

26 June 2019

Market Announcements Office  
ASX Limited  
20 Bridge Street  
Sydney NSW 2000

Dear Sir

## **STEADFAST GROUP ANNOUNCES PROPOSED ALLIANCE WITH IBNA**

In response to interest regarding Steadfast Group Limited's (ASX: SDF) discussions with Insurance Brokers Network Australia Limited (IBNA), the SDF Board is pleased to advise:

- that SDF has entered into an agreement with IBNA (which is subject to further due diligence, agreement on structuring issues and any necessary regulatory approvals) regarding IBNA supporting IBNA members joining the Steadfast Network and renouncing rights to rebates from professional services fees (PSF) to SDF as a result of business placed by those members with strategic partners;
- the initial consideration is actual FY19 PSF generated by IBNA members (estimated at \$9.13m) multiplied by 8.32x, which gives an initial purchase price of \$76m. The consideration is likely to involve the issue of SDF shares on completion (estimated at 23.1m based on a 30 day volume weighted average price to 25 June 2019) with IBNA members receiving consideration in proportion to the total rebate each member receives from IBNA and the A&I Member Services Pty Limited (AIMS) joint venture;
- the initial consideration is subject to adjustment if not all IBNA members join the Steadfast Network, if SDF does not accept the application of any IBNA member to join the Steadfast Network or if the PSF attributable to business placed by IBNA members in FY19 varies from the estimated \$9.13m (based on GWP placed being approximately \$1.4b); and
- other conditions including appropriate warranties and indemnities may be required by SDF depending upon the final structure of the transaction.

The expected future impact on SDF will be clarified when the final transaction size and timing is more definite.

Any questions should be directed to Mr Robert Kelly, Managing Director & CEO.

Yours faithfully



**Linda Ellis**  
**Group Company Secretary & Corporate Counsel**

### **Steadfast Group Limited**

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