

Media/ASX and NZX Release

12 August 2020

TAKEOVER BOOKLET – DOWNER'S OFF-MARKET BID FOR SPOTLESS

Downer EDI Limited ("**Downer**") today announced that its wholly owned subsidiary, Downer EDI Services Pty Ltd ("**Downer Services**"), has lodged the Takeover Booklet concerning its offer to acquire the approximate 12% of the issued share capital of Spotless not already owned by Downer (the "**Spotless Offer**").¹

Under the Spotless Offer, Spotless shareholders other than Downer will be entitled to receive:

- cash consideration of \$1.00 for each Spotless Share accepted into the Spotless Offer; plus
- for every 17.92741 Spotless shares accepted into the Spotless Offer, one Downer Contingent Share Option,

(together, "the **Consideration**").

A Downer Contingent Share Option is a contingent share option exercisable over one Downer share, subject to the future market prices of Downer shares. The Downer Contingent Share Option has a zero exercise price.

Downer has entered into a call option deed with Coltrane Master Fund, L.P.², under which it has a call option over c. 2.99% of Spotless shares (the "**Call Option**"), which on exercise will increase Downer's ownership above the 90% threshold required to proceed to compulsory acquisition.

The Spotless Offer provides a liquidity opportunity offering certain value and gives Spotless Shareholders the possibility of receiving Downer shares, subject to the future market prices of Downer shares.

The Chief Executive Officer of Downer, Grant Fenn, said Downer welcomed the opportunity to move to 100% ownership of Spotless.

"Spotless is a key part of our Urban Services strategy and we expect it to continue to benefit from the long-term trends of increasing urbanisation and government outsourcing," Mr Fenn said. "The Spotless Offer provides an opportunity for Spotless shareholders to realise certain value for their shares."

OFFER CONDITIONS

The Spotless Offer is not subject to any conditions.

TIMING AND OTHER INFORMATION

Downer Services has today lodged the Takeover Booklet with ASIC, ASX and Spotless. The Takeover Booklet contains information relevant to the Spotless Offer, including how to accept.

Downer intends to dispatch the Takeover Booklet and open the Offer as soon as possible. However Downer cannot commence dispatch of the Takeover Booklet and Offer until 26 August 2020 unless earlier dispatch is consented to by Spotless. Downer has requested that the Spotless Independent Board Committee provide its consent to earlier dispatch. This request is being considered by the Spotless Independent Board Committee in the context of the timing of the Independent Expert Report it is required to obtain, and other statutory and logistics requirements.

¹ Downer currently has a relevant interest in 87.80% of the Spotless shares on issue.

² Coltrane currently has a relevant interest in approximately 11.8% of the Spotless shares on issue.

ADVISERS

UBS AG, Australia Branch is acting as financial adviser and Ashurst is acting as legal adviser to Downer in relation to the Spotless Offer.

Authorised for release by Downer's Chief Executive Officer, Grant Fenn.

For further information please contact:

Michael Sharp, Group Head of Corporate Affairs and Investor Relations

+61 439 470 145

About Downer

Downer is the leading provider of integrated services in Australia and New Zealand and customers are at the heart of everything it does. It exists to create and sustain the modern environment and its promise is to work closely with its customers to help them succeed, using world-leading insights and solutions to design, build and sustain assets, infrastructure and facilities. For more information visit www.downergroup.com