

21 October 2019

TO CREDITORS AND MEMBERS

Dear Sir/Madam

ACN 603 323 182 (formerly Axesstoday Limited), ACN603 323 182 (Subject to Deed of Company Arrangement) (the Company)

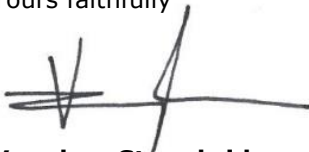
I refer to the appointment of Glen Kanevsky, Sal Algeri and I as Joint and Several Administrators of the Company on 7 April 2019, our appointment as Deed Administrators to the Company on 3 September 2019 and our previous updates to shareholders and creditors.

Please find attached a report for your information that details:

- The progress of the administration since the Report to creditors pursuant to Section 75-225 of the Insolvency Practice Rules (Corporations) dated 20 August 2019 was made available to shareholders and creditors
- The actions required to complete the administration of the Company
- The actions proposed to be taken in the next 12 months
- The expected timing to complete the administration of the Company.

Should you have any queries regarding this report or the administration in general, please email us at acesstoday@deloitte.com.au.

Yours faithfully



Vaughan Strawbridge
Joint and Several Deed Administrator

A.C.N. 603 323 182 Limited
(formerly Axsesstoday Limited)
(Subject to Deed of Company Arrangement)
ACN 603 323 182

Report to shareholders and creditors 21 October 2019

1 Introduction

1.1 Appointment

On 7 April 2019 we, Vaughan Strawbridge, Sal Algeri and Glen Kanevsky (**Administrators** or **Deed Administrators** as the context requires), were appointed Administrators of A.C.N 603 323 182 (formerly Axsesstoday Limited) (ACN 603 323 182), A.C.N. 603 303 126 Pty Ltd (ACN 603 303 126), Axsesstoday Operations Pty Ltd (ACN 604 340 785), and Axsesstoday Retail Pty Ltd (ACN 161 130 696) by resolutions of the Directors pursuant to Section 436A of the Corporations Act 2001 (**Act**).

Our appointment as Administrators was ratified by creditors at the concurrent first meeting of creditors held on 17 April 2019. We became Deed Administrators on execution of the Deed of Company Arrangement (**DOCA**) on 3 September 2019.

1.2 Purpose of this report

On 7 October 2019 the Australian Securities and Investments Commission (**ASIC**) granted the Company approval to delay its financial reporting and annual general meeting. As a condition to this approval the Deed Administrators are required to keep shareholders and creditors informed of the progress of the external administration of the Company.

The purpose of this report is therefore to provide shareholders and creditors with information regarding the progress and status of the Company's external administration, including:

- Actions taken during the period starting on the date of our report to creditors dated 20 August 2019 (**Second Creditors Report**) and ending on the date that is 14 days after the date of the Instrument (**Relevant Period**), being 21 October 2019
- The actions required to complete the external administration
- The actions proposed to be taken in the next 12 months
- The expected time to complete the external administration.

2 Actions taken during the Relevant Period

2.1 Second meeting of creditors

As detailed in the Second Creditors' Report, a meeting of creditors was scheduled on 30 August 2019. At that meeting, creditors of the Company voted in favour of executing the DOCA, the details of which are outlined in the Second Creditors Report, which can now be found here:

<https://axesstodaylimited.com.au/assets/site/Axesstoday-Report-to-Creditors-20-August-2019.pdf>

A copy of the minutes of the meeting were lodged with ASIC on 5 September 2019.

2.2 Deed of Company Arrangement executed

As outlined in previous company announcements and the Second Creditors' Report, the Company, together with its subsidiary companies ACN 603 303 126 Pty Limited (**ACN603**), Axesstoday Retail Pty Ltd (**AXL Retail**) and Axesstoday Operations (**AXL Operations**) (together the **Group**), entered into a DOCA on 3 September 2019 which provided for the sale of the Group's business to Promontoria Holding 304 BV (**PH304**), an affiliate of Cerberus European Investments LLC, which is itself an affiliate of Cerberus Capital Management, L.P.

A copy of the DOCA has been lodged with ASIC. The DOCA completed on 19 September 2019 in respect of subsidiary companies ACN603, AXL Retail and AXL Operations. Following the completion of the DOCA, we retired as Deed Administrators of these subsidiary companies and these entities are now owned and controlled by PH304.

The DOCA allowed for the repayment of the Group's debt in full to secured creditors in the amount of \$233 million and anticipates a dividend of between 33.9 cents and 34.9 cents in the dollar to be paid to unsecured creditors. Given that unsecured creditors will not be paid in full, there will be no return to shareholders of the Company under the DOCA or realization of the Company's assets.

The Company remains under DOCA until the sale of the Company as a listed shell is completed (or the Deed Administrators form the view that the sale should not be pursued).

2.3 Change of Company name

On 20 September the Company lodged an application with ASIC to change the Company's name from Axesstoday Limited to A.C.N. 603 323 182 Limited (Subject to Deed of Company Arrangement). This process was completed and ASIC recorded the change of the Company's name effective from 24 September 2019. The Company's ticker code on the Australian Securities Exchange (**ASX**) of "AXL" has not changed.

2.4 Extension of time to lodge financial reports and hold annual general meeting

Following relief applications made by the Company, as is commonplace for companies under external administration, ASIC has granted the following:

- An Order deferring the period during which the Company is required to provide the following financial reports to its members, the ASX and ASIC:
 - The financial year ending on 30 June 2019
 - The half-yearly accounts for the period ending on 31 December 2018
 - Any other the financial year or half-year of the Company ending during the Deferral Period.

The Order is provided subject to certain conditions under ASIC Instrument 19-1017, attached as **Annexure A**.

The Order defines the **Deferral Period** as the period starting on the date of the Instrument (7 October 2019) and ending on the earlier of:

- 7 October 2021; or
- the date on which a disclosure document is lodged with ASIC in relation to any offer for issue or sale of securities that needs disclosure to investors under Chapter 6D of the Corporations Act; or
- the date on which the Company is reinstated to quotation by ASX Limited; or
- the date that the Company ceases to be under external administration

(Deferral Period).

- An extension of time for the Company to hold the 2019 Annual General Meeting to two months after the Deferral Period referred to above ends, subject to the conditions set down in the notice from ASIC attached at **Annexure B**.

We are currently working with PH304 and its staff regarding the preparation of the outstanding financial reports. Under the terms of the DOCA, the existing staff of the Group, together with retention of books and records, were transferred to PH304. The terms of the DOCA provide for mutual assistance to be provided to us to fulfill our statutory obligations and those of the Company.

2.5 Insured Claims under DOCA

As outlined in the Second Creditors' Report, the terms of the DOCA preserved any claims of creditors that met the definition of "Insured Claim" under the DOCA. Until the sale of the Company, and our retirement as Deed Administrators, we continue to manage queries in relation to the process for making claims against the Company including with respect to Insured Claims. We have received queries from creditors wanting to assert Insured Claims and we have been liaising with the Company's insurers in relation to these. Due to confidentiality restrictions under the Company's D&O insurance policy, we are unable to disclose any details in relation this.

3 Actions required to complete the external administration

3.1 Sale of the Company

The sale of the Company will be effected by way of an issue of shares in the Company (**Placement**) to the purchaser in exchange for a cash consideration which will result in the purchaser acquiring control of the Company. Existing shareholders will remain as shareholders but will be significantly diluted as a result of the issue of new shares.

On 7 October 2019 the Company and the Deed Administrators entered into an agreement (**Placement Agreement**) with Equivalent Liberty Fintech Corporation (or its nominee) (**ELFC**) in terms of which ELFC agrees to subscribe for 33,000,000 shares in the Company at an issue price of \$0.02 per share, amounting to approximately 85.86% of the issued share capital in the Company post transaction and the resulting change of control of the Company.

3.1.1 Purchase price

In terms of the Placement Agreement ELFC agrees to subscribe for 33,000,000 shares in the Company for a purchase price of \$660,000 (\$0.02 per share) payable by the purchaser as follows:

- A deposit in the amount of \$60,000, which was paid by ELFC on 11 October 2019; and
- \$600,000, which is payable on the date that is at the latest two business days after the date on which all conditions precedent are satisfied or waived (**Completion Date**).

Under the terms of the DOCA, proceeds from the sale will be paid into the Creditors Trust for the benefit of creditors of the Group. Further information on the Creditors Trust can be found at Section 10 of the Second Creditors Report.

3.1.2 Conditions precedent

Completion of the sale of the Company is conditional upon the satisfaction or waiver of the following conditions precedent:

- Shareholders entitled to vote at the shareholders meeting approve the Placement by the majorities required under the Act and the ASX Listing Rules;
- An independent expert's report that concludes that the Placement is fair and reasonable;
- The directors and company secretary of the Company resigning with effect on and from Completion;
- Release and discharge of any security interests by the secured creditors of the Group;
- All shareholder and regulatory approvals pursuant to the Act, the ASX Listing Rules and any other applicable law or regulation as may be required;
- All third party consents that may be required being received; and
- ELFC being satisfied that all bonds issued by the Company have been redeemed or released.

3.1.3 Timing

It is expected that the Placement will achieve Completion in 12 to 14 weeks from the date of signature of the Placement Agreement on 7 October 2019, dependent on the completion of the conditions precedent.

3.1.4 Next steps

Shareholders will be provided with an independent expert's report and notice of an extraordinary general meeting (**EGM**) within the time frame mentioned above.

3.2 Sale of 1114604 BC Ltd

1114604 BC Ltd is a wholly-owned subsidiary of the Company. It was established in September 2017 to provide financing products to the hospitality sector in Canada. Operations of 1114604 BC Ltd ceased in August 2018 and the business is in wind down. Although not in administration, the shares in 1114604 BC Ltd are held by the Company and we have been working with the Director to pursue opportunities to sell the remaining loan book. Discussions in this respect are ongoing and it is expected that the sale of the loan book will be achieved by February 2020.

Any returns to the Company on wind down of this entity are excluded from the sale of the listed shell and will be paid into the Creditors Trust for the benefit of Creditors of the Group.

3.3 50388865 BL Pty Ltd

50388865 BL PTY Ltd is also a wholly-owned subsidiary of the Company. It was established in early 2017 to provide short term business loans. In October 2018 operations ceased due to poor performance. The entity contains a small number of business loans in run-off and is otherwise not trading. We are currently working with the Director regarding the wind down of this entity.

Any returns to the Company on wind down of this entity are excluded from the sale of the listed shell and will be paid into the Creditors' Trust for the benefit of Creditors of the Group.

4 Actions proposed to be taken in the next 12 months and expected timing to complete the external administration

Effectuation was achieved in respect of the sale of the Group's business to PH304 on 19 September 2019, however, the DOCA has continued in respect of AXL for the purpose of giving the Deed Administrators the opportunity to realise recoveries from the assets excluded from the sale of the Group's business to PH304.

As discussed in Section 3 above, the Deed Administrators are pursuing a sale of the Company, and working with the Director of 1114604 BC Ltd and 503 88865 BL Pty Ltd in winding down the entities and realising any assets for the benefit of Creditors of the Group. In terms of the Placement Agreement relating to the sale of the Company, we entered into an exclusivity agreement with ELFC which terminates on or before 14 February 2020 and we therefore expect that the Placement will complete on or before this date.

The terms of the Placement Agreement provide for our retirement as Deed Administrators once placement is complete.

We note that in terms of Section 21.2 of the DOCA, the DOCA will terminate automatically on the date that is four months after the Completion of the sale of the Group's business to PH304, being 19 January 2020. The DOCA allows the date of automatic termination to be varied in writing by the Deed Administrators. In the event the sale of the Company is not completed by 19 January 2020, we will extend this period to 30 April 2020.

Creditors will recall that a creditor who asserts that it had a "Claim" under the DOCA can make that claim against the Trust Fund established by the Creditors' Trust Deed AXL Entities (**Trust Deed**) in relation to the AXL entities Creditors' Trust (**Creditors' Trust**). All "Claims" made against the Trust Fund will be adjudicated in accordance with the terms of the Trust Deed. The time it takes to complete this administration does not affect the adjudication of "Claims" under the Creditors' Trust or distribution to eligible creditors of the Creditors' Trust of the majority of proceeds held in the Trust from the sale of the subsidiary companies to PH 304.

In the event you have any queries regarding the contents of this report, or the administration in general, please do not hesitate to contact us on +61 2 9322 5526 or on axesstoday@deloitte.com.au.

Yours faithfully,

A handwritten signature in black ink, appearing to be 'V. Strawbridge', written over a horizontal line.

Vaughan Strawbridge
Deed Administrator

Appendix A – Extract of ASIC Instrument 19-1017

**Australian Securities and Investments Commission
Corporations Act 2001 - Subsection 340(1) - Order**

Enabling legislation

1. The Australian Securities and Investments Commission (*ASIC*) makes this instrument under subsection 340(1) of the *Corporations Act 2001* (the *Act*).

Title

2. This Order is ASIC Instrument 19-1017

Commencement

3. This instrument commences on the day it is signed.

Order

4. A.C.N. 603 323 182 Limited (formerly Axesstoday Limited) (Subject to Deed of Company Arrangement) ACN 603 323 182 (the *Company*) does not have to comply with any of the following obligations under Part 2M.3 of the Act:
 - (a) report to members of the Company under section 314 within the time required by section 315;
 - (b) send reports to a member of the Company in accordance with a request under subsection 316(1) within the time required by subsection 316(2);
 - (c) lodge reports with ASIC under subsection 319(1) within the time required by subsection 319(3);
 - (d) lodge half-year reports with ASIC under subsection 320(1) within the time required by that subsection;

in relation to:

- (e) the financial year of the Company that ended on 30 June 2019; and
- (f) a financial year or half-year of the Company ending during the deferral period.

This paragraph applies until the last day of the deferral period.

5. The Company does not have to comply with an obligation under Part 2M.3 of the Act of a kind specified in paragraph 4 in relation to the Company's half-year that ended 31 December 2018 but only to the extent that the Part would have imposed, but for this paragraph 5, a continuing obligation on the Company from the date of this instrument. This paragraph applies until the last day of the deferral period.

Conditions

6. The Company:

- (a) must comply with any obligation to which paragraphs 4 and 5 apply by no later than the last day of the deferral period;
- (b) must arrange for a notice explaining the relief granted by this instrument to be published:
 - (i) both:
 - (A) in a prominent place on the Company's website (if any); and
 - (B) in a place that is readily accessible on a website maintained by the External Administrator or any external administrator appointed after the External Administrator; and

Note: If the external administrator is a member of a firm then the firm's website will satisfy this requirement.
 - (ii) if the company is listed on a prescribed financial market—on a website maintained by the operator of the financial market;
- (c) must have adequate arrangements in place to answer, within a reasonable period of time and without charge, any reasonable questions asked by a member of the Company about the external administration or any later external administration or managing controllership occurring after the appointment of the External Administrator and during the deferral period;
- (d) must prepare a report for each relevant period during the deferral period and on the completion of the deferral period, which includes information about the progress and status of the external administration unless disclosure of that information would be prejudicial to the external administration, including details (as applicable) of:
 - (i) the actions taken during the period;
 - (ii) the actions required to complete the external administration;
 - (iii) the actions proposed to be taken in the next 12 months;
 - (iv) the expected time to complete the external administration;
- (e) a report required to be prepared under subparagraph (d) in relation to a relevant period must be made available to members of the company within 3 months after the end of the relevant period by arranging for the report to be published:
 - (i) both:
 - (A) in a prominent place on the Company's website (if any); and
 - (B) in a place that is readily accessible on a website maintained by the External Administrator or any external administrator appointed after the External Administrator; and
 - (ii) if the company is listed on a prescribed financial market—on a website maintained by the operator of the financial market;

7. The Company need not comply with the condition specified in subparagraph 6(a) (other than an obligation referred to in paragraph 4(c) or 4(d)) if, by no later than the last day of the deferral period, the Company arranges for a prescribed notice to be published:
- (a) both:
 - (i) in a prominent place on the Company's website (if any); and
 - (ii) in a place that is readily accessible on a website maintained by the External Administrator or any external administrator appointed after the External Administrator during the deferral period; and

Note: If the external administrator is a member of a firm then the firm's website will satisfy this requirement.
 - (b) if the company is listed on a prescribed financial market—on a website maintained by the operator of the financial market.
8. This order will cease to apply in relation to a half-year or a financial year of the Company from the date of any failure to comply with a condition in paragraph 6 (subject to paragraph 7) in relation to the half-year or the financial year.
10. To avoid doubt, subject to paragraph 7, if an obligation to which paragraph 4 applies has not been complied with by the day after the end of the deferral period or the day after this order ceases to apply under paragraph 8, whichever occurs first, this order has no application from that date to any continuing obligation.

Interpretation:

In this instrument:

deferral period means the period starting on the date of this instrument and ending on the earlier of:

- (a) 7 October 2021; or
- (b) the date on which a disclosure document is lodged with ASIC in relation to any offer for issue or sale of securities that needs disclosure to investors under Chapter 6D of the Act; or
- (d) the date on which the Company is reinstated to quotation by ASX Limited; or
- (e) the date that the Company ceases to be under external administration.

external administration means where an external administrator has been appointed to the Company.

external administrator means:

- (a) an administrator of the Company appointed under s436A, 436B or 436C of the Act;
- (b) where the Company has executed a deed of company arrangement that has not yet terminated, the administrator of the deed appointed under Part 5.3A of the Act; or

- (c) a provisional liquidator of the Company.

External Administrator means Vaughan Strawbridge, Glen Kanevsky and Sal Algeri appointed as deed administrators to the Company under subsection 436A(1) of the Act on 3 September 2019.

prescribed notice means a notice that contains statements to the following effect:

- (a) the reports for the relevant financial year of the Company have been lodged with ASIC; and
- (b) the Company will send copies of the reports to a member of the Company free of charge if the member asks for the reports in writing; and
- (c) the reports are available for download on the relevant website together with a hypertext link to the reports.

relevant period in relation to a report, means:

- (a) for the first relevant period, the period ending 14 days after the date of this instrument;
- (b) for subsequent relevant periods other than the last relevant period ending at the end of the deferral period, each period of 6 months starting at the end of the previous relevant period; and
- (c) for the last relevant period ending at the end of the deferral period, the period starting at the end of the previous relevant period and ending at the end of the deferral period.

Dated: 7 October 2019



Signed by Lorraine Mizzi
as a delegate of the Australian Securities and Investments Commission

Appendix B – Notice from ASIC



ASIC

Australian Securities &
Investments Commission

**Australian Securities
and Investments Commission**

Office address (inc courier deliveries)
Level 7, 120 Collins Street,
Melbourne VIC 3000

Mail address for Melbourne office:
GPO Box 9827,
Brisbane QLD 4001

Tel: +61 1300 935 075

Fax: +61 1300 729 000

www.asic.gov.au

Our Reference: # 27105/19

7 October 2019

The Deed Administrators
A.C.N. 603 323 182 Limited (Subject to Deed of Company Arrangement)
c/- Norton Rose Fulbright
GPO Box 4592
Melbourne Vic 3000

By email: julia.sonza@nortonrosefulbright.com;
jeremy.wickens@nortonrosefulbright.com

Dear Sir

A.C.N. 603 323 182 Limited (formerly Axesstoday Limited) (Subject to Deed of Company Arrangement) **ACN 603 323 182 (ASX:AXL)**
Application for an extension of time to hold Annual General Meeting

We refer to your email and Form 2501 dated 13 September 2019 requesting that Australian Securities and Investments Commission (**ASIC**) grant A.C.N. 603 323 182 Limited an extension of time to hold its 2019 Annual General Meeting (**2019 AGM**).

We note that the Company now has the benefit of individual financial reporting relief granted by ASIC on 7 October 2019. As you are aware, under this relief certain financial reporting obligations have been deferred until whichever is the earlier of:

- (a) 7 October 2021; or
- (b) the date on which a disclosure document is lodged with ASIC in relation to any offer for issue or sale of securities that needs disclosure to investors under Chapter 6D of the Act; or
- (c) the date on which the Company is reinstated to quotation by ASX Limited; or
- (d) the date that the Company ceases to be under external administration;

(the **Individual Financial Reporting Deferral Period**).

Pursuant to section 250P of the *Corporations Act 2001 (Act)*, ASIC may extend the period within which section 250N of the Act requires a company to hold its AGM. Following consideration of the application, ASIC has extended the period within which the Company must hold its 2019 AGM to **two months** after the Individual Financial Reporting Deferral Period referred to above ends (**Extended Period**).

For the avoidance of confusion, please note that subsection 250P(3) of the Act requires that the Company hold the 2019 AGM within the Extended Period (i.e. therefore, prior to the expiration of the Extended Period).

Pursuant to subsection 250P(4) of the Act, ASIC imposes the following conditions on the extension of time:

- (1) Within two business days of the date of this letter, the Company must cause a notice which explains the extension of time granted by ASIC, to be published:
 - a. in a prominent place on the Company's website (if any); and
 - b. in a place that is readily accessible on the Administrators website (if any) or, if the Administrator is a member of a firm, the firm's website (if any); and
- (2) Within two business days of the date of this letter, the Company must make an announcement to ASX Limited ACN 008 624 691 providing an explanation of the need for the extension of time and stating the period to which the extension has been granted;
- (3) The Company must have adequate arrangements in place to answer, within a reasonable period of time and without charge, any reasonable questions asked by a member of the Company about the external administration.

A person who fails to comply with a condition imposed under s250P(4) of the Act may commit an offence (carrying a default penalty) and may be ordered by the court on the application of ASIC to comply with the condition in a particular way: see s250P(4) and (5) and s1311 of the Act.

If you would like to discuss the contents of this letter further, please contact me on (03) 9280 4121.

Yours sincerely



Lorraine Mizzi

as a delegate of the Australian Securities & Investments Commission



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