

26 July 2019

Market Announcements Office
ASX Limited
Exchange Centre
20 Bridge Street
Sydney NSW 2000

Dear Sir

Steadfast Group seeks expressions of interest to acquire the total rebate from Steadfast Network brokerages in Australia and New Zealand in exchange for cash or shares

Please see attached announcement that Steadfast Group Limited will seek expressions of interest from Steadfast Network brokerages to receive either cash or SDF shares in exchange for renouncing rights to rebates from professional service fees.

Yours faithfully



Linda Ellis
Group Company Secretary & Corporate Counsel

MARKET RELEASE

26 July 2019

Steadfast Group seeks expressions of interest to acquire the total rebate from Steadfast Network brokerages in Australia and New Zealand in exchange for cash or shares

Steadfast Group Limited (ASX:SDF) announces that it will seek expressions of interest from Steadfast Network brokerages to receive either cash or SDF shares in exchange for renouncing rights to rebates from professional service fees (**PSF Rebate**) from 1 July 2019 with consideration calculated by reference to PSF Rebates receivable for FY19.

- If all Steadfast Network brokerages take up any offer:
 - total consideration payable would be around \$120m, based on estimated eligible FY19 PSF Rebates of \$14.4m
 - it would require about 36.5m million SDF shares to be issued based on an issue price of \$3.28, assuming all Steadfast Network brokerages elect to receive all consideration by way of SDF scrip
 - ~\$14.4 million would be expected to be added to SDF's underlying EBITA in FY20
- The table below sets out the anticipated EBITA impact and number of shares needing to be issued (assuming all consideration is taken by way of SDF scrip):

Acceptance Rate	EBITA (\$m)	# of SDF shares (m)
0%	0.0	0.00
25%	3.6	9.13
50%	7.2	18.26
75%	10.8	27.40
100%	14.4	36.53

Accounting standards do not allow SDF to capitalise the consideration paid for the PSF Rebate. Therefore, SDF's statutory accounts would reflect this consideration as an expense in FY20. This expense would be normalised in SDF's FY20 financial results as it is a non-trading loss.

More detail regarding this possible transaction will be announced in due course. The transaction may nor may not proceed, and the final structure and form of any offer to SDF Brokers will be subject to consideration and approval by the Steadfast Board.

Any questions should be directed to Robert Kelly, Managing Director & CEO on (02) 9495 6535.

About Steadfast Group

Steadfast Group, established in 1996, is the largest general insurance broker network and group of underwriting agencies in Australasia. The Steadfast Network provides products and services to over 377 insurance broker businesses across Australia, New Zealand and Asia. Steadfast Network brokerages and Steadfast Underwriting Agencies generated billings of more than \$7 billion for the 12 months ended 30 June 2018. Steadfast Group operates as a co-owner and consolidator through its equity interests in a number of broker businesses, underwriting agencies and other

complementary businesses. Steadfast Group also has an equity stake in unisonSteadfast, a global general insurance broker network with over 230 brokerages in 130 countries.

For further information, please visit investor.steadfast.com.au

Forward looking statements

This announcement contains forward looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'expects', 'intends' and other similar words that involve risks and uncertainties. These forward-looking statements speak only as of the date of this announcement, and SDF does not undertake to publicly update or revise any forward-looking statement. Any forward-looking statements are subject to various risks that could cause SDF's actual results to differ materially from the results expressed or anticipated in these statements. Such forward looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of SDF and its directors and management. SDF cannot and does not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this announcement will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.