

SALE OF HOSPITALITY BUSINESS

Silver Chef Limited (**Silver Chef**) (ASX: SIV) announces that it has entered into a share purchase agreement (**Share Purchase Agreement**) with a consortium of investors investing under the leadership of Next Capital Pty Ltd (**Next Capital**), pursuant to which Next Capital will buy Silver Chef's Hospitality business for \$18.25 million (**Proposed Transaction**) through an acquisition of the following Silver Chef subsidiaries:

- Silver Chef Rentals Pty Ltd;
- Silver Chef Foundation Pty Ltd;
- SIV Equipment Trust No 1 (with Perpetual Corporate Trust Limited as trustee);
- Silver Chef Rentals Limited (New Zealand);
- Silver Chef Rentals Inc (Canada);
- Silver Chef US PBC (United States); and
- Silver Chef LLC (United States),

(together, the **Hospitality Group**).

Silver Chef has agreed to undertake a restructure prior to completion of the Proposed Transaction so that all of the assets (including cash) and liabilities of the Hospitality Business will sit within the Hospitality Group (**Restructure**). In particular, Silver Chef's existing Syndicated Debt Facility and Warehouse Securitisation Facility will be novated to the Hospitality Group and amended so that Silver Chef and its subsidiaries (excluding the Hospitality Group) will be released from completion, other than the 'Facility B' under the Syndicated Debt Facility relating to GoGetta. Facility B will be repaid in full by Silver Chef on completion of the Proposed Transaction, so that Silver Chef will have no material debt following completion.

Silver Chef will retain all of the assets (including cash) and liabilities in relation to the GoGetta business and will continue with an orderly run down of the business.

All employees of Silver Chef (other than directors) will transfer to the Hospitality Business as part of the Restructure. Next Capital has agreed for Silver Chef Rentals Pty Ltd to provide certain transitional services to Silver Chef following completion of the Proposed Transaction to run the GoGetta business on a direct cost recovery basis for a period of up to 2 years, including management of the wind down of the GoGetta business, preparation of financial accounts, information technology services and other administrative and support services.

A summary of the Share Purchase Agreement and the exclusivity arrangements agreed with Next Capital is set out in Attachment A to this announcement.

Conditions to the Proposed Transaction

The Proposed Transaction is subject to a number of conditions which must be satisfied or waived for completion to occur, including:

- approval by Silver Chef shareholders by ordinary resolution in accordance with ASX listing rule 11.2;
- Next Capital obtaining approval from the Foreign Investment Review Board;

- Silver Chef and Next Capital agreeing on the steps of the Restructure;
- implementation of the Restructure;
- no material adverse effect in relation to Silver Chef;
- each party to the finance facilities have agreed and entered into amendments and waivers with respect to the finance facility documents on terms acceptable to Next Capital; and
- no default under Silver Chef's credit facilities or circumstances occurring which results in any waivers received from financiers being revoked or ceasing to apply which are not waived or remedied within 10 business days on terms acceptable to Next Capital,

(Conditions). Unless all Conditions are satisfied or waived in accordance with the Share Purchase Agreement, the Proposed Transaction will not complete.

Proposed Transaction has the support of the board and major shareholders

As the sale of the Hospitality Business will be a disposal of Silver Chef's main undertaking, Silver Chef will be required to seek shareholder approval for the purposes of ASX listing rule 11.2. If shareholder approval is not obtained, the Proposed Transaction will not proceed, and the company will be required to pay the break fee to Next Capital as described in Annexure A.

The directors unanimously recommend that all shareholders vote in favour of the Proposed Transaction, and each director intends to vote all shares held or controlled by them in favour of the Proposed Transaction, in the absence of a superior proposal.

The Proposed Transaction also has the support of Silver Chef's major shareholders, including Blue Stamp Company (19.99%) and the entities associated with Mr Allan English (approximately 23.0%), in the absence of a superior proposal.

Update on financier waivers

Silver Chef's financiers have granted an extension to the existing waivers until 30 November 2019 to implement the Proposed Transaction, such extension being conditional upon, inter alia, the execution of long form finance documents to novate and amend the existing facilities. In the event that shareholder approval is not obtained for the Proposed Transaction, a waiver review period of 15 days will be triggered to enable Silver Chef to negotiate with financiers to determine the ability of Silver Chef to comply with its obligations under the finance facilities. If the negotiations are unsuccessful, the financiers may require all facilities to be repaid immediately and there is uncertainty that Silver Chef will be able to continue as a going concern.

Notice of meeting

Shareholders will be asked to vote on the Proposed Transaction at Silver Chef's Annual General Meeting. A notice of meeting and explanatory memorandum will be sent to shareholders and released to ASX in due course, which will contain additional information on the Proposed Transaction, run down of the GoGetta business and future intentions of Silver Chef. Silver Chef shareholders are encouraged to participate in the voting after having carefully considered the notice of meeting and explanatory memorandum. Shareholders should consult with professional advisers in relation to their own circumstances.

Indicative timetable

An indicative timetable for the Proposed Transaction is set out below:

Target date for Annual General Meeting	Monday, 4 November 2019
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Expected completion date of Proposed Transaction (if approved at the Annual General Meeting)	November 2019
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The above dates are indicative only and subject to change.

Enquiries to:

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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.

Silver Chef Limited

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Attachment A

Material terms of the Share Purchase Agreement

Termination rights

The Share Purchase Agreement may be terminated:

- by either party if any Condition is not satisfied or waived by the sunset date of 31 December 2019;
- by Next Capital, if before completion:
 - Silver Chef or any group member is insolvent; or
 - a material adverse event occurs;
- by Silver Chef, if before completion Next Capital becomes insolvent;
- by either Silver Chef or Next Capital, if prior to completion the other party is in material breach of the Share Purchase Agreement, taken in the context of the Proposed Transaction as a whole, provided that Silver Chef or Next Capital (as the case may be) has given notice to the other setting out the relevant circumstances and the relevant circumstances continue to exist 10 business days (or any shorter period ending on completion) after the time such notice is given; or
- as agreed in writing by Next Capital and Silver Chef.

Warranties

Silver Chef has given standard warranties as to title in the shares being acquired and authority and capacity. Silver Chef has also given other customary warranties to Next Capital, which are consistent with the warranties that were given in the since terminated scheme implementation agreement with Next Capital announced to ASX on 3 July 2019 (**Terminated SIA**).

Indemnities

Silver Chef has agreed to indemnify Next Capital in respect of:

- any liabilities relating to the non-Hospitality business;
- any liabilities arising out of the Restructure, including with respect to tax or duty or failure to fully implement the Restructure;
- taxes relating to the period prior to completion;
- any breach of the Share Purchase Agreement by Silver Chef; and
- the ASIC investigation into the GoGetta business.

Next Capital has agreed to indemnify Silver Chef in respect of:

- any liabilities relating to the Hospitality business following completion; and
- any breach of the Share Purchase Agreement by Next Capital.

Exclusivity and break fee

Pursuant to an Exclusivity Deed dated 23 September 2019, Silver Chef has agreed in favour of Next Capital to customary exclusivity provisions, including no shop, no talk, no due diligence and notification of approaches, which are on terms consistent with the Terminated SIA (except that no matching right is provided).

Silver Chef has agreed to pay Next Capital a break fee of \$1.8 million (in replacement of the break fee obligations under the Terminated SIA) in the following circumstances:

- if the requisite majority of Shareholders do not approve the Proposed Transaction by 29 November 2019 or such other date as agreed by the parties;
- Silver Chef breaches the no shop, no talk or no due diligence obligations; or
- Silver Chef fails to:
 - provide access to such personnel and records as Next Capital reasonably requires to conduct due diligence investigations;
 - provide access to its financiers for Next Capital to discuss their support for the Proposed Transaction and any waivers, consents and amendments to or novations of Silver Chef's finance facilities required for the Proposed Transaction; or
 - negotiate and finalise the Share Purchase Agreement in good faith consistent with the proposal letter from Next Capital dated 22 September 2019.

Notwithstanding the above, no break fee will be payable if:

- the Share Purchase Agreement is executed and the Proposed Transaction is approved by shareholders by 29 November 2019; or
- Next Capital advises or indicates to Silver Chef that it no longer intends to proceed with the Proposed Transaction on terms consistent with the letter from Next Capital to Silver Chef dated 22 September 2019 (which was released to ASX on 23 September 2019).