



ASX Release

11 December 2020

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360 Capital Group (ASX: TGP)

E&P Financial Group Limited New Takeover Offer by 360 Capital Group

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On 27 October 2020, 360 Capital Group (**360 Capital or TGP**) made a proposal via its wholly owned subsidiary, 360 Capital ED1 Pty Limited, to acquire via off-market takeover all of the shares in E&P Financial Group Limited (**Company or EP1**) that it does not already own for \$0.40 per ED1 Share plus one TGP stapled security for every four EP1 Shares or part thereof, less any dividends declared or paid after the 27 October 2020.

As a pre-condition to making the Offer on 27 October 2020 (**Pre-Condition**), 360 Capital required that either the Company withdraws Resolution 6 from consideration by shareholders at the AGM or that Resolution 6 is voted on, but not passed, by shareholders at the AGM. Resolution 6 was passed by shareholders at the AGM, the Pre-Condition 360 Capital proposal was therefore not met, and 360 Capital has decided not to proceed with that Proposal.

New Proposal

360 Capital has today made a new offer via its wholly owned subsidiary, 360 Capital ED1 Pty Limited, to acquire via off-market takeover (**Offer**) all of the shares in EP1 that it does not already own for \$0.30 per EP1 Share plus two TGP stapled security for every five EP1 Shares or part thereof, less any dividends declared or paid after the date of this announcement (**Announcement Date**).

The Offer Price is valued at \$0.69 per share (**Offer Price**), based on the closing price of TGP stapled securities of \$0.965 on 10 December 2020.

360 Capital believes the Offer Price represents compelling value for EP1 shareholders.

The Offer Price represents:

- 13% increase to 360 Capital's First Offer of \$0.61 per Share¹;
- 32% premium to the closing price of EP1 shares on 26 August 2020 of \$0.52 (being the trading day prior to 360 Capital acquiring its initial stake);
- 52% premium to the closing price on 4 September 2020 of \$0.45, being the close of trading of EP1 shares on the day ASIC announced legal proceedings against Dixon Advisory and Superannuation Services Limited (DASS);
- 30% premium to the 30-day volume-weighted average price of EP1 Shares to 26 October 2020 of \$0.53 (being the trading day prior to the First Offer).

The trading price of EP1 shares has decreased 79%² since the Company's IPO in May 2018. 360 Capital believes that the Offer represents a compelling opportunity for the EP1 shareholders to

¹ The First Offer comprised \$0.40 and 0.25 TGP Securities per EP1 Share, with an implied value of \$0.61 based on the closing price of TGP Securities of \$0.835 on 26 October 2020.

² Based on the closing share price of EP1 on 26 August 2020



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realise part of their investment in cash and also receive TGP securities, the value of which is expected to benefit from the potential turnaround of EP1.

360 Capital ED1 Pty Limited currently owns 19.55% of shares in E&P Financial Group Limited.

Conditions

The Offer is subject to the conditions outlined in Annexure A. The Offer is not subject to a minimum number of acceptances.

Financing

360 Capital has cash available and the ability to issue its securities to finance the acquisition. 360 Capital retains its discretion to obtain finance from alternative sources to fund the cash component of the Offer Price. The Offer is not subject to any condition that financing be obtained.

360 Capital is being advised by Clayton Utz as legal advisors, and Aitken Murray Capital Partners and Cambridge Investment Partners as financial advisors.

Impact on TGP Earnings

The Group is targeting to lodge the Bidders Statement with ASIC by 23 December 2020.

Based on publicly available information, the Group expects that the Offer will be accretive to the Group's recently upgraded earnings.

Authorised for release by, Tony Pitt, Managing Director.

More information on the Group can be found on the ASX's website at www.asx.com.au using the Group's ASX code "TGP", on the Group's website www.360capital.com.au, by calling the 360 Capital investor enquiry line on 1300 082 130 or by emailing investor.relations@360capital.com.au.

Alternatively, TGP investors can contact:

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Managing Director
360 Capital Group

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360 Capital Group

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About 360 Capital Group (ASX: TGP)

360 Capital Group is an ASX-listed, investment and funds management group, focused on strategic and active investment management of alternative assets. Led by a highly experienced team, the Group operates in Australian and global markets investing across real estate, public and private equity and credit strategies. We partner with our stakeholders to identify, invest and realise on opportunities.



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ANNEXURE A – OFFER CONDITIONS

This Offer and the contract resulting from acceptance of this Offer are subject to the fulfilment of the following defeating conditions:

A. NO MATERIAL ADVERSE CHANGE

Without limiting the operation of any other condition, between the Announcement Date and the end of the Offer Period, no matter, event, change, condition, circumstance, information or thing (Change(s)) occurs, is announced, becomes likely to occur or becomes known to Bidder which alone or in aggregate with any other Change, would result in and/or would reasonably be likely to result in:

- i. the value of the consolidated net assets of EP1 being reduced by at least \$10 million against what they would have reasonably have been expected to have been but for the Change(s), other than to the extent such reduction arises from transactions effected in the ordinary course of EP1's ordinary business; or
- ii. a material adverse effect on the business, assets, liabilities, financial position or performance, profitability or prospects of EP1.

B. CHANGE OF CONTROL CONSENT

Before the end of the Offer Period, every person who, as a result of the making of the Offer, the acquisition of EP1 Shares by Bidder, the change in control or delisting of EP1 if the Offer is successful, is or will be entitled, or states an intention to exercise or asserts any right, under any provision of any contract or understanding to which EP1 or a subsidiary of E&P is a party or is bound, to (in all cases whether absolutely or contingently):

- i. terminate, vary the terms of or accelerate the performance of obligations under a Material Contract;
- ii. acquire or require the disposal of any interest in or alter the terms of investment in any one or more companies, businesses, trusts, assets, shares or shares held by EP1 with a value of more than \$10.0 million in aggregate; or
- iii. without limiting (i), require the repayment, immediately or earlier than the repayment date would otherwise have been, of any monies borrowed or raised by, or any other monetary obligations of EP1 or a subsidiary of E&P,

provides to EP1 and to Bidder in writing a binding, irrevocable and unconditional waiver or release of that right.

C. OTHER REGULATORY APPROVALS

Before the end of the Offer Period, all applicable regulatory waiting periods (including any extensions) have expired or otherwise been terminated in respect of the Offer or any matter arising from the proposed acquisition by Bidder of EP1 Shares under the Offer and Bidder has obtained on an unconditional basis all approvals, licences, authorisations, authorities, consents, permissions, clearances, grants, confirmations, orders, exemptions, waivers or rulings (together, Approvals) required by law or by any Authority as are necessary:

- i. to permit the Offer to be lawfully made to and accepted by holders of EP1 Shares;



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- ii. as a result of the Offer, as a result of the acquisition of EP1 Shares by Bidder under the Offer or to permit completion of the Offer;
- iii. for the continued operation of EP1's business and ownership of EP1's assets on substantially the same terms as at the Announcement Date;
- iv. to ensure there is no right or power to require the divestiture by Bidder of any EP1 Shares or material assets, or the divestiture of any material assets of EP1 or a subsidiary of E&P;

and all such Approvals remain in full force and effect as at the end of the Offer Period, provided that this condition shall not apply to Approvals that are only required as a result of the Bidder not availing itself of paragraph 4(c) of ASIC Class Order 13/521 in respect of members of EP1 who are foreign.

D. NO FURTHER REGULATORY ACTION

Between the Announcement Date and the end of the Offer Period:

- i. there is not in effect any preliminary or final decision, order or decree issued by an Authority; and
- ii. no application is made to any Authority (other than by Bidder), or action or investigation is announced, threatened or commenced by an Authority in consequence of or in connection with the Offer, which:
 - iii. other than an application to or a determination by ASIC or the Takeovers Panel in the exercise of the powers and discretions conferred by the Corporations Act, restrains, impedes or prohibits (or if granted could restrain, impede or prohibit), or otherwise materially adversely impacts upon, the making of the Offer, the acquisition of EP1 Shares under the Offer or any transaction contemplated by the Bidder's Statement (including the implementation of the Bidder's intentions expressed in the Bidder's Statement), the Offer or the rights of the Bidder in respect of EP1 or EP1 Shares, or requires the divestiture by the Bidder of any interest in EP1 Shares or material assets, or the divestiture of any material assets of EP1; or
 - iv. amends, prejudices or otherwise affects any existing rights (as at the Announcement Date) of, or imposes any obligation on, Bidder in respect of EP1 Shares or any debt instruments, mortgages or charges relating to any unit granted over EP1 Shares.

E. NO LITIGATION

Before the end of the Offer Period, neither E&P nor any of its subsidiaries have any claim or claims made against them, or litigation, arbitration, prosecution, investigation or other proceeding commenced, announced or threatened against them, which may result in a liability in excess of \$10 million in aggregate, other than those proceedings referred in Condition F.

F. ASIC PROCEEDINGS

Before the end of the Offer Period, the proceedings commenced in the Federal Court of Australia (proceedings no. VID595/2020) on 4 September 2020 by ASIC against Dixon Advisory and Superannuation Services Limited (ACN 103 071 665) (Defendant) (and any other proceedings



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commenced by any person against the Defendant or its related entities based on similar facts or circumstances) are:

- (i) withdrawn or discontinued by ASIC or the relevant person; or,
- (ii) settled or determined in a final, non-appealable judgment which settlement or judgment does not result in a liability in aggregate in respect of all such proceedings of more than \$10 million (inclusive of legal costs)

G. RESTRICTIONS ON DISTRIBUTIONS

Between the Announcement Date and the end of the Offer Period, EP1 does not announce, make, declare or pay any dividend or other form of distribution of profits or capital (whether in cash or in specie).

H. NO PRESCRIBED OCCURRENCES

Between the Announcement Date and the end of the Offer Period, no Prescribed Occurrence occurs.

Prescribed Occurrences means:

- (i) the Company converts all or any of its shares into a larger or smaller number of shares;*
- (ii) the Company or a subsidiary resolves to reduce its capital share in any way;*
- (iii) the Company or a subsidiary:*
 - (A) enters into a buy-back agreement; or*
 - (B) resolves to approve the terms of a buy-back agreement under section 257C(1) or 257D(1) of the Corporations Act;*
- (iv) the Company or a subsidiary issues shares or grants an option over its shares, or agrees to make such an issue or grant such an option;*
- (v) the Company or a subsidiary issues, or agrees to issue, convertible notes;*
- (vi) the Company or a subsidiary disposes, or agrees to dispose, of the whole, or a substantial part, of its business or property;*
- (vii) the Company or a subsidiary grants, or agrees to grant, a security interest in the whole, or a substantial part, of its business or property;*
- (viii) the Company or a subsidiary resolves to be wound up;*
- (ix) a liquidator or provisional liquidator is appointed to the Company or a subsidiary;*
- (x) a court makes an order for the winding up of the Company or a subsidiary;*
- (xi) an administrator is appointed to the Company or a subsidiary under section 436A, 436B or 436C of the Corporations Act;*
- (xii) the Company or a subsidiary executes a deed of company arrangement; or*
- (xiii) a receiver, or a receiver and manager, is appointed in relation to the whole, or a substantial part, of the property of the Company or a subsidiary*

I. NO BREAK FEE

Between the Announcement Date and the end of the Offer Period, EP1 does not agree (whether conditionally or unconditionally) to make any payment by way of break fee, inducement fee, cost reimbursement or otherwise, to any person other than Bidder or an associate, or forgo any amount to which it would otherwise be entitled, in connection with that a proposal by that person for:



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- (i) a takeover bid for, or scheme of arrangement proposed by, EP1, under the Corporations Act;
- (ii) the acquisition by that person or an associate of substantially all the assets and operations of EP1; or
- (iii) any transaction having a similar economic effect.

J. NO GRANT OF RIGHTS

Between the Announcement Date and the end of the TGP Offer Period, E&P or a subsidiary does not grant options or rights over its securities to directors, officers or employees, or agrees to grant such an option or right to directors, officers or employees.