

## **IAB Holdings Limited** **Market Update**

- Disputes with MNF Group resolved
- Proposed voluntary winding up
- The Company expects to pay a final distribution of between 6c to 7.5c per share in late November 2019
- Shareholder meeting planned for August 2019 to approve liquidation process

IAB Holdings Limited (**IAB Holdings** or **the Company**) is pleased to advise that it has resolved all disputes with MNF Group Limited (**MNF Group**) announced to ASX on 29 March 2019, including in relation to purchase price adjustments for the sale by the Company to the MNF Group of its indirect telecommunications resale and enablement businesses. The outcome of the settlement is that the purchase price amount of \$0.5m, held in escrow pending confirmation of the working capital balance, was released to MNF Group.

With the dispute now resolved and after having settled or provided for the known liabilities of the Company, the board has, after taking external advice, determined that, subject to shareholder approval, the appointment of a liquidator to conduct a voluntary winding up is the most efficient and lowest risk process to make a final distribution to shareholders and wind up the Company.

Accordingly, Shareholders will be asked at an extraordinary general meeting, planned to be held in August 2019, to approve the voluntary winding up of the Company and the appointment of KordaMentha as liquidators on an agreed fixed fee basis. The Company may also be required by the ASX to again seek shareholder approval to remove the Company from the official list of the ASX (**Delisting**).

On 13<sup>th</sup> December 2018 the board had estimated that the final distribution would be around 11 cents per share. However, with the settlement of the MNF claims and some unforeseen liabilities that emerged related to the indirect business prior to its sale to MNF, the board now has greater certainty in relation to the Company's material liabilities. Additionally, the delay in winding up the Company has resulted in higher administrative, financial and legal expenses than previously estimated.

Based on current information, including the board's estimate of the Company's known outstanding liabilities, the board expects that the final distribution to shareholders will be in the range of 6 cents to 7.5 cents per share, with payment of the full amount expected in late November 2019. More detailed information will be provided in the notice of the extraordinary general meeting.

The Company's shares will remain in suspension until it Delists.

The board would like to thank shareholders for their patience and support. Relevant contact information will be provided in the notice of meeting for shareholders who have questions about the proposed winding up process or meeting.

For further details please contact:

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