

Notice of general meeting and explanatory statement

Digital Investment Group Limited
ACN 608 992 534

Date	Monday 16 September 2024
Time	9.00am
Location:	The offices of MinterEllison, Level 20, 447 Collins Street Melbourne, Victoria 3000

Letter from the Company

Dear member

The purpose of this letter is to advise that a general meeting for members of the Company will be held on Monday, 16 September 2024. The purpose of the General Meeting is to consider a resolution to approve a selective buy-back of shares in the Company.

Selective share buy-back

The resolution, if approved, will enable the Company to undertake a selective buy-back of shares in the Company that the Directors believe is in the best interests of the Company and its members.

The selective buy-back flows from a unique set of circumstances involving the sale by the Company of Infocept Pty Ltd (Infocept), a former wholly owned subsidiary of the Company, back to its former owners. As a direct outcome of the sale, and the exit of the Company from involvement in the business and activities of Infocept, the Company is seeking to buy-back (for the nominal sum of \$1.00) some of the shares originally issued by the Company on the acquisition of Infocept in May 2020.

The Directors strongly believe approval of the resolution is in the best interests of all Shareholders and unanimously recommend that you vote in favour of the resolution.

The Notice of Meeting and Explanatory Statement contain important information that will assist you in making a decision about how to vote on the resolution to be put before the General Meeting. It is important that you cast your vote, either by attending the General Meeting in person, or by completing the proxy form accompanying the Notice of Meeting and Explanatory Statement.

If you require any further information, please contact Stephen Prideaux, an Executive Director of the Company on 0437 881 814 or steve@digltd.com.au.

On behalf of the Directors, I urge you to take the time to read this document in its entirety, and recommend that you vote in favour of the resolution.



Don Clarke
Chairman
Digital Investment Group Limited

Notice of Meeting

Notice is given that a general meeting of the members of the Company will be held at the offices of MinterEllison at Level 20, 447 Collins Street, Melbourne, Victoria at 9.00am on 16 September 2024.

The business to be considered at the General Meeting is set out below. Information on the resolution which constitutes the business of the Meeting is contained in the Explanatory Statement.

This Explanatory Statement should be read in conjunction with the accompanying Notice of Meeting. This Explanatory Statement is not investment advice. You should seek your own financial and professional advice before making any decision on how to vote at the Meeting.

Terms used in this Notice of Meeting will, unless the context otherwise requires, have the same meaning as given to them in the Glossary contained in paragraph 4 of the Explanatory Statement.

1. Business

Resolution - Selective share buy-backs

To consider and, if thought fit, to pass the following resolution as a **special resolution**:

'That for the purpose of section 257D(1)(a) of the *Corporations Act 2001* (Cth), the shareholders approve:

- (i) the entry by the Company into the Share Buy-Back Agreement with the Selling Shareholders; and
- (ii) the Company undertaking the selective buy-back of 7,906,506 ordinary shares held by Selling Shareholders in the Company for the consideration of \$1.00 pursuant to and in accordance with the terms of the Share Buy-Back Agreement.'

The Resolution will be approved, and the buy-back authorised, if and only if the number of Shares voted in favour of the Resolution by those Shareholders who are eligible to vote on the Resolution constitutes a majority of 75% or more of the total number of Shares voted on the Resolution.

For details of the Voting Exclusion applying to the Resolution, please refer to Item 3 below.

2. Voting entitlement

For the purposes of the General Meeting and in accordance with regulation 7.11.37 of the *Corporations Regulations 2001*, it has been determined that the members entitled to attend and vote at the General Meeting shall be those persons who are recorded on the register of members at 7.00pm on 14 September 2024.

3. Voting Exclusion Statements

In accordance with the Corporations Act (section 257D(1)(a)), the Company will disregard any votes cast in favour of the Resolution by any person whose shares are being proposed to be bought back (i.e. the Selling Shareholders) or by any associate of either one or both of the Selling Shareholders.

4. Proxies

Any member entitled to attend and vote is entitled to appoint not more than two proxies to attend and vote on their behalf. The person or persons so appointed need not necessarily be members of the Company.

Where two proxies are appointed, each proxy should be appointed to represent a specified portion or number of the member's voting rights (failing which each appointee will be entitled to cast half the member's votes).

A proxy form is enclosed. Please ensure that your proxy instructions are received by the Company not later than 9.00am on 15 September 2024 (i.e. not less than 24 hours before the Meeting).

A body corporate member may elect to appoint a representative, rather than appoint a proxy, in accordance with section 250D of the Corporations Act. Where a body corporate appoints a representative, the Company requires written proof of the representative's appointment to be lodged with or presented to the Company before the meeting.

By order of the Board

Stephen Prideaux
Director

19 August 2024

Explanatory Statement

1. Introduction

This Explanatory Statement has been prepared to assist members of the Company to understand the nature of the Resolution specified in the Notice of Meeting, which Resolution will be put to a vote of the members at the forthcoming General Meeting, and to provide information relating to the Resolution in an effort to assist you in making a decision about how to vote on the Resolution to be put before the General Meeting.

2. Selective buy-back

2.1 Introduction

- (a) The Corporations Act allows a Company to buy back some of its shares from one or more selected shareholders, subject to certain conditions:
 - (i) the buy-back does not materially prejudice the Company's ability to pay its creditors;
 - (ii) the Company follows the relevant procedures set out in sections 256A to 259F of the Corporations Act; and
 - (iii) the Company's constitution does not prohibit or restrict share buy-backs.
- (b) A selective buy-back occurs when a Company buys back some of its shares from one or more selected shareholders. Pursuant to the Corporations Act, a Company may proceed with a selective buy-back if it has been approved by:
 - (i) special resolution passed at a general meeting of the Company, with no votes being cast in favour of the resolution by any person whose shares are to be bought back or by any of their associates; or
 - (ii) a resolution agreed to, at a general meeting, by all ordinary shareholders.
- (c) In accordance with the Corporations Act, the relevant resolution (and the buy-back of the shares) cannot be approved until the expiry of 14 days after ASIC was first notified of the Company's intention to carry out the buy-back. Notification of the buy-back (the subject of the Resolution) was provided to ASIC on or about 25 June 2024.
- (d) All Shares acquired by the Company under the selective buy-back must be cancelled and ASIC notified of the cancellation in accordance with section 254Y of Corporations Act.
- (e) Under the Corporations Act, the Company must include with the Notice of Meeting all information known to it that is material to the decision by the Shareholders whether to approve the selective share buy-back or otherwise. This Explanatory Statement is given for that purpose and the Directors believe that this Explanatory Statement contains all information material and necessary for members to make an informed decision about the proposed selective buy-back. However, a company need not disclose information if it would be unreasonable to do so because the Company has already previously disclosed that information to its shareholders.

2.2 Resolution - Summary of the selective share buy-back from the Selling Shareholders

- (a) The Company has entered into an agreement with the Selling Shareholders to undertake a selective share buy-back of 7,906,506 Shares held by them in the Company (**Share Buy-Back Agreement**). The Buy-Back Agreement (and the buy-back of these Shares) is conditional on the approval by the members at a general meeting (as required by section 257D(1) of the Corporations Act). The relevant details of the Share Buy-Back Agreement are summarised below.
- (b) Eligibility to participate – the Company is seeking to buy back 7,906,506 Shares (Buy-Back Shares) held by the Selling Shareholders only. The offer is neither available to nor will be extended to any other Shareholder.

- (c) Price – the Company is seeking to buy back the Buy-Back Shares held by the Selling Shareholders for a total aggregate consideration of \$1.00.
- (d) Share Buy-Back Agreement – The Company has entered into the Share Buy-Back Agreement with the Selling Shareholders. The buy-back of the relevant Shares held by the Selling Shareholders pursuant to the Share Buy-Back Agreement is subject to approval (by a special resolution) by the members at a general meeting (as required by section 257D(1)(a) of the Corporations Act).

In summary, the Share Buy-Back Agreement is a simple share sale and purchase agreement under which the Company, subject to shareholder approval of the buy back in accordance with section 257D of the Corporations Act, has agreed to the buy-back of 7,906,506 Shares in the Company (free from all liens, charges, equities and encumbrances) on the terms set out in that agreement. If any Shareholder would like a copy of, or to inspect, the Share Buy-Back Agreement, the Shareholder should contact the Company (copies will be provided free of charge).

Details of and reasons for the selective share buy-back

- (a) The Selling Shareholders are the following persons, as detailed below:

Selling Shareholder	Number of Buy-Back Shares
Rajeev Biswas (atf the Biswas Family Trust)	3,833,974
Vipin Gera (atf the Gera Family Trust)	4,072,532
Total	7,906,506 Shares

Note: Neither Selling Shareholder is an associate of or in any way related to any Director of the Company.

- (b) In May 2020, the Company acquired Infocept Pty Ltd from entities associated with the Selling Shareholders. Under the terms of Share Purchase Agreement, the Company issued a total of 31,626,023 Shares to the Selling Shareholders.
- (c) While under the Company's ownership, the principals of the Selling Shareholders, Rajeev Biswas and Vipin Gera, have managed and carried on the Infocept business (which primarily involved the building and maintaining of telecommunication network infrastructure). Unfortunately, subsequent to the Company's acquisition of the Infocept business, the operation and financial performance of the business was in the following two years materially adversely impacted by the COVID pandemic and lockdowns.

More recently, a raft of factors, including:

- changes within the industry in which Infocept operates;
- a shortage of suitably trained and experienced contractors;
- heightened competition for network contracts;
- material increases in the costs associated with doing business; and
- the lack of capital on the part of the Company to invest in the Infocept business,

have resulted in the continued operation of the Infocept business by the Company being, at best, marginal. Further, the outlook for the Infocept business, under the ownership of the Company, was poor as contract margins were being further compressed at the same time as costs were increasing.

Given the very limited likelihood of the Company being able to derive any financial benefit from its ownership of the Infocept business in future years, coupled with its lack of funds to invest in the Infocept business, the Company made the only decision open to it - that being to sell the business on the best possible terms available to it.

As ultimately occurred, the only buyer willing to acquire Infocept was an entity (Contrapay Pty Ltd) associated with its former owners, Rajeev Biswas and Vipin Gera. The sale of

Infocept to Contrapay Pty Ltd was only reached and negotiated after all other options for the sale of Infocept had been exhausted.

With their background in the industry, and their knowledge of the both the industry participants and the contractors, they are likely to be better placed than the Company to successfully manage the Infocept business in the future.

Under the Share Sale Agreement, Contrapay Pty Ltd acquired all the issued shares of Infocept for a consideration of \$1.00 plus delivery to the Company of a duly executed Buy-Back Agreement for the buy-back of 25% of the shares then held by the Selling Shareholders in the Company. With the exception of any potential liability to the Victorian State Revenue Office for payroll tax for the period from May 2020 to 30 June 2023, Contrapay Pty Ltd also agreed to assume all existing and future liabilities arising from the conduct of the Infocept business.

The transfer of control of Infocept Pty Ltd to Contrapay Pty Ltd was completed on 13 June 2024. With that task completed, the sole remaining aspect of the sale yet to be finalised is approval and completion of the Share Buy-Back.

Share capital details

- (a) As at the date of this Explanatory Statement, the Company has 354,036,034 Shares on issue.
- (b) The Company is proposing to buy back 7,906,506 Shares pursuant to the selective share buy-back which constitutes approximately 2.233% of the Company's existing issued share capital. It should be noted that the Selling Shareholders (in aggregate (including the Buy-Back Shares) currently hold 31,626,023 Shares (or circa 8.93%% of the issued capital of the Company). If the Company buys back the Buy-Back Shares, the holdings of the Selling Shareholders (in aggregate) will reduce to 23,719,715 Shares (or 6.67% of the reduced issued capital of the Company).
- (c) In practical effect, while the Selling Shareholders, in aggregate, will remain holding a significant number of Shares after the buy-back, the Selling Shareholders will not have any ability to materially influence the conduct of the business of the Company after the Buy-Back is completed.
- (d) Assuming the Company buys back the 7,906,506 Shares, these Shares will be cancelled (as required by section 257H(3) of the Corporations Act), leaving the number of Shares on issue in the Company after the selective share buy-back is completed at 346,129,528.

Sources of funds and financial effect on the Company

- (a) As the buy-back of the Buy-Back Shares is for a nominal sum of \$1.00 only, the Buy-Back will be funded from internal cash resources.
- (b) As indicated earlier in this Explanatory Statement, the Corporations Act prescribes certain conditions which must be satisfied before a company is lawfully permitted to buy back some of its shares from one or more of its shareholders. One of the specified conditions (set out in section 257A of the Corporations Act) is the requirement that completion of the buy-back must not materially prejudice the company's ability to pay its creditors.

Given the consideration payable on the buy-back of the Shares is the amount of \$1.00, completion of the buy-back will not materially prejudice the Company's ability to pay its creditors.

In fact, the Company will benefit significantly from its decision to enter into the Buy-Back Agreement for the simple reason that it will no longer be required to fund the Company's existing or future liabilities (with the exception of any payroll tax liability to the Victorian State Revenue Office for the period from May 2020 to 30 June 2023).

- (c) In short, the financial effect of the selective share buy-back on the Company will be immaterial and will not adversely affect the Company's ability to carry on its business in a manner similar to the way it has operated over the previous 12 months.

Advantages of the buy-back

The Directors have identified the following advantages of carrying out the share buy-back:

- (a) the buy-back will reduce the total number of shares on issue in the Company;
- (b) as the Selling Shareholders control a significant percentage of the issued Shares of the Company, the buy-back of those Shares will reduce the level of their influence over the Company and its business;
- (c) the Buy-Back is a key part of the transaction whereby the Company was able to sell its interest in Infocept, which transaction has had the effect of releasing the Company from any further obligation and/or responsibility for any existing losses and/or liabilities (except certain payroll tax liabilities) of Infocept; and
- (d) the sale of Infocept has removed from the Company all future need for the Company to fund the working capital requirements of Infocept.

Disadvantages of the Buy-Back

The Directors have identified the following disadvantages of carrying out the share buy-back:

- (a) The reduction of the Company's cash and other liquid assets by the amount of the consideration to be paid for Buy-Back Shares.
- (b) As the Buy-Back is of 25% only of the Shares issued by the Company to the Selling Shareholders when it originally acquired Infocept from them in May 2020, the Company has suffered a material loss on the sale of Infocept.
- (c) The sale of Infocept will preclude the Company from participating in any future profits and/or benefits it may have otherwise derived from its on-going ownership of Infocept.

Participation of the Directors and control of the Company

- (a) The Selling Shareholders have no association with the Directors.
- (b) All Shareholders should note, as no votes will be cast in favour of the Resolution by either Selling Shareholder or by any of its associates, whether the Buy-Back is approved or otherwise by the Shareholders at the Meeting will be a matter entirely and directly in the hands of the Shareholders (other than the Selling Shareholder and their associates). In other words, despite being interested in the outcome of the vote on the Resolution, neither Selling Shareholder can vote in favour of or determine the outcome of the Resolution for approval and completion of the Buy-Back Agreement.
- (c) Control of the Company will not change as a result of the buy-back. The Company will continue to be substantially controlled by its major Shareholders, which include the Selling Shareholders, although the level of their influence over the Company will reduce as the Selling Shareholders will, on completion of the Buy-Back, hold a lesser number of Shares.

Directors' recommendation

Each of the Directors has made a formal recommendation to the Shareholders that they vote in favour of the Resolution.

2.3 Lodgement

A copy of the Notice of Meeting and Explanatory Statement has been lodged with ASIC in accordance with section 257D(3) of the Corporations Act.

3. Further information

If you have any questions or need more information about the Resolution, please contact Stephen Prideaux, a Director, on:

Mobile: +61 437 881 814

Email: steve@digltd.com.au

4. Glossary

Unless the context otherwise requires, the singular includes the plural and vice versa, and the following terms will have the following meaning:

- (a) **ASIC** means the Australian Securities and Investments Commission.
- (b) **Buy-Back Agreement** means the share buy-back agreement dated on 12 June 2024 between the Company, the Selling Shareholders and Directors for the buy-back of the Buy-Back Shares.
- (c) **Buy-Back Shares** means the 7,906,506 Shares held by the Selling Shareholders which are the subject of the Buy-Back Agreement.
- (d) **Company** means Digital Investment Group Limited ACN 608 992 534.
- (e) **Corporations Act** means the *Corporations Act 2001* (Cth), as amended from time to time.
- (f) **Directors** means the directors of the Company at the date of this Notice of Meeting and Explanatory Statement and **Director** means any one of them..
- (g) **Explanatory Statement** means the explanatory statement in this document to which the Notice of Meeting is annexed.
- (h) **General Meeting** means the general meeting of the members of the Company to which the Notice of Meeting and Explanatory Statement relates.
- (i) **Notice of Meeting** means the notice of general meeting to which this Explanatory Statement is annexed.
- (j) **Resolution** means the resolution that is set out in the Notice of Meeting and explained in the Explanatory Statement.
- (k) **Selling Shareholders** means Rajeev Biswas and Vipin Gera (as trustee of their respective trusts) and **Selling Shareholder** means either one of them.
- (l) **Shares** means fully paid ordinary voting shares in the capital of the Company.

19 August 2024

Stephen Prideaux
Director
Digital Investment Group Limited

Proxy form

The Secretary

Digital Investment Group Limited ACN 608 992 534
Unit 2 G, 181-185 St Kilda Road, St Kilda VIC 3182

I/We _____

(please print)

of _____

(please print)

being a member(s) of Digital Investment Group Limited appoint:

Name of Proxy _____

Address of Proxy _____

or, in his/her absence:

Name of Proxy _____

Address of Proxy _____

or, if I/we have not nominated a proxy or if the nominee is absent from the meeting, the Chairperson of the meeting as my/our proxy to vote on my/our behalf in accordance with the following instructions (or if no instructions are given, as the proxy sees fit) at the general meeting of Digital Investment Group Limited to be held on 16 September 2024 and at any adjournment of that meeting.

If two proxies are being appointed, please complete the following sentence. This proxy is authorised to exercise _____ votes/ _____ % of my/our total voting rights.

Directing your Proxy

To instruct your proxy how to vote, insert 'X' in the appropriate column against each item of business set out below. If you do not instruct your proxy how to vote on a resolution, your proxy may vote as he/she thinks fit or abstain from voting.

I/We instruct my/our proxy to vote on the resolution as follows:

	For	Against	Abstain
1. To approve Share Buy-Back from Selling Shareholders under section 257D(1)(a) of the Corporations Act	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Chairperson's voting intentions

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

If you do not wish to direct your proxy how to vote, please place a mark in the box

By marking this box, you acknowledge that the Chairperson (if he or she is your proxy) may exercise your proxy even if he or she has an interest in the outcome of the resolution and votes cast by him other

than as proxy holder will be disregarded because of that interest.

This proxy must be signed by each appointing member (or the member's attorney). Proxies given by a company must be executed in accordance with section 127 of the Corporations Act 2001 (Cth) or signed by a duly authorised officer or attorney.

Date: _____

Common seal	Signature(s)	Name (print)

The proxy form and the power of attorney or other authority (if any) under which it is signed (or a certified copy) must be received by the Company, at least 24 hours before the time for holding the meeting, at the company's registered office (Unit 2 G, 181-185 St Kilda Road, St Kilda VIC 3182).

Notes:

A member who is entitled to vote at the meeting may appoint:

- one proxy if the member is only entitled to one vote; or
- one or two proxies if the member is entitled to more than one vote.

Where the member appoints two proxies, the appointment may specify the proportion or number of votes that each proxy may exercise. If the appointment does not specify a proportion or number, each proxy may exercise one-half of the votes in which case any fraction of votes will be disregarded.

If you require an additional proxy form, the company will supply it on request.

A proxy need not be a member of the company.