

## CAPITAL MANAGEMENT PLAN UPDATE and RECEIPT OF CONDITIONAL, INDICATIVE OFFER

### Capital Management Plan update

As previously announced, Silver Chef Limited (**Silver Chef** or **the Company**, ASX:SIV) remained in breach of its debt covenants at 30 June 2018 and had sought waivers from its financiers to pursue capital raising activities. Waivers were obtained in relation to both the Syndicated Debt Facility (**Syndicated Facility**) and Securitisation Warehouse Facility (**Warehouse Facility**) to 30 April 2019, conditional on the successful raising of a minimum capital requirement of \$45 million to repay the Syndicated Facility and ensure the net debt to net rental asset ratio under the Syndicated Facility was no greater than 65% by 30 April 2019.

On 1 March 2019, the Company announced that it had signed a non-binding term sheet and agreed an exclusivity period with a preferred party to provide \$45 million of mezzanine debt that was itself conditional on the Company raising a minimum of \$20m of equity. The Company also announced that it had appointed Morgans Corporate Limited as Lead Manager for an equity raising of \$20 million (the **Proposed Capital Management Plan**).

As described in the FY19 half year accounts, a condition of the waivers is that the Company requires the syndicated lenders' consent for any debt drawdowns of asset sell-ins into the Warehouse Facility. The restriction on distributions from the Warehouse Facility Trust have also continued since November 2018 with a resolution to certain reporting and other requirements yet to be resolved. These factors have constrained originations to those that can be funded solely from available cashflow, which has significantly reduced the near-term financial outlook for the Company and reduced the effectiveness of the Proposed Capital Management Plan.

Since the release of the half year results, the share price has declined from \$1.55 (close on 1 March 2019) to \$0.855 (close on 10 April 2019).

The combined effect of the reduced near-term financial outlook and the share price fall has been the dual impact of significantly increasing the difficulty of raising the \$20m of prerequisite equity and at the same time reducing the ability to source \$45m of mezzanine debt.

### Conditional, Indicative Non-Binding Offer

Given the above, the Company has been in extensive discussions with Next Capital Pty Ltd (**Next**) on a take private option and has provided Next with access to substantial due diligence. The Company has received a confidential, non-binding, indicative and conditional offer to acquire all of the shares in Silver Chef for \$1.00 per share plus deferred consideration equal to 50% of any net capital released from the run-off of GoGetta that exceeds \$10m to be shared amongst shareholders on a pro-rata basis by way of scheme of arrangement (the **Next Proposal**). The Company has entered into an Exclusivity Agreement with Next Capital until 30 April 2019 and provided Next with access to the Company's financiers.

The Next Proposal is conditional on the completion of due diligence, and Silver Chef's financiers providing the necessary approvals for ongoing financing and waivers for a period of time that will allow Next (or a special purpose vehicle that it establishes) to complete the acquisition of Silver Chef by a scheme of arrangement. Next is also in the process of finalizing its financing for the Next Proposal.

An independent board committee (IBC) was established excluding the Company's Chairman and founder, Allan English, to consider the Next Proposal, given that entities associated with Allan English have a substantial shareholding in the Company and may form a different class under a scheme of arrangement should that proceed.

At this stage there is no offer from Next that is capable of acceptance by the Company's shareholders and there is no certainty that the Next Proposal will proceed. The Company will also need to request further waivers from its financiers beyond 30 April 2019.

The Company continues to meet its targets with the GoGetta asset realisation program with in excess of \$125m of cash generated since commencement. In addition, the Company's Hospitality business currently generates over \$10m per month operating cash flow after paying operating costs.

The Company will continue to keep the market updated as appropriate.

Enquiries to:

Damien Guivarra  
Chief Executive Officer  
(07) 3335 3300

Graeme Fallet  
Chief Financial Officer  
(07) 3335 3300

#### About Silver Chef

Silver Chef was established in 1986 to help businesses fund their equipment needs through the Rent-Try-Buy® Solution. This keeps their options open and preserves their cash to grow their business.

Silver Chef Limited is an Australian Securities Exchange-listed company (ASX Code: SIV) focused on rentals of commercial equipment to small-to-medium enterprise. The Company has operations in Australia, New Zealand and Canada.