

# ASX Announcement

5 December 2023

*Not for release to US wire services or distribution in the United States.*

## Navigator Global Investments launches equity raising of up to A\$120 million (US\$80 million)

Navigator Global Investments Limited (**'Navigator'** or the **'Company'**) today launched an equity raise of up to A\$120 million (US\$80 million) to fund a portion of the total consideration payable to GP Strategic Capital<sup>1</sup> (formerly Dyal Capital) (**'GP Strategic Capital'**), which is one of the final components of the proposed transaction previously announced on 1 August 2023.

Navigator has now received the requisite shareholder and regulatory approvals for the transaction, including the A\$182 million (US\$120 million) placement to GP Strategic Capital at A\$1.40 (**'Placement'**).

Navigator Chairman, Michael Shepherd said "We are pleased to have received strong shareholder support for this transformative transaction for Navigator at our AGM. We are excited about the compelling rationale for the transaction which accelerates Navigator's delivery on its strategic priorities and has the potential to unlock substantial shareholder value. We look forward to continuing to work with our partners at GP Strategic Capital to execute on further growth initiatives in the alternative asset management sector in the near term."

### Equity Raising details

The Equity Raising will involve two components to raise up to A\$120 million (US\$80 million), comprising:

- Up to A\$96 million (US\$64 million) in the form of a 1 for 2.529 non-underwritten, non-renounceable pro rata offer by Navigator to eligible shareholders<sup>2</sup> (including Dyal Trust) (**'Rights Issue'**) of new fully paid ordinary shares (**'New Shares'**); and
- A\$24 million (US\$16 million) placement of New Shares to Dyal Trust as holder of the 2021 Convertible Notes (**'Noteholder Offer'**) to complete at the same time as the Rights Issue.<sup>3</sup>

The Equity Raising will be conducted at A\$1.00 per New Share (**'Offer Price'**) which represents:

- a 14.7% discount to the theoretical ex-rights price of \$1.17 (**'TERP'**); and
- a 19.4% discount to the Company's closing share price on ASX of \$1.24 as at 4 December 2023

Up to 120 million New Shares will be issued under the Equity Raising which represents 49% of Navigator's current ordinary shares on issue. New Shares issued under the Equity Raising will rank equally with all existing fully paid ordinary shares on issue.

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<sup>1</sup> GP Strategic Capital (formerly known as Dyal Capital) is a platform of Blue Owl Capital Inc., a NYSE-listed company with US\$157 billion in assets under management as at 30 September 2023. GP Strategic Capital currently sponsors six flagship, commingled investment funds, the primary objectives of which are to make equity and debt investments in alternative investment fund managers and certain of their investment vehicles.

<sup>2</sup> Eligible shareholders will include shareholders registered as a holder of Shares as at the record date of 7.00pm on 8 December 2023 with a registered address on the share register in Australia or New Zealand and, in the case of institutional and other qualified investors, certain other permitted jurisdictions, on the terms and as further explained in the Offer Booklet.

<sup>3</sup> The size of the Noteholder Offer may be increased to up to A\$35 million (US\$23 million) depending on the degree of participation by other Shareholders (excluding Directors and non-Dyal Trust) to ensure Dyal Trust is able to participate in the Equity Raising (including the Proportionate Top Up) based on its current 35.8% interest in the Company on a fully diluted basis.

The Rights Issue is non-renounceable, meaning that entitlements will not be tradeable on the ASX or otherwise transferable. Eligible shareholders who do not take up their full entitlement under the Rights Issue will not receive any value in respect of those entitlements not taken up. The Rights Issue will include an offer of shortfall Shares under the Rights Issue to Eligible shareholders who took up their entitlements in the Rights Issue in full based on their percentage holding of Shares at the record date for the Rights Issue (**'Proportionate Top Up'**). Further details on the Proportionate Top Up will be included in the Offer Booklet to be provided to eligible shareholders.

Dyal Trust has committed to exercise its entitlements in full and take up New Shares under the Equity Raising (representing approximately a 35.8% interest in Navigator on a fully diluted basis). Each **Director** has committed to take-up their entitlements under the Rights Issue in full. To the extent Dyal Trust's or its Associates' Relevant Interest in Shares on completion of the Placement and Equity Raising would exceed 46.5%, Navigator will issue to Dyal Trust (in lieu of additional Shares) such number of 2023 Convertible Notes which, upon conversion, would result in the issue of the number of additional Shares that Dyal Trust would have otherwise been issued.

From completion of the Equity Raising and Placement, Dyal Trust's Shares and convertible notes (including those issued under the Equity Raising and Placement) will be escrowed until the release of Navigator's FY26 results, with a partial release of approximately 40.5 million Shares 180 days after completion.<sup>4</sup>

Eligible shareholders will be sent or have access to an information booklet (**'Offer Booklet'**), and a personalised entitlement and acceptance form from opening of the Rights Issue on 12 December 2023. The Offer Booklet will contain details of how to participate in the Rights Issue as well as the terms and conditions of the Equity Raising. A copy of the Offer Booklet will also be lodged with the ASX. Eligible shareholders may elect to take up all, part or none of their entitlement.

### Indicative Equity Raising Timetable

| Event  | Date             |
|--|------------------|
| Announcement of Equity Raising   | 5 December 2023  |
| Offer Booklet lodged with ASX  | 5 December 2023  |
| Rights Issue Record date (7:00pm Sydney time)  | 8 December 2023  |
| Offer Booklet dispatched   | 12 December 2023 |
| Rights Issue opens   | 12 December 2023 |
| Rights Issue closes (5:00pm Sydney time)   | 22 December 2023 |
| Announcement of results of Rights Issue  | 29 December 2023 |
| Allotment of New Shares issued under the Rights Issue (including Proportionate Top Up), Placement and Noteholder Offer | 3 January 2024   |
| Dispatch of holding statements for New Shares issued   | 4 January 2024   |

Dates are indicative only and are subject to change without notice. All dates are referenced to Sydney time.

UBS is acting as sole lead manager to the Equity Raising.

<sup>4</sup> Escrowed parties are the trustee of Dyal Trust and the custodian of the Shares and convertible notes held on behalf of Dyal Trust. Escrow terms are described further in Navigator's notice of AGM and explanatory memorandum released to ASX on 26 September 2023.

## Business Update

Navigator reported US\$73 billion of aggregate firm level AUM for the NGI Group as at 30 September 2023, an increase of 11% over the 12 months to that date, comprising growth across Lighthouse and NGI Strategic. This was a pleasing outcome given the weaker capital-raising environment for many alternative asset managers across the industry. We remain positive on prospects for continued asset raising across both Lighthouse and our partner firms. Investment performance also remains positive across Lighthouse and the NGI Strategic Portfolio overall, despite the more challenging market conditions for certain credit and macro focused strategies.

As highlighted at the Annual General Meeting ('AGM') held on 27 October 2023, the aggregate FY22 and FY23 distributions received from the NGI Strategic Portfolio managers were exceptionally strong compared to earlier years. Navigator has previously provided 3 year and 5 year historical average distribution numbers as context for assessing the future distribution prospects of the NGI Strategic Portfolio, noting that the profitability and contribution of each partner firm will vary from year to year. Based on the latest information available on calendar year-to-date earnings of partner firms and the performance of Lighthouse portfolios, the NGI Strategic Portfolio and Lighthouse businesses are performing in line with these averages. The Company is not providing guidance for FY24 distributions in particular given the large number of variables which will determine the earnings of the NGI Strategic Portfolio partner firms.

In addition to releasing its December 2023 AUM update in mid-January 2024, the Company will provide a further update on how the Navigator business has performed for the first half of FY24 at its Interim Results Briefing expected to be held in February 2024.

The Company continues to pursue its strategy of building a growing and diversified alternative asset management company comprised of partnerships with leading established alternative investment management firms, and in the ordinary course considers new potential acquisition opportunities on an ongoing basis. Any potential future transactions will be assessed based on the Company's stated criteria for new strategic acquisitions, and funding of future opportunities could involve a mix of debt or equity, depending on the size and timing of a particular opportunity, and the prevailing circumstances of the Company and market conditions at the relevant time.

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**For further information please contact:**

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**Authorised by:** Board of Directors, 5 December 2023

## **IMPORTANT NOTICES**

This announcement is not financial product or investment advice, a recommendation to acquire securities or accounting, legal or tax advice. It does not constitute an invitation or offer to apply for securities. It has been prepared without taking into account the objectives, financial or tax situation or needs of individuals. Before making an investment decision, prospective investors should consider the appropriateness of the information having regard to their own objectives, financial and tax situation and needs and seek legal and taxation advice appropriate for their jurisdiction. Navigator is not licensed to provide financial product advice in respect of an investment in securities.

The offer size, share numbers and percentages in this announcement are approximate and have been rounded for presentation purposes.

### **Future Performance**

This announcement may contain certain forward-looking statements. The words “anticipate”, “believe”, “expect”, “project”, “forecast”, “estimate”, “likely”, “intend”, “outlook”, “should”, “could”, “may”, “target”, “plan” and other similar expressions are intended to identify forward-looking statements. Indications of, and guidance on, future earnings, financial position, dividends and performance are also forward-looking statements as are statements regarding Navigator’s future operations and projects, the outcome of the Equity Raising and the use of proceeds.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks (including (without limitation) the risks and uncertainties associated with certain geopolitical tensions and hostilities and the risks set out in the Offer Booklet, uncertainties and other factors, many of which are beyond the control of Navigator, its officers, employees, agents and advisors, that may cause actual results to differ materially from those expressed or implied in such statements. There can be no assurance that actual outcomes will not differ materially from these statements. There are usually differences between forecast and actual results because events and actual circumstances frequently do not occur as forecast and their differences may be material.

Investors are strongly cautioned not to place undue reliance on forward-looking statements. Neither Navigator, nor the lead manager, nor any other person, gives any representation, warranty or assurance, nor will guarantee that the occurrence of the events expressed or implied in any forward-looking statement will occur.

### **Not an offer in the United States**

This announcement has been prepared for publication in Australia and may not be released to US wire services or distributed in the United States or any other jurisdiction where it would be unlawful. This announcement does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States or any other jurisdiction. The New Shares have not been, and will not be, registered under the US Securities Act of 1933 and may not be offered or sold in the United States except in transactions exempt from, or not subject to, the registration of the US Securities Act and applicable US state securities laws.

In addition, Navigator has not been, and will not be, registered under the US Investment Company Act of 1940 in reliance on the exception provided by Section 3(c)(7) thereof. Accordingly, the New Shares may not be held by, or for the account or benefit of, persons in the United States or US Persons (as defined in Rule 902(k) under the US Securities Act) who is not a “qualified purchaser” (as defined in Section 2(a)(51) of the US Investment Company Act) or a “knowledgeable employee” (as defined in Rule 3c-5 under the US Investment Company Act). The New Shares may be resold or transferred in regular brokered transactions on ASX where neither the investor nor any person acting on its behalf knows, or has reason to know, that the sale has been pre-arranged with, or that the purchaser is, in the United States or a US Person, in each case in an “offshore transaction” in compliance with Regulation S under the US Securities Act.

For the purposes of the U.S. Investment Company Act, the Shares may not be purchased on ASX by a person that is in the United States or that is a U.S. Person or acting for the account or benefit of a person in the United States or a U.S. Person that, in each case, is not a “qualified purchaser” (as defined in Section 2(a)(51) of the U.S. Investment Company Act and the rules and regulations thereunder) (QP) at the time of the acquisition of the Shares. Any U.S. Person that is not a QP is an “Excluded U.S. Person” and may not purchase Shares on the ASX. To monitor compliance with these foreign ownership restrictions, Navigator may request the ASX’s settlement facility operator (ASX Settlement) to classify the Shares as Foreign Ownership Restricted financial products and designate the Shares as “FOR – Excluded U.S. Person”, and may put in place certain additional monitoring procedures.