

ASX Release: Ambition Group Limited

29 June 2020

Application to delist from ASX and proposal to buy back unmarketable parcels

Ambition Group Limited ('**Ambition** or **Company**') advises that it has obtained in-principle approval from the Australian Securities Exchange ('**ASX**') for the removal of Ambition from the Official List pursuant to ASX Listing Rule 17.11 ('**Delisting**') and that it has initiated a process to amend its Constitution to allow it to implement an unmarketable parcel buy-back.

In-principle approval received from ASX for delisting

Ambition has received in-principle approval from the ASX of the Company's application to be removed from the Official List, on a date to be determined by ASX in consultation with the Company, subject to compliance with the following conditions:

- a) the Company's removal from the Official List of ASX is approved by a special resolution of the ordinary shareholders of the Company;
- b) the notice of meeting seeking shareholder approval for the Company's removal from the Official List must include a statement, in form and substance, satisfactory to ASX, setting out:
 - i. a timetable of key dates, including the time and date at which the Company will be removed from the ASX if that approval is given;
 - ii. that if shareholders wish to sell their shares on ASX, they will need to do so before the Company is removed from the Official List of ASX; and if they do not, details of the processes that will exist after the Company is removed from the Official List to allow shareholders to dispose of their holdings and how they can access those processes;
 - iii. to ASX's satisfaction, information prescribed in section 2.11 of ASX Guidance Note 33; and
- c) the removal will not take place earlier than one month after the shareholder approval is obtained; and
- d) the Company releases the full terms of the ASX's in-principle decision to the market upon making a formal application to ASX to remove the Company from the Official List.

In order to satisfy the condition set out in a), Ambition will seek such special resolution from shareholders in its upcoming annual general meeting ('**AGM**'), which is scheduled at **10am (AEST) on 31 July 2020**.

Ambition will also seek shareholder approval at the AGM to amend its Constitution to allow it to buy-back unmarketable parcels of shares.

The Company expects to release to ASX and dispatch the Notice of Meeting for the AGM (**'Notice of Meeting'**) on 30 June 2020. Subject to shareholders approving the delisting resolution, Ambition expects that it will be removed from the Official List of ASX on 30 September 2020.

Reasons for delisting from the ASX

The Board has determined that the continued listing on the ASX is no longer in the best interests of Ambition and its shareholders and believes that the Delisting represents the best opportunity to recognise medium to long-term shareholder value. Particularly, the Board is of the opinion that:

- a) the current size of the Company does not enable it to take advantage of being publicly listed;
- b) liquidity in trading of its shares is very low and there is little benefit to shareholders in continuing to allow trading in Ambition shares; and
- c) business is expected to continue to be extremely difficult as a result of the effects of the COVID-19 virus. If the Delisting is completed, compliance costs associated with listing will be eliminated, and management estimate a reduction of approximately \$400k-\$500k per annum in ongoing costs, which will assist Ambition to improve its financial performance and its prospects of returning to profitability.

Under Listing Rule 12.4, the Company is required to maintain a spread of shareholders that, in ASX's opinion, is sufficient to ensure that there is an orderly and liquid market in its securities.

Ambition's share register is highly concentrated with approximately 85% of the issued share capital of Ambition held by the top 20 shareholders. As at 12 June 2020, there were a total of 385 shareholders on the share register of the Company.

The table below sets out the distribution of Ambition shareholders as at 12 June 2020.

Number of Shares	Number of Shareholder	Number of Shares held	Proportion of issued capital (%)
1-1,000	80	19,999	0.03
1,001 – 5,000	142	395,021	0.59
5,001 – 10,000	36	250,836	0.37
10,001 – 100,000	76	2,743,868	4.07
100,001 and over	51	63,938,523	94.94
Total	385	67,348,247	100.00%

The Board considers that the current spread of shareholders and their aggregate holdings of shares may not be sufficient to maintain an orderly and liquid market in the shares. In addition, the Board does not have any reason to believe that there will be a substantial increase in its shareholder spread or the liquidity in shares in the future.

Further information on reasons for the Delisting is provided in the Notice of Meeting released on ASX on the same date as this announcement.

Consequences of Delisting

The consequences of the Delisting for Ambition and its shareholders include:

- a) shares of Ambition will no longer be quoted or traded on ASX and shareholders will only be able to sell their shares via off-market private transactions in accordance with the Company's constitution and any shareholders agreement that may be in force;
- b) as an unlisted public company, Ambition will not have the ability to raise capital from the issue of securities to the public in reliance on a limited disclosure fundraising document. If Ambition wishes to raise capital following the Delisting, this will be by way of an offer of shares pursuant to a full prospectus or by way of a placement to sophisticated and institutional investors (to whom such disclosure is not required); and
- c) while Ambition continues to have in excess of 100 shareholders after the Delisting, Ambition will be an 'unlisted disclosing entity' for the purposes of the Corporations Act 2001 (Cth) ('**Corporations Act**') and continue to be subject to continuous disclosure obligations.

As set out above, the Delisting is subject to approval by a special resolution of shareholders.

Shareholders should be aware that, in addition to the right to participate in discussion and vote at the shareholders' meeting, it is possible to pursue additional remedies under the Corporations Act in relation to the Delisting, including:

- a) under Part 2F.1 of the Corporations Act, pursuant to which a member of a company may apply to a court to make certain orders if an act or proposed act of the company, or a proposed resolution of members, is either (i) contrary to the interests of members as a whole; or (ii) oppressive to, unfairly prejudicial to, or unfairly discriminatory against, a member or members whether in that capacity or any other capacity; or
- b) under Part 6.10, Division 2 Subdivision B of the Corporations Act, pursuant to which any person whose interests are affected by circumstances in relation to the affairs of a company may apply to the Takeovers Panel to seek a declaration that those circumstances are 'unacceptable circumstances' within the meaning of the Corporations Act.

Further information on the reasons for and the consequences of the Delisting are set out in the Notice of Meeting released on ASX on the same date as this announcement.

Unmarketable Parcel Buy-back

Whilst the Company values all of its shareholders, it incurs significant administrative costs in maintaining small shareholdings, including the costs of shareholder statements, annual report and other communications. The cost to maintain small shareholder accounts can be disproportionately high. In addition, the Company recognises that small shareholders may find it difficult or expensive to dispose of their shares or may otherwise, subject to approval being obtained at the AGM for the Delisting, not wish to hold shares in an unlisted entity.

Under the proposed changes to the Constitution, the Company would have the ability, no more than once in any 12 months period, to establish an unmarketable parcel buy-back or sale facility and notify shareholders who hold an unmarketable parcel (being shares in the Company valued at less than \$500) that it intends to sell or buy-back their shares unless they elect to retain them.

All transaction costs in relation to the unmarketable parcel buy-back or sale facility would be borne by the Company.

Shareholders would not have to participate in the facility but in order to retain their shares the shareholders would have to confirm this to the Company, buy more shares or, if relevant, amalgamate their holdings.

If the proposed amendments to the Constitution are approved by shareholders at the AGM, Ambition intends to implement the facility shortly after the AGM, regardless of whether the resolution to approve the Delisting of the Company from the ASX is approved or not.

If it does so, all shareholders with an unmarketable parcel will receive a letter outlining the process and these shareholders will have at least 6 weeks to opt-out of the facility in order to retain their shares.

Sale of shares by shareholders

Whilst Ambition proposes to offer shareholders with an Unmarketable Parcel the opportunity to sell (per above), Ambition does not intend to offer a specific liquidity facility in conjunction with its removal from the Official List. However, shareholders who wish to sell their shares remain able to trade their shares to willing counterparties on-market on the ASX up to the date of suspension of trading of the Company's shares which will occur prior to market opening on the expected date of removal from the Official List. As indicated above, Ambition expects to be removed from the Official List on or about 30 September 2020.

This announcement is authorised for release by the Board.

About Ambition

Ambition is an international recruitment and contracting business operating in the areas of:

- information technology and digital
- accounting, banking, finance
- marketing and sales
- supply chain
- executive search and interim management

We have 170 staff across Australia, Asia, and UK.

Enquiries/Additional Information

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