

ASX Announcement – 2 October 2015

Smartgroup Corporation Ltd (SIQ) – acquisition of 50% of shares of Health-e Workforce Solutions Pty Ltd

Smartgroup Corporation Ltd (ASX:SIQ) is pleased to announce that it has entered into an agreement to acquire 50% of the shares of privately owned Health-e Workforce Solutions Pty Ltd (“HWS”) for \$6 million.

HWS delivers proprietary software with wrap-around consultancy services to healthcare providers that enables them to optimise their workforce and reduce the cost of care. HWS works with a number of the largest public and private hospitals in Australia including Austin Health, St Vincent’s Hospital Melbourne, Lady Cilento Children’s Hospital, Mercy Health Victoria, and Royal Adelaide Hospital.

Commenting on the acquisition, Smartgroup CEO Deven Billimoria said:

"The value of the Health-e Workforce proprietary software is evidenced by the company’s strong relationships with leading hospitals, many of which are long-standing clients of Smartgroup. We are looking forward to supporting Danny and his team to further rollout the company’s solution throughout the industry."

Danny Rathgeber, Founder and CEO of Health-e Workforce Solutions said:

"We are excited to be partnering with Smartgroup for the next phase of our company’s growth. It is very exciting to work with a company that shares our passion for adding real value to its clients. Working together will allow us to further innovate our proprietary software to better service our growing client base."

The transaction is expected to complete by the end of December 2015, subject to certain conditions precedent that are expected to be satisfied before this date. The transaction will be funded from cash and/or existing facilities. The agreement includes an option for SIQ to acquire the remaining 50% of HWS in 5 years.

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