



ASX Release

27 October 2020

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360 Capital Group (ASX: TGP)

Evans Dixon Limited Takeover Offer by 360 Capital Group

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360 Capital Group (**360 Capital or TGP**) announces today that it has made a proposal via its wholly owned subsidiary, 360 Capital ED1 Pty Limited, to acquire via off-market takeover (**Offer**) all of the shares in Evans Dixon Limited (**Company or ED1**) that it does not already own for \$0.40 per ED1 Share plus one TGP stapled security for every four ED1 Shares or part thereof, less any dividends declared or paid after the date of this announcement (**Announcement Date**).

The Offer Price is valued at \$0.61 per share (**Offer Price**), based on the closing price of TGP stapled securities of \$0.835 on 26 October 2020.

360 Capital believes the Offer Price represents compelling value for ED1 shareholders. The Offer Price represents:

- 142% premium to the Company's most recently reported Net Tangible Assets
- 35% premium to the average price in which the Bidder purchased its last portion of its 19.55% stake, approximately 6 weeks ago
- 54% premium to the trading price shortly after the Company disclosed ASIC was taking corporate action against Dixon Advisory and Superannuation Services Limited (**Dixon Advisory**), a subsidiary of the Company.

The trading price of ED1 shares has decreased 79% since the Company's IPO in May 2018¹. 360 Capital believes that the Offer represents a compelling opportunity for the ED1 shareholders to exit their investment before any further value destruction, including arising as a result of the ongoing ASIC proceedings against Dixon Advisory.

360 Capital ED1 Pty Limited currently owns 19.55% of shares in Evans Dixon Limited.

Conditions and Pre-Conditions

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

360 Capital notes that the Company has proposed, as resolution 6 at its upcoming AGM on 11 November 2020, for shareholders to approve certain amendments to the Company's Options/Rights Plan (**Resolution 6**). As a pre-condition to making the Offer (**Pre-Condition**), 360 Capital requires 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.

¹ Based on the ED1 IPO share price of \$2.50 and the closing price of ED1 shares of \$0.52 on 26 August 2020, the day before 360 Capital Group acquired its initial stake.



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This action is required because 360 Capital believes that Resolution 6 enables the Company to materially increase the control that management personnel have over the Company. 360 Capital is concerned that concentrating ownership in the hands of management personnel will be adverse to shareholders and, amongst other things, will reduce liquidity and the attractiveness of the Company as an investment. 360 Capital is generally supportive of incentivising employees but does not consider this resolution to be appropriate in the context of the Offer.

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.

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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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 ED1 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 ED1's ordinary business; or
- ii. a material adverse effect on the business, assets, liabilities, financial position or performance, profitability or prospects of ED1.

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 ED1 Shares by Bidder, the change in control or delisting of ED1 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 ED1 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 ED1 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 ED1,

provides to ED1 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 ED1 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 ED1 Shares;



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- ii. as a result of the Offer, as a result of the acquisition of ED1 Shares by Bidder under the Offer or to permit completion of the Offer;
 - iii. for the continued operation of ED1's business and ownership of ED1'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 ED1 Shares or material assets, or the divestiture of any material assets of ED1;
- 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 ED1 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 ED1 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 ED1 or ED1 Shares, or requires the divestiture by the Bidder of any interest in ED1 Shares or material assets, or the divestiture of any material assets of ED1; 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 ED1 Shares or any debt instruments, mortgages or charges relating to any unit granted over ED1 Shares.

E. NO LITIGATION

ED1 does not have any claim or claims made against it, or litigation, arbitration proceedings, prosecution or other legal proceedings commenced against it, involving more than \$10.0 million in aggregate, other than the proceedings commenced on 4 September 2020 by ASIC against Dixon Advisory and Superannuation Services Limited to the extent alleged in those proceedings as at the Announcement Date.

F. RESTRICTIONS ON DISTRIBUTIONS

Between the Announcement Date and the end of the Offer Period, ED1 does not announce, make, declare or pay any dividend or other form of distribution of profits or capital (whether in cash or in specie).



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G. 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*

H. NO BREAK FEE

Between the Announcement Date and the end of the Offer Period, ED1 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:

- (i) a takeover bid for, or scheme of arrangement proposed by, ED1, under the Corporations Act;
- (ii) the acquisition by that person or an associate of substantially all the assets and operations of ED1; or
- (iii) any transaction having a similar economic effect.

I. NO RESOLUTION 6

"Resolution 6" (approval of the Company's Options/Rights Plan and the issue of shares, and Options under the Options/Rights Plan), as set out in the Company's Notice of AGM dated 12

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October 2020, is withdrawn by the Company for consideration by shareholders at the AGM or Resolution 6 is voted on, but not passed, by shareholders at the AGM.

J. NO GRANT OF RIGHTS TO EMPLOYEES

Between the Announcement Date and the end of the Offer Period, the Company or a subsidiary does not grant options or rights over its shares to employees, or agrees to grant such an option or right to employees.