



JOHN.BRIDGEMAN

JOHN BRIDGEMAN LIMITED
ACN 603 477 185
(NSX:JBL)

26 May 2017

John Bridgeman Group submits proposal for acquisition of stake in JB Financial Group

John Bridgeman Limited (NSX: JBL) (**Company**) refers to announcements made by one of its managed funds, Henry Morgan Limited (ASX: HML), regarding JB Financial Group Ltd (**JB Financial**). JB Financial is a financial services company with established and profitable broking and foreign exchange arms, and an expanding FinTech Services division.

On 16 May 2017, Henry Morgan Limited outlined its intention to rebalance its Portfolio by selling approximately \$5 million worth of shares in JB Financial prior to 30 June 2017.

John Bridgeman Limited and its related parties (including Stuart McAuliffe) (**John Bridgeman Group**) advises that it has approached Henry Morgan Limited with a proposal to acquire 100% of the shares held by Henry Morgan Limited in JB Financial (**JB Financial Stake**). This proposal is made on the following key terms:

- (a) \$7.90 per share for the JB Financial Stake (ie. an aggregate of \$42,265,000), with 50% (being \$21,132,500) payable in cash on completion of the transaction and the balance \$21,132,500 being payable 12 months from completion. This represents an approximate 29% premium over the price of \$6.14 per share at which shares in JB Financial were most recently issued;
- (b) If by the one year anniversary of the completion of the transaction, an initial public offering of the shares in JB Financial (or a special purpose holding company formed for the purpose of that offering) accompanied by a listing of the company on an Australian stock exchange or the sale of all or substantially all of the shares in JB Financial completes and the value per share of shares in JB Financial is demonstrated by that liquidity event to have increased by more than 10% of \$7.90 (**Minimum Threshold**), the John Bridgeman Group will pay Henry Morgan Limited an amount equivalent to 50% of the increase in value above the Minimum Threshold;
- (c) In the event that an independent expert places a value on the JB Financial Stake which is greater than the price per share specified under paragraph (a) above, the John Bridgeman Group will consider increasing the consideration payable under paragraph (a) to an amount equal to at least the preferred value attributed to the JB Financial Stake by the independent expert.

The proposed acquisition of the JB Financial Stake would be subject only to the following:

- completion of a due diligence investigation which is in all respect satisfactory to the John Bridgeman Group;
- the negotiation and execution of the relevant transaction documents;
- the parties obtaining all relevant regulatory approvals and the consent of shareholders to the sale and acquisition of the JB Financial Stake in accordance with all applicable regulatory requirements, including the requirements of the ASX Listing Rules, the NSX Listing Rules and the applicable provisions of the *Corporations Act 2001*; and
- Henry Morgan Limited and, if necessary, the John Bridgeman Group, obtaining an independent expert's report in respect of the value of the JB Financial Stake and otherwise in accordance with the requirements of the ASX and NSX Listing Rules.



JOHN.BRIDGEMAN

JOHN BRIDGEMAN LIMITED
ACN 603 477 185
(NSX:JBL)

The John Bridgeman Group has appointed Franki Ganter and Geoff Rankin of Allens Linklaters to advise on the transaction.

Stuart McAuliffe, Managing Director, said, "The offer for Henry Morgan Limited's stake in JB Financial Group would, if successful, deliver John Bridgeman Limited and its related parties control over JB Financial Group. This would provide us with market leading financial arms that we could integrate into our global expansion plans. These financial arms include retail and wholesale cash foreign exchange, specialist derivatives broking, mercantile agency services, and FinTech services. All of these arms are integral to the global financial system, and are businesses that are currently profitable, that we understand very well, that are currently growing at high double-digit rates, and which we believe, with appropriate management, will continue into the future.

"John Bridgeman Limited would continue to support the articulated intention of the JB Financial Group to seek an IPO in the short to medium term. John Bridgeman would also support organic growth and growth through acquisition. We believe that all arms of JB Financial Group have excellent growth prospects, and that John Bridgeman Limited has the skills and experience to enhance that growth."

Further disclosure will be made as the details become more certain.

Stuart McAuliffe

Managing Director

John Bridgeman Limited

E: stuart@johnbridgeman.com.au