

Investogain Pty Limited

Product Disclosure Statement

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Worthless securities and securities of value - Important information

This document has been prepared by deListed, a division of Investogain Pty Limited (ABN 88 129 443 447). Investogain Pty Limited is the holder of Australian Financial Services Licence No: 334036. The commencement date of the AFS Licence is 25 May 2009. (Our current license effectively superseded an earlier license held by BRG Pacific Pty Limited, the previous owner of deListed). This is the tenth revision of our Product Disclosure Statement, and it is effective 1 August 2023.

This Product Disclosure Statement is important and should be read in its entirety and in conjunction with our Financial Services Guide. In this statement, when the name deListed or the terms, licensee, we, our, or us are used, we are referring to Investogain Pty Limited (ABN 88 129 443 447) holder of AFS Licence No: 334036.

Summary of the information contained in this document

deListed is prepared to buy securities in entities that are no longer quoted on a stock exchange, or if quoted are "illiquid" as defined below. The securities we purchase are in our opinion of no value or of negligible value. We may also acquire securities of value in circumstances where the entity is delisted from a stock exchange or where its securities are no longer quoted. We explain below some of the features that are common to the entities concerned and to the securities we are prepared to buy. Before making any decision in relation to the sale of your securities you should determine whether it is the appropriate decision given your financial circumstances, needs and objectives. Some of the benefits and risks associated with that decision are explained below. Other information, material to your decision, is also provided.

deListed charges an Administration Fee to prepare, make available online and execute the forms required to give effect to the creation of a trust, the agreement to sell the securities and the off-market transfer of securities. You will be notified that these online forms are available for your review and execution within seven days of your submission of the transaction details and payment of the fee except in the period from July to September each year. (During that period our online facility will accept transactions but they will be processed only in October). All securities are held on trust until their transfer is registered. The fees that apply are specified below. deListed also provides below an overview of our Privacy Policy which informs clients of how we endeavour to keep their information secure and in what manner we use their personal information.

Features of the securities deListed is prepared to buy

We acquire 1) Worthless Securities and 2) Securities of Value (see below).

1) Worthless Securities

We buy securities of entities that are not quoted on a stock exchange, or if quoted, the market in those securities is illiquid and the securities are, in our opinion, of negligible value. That opinion is formed by reference to the circumstances leading to a delisting or suspension, the length of a suspension, share trading history and last on-market share price, most recent financial and cash flow statements, prospects (including likelihood of re-financing) and other factors.

The securities we acquire may include securities of entities listed on an exchange but currently suspended from quotation. We may also purchase securities of unlisted public companies and private entities. Investors wishing to sell securities in private entities are asked to provide details by email to admin@delisted.com.au before proceeding further.

All securities acquired by deListed are to be fully paid and unencumbered. deListed is entitled to set aside any transaction at any time, (including subsequent to the execution of documents) should securities not be fully paid and unencumbered. In the event that deListed chooses to set aside a transaction, any Administration Fee that has been paid will be refunded in full.

The overriding feature of the securities we are prepared to acquire is that they have, in our opinion, little, if any, value and accordingly we pay \$1 only as nominal consideration for the parcel of securities, irrespective of the number of securities involved. The value we place on your securities is of course a matter of opinion and it is therefore important that you obtain independent financial advice and consider your tax position and investment objectives before deciding to sell.

Some of the features common to many of the securities we acquire, include:

- ☐ The issuer of the securities is in external administration.
- ☐ The securities have been suspended from quotation for many years.
- ☐ The market has not been kept informed of the issuer's financial or other circumstances.
- ☐ The securities have been suspended from quotation and the issuer is no longer operating.
- ☐ The issuer of the securities is a "shell" and attempts to recapitalise or sell it, have founded.
- ☐ The most recent financial statements reflect losses and negative net tangible asset backing.

We acquire securities as principal and not as an agent and we make no recommendation that you should sell your securities to us. We may decline to acquire securities in any entity at any time and need not provide a reason for so doing. (In that event if any Administration Fee has been paid, it will be refunded in full.)

Transaction details are entered by you to our online form and the documents for each transaction are provided online for your review and execution within two business days (except in the period July to October each year, in which event the documents are provided online early in October). You execute by typing in the equivalent of your signature or signatures depending on whether you are selling securities as an individual holder, joint holder or on behalf of a SMSF, other trust, company, estate or whatever. By signing you are also acknowledging that you are entitled to dispose of the securities. When signed by you we are notified, execute as buyer, and provide the documents including tax invoice online for you to download or print at any time. By way of a Declaration of Trust, you agree to hold the securities on trust for us until registration of the transfer is obtained. Registration of transfer is not possible while an entity is in administration or in other cases where registry fees are unpaid and the register is no longer being maintained. It may therefore be years before registration is accomplished or indeed it may never occur, as many of these entities go into administration and are eventually liquidated and deregistered.

Occasionally an entity may regain quotation on the exchange or there may be indications it is about to regain quotation. In that event, or in any event, we may request that you provide us with originals of signed documents and certified ID. While we trust this will not be necessary it will inevitably occur in a small number of cases.

While securities may remain in your name in the register, they have been sold to us and you agree to hold them on trust until we become the registered owner. The securities are therefore no longer able to

be otherwise disposed of in any circumstances and we are entitled to receive any return of capital or revenue distribution or dividend attaching to the securities whether the transfer has been registered or not. In the event the issuer's name changes or its code changes or the securities are consolidated prior to registration of a transfer, you as the seller agree that as the buyer we may add the new details to the transfer and that they shall be valid for the purposes of registration. In the event the CHESS sub-register is closed, you agree to the use of the HIN or SRN as provided by you for identification purposes. You also agree to assist in facilitating the registration of a transfer of securities, including, if necessary, conversion from CHESS to Issuer Sponsored and provision of an SRN. You agree that InvestoGain may make non-substantive changes to the transfer including to the registered name or to the registered address of the seller and you agree to provide upon request whatever transfer details are required to give effect to registration of the transfer including corrections to or changes to a HIN, SRN, registered name, registered address or number of securities. In the case of online transactions you are also agreeing to providing InvestoGain with the equivalent signed documents and certified ID originals within two weeks, if they are subsequently requested. You should note that transactions entered online to our Worthless Shares facility and paid for immediately are regarded to have taken place at that point, notwithstanding that they are executed subsequently.

2) Securities of Value

We also acquire securities of value in entities in circumstances where those entities are either delisted from a stock exchange or where its securities are no longer quoted. Holders of such securities are advised to contact us at: admin@delisted.com.au if they have grounds for believing their securities have value and they have no other means of disposing of them. We are not bound to acquire those securities and do not operate a market in them. We give no warranty or undertaking of any sort in relation to such securities. If we acquire the securities at an agreed price we do so as principal and not as an agent. We may never acquire such securities and need not provide a reason for either acquiring the securities or not acquiring the securities.

Benefits, risks and other information relative to your decision

One benefit to investors of selling their "worthless securities" is the crystallisation of the capital loss for tax purposes. The Capital Gains Tax - Basics, Capital Losses 2021/22, Capital Losses 2022/23, Loss Declarations and Deregistered Companies webpages of our website www.delisted.com.au provide some information in relation to the claiming of a capital loss. That information is accurate to the best of our knowledge, but we make no representations in relation to your personal tax position, or as to what capital losses may be claimable by you. Many shareholders are also angry when their company fails. They feel let down by their directors and seek "closure" by getting rid of their shares. We do not provide tax advice or counselling services and recommend that you seek independent professional guidance, relative to your decision.

The risks associated with a decision to sell securities, include the possibility that an administrator or liquidator will issue a loss declaration (a declaration issued pursuant to s 104-145 of the Income Tax Assessment Act 1997) later in the current financial year enabling shareholders to choose to make a capital loss in the income year, without the need to sell their securities. On the other hand, there is also a risk that a company may "progress" from administration to liquidation and the loss be thus no longer capable of being realised by way of disposal. A liquidator may contemplate litigation against directors and not be in a position to issue a Loss Declaration for many years. The shareholder is thus "locked into their loss". In the case of illiquid securities, trading volumes may increase and shareholders may be able to dispose of their securities on the market. Investors should also consider the risk that the securities may have some residual value. Their company may be recapitalised and regain quotation. This risk, its timing and the possible value of the securities relative to the tax benefit, needs to be considered in the context of the more immediate benefit of claiming a capital loss and the certainty of fixing a tax position. More information relative to recapitalisation can be found at our website.

Fees that apply

An Administration Fee applies to the processing of an off-market transfer of securities and the creation

of a trust to hold those securities on trust until their transfer is registered. Our Administration Fee for the preparation, execution and provision of all documents is \$151 (GST included) for each parcel of shares we acquire. That amount is reduced by \$1 for each parcel, being the "nominal consideration", we pay for "worthless" securities. In the event, that you are selling more than one parcel of securities to us at the same time, the Administration Fee is reduced to \$70 for each additional parcel and the net payment due by you as the seller of the securities is as detailed:

Parcels	Buyers Admin Fee	Consideration paid by buyer	Net Payment by seller
One	151.00	1.00	150.00
Two	222.00	2.00	220.00
Three	293.00	3.00	290.00
Four	364.00	4.00	360.00
etc			

Other matters relative to our fees:

In a very small number of cases the transfer of securities is subject to stamp duty. In that event there may be an additional charge. That possibility and the amount of the duty payable can only be assessed on a case-by-case basis. Investors will be given the choice of paying the additional charge (unlikely to be more than \$50) or withdrawing from the transaction. If the latter course is chosen, any fee already paid will be refunded in full.

We provide an online service at the above rates. Brokers who process transactions on behalf of clients are entitled to a lower "volume" rate, which can be obtained by applying to admin@delisted.com.au.

Administration Fees are not refundable in any circumstances, except as stated above, as preparation of the transaction often commences soon after the transaction is initiated.

We receive no other fees or remuneration of any description relative to these transactions, although we may benefit if the company is recapitalised and the securities subsequently have value. (In our experience when a company shell is sold and the company recapitalised, existing holdings are very significantly diluted. Typically, an average shareholder ends up with shares worth a few dollars which still must be sold on-market - involving brokerage - to crystallise the capital loss. More information relative to recapitalization can be found in the Capital Losses section of our website.)

Privacy Policy

Our Privacy Policy informs clients of how we will endeavour to keep their information secure and in what manner we use their personal information. The policy covers personal information that may be gathered via the internet, by email or over the telephone. This information is needed in order to provide clients with our services. If we do not collect this information from you, we will not be able to provide you with our service.

We will be utilising the personal information collected about you to process the immediate transaction or transactions. This information may also be disclosed to your authorised representatives including your legal advisers, organisations required or authorised by law to have access and those you have consented to receive it. We may also use your personal information to let you know about developments and services that may better serve your financial, taxation or investment needs. We assume we have your consent to use the information for this purpose unless you tell us otherwise.

We store your personal information in different ways (both paper and electronic) and have a number of measures in place to maintain the security of this information and to prevent inappropriate access to it. Our privacy policy may be changed or amended at any time.

Complaint handling procedures

Investogain Pty Limited is committed to the provision of a high standard of personal service and to maintaining our reputation for fairness and integrity. If, despite our best endeavours, the level of service fails to meet your expectations we would like you to inform us about your concerns. Our complaint handling process is designed

to ensure that your concerns are treated seriously and that your complaint is addressed promptly and fairly.
Your complaint should be in writing to:

Investogain Pty Limited, PO Box 400, Crows Nest NSW 1585

Any complaint will be dealt with in strict confidence and to the very best of our ability.

If you are still not satisfied with our handling of your complaint you may direct your concerns in writing to:

Australian Financial Complaints Authority, GPO Box 3, Melbourne VIC 3001