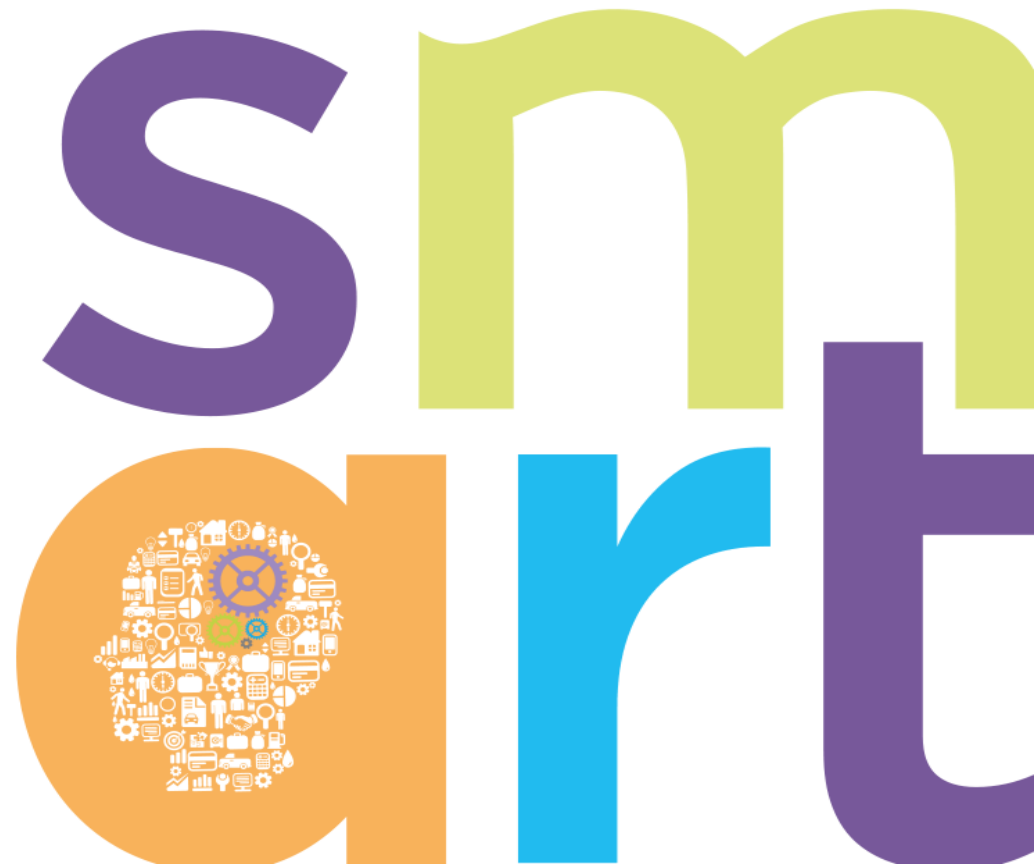




Extending remuneration services into equity plan administration

08 January 2016



Important notice and disclaimer.

("Important Notice")

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Non-International Financial Reporting Standards (Non-IFRS) information

This presentation presents financial information on both a statutory basis (prepared in accordance with Australian accounting standards which comply with International Financial Reporting Standards (IFRS)) and non-IFRS basis.

Smartequity specialises in tailored equity plan structuring and administration services

- 1**
- About**
- Delivers tailored equity plans and related administration services
 - Led by Trinity Management Group (TMG) joint founder and director, John Day, with a team of 4

- 2**
- The transaction**
- Smartgroup acquires selected assets from TMG
 - The business will trade as Smartequity and is based in Melbourne Victoria

- 3**
- Established corporate client base**
- Manages equity plans on behalf of over 50 corporate clients, listed and unlisted

- 4**
- Attractive financial profile**
- Pro-forma forecast CY16 revenues of c\$3.0m and EBIT of c\$1.2m

- 5**
- Opportunities for growth**
- Recent tax and legislative changes have created renewed interest across the corporate sector
 - Some potential for cross sell of Smartgroup's existing services into TMG's client base

The acquisition is subject to a 36 month earn out based on the growth in annual EBIT



- Agreement to acquire selected assets of TMG for an initial payment of \$1.7m
- A further payment to be made in 36 months on a multiple based on the increment of annual EBIT greater than \$864,000
- Pro-forma forecast CY16 (31 December 2016) revenues of c\$3.0m and EBIT of \$1.2m
- Expected to complete by end of January 2016, subject to conditions precedent
- The initial payment will be funded from cash and/or existing facilities available

Smartequity (TMG) delivers structuring and administration for various equity plans...

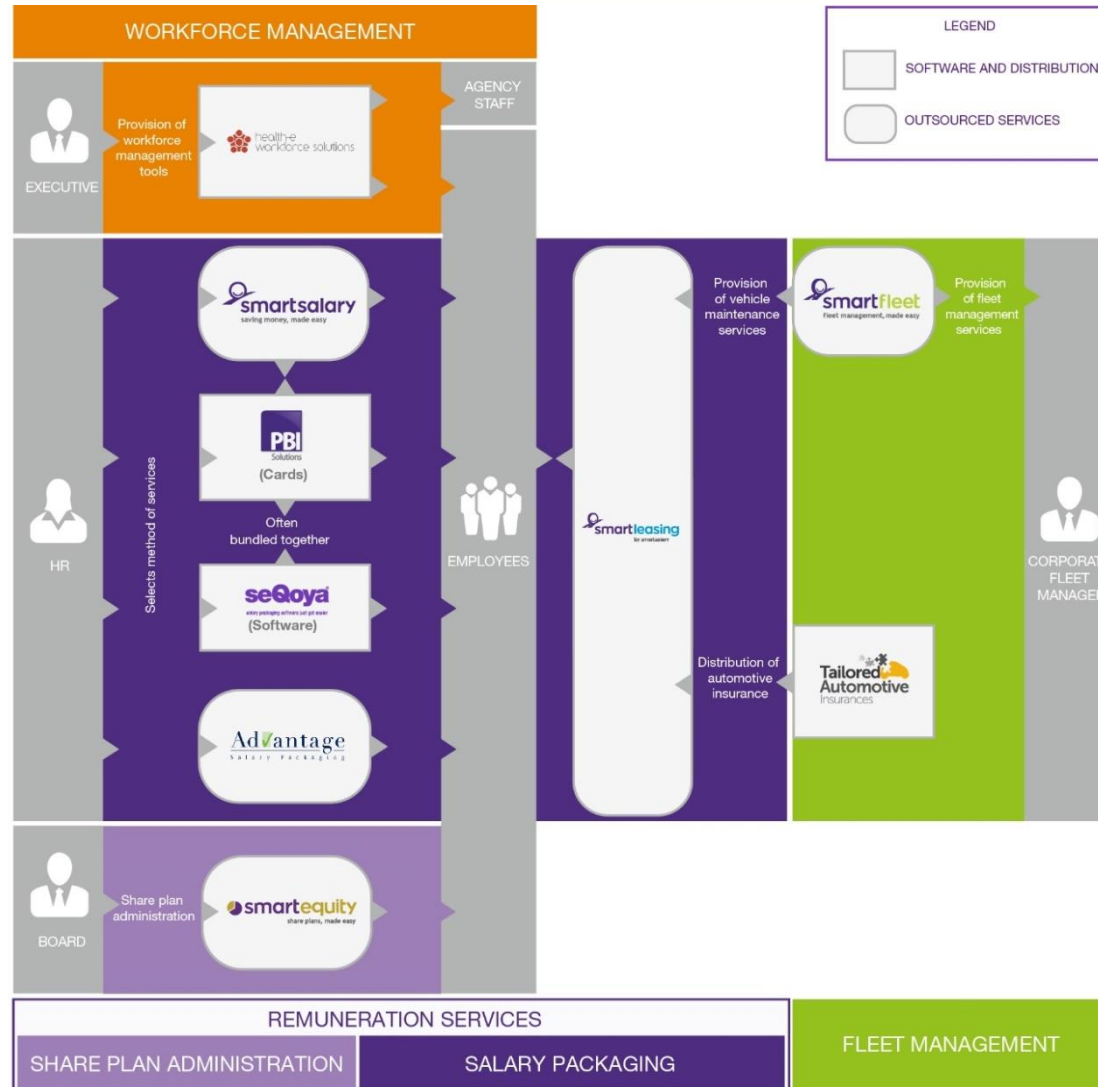


Plan types		Description
Trust Plans		<ul style="list-style-type: none"> • Shares, options or performance rights held for employees through a trust • Preferential remuneration outcomes, though with added administration complexity
Ordinary Plans	Standard	<ul style="list-style-type: none"> • Shares, options or performance rights issued directly to the employee, and funded by the employee
	Loan based	<ul style="list-style-type: none"> • Funds are loaned to employees for the purchase of employer shares at market value • Loan is repaid at specified future date using share sale proceeds, or dividends
	'Start-up' only	<ul style="list-style-type: none"> • Available since 1 July 2015 • Delivers tax concessions in the form of share and option plans to eligible 'start-up' companies*

Majority of TMG's current customer base are utilising Trust Plans

**A start up company is broadly defined as an unlisted Australian resident company with aggregated turnover of not more than \$50million, where all companies in the corporate group have been incorporated for less than 10 years.*

... and extends Smartgroup's remuneration services capabilities



TMG is Smartgroup's ninth acquisition, and third since the IPO

