

8 November 2019

ASX Limited
Company Announcement Office
Exchange Centre
20 Bridge Street
SYDNEY NSW 2000

Scheme of Arrangement – Update on conditions precedent

Konekt Limited (ASX: KKT) (“Konekt”) provides the following update on its proposed recommended scheme of arrangement (“Scheme”) pursuant to which all of the issued share capital of Konekt is proposed to be acquired by Advanced Personnel Management International Pty Ltd (“APM”).

The Scheme is subject to satisfaction of a number of conditions precedent (“Conditions”). These Conditions must be satisfied or waived on or before the second hearing (“Second Court Date”) at the Federal Court of Australia (“Court”), which is presently listed for Monday, 9 December 2019 (AEST).

Konekt is pleased to advise the satisfaction of one of the key Conditions, which requires the counterparty to the two “Fundamental Key Contracts” to provide their consent to the change of control or confirmation that they will not terminate the contract.

Konekt has received correspondence from Insurance and Care NSW and the Department of Employment, Skills, Small and Family Business confirming consent to the change of ownership and control associated with the Scheme and that no further action was required. As such the Condition in clause 3.1(k) of the scheme implementation deed dated 7 November 2019 has been satisfied provided that the above consents are not withdrawn, cancelled or revoked.

The Konekt Directors (who collectively hold approximately 23.3% of the Konekt shares on issue as at the date of this announcement) continue to unanimously recommend that you vote in favour of the Scheme in the absence of a Superior Proposal (as that term is defined in the scheme implementation deed) and provided that the Independent Expert continues to consider the Scheme to be fair and reasonable and in the best interests of Konekt Shareholders. In relation to the recommendation of Damian Banks, Konekt shareholders should have regard to the fact that, if the Scheme is implemented, Mr Banks will become entitled to cash amounts described in section 8.5 of the Scheme Booklet, which shall be increased as a result of the increase in the Scheme Consideration announced to the ASX on 7 November 2019.

About Konekt Group

With 700 staff and over 107 branches across Australia, Konekt is one of the largest integrated employment placements, workplace injury management and workplace health solutions providers in Australia. Konekt's focus is on helping organisations, individuals and government to maximize workforce participation and productivity, and minimize the impact of workplace injury. We help organisations minimise workplace costs, resulting in increased participation, reduced workers' compensation premiums and safer workplaces. Konekt Employment is a leading jobactive, NEIS and DES provider, with Konekt Workcare assisting injured workers returning to the workforce.

The Scheme Meeting is still expected to be held at 10.00am on Tuesday, 3 December 2019 at the offices of Gilbert + Tobin, Level 35, Tower Two, International Towers Sydney, 200 Barangaroo Avenue, Barangaroo NSW 2000.

Once received, Konekt encourages shareholders to read the supplementary Scheme Booklet in its entirety (along with the Scheme Booklet) before deciding whether or not to vote in favour of the Scheme at the Scheme Meeting. Konekt also encourages shareholders to note the key events and indicative dates as set out in the Scheme Booklet.

If, you have any further questions in relation to the Scheme or the Scheme Booklet, please contact the Konekt Limited Shareholder Information Line on 1300 671 080 or +61 2 8022 7954 between 9.00am and 5.00pm (Sydney time), Monday to Friday.

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