



ASX Announcement

Release date: 25 October 2021

UPDATE ON NON-BINDING INDICATIVE PROPOSAL

Smartgroup Corporation Limited (**ASX: SIQ**) ("Smartgroup" or "the company") refers to its announcement of 29 September 2021 in relation to a non-binding, indicative and conditional proposal received from a consortium comprising TPG Global, LLC. and Potentia Capital ("Consortium") to acquire 100% of the shares in Smartgroup by way of a Scheme of Arrangement at a price of \$10.35 per share ("Proposal").

The Consortium has informed Smartgroup that it does not intend to proceed with the Proposal to acquire Smartgroup at \$10.35 per share. Accordingly, discussions with the Consortium in relation to the Proposal have now ceased and the exclusivity provisions under the Confidentiality Deed between the Consortium and Smartgroup have terminated.

The Consortium has expressed its interest to proceed with a revised proposal at a reduced offer price of \$9.25 per share in cash, which would represent a 17.7% premium to the closing share price on 28 September 2021 and a 23.8% premium to the 90-day volume weighted average price¹. This compares to the 31.7% premium to the closing share price and 38.6% premium to the 90-day volume weighted average price represented by the original Proposal.²

The original Proposal was unsolicited, non-binding and conditional. The Board decided to explore the original Proposal in the interests of Smartgroup shareholders. Having received advice of the Consortium's intentions over the weekend, the Board has unanimously concluded not to proceed with discussions.

The company's focus continues to be the delivery of sustained earnings and dividend growth for Smartgroup shareholders. The company is currently on track to deliver CY21 financial performance in line with consensus expectations.

The release of this announcement was authorised by the Smartgroup Board of Directors.

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¹ Smartgroup shares up until 28 September 2021.

² Under both proposals, shareholders would have been entitled to receive any franking credits attached to any dividends paid, with the offer price per share payable in cash by the Consortium to be reduced by the amount of any dividend per share paid.