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ASX Announcement

30 August 2019

Slater & Gordon Limited announces \$75.6m pro rata accelerated non-renounceable entitlement offer

Slater & Gordon Limited ("**Slater & Gordon**" or "**the Company**") (**ASX:SGH**) today announced action to reduce net borrowings and strengthen the balance sheet.

Entitlement Offer

Slater & Gordon will undertake a \$75.6 million fully underwritten 1 for 1.05752 pro rata accelerated non-renounceable entitlement offer ("Entitlement Offer").

Under the Entitlement Offer, eligible shareholders are invited to subscribe for 1 new Slater & Gordon share ("New Share") for every 1.05752 existing Slater & Gordon shares held as at 7:00pm (Sydney time) on Tuesday, 3 September 2019 ("Record Date").

All shares offered under the Entitlement Offer will be issued at a price of \$1.15 per New Share, which represents a 13.5% discount to the theoretical ex-rights price of \$1.33 on Thursday, 29 August 2019.

Approximately 65.7 million New Shares will be issued under the Entitlement Offer. New Shares will rank equally with existing Slater & Gordon shares on issue.

The Entitlement Offer is non-renounceable and entitlements will not be tradeable on the ASX or be otherwise transferable. Shareholders who do not take up their full entitlement will not receive any payment or value in respect of entitlements they do not take up and their percentage equity interest in Slater & Gordon will be diluted.

The Entitlement Offer is fully underwritten by Moelis Australia Advisory Pty Ltd.

Debt Facility and Balance Sheet Impact

Proceeds from the Entitlement Offer will be used to completely repay the Company's existing \$64.4m Syndicated Facility and associated fees. Net debt is expected to be reduced to \$72 million, and pro forma FY19 net debt / EBITDA is expected to be reduced to 4.4x.

Participation by existing Syndicated Facility Agreement Lenders

Each of the lenders to the Company under its existing Syndicated Facility Agreement (the "SFA Lenders"), including major shareholder Anchorage Capital Group, LLC ("Anchorage"), has committed to support the Entitlement Offer as follows:

- each SFA Lender has confirmed that they are not electing to take up their existing entitlements under the institutional component of the Entitlement Offer. Those entitlements will be made available to new and existing investors under the Institutional Entitlement Offer and existing investors under the Retail Entitlement Offer (if applicable). The SFA Lenders currently hold an aggregate of approximately 95.0% of the Company's shares on issue;
- each SFA Lender has sub-underwritten the Entitlement Offer in the proportion equivalent to their current debt under the Company's Syndicated Facility;

- the value of the New Shares issued to SFA Lenders under their sub-underwriting commitments plus cash proceeds received under the Entitlement Offer will be used to repay all debts and associated fees under the Syndicated Facility; and
- in addition, all warrants previously issued to certain SFA Lenders in connection with the Syndicated Facility will be converted to ordinary shares upon completion of the Entitlement Offer.

Indicative Timetable

Trading halt and Announcement of Entitlement Offer	Friday, 30 August 2019
Institutional Entitlement Offer opens and closes	Friday, 30 August 2019
Trading recommences on an ex-entitlement basis	Monday, 2 September 2019
Record Date	7:00pm, Tuesday, 3 September 2019
Dispatch of Retail Offer Booklet and Retail Entitlement Offer opening date	Thursday, 5 September 2019
Settlement of Institutional Entitlement Offer	Monday, 9 September 2019
Issue and ASX quotation of New Shares issued under the Institutional Entitlement Offer	Tuesday, 10 September 2019
Retail Entitlement Offer closing date	Monday, 16 September 2019
Announcement of any shortfall from the Retail Entitlement Offer	Before 10am on Thursday, 19 September 2019
Settlement of Retail Entitlement Offer	Thursday, 19 September 2019
Issue of New Shares under the Retail Entitlement Offer	Friday, 20 September 2019
Trading on a normal basis for New Shares issued under the Retail Entitlement Offer and dispatch of holding statements	Monday, 23 September 2019

All dates and times after the Record Date are indicative only and subject to change. Unless otherwise specified, all times and dates refer to Australian Eastern Standard Time (AEST). Any changes to the timetable will be posted on Slater & Gordon's website at www.slaterandgordon.com.au.

Further Information

Further details on the Entitlement Offer are set out in the Investor Presentation also provided to ASX today. Details of Slater & Gordon's FY 2019 financial performance are set out in separate announcements also lodged with ASX today. These documents contain important information, including key risks, with respect to the Entitlement Offer.

ENDS

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