

ASX Announcement



24 May 2022

Chairman's Address by Michael Alscher

Extraordinary General Meeting – 24 May 2022

Welcome

Good morning ladies and gentlemen, my name is Michael Alscher, and I am the Chairman of Cardno Limited. On behalf of the Board and staff of Cardno, I welcome all our shareholders who have made time to attend today's Extraordinary General Meeting.

Acknowledgement of Country

In the spirit of reconciliation, I would like to acknowledge the Traditional Custodians of country throughout Australia and their connections to land, sea and community. We pay our respect to their elders past, present and emerging and extend that respect to all Aboriginal and Torres Strait Islander peoples today.

Quorum

As it is now 10:00am (AEST) and the Company Secretary has advised me that a quorum is present, I formally declare this Extraordinary General Meeting open.

Introduction

I would like to start by introducing the Board of Directors present at the meeting today.

- > Mr Jeffrey Forbes, an independent Non-Executive Director, Chair of the Audit, Risk and Compliance Committee and a member of the Remuneration Committee; and
- > Mr Nathaniel Thomson, a Non-Executive Director, member of the Audit, Risk and Compliance Committee and a member of the Remuneration Committee.

Also in attendance today is our Chief Financial Officer and Company Secretary, Ms Cherie O'Riordan, and other members of our management team.

Background

On 9 June 2021, the Company commenced a strategic review process which involved an assessment of Cardno's strategic options and the alternative strategies available to unlock and enhance value for shareholders. On 21 October 2021, the Company announced to the ASX the sale of its Americas and Asia-Pacific consulting businesses, with completion of these transactions occurring on 9 December 2021. Following completion of these transactions, Cardno's ongoing businesses became its International Development business and its Latin American business.

On 15 November 2021, the company announced to the ASX that it would continue its strategic review of its remaining operations including its International Development business. On 28 March 2022, the Company announced to the ASX that it had entered into a share purchase agreement with DT Global Australia Pty Ltd for the sale of the entire International Development business, comprising of 100% of the shares in Cardno Emerging Markets (Australia) Pty Ltd, Cardno UK Limited and Cardno Emerging Markets USA Ltd., for a total cash consideration of \$56.5 million (subject to working capital and net debt adjustment mechanisms).

This meeting has been requisitioned for shareholders to vote on two important resolutions. As set out in detail in the Notice of Meeting, these are:

1. the disposal of the Company's main undertaking under ASX Listing Rule 11.2, being the disposal of the Company's International Development business; and
2. subject to and conditional on Resolution 1 being passed and completion occurring under the share purchase agreement, a return of capital to shareholders in the form and on the terms set out in the Explanatory Memorandum to the Notice of Meeting.

The Board unanimously recommends that shareholders vote in favour of all Resolutions. In addition, each Director who holds or controls shares intends to vote those shares in favour of the Resolutions.

The Board believes that, having considered the advantages and disadvantages of the proposed transaction, as set out in the Notice of Meeting, on balance, the transaction is in the best interests of shareholders. In particular, the Board has unanimously concluded that:

- the transaction is the most attractive option for shareholders and the transaction consideration recognises the current and inherent value of the International Development business; and
- having regard to all relevant factors, on balance, the certainty from the all-cash transaction consideration and the value inherent in the transaction, together with the proposed distribution, will deliver greater benefits to shareholders than any other alternatives currently available for the International Development business, including continuing to operate as part of Cardno.

If shareholders approve Resolution 1, the conditions are satisfied and the transaction is completed, Cardno's remaining operations will be:

- its South American operations which are currently operated through Cardno's wholly owned subsidiary, Ingenieria Sustentable (INSUS) S.A. (formerly Caminosca)); and
- its Latin American (Entrix) business, which provides social, environmental, and engineering services to clients.

Cardno will continue to operate these businesses while the Board considers the Company's medium to longer-term plans. The Board currently intends to update shareholders on these matters at the time that the Company announces its results for the 2022 financial year in August.

Before we proceed with the formal business of the meeting, I'd like to acknowledge the collective efforts of the Board and senior management team and our financial and legal advisors in today's achievement. On behalf of the Board, I'd also like to thank everyone at Cardno for their hard work and dedication over the years and extend my thanks and appreciation to our shareholders for their ongoing support.

Thank you.

Michael Alscher

Chairman, Cardno Limited

Authorised for release to the ASX by Michael Alscher, Chairman

- ENDS -

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