

19 February 2021

## Release of Target's Statement in response to 360 Capital ED1 Pty Ltd's Offer

### ASX Announcement

In accordance with Item 14 of section 633(1) of the Corporations Act 2001 (Cth), E&P Financial Group Limited ACN 609 913 457 (**EP1**) attaches its target's statement (**Target's Statement**) in response to the off-market takeover offer by 360 Capital ED1 Pty Ltd, a subsidiary of the 360 Capital Group (**360 Capital**), for all of the fully paid ordinary shares of EP1 other than those already owned by 360 Capital (**Offer**).

The Target's Statement sets out the EP1 Board's reasons for unanimously recommending that EP1 shareholders **REJECT** the Offer and other information that is material to shareholders in assessing the Offer.

The Target's Statement has or will be sent to 360 Capital and lodged with the Australian Securities and Investments Commission today.

The Target's Statement will be dispatched shortly to EP1 shareholders by the following means:

1. if you have nominated an email address to receive communications from EP1, then you will receive an email to your nominated email address with a link to an electronic copy of the Target's Statement; and
2. if you have not nominated an email address to receive communications from EP1, then you will receive a letter from EP1 to your registered postal address, which will contain details of where you can access an electronic copy of the Target's Statement or how to request a hard copy of the Target's Statement.

An electronic copy of the Target's Statement and updates in relation to the Offer will be made available on EP1's website (<https://www.eap.com.au/>) and we encourage shareholders to call the E&P Information Line on 1300 158 729 between 9.00am and 5.30pm (Sydney time) Monday to Friday to address any queries.

This announcement has been authorised for release by the Board of E&P Financial Group Limited.

#### Investors:

Paul Ryan  
+ 61 3 9631 9866  
paul.ryan@eap.com.au

#### Media Enquiries:

Sue Cato AM  
+ 61 419 282 319  
cato@catoandclive.com

#### About E&P Financial Group Limited

E&P Financial Group is an Australian Securities Exchange listed financial services group. In E&P Wealth we service approximately 9,200 clients, representing \$21.7 billion in funds under advice. In E&P Capital we are an advisor to many leading Australian institutions through the provision of research, institutional sales and trading, corporate advisory, equity capital market and debt capital market services. In E&P Funds, we manage \$6.6 billion of assets across a diverse range of asset classes.

E&P Financial Group Limited

# Target's Statement

**E&P**  
FINANCIAL GROUP

**YOUR DIRECTORS UNANIMOUSLY RECOMMEND THAT YOU**

# REJECT

## 360 CAPITAL'S OFFER

**TO REJECT 360 CAPITAL'S OFFER DO NOTHING.  
IGNORE ALL DOCUMENTS FROM 360 CAPITAL.**

**THIS IS AN IMPORTANT DOCUMENT AND REQUIRES YOUR IMMEDIATE ATTENTION.**

If you are in any doubt as to how to deal with this document, please contact your legal, financial, taxation or other professional adviser. If you have any questions about the Offer or this document please call the E&P Information Line on 1300 158 729 Monday to Friday between 9.00am and 5.30pm (Sydney time).

Legal Adviser

**MinterEllison**

Financial Adviser

**FLAGSTAFF**

## What do your Directors recommend?

**REJECT the Offer**

**To REJECT the Offer DO NOTHING**

**Ignore all documents sent  
to you by 360 Capital**

### Your Directors' key reasons to REJECT the Offer

- 1** The Offer is essentially **illusory** given the ASIC Proceedings Condition imposed by 360 Capital **has no realistic prospect of being met**.

The Offer therefore **delivers 360 Capital a free call option to your detriment**. If you accept the Offer **then**, except in limited circumstances, **you will be prevented from otherwise dealing with your EP1 Shares (including selling them on market) or receiving the Offer Consideration** while the Offer remains open and conditional.

- 2** The Offer Consideration is **fundamentally unattractive** given it is **predominantly TGP Stapled Securities**.

- a.** 360 Capital has a **substantially different investment profile** than EP1, and its move to become a multi-asset fund manager is **embryonic and uncertain**.
- b.** There is **no strategic rationale or industrial logic** for a combination with 360 Capital **nor any clear financial benefits, such as synergies**, for EP1 Shareholders.
- c.** There are **material integration and business risks** associated with combining EP1 and 360 Capital, including 360 Capital's stated but undeveloped intention to sell between 40% and 80% of E&P Wealth and E&P Capital, which are likely to **negatively impact the value of the Offer Consideration**.

- 3** The 360 Capital Offer **materially undervalues EP1** given EP1's **medium- to long-term prospects**. EP1 is **successfully executing on its refocused strategy** and **progressing initiatives to drive value creation**.

**Section 1 of this Target's Statement elaborates on these key reasons.**

# Key dates

<b>Offer announced</b>	11 December 2020
<b>Bidder's Statement lodged with ASIC and provided to EP1</b>	18 January 2021
<b>Offer Period commenced</b>	2 February 2021
<b>Date of this Target's Statement</b>	19 February 2021
<b>Offer Period closes (unless Offer is extended or withdrawn)</b>	7pm (Sydney time), 3 March 2021

## Important notices

### Target's Statement

This document is a Target's Statement dated 19 February 2021 and is issued by E&P Financial Group Limited ACN 609 913 457 (**EP1**) under Part 6.5 Division 3 of the Corporations Act. This Target's Statement sets out the EP1 Board's formal response to the off-market takeover offer made by 360 Capital ED1 Pty Ltd (**Bidder**), a subsidiary of 360 Capital Group (**360 Capital** or **TGP**), in its Bidder's Statement.

### ASIC and ASX disclaimer

A copy of this Target's Statement was lodged with ASIC and ASX on 19 February 2021. Neither ASIC, ASX nor any of their respective officers takes any responsibility for the content of this Target's Statement.

### 360 Capital information in this Target's Statement

The information in this Target's Statement in relation to 360 Capital and TGP Stapled Securities has been prepared by EP1 using publicly available information including the Bidder's Statement. EP1 and its Directors are unable to verify the accuracy or completeness of that information. The information on 360 Capital in this Target's Statement should not be considered comprehensive. Accordingly, to the maximum extent permitted by law, EP1 does not make any representation or warranty, express or implied, as to the accuracy or completeness of that information.

### Foreign jurisdictions

The release, publication or distribution of this Target's Statement in jurisdictions other than Australia may be restricted by law or regulation in such other jurisdictions and persons who come into possession of it should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable laws or regulations. This Target's Statement has been prepared in accordance with Australian law and the information contained in this Target's Statement may not be the same as that which would have been disclosed if this Target's Statement had been prepared in accordance with the laws and regulations outside Australia.

### Effect of rounding

A number of figures, amounts, percentages, prices, estimates, calculations of value and fractions in this Target's Statement are subject to the effect of rounding. Accordingly, their actual calculations may differ from the calculations set out in this Target's Statement.

### Charts, maps and diagrams

Any diagrams, charts, maps, graphs or tables appearing in this Target's Statement are illustrative only and may not be drawn to scale. Unless stated otherwise, all data contained in diagrams, charts, maps, graphs and tables is based on information available at the date immediately prior to the date of this Target's Statement.

### No account of personal circumstances

This Target's Statement does not take into account your individual investment objectives, financial situation or particular needs. It does not contain personal advice. EP1 is not licensed to provide financial product advice in relation to EP1 Shares, TGP Stapled Securities or any other financial products. This Target's Statement should not be relied on as the sole basis for any investment decision in relation to EP1 Shares, TGP Stapled Securities or the Offer generally. The Directors encourage you to obtain independent legal, financial, taxation or other professional advice before deciding whether or not to accept the Offer.

### Forward-looking statements

Some statements in this Target's Statement are in the nature of forward-looking statements. You should be aware that these statements are predictions only and are subject to inherent risks and uncertainties. Those risks and uncertainties include factors and risks specific to EP1 as well as general economic conditions and conditions in the financial markets, exchange rates, interest rates and the regulatory environment, many of which are outside the control of EP1 and its Directors. Actual events or results may differ materially from the events or results expressed or implied in any forward-looking statement.

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None of EP1 (nor any of its officers and employees) or any person named in this Target's Statement with their consent or anyone involved in the preparation of this Target's Statement makes any representation or warranty (either express or implied) as to the accuracy or likelihood of fulfilment of any forward-looking statement or any events or results expressed or implied in any forward-looking statement, except to the extent required by law. You are cautioned not to place undue reliance on those statements.

The forward-looking statements in this Target's Statement reflect views held only as at the date of this Target's Statement. EP1 has no obligation to disseminate any updates or revisions to any statements to reflect any change in expectations in relation to those statements or any change in events, conditions or circumstances on which any of those statements are based unless it is required to do so under Division 4 of Part 6.5 of the Corporations Act to update or correct this Target's Statement (i.e. for certain matters that are material from the point of view of a Shareholder) or under its continuous disclosure obligations under the Corporations Act and the ASX Listing Rules.

## Privacy

EP1 has collected your information from the EP1 share registry for the purpose of providing you with this Target's Statement. The type of information EP1 has collected about you includes your name, contact details and information on your EP1 shareholding. The Corporations Act requires the name and address of Shareholders to be held in a public register. Your information may be disclosed on a confidential basis to EP1, EP1's related bodies corporate and external service providers (such as EP1's share registry, print and mail service providers and shareholder communication and engagement firms).

## Shareholder enquiries

EP1 has established a Shareholder Information Line which Shareholders may call if they have any queries in relation to the Offer. The telephone number for the Shareholder Information Line is 1300 158 729. The Shareholder Information Line is available Monday to Friday between 9.00am and 5.30pm (Sydney time).

## Defined terms

Certain terms used in this Target's Statement have defined meanings, as set out in Section 9 of this Target's Statement.

## No internet site is part of this Target's Statement

No internet site is part of this Target's Statement. EP1 ([www.eap.com.au](http://www.eap.com.au)) and 360 Capital ([www.360capital.com.au](http://www.360capital.com.au)) each maintains internet sites. Any references in this Target's Statement to these or other internet sites are textual references only and the information contained on the sites does not form part of this Target's Statement.



# Executive Chairman's letter

19 February 2021

Dear fellow EP1 Shareholder,

## **REJECT 360 Capital's Offer for your Shares – ignore any documents sent to you by 360 Capital**

You will have recently received from 360 Capital Group Limited (**360 Capital**) its unsolicited offer (**Offer**) to acquire your E&P Financial Group (**EP1**) Shares. 360 Capital is offering \$0.28 cash (ie, \$0.30 less \$0.02 on account of the \$0.02 fully franked dividend announced by EP1 today) plus 0.40 TGP Stapled Securities for every EP1 Share you hold, less any further dividends declared or paid by EP1 (**Offer Consideration**).<sup>1</sup>

This document is our Target's Statement, which sets out the **unanimous recommendation** of your Directors to **REJECT** 360 Capital's unsolicited Offer and the reasons for that recommendation. To **REJECT** the Offer, simply ignore all documents from 360 Capital and do nothing.

Your Directors believe that there are three key reasons why you should **REJECT** 360 Capital's Offer:

1. The Offer is essentially **illusory** given the ASIC Proceedings Condition imposed by 360 Capital has **no realistic prospect of being met**.

The Offer therefore **delivers 360 Capital a free call option to your detriment. Specifically, if you accept the Offer then**, except in limited circumstances, **you will be prevented from otherwise dealing with your EP1 Shares (including selling them on market) or receiving the Offer Consideration** while the Offer remains open and conditional.

2. The **Offer Consideration is fundamentally unattractive** given it is **predominantly TGP Stapled Securities**.

- a. 360 Capital has a **substantially different investment profile** than EP1, and its move to become a multi-asset fund manager is **embryonic and uncertain**.
- b. There is **no strategic rationale or industrial logic** for a combination with 360 Capital **nor any clear financial benefits, such as synergies**, for EP1 Shareholders.
- c. There are **material integration and business risks** associated with combining EP1 and 360 Capital, including 360 Capital's stated but undeveloped intention to sell between 40% and 80% of the E&P Wealth and E&P Capital divisions, which are likely to **negatively impact the value of the Offer Consideration**.

3. The 360 Capital Offer **materially undervalues EP1 given EP1's medium- to long-term prospects**. EP1 is **successfully executing on its refocused strategy** and **progressing initiatives to drive value creation**.

In addition to these three key reasons, the terms and conditions of 360 Capital's Offer beyond the ASIC Proceedings Condition result in further significant risks for any accepting EP1 Shareholders. In particular, at least one other condition (Condition G, no distributions after 11 December 2020) has already been triggered as a result of the fully franked interim dividend of \$0.02 per EP1 Share declared by EP1 on 19 February 2021. Consequently, **360 Capital now has the right to abandon its current Offer at any time, as it has already done once in connection with its original offer** that was announced on 27 October 2020 but withdrawn on 11 December 2020 due to a condition of that offer being triggered (**First Offer**).

Section 1 sets out in more detail the reasons for your Directors' **unanimous recommendation** to **REJECT** 360 Capital's unsolicited Offer and retain your EP1 Shares.

1. The stated Offer is \$0.30 cash plus 0.40 TGP Stapled Securities for every EP1 Share you hold, less any dividends declared or paid after 11 December 2020. Accordingly, the \$0.30 cash component has been adjusted to \$0.28 to reflect the \$0.02 dividend announced on 19 February 2021 by EP1 as part of the market release of its unaudited results for the half year ended 31 December 2020.

# Executive Chairman's letter

Continued

EP1 shareholders who hold or control approximately 41.40% of EP1's Shares, including EP1's Directors, have already informed the Board in writing that they intend to **REJECT** 360 Capital's unsolicited Offer on its current terms.<sup>2</sup> This includes shareholders representing the top 40 employee shareholders of EP1 and 10 of the 25 largest non-employee EP1 shareholders (excluding 360 Capital). Importantly, senior executives across all of EP1's three operating segments have provided feedback to your Directors confirming a fundamental lack of support for the unsolicited Offer on their part.

Your Directors note that 360 Capital opportunistically acquired its current shareholding in EP1 during a period of heightened market volatility resulting from the COVID-19 global pandemic. Your Directors believe that the First Offer, since withdrawn, and now this current Offer are an extension of this opportunistic behaviour. Importantly, since 360 Capital's opportunistic purchase of EP1 Shares the macro business environment has improved considerably and EP1 has strengthened its operating momentum.

Your Directors believe that you are an owner of a highly credentialed business with an attractive outlook as an independent company. Not only do your Directors believe that 360 Capital's Offer is inherently flawed in terms of strategic logic and that it creates significant risks for any accepting EP1 Shareholders, they also consider that 360 Capital's Offer materially undervalues EP1. Your Directors believe EP1 has a strong platform in Australian financial services with a significant opportunity over the medium- to long-term for profitable growth on a standalone basis. Further, your Directors believe EP1 is successfully executing on its refocused strategy and progressing initiatives to drive value creation for all EP1 Shareholders.

You should read this Target's Statement in its entirety and carefully consider the Offer, having regard to your own personal risk profile, investment strategy and tax position. You may also wish to seek independent legal, financial, taxation or other professional advice in relation to your overall assessment of the Offer.

EP1 will continue to keep you updated on all material developments relating to the unsolicited Offer. All company announcements are available on our website, [www.eap.com.au](http://www.eap.com.au).

**If you have any questions in relation to this Target's Statement or your shareholding in EP1, please call the Shareholder Information Line on 1300 158 729.**

Yours sincerely,



**David Evans**  
Executive Chairman  
E&P Financial Group Limited

2. All written statements received by EP1 from Shareholders of their intention to reject the Offer based on its current terms and conditions reserve the right to change that intention if the Offer Consideration is improved or if the conditionality of the Offer changes.

1.

Your Directors'  
evaluation  
of the Offer



# 1. Your Directors' evaluation of the Offer

## 1.1 Recommendation and intentions

As at the date of this Target's Statement, the Directors of EP1 and their respective interests in EP1 Shares are set out in the table below:

NAME	POSITION	EP1 SHARES HELD BY OR ON BEHALF OF DIRECTOR OR IN WHICH DIRECTOR OTHERWISE HAS A RELEVANT INTEREST
David Evans	Executive Chairman	15,812,393
Sally Herman	Independent Non-Executive Director	170,276
Josephine Linden	Independent Non-Executive Director	–
Kevin McCann	Independent Non-Executive Director	305,651
Anthony Pascoe	Independent Non-Executive Director	–
<b>Total</b>		<b>16,288,320</b>

A biography of each Director is provided in the Annual Report for the financial year ended 30 June 2020, released to the ASX on 27 August 2020.

Your Directors unanimously recommend that you **REJECT** the Offer, for the three key reasons set out in Section 1 of this Target's Statement. As at the date of this Target's Statement, each of your Directors intends to **REJECT** the Offer in respect of all EP1 Shares held by or on behalf of him or her or in which he or she otherwise has a relevant interest. These EP1 Shares represent approximately 6.94% of all EP1 Shares on issue as at the date of this Target's Statement. In addition, senior executives comprising or representing the top 40 employee shareholders of EP1 and other shareholders who collectively hold a further 34.45% of all EP1 Shares on issue as at the date of this Target's Statement have informed the Board that their current intention is to **REJECT** the Offer.<sup>3</sup> These shareholders include Washington H. Soul Pattinson and Company Limited<sup>4</sup> (3.11%), BKI Investment Company Limited<sup>5</sup> (2.83%), Wroxby Pty Ltd (2.73%), Zonda Capital Pty Ltd (0.91%), Arffam Pty Ltd (0.55%), Zonda Super Pty Ltd (0.43%), Jolimont Tower Pty Ltd (0.43%), J S Millner Holdings Pty Ltd (0.28%), Pja Technologies Pty Ltd (0.26%) and Pja Investments Australia Pty Ltd (0.23%), collectively representing 10 of the 25 largest non-employee EP1 shareholders (excluding 360 Capital) and accounting for a total of 11.75% of all EP1 Shares.

**Therefore, in aggregate, shareholders who hold approximately 41.40% of EP1 Shares on issue intend to REJECT the Offer as at the date of this Target's Statement.**

In evaluating the Offer, your Directors encourage you to:

- read the whole of this Target's Statement and the Bidder's Statement;
- have regard to your individual risk profile, portfolio strategy, tax position and financial circumstances;
- consider the choices available to you and ensure you understand the consequences of those choices, as outlined in Section 4 of this Target's Statement;
- carefully consider Section 1 (Reasons why you should **REJECT** the Offer) and Section 5 (Information about the Offer and other important issues) of this Target's Statement; and
- seek independent financial, legal, taxation or other professional advice if you are in any doubt as to what you should do in response to the Offer.

Your Directors will keep you informed of any material developments relating to the Offer.

3. All written statements received by EP1 from Shareholders of their intention to reject the Offer based on its current terms and conditions reserve the right to change that intention if the Offer Consideration is improved or if the conditionality of the Offer changes.

4. Through its Portfolio Manager, Contact Asset Management.

5. Through its Portfolio Manager, Contact Asset Management.

## 1.2 Reasons why you should REJECT the Offer

### REASON #1

The Offer is essentially illusory given the ASIC Proceedings Condition imposed by 360 Capital has no realistic prospect of being met.

The Offer therefore delivers 360 Capital a free call option to your detriment. If you accept the Offer then, except in limited circumstances, you will be prevented from otherwise dealing with your EP1 Shares (including selling them on market) or receiving the Offer Consideration while the Offer remains open and conditional.

Your Directors believe the Offer is not capable of being completed due to its high degree of conditionality and is essentially illusory.

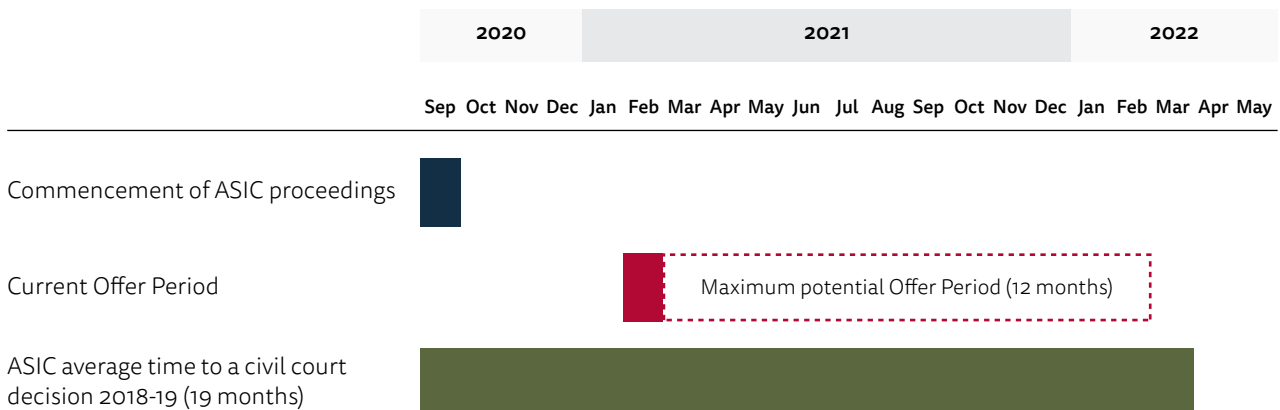
In particular, 360 Capital has given itself the option of not following through with its Offer unless, before the closing date of the Offer, the ASIC proceedings against Dixon Advisory & Superannuation Services Limited (**DASS**) (see Section 6.7) are either (i) withdrawn or discontinued by ASIC or (ii) settled or determined for an amount less than \$10 million (**ASIC Proceedings** and the **ASIC Proceedings Condition** – see Bidder's Statement, Annexure 1 – Condition F).

As EP1 has previously announced, DASS will defend the ASIC Proceedings.<sup>6</sup> It is your Directors' firm view that DASS's approach to responding to the ASIC Proceedings should not change as a result of the Offer.

The date for commencement of a court trial for the ASIC Proceedings is currently unknown. A case management hearing has been relisted to be heard on 16 April 2021. Based on legal advice EP1 expects that it will take a considerable period of time for these proceedings to be resolved. The most recent publicly available data indicates the average time to a court decision from initiation of civil proceedings by ASIC is 19 months.<sup>7</sup>

360 Capital has determined that its Offer will close on 3 March 2021, being the statutory minimum period for which its Offer must remain open. Although in certain circumstances 360 Capital can extend the Offer period, by law the Offer cannot be open for more than 12 months, meaning that the latest date for which the Offer can remain open is 2 February 2022.

Figure 1: Offer Timetable and Average Time to Civil Court Decision



6. EP1 ASX announcement 4 September 2020, 'Commencement of proceedings by ASIC against DASS'.

7. ASIC Annual Report 2018-19. The relevant statistic was not released by ASIC in its 2019-20 Annual Report.

# 1. Your Directors' evaluation of the Offer

Continued

If the ASIC Proceedings – which commenced in September 2020 – take the average length of time most recently disclosed by ASIC, they would not be determined until March 2022 at the earliest, i.e., well after the current expiry date of 360 Capital's Offer (3 March 2021) and beyond the latest possible Offer closing date if extended (2 February 2022).

While it is possible that the ASIC Proceedings may be resolved prior to the expiry of the Offer, given the facts noted above, your Directors consider that the ASIC Proceedings Condition is unlikely to be satisfied within the maximum permitted 12 month Offer period. Consequently, unless 360 Capital waives this condition the Offer is essentially illusory.

Whether 360 Capital retains or waives the ASIC Proceedings Condition is a matter for it alone. However your Directors note that 360 Capital has already demonstrated it is willing to rely on offer conditions to abandon an announced offer, as happened with the First Offer which it withdrew on 11 December 2020. Further, the fact that the ASIC Proceedings Condition represents a new condition specific to the current Offer (i.e., it was not a condition of the First Offer) suggests that it may not readily be waived by 360 Capital.

In addition, one Condition (namely, Condition G which prohibits any distributions after 11 December 2020) has already been triggered as a result of the EP1 Board declaring a fully franked interim dividend on 19 February 2021 of \$0.02 per EP1 Share.

Therefore, as the date of this Target's Statement, there is one Condition that your Directors consider is highly unlikely to be satisfied (the ASIC Proceedings Condition) and another Condition that has already been triggered (namely, the no distributions Condition): see further Section 5.2 for your Directors' views on the status of these and the other eight Conditions and the likelihood of them being satisfied.

Accordingly, your Directors believe the Offer delivers 360 Capital a free call option over the shares of any accepting EP1 Shareholder. Critically, if you accept the Offer while it remains subject to the ASIC Proceedings Condition, the no distributions condition (and any of the eight other conditions), you will be prevented from otherwise dealing with your EP1 Shares<sup>8</sup> (including selling them on market) or receiving Offer Consideration.

8. Subject to any applicable acceptance withdrawal right. In summary, if the offer period is extended by more than 1 month (or by a cumulative period of more than 1 month) while the offer remains conditional, any EP1 Shareholder who accepted the Offer before the extension is entitled to withdraw their acceptance.

**REASON #2**

**The Offer Consideration is fundamentally unattractive given it is predominantly TGP Stapled Securities.**

The majority of the Offer Consideration is TGP Stapled Securities,<sup>9</sup> which means it is critical to consider both 360 Capital's prospects on a standalone basis, as well as the industrial logic and potential value implications of combining EP1 and 360 Capital. Having carefully reviewed these factors, your Directors unanimously believe the Offer Consideration is fundamentally unattractive.

**a. 360 Capital has a substantially different investment profile than EP1, and its move to become a multi-asset class fund manager is embryonic and uncertain.**

It is important that EP1 Shareholders understand that 360 Capital and its group executive management have a heritage as domestic real estate investors and asset traders. 360 Capital sold the bulk of its legacy real estate funds management platform in 2017, then initially refocused on real estate principal investing and certain other asset management activities.

360 Capital has only recently decided to enter public equity, private equity, and credit asset management, signalling this change in its strategy in 2019. In fiscal 2020 360 Capital only generated \$6.68 million of revenue from continuing operations, of which just \$1.06 million was from funds management and the remainder from underwriting, principal investments, and balance sheet holdings. In comparison, EP1 has a long history in operating as an integrated wealth management (E&P Wealth segment), institutional and corporate solutions (E&P Capital segment), and funds management (E&P Funds segment) company. In fiscal 2020 EP1 produced \$191.8 million of net revenue, split \$88.3 million in E&P Wealth, \$45.6 million in E&P Capital, and \$57.9 million in E&P Funds.

Your Directors unanimously believe that 360 Capital's experience and track record outside of domestic real estate investing are embryonic and that both its strategy and capability as a multi-asset class fund manager are uncertain. By receiving TGP Stapled Securities as part of the Offer Consideration, any accepting EP1 Shareholder will be assuming a significant exposure to a company with a substantially different investment profile than EP1 standalone.

**b. There is no strategic rationale or industrial logic for a combination with 360 Capital nor any clear financial benefits, such as synergies, for EP1 Shareholders.**

In relation to funds management, the only EP1 segment that 360 Capital intends to retain 100% ownership of, EP1 has an established, solid track record as a direct equity manager, with nine of its current twelve equity funds outperforming their relevant benchmark since inception.<sup>10</sup>

9. Based on the closing price of TGP Stapled Securities on 2 February 2021 of \$0.91.

10. Past performance is not a reliable indicator of future performance.



# 1. Your Directors' evaluation of the Offer

Continued

**Figure 2: EP1 Equity Funds – Funds Under Management and Performance**

PERFORMANCE TO 31 DECEMBER 2020	INCEPTION DATE	3 YEARS (P.A.)		5 YEARS (P.A.)		SINCE INCEPTION (P.A.)	
		RETURN	VS BENCH- MARK	RETURN	VS BENCH- MARK	RETURN	VS BENCH- MARK
<b>Managed Account Portfolio Performance</b>							
Evans and Partners Australian Equities Growth Portfolio <sup>11</sup>	16 Mar 2011	13.3%	5.3%	12.48%	2.7%	12.7%	2.9%
Evans and Partners Equities Income Portfolio <sup>12</sup>	16 Mar 2011	6.9%	(1.1%)	8.6%	(1.5%)	10.7%	0.9%
Evans and Partners Australian Zero Tax Portfolio <sup>13</sup>	01 Jan 2011	11.3%	3.2%	11.9%	1.8%	11.7%	2.4%
Evans and Partners International Focus Portfolio <sup>14</sup>	20 May 2011	17.5%	6.9%	15.2%	4.2%	17.6%	4.8%
Evans and Partners Global Disruption Portfolio <sup>15</sup>	01 Sep 2016	25.5%	14.9%	n/a	n/a	26.3%	14.2%
Evans and Partners Global Healthcare Portfolio <sup>16</sup>	08 Nov 2018	n/a	n/a	n/a	n/a	8.6%	(1.3%)
Sprott Gold Portfolio <sup>17</sup>	9 Nov 2020	n/a	n/a	n/a	n/a	(10.9%)	(3.5%)
<b>Managed Fund Performance</b>							
Evans and Partners International Fund <sup>18</sup>	18 Feb 2014	16.1%	5.4%	13.8%	2.8%	13.7%	2.0%
Evans and Partners International Fund (Hedged) <sup>19</sup>	18 Feb 2014	14.4%	5.8%	15.3%	4.0%	13.0%	2.6%
Orca Global Disruption Fund <sup>20</sup>	25 Jul 2017	24.3%	13.7%	n/a	n/a	24.4%	12.1%
Orca Global Fund <sup>21</sup>	6 Jul 2018	n/a	n/a	n/a	n/a	10.2%	(0.3%)
Orca Asia Fund <sup>22</sup>	14 May 2018	n/a	n/a	n/a	n/a	8.2%	0.7%

Note 1 – past performance is not a reliable indicator of future performance.

Note 2 – S&P/ASX indices are published by S&P Dow Jones, a division of S&P Global. MSCI Indices are published by MSCI Inc. NYSE Indices are published by the New York Stock Exchange. None of SP Global, MSCI Inc and the New York Stock Exchange have consented to the use of references to their respective indices in this Target's Statement.

11. Benchmarked against S&P/ASX200 Accumulation Index including franking assumed at 75%. Performance does not include investment management fees and incorporate any benefit from imputation credits.

12. Benchmarked against S&P/ASX200 Accumulation Index including franking assumed at 75%. Performance does not include investment management fees and incorporate any benefit from imputation credits.

13. Benchmarked against S&P/ASX200 Accumulation Index including franking assumed at 75%. Performance is before management fees, with franking credits accounted for on pay date.

14. Benchmarked against MSCI All Countries World Accumulation Index ex-Australia (AUD). Performance excludes investment management fees.

15. Benchmarked against MSCI All Countries World Index (AUD). Performance excludes investment management fees.

16. Benchmarked against MSCI World Health Care Net TR Index (AUD). Performance excludes investment management fees.

17. Benchmarked against NYSE Arca Gold Miners Index (AUD). Performance excludes investment management fees.

18. Benchmarked against MSCI AC World Accumulation Index ex-Aust (AUD).

19. Benchmarked against MSCI AC World Accumulation Index ex-Aust (AUD) (hedged).

20. NTA performance, benchmarked against MSCI AC World Index (Net, AUD). All returns are total returns, inclusive of reinvested distributions. NTA returns are net of fees and costs.

21. NTA performance, benchmarked against MSCI World Index (Net, AUD). All returns are total returns, inclusive of reinvested distributions. NTA returns are net of fees and costs.

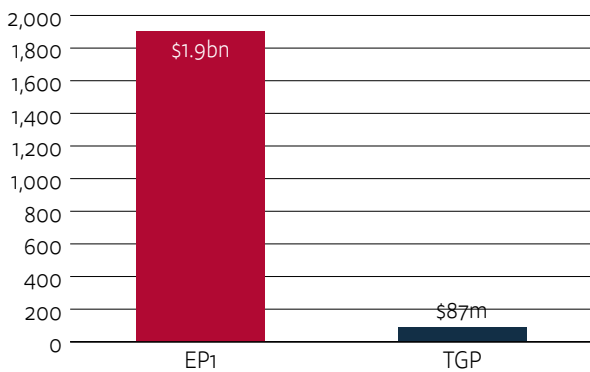
22. NTA performance, benchmarked against MSCI Asia Japan Index (Net, AUD). All returns are total returns, inclusive of reinvested distributions. NTA returns are net of fees and costs.

As previously announced,<sup>23</sup> the Board believes the medium-term growth of EP1's Funds division will be predominantly through direct equity funds. EP1's various real asset funds have implemented measures over the last 12 months that have enhanced returns and provided an improved platform for ongoing performance and liquidity for investors. EP1 will continue to implement initiatives in the real assets business aimed at optimising long-term outcomes for both fund investors and EP1 Shareholders.

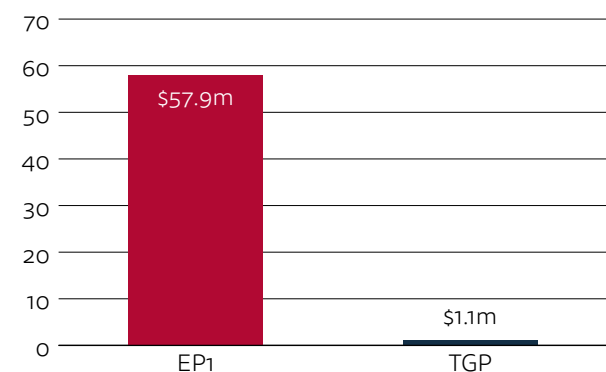
Given the comparatively small scale and early stage of 360 Capital's direct equity efforts (and its funds management operations and revenues overall relative to EP1), your Directors expect it is highly unlikely that there will be material synergies or other operational benefits from a combination that would put EP1's direct equity fund management operations in a more advantageous position than that which your Directors believe EP1 will achieve on an independent, standalone basis. Critically, EP1 and 360 Capital have fundamentally different business models in funds management and 360 Capital has not provided any details as to how it would try to enhance the operations of EP1's E&P Funds segment.

**Figure 3: Comparison of Selected EP1 and 360 Capital Funds Management Metrics**

**Equities Funds Under Management  
(External Client Funds, as at 30 June 2020) \$m**



**Net Funds Management Revenue  
(FY2020) \$m**



Neither before announcing its Offer nor subsequently has 360 Capital approached EP1 to discuss and quantify potential synergies or other expected benefits from a combination. Based on public information (being the only available source of information in these circumstances), your Directors cannot identify any reasonable basis to support 360 Capital's assertion that there will be between \$10.0 million to \$20.0 million in cost savings from the combination. In particular, neither in its Bidder's Statement nor in any subsequent public announcement has 360 Capital provided details, calculations, or assumptions to support its stated estimate of synergies. Consequently, those estimates cannot be assessed or verified by the EP1 Board and management team.

Accordingly, your Directors believe there is no strategic rationale or industrial logic for a combination with 360 Capital nor any clear financial benefits to EP1 Shareholders.

23. EP1 ASX announcement 27 February 2020, '1H20 Results Presentation'.

# 1. Your Directors' evaluation of the Offer

Continued

- C.** There are material integration and business risks associated with combining EP1 and 360 Capital, including 360 Capital's stated but undeveloped intention to sell between 40% and 80% of E&P Wealth and E&P Capital, which are likely to negatively impact the value of the Offer Consideration.

The uncertain and destabilising nature of the Offer carries substantial risks for any accepting EP1 Shareholder.

First, your Directors have concerns and reservations about the experience and ability of 360 Capital to successfully integrate and effectively operate an equity funds management business that is substantially larger and more complex than that currently managed by 360 Capital. This represents a significant risk to the future earnings power of EP1's E&P Funds segment should it be owned by 360 Capital.

Secondly, your Directors believe that both E&P Wealth's and E&P Capital's earnings would be at material risk if 360 Capital achieves control (or effective control) of EP1 at the conclusion of its Offer, regardless of whether 360 Capital proceeds with its stated but undeveloped intention to sell between 40% and 80% of these two segments or wholly retains the two businesses.

In FY2020, 66% of EP1's Underlying EBITDA<sup>24</sup> was generated by its E&P Wealth and E&P Capital (corporate and institutional services) divisions. These two segments are the core of EP1's standalone business model going forward, and there is considerable integration between the two segments as well as with E&P Funds. In contrast to EP1's strategy to continue to profitably grow these core segments for the full benefit of EP1 Shareholders, 360 Capital intends to sell between 40% and 80% of E&P Wealth and E&P Capital to an as yet unidentified third party.

Despite this intention, in its Bidder's Statement 360 Capital admits it has not had substantive discussions with potential buyers nor that it has reasonably informed views on potential value, likely stake disposal size, or how any such sale may improve the performance of these two business divisions. It follows that there is no guarantee that a buyer, should one emerge at an acceptable value, will have experience or operations in either of these core EP1 divisions or that any synergies or other operational benefits would result from a transaction (should one happen).

**Figure 4: E&P Wealth and E&P Capital**

	ESTABLISHED, SCALE OPERATIONS & TRACK RECORD			COMBINATION BENEFITS	RISK OF BUSINESS DETERIORATION UNDER 360 CAPITAL OFFER
	EP1	360 CAPITAL	THIRD PARTY PARTNER		
<b>E&amp;P Wealth</b>	✓ 40% FY20 Underlying EBITDA <sup>24</sup>	X	?	?	Very high
<b>E&amp;P Capital (corporate and institutional services)</b>	✓ 26% FY20 Underlying EBITDA <sup>24</sup>	X	?	?	Very high

24. Before corporate costs.

As for 360 Capital's suggestion that a potential buyer of E&P Wealth or E&P Capital could be the management and other employees of these businesses, your Directors confirm that as at the date of this Target's Statement senior executives of EP1 have indicated no interest in pursuing such a transaction with 360 Capital.

360 Capital does not offer any wealth management or have scale corporate and institutional services and its group executive management do not have a sustained track record or experience in either of these markets. Accordingly, your Directors unanimously consider it highly unlikely that there would be any synergies or operational benefits if 360 Capital fails to sell a stake in these segments and instead fully retains and operates these two core businesses.

As 360 Capital itself acknowledges in its Bidder's Statement,<sup>25</sup> EP1's success depends to a significant extent on its relationships with clients, reputation for integrity and high calibre professional services, and retention of skilled personnel and key senior executives. In this context, it is important to note that feedback provided to your Directors by EP1's senior executives across all three operating segments confirms there is a fundamental lack of support for the Offer on their part, which accentuates the uncertain and destabilising nature of the Offer.

As noted above, there is a level of integration between each of EP1's segments. A significant amount of EP1's funds under management are sourced from E&P Wealth clients. Your Directors believe that under both partial sale and 360 Capital retention scenarios for E&P Wealth and E&P Capital there is a risk of a material decline in assets under management due to the potential loss of key E&P Funds personnel or decoupling from E&P Wealth, which in turn could have a material adverse impact on the performance and value of EP1's E&P Funds segment under 360 Capital ownership.

In summary, your Directors unanimously believe there are significant integration and business risks if 360 Capital achieves control (or effective control) of EP1 at the conclusion of its Offer. These risks are likely to have a materially adverse operational and financial impact on all three of EP1's segments and consequently negatively impact the value of TGP Stapled Securities after any combination, which comprise more than 50% of the Offer Consideration.

25. Bidder's Statement page 42.



# 1. Your Directors' evaluation of the Offer

Continued

## REASON #3

**The 360 Capital Offer materially undervalues EP1 given its medium- to long-term prospects. EP1 is successfully executing on its refocused strategy and progressing initiatives to drive value creation.**

Your Directors believe that you are an owner of a highly credentialled business with an attractive outlook as an independent company. Not only do your Directors unanimously believe that 360 Capital's Offer is inherently flawed in terms of strategic logic and that it creates significant risks for any accepting EP1 Shareholders, they also consider that 360 Capital's Offer materially undervalues EP1 given its medium- to long-term prospects as an independent company.

Your Directors unanimously believe EP1 has a strong platform in Australian financial services with a significant opportunity over the medium- to long-term for profitable growth on a standalone basis. Further, your Directors unanimously believe EP1 is successfully executing on its refocused strategy and progressing initiatives to drive value creation for all EP1 Shareholders.

Over the past 18 months EP1 has embarked on a significant strategic evolution, including a change of senior management, the strengthening of governance arrangements, and refocusing on the Company's core strengths and competitive advantages.

The near-term benefits of EP1's strategic actions can be seen in its preliminary 1H21 result and fully franked interim dividend announced on 19 February 2021. EP1 delivered a solid underlying result from its core businesses and continued implementing its structural change projects and growth initiatives, with good progress achieved despite COVID-19 delays. Further your Directors have reinstated EP1's dividend given both the materially improved macro environment and EP1's positive operating momentum, declaring a fully franked dividend of 2.0 cents per EP1 Share.

In FY2020, EP1 successfully worked to address legacy issues and review its operating cost base. For example, EP1 implemented a 20% reduction in workforce in 1H20 and achieved meaningful cost savings through initiatives such as eliminating process duplication and rationalising its property footprint.

EP1 is now well positioned to sustainably grow its business in the medium term and has turned its efforts to executing on growth initiatives across each of its three segments:

- in E&P Wealth, the single integrated and scalable advice platform is expected to enable EP1 to profitably grow its client base. For example, recent market volatility has reinforced the value of trusted advice to existing clients and unlocked new opportunities, and the establishment of a retail offering has been positively received by its clients;
- within E&P Capital there is significant growth potential from targeted investment in its research, corporate, and institutional businesses, better enabling the segment to leverage its already strong industry and client relationships as demonstrated by transaction activity recovering strongly during the 6 months to December 2020; and
- the E&P Funds division is benefiting from expanding and diversifying the distribution platform for its strongly performing high conviction direct equities portfolios. For example, the E&P Funds business has recently secured independent research ratings and third-party wealth platform listings.

Your Directors unanimously consider that EP1 Shares are worth substantially more than both the implied value of the Offer of \$0.662 as at the date the Offer was announced and the implied value of the Offer of \$0.648 as at 16 February 2021, adjusted for subsequently declared dividends. Your Board considers that the factors set out in this Section 1.2, together with the strategic outlook and growth opportunities of EP1 described above support its view that the Offer is materially inadequate and does not reflect fair value for your EP1 Shares.

**In summary, your Directors are optimistic about EP1's standalone prospects, particularly given the measurable progress to date. Having formed the view that there is no strategic rationale for a combination with 360 Capital nor clear financial benefits to EP1 Shareholders but rather a material risk that 360 Capital's strategy will erode value, your Directors unanimously believe EP1's standalone prospects will deliver superior value over the medium- to long-term to shareholders than the Offer.**

### ADDITIONAL REASONS TO REJECT

**The terms and conditions of 360 Capital's Offer beyond the ASIC Proceedings Condition result in further material risks for any accepting EP1 Shareholders.**

#### The Offer is highly conditional, being subject to 10 conditions in total

- EP1 Shareholders will only receive the Offer Consideration if all 10 Conditions are satisfied or are waived by 360 Capital at its sole discretion. As at the date of this Target's Statement, 360 Capital has not waived any of these Conditions and none of the Conditions has been satisfied. Therefore, while the Offer remains subject to any Conditions, EP1 Shareholders who accept the Offer will lose the ability to deal with their EP1 Shares including selling them on-market, except in certain limited circumstances.
- In addition to the ASIC Proceedings Condition discussed above, your Directors believe that there is a material risk that a number of the other Conditions may not be satisfied or may be triggered and therefore are likely to require waiver if 360 Capital's Offer is to proceed. In fact, one Condition has already been triggered (namely, Condition G which prohibits any distributions after 11 December 2020), thereby immediately entitling 360 Capital to abandon its Offer in similar manner to its previous abandonment of the First Offer. See Section 5.2 of this Target's Statement for an analysis of the nature of the Conditions and their impact on the prospects of the Offer proceeding.
- The absence of a minimum acceptance condition creates significant uncertainty about the likely level of ownership of EP1 by 360 Capital at the conclusion of the Offer. As noted above, feedback to your Directors from EP1 senior executives is not supportive of the Offer. Shareholders who hold or control approximately 41.40% of EP1's Shares, including EP1's Directors, have already informed the Board that they intend to **REJECT** 360 Capital's unsolicited Offer on its current terms.<sup>26</sup> This includes shareholders representing the top 40 employee shareholders of EP1 and 10 of the 25 largest non-employee EP1 shareholders (excluding 360 Capital).

#### Potential downward pressure on price of TGP Stapled Securities

- The maximum number of TGP Stapled Securities which would be required to be issued to EP1 Shareholders under the Offer is approximately 81.4 million<sup>27</sup>. This represents an increase of approximately 35.5% in 360 Capital's current issued share capital. As there is no capacity for EP1 Shareholders to elect to receive 100% cash for their EP1 Shares under the Offer, there is a risk that some EP1 Shareholders who accept the Offer may not intend to hold their TGP Stapled Securities in the long term.
- Those former EP1 Shareholders may instead seek to realise the cash value of their TGP Stapled Securities by selling them on market. If there is a large number of former EP1 Shareholders who seek to sell their TGP Stapled Securities received under the Offer within a short period after the Offer closes, this may place significant downward pressure on the market price of TGP Stapled Securities. There is a material risk that the implied value of the Offer will not reflect the realisable value shareholders could receive after they are issued with new TGP Stapled Securities.

#### Scrip-for-scrip rollover relief unlikely to be available

- For any accepting EP1 Shareholders to benefit from scrip-for-scrip rollover relief from capital gains tax, 360 Capital must own at least 80% of the voting shares in EP1 at the conclusion of the Offer. There is no guarantee that 360 Capital will achieve this level of acceptance because the Offer has no minimum acceptance condition and Shareholders who hold or control approximately 41.40% of EP1's Shares, including EP1's Directors, have already informed the Board that they intend to **REJECT** 360 Capital's unsolicited Offer on its current terms.<sup>28</sup> This includes shareholders representing the top 40 employee shareholders of EP1 and 10 of the 25 largest non-employee EP1 shareholders (excluding 360 Capital).
- Accordingly, it is uncertain whether scrip-for-scrip rollover relief from capital gains tax will be available to EP1 Shareholders. If scrip-for-scrip rollover relief is not available, this may result in a potential capital gains tax liability in relation to the scrip component of the Offer Consideration for EP1 Shareholders who accept the Offer (in addition to any liability in relation to the cash component). See Section 7 of this Target's Statement for further details of the tax consequences of 360 Capital's Offer.

26. All written statements received by EP1 from Shareholders of their intention to reject the Offer based on its current terms and conditions reserve the right to change that intention if the Offer Consideration is improved or if the conditionality of the Offer changes).

27. Based on 234.6 million EP1 Shares on issue but excluding the 45.9 million EP1 Shares currently held by 360 Capital. In section 4.1 of its Bidder's Statement, 360 Capital states that the maximum number of TGP Capital Stapled Securities which would be required to be issued to EP1 Shareholders under its Offer is approximately 81.4 million.

28. All written statements received by EP1 from Shareholders of their intention to reject the Offer based on its current terms and conditions reserve the right to change that intention if the Offer Consideration is improved or if the conditionality of the Offer changes.

# 2.

**EP1's response  
to inaccurate  
or misleading  
statements  
by 360 Capital**



## 2. EP1's response to inaccurate or misleading statements by 360 Capital

Following a detailed review of 360 Capital's Bidder's Statement, your Directors believe that there are a number of materially misleading statements and other information deficiencies in the Bidder's Statement. Your Directors further believe that those information deficiencies disadvantage EP1 Shareholders and their capacity to make a fully informed decision as to whether or not to accept 360 Capital's Offer.

The table below contains your Directors' response to inaccurate or misleading statements made by 360 Capital in its Bidder's Statement:

360 CAPITAL'S CLAIM	EP1'S RESPONSE
<p>1 <b>Stated reason to accept: Offer reflects an attractive implied value and premium</b></p>	<p>Your Directors consider that the implied value and premium calculations in the Chairman's Letter and at page 8 of the Bidder's Statement are inaccurate and misleading in the following respects:</p> <ul style="list-style-type: none"> <li>▪ 360 Capital asserts that its current Offer represents a 9% increase to its First Offer. The calculation of the asserted 9% increase is misleading as it is based on closing prices for TGP Stapled Securities on different dates; namely, 4 January 2021 for the current Offer and 26 October 2020 for the First Offer.</li> <li>▪ The Takeovers Panel makes clear in its guidance that the method used to calculate premiums needs to be on a like-for-like basis. Therefore, when comparing the premium that the current Offer represents to the First Offer, 360 Capital should have used the closing price of TGP Stapled Securities on the same date and applied this consistently to the current Offer and the First Offer. Under this like-for-like approach, based on the closing price of TGP Stapled Securities on 4 January 2021 (\$0.905), the implied value of the current Offer is \$0.662, compared to the implied value of the First Offer at \$0.626 (both before adjusting for any declared or paid dividends). This represents a premium of only 5.7% over the First Offer.</li> <li>▪ The Takeovers Panel also makes it clear in its guidance that particular care is needed with premia calculations where, as is the case here, the target's shares are thinly traded. TGP Stapled Securities are also thinly traded – with only 3.2% of issued securities traded each month on average over the past year – which diminishes the overall utility of specific point in time premiums calculations referenced in its Bidder's Statement. 360 Capital has failed to disclose that TGP Stapled Securities are thinly traded.</li> <li>▪ Although 360 Capital notes that the implied value of its Offer will vary depending on the prevailing price of TGP Stapled Securities, 360 Capital does not give any indication of the recent historical range of its market prices. For example, 360 Capital does not disclose the highest and lowest closing prices of TGP Stapled Securities in the four months before the date of lodgement of the Bidder's Statement with ASIC, ASX and EP1 on 18 January 2021. The highest price during that four month period was \$0.965 and the lowest price was \$0.800. This broad range highlights the significant potential fluctuation in the implied value of the Offer and in turn reinforces the limited utility of specific point in time premiums calculations referenced in 360 Capital's Bidder's Statement.</li> </ul>



## 2. EP1's response to inaccurate or misleading statements by 360 Capital

Continued

360 CAPITAL'S CLAIM	EP1'S RESPONSE
<p>2. <b>Stated reason to accept: exposure to 360 Capital's operating earnings</b></p>	<ul style="list-style-type: none"> <li>▪ This stated reason to accept is misleading by virtue of 360 Capital's own disclosure that all figures presented with respect to this reason – particularly the pro forma operating earnings – are before the Proposed Restructure which 360 Capital intends to implement, being the intended sale of between 40% and 80% of the E&amp;P Wealth and E&amp;P Capital divisions.</li> <li>▪ 360 Capital has also included synergies in the pro forma operating earnings, but your Directors cannot identify any reasonable basis to support 360 Capital's assertion that there will be between \$10 million to \$20 million in cost savings from the combination. 360 Capital has not provided details, calculations, or assumptions to support its estimate of synergies, so they cannot be verified by the EP1 Board and management team.</li> <li>▪ Further, 360 Capital has failed to acknowledge that its experience and track record outside of domestic real estate investing are embryonic and both its strategy and capability as a multi-asset fund manager is uncertain, which present material risks to its standalone operating earnings.</li> </ul>
<p>3. <b>Stated reason to accept: significantly increased scale, market capitalisation and improved balance sheet composition</b></p>	<ul style="list-style-type: none"> <li>▪ This stated reason to accept is misleading by virtue of 360 Capital's own disclosure that all figures presented with respect to this reason are before the Proposed Restructure which 360 Capital intends to implement, being the intended sale of between 40% and 80% of the E&amp;P Wealth and E&amp;P Capital divisions.</li> <li>▪ This stated reason to accept is also misleading by virtue of the fact that all of the supporting figures are presented in a manner that presuppose 100% ownership of EP1. Your Directors consider that this is a highly unrealistic hypothetical scenario, given that the Offer is not subject to a minimum acceptance condition and does not have the support of Directors, senior executives comprising or representing the top 40 employee shareholders of EP1 and other shareholders who collectively control 41.40% of the total number of EP1 Shares on issue.</li> </ul>
<p>4. <b>Stated reason to accept: performance comparative</b></p> <p><i>'The recent performance of certain E&amp;P funds has been poor. Examples include:</i></p> <ol style="list-style-type: none"> <li>1. <i>US Masters Residential Property Fund Unit (ASX: URF) which has had an 85% decrease in its security price.</i></li> <li>2. <i>New Energy Solar (ASX: NEW) which has had a 40% decrease in security price.</i></li> </ol>	<ul style="list-style-type: none"> <li>▪ The two examples are highly selective and self-serving, referencing only the two most underperforming funds among a portfolio of 17 different investment strategies.</li> <li>▪ No reference is made to EP1's highly performing funds, such as (by way of example) the Global Disruption Portfolio, which since its inception in September 2016 has delivered an average annual return of 26.3%; the International Focus Portfolio, which since inception in May 2011 has delivered an average annual return of 17.6% or the Australian Equities Growth Portfolio, which since inception in March 2011 has delivered an average annual return of 12.7% (see Figure 2: EP1 Equity Funds – Funds Under Management and Performance). Note – past performance is not a reliable indicator of future performance.</li> <li>▪ There is also no acknowledgement in the Bidder's Statement that past performance (including in respect of the 360 Capital's purported turnaround experience) is not a reliable indicator of future performance. ASIC guidance states that a promotion with information about past performance has a greater risk of being misleading unless it draws attention (unambiguously and without reservation) to the fact that past performance will not necessarily be repeated.</li> </ul>

360 CAPITAL'S CLAIM	EP1'S RESPONSE
<p>5. <b>Stated reason to accept: strong alignment of interest with 360 Capital</b></p> <p><i>'Eligible Shareholders will receive TGP Securities and will benefit from 360 Capital's experience. Staff and key management personnel own 34% of TGP and will be strongly aligned to TGP Securityholders.'</i></p>	<ul style="list-style-type: none"> <li>▪ The statement that <i>'staff and key management personnel own 34% of TGP'</i> is misleading in that it does not disclose that 360 Capital's Managing Director Mr Tony Pitt holds nearly 30% points of that 34%, meaning that other staff and key management personnel only own less than 5% of TGP.</li> <li>▪ Accordingly, the asserted <i>'strong alignment'</i> with TGP Securityholders is manifestly overstated.</li> <li>▪ Further, 360 Capital appears to suggest, by implication, that EP1 staff and management are not aligned with EP1 Shareholders, when in fact EP1 staff and management own over 30% of EP1's Shares and there is a comparatively broader distribution (for example, the largest individual staff and management shareholder of EP1 is the Executive Chairman Mr David Evans who holds 6.7% of EP1, compared to 360 Capital whose Managing Director Mr Tony Pitt holds nearly 30% of 360 Capital).</li> </ul>
<p>6. <b>Stated reason to accept: 'The Bidder is the largest E&amp;P Shareholder and this substantially reduces the likelihood of a competing proposal emerging'</b></p>	<ul style="list-style-type: none"> <li>▪ The fact that the Bidder is the largest EP1 shareholder is entirely irrelevant to the merits of the Offer and is not a reason to accept the Offer.</li> <li>▪ Your Directors unanimously consider that 360 Capital opportunistically acquired its existing shareholding in EP1 during a period of heightened uncertainty resulting from COVID-19 and also coinciding with the Company's announcement of the ASIC Proceedings, and that the First Offer (since withdrawn) and now this Offer are an extension of that opportunistic behaviour. Since 360 Capital's initial investment in August 2020, the business environment has improved considerably and each of EP1's three business divisions has strengthened its operating momentum. Your Directors unanimously believe that the continued implementation of growth initiatives is better able to be achieved without 360 Capital increasing its existing investment in EP1 under the terms of its current Offer.</li> <li>▪ There are many market examples where a competing bidder has emerged and was not deterred by the presence of a first bidder with a significant pre-bid shareholding in the target. For example, in 2017, Asia Pacific Data Centres received a competing all cash bid from NextDC subsequent to an initial, all cash takeover proposal from 360 Capital which had a pre-existing interest in the target of approximately 19.8%. This example, featuring 360 Capital as the initial bidder, illustrates that in the context of the current Offer the presence of 360 Capital as the largest shareholder and current bidder is not an impediment to a competing proposal emerging and ultimately proving successful nor does this reduce the likelihood of a competing proposal emerging.</li> <li>▪ There are also many other similar market examples that support the proposition that competing bidders are not deterred by the existence of a first bidder with a large pre-existing stake in the target.<sup>29</sup></li> </ul>
<p>7. <b>Stated reason to accept: the trading price of E&amp;P shares may fall if shareholders do not accept</b></p>	<ul style="list-style-type: none"> <li>▪ As 360 Capital itself acknowledges in its Bidder's Statement,<sup>30</sup> this is difficult to predict with any degree of certainty.</li> <li>▪ Many factors influence the market price of the securities of an ASX listed entity.</li> </ul>

29. In 2020, ASX listed OptiComm received a competing all cash takeover bid from Aware Super subsequent to an initial, recommended cash and scrip takeover bid from UnitiGroup which had a pre-existing 19.5% interest in OptiComm. In 2013, ASX listed Warrnambool Cheese & Butter received two competing offers from Saputo and Murray Goulburn subsequent to an initial hostile bid from Bega Cheese which had a pre-existing shareholding in Warrnambool Cheese of approximately 18%. Saputo was ultimately the successful bidder.

30. See page 10 of Bidder's Statement.

# 3.

Frequently  
asked questions



### 3. Frequently asked questions

This Section answers some questions you may have about the Offer. It is not intended to address all relevant issues for EP1 Shareholders. This Section should be read in conjunction with all other parts of this Target's Statement.

QUESTION	ANSWER
The Offer	
<p><b>What is 360 Capital offering for my EP1 Shares?</b></p>	<p>The stated Offer is \$0.30 cash plus 0.40 TGP Stapled Securities for every EP1 Share you hold, less any dividends declared or paid after 11 December 2020.</p> <p>On 19 February 2021 EP1 declared a fully franked interim dividend of \$0.02 per EP1 Share, which will be paid to all persons registered as EP1 Shareholders on the record date of 6 April 2021. EP1 Shares will trade ex-dividend from 1 April 2021.</p> <p>Therefore:</p> <ol style="list-style-type: none"> <li>If you acquired EP1 Shares <b>before the ex-dividend date</b> of 1 April 2021 and you accept the Offer for those EP1 Shares: <ul style="list-style-type: none"> <li>you will be paid by EP1, the fully franked interim dividend of \$0.02 per EP1 Share on 15 April 2021 (irrespective of the outcome of the Offer); and</li> <li>you will be paid by 360 Capital <b>\$0.28 cash and 0.40 TGP Stapled Securities</b> per EP1 Share (if and only if the conditions to the Offer are satisfied or waived by 360 Capital at its sole discretion); and</li> </ul> </li> <li>If you acquired EP1 Shares <b>on or after the ex-dividend date</b> of 1 April 2021 and you accept the Offer for those EP1 Shares: <ul style="list-style-type: none"> <li>you will <b>not be entitled</b> to the fully franked interim dividend of \$0.02 cents per EP1 Share; and</li> <li>you will be paid <b>\$0.28 cash and 0.40 TGP Stapled Securities</b> per EP1 Share from 360 Capital (if and only if the conditions to the Offer are satisfied or waived by 360 Capital at its sole discretion).</li> </ul> </li> </ol> <p>To the extent EP1 declares or pays any future dividends during the Offer Period, the Offer consideration will be further reduced as described above.</p>
<p><b>Who is 360 Capital?</b></p>	<p>360 Capital describes itself as an ASX-listed alternative asset investment and funds management group. In fact, 360 Capital is a stapled entity comprising 360 Capital Group Limited ABN 18 113 569 136 and 360 Capital FM Limited ABN 15 090 664 396 (AFSL 221474) as responsible entity of the 360 Capital Investment Trust ARSN 104 552 598.</p>
<p><b>Did EP1 have any knowledge of 360 Capital's intention to make its Offer?</b></p>	<p>No. The Offer was unsolicited and made without any prior notice to or consultation with EP1. 360 Capital previously announced an unsolicited takeover offer with different consideration on 27 October 2020. 360 Capital abandoned that First Offer on 11 December 2020 and replaced it with the current Offer.</p>

## 3. Frequently asked questions

Continued

QUESTION	ANSWER
<p><b>What choices do I have in response to the Offer?</b></p>	<p>As a Shareholder you have the following three choices in respect of your EP1 Shares:</p> <ul style="list-style-type: none"> <li>▪ <b>REJECT</b> the Offer and remain a EP1 Shareholder – to reject the Offer simply do nothing – ignore all documents sent to you by 360 Capital. This option is your Directors' unanimous recommendation;</li> <li>▪ sell your EP1 Shares on the ASX (unless you have previously accepted the Offer and you have not validly withdrawn your acceptance); or</li> <li>▪ accept the Offer by following the instructions set out in the section entitled "How to accept this TGP Offer" and section 11.4 of the Bidder's Statement.</li> </ul> <p>There are implications for you in relation to each of these choices. An outline of these implications is set out in Section 4 of this Target's Statement.</p>
<p><b>Will EP1 remain listed on the ASX?</b></p>	<p>That depends on the outcome of the Offer.</p> <p>Assuming the Offer is successful and 360 Capital acquires 90% of EP1 Shares, 360 Capital has said that it will proceed to compulsory acquisition, which will result in EP1 being delisted. If 360 Capital controls more than 50.1% but less than 90% of EP1 Shares, 360 Capital may seek to remove EP1 from the official list of ASX. See Section 5.7 for further details.</p>
<p><b>Does the Offer extend to EP1 Options or Rights?</b></p>	<p>No.</p> <p>However, the Offer will extend to all new EP1 Shares that are issued following the exercise or vesting of the EP1 Options.</p> <p>The impact of the Offer on EP1 Options is set out in Section 5.12 of this Target's Statement.</p> <p>As at the date of this Target's Statement, there are 14,785,056 EP1 Options on issue.</p>
<p><b>What are the implications of the Offer for participants in EP1's Loan Funded Share Plan?</b></p>	<p>The impact of the Offer for participants in the Loan Funded Share Plan is set out in further detail in Section 5.13 of this Target's Statement.</p>
<p>How to respond to the Offer</p>	
<p><b>What do your Directors recommend?</b></p>	<p>Your Directors unanimously recommend that you <b>REJECT</b> the Offer, for the reasons set out in Section 1 of this Target's Statement.</p> <p>If there is a change to this recommendation or any material developments in relation to the Offer, EP1 will keep you fully informed.</p>
<p><b>What do your Directors intend to do with their own Shares?</b></p>	<p>Each of your Directors intends, for all EP1 Shares held by or on behalf of them or in which they otherwise have a relevant interest, to act in accordance with their recommendation from time to time to Shareholders. As at the date of this Target's Statement, your Directors unanimously recommend that you <b>REJECT</b> the Offer for the reasons set out in Section 1 of this Target's Statement.</p>



QUESTION	ANSWER
<p><b>When do I have to make a decision?</b></p>	<p>If you wish to follow your Directors' recommendation to <b>REJECT</b> the Offer, you do not need to do anything. You should simply <b>IGNORE</b> all documents received from 360 Capital.</p> <p>If you wish to accept the Offer, you must do so before its scheduled closing date. 360 Capital has stated that its Offer remains open until 7.00pm (Sydney time) on 3 March 2021. 360 Capital has reserved the right to extend the Offer Period in accordance with the Corporations Act. In addition, the Offer Period may be extended automatically in certain circumstances. See Section 5.9 of this Target's Statement for details of the circumstances in which the Offer Period can be extended.</p>
<p><b>Will 360 Capital improve its Offer?</b></p>	<p>360 Capital has not declared its Offer to be final. Accordingly, it remains open for 360 Capital to improve its Offer if it chooses.</p> <p>However, EP1 cannot say whether 360 Capital will in fact improve its Offer as this is a matter for 360 Capital.</p>
<p><b>What happens if 360 Capital improve its Offer or another offer emerges?</b></p>	<p>If 360 Capital improves its Offer or another offer emerges, your Directors will carefully consider the revised offer and advise Shareholders accordingly.</p>
<p><b>What happens if I accept the Offer and a superior offer is subsequently made by a third party for my EP1 Shares?</b></p>	<p>If you accept the Offer, you are only able to withdraw your acceptance in the following limited circumstance: if 360 Capital varies its Offer in a way that postpones for more than one month the time by which 360 Capital must meet its obligations under its Offer, for example, by extending the Offer Period for more than one month while the Offer remains conditional.</p> <p>Accordingly if you accept the Offer, you may be unable to accept any superior offer that may emerge. As at the date of this Target's Statement, your Directors are not aware of any other competing expression of interest or proposal that may develop into a superior offer.</p>
<p><b>What happens if I do nothing?</b></p>	<p>You will remain an EP1 Shareholder.</p> <p>If 360 Capital acquires between 50% and 90% of EP1 Shares, you will be a minority shareholder in EP1. The implications of this outcome are described in Section 5.6 of this Target's Statement.</p> <p>If 360 Capital acquires 90% or more of EP1's Shares, 360 Capital states that it intends to compulsorily acquire your EP1 Shares. See Section 5.8 of this Target's Statement for more details.</p>
<p><b>What are the risks associated with continuing to hold EP1 Shares?</b></p>	<p>Those risks are outlined in Section 6.7 of this Target's Statement.</p>
<p><b>If I accept the Offer now, can I withdraw my acceptance later?</b></p>	<p>You only have limited rights to withdraw your acceptance of the Offer.</p> <p>You may only withdraw your acceptance if 360 Capital varies its Offer in a way that postpones the period 360 Capital is required to satisfy its obligations by more than one month and the Offer is still subject to one or more Conditions. This will occur if 360 Capital extends the Offer Period by more than one month while the Offer is still subject to any Condition.</p>

### 3. Frequently asked questions

Continued

QUESTION	ANSWER
<b>Can 360 Capital extend the closing date of its Offer?</b>	<p>Yes. This applies even though at the time of your acceptance the Offer remains highly conditional, with no assurance that the Conditions will ever be satisfied or waived. 360 Capital has stated that its Offer remains open until 7.00pm (Sydney time) on 3 March 2021, unless it is withdrawn or extended under the Corporations Act. 360 Capital has reserved the right to extend the Offer Period in accordance with the Corporations Act.</p> <p>In addition, the Offer Period may be extended automatically in certain circumstances. See Section 5.11 of this Target's Statement for details of the circumstances in which the Offer Period can be extended.</p>
<b>Can I be forced to sell my EP1 Shares?</b>	<p>You cannot be forced to sell your EP1 Shares unless 360 Capital is legally allowed to proceed to compulsory acquisition of EP1 Shares. This requires 360 Capital to acquire at least 90% of all EP1 Shares (under the Offer or otherwise) and to then elect to proceed to compulsorily acquire the outstanding EP1 Shares.</p> <p>If 360 Capital does compulsorily acquire the outstanding EP1 Shares following its acquisition of at least 90% of EP1 Shares under the Offer, you will receive the same Offer Consideration for your EP1 Shares that you would have received under the Offer, but it will take longer for you to receive the Offer Consideration.</p> <p>For more information about compulsory acquisition refer to Section 5.8 of this Target's Statement.</p>
<b>Can I accept the Offer for only some of my EP1 Shares?</b>	<p>No. The terms of the Offer allow you to accept the Offer for only <b>all</b> of your EP1 Shares. Special rules apply to nominees and others holding shares for different accounts.</p>
<b>When will I receive the Offer Consideration if I accept the Offer?</b>	<p>It is important to understand that even if you accept the Offer, you will not receive any cash or TGP Stapled Securities unless all of the Conditions are satisfied or waived. As the Offer currently remains conditional, there is no assurance that you will receive the Offer Consideration if you accept the Offer. You will simply lose control of your EP1 Shares.</p> <p>If the Offer becomes unconditional, you will receive your Offer Consideration 7 Business Days after the date of your acceptance of the Offer or, if the Offer is subject to a Condition when you accept the Offer, within 10 Business Days after the contract arising from your acceptance of the Offer becomes unconditional. Refer to section 11.5 of the Bidder's Statement for further details on when you will receive your Offer Consideration from 360 Capital if (and only if) the Offer becomes unconditional.</p>
<b>Will I need to pay brokerage if I accept the Offer?</b>	<p>In certain circumstances, brokerage or other transactional fees or services charges will apply to your acceptance of the Offer. Please refer to Section 11.13 of the Bidder's Statement for further details.</p>
<b>Are there any taxation implications of accepting the Offer?</b>	<p>A general outline of the tax implications for EP1 Shareholders of accepting the Offer is set out in Section 7 of this Target's Statement. As that outline is general in nature and does not take into account your individual circumstances, you should not rely on that outline as advice for your particular circumstances.</p> <p>You should seek your own independent advice on the taxation implications applicable to your specific circumstances.</p>

QUESTION	ANSWER
<b>Offer Conditions and their implications</b>	
<b>Are there any conditions to the Offer?</b>	<p>Yes, the Offer is highly conditional, being subject to 10 conditions including the withdrawal or discontinuation by ASIC or the settlement or determination for an amount less than \$10 million of the legal proceedings ASIC has brought against DASS. Please refer to Section 5.2 of this Target's Statement for a discussion of each of the 10 Conditions and their implications.</p> <p>To receive the Offer Consideration, all of the 10 Conditions must be waived by 360 Capital at its sole discretion or satisfied before the Closing Date of the Offer.</p>
<b>Are there any risks of accepting the Offer while it is still conditional?</b>	<p>Yes. If you accept the Offer now while it is subject to Conditions, there are significant consequences for you including that:</p> <ul style="list-style-type: none"> <li>▪ you will give up your rights to sell your EP1 Shares on ASX or to otherwise deal with them (for example, by accepting any superior offer from another bidder if such an offer is made), subject to your right to withdraw your acceptance of the Offer in certain circumstances; and</li> <li>▪ you will relinquish control of your EP1 Shares and the Rights attaching to them to 360 Capital with no guarantee of payment until the Offer becomes unconditional, subject to your right to withdraw your acceptance of the Offer in certain circumstances.</li> </ul>
<b>What happens if I accept the Offer and the Conditions are not satisfied or waived?</b>	<p>If the Conditions are not satisfied and 360 Capital has not waived the Conditions before the end of the Offer Period, the Offer will lapse and your acceptance of the Offer will be void and of no effect whatsoever. This in turn means that:</p> <ul style="list-style-type: none"> <li>▪ you will not receive any Offer Consideration from 360 Capital; and</li> <li>▪ you will continue to own your EP1 Shares and you will then be free to deal with them.</li> </ul>
<b>How will I know when the Offer is unconditional?</b>	<p>360 Capital is required to inform EP1, ASX and Shareholders as soon as any Conditions are satisfied or waived.</p> <p>Notices from 360 Capital will be available on the ASX website at <a href="http://www.asx.com.au">www.asx.com.au</a> (ASX code: TGP). These notices will also be available on the EP1's ASX company announcement platform (ASX code: EP1).</p> <p>360 Capital has set 24 February 2021 as the date on which it will give EP1 and ASX a notice required by law on the status of the Offer Conditions. This date may be extended if the Offer Period is extended.</p>
<b>General</b>	
<b>I am an overseas Shareholder. How does the Offer affect me?</b>	<p>If you are an Ineligible Foreign Shareholder and accept the Offer, you will not be entitled to receive TGP Stapled Securities. Instead the TGP Stapled Securities to which you would otherwise be entitled will be sold by a nominee approved by ASIC and the net proceeds of sale paid to you (in addition to any cash component of the Offer Consideration).</p>
<b>What if I have further questions?</b>	<p>You should contact your legal, financial, taxation or other professional adviser. If you have any questions about the Offer or this document please call the EP1 Information Line on 1300 158 729 Monday to Friday between 9.00am and 5.30pm (Sydney time).</p>

# 4.

Your choices  
as an EP1  
Shareholder



## 4. Your choices as an EP1 Shareholder

Your Directors unanimously recommend that you **REJECT** the Offer.

However, as an EP1 Shareholder you have three choices currently available to you:

### 1. Reject the Offer

To **REJECT** the Offer, you should do nothing. This is the course of action unanimously recommended by your Directors as at the date of this Target's Statement.

You are not required to take any action to reject the Offer. In particular, you should not complete or return the Acceptance Form that accompanied the Bidder's Statement nor should you respond to any documentation sent to you by 360 Capital or any other communication from 360 Capital (including telephone solicitation or canvassing by 360 Capital or its representatives).

If you decide to do nothing, you should be aware of the risks associated with rejecting the Offer, including the rights of 360 Capital to compulsorily acquire your EP1 Shares in certain circumstances. For further information on these risks, refer to Section 5.5(a) of this Target's Statement.

### 2. Sell Your EP1 Shares on ASX

During the Offer Period, you may sell your EP1 Shares on-market through ASX at the prevailing market price for cash (less any brokerage), provided you have not already accepted the Offer for those Shares.

The latest trading price for EP1 Shares may be obtained from the ASX website [www.asx.com.au](http://www.asx.com.au) using the code 'EP1'.

If you sell your EP1 Shares on-market, you will receive the consideration for that sale of your Shares sooner than if you accept 360 Capital's Offer. If you sell your EP1 Shares on-market, you:

- will lose the ability to accept 360 Capital's Offer and receive the Offer Consideration (and any possible increase in the Offer Consideration) in relation to those Shares;
- will lose the ability to accept any offer from a competing bidder if one eventuates;
- may be liable for Capital Gains Tax on the sale;
- may incur a brokerage charge; and
- will lose the opportunity to receive future returns from EP1 in relation to those EP1 Shares.

You should contact your broker for information on how to sell your EP1 Shares through ASX and your tax adviser to determine your tax implications from such a sale.



## 4. Your choices as an EP1 Shareholder

Continued

### 3. Accept the Offer

EP1 Shareholders who accept 360 Capital's Offer:

- will not receive the Offer Consideration unless and until each of the 10 Conditions of the Offer are satisfied or waived (and noting that the cash component of the Offer Consideration is now reduced from \$0.30 per EP1 Share to \$0.28 due to the declaration of the fully franked interim dividend of \$0.02 per EP1 Share on 19 February 2021);
- will not receive the fully franked interim dividend of \$0.02 if they acquired their EP1 Shares on or after the ex-dividend date of 1 April 2021;
- will not be able to withdraw their acceptance and sell their EP1 Shares, meaning that they would not be able to accept any offer from a competing bidder if one eventuates, except in certain limited circumstances. See Section 5.11 of this Target's Statement;
- may be liable to pay tax on the disposal of their EP1 Shares which may have financial consequences for some EP1 Shareholders. See Section 7 of this Target's Statement for further details of the tax consequences of the Offer; and
- will exit their investment in EP1 completely and will not benefit if the market price for EP1 Shares on the ASX trades above the Implied Offer Value.

If 360 Capital increases the Offer Consideration, all EP1 Shareholders, whether or not they have already accepted 360 Capital's Offer before then, will be entitled to receive the increased Offer Consideration if they accept the Offer and the Offer becomes unconditional.

For directions on how to accept the Offer, please refer to page 11 of the Bidder's Statement under the heading 'How to accept this TGP Offer'.

If you are a participant in EP1's Loan Funded Share Plan and wish to accept the Offer, you should contact the trustee (plan administrator), E&P Employee Investments Pty Limited, on +61 2 8662 9729.

# 5.

**Information  
about the  
Offer and other  
important issues**

## 5. Information about the Offer and other important issues

### 5.1 Summary of the Offer

<b>The Offer</b>	<p>360 Capital is offering to acquire all of your EP1 Shares.</p> <p>You may accept the Offer for only <b>all</b> of your EP1 Shares. You cannot accept the Offer for <b>part</b> of your holding.</p>
<b>Offer Consideration</b>	<p>The stated Offer is \$0.30 cash plus 0.40 TGP Stapled Securities for every EP1 share you hold, less any dividends declared or paid after 11 December 2020.</p> <p>On 19 February 2021 EP1 declared a fully franked interim dividend of \$0.02 per EP1 Share, which will be paid to all persons registered as EP1 Shareholders on the record date of 6 April 2021. EP1 Shares will trade ex-dividend from 1 April 2021.</p> <p>Therefore:</p> <ol style="list-style-type: none"> <li>a. If you acquired EP1 Shares <b>before the ex-dividend date</b> of 1 April and you accept the Offer for those EP1 Shares, you will be paid: <ul style="list-style-type: none"> <li>▪ you will be paid by EP1 the fully franked interim dividend of 2.0 cents per EP1 share on 15 April 2021 (irrespective of the outcome of the Offer); and</li> <li>▪ you will be paid by 360 Capital <b>\$0.28 cash and 0.40 TGP Stapled Securities</b> per EP1 Share (if and only if the conditions to the Offer are satisfied or waived by 360 Capital at its sole discretion); and</li> </ul> </li> <li>b. If you acquired EP1 Shares <b>on or after the ex-dividend date</b> of 1 April and you accept the Offer for those EP1 Shares: <ul style="list-style-type: none"> <li>▪ you will <b>not be entitled</b> to the fully franked interim dividend of 2.0 cents per EP1 Share; and</li> <li>▪ you will be paid by 360 Capital <b>\$0.28 cash and 0.40 TGP Stapled Securities</b> per EP1 Share from 360 Capital (if and only if the conditions to the Offer are satisfied or waived by 360 Capital at its sole discretion).</li> </ul> </li> </ol> <p>To the extent EP1 declares or pays any future dividends the Offer will be further adjusted as described above.</p>
<b>Ineligible Foreign Shareholders</b>	<p>EP1 Shareholders resident outside Australia, its external territories or New Zealand are not entitled to receive TGP Stapled Securities under the Offer.</p> <p>If you are an Ineligible Foreign Shareholder, you accept the Offer and the Offer is or becomes unconditional you will receive the net cash proceeds of sale of the TGP Stapled Securities to which you would otherwise be entitled (in addition to any cash component of the Offer. See Section 5.10 of this Target's Statement for further details.</p>
<b>Implied Offer Value</b>	<p>The Implied Offer Value of the Offer is A\$0.648 for every EP1 Share.<sup>31</sup></p> <p>EP1 Shareholders should be aware that the Implied Offer Value may vary depending on the underlying price at which TGP Stapled Securities trade.</p>
<b>Conditions</b>	<p>The Offer remains highly conditional. See 5.2 of this Target's Statement for details.</p> <p>The Offer Consideration will only be received if all of the Conditions of the Offer are waived by 360 Capital at its sole discretion or are satisfied.</p>

31. Based on the closing price of TGP Stapled Securities of \$0.92 on 16 February 2021 and reflecting the reduction in the cash component of the Offer Consideration from \$0.30 per EP1 Share to \$0.28 per EP1 Share to reflect the interim dividend of \$0.02 per EP1 Share announced on 19 February 2021 by EP1 as part of its unaudited results for the half year ended 31 December 2020.

<b>360 Capital has not yet declared its Offer final</b>	<p>360 Capital has not declared its Offer final. Accordingly, it remains open for 360 Capital to increase the Offer Consideration, which 360 Capital may at its discretion choose to do, including (but not limited to) following any negotiation with the EP1 Board or in response to any competing takeover or other similar proposal being announced by a third party.</p> <p>If 360 Capital increases the Offer Consideration, all EP1 Shareholders, whether or not they have already accepted 360 Capital's Offer before then, will be entitled to receive that increased Offer Consideration if they accept the Offer and the Offer is or becomes unconditional.</p> <p>Nevertheless, there are still substantial risks in accepting 360 Capital's Offer particularly while it remains conditional. See Section 5.2 of this Target's Statement for further details.</p>
<b>Offer closing date</b>	<p>360 Capital's Offer is scheduled to close at 7.00pm (Sydney time) on 3 March 2021 unless 360 Capital's Offer is extended or withdrawn.</p>
<b>Procedural aspects</b>	<p>The Offer Period may be extended by 360 Capital.</p> <p>The Offer Period may be required by law to be extended in certain circumstances.</p> <p>360 Capital's Offer may be withdrawn in limited circumstances.</p> <p>360 Capital must notify EP1 and the ASX on the status of Conditions by a certain date.</p> <p>If you accept 360 Capital's Offer and all of the Conditions are satisfied or waived, 360 Capital is required to provide your Offer Consideration within a certain timeframe.</p> <p>These and other procedural aspects of 360 Capital's Offer are outlined in Section 5.11 of this Target's Statement.</p>

## 5.2 Conditions of 360 Capital's Offer

The Offer is subject to 10 Conditions which are set out in full in Annexure 1 to the Bidder's Statement.

Unless all of these Conditions are satisfied or are waived by 360 Capital before the end of the Offer Period,<sup>32</sup> the Offer will lapse and no consideration will be received by any EP1 Shareholders who have accepted the Offer. Furthermore EP1 Shareholders who accept the Offer will lose the ability to deal with their EP1 Shares including by accepting any potential higher competing offer, except in certain limited circumstances.

When considering how these Conditions might affect the prospects of success of the Offer, you should be aware of the following matters as more fully set out in the table below:

- many of the Conditions are wholly or partly out of EP1's control;
- there is no certainty as to whether the Conditions will be satisfied or waived by EP1;
- many of the Conditions require EP1 to take (or refrain from taking) various actions, where satisfying those Conditions may not be in the interests of EP1 Shareholders; and
- one Condition has already been triggered (see Condition G in the table below), thereby immediately entitling 360 Capital to (once again) abandon its Offer in similar manner to its previous abandonment of the First Offer.

32. Or in the case of Condition H No Prescribed Occurrences, by the end of three Business Days after the end of the Offer Period.



## 5. Information about the Offer and other important issues

Continued

CONDITION (ADOPTING THE CONDITION NUMBERING IN ANNEXURE 1 TO THE BIDDER'S STATEMENT)*	LIKELY TO BE SATISFIED?
<p>A <b>No material adverse change:</b> between 11 December 2020 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 the Bidder which alone or in aggregate with any other Change, would result in and/or would reasonably be likely to result in:</p> <ul style="list-style-type: none"> <li>i. the value of the consolidated net assets of E&amp;P being reduced by at least \$10 million; or</li> <li>ii. a material adverse effect on the business, assets, liabilities, financial position or performance, profitability or prospects of E&amp;P.</li> </ul>	<p>Unknown. Nothing has come to the attention of the Board which indicates that this Condition will not be satisfied. However unforeseen events may emerge during the Offer Period which are wholly or partially outside of EP1's control and which may lead to a breach of this Condition.</p>
<p>B. <b>Change of control consent:</b> Before the end of the Offer Period, every person (other than the Bidder and its associates) who, as a result of the making of the Offer, the acquisition of EP1 Shares by the 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 is a party or is bound, to:</p> <ul style="list-style-type: none"> <li>i. terminate, vary the terms of or accelerate the performance of obligations under a Material Contract;</li> <li>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 E&amp;P with a value of more than \$10.0 million in aggregate; or</li> <li>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 E&amp;P or a subsidiary of E&amp;P,</li> </ul> <p>provides to E&amp;P and to the Bidder in writing a binding, irrevocable and unconditional waiver or release of that right.</p>	<p>Potentially not. As set out in Section 5.3, the Offer may trigger certain change of control clauses in Material Contracts (as that term is defined in the Bidder's Statement) which may lead to a breach of this Condition during the Offer Period. In addition, your Directors consider that:</p> <ul style="list-style-type: none"> <li>a. it is unrealistic and onerous to expect the broad universe of counterparties to which this condition applies to provide a <i>'binding, irrevocable and unconditional waiver or release of that right'</i>;</li> <li>b. it is unreasonable to expect any commercial counterparty to provide an <i>'unconditional'</i> waiver or release of a contractual arrangement for no commercial benefit in exchange. Given the breadth of the definition of <i>'Material Contract'</i> in the Bidder's Statement, the condition places the responsibility squarely on EP1 to undertake a review of its contractual arrangements to identify which contracts the condition potentially applies to and for EP1 to then proceed to seek a <i>'binding, irrevocable and unconditional waiver or release'</i> from each counterparty to which the condition potentially applies; and</li> <li>c. the publicly stated requirement for this waiver or release and/or the process of seeking the waiver or release provides the counterparties with leverage to seek to renegotiate terms – any such variation in terms would trigger the defeating condition.</li> </ul>



CONDITION (ADOPTING THE CONDITION NUMBERING IN ANNEXURE 1 TO THE BIDDER'S STATEMENT)*	LIKELY TO BE SATISFIED?
<p>C. <b>Other regulatory approvals:</b> 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 and the Bidder has obtained on an unconditional basis all approvals required by law or by any Authority as are necessary for the Offer to be made to and accepted by EP1 Shareholders.</p>	<p>Unknown, however 360 Capital states in its Bidder's Statement that it is not aware of any regulatory approvals it requires. If any regulatory approvals are in fact required, this Condition is wholly outside EP1's control.</p>
<p>D. <b>No further regulatory action:</b> between 11 December 2020 and the end of the Offer Period there is no regulatory application, preliminary or final decision or other action by an Authority that restrains, impedes or prohibits the making of the Offer or the acquisition of EP1 Shares under the Offer.</p>	<p>Unknown. This Condition is wholly outside EP1's control.</p>
<p>E. <b>No litigation:</b> Before the end of the Offer Period, neither EP1 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.</p>	<p>Unknown. Nothing has come to the attention of the Board which indicates that this Condition will not be satisfied. However unforeseen events may emerge during the Offer Period which are wholly or partially outside of EP1's control and which may lead to a breach of this Condition.</p> <p>Your Directors note that:</p> <ul style="list-style-type: none"> <li>▪ this condition is vague and uncertain – it captures 'threatened' claims etc which 'may result' in a liability; and</li> <li>▪ this condition overlaps with condition A (no material adverse change) – this overlap reinforces the highly conditional nature of the Offer.</li> </ul>
<p>F. <b>ASIC proceedings:</b> Before the end of the TGP Offer Period, the ASIC Proceedings are:</p> <ol style="list-style-type: none"> <li>i. withdrawn or discontinued by ASIC; or</li> <li>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).</li> </ol>	<p>Unlikely to be satisfied within the maximum 12 month duration of the Offer Period for the reasons set out in Section 1 (reason (1)). As noted there, the date for commencement of a court trial for the proceedings is currently unknown. A case management hearing has been relisted to be heard on 16 April 2021. Based on legal advice EP1 expects that it will take a considerable period of time for the proceedings to be resolved. The most recent publicly available data indicates the average time to a court decision from initiation of civil proceedings by ASIC is 19 months.<sup>33</sup></p> <p>360 Capital has determined that its Offer will close on 3 March 2021. Although in certain circumstances 360 Capital can extend the Offer period, by law the Offer cannot be open for more than 12 months, meaning that the latest date that the Offer can remain on foot until is 2 February 2022.</p>

33. ASIC Annual Report 2018-19. The relevant statistic was not released by ASIC in its 2019-20 Annual Report.

## 5. Information about the Offer and other important issues

Continued

CONDITION (ADOPTING THE CONDITION NUMBERING IN ANNEXURE 1 TO THE BIDDER'S STATEMENT)*	LIKELY TO BE SATISFIED?
<p>G. <b>Restrictions on distributions:</b> Between 11 December 2020 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).</p>	<p>Already triggered.</p> <p>As announced on 19 February 2021, the EP1 Directors have declared a fully franked interim dividend of 2.0 cents per EP1 Share in accordance with the EP1 dividend policy. The dividend is to be paid on 15 April 2021. Therefore, this constitutes a breach of Offer condition G, which requires that no dividend be declared or made between 11 December 2020 and the end of the Offer Period.</p> <p>360 Capital has not indicated whether it will waive this condition.</p> <p>The terms of the Offer also provide that 360 Capital is entitled to deduct the amount of certain 'rights' received by EP1 Shareholders (which includes the fully franked interim dividend) from the cash component of the Offer Consideration. This will have the net effect of reducing the cash amount of the consideration payable to you if you accept the Offer (and the Offer is or becomes unconditional) by the amount of the dividend that has been paid.</p>
<p>H. <b>No prescribed occurrences:</b> Between 11 December 2020 and the end of the Offer Period, no Prescribed Occurrence occurs.</p>	<p>Potentially not.</p> <p>The definition of Prescribed Occurrence in the Bidder's Statement captures 13 events relating to changes in EP1's capital structure or insolvency type events affecting EP1.</p> <p>Prescribed occurrence (iv) captures any issue of new Shares. Therefore, this prescribed occurrence would be triggered if any new Shares are issued on a valid exercise of existing options or rights to acquire Shares. EP1 is subject to an existing legal obligation to deliver Shares on any valid exercise of existing options. The fulfilment of that obligation may include having to issue new Shares. Such an issue can occur at any time as existing options or rights vest.</p> <p>The same prescribed occurrence extends to the granting of an option over shares as well as an agreement to issue shares or to grant options. Refer to the concerns expressed below in relation to Condition J.</p> <p>Other than as set out above in relation to the potential issue of new Shares and/or the grant of options or rights, nothing has come to the attention of the Board which indicates that this Condition will not be materially satisfied.</p>

CONDITION (ADOPTING THE CONDITION NUMBERING IN ANNEXURE 1 TO THE BIDDER'S STATEMENT)*	LIKELY TO BE SATISFIED?
<p>I. <b>No break fees:</b> between 11 December 2020 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 proponent of a competing takeover or other similar proposal for EP1.</p>	<p>360 Capital has made an unsolicited, unexpected and highly conditional offer for EP1.</p> <p>While 360 Capital may be able to rely on this Condition to abandon its Offer if EP1 enters into an arrangement with the proponent of any competing offer (should one transpire) that involves the payment of a break fee, inducement fee, cost reimbursement or otherwise, your Directors consider that in such a circumstance the Takeovers Panel is unlikely to invalidate the arrangement provided that it is consistent with the Takeovers Panel's guidance as enunciated in its <i>Guidance Note 7 – Lock-up devices</i>.</p>
<p>J. <b>No grant of rights:</b> Between 11 December 2020 and the end of the Offer Period, EP1 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.</p>	<p>This Condition is likely to be triggered.</p> <p>ASX Listing Rule 7.9 already contains a prohibition on EP1 issuing new securities without shareholder approval within three months of an announced takeover bid unless an exception applies. EP1 has obtained a waiver from ASX so that the three months period is treated as having ended on 27 January 2021, being three months after the announcement of the First Offer (as opposed to three months after the announcement of the current Offer).</p> <p>Resolution 6 was strongly supported by shareholders (other than 360 Capital) at the 2020 AGM. This fortifies the EP1 Board's view that the grant of options or similar rights to officers and employees is an important retention and incentive strategy supported by the majority of EP1 Shareholders. Despite EP1's announcement of 18 December 2020 entitled 'Suspension of Employee Share Plans', EP1 has (as that announcement expressly notes) reserved the right to issue options or similar rights in the future, which could be within the 12 month maximum duration of the Offer Period. EP1 is under a contractual obligation (which was entered into prior to the announcement of the First Offer) to issue Rights in April 2021. EP1 intends to honour that contractual obligation. Therefore, if the Offer remains open in mid-April 2021, this Condition will be triggered.</p>

\* This is a summary of Conditions only. The Conditions are set out in full in Annexure 1 to the Bidder's Statement.

Given the number of conditions of the Offer which have been already been triggered or are likely to be triggered or cannot be satisfied, and having regard to the Takeovers Panel's policy on frustrating action, EP1 requests 360 Capital to urgently clarify its position about each relevant condition. EP1 does not presently regard the policy as inhibiting EP1 from conducting its business and pursuing its strategic objectives.

## 5. Information about the Offer and other important issues

Continued

### 5.3 Potential effect of the Offer on EP1's material contracts

EP1 has identified a number of material contracts to which EP1 or a related body corporate of EP1 is a party that contain change of control provisions which may be triggered as a result of the making of the Offer or as a result of acceptances of the Offer.

A summary of the relevant provisions of these agreements is set out below. This information has been included in this Target's Statement because:

- it may impact on the future prospects of EP1 if 360 Capital obtains a relevant interest in more than 50% of EP1 Shares. This may be relevant to EP1 Shareholders who remain as minority Shareholders in EP1; and
- it may be relevant in assessing the likelihood of the *Change of control consent* Condition of the Offer being satisfied or waived. See Annexure 1 (Condition B) of the Bidder's Statement.

The relevant provisions are set out below.

#### 1. Financing arrangements

Under the EP1's corporate debt facility, a review event will occur if there is a change in the persons who control (as defined in section 50AA of the Corporations Act), or one or more persons acquire control of, EP1 (**Review Event**). The occurrence of a Review Event may, in certain circumstances, lead to the lenders having the right to terminate and accelerate the obligation to repay the facility.

#### 2. Lease agreements

The EP1 Group leases several offices and other premises. The lease for the EP1 Group's office at 1 O'Connell Street, Sydney contains a change of control provision which will require E&P Operations Pty Limited (ACN 080 207 076) (**E&P Operations**), a wholly owned subsidiary of EP1, to seek consent from the landlord if a change of control occurs and satisfy the landlord that the Bidder is financially sound and capable of performing all of the obligations of E&P Operations under the lease. The consent of the landlord must not be unreasonably withheld. There are also change of control provisions in the leases for EP1 Group's other offices in Australia and the United States of America.

#### 3. Investment Management Agreements

i. **Orca Funds** – Orca Funds Management Pty Limited (ACN 619 080 045) (**Orca**), a wholly owned subsidiary of EP1 and corporate authorised representative (CAR no. 1255264) of E&P Funds Management Pty Limited ACN 159 902 708; AFSL 450 257 (**E&P Funds Management**), is the investment manager of the following registered managed investment schemes:

- Orca Asia Fund (ARSN 624 216 404);
- Orca Global Fund (ARSN 158 717 072); and
- Orca Global Disruption Fund (ARSN 619 350 042),

(together, the **Orca Funds**).

The Responsible Entity of the Orca Funds is The Trust Company (RE Services) Limited (ACN 003 278 831) (AFSL no. 235 150) (**The Trust Company**).

In the event of a change of control, the terms of the Investment Management Agreement between Orca and The Trust Company permit The Trust Company to convene a meeting of members of each of the Orca Funds to consider passing a special resolution to terminate the appointment of Orca or otherwise remove Orca and appoint a new investment manager of the Orca Funds. For the purpose of this agreement, a 'change of control event' means, in relation to a body corporate, a person obtaining voting power of 20% or more in the body corporate who did not have such voting power as at the date of the agreement.

- ii. **FSREC Property Fund** – Fort Street Real Estate Capital Fund I (ARSN 163 688 346), Fort Street Real Estate Capital Fund II (ARSN 169 190 498) and Fort Street Real Estate Capital Fund III (ARSN 605 335 957) together form a stapled fund known as the FSREC Property Fund. Each fund in the staple consists of a retail managed investment scheme together with underlying sub-trusts. The underlying sub-trusts are wholly or majority owned by the funds. There are Investment Management Agreements in place at the sub-trust levels between the sub-trust trustees and Fort Street Real Estate Capital Pty Limited (ACN 164 101 731) (**FSREC**), a corporate authorised representative (CAR no. 440307) of E&P Funds Management, the investment manager for the FSREC Property Fund.

Each Investment Management Agreement contains a schedule setting out the performance fee methodology and within that schedule there are provisions dictating that the date of a change in the control of the manager becomes the end date of the then current performance fee calculation period, and that calculation period becomes the final calculation period under the Investment Management Agreement. The financial impact of any change in the performance fee calculation period will be inherently uncertain.

#### 4. Shareholders Agreements

- i. **Fort Street Real Estate Joint Venture** – The Fort Street Real Estate Joint Venture is a joint venture between Walker Street Partners Pty Limited (ACN 164 112 396) (**Walker**), a wholly owned subsidiary of EP1, and Fort Street Capital Pty Ltd (ACN 164 101 704) (AFSL no. 497 000) (**FSC**), (together, **FSREC JV Members**). FSC is 50% owned by E&P Operations, a wholly owned subsidiary of EP1, and 50% owned by a non-related shareholder (each a **FSREC JV Member Shareholder**).

The terms of the joint venture are governed by a Shareholders Agreement in relation to the affairs of FSC entered into by the FSREC JV Members and the FSREC JV Member Shareholders. The terms of the agreement provide that if a change of control of EP1 occurs, the non-related FSREC JV Member Shareholder has the right to elect to buy all of the shares in FSC from E&P Operations in accordance with a prescribed buy-out process. Alternatively, the non-related FSREC JV Member Shareholder has the right to require E&P Operations to buy all of the shares in FSC held by the non-related FSREC JV Member Shareholder. The rights of E&P Operations will be suspended if this buy-out process is triggered.

- ii. **CD4** – U.S. Select Private Opportunities Fund IV GP, LLC (**GP**), is the sole general partner of U.S. Select Private Opportunities Fund IV, LP (**LP**). CD Private Equity Fund IV (ARSN 624 474 531) (**CD4**) is a limited partner in the LP. The purpose and operations of the GP are governed by a Limited Liability Company Agreement made between DGP, Inc. a wholly owned subsidiary of EP1, Pratt Street Ventures, LLC, and Sinex Investments, LLC. Under the LLC Agreement, the GP is contractually responsible for selecting and managing the investments of the LP. The GP has engaged E&P Asset Management USA, Inc (a wholly owned subsidiary of E&P Operations), to provide investment advisory services under an investment advisory agreement.

The terms of the LLC Agreement for the GP provide that in the event that Alex MacLachlan, Managing Director & CEO of E&P Funds, and Alan Dixon both cease to hold a senior management role within the EP1 group or ceases to hold authority within the EP1 group (or EP1's successors or assigns) over decision-making by DGP, Inc., then Pratt Street Ventures LLC shall immediately and irrevocably assume the right to vote DGP, Inc's sharing percentage in the GP for the purposes of management and appointment of directors. Alan Dixon no longer holds such a role or authority.

- iii. **CVC Joint Venture** – CVC Emerging Companies Pty Limited (ACN 631 673 740) (**CVCIM**), a corporate authorised representative (CAR no. 1274220) of CVC Managers Pty Ltd (ACN 108 360 372) (AFSL no. 277 740) is a joint venture entity of E&P Funds Group Pty Limited (ACN 159 902 066) (**E&P Funds Group**), a wholly owned subsidiary of EP1, and CVC Limited (ACN 002 700 361) (CVC). CVCIM is the investment manager of the CVC Emerging Companies Fund (ABN 52 649 197 741).

The terms of the agreement between the parties provide that if a change of control occurs in respect of either E&P Funds Group or CVC (each a **CVCIM Shareholder**) (the **Affected CVCIM Shareholder**) without the prior written consent of the other CVCIM Shareholder (the **Non-Affected CVCIM Shareholder**), the Non-Affected Shareholder has the ability to give notice to the Affected Shareholder that it wishes to discontinue the arrangements between the CVCIM Shareholders. Within 25 Business Days after the notice is given, the CVCIM Shareholders must consult in good faith and use reasonable endeavours to agree terms on which the Non-Affected Shareholder who has given notice will sell their shares in CVCIM to the Affected Shareholder. If the CVCIM Shareholders are unable to agree, on the terms of the sale, CVCIM is to be dissolved in an orderly fashion but only after the CVCIM's existing contractual obligations under the investment management agreement are discharged.



## 5. Information about the Offer and other important issues

Continued

### iv. Urban American Joint Venture

- A. **135th Street Manager Venture** – Under the Limited Liability Company Agreement for UA Dixon 523 West 135th Street Manager, LLC (the **135th Street Manager Venture**) by and between E&P Financial Group USA Inc. (formerly known as Dixon Advisory USA Inc.) (the **E&P 135th Street Member**) and Urban American Holdings III, LLC (the **UA 135th Street Member**), the prior written consent of the executive committee of the 135th Street Manager Venture (the **135th Street Executive Committee**), which is jointly controlled by the UA 135th Street Member and the E&P 135th Street Member, is required for the transfer of indirect interests in the E&P 135th Street Member, except where E&P 135th Street Member remains controlled by one or more of Alan Dixon, Alex MacLachlan, Chris Brown, David Orr, Bryan Bullett or Tristan O'Connell (or such other persons consented to by UA 135th Street Member) and certain other conditions are satisfied. In the case of the proposed acquisition of EP1 Shares by 360 Capital, failure to obtain the written consent of the 135th Street Executive Committee may constitute a default under the 135th Street Venture Agreement. In addition, any change to the management of the 135th Street Property would require the consent of the external lender holding the mortgage encumbering the 135th Street Property.
- B. **168th Street Manager Venture** – Under the Limited Liability Company Agreement for UA Dixon 168 Manager LLC (the **168th Street Manager Venture**) by and between E&P Financial Group USA Inc. (formerly known as Dixon Advisory USA Inc.) (the **E&P 168th Street Member**) and Urban American Holdings III, LLC (the **UA 168th Street Member**), the prior written consent of the executive committee of the 168th Street Manager Venture (the **168th Street Executive Committee**), which is jointly controlled by the UA 168th Street Member and the E&P 168th Street Member, is required for the transfer of indirect interests in the E&P 168th Street Member, except where E&P 168th Street Member remains controlled by one or more of Alan Dixon, Alex MacLachlan, Chris Brown, David Orr, Bryan Bullett or Tristan O'Connell (or such other persons consented to by UA 168th Street Member) and certain other conditions are satisfied. In the case of the proposed acquisition of EP1 Shares by 360 Capital, failure to obtain the written consent of the 168th Street Executive Committee may constitute a default under the 168th Street Venture Agreement. In addition, any change to the management of the 168th Street Property may require the consent of the external lender holding the mortgage encumbering the 168th Street Property.
- C. **34th Street Manager Venture** – Under the Limited Liability Company Agreement for UA Dixon 30-58/64 Street Manager, LLC (the **34th Street Manager Venture**) by and between E&P Financial Group USA Inc. (formerly known as Dixon Advisory USA Inc.) (the **E&P 34th Street Member**) and Urban American Holdings III, LLC (the **UA 34th Street Member**), the prior written consent of the executive committee of the 34th Street Manager Venture (the **34th Street Executive Committee**), which is jointly controlled by the UA 34th Street Member and the E&P 34th Street Member, is required for the transfer of indirect interests in the E&P 34th Street Member, except where E&P 34th Street Member remains controlled by one or more of Alan Dixon, Alex MacLachlan, Chris Brown, David Orr, Bryan Bullett or Tristan O'Connell (or such other persons consented to by UA 34th Street Member) and certain other conditions are satisfied. In the case of the proposed acquisition of EP1 Shares by 360 Capital, failure to obtain the written consent of the 34th Street Executive Committee may constitute a default under the 34th Street Venture Agreement. In addition, any change to the management of the 34th Street Property may require the consent of the external lender holding the mortgage encumbering the 34th Street Property.

### 5. Service Agreements

- i. **EaP Managed Accounts** – Evans and Partners Pty Ltd ACN 125 338 785; AFSL 318 075 (**EaP**), a wholly-owned subsidiary of EP1, is the distributor of a white-labelled Managed Account called the Evans and Partners Managed Account (**EaP Managed Account**). The issuer and responsible entity of the EaP Managed Account, which is structured as a registered managed investment scheme (ARSN 128 111 857), is The Trust Company. Within the EaP Managed Account, there are a number of "Model Portfolios" available to investors, which are professionally managed according to a defined investment mandate. EaP has been appointed as investment manager for a number of Model Portfolios.

The terms of the Badging and Distribution Agreement between EaP and The Trust Company permit The Trust Company to terminate the agreement with immediate effect if there is a material change in the ownership or control of EaP.

- ii. **EaP Portfolio Service** – EaP has an Administration and Service Level Agreement in place with Margaret Street Administration Services Pty Ltd (ACN 163 681 678) (**MSAS**) (formerly Linear Administration Services Pty Ltd), a corporate authorised representative (CAR no. 440 581) of Investment Administration Services Pty Limited (ACN 109 199 108) (AFSL no. 284 316) (**IAS**). MSAS and IAS are both members of the Xplore Wealth Limited (ACN 128 316 441) group of companies (**Xplore**). This agreement relates to EaP's non-custodial portfolio service offering (**EaP Portfolio Service**) which includes end of financial year tax reporting, a mailbox service and other administration services.

The terms of the agreement permit either party to terminate the agreement if a change of ownership of the majority of voting rights or other change of control occurs which has not been consented to in writing by the other party. Control has the meaning given to that term in the Corporations Act.

## 5.4 More than half the value of the Offer Consideration comprises TGP Stapled Securities

More than half of the value of the Offer Consideration comprises TGP Stapled Securities.<sup>34</sup> Accordingly EP1 Shareholders should note the following important considerations.

### 1. The value of TGP Stapled Securities is variable

The future trading price of TGP Stapled Securities is uncertain and will be influenced by a wide range of factors. The market price of TGP Stapled Securities, and therefore the implied value of the Offer Consideration, may fall.

In its Bidder's Statement 360 Capital represents the implied value of its Offer as \$0.662 per EP1 Share, based on the closing price of TGP Stapled Securities of \$0.905 on 4 January 2021, being the last trading day prior to the announcement of the Offer.

As a broader comparison, in the 12 months prior to the announcement of the First Offer, the market price of TGP Stapled Securities had closed as low as \$0.65 and as high as \$1.16.

### 2. Risks associated with holding TGP Stapled Securities

Please refer to section 8.1 of the Bidder's Statement for a description of the risks that Shareholders will assume if they accept the Offer and receive TGP Stapled Securities. Many of these risks do not apply to your current investment in EP1 Shares but rather are specific to a holding of TGP Stapled Securities.

### 3. Potential stock overhang

360 Capital states that the maximum number of TGP Stapled Securities which would be required to be issued to EP1 Shareholders under the Offer is approximately 81.4 million.<sup>35</sup> This represents an increase of approximately 35.5% in 360 Capital's current issued share capital. As there is no capacity for EP1 Shareholders to elect to receive 100% cash for their EP1 Shares under the Offer, there is a risk that some EP1 Shareholders who accept the Offer (where the Offer is or becomes unconditional) may not wish to hold their TGP Stapled Securities in the long term. Those Shareholders may instead seek to realise the cash value of their TGP Stapled Securities by selling them on market. If there is a large number of former EP1 Shareholders who seek to sell their TGP Stapled Securities received under the Offer within a short period after the Offer closes, it is reasonable to expect that downward pressure may be placed on the market price of TGP Stapled Securities.

34. Based on the closing price of TGP Stapled Securities on 2 February 2021 of \$0.91.

35. Based on 234.6 million EP1 Shares on issue but excluding the 45.9 million EP1 Shares currently held by 360 Capital. In section 4.1 of its Bidder's Statement, 360 Capital states that the maximum number of TGP Capital Stapled Securities which would be required to be issued to EP1 Shareholders under its Offer is approximately 81.4 million.

## 5. Information about the Offer and other important issues

Continued

### 5.5 Risks associated with the Offer

EP1 Shareholders should be aware of the following key risks associated with the Offer.

#### (a) Risks associated with rejecting the Offer

If you choose to **reject** the Offer, you will not receive the Offer Consideration for your EP1 Shares. Instead you will remain an EP1 Shareholder and will continue to be subject to the risks associated with holding EP1 Shares. A non-exhaustive summary of those risks is set out in Section 6.7 of this Target's Statement.

If you choose to **reject** the Offer and 360 Capital acquires less than 90% of EP1 Shares, you will also be exposed to the minority shareholder risks described in Section 5.6 of this Target's Statement.

#### (b) Risks associated with accepting the Offer

If you accept 360 Capital's Offer, you will be legally bound to sell your EP1 Shares and will not be able to withdraw your acceptance, unless you are offered withdrawal rights (applicable only in limited cases). You may also be liable to pay tax on the disposal of your EP1 Shares which may have financial consequences for some EP1 Shareholders. See Section 7 of this Target's Statement for further details of the tax consequences of accepting the Offer.

Accordingly, if you accept 360 Capital's Offer now, some of the consequences include the following:

- you will give up your right to sell your EP1 Shares on the ASX or otherwise deal with them (relinquishing your right, for example, to participate in a superior offer should one eventuate);
- you will relinquish control of your EP1 Shares and the Rights attaching to them to 360 Capital (including rights to any future dividends or distributions); and
- the consideration payable (if and only if the Offer is or becomes unconditional) will be reduced by the amount of the fully franked interim dividend for each EP1 Share for which you accept the Offer.

The effect of accepting 360 Capital's Offer is set out in section 11.7 of the Bidder's Statement. EP1 Shareholders should read that section in full to understand the effect that acceptance will have on their ability to exercise the Rights attaching to their EP1 Shares and the representations and warranties which they give by accepting 360 Capital's Offer.

In particular, EP1 Shareholders should note that by accepting 360 Capital's Offer in circumstances where the Offer is or becomes unconditional, 360 Capital will be entitled to attend meetings of EP1 and vote on accepting EP1 Shareholders' behalf in respect of their EP1 Shares to defeat resolutions relating to competing offers which may adversely affect the success of 360 Capital's Offer.

In addition, if you accept the Offer, you will no longer be eligible to access the benefits of remaining an EP1 Shareholder. Those benefits include the opportunity to participate in:

- the future value that your Directors expect will be created from EP1 as a result of implementing its new strategy; and
- any potential increase in the EP1 Share price above the Implied Offer Value.

#### (c) 360 Capital may end up with less than a controlling interest in EP1

If the Offer becomes unconditional but 360 Capital does not become entitled to proceed to compulsory acquisition of the EP1 Shares it does not already own, Shareholders who have accepted the Offer will receive TGP Stapled Securities and become shareholders in 360 Capital. In turn 360 Capital will own a controlling interest in, but not 100% of, EP1. Due to the absence of any minimum acceptance condition as part of the Offer, a number of potential outcomes are open:

- 360 Capital could achieve a less than 50% ownership position at the conclusion of its Offer; or
- 360 Capital could achieve an ownership position at the conclusion of its Offer of greater than 50% but less than 90% and therefore not proceed to compulsory acquisition.

In either scenario, the extent to which 360 Capital is able to realise its expected synergy benefits and act in accordance with its intentions regarding EP1, in addition to the liquidity of EP1 Shares, will be influenced by the level of acceptances ultimately received.

## 5.6 Consequences of 360 Capital acquiring less than 90% of EP1

If 360 Capital acquires more than 50% but less than 90% of the EP1 Shares then, assuming all Conditions to the Offer are satisfied or waived, 360 Capital will acquire a majority shareholding in EP1.

In those circumstances, EP1 Shareholders who do not accept 360 Capital's Offer will become minority shareholders of EP1. This outcome has a number of possible implications, including:

- 360 Capital will be in a position to cast the majority of votes at a general meeting of EP1, enabling 360 Capital to control the composition of EP1's board of directors and senior management as well as the strategic direction of EP1 and its subsidiaries;
- the EP1 Share price may fall immediately following the end of the Offer Period although this may be mitigated by the underlying attractiveness of EP1's business;
- the liquidity of EP1 Shares may be lower than at present, and there is a risk that EP1 could be fully or partially removed from certain S&P/ASX market indices due to lack of free float and/or liquidity;
- if the number of EP1 Shareholders is less than that required by the ASX Listing Rules to maintain an ASX listing then 360 Capital may seek to have EP1 removed from the official list of the ASX. If this occurs, EP1 Shares will not be able to be bought or sold on the ASX;
- 360 Capital and EP1 will not be able to form an income tax consolidated group and obtain the benefit of costs synergies of having one taxpayer as opposed to two taxpayers; and
- if 360 Capital does not own at least 80% of the voting shares in EP1 at the conclusion of the Offer, EP1 Shareholders will not be able to benefit from scrip for scrip roll over relief from Capital Gains Tax.

In addition, if 360 Capital acquires 75% or more of the EP1 Shares it will be able to pass a special resolution at a meeting of EP1 Shareholders which, among other things, would enable 360 Capital to pass amendments to EP1's constitution.

If 360 Capital's Offer lapses or if 360 Capital acquires less than 50% of EP1 Shares, the trading price of EP1 Shares may be higher or lower than the implied value of the Offer Consideration. If you remain an EP1 Shareholder in this circumstance, you will continue to enjoy the rewards, and be subject to the risks, of being an EP1 Shareholder.

## 5.7 Potential delisting

360 Capital states in its Bidder's Statement that if it obtains greater than 90% of EP1 Shares, 360 Capital will seek to delist EP1 from ASX. Alternatively, if 360 Capital obtains more than 50.1% but less than 90% of EP1 Shares, 360 Capital states that it may also seek to delist EP1 from ASX.

Therefore, there is a possibility of EP1 being delisted following the Offer. If this occurs, EP1 Shares will not be able to be bought or sold on the ASX.

As at the date of this Target's Statement, your Directors consider that it is highly unlikely that EP1 faces imminent delisting.

**Your Directors wish to emphasise the following important legal protections to Shareholders regarding any potential delisting of EP1:**

- Any decision to apply to the ASX to delist EP1 would need to be made by the EP1 Board, not by 360 Capital as the controlling Shareholder.
- The EP1 Board, including nominee directors appointed by 360 Capital, could only decide to seek a delisting if the Board concludes that this action is in the best interest of EP1 and its Shareholders as a whole, at the relevant time.
- Your Directors currently consider that the disadvantages for Shareholders of delisting outweigh any potential benefits. Therefore, your Directors' current intention would be to vote against any Board proposal to delist EP1 (however, your Directors' views may change depending on future circumstances including the final level of control achieved by 360 Capital at the end of the Offer).
- Even if (a majority of) the Board resolved to delist EP1 from ASX, this action would still require the ASX's consent and is likely to be subject to conditions imposed by ASX, which would be likely to include the approval of EP1 Shareholders by special resolution.

## 5. Information about the Offer and other important issues

Continued

- ASX states<sup>36</sup> that it will use its discretion to ensure that the delisting of any entity is being sought for acceptable reasons. For example, ASX notes that a request to remove an entity from the ASX that is primarily or solely aimed at denying minority shareholders a market for their securities, in order to coerce them into accepting an offer from a controlling shareholder to buy out their securities, would be an unacceptable reason for requesting removal from the official list.
- The ASX applies a number of guidelines to safeguard the interests of minority shareholders in the context of any proposed delisting.
- A key ASX guideline is that the approval of EP1 minority shareholders would most likely be needed for the ASX to allow delisting unless each of the following three conditions are met:
  - (a) 360 Capital has at least 75% control of EP1 at the time delisting is sought; and
  - (b) there are *fewer than 150* EP1 Shareholders (excluding 360 Capital and its related bodies corporate) whose shareholding is worth at least A\$500. As at the date of this Target's Statement, EP1 has approximately 3,375 Shareholders; and
  - (c) the Offer remains open for at least an additional two weeks after 360 Capital attains at least 75% control of EP1.

If, despite the above procedural protections, EP1 is ultimately delisted at some point in the future, any remaining Shareholders would be holders of unquoted shares. A delisting would result in a number of disadvantages for Shareholders such as:

- the absence of an orderly, transparent and timely mechanism for share trading;
- restricted information compared to that currently provided. EP1 would no longer be subject to the continuous disclosure requirements of the ASX Listing Rules. If EP1 remains a public company after delisting and has at least 100 members, EP1 would still be required to disclose material information to ASIC and likely on its website. Nevertheless, the level of shareholder reporting in these circumstances could be diminished; and
- the ceasing of various requirements and protections for minority shareholders under the ASX Listing Rules and the Corporations Act. Examples of provisions that would cease to apply include: restrictions on the issue of new securities, a governance framework for related party transactions, requirements to seek Shareholder approval for significant changes in the nature or scale of EP1's activities and the annual consideration of a remuneration report.

### 5.8 Compulsory acquisition

#### (a) Compulsory acquisition following the Offer

360 Capital states in its Bidder's Statement that if it becomes entitled to proceed to compulsorily acquire outstanding EP1 Shares at the end of the Offer Period under Part 6A.1 of the Corporations Act, it intends to do so.

If you choose to reject the Offer, you will only have your Shares compulsorily acquired if, by the end of the Offer Period, 360 Capital and its associates:

- increases its ownership interest from approximately 19.55% as at the date of this Target's Statement to at least 90% (by number); and
- acquires at least 75% (by number) of the EP1 Shares that 360 Capital offered to acquire (excluding EP1 Shares in which 360 Capital or its associates had a relevant interest at the date of 360 Capital's Offer).

If these thresholds are met, 360 Capital will have one month after the end of the Offer Period within which to give compulsory acquisition notices to Shareholders who have not accepted 360 Capital's Offer.

36. See ASX Guidance Note 33 which sets out ASX's policy in relation to a delisting request.



### **(b) Future compulsory acquisition by 360 Capital**

Even if 360 Capital does not satisfy the compulsory acquisition threshold referred to in Section 5.8(a) of this Target's Statement, it is possible that 360 Capital will, at some time after the end of the Offer Period, become the full beneficial holder of 90% of the EP1 Shares. 360 Capital would then have rights to compulsorily acquire EP1 Shares not owned by it within six months of becoming a 90% holder. The price for compulsory acquisition under this procedure would have to be considered in a report of an independent expert at the relevant time.

### **(c) Challenging compulsory acquisition**

EP1 Shareholders have statutory rights to challenge any compulsory acquisition. However, a successful challenge will require the relevant EP1 Shareholders to establish to the satisfaction of a court that the terms of the Offer do not represent *fair value* for their EP1 Shares.

If EP1 Shares are compulsorily acquired, Shareholders who have their EP1 Shares compulsorily acquired are not likely to receive the Offer Consideration for their EP1 Shares until at least one month after the compulsory acquisition notices are dispatched to them.

## **5.9 Risks of status quo**

If any of the Offer Conditions is not satisfied or waived by the end of the Offer Period, the Offer will lapse and EP1 will remain an independent ASX listed company.<sup>37</sup>

If all of the Offer Conditions are satisfied or waived by the end of the Offer Period but 360 Capital acquires less than 50% control of EP1, EP1 will remain an independent ASX listed company.<sup>38</sup>

If EP1 remains an independent ASX listed company but the Board fails to successfully execute the business improvement initiatives and other strategies it has underway to realise value for Shareholders (refer to Section 1 of this Target's Statement), Shareholders who do not accept the Offer will have foregone the opportunity to realise value for their Shares under the Offer.

## **5.10 Treatment of Ineligible Foreign Shareholders**

Any EP1 Shareholder whose address (as recorded in the register of EP1 Shareholders) is in a place outside Australia or its external territories or New Zealand is not entitled to be issued with TGP Stapled Securities under the Offer.

Instead, the relevant TGP Stapled Securities that would otherwise be transferred to those Shareholders will be issued to a nominee approved by ASIC. The nominee will sell the TGP Stapled Securities as soon as reasonably practicable after the end of the Offer Period in such a manner, at such a price and on such other terms and conditions as are determined by the nominee, and will distribute to each of those Ineligible Foreign Shareholders their proportion of the proceeds of sale net of expenses. This will be in addition to any cash component of the Offer Consideration.

See section 11.2.2 of the Bidder's Statement for further details.

37. Assuming no other competing offer emerges and is not successful.

38. Assuming no other competing offer emerges and is not successful.

## 5. Information about the Offer and other important issues

Continued

### 5.11 Procedural aspects of the Offer

<b>Offer Period</b>	Unless 360 Capital's Offer is extended or withdrawn, it is open for acceptance from 2 February 2021 until 7.00pm (Sydney time) on 3 March 2021.
<b>Extension of the Offer Period</b>	<p>360 Capital may extend the Offer Period at any time before giving the Notice of Status of Conditions (referred to below) while the Offer is subject to Conditions.</p> <p>However, if the Offer becomes unconditional (that is, if all the Conditions are satisfied or waived), 360 Capital may extend the Offer Period at any time before the end of the Offer Period.</p> <p>In addition, there will be an automatic extension of the Offer Period if, within the last seven days of the Offer Period:</p> <ul style="list-style-type: none"> <li>▪ 360 Capital improves the Offer Consideration; or</li> <li>▪ 360 Capital's voting power in EP1 increases to more than 50%.</li> </ul> <p>If either of these two events occur, the Offer Period is automatically extended so that it ends 14 days after the occurrence of the relevant event.</p> <p>The maximum duration of the Offer Period is 12 months.</p>
<b>Notice of status of Conditions</b>	<p>Section 11.6.6 of the Bidder's Statement states that 360 Capital will give a Notice of Status of Conditions to the ASX and EP1 not later than 24 February 2021, subject to variation if the Offer is extended.</p> <p>360 Capital is required to set out in its Notice of Status of Conditions:</p> <ul style="list-style-type: none"> <li>▪ whether 360 Capital's Offer is free of any or all of the Conditions;</li> <li>▪ whether, so far as 360 Capital knows, any of the Conditions have been satisfied; and</li> <li>▪ 360 Capital's voting power in EP1.</li> </ul> <p>If the Offer Period is extended by a period before the current date by which the Notice of Status of Conditions is to be given, the date for giving the Notice of Status of Conditions will be taken to be postponed for the same period. In those circumstances, 360 Capital is required, as soon as practicable after the extension, to give a notice to the ASX and EP1 that states the new date for the giving of the Notice of Status of Conditions.</p> <p>If a Condition is satisfied during the Offer Period but before the date on which the Notice of Status of Conditions is required to be given, 360 Capital must as soon as practicable give the ASX and EP1 a notice that states that the particular Condition has been satisfied.</p> <p>As at the date of this Target's Statement, 360 Capital had not given notice that any of the Conditions had been satisfied or waived.</p>
<b>Withdrawal of Offer</b>	360 Capital may withdraw its Offer at any time but only in limited circumstances with the written consent of ASIC and subject to the conditions (if any) specified in ASIC's consent.

<b>Effect of acceptance</b>	<p>The effect of acceptance of the Offer is set out in section 11.7 of the Bidder's Statement. EP1 Shareholders should read that section in full to understand the effect that acceptance will have on their ability to exercise the rights attaching to their EP1 Shares and the representations and warranties which they give by accepting of the Offer.</p> <p><b>Important!</b> If you accept the Offer while it is conditional you will immediately lose the following rights:</p> <ul style="list-style-type: none"> <li>▪ you lose your right to sell your EP1 Shares on the ASX or otherwise deal with them;</li> <li>▪ you lose your right to participate in a superior offer from another bidder should one emerge; and</li> <li>▪ you lose the right to control your EP1 Shares and the Rights attaching to them and give those Rights to 360 Capital with no guarantee of receiving the Offer Consideration until the Offer becomes unconditional.</li> </ul> <p>In addition, if you accept the Offer, you may also be liable to pay tax on the disposal of your EP1 Shares which may have financial consequences for some EP1 Shareholders. See Section 7 of this Target's Statement for further details of the tax consequences of accepting the Offer.</p>
<b>Limited ability to withdraw your acceptance</b>	<p>If you accept the Offer, you only have limited rights to withdraw your acceptance.</p> <p>You may only withdraw your acceptance of the Offer if 360 Capital varies its Offer in a way that postpones, for more than one month, the time when 360 Capital needs to meet its obligations under the Offer. This will occur if 360 Capital extends the Offer Period by more than one month and the Offer is still subject to Conditions.</p>
<b>Timing for receipt of Offer Consideration if you accept</b>	<p>The terms of the Offer are that no Offer Consideration for any EP1 Shares accepted into the Offer will be made by 360 Capital until the Offer becomes unconditional. As the Offer remains highly conditional, there is no assurance that you will receive any Offer Consideration if you accept the Offer.</p> <p>If the Offer becomes unconditional, you will receive your Offer Consideration 7 Business Days after the date of your acceptance of the Offer or, if the Offer is subject to a Condition when you accept the Offer, within 10 Business Days after the contract arising from your acceptance of the Offer becomes unconditional. Refer to section 11.5 of the Bidder's Statement for further details on when you will receive your Offer Consideration from 360 Capital.</p>
<b>Effect of an improvement in Offer Consideration for Shareholders who have already accepted</b>	<p>If 360 Capital increases the Offer Consideration, all EP1 Shareholders, whether or not they have already accepted 360 Capital's Offer before then, will be entitled to receive that increased Offer Consideration.</p>
<b>Lapse of the Offer</b>	<p>The Offer will lapse if the Conditions are not satisfied or waived by the end of the Offer Period, in which case all contracts resulting from acceptance of the Offer and all acceptances that have not resulted in binding contracts are void. In that situation you will remain a EP1 Shareholder and will be free to deal with your EP1 Shares as you see fit.</p>

## 5. Information about the Offer and other important issues

Continued

### 5.12 Effect of the Offer on EP1 performance rights plan

EP1 operates an options and rights plan as part of its remuneration strategy for executives and employees, being the EP1 Options and Rights Plan.

Under the EP1 Options and Rights Plan, senior executives and other employees may be invited to participate in the issue of rights to acquire EP1 Shares where certain performance hurdles determined by the Board are satisfied (**EP1 Options**). Each EP1 Option entitles the holder to one share upon vesting and exercise. There is no exercise price pertaining to the EP1 Options and an EP1 Option carries no voting or dividend rights.

As at the date of this Target's Statement, the EP1 Options are held by approximately 220 employees of the EP1 Group.

Subject to vesting and any exercise conditions attaching to EP1 Options being satisfied, and in certain cases the EP1 Options being exercised, EP1 is required to deliver EP1 Shares by way of issue or transfer to the holders of the Options. EP1 determines whether any EP1 Shares to be delivered on the vesting and any exercise of Options are to be delivered by way of transfer or issue. To the extent that any EP1 Shares are issued, that will constitute a 'prescribed occurrence' for the purposes of the Offer and trigger the 'no prescribed occurrence' condition of the Offer (Section H in Appendix 1 to the Replacement Bidder's Statement).

### 5.13 Effect of the Offer for participants in EP1's Loan Funded Share Plan

EP1 has previously operated a loan funded share plan. Under the plan, EP1 Shares are held by a trustee, on trust for the participants in the plan.

Participants acquired their EP1 Shares funded by a loan from EP1. Participants may instruct the plan trustee to accept the Offer for the separate parcel comprising the EP1 Shares that the plan trustee holds on trust for them. The plan trustee may accept the Offer for the separate parcel by following the procedure summarised in section 11.10 of the Bidder's Statement.

The rules of the plan impose obligations on participants before they may deliver an acceptance instruction to the plan trustee. Participants should contact +61 2 8662 9729 for details.



# 6.

## Profile of EP1



## 6. Profile of EP1

### 6.1 Introduction

EP1 is a financial services business with a history spanning over 30 years. The business operates through three brands in Australia, being Evans & Partners, E&P and Dixon Advisory.

EP1 was incorporated in Victoria, Australia on 18 December 2015 and listed on the ASX in May 2018.

As at 31 January 2021, EP1 has approximately 3,375 Shareholders.

### 6.2 Directors

NAME	TITLE
David Evans	Executive Chairman
Sally Herman	Independent Non-Executive Director
Josephine Linden	Independent Non-Executive Director
Kevin McCann	Independent Non-Executive Director
Anthony Pascoe	Independent Non-Executive Director

A biography of each Director is provided in the Annual Report for the financial year ended 30 June 2020, released to the ASX on 27 August 2020.

### 6.3 Business activities

EP1's operations can be grouped into three segments:

- **E&P Wealth** – provides a full-service solution for clients through a complementary suite of services including financial advice, investment advice, stock broking, private wealth management, private client portfolio administration and reporting, self-managed superannuation fund administration and legal services;
- **E&P Capital** – provides stockbroking and investment advisory services to institutional clients and advice to corporations, including advice on equity and debt capital market transactions, public markets and private treaty mergers and acquisitions, corporate divestments, private equity buyouts and debt financing and corporate restructurings; and
- **E&P Funds** – provides investment management solutions across a range of asset classes tailored to suit the needs of clients and investors.

As at 31 December 2020, E&P Wealth services approximately 9,200 clients with \$21.7 billion in funds under advice. E&P Capital is an advisor to many leading Australian institutions through the provision of research, corporate advisory, equity capital market and debt capital market services. In E&P Funds, we manage \$6.6 billion of assets across a diverse range of asset classes and strategies.

### 6.4 Strategic initiatives

In July 2019 EP1 commenced an operational review, which identified a number of key objectives to improve the performance of the business including the need for:

- a clearly articulated strategic plan to address legacy issues in the Dixon Advisory business and leverage the core strengths of the broader group;
- improved integration and efficiency; and
- improved financial discipline.

The resulting firm-wide cost review saw a reduction in group headcount of 22% across FY2020 and material cost savings. EP1 has also rationalised or closed non-core operations allowing it to focus on driving value from its core business strengths and to fully integrate its operating divisions. Through FY2020 it completed a series of phase one initiatives in each operating division.

EP1 is well progressed in building a single integrated E&P Wealth business. This involved merging the Evans & Partners and Dixon Advisory teams onto an integrated, scalable platform with a shared infrastructure and advice framework. The improved integration and efficiency across E&P Wealth has helped EP1 further focus on how to best service its clients and EP1 remains committed to continued investment in its advice systems, compliance and risk management. The newly established firm-wide, independently chaired Investment Committee that replaced the previously distinct Evans & Partners and Dixon Advisory committees has been embraced by clients and staff as EP1 is able to leverage industry expertise across the group and provide the highest level of investment recommendations to clients. The establishment of Evans & Partners Retail Wealth Management has also been positively received and allows EP1 to further leverage the scalability of the advice business by specifically targeting the mass affluent wealth advice market which is being vacated by many of EP1's competitors.

In E&P Capital, EP1 consolidated its Corporate Advisory, Institutional and Research businesses under a single unified brand which was a necessary step in building an integrated market leading business. EP1 has co-located these teams to further enhance integration and our strategic recruitment in targeted sectors will increase the breadth and depth of our M&A and capital markets capability. Further, EP1 continues to invest in its Research team to focus on strategic segments.

E&P Funds has been restructured to deliver a sustainable long-term model. Importantly EP1's E&P Funds business model has changed, with a focus on its strongly performing high conviction direct equities portfolios. Across its internally managed fund strategies, structural changes are being implemented under the governance of the independent responsible entity to improve investor liquidity and close gaps to net tangible assets.

At the corporate level EP1 improved financial discipline and accountability by removing business duplication and rationalising premises in Sydney and Manhattan.

## 6.5 Outlook

Looking forward, EP1 has clearly defined its growth strategies leveraging off the core strengths of its respective divisions.

- In the E&P Wealth business, EP1's growth will centre on leveraging its strong, scalable advice systems and risk framework. E&P Wealth's differentiated service offering of highly educated advisers is supported by specialised research and investment staff. EP1's strong compliance and governance systems position the business well to capitalise on the post-Hayne financial advice landscape, noting there is significant market opportunity for a well-managed and scalable advice platform, particularly in the mass affluent sector.
- In E&P Capital, growth is anticipated to come from targeted investment and recruitment in the research, corporate and institutional businesses. EP1's co-ordinated strategy is focused on key target sectors to leverage E&P Capital's strong relationships with clients and across the industry. Its core value proposition remains based on continued investment in quality research and idea generation overlaid by strong capability in M&A and capital markets.
- In E&P Funds, EP1 is expanding and diversifying the distribution capabilities of its strongly performing high conviction direct equities portfolios to grow funds under management from external sources. To this end, EP1 intends to continue various restructure initiatives

## 6.6 Financial information

EP1's last published financial statements are for the financial year ended 30 June 2020, as set out in its *Annual Report for the year ended 30 June 2020* announced on the ASX on 27 August 2020.

Except as set out in this Target's Statement and the unaudited results for the half year ended 31 December 2020 released on 19 February 2021, your Directors are not aware of any material changes to the financial position of EP1 since the release of the above financial information.

## 6. Profile of EP1

Continued

### 6.7 Key risks faced by EP1

Set out below is a summary of the key risks to which EP1 Shareholders will continue to be exposed if they reject the Offer and retain their current investment in EP1 Shares. The risks identified in this Section are not an exhaustive list of all of the risks relevant to EP1. No assurances or guarantees are given as to EP1's future performance, profitability or dividend payments.

#### KEY RISKS

##### Regulatory risk, compliance and legislative change

EP1 operates within highly regulated markets that are subject to a range of legislative and regulatory compliance requirements. Non-compliance with regulatory requirements may result in financial penalties, additional expense or reputational damage to EP1. There is a range of legislation and regulation in Australia and the United States that governs EP1's business undertakings.

On 4th September 2020, ASIC commenced legal proceedings in the Victorian registry of the Federal Court of Australia against Dixon Advisory & Superannuation Services Limited (DASS), a subsidiary of the Group. ASIC provided a concise statement within which they allege breaches by DASS of certain of the 'best interests obligations' in Division 2 of Part 7.7A of the Corporations Act between 2 September 2015 and 31 May 2019. These allegations were further detailed in a full statement of claim which was received by DASS on 30 November 2020. The full statement of claim is currently being reviewed by DASS's legal representatives.

The ASIC Proceedings relate to recommendations comprising personal financial product advice provided by several of DASS's representatives to retail clients in relation to Units, URF Notes (I, II and III) and CPUs in the US Masters Residential Property Fund. ASIC also alleges that each of these contraventions was a separate contravention by DASS as the responsible financial services licensee under section 961K(2) of the Corporations Act. A total of 125 such contraventions are alleged. The proceedings seek declarations of contravention, pecuniary penalties and certain other orders against DASS. The directors of DASS intend to defend the ASIC Proceedings and intend to file a comprehensive defence in due course after DASS has had a reasonable opportunity to review ASIC's detailed full statement of claim.

EP1 (including DASS) undertakes ongoing compliance activities, including reviews of products, advice, conduct and services provided to clients. As part of the conditions of its Australian Financial Services Licence, EP1 (including DASS) adopts a proactive approach when advised of a complaint with respect to the services provided to a client. Provisions are recognised at balance date in respect of reported customer complaints when it is probable an outflow will be required to address a past event and where a reliable estimate is able to be made.

##### Client complaints and disputes

The EP1 Group undertakes ongoing compliance activities, including reviews of products, advice, conduct and services provided to clients. Despite this, individual members of the Group may from time to time be involved in legal, regulatory or other proceedings and disputes involving clients arising from the Group member's business and operations. As part of the conditions of their Australian Financial Services Licences, EP1 Group members, DASS and Evans and Partners Pty Ltd, are members of the Australian Financial Complaints Authority, Australia's financial industry ombudsman service that works to resolve disputes between members and their clients.

EP1 Group members may also be involved from time to time in legal proceedings instigated by former clients alleging contraventions of the law by the members or their representatives and seeking damages and other forms of compensation.

The EP1 Group adopts a proactive approach when informed of a complaint with respect to the financial services provided to a client of a Group member. Provisions are recognised in the Group's consolidated financial statements at balance date in respect of reported customer complaints when it is probable an outflow will be required to address a past event and where a reliable estimate is able to be made.

KEY RISKS	
<b>Changing market conditions</b>	As a financial services group, EP1 is affected by conditions in the global financial markets and economic conditions throughout the world. The future market and economic climate may deteriorate because of many factors beyond EP1's control, including rising interest rates or inflation or political uncertainty. Changing market conditions can adversely affect EP1 by reducing the volume of transactions executed across the E&P Capital segment and by reducing the value of assets under management in the E&P Funds segment and assets under advice in the E&P Wealth segment.
<b>Increased Market Competition and Disintermediation</b>	The industries in which EP1 conducts its business, namely, wealth management, corporate advisory advice, capital markets, institutional equity sales and trading and funds management, are very competitive markets with many market players of varying scale and market influence.  EP1 expects to continue to face competition into the future. Increased competition may have a materially adverse effect on the demand for EP1's products and services. This may lead to reduced market share and reduced profitability for EP1.
<b>Reputation and brand risk</b>	The success of EP1 largely depends on its reputation and branding. Maintaining EP1's brand image and those of its operating subsidiaries is central to the Group's ongoing performance. The Group's image is influential in retaining existing clients and sourcing new clients. EP1 may face damage to its professional reputation if its services are not regarded as satisfactory.  Failure to deal appropriately with actual, potential or perceived conflicts of interest could damage EP1's reputation and materially adversely affect its business.  Additionally, employee misconduct, which is difficult to detect and deter, could harm EP1 by impairing its ability to attract and retain clients and by subjecting it to legal liability and reputational harm. There is a risk that employees could engage in misconduct that would adversely affect the business.
<b>Failure to attract and retain skilled personnel and key senior executives</b>	The success of EP1 relies on the efforts of management and key executives across its businesses. The market for highly skilled and experienced finance executives is competitive and may result in the loss of key executives leading to the loss of certain clients or other employees. The loss of key executives and the fact that they may compete with EP1 in subsequent roles could reduce EP1's ability to generate revenue and adversely impact financial performance.
<b>Operating systems, processing and controls may fail</b>	Efficient internal processes are critical to the operation of EP1's business. There is a risk that inadequate or failed internal processes, people or systems (including failure of staff to follow defined processes, inadequate training or failure to implement appropriate controls) or external events may give rise to failures or disruptions in operational systems and controls (e.g., fraud, security failures, manual processing errors), which may result in losses to clients that EP1 is liable to compensate.
<b>Professional liability risk</b>	EP1's core business involves the provision of financial advice, investment advice and other financial services. The provision of such advice gives rise to the risk of potential professional liability for negligence and third-party client claims. Whilst EP1 takes all reasonable precautions to keep the Group indemnified in the event of such claims, claims of deprecating nature irrespective of the outcome and scale may cause financial and reputational damage to EP1.
<b>Information systems and cyber risk</b>	EP1 relies on information technology, including third party software products and services, to deliver services to its clients. EP1 has implemented industry standard measures intended to prevent or mitigate loss, damage or interruption to its networks, systems and data, including due to errors or other failures in networks, hardware, software, systems or services. However, there is a risk that the measures taken by EP1 may not be sufficient to prevent or mitigate such loss, damage or interruption.

## 6. Profile of EP1

Continued

KEY RISKS	
<b>Fund returns and management fee rates</b>	While EP1's management fees are largely based on a fixed percentage of assets under management, if investor return expectations are not being achieved, E&P Funds may come under pressure to reduce its fees. For some funds, E&P Funds also earns a portion of its revenue on the basis of a percentage of acquisitions and disposals. A reduction in acquisition and disposal activity will therefore result in lower revenues to the Group.
<b>Capital management</b>	The capital structure of EP1 consists of cash and equity, with a small amount of debt. EP1 manages its capital with the aim of ensuring that it will be able to continue as a going concern while balancing financial risks and maximising returns to shareholders through the optimisation of the debt and equity balance.
<b>Foreign currency risk</b>	Revenue, expenditure, dividends, and loan receipts of EP1 may be domiciled in currencies other than Australian dollars and, as such, expose EP1 to foreign exchange movements which may have a positive or negative influence on the Australian dollar. EP1 will appropriately monitor and assess such risks and may from time to time implement measures, such as foreign exchange currency hedging, to assist managing these risks. However, the implementation of such measures may not eliminate all such risks and the measures themselves may expose EP1 to related risks.
<b>Interest rate risk</b>	EP1 is exposed to change in interest rates on cash at bank.
<b>Liquidity risk management</b>	Liquidity is the risk that financial obligations of EP1 cannot be met as and when they fall due without incurring significant costs. EP1 manages liquidity risk by monitoring forecast cash requirements, both short and longer term, against its current liquid assets.
<b>Credit risk management</b>	Credit risk management is the risk that a counterparty defaults on its contractual obligations resulting in financial loss to EP1. A default may arise through a counterparty failing to meet its obligation to pay invoiced fees.
<b>General economic climate</b>	Factors such as inflation, legislative changes, political decisions, and industrial disruption have an impact on operating costs. EP1's future income, asset values and share price can be affected by these factors.
<b>Taxation</b>	Future changes in Australian taxation laws, including changes in interpretation or application of laws by the courts or taxation authorities in Australia, may affect taxation treatment of an investment in EP1 Shares, or the holding and disposal of those shares.
<b>Stock market conditions</b>	EP1 Shares are quoted on the ASX, where their price may rise or fall. The market price of EP1 Shares may fluctuate due to various factors including the risk factors outlined above. These factors are not an exhaustive list of risks faced by EP1 or by investors in EP1. The above factors, and others not referred to in this section, may in the future materially affect the financial performance of EP1. EP1 securities carry no guarantee in respect of profitability, dividends, return of capital, liquidity or the price at which they may trade on the ASX. The stock market has in the past and may in the future be affected by a number of matters including: market confidence; supply and demand for money; and currency exchange rates.



# 7.

## Taxation consequences

## 7. Taxation consequences

### 7.1 Introduction

This Section provides a summary of the Australian income tax, goods and services tax (**GST**) and stamp duty implications for EP1 Shareholders on:

- disposing of their EP1 Shares (through acceptance of the Offer or having them compulsorily acquired by 360 Capital) in return for cash and scrip consideration; and
- receiving the fully franked interim dividend of \$0.02 per EP1 Share declared by EP1 on 19 February 2021.

This Section is relevant for Australian resident and foreign resident EP1 Shareholders that hold their EP1 Shares on capital account. This information relates only to EP1 Shares, and not to other rights held over EP1 Shares or the Performance Rights. This Section does not consider the Australian tax consequences for EP1 Shareholders:

- who hold their EP1 Shares as trading stock or as revenue assets;
- who hold their EP1 Shares as assets used in carrying on a business or as part of a profit-making undertaking or scheme;
- who acquired their EP1 Shares through an employee share, option or rights scheme;
- who are taken for capital gains tax purposes to have acquired their EP1 Shares before 20 September 1985;
- who are Australian tax residents but who hold their EP1 Shares as part of an enterprise carried on, at or through a permanent establishment in a foreign country;
- who are foreign resident shareholders who hold their EP1 Shares in carrying on a business through a permanent establishment in Australia;
- that are financial institutions, insurance companies, partnerships, tax exempt organisations, trusts (except where expressly stated), superannuation funds (except where expressly stated) or temporary residents; or
- who are subject to the taxation of financial arrangements rules in Division 230 of the *Income Tax Assessment Act 1997* (Cth) or the investment manager regime in Division 842 of the *Income Tax Assessment Act 1997* (Cth) in relation to gains and losses on their EP1 Shares.

The information in this Section is based on the Australian taxation law and practice in effect as at the date of this Target's Statement. It is not intended to be an authoritative or complete statement or analysis of the taxation laws applicable to the particular circumstances of every EP1 Shareholder. EP1 Shareholders should seek independent professional advice regarding the taxation consequences of accepting the Offer and disposing of their EP1 Shares. EP1 Shareholders who are tax residents of a country other than Australia (whether or not they are also residents or temporary residents of Australia for tax purposes) should also take into account the tax consequences under the laws of their country of residence.

### 7.2 Taxation consequences of interim dividend

On 19 February 2021 EP1 declared an interim dividend of \$0.02 per EP1 Share, which will be paid to all persons registered as EP1 Shareholders on the record date of 6 April 2021. Australian resident EP1 Shareholders should include the interim dividend of \$0.02 per EP1 Share in their assessable income.

The interim dividend will be fully franked. Where an Australian resident EP1 Shareholder is a 'qualified person' in relation to the interim dividend and the franking integrity measures do not apply, that EP1 Shareholder must also include the amount of the attached franking credits in their assessable income and should be entitled to a tax offset equal to the amount of the attached franking credits.

An EP1 Shareholder will be a 'qualified person' if they hold their EP1 Shares 'at risk' for at least 45 clear days in the period beginning 45 days before and ending 45 days after the EP1 Shares become 'ex-dividend' (being the day after the dividend record date) (the '**holding period rule**').

EP1 Shareholders will be considered to hold their EP1 Shares 'at risk' on a particular day provided that they have more than 30% of the ordinary financial risks of loss and opportunities for gain from owning those shares. This will be a matter for each EP1 Shareholder to determine in their own circumstances, having regard to whether and when they accept the Offer to dispose of their EP1 Shares and when the Offer becomes unconditional.

The 'holding period rule' does not apply to Australian resident EP1 Shareholders that are individuals where their total franking credit tax offset entitlement does not exceed A\$5,000 for the year of income in which the interim dividend is paid.

Where an Australian resident EP1 Shareholder is a 'qualified person' and an individual or a complying superannuation fund, and the amount of the franking credit offset they receive is greater than their tax liability for the income year in which the interim dividend is received, that EP1 Shareholder may receive a refund of the excess franking credit tax offset. EP1 Shareholders that are Australian resident corporate tax entities may convert the excess franking tax offset to carry forward tax losses.

Non-resident EP1 Shareholders should not be subject to Australian income tax on the receipt of the interim dividend. In addition, as the interim dividend will be fully franked, no Australian dividend withholding tax should apply.

### 7.3 Taxation consequences of disposal of EP1 Shares by Australian residents

The below is a summary of the income tax consequences relevant for Australian resident EP1 Shareholders who dispose of their EP1 Shares through acceptance of the Offer or having them compulsorily acquired by 360 Capital.

#### EP1 Shareholders who accept the Offer

EP1 Shareholders who accept the Offer will dispose of their EP1 Shares by way of transfer to 360 Capital in exchange for a combination of cash and TGP Stapled Securities. The disposal of EP1 Shares to 360 Capital under the Offer will constitute a capital gains tax (CGT) event for EP1 Shareholders. The CGT event will happen at the time EP1 Shareholders accept the Offer.

#### Compulsory acquisition

If an EP1 Shareholder does not accept the Offer and their EP1 Shares are compulsorily acquired by 360 Capital, the EP1 Shareholder will be treated as having disposed of their EP1 Shares for CGT purposes at the time at which the EP1 Shares are acquired by 360 Capital.

#### Calculation of capital gain or capital loss

Subject to the availability of roll over relief discussed below, EP1 Shareholders will:

- make a capital gain if the capital proceeds received on the disposal of their EP1 Shares are more than the cost base of those EP1 Shares; or
- make a capital loss if the capital proceeds received on the disposal of their EP1 Shares are less than the reduced cost base of those EP1 Shares.

The capital proceeds received by a EP1 Shareholder that accepts the Offer (or has their EP1 Shares compulsorily acquired by 360 Capital) will be equal to the sum of the cash and the market value of the TGP Stapled Securities issued in exchange for the EP1 Shares acquired, which should be equal to the Implied Offer Value. The Offer is reduced by any dividends declared or paid after 11 December 2020.

In certain circumstances which are outlined in Taxation Ruling TR 2010/4, the Commissioner of Taxation may consider that a dividend should be included in the capital proceeds in respect of a disposal of shares. Should those circumstances apply in respect of the payment of the interim dividend, the amount of the interim dividend (being \$0.02) should be included in an EP1 Shareholder's capital proceeds in respect of the disposal of their EP1 Shares.

On the facts, it is unlikely that the amount of the interim dividend will be considered part of an EP1 Shareholder's capital proceeds.

However, should the interim dividend form part of an EP1 Shareholder's capital proceeds in relation to the disposal of their EP1 Shares, any capital gain made on the disposal of the EP1 Shares should be reduced by the amount of the interim dividend (as it is otherwise subject to Australian income tax).

Alternatively, where an EP1 Shareholder otherwise makes a capital loss from the disposal of their EP1 Shares, the amount of the interim dividend should reduce the amount of the capital loss incurred by the EP1 Shareholder

Where a capital gain is made, the cost base of EP1 Shares in the hands of the EP1 Shareholders will be broadly the sum of the original amount paid to acquire their EP1 Shares, any non-deductible incidental costs associated with the acquisition of the EP1 Shares and any non-deductible incidental costs associated with the disposal of the EP1 Shares to 360 Capital, minus any return of capital received in connection with the EP1 Shares during the ownership of the EP1 Shares (if any).

Where a capital loss is made, the reduced cost base of the EP1 Shares is determined in a similar manner.

EP1 Shareholders may be entitled to reduce any capital gain on the disposal of their EP1 Shares by applying the CGT discount (discussed below).



## 7. Taxation consequences

Continued

### CGT Discount

The CGT discount should be available to EP1 Shareholders who are individuals, trusts or complying superannuation funds and have held their EP1 Shares for at least 12 months before the time of the CGT event resulting in the disposal of the EP1 Shares by accepting the Offer (or having their EP1 Shares compulsorily acquired).

Broadly, the CGT discount rules enable the EP1 Shareholders to reduce their capital gain (after the application of any current year or prior year capital losses) by 50% for individuals and trusts and 33 1/3% for complying superannuation funds.

The CGT discount is not available to EP1 Shareholders that are companies.

The application of the CGT discount rules to a EP1 Shareholder that is a trustee of a trust is complex, particularly where distributions to beneficiaries of the trust are attributable to discounted capital gains. The ultimate access to the CGT discount may depend on a beneficiary's entitlement to the CGT discount amount under the terms of the relevant trust deed. EP1 Shareholders that are trustees of trusts should obtain specific tax advice.

### Net capital gains or losses

If a EP1 Shareholder makes a capital gain from the disposal of their EP1 Shares, that capital gain will be combined with any other capital gains that the EP1 Shareholder has made for the income year. Any available capital losses will then be applied against the total capital gains made for the income year, following which the CGT discount (if available) is applied to any remaining discount capital gains. A resulting net capital gain will be included in the EP1 Shareholder's assessable income for the income year.

A resulting net capital loss cannot be deducted against other income for income tax purposes, but may be carried forward to offset capital gains made in future income years (before taking into account the CGT discount, if available). Specific loss recoupment rules apply to companies to restrict their ability to utilise capital losses in future years in some circumstances. EP1 Shareholders should seek their own tax advice in relation to the operation of these rules.

### CGT roll over relief

EP1 Shareholders who accept the Offer or have their EP1 Shares compulsorily acquired will receive a combination of cash consideration and TGP Stapled Securities, which comprise a share component, being one fully paid ordinary share in 360 Capital Group Limited ABN 18 113 569 136 (**TGP Share**) and a unit component, being one fully paid unit in the 360 Capital Investment Trust ARSN 104 552 598 (**TGP Unit**). Those EP1 Shareholders that make a capital gain are eligible to elect that partial CGT 'scrip for scrip' roll over relief applies to the extent that their EP1 Shares are exchanged for TGP Shares, provided that 360 Capital becomes the owner of 80% of the voting shares in EP1. We expect that the other conditions to obtain roll over relief should be satisfied by the arrangement. No roll over relief is available in relation to a capital loss or for any capital gain in respect of the exchange of EP1 Shares for either the cash consideration or the TGP Units.

If 360 Capital is not successful in acquiring 80% of the voting shares in EP1, the roll over relief will not be available to any of the EP1 Shareholders (**80% Rule**) and those EP1 Shareholders will be assessed to tax on any capital gain that arises, including in relation to the value of the replacement TGP Stapled Securities.

360 Capital must not make any choice or election that would prevent EP1 Shareholders from benefitting from rollover relief where available.

The consequences of choosing roll over relief for the EP1 Shareholders are as follows:

- (a) any capital gain in respect of the disposal of the EP1 Shares will be disregarded to the extent their EP1 Shares are exchanged for TGP Shares; and
- (b) the realisation of any capital gain in relation to the portion of the consideration eligible for roll over relief will be deferred until a CGT event takes place in respect of the replacement TGP Stapled Securities.

Where roll over relief is successfully claimed, the cost base of the TGP Shares acquired will be based on the relative proportion of the original cost base of the EP1 Shares. The new TGP Shares that are subject to roll over relief will be taken to have been acquired on the date the EP1 Shareholder acquired their original EP1 Shares. This is relevant to determine if the CGT discount rules apply on a future disposal of the replacement TGP Shares.

The original cost base of the EP1 Shares must be allocated to the TGP Shares on a reasonable basis. Generally, an allocation based on the relative market value of the TGP Shares, the TGP Units and the cash consideration would be reasonable for tax purposes.

The cost base of the TGP Units is broadly equal to the market value of EP1 Shares attributable to the acquisition of the TGP Units. This should likewise be calculated based on the relative market value of the TGP Shares, TGP Units and the cash consideration.

The cost base of the TGP Shares and TGP Units is increased by any non-deductible incidental costs incurred by the EP1 Shareholders in respect of the transaction. As noted above, an EP1 Shareholder who chooses roll over relief will be taken to have acquired their replacement TGP Shares at the time they acquired their original EP1 Shares. However, the TGP Units, which are not entitled to the CGT roll over relief, will be taken to have been acquired when they are issued to the EP1 Shareholder. This is relevant to determine if the CGT discount rules apply on a future disposal of the replacement TGP Stapled Securities.

A formal written choice that roll over relief applies is not required, but the choice will be evidenced by the way in which the EP1 Shareholder prepares and lodges their income tax return for the relevant income year.

#### 7.4 Taxation consequences of disposal of EP1 Shares by foreign residents

Generally, a EP1 Shareholder who is a foreign resident for Australian income tax purposes and who does not carry on business in Australia at or through a permanent establishment should be exempt from CGT on the disposal of their EP1 Shares, unless, broadly:

- the foreign resident EP1 Shareholder (together with its associates) hold 10% or more of the issued shares in EP1 at the time of the CGT event resulting from the disposal of the EP1 Shares or for any continuous twelve month period within two years preceding the time of the CGT event (**non-portfolio interest**); and
- more than 50% of the market value of EP1 is represented by direct or indirect interests in Australian real property (broadly, land situated in Australia and mining rights in respect of certain resources located in Australia) (**principal asset test**),

(collectively, the **TAP Test**).

The EP1 Board is currently of the view that the EP1 Shares do not satisfy the TAP Test, as not more than 50% of the market value of EP1 is represented by direct or indirect interests in Australian real property (that is, the principal asset test limb of the TAP Test is not satisfied).

Nevertheless, EP1 recommends that foreign resident EP1 Shareholders seek their own advice on the Australian CGT implications of a disposal of their EP1 Shares, particularly if they (together with their associates) hold a non-portfolio interest.

Foreign resident EP1 Shareholders who are subject to CGT on the disposal of their EP1 Shares will not be entitled to the CGT discount in relation to that portion of the capital gain which relates to the period after 8 May 2012.

Foreign resident EP1 Shareholders should note that the Australian tax consequences from the disposal of EP1 Shares may be affected by any double tax agreement between Australia and their country of residence. Foreign resident EP1 Shareholders should obtain specific tax advice, including in their country of residence.

#### CGT roll over relief

CGT roll over relief will only be relevant and available to foreign resident EP1 Shareholders where both the EP1 Shares and the 360 Capital Shares satisfy the TAP Test. The 80% Rule discussed above, as well as the other conditions to obtain roll over relief, will also apply to foreign resident EP1 Shareholders. As outlined above, no CGT roll over relief is available in relation to the receipt of the cash consideration or the value of the TGP Units received as part of the replacement TGP Stapled Securities.



## 7. Taxation consequences

Continued

### 7.5 Foreign resident CGT payment rules

In respect of certain types of transactions entered into on or after 1 July 2016, and subject to certain exceptions, bidders in an off-market takeover are required to pay an amount equal to 12.5% of the offer consideration to the ATO (broadly referred to as the foreign resident CGT payment rules).

360 Capital has this obligation if the EP1 Shares acquired from an EP1 Shareholder satisfy the TAP Test and other conditions exist.

EP1 currently believes that the EP1 Shares do not satisfy the TAP Test. As such, EP1 currently does not expect that 360 Capital should withhold any amount from consideration payable to foreign resident EP1 Shareholders. This expectation is consistent with 360 Capital's indication at page 39 of the Bidder's Statement, although the Bidder's Statement assumes that an appropriate declaration to this effect will be made by each of the EP1 Shareholders.

Nevertheless, foreign resident EP1 Shareholders should obtain independent tax advice as to the potential implications to them of the foreign resident CGT payment rules.

### 7.6 Stamp duty

No Australian stamp duty will be payable by a EP1 Shareholder on the transfer of their EP1 Shares or the acquisition of TGP Stapled Securities under the Offer.

### 7.7 GST

The disposal of EP1 Shares or acquisition of TGP Stapled Securities by a EP1 Shareholder pursuant to 360 Capital's Offer should not be subject to GST, either as an input taxed financial supply, a GST free supply or an out-of-scope supply (depending on the circumstances of the EP1 Shareholder).

EP1 Shareholders may be charged GST on costs (such as brokerage and advisor fees) that relate to their participation in 360 Capital's Offer. EP1 Shareholders may not be entitled to claim full input tax credits for the GST included in such costs that relate to the disposal of their EP1 Shares or acquisition of TGP Stapled Securities. EP1 Shareholders should seek independent advice in relation to the impact of GST in their individual circumstances.

# 8.

## Additional information

## 8. Additional information

### 8.1 Your Directors' interests and dealings in EP1 Shares

#### (a) Interests in EP1 securities

As at the date of this Target's Statement, the EP1 Directors and their respective interests in EP1 Shares are as shown in Section 1.1 of this Target's Statement

#### (b) Dealings in EP1 Shares

No EP1 Director has disposed of a relevant interest in any EP1 Shares in the four months ending on the date immediately before the date of this Target's Statement.

EP1 Directors have acquired a relevant interest in EP1 Shares in the four months ending on the date immediately before the date of this Target's Statement, as set out in the table below.

NAME	POSITION	EP1 SHARES ACQUIRED BY OR ON BEHALF OF DIRECTOR IN THE PRECEDING FOUR MONTHS
David Evans	Executive Chairman	Nil
Sally Herman	Independent Non-Executive Director	Nil
Josephine Linden	Independent Non-Executive Director	Nil
Kevin McCann	Independent Non-Executive Director	Nil
Anthony Pascoe	Independent Non-Executive Director	Nil
<b>Total</b>		<b>Nil</b>

#### (c) Intentions in relation to the Offer

Your Directors recommend that Shareholders **REJECT** the Offer. Each of your Directors intends, for all EP1 Shares held by or on behalf of them or in which they otherwise have a relevant interest, to act in accordance with their recommendation from time to time to EP1 Shareholders.

### 8.2 Your Directors' interests and dealings in TGP Stapled Securities

#### (a) Interests in TGP Stapled Securities

As at the date of this Target's Statement, no Director has a relevant interest in any securities of 360 Capital.

#### (b) Dealings in TGP Stapled Securities

No EP1 Director has acquired or disposed of a relevant interest in any securities of 360 Capital in the four months ending on the date immediately before the date of this Target's Statement.

### 8.3 Benefits and agreements

#### (a) Directorships

As at the date of this Target's Statement, no Director of EP1 is a director of 360 Capital.

#### (b) Benefits in connection with retirement from office

As a result of the Offer, no person has been or will be given any benefit (other than a benefit which can be given without member approval under the Corporations Act) in connection with the retirement of that person, or someone else, from a board or managerial office of EP1.

**(c) Agreements connected with or conditional on the Offer**

There are no agreements made between any Director and any other person in connection with, or conditional on, the outcome of the Offer other than in their capacity as a holder of EP1 Shares.

**(d) Benefits from 360 Capital**

No Director has agreed to receive, or is entitled to receive, any benefit from 360 Capital which is conditional on, or is related to, the Offer, other than in their capacity as a holder of EP1 securities as outlined in Section 8.1(a) of this Target's Statement.

**(e) Material interests of Directors in contracts with 360 Capital**

No Director has any interest in any contract entered into by 360 Capital.

**8.4 Material litigation**

Please refer to Section 6.7 for a statement of the current status of the ASIC Proceedings.

Other than the ASIC Proceedings, your Directors do not believe that EP1 is currently involved in any litigation or dispute which is material in the context of EP1 and the EP1 Group taken as a whole.

**8.5 Issued capital**

As at the date of this Target's Statement, EP1's issued capital comprises 234,633,959 EP1 Shares. As at the date of this Target's Statement, EP1 also has 14,785,056 EP1 Options on issue.

**8.6 Substantial holders**

As at the date of this Target's Statement, the following persons held an interest in EP1 Shares of more than 5% as disclosed in substantial holding notices provided to the ASX:

Name	Number of EP1 Shares	Percentage of EP1 Shares
360 Capital	45,865,375	19.55%
David Evans and associates	15,812,393	6.74%
Richard Hunt, Inishail Pty Limited, Denney Family Holdings Pty Limited, IPCH Investments Pty Limited, Baly Douglass Pty Limited, Baly Douglass (No2) Pty Limited & Wirreanda Investment Holdings Pty Limited	14,328,489	6.11%

**8.7 ASX announcements**

EP1 is a *disclosing entity* under the Corporations Act and therefore has continuous disclosure obligations under that legislation and also under the ASX Listing Rules. EP1 is required to immediately disclose to the market through ASX any information concerning it that a reasonable person would expect to have a material effect on the price or value of EP1 Shares.

EP1 is in compliance with its continuous disclosure obligations under the Corporations Act and the ASX Listing Rules. EP1's announcements are available free of charge from the ASX website at [www.asx.com.au](http://www.asx.com.au) (ASX code: EP1).

The most recent financial information regarding EP1 is set out in the following documents Appendix 4E & Annual Report for the year ended 30 June 2020 announced to the ASX on 27 August 2020.

Copies of these documents are also available free of charge from EP1 on request and on EP1's website at [www.eap.com.au](http://www.eap.com.au).



## 8. Additional information

Continued

### 8.8 Takeover response costs

The Offer will result in EP1 incurring expenses that would not otherwise have arisen in 2020 and 2021. These include legal, financial and other expenses from advisers engaged by EP1 to assist in responding to the Offer. The total cost of the takeover response depends on the outcome of the Offer, the duration of the Offer and required response activities, as well as the complexity of the issues addressed in the response. Therefore, it is difficult to estimate the likely total cost to EP1. The total defence costs will also incorporate amounts EP1 reimburses any Director for his or her own advisory costs that the Director has to date reasonably incurred or may reasonably incur during the Offer Period in relation to the Offer. The Directors have a statutory right to recover such expenses from EP1.<sup>39</sup> These total defence costs will be reflected in EP1's financial results for the financial year ending 30 June 2021.

### 8.9 Consents

Flagstaff Partners Pty Ltd has consented to being named in this Target's Statement as the financial adviser to EP1 and has not withdrawn that consent at the date of this Target's Statement.

MinterEllison has consented to being named in this Target's Statement as the legal adviser to EP1 and has not withdrawn that consent at the date of this Target's Statement.

Boardroom Pty Ltd has consented to being named in this Target's Statement as EP1's share registry and has not withdrawn that consent at the date of this Target's Statement.

The responsible entities and investment managers of the EP1 Group managed accounts and managed funds have consented to the inclusion in this Target's Statement in the form and context in which they are included of historical performance information of the EP1 Group managed accounts and managed funds in respect of various periods ended 31 December 2020.

EP1 Shareholders holding in aggregate 41.40% of EP1 Shares have consented to the inclusion in this Target's Statement in the form and context in which they are included of statements to the effect that they do not intend to accept the Offer based on its current terms and conditions in respect of the EP1 Shares that they respectively own or control, but in each case reserving the right to change their respective current intentions if the consideration under the Offer is improved or if the conditionality of the Offer changes.

The shareholders referred to in the previous paragraph include Washington H. Soul Pattinson and Company Limited<sup>40</sup> (3.11%), BKI Investment Company Limited<sup>41</sup> (2.83%), Wroxby Pty Ltd (2.73%), Zonda Capital Pty Ltd (0.91%), Arffam Pty Ltd (0.55%), Zonda Super Pty Ltd (0.43%), Jolimont Tower Pty Ltd (0.43%), J S Millner Holdings Pty Ltd (0.28%), Pja Technologies Pty Ltd (0.26%) and Pja Investments Australia Pty Ltd (0.23%), collectively representing 10 of the 25 largest non-employee EP1 shareholders (excluding 360 Capital) and accounting for a total of 11.75% of all EP1 Shares.

Each person named or referred to in this Section 8.9 of this Target's Statement as having given its consent to the inclusion of a statement or to being named in this Target's Statement:

- has not authorised or caused the issue of this Target's Statement;
- does not make, or purport to make, any statement in this Target's Statement or any statement on which a statement in this Target's Statement is based other than a statement included in this Target's Statement with the consent of that person; and
- to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Target's Statement, other than a reference to its name and, in the case of a person referred to above as having given their consent to the inclusion of a statement, any statement or report which has been included in this Target's Statement with the consent of that party.

39. Corporations Act, Section 642(1).

40. Through its Portfolio Manager, Contact Asset Management.

41. Through its Portfolio Manager, Contact Asset Management.



### 8.10 Reliance on ASIC class orders

As permitted by ASIC Class Order 13/521, this Target's Statement contains statements which are made, or based on statements made, in documents lodged with ASIC or given to the ASX. In accordance with this class order, the consent of 360 Capital or the ASX (respectively) is not required for the inclusion of such statements in this Target's Statement. Any EP1 Shareholder who would like to receive a copy of any of those documents may obtain a copy (free of charge) during the Offer Period by contacting EP1.

As permitted by ASIC Corporations (Consents to Statements) Instrument 2016/72, this Target's Statement may include or be accompanied by certain statements:

- fairly representing a statement by an official person; or
- which are a correct and fair copy of, or an extract from, a public official document or published book, journal or comparable publication.

In addition, as permitted by ASIC Corporations (Consents to Statements) Instrument 2016/72, this Target's Statement contains share price trading and financial data sourced from FactSet, IRESS, Bloomberg, S&P Global, MSCI Inc and the New York Stock Exchange, without their consent.

### 8.11 ASIC declarations and ASX waivers

As announced to the ASX on 11 February 2021, ASIC granted EP1 relief from the requirements of section 648C of the Corporations Act to allow EP1 to:

- deliver this Target's Statement by electronic mail to those EP1 Shareholders who have nominated to receive notices by electronic mail; and
- send a letter or postcard, instead of the full Target's Statement, to other EP1 Shareholders notifying them that they can access the Target's Statement on EP1's website and the ASX.

EP1 has received a waiver of Listing Rule 7.9 so that the 3 month prohibition (subject to certain exceptions) on EP1 issuing shares, rights and other equity securities applies from the date of announcement of the First Offer (being the 3 month period ended 27 January 2021) rather than the 3 month period ending 11 March 2021 that would be the case if the waiver had not been granted.

### 8.12 No other material information

This Target's Statement is required to include all the information that EP1 Shareholders and their professional advisers would reasonably require to make an informed assessment whether or not to accept the Offer but:

- only to the extent to which it is reasonable for investors and their professional advisers to expect to find this information in the Target's Statement; and
- only if the information is known to any of your Directors.

Your Directors are of the opinion that the only information that EP1 Shareholders and their professional advisers would reasonably require to make an informed assessment whether to accept the Offer is:

- the information contained in the Bidder's Statement (to the extent that the information is not inconsistent or superseded by information in this Target's Statement);
- the information contained in releases by EP1 to the ASX before the date of this Target's Statement; and
- the information contained in this Target's Statement.

Your Directors have assumed, for the purposes of preparing this Target's Statement, that the information in the Bidder's Statement is accurate (unless expressly indicated otherwise in this Target's Statement). However, your Directors do not take any responsibility for the content of the Bidder's Statement and is not to be taken as endorsing, in any way, any or all statements contained therein.

## 8. Additional information

Continued

In deciding what information should be included in this Target's Statement, your Directors have had regard to:

- the nature of EP1 Shares;
- the matters EP1 Shareholders may reasonably be expected to know;
- the fact that certain matters may reasonably be expected to be known to the professional advisers to EP1 Shareholders;
- the nature of the Offer; and
- the time available to EP1 to prepare this Target's Statement.

### 8.13 Approval of Target's Statement

This Target's Statement has been approved by a resolution passed by your Directors.

Signed for and on behalf of E&P Financial Group Limited by:



**David Evans**  
Executive Chairman

Date: 19 February 2021

# 9.

## Glossary & interpretation

## 9. Glossary & interpretation

### 9.1 Glossary

TERM	MEANING
<b>Announcement Date</b>	11 December 2020
<b>Authority</b>	has the meaning given to that term in the Bidder's Statement
<b>ASIC</b>	the Australian Securities and Investments Commission
<b>ASIC Proceedings</b>	the proceedings commenced in the Federal Court of Australia (proceedings no. VID595/2020) on 4 September 2020 by ASIC against DASS
<b>ASIC Proceedings Condition</b>	the defeating condition to which 360 Capital's Offer is subject, as set out in clause 8 of Schedule 1 to the Bidder's Statement, Condition F
<b>associate</b>	has the same meaning as given to that term for the purposes of Chapter 6 of the Corporations Act (as modified by ASIC from time to time) as if section 12(1) of that Act included a reference to this Target's Statement and EP1 was the designated body
<b>ASX</b>	ASX Limited ABN 98 008 624 691 or, where the context otherwise requires, the financial market operated by it known as the Australian Securities Exchange
<b>ASX Listing Rules</b>	the listing rules of ASX, as amended or replaced
<b>AUD or A\$</b>	Australian dollars
<b>Bidder</b>	360 Capital ED1 Pty Ltd ACN 643 857 336, a subsidiary of 360 Capital Group
<b>Bidder's Statement</b>	the bidder's statement by the Bidder dated 5 January 2021 (as amended by its first supplementary bidder's statement dated 18 January 2021) setting out the terms, conditions and other information in relation to the Offer
<b>CGT</b>	capital gains tax
<b>Conditions</b>	each defeating condition to which 360 Capital's Offer is subject, as set out in clause 8 of Schedule 1 to the Bidder's Statement
<b>Corporations Act</b>	the <i>Corporations Act 2001</i> (Cth)
<b>DASS</b>	Dixon Advisory & Superannuation Services Limited ACN 103 071 665
<b>Director</b>	a director of EP1
<b>FY</b>	financial year, which for EP1 is the year ending 30 June
<b>GST</b>	goods and services tax
<b>EP1</b>	E&P Financial Group Limited ACN 609 913 457
<b>EP1 Board or Board</b>	the board of directors of EP1
<b>EP1 Group or Group</b>	EP1 and each of its subsidiaries and <b>EP1 Group Member</b> means any member of the EP1 Group
<b>EP1 Option</b>	an unlisted option issued under the EP1 Options and Rights Plan
<b>EP1 Options and Rights Plan</b>	the EP1 Options and Rights Plan (which was approved by EP1 Shareholders on 23 March 2018 and as amended by EP1 Shareholders on 11 November 2020) described in Section 5.12 of this Target's Statement
<b>EP1 Share or Share</b>	a fully paid ordinary share in the capital of EP1



TERM	MEANING
<b>EP1 Shareholder or Shareholder</b>	a holder of EP1 Shares
<b>First Offer</b>	the off-market takeover offer announced by 360 Capital on 27 October 2020 of \$0.40 plus one TGP Stapled Security for every four EP1 Shares, less any dividends declared or paid after 27 October 2020, which offer was withdrawn by 360 Capital on 11 December 2020
<b>Implied Offer Value or the implied value of the Offer</b>	the implied value of the Offer. As at the last practicable date for finalising this Target's Statement, the Implied Offer Value is \$0.648 for each EP1 Share, based on the closing price of TGP Stapled Securities of \$0.92 on 16 February 2021. This incorporates a reduction in the cash component of the Offer Consideration from \$0.30 per EP1 Share to \$0.28 per EP1 Share to adjust for the interim dividend of \$0.02 cents per EP1 Share declared by EP1 as part of its unaudited results for the half year ended 31 December 2020 released on 19 February 2021
<b>Ineligible Foreign Shareholder</b>	an EP1 Shareholder whose address as shown in the register of members of EP1 is in a jurisdiction other than Australia or its external territories and New Zealand, unless 360 Capital otherwise determines after being satisfied that it is not unlawful, not unduly onerous and not unduly impracticable to make the Offer to an EP1 Shareholder in the relevant jurisdiction and for TGP Securities to be issued to such EP1 Shareholders on acceptance of the Offer, and that is not unlawful for such an EP1 Shareholder to accept the Offer in such circumstances in the relevant jurisdiction
<b>Loan Funded Share Plan</b>	EP1 Loan Funded Share Plan under which participants (principally EP1 Group executives) were offered the right to acquire beneficial interests in EP1 Shares funded by a loan from EP1. It is not currently proposed that any new offers of participation will be made under the plan which now only operates in relation to existing participants
<b>Offer</b>	the off-market takeover bid by 360 Capital for all EP1 Shares other than those already owned by 360 Capital, as described in the Bidder's Statement
<b>Offer Consideration</b>	<p>the stated Offer is \$0.30 cash plus 0.40 TGP Stapled Securities for every EP1 share you hold, less any dividends declared or paid after 11 December 2020</p> <p>therefore:</p> <ol style="list-style-type: none"> <li>a. if you acquired EP1 Shares <b>before the ex-dividend date</b> of 1 April 2021 and you accept the Offer for those EP1 Shares: <ul style="list-style-type: none"> <li>▪ you will be paid by EP1 the fully franked interim dividend of 2.0 cents per EP1 share on 15 April 2021 (irrespective of the outcome of the Offer); and</li> <li>▪ you will be paid by 360 Capital <b>\$0.28 cash and 0.40 TGP Stapled Securities</b> per EP1 Share from 360 Capital (if and only if the conditions to the Offer are satisfied or waived by 360 Capital at its sole discretion); and</li> </ul> </li> <li>b. if you acquired EP1 Shares <b>on or after the ex-dividend date</b> of 1 April 2021 and you accept the Offer for those EP1 Shares: <ul style="list-style-type: none"> <li>▪ you will <b>not be entitled</b> to the fully franked interim dividend of 2.0 cents per EP1 Share; and</li> <li>▪ you will be paid by 360 Capital <b>\$0.28 cash and 0.40 TGP Stapled Securities</b> per EP1 Share from 360 Capital (if and only if the conditions to the Offer are satisfied or waived by 360 Capital at its sole discretion).</li> </ul> </li> </ol> <p>to the extent EP1 declares or pays any future dividends the Offer will be further adjusted as described above</p>



## 9. Glossary & interpretation

Continued

TERM	MEANING
<b>Offer Period</b>	the period during which the Offer will remain open for acceptance in accordance with section 11.3 of the Bidder's Statement
<b>Register Date</b>	the date set by 360 Capital under section 633(2) of the Corporations Act, being 8 January 2021
<b>relevant interest</b>	has the meaning given in sections 608 and 609 of the Corporations Act
<b>Rights</b>	all accreditations, rights or benefits of whatever kind attaching to or arising from EP1 Shares directly or indirectly at or after the Announcement Date (including, but not limited to, all dividends, distributions and all rights to receive them or rights to receive or subscribe for shares, notes, bonds, options or other securities declared, paid or issued by the EP1 Group after that date) but excluding any franking credits attached to a dividend or other distribution
<b>Target's Statement</b>	this document, being the statement of EP1 under Part 6.5 of the Corporations Act in response to the Offer
<b>TAP Test</b>	as defined in Section 7.3 of this Target's Statement
<b>TGP Share</b>	a fully paid ordinary share in the capital of 360 Capital Group Limited ABN 18 113 569 136
<b>TGP Stapled Security</b>	one stapled security of the 360 Capital Group, comprising one TGP Share stapled to one TGP Unit
<b>TGP Unit</b>	a fully paid unit in the 360 Capital Investment Trust ARSN 104 552 598
<b>voting power</b>	has the meaning given in section 610 of the Corporations Act
<b>Underlying EBITDA</b>	earnings before interest, tax, depreciation, and amortisation, adjusted for items or events that the Directors consider are not part of the usual business activities or reflect the underlying performance of the Company
<b>VWAP</b>	volume weighted average price
<b>360 Capital</b>	360 Capital Group
<b>360 Capital Group</b>	the stapled group comprising 360 Capital Group Limited ABN 18 113 569 136 and 360 Capital FM Limited ABN 15 090 664 396 (AFSL 221474) as responsible entity of the 360 Capital Investment Trust ARSN 104 552 598

### 9.2 Interpretation

In this Target's Statement, unless the context otherwise requires:

- the singular includes the plural and vice versa and words importing one gender include other genders;
- terms defined in the Corporations Act as at the date of this Target's Statement have the meanings given to them in the *Corporations Act 2001* (Cth) at that date;
- a reference to dollars, A\$, AUD, \$ and cents is a reference to Australian currency;
- a reference to a statute of any parliament or any section, provision or schedule of a statute of any parliament includes a reference to any statutory amendment, variation or consolidation of the statute, section, provision or schedule and includes all statutory instruments issued under the statute, section, provision or schedule;
- a reference to a person includes any company, partnership, joint venture, association, corporation or other body corporate and vice versa;
- a reference to a Section is a reference to a section of this Target's Statement;
- a reference to time is a reference to Sydney time; and
- headings and bold type are used for reference only.

# Corporate directory

## Directors

David Evans, Executive Chairman  
Sally Herman, Independent Non-Executive Director  
Josephine Linden, Independent Non-Executive Director  
Kevin McCann, Independent Non-Executive Director  
Anthony Pascoe, Independent Non-Executive Director

## Financial Adviser

### Flagstaff Partners Pty Ltd

Level 20, 101 Collins Street  
Melbourne VIC 3000

## Registered office

Level 15, 100 Pacific Highway  
North Sydney NSW 2060

## Corporate office

Level 7, Mayfair Building  
171 Collins Street  
Melbourne VIC 3000

T +61 3 9631 9888  
F +61 3 8610 1608  
E [www.eap.com.au](http://www.eap.com.au)

## Legal adviser

### MinterEllison

Level 20, Collins Arch  
447 Collins Street  
Melbourne VIC 3000

## Share registry

### Boardroom Pty Ltd

Grosvenor Place  
Level 12, 225 George Street  
Sydney NSW 2000

T 1300 737 760 (within Australia)  
T +61 2 9290 9600 (outside Australia)  
F +61 2 9279 0664  
E [info.au@boardroomlimited.com](mailto:info.au@boardroomlimited.com)

E&P

FINANCIAL GROUP

