

Receipt of non-binding indicative proposals

Bulletproof Group Limited (ASX: BPF) (**Bulletproof** or the **Company**) announces that it has received interest in the acquisition of Bulletproof (**Proposals**) from a number of parties. Receipt of the Proposals follows the establishment of a formal due diligence process for prospective bidders in December 2017.

All of the Proposals contemplate higher offers for the Bulletproof shares than the takeover offer of 11.0 cents per share made by Macquarie Cloud Services Pty Ltd, a wholly owned subsidiary of Macquarie Telecom Group Limited (**Macquarie Takeover Offer**) and announced on 21 November 2017. However, the Proposals are not at this stage, directly comparable to the Macquarie Takeover Offer, and they are incomplete, subject to conditions, not binding and there is no certainty that the Proposals will lead to a takeover offer or control transaction for the Company. Several bidders have also requested further time for due diligence.

Cash Scheme Proposal

At this stage, the Proposal that appears most executable is an indicative non-binding proposal offer from Klikon Group Holdings Pty Limited (AC3) to acquire 100% of the shares in the Company at a cash price of 15.2 cents per share by way of a scheme of arrangement (**Cash Scheme Proposal**). The Cash Scheme Proposal is subject to a number of conditions, including finalisation of financing, a commitment by the Independent Board Committee of Directors (**IBCD**) to recommend the offer, and agreeing a form of scheme implementation agreement on such terms that are customary for a scheme of arrangement in Australia (such conditions would include shareholder and court approval, other required regulatory approvals (if any), cancellation or forfeiture of options on issue, no prescribed occurrences (as set out in section 652C of the Corporations Act 2001) and no material adverse change). The bidder is also seeking customary deal protections in the scheme implementation agreement (e.g., exclusivity).

Next steps

The IBCD, assisted by its legal and financial advisers, is evaluating the Proposals including the Cash Scheme Proposal and is in discussions with the parties that have made those Proposals.

As shareholders are aware, the Macquarie Takeover Offer was extended on Friday and now expires at 7pm (AEDT) on 30 March 2018, unless further extended by Macquarie Cloud Services.

The IBCD has recommended that Bulletproof shareholders **REJECT** the Macquarie Takeover Offer for the reasons set out in the Bulletproof Target Statement dated 22 December 2017.

Bulletproof shareholders do not need to take any action in response to this update. Your IBCD will update shareholders when it has completed its assessment of the Proposals.

Your IBCD remains fully committed to acting in the best interests of shareholders while seeking to achieve the best possible outcome for all stakeholders including Bulletproof employees and customers.

Management continues to focus on delivering the turnaround of Bulletproof following the restructuring of the business commenced in 2017. As described in the Target Statement, this restructuring has already delivered a material improvement in the profitability of the business.

ASX Announcement

22 January 2018



Bulletproof's financial adviser TMT Partners and its legal adviser Allens are assisting it with its assessment of the Proposals.

-ENDS-

For further details please contact:

Craig Farrow

Chairman

Tel: +61 418 847 036

<http://www.bulletproof.net.au>

Paula Kensington

Chief Financial Officer and Company Secretary

Tel: +61 404 678 483