

TDN Group Ltd

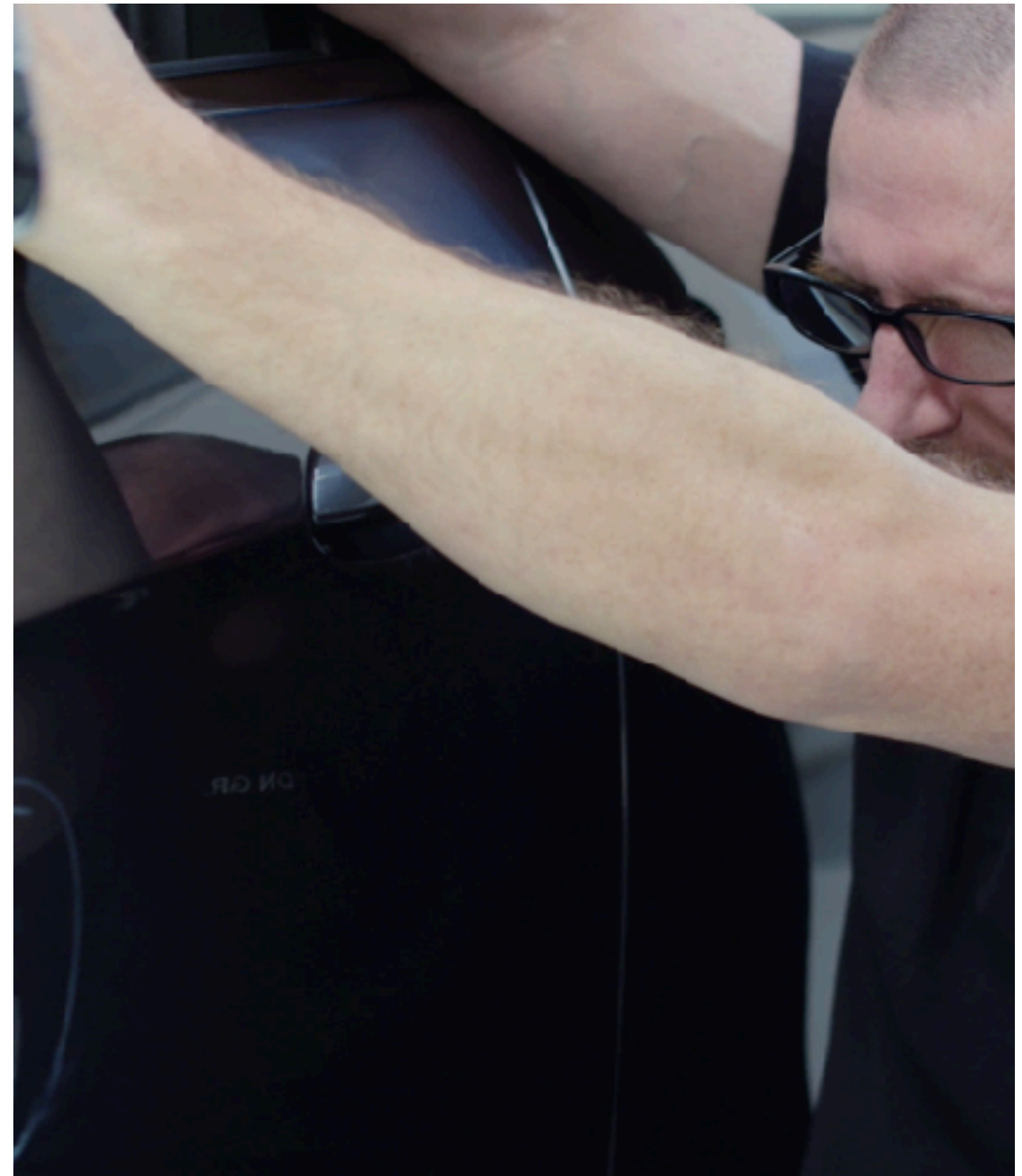
Information Memorandum

TDN Group - Pushing for Perfection

TDN Group is an established UK based company that has positioned itself as the market leader in the UK PDR (paintless dent removal) industry.

Offering the full spectrum of PDR services with departments that support each other in numerous cross and up-sell scenarios.

Pushing for Perfection is a motto used not only for the quality of TDN's repairs, but followed through in the systems, processes and company culture. TDN strive to perfect the complete work flow allowing our staff to concentrate on an unrivalled customer experience.



Business Overview: Financial Summery



| Y/E 28th Feb | 2017 | 2018 | 2019* |
|-------------------------|-------------|--------------|-------------|
| <u>Turnover</u> | 1.36m | 2.17m | 2.5m |
| <u>Gross Profit</u> | 775k 57% | 1.24m 57% | 1.5m 60% |
| <u>Operating Profit</u> | 313k 23% | 476k 22% | 625k 25% |
| <u>EBITDA</u> | | | |

* Targeted growth without new contracts/ventures

Major Clients

- Allianz Insurance
- Vizion Claims Management
- Car Shop
- PJM Logistics
- Smart Fleet Solutions
- GBA
- Fleet Auction Group
- Group CAT

Allianz Insurance

Vizion

Car Shop

Service sector
HAIL REPAIR

Service sector
HAIL REPAIR

Service sector
PDR Fleet

Length of relationship
7 Year(s)

Length of relationship
1 Year(s)

Length of relationship
2 Year(s)

Scope

Scope

Scope

Allianz are the UK's largest insurer of commercial accounts. They insure the majority of large fleets, logistic centres, distribution centres and dealership groups. The obvious year on year scope is TDN providing Hail Repair solutions to high volume catastrophe events. Further scope will be the broadening of TDN's services such as the introduction of cosmetic repairs.

Vizion are the UK's fastest growing claims management provider. With a network of over 800 bodyshops, handling in excess of 250,000 claims per year on behalf some of the UK's latest Insurers, the scope is both for hail and general repairs if TDN were to expand and offer cosmetic solutions. In Dec 18, TDN and Vizion drafted a full hail repair process which will be implemented for events starting 2019.

Car Shop are the UK's leading Used car supermarket. Recently taken over by the Sytner Group, Car Shop are in the process of acquiring more sites and aim to double their output in 2019. TDN currently repair 36,000 vehicle per year from their central PDI centre and are in talks to carry on this service at their new facility in the North of England following their acquisitions.

Services - PDR

TDN offer Employed and subcontracted IMI Accredited PDR technicians to sites needing fast, quality repairs at high volume.

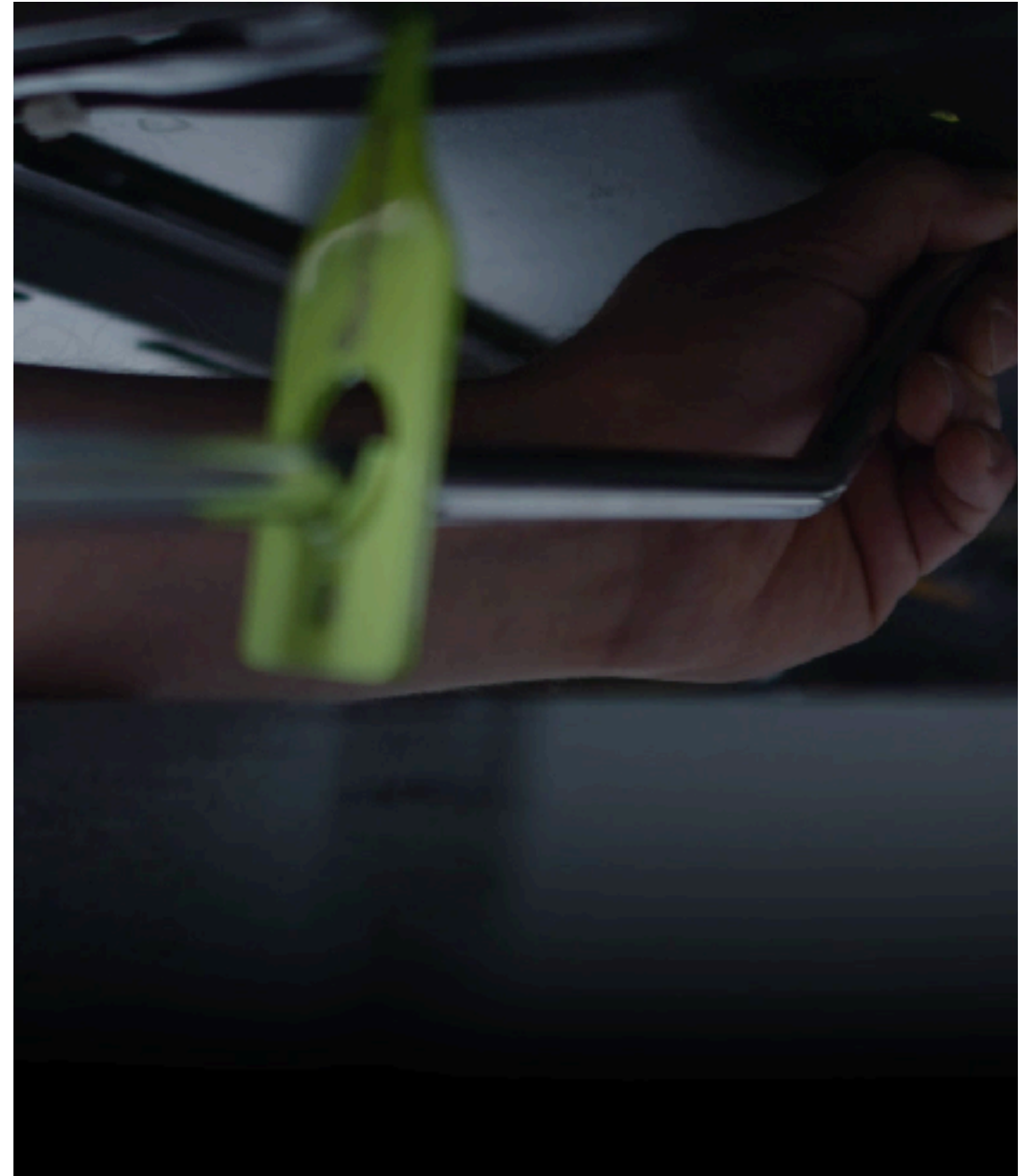
Using the latest software TDN offer their customers an accurate invoicing/reporting system whilst simplifying the process for their technicians allowing them to concentrate on quality repairs.

Intracompany Benefits

As TDN have the UK's largest PDR tool shop, technicians are supplied with the latest tooling from around the world.

TDN's Training division allows technicians to constantly improve their skill set and achieve the Industries highest regarded accreditations.

The training division can also assist in supplying newly trained technicians to the PDR field.



Services - Tools

TDN Tools is Europe's leading provider of PDR tools from around the world. Recognised for fast delivery times and customer service, TDN Tools is built on automation and this department constantly strives to implement the latest software and processes. As 90% of sales are captured via e-commerce, the scalability of this department is unlimited.

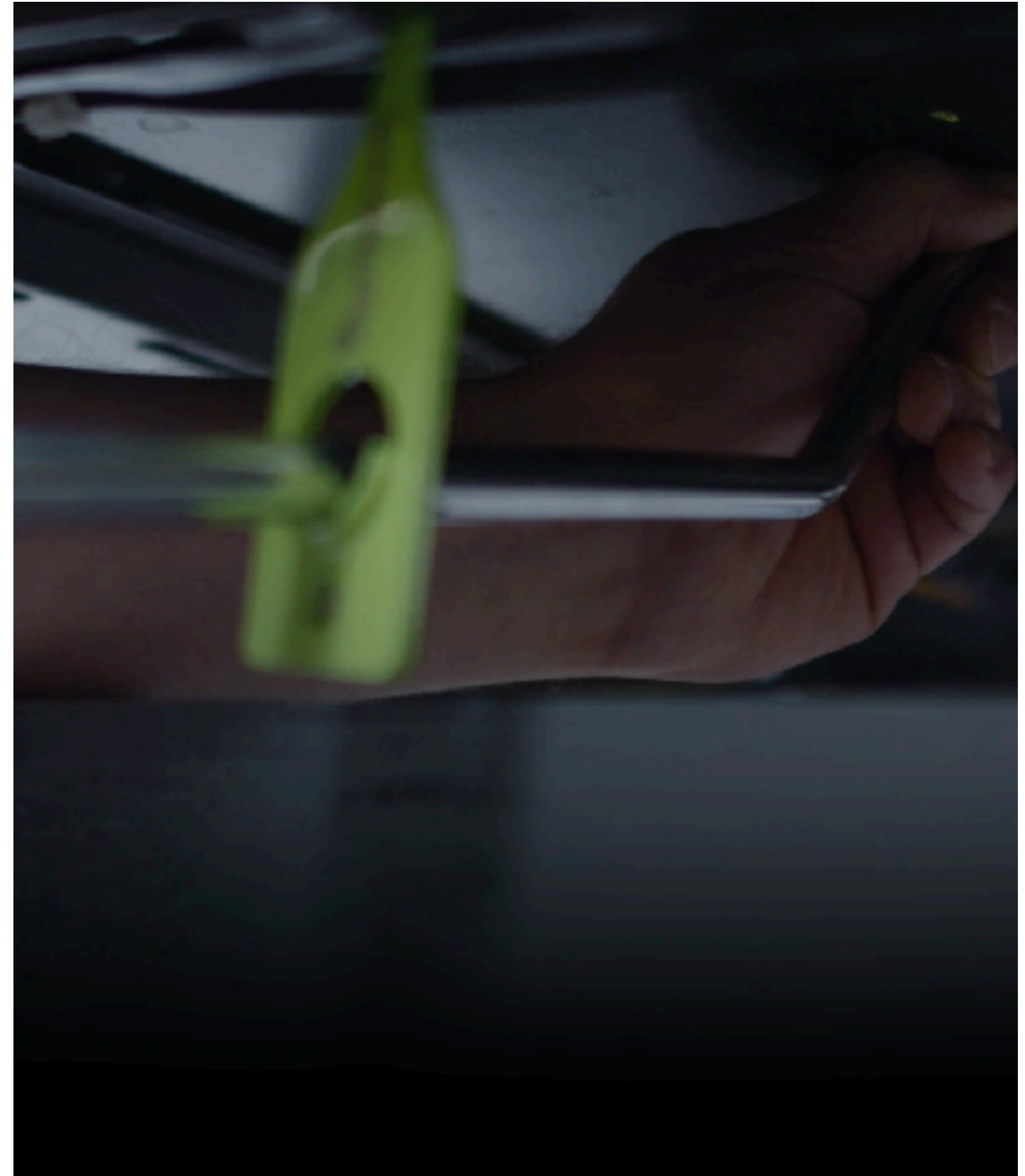
TDN Tools also develop their own branded products, a relationship is in place with a company based in Lithuania that offer engineering/prototyping as well as bridging the gap with their network of manufacturers in the Far East when full production is needed.

Intracompany Benefits

TDN Tools holds a large database of customers (mainly technicians) which is useful to market advanced training and accreditation to.

The same database can be used if and when technicians are needed such as a hail event.

Tool sales are monitored in case of an influx of shipments to a specific area, this is passed on to PDR/Hail sales in case there is scope to bid for business.



Services - Training

TDN have become the authority for training in the UK as well as the authority worldwide for industry qualifications/ accreditations.

Offering a range of PDR training from introduction to advanced repairs TDN cover all bases within the business. As an IMI (Institute of the Motor Industry) approved centre and recognised employer TDN are at the forefront in developing and implementing courses that are required by technicians wanting to carry out work in any BSi certified establishment. TDN have recently been given authority to carry out International qualifications for EV & Hybrid maintain ace and repair. PDR, ADAS and MET qualifications will soon be added to that international prospectus.

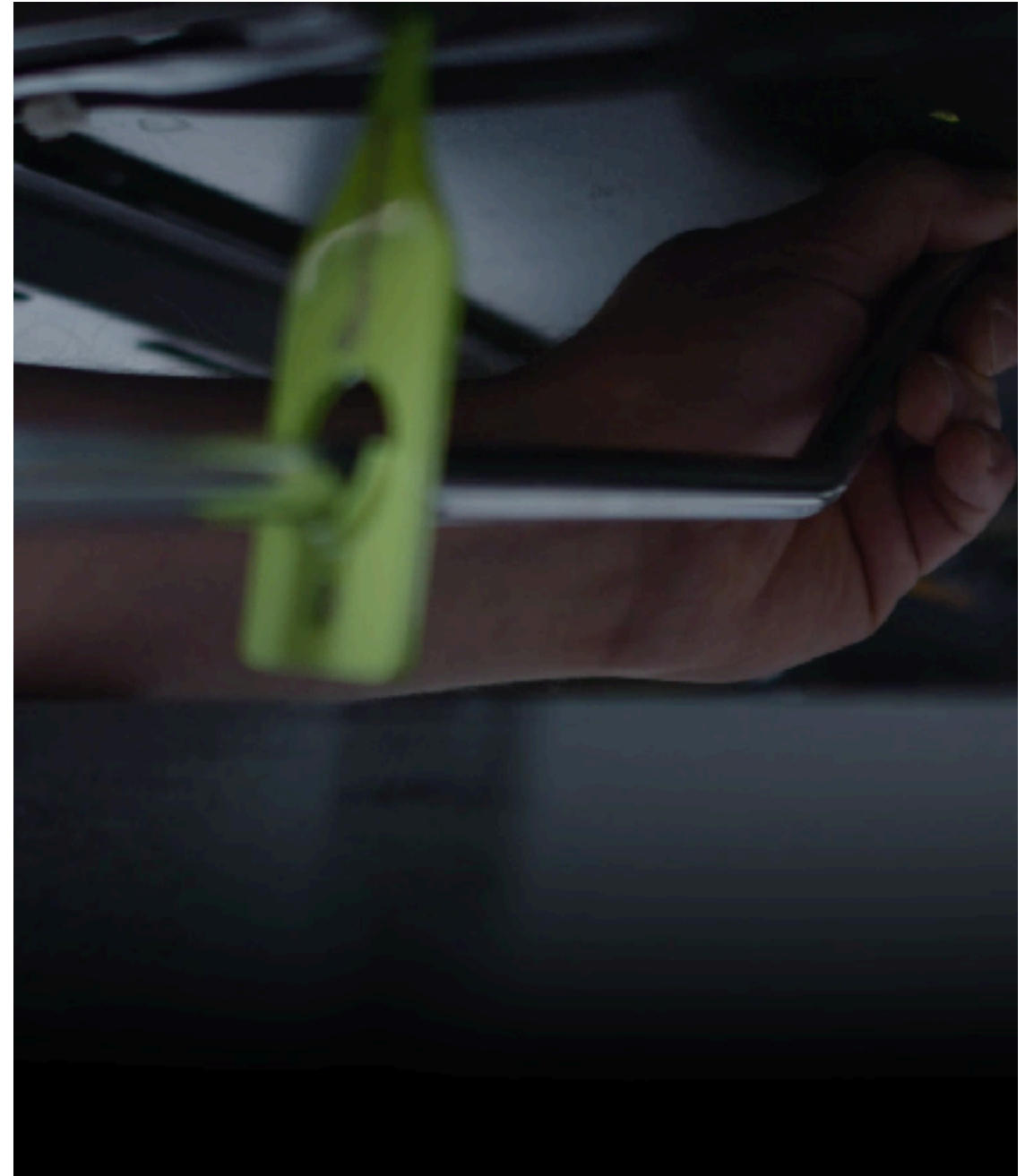
Intracompany Benefits

Internal training/accreditation opportunities for TDN technicians.

Opportunity to sell tools to trainees.

Potential employees can be hand selected from privately paying trainees.

Builds useful network of accredited technicians.



Key Personel



Jordan Fisher AMIMI

Managing Director - 50% Shareholder

Jordan founded TDN Group in 2015 bringing with him relationships with major insurance companies nurtured over the years of being a technician and managing hail repair centres. Jordan learnt the art of PDR at the age of 21 and has now spent 14 years in the trade. Jordan has a wealth of knowledge in the hail repair industry having worked for many years in both technician and management roles.



Tony Hodgson AMIMI

Operations Director - 50% Shareholder

Tony joined forces with TDN in January 2016 after running successful businesses in PDR concentrating on high volume fleet repairs. Tony and Jordan had worked together since 2010 on numerous projects prior to Tony moving over to TDN. What Tony brought to TDN with his fleet contracts and many years of experience complimented the TDN model and helped create the full range of services that TDN offer today.



Kevin Andrews MIMI

General Manager

Kevin joined TDN Group in 2015. Recognised as one of the most qualified and knowledgeable persons in the PDR Industry. Kevin is always striving to educate staff internally and technicians around the world on correct methods and safe working practices. Kevin was deservedly awarded the PDR Mentor of the year in 2018 at the industries latest expo/conference in USA.



Raquel Alvardia

Office Manager

Raquel is in charge of a lot, and does an impeccable job. Her main focus is Marketing which involves controlling our CRM. With this Raquel also handles customer service issues and the maintenance of our HR and Intranet platforms. It's the job of 4 staff but with the latest online platforms together with Raquels' hard work and drive she manages to keep everything under control.



Sam Donovan

TDN Tools Assistant Manager

Sam joined TDN in 2018, adapting to the industry immediately Sam now knows more than most when it comes to tools and how to sell them. Being of the younger generation, Sam is constantly finding new ways to streamline TDN's processes and integrate more efficient programs. Sam is a rising star in the PDR Industry.

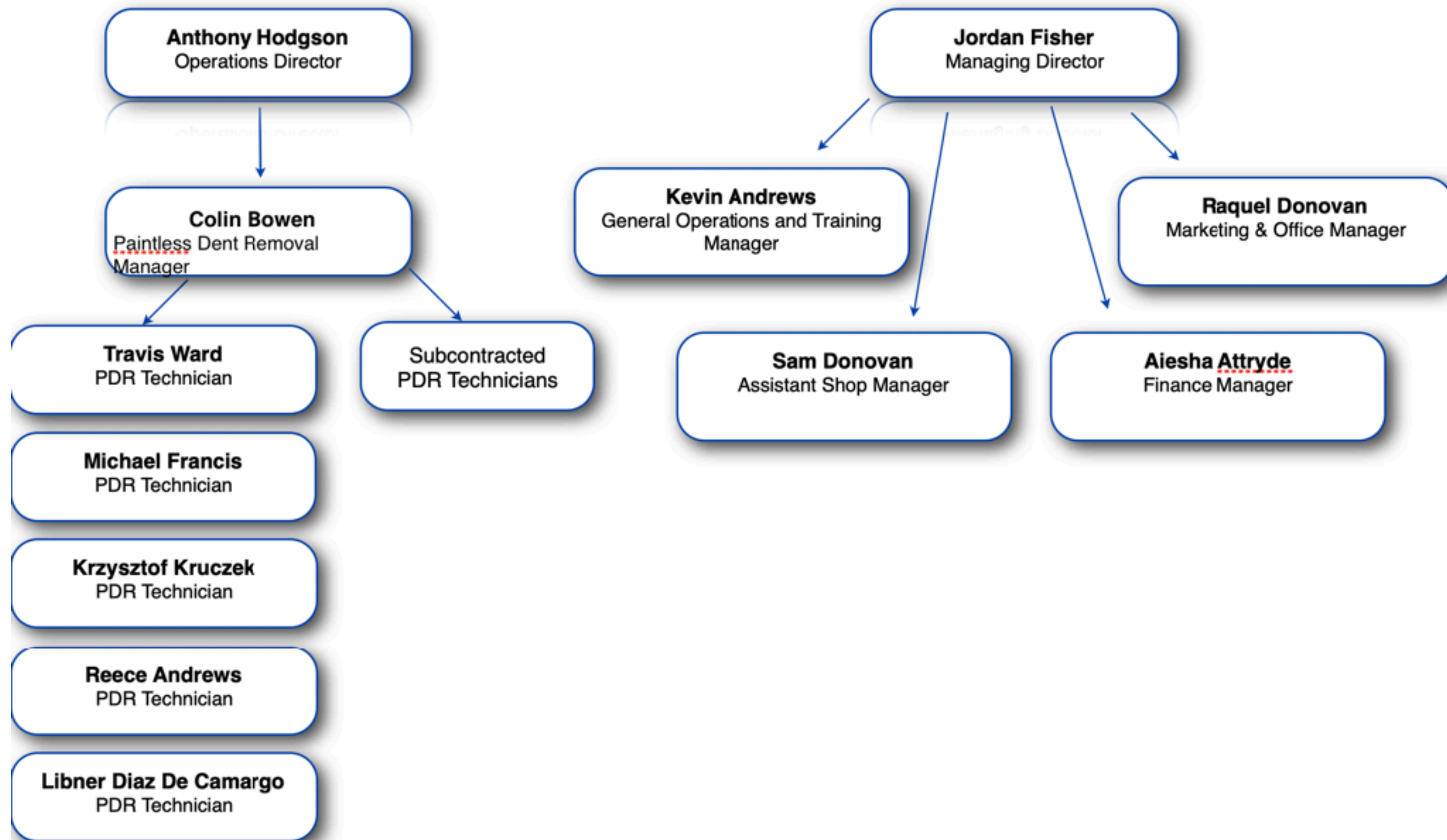


Aiesha Attryde

Finance Manager

Aiesha joined TDN early 2018. Having an incredible background and many qualifications in the finance world Aiesha managed to adapt to working in a smaller business where she had to control all finances and payroll. An amazing team player and highly passionate about both finance and TDN.

TDN Group Organisation Chart by Job Roles



Reason for sale of shares

- To surpass current forecasted growth through the input of great industry minds.
- To introduce new service offerings which offer synergy with TDN's current service and position in the motor industry.
- (As apposed to selling as a whole) To maintain a majority stake in the company and reinvest a portion of the sale so both current and new shareholders benefit from the projected rapid growth.
- To safeguard the current staff force and utilise their skill and togetherness in new ventures.

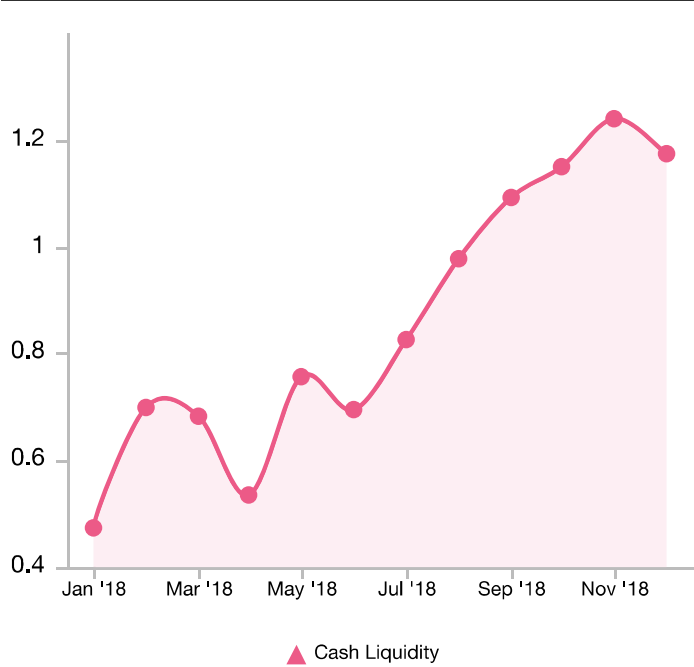
2018 YTD P&L / Balance Sheet

BALANCE SHEET ANALYSIS

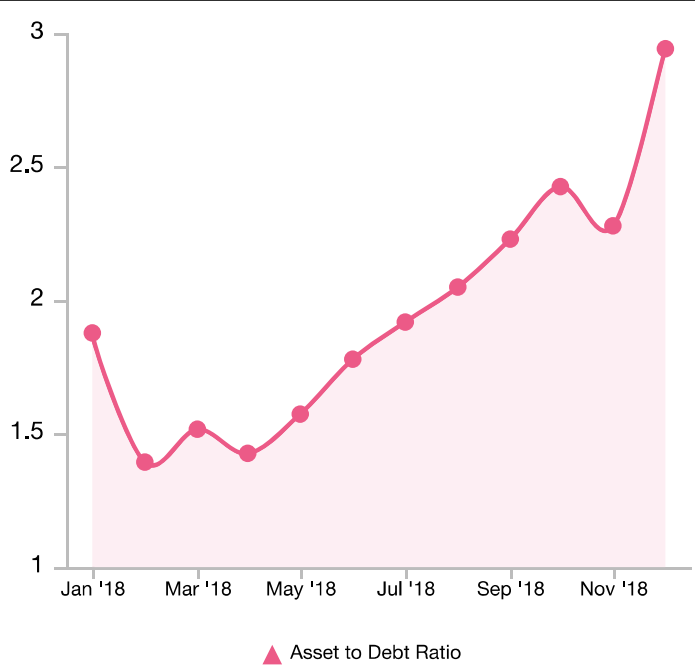
Last 3 Months

| | Oct '18 | Nov '18 | Dec '18 |
|-------------------------|----------|----------|----------|
| Bank Accounts | £335,421 | £388,253 | £252,997 |
| Current Assets | £311,717 | £248,114 | £250,389 |
| Fixed Assets | £77,114 | £77,571 | £74,991 |
| Total Assets | £778,821 | £781,113 | £668,090 |
| Current Liabilities | £250,071 | £261,856 | £154,162 |
| Non Current Liabilities | £16,958 | £16,958 | £16,958 |
| Total Liabilities | £267,029 | £278,815 | £171,121 |
| Net Assets | £511,792 | £502,298 | £496,970 |
| Equity | £511,792 | £502,298 | £496,970 |

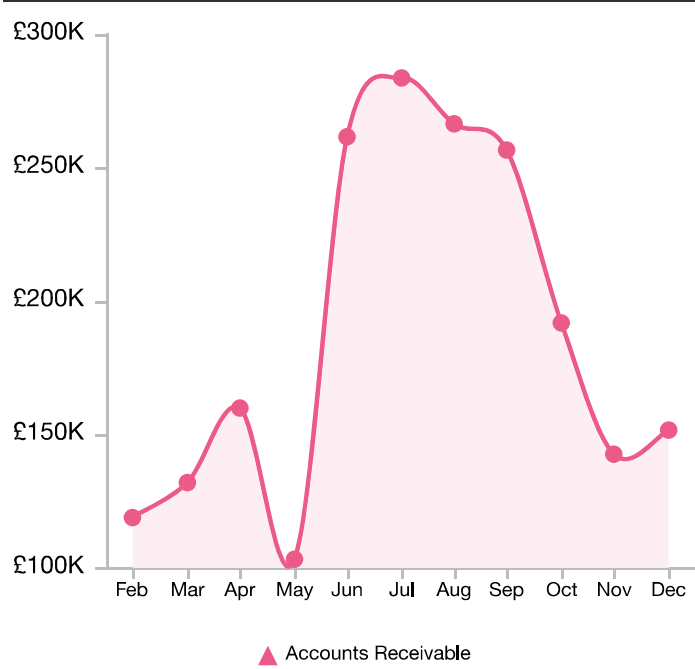
Liquidity – Does my cash cover my debts?



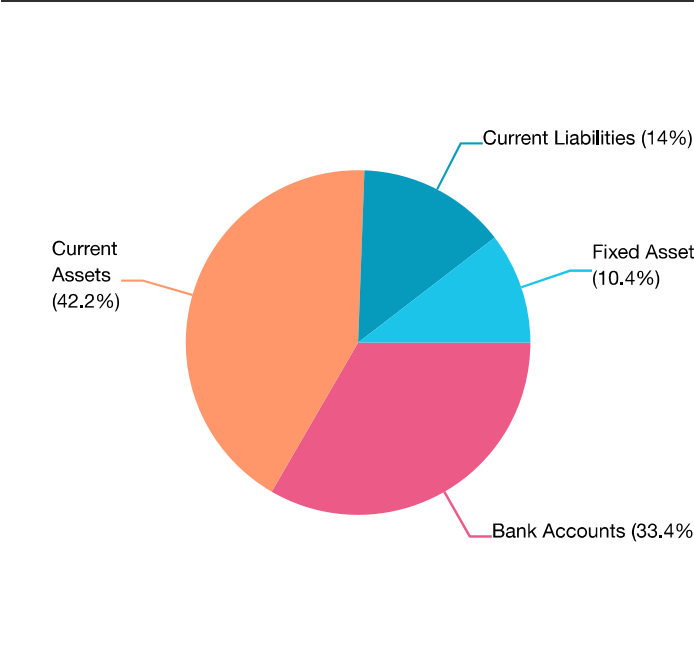
Current Assets to Debt Ratio



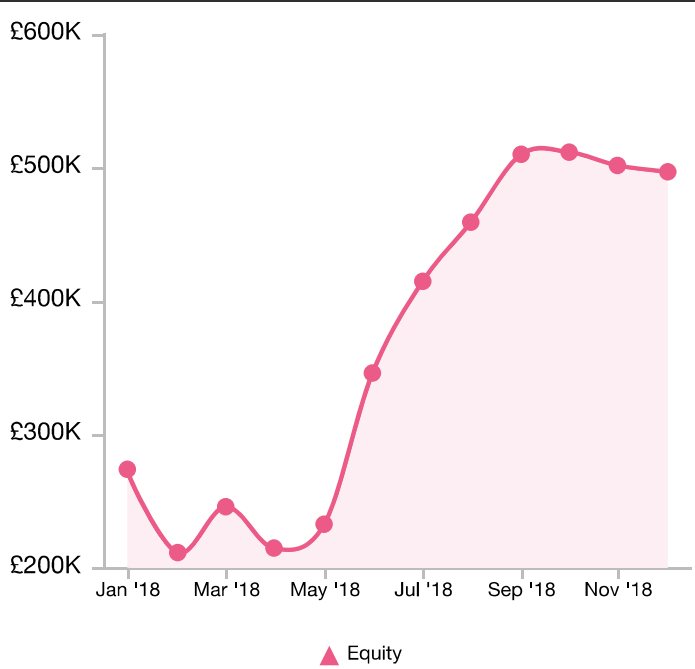
Debtors



Balance Sheet Components



Equity

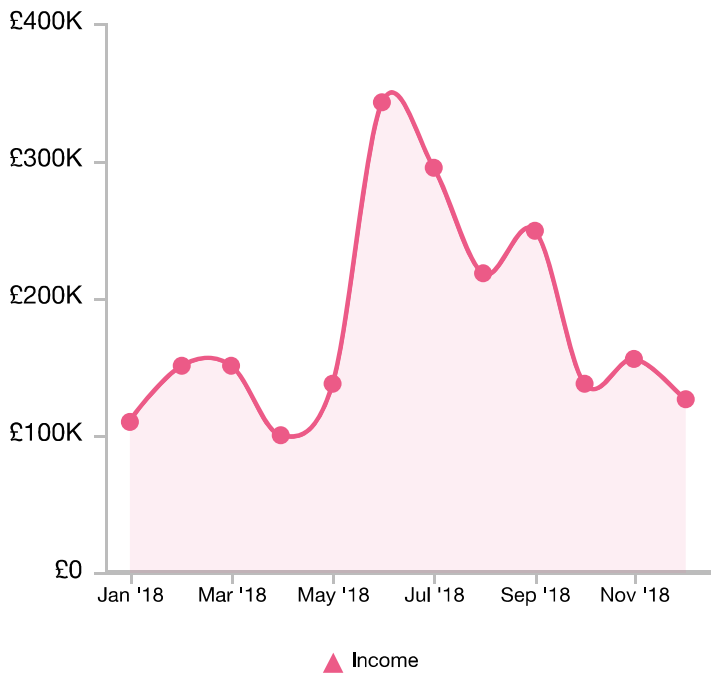


PROFIT AND LOSS ANALYSIS

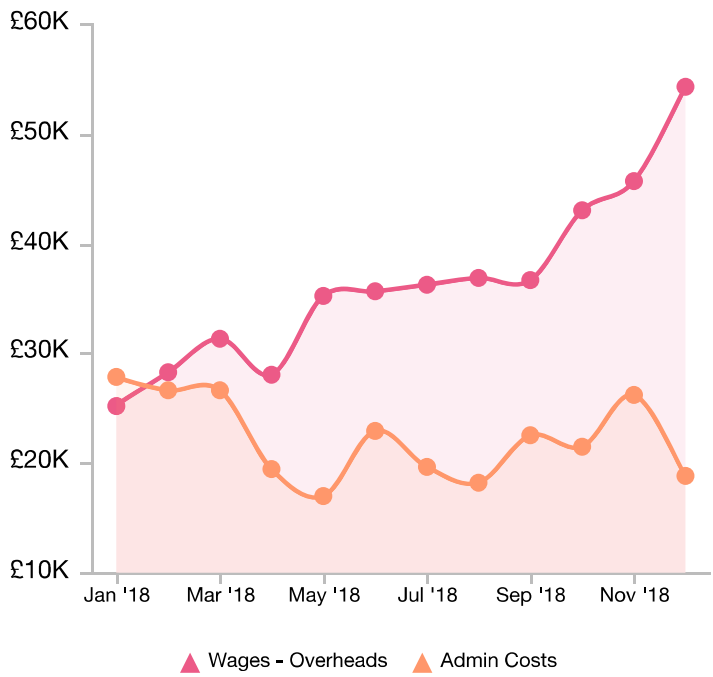
Year to Date with last year as a forecast

| | Mar '18 | Apr '18 | May '18 | Jun '18 | Jul '18 | Aug '18 | Sep '18 | Oct '18 | Nov '18 | Dec '18 | Jan '19 | Feb '19 | 2018-19 to report end |
|--------------------|----------|-----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|-----------------------|
| Income | £150,313 | £99,618 | £138,497 | £342,160 | £295,252 | £217,800 | £249,355 | £138,463 | £155,562 | £127,001 | £107,303 | £149,165 | £2,170,488 |
| Cost of Sales | £40,878 | £64,087 | £55,100 | £135,766 | £148,649 | £99,485 | £105,518 | £50,123 | £71,791 | £45,847 | £50,077 | £66,376 | £933,696 |
| Gross Profit | £109,435 | £35,532 | £83,397 | £206,394 | £146,603 | £118,315 | £143,836 | £88,339 | £83,770 | £81,155 | £57,226 | £82,789 | £1,236,791 |
| Gross Profit % | 73% | 36% | 60% | 60% | 50% | 54% | 58% | 64% | 54% | 64% | 53% | 56% | 57% |
| Wages - Overheads | £31,266 | £28,087 | £35,124 | £35,599 | £36,183 | £36,828 | £36,730 | £43,027 | £45,634 | £54,270 | £25,080 | £28,192 | £436,021 |
| Admin Costs | £26,648 | £19,498 | £16,893 | £22,822 | £19,627 | £18,122 | £22,497 | £21,393 | £26,235 | £18,837 | £26,421 | £26,571 | £265,566 |
| Operating Profit | £47,449 | (£14,698) | £30,674 | £144,935 | £84,872 | £61,376 | £81,359 | £20,808 | £11,735 | £7,580 | £2,928 | £25,736 | £504,753 |
| Operating Profit % | 30% | -17% | 20% | 42% | 28% | 27% | 32% | 13% | 6% | 4% | 1% | 15% | 22% |
| Other Expenses | £2,319 | £2,286 | £2,400 | £2,357 | £2,400 | £2,517 | £2,473 | £2,517 | £2,530 | £2,580 | £2,271 | £2,807 | £29,456 |
| Net Profit | £45,130 | (£16,984) | £28,274 | £142,579 | £82,472 | £58,859 | £78,886 | £18,291 | £9,206 | £5,000 | £657 | £22,929 | £475,297 |

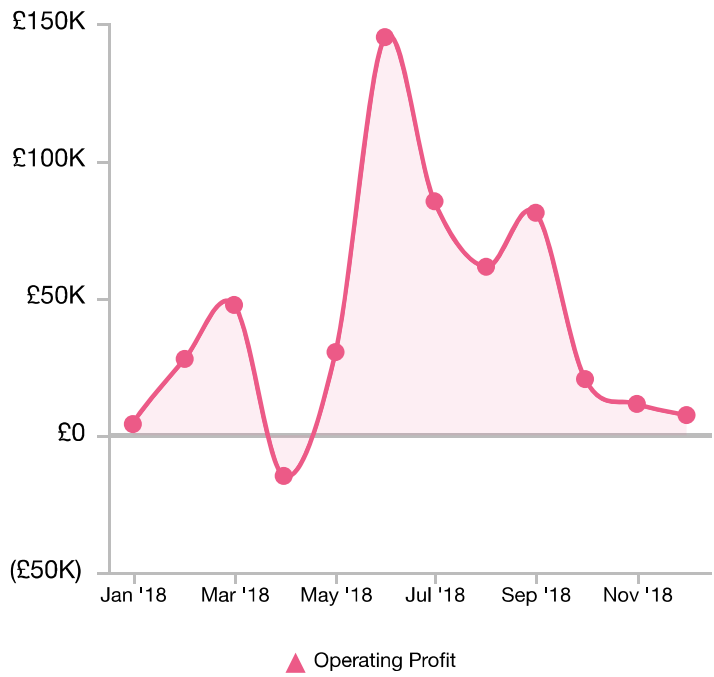
Revenue – Last 12 months



Overhead Analysis



Operating Profit – Last 12 months



Growth Opportunities

- TDN Tools sees an organic growth year by year, this can be increased, now the systems/processes have been implemented, focusing more on product development and sales/marketing strategies.
- PDR sales again show a yearly increase but with existing customers expanding rapidly and new contracts due to start early 2019 TDN expect a large increase in revenue this year.
- Hail - as unpredictable as hail is, from 2019 TDN supply the 2 largest sources of claims in the UK. If an event were to occur TDN would expect to double the revenue they would have done in years past with the same exposure.



Launching of a Hybrid Bodyshop

in partnership with Axiom Accident & Hail Repair