

ASX ANNOUNCEMENT

SALE OF HOUSE OF LEARNING PTY LTD AND CITY-WIDE BUILDING & TRAINING SERVICES PTY LTD

Melbourne, 30 September 2021

Simonds Group Limited (**Simonds** or **Company**) (ASX: SIO) today announces that it has entered into an agreement to sell its wholly owned subsidiaries, House of Learning Pty Ltd (**HOL**) and City-Wide Building & Training Services Pty Ltd (CWBTs) to UP Education Australia Pty Limited, a private education provider (**UP Education**), for cash consideration of \$10,300,000, subject to a completion net working capital and net debt adjustment mechanism.

HOL and CWBTs provide accredited Vocational Education and Training courses in building and construction and associated leadership and management courses via physical, online or blended course delivery through Builders Academy Australia (**BAA**) and City-Wide Building and & Training Services or 'CWBTs' branded Registered Training Organisations (RTO's). Across both RTO's training programs are offered across Victoria, New South Wales, Australian Capital Territory and Queensland.

The Simonds Board considers the sale provides benefits to shareholders through crystallising the value from the sale of non-core asset and allows Simonds to streamline its focus on its core residential housing business.

Completion of the proposed transaction is expected to occur late in the second quarter of FY22 and is conditional on, amongst other things, Foreign Investment Review Board approval and notification, or consent from regulatory bodies such as the Australian Skills Quality Authority (ASQA), and the relevant Victorian, Queensland, NSW and ACT government funding bodies. The proposed transaction is not subject to Simonds shareholder approval, and not subject to further due diligence or any financing conditions.

As part of the terms of sale, Simonds will provide certain transitional services to BAA/CWBTs after completion of the sale that have been determined based on commercial terms, that are mutually agreed to by both parties that recover the costs incurred by Simonds in delivering those services.

Commenting on the proposed transaction, Simonds Group CEO and Executive Chairman, Rhett Simonds, said:

"This is a good outcome for all stakeholders. Simonds has been proud of the success and growth of Builders Academy Australia and CWBTs and their expanded delivery of courses that enable students across Australia to gain qualifications through classroom, workplace and online courses, that increase their career and employment opportunities within the building and construction sector. We believe that UP Education will be a great custodian for this business going forward."

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For more information, please contact:

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