

ASX ANNOUNCEMENT

DETAILS ABOUT THE UNDERWRITING OF THE ENTITLEMENT OFFER

14 December 2022

Simonds Group Limited (**Simonds, SIO or Company**) (ASX:SIO) advises that the traditional 13 for 9 pro rata renounceable entitlement offer announced on 25 November 2022 (**Entitlement Offer**) will close at 5.00pm today.

The Company will announce to ASX the results of the Entitlement Offer on or before Monday, 19 December 2022.

The Company's largest shareholder, Vallence Gary Simonds, originally intended to structure his support of the Entitlement Offer by committing to take up his entitlements in full and underwriting the balance of the Entitlement Offer. He has advised the Company that it is his preference to instead have a newly incorporated entity which is controlled by him (and which is not currently a shareholder of the Company) to act as underwriter of the whole of the Entitlement Offer and for that entity to take up all of the shortfall under the Entitlement Offer (including Vallence Gary Simonds' entitlements), to the extent that shortfall is not otherwise dispersed through the oversubscription facility and shortfall bookbuild.

The Company has agreed to this request and has entered into an amendment to the Underwriting Agreement to accommodate these changes because it will not have any impact on the outcome or success of the Entitlement Offer or the control of the Company. Although Vallence Gary Simonds will not be taking up his entitlements under the Entitlement Offer, those will now be taken up by his newly incorporated controlled entity acting as underwriter (pursuant to the Underwriting Agreement). Accordingly, the Company will still raise \$25.5 million from the Entitlement Offer.

Similarly, there will not be any change to the effect of the Entitlement Offer on the control of the Company previously disclosed to ASX by the Company since the newly incorporated entity, Simonds Asset Management Pty Ltd (ACN 664 470 777) (**Underwriter**), is also controlled by Vallence Gary Simonds.

Each of the entities controlled by Vallence Gary Simonds that currently hold shares in the Company have guaranteed the underwriting obligations of the Underwriter. The Underwriter will be the entity that is entitled to receive the underwriting fees disclosed in the Appendix 3B filed by the Company on 25 November 2022. The underwriting fees remain unchanged in quantum.

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For more information, please contact:

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Authorised for disclosure by the independent board committee established by the Company's Board of Directors for the purposes of the Entitlement Offer.

Important notice and disclaimer

This announcement has been prepared for publication in Australia and may not be released to US wire services or distributed in the United States. This announcement does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States or any other jurisdiction where such an offer would be unlawful. Any securities described in this announcement have not been, and will not be, registered under the US Securities Act of 1933 (**US Securities Act**). The Shares to be issued under the Entitlement Offer may not be offered or sold, directly or indirectly, in the United States.

The announcement may include forward-looking statements. These forward-looking statements are based on the Company's expectations and beliefs concerning future events. Forward-looking statements are necessarily subject to risks, uncertainties and other factors, many of which are outside the control of the Company, which could cause actual results to differ materially from such statements. The Company makes no undertaking to subsequently update or revise the forward looking statements made in the announcement, to reflect the circumstances or events after the date of the announcement.

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