

## LETTER OF INTENT

To: The Directors  
Digcom UK Holdings Ltd (**Offeror** or **you**)  
85 Great Portland Street  
First Floor  
London W1W 7LT

4 October 2023

### **Offer for Smoove PLC (the “Company”)**

We understand that the Offeror is considering the Acquisition substantially on the terms and conditions set out or referred to in a draft of the announcement, a copy of which is attached to the Appendix to this letter (the “**Announcement**”), to be made pursuant to Rule 2.7 of the City Code on Takeovers and Mergers (the “**Code**”), subject to such other terms and conditions as may be required by the Code and/or the requirements of the London Stock Exchange plc or any other relevant securities exchange and/or as may be agreed between the Offeror and the Company.

All references in this letter to the “**Acquisition**” shall:

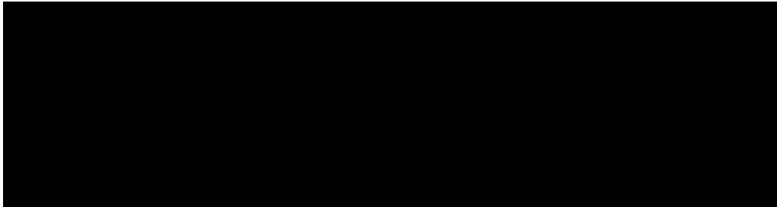
- (i) mean the proposed acquisition by or on behalf of the Offeror or any of its subsidiaries of the shares in the Company, which acquisition may be by way of takeover offer (within the meaning of section 974 of the Companies Act 2006) (referred to in this undertaking as the “**Offer**”) or a scheme of arrangement (under Part 26 of the Companies Act 2006) (referred to in this undertaking as the “**Scheme**”) and, if made by or on behalf of a subsidiary, all references to the “**Offeror**” shall be deemed to include that subsidiary; and
- (ii) include any revision or variation in the terms of such Acquisition as referred to in paragraph (i) above which represents no diminution in the value of the Offer or Scheme (as the case may be).

We hereby confirm that it is currently our intention to instruct the custodian holding legal title to all the shares we control the exercise of all rights over (including voting rights), to: (i) if the Acquisition is implemented by way of the Scheme, to vote in favour of the Scheme and any shareholder resolutions proposed by the Company to give effect to the Scheme; or (ii) if the Acquisition is implemented by way of Offer, to accept such Offer.

We confirm that the number of ordinary shares of 0.4 pence each in the capital of the Company to which this letter of intent relates is 5,365,237.

The intention expressed herein does not impose any legally binding obligations on ourselves to vote in favour of or accept the proposed Scheme or Offer (as applicable) and does not affect our ability to deal in the shares. Unless we have previously notified you that our intention has changed, we consent to the inclusion in any announcement or document prepared or issued relating to the Acquisition of a statement to the effect that we have indicated our intention to make such instruction to vote in favour of the Scheme or to accept the Offer (as applicable).

Yours faithfully,



For and on behalf of Schroders Investment Management Limited

**APPENDIX**

NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, IN WHOLE OR IN PART, DIRECTLY OR INDIRECTLY, IN, INTO OR FROM ANY JURISDICTION WHERE TO DO SO WOULD CONSTITUTE A VIOLATION OF THE RELEVANT LAWS OR REGULATIONS OF SUCH JURISDICTION.

THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION AS STIPULATED UNDER THE MARKET ABUSE REGULATION NO 596/2014 (INCORPORATED INTO UK LAW BY VIRTUE OF THE EUROPEAN UNION (WITHDRAWAL) ACT 2018 AS AMENDED BY VIRTUE OF THE MARKET ABUSE (AMENDMENT) (EU EXIT) REGULATIONS 2019). UPON THE PUBLICATION OF THIS ANNOUNCEMENT VIA A REGULATORY INFORMATION SERVICE, THIS INSIDE INFORMATION IS NOW CONSIDERED TO BE IN THE PUBLIC DOMAIN.

FOR IMMEDIATE RELEASE

4 October 2023

**RECOMMENDED CASH ACQUISITION**  
of  
**SMOOVE PLC**  
by  
**DIGCOM UK HOLDINGS LIMITED**  
(an indirect subsidiary undertaking of PEXA Group Limited)

to be effected by means of a Scheme of Arrangement under Part 26 of the Companies Act  
2006

**Summary and highlights**

- The boards of directors of Digcom UK Holdings Limited ("**Digcom**"), an indirect subsidiary undertaking of PEXA Group Limited ("**PEXA**"), and Smoove plc ("**Smoove**"), are pleased to announce that they have reached agreement on the terms of a recommended cash acquisition by Digcom of the entire issued and to be issued share capital of Smoove (the "**Acquisition**").
- Under the terms of the Acquisition, Smoove Shareholders will be entitled to receive
  - **54 pence for each Smoove Share (the "Consideration")**
- The Consideration of 54 pence per Smoove Share values the entire issued and to be issued share capital of Smoove at approximately £30.8 million on a fully diluted basis and represents a premium of approximately:
  - 69.3 per cent. to the Closing Price of 31.9 pence per Smoove Share on 21 April 2023 (being the last Business Day before the commencement of the Offer Period);
  - 74.1 per cent. to the volume-weighted average Closing Price of 31.0 pence per Smoove Share for the one-month period ended 21 April 2023 (being the last Business Day before the commencement of the Offer Period); and

→ 43.9 per cent. to the volume-weighted average Closing Price of 37.5 pence per Smoove Share for the three-month period ended 21 April 2023 (being the last Business Day before the commencement of the Offer Period).

- If, on or after the date of this announcement and before the Effective Date, any dividend, distribution or other return of capital or value is announced, declared, made or paid by Smoove or becomes payable by Smoove in respect of the Smoove Shares, Digcom reserves the right to reduce the Consideration payable for the Smoove Shares pursuant to the Acquisition by an amount up to the amount of such dividend and/or distribution and/or other return of capital or value. In such circumstances, Smoove Shareholders would be entitled to receive and retain any such dividend and/or other distribution and/or return of capital or value.

### **Acquisition Overview**

- The Acquisition comprises an all-cash acquisition of Smoove by Digcom, which the Smoove Directors intend to recommend unanimously to Smoove Shareholders.
- The PEXA Board believes that the Acquisition represents an attractive opportunity for the PEXA Group to advance its stated strategy of enhancing and leveraging its property exchange know-how to deliver growth in different markets, including in other Torrens title jurisdictions starting with the UK.
- Both Smoove and PEXA share the common goal of simplifying and enhancing the home moving process through digitalisation, significantly reducing transaction times, whilst simultaneously removing the pain points across the process.
- The PEXA Board believes there is a significant opportunity for Smoove's existing customers to benefit from PEXA's digital property settlements platform and wider service offering, leveraging PEXA's experience as the market leader in Australia. Smoove has a long-standing relationship with Lloyds Banking Group and a connection with over 75 conveyancer firms on its eConveyancer platform and circa 2,100 conveyancing firms via lender panels.
- The PEXA Board believes that by integrating Smoove into PEXA, the Combined Group will be able to build scale and depth in the UK market accelerating the path to enhancing the home moving process. Smoove provides access to re-mortgage flows equivalent to 7 per cent.<sup>1</sup> of the UK market and sales and purchase flows across the Smoove platform which are equivalent to 3 per cent.<sup>1</sup> of the UK's sales and purchase market which are intermediated by the Smoove platform.
- The PEXA Group's commitment to developing new revenue streams through international expansion and investments in new digital business and partnerships, supported by a strong balance sheet and cash generative business model, will help to build a unique, strong, and attractive business. Smoove will provide reach into the 'cash back market segment' not currently served by Optima Legal and indirect access to sale and purchase conveyancing firms.

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<sup>1</sup> Calculated based on Smoove's sale and purchase and remortgage completion volumes for the financial year ended 31 March 2023, Bank of England sale and purchase transactions (Bank of England data set LPMB4B3) and Bank of England remortgage transactions (Bank of England data set LPMVTVX)

## **Recommendation**

- Smoove's Directors, who have been so advised by Cavendish as to the financial terms of the Acquisition, unanimously consider the terms of the Acquisition to be fair and reasonable. In providing their advice to the Smoove Directors, Cavendish has taken into account the commercial assessments of the Smoove Directors. Cavendish is providing independent financial advice to the Smoove Directors for the purposes of Rule 3 of the Takeover Code.
- Accordingly, the Smoove Directors intend to recommend unanimously that Smoove Shareholders vote in favour of the Scheme at the Court Meeting and the Resolution(s) to be proposed at the General Meeting (or in the event that the Acquisition is implemented by way of a Takeover Offer, to accept or procure the acceptance of such Takeover Offer) as the Smoove Directors who are beneficially interested in Smoove Shares (who, for the avoidance of doubt, do not include Smoove Directors whose interests in Smoove Shares comprise only unexercised options under the Smoove Share Plans, nor Oliver Scott who has an indirect beneficial interest in Smoove Shares as well as being a partner of Kestrel Partners LLP, an entity interested in Smoove Shares) have irrevocably undertaken to do in respect of their entire beneficial holdings of 85,000 Smoove Shares representing, in aggregate, approximately 0.15 per cent. of Smoove's total issued share capital as at the close of business on the Last Practicable Date.

## **Irrevocable undertakings and letter of intent**

- In addition to the irrevocable undertakings received from the Smoove Directors, Digcom has also received irrevocable undertakings from Kestrel Partners LLP (a partner of which, Oliver Scott, is a Non-Executive Director of Smoove), Harwood Capital Management Limited and Herald Investment Management Limited to vote in favour (or procure the voting in favour, as applicable) of the Scheme at the Court Meeting and the Resolution(s) to be proposed at the General Meeting (or in the event that the Acquisition is implemented by way of a Takeover Offer, to accept or procure the acceptance of such Takeover Offer) in respect of, in aggregate, 26,560,625 Smoove Shares, representing approximately 46.58 per cent. of Smoove's total issued share capital as at the close of business on the Last Practicable Date.
- In addition, Digcom has received a non-binding letter of intent from Schrodgers Investment Management Limited to procure the voting in favour of the Scheme at the Court Meeting and the Resolution(s) to be proposed at the General Meeting (or in the event that the Acquisition is implemented by way of a Takeover Offer, to procure the acceptance of such Takeover Offer) in respect of 5,365,237 Smoove Shares, representing approximately 9.41 per cent. of Smoove's total issued share capital as at the close of business on the Last Practicable Date.
- Further details of these irrevocable undertakings and letter of intent, together with the irrevocable undertakings received from the Smoove Directors, are set out in Appendix 3 to this announcement.
- Accordingly, Digcom has received irrevocable undertakings and a letter of intent to vote, or procure the voting, in favour of the Scheme at the Court Meeting and the Resolution(s) to be proposed at the General Meeting (or in the event that the Acquisition is implemented by way of a Takeover Offer, to accept or procure the acceptance of such Takeover Offer) in respect of a total of 32,010,862 Smoove Shares, representing, in aggregate, approximately 56.14 per

cent. of the total issued share capital of Smoove as at the close of business on the Last Practicable Date.

## **Information on the PEXA Group and Digcom**

### *The PEXA Group*

- PEXA is the operator of the leading digital property settlements platform in Australia, employing approximately 1,000 people and listed on the ASX with a market capitalisation of A\$ 2.016 billion on the Last Practicable Date.
- Having started in 2010 as a joint initiative of various state governments and the largest banks in Australia to phase out the use of inefficient paper-based property settlements, the PEXA Group today offers the world's first digital platform for managing the lodgement and settlement of property transactions.
- "PEXA Exchange" operates primarily as an Electronic Lodgement Network Operator ("**ELNO**") facilitating the electronic lodgement and settlement of property transactions through an integrated, cloud-based platform connecting key property market stakeholders.
- PEXA Exchange's facilitation of secure, reliable and efficient digital settlements has established the platform as a critical and trusted component of the Australian property market, providing confidence and stability for all participants in a property transaction.
- Through its PEXA Digital Growth business, PEXA offers property-related insight and analytics solutions to its customers and stakeholders which aim to reduce transaction costs in the property chain and enhance the experience of developing, buying and selling, financing, settling, owning, and servicing property. PEXA Digital Growth also identifies and invests in opportunities across the property ecosystem to complement and enhance its core insights and analytics offering.
- For the year ended 30 June 2023, PEXA Group generated business revenue of A\$283.4m and an operating EBITDA of A\$98.7m. Additional information on PEXA Group's latest financial results can be found at <https://investors.pexa.com.au/investor-centre/?page=results-centre>.

### *Digcom*

- Having created the leading digital property settlements platform in Australia, PEXA established Digcom in 2020 to enable it to enter the UK market and implement its strategy to transform the UK property market.
- In seeking to extend its digital property settlements platform knowledge in new geographies, the PEXA Group launched its initial remortgage offering in the UK in September 2022 following the successful testing of the PEXA settlement payment solution with the Bank of England. Shortly after the UK launch, Digcom acquired Optima Legal, a high-volume remortgage conveyancing firm that provides legal services in the UK remortgage market.

## **Timetable and Conditions**

- It is intended that the Acquisition will be implemented by way of a Court-sanctioned scheme of arrangement under Part 26 of the Companies Act (although Digcom reserves the right to effect the Acquisition by way of a Takeover Offer, subject to the consent of the Panel and the terms of the Co-operation Agreement).
- The Acquisition will be put to Smoove Shareholders at the Court Meeting and the General Meeting. The Court Meeting and the General Meeting are required to enable Smoove Shareholders to consider and, if thought fit, to vote in favour of the Scheme and the Resolution(s) to implement the Scheme. In order to become Effective, the Scheme must be approved by a majority in number of Scheme Shareholders present and voting (and entitled to vote) at the Court Meeting, whether in person or by proxy, representing 75 per cent. or more in value of the Scheme Shares held by those Scheme Shareholders (or the relevant class or classes thereof). In addition, in order for the Scheme to become Effective, at the General Meeting, the Resolution(s) must be passed by Smoove Shareholders representing at least 75 per cent. of the votes validly cast on the Resolution(s). The General Meeting will be held immediately after the Court Meeting.
- The Acquisition will be subject to the other Conditions and terms set out in Appendix 1 of this announcement, including the receipt of regulatory approvals, and to the full terms and conditions of the Acquisition which will be set out in the Scheme Document.
- The Scheme Document containing further information about the Acquisition and the notices of the Meetings, together with the accompanying Forms of Proxy, are expected to be published within 28 days of the date of this announcement (unless the Panel agrees otherwise). An expected timetable of principal events will be included in the Scheme Document.
- The Acquisition is expected to become Effective in Q4 2023, subject to the satisfaction (or, where applicable, waiver) of the Conditions and further terms set out in Appendix 1.

Commenting on today's announcement, Glenn King, PEXA Group CEO and Managing Director said:

"The acquisition is aligned with PEXA Group's strategy of enhancing and leveraging our property exchange know-how to deliver growth from different markets, including in other Torrens title jurisdictions, starting with the UK.

Since entering the UK market, the PEXA Group has launched its first re-mortgage product, successfully brought two lenders onto the PEXA platform and acquired and progressed integration of specialist re-mortgage conveyancer, Optima Legal.

The acquisition and integration of Smoove into the PEXA UK business will further help us address the many detriments suffered by consumers due to the UK's fragmented, inefficient conveyancing processes. The acquisition will allow us to build additional scale and depth in the UK market, enabling the PEXA product suite to reach more customers, whilst streamlining and improving the UK property transaction experience."

Commenting on the Acquisition, Martin Rowland, the Chairman of Smoove, said:



"Both Smoove and PEXA share a common objective, to simplify and improve the home moving experience for consumers. The acquisition of Smoove by Digcom accelerates execution of the plans for both Smoove and PEXA. Whilst the Board of Smoove continues to believe in Smoove's strategy and prospects as an independent company, they believe that the combination may provide Smoove with additional scale and help accelerate its plans to materially change the home moving experience.

The offer from PEXA allows shareholders to receive all cash consideration at a 69.3 per cent. premium to the Closing Price of 31.9 pence per Smoove Share on 21 April 2023 (being the last Business Day before the commencement of the Offer Period) which the Smoove Board believes to represent an attractive price for the business."

**This summary should be read in conjunction with, and is subject to, the full text of this announcement and the Appendices. The Acquisition will be subject to the Conditions and other terms set out in Appendix 1 and to the full terms and conditions which will be set out in the Scheme Document. Appendix 2 contains the bases of calculation and sources of certain information contained in this announcement. Details of irrevocable undertakings and the letter of intent received by Digcom in connection with the Acquisition are set out in Appendix 3. Certain terms used in this announcement are defined in Appendix 4.**

The person responsible for making this announcement on behalf of Smoove is Martin Rowland, Chairman.

**Enquiries:**

**PEXA Group Limited**

**Numis Securities Limited (Financial adviser to PEXA)**

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Michael Cress, CFO

Via Walbrook PR

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Addleshaw Goddard LLP is acting as legal adviser to PEXA and Digcom in connection with the Acquisition.

Shoosmiths LLP is acting as legal adviser to Smoove in connection with the Acquisition.

**Further information**

*This announcement is for information purposes only and is not intended to, and does not constitute, or form any part of any offer, invitation or the solicitation of an offer to purchase, otherwise acquire, subscribe for, sell or otherwise dispose of any securities, or the solicitation of any vote or approval in any jurisdiction, pursuant to the Acquisition or otherwise, nor shall there be any sale, issuance or transfer of securities of Smoove in any jurisdiction in contravention of applicable law. The Acquisition will be made and implemented solely pursuant to the terms of the Scheme Document (or if the Acquisition is implemented by way of a Takeover Offer, the Offer Document), which will contain the full terms and conditions of the Acquisition, including details of how to vote in respect of the Acquisition. Any vote in respect of, or other response to, the Acquisition should be made only on the basis of the information contained in the Scheme Document (or if the Acquisition is implemented by way of a Takeover Offer, the Offer Document).*

*Smoove and Digcom will prepare the Scheme Document (or if the Acquisition is implemented by way of a Takeover Offer, the Offer Document) to be distributed to Smoove Shareholders. Smoove and Digcom urge Smoove Shareholders to read the Scheme Document (or if the Acquisition is implemented by way of a Takeover Offer, the Offer Document) when it becomes available because it will contain important information relating to the Acquisition.*

*This announcement does not constitute a prospectus, prospectus equivalent document or an exempted document.*

*The statements contained in this announcement are made as at the date of this announcement, unless some other time is specified in relation to them, and publication of this announcement shall not give rise to any implication that there has been no change in the facts set forth in this announcement since such date.*

**Disclaimers**

*Numis Securities Limited ("**Numis**"), which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting as financial adviser to Digcom and PEXA, and no one else, in connection with the matters set out in this announcement, and will not be responsible to anyone other than the Boards of Digcom and PEXA for providing the protections afforded to clients of Numis nor for providing advice in relation to the contents of this announcement or any other matter or arrangement referred to herein. Neither Numis nor any of its affiliates owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of Numis in connection with this announcement, any matter, arrangement or statement contained or referred to herein or otherwise.*

Cavendish Securities plc ("**Cavendish**") is acting for Smoove and no one else in connection with the matters set out in this announcement and will not be responsible to anyone other than Smoove for providing the protections afforded to clients of Cavendish for providing advice in relation to the possible offer, the contents of this announcement or any other matters referred to in this announcement.

### **Overseas jurisdictions**

*This announcement has been prepared in accordance with, and for the purposes of complying with, English law, the Takeover Code, the Market Abuse Regulation and the AIM Rules, and information disclosed may not be the same as that which would have been disclosed if this announcement had been prepared in accordance with the laws of jurisdictions outside of England.*

*The release, publication or distribution of this announcement in, into or from jurisdictions other than the United Kingdom may be restricted by law and therefore any persons who are subject to the laws of any jurisdiction other than the United Kingdom should inform themselves about and observe any applicable requirements.*

*The availability of the Acquisition to Smoove Shareholders who are not resident in and citizens of the United Kingdom may be affected by the laws of the relevant jurisdictions in which they are located or of which they are citizen. Persons who are not resident in the United Kingdom should inform themselves of, and observe, any applicable legal or regulatory requirements of their jurisdictions. In particular, the ability of persons who are not resident in the United Kingdom to vote their Smoove Shares with respect to the Scheme at the Meetings, or to execute and deliver Forms of Proxy (or other proxy instructions) appointing another to vote at the Meetings on their behalf, may be affected by the laws of the relevant jurisdictions in which they are located. Any failure to comply with the applicable restrictions may constitute a violation of the securities laws of any such jurisdiction. To the fullest extent permitted by applicable law, the companies and persons involved in the Acquisition disclaim any responsibility or liability for the violation of such restrictions by any person. Further details in relation to Overseas Shareholders will be contained in the Scheme Document.*

*Unless otherwise determined by Digcom or required by the Takeover Code, and permitted by applicable law and regulation, the Acquisition will not be made available, in whole or in part, directly or indirectly, in, into or from a Restricted Jurisdiction where to do so would constitute a violation of the relevant laws or regulations of such jurisdiction and no person may vote in favour of the Acquisition by any such use, means, instrumentality or from within a Restricted Jurisdiction or any other jurisdiction if to do so would constitute a violation of the laws of that jurisdiction. Copies of this announcement and any formal documentation relating to the Acquisition are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in or into or from any Restricted Jurisdiction and persons receiving such documents (including custodians, nominees and trustees) must not mail or otherwise forward, distribute or send it in or into or from any Restricted Jurisdiction. Doing so may render invalid any related purported vote in respect of the Acquisition. If the Acquisition is implemented by way of a Takeover Offer (unless otherwise permitted by applicable law and regulation), the Takeover Offer may not be made, directly or indirectly, in or into, or by the use of mails or any means or instrumentality (including, but not limited to, facsimile, e-mail or other electronic transmission, telex or telephone) of interstate or foreign commerce of, or of any facility of a national, state or other securities exchange of any Restricted Jurisdiction and the Takeover Offer may not be capable of acceptance by any such use, means, instrumentality or facilities.*

*The Acquisition will be subject to English law and the jurisdiction of the Court, and the applicable requirements of the Takeover Code, the Panel, the London Stock Exchange (including pursuant to the AIM Rules) and the Registrar of Companies.*

### **Notice to US investors in Smoove**

*The Acquisition relates to the shares of an English company with a quotation on AIM and is being made by means of a scheme of arrangement provided for under English company law. A transaction effected by means of a scheme of arrangement is not subject to the tender offer rules or the proxy solicitation rules under the US Securities Exchange Act of 1934. Accordingly, the Acquisition is subject to the disclosure requirements and practices applicable in the United Kingdom to schemes of arrangement which differ from the disclosure requirements of United States tender offer and proxy solicitation rules. Neither the United States Securities and Exchange Commission, nor any securities commission of any state of the United States, has approved or disapproved any offer, or passed comment upon the adequacy or completeness of any of the information contained in this announcement. Any representation to the contrary may be a criminal offence.*

*If, in the future, Digcom exercises the right, with the consent of the Panel (where necessary), to implement the Acquisition by way of a Takeover Offer and determines to extend the offer into the United States, the Acquisition will be made in compliance with applicable United States laws and regulations, including Section 14(e) of the US Securities Exchange Act 1934 and Regulation 14E thereunder.*

*Financial information included in this announcement and the Scheme Document (or, if the Acquisition is implemented by way of a Takeover Offer, the Offer Document) has been or will have been prepared in accordance with accounting standards applicable in the United Kingdom or Australia (as applicable) that may not be comparable to financial information of US companies or companies whose financial statements are prepared in accordance with generally accepted accounting principles in the United States.*

*The receipt of cash pursuant to the Acquisition by a US holder of Smoove Shares as consideration for the transfer of its Scheme Shares pursuant to the Scheme may be a taxable transaction for US federal income tax purposes and under applicable US state and local, as well as foreign and other, tax laws. Each Smoove Shareholder is therefore urged to consult with independent legal, tax and financial advisers in connection with making a decision regarding the Acquisition.*

*It may be difficult for US holders of Smoove Shares to enforce their rights and any claim arising out of the US federal laws in connection with the Acquisition, since Digcom and Smoove are located in, and organised under the laws of, a non-US jurisdiction, and some or all of their officers and directors may be residents of a non-US jurisdiction. US holders of Smoove Shares may not be able to sue a non-US company or its officers or directors in a non-US court for violations of the US securities laws. Further, it may be difficult to compel a non-US company and its affiliates to subject themselves to a US court's jurisdiction or judgement.*

*In accordance with normal UK practice and pursuant to Rule 14e-5(b) of the US Securities Exchange Act of 1934, Digcom, certain affiliated companies and their nominees or brokers (acting as agents), may from time to time make certain purchases of, or arrangements to purchase, Smoove Shares outside of the US, other than pursuant to the Acquisition, until the date on which the Acquisition and/or Scheme becomes Effective, lapses or is otherwise withdrawn. Also, in*

accordance with Rule 14e-5(b) of the US Securities Exchange Act of 1934, each of Numis and Cavendish will continue to act as an exempt principal trader in Smoove Shares on the London Stock Exchange. If such purchases or arrangements to purchase were to be made, they would occur either in the open market at prevailing prices or in private transactions at negotiated prices and comply with applicable law, including the US Securities Exchange Act of 1934. Any information about such purchases will be disclosed as required in the UK, will be reported to the Regulatory News Service of the London Stock Exchange and will be available on the London Stock Exchange website at [www.londonstockexchange.com](http://www.londonstockexchange.com).

### **Cautionary Note Regarding Forward-Looking Statements**

*This announcement (including information incorporated by reference into this announcement), statements made regarding the Acquisition, and other information to be published by Digcom, PEXA and/or Smoove, contain statements which are, or may be deemed to be, "forward-looking statements". Forward-looking statements are prospective in nature and not based on historical facts, but rather are based on current expectations and projections of the management of Digcom, PEXA and/or Smoove about future events, and are therefore subject to risks and uncertainties which could cause actual results to differ materially from the future results expressed or implied by the forward-looking statements.*

*The forward-looking statements contained in this announcement include statements with respect to the financial condition, results of operations and business of Smoove and certain plans and objectives of Digcom and PEXA with respect thereto and other statements other than historical facts. Often, but not always, forward-looking statements can be identified by the fact that they do not relate only to historical or current facts and may use words such as "anticipate", "target", "expect", "estimate", "forecast", "intend", "plan", "budget", "scheduled", "goal", "believe", "hope", "aims", "continue", "will", "may", "should", "would", "could", or other words of similar meaning. These statements are based on assumptions and assessments made by Smoove and/or Digcom and/or PEXA in light of their experience and their perception of historical trends, current conditions, future developments and other factors they believe appropriate. By their nature, forward-looking statements involve known and unknown risk and uncertainty and other factors which may cause actual results, performance or developments to differ materially from those expressed in or implied by such, because they relate to events and depend on circumstances that will occur in the future. Although Digcom and/or PEXA and/or Smoove believe that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove to have been correct and you are therefore cautioned not to place reliance on these forward-looking statements which speak only as at the date of this announcement. Neither Digcom nor PEXA nor Smoove assumes any obligation to update or correct the information contained in this announcement (whether as a result of new information, future events or otherwise), except as required by applicable law.*

*There are a number of factors which could cause actual results and developments to differ materially from those expressed or implied in forward-looking statements. The factors that could cause actual results to differ materially from those described in the forward-looking statements include, but are not limited to: the ability to complete the Acquisition; the ability to obtain requisite regulatory and shareholder approvals and the satisfaction of other Conditions on the proposed terms; changes in the global, political, economic, business and competitive environments and in market and regulatory forces; changes in future exchange and interest rates; changes in tax rates; future business combinations or dispositions; changes in general and economic business conditions; changes in the behaviour of other market participants; the anticipated benefits of the*

*Acquisition not being realised as a result of changes in general economic and market conditions in the countries in which Digcom, PEXA and Smoove operate; weak, volatile or illiquid capital and/or credit markets; changes in the degree of competition in the geographic and business areas in which Digcom, PEXA and Smoove operate; and changes in laws or in supervisory expectations or requirements. Other unknown or unpredictable factors could cause actual results to differ materially from those expected, estimated or projected in the forward-looking statements. If any one or more of these risks or uncertainties materialises or if any one or more of the assumptions proves incorrect, actual results may differ materially from those expected, estimated or projected. Such forward-looking statements should therefore be construed in the light of such factors.*

*Neither Digcom nor PEXA nor Smoove, nor any of their respective associates or directors, officers or advisers, provides any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in their announcement will actually occur. Given the risks and uncertainties, you are cautioned not to place any reliance on these forward-looking statements.*

*Other than in accordance with their legal or regulatory obligations, neither Digcom nor PEXA nor Smoove is under any obligation, and Digcom, PEXA and Smoove expressly disclaim any intention or obligation, to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.*

### **Dealing and Opening Position Disclosure Requirements**

*Under Rule 8.3(a) of the Takeover Code, any person who is interested in one per cent. or more of any class of relevant securities of an offeree company or of any securities exchange offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the Offer Period and, if later, following the announcement in which any securities exchange offeror is first identified.*

*An Opening Position Disclosure must contain details of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) applies must be made by no later than 3.30 p.m. (London time) on the 10<sup>th</sup> business day following the commencement of the Offer Period and, if appropriate, by no later than 3.30 p.m. (London time) on the 10<sup>th</sup> business day following the announcement in which any securities exchange offeror is first identified. Relevant persons who deal in the relevant securities of the offeree company or of a securities exchange offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.*

*Under Rule 8.3(b) of the Takeover Code, any person who is, or becomes, interested in one per cent. or more of any class of relevant securities of the offeree company or of any securities exchange offeror must make a Dealing Disclosure if the person deals in any relevant securities of the offeree company or of any securities exchange offeror. A Dealing Disclosure must contain details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror, save to the extent that these details have previously been disclosed under Rule 8. A Dealing Disclosure by a person to whom Rule 8.3(b) applies must be made by no later than 3.30 p.m. (London time) on the business day following the date of the relevant dealing.*

*If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of an offeree company or a securities exchange offeror, they will be deemed to be a single person for the purpose of Rule 8.3.*

*Opening Position Disclosures must also be made by the offeree company and by any offeror and Dealing Disclosures must also be made by the offeree company, by any offeror and by any persons acting in concert with any of them (see Rules 8.1, 8.2 and 8.4).*

*Details of the offeree and offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made can be found in the Disclosure Table on the Panel's website at [www.thetakeoverpanel.org.uk](http://www.thetakeoverpanel.org.uk), including details of the number of relevant securities in issue, when the Offer Period commenced and when any offeror was first identified. You should contact the Panel's Market Surveillance Unit on +44 (0)20 7638 0129 if you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure.*

### **Publication on website**

*In accordance with Rule 26.1 of the Takeover Code a copy of this announcement and the documents required to be published under Rule 26 of the Takeover Code, will be made available free of charge, subject to certain restrictions relating to persons resident in Restricted Jurisdictions, on PEXA's website at <https://investors.pexa.com.au/investor-centre> and Smoove's website at [www.hellosmoove.com/investorrelations](http://www.hellosmoove.com/investorrelations) by no later than 12 noon (London time) on the first business day following the date of this announcement. For the avoidance of doubt, neither the contents of these websites nor the contents of any websites accessible from any hyperlinks are incorporated into or form part of this announcement.*

*Neither the contents of PEXA's website, nor those of Smoove's website, nor those of any other website accessible from hyperlinks on either PEXA's or Smoove's websites, are incorporated into or form part of this announcement.*

### **No profit forecasts, profit estimates or quantified benefits statements**

*No statement in this announcement is intended as a profit forecast, profit estimate or quantified benefits statement for any period and no statement in this announcement should be interpreted to mean that earnings or earnings per share for Smoove for the current or future financial years would necessarily match or exceed the historical published earnings or earnings per share for Smoove.*

### **Requesting hard copy documents**

*In accordance with Rule 30.3 of the Takeover Code, Smoove Shareholders, persons with information rights and participants in the Smoove Share Plans may request a hard copy of this announcement by contacting Smoove's registrars, Equiniti, by: (i) submitting a request in writing to Equiniti, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA, United Kingdom; or (ii) calling +44 (0)371 384 2050. Calls are charged at the standard geographical rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. Phone lines are open between 8.30 a.m. and 5.30 p.m. (London time), Monday to Friday (excluding public holidays in England and Wales). Please note that Equiniti cannot provide any*

*financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.*

*For persons who receive a copy of this announcement in electronic form or via a website notification, a hard copy of this announcement will not be sent unless so requested. Such persons may also request that all future documents, announcements and information to be sent to them in relation to the Acquisition should be in hard copy form.*

### **Electronic communications**

*Please be aware that addresses, electronic addresses and certain other information provided by Smoove Shareholders, persons with information rights and other relevant persons for the receipt of communications from Smoove may be provided to Digcom and/or PEXA during the Offer Period as required under Section 4 of Appendix 4 to the Takeover Code to comply with Rule 2.11(c) of the Takeover Code.*

### **Rounding**

*Certain figures included in this announcement have been subjected to rounding adjustments. Accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of figures that precede them.*

### **General**

*Digcom reserves the right to elect, with the consent of the Panel (where necessary), and subject to the terms and conditions of the Co-operation Agreement, to implement the Acquisition by way of a Takeover Offer for the entire issued and to be issued share capital of Smoove not already held by Digcom as an alternative to the Scheme. In such an event, a Takeover Offer will be implemented on substantially the same terms, so far as applicable, as those which would apply to the Scheme.*

*If the Acquisition is effected by way of Takeover Offer, and such Takeover Offer becomes or is declared unconditional and sufficient acceptances are received, Digcom intends to exercise its rights to apply the provisions of Chapter 3 of Part 28 of the Companies Act so as to acquire compulsorily the remaining Smoove Shares in respect of which the Takeover Offer has not been accepted.*

*If you are in any doubt about the contents of this announcement or the action you should take, you are recommended to seek your own independent financial advice immediately from your stockbroker, bank manager, solicitor or independent financial adviser duly authorised under the Financial Services and Markets Act 2000 (as amended) if you are resident in the United Kingdom or, if not, from another appropriately authorised independent financial adviser.*



NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, IN WHOLE OR IN PART, DIRECTLY OR INDIRECTLY, IN, INTO OR FROM ANY JURISDICTION WHERE TO DO SO WOULD CONSTITUTE A VIOLATION OF THE RELEVANT LAWS OR REGULATIONS OF SUCH JURISDICTION.

THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION AS STIPULATED UNDER THE MARKET ABUSE REGULATION NO 596/2014 (INCORPORATED INTO UK LAW BY VIRTUE OF THE EUROPEAN UNION (WITHDRAWAL) ACT 2018 AS AMENDED BY VIRTUE OF THE MARKET ABUSE (AMENDMENT) (EU EXIT) REGULATIONS 2019). UPON THE PUBLICATION OF THIS ANNOUNCEMENT VIA A REGULATORY INFORMATION SERVICE, THIS INSIDE INFORMATION IS NOW CONSIDERED TO BE IN THE PUBLIC DOMAIN.

FOR IMMEDIATE RELEASE

4 October 2023

**RECOMMENDED CASH ACQUISITION**  
of  
**SMOOVE PLC**  
by  
**DIGCOM UK HOLDINGS LIMITED**  
(an indirect subsidiary undertaking of PEXA Group Limited)

to be effected by means of a Scheme of Arrangement under Part 26 of the Companies Act  
2006

**1. Introduction**

The boards of directors of Digcom UK Holdings Limited ("**Digcom**"), an indirect subsidiary undertaking of PEXA Group Limited ("**PEXA**"), and Smoove plc ("**Smoove**"), are pleased to announce that they have reached agreement on the terms of a recommended cash acquisition by Digcom of the entire issued and to be issued share capital of Smoove (the "**Acquisition**").

**2. The Acquisition**

It is intended that the Acquisition will be implemented by way of a Court-sanctioned scheme of arrangement under Part 26 of the Companies Act. The purpose of the Scheme is to enable Digcom to acquire the whole of the issued and to be issued share capital of Smoove.

Under the terms of the Acquisition, which will be subject to the Conditions and other terms set out in this announcement and to the full terms and conditions which will be set out in the Scheme Document, Smoove Shareholders will be entitled to receive:

**54 pence for each Smoove Share (the "Consideration")**

The Consideration of 54 pence per Smoove Share values the entire issued and to be issued share capital of Smoove at approximately £30.8 million on a fully diluted basis and represents a premium of approximately:

- 69.3 per cent. to the Closing Price of 31.9 pence per Smoove Share on 21 April 2023 (being the last Business Day before the commencement of the Offer Period);
- 74.1 per cent. to the volume-weighted average Closing Price of 31.0 pence per Smoove Share for the one-month period ended 21 April 2023 (being the last Business Day before the commencement of the Offer Period); and
- 43.9 per cent. to the volume-weighted average Closing Price of 37.5 pence per Smoove Share for the three-month period ended 21 April 2023 (being the last Business Day before the commencement of the Offer Period).

If, on or after the date of this announcement and before the Effective Date, any dividend, distribution or other return of capital or value is announced, declared, made or paid by Smoove or becomes payable by Smoove in respect of the Smoove Shares, Digcom reserves the right to reduce the Consideration payable pursuant to the Acquisition by an amount up to the amount of such dividend and/or distribution and/or other return of capital or value. In such circumstances, Smoove Shareholders would be entitled to receive and retain any such dividend and/or other distribution and/or return of capital or value.

In the event that the Acquisition is to be implemented by way of a Takeover Offer, Smoove Shares will be acquired pursuant to the Takeover Offer fully paid and free from all liens, charges, equitable interests, encumbrances and rights of pre-emption and any other interests of any nature whatsoever and together with all rights attaching thereto including the right to receive and retain all dividends and distributions declared, made or paid by reference to a record date after the Effective Date.

### **3. Background to and reasons for the Acquisition**

The PEXA Group's strategy is to enhance and leverage its property exchange know-how to deliver growth from different markets, including in other Torrens title jurisdictions starting with the UK.

Since entering the UK market at the end of 2020, the PEXA Group, via Digital Completion UK Limited, has launched its first re-mortgage product, brought two lenders onto the platform, and acquired a specialist re-mortgage conveyancer, Optima Legal. The Acquisition will provide PEXA with a growing conveyancer presence via Amity Law and Smoove Complete. The PEXA Group's aim in executing this strategy is to help solve the many detriments consumers and property stakeholders suffer due to the UK's fragmented, inefficient conveyancing processes. The Acquisition will allow PEXA to leverage Smoove's experience to obtain expert input into development of PEXA's sale and purchase platform and potential PEXA product enhancements.

Both Smoove and PEXA share a common goal of simplifying and enhancing the home moving process through digitalisation, significantly reducing transaction times, whilst simultaneously removing the pain points across the process. The PEXA Board believes there is an opportunity for Smoove's existing customers to benefit from PEXA's digital property settlements platform and wider service offering, leveraging PEXA's experience as the market leader in Australia. Smoove has a long-standing relationship with Lloyds Banking Group and a connection with over 75 conveyancer firms on its eConveyancer platform and circa 2,100 conveyancing firms via lender panels.

The PEXA Board strongly believes that by integrating Smoove into Digcom, the Combined Group will be able to address the challenges of building scale and depth in the UK market, accelerating the path to enhancing the home moving process. Smoove provides access to re-mortgage flows equivalent to 7 per cent.<sup>2</sup> of the UK market and sales and purchase flows across the Smoove platform which are equivalent to 3 per cent.<sup>2</sup> of the UK's sales and purchase market which are intermediated by the Smoove platform.

PEXA's existing business, commitment to developing new revenue streams through international expansion and investments in new digital business and partnerships, supported by a strong balance sheet and cash generative business model, will help to build a unique, strong and attractive business. Smoove will provide reach into the 'cash back market segment' not currently served by Optima Legal and indirect access to sale and purchase conveyancing firms. The Acquisition also presents an opportunity to cross-sell the PEXA platform to panel firms of Smoove (which provides access to volumes both on and outside of the Smoove platform).

The Consideration represents:

- an Enterprise Value of £20.8 million;
- an implied Enterprise Value / FY23 revenue multiple of 1.0x; and
- an implied Enterprise Value / FY23 gross profit multiple of 2.7x.

#### **4. Recommendation**

Smoove's Directors, who have been so advised by Cavendish as to the financial terms of the Acquisition, unanimously consider the terms of the Acquisition to be fair and reasonable. In providing their advice to the Smoove Directors, Cavendish has taken into account the commercial assessments of the Smoove Directors. Cavendish is providing independent financial advice to the Smoove Directors for the purposes of Rule 3 of the Takeover Code.

Accordingly, the Smoove Directors intend to recommend unanimously that Smoove Shareholders vote in favour of the Scheme at the Court Meeting and the Resolution(s) to be proposed at the General Meeting (or in the event that the Acquisition is implemented by way of a Takeover Offer, to accept or procure the acceptance of such Takeover Offer) as the Smoove Directors who are beneficially interested in Smoove Shares (who, for the avoidance of doubt, do not include Smoove Directors whose interests in Smoove Shares comprise only unexercised options under the Smoove Share Plans, nor Oliver Scott who has an indirect beneficial interest in Smoove Shares as well as being a partner of Kestrel Partners LLP, an entity interested in Smoove Shares) have irrevocably undertaken to do in respect of their entire beneficial holdings of 85,000 Smoove Shares, representing, in aggregate, approximately 0.15 per cent. of Smoove's total issued share capital as at the close of business on the Last Practicable Date.

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<sup>2</sup> Calculated based on Smoove's sale and purchase and remortgage completion volumes for the financial year ended 31 March 2023, Bank of England sale and purchase transactions (Bank of England data set LPMB4B3) and Bank of England remortgage transactions (Bank of England data set LPMVTVX)

## **5. Smoove Directors' interests in Smoove Shares and bonus arrangements**

Each of Martin Rowland and Jesper With-Fogstrup, who are the only Smoove Directors who are beneficially interested in Smoove Shares (not including, for the avoidance of doubt, those Smoove Directors whose interests in Smoove Shares comprise only unexercised options under the Smoove Share Plans, nor Oliver Scott who has an indirect beneficial interest in Smoove shares as well as being a partner of Kestrel Partners LLP, an entity interested in Smoove Shares), have given to Digcom irrevocable undertakings to vote in favour (or procure the voting in favour, as applicable) of the Scheme at the Court Meeting and the Resolution(s) to be proposed at the General Meeting (or in the event that the Acquisition is implemented by way of a Takeover Offer, to accept or procure the acceptance of such Takeover Offer), in respect of their entire beneficial holdings of, in aggregate, 85,000 Smoove Shares, representing in aggregate approximately 0.15 per cent. of Smoove's total issued share capital as at the close of business on the Last Practicable Date.

In addition, Martin Rowland has been granted options over 750,000 Smoove Shares under the Smoove Share Plans, Jesper With-Fogstrup has been granted options and JOA awards over 2,175,000 Smoove Shares under the Smoove Share Plans and Michael Cress has been granted options over 750,000 Smoove Shares under the Smoove Share Plans. Save for the options over 750,000 Smoove Shares granted to Martin Rowland which will be exercisable as a result of the Acquisition, it is not expected any of these options or awards will be exercised or vest as part of the Acquisition as they are either underwater (i.e. the exercise price is in excess of the Consideration), or they are subject to performance share price triggers which are in excess of the Consideration and so will not be met. It is therefore expected that those options (other than the options granted over 750,000 Smoove Shares to Martin Rowland) and awards will lapse in accordance with the applicable Smoove Share Plan rules.

Oliver Scott, a Non-Executive Director of Smoove, is a partner of Kestrel Partners LLP which is interested in 15,711,095 Smoove Shares. Kestrel Partners LLP has given an irrevocable undertaking as detailed in paragraph 7 below.

Jesper With-Fogstrup and Michael Cress, along with two other members of senior management, are entitled to receive transaction bonuses in the event of a cash offer resulting in the acquisition of Smoove by a third party. The entitlements of the relevant Smoove Directors are:

- Jesper With-Fogstrup - £150,000; and
- Michael Cress - £75,000.

The bonus arrangements will be subject to usual tax and National Insurance deduction.

## **6. Background to and reasons for the recommendation**

Smoove has sought to make moving house in the UK a simpler, more transparent and automated process for the benefit of both consumers and the professionals who work in the sector. To that end, Smoove has developed service offerings, such as eConveyancer, a two-sided digital comparison marketplace connecting consumers to conveyancing lawyers. eConveyancer allows the consumer, primarily through introducers such as mortgage brokers, lenders, or estate agents, to compare the cost, service, and location of conveyancing lawyers. Smoove has developed further products and services to provide solutions covering more of the end-to-end home moving experience.

In the last 18 months, the home moving sector has been impacted by challenging macroeconomic conditions. These factors include sudden and persistently high inflation which has, in turn, led to a rapid, and at times unpredictable, increase in interest rates from historic lows. As a result, sale and purchase transaction volumes in the market have fallen sharply over the past year and house prices have been unstable and begun falling also in real terms. These events have combined to erode the confidence of market participants including home movers, mortgage brokers, lenders, and estate agents. Meanwhile, and not unrelated, the environment for trading in the shares in Smoove has, in recent times, been impacted by poor sentiment around not only AIM, but particularly smaller pre-profit companies, with limited trading liquidity on the stock market.

Smoove's current trading has been in line with the Smoove Board's expectations despite difficult market conditions and the Smoove Directors continue to believe that Smoove's present strategy is capable of delivering long-term growth in revenue and profits. However, they also believe that PEXA's scale will help to accelerate the execution of Smoove's strategy. Access to PEXA's digital property settlements platform is also expected to benefit Smoove's offering to customers. The terms of the Acquisition provide Smoove Shareholders with an immediate, certain and attractive cash value for their investment. The Smoove Directors believe the Acquisition appropriately recognises the growth potential of Smoove as a standalone business.

In considering its recommendation of the Acquisition to Smoove Shareholders, the Smoove Directors have given due consideration to Digcom's intentions regarding Smoove's employees and other stakeholders as set out in paragraph 10 of this announcement.

When considering the Acquisition, the Smoove Directors have taken into account the substantial premium of the Consideration to the Closing Price of Smoove Shares on 21 April 2023 (being the last Business Day before the commencement of the Offer Period). The Consideration of 54 pence in cash per Smoove Share represents a premium of approximately:

- 69.3 per cent. to the Closing Price of 31.9 pence per Smoove Share on 21 April 2023 (being the last Business Day before the commencement of the Offer Period);
- 74.1 per cent. to the volume-weighted average Closing Price of 31.0 pence per Smoove Share for the one-month period ended 21 April 2023 (being the last Business Day before the commencement of the Offer Period); and
- 43.9 per cent. to the volume-weighted average Closing Price of 37.5 pence per Smoove Share for the three-month period ended 21 April 2023 (being the last Business Day before the commencement of the Offer Period).

The Acquisition provides the certainty of a realisable value to all Smoove Shareholders and allows them to realise their investment in Smoove Shares for cash without incurring broking fees.

As further described below and at Appendix 3 to this announcement, Digcom has received irrevocable undertakings and a non-binding letter of intent in respect of 32,010,862 Smoove Shares representing, in aggregate, approximately 56.14 per cent. of Smoove's total issued capital as at the close of business on the Last Practicable Date.

The Smoove Directors consider the terms of the Acquisition to be fair and reasonable. Accordingly, following careful consideration of both the financial terms of the Acquisition and PEXA's intentions regarding the conduct of the Smoove business under PEXA's ownership, the

Smooove Directors intend to recommend unanimously the Acquisition to Smooove Shareholders. In reaching its intention to recommend unanimously the Acquisition, the Smooove Board, in addition to the financial terms of the Acquisition, took account of the interests of all of its key stakeholders, including customers, employees and shareholders.

## **7. Irrevocable undertakings and letter of intent**

In addition to the irrevocable undertakings from the Smooove Directors described in paragraph 5 above, Digcom has also received irrevocable undertakings from each of Kestrel Partners LLP (a partner of which, Oliver Scott, is a Non-Executive Director of Smooove), Harwood Capital Management Limited and Herald Investment Management Limited to vote in favour (or procure the voting in favour, as applicable) of the Scheme at the Court Meeting and the Resolution(s) to be proposed at the General Meeting (or in the event that the Acquisition is implemented by way of a Takeover Offer, to accept or procure the acceptance of such Takeover Offer) in respect of, in aggregate, 26,560,625 Smooove Shares, representing approximately 46.58 per cent. of Smooove's total issued share capital as at the close of business on the Last Practicable Date.

In addition, Digcom has received a non-binding letter of intent from Schroders Investment Management Limited to procure the voting in favour of the Scheme at the Court Meeting and the Resolution(s) to be proposed at the General Meeting (or in the event that the Acquisition is implemented by way of a Takeover Offer, to procure the acceptance of such Takeover Offer) in respect of 5,365,237 Smooove Shares, representing approximately 9.41 per cent. of Smooove's total issued share capital as at the close of business on the Last Practicable Date.

Further details of these irrevocable undertakings and letter of intent are set out in Appendix 3 to this announcement.

Accordingly, Digcom has received irrevocable undertakings and a letter of intent to vote, or procure the voting, in favour of the Scheme at the Court Meeting and the Resolution(s) to be proposed at the General Meeting (or in the event that the Acquisition is implemented by way of a Takeover Offer, to accept or procure the acceptance of such Takeover Offer) in respect of a total of 32,010,862 Smooove Shares representing, in aggregate, approximately 56.14 per cent. of Smooove's total issued share capital of Smooove as at the close of business on the Last Practicable Date.

## **8. Information relating to Smooove**

Smooove provides online digital platforms for everyone involved in the buying, selling, and refinancing of property in the UK. Smooove is investing in new technology to generate more value from its partner relationships, develop new revenue streams, and build products that improve the experience of consumers.

- eConveyancer is a platform that brings together conveyancers and introducers such as mortgage brokers and lenders to offer a conveyancing comparison service to consumers. The eConveyancer offering includes value-added tools such as DigitalMove, an onboarding and messaging service that helps all participants in the conveyancing process to communicate and collaborate. In the most recent financial year, eConveyancer generated 69,662 conveyancing instructions and 53,224 conveyancing completions. eConveyancer and its related services account for the vast majority of Smooove's revenue.

- Smoove Complete is a platform for self-employed Consultant Conveyancing Lawyers ("CCLs"). In exchange for a share of the conveyancing fee income, Smoove provides CCLs with a suite of services including onboarding and post-completion services, as well as support infrastructure including technology, regulatory oversight and professional indemnity insurance. The business is an area of strategic focus, but because it only recently began trading in late October 2022, it made a minimal contribution to Smoove group revenues in the most recent financial year. Smoove Complete trades within ALL, a conveyancing law firm acquired by Smoove in October 2021.
- Legal Eye provides risk management and compliance services to solicitors and licensed conveyancers. Legal Eye accounted for approximately 4 per cent. of group revenue in the most recent financial year.
- Smoove Start launched in August 2022 after a well-received limited product pilot. The software provides a service to estate agents encompassing ID verification, anti-money laundering, and upfront information. In response to challenging market conditions the product was pivoted to focus on a conveyancing-led offering to emphasise the fee earning potential to estate agents from referral of cases into eConveyancer. Given its limited trading history, Smoove Start made a minimal contribution to Smoove group revenues in the most recent financial year.

Smoove's business was founded in 2003 and was admitted to AIM in July 2014.

#### *Current trading*

To date, Smoove has continued to trade in line with the Smoove Board's expectations during the first half of the current financial year. This period has been characterised by continued growth in the remortgage segment and year-on-year volume declines in the transactional segment. The latter trend reflects deteriorating conditions in the housing market as increased costs in mortgage finance since the start of the current financial year have led to lower market transaction volumes and falling real house prices. The cash balance at 30 September 2023 was £9.2 million. The reduced rate of cash burn has benefitted from the impact of previously announced cost reduction initiatives.

### **9. Information on the PEXA Group and Digcom**

#### *The PEXA Group*

- PEXA is the operator of the leading digital property settlements platform in Australia, employing approximately 1,000 people and listed on the ASX with a market cap of A\$ 2.016 billion on the Last Practicable Date.
- Having started in 2010 as a joint initiative of various state governments and the largest banks in Australia to phase out the use of inefficient paper-based property settlements, the PEXA Group today offers the world's first digital platform for managing the lodgement and settlement of property transactions.
- "PEXA Exchange" operates primarily as an ELNO facilitating the electronic lodgement and settlement of property transactions through an integrated, cloud-based platform connecting key property market stakeholders.

- PEXA Exchange's facilitation of secure, reliable and efficient digital settlements has established the platform as a critical and trusted component of the Australian property market, providing confidence and stability for all participants in a property transaction.
- Through its PEXA Digital Growth business, PEXA offers property-related insight and analytics solutions to its customers and stakeholders which aim to reduce transaction costs in the property chain and enhance the experience of developing, buying and selling, financing, settling, owning, and servicing property. PEXA Digital Growth also identifies and invests in opportunities across the property ecosystem to complement and enhance its core insights and analytics offering.
- For the year ended 30 June 2023, PEXA Group generated business revenue of A\$283.4 million and an operating EBITDA of A\$98.7 million. Additional information on PEXA Group's latest financial results can be found at <https://investors.pexa.com.au/investor-centre/?page=results-centre>.
- The Acquisition will be funded through cash currently held by PEXA, which has been drawn down by PEXA under its existing facility and a newly established facility (which can be used for general commercial requirements and has a limit of \$40 million AUD).

#### *Digcom*

- Having created the leading digital property settlements platform in Australia, Digcom was established in 2020 to enable PEXA to enter the UK market and implement its strategy to transform the UK property market.
- In seeking to extend its digital property settlements platform knowledge in new geographies, the PEXA Group launched its remortgage offering in the UK in September 2022 following the successful testing of the PEXA settlement payment solution with the Bank of England. Shortly after the UK launch, Digcom acquired Optima Legal, a high-volume remortgage conveyancing firm that provides legal services in the UK remortgage market.

### **10. PEXA's intentions for the Smoove business**

#### *PEXA and Digcom's strategic plans for the Combined Group*

Following Completion, PEXA intends to integrate Smoove into PEXA's existing UK business to further advance the offering of its digital settlements platform to lenders, conveyancers and consumers in the UK.

PEXA has been granted access to Smoove management and information to carry out due diligence. However, due to transaction constraints, PEXA has not yet had access to sufficiently detailed information to formulate a complete post-Acquisition strategy for the integration of Smoove into PEXA's UK business. To assist with this process, PEXA intends to carry out a review of Smoove's and PEXA's UK business. The review is expected to take at least six months following Completion of the Acquisition. The review will examine the current operating and organisational structures of both businesses and provide the basis for the development of an integration programme designed to minimise any disruption to customers, suppliers, employees and consumers whilst delivering the expected opportunities and benefits of the Acquisition.



### *Brand*

In the longer term, Digcom intends that the Smoove business will operate under the umbrella PEXA brand but, following Completion, will undertake a review of individual product brands (including eConveyancer, DigitalMove, Smoove Complete, Smoove Start and Legal Eye) to ensure that their offerings are distinguishable under the PEXA brand.

### *Employees, management and directors*

Digcom attaches great importance to the skills and experience of Smoove's management and employees and recognises their important contribution to the success that has been achieved by Smoove.

Digcom confirms that, following completion of the Acquisition, the existing contractual and statutory employment rights of Smoove employees will be fully safeguarded in accordance with applicable law. Following Completion, Digcom will seek to align the employment contracts and benefits of Smoove employees with those of the PEXA Group so that employees benefit from matters that are of cultural importance to the PEXA Group.

Whilst Digcom's review will seek to design an optimal strategy for integrating Smoove into PEXA's existing UK business, given the complementary nature of both businesses Digcom does not expect the outcome of its review to result in any material change to Smoove's employee skills mix and headcount. To the extent that the outcome of Digcom's review unlocks synergies and opportunities for costs savings Digcom will endeavour to minimise their impact on employees.

It is expected that the Non-Executive Directors of Smoove will resign from the Smoove Board on Completion.

### *Pensions*

Digcom intends to maintain the rate of contributions made to the Smoove Group's pension schemes following Completion. The Smoove Group operates defined contribution pension arrangements for its management and employees and has no exposure under any form of defined benefit (final salary) pension scheme.

### *Management incentives*

PEXA has not entered into, and has not had discussion on proposals to enter into, any form of incentive arrangements with any of the existing members of Smoove's management. PEXA expects to put in place appropriate incentive arrangements for Smoove's management following Completion.

### *Locations of business, fixed assets and research and development*

Following Completion, it is intended that Smoove will continue to operate from its head office in Thame, Oxfordshire. Digcom will review the Smoove Group's leasing arrangements in the ordinary course to ensure they continue to meet the Smoove Group's operating needs moving forward. Smoove does not have any material fixed assets and the PEXA Board does not intend to redeploy any of Smoove's fixed assets following Completion.

Smooove has no dedicated research and development function.

#### *Trading facilities*

Smooove Shares are currently traded on AIM. As set out in paragraph 17 below, it is intended that a request will be made to the London Stock Exchange to cancel trading in Smooove Shares on AIM, subject to the Acquisition becoming Effective, such cancellation to take effect from or shortly after the Effective Date. At the same time, it is intended that Smooove will be re-registered as a private limited company. As stated in paragraph 17 below, dealings in Smooove Shares will be suspended prior to the Effective Date and, thereafter, there will be no trading facilities in relation to Smooove Shares.

As a result of the cancellation of trading in Smooove Shares on AIM, the Combined Group expects to achieve savings from Smooove no longer having to comply with its ongoing public company reporting obligations.

#### *No "post-offer undertakings"*

No statements in this paragraph 10 are "post-offer undertakings" for the purposes of Rule 19.5 of the Takeover Code.

### **11. Share Schemes**

Participants in the Smooove Share Plans will be contacted regarding the effect of the Acquisition on their rights under the Smooove Share Plans and provided with further details concerning the proposals which will be made to them in due course. Details of the proposals will be set out in the Scheme Document (or, as the case may be, the Offer Document) and in separate letters to be sent to participants in the Smooove Share Plans.

### **12. Financing of the Acquisition**

The Consideration payable to Smooove Shareholders pursuant to the Acquisition will be financed using existing cash resources of the PEXA Group.

Numis, in its capacity as financial adviser to PEXA and Digcom, is satisfied that sufficient resources are available to Digcom to satisfy in full the Consideration payable by Digcom to Smooove Shareholders pursuant to the Acquisition.

Further information on the financing of the Acquisition will be set out in the Scheme Document.

### **13. Offer-related Arrangements**

#### *Confidentiality Agreement*

On 9 August 2023, PEXA and Smooove entered into the Confidentiality Agreement in connection with the Acquisition, pursuant to which, amongst other things, the parties gave certain undertakings to: (i) subject to certain exceptions, keep information relating to the Acquisition and each other party confidential and not to disclose it to third parties; and (ii) use such confidential information only in connection with the Acquisition. These confidentiality obligations will remain in force until the earlier of 12 months from the date of the agreement and Completion.

## *Co-operation Agreement*

On 4 October 2023, Digcom and Smoove entered into the Co-operation Agreement in relation to the Acquisition. Pursuant to the Co-operation Agreement: (i) Digcom and Smoove have agreed to co-operate to assist with the satisfaction of certain regulatory conditions, subject to certain customary carve-outs; (ii) the parties have agreed to implement certain arrangements with respect to the Smoove Share Plans and other employee-related matters; and (iii) the parties have agreed to certain provisions if the Acquisition should switch to a Takeover Offer. In addition, Digcom has agreed to provide Smoove with certain information for the purposes of the Scheme Document and to otherwise assist with the preparation of the Scheme Document.

The Co-operation Agreement shall terminate, amongst other things: (i) where: (a) such termination is agreed between Digcom and Smoove; (b) the Scheme is not approved by the requisite majority of the Scheme Shareholders at the Court Meeting or the Resolutions are not passed by the requisite majority at the General Meeting; (c) the Scheme is not sanctioned by the Court; (ii) upon written notice of either party where: (a) prior to the Long Stop Date, a competing offer becomes effective or is declared unconditional; (b) the Smoove Directors withdraw their recommendation of the Acquisition or if the Smoove Directors recommend a competing proposal; or (iii) upon written notice by Digcom on Smoove: (a) prior to the Long Stop Date, a Condition which is either not capable of being waived or, where capable of being waived Digcom has confirmed that it will not waive said Condition, becomes incapable of satisfaction by the Long Stop Date in circumstances where invocation of the relevant Condition is permitted by the Panel.

### **14. Scheme process**

It is intended that the Acquisition will be effected by a Court-sanctioned scheme of arrangement between Smoove and the Scheme Shareholders under Part 26 of the Companies Act. Digcom reserves the right, however, to effect the Acquisition by way of Takeover Offer, subject to the consent of the Panel and the terms of the Co-operation Agreement.

The purpose of the Scheme is to provide for Digcom to become the owner of the whole of the issued and to be issued share capital of Smoove. Under the Scheme, the Acquisition is to be achieved by the transfer of the Scheme Shares held by Scheme Shareholders to Digcom in consideration for which Scheme Shareholders will receive the Consideration on the basis set out in paragraph 2 of this announcement. The process involves, amongst other things, an application by Smoove to the Court to sanction the Scheme.

The Acquisition will be subject to the Conditions and further terms and conditions referred to in Appendix 1 to this announcement and to be set out in the Scheme Document. Subject, amongst other things, to the satisfaction (or, where applicable, waiver) of the Conditions, the Scheme will only become Effective if, amongst other things, the following events occur on or before the Long Stop Date (or such later date as Digcom and Smoove may, with the consent of the Panel, agree and, if required, the Court may approve):

- a resolution to approve the Scheme is passed by a majority in number of the Scheme Shareholders present and voting (and entitled to vote) at the Court Meeting, either in person or by proxy, representing 75 per cent. or more in value of each class of the Scheme Shares held by those Scheme Shareholders;

- the Resolution(s) is (or are, as applicable) passed by the requisite majority of Smoove Shareholders at the General Meeting;
- certain regulatory approvals as described in Appendix 1 (including approvals from the CLC (being a regulator of ALL, a subsidiary of Smoove)) are obtained (or waived, as applicable);
- following the Meetings, the Scheme is sanctioned by the Court (with or without modification, and, if with modification, on terms agreed by Digcom and Smoove); and
- following such sanction, an office copy of the Court Order is delivered to the Registrar of Companies.

Upon the Scheme becoming Effective, it will be binding on all Smoove Shareholders, irrespective of whether or not they attended or voted at the Meetings (and if they attended and voted, whether or not they voted in favour) and the Consideration will be despatched by Digcom to Scheme Shareholders no later than 14 days after the Effective Date. In addition, share certificates in respect of the Smoove Shares will cease to be valid and entitlements to Smoove Shares held within the CREST system will be cancelled.

Any Smoove Shares issued before the Scheme Record Time will be subject to the terms of the Scheme. The Resolution(s) to be proposed at the General Meeting will, amongst other matters, provide that the articles of association of Smoove be amended to incorporate provisions requiring any Smoove Shares issued after the Scheme Record Time (other than to Digcom and/or its nominees) to be automatically transferred to Digcom on the same terms as the Acquisition (other than terms as to timings and formalities). These provisions of the Articles (as amended) will avoid any person (other than Digcom and/or its nominees) holding Smoove Shares after the Effective Date.

The Scheme Document will include full details of the Scheme, together with notices of the Court Meeting and the General Meeting and the expected timetable for the implementation of the Scheme, and will specify the action to be taken by Scheme Shareholders. The Scheme Document, together with accompanying Forms of Proxy, are expected to be published and sent to Smoove Shareholders within 28 days of the date of this announcement (unless the Panel agrees otherwise). The Acquisition will lapse if the Scheme does not become Effective by the Long Stop Date (or such later date as Digcom and Smoove may agree, with the consent of the Panel and as the Court may approve, if such approval is required).

Subject to, amongst other things, the satisfaction (or, where applicable, waiver) of the Conditions, it is expected that the Acquisition will become Effective in Q4 2023.

The Scheme will be governed by English law. The Scheme will be subject to the applicable requirements of the Takeover Code, the Panel, the London Stock Exchange (including pursuant to the AIM Rules) and the Registrar of Companies.

## **15. Dividends**

If, on or after the date of this announcement and before the Effective Date, any dividend, distribution or other return of capital or value is announced, declared, made or paid by Smoove or becomes payable by Smoove in respect of the Smoove Shares, Digcom reserves the right to

reduce the Consideration payable pursuant to the Acquisition for the Smoove Shares by an amount up to the amount of such dividend and/or distribution and/or other return of capital or value. In such circumstances, Smoove Shareholders would be entitled to receive and retain any such dividend and/or other distribution and/or return of capital or value.

## **16. Disclosure of interests**

Except for the interests in Smoove Shares referred to in paragraph 5 above and the irrevocable commitments referred to in paragraph 7 above, as at the date of this announcement neither PEXA nor Digcom, nor any of their respective directors, nor, so far as PEXA and Digcom are aware, any person acting in concert (within the meaning of the Takeover Code) with Digcom:

- has any interest in, or right to subscribe for, any relevant securities of Smoove; nor
- has any short position in respect of any relevant securities of Smoove, including any short position under a derivative, any agreement to sell, any delivery obligation or right to require another person to purchase or take delivery of relevant securities of Smoove; nor
- has borrowed or lent any relevant securities of Smoove or entered into any financial collateral arrangements relating to relevant securities of Smoove; nor
- is party to any dealing arrangement of the kind referred to in Note 11 of the definition of acting in concert in the Takeover Code in relation to relevant securities of Smoove.

An "interest in" securities for these purposes arises, in summary, when a person has long economic exposure, whether absolute or conditional, to changes in the price of securities (and a person who only has a short position in securities is not treated as interested in those securities). In particular, a person will be treated as having an 'interest' by virtue of the ownership, voting rights or control of securities, or by virtue of any agreement to purchase, option in respect of, or derivative referenced to securities.

## **17. Cancellation of admission to trading on AIM and re-registration of Smoove**

Prior to the Scheme becoming Effective, it is intended that an application will be made to the London Stock Exchange to, subject to the Acquisition becoming Effective, cancel trading in Smoove Shares on AIM, with effect from or shortly after the Effective Date.

The last day of dealings in, and registration of transfers of, Smoove Shares on the London Stock Exchange is expected to be the Business Day immediately prior to the Effective Date and no transfers will be registered after 6.00 p.m. (London time) on that date.

On the Effective Date, Smoove will become a wholly-owned subsidiary of Digcom and share certificates in respect of Smoove Shares will cease to be valid and should be destroyed. In addition, entitlements held within CREST to the Smoove Shares will be cancelled on the Effective Date.

Upon the Scheme becoming Effective, Digcom will acquire the Smoove Shares fully paid and free from all liens, charges, equitable interests, encumbrances and rights of pre-emption and any other interests of any nature whatsoever and together with all rights attaching thereto including the right

to receive and retain all dividends and distributions declared, made or paid by reference to a record date after the Effective Date.

It is also intended that, subject to and with effect from the Scheme becoming Effective, Smoove will be re-registered as a private limited company.

## **18. Consents**

Numis and Cavendish have each given and not withdrawn their consent to the publication of this announcement with the inclusion herein of the references to their names in the form and content in which they appear.

## **19. Documents available for inspection**

Copies of this announcement and the following documents will, by no later than 12 noon on the business day following the date of this announcement, be published on PEXA's website at <https://investors.pexa.com.au/investor-centre> and Smoove's website at [www.hellosmoove.com/investorrelations](http://www.hellosmoove.com/investorrelations) until the end of the Offer Period:

- this announcement;
- the irrevocable undertakings and letter of intent referred to in paragraph 7 above and further described in Appendix 3 to this announcement;
- the Confidentiality Agreement;
- the Co-operation Agreement; and
- the consent letters referred to in paragraph 18 above.

The contents of PEXA's website and Smoove's website are not incorporated into and do not form part of this announcement.

## **20. General**

Digcom reserves the right to elect, with the consent of the Panel (where necessary) and subject to the terms and conditions of the Co-operation Agreement, to implement the Acquisition by way of a Takeover Offer for the entire issued and to be issued share capital of Smoove not already held by Digcom as an alternative to the Scheme. In such an event a Takeover Offer will be implemented on substantially the same terms, so far as applicable, as those which would apply to the Scheme.

If the Acquisition is effected by way of a Takeover Offer and such Takeover Offer becomes or is declared unconditional and sufficient acceptances are received, Digcom intends to: (i) request that the London Stock Exchange cancels trading in Smoove Shares on AIM; and (ii) exercise its rights (to the extent such rights are available) to apply the provisions of Chapter 3 of Part 28 of the Companies Act to acquire compulsorily the remaining Smoove Shares in respect of which the Takeover Offer has not been accepted.

The Acquisition will be subject to the Conditions and other terms set out in Appendix 1 and to the full terms and conditions which will be set out in the Scheme Document. The formal Scheme Document containing further information about the Acquisition and notices of the Meetings, together with the accompanying Forms of Proxy, are expected to be published and sent to Smoove Shareholders within 28 days of the date of this announcement (unless the Panel agrees otherwise).

Appendix 2 contains the bases of calculation and sources of certain information contained in this announcement. Details of the irrevocable undertakings and letter of intent received by Digcom in connection with the Acquisition are set out in Appendix 3 to this announcement. Certain terms used in this announcement are defined in Appendix 4.

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Addleshaw Goddard LLP is acting as legal adviser to PEXA and Digcom in connection with the Acquisition.

Shoosmiths LLP is acting as legal adviser to Smoove in connection with the Acquisition.

**Further information**

*This announcement is for information purposes only and is not intended to, and does not constitute, or form part of any offer, invitation or the solicitation of an offer to purchase, otherwise acquire, subscribe for, sell or otherwise dispose of any securities, or the solicitation of any vote or approval in any jurisdiction, pursuant to the Acquisition or otherwise, nor shall there be any sale, issuance or transfer of securities of Smoove in any jurisdiction in contravention of applicable law. The Acquisition will be made and implemented solely pursuant to the terms of the Scheme Document (or if the Acquisition is implemented by way of a Takeover Offer, the Offer Document), which will contain the full terms and conditions of the Acquisition, including details of how to vote in respect of the Acquisition. Any vote in respect of, or other response to, the Acquisition should be made only on the basis of the information contained in the Scheme Document (or if the Acquisition is implemented by way of a Takeover Offer, the Offer Document).*

*Smoove and Digcom will prepare the Scheme Document (or if the Acquisition is implemented by way of a Takeover Offer, the Offer Document) to be distributed to Smoove Shareholders. Smoove and Digcom urge Smoove Shareholders to read the Scheme Document (or if the Acquisition is implemented by way of a Takeover Offer, the Offer Document) when it becomes available because it will contain important information relating to the Acquisition.*

*This announcement does not constitute a prospectus, prospectus equivalent document or an exempted document.*

*The statements contained in this announcement are made as at the date of this announcement, unless some other time is specified in relation to them, and publication of this announcement shall not give rise to any implication that there has been no change in the facts set forth in this announcement since such date.*

### **Disclaimers**

*Numis Securities Limited ("**Numis**"), which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting as financial adviser to Digcom and PEXA, and no one else, in connection with the matters set out in this announcement, and will not be responsible to anyone other than the Boards of Digcom and PEXA for providing the protections afforded to clients of Numis nor for providing advice in relation to the contents of this announcement or any other matter or arrangement referred to herein. Neither Numis nor any of its affiliates owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of Numis in connection with this announcement, any matter, arrangement or statement contained or referred to herein or otherwise.*

*Cavendish Securities plc ("**Cavendish**") is acting for Smoove and no one else in connection with the matters set out in this announcement and will not be responsible to anyone other than Smoove for providing the protections afforded to clients of Cavendish for providing advice in relation to the possible offer, the contents of this announcement or any other matters referred to in this announcement.*

### **Overseas jurisdictions**

*This announcement has been prepared in accordance with, and for the purposes of complying with, English law, the Takeover Code and the AIM Rules, and information disclosed may not be*



*the same as that which would have been disclosed if this announcement had been prepared in accordance with the laws of jurisdictions outside of England.*

*The release, publication or distribution of this announcement in, into or from jurisdictions other than the United Kingdom may be restricted by law and therefore any persons who are subject to the laws of any jurisdiction other than the United Kingdom should inform themselves about and observe any applicable requirements.*

*The availability of the Acquisition to Smoove Shareholders who are not resident in and citizens of the United Kingdom may be affected by the laws of the relevant jurisdictions in which they are located or of which they are citizen. Persons who are not resident in the United Kingdom should inform themselves of, and observe, any applicable legal or regulatory requirements of their jurisdictions. In particular, the ability of persons who are not resident in the United Kingdom to vote their Smoove Shares with respect to the Scheme at the Meetings, or to execute and deliver Forms of Proxy (or other proxy instructions) appointing another to vote at the Meetings on their behalf, may be affected by the laws of the relevant jurisdictions in which they are located. Any failure to comply with the applicable restrictions may constitute a violation of the securities laws of any such jurisdiction. To the fullest extent permitted by applicable law, the companies and persons involved in the Acquisition disclaim any responsibility or liability for the violation of such restrictions by any person. Further details in relation to Overseas Shareholders will be contained in the Scheme Document.*

*Unless otherwise determined by Digcom or required by the Takeover Code, and permitted by applicable law and regulation, the Acquisition will not be made available, in whole or in part, directly or indirectly, in, into or from a Restricted Jurisdiction where to do so would constitute a violation of the relevant laws or regulations of such jurisdiction and no person may vote in favour of the Acquisition by any such use, means, instrumentality or from within a Restricted Jurisdiction or any other jurisdiction if to do so would constitute a violation of the laws of that jurisdiction. Copies of this announcement and any formal documentation relating to the Acquisition are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in or into or from any Restricted Jurisdiction and persons receiving such documents (including custodians, nominees and trustees) must not mail or otherwise forward, distribute or send it in or into or from any Restricted Jurisdiction. Doing so may render invalid any related purported vote in respect of the Acquisition. If the Acquisition is implemented by way of a Takeover Offer (unless otherwise permitted by applicable law and regulation), the Takeover Offer may not be made directly or indirectly, in or into, or by the use of mails or any means or instrumentality (including, but not limited to, facsimile, e-mail or other electronic transmission, telex or telephone) of interstate or foreign commerce of, or of any facility of a national, state or other securities exchange of any Restricted Jurisdiction and the Takeover Offer may not be capable of acceptance by any such use, means, instrumentality or facilities.*

*The Acquisition will be subject to English law and the jurisdiction of the Court, and the applicable requirements of the Takeover Code, the Panel, the London Stock Exchange (including pursuant to the AIM Rules) and the Registrar of Companies.*

#### **Notice to US investors in Smoove**

*The Acquisition relates to the shares of an English company with a quotation on AIM and is being made by means of a scheme of arrangement provided for under English company law. A transaction effected by means of a scheme of arrangement is not subject to the tender offer rules*

*or the proxy solicitation rules under the US Securities Exchange Act of 1934. Accordingly, the Acquisition is subject to the disclosure requirements and practices applicable in the United Kingdom to schemes of arrangement which differ from the disclosure requirements of United States tender offer and proxy solicitation rules. Neither the United States Securities and Exchange Commission, nor any securities commission of any state of the United States, has approved or disapproved any offer, or passed comment upon the adequacy or completeness of any of the information contained in this announcement. Any representation to the contrary may be a criminal offence.*

*If, in the future, Digcom exercises the right, with the consent of the Panel (where necessary), to implement the Acquisition by way of a Takeover Offer and determines to extend the offer into the United States, the Acquisition will be made in compliance with applicable United States laws and regulations, including Section 14(e) of the US Securities Exchange Act 1934 and Regulation 14E thereunder.*

*Financial information included in this announcement and the Scheme Document (or, if the Acquisition is implemented by way of a Takeover Offer, the Offer Document) has been or will have been prepared in accordance with accounting standards applicable in the United Kingdom or Australia (as applicable) that may not be comparable to financial information of US companies or companies whose financial statements are prepared in accordance with generally accepted accounting principles in the United States.*

*The receipt of cash pursuant to the Acquisition by a US holder of Smoove Shares as consideration for the transfer of its Scheme Shares pursuant to the Scheme may be a taxable transaction for US federal income tax purposes and under applicable US state and local, as well as foreign and other, tax laws. Each Smoove Shareholder is therefore urged to consult with independent legal, tax and financial advisers in connection with making a decision regarding the Acquisition.*

*It may be difficult for US holders of Smoove Shares to enforce their rights and any claim arising out of the US federal laws in connection with the Acquisition, since Digcom and Smoove are located in, and organised under the laws of, a non-US jurisdiction, and some or all of their officers and directors may be residents of a non-US jurisdiction. US holders of Smoove Shares may not be able to sue a non-US company or its officers or directors in a non-US court for violations of the US securities laws. Further, it may be difficult to compel a non-US company and its affiliates to subject themselves to a US court's jurisdiction or judgement.*

*In accordance with normal UK practice and pursuant to Rule 14e-5(b) of the US Securities Exchange Act of 1934, Digcom, certain affiliated companies and their nominees or brokers (acting as agents), may from time to time make certain purchases of, or arrangements to purchase, Smoove Shares outside of the US, other than pursuant to the Acquisition, until the date on which the Acquisition and/or Scheme becomes Effective, lapses or is otherwise withdrawn. Also, in accordance with Rule 14e-5(b) of the US Securities Exchange Act of 1934, each of Numis and Cavendish will continue to act as an exempt principal trader in Smoove Shares on the London Stock Exchange. If such purchases or arrangements to purchase were to be made they would occur either in the open market at prevailing prices or in private transactions at negotiated prices and comply with applicable law, including the US Securities Exchange Act of 1934. Any information about such purchases will be disclosed as required in the UK, will be reported to the Regulatory News Service of the London Stock Exchange and will be available on the London Stock Exchange website at [www.londonstockexchange.com](http://www.londonstockexchange.com).*

## **Cautionary Note Regarding Forward-Looking Statements**

*This announcement (including information incorporated by reference into this announcement), statements made regarding the Acquisition, and other information to be published by Digcom, PEXA and/or Smoove, contain statements which are, or may be deemed to be, "forward-looking statements". Forward-looking statements are prospective in nature and not based on historical facts, but rather are based on current expectations and projections of the management of Digcom, PEXA and/or Smoove about future events, and are therefore subject to risks and uncertainties which could cause actual results to differ materially from the future results expressed or implied by the forward-looking statements.*

*The forward-looking statements contained in this announcement include statements with respect to the financial condition, results of operations and business of Smoove and certain plans and objectives of Digcom and PEXA with respect thereto and other statements other than historical facts. Often, but not always, forward-looking statements can be identified by the fact that they do not relate only to historical or current facts and may use words such as "anticipate", "target", "expect", "estimate", "forecast", "intend", "plan", "budget", "scheduled", "goal", "believe", "hope", "aims", "continue", "will", "may", "should", "would", "could", or other words of similar meaning. These statements are based on assumptions and assessments made by Smoove and/or Digcom and/or PEXA in light of their experience and their perception of historical trends, current conditions, future developments and other factors they believe appropriate. By their nature, forward-looking statements involve known and unknown risk and uncertainty and other factors which may cause actual results, performance or developments to differ materially from those expressed in or implied by such, because they relate to events and depend on circumstances that will occur in the future. Although Digcom and/or PEXA and/or Smoove believe that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove to have been correct and you are therefore cautioned not to place reliance on these forward-looking statements which speak only as at the date of this announcement. Neither Digcom nor PEXA nor Smoove assumes any obligation to update or correct the information contained in this announcement (whether as a result of new information, future events or otherwise), except as required by applicable law.*

*There are a number of factors which could cause actual results and developments to differ materially from those expressed or implied in forward-looking statements. The factors that could cause actual results to differ materially from those described in the forward-looking statements include, but are not limited to: the ability to complete the Acquisition; the ability to obtain requisite regulatory and shareholder approvals and the satisfaction of other Conditions on the proposed terms; changes in the global, political, economic, business and competitive environments and in market and regulatory forces; changes in future exchange and interest rates; changes in tax rates; future business combinations or dispositions; changes in general and economic business conditions; changes in the behaviour of other market participants; the anticipated benefits of the Acquisition not being realised as a result of changes in general economic and market conditions in the countries in which Digcom, PEXA and Smoove operate; weak, volatile or illiquid capital and/or credit markets; changes in the degree of competition in the geographic and business areas in which Digcom, PEXA and Smoove operate; and changes in laws or in supervisory expectations or requirements. Other unknown or unpredictable factors could cause actual results to differ materially from those expected, estimated or projected in the forward-looking statements. If any one or more of these risks or uncertainties materialises or if any one or more of the assumptions proves incorrect, actual results may differ materially from those expected, estimated or projected. Such forward-looking statements should therefore be construed in the light of such factors.*

*Neither Digcom nor PEXA nor Smoove, nor any of their respective associates or directors, officers or advisers, provides any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in their announcement will actually occur. Given the risks and uncertainties, you are cautioned not to place any reliance on these forward-looking statements.*

*Other than in accordance with their legal or regulatory obligations, neither Digcom nor PEXA nor Smoove is under any obligation, and Digcom, PEXA and Smoove expressly disclaim any intention or obligation, to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.*

### **Dealing and Opening Position Disclosure Requirements**

*Under Rule 8.3(a) of the Takeover Code, any person who is interested in one per cent. or more of any class of relevant securities of an offeree company or of any securities exchange offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the Offer Period and, if later, following the announcement in which any securities exchange offeror is first identified.*

*An Opening Position Disclosure must contain details of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) applies must be made by no later than 3.30 p.m. (London time) on the 10<sup>th</sup> business day following the commencement of the Offer Period and, if appropriate, by no later than 3.30 p.m. (London time) on the 10<sup>th</sup> business day following the announcement in which any securities exchange offeror is first identified. Relevant persons who deal in the relevant securities of the offeree company or of a securities exchange offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.*

*Under Rule 8.3(b) of the Takeover Code, any person who is, or becomes, interested in one per cent. or more of any class of relevant securities of the offeree company or of any securities exchange offeror must make a Dealing Disclosure if the person deals in any relevant securities of the offeree company or of any securities exchange offeror. A Dealing Disclosure must contain details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror, save to the extent that these details have previously been disclosed under Rule 8. A Dealing Disclosure by a person to whom Rule 8.3(b) applies must be made by no later than 3.30 p.m. (London time) on the business day following the date of the relevant dealing.*

*If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of an offeree company or a securities exchange offeror, they will be deemed to be a single person for the purpose of Rule 8.3.*

*Opening Position Disclosures must also be made by the offeree company and by any offeror and Dealing Disclosures must also be made by the offeree company, by any offeror and by any persons acting in concert with any of them (see Rules 8.1, 8.2 and 8.4).*

*Details of the offeree and offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made can be found in the Disclosure Table on the Panel's website at [www.thetakeoverpanel.org.uk](http://www.thetakeoverpanel.org.uk), including details of the number of relevant securities in issue, when the Offer Period commenced and when any offeror was first identified. You should contact the Panel's Market Surveillance Unit on +44 (0)20 7638 0129 if you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure.*

### **Publication on website**

*In accordance with Rule 26.1 of the Takeover Code a copy of this announcement and the documents required to be published under Rule 26 of the Takeover Code, will be made available free of charge, subject to certain restrictions relating to persons resident in Restricted Jurisdictions, on PEXA's website at <https://investors.pexa.com.au/investor-centre> and Smoove's website at [www.hellosmoove.com/investorrelations](http://www.hellosmoove.com/investorrelations) by no later than 12 noon (London time) on the first business day following the date of this announcement. For the avoidance of doubt, neither the contents of these websites nor the contents of any websites accessible from any hyperlinks are incorporated into or form part of this announcement.*

*Neither the contents of PEXA's website, nor those of Smoove's website, nor those of any other website accessible from hyperlinks on either PEXA's or Smoove's websites, are incorporated into or form part of this announcement.*

### **No profit forecasts, profit estimates or quantified benefits statements**

*No statement in this announcement is intended as a profit forecast, profit estimate or quantified benefits statement for any period and no statement in this announcement should be interpreted to mean that earnings or earnings per share for Smoove for the current or future financial years would necessarily match or exceed the historical published earnings or earnings per share for Smoove.*

### **Requesting hard copy documents**

*In accordance with Rule 30.3 of the Takeover Code, Smoove Shareholders, persons with information rights and participants in the Smoove Share Plans may request a hard copy of this announcement by contacting Smoove's registrars, Equiniti, by: (i) submitting a request in writing to Equiniti, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA, United Kingdom; or (ii) calling +44 (0)371 384 2050. Calls are charged at the standard geographical rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. Phone lines are open between 8.30 a.m. and 5.30 p.m. (London time), Monday to Friday (excluding public holidays in England and Wales). Please note that Equiniti cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.*

*For persons who receive a copy of this announcement in electronic form or via a website notification, a hard copy of this announcement will not be sent unless so requested. Such persons may also request that all future documents, announcements and information to be sent to them in relation to the Acquisition should be in hard copy form.*

### **Electronic communications**

*Please be aware that addresses, electronic addresses and certain other information provided by Smoove Shareholders, persons with information rights and other relevant persons for the receipt of communications from Smoove may be provided to Digcom and/or PEXA during the Offer Period as required under Section 4 of Appendix 4 to the Takeover Code to comply with Rule 2.111 of the Takeover Code.*

### **Rounding**

*Certain figures included in this announcement have been subjected to rounding adjustments. Accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of figures that precede them.*

### **General**

*Digcom reserves the right to elect, with the consent of the Panel (where necessary), and subject to the terms and conditions of the Co-operation Agreement, to implement the Acquisition by way of a Takeover Offer for the entire issued and to be issued share capital of Smoove not already held by Digcom as an alternative to the Scheme. In such an event a Takeover Offer will be implemented on substantially the same terms, so far as applicable, as those which would apply to the Scheme.*

*If the Acquisition is effected by way of Takeover Offer, and such Takeover Offer becomes or is declared unconditional and sufficient acceptances are received, Digcom intends to exercise its rights to apply the provisions of Chapter 3 of Part 28 of the Companies Act so as to acquire compulsorily the remaining Smoove Shares in respect of which the Takeover Offer has not been accepted.*

*If you are in any doubt about the contents of this announcement or the action you should take, you are recommended to seek your own independent financial advice immediately from your stockbroker, bank manager, solicitor or independent financial adviser duly authorised under the Financial Services and Markets Act 2000 (as amended) if you are resident in the United Kingdom or, if not, from another appropriately authorised independent financial adviser.*

## APPENDIX 1

### CONDITIONS TO AND CERTAIN FURTHER TERMS OF THE ACQUISITION

#### PART A: CONDITIONS TO THE SCHEME AND THE ACQUISITION

1. The Acquisition will be conditional upon the Scheme becoming unconditional and becoming Effective, subject to the provisions of the Takeover Code, by no later than 11.59 p.m. (London time) on the Long Stop Date.

#### Scheme approval condition

2. The Scheme will be conditional upon:
  - (A) (i) its approval by a majority in number representing not less than 75 per cent. in value of the Scheme Shareholders who are on the register of members of Smoove (or the relevant class or classes thereof, if applicable) at the Voting Record Time, present and voting (and entitled to vote), whether in person or by proxy, at the Court Meeting and at any separate class meeting which may be required by the Court or at any adjournment of any such meeting; and (ii) such Court Meeting and any such separate class meeting being held on or before the 22<sup>nd</sup> day after the expected date of the Court Meeting to be set out in the Scheme Document in due course (or such later date, if any, as Digcom and Smoove may agree and (if required) the Court may allow);
  - (B) (i) the Resolution(s) necessary to approve and implement the Scheme being duly passed by the requisite majority or majorities at the General Meeting or at any adjournment of that meeting; and (ii) such General Meeting being held on or before the 22<sup>nd</sup> day after the expected date of the General Meeting to be set out in the Scheme Document in due course (or such later date, if any, as Digcom and Smoove may agree and (if required) the Court may allow); and
  - (C) (i) the sanction of the Scheme by the Court with or without modification (but subject to any such modification being acceptable to Digcom and Smoove) and the delivery of the Court Order to the Registrar of Companies; and (ii) the Court Hearing being held on or before the 22<sup>nd</sup> day after the expected date of the Court Hearing to be set out in the Scheme Document in due course (or such later date, if any, as Digcom and Smoove may agree and (if required) the court may allow).

#### General conditions

3. In addition, subject to as stated in Part B of this Appendix 1 and to the requirements of the Panel, Digcom and Smoove have agreed that the Acquisition will be conditional upon the following Conditions and, accordingly, the necessary actions to make the Scheme Effective will not be taken unless the following Conditions (as amended if appropriate) have been satisfied, or, where relevant, waived (subject in respect of Conditions 3(A) and 3(B) to Digcom only being required to accept an outcome consistent with its commitment

to use reasonable endeavours to satisfy the Conditions as set out in Clause 3 of the Co-operation Agreement):

**Regulatory**

(A) **CLC Approvals**

- (i) in respect of each person who will, as a result of the Acquisition, acquire a restricted interest (as defined in Schedule 13, Paragraph 2(1) of the LSA) in ALL (the "**CLC Regulated Firm**"), and who is required to notify the CLC of such acquisition under Schedule 13, Paragraph 21(2) of the LSA, the CLC:
  - (a) providing its unconditional approval (by virtue of Schedule 13, Paragraph 27 of the LSA) of the acquisition of the relevant interest in the CLC Regulated Firm; or
  - (b) making a conditional approval of the acquisition of such notifiable interest (as defined in Schedule 13, Paragraph 21(4)(b) of the LSA) by virtue of Schedule 13, Paragraph 28 of the LSA, with such conditions being on terms satisfactory to Digcom (acting reasonably);
- (ii) in respect of each natural person who will, as a result of the Acquisition, be deemed to be a beneficial owner (as defined in the MLRs) of the CLC Regulated Firm, the CLC:
  - (a) providing its unconditional approval of the deemed beneficial ownership (as applicable); or
  - (b) making a conditional approval of the deemed beneficial ownership (as applicable), with such conditions being on terms satisfactory to Digcom (acting reasonably); and
- (iii) in respect of each other approval from the CLC (in relation to the CLC Regulated Firm or any other person or otherwise) as a result of the Acquisition as the CLC shall require (each, an "**Additional CLC Approval Matter**"), the CLC:
  - (a) providing its unconditional approval in respect of each Additional CLC Approval Matter; or
  - (b) making a conditional approval in respect of the Additional CLC Approval Matter, with such conditions being on terms satisfactory to Digcom (acting reasonably); and
- (iv) the CLC not having cancelled or materially varied, and not having notified (or intimated that it intends to notify) any proposal to cancel or materially vary, any permission or approval or authorisation in respect of the CLC Regulated Firm including, without limitation, in respect of any approval or



authorisation granted in accordance with paragraphs (A)(i) or (A)(ii) or (A)(iii) above;

### ***Antitrust approvals and clearances***

- (B) one of the following has occurred:
- (i) the CMA having indicated in a response to a briefing paper that it has no further questions at that stage in relation to the Acquisition; and as at the date on which all other Conditions are satisfied or waived, the CMA has not: (1) requested submission of a merger notice; or (2) otherwise given notice to either party that it is commencing an investigation under the merger control provisions of the Enterprise Act 2002; or
  - (ii) where the CMA has commenced an investigation following the submission of a merger notice or a briefing paper, the CMA:
    - (a) in accordance with section 33(1) of the Enterprise Act 2002, announcing that it has decided not to refer the Acquisition to the chair of the CMA for the constitution of a group under Schedule 4 to the Enterprise and Regulatory Reform Act 2013 (a **Referral**); or
    - (b) in accordance with section 73(2) of the Enterprise Act 2002, formally accepting undertakings in lieu of a Referral offered by Digcom, or a modified version of them;

### ***General Third Party clearances***

- (C) other than in respect of any briefing paper, notification and/ or filing required in connection with the Conditions set out in paragraphs 3(A) and 3(B) above (to which only Conditions 3(A) and 3(B) above shall apply, as applicable), the waiver (or non-exercise within any applicable time limits) by any relevant government or governmental, quasi-governmental, supranational, statutory, regulatory, environmental or investigative body, court, trade agency, association, institution, any entity owned or controlled by any relevant government or state, or any other body or person whatsoever in any jurisdiction (each a "**Third Party**") of any termination right, right of pre-emption, first refusal or similar right (which is material in the context of the Wider Smoove Group taken as a whole) arising as a result of or in connection with the Scheme or the Acquisition;
- (D) other than in respect of any briefing paper, notification and/ or filing required in connection with the Conditions set out in paragraphs 3(A) and 3(B) above (to which only Conditions 3(A) and 3(B) above shall apply, as applicable), all notifications, necessary filings or applications having been made in connection with the Acquisition and all statutory or regulatory obligations in any jurisdiction which are necessary or reasonably considered necessary by Digcom having been complied with in connection with the Acquisition or the acquisition by any member of the Wider PEXA Group of any shares or other securities in, or

control of, Smoove and all authorisations, orders, recognitions, grants, determinations, confirmations, consents, licences, clearances, permissions, exemptions and approvals reasonably deemed necessary or appropriate by Digcom or any member of the Wider PEXA Group for or in respect of the Acquisition including without limitation, its implementation or the proposed direct or indirect acquisition of any shares or other securities in, or control of, Smoove or any member of the Wider Smoove Group by any member of the Wider PEXA Group having been obtained in terms and in a form reasonably satisfactory to Digcom from all appropriate Third Parties or persons with whom any member of the Wider Smoove Group has entered into contractual arrangements in each case where the direct consequence of the absence of such notification, filing or application would have a material adverse effect on the Wider Smoove Group or the Wider PEXA Group in each case taken as a whole or in the context of the Acquisition, and all such authorisations, orders, grants, recognitions, determinations, confirmations, consents, licences, clearances, permissions, exemptions and approvals necessary or appropriate to carry on the business of any member of the Wider Smoove Group which is material in the context of the Wider PEXA Group or the Wider Smoove Group as a whole or in the context of the Acquisition remaining in full force and effect and all filings necessary for such purpose having been made and there being no notice or intimation of any intention to revoke or not to renew any of the same at the time at which the Acquisition becomes otherwise unconditional and all necessary statutory or regulatory obligations in any jurisdiction having been complied with;

- (E) other than in respect of any briefing paper, notification and/ or filing required in connection with the Conditions set out in paragraphs 3(A) and 3(B) above (to which only Conditions 3(A) and 3(B) above shall apply, as applicable), no Third Party having given notice of a decision to take, institute, implement or threaten any action, proceeding, suit, investigation, enquiry or reference (and, in each case, not having withdrawn the same), or having required any action to be taken, or otherwise having done anything, or having enacted, made or proposed any statute, regulation, decision or order or change to published practice, and there not continuing to be outstanding any statute, regulation, decision or order or having taken any other action or step which would or might reasonably be expected to:
- (i) require, prevent or delay the divestiture, or alter the terms envisaged for any proposed divestiture, by any member of the Wider PEXA Group or any member of the Wider Smoove Group of all or any portion of their respective businesses, assets or property or impose any limitation on the ability of any of them to conduct their respective businesses (or any of them) or to own any of their respective assets or properties or any part thereof which, in any such case, is material in the context of the Wider PEXA Group or the Wider Smoove Group in either case taken as a whole or in the context of the Acquisition;
  - (ii) require, prevent or materially delay the divestiture by any member of the Wider PEXA Group of any shares or other securities in Smoove;

- (iii) impose any limitation on, or result in a delay in, the ability of any member of the Wider PEXA Group directly or indirectly to acquire or to hold or to exercise effectively any rights of ownership in respect of shares or loans or securities convertible into shares or any other securities (or the equivalent) in any member of the Wider Smoove Group or the Wider PEXA Group or to exercise voting or management control over any such member which, in any such case, is material in the context of the Wider PEXA Group or the Wider Smoove Group in either case taken as a whole;
- (iv) otherwise adversely affect the business, assets, profits or prospects of any member of the Wider PEXA Group or of any member of the Wider Smoove Group to an extent which is material in the context of the Wider PEXA Group or the Wider Smoove Group in either case taken as a whole;
- (v) make the Scheme or Acquisition or, in each case, its implementation or the acquisition or proposed acquisition by Digcom or any member of the Wider PEXA Group of any shares or other securities in, or control of, Smoove void, illegal, and/or unenforceable under the laws of any jurisdiction, or otherwise, directly or indirectly, restrain, restrict, prohibit, materially delay or challenge or otherwise interfere with the same, or impose additional conditions or obligations with respect thereto;
- (vi) require any member of the Wider PEXA Group or the Wider Smoove Group to offer to acquire any shares or other securities (or the equivalent) or interest in any member of the Wider Smoove Group or the Wider PEXA Group owned by any third party;
- (vii) impose any limitation on the ability of any member of the Wider Smoove Group to co-ordinate its business, or any part of it, with the businesses of any other members which is adverse to and material in the context of the Wider Smoove Group taken as a whole or in the context of the Acquisition; or
- (viii) result in any member of the Wider Smoove Group ceasing to be able to carry on business under any name under which it presently does so,

and all applicable waiting and other time periods (including any extensions thereof) during which any such Third Party could institute, implement or threaten any action, proceeding, suit, investigation, enquiry or reference or any other step under the laws of any jurisdiction in respect of the Scheme or the Acquisition, or the acquisition or proposed acquisition of any Smoove Shares having expired, lapsed or been terminated;

***Certain matters arising as a result of any arrangement, agreement etc.***

- (F) save as Disclosed, there being no provision of any agreement, arrangement, licence, permit or other instrument to which any member of the Wider Smoove Group is a party or by or to which any such member or any of its assets may be bound, entitled or subject, or any circumstance which in consequence of the Acquisition, or the acquisition or proposed acquisition by a member of the

Wider PEXA Group of any shares or other securities (or equivalent) in Smoove or because of a change in the control or management of Smoove or otherwise, could or might reasonably result in (to an extent which is material and adverse in the context of the Wider Smoove Group or Wider PEXA Group, in either case, taken as a whole or in the context of the Acquisition):

- (i) any moneys borrowed by or any other indebtedness or liabilities (actual or contingent) of, or grant available to, any such member, being or becoming repayable or capable of being declared repayable immediately or earlier than their or its stated maturity date or repayment date or the ability of any such member to borrow moneys or incur any indebtedness being withdrawn or inhibited or being capable of becoming or being withdrawn or inhibited;
- (ii) any such agreement, arrangement, licence, permit or instrument or the rights, liabilities, obligations or interests of any such member thereunder being terminated or adversely modified or affected or any obligation or liability arising or any action being taken or arising thereunder;
- (iii) any assets or interests of any such member being or failing to be disposed of or charged or ceasing to be available to any such member or any right arising under which any such asset or interest could be required to be disposed of or charged or could cease to be available to any such member otherwise than in the ordinary course of business;
- (iv) the creation or enforcement of any mortgage, charge or other security interest over the whole or any part of the business, property, assets or interests of any such member;
- (v) the rights, liabilities, obligations or interests of any such member in, or the business of any such member with, any person, firm, company or body (or any arrangement or arrangements relating to any such interest or business) being terminated, adversely modified or affected or any obligation or liability arising or any adverse action being taken thereunder;
- (vi) the value of any such member or its financial or trading position or prospects being prejudiced or adversely affected;
- (vii) any such member ceasing to be able to carry on business under any name under which it presently does so; or
- (viii) the creation or acceleration of any liability, actual or contingent, by any such member, other than trade creditors or other liabilities incurred in the ordinary course of business or in connection with the Acquisition,

and, save as Disclosed, no event having occurred which, under any provision of any agreement, arrangement, licence, permit or other instrument to which any member of the Wider Smoove Group is a party or by or to which any such member or any of its assets may be bound, entitled or subject, would or might reasonably

be expected to result in any of the events or circumstances as are referred to in sub-paragraphs (i) to (viii) (inclusive) of this paragraph 3(F), in each case to the extent material in the context of the Wider Smoove Group taken as a whole or in the context of the Acquisition;

***Certain events occurring since 31 March 2023***

- (G) save as Disclosed, no member of the Wider Smoove Group, since 31 March 2023, having:
- (i) save as between Smoove and wholly-owned subsidiaries of Smoove or for Smoove Shares issued under or pursuant to the exercise of options and vesting of awards granted under the Smoove Share Plans, issued, or agreed to issue, authorised or proposed or announced its intention to authorise or propose the issue of additional shares of any class;
  - (ii) save as between Smoove and wholly-owned subsidiaries of Smoove or for the grant of options and awards and other rights granted under the Smoove Share Plans, issued or agreed to issue, authorised or proposed the issue of securities convertible into shares of any class or rights, warrants or options to subscribe for, or acquire, any such shares or convertible securities;
  - (iii) other than to another member of the Smoove Group, prior to the Acquisition becoming Effective, recommended, declared, paid or made or proposed to recommend, declare, pay or make any bonus, dividend or other distribution whether payable in cash or otherwise;
  - (iv) save for intra-Smoove Group transactions, merged or demerged with any body corporate or acquired or disposed of or transferred, mortgaged or charged or created any security interest over any assets or any right, title or interest in any asset (including shares and trade investments) or authorised or proposed or announced any intention to propose any merger, demerger, acquisition or disposal, transfer, mortgage, charge or security interest, in each case other than in the ordinary course of business;
  - (v) save for intra-Smoove Group transactions, made or authorised or proposed or announced an intention to propose any change in its loan capital;
  - (vi) issued, authorised or proposed the issue of, or made any changes in or to, any debentures or (save for intra-Smoove Group transactions), save in the ordinary course of business, incurred or increased any indebtedness or become subject to any contingent liability;
  - (vii) purchased, redeemed or repaid or announced any proposal to purchase, redeem or repay any of its own shares or other securities or reduced or, save in respect to the matters mentioned in sub-paragraphs (i) or (ii) of

this paragraph 3(G), made any other change to any part of its share capital;

- (viii) save for intra-Smoove Group transactions, implemented, or authorised, proposed or announced its intention to implement, any reconstruction, amalgamation, scheme, commitment or other transaction or arrangement otherwise than in the ordinary course of business;
- (ix) entered into or varied or authorised, proposed or announced its intention to enter into or vary any contract, transaction, arrangement or commitment (whether in respect of capital expenditure or otherwise) which:
  - (a) is of a long term, onerous or unusual nature or magnitude or which involves or could involve an obligation of such nature or magnitude (save in the ordinary course of business); or
  - (b) would or could reasonably be expected to be restrictive on the businesses of any member of the Wider Smoove Group or the Wider PEXA Group (other than to a nature and extent which is normal in the context of the business concerned),

and, in either case, is material in the context of the Wider Smoove Group taken as a whole or in the context of the Acquisition;

- (x) (other than in respect of a member which is dormant and was solvent at the relevant time) taken any corporate action or steps or had any legal proceedings started or threatened against it in relation to the suspension of payments, a moratorium of any indebtedness, or petition presented or order made for its winding-up, dissolution or reorganisation or for the appointment of a receiver, administrative receiver, administrator, manager, trustee or similar officer of all or any part of its assets or revenues or any analogous proceedings in any jurisdiction or had any such person appointed in each case to the extent material in the context of the Wider Smoove Group taken as a whole or in the context of the Acquisition;
- (xi) waived or compromised any claim otherwise than in the ordinary course of business which is material in the context of the Wider Smoove Group taken as a whole;
- (xii) made any material alteration to its memorandum or Articles or other incorporation documents;
- (xiii) been unable, or admitted in writing that it is unable, to pay its debts or commenced negotiations with one or more of its creditors with a view to rescheduling or restructuring any of its indebtedness, or having stopped or suspended (or threatened to stop or suspend) payment of its debts generally or ceased or threatened to cease carrying on all or a substantial part of its business;

- (xiv) entered into any contract, commitment, arrangement or agreement otherwise than in the ordinary course of business or passed any resolution or made any offer (which remains open for acceptance) with respect to or announced any intention to, or proposed to, effect any of the transactions, matters or events referred to in this paragraph 3(G);
- (xv) made or agreed or consented to any change to:
  - (a) the terms of the trust deeds constituting the pension scheme(s) established by any member of the Wider Smoove Group for its directors, employees or their dependents;
  - (b) the contributions payable to any such scheme(s) or to the benefits which accrue or to the pensions which are payable thereunder;
  - (c) the basis on which qualification for, or accrual or entitlement to, such benefits or pensions are calculated or determined; or
  - (d) the basis upon which the liabilities (including pensions) of such pension schemes are funded, valued or made,

in each case, to the extent material in the context of the Wider Smoove Group taken as a whole or in the context of the Acquisition;

- (xvi) save as agreed by the Panel (if required) and Digcom, proposed, agreed to provide or modified the terms of any of the Smoove Share Plans or other benefit constituting a material change relating to the employment or termination of employment of a material category of persons employed by the Wider Smoove Group or which constitutes a material change to the terms or conditions of employment of any senior employee of the Wider Smoove Group, or entered into or changed the terms of or made any offer (which remains open for acceptance) to enter into or change the terms of any contract with any director or senior executive employed by the Wider Smoove Group;
- (xvii) taken (or agreed or proposed to take) any action which requires, or would require, the consent of the Panel or the approval of Smoove Shareholders in general meeting in accordance with, or as contemplated by, Rule 21.1 of the Takeover Code;

***No adverse change, litigation or regulatory enquiry***

- (H) save as Disclosed, since 31 March 2023:
  - (i) no adverse change or deterioration having occurred in the business, assets, financial or trading position or profits, operational performance or prospects of any member of the Wider Smoove Group which, in any such case, is material in the context of the Wider Smoove Group taken as a whole or in the context of the Acquisition;

- (ii) no litigation, arbitration proceedings, prosecution or other legal proceedings to which any member of the Wider Smoove Group is or may become a party (whether as a plaintiff, defendant or otherwise) and no enquiry, review or investigation by, or complaint or reference to, any Third Party or other investigative body against or in respect of any member of the Wider Smoove Group having been instituted announced, implemented or threatened by or against or remaining outstanding in respect of any member of the Wider Smoove Group which in any such case has or would reasonably be expected to materially adversely affect any member of the Wider Smoove Group taken as a whole or in the context of the Acquisition;
- (iii) no contingent or other liability of any member of the Wider Smoove Group having arisen or become apparent to Digcom which has or would reasonably be likely to materially adversely affect any member of the Wider Smoove Group or in the context of the Acquisition;
- (iv) no member of the Wider Smoove Group having conducted its business in breach of any applicable laws and regulations which is material in the context of the Wider Smoove Group taken as a whole or in the context of the Acquisition;
- (v) no steps having been taken which are reasonably likely to result in the withdrawal, cancellation, termination or modification of any licence or permit held by any member of the Wider Smoove Group which is necessary for the proper carrying on of its business and the withdrawal, cancellation, termination or modification of which has had, or would reasonably be expected to have, a material adverse effect on the Wider Smoove Group taken as a whole or in the context of the Acquisition;

***No discovery of certain matters***

- (I) save as Disclosed, Digcom not having discovered:
  - (i) that any financial, business or other information concerning the Wider Smoove Group as contained in the information publicly disclosed at any time by or on behalf of any member of the Wider Smoove Group is misleading, contains a misrepresentation of fact or omits to state a fact necessary to make that information not misleading, and which was not subsequently corrected before the date of this announcement by public disclosure, in each case, to the extent material in the context of the Wider Smoove Group taken as a whole or in the context of the Acquisition;
  - (ii) that any member of the Wider Smoove Group or partnership, company or other entity in which any member of the Wider Smoove Group has a significant economic interest and which is not a subsidiary undertaking of Smoove is subject to any liability (contingent or otherwise), other than in the ordinary course of business and, in each case, to the extent material in the context of the Wider Smoove Group taken as a whole or in the context of the Acquisition; or



- (iii) any information which affects the import of any information Disclosed and which is material in the context of the Wider Smoove Group taken as a whole or in the context of the Acquisition;
- (J) save as Disclosed, Digcom not having discovered that, in relation to any release, emission, accumulation, discharge, disposal or other similar circumstance which has impaired or is likely to impair the environment (including property) or harmed or is likely to harm the health of humans, animals or other living organisms or eco-systems, any past or present member of the Wider Smoove Group, in a manner or to an extent which is material in the context of the Wider Smoove Group, (i) has committed any violation of any applicable laws, statutes, regulations, consents, licences, permissions, authorisations, notices or other requirements of any Third Party giving rise to a liability; and/or (ii) has incurred any liability (whether actual or contingent) to any Third Party; and/or (iii) is likely to incur any liability (whether actual or contingent), or is required, to make good, remediate, repair, re-instate or clean up the environment (including any property) in each case of (i), (ii) or (iii) which such liability or requirement would be material to the Wider Smoove Group taken as a whole or in the context of the Acquisition;

***Anti-corruption, economic sanctions, criminal property and money laundering***

- (K) save as Disclosed, Digcom not having discovered that:
  - (i) any:
    - (a) past or present member, director, officer or employee of the Wider Smoove Group, in connection with their position in the Wider Smoove Group, is or has at any time engaged in any activity, practice or conduct which would constitute an offence under the Bribery Act 2010, the US Foreign Corrupt Practices Act of 1977 or any other applicable anti-corruption or anti-bribery law, rule or regulation or any other applicable law, rule, or regulation concerning improper payments or kickbacks; or
    - (b) person that performs or has performed services for or on behalf of the Wider Smoove Group is or has at any time engaged in any activity, practice or conduct in connection with the performance of such services which would constitute an offence under the Bribery Act 2010, the US Foreign Corrupt Practices Act of 1977 or any other applicable anti-corruption or anti-bribery law, rule or regulation or any other applicable law, rule, or regulation concerning improper payments or kickbacks;
  - (ii) any asset of any member of the Wider Smoove Group constitutes criminal property as defined by section 340(3) of the Proceeds of Crime Act 2002 (but disregarding paragraph (b) of that definition) or proceeds of crime under any other applicable law, rule, or regulation concerning money laundering or proceeds of crime or any member of the Wider Smoove Group is found to have engaged in activities constituting money

laundering under any applicable law, rule, or regulation concerning money laundering;

- (iii) any past or present member, director, officer or employee of the Wider Smoove Group, or any other person for whom any such person may be liable or responsible, is or has engaged in any conduct which would violate applicable economic sanctions or dealt with, made any investments in, made any funds or assets available to or received any funds or assets from:
  - (a) any government, entity or individual in respect of which US, UK or European Union persons, or persons operating in those territories, are prohibited from engaging in activities or doing business, or from receiving or making available funds or economic resources, by US, UK or European Union laws or regulations, including the economic sanctions administered by the United States Office of Foreign Assets Control, or HM Revenue and Customs; or
  - (b) any government, entity or individual targeted by any of the economic sanctions of the United Nations, the United Kingdom, the European Union or any of their respective member states;
- (iv) any past or present member, director, officer or employee of the Wider Smoove Group, or any other person for whom any such person may be liable or responsible:
  - (a) has engaged in conduct which would violate any relevant anti-terrorism laws, rules, or regulations, including but not limited to the U.S. Anti-Terrorism Act;
  - (b) has engaged in conduct which would violate any relevant anti-boycott law, rule, or regulation or any applicable export controls, including but not limited to the Export Administration Regulations administered and enforced by the U.S. Department of Commerce or the International Traffic in Arms Regulations administered and enforced by the U.S. Department of State;
  - (c) has engaged in conduct which would violate any relevant laws, rules, or regulations concerning human rights, including but not limited to any law, rule, or regulation concerning false imprisonment, torture or other cruel and unusual punishment, or child labour; or
  - (d) is debarred or otherwise rendered ineligible to bid for or to perform contracts for or with any government, governmental instrumentality, or international organization or found to have violated any applicable law, rule, or regulation concerning government contracting or public procurement; or

- (v) any member of the Wider Smoove Group is or has been engaged in any transaction which would cause Digcom or any member of the Wider PEXA Group to be in breach of any law or regulation upon its offer for Smoove, including but not limited to the economic sanctions of the United States Office of Foreign Assets Control, or HM Revenue and Customs, or any other relevant government authority.

## **PART B: FURTHER TERMS OF THE ACQUISITION**

1. Subject to the requirements of the Panel and the Takeover Code, Digcom reserves the right in its sole discretion to waive:
  - (A) the deadline set out in paragraph 1 of Part A of this Appendix 1, and any of the deadlines set out in paragraph 2 of Part A of this Appendix 1 for the timing of the Court Meeting, the General Meeting and the Court Hearing. If any such deadline is not met, Digcom shall make an announcement by 8.00 am on the Business Day following such deadline confirming whether it has invoked or waived the relevant Condition or agreed with Smoove to extend the deadline in relation to the relevant Condition; and
  - (B) in whole or in part, all or any of the Conditions set out in paragraphs 3(A) to 3(K) (inclusive) of Part A of this Appendix 1.
2. Digcom shall be under no obligation to waive (if capable of waiver), to determine to be or remain satisfied or to treat as satisfied any of Conditions set out in paragraphs 3(A) to 3(K) (inclusive) of Part A of this Appendix 1 that it is entitled (with the consent of the Panel and subject to the requirements of the Takeover Code) to invoke, by a date earlier than the latest date specified above for the fulfilment or waiver thereof, notwithstanding that the other Condition may at such earlier date have been waived or fulfilled and that there are at such earlier date no circumstances indicating that any such Conditions may not be capable of fulfilment.
3. Under Rule 13.5(a) of the Takeover Code, Digcom may not invoke a Condition so as to cause the Acquisition not to proceed, to lapse or to be withdrawn unless the circumstances which give rise to the right to invoke the Condition are of material significance to Digcom in the context of the Acquisition. Conditions 2(A)(i), 2(B)(i) and 2(C)(i) of Part A of this Appendix 1, and, if applicable, any acceptance condition if the Acquisition is implemented by means of a Takeover Offer, are not subject to Rule 13.5(a) of the Takeover Code. Digcom may only invoke a Condition that is subject to Rule 13.5(a) with the consent of the Panel and any Condition that is subject to Rule 13.5(a) may be waived by Digcom.
4. If Digcom is required by the Panel to make an offer for Smoove Shares under the provisions of Rule 9 of the Takeover Code, Digcom may make such alterations to any of the above Conditions and the terms of the Acquisition as are necessary to comply with the provisions of Rule 9.
5. Digcom reserves the right to elect to implement the Acquisition by way of a Takeover Offer as an alternative to the Scheme (subject to the Panel's consent (where necessary) and the terms of the Co-operation Agreement). In such an event, the Acquisition will be implemented on the same terms and conditions (subject to appropriate amendments including (without limitation) the inclusion of an acceptance condition set at 90 per cent. of the Smoove Shares (or such other percentage as Digcom and Smoove may, subject to the rules of the Takeover Code and the terms of the Co-operation Agreement and with the consent of the Panel, decide, being in any case more than 50 per cent. of the Smoove Shares), or any amendments required by, or deemed appropriate by, Digcom under applicable law or any amendments necessary to

reflect the Takeover Offer) as those that would apply to the Scheme. Further, if sufficient acceptances of such Takeover Offer are received and/or sufficient Smoove Shares are otherwise acquired, it is the intention of Digcom to apply the provisions of the Companies Act to acquire compulsorily any outstanding Smoove Shares to which such Takeover Offer relates.

6. Each of the Conditions shall be regarded as a separate Condition and shall not be limited by reference to any other Condition.
7. Smoove Shares which will be acquired pursuant to the Acquisition will be acquired fully paid and free from all liens, equities, charges, encumbrances, options, rights of pre-emption and any other third party rights and interests of any nature whatsoever and together with all rights now or hereafter attaching or accruing to them, including voting rights and the right to receive and retain in full all dividends and other distributions (if any) declared, made or paid or any other return of capital or value (whether by reduction of share capital or share premium account or otherwise) made on or after the Effective Date.
8. If on or after the date of this announcement and before the Effective Date any dividend, distribution or other return of capital or value is announced, declared, made or paid by Smoove or becomes payable by Smoove in respect of the Smoove Shares, Digcom reserves the right (without prejudice to any right of Digcom, with the consent of the Panel, to invoke the Condition set out in paragraph 3(G)(iii) of Part A to this Appendix 1) to reduce the Consideration payable under the terms of the Acquisition for the Smoove Shares by an amount up to the amount of such dividend and/or distribution and/or other return of capital or value. In such circumstances, Smoove Shareholders would be entitled to receive and retain any such dividend and/or other distribution and/or return of capital or value. Any exercise by Digcom of its rights referred to in this paragraph 8 shall be the subject of an announcement and, for the avoidance of doubt, shall not be regarded as constituting any revision or variation of the Acquisition.
9. The Acquisition will be governed by the laws of England and Wales and be subject to the jurisdiction of the English Courts and to the Conditions and certain further terms which are set out in this Appendix 1 and to the full terms which will be set out in the Scheme Document. The Scheme will be subject to the applicable requirements of the Takeover Code, the Panel, the London Stock Exchange (including pursuant to the AIM Rules) and the Registrar of Companies.
10. The Acquisition will not be made, directly or indirectly, in or into, or by use of the mails of, or by any means or instrumentality (including, without limitation, facsimile transmission, telex, telephone, internet or e-mail) of interstate or foreign commerce of, or of any facility of, any Restricted Jurisdiction.
11. The availability of the Acquisition to persons not resident in the United Kingdom may be affected by the laws of the relevant jurisdictions. Any persons who are subject to the laws of any jurisdiction other than the United Kingdom should inform themselves about and observe any applicable requirements.

## APPENDIX 2

### BASES AND SOURCES

In this announcement, unless otherwise stated or the context otherwise requires, the following bases and sources have been used.

1. As at the Last Practicable Date, Smoove had in issue 57,016,550 Smoove Shares, which includes 1,632,314 Smoove Shares (as at the Last Practicable Date) held by the trustee of the Smoove Employee Benefit Trust that can be used to satisfy the exercise of options and vesting of awards granted under the Smoove Share Plans.
2. The fully diluted share capital of Smoove (being 57,060,216 Smoove Shares) is calculated on the basis of:
  - the number of Smoove Shares referred to in paragraph 1 above; and
  - 43,666 Smoove Shares which may be issued on or after the date of this announcement on the exercise of options granted under the Smoove Share Plans.
3. A value of approximately £30.8 million for the entire issued and to be issued share capital of Smoove is based on:
  - the Consideration of 54 pence per Smoove Share; and
  - Smoove's assumed fully diluted issued ordinary share capital of 57,060,216 Smoove Shares, as set out in paragraph 2 above.
4. The premium calculations to the price per Smoove Share used in this announcement have been calculated based on the Consideration of 54 pence per Smoove Share, and by reference to:
  - the Closing Price on 21 April 2023 (being the last Business Day before the commencement of the Offer Period) of 31.9 pence per Smoove Share, derived from Bloomberg;
  - the one-month volume weighted average Closing Price of 31.0 pence per Smoove Share as at 21 April 2023 (being the last Business Day before the commencement of the Offer Period), derived from Bloomberg; and
  - the three-month volume weighted average Closing Price of 37.5 pence per Smoove Share as at 21 April 2023 (being the last Business Day before the commencement of the Offer Period), derived from Bloomberg.
5. The Enterprise Value of £20.8 million is calculated on the basis of:
  - a fully diluted equity value of £30.8 million as calculated in accordance with paragraph 3 above;
  - Smoove's net cash position of £9.2 million as at 30 September 2023; and

- £0.8 million received from the proceeds of exercised options.
6. The implied Enterprise Value / FY23 revenue multiple of 1.0x is calculated on the basis of:
- an Enterprise Value of £20.8 million calculated in accordance with paragraph 5 above; and
  - Smoove revenue of £20.6 million for its financial year ended 31 March 2023.
7. The implied Enterprise Value / FY23 gross profit multiple of 2.7x is calculated on the basis of:
- an Enterprise Value of £20.8 million calculated in accordance with paragraph 5 above; and
  - Smoove gross profit of £7.8 million for its financial year ended 31 March 2023.
8. Unless otherwise stated, the financial information of Smoove is extracted (without material adjustment) from the annual report and audited consolidated accounts of Smoove for the 12 months ended 31 March 2023.
9. Certain figures included in this announcement have been subject to rounding adjustments.

## APPENDIX 3

### DETAILS OF IRREVOCABLE UNDERTAKINGS AND LETTER OF INTENT

#### *Irrevocable Undertakings*

*From Smoove Directors as shareholders*

The following Smoove Directors have each given an irrevocable undertaking to vote (or procure the voting, as applicable) in favour of the Scheme at the Court Meeting and the Resolution(s) at the General Meeting, or to accept, or procure the acceptance of, the Takeover Offer (if the Acquisition is implemented as a Takeover Offer), in respect of their beneficial holdings of Smoove Shares:

<b>Name</b>	<b>Number of Smoove Shares in respect of which undertaking is given</b>	<b>Percentage of Smoove's issued share capital at the Last Practicable Date (%)</b>
Jesper With-Fogstrup	25,000	0.04
Martin Rowland	60,000	0.11
<b>Total</b>	<b>85,000</b>	<b>0.15</b>

The irrevocable undertakings from the Smoove Directors listed above will cease to be binding, inter alia:

- if the Scheme Document or Offer Document (as the case may be) has not been posted within 28 days of the issue of the announcement (or within such longer period as Digcom and Smoove, with the consent of the Panel determines), provided that if the Acquisition was initially being implemented by way of a Scheme, and Digcom elects to exercise its right to implement the Acquisition by way of a Takeover Offer or vice versa, such time period shall be extended to refer to within 28 days of the issue of the press announcement announcing the change in structure (or such other date for the posting of the Offer Document or Scheme Document (as applicable) as the Panel may require);
- on the date on which the Acquisition (whether implemented by way of a Scheme or a Takeover Offer) is withdrawn or lapses in accordance with its terms, provided that this shall not apply where the Acquisition is withdrawn or lapses as a result of Digcom exercising its right, in accordance with the Takeover Code, to implement the Acquisition by way of a Takeover Offer rather than by way of a Scheme or vice versa;
- if the Scheme or the Takeover Offer (as applicable) has not become Effective, or become or been declared unconditional (as the case may be), on or before the Long Stop Date, provided that this shall not apply where the Scheme or Takeover Offer failing to become effective, or to become or have been declared unconditional (as applicable), is as a result of Digcom exercising its right, in accordance with the Takeover Code, to implement the Acquisition by way of a Takeover Offer rather than by way of a Scheme or vice versa; or



- if Digcom announces that it does not intend to proceed with the Acquisition and no new, revised or replacement Scheme or Takeover Offer is announced by Digcom in accordance with Rule 2.7 of the Takeover Code at the same time.

*From other Smoove Shareholders*

In addition to the Smoove Directors, the following Smoove Shareholders have each given an irrevocable undertaking to vote (or procure the voting, as applicable) in favour of the Scheme at the Court Meeting and the Resolution(s) at the General Meeting, or to accept, or procure the acceptance of, the Takeover Offer if the Acquisition is implemented as a Takeover Offer, in respect of their interests in Smoove Shares:

<b>Name</b>	<b>Number of Smoove Shares in respect of which undertaking is given</b>	<b>Percentage of Smoove's issued share capital at the Last Practicable Date (%)</b>
Kestrel Partners LLP	15,711,095	27.56
Harwood Capital Management Limited	7,296,970	12.80
Herald Investment Management Limited	3,552,560	6.23
<b>Total</b>	<b>26,560,625</b>	<b>46.58</b>

*\*Kestrel Partners LLP, whose partner Oliver Scott is a Non-Executive Director of Smoove, is amongst the Smoove Shareholders that have given irrevocable undertakings to Digcom.*

The irrevocable undertakings from the Smoove Shareholders listed above will cease to be binding, inter alia:

- if the Scheme Document or Offer Document (as the case may be) has not been posted within 28 days of the issue of the announcement (or within such longer period as Digcom and Smoove, with the consent of the Panel determine), provided that if the Acquisition was initially being implemented by way of a Scheme, and Digcom elects with the consent of the Panel (where necessary) and subject to the terms and conditions of the Co-operation Agreement to exercise its right to implement the Acquisition by way of a Takeover Offer or vice versa, such time period shall be extended to refer to within 28 days of the issue of the press announcement announcing the change in structure (or such other date for the posting of the Offer Document or Scheme Document (as applicable) as the Panel may require);
- on the date on which the Acquisition (whether implemented by way of a Scheme or a Takeover Offer) is withdrawn or lapses in accordance with its terms, provided that this shall not apply where the Acquisition is withdrawn or lapses as a result of Digcom exercising its right with the consent of the Panel (where necessary) and subject to the terms and conditions of the Co-operation Agreement to implement the Acquisition by way of a Takeover Offer rather than by way of a Scheme or vice versa;

- if the Scheme or the Takeover Offer (as applicable) has not become Effective, or become or been declared unconditional (as the case may be), on or before the Long Stop Date, provided that this shall not apply where the Scheme or Takeover Offer failing to become effective, or to become or have been declared unconditional (as applicable), is as a result of Digcom exercising its right with the consent of the Panel (where necessary) and subject to the terms and conditions of the Co-operation Agreement to implement the Acquisition by way of a Takeover Offer rather than by way of a Scheme or vice versa;
- if Digcom announces that it does not intend to proceed with the Acquisition and no new, revised or replacement Scheme or Takeover Offer is announced by Digcom in accordance with Rule 2.7 of the Takeover Code at the same time; or
- in the case of Herald Investment Management Limited only, if a third party announces a firm intention to make an offer for the entire issued and to be issued share capital of Smoove at a price per Smoove Share which is at least 10 per cent. greater than the Consideration.

***Letter of intent***

Schroders Investment Management Limited has given to Digcom a non-binding letter of intent to procure the voting in favour of the Scheme at the Court Meeting and the Resolution(s) to be proposed at the General Meeting (or in the event that the Acquisition is implemented by way of a Takeover Offer, to procure the acceptance of such Takeover Offer) in respect of 5,365,237 Smoove Shares, representing approximately 9.4 per cent. of Smoove's total issued share capital as at the close of business on the Last Practicable Date.

## APPENDIX 4

### DEFINITIONS

<b>"Acquisition"</b>	the acquisition of the entire issued and to be issued share capital of Smoove by Digcom to be implemented by way of the Scheme or, should Digcom so elect (with the consent of the Panel and subject to the terms of the Co-operation Agreement) by way of the Takeover Offer, and, where the context admits, any subsequent revision, variation, extension or renewal thereof
<b>"AIM"</b>	the market of that name operated by the London Stock Exchange
<b>"AIM Rules"</b>	the Rules and Guidance notes for companies listed on AIM issued by the London Stock Exchange from time to time
<b>"ALL"</b>	Amity Law Limited, a private limited company incorporated in England and Wales with registered number 5490029 and whose registered office is at The Loweswater Suite, Second Floor Paragon House, Paragon Business Park, Chorley New Road, Horwich, Bolton, Lancashire BL6 6HG
<b>"ASX"</b>	Australian Securities Exchange
<b>"Articles"</b>	the articles of association of Smoove from time to time
<b>"Business Day"</b>	a day (other than a Saturday, Sunday, public or bank holiday) on which banks are generally open for business in London, England
<b>"Cavendish"</b>	Cavendish Securities plc
<b>"CLC"</b>	The Council for Licensed Conveyancers
<b>"Closing Price"</b>	the closing middle market quotation for a Smoove Share on the day to which such price relates, derived from the AIM appendix to the Daily Official List of the London Stock Exchange
<b>"CMA"</b>	the Competition and Markets Authority of the United Kingdom
<b>"Combined Group"</b>	PEXA Group, including the Smoove Group, following the Acquisition becoming Effective
<b>"Companies Act"</b>	the Companies Act 2006, as amended from time to time
<b>"Completion"</b>	completion of the Acquisition
<b>"Conditions"</b>	the conditions to which the Acquisition is subject, as set out in Appendix 1 to this announcement and to be set out in the Scheme Document
<b>"Confidentiality Agreement"</b>	the confidentiality agreement entered into between PEXA and Smoove in relation to the Acquisition dated 9 August 2023, a summary of which is set out in paragraph 13 of this announcement
<b>"Consideration"</b>	the cash consideration of 54 pence per Smoove Share

<b>"Co-operation Agreement"</b>	the co-operation agreement entered into between Digcom and Smoove dated 4 October 2023, a summary of which is set out in paragraph 13 of this announcement
<b>"Court"</b>	the High Court of Justice in England and Wales
<b>"Court Hearing"</b>	the hearing of the Court to sanction the Scheme under section 899 of the Companies Act
<b>"Court Meeting"</b>	the meeting of Scheme Shareholders convened by order of the Court pursuant to section 899 of the Companies Act for the purpose of considering and, if thought fit, approving the Scheme (with or without amendment) and any adjournment thereof
<b>"Court Order"</b>	the order of the Court sanctioning the Scheme under section 899 of the Companies Act
<b>"CREST"</b>	the relevant system (as defined in the Uncertificated Securities Regulations 2001 (SI 2001/3755) in respect of which Euroclear UK & Ireland Limited is the Operator (as defined in the Regulations))
<b>"Dealing Disclosure"</b>	an announcement pursuant to Rule 8 of the Takeover Code containing details of dealings in interests in relevant securities of a party to an offer
<b>"Digcom"</b>	Digcom UK Holdings Limited, a private limited company incorporated in England and Wales with registered number 12829486 and whose registered office is at 85 Great Portland Street, First Floor, London W1W 7LT
<b>"Disclosed"</b>	<p>(a) disclosed by, or on behalf of, Smoove in Smoove's annual report and financial statements for the year ended 31 March 2023;</p> <p>(b) fairly disclosed prior to the date of this announcement by, or on behalf of, Smoove to Digcom or PEXA (or any of their respective officers, employees, agents or advisers in their capacity as such), including (without limitation) via the virtual data room operated on behalf of Smoove in respect of the Acquisition or via email;</p> <p>(c) as otherwise publicly announced by Smoove prior to the date of this announcement (by delivery of an announcement to a Regulatory Information Service); or</p> <p>(d) disclosed in this announcement</p>
<b>"Effective"</b>	<p>either:</p> <p>(a) if the Acquisition is implemented by way of Scheme, the Scheme having become effective pursuant to its terms; or</p> <p>(b) if the Acquisition is implemented by way of Takeover Offer, the Takeover Offer having been declared or having become unconditional in accordance with the requirements of the Takeover Code</p>
<b>"Effective Date"</b>	the date on which the Acquisition becomes Effective in accordance with its terms

<b>"ELNO"</b>	Electronic Lodgement Network Operator
<b>"Enterprise Value"</b>	the enterprise value of the Acquisition of Smoove calculated in accordance with paragraph 5 of Appendix 2
<b>"Excluded Shares"</b>	any Smoove Shares:  (a) registered in the name of, or beneficially owned by:  (i) PEXA or any member of the PEXA Group;  (ii) any nominee of any of the foregoing; or  (b) held by Smoove in treasury as at the Scheme Record Time
<b>"FCA"</b>	the Financial Conduct Authority
<b>"Forms of Proxy"</b>	the forms of proxy for use in connection with each of the Court Meeting and the General Meeting, which shall accompany the Scheme Document
<b>"FSMA"</b>	the Financial Markets and Services Act 2000, as amended from time to time
<b>"General Meeting"</b>	the general meeting of Smoove Shareholders to be convened to consider and, if thought fit, approve the Resolution(s) (with or without amendment) including any adjournment, postponement or reconvening thereof
<b>"group undertaking"</b>	has the meaning given in section 1161 of the Companies Act
<b>"JOA"</b>	joint ownership agreement entered into in January 2023
<b>"Last Practicable Date"</b>	3 October 2023
<b>"London Stock Exchange"</b>	London Stock Exchange plc
<b>"Long Stop Date"</b>	30 April 2024, or such later date as may be agreed between Digcom and Smoove (with the Panel's consent and as the Court may approve, if such approval is required)
<b>"LSA"</b>	Legal Services Act 2007 (as amended from time to time)
<b>"Market Abuse Regulation"</b>	Regulation (EU) No 596/2014, as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018, as amended from time to time
<b>"Meetings"</b>	the Court Meeting and the General Meeting
<b>"MLRs"</b>	The Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (as amended from time to time)
<b>"Numis"</b>	Numis Securities Limited
<b>"Offer Document"</b>	should the Acquisition be implemented by means of the Takeover Offer, the document to be sent to Smoove Shareholders which will contain, amongst other things alia, the terms and conditions of the Takeover Offer

<b>"Offer Period"</b>	the offer period (as defined in the Takeover Code) relating to Smoove which commenced on 24 April 2023
<b>"Opening Position Disclosure"</b>	has the meaning given in Rule 8 of the Takeover Code
<b>"Optima Legal"</b>	Optima Legal Services Limited, a private limited company incorporated in England and Wales with registered number 05781608 and whose registered office is at Hepworth House, Claypit Lane, Leeds LS2 8AE
<b>"Overseas Shareholders"</b>	Scheme Shareholders who are resident in, ordinarily resident in, or citizens of, jurisdictions outside the United Kingdom
<b>"Panel"</b>	the Panel on Takeovers and Mergers
<b>"PEXA"</b>	PEXA Group Limited an Australian public company limited by shares with company number 629193764 whose registered office is Docklands, Victoria 3008 Australia
<b>"PEXA Board"</b>	the board of directors of PEXA
<b>"PEXA Group"</b>	PEXA and its group undertakings from time to time
<b>"Registrar of Companies"</b>	the registrar of companies in England and Wales
<b>"Resolution(s)"</b>	the resolution(s) to be proposed at the General Meeting necessary to implement the Scheme, including, amongst other things, to make certain amendments to the Articles and to approve the re-registration of Smoove as a private limited company in accordance with the Companies Act
<b>"Restricted Jurisdiction"</b>	any jurisdiction where local laws or regulations may result in a significant risk of civil, regulatory or criminal exposure if information concerning the Acquisition is sent or made available to Smoove Shareholders in that jurisdiction
<b>"Scheme"</b>	the proposed scheme of arrangement under Part 26 of the Companies Act between Smoove and Smoove Shareholders to implement the Acquisition
<b>"Scheme Document"</b>	the document to be dispatched to Smoove Shareholders and other persons with information rights setting out, amongst other things, the details of the Acquisition, the full terms and conditions of the Scheme and containing notices convening the Meetings
<b>"Scheme Record Time"</b>	the time and date specified as such in the Scheme Document, expected to be 6.00 p.m. (London time) on the Business Day immediately after the date of the Court Hearing, or such later time as Digcom and Smoove may agree
<b>"Scheme Shareholder"</b>	a holder of Scheme Shares
<b>"Scheme Shares"</b>	all Smoove Shares: <ul style="list-style-type: none"> <li>(a) in issue at the date of the Scheme Document;</li> <li>(b) (if any) issued after the date of the Scheme Document and prior to the Voting Record Time; and</li> <li>(c) (if any) issued at or after the Voting Record Time and prior to the Scheme Record Time in respect of which the</li> </ul>

original or any subsequent holder thereof is bound by the Scheme, or shall by such time have agreed in writing to be bound by the Scheme,

but excluding any Excluded Shares

<b>"Smooove"</b>	Smooove plc, a public limited company incorporated in England and Wales with registered number 07466574 and whose registered office is at Masters Court, Church Road, Thame, Oxfordshire OX9 3FA
<b>"Smooove Board"</b>	the board of directors of Smooove
<b>"Smooove Directors"</b>	the directors of Smooove as at the date of this announcement
<b>"Smooove Group"</b>	Smooove and its group undertakings from time to time
<b>"Smooove Shareholders"</b>	the holders of Smooove Shares
<b>"Smooove Shares"</b>	the ordinary shares of 0.4 pence each in the capital of Smooove
<b>"Smooove Share Plans"</b>	the ULS Technology plc Enterprise Management Incentive and Non-Tax Advantaged Share Option Plan 2014, the Smooove Share Option Scheme 2023, the joint ownership agreement entered into in January 2023 and the ULS Technology PLC Share Incentive Plan dated 15 September 2020
<b>"subsidiary"</b>	has the meaning given in section 1159 of the Companies Act
<b>"subsidiary undertaking"</b>	has the meaning given in section 1162 of the Companies Act
<b>"Takeover Code"</b>	the City Code on Takeovers and Mergers
<b>"Takeover Offer"</b>	should the Acquisition be implemented by way of a takeover offer as defined in Chapter 3 of Part 28 of the Companies Act, the offer to be made by or on behalf of Digcom to acquire the entire issued and to be issued share capital of Smooove and, where the context admits, any subsequent revision, variation, extension or renewal of such offer
<b>"Torrens title jurisdiction"</b>	a jurisdiction that uses a centralised land register that represents an authoritative register of real property interests
<b>"UK" or "United Kingdom"</b>	the United Kingdom of Great Britain and Northern Ireland
<b>"US" or "United States"</b>	the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia
<b>"Voting Record Time"</b>	6.30 p.m. (London time) on the day two days prior to the Court Meeting or any adjournment thereof (as the case may be)
<b>"Wider PEXA Group"</b>	PEXA and its subsidiary undertakings, associated undertakings and any other undertaking in which PEXA and/or such undertakings (aggregating their interests) have a significant interest
<b>"Wider Smooove Group"</b>	Smooove and its subsidiary undertakings, associated undertakings and any other undertaking in which Smooove and/or such undertakings (aggregating their interests) have a significant interest

For the purpose of this announcement "**subsidiary undertaking**" and "**undertaking**" have the meanings given by the Companies Act, "**associated undertaking**" has the meaning given by paragraph 19 of Schedule 6 to the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, other than paragraph 19(1)(b) of Schedule 6 to those regulations which shall be excluded for this purpose, and "**significant interest**" means a direct or indirect interest in 20 per cent. or more of the total voting rights conferred by the equity share capital (as defined in section 548 of the Companies Act).