



## ASX ANNOUNCEMENT (ASX: YNB)

Bank House, Level 4, 11 Bank Place, Melbourne VIC 3000

Tuesday 7 November 2017

### YNB TO ACQUIRE HIGHLINE ALTERNATIVE INVESTMENTS

#### Key Points:

- YNB has entered into a Terms Sheet for the proposed acquisition of synergistic alternative investment manager Highline Alternative Investments Pty Ltd
- Highline provides differentiated and active strategies across the global alternative investment landscape
- Acquisition to provide YNB opportunities in another technology focused business complimentary to the existing operations of the company and its subsidiaries
- Capital raising proposed with funds raised will be predominantly applied to the development of the company's existing businesses, administration and general working capital

Yonder and Beyond Group Limited [ASX:YNB] (**the Company** or **YNB**) is pleased to announce that, with the unanimous approval of the Board, it has entered into a binding Terms Sheet (**Terms Sheet**) for the proposed acquisition of High Line Alternative Investments Pty Ltd (**High Line**) subject to the satisfaction of conditions which include shareholder approval and the satisfactory completion of due diligence by both the Company and High Line. The acquisition is referred to throughout this announcement as the **Proposed Transaction**.

The Company is also proposing to undertake a capital raising through a placement of ordinary fully paid YNB shares to raise up to \$1.05 million (**Capital Raising**). The Capital Raising is not conditional upon the Proposed Transaction and funds raised are predominantly intended to be applied to the development of the Company's existing businesses, administration and as general working capital.

Further details regarding the Capital Raising and Proposed Transaction are set out below.

#### About High Line

High Line is 100% owned by Camac Investments Pty Ltd (**Camac**), a privately owned company controlled by Campbell McComb (please see below for a summary of Campbell's background and experience).

High Line was established to provide differentiated and active strategies across the global alternative investment landscape to service funds, family offices and other sophisticated investors. As an alternative investment specialist High Line has invested in a range of underlying businesses which focus on emerging technology companies and products. Whilst High Line is not directly engaged in software or technology development, its relationships and experience in the technology/start-up sectors have enabled it to hone skills and expertise in identifying and assessing investment opportunities in the technology sector generally.

The Proposed Transaction is intended to provide an opportunity for the Company to invest in another technology focused business which is complementary to the existing operations conducted by the Company and its subsidiaries. In particular, the following potential synergies have been identified in connection with an acquisition of HL.

- High Line and its management have experience and skills in identifying and assessing the respective merits of various technology based enterprises and products. As YNB is focused on technology oriented businesses it is intended that, post the acquisition of High Line, YNB and its management will augment and strengthen High Line's capacity to operate its own investments effectively.
- In addition to the above, whilst High Line operates on a model where it invests other people's moneys in technology rather than its own funds, the opportunities which High Line identifies and investigates in its day to day operations are expected to unearth potential investment opportunities for YNB for acquisition or investment. In this sense, whilst the High Line model is not identical to the business or business model operated by YNB, there are potential synergies for both parties.

Campbell McComb has over 20 years' experience in funds management and investment banking, and has overseen or been actively involved in the development of a number of successful funds management businesses. He served as the Chief Investment Officer of The Adcock Group, where he managed a single-family office investment portfolio which, during his tenure, generated growth of approximately 22.5% per annum.

Campbell is currently a Director of Mobilicom Ltd, an Israeli based technology Company which listed on the ASX in May of this year. Mobilicom operates globally providing mission critical communications to Government and Enterprise clients and more recently Drone based communications for the Commercial sector.

He previously served as Managing Director of Easton Investments, an ASX-listed investment company, where he was responsible for overseeing the growth of the advisory business to approximately A\$1bn of funds under advice and management.

Campbell was formerly the CEO and Investment Director of Armytage Private, a private funds management business which was the first investment made by the ASX listed Treasury Group (ASX: PAC), where he managed over A\$200 million in small cap equities funds.

Campbell holds a Bachelor of Economics from La Trobe University and a post-graduate diploma in Applied Finance & Investment from the Securities Institute of Australia. In 2013 he completed the Asialink Leaders Program through the University of Melbourne. He is a Graduate Member of the Australian Institute of Company Directors as well as a Fellow of the Financial Services Institute of Australia, which recognises his significant contribution to the financial services industry.

## Terms Sheet

The Terms Sheet as been entered into between High Line and the Company and contemplates the acquisition of 100% of the issued share capital of High Line by the Company in consideration of the following:

- The issue of 7.5 million ordinary YNB shares to Camac upon execution of the definitive share sale agreement.<sup>1</sup>
- The issue of 7.5 million ordinary YNB shares to Camac upon the Funds Under Management of the group (**Funds Under Management**) reaching an aggregate of \$10 million, on or before 31 December 2018.<sup>1</sup>
- The issue of 7.5 million ordinary YNB shares to Camac upon the Funds Under Management of the group reaching an aggregate of \$17.5 million, on or before 31 December 2018.<sup>1</sup>
- The issue of 7.5 million ordinary YNB shares to Camac upon the Funds Under Management of the group reaching an aggregate of \$25 million, on or before 31 December 2019.<sup>1</sup>

Note<sup>1</sup>: Camac will enter into voluntary escrow agreements expected to be a minimum of 12 months from the issuance of each tranche

On completion of the Proposed Transaction, it is proposed that Campbell McComb join the Board of the Company as Managing Director.

The Terms Sheet is subject to, and conditional upon, the following:

- The satisfactory completion of mutual due diligence, to be completed within 28 days of the execution of the Terms Sheet.
- The Company and Camac entering into a formal share sale agreement within 28 days of the execution of the Terms Sheet. The Terms Sheet provides that formal share sale agreement will be negotiated to include warranties, covenants, undertakings, representations and indemnities typical to such agreements having regard for the size, terms and nature of the Proposed Transaction.
- The parties obtaining any necessary board, shareholder and regulatory approvals required in respect of the Proposed Transaction, which in the case of YNB will require shareholder approval under ASX Listing Rule 11.1.2 (refer further below).
- The Company and Campbell McComb reaching agreement on the terms of an employment agreement for his engagement as Managing Director of the Company with effect from completion of the Proposed Transaction.
- Satisfaction of such other conditions which may be included in the formal share sale agreement as a result of the parties' respective due diligence investigations including, but not limited to, the obtaining of any third-party consents, approvals or waivers required for the Proposed Transaction.



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The formal share sale agreement is to provide for a timeline for satisfaction of the conditions and completion of the Proposed Transaction, provided that either party may withdraw from the Terms Sheet in the event that the formal document is not executed, or due diligence is not satisfied, within 28 days of the Terms Sheet (subject to any agreed extension).

### Regulatory Approvals and General Meeting

As noted above, completion of the Proposed Transaction is subject to the Company obtaining all required third party, regulatory, shareholder approvals. Following initial consultation with the ASX, the Company understands that the Proposed Transaction will require shareholder approval under ASX Listing Rule 11.1.2, but that ASX Listing Rule 11.1.3 will not apply therefore re-compliance with Chapters 1 and Chapters 2 of the ASX Listing Rules will not be required.

Further details regarding High Line, the Proposed Transaction and the approvals sought from shareholders to implement the Proposed Transaction will be set out in a notice of general meeting expected to be dispatched in accordance with the timetable set out below.

### Capital Raising

As noted above, the Company is seeking to conduct a Capital Raising of up to \$1.05 million.

The indicative terms of the Capital Raising are intended to be an issue of up to 30m ordinary YNB shares at an indicative issue price of \$0.035 per share. Taylor Collison has been engaged by the Company as Sole Lead Arranger. The Capital Raising is intended to be offered to investors exempt from the disclosure requirements of Chapter 6D or the Corporations Act, and shares are intended to be issued without shareholder approval under the Company's existing placement capacity under ASX Listing Rule 7.1/7.1A.

The Capital Raising is intended to proceed independent of the Proposed Transaction, and will be pursued regardless of whether the Proposed Transaction proceeds. In this context the Company notes that Resolution 4 of its Notice of Annual General Meeting dated 26 October 2017 had been proposed to seek approval from shareholders for a capital raising on similar terms to the Capital Raising currently proposed. Consistent with the Notice of Annual General Meeting, funds raised through the Capital Raising are predominantly intended to be applied to the development of the Company's existing businesses, administration and as general working capital. For the avoidance of doubt, if the Capital Raising proposed in this announcement is successful, the Company intends to withdraw Resolution 4 from the Notice of Annual General Meeting

If you would like to participate in the capital raise, please contact Scott Dolling or Nic Seret at Taylor Collison on (08) 8217 3900.



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### Indicative Capital Structure and Effect on of Proposed Transaction on YNB

Below is a summary of the indicative proposed capital structure of the Company assuming completion of the Capital Raising and assuming completion of the acquisition of High Line.

ORDINARY YNB SHARES	
Current shares on issue	155,027,802 (80.6%)
Capital Raising <sup>1</sup>	30,000,000 (15.6%)
Share issued at completion of acquisition of High Line <sup>2</sup>	7,500,000 (3.8%)
<b>Total Shares</b>	<b>192,527,802</b>

#### Notes to Table:

<sup>1</sup> Indicative only. Assumes Capital Raising of \$1.050 million at an issue price per share of \$0.035.

<sup>2</sup> Reflects consideration shares which are intended to be on issue at completion of the Proposed Transaction. Up to a further 22.5 million ordinary YNB shares may be issued to the High Line shareholder as consideration for the Proposed Transaction subject to the achievement of the milestones, by the dates, referred to above.

NB: The Company also has 112,535,000 unlisted options on issue at exercise prices which range between \$0.06 and \$0.60 per option. 27,000,000 unlisted options expire on 30 November 2017 and a remaining 67,535,000 unlisted options have an exercise price of \$0.12 or more.

The Proposed Transaction is expected to have only a marginal impact on the assets, equity interest and revenue of the Company (High Line is expected to return revenue of approximately 2% of Funds under Management and EBITDA is currently break-even). Further details of the impact of the Proposed Transaction will be set out in a forthcoming notice of general meeting.



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### Indicative Timetable

Terms Sheet Executed	7 November 2017
Completion of Capital Raising	13 November 2017
Final date for execution of Formal Documentation and Completion of Due Diligence (subject to any agreed extension)	4 December 2017
Proposed date of General Meeting to seek approvals for Transaction	21 December 2017
Completion of Proposed Transaction	22 December 2017

The above timetable is indicative only and subject to change.

The Company will provide further updates on the Capital Raising and Proposed Transaction in due course.

### About Yonder & Beyond

Yonder & Beyond is a portfolio of synergistic technology assets with a focus on mobile businesses. Y&B's strategy is to identify and develop disruptive applications with high commercialisation and scalability potential.

Y&B equip startups with vital capabilities beyond capital. Our philosophy is to invest in people, as well as invest in their business, so they can both grow and succeed. We are dedicated to contributing to the development of businesses through our resources, experience and relationships

For more information please contact:

Website: [www.yonderbeyond.com](http://www.yonderbeyond.com)