

RELEASE

Tuesday, 21 July 2020

SPOTLESS ANNOUNCES \$1.00 PER SHARE CASH AND CONTINGENT SHARE TAKEOVER OFFER BY DOWNER

Summary of the Offer

Spotless Group Holdings Limited (**Spotless**) refers to the announcement earlier today from its major shareholder, Downer EDI Limited (**Downer**) (ASX:DOW).

Downer has announced its intention to make an off-market takeover offer, or through its wholly owned subsidiary Downer EDI Services Pty Ltd (**Downer Services**), to acquire all of the ordinary shares in Spotless in which Downer Services does not currently have a relevant interest at an offer price of \$1.00 cash per share plus for every 17.92741 Spotless shares accepted, a Downer contingent share option exercisable over 1 Downer share (subject to the future market prices of Downer shares) at a zero exercise price (the **Offer**). Downer Services currently has a relevant interest in 87.8% of the Spotless shares on issue. We note that Downer has also announced that it has entered into a call option deed with Coltrane Master Fund, L.P. (which has a current relevant interest in approximately 11.8% of Spotless) which grants Downer a call option over 2.99% of Spotless shares, and which on exercise would increase Downer's ownership interest in Spotless above the 90% threshold required for it to proceed to compulsory acquisition.

Spotless will adopt protocols to manage actual or perceived conflicts of interest between Spotless and Downer and will also established an Independent Board Committee (**IBC**) to oversee the response of Spotless to the Offer. The IBC will comprise the directors of Spotless who are independent of Downer, being Professor John Humphrey, Chairman and Non-Executive Director, and Simon McKeon, Non-Executive Director. The IBC will consider the details of the Offer and update Spotless shareholders in due course.

Spotless has appointed Gilbert + Tobin as legal adviser in relation to the Offer.

Next Steps

Spotless shareholders are not required to take any action at this time.

It is expected that a Bidder's Statement will be prepared by Downer in due course and then lodged with ASIC. This document will contain further details regarding the offer and should be read carefully.

Spotless will also send a Target's Statement (which will include the recommendation of directors to shareholders in respect of the Offer) to Spotless shareholders in time for them to make an informed decision on the offer. This will contain information material to the decision of Spotless shareholders in respect of the offer and enclose a copy of an Independent Expert's Report.

Enquiries

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