

31 January 2022

To the Australian Securities Exchange

**Rights Issue Cleansing Notice under s708AA(2)(f) OF the Corporations Act**

This Notice is given by 1st Group Limited (ACN 138 897 533 “1ST” or the “Company”) under *Section 708AA(2)(f) of the Corporations Act 2001 (Cth)* (the “Act”) as notionally modified by ASIC Class Order 08/35.

Earlier today 1ST announced a non-renounceable, pro-rata Rights Issue (“Rights Issue”) of one fully paid Ordinary Share (“New Shares”) for every ten ordinary shares held as at 7.00pm (Sydney time) on Thursday 3 February 2022 by 1ST’s Eligible Shareholders. The issue price for each New Share under the Rights Issue will be \$0.01.

1ST advises that:

- (a) the New Shares will be offered for issue without disclosure under Part 6D.2 of the Act;
- (b) this Notice is being given under Section 708AA(2)(f) of the Act;
- (c) as at the date of this notice 1st has complied with:
  - i. the provisions of Chapter 2M of the Act as they apply to 1ST; and
  - ii. Section 674 of the Act;
- (d) as at the date of this notice there is no excluded information of the type referred to in sub-sections 708AA(8) or (9) of the Act; and
- (e) the potential effect the Rights Issue will have on the control of 1ST, and the consequences of that effect, will depend on a number of factors, including shareholder demand. The potential effect and the consequences of that effect are assessed further below.

It is anticipated that the funds to be raised under the Rights Issue will be applied towards working capital requirements to ensure the Company can execute its FY22 strategy quickly and efficiently over the coming year.

The Company has on issue 503,775,927 Ordinary Shares and 51,073,260 unlisted options. The Company does not anticipate that a significant number of options, if any, will be exercised to take advantage of the Rights Issue.

**Consequences on control of 1ST**

Having regard to the composition of 1ST’s share register, the terms of the Rights Issue, and the major shareholder committing to maintain their current percentage holding in the Company, 1ST does not believe that any person will increase their percentage shareholding in 1ST pursuant to the Rights Issue in a way which will have any material impact on the control of 1ST.

Other than in respect of Mr Plummer the potential effect that the issue of the New Shares under the Rights Issue will have on the control of 1ST and the consequences of that effect are as follows:

- if all Eligible Shareholders take up their entitlements under the Rights Issue, there will be no significant effect on the control of 1ST;
- if Eligible Shareholders do not take up all of their entitlements, Eligible Shareholders will be diluted;
- the proportional interests of Shareholders with registered addresses outside Australia and New Zealand will be diluted because those Shareholders are not entitled to participate in the Rights Issue unless otherwise determined by 1ST.

In the case of Mr Plummer who holds approximately 26.7% of the Company and who has indicated that he will seek to take up as much of the offer as to maintain his proportionate shareholding in the Company and to the extent possible subscribe for shortfall to the extent \$0.5 million has not been subscribed:

- if all Eligible Shareholders take up their entitlements under the Rights Issue, Mr Plummer’s relative holding will remain the same (if he takes up all Entitlements);
- if the other Eligible Shareholders do not take up take up their Entitlements in full then Mr Plummer’s proportional interest will increase (if he takes up his Entitlements at a greater proportion than other Eligible Shareholders).

The tables below sets out how Mr Plummer’s interests may vary depending upon the level of take up of Entitlements by other Eligible Shareholders. The first table assumes no options are exercised, and that Mr Plummer takes up his Entitlements in full but does not take up any shortfall.

|                        | 100% take-up | 75% take-up | 50% take-up | 25% take-up | Nil take-up |
|------------------------|--------------|-------------|-------------|-------------|-------------|
| Mr Plummer             | 26.7%        | 27.1%       | 27.6%       | 28.1%       | 28.6%       |
| Remaining Shareholders | 73.3%        | 72.9%       | 72.4%       | 71.9%       | 71.4%       |

The second table assumes no options are exercised, and that Mr Plummer takes up his Entitlements in full and subscribes for shortfall to take the total amount raised to \$0.5m.

|                        | 100% take-up | 75% take-up | 50% take-up | 25% take-up | Nil take-up |
|------------------------|--------------|-------------|-------------|-------------|-------------|
| Mr Plummer             | 26.7%        | 28.3%       | 30.0%       | 31.7%       | 33.3%       |
| Remaining Shareholders | 73.3%        | 71.7%       | 70.0%       | 68.3%       | 66.7%       |

Yours sincerely

**Stephe Wilks**  
Chair