

Proposed Off-Market Takeover Bid for QV Equities Limited (ASX: QVE)

31 January 2024
ASX announcement
and media release

WAM Leaders Limited (ACN 611 053 751) (ASX: WLE) (**WAM Leaders**) is pleased to announce its intention to make an off-market takeover bid under Part 6.5 of Chapter 6 of the *Corporations Act 2001* (Cth) (**Corporations Act**) for all of the issued fully paid ordinary shares in QV Equities Limited (ACN 169 154 858) (**QVE**), subject to certain conditions (**Offer**).

Under the Offer, accepting QVE shareholders will receive **1 WAM Leaders share for every 1.4675 QVE shares** they own. Based on WAM Leaders' share price on 30 January 2024, the Offer represents \$0.95¹ per share of implied value for QVE shareholders, adjusted to include payment of the QVE 1.3 cents per share December 2023 fully franked quarterly dividend as announced to the ASX on 30 January 2024. The implied value represents a premium of 5.0% to QVE's 30 January 2024 share price¹, a premium of 6.3% to QVE's one-month volume weighted average price (**VWAP**) and a premium of 8.9% to QVE's three-month VWAP.

Separately, WAM Leaders has proposed to the QVE Board of Directors the possibility of entering into an agreement to acquire 100% of the shares in QVE by way of scheme of arrangement in accordance with Part 5.1 of the Corporations Act. If such an agreement is not reached, WAM Leaders' present intention is to proceed with the Offer. In the event WAM Leaders and QVE enter into such an agreement subject to all Corporations Act requirements, the Offer may not proceed.

The Offer will be subject to the defeating conditions set out in Annexure A to this announcement. A Bidder's Statement, which will contain further information about the Offer, will be prepared in due course and sent to QVE's shareholders in accordance with the requirements of the Corporations Act. The Offer will open for acceptance around that time and will be open for at least one month (unless withdrawn during that period under section 652B of the Corporations Act).

This announcement has been authorised by the Board of WAM Leaders Limited.

For further information, please contact:

Jesse Hamilton
Chief Financial Officer
(02) 9247 6755
0401 944 807

Martyn McCathie
Investment Specialist
(02) 9258 4917
0433 312 603

Camilla Cox
Corporate Affairs
(02) 9247 6755
0407 407 062

¹The implied value for QVE shareholders under the Offer of \$0.95 per share is based on the WAM Leaders share price of \$1.375 on 30 January 2024 and the Offer consideration of 1 WAM Leaders share for every 1.4675 QVE shares. The implied value has been adjusted to include the payment of QVE's 1.3 cents per share December 2023 fully franked quarterly dividend as announced to the ASX on 30 January 2024 (which goes ex-dividend on 13 February 2024 and will be paid on 1 March 2024 to QVE shareholders).

Annexure A**Conditions**

The proposed Offer by WAM Leaders will be subject to the following defeating conditions:

(1) 50.1% minimum acceptance

WAM Leaders has a relevant interest in at least 50.1% (by number) of QVE shares on issue before the end of the period that the Offer is open for acceptance (**Offer Period**).

(2) Regulatory actions

Between the date that the Offer was announced (**Announcement Date**) and the end of the Offer Period (each inclusive):

- (i) no preliminary or final decision, order or decree is made or issued;
- (ii) no action, proceeding or investigation is announced, commenced or threatened; and
- (iii) no application is made (other than by WAM Leaders or its associates),

by or to any regulatory organisation or government agency which is likely to or threatens to restrain, prohibit, impede or otherwise materially adversely affect the making of the Offer, the acquisition of the QVE shares by WAM Leaders, the rights of WAM Leaders in respect of QVE and the QVE shares or the continued operation of the businesses of QVE or its subsidiaries (other than any action or decision by or application to ASIC or the Takeovers Panel in exercise of the powers or discretions conferred by the Corporations Act).

(3) No change to the investment management agreement

Between the Announcement Date and the end of the Offer Period (each inclusive), there is no amendment or change to, or agreement to amend or change, the terms of the investment management agreement between QVE and its investment manager, Investors Mutual Limited.

(4) No prescribed occurrences

Between the Announcement Date and the date 3 Business Days after the end of the Offer Period (each inclusive), none of the events referred to in subsection 652C(1) and (2) of the Corporations Act occurs.

(5) No material transactions

Except for any proposed transaction reasonably full details of which are publicly announced by QVE before the Announcement Date, none of the following events occurs between the Announcement Date and the end of the Offer Period (each inclusive) without the written consent of WAM Leaders:

- (a) QVE or any of its subsidiaries acquires, offers to acquire or agrees to acquire one or more companies or assets (or an interest in one or more companies or assets) for an amount in any single transaction of more than \$250,000 or an amount in aggregate in any series of transactions of more than \$250,000, or makes an announcement about such an acquisition or acquisitions;
- (b) QVE or any of its subsidiaries disposes, offers to dispose or agrees to dispose of one or more companies or assets (or an interest in one or more companies or assets) for an amount in any single transaction of more than \$250,000 or an amount in aggregate in any series of transactions of more than \$250,000, or makes an announcement about such a disposal;

- (c) QVE or any of its subsidiaries enters into, offers to enter into or announces that it proposes to enter into any joint venture, partnership or dual listed company structure involving a commitment of greater than \$250,000 in any single transaction or an amount in aggregate in any series of transactions of more than \$250,000, or makes an announcement about such a commitment; or
- (d) QVE or any of its subsidiaries incurs or commits to, or grants to another person a right the exercise of which would involve QVE or any of its subsidiaries incurring or committing to any capital expenditure or liability for one or more related items of greater than \$250,000, or makes an announcement about such a commitment.

(6) **No material adverse change**

Between the Announcement Date and the end of the Offer Period (each inclusive), there is no occurrence of any change which has or could reasonably be expected to have a material adverse effect on the assets, liabilities, financial position, performance, profitability or prospects of QVE and/or its subsidiaries.

(7) **Conduct of QVE's business**

Between the Announcement Date and the end of the Offer Period (each inclusive), none of QVE and any body corporate which is or becomes a subsidiary of QVE, without the written consent of WAM Leaders:

- (a) adopts a new constitution or makes any change to its constitution or passes any special resolution or proposes to do so;
- (b) gives or agrees to give any encumbrance (including a security interest or mortgage) over any of its assets otherwise than in the ordinary course of business; or
- (c) changes its board composition, including appointing additional directors, whether to fill a casual vacancy or otherwise.

(8) **No superior alternative proposal**

Between the Announcement Date and the end of the Offer Period (each inclusive), no alternative proposal to the Offer is announced that:

- (a) is recommended by any QVE director; or
- (b) offers consideration that is higher than the consideration offered under the bid valued, as far as practicable, in accordance with the principles applying under section 621(3) of the Corporations Act and ASIC Regulatory Guide 9: Takeover bids.

(9) **Restriction on others acquiring QVE shares**

Between the Announcement Date and the end of the Offer Period (each inclusive), no person other than WAM Leaders or an associate of WAM Leaders gains or increases their voting power in QVE by 5% or more.

(10) **No material litigation**

Between the Announcement Date and the end of the Offer Period (each inclusive):

- (a) none of QVE and its subsidiaries has threatened or commenced against it any material claims or proceedings in any court or tribunal (and a claim or proceeding is taken to be material if it may reasonably result in a judgment of \$50,000 or more), other than that which has been fully and fairly publicly disclosed to the ASX prior to the Announcement Date;

- (b) the consideration under the Offer is required to be increased or WAM Leaders or one of its associates is required or is reasonably likely to be required to pay any amount to any one or more QVE shareholders in connection with the Offer as a result of:
 - (i) any litigation that is commenced, is threatened to be commenced, announced or is made known to QVE (whether or not becoming public); or
 - (ii) any preliminary or final decision or order of any regulator or other government agency, other than as a result of WAM Leaders publicly undertaking to increase the consideration under the Offer or WAM Leaders lodging a notice of variation under section 650D of the Corporations Act relating to an increase of the consideration under the Offer; or
- (c) the aggregate liability of QVE and its subsidiaries under or in connection with any existing claim or proceeding in any court or tribunal is or is likely to be materially more than the provision made for the claim or proceeding in QVE's last audited annual financial statements or, if no provision has been made, is or likely to be more than \$50,000.

(11) **No de-listing**

Between the Announcement Date and the end of the Offer Period (each inclusive), QVE is not removed from the official list of the ASX.

(12) **No NTA fall**

At any time after the Announcement Date, the reported pre-tax NTA of QVE not declining by 5% or more below the pre-tax NTA of QVE of \$1.0070 per share as at 25 January 2024, being the \$1.02 pre-tax NTA of QVE announced to the ASX on 29 January 2024 adjusted for the payment of QVE's 1.3 cents per share December 2023 fully franked quarterly dividend as announced to the ASX on 30 January 2024 (which goes ex-dividend on 13 February 2024 and will be paid on 1 March 2024).

(13) **No market fall**

The S&P/ASX 200 Accumulation Index not closing at a level that is 5% or more below the level of that index at 5.00pm (Sydney time) on the trading day immediately prior to Announcement Date and remaining at or below that level for at least two consecutive trading days.

About WAM Leaders

WAM Leaders Limited is a listed investment company (LIC) managed by Wilson Asset Management. Listed in May 2016, WAM Leaders provides investors with exposure to an active investment process focused on identifying large-cap companies with compelling fundamentals, a robust macroeconomic thematic and a catalyst.

All major platforms provide access to WAM Leaders, including Asgard eWRAP Investment, BT Panorama, BT Wrap, Colonial First State FirstWrap, Hub24, IOOF Pursuit Select Investment Service, Macquarie Investment Manager / Consolidator, MLC Wrap IDPS and SMS, Netwealth Wrap and North Investment.

About Wilson Asset Management

Wilson Asset Management has a track record of making a difference for shareholders and the community for 25 years and is the investment manager for eight LICs – WAM Capital (ASX: WAM), WAM Leaders (ASX: WLE), WAM Global (ASX: WGB), WAM Microcap (ASX: WMI), WAM Alternative Assets (ASX: WMA), WAM Strategic Value (ASX: WAR), WAM Research (ASX: WAX) and WAM Active (ASX: WAA) – and the Wilson Asset Management Leaders Fund. Wilson Asset Management invests over \$5 billion on behalf of more than 130,000 retail investors.

Wilson Asset Management created and is the lead supporter of the first LICs to deliver both investment and social returns: Future Generation Australia (ASX: FGX) and Future Generation Global (ASX: FGG). Wilson Asset Management advocates and acts for retail investors, is a member of the global philanthropic Pledge 1% movement, is a significant funder of many Australian charities and provides all team members with \$10,000 each year to donate to charities of their choice. All philanthropic investments are made by the Investment Manager.

Listed
May 2016



WAM Leaders receives coverage from the following independent investment research providers:



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Wilson
Asset Management
Making a difference



\$5 billion

in funds under management

>200 Years

combined investment experience

+25 Years

making a difference for shareholders

10

investment products

For more information visit www.wilsonassetmanagement.com.au or contact:

Geoff Wilson AO

Chairman &

Chief Investment Officer

(02) 9247 6755

Kate Thorley

Chief Executive Officer

(02) 9247 6755

0405 115 644

Jesse Hamilton

Chief Financial Officer

(02) 9247 6755

0401 944 807

Samantha Philp

Head of Corporate Affairs
and Marketing

(02) 9247 6755

0410 696 730