

ASX ANNOUNCEMENT

16 March 2020

Company Announcements Office
ASX Limited
Exchange Centre
Level 4, 20 Bridge Street
SYDNEY NSW 2000

RECAPITALISATION AGREEMENT WITH LANYON ASSET MANAGEMENT

Further to the ASX announcement dated 28 February 2020, 8IP Emerging Companies Limited (**8EC** or **the Company**) is pleased to announce that it has entered into an agreement with Lanyon Asset Management Pty Limited (**Lanyon**) in relation to the future of 8EC.

The Board of 8EC has determined that the agreement with Lanyon is superior to completing the existing Sale and Distribution Proposal, which was planned to conclude with the winding-up of the Company.

The agreement with Lanyon provides for:

1. David Prescott, Managing Director of Lanyon, to be appointed as a non-executive director with immediate effect;
2. 8EC to undertake a third capital distribution of 5.0 cents per share during March 2020;
3. The following to occur subject to the approval of 8EC's shareholders:
 - 8EC to issue to Lanyon (or a fund operated by Lanyon) 6,152,716 shares (representing 15% of 8EC's current issued shares) at a price calculated based on the NTA and share price of 8EC;
 - Lanyon to replace Eight Investment Partners Pty Limited (**8IP**) as the manager of 8EC's assets, on the same terms as the current investment management agreement between 8EC and 8IP (**Novation**); and
 - 8EC to undertake various capital restructuring and recapitalisation transactions to put itself in a better place to undertake a future capital raising which will be based on a new investment strategy.
4. Lanyon to have the right to appoint one further director of 8EC following completion of the Novation.

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8EC will be proceeding as soon as practicable to give effect to the appointment of David Prescott as a Director, the third capital distribution and the preparation of the notice of meeting and accompanying documents in respect of the items above that require shareholder approval. Further details of those items will be included in that notice of meeting.

About Lanyon

Lanyon is a specialist, value-oriented equities fund manager, established in 2009. It manages both Australian and global equity funds for a client base that includes both retail and wholesale investors.

Lanyon currently manages two retail registered managed investment schemes, being the *Lanyon Australian Value Fund* and the *Lanyon Global Value Fund*, and three wholesale managed investment schemes investing in Australian and/or global equities.

Lanyon is a value oriented investor, whereby it seeks out undervalued investments with catalysts for value realisation. Lanyon's value investment philosophy is designed to preserve capital, deliver superior long-term compound growth whilst concentrating in Lanyon's best ideas.

Lanyon is a long-only investor and considers itself an owner of stakes in companies, not a speculator in securities. Lanyon's process has been designed to enable them to occasionally undertake a strategy of constructive active engagement with their portfolio companies. If required, they look to work positively with companies in their portfolios to encourage the implementation of value-enhancing strategies.

The *Lanyon Australian Value Fund* was established in July 2010 and is Lanyon's longest running fund. To 29 February 2020, the fund has delivered compound returns of 12.5% per annum, ahead of the return of the S&P/ASX300 Accumulation index return of 8.9%. The fund has, on average, maintained high levels of cash in the portfolio, sometimes in excess of 50% of fund assets.

When Lanyon is appointed manager of 8EC, the investment strategy for 8EC will be unique in the Australian Listed Investment Company sector, with 8EC following a value investment strategy and investing in a concentrated portfolio of both Australian and global equities of small, mid and large capitalisation companies. The company will look to build constructive and long term relationships with management teams and boards, through a process of active engagement. The company may look to emphasise positive operational, financial or governance changes that can unlock shareholder value. Their influence in each situation will vary depending on what may be required to drive shareholder value.

On behalf of the Board

Laura Newell

Company Secretary

For further information, please contact **Mr Jonathan Sweeney** by telephone on +61 2 9290 9600 or by email at enquiry@8ip.com.au.