

PEOPLE

INFRASTRUCTURE

ASX/Media Announcement

9 April 2020

Market Announcements Office
ASX Limited
20 Bridge Street
Sydney NSW 2000

PEOPLE INFRASTRUCTURE TO RAISE \$17.6 MILLION VIA SHARE PLACEMENT AND UNDERWRITTEN SHARE PURCHASE PLAN

- \$17.6 million to be raised through a share placement of \$12.1 million (the “Placement”) and a fully underwritten share purchase plan (“SPP”) of \$5.5 million at \$1.10 per fully paid ordinary share
- Approximately 16 million new fully paid ordinary shares to be issued across Placement and SPP
- The Offer has been well supported by a number of existing and new investors
- The Offer proceeds will be used to fund future acquisition opportunities that will emerge as a result of the current volatile economic conditions from COVID-19 and provide additional balance sheet support for the period that the business is impacted by COVID-19
- People Infrastructure generated strong cash inflows in the 3 months to 31 March 2020

People Infrastructure Ltd (“People Infrastructure”) is pleased to announce that it has received commitments to raise \$12.1 million in new equity via a placement of new fully paid ordinary shares to institutional, professional and sophisticated investors, to be followed by a fully underwritten SPP to raise a further \$5.5 million (together the “Offer”). The Offer will result in the issue of approximately 16 million new fully paid ordinary shares in People Infrastructure at an issue price of \$1.10 per share which is a 15.1% discount to the previous day close and 2.8% discount to the 10 day VWAP.

People Infrastructure received significant interest from existing and new investors for participation in the Placement, which was well in excess of the available allocations.

Managing Director, Declan Sherman said “We are delighted by the support received for the Offer, reflecting the market support for the Company’s strategy to navigate the impact of COVID-19 and continue to acquire attractive complementary businesses. On behalf of the Board I would like to thank existing shareholders for their ongoing support and welcome new investors to the register.”

In relation to acquisition and investment opportunities, Declan Sherman said, “We are excited by the opportunity this extra capital will bring to make further attractive investments and acquisitions in subdued market conditions. Over the last 5 years, we have been an industry leader in acquiring successful staffing businesses. As one of the few companies in the market seeking investment opportunities over the next 12 months we believe we will be well placed to make attractive acquisitions.”

In relation to COVID-19, Declan Sherman said, “As with most businesses around Australia, COVID-19 has the potential to have a significant short term impact on staffing businesses in general and also on aspects

of People Infrastructure's business as a number of workforces are facing some element of disruption. There is still a significant amount of uncertainty as to what the eventual impact will be, however to date the impact has been limited to our childcare staffing and hospitality payrolling business, and more recently parts of our nursing business and parts of our IT business focused on permanent recruitment. To date there has been no material impact on our general staffing business, our facilities maintenance business, our community staffing solutions business, our IT contracting business or our contract planting business. People Infrastructure believes that there should be a strong bounce back in demand once workforces resume a more stable pattern of operations".

In the three months to 31 March 2020, People Infrastructure has benefited from strong cash inflow. This has reduced its net debt to \$24.5m from \$28.5m at 31 December 2019. Pro forma net debt post the capital raise (net of fees) will be equal to \$7.8m. People Infrastructure's headroom under its existing debt facilities and cash at bank pro forma post the capital raise (net of fees) is equal to \$33.7m.

The Placement was managed by Morgans Corporate Limited and Ord Minnett Limited who have also underwritten the SPP.

Placement

The Placement is expected to settle on Thursday, 16 April 2020 and the shares issued under the Placement are intended to be issued without a disclosure document on Friday, 17 April 2020. The Placement shares will be issued within the Company's existing placement capacity under ASX Listing Rule 7.1 and additional 10% capacity under ASX Listing Rule 7.1A approved at the 2019 AGM and will not require shareholder approval.

Share Purchase Plan

People Infrastructure will give eligible shareholders with a registered address in Australia or New Zealand (each an "Eligible Shareholder") an opportunity to subscribe for new fully paid ordinary shares ("SPP Shares") in the Company by way of a SPP. The SPP Shares will be offered at an issue price of \$1.10 per share (being the same issued price per SPP Share as the price under the Placement).

Under the SPP, each Eligible Shareholder who held Shares in the Company at the record date of 7.00pm (Sydney, Australia time) on 8 April 2020 will be entitled to acquire up to \$30,000 of SPP Shares without brokerage or transaction costs. The SPP is capped at \$5.5 million, and the Company reserves the right to scale back applications at its discretion in the event applications in excess of that amount are received.¹The SPP is expected to open on 21 April 2020 and will close at 5:00pm AEST on 11 May 2020. Full details of the SPP will be set out in the SPP offer booklet, which is expected to be released to ASX and

¹ SPP Shares issued to Eligible Shareholders under the SPP will fall within exception 5 to ASX Listing Rule 7.2 and will not require shareholder approval. SPP Shares not taken up by Eligible Shareholders under the SPP Offer ("SPP Shortfall Shares") will be issued under the Company's existing placement capacity, subject to the Company having sufficient available capacity. Should the Company have insufficient placement capacity to issue all of the SPP Shortfall Shares, the SPP Shortfall Shares will be issued in two tranches. The issue of the first tranche is expected to occur on 18 May 2020 at the same time as the SPP Shares are issued to Eligible Shareholders. The issue of the remaining SPP Shortfall Shares will be conditional on obtaining shareholder approval at an EGM which is expected to be held by 30 May 2020. The Company intends to convene the EGM and dispatch a notice of meeting to shareholders in the coming weeks at which time more information will be provided.

dispatched to Eligible Shareholders on or around 21 April 2020. The Company reserves the right to vary the Offer details, including timetable, at any time without notice.

The Placement and SPP Shares issued under the Offer represent approximately 14.9% and 6.8% of the People Infrastructure's pre-offer issued share capital, respectively, and will rank equally with the Company's existing ordinary shares.

The proceeds of the Offer will be used to fund future acquisition opportunities that will emerge as a result of the current volatile economic conditions from COVID-19, provide additional balance sheet support for the period that the business is impacted by COVID-19 and to fund the costs of the Offer.

Further details about the Offer are set out in the investor presentation also lodged with the ASX today. People Infrastructure will report their results for FY2020 in late August.

People Infrastructure (ASX:PPE) is a leading workforce management company delivering innovative solutions to workforce challenges faced by Australia's leading businesses. People Infrastructure is a diversified provider of workforce management across four main sectors including healthcare, information technology, specialist services and general staffing. The various sub-sectors it services include disability care, healthcare (nursing), child care, infrastructure, mining, manufacturing, information technology and hospitality amongst others. People Infrastructure has a track record of successfully acquiring and growing businesses through leveraging its core capabilities in workforce management.

Enquiries - please contact:

- People Infrastructure Managing Director – Declan Sherman – (07) 3238 0800

This announcement was authorized for release by the Board.