

Excelsior Capital Limited

ACN 050 542 553

Notice of General Meeting and Explanatory Memorandum

in relation to the proposed sale of all the issued shares in CMI Operations Pty Ltd, a wholly owned subsidiary of the Company

VOTE IN FAVOUR

The Excelsior Board unanimously recommend that you vote in favour of the Proposed Transaction in the absence of a superior proposal

The Independent Expert has concluded that the Proposed Transaction is fair and reasonable and in the best interests of Excelsior Shareholders, in the absence of a superior proposal



Houlihan Lokey

Financial Adviser



Nicholson Ryan
LAWYERS

Legal Adviser

IMPORTANT INFORMATION

This explanatory memorandum, including the Notice of Meeting, the Independent Expert's Report and the Proxy Form (together, the **Explanatory Memorandum**) are all important documents and require your immediate attention. They should be read carefully in their entirety before you make a decision on how to vote at the Meeting.

PURPOSE OF EXPLANATORY MEMORANDUM

The Explanatory Memorandum contains an explanation of, and information about, the Resolution to be considered at the Meeting of Excelsior to be held on **25 January 2024 at 11.00am (AEDT)** at The Gallery, Park Hyatt Sydney, 7 Hickson Road, The Rocks, Sydney NSW 2000. It is given to Excelsior Shareholders to provide them with information that the Excelsior Directors believe to be material to Excelsior Shareholders in deciding whether and how to vote on the Resolution. Excelsior Shareholders should read the Explanatory Memorandum in full because individual sections do not give a comprehensive review of the Resolution.

NO FINANCIAL PRODUCT OR INVESTMENT ADVICE

The information contained in this Explanatory Memorandum does not constitute financial product advice and has been prepared without reference to your own investment objectives, financial situation, taxation position or particular needs. You must make your own decision in this regard. The information and recommendations contained in this Explanatory Memorandum do not constitute, and should not be taken as, financial product advice. This Explanatory Memorandum does not constitute financial or tax advice. You will need to consult with your own financial or tax adviser regarding the consequences of the Proposed Transaction in light of your particular circumstances.

It is important that you read this Explanatory Memorandum in its entirety before making any investment decision and any decision as to whether or not to vote in favour of the Resolution. If you are in any doubt in relation to these matters, you should consult with a financial, legal, taxation or other professional adviser.

FORWARD LOOKING STATEMENTS

The Explanatory Memorandum contains forward looking statements which have been based on current expectations about future events.

Forward looking statements can be identified by the use of forward looking words such as "may", "should", "expect", "anticipate", "estimate", "scheduled", "believe", or "continue", their negative equivalent or comparable terminology. Similarly, statements that describe Excelsior's

objectives, plans, goals or expectations are or may be forward looking statements. The statements contained in the Explanatory Memorandum about the impact that the Proposed Transaction may have on the results of Excelsior's operations and the advantages and disadvantages anticipated to result from the Proposed Transaction are also forward looking statements.

These forward looking statements are, however, subject to known and unknown risks, uncertainties and assumptions that could cause actual results, performance or achievements of Excelsior to differ materially from the expected future results, performance or achievements expressed, projected, described or implied in such forward looking statements. Such risks, uncertainties and other important factors include among other things, general economic conditions, specific market conditions, exchange rates, interest rates and regulatory changes. Other unknown or unpredictable factors could also have a material adverse effect on future results of Excelsior.

None of Excelsior, nor any of its respective officers or any person named in the Explanatory Memorandum or involved in its preparation makes any representation or warranty (either express or implied) as to the accuracy or likelihood of fulfilment of any forward looking statement, or any events or results expressed or implied in any forward looking statement, and Excelsior Shareholders are cautioned not to place reliance on those statements. You should note that the historical performance of Excelsior is no assurance of its future financial performance.

The forward looking statements in the Explanatory Memorandum reflect views held only as at the date of the Explanatory Memorandum.

Subject to any obligations under law or the Listing Rules, Excelsior and its related entities and Directors disclaim any obligation or undertaking to disseminate, after the date of the Explanatory Memorandum, any updates or revisions to any forward looking statements to reflect any change in expectation in relation to those statements or any change in events, conditions or circumstances on which any such statement is based.

ROUNDING OF NUMERICAL INFORMATION

Any discrepancies between totals in tables and sums of components contained in the Explanatory Memorandum and between those figures and figures referred to in other parts of the Explanatory Memorandum are due to rounding. All rounded numbers have been rounded either to one decimal place or to the nearest whole number.

NOTICE TO PERSONS OUTSIDE AUSTRALIA

The Explanatory Memorandum has been prepared in accordance with Australian laws, disclosure requirements and accounting standards. These laws, disclosure requirements and accounting standards may be different to those in other countries.

DISCLAIMER

No person is authorised to give any information or make any representation in connection with the Resolution which is not contained in this Explanatory Memorandum. Any information or representation not contained in the Explanatory Memorandum must not be relied on as having been authorised by Excelsior or the Excelsior Board or any Excelsior Director in connection with the Resolution.

RESPONSIBILITY FOR INFORMATION

RSM has prepared the Independent Expert's Report and has given, and has not withdrawn, as at the date of the Explanatory Memorandum, its written consent to the inclusion of the Independent Expert's Report, and the references to that report, in the form and context in which they are included in the Explanatory Memorandum. RSM takes responsibility for that report but is not responsible for any other information contained in the Explanatory Memorandum. Neither Excelsior nor any of its related entities, directors, officers, employees, contractors, advisers or agents assumes any responsibility for the accuracy or completeness of the Independent Expert's Report. Excelsior Shareholders are urged to read the Independent Expert's Report carefully to understand the scope of the report, the methodology of the

assessment, the sources of information and the assumptions made.

PRIVACY STATEMENT

Excelsior collects personal information about its Shareholders' holdings of Excelsior Shares in accordance with the Corporations Act. Excelsior will share that personal information with its advisers and service providers in connection with the Resolution. Excelsior Shareholders can contact the Excelsior Registry, Link Market Services Limited on 1300 554 474 if they have questions about their personal information.

DEFINITIONS

Defined terms are used in the Explanatory Memorandum. The defined terms are in the Glossary.

TIME

All references to time in the Explanatory Memorandum are references to Australian Eastern Daylight Time unless otherwise stated.

CURRENCY

All references in the Explanatory Memorandum to "\$", "A\$" and "cents" are references to Australian currency, unless otherwise specified.

ASX and ASIC

Neither ASIC, ASX nor any of their respective officers takes any responsibility for the contents of the Explanatory Memorandum.

DATE

The Explanatory Memorandum is dated 21 December 2023.

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Key Dates

Proposed Transaction announced	Tuesday 28 November 2023
Explanatory Memorandum despatched to Excelsior Shareholders	Thursday 21 December 2023
Deadline for lodging Proxy Forms	Tuesday 23 January 2024 at 11.00am (AEDT)
Record Date for determining entitlement to vote at General Meeting	Tuesday 23 January 2024 at 7:00pm (AEDT)
General Meeting of Excelsior Shareholders	Thursday 25 January 2024 at 11.00am (AEDT)
Completion of Proposed Transaction	Wednesday, 31 January 2024
Payment of deferred consideration to Excelsior (subject to achieving earn-out targets)	31 August 2024

The key dates above (and the references to those dates through this document) are indicative only and are subject to any changes that may be agreed between Excelsior and IPD Group, or in consultation with the ASX. Excelsior will update Excelsior Shareholders via the ASX platform and Excelsior's website as appropriate when the relevant events are reached or changed, or decisions made.

Letter from the Chairman of Excelsior Capital Limited

Dear Excelsior Shareholder,

On behalf of the Excelsior Board, I am pleased to invite you to a General Meeting (**Meeting**) to be held at the Park Hyatt Sydney at 11.00am on 25 January 2024.

As announced to the market on 28 November 2023, the Company has entered into a Share Sale and Purchase Agreement (**SSPA**) for the sale of the Company's wholly owned subsidiary, CMI Operations Pty Ltd (**CMI Operations**) to IPD Group Ltd (**IPD Group**) for cash consideration of up to A\$101 million (the **Proposed Transaction**).

The decision to divest CMI Operations follows a strategic review aimed at maximising shareholder value. The Proposed Transaction aligns with the Company's portfolio optimisation strategy and will further strengthen its position as a leading Australian Listed Investment Company. Accordingly, the Excelsior Board **unanimously recommends Excelsior Shareholders vote in favour of the Proposed Transaction**, in the absence of a superior proposal and subject to the Independent Expert continuing to conclude the Proposed Transaction to be in the best interests of Excelsior Shareholders.

Subject to those same qualifications, **each Excelsior Director intends to vote in favour of the Proposed Transaction**, for all Excelsior Shares held or controlled by them.

In reaching their recommendation, the Excelsior Board, together with Excelsior's advisers conducted a comprehensive evaluation of the proposal from IPD Group as well as the alternative options available to Excelsior, including maintaining the status quo, pursuing other potential transactions and considering previous indicative proposals by a number of interested parties. The Excelsior Board believes that the Proposed Transaction represents the most attractive and certain option for Excelsior to realise value for the CMI Business.

The Excelsior Board has formed this view for the following reasons:

- ✓ The Proposed Transaction represents an attractive valuation;
- ✓ The Proposed Transaction is an all-cash transaction;
- ✓ The Independent Expert has opined that the Proposed Transaction is fair and reasonable and in the best interests of Excelsior Shareholders;
- ✓ If the Proposed Transaction does not proceed, the CMI business will continue to experience the challenges of further growing the business and the uncertainties arising from the current economic environment; and
- ✓ no superior proposal has emerged as at the date of this letter. Additionally, as at the date of this letter, the Excelsior Board is not aware of any superior proposal that is likely to emerge.

The Explanatory Memorandum sets out important information regarding the Meeting, including the further detail behind the reasons for the Excelsior Board's unanimous recommendation that you vote in favour of the Proposed Transaction, in the absence of a superior proposal. It also sets out the reasons why you may wish to vote against the Resolution.

You should carefully read this document as it provides important information on the Proposed Transaction, the Meeting and the Resolution that you, as a valued Shareholder, are being asked to vote on.

Please contact ECL's Chief Financial Officer on +61 2 9216 9043 if you have any questions about the Meeting or the Notice. Hard copies of the Notice, Explanatory Memorandum and/or the Independent Expert Report can be requested from the Excelsior Registry (Link Market Services) at no cost by contacting them on 1300 554 474. If you have any questions about your Proxy Form, please contact the Registry on 1300 554 474.

If you are in any doubt about what you should do, you should consult your financial, legal, tax and other professional advisers.

On behalf of the Excelsior Board, I would like to take this opportunity to thank you for your continued support of Excelsior and I look forward to your participation at the Meeting.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'D. Herceg', with a stylized flourish at the end.

Danny Herceg
Chairman
Excelsior Capital Limited

+61(02) 9216 9043

1. Notice of Meeting

Excelsior Capital Limited ACN 050 542 553

Notice of meeting

Notice is given that, a meeting of shareholders of Excelsior Capital Limited (**Excelsior** or **Company**) will be held at the time and location, and to conduct the business specified below (**Meeting**):

Date: Thursday, 25 January 2024

Time: 11.00am (AEDT)

Location: The Gallery, Park Hyatt Sydney
7 Hickson Road, The Rocks,
Sydney NSW 2000

Purpose of Meeting

Excelsior Shareholders are asked to consider and if thought fit, pass the Resolution set out below in relation to the Proposed Transaction, being the proposed sale by the Company of all of the issued shares in the capital of its wholly owned subsidiary, CMI Operations Pty Ltd, to IPD Group Limited.

Listing Rule 11.2 requires a listed company to obtain the approval of its shareholders to a disposal of its main undertaking. ASX has determined that the Proposed Transaction is a disposal of the Company's main undertaking for these purposes.

Details of the Proposed Transaction, the subject of the Resolution, is contained in the Explanatory Memorandum, of which this Notice of Meeting forms part. Additional information about the Meeting is set out in the explanatory notes that accompany and form part of this Notice of Meeting.

Capitalised terms used but not defined in this Notice of Meeting have the defined meanings set out in the Glossary contained in section 8 of the Explanatory Memorandum, unless the context otherwise requires.

Business of Meeting

The purpose of the Meeting is to consider and, if thought fit, to pass the following resolution as an ordinary resolution (**Resolution**):

"That, under and for the purposes of Listing Rule 11.2, and for all other purposes, approval is given for the Company to give effect to, and implement, the Proposed Transaction, the terms of which are described in the Explanatory Memorandum (of which this Notice of Meeting forms part), with or without any non-substantive alterations or conditions agreed in writing by the Company."

By order of the Board



Ryan Mount
Company Secretary
Excelsior Capital Limited

Dated: 21 December 2023

Explanatory Notes for the Meeting

This Notice of Meeting and the Resolution should be read in conjunction with the Explanatory Memorandum of which this Notice of Meeting forms part (**Explanatory Memorandum**).

A Proxy Form also accompanies this Notice of Meeting.

Voting Exclusion Statement

In accordance with Listing Rules 11.2 and 14.11, the Company will disregard any votes cast in favour of the Resolution by or on behalf of IPD Group Limited and any other person who will obtain a material benefit as a result of the Proposed Transaction (except a benefit solely by reason of being an Excelsior Shareholder) and any associate of that person or those persons.

However, the Company need not disregard a vote in favour of the Resolution if:

- (a) it is cast by a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way;
- (b) it is cast by the Chair of the Meeting as proxy for a person who is entitled to vote on the Resolution, in accordance with a direction on the voting form to vote as the Chair of the Meeting decides; or
- (c) it is cast by a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary, provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with the directions given by the beneficiary to the holder to vote in that way.

How to vote

If you are an Excelsior Shareholder entitled to attend and vote at the Meeting, you may vote by:

- attending the Meeting in person;
- lodging a direct vote;
- appointing a proxy to attend on your behalf;
- appointing an attorney to vote on your behalf; or
- in the case of a corporation which is an Excelsior Shareholder, by appointing an authorised corporate representative to attend on its behalf.

If you are unable to attend the Meeting, you are encouraged to lodge a direct vote or complete and return the enclosed Proxy Form which allows you to appoint a proxy to vote on your behalf.

You may also lodge your vote or appoint a proxy online. The completed Proxy Form must be received by Link Market Services no later than 11.00am (AEDT) on 23 January 2024.

Voting entitlement

Only Excelsior Shareholders registered on the Record Date, being 7:00pm on 23 January 2024, are entitled to attend and vote at the Meeting.

Excelsior is not aware of IPD Group Limited or any of its associates holding Excelsior Shares. If such a person or entity does hold Excelsior Shares, they would not be entitled to vote (and any votes cast would be disregarded) at the Meeting.

Voting in person

To vote in person at the Meeting, you must attend the Meeting to be held at The Gallery, Park Hyatt Sydney, 7 Hickson Road, The Rocks, Sydney NSW 2000 on 25 January 2024. The meeting will commence at 11.00am.

An Excelsior Shareholder who wishes to attend and vote at the Meeting in person will be admitted to the Meeting and given a voting card on disclosure at the point of entry to the Meeting of their name and address.

Direct Voting

Where an Excelsior Shareholder is entitled to vote, and cannot attend personally and does not wish to appoint a proxy, the Shareholder may vote directly on the Resolution to be considered at the Meeting by lodging their vote(s) to the Company's share registry, Link Market Services Limited, by 11.00am (AEDT) on 23 January 2024.

The direct voting form may be mailed / delivered to the Company's share registry, Link Market Services Limited at:

Street Address: Parramatta Square, Level 22, Tower 6, 10 Darcy Street, Parramatta NSW 2150

Postal Address: Locked Bag A14, SYDNEY SOUTH, NSW 1235

Faxed to Link Market Services Limited on Fax: +61 (02) 9287 0309

Online Direct Voting – Direct votes can be lodged online at <https://investorcentre.linkgroup.com> by following the steps below:

- Step 1** – Click on the 'View single holding' section (unless you have set up a 'Portfolio', in which case proceed to access online voting through that login process);;
- Step 2** – At 'Issuer Name' enter 'ECL' or 'Excelsior Capital';
- Step 3** – Enter your HIN or SRN;
- Step 4** – Enter the postcode (or Country Code if outside Australia) relevant to each shareholding;
- Step 5** – Tick the 'I'm not a robot' box;
- Step 6** – Read and agree to the terms and conditions by selecting the tick box;
- Step 7** – Select 'Voting' from the top menu bar; and
- Step 8** – Select 'Vote' under the heading "Action" and follow the prompts to lodge your direct vote.

You will be taken to have signed your direct vote form if you lodge it in accordance with the instructions given on the website.

Voting by attorney

An Excelsior Shareholder entitled to attend and vote at the Meeting may appoint an attorney to vote at the Meeting. An original or certified copy of the power of attorney must be received at any of the addresses, or via facsimile, as set out below at least 48 hours before the commencement of the Meeting.

By facsimile: +61 2 92870309

By mail: Excelsior Capital Limited C/- Link Market Services Limited Locked Bag A14 Sydney South NSW 1235 Australia

By delivery: Link Market Services Limited, Parramatta Square, Level 22, Tower 6, 10 Darcy Street, Parramatta NSW 2150

Online: <https://investorcentre.linkgroup.com>

Voting by corporate representative

To vote at the Meeting (other than by proxy or by attorney), a corporation that is an Excelsior Shareholder, or has been appointed as a proxy by an Excelsior Shareholder, must appoint a person (either by name or position and whether an Excelsior Shareholder or not) to act as its representative. The appointment must comply with section 250D of the Corporations Act.

Evidence of the appointment must be brought to the Meeting together with any authority under which it is signed.

A 'Certificate of Appointment of Corporate Representative' may be obtained from the Excelsior Registry or online at www.linkmarketservices.com.au.

Proxies

An Excelsior Shareholder entitled to attend and vote at the Meeting is entitled to appoint not more than two proxies, who need not be Excelsior Shareholders.

Each proxy should be appointed to represent a specified percentage or specified number of the Excelsior Shareholder's voting rights. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half the votes. Fractions of votes will be disregarded.

If you sign and return a Proxy Form and do not nominate a person to act as your proxy, the Chair will be appointed as your proxy by default.

If you choose to appoint a proxy, you are encouraged to direct your proxy how to vote by marking either "For" "Against" or "Abstain" for that item of business. If you sign the enclosed Proxy Form and do not mark Box A or Box B, you will have appointed the Chairperson of the Meeting as your proxy.

The completed Proxy Form may be mailed / delivered to the Excelsior Registry using the enclosed envelope, to Link Market Services Limited at:

Street Address: Parramatta Square, Level 22, Tower 6, 10 Darcy Street, Parramatta NSW 2150

Postal Address: Locked Bag A14, SYDNEY SOUTH, NSW 1235

Faxed to Link Market Services Limited on Fax: +61 2 9287 0309

Online Proxy Appointment - Proxies can be lodged online at <https://investorcentre.linkgroup.com> by following the steps below:

- Step 1 –** Click on the 'View single holding' section (unless you have set up a 'Portfolio', in which case proceed to access online voting through that login process);;
- Step 2 –** At 'Issuer Name' enter 'ECL' or 'Excelsior Capital';
- Step 3 –** Enter your HIN or SRN;
- Step 4 –** Enter the postcode (or Country Code if outside Australia) relevant to each shareholding;
- Step 5 –** Tick the 'I'm not a robot' box;
- Step 6 –** Read and agree to the terms and conditions by selecting the tick box;
- Step 7 –** Select 'Voting' from the top menu bar; and
- Step 8 –** Select 'Vote' under the heading "Action" and follow the prompts to lodge your proxy.

You will be taken to have signed your Proxy Form if you lodge it in accordance with the instructions given on the website. To be valid, a proxy must be received by the Company in the manner stipulated above. The Company reserves the right to declare invalid any proxy not received in this manner.

How the Chair will vote undirected proxies

The Chair intends to vote any available undirected proxy in favour of the Resolution.

You should note that if you appoint the Chair as your proxy, or the Chair is appointed as your proxy by default, and the Proxy Form does not specify whether to vote 'For', 'Against' or 'Abstain', this will be taken as a direction to the Chair to vote in accordance with his stated voting intention, which is to vote in favour of the Resolution. Excelsior Shareholders always have the ability to appoint the Chair as their proxy and direct them to cast the votes contrary to the Chair's stated voting intention or to abstain from voting on a resolution.

If you appoint the Chair as your proxy but do not wish him or her to vote in favour of the Resolution, it is important for you to complete the voting directions in respect of the Resolution on the Proxy Form.

A Proxy Form is enclosed with this Notice of Meeting

For the appointment of a proxy to be valid, the following documents must be received at least 48 hours prior to the Meeting or any adjournment of the Meeting:

- the Proxy Form; and

- if the Proxy Form is signed by the appointor's attorney, the authority under which the Proxy Form was signed or a certified copy of the authority.

The documents must be received by Excelsior Capital at any of the addresses, or via facsimile, as specified below by no later than 11.00am (Sydney time) on 23 January 2024. Proxy Forms received after that time will not be valid for the scheduled Meeting.

Further directions for the proper completion of a Proxy Form are printed on the Proxy Form.

Voting procedure

In general, each Excelsior Shareholder present in person or by proxy, attorney or corporate representative has one vote on a show of hands and one vote for each Excelsior Share held on a poll (subject to any voting exclusion referred to earlier).

Voting at the Meeting will occur by poll.

All persons attending the Meeting are asked to arrive at least 30 minutes prior to the time the Meeting is to commence, so that either their shareholding may be checked against the Register, their power of attorney or appointment as corporate representative can be verified (as the case may be), and their attendance noted.

Jointly held shares

If Excelsior Shares are jointly held, only one of the Excelsior Shareholders can vote. If more than one joint Excelsior Shareholder votes, only the vote of the Excelsior Shareholder whose name appears first on the Register will be counted.

Quorum

A quorum for a meeting of Excelsior Shareholders is three or more members present at the meeting and entitled to vote on a resolution at the meeting.

Majorities required

The Resolution is an ordinary resolution. For the Proposed Transaction to be approved by Excelsior Shareholders, the Resolution must be agreed to by more than 50% of the votes cast on the Resolution (either in person or by proxy, attorney or, in the case of corporate Excelsior Shareholders, corporate representative).

2. Overview of the Proposed Transaction

2.1 Background

On 28 November 2023, Excelsior announced that it had entered into a Share Sale and Purchase Agreement with IPD Group for the sale by Excelsior to IPD Group of all of the issued shares in the capital of CMI Operations (a wholly owned subsidiary of Excelsior) for total purchase consideration of up to A\$101 million.

The Proposed Transaction is subject to Excelsior Shareholder approval.

2.2 Overview of the Proposed Transaction

The Proposed Transaction is to be effected through the Share Sale and Purchase Agreement, and involves IPD Group acquiring 100% ownership of CMI Operations. Excelsior will retain ownership of all other parts of its business, including its portfolio investment business.

The purchase price payable to Excelsior by IPD Group under the Proposed Transaction comprises upfront cash consideration of \$92.1 million plus deferred cash consideration of up to \$8.9 million. The upfront cash consideration will be paid at Completion (expected to be at or around 31 January 2024), subject to a net working capital and net debt adjustment calculation which will be determined as of the date of Completion.

Subject to achieving the deferred consideration performance hurdle, it is expected that the deferred component of the purchase price will be payable at or around 31 August 2024. The exact amount of the deferred consideration will depend on CMI's FY24 results.

If the Proposed Transaction proceeds, Excelsior will be entitled to the sale proceeds from the Proposed Transaction, which will be used as set out in Section 2.4 below.

The Share Sale and Purchase Agreement for the Proposed Transaction is summarised at Section 7.1.

2.3 Independent Expert's conclusion

Although not legally required to do so, the Excelsior Directors appointed RSM as the Independent Expert to prepare a report on the merits of the Proposed Transaction.

The Independent Expert concluded that the Proposed Transaction is **fair and reasonable and in the best interests of Excelsior Shareholders**.

The Independent Expert has noted the following:

- "The Proposed Transaction is fair to Shareholders";
- "Proceeds from the divestment of CMI will allow ECL to strategically reallocate its capital resources to take advantage of emerging investment opportunities and focus on the Company's strategy to become a leading Australian listed investment company";
- "Prior to the announcement of the Proposed Transaction, ECL's market capitalisation (adjusted for a control premium), was trading at a discount to the Fair Value calculated on a sum of the parts basis by adding our Assessed Fair Value of CMI to the reported value of CMI's investment portfolio and net cash.

We consider that this discount may, in part, be a result of ECL having two diverse business divisions, which investors do not perceive as being aligned and, therefore, a discount has been applied. Completion of the Proposed Transaction will result in ECL focussing on being a listed investment company, which in turn may be a clearer strategy for investors to understand and value, potentially resulting in ECL's future share price being more reflective of its underlying assets and investments.

This may also result in improved liquidity of the Company's shares and hence a more efficient market for Shareholders to dispose of their shares".

The complete Independent Expert's Report is included in Section 9 of this Explanatory Memorandum. The Excelsior Directors encourage you to read the complete Independent Expert Report.

2.4 Proposed use of sale proceeds

Subject to approval and implementation of the Proposed Transaction, the Company intends to use the net proceeds delivered by the Proposed Transaction to further develop and grow its primary investment portfolio business.

The Company is currently considering a range of investment opportunities in both operating companies and other investments. Full deployment of the sale proceeds may take some time and the Excelsior Board intends to take a prudent approach to identifying and pursuing suitable investment opportunities in line with its primary investment strategy.

At this time, the Excelsior Board does not intend to return any of the net proceeds of the Proposed Transaction to Excelsior Shareholders by way of special dividend or similar.

2.5 If the Proposed Transaction does not proceed

If the Proposed Transaction does not proceed (including as a result of the Resolution not being approved by Excelsior Shareholders) Excelsior will not receive the proceeds of the Proposed Transaction to deploy in its investment portfolio business. In the absence of any alternative or competing proposal to the Proposed Transaction:

- CMI Operations will remain a wholly owned subsidiary of Excelsior and will continue as a stand-alone operating entity with existing management of the CMI Business continuing to implement its current business plan and financial and operating strategies; and
- Excelsior Shareholders will retain their current investment in Excelsior Shares and in doing so, will continue to retain the benefits of an investment in Excelsior as an ASX-listed entity, and will continue to be exposed to the risks presently associated with this investment. These risks include general risks of holding shares and risks that are specific to Excelsior's business as described in Section 6.9.

The CMI Business will also remain exposed to prevailing economic conditions. While Excelsior will continue to drive the CMI Business, it faces a number of challenges particularly against the backdrop of current economic conditions and a competitive market for its products. Particular challenges include:

- execution risk of CMI's Minto product range;
- competition from domestic and international players;
- labour uncertainty in terms of a competitive job market;
- volatility in equity and financing markets impacting the future valuation of the CMI Business.

Further, if the Proposed Transaction does not proceed, neither the advantages of the Proposed Transaction outlined in Section 3.2, nor the potential reasons to vote against the Proposed Transaction outlined in Section 3.3, will be relevant to Excelsior Shareholders.

Depending on the reasons why the Proposed Transaction does not proceed, Excelsior may also be liable to pay the Excelsior break fee, and IPD Group may be liable to pay the IPD Group break fee. Information on the Excelsior break fee and the IPD Group break fee are set out in Section 7.1.

Prior to the Meeting, transaction costs will have been incurred, or will be committed, by Excelsior in relation to the Proposed Transaction. Those transaction costs have either already been paid or will be payable by Excelsior regardless of whether or not the Proposed Transaction is implemented.

2.6 Legal and Regulatory Requirements

The Resolution seeks the approval of Excelsior Shareholders to the Proposed Transaction, for the purposes of Listing Rule 11.2.

Listing Rule 11.2

Listing Rule 11.2 requires a listed company to obtain the approval of its shareholders to a disposal of its main undertaking. ASX has advised the Company that it considers the Proposed Transaction to be a disposal of Excelsior's main undertaking for these purposes.

The Resolution seeks the required shareholder approval to the Proposed Transaction under and for the purposes of Listing Rule 11.2.

If the Resolution is passed, Excelsior will be able to proceed with the Proposed Transaction and the consequences outlined in Section 2.2 will follow.

If the Resolution is not passed, Excelsior will not be able to proceed with the Proposed Transaction and the consequences outlined in Section 2.5 will follow.

Listing Rule 11.1

Listing Rule 11.1.3 provides that where an entity proposes to make a significant change to the nature or scale of its activities, the ASX may require the entity to meet the requirements of the Listing Rules as if it were applying for admission to the official list.

Based on information presently available, the ASX has determined that Listing Rule 11.1 does not apply to the Proposed Transaction.

Voting exclusion

Some Excelsior Shareholders may not be allowed to vote on the Resolution set out in the accompanying Notice of Meeting. Please refer to the voting exclusion statement set out in the Notice of Meeting set out in Section 1 in accordance with Listing Rules 11.2 and 14.11.

2.7 Excelsior Directors' Recommendation and Voting Intentions

Having carefully considered the terms of the Proposed Transaction and the merits of the alternatives, the Excelsior Directors unanimously recommend that Excelsior Shareholders **vote in favour** of the Proposed Transaction in the absence of a superior proposal and subject to the Independent Expert continuing to conclude that the Proposed Transaction is fair and reasonable and in the best interests to the Excelsior Shareholders. Subject to those same qualifications, each of the Excelsior Directors intend to vote all the Excelsior Shares held or controlled by them in favour of the Proposed Transaction at the Meeting.

In making this recommendation, the Excelsior Directors considered the advantages and disadvantages of the Proposed Transaction, including those factors discussed in this Explanatory Memorandum. Before agreeing to enter into the Share Sale and Purchase Agreement, the Excelsior Board also considered whether there were alternatives which could produce a better outcome for Excelsior Shareholders. The Proposed Transaction and these alternatives were assessed against a number of criteria, including:

- the value delivered to the Company (and therefore Excelsior Shareholders); and
- the level of certainty regarding, and the likely timing of, any alternative being effectively executed and completed.

After considering the advantages and disadvantages of the Proposed Transaction, the Directors have unanimously concluded that, in the absence of a superior proposal, the Proposed Transaction represents the best outcome for Excelsior Shareholders of all available alternatives considered by the Excelsior Board.

The Excelsior Board recommends that all Excelsior Shareholders read and carefully consider all the material set out in this Explanatory Memorandum before deciding how they will vote at the Meeting.

3. Key Considerations Relevant To Your Vote

3.1 General

The Proposed Transaction has a number of advantages and potential disadvantages. Excelsior Shareholders should seek professional advice on their particular circumstances, as appropriate.

Section 3.2 sets out the key reasons why the Excelsior Board unanimously recommends Excelsior Shareholders vote in favour of the Proposed Transaction. There are also reasons why Excelsior Shareholders may not support the Proposed Transaction and may consider voting against the Proposed Transaction. These reasons are set out in Section 3.3. Other important considerations are set out in Sections 3.4 and 3.5.

The Independent Expert's Report also contains an assessment of the advantages and disadvantages of the Proposed Transaction, which is designed to assist Excelsior Shareholders in making an informed decision in relation to the Resolution contained in the Notice of Meeting.

You should read this Explanatory Memorandum in full, including the Independent Expert's Report, before deciding how to vote at the Meeting.

While the Excelsior Directors acknowledge the reasons to vote against the Proposed Transaction, they believe the advantages of the Proposed Transaction outweigh the disadvantages.

3.2 Reasons to vote in FAVOUR of the Resolution

The Excelsior Board consider that the key reasons to vote in favour of the Proposed Transaction are as follows:

- ✓ **The Excelsior Directors unanimously recommend that you vote in favour of the Resolution at the Meeting, in the absence of a superior proposal and subject to the Independent Expert continuing to conclude that the Proposed Transaction is fair and reasonable**

In reaching their recommendation, the Excelsior Directors have assessed the Proposed Transaction having regard to the reasons to vote in favour of, or against the Proposed Transaction, as set out in this Explanatory Memorandum. The Excelsior Directors believe the consideration payable under the Proposed Transaction is compelling and provides Excelsior with certainty of value at an attractive price which may not be achieved if the Proposed Transaction does not proceed.

In the absence of a superior proposal and subject to the Independent Expert continuing to conclude that the Proposed Transaction is fair and reasonable and in the best interests of Excelsior Shareholders, each Excelsior Director intends to vote, or procure the voting of, all Excelsior Shares held or controlled by them in favour of the Proposed Transaction.

- ✓ **The Proposed Transaction represents an attractive valuation**

The Excelsior Board believes that the Proposed Transaction realises the current and inherent value of CMI Operations, including its strategic importance to IPD Group. The Proposed Transaction implies an attractive valuation multiple for CMI Operations of approximately 6.6x EBIT for the 12 months to 30 June 2023.

- ✓ **The Proposed Transaction is an all-cash transaction**

Being all cash, the Proposed Transaction offers significant and certain value to Excelsior and indirectly to Excelsior Shareholders (noting that the Company does not presently intend to return any of the sale proceeds to Excelsior Shareholders).

- ✓ **The Independent Expert has opined that the Proposed Transaction is fair and reasonable and in the best interests of Excelsior Shareholders**

The Excelsior Board appointed RSM to prepare an Independent Expert Report,

including an opinion as to whether the Proposed Transaction is fair and reasonable and in the best interests of Excelsior Shareholders. The Independent Expert has concluded that the Proposed Transaction is fair and reasonable and in the best interests of Shareholders, in the absence of a superior proposal.

- ✓ **If the Proposed Transaction does not proceed, the CMI Business will continue to experience the inherent uncertainties of extracting value from an operating business**

The Proposed Transaction will remove several risks associated with on-going exposure to the CMI Business for Excelsior Shareholders. These risks include, but are not limited to:

- execution risk of CMI's Minto product range;
- competition from domestic and international players;
- labour uncertainty in terms of a competitive job market;
- volatility in equity and financing markets impacting the future valuation of CMI Operations.

- ✓ **Since the announcement of the Proposed Transaction, no superior proposal has emerged**

3.3 Reasons you may wish to vote **AGAINST** the Resolution

Although the Proposed Transaction is recommended by the Excelsior Directors (in the absence of a superior proposal) and the Independent Expert has concluded that the Proposed Transaction is fair and reasonable and, therefore, fair and reasonable and in the best interests of Excelsior Shareholders (in the absence of a superior proposal), factors which may lead you to consider voting against the Proposed Transaction include the following:

- × **You may believe that the Proposed Transaction is not fair and reasonable or not in your best interests**

You may believe that the Proposed Transaction is not fair or not reasonable, or otherwise not in your best interests. This view may also be formed notwithstanding that:

- The Independent Expert has concluded, after detailed analysis and assessment of the Proposed Transaction, that the Proposed Transaction is fair and reasonable to and in the best interest of the Shareholders, in the absence of a superior proposal; and
- The Excelsior Board's unanimous recommendation of the Proposed Transaction.

- × **You may consider that there is the potential for a superior proposal to emerge**

You may consider that it is possible that a proposal (be it an alternative proposal for the CMI Business, the whole of Excelsior, or otherwise) that is more attractive than the Proposed Transaction could materialise in the future.

The Excelsior Directors believe that there is no realistic alternative proposal and, as at the date of this Explanatory Memorandum, are not aware of any alternative proposal that exists.

- × **Excelsior will cease to own the CMI Business and Excelsior Shareholders will therefore not participate in the future financial performance of the CMI Business**

Excelsior will be selling its entire business interest in, and future exposure to, the CMI Business, including the opportunity to benefit from the future financial performance of the CMI Business following Completion of the Proposed Transaction.

3.4 Other considerations relevant to your vote on the Proposed Transaction

You should also take into account the following additional considerations in deciding whether to vote in favour of, or against, the Proposed Transaction.

(a) The Proposed Transaction may proceed even if you vote against it

If the Resolution is approved by Excelsior Shareholders and the other conditions precedent are either satisfied or waived, the Proposed Transaction will be implemented irrespective of whether you do not vote or you vote against the Resolution at the Meeting.

If this occurs, you will no longer have any exposure to the CMI Business as part of your investment in the Company.

(b) If the Proposed Transaction does not proceed, Excelsior will not receive the proceeds from the Proposed Transaction

If the Proposed Transaction is not approved or all outstanding conditions precedent are not satisfied or (if permitted) waived, the Proposed Transaction will not proceed. In that case, Excelsior (and the CMI Business) will then continue to operate as it does currently.

If the Proposed Transaction is not implemented, the advantages of the Proposed Transaction described in Section 3.2 will not be realised.

(c) Exclusivity and the effect on likelihood of competing proposal

The SSPA provides that Excelsior is subject to certain exclusivity obligations and restrictions, including no shop, and no talk restrictions, and notification obligations. It also provides that IPD Group has a matching right in respect of competing proposals.

Excelsior must not, directly or indirectly, solicit or encourage any competing proposal or any enquiries or discussions in relation to, or which may reasonably be expected to lead to, a competing proposal.

However, if the Excelsior Board determines that complying with no talk and no due diligence restrictions would be likely to constitute a breach of the fiduciary or statutory duties owed by the Excelsior Board, it need not do so, and in those circumstances Excelsior would be permitted to respond to any competing proposal.

A competing proposal may also arise without the assistance or engagement of the Excelsior Board.

Refer to Section 7.1 for further information on these arrangements.

(d) Costs and Break Fee

Excelsior has already incurred, and will incur, significant costs in respect of the proposal to implement the Proposed Transaction. These costs include negotiation with IPD Group, retention of advisers, provision of information to IPD Group, facilitating IPD Group's access to due diligence, engagement of the Independent Expert and the preparation of this Explanatory Memorandum.

Under the SSPA, the Excelsior break fee of A\$1m may become payable by Excelsior to IPD Group, in certain circumstances. Failure by Excelsior Shareholders to approve the Proposed Transaction at the Meeting will not trigger an obligation to pay the Excelsior Break Fee unless that failure arises as a consequence of one or more directors voting their shares against the Proposed Transaction. Further details of the circumstances in which the Excelsior Break Fee may become payable to IPD Group are in Section 7.1.

Under the SSPA, the IPD Group break fee of A\$1m may become payable by IPD Group to Excelsior, in certain circumstances. Refer to Section 7.1 for a summary of when the IPD Group Break Fee may become payable.

3.5 Important Information concerning Director Recommendations

The Excelsior Board believes that the Proposed Transaction is fair and reasonable and in the best interests of Excelsior Shareholders, and they unanimously recommend that Excelsior Shareholders vote in favour of the Proposed Transaction, in the absence of a superior proposal and subject to the Independent Expert continuing to conclude that the Proposed Transaction is fair and reasonable and in the best interests of Excelsior Shareholders.

The Excelsior Board have formed their conclusion and made their recommendation on the Proposed Transaction based on the reasons outlined in Section 3.2.

3.6 What are your options and what should you do?

You have the following four options in relation to your Excelsior Shares. Excelsior encourages you to consider your personal risk profile, portfolio strategy, and financial circumstances and seek professional advice before making any decision in relation to your Excelsior Shares.

(a) Vote in favour of the Proposed Transaction at the Meeting

The Excelsior Board unanimously recommends that you vote in favour of the Proposed Transaction, in the absence of a superior proposal and subject to the Independent Expert continuing to conclude that the Proposed Transaction is fair and reasonable and in the best interests of Excelsior Shareholders. The reasons for The Excelsior Board's unanimous recommendation are set out in Section 1.2.

If you wish to support the Proposed Transaction, you can do so by voting in favour of the Resolution at the Meeting. For directions on how to vote at the Meeting, and important voting information generally, please refer to Section 3, the Notice of Meeting is contained in Section 1.

(b) Vote against the Proposed Transaction at the Meeting

If, despite the Excelsior Board's unanimous recommendation and the conclusion of the Independent Expert, you do not support the Proposed Transaction, you may vote against the Proposed Transaction Resolution at the Meeting.

(c) Sell your Excelsior Shares on ASX

The Proposed Transaction does not preclude you from selling your Excelsior Shares on market for cash, if you wish.

If you are considering selling your Excelsior Shares on ASX you should have regard to the prevailing trading prices of Excelsior Shares at that time.

If you sell your Excelsior Shares on market for cash, you:

- may incur a brokerage charge;
- may incur CGT; and
- will not be able to participate in a superior proposal, if one emerges, noting that, at the date of this Proposed Transaction Booklet, Excelsior has not received any competing proposals.

(d) Do nothing

If, despite the Excelsior Board's unanimous recommendation and the conclusion of the Independent Expert, you decide to do nothing, you should note that if all of the conditions precedent to the Proposed Transaction are satisfied or waived (where applicable), the Proposed Transaction will still proceed.

4. Key Questions Answered

QUESTION	ANSWER	MORE INFORMATION
Overview of the Proposed Transaction and Resolution		
Why have I received this Explanatory Memorandum?	<p>This Explanatory Memorandum has been sent to you because you are an Excelsior Shareholder.</p> <p>This Explanatory Memorandum is intended to help you to decide on how to vote on the Resolution relating to the Proposed Transaction to be considered at the Meeting of Excelsior Shareholders to be held on Thursday 25 January 2024 at 11.00am (AEDT).</p> <p>You should read this Explanatory Memorandum carefully and, if necessary, consult your legal, tax, financial or other independent professional adviser before voting on the proposed Resolution.</p>	Important Notices and Section 1.
What is the Proposed Transaction?	<p>The Proposed Transaction is to be effected through the SSPA, and essentially involves IPD Group acquiring CMI Operations, a wholly owned subsidiary of Excelsior. Excelsior retaining ownership of all other parts of its business, including its portfolio investment business.</p> <p>On overview of the Proposed Transaction is contained in Section 2. The terms of the SSPA are summarised at Section 7.1.</p>	Refer to Sections 2 and 7.1
Who is IPD Group?	<p>IPD Group (ASX: IPG), is a company listed in the ASX and is a leading value added distributor and service provider to Australia's electrical industry. IPD Group has a history spanning over 65 years serving Australian customers.</p>	Refer to Section 7.2 for further information.
What will be the effect of the Proposed Transaction?	<p>Excelsior will no longer have the CMI Business, which is to be acquired by IPD Group as part of the Proposed Transaction, but will retain its portfolio investment business.</p> <p>Excelsior will remain listed on the ASX.</p>	Refer to Sections 2.4 and 6 for further information.
Will Excelsior remain listed on ASX?	<p>Yes, Excelsior will remain listed on the ASX, whether the Proposed Transaction is implemented or not. However, there will be a change in the risk profile to which Excelsior Shareholders are exposed, if the Proposed Transaction proceeds, as a result of Excelsior's business being focused on operating its portfolio investment business and no longer owning the CMI Business.</p>	Refer to Section 6.9 for further information.
What do the Directors recommend and how	<p>The Excelsior Board have carefully considered the advantages and disadvantages of the Proposed Transaction and unanimously</p>	Refer to Section 2.7 for further information.

<p>do they intend to vote?</p>	<p>recommend that you vote in favour of the Proposed Transaction, in the absence of a superior proposal and subject to the Independent Expert continuing to conclude that the Proposed Transaction is fair and reasonable and in the best interests of Excelsior Shareholders.</p> <p>All Excelsior Directors intend to vote, or procure the voting, in favour of the Proposed Transaction with respect to any Excelsior Shares controlled or held by, or on behalf of, them, in the absence of a superior proposal and subject to the Independent Expert continuing to conclude that the Proposed Transaction is fair and reasonable and in the best interests of Excelsior Shareholders.</p>	
<p>What is the opinion of the Independent Expert?</p>	<p>The Independent Expert has concluded that the Proposed Transaction is fair and reasonable and in the best interests of Excelsior Shareholders, in the absence of a superior proposal.</p>	<p>Section 9 (<i>Independent Expert's Report</i>)</p>
<p>What are the benefits of the Proposed Transaction?</p>	<p>The Excelsior Directors believe the consideration payable under the Proposed Transaction is compelling and provides Excelsior with certainty of value at an attractive price which may not be achieved if the Proposed Transaction does not proceed. The Board also gave consideration to a number of factors impacting the CMI Business' near and medium term outlook, including general market conditions in the sectors in which the CMI Business operates, execution risk and growth trajectory of CMI Operations' Minto product range and capital demands for the growth of the CMI Business.</p> <p>Other benefits of the proposed Transaction are detailed at Section 3.2</p>	<p>Refer to Section 3.2 for further information.</p>
<p>What are the potential disadvantages of the Proposed Transaction?</p>	<p>While the Excelsior Directors unanimously recommend that you vote in favour of the Proposed Transaction for the reasons described in Section 3.2, Excelsior Shareholders should be aware of the potential reasons to vote against the Proposed Transaction.</p>	<p>Refer to Section 3.3 for further information</p>
<p>Are there any risks for me if the Proposed Transaction proceeds?</p>	<p>Yes. You will continue to be exposed to the risks of an investment in the Excelsior Shares. In addition, there will be additional risks associated with the change in risk profile of Excelsior as a result of no longer operating the CMI Business.</p>	<p>Refer to Section 6.9 for further information</p>
<p>What will happen if the Proposed Transaction does not proceed?</p>	<p>If the Resolution is not approved by Excelsior Shareholders, the Proposed Transaction will not be implemented, and Excelsior will continue to operate the CMI Business.</p>	<p>Refer to Section 2.5 and 6.9 for further information.</p>
<p>Under what scenarios can IPD Group or Excelsior terminate</p>	<p>The SSPA provides for various circumstances where either IPD Group or Excelsior has the right to terminate that agreement and thereby withdraw from the Proposed Transaction. These include if any of the conditions precedent are not</p>	<p>Refer to Section 6.9 for further information</p>

the Proposed Transaction?	satisfied or waived, if any Excelsior Director fails to recommend, adversely modifies, or withdraws their recommendation of the Proposed Transaction prior to the Meeting or if any party is in material default under the Share Sale and Purchase Agreement and fails to remedy the default by the earlier of 10 business days of a request to do so or Completion. Refer to Section 7 for further information.	
Voting at the Meeting		
What are Excelsior Shareholders voting on?	Excelsior Shareholders will be voting to approve the Proposed Transaction as set out in the Notice of Meeting in Section 1	
What voting majority is required to approve the Resolution?	<p>The Resolution is an ordinary resolution. For the Resolution to be passed, more than 50% of eligible votes will need to be cast at the General Meeting (online or by proxy, corporate representative or attorney) in favour of the Resolution.</p> <p>IPD Group and any other person who will obtain a material benefit as a result of the Proposed Transaction (except for a benefit solely by reason of being an Excelsior Shareholder) and their associates are excluded from voting on the Resolution</p>	Section 1 (Notice of Meeting)
Am I entitled to vote?	If you are registered as a Shareholder on the Excelsior Registry at 7.00pm (AEDT) on Tuesday 23 January 2024, then you will be entitled to attend and vote at the Meeting.	Section 1 (Notice of Meeting)
How do I vote?	<p>Shareholders may vote either by:</p> <p>attending the Meeting at the time, date and place set out above to vote in person;</p> <p>lodging a direct vote in advance of the Meeting online via https://investorcentre.linkgroup.com in the manner specified in the Notice of Meeting; or</p> <p>completing and returning the attached Proxy Form in one of the ways specified in Notice of Meeting by 11.00am (AEDT) on Tuesday 23 January 2024.</p>	Section 1 (Notice of Meeting)
How will voting at the Meeting be conducted?	Voting at the Meeting will be conducted by way of a poll.	Section 1 (Notice of Meeting)
When and where will the Meeting be held?	The Meeting is scheduled for 11.00am (AEDT) on 25 January 2024 at The Gallery, Park Hyatt Sydney 7 Hickson Road, The Rocks, Sydney NSW 2000.	Section 1 (Notice of Meeting)

	<p>The Meeting will be held in person. However, Shareholders may vote in any manner outlined above.</p> <p>Further information is set out in the Notice of Meeting.</p>	
What if I cannot attend the Meeting?	<p>If you are unable to attend the Meeting, you are entitled to either:</p> <ul style="list-style-type: none"> • lodge a direct vote in advance of the Meeting online via https://investorcentre.linkgroup.com; or • appoint a proxy to attend virtually on your behalf. If you choose to appoint a proxy you must complete and return the attached Proxy Form as specified by the instructions outlined on the form. 	Section 1 (Notice of Meeting)
Where and when do I send my Proxy Form?	<p>To vote by proxy, you need to complete and return the Proxy Form accompanying this Explanatory Memorandum. You must ensure that your Proxy Form (and a certified copy of the relevant authority under which it is signed) is received by the Excelsior Registry on behalf of Excelsior no later than 11.00am (AEDT) on Tuesday 23 January 2024:</p> <ul style="list-style-type: none"> • online via https://investorcentre.linkgroup.com; • by post, using the reply-paid envelope to Excelsior Capital Limited, c/o Link Market Services Limited, Locked Bag A14, Sydney South, NSW 1235 Australia; • by facsimile to 02 9287 0309; or • by hand to Excelsior Capital Limited, c/o Link Market Services Limited, Paramatta Square, Level 22, Tower 6, 10 Darcy Street, Paramatta NSW 2150. 	Section 1 (Notice of Meeting)
When will the results of the Meeting be known?	<p>The results of the Meeting will be available shortly after the conclusion of the Meeting and will be announced to ASX once available.</p>	N/A
What are my options?	<p>Shareholders have the following choices in relation to the Resolution:</p> <ul style="list-style-type: none"> • vote in favour of the Resolution at the Meeting; • vote against the Resolution at the Meeting; • sell their Shares on ASX; or • do nothing. 	Section 3.6

Information about IPD Group		
Who is IPD Group?	IPD Group (ASX: IPG) , is a company listed in the ASX and is a leading value added distributor and service provider to Australia's electrical industry. IPD Group has a history spanning over 65 years serving Australian customers.	Refer to Section 7.2 for further information.
Does IPD Group own any shares in Excelsior?	No. Excelsior does not believe that IPD Group owns any Excelsior Shares.	N/A
How is IPD Group funding the Proposed Transaction	IPD Group will fund the Proposed Transaction through a combination of new debt facilities and a \$65 million equity raising comprised of a \$40 million institution placement and a \$25 million accelerated non-renounceable entitlement offer.	Section 7.3.
Further information		
Where can I get further information?	If you have any questions about the Proposed Transaction, or you would like additional copies of this Explanatory Memorandum or proxy form, please contact: Brent Hofman, CFO, on +61 (02) 9216 9043	N/A
Can I sell my Excelsior Shares now?	You can sell your Excelsior Shares on-market at any time. However, if you do so you will receive the prevailing on-market price set at the time of the sale which may not be equivalent to the value of your Shares if the Proposed Transaction is implemented. If you sell your Excelsior Shares on-market, you may also be required to pay brokerage fees.	Section 3.6

5. Profile of Excelsior Group

5.1 Introduction

Excelsior (formerly CMI Limited) is an ASX listed entity (ASX:ECL) that was incorporated in 1990. It operates through two business segments: (1) the management of an investment portfolio, and (2) Assembly and distribution of electrical cables, connectors and associated components via a wholly owned subsidiary, CMI Operations.

For FY23, Excelsior achieved total consolidated revenues of \$104.9 million, with a pre-tax profit of \$14.5 million. Net Profit After Tax was \$10.2 million.

5.2 Overview of Operations

(a) Investment Portfolio Business

The investment portfolio segment represents investments in listed and unlisted equity instruments, hybrid notes, quoted debt instruments and/or investment trusts for the purpose of achieving long term dividend returns and capital appreciation. The investment fund segment also provides growth funding to the CMI Business.

Excelsior's primary investment strategy is to achieve long term growth and capital appreciation, whilst managing risk through a portfolio approach to investing. The Excelsior Group invests in a diversified portfolio of businesses where the Excelsior Group may provide capital and strategic advice to those businesses to gain long term investment returns and capital appreciation. The capital can be allocated to funds both listed and unlisted businesses, in the form of equity, debt or a combination of the two.

(b) CMI Business

The CMI Business engineers and markets a portfolio of electrical cables and plug brands in Australia and operates two business segments as follows:

- Electrical cable supply business (**Cables**), comprising a portfolio of cable brands servicing the requirements of all segments of the electrical industry including:
 - XLPE Cables: supplying lower and high voltage applications such as commercial and industrial submains, factories, utility infrastructure, and variable speed drive motors and control systems across roads, airports, tunnels, and other infrastructure projects;
 - Aflex Cables: flexible cables for use in applications where tight or difficult access is restrictive or where movement occurs. Supplied for switchboards, generators, sound and lighting, batteries, variable speed drive motors, submersible pumps and low voltage control systems; and
 - Hartland Cables: a leading range of Audio, Coaxial, Control, Data, Instrumentation, UL Approved Connecting Wire, Copper Braid, Screened and Unscreened Multicore and Multipair cables.

The Cables division also locally assembles flexible cords and cable assemblies to cover a comprehensive range of types for applications such as medical, technology, lighting and entertainment as well as traditional original equipment manufacturers (OEM) markets. This includes combining wiring and connectors such as basic cable assemblies and complex wiring harnesses to customised requirements; and

- Couplers and receptable products business (**Minto Plugs**), comprising of the provision of underground couplers and receptable products for the Australian underground mining industry, as well as exports to mining installations in Indonesia, Mongolia, Papua New Guinea, and China. The Minto Plugs are primarily assembled in Sydney, with the upgraded version of the Minto plug range (refer below) assembled offshore (initially in China).

CMI Operations is also currently launching an upgraded version of its Minto Plug range specifically designed to be used in above ground applications including open cut surface mining, infrastructure tunnelling, construction and industrial operations.

5.3 Excelsior Board

As at the date of this Explanatory Memorandum, the Excelsior Board comprises the following Directors:

Director	Role	Independence	Date appointed
Danny Herceg	Chairman and non-executive Director	Independent	April 2021
Leanne June Catelan	Executive Director	Not independent	August 2011
Ryan Mount	Non-executive Director	Independent	April 2022

Detailed biographies of the Excelsior Directors can be found at:

<https://www.cmilimited.com.au/Investor-Centre/?page=Directors---Management>

No Director will receive a payment or benefit of any kind, as a result of the Proposed Transaction, other than as a security holder of the Company.

5.4 Historical Financial Information

A summary of the Company's historical financial information for the financial years ending 30 June 2021, 30 June 2022 and 30 June 2023 are summarised in the Independent Expert's Report in Section 9.

The financial statements of the Company for the financial years ending 30 June 2021, 30 June 2022 and 30 June 2023, including all notes to those accounts, can be found in full:

- 2021 Excelsior Annual Report (issued to ASX on 24 September 2021)
- 2022 Excelsior Annual Report (issued to ASX on 27 September 2022)
- 2023 Excelsior Annual Financial Report (released to ASX on 27 September 2023)

These documents can also be found on the Company's website at:

<https://www.cmilimited.com.au/Investor-Centre/?page=News---Announcements>

5.5 Capital Structure

As at the date of this Explanatory Memorandum, the total securities of Excelsior on issue are as follows:

Security	Number
Excelsior Shares	28,994,469

5.6 Substantial Shareholders

The details of Excelsior's substantial shareholders as at the date of this Explanatory Memorandum are set out below.

Shareholder	Number of Excelsior Shares	Percentage %
L.J. Catelan (and associated entities)	14,883,395	51.33
P.E.J. Murray (and associated entities)	3,598,700	12.41
Total		63.74%

5.7 Interests of Excelsior Directors in Excelsior

As at date of this Explanatory Memorandum, the number of Excelsior Shares held by or on behalf of each of the Excelsior Directors is as follows:

Director's Name	Excelsior Shares held by or on behalf of the Director	
Danny Herceg	60,702	(0.2%)
Leanne June Catelan	14,883,395	(51.33%)
Ryan Mount	Nil	
Total	14,944,097	(51.53%)

Excelsior Directors who hold Excelsior Shares will be entitled to vote at the Meeting.

Each Excelsior Director intends to vote or procure the voting of their Excelsior Shares in favour of the Proposed Transaction at the Meeting in the absence of a superior proposal and subject to the Independent Expert continuing to conclude that the Proposed Transaction is fair and reasonable and in the best interests of Excelsior Shareholders.

There are no agreements or arrangements made between any Excelsior Director conditional on the outcome of the Proposed Transaction and none of the Excelsior Directors has agreed to receive, or is entitled to receive, any benefit from IPD Group (or its associates) which is conditional on the Proposed Transaction, other than as a security holder of the Company.

6. Effect of the Proposed Transaction on the Company

6.1 Introduction

This Section 6.1 contains the information concerning the impact on Excelsior of the Proposed Transaction as well as additional information concerning the intentions of the Excelsior Directors.

6.2 Independent Expert Report

The Excelsior Directors appointed RSM as the Independent Expert to prepare a report on the merits of the Proposed Transaction and to opine whether the Proposed Transaction outlined in the Resolution is fair and reasonable and in the best interests of Shareholders.

The Independent Expert has concluded that the Proposed Transaction is fair and reasonable and in the best interests of Excelsior Shareholders.

The IER also contains an assessment of the advantages and disadvantages of the Proposed Transaction, which is designed to assist Shareholders in making an informed decision in relation to the Resolution contained in the Notice of Meeting.

A full copy of the Independent Expert Report is set out in Section 9 and you are encouraged to read this report in full.

6.3 Details of changes to Excelsior's business model

The changes below will occur as a result of the implementation of the Proposed Transaction:

- In the near term, Excelsior's operations will be focussed on investments that align with its core business strategy as an investment portfolio business;
- the net proceeds delivered by the Proposed Transaction will be applied to further develop and grow its primary investment portfolio business. The Company is currently considering a range of investment opportunities in both operating companies and other investments. Full deployment of the proceeds may take some time and the Company will take a prudent approach to identifying and pursuing suitable investment opportunities.
- Returns to investors will emanate from the capital growth of, and dividends from, Excelsior's portfolio of investee companies.

6.4 Effect on share structure

There will be no changes to any Shareholder's shareholding in Excelsior due to the Proposed Transaction

6.5 Effect on control of Excelsior

There will be no changes to the control of Excelsior due to the Proposed Transaction.

6.6 Details of changes to Excelsior Board

There will be no changes to Excelsior Board as part of, or in connection with, the Proposed Transaction.

6.7 Financial effect of Proposed Transaction

The Proposed Transaction, if it is approved by Excelsior Shareholders and proceeds to Completion, is anticipated to have the following effect (using the consolidated financial statements of the Company as at 30 June 2023):

A\$m	<i>Audited</i> Excelsior Group Pre-Transaction	<i>Audited</i> Change due to sale of CMI Operations	Cash Payment ¹ (Net of Fees)	² Post transaction Un-Audited Pro-Forma Balance Sheet
ASSETS				
Current assets				
Cash and cash equivalents	22.8	(0.2)	89.0	111.6
Trade and other receivables	20.8	(20.6)	--	0.2
Inventories	23.3	(23.3)	--	(0.0)
Total Current Assets	66.9	(44.1)	89.0	111.8
Non-current assets				
Financial assets	4.8	--	--	4.8
Plant and equipment	3.1	(3.0)	--	0.0
Goodwill	6.8	(6.8)	--	0.0
Intangible assets	1.9	(1.9)	--	0.0
Intercompany loans	--	(5.1)	--	(5.1)
Deferred tax assets	0.2	(0.2)	--	0.0
Total Non-Current Assets	16.9	(17.1)	--	(0.3)
Total Assets	83.7	(61.2)	89.0	111.5
LIABILITIES				
Current liabilities				
Trade and other payables	9.7	(9.6)	--	0.1
Current tax liabilities	1.7	--	--	1.7
Lease liabilities	1.7	(1.7)	--	--
Provisions	1.1	(1.1)	--	(0.0)
Total Current Liabilities	14.2	(12.5)	--	1.7
Non-current liabilities				
Lease liabilities	0.9	(0.9)	--	0.0
Provisions	0.1	(0.1)	--	--
Total Non-Current Liabilities	1.0	(1.0)	--	0.0
Total Liabilities	15.2	(13.5)	--	1.7
NET ASSETS	68.5	(47.7)	89.0	109.8

¹ The Cash Payment of \$92.1m includes Transaction Fees for advisors and an estimate for any potential transaction bonuses payable to key management (by Excelsior) in connection with the completion of the Proposed Transaction and does not include any prospective cash receipts on account of the earn-out amount.

² No allowance in this table has been made for any tax liability in connection with the Proposed Transaction. See section 6.8

6.8 Tax Impact

If the Proposed Transaction proceeds, it is expected that the sale of CMI Operations is likely to give rise to a tax liability. The final tax liability will likely be impacted by various factors, including the completion account adjustments, earn-out payment, and the availability of approximately \$33.3m in capital losses which may be offset against any potential capital gain. The final tax liability is expected to be between \$4.0m and \$7.0m (depending on the achievement of the earn-out payment).

6.9 Risk factors

Excelsior Shareholders are currently exposed to various risks as a result of their investment in Excelsior.

If the Proposed Transaction proceeds, there will be a change in the risk profile to which Excelsior Shareholders are exposed as a result of the disposal of the CMI Business and Excelsior's operations being focused on the portfolio investment business.

As with all investments, investors should be aware that the market price of Excelsior Shares may fall as well as rise. The potential returns of Excelsior will be dependent on risks specific to Excelsior and to general investment risks. While it is impossible to identify all risks, the attention of investors is drawn to the potential risks discussed in this Section 6.9.

Excelsior Shareholders are encouraged to read this Section in its entirety.

The risks identified in this Section 6.9 are not exhaustive, and no assurances or guarantees of future performance of, profitability of, or payment of dividends by, Excelsior are given.

(a) General Risks relation to holding of Excelsior Shares

As an ASX-listed company, Excelsior is subject to general market risks that are inherent in all securities listed on a securities exchange.

The price at which Excelsior Shares are quoted on ASX may increase or decrease due to a number of factors, many of which are outside of the Company's control and are not attributable to the underlying operations and activities specific to the Company. These factors may cause Excelsior Shares to trade at prices below the levels as at the date of this Explanatory Memorandum.

Some of the factors which may affect the price of Excelsior Shares in addition to the Company's financial position and performance include fluctuations in the domestic and international market for listed stocks, general economic conditions (including interest rates, inflation rates, exchange rates), changes to government fiscal, monetary or regulatory policies, legislation or regulation, inclusion in or removal from market indices, the nature of the markets in which Excelsior operates, force majeure events and general operational and business risks.

(b) Specific risks associated with Directors' intentions regarding Excelsior following the Proposed Transaction (if the Proposed Transaction proceeds)

(i) Risks associated with the SSPA

Excelsior has entered into the SSPA in respect of the Proposed Transaction. As part of the SSPA, Excelsior has agreed to provide certain warranties and indemnities to IPD Group.

It is possible that payments for breach may need to be made to IPD Group.

(ii) Excelsior may fail to implement its future business strategy successfully

There is a risk that the Company is unable to execute its business strategy and acquisitive growth (through new investments). The Company's ability to succeed in investments may be affected by a number of factors, including a) market expectations about the ability of the Company to pay a regular stream of fully franked dividends in the future; b) consistent good performance of the Company's investment portfolio; and c) the Company's maintenance of skilled specialist resources with long-term experience in trading through various market cycles.

Any delay in implementation of, failure to successfully implement, or unintended consequences of implementing any or all of the Company's business strategies may have an adverse effect on the Company's future financial performance and growth prospects.

(iii) Excelsior may face increased competition

Excelsior's portfolio investment business will operate in a highly competitive industry that is subject to factors such as a) the market risks of investments declining in value because of economic developments or other events that affect the share market; b) the liquidity risk of being unable to sell investments at a fair price at a time the Company requires cash; and c) share price volatility caused by lack of diversity within the portfolio.

(iv) Excelsior may be unable to obtain access to funding

There is a risk that Excelsior may not be able to raise adequate capital in the future to continue to pursue its business strategy and grow its business.

Volatility in the financial markets could have a material adverse effect on Excelsior's ability to fund its business using debt or equity. Excelsior's ability to raise additional funds will be subject to, among other things, factors beyond the control of Excelsior and its directors, including cyclical factors affecting the economy and share markets generally.

(v) Excelsior's information technology systems may fail and cause disruptions to its operations

If Excelsior is unable to protect against service interruptions, data corruption, cyber based attacks or network security breaches (which may be out of the Company's control), its operations could be disrupted, despite the IT security program that is in place.

Excelsior relies on information networks and systems to process, transmit and store electronic and financial information, to implement a variety of business processes and activities such as financial management and to comply with regulatory, legal and tax requirements. These information technology systems may be susceptible to damage, disruptions or shutdowns due to failures during the process of upgrading or replacing software, databases or components, power outages, hardware failures, computer viruses, attacks by computer hackers, telecommunication failures, user errors or other unforeseen events.

Excelsior believes it has sufficient IT security controls in place, including encryption; data loss prevention; and role based access controls, however if Excelsior's information technology systems suffer severe damage, disruption or shutdown and the Company does not effectively resolve these issues in a timely manner, Excelsior's operations may be materially and adversely affected and Excelsior may experience delays in various services and reporting financial results.

If Excelsior is unable to prevent security breaches, it may suffer financial and reputational damage or penalties because of the unauthorised disclosure of confidential information belonging to the Company or its customers.

(c) Specific risks associated with Excelsior if the Proposed Transaction does not proceed

Excelsior Shareholders should be aware that if the Proposed Transaction does not proceed, they will retain their Excelsior Shares and will continue to be exposed to the risk factors relating to holding Excelsior Shares and the investment portfolio business described in Section 5.2(a), as well as the following risk factors relating to the current profile of Excelsior.

(i) General trading conditions are uncertain

There is no certainty about the general trading conditions in the market, which may lead to a reduced ability to operate the CMI Business in a manner that supports the current high standards of execution.

(ii) Macroeconomic risk

Arises from factors such as inflationary pressures, unemployment, interest rates, lack of income growth, business investment, government policy and spending, the volatility and strength of global and Australian capital markets, currency value and exchange rates.

(iii) Credit Risk

The risk of loss that arises when a customer or third party fails to pay an amount owing to the Company or a change in customer circumstances or a failure by Excelsior to adequately assess and manage credit risk. This may result in credit losses, decreased operating cash flows, increased funding costs and/or reduced access to funding. Excelsior is exposed to the risk that its customers do not meet their financial obligations or become insolvent.

(iv) Strategic Risk

The risk that Excelsior's strategy does not address market changes or unforeseen events or initiatives from Excelsior's competitors, or that the strategy is not effectively implemented.

(v) Excelsior will have incurred substantial costs and expended management time and resources for the Proposed Transaction

If the Proposed Transaction does not proceed, Excelsior will have incurred substantial costs in respect of a transaction that does not eventuate. This includes a significant proportion of management's time as well as legal and other advisory fees.

(vi) No other alternative proposal

The Excelsior Directors are not aware of any other offers for acquisition of the CMI Business or other alternative proposal meaning that the Proposed Transaction with IPD Group is the only proposal.

7. Additional Information

7.1 Summary of Share Sale and Purchase Agreement (SSPA)

Parties:	Excelsior Capital Limited ACN 050 542 553 (as vendor) and IPD Group Limited ACN 111 178 351 (as purchaser).
Securities being acquired:	The entire issued share capital of CMI Operations which will be acquired by IPD Group.
Transaction Consideration:	<p>Total consideration of up to maximum of \$101.0 million cash: Payable as follows:</p> <p>Paid on Completion:</p> <p>Cash payment of \$92.1 million paid on completion, subject to:</p> <ul style="list-style-type: none"> a positive or negative adjustment if the net working capital of the business at completion varies from a nominated target; and a positive or negative adjustment for any net debt at completion. <p>Deferred Consideration:</p> <p>Up to \$8.9 million cash on or around 31 August 2024. The amount of the deferred consideration is the difference between the EBIT of CMI Operations for FY24 compared to FY23, which was \$15.4 million, and then multiplied by 6. The maximum amount payable to Excelsior under the deferred consideration provisions is \$8.9 million. If the FY24 EBIT is equal to or less than the FY23 EBIT, no deferred consideration will be payable to Excelsior.</p>
Conditions Precedent:	<p>The Proposed Transaction is conditional on certain conditions precedent customary for a transaction of this nature including:</p> <ul style="list-style-type: none"> Excelsior Shareholders approving the Proposed Transaction by ordinary resolution; no material adverse change to CMI Operations or the CMI Business between the date of the SSPA and Completion of the Proposed Transaction; and the parties obtaining certain necessary counterparty consents under certain agreements
Indicative completion date	Completion of the Proposed Transaction is expected to occur by 31 January 2024. If the conditions precedent are not fulfilled or waived by 31 March 2024, the Proposed Transaction may not proceed.
Conduct of business prior to completion	Excelsior is required to conduct the CMI Business in the ordinary course pending Completion. In addition, subject to some exceptions, Excelsior and CMI Operations must not undertake or agree to undertake certain activities without IPD Group's consent.
Exclusivity	<p>The SSPA contains certain exclusivity arrangements in favour of IPD Group, which are in line with market practice. Those arrangements include:</p> <ul style="list-style-type: none"> No talk: Excelsior must not participate in any negotiations or discussions with any person in relation to, or that may lead to, a competing proposal; No shop: Excelsior must not solicit or invite any competing proposal or any enquiries, proposals, discussions or negotiations in relation to, or that may lead to, a competing proposal; Notification: If Excelsior is approached in relation to a competing proposal, or a proposed or potential competing proposal, Excelsior must notify IPD Group within two Business Days. The notice must provide details of the identity of the relevant person making or proposing the competing proposal and the material terms of any such competing proposal; and

	<ul style="list-style-type: none"> • Matching right: Excelsior is prohibited from entering into an agreement to undertake a competing proposal unless Excelsior has given IPD Group at least five Business Days following receipt of notification of a competing proposal to provide a matching or superior proposal to the terms of the competing proposal. <p>A "competing proposal" is, broadly speaking, a proposal under which a third party would, if the proposal were completed, acquire "control" of the Excelsior Group or an interest in 50% or more of its assets (and would include a takeover bid, scheme of arrangement, capital reduction, sale of assets or sale of securities).</p> <p>Excelsior is not required to comply with the no talk and notification provisions in the SSPA if the Excelsior Board determines, after consultation with its advisers, that complying with those provisions would be likely to constitute a breach of the fiduciary or statutory duties owed by the Excelsior Directors.</p>
Break Fee	<p>Excelsior Break Fee</p> <p>Excelsior will pay a reimbursement fee to IPD Group of an amount no more than \$1.0 million to compensate it for actual costs incurred in negotiating and progressing the Proposed Transaction if Excelsior shareholders do not approve the Proposed Transaction in the following circumstances:</p> <ul style="list-style-type: none"> • Change of recommendation or recommendation of competing proposal: any member of the Excelsior Board fails to recommend or changes, withdraws or adversely modifies his recommendation of the Proposed Transaction or makes any public statement, or takes any other action that is inconsistent with his recommendation of the Proposed Transaction (including where a competing proposal is announced and is recommended by any Excelsior Director), other than as a result of the Independent Expert opining that the Proposed Transaction is not fair and reasonable and in the best interests of Shareholders or as a requirement of a Governmental Agency; • Failure to vote in favour: any member of the Excelsior Board fails to vote their Excelsior shares in favour of the Proposed Transaction; • Change of control of Excelsior: a competing proposal is announced, and within six months of the date of such announcement or the general meeting to approve the Proposed Transaction, the competing proposal is completed. <p>IPD Group Break Fee</p> <p>IPD will pay a reimbursement fee of \$1.0 million to Excelsior if IPD Group terminates the SSPA as a result of termination of either of the following:</p> <ul style="list-style-type: none"> • the Underwriting Agreement for the institutional component of IPD's equity fundraising for the Proposed Transaction; or • the debt financing facilities arranged by IPD for the Proposed Transaction.
Warranties and Indemnities	<p>Excelsior provides customary warranties regarding CMI Operations and its business and affairs and indemnifies IPD for liability arising from a breach of those warranties.</p> <p>In addition, Excelsior indemnifies IPD for any tax liability of CMI Operations prior to completion and provides specific indemnities for a small number of specific matters identified by IPD.</p>
Non-compete	<p>Excelsior is to provide customary non-compete and non-solicit obligations for a transaction of this nature for a period of up to 5 years.</p>

7.2 Information about IPD Group

IPD Group (ASX: IPG) , is a company listed in the ASX and is a leading value added distributor and service provider to Australia's electrical industry. IPD Group has a proud history spanning over 65 years serving Australian customers. The IPD Group aims to improve lives by creating a future focused on sustainable electrical infrastructure, with a

mission centred on advancing energy efficiency, automation, and security, while prioritising the safety and well-being of people.

IPD Group operates a total of nine leased offices and warehouses with its headquarters located in Wetherill Park, Sydney. The IPD Group employs 550 employees in total, including 190 employees in its fully owned subsidiary in Sri Lanka providing cost effective back office support.

IPD Group has a long tenured executive team with an established track record of acquiring and growing businesses successfully. IPD Group's most recent acquisitions include Control Logic, HTC, Gemtek and Ex- Engineering.

The IPD Group prioritises innovation in energy efficiency, spearheading initiatives for electrification and decarbonisation that underline its commitment to developing sustainable electrical infrastructure. IPD Group's strengths align closely with Australia's drive toward achieving net-zero targets

7.3 Funding of the consideration for the Proposed Transaction

IPD Group will fund the Proposed Transaction through a combination of new debt facilities and a \$65 million equity raising comprised of a \$40 million institution placement and a \$25 million accelerated non-renounceable entitlement offer.

7.4 Other material information

Other than as set out in this Notice of Meeting, and information previously disclosed to Shareholders, there is no information known to the Excelsior Directors which might reasonably be expected to be material to the making of a decision by Excelsior Shareholders whether or not to vote in favour of the Resolution.

The Chairman of the Meeting intends to vote undirected proxies in favour of the Resolution.

7.5 Consents and disclaimers

The following parties have given, and have not withdrawn as at the date of this Explanatory Memorandum, their written consent to be named in this Explanatory Memorandum in the form and context in which they are named:

- Nicholson Ryan as legal adviser to Excelsior;
- Houlihan Lokey as financial adviser to Excelsior
- Link Market Services Limited as Excelsior's share registrar; and
- RSM as Independent Expert.

Each party referred to in this Section 7.5:

- does not make, or purport to make, any statement in this Explanatory Memorandum or any statement on which a statement in this Explanatory Memorandum is based other than a statement included in this Explanatory Memorandum with the consent of that party; and
- to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Explanatory Memorandum, other than as described in this Explanatory Memorandum with the consent of that party.

8. Glossary

\$ or A\$ means Australian dollars.

AEDT means Australian Eastern Daylight Time

ASX means ASX Limited (ABN 98 008 624 691) or, as the context requires, the financial market operated by it.

Chairman means the chair of the Meeting.

CMI Operations means CMI Operations Pty Ltd ACN 088 279 270 t/a CMI Electrical.

CMI Business the electrical business operated by CMI Operations, as briefly described in Section 5.2(b).

Company or **Excelsior** means Excelsior Capital Limited ACN 050 542 553.

Completion means completion of the Proposed Transaction in accordance with the Share Sale and Purchase Agreement.

Completion Date the date for completion of the Proposed Transaction, expected to be 30 January 2024.

Corporations Act means the *Corporations Act 2001* (Cth).

Corporations Regulations means the *Corporations Regulations 2001* (Cth).

Excelsior Board means the board of directors of Excelsior.

Excelsior Director means a director of the Company.

Excelsior Group means Excelsior and its subsidiaries.

Excelsior Information means all information in this Explanatory Memorandum other than the Independent Expert's Report.

Excelsior Registry or **Registry** means Link Market Services Limited.

Excelsior Share means a fully paid ordinary share in the capital of the Company.

Excelsior Shareholder means a person who is registered in the Excelsior register of members as the holder of at least one Excelsior Share.

Explanatory Memorandum means this explanatory memorandum, including the Notice of Meeting, Independent Expert Report and Proxy Form.

FY means the financial year ending on 30 June.

General Meeting or **Meeting** means the extraordinary general meeting of the Company convened by the Notice of Meeting.

Independent Expert means RSM.

Independent Expert's Report means the report prepared by the Independent Expert, set out in Section 9.

IPD Group means IPD Group Limited ACN 111 178 351.

Listing Rules means the listing rules of ASX.

Notice of Meeting means the notice of extraordinary general meeting forming part of this Explanatory Memorandum.

Proposed Transaction means the sale by the Company of all of the issued share capital of CMI Operations to IPD Group under the SSPA for cash consideration of up to \$101 million, as summarised in Sections 2.2, and 7.1.

Proxy Form means the proxy form in respect of the Meeting.

Resolution means the resolution set out in the Notice of Meeting.

RSM means RSM Corporate Australia Pty Ltd ABN 82 050 508 024.

Section means a section in this Explanatory Memorandum.

Share Sale and Purchase Agreement or SSPA means the agreement dated 27 November 2023 between IPD Group and Excelsior for the acquisition by IPD Group of all of the issued capital of CMI Operations.

9. Independent Expert's Report
