

ASX Announcement



21 June 2022

Cardno Limited (ASX:CDD) – Update on sale of Cardno International Development

The Board of Cardno Limited (ASX:CDD) ("**Cardno**") would like to update Shareholders on the sale of Cardno International Development¹ to DT Global Australia Pty Ltd ("**DT Global**"), pursuant to the share purchase agreement between Cardno and DT Global ("**Share Purchase Agreement**") announced to the ASX on 28 March 2022 ("**Transaction**").

Update on conditions precedent

Cardno confirms that:

1. the condition precedent that required Cardno Shareholders to approve the Transaction under, and for the purposes of, ASX Listing Rule 11.2 was satisfied on 24 May 2022 at the extraordinary general meeting convened to approve the Transaction; and
2. the remaining condition precedent that requires Cardno to establish its information technology systems on a standalone basis to a level reasonably required by Cardno International Development remains on track to be completed on or before 30 June 2022.

Accordingly, it is expected that the Share Purchase Agreement will be unconditional by 30 June 2022.

Amendments to Share Purchase Agreement

The parties have entered into a deed of amendment in relation to the Share Purchase Agreement ("**Deed of Amendment**"), pursuant to which certain terms of the Share Purchase Agreement have been varied. The key terms of the Share Purchase Agreement which have been varied by the Deed of Amendment are as follows:

Completion date: 30 June 2022

Timing of payment of consideration: the consideration payable by DT Global to Cardno under the Share Purchase Agreement (being AUD\$56.5m) is payable as follows:

- AUD\$45m on the completion date (being 30 June 2022); and
- AUD\$11.5m ("**Deferred Payment**") (together with accrued interest on the Deferred Payment determined under the amended Share Purchase Agreement) on or before 29 July 2022 ("**Deferred Payment Date**"),

and remains subject to standard net debt and working capital adjustments.

¹ Comprising of the sale of 100% of the shares in Cardno Emerging Markets (Australia) Pty Ltd, Cardno UK Limited and Cardno Emerging Markets USA Ltd. (collectively, "**Cardno International Development**").

Escrow: the escrow amount described in Cardno's announcement to the ASX on 28 March 2022 is now an amount of AUD\$2m (rather than AUD\$5m) and DT Global will be directed to pay the escrow amount on the Deferred Payment Date from the Deferred Payment.

Distributions

Cardno intends to distribute the funds received from the Transaction as follows and notes that the distribution will be made in two tranches:²

Event	Date
Notification to ASX that completion of the Transaction has occurred and that the Special Dividend and Capital Return will be paid.	Thursday, 30 June 2022
Effective date of the Capital Return	Friday, 1 July 2022
Last day for trading in Shares on a 'cum Special Dividend and Capital Return' basis	Monday, 4 July 2022
Shares commence trading on an 'ex Special Dividend and Capital Return' basis	Tuesday, 5 July 2022
Record Date for determining entitlements to participate in the Capital Return and to be paid the Special Dividend	7:00pm (AEST) on Wednesday, 6 July 2022
Payment date in respect of the Capital Return and the Special Dividend	In respect of the first tranche of the distribution: Wednesday, 13 July 2022 In respect of the second tranche of the distribution: currently expected to be early August 2022

As set out in the explanatory memorandum to the Notice of Meeting, it is not currently possible to determine the exact amount of the distribution to Cardno Shareholders. Cardno anticipates that it will be able to determine the exact amounts immediately prior to completion of the Transaction and will release an announcement to ASX once the amounts have been determined.

This announcement has been authorised by Cardno's Board of Directors.

- ENDS -

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² Capitalised terms used, but not defined in this table, have the meaning given to them in the notice of extraordinary general meeting ("Notice of Meeting") provided to Cardno Shareholders and lodged with the ASX on 20 April 2022.