ELPH INVESTMENTS PTY LTD
ABN 72 127 213 807

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7 March 2025

ELPH INVESTMENTS PTY LTD ANNOUNCES ALL CASH TAKEOVER OFFER FOR ALL SHARES IN ENGENCO

Elph Investments Pty Ltd (**Elph Investments**), which is a member of the Elphinstone Group, is pleased to announce its intention to make an off-market takeover offer to acquire all of the ordinary shares of Engenco Limited (ASX:EGN) (**Engenco**) (**Engenco Shares**) for $0.305 cash per Engenco Share (**Offer Price**) (the **Offer**).

AN ATTRACTIVE OFFER

Elph Investments considers that the Offer is attractive to Engenco Shareholders. The Offer Price represents a premium of:

- 45.2% to the trading price of Engenco Shares on ASX at the closing of trading on 6 March 2025;
- 53% to the 30 day volume weighted average price (**VWAP**) of Engenco Shares up to and including 6 March 2025;
- 59.8% to the 90 day volume weighted average price (**VWAP**) of Engenco Shares up to and including 6 March 2025; and
- 63% to the 180 day volume weighted average price (**VWAP**) of Engenco Shares up to and including 6 March 2025.

Engenco Shareholders will remain entitled to receive the dividend announced by Engenco on 27 February 2025 of $0.005 per Engenco Share and that amount will not be deducted from the Offer Price.

In addition to the significant premium, the Offer provides Engenco Shareholders with a rare opportunity to realise liquidity for their entire Engenco shareholding in an orderly and efficient manner. The market for Engenco Shares is extremely illiquid[1] and will further decrease in liquidity with each acceptance of the Offer. As at the date of this announcement, Elph Investments is not aware of any other party intending to make a competing proposal for Engenco Shares.

ABOUT THE ELPHINSTONE GROUP

The Elphinstone Group, based in Burnie, Tasmania, owns, or holds a majority or substantial interest in (in addition to Engenco): William Adams (CAT Dealer Victoria and Tasmania), Phu Thai Cat (CAT Dealer in Vietnam), Energy Power Systems Australia (CAT Power Systems Dealer for Australasia and PNG), United Forklift and Access Solutions, Elphinstone Pty Ltd (underground equipment manufacturer), Mine Energy Solutions (dual fuel mining equipment), Drac Mechanical (power generation solutions), Sitech, Ultimate Positioning, Gekko Systems and Gaia EnviroTech. The Elphinstone Group is principally focused on Caterpillar product distribution and support, manufacturing, technology, materials handling, rail and resources.

BACKGROUND TO THE OFFER

Elph Investments currently owns 37.13% of the Engenco Shares on issue and its Associate, Elph Pty Ltd, currently owns 31.48% of the Engenco Shares. Both Elph Investments and Elph Pty Ltd are members of the Elphinstone Group. The Elphinstone Group first acquired Engenco Shares in 2010 (at that time, Engenco's name was Coote Industrial Limited). It increased its interest to approximately 65% of Engenco Shares (in aggregate) in April 2013. The Elphinstone Group has maintained and marginally increased its controlling interest in Engenco since then. Dale Elphinstone AO and Kelly Elphinstone of

[1] In the last year, the average number of trades per trading day is less than 2 trades per day.

the Elphinstone Group have maintained their positions on the board of Engenco since July 2010 and 19 September 2022, respectively.

The Elphinstone Group has determined that there is now compelling synergistic potential that may be realised from incorporating Engenco as a wholly owned member of the Elphinstone Group.

ABOUT THE OFFER

The Offer is subject to certain conditions which are summarised in the Annexure to this announcement. The conditions include a minimum acceptance condition which will only be satisfied if Elph Investments obtains a Relevant Interest in enough Engenco Shares so that it is able to undertake compulsory acquisition of the Engenco Shares of any Engenco shareholder that does not accept the Offer.

Further information about the Offer will be provided in Elph Investments' Bidder's Statement, which will be sent to Engenco Shareholders in due course. The Bidder's Statement will set out information on how to accept the Offer, information for Engenco Shareholders on why they should **accept** the Offer and information about Elph Investments.

Entities within the Elphinstone Group have agreed to provide Elph Investments with all amounts Elph Investments is required to pay under or in connection with the Offer under an offer funding agreement.

Pinsent Masons is acting as legal adviser to Elph Investments in respect of the Offer.

For further information, please contact:

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Elph Investments Pty Ltd

Annexure – Offer Conditions

The Offer and any contract resulting from acceptance of the Offer is subject to fulfilment of the following conditions (**Offer Conditions**):

(a) Minimum Acceptance Condition

At or before the end of the Offer Period, Elph Investments has a Relevant Interest in enough Engenco Shares so as to be entitled to compulsorily acquire Engenco Shares in which it does not hold a Relevant Interest under Part 6A.1 of the Corporations Act.

(b) No Material Adverse Event

During the Implementation Period none of the following occurs:

(i) an event, change, condition, matter, circumstance or thing occurs, will occur, or is reasonably likely to occur;

(ii) information is disclosed or announced by Engenco concerning any event, change, condition, matter, circumstance or thing that has occurred (including prior to the Announcement Date), will occur, or is reasonably likely to occur; or

(iii) information concerning any event, change, condition, matter, circumstance or thing that has occurred (including prior to the Announcement Date), will occur, or is reasonably likely to occur, becomes known to Elph Investments,

(each a **Specified Event**) which, whether individually or when aggregated with any other Specified Event, has had, will have or would be considered reasonably likely to:

(iv) have a material adverse effect on the business, assets, liabilities, financial or trading position, profitability or prospects of the Engenco Group (taken as a whole), for example regulatory investigations, industrial action, workplace safety incidents or injuries, site closures or shutdowns, or systematic underpayment of wages or entitlements, that will have or would be considered reasonably likely to:

(A) have a material adverse effect on the reputation of an Engenco Group Member in the industry in which the Engenco Group Member operates; or

(B) jeopardise the relationship or prospective relationship between an Engenco Group Member and an existing or prospective material customer or supplier of that Engenco Group Member; or

(v) have the effect of:

(A) diminishing the consolidated net assets of the Engenco Group by more than $5,000,000 against the consolidated net assets amount reported in Engenco's most recently audited financial statements; or

(B) reducing the earnings before interest, depreciation and tax of the Engenco Group for any financial year by $1,000,000 or more as compared to what it could have reasonably been expected to be but for the occurrence of the Specified Event.

(c) No Prescribed Occurrences

(i) None of the events or circumstances listed in section 652C of the Corporations Act occurring in respect of Engenco (or, where applicable under section 652C, in any Subsidiary of Engenco) during the period from the Announcement Date to the day before the date the Bidder's Statement is given to Engenco (each inclusive).

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(ii) None of the events or circumstances listed in section 652C of the Corporations Act occurring in respect of Engenco (or, where applicable under section 652C, any Subsidiary of Engenco) during the period from the date the Bidder's Statement is given to Engenco to the end of the Offer Period (each inclusive).

(d) No action by Regulatory Authority materially and adversely affecting the Offer

During the Implementation Period:

(i) there is not in effect any preliminary or final decision, order or ruling issued by any Regulatory Authority;

(ii) no application is made to any Regulatory Authority; and

(iii) no action or investigation is announced, commenced or threatened by any Regulatory Authority in connection with the Offer,

which could reasonably be expected to:

(iv) restrain, impede or prohibit or otherwise have a material adverse effect on:

(A) the making of the Offer and the completion of any transaction contemplated by the Offer; or

(B) the rights of Elph Investments in respect of Engenco or the Engenco Shares to be acquired under the Offer; or

(v) require the divestiture by Elph Investments of any Engenco Shares or any material assets of Engenco

other than an application to or a determination by ASIC or the Takeovers Panel in the exercise of the powers and discretions conferred by the Corporations Act.

(e) No market fall

During the Implementation Period, the S&P/ASX 200 Index does not close on any trading day at a level 10% or more below the level of that index at the close of trading on the day prior to the Announcement Date and remains at, or below, that level for at least two consecutive trading days.

(f) No distributions

During the Implementation Period, Engenco does not announce, make, declare or pay any distribution (whether by way of dividend, bonus, capital reduction or otherwise and whether in cash or in specie) that has not been declared before the Announcement Date.

The full terms and conditions of the Offer (including supporting provisions relating to the conditions) will be set out in the Bidder's Statement.

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Definitions and interpretation

In this announcement:

Announcement Date means the date of this announcement.

ASIC means the Australian Securities and Investments Commission.

Associate has the meaning given in section 12(2) of the Corporations Act.

ASX means ASX Limited ABN 98 008 624 691 and, where the context requires, the financial market operated by it.

Corporations Act means the *Corporations Act 2001 (Cth)*, as modified by any relevant exemption or declaration by ASIC.

Engenco Group means Engenco Limited and its Subsidiaries and **Engenco Group Member** means any one of them as the context requires.

Implementation Period means the period between the Announcement Date and the end of the Offer Period (each inclusive).

Offer Period means the period during which the Offer will remain open for acceptance in accordance with the offer terms to be contained in the Bidder's Statement.

Regulatory Authority includes:

(a) a government or a governmental, semi-governmental, administrative, fiscal or judicial body;

(b) a minister, department, office, commission, delegate, instrumentality, tribunal, agency, board, authority or organisation of, or controlled by, any government; and

(c) any regulatory organisation established under statute,

and, in particular, includes ASX, ASIC and the ATO.

Relevant Interest has the meaning given in sections 608 and 609 of the Corporations Act.

Subsidiary has the meaning given in section 46 of the Corporations Act.

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