an extremely valuable investment opportunity in this sector. A tremendous amount of work has been expended to identify this high-quality portfolio of acquisition targets and we look forward to completing this transformative transaction and returning to the market as soon as possible."

For further information, please contact:

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