McCullough Robertson

14 May 2019

ASX Limited
20 Bridge Street
SYDNEY NSW 2000

Fax 1300 135 638

Dear ASX

John Bridgeman Limited off-market takeover bid for Benjamin Hornigold Limited – First supplementary bidder's statement

We act for John Bridgeman Limited (**JBL**).

We **attach** by way of service under section 647(3)(b) of the *Corporations Act 2001* (Cth) a copy of JBL's first supplementary bidder's statement.

Yours sincerely

Ben Wood
Partner

attachment
53199084v1

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JOHN.BRIDGEMAN LIMITED

Supplementary Bidder's Statement

John Bridgeman Limited ACN 603 477 185

1 Introduction

This document is the first supplementary bidder's statement (**Supplementary Bidder's Statement**) to the bidder's statement dated 3 May 2019 (**Original Bidder's Statement**) issued by John Bridgeman Limited ACN 603 477 185 (**JBL**) in relation to JBL's off-market takeover bid for all of the ordinary shares and issued options in Benjamin Hornigold Limited ACN 614 854 045 (**BHD**).

This Supplementary Bidder's Statement is given pursuant to Division 4 of Part 6.5 of the *Corporations Act 2001* (Cth) (**Corporations Act**) in compliance with the requirements of section 643 Corporations Act.

The Supplementary Bidder's Statement supplements and is to be read together with the Original Bidder's Statement. This document prevails in the event of any inconsistency with the Original Bidder's Statement.

This is an important document and requires your immediate attention.

If you are in any doubt about how to deal with this document, you should contact your legal, financial, tax or other professional advisor immediately.

1.1 Important notices

A copy of the Supplementary Bidder's Statement was lodged with the Australian Securities and Investments Commission (**ASIC**) on 14 May 2019. Neither ASIC nor any of its officers take any responsibility for the contents of this Supplementary Bidder's Statement.

1.2 Defined terms

Unless the context otherwise requires, capitalised terms in this Supplementary Bidder's Statement have the same meaning given to them in section 13 of the Original Bidder's Statement. The rules of interpretation set out in section 13.2 of the Original Bidder's Statement also apply to the Supplementary Bidder's Statement, unless the context otherwise requires.

2 Regulatory Approvals update

A Defeating Condition to the Share Offer is the receipt of all required Regulatory Approvals (and the Option Offer is subject to the condition that the Share Offer becomes unconditional). JBL has been advised by NSX that NSX considers that the approval of JBL Shareholders is required under NSX Listing Rule 6.41 in relation to a change to the nature and scale of JBL's activities.

The approval of JBL Shareholders will be sought at a general meeting of JBL, which is scheduled to occur on 12 June 2019. If the approval of JBL Shareholders (or the subsequent granting of a waiver by NSX) is not obtained, the Defeating Condition of the Share Offer will be incapable of being satisfied and the bid will lapse.

3 Pro forma accounts and consolidation of Henry Morgan Limited (HML)

3.1 Pro Forma Balance Sheets – Original Bidder's Statement

Section 7.3 of the Original Bidder's Statement contains pro forma financial statements of JBL and BHD as at 31 December 2018. The half-year accounts of JBL for the period ending 31 December 2018 are also annexed to the Original Bidder's Statement.

3.2 Off-market takeover bid - HML

Following the close of JBL's off-market takeover bid for all of the issued shares in HML on 15 April 2019, JBL obtained a Relevant Interest in 46.28% of HML. As at the date of this Supplementary Bidder's Statement, no final determination has been made by JBL as to whether or not the accounts of HML will be consolidated with JBL's consolidated group for accounting purposes.

3.3 Pro Forma Balance Sheets

The Annexure to this Supplementary Bidder's Statement contains pro forma financial information of JBL and BHD as at 31 December 2018 which incorporates the balance sheet of HML, as if that transaction had taken place as that date. These Pro Forma Balance Sheets are prepared on the basis set out in section 7.4 of the Original Bidder's Statement.

3.4 Interest in Bartholomew Roberts

Following the conclusion of the HML Offer, JBL's interest in Bartholomew Roberts constitutes approximately 35% of JBL's investment portfolio. Paragraph (j) of section 2 titled 'Specific risks associated with an investment in JBL' and the paragraph titled 'Investment risk' in section 9.2 should be read together with this statement.

4 Requisitioned meetings

4.1 Requisition under section 249F Corporations Act

The notice of meeting for the meeting of BHD Shareholders called by the S.249D Requisitioning Shareholders was released to the ASX on 8 May 2019 (**249F Notice**). The meeting the subject of the 249F Notice is scheduled to take place on 13 June 2019.

4.2 Requisition under section 249D Corporations Act

The notice of meeting for the meeting of BHD Shareholders called by the directors of BHD in response to a notice issued by the S.249D Requisitioning Shareholders under section 249D Corporations Act was released to the ASX on 13 May 2019 (**249D Notice**). The meeting the subject of the 249D Notice is scheduled to take place on 12 June 2019.

4.3 Effect of 249F Notice and 249D Notice

Both the 249F Notice and the 249D Notice put forward resolutions to remove the existing directors of BHD (set out in section 6.3 of the Original Bidder's Statement) and replace them with directors nominated by the S.249F Requisitioning Shareholders and the S.249D Requisitioning Shareholders respectively.

4.4 Impact upon the Offers

Each of the requisitioned meetings will take place during the Offer Period. Based on information available to JBL as at the date of this Supplementary Bidder's Statement, JBL intends to exercise any votes attaching to BHD Shares in which JBL has a Relevant Interest (for the purposes of the meetings the subject of the 249F Notice and the 249D Notice) against those resolutions.

5 Loan arrangements

The Original Bidder's Statement refers to certain loan arrangements between JBL and BHD, and JBL and HML, respectively.

The date of 8 August 2018 refers to the date each loan was formally documented. The funds the subject of the loan arrangement with BHD were transferred on 2 August 2018, on the basis that officers of JBL and directors of BHD agreed to the loan arrangement at that time, with formal documentation that followed.

The funds the subject of the HML loan were received by JBL on 8 August 2018.

6 Confirmation of Relevant Interest in BHD Shares

Section 4.2 of the Original Bidder's Statement (at the conclusion of page 22) refers to JBL's Relevant Interest in BHD Shares as 45,459 BHD Shares, representing voting power of 0.19% in BHD. This figure refers to JBL's direct interest in BHD, rather than JBL's Relevant Interest in BHD.

Sections 4.2 (at page 24) and 12.6 of the Original Bidder's Statement correctly state the number of BHD Shares in which JBL has a Relevant Interest, being 113,398 BHD Shares (representing voting power in BHD of approximately 0.47%).

JBL confirms that the reference to JBL's Relevant Interest in BHD Shares at the conclusion of page 22 in section 4.2 of the Original Bidder's Statement should read as follows:

> *As at the date of this Bidder's Statement, JBL had a Relevant Interest in 113,398 BHD Shares, representing voting power in BHD of approximately 0.47%.*

7 Resignation of secretary

7.1 JBL

JBL notes that, with effect from 10 May 2019, Mr Kevin Mischewski resigned as Co-Company Secretary of JBL. Ms Jody Wright, previously JBL's Co-Company Secretary, continues as the sole Company Secretary.

Section 4.4 of the Original Bidder's Statement is amended by deleting the paragraphs referring to Mr Mischewski. The references to Ms Wright in section 4.4 are amended by referring to Ms Wright as Company Secretary.

7.2 BHD

JBL notes that, with effect from 10 May 2019, Mr Kevin Mischewski resigned as Co-Company Secretary of BHD. Ms Jody Wright, previously BHD's Co-Company Secretary, continues as the sole Company Secretary.

Section 6.3 of the Original Bidder's Statement is amended by deleting the paragraphs referring to Mr Mischewski. The references to Ms Wright in section 6.3 are amended by referring to Ms Wright as Company Secretary.

8 Disclosure

JBL previously made offers dated 6 November 2018 for all of the issued shares and options in BHD, by way of an off-market takeover bid. Following proceedings of the Takeovers Panel, which concluded on 25 January 2019, JBL allowed its bid to lapse through the cancellation of those offers.

For completeness, JBL notes that the disclosure contained in the Original Bidder's Statement is, in part, informed by matters arising in connection with those proceedings.

9 Approval of the Supplementary Bidder's Statement

The Supplementary Bidder's Statement has been approved by a unanimous resolution of the directors of JBL.

This Supplementary Bidder's Statement is dated 14 May 2019, which is the date it was lodged with ASIC.

John McAuliffe
Chairman
John Bridgeman Limited

Annexure

Pro Forma Balance Sheets

Pro Forma Balance Sheet (including HML) assuming JBL acquires 50.1% of BHD

	John Bridgeman Limited (JBL)	Henry Morgan Limited (HML)	Benjamin Hornigold Limited (BHD)	JBL Capital issued on purchase of HML	JBL Capital issued on purchase of BHD	Consolidation eliminations									John Bridgeman Limited (JBL)
	Pre-acquisition consolidated BS					JBL Investment in HML & BHD	HML investment in JBL	BHD investment in JBL	HML investment in BHD	HML investment in JB Financial Group	HML to JBL loan	Intercompany transactions	Foreign currency bank notes	Mgmt fee and broker fee payable	Post-acquisition consolidated BS
Assets	31 Dec 2018														31 Dec 2018
Current assets															
Cash and cash equivalents	19,359,871	1,415,763	2,833,570												23,609,204
Trade and other receivables	2,850,298	-										(147,956)		(149,154)	2,553,188
Balances held with brokers	2,464,596	6,932	107,955												2,579,483
Inventory	45,999	-													45,999
Derivative financial assets	42,520	-	32,386												74,906
Term deposits	732,833	-													732,833
Purchased debt ledgers	147,026	-													147,026
Other current assets	1,083,863	204,152	1,003,981									(977,314)			1,314,682
Total current assets	26,727,006	1,626,847	3,977,892												31,057,321
Non-current assets															
Investment in subsidiary	-	-		12,892,176	8,014,863	(20,907,039)									0
Investments at fair value through profit and loss	3,570,191	30,108,905	4,262,531	(3,196,734)	(37,004)		(33,000)	(25,800)	(48,308)	(30,027,597)		(2,412,301)	(1,824,430)		336,453
Property, plant and equipment	5,320,403	-													5,320,403
Intangibles	42,798,044	-			2,463,970										45,262,014
Deferred tax	8,975,614	-	2,439,724												11,415,338
Purchased debt ledgers	348,624	-													348,624
Security deposits	887,749	-													887,749
Loans & other receivables	-	2,464,729	5,544,908								(2,464,729)	(5,504,620)			40,288
Total non-current assets	61,900,625	32,573,634	12,247,163												63,610,869
Total assets	88,627,631	34,200,481	16,225,055												94,668,190
Liabilities															
Current liabilities															
Trade and other payables	18,785,362	280,265	258,733									(290,947)	(1,824,430)	(149,154)	17,059,829
Borrowings	3,530,121	-										(834,323)			2,695,798
Income tax	587,613	207,398	(2,732)												792,279
Provisions	1,018,149	-													1,018,149
Total current liabilities	23,921,245	487,663	256,001												21,566,055

	John Bridgeman Limited (JBL)	Henry Morgan Limited (HML)	Benjamin Hornigold Limited (BHD)	JBL Capital issued on purchase of HML	JBL Capital issued on purchase of BHD	Consolidation eliminations									John Bridgeman Limited (JBL)
	Pre-acquisition consolidated BS					JBL investment in HML & BHD	HML Investment in JBL	BHD Investment in JBL	HML Investment in BHD	HML investment in JB Financial Group	HML to JBL loan	Intercompany transactions	Foreign currency bank notes	Mgmt fee and broker fee payable	Post-acquisition consolidated BS
Non-current liabilities															
Payables	265,255	-													265,255
Borrowings	21,577,203	-									(2,464,729)	(7,916,921)			11,195,553
Derivative financial instruments	556,079	-	5,973												562,052
Deferred tax	2,659,495	1,114,635													3,774,130
Provisions	676,625	-													676,625
Total non-current liabilities	25,734,657	1,114,635	5,973												16,473,615
Total liabilities	49,655,902	1,602,298	261,974												38,039,670
Net assets	38,971,729	32,598,183	15,963,081												56,628,520
Equity															
Issued capital	20,875,481	32,614,781	23,528,129												41,012,752
Reserves	(10,263,130)	-				9,758,550	(33,000)	(25,800)	(48,308)	(19,105,514)					(19,717,202)
Accumulated losses	(8,226,750)	(16,598)	(7,565,048)												(15,808,396)
Equity attributable to the owners	2,385,601	32,598,183	15,963,081												5,487,153
Non-controlling interest	36,586,128	-	-			25,477,321				(10,922,083)					51,141,367
Total equity	38,971,729	32,598,183	15,963,081												56,628,520

Pro Forma Balance Sheet (including HML) assuming JBL acquires 100% of BHD

	John Bridgeman Limited (JBL)	Henry Morgan Limited (HML)	Benjamin Hornigold Limited (BHD)	JBL Capital issued on purchase of HML	JBL Capital issued on purchase of BHD	Consolidation eliminations									John Bridgeman Limited (JBL)
	Pre-acquisition consolidated BS					JBL Investment in HML & BHD	HML investment in JBL	BHD investment in JBL	HML investment in BHD	HML Investment in JB Financial Group	HML to JBL loan	Intercompany transactions	Foreign currency bank notes	Mgmt fee and broker fee payable	Post-acquisition consolidated BS
Assets	31 Dec 2018														31 Dec 2018
Current assets															
Cash and cash equivalents	19,359,871	1,415,763	2,833,570												23,609,204
Trade and other receivables	2,850,298	-										(147,956)		(149,154)	2,553,188
Balances held with brokers	2,464,596	6,932	107,955												2,579,483
Inventory	45,999	-													45,999
Derivative financial assets	42,520	-	32,386												74,906
Term deposits	732,833	-													732,833
Purchased debt ledgers	147,026	-													147,026
Other current assets	1,083,863	204,152	1,003,981									(977,314)			1,314,682
Total current assets	26,727,006	1,626,847	3,977,892												31,057,321
Non-current assets															
Investment in subsidiary	-	-		12,892,176	15,960,874	(28,853,050)									0
Investments at fair value through profit and loss	3,570,191	30,108,905	4,262,531	(3,196,734)	(37,004)		(33,000)	(25,800)	(48,308)	(30,027,597)		(2,412,301)	(1,824,430)		336,453
Property, plant and equipment	5,320,403	-													5,320,403
Intangibles	42,798,044	-			4,918,104										47,716,148
Deferred tax	8,975,614	-	2,439,724												11,415,338
Purchased debt ledgers	348,624	-													348,624
Security deposits	887,749	-													887,749
Loans & other receivables	-	2,464,729	5,544,908								(2,464,729)	(5,504,620)			40,288
Total non-current assets	61,900,625	32,573,634	12,247,163												66,065,003
Total assets	88,627,631	34,200,481	16,225,055												97,122,324
Liabilities															
Current liabilities															
Trade and other payables	18,785,362	280,265	258,733									(290,947)	(1,824,430)	(149,154)	17,059,829
Borrowings	3,530,121	-										(834,323)			2,695,798
Income tax	587,613	207,398	(2,732)												792,279
Provisions	1,018,149	-													1,018,149
Total current liabilities	23,921,245	487,663	256,001												21,566,055
Non-current liabilities															
Payables	265,255	-													265,255
Borrowings	21,577,203	-									(2,464,729)	(7,916,921)			11,195,553
Derivative financial instruments	556,079	-	5,973												562,052

	John Bridgeman Limited (JBL)	Henry Morgan Limited (HML)	Benjamin Hornigold Limited (BHD)	JBL Capital Issued on purchase of HML	JBL Capital Issued on purchase of BHD	Consolidation eliminations									John Bridgeman Limited (JBL)
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Deferred tax	2,659,495	1,114,635													3,774,130
Provisions	676,625	-													676,625
Total non-current liabilities	25,734,657	1,114,635	5,973												16,473,615
Total liabilities	49,655,902	1,602,298	261,974												38,039,670
Net assets	38,971,729	32,598,183	15,963,081												59,082,654
Equity															
Issued capital	20,875,481	32,614,781	23,528,129	9,695,442	20,841,974	(56,142,910)									51,412,897
Reserves	(10,263,130)	-				7,123,199	(33,000)	(25,800)	(48,308)	(20,217,728)					(23,464,766)
Accumulated losses	(8,226,750)	(16,598)	(7,565,048)			2,654,917									(13,153,479)
Equity attributable to the owners	2,385,601	32,598,183	15,963,081												14,794,651
Non-controlling interest	36,586,128	-	-			17,511,744				(9,809,869)					44,288,003
Total equity	38,971,729	32,598,183	15,963,081												59,082,654