



Completion Mechanisms

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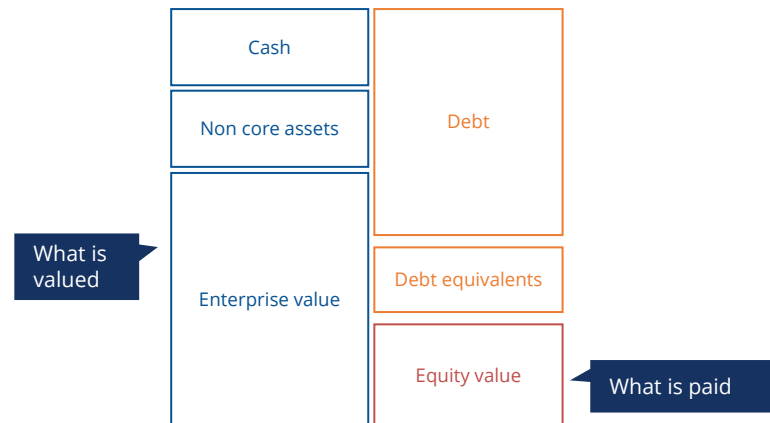
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Acquisition of Private Companies

Lawyers call enterprise value the “cash free, debt free price”



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The Role of the Completion Mechanism

Completion Mechanism

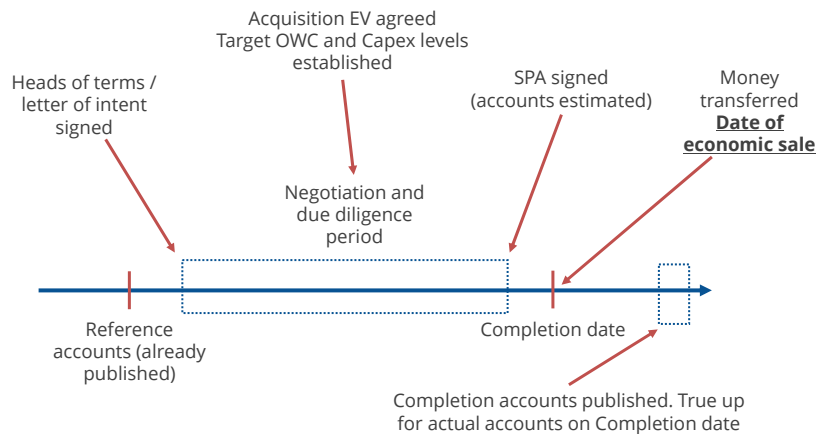
- Ensures that buyer receives what is paid for
- Ensures seller receives the expected funds
- Minimises uncertainty for both parties

Sale and Purchase Agreement (SPA)

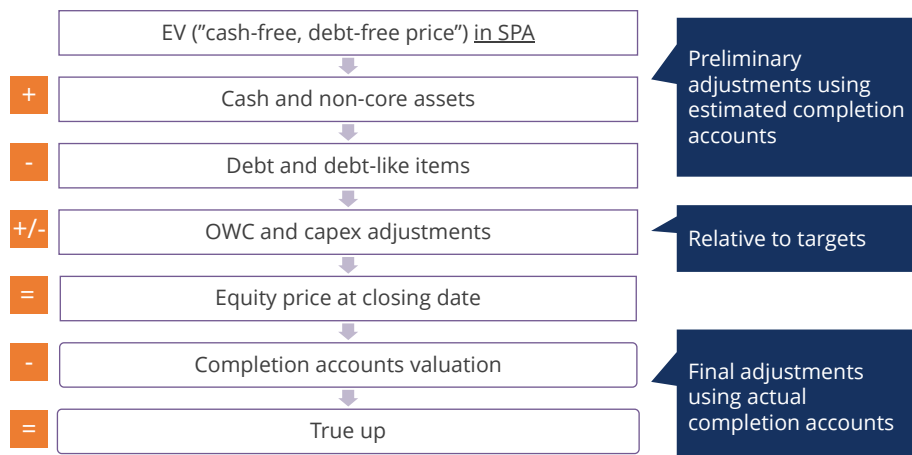
- The legal document ensuring that the completion mechanism works
- Aims to reflect outcome of all legal and commercial negotiations between the parties

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Completion Accounts – The Traditional Solution



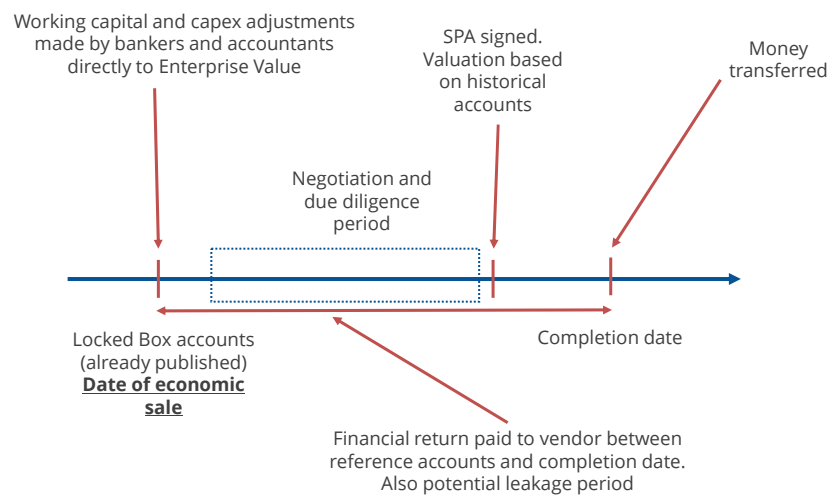
Completion Accounts Calculations



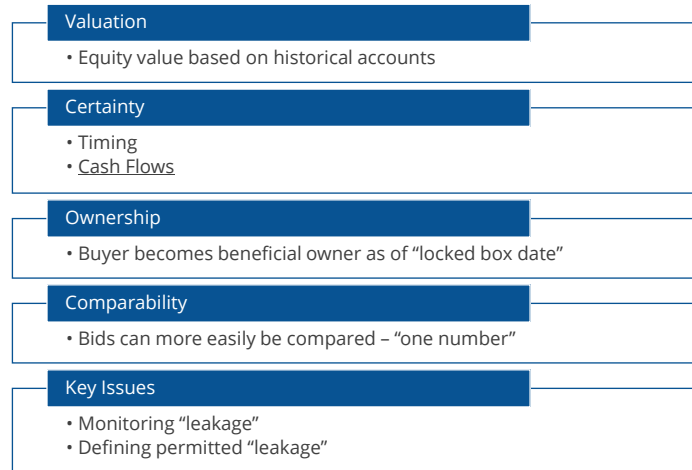
Completion Accounts – Issues



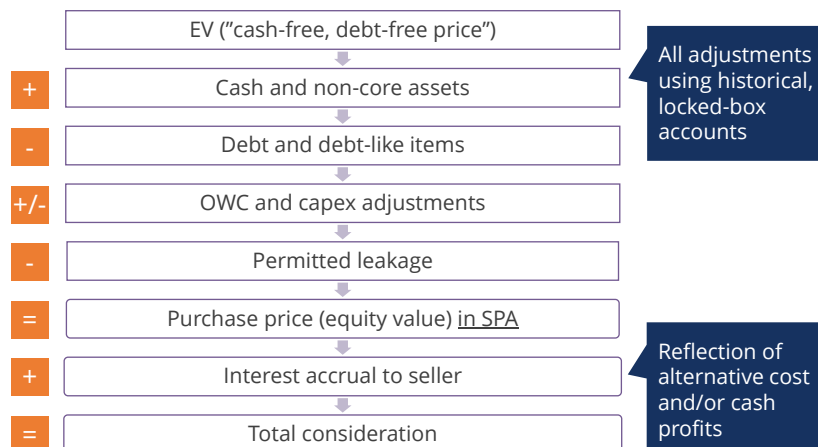
Locked Box – A Quicker Way



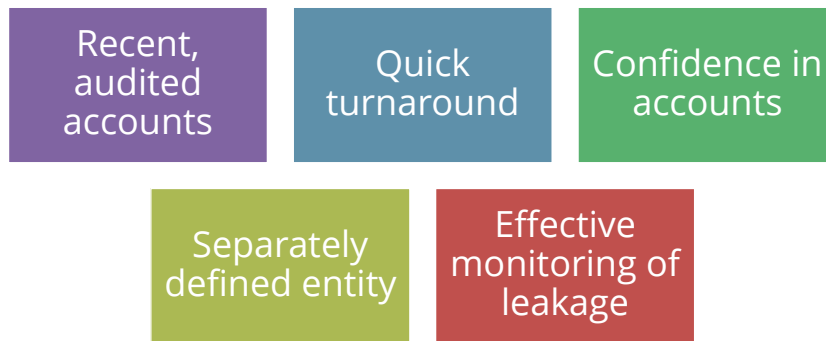
Locked Box – A Solution



Locked Box Calculations



Locked Box - Requirements



Completion Mechanisms

