

20 May 2020

## Retail Entitlement Offer – Notification to ineligible retail shareholders

Australian Finance Group Ltd (ACN 066 385 822) (**AFG**) (ASX: AFG) will today despatch the attached letter to ineligible retail shareholders in relation to the retail component of its accelerated non-renounceable pro rata entitlement offer of fully paid ordinary shares in AFG, details of which were announced to ASX on Wednesday, 13 May 2020 (**Retail Entitlement Offer**).

### Further information

If you have any questions in respect of the Entitlement Offer, please call the AFG Offer Information Line on 1300 658 099 (within Australia) or +61 1300 658 099 (outside Australia) from 8.30am to 5.00pm (Perth time) Monday to Friday before the Retail Entitlement Offer closes on Tuesday, 2 June 2020 or visit the offer website at <https://events.miraqle.com/AFG-offer>. For other questions, you should consult your stockbroker, solicitor, accountant, or other professional adviser.

**The release of this announcement was authorised by AFG's Board of Directors.**



**Lisa Bevan**  
Company Secretary

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### For further information:

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20 May 2020

Dear AFG shareholder

## Australian Finance Group Ltd entitlement offer – notification to ineligible shareholders

On Wednesday, 13 May 2020, Australian Finance Group Ltd (ACN 066 385 822) (**AFG**) announced its intention to raise \$60 million through an institutional placement and an accelerated non-renounceable pro-rata entitlement offer (**Entitlement Offer**).

The Entitlement Offer consists of the issuance of new ordinary shares in AFG (**New Shares**) on a 1 for 5.5 basis to eligible shareholders at an offer price of \$1.15 per New Share (**Offer Price**). The Offer proceeds will be deployed across the business over the short to medium term and be used to strengthen AFG's capital position, provide liquidity and support growth in the AFG Securities lending book along with other ongoing growth initiatives. More detail is provided in AFG's Investor Presentation lodged with the Australian Securities Exchange (**ASX**) on Wednesday, 13 May 2020.

The Entitlement Offer is being made without a prospectus or product disclosure document in accordance with section 708AA of the *Corporations Act 2001* (Cth) (**Corporations Act**) as modified by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84. The Entitlement Offer comprises an institutional entitlement offer (**Institutional Entitlement Offer**) and an offer to Eligible Retail Shareholders (as defined below) to participate on the same terms (**Retail Entitlement Offer**). The Institutional Entitlement Offer has already closed and the results announced to ASX.

The Entitlement Offer is lead managed and fully underwritten by Macquarie Capital (Australia) Limited (**Lead Manager**).

An offer booklet in relation to the Retail Entitlement Offer will be lodged with the ASX and mailed to Eligible Retail Shareholders (as defined below) on or around Wednesday, 20 May 2020.

This letter is to inform you that you are not an Eligible Retail Shareholder (as defined below) for the purposes of the Retail Entitlement Offer. This letter is not an offer to issue new shares to you, nor an invitation for you to apply for new shares. **You are not required to do anything in response to this letter but there may be financial implications for you as a result of the Entitlement Offer that you should be aware of.**

### Eligibility Criteria

Shareholders who are eligible to participate in the Retail Entitlement Offer (**Eligible Retail Shareholders**) are those persons who as at 7.00pm (Sydney time) on Friday, 15 May 2020:

- a) are registered as a holder of existing AFG shares;
- b) have a registered address in Australia or New Zealand as noted on AFG's share register or persons that AFG has determined in its discretion are Eligible Retail Shareholders;
- c) are not in the United States and are not a person (including nominees or custodians) acting for the account or benefit of a person in the United States in respect of the relevant underlying holders of existing AFG shares;

- d) were not invited to participate in the Institutional Entitlement Offer and were not treated as Ineligible Institutional Shareholders under the Institutional Entitlement Offer (other than as a nominee or custodian, in each case in respect of other underlying holdings); and
- e) are eligible under all applicable securities laws to receive an offer under the Retail Entitlement Offer.

AFG has determined, pursuant to section 9A of the Corporations Act and ASX Listing Rule 7.7.1(a), that it would be unreasonable to make offers to shareholders with a registered address outside of Australia or New Zealand in connection with the Retail Entitlement Offer. This is due to the legal and regulatory requirements in countries other than Australia or New Zealand and the potential costs to AFG of complying with these requirements, compared with the relatively small number of shareholders in those countries, the relatively small number of existing AFG ordinary shares those shareholders hold and the relatively low value of New Shares to which those shareholders would otherwise be entitled to subscribe for.

Determination of eligibility of investors for the purposes of the Retail Entitlement Offer is determined by AFG with reference to a number of matters. The Lead Manager and each of its affiliates and related bodies corporate and each of their respective directors, officers, partners, employees, advisers, and agents disclaim any liability in respect of any determination as to eligibility, to the maximum extent permitted by law.

Unfortunately, according to our records, you do not satisfy the eligibility criteria for an Eligible Retail Shareholder as stated above. Accordingly, in compliance with section 9A(3) of the Corporations Act and ASX Listing Rule 7.7.1(b), AFG wishes to advise you that it will not be extending the Retail Entitlement Offer to you. You will not be able to subscribe for New Shares under the Retail Entitlement Offer and you will not receive a copy of the offering materials relating to the Retail Entitlement Offer.

Notwithstanding the above, AFG may agree to extend the Retail Entitlement Offer to certain institutional shareholders in foreign jurisdictions who did not participate in the Institutional Entitlement Offer subject to compliance with applicable laws.

As the Retail Entitlement Offer is non-renounceable, you will not receive any payment or value for entitlements in respect of any New Shares that would have been offered to you if you were eligible.

If you have any questions in respect of the Entitlement Offer, please call the AFG Offer Information Line on 1300 658 099 (within Australia) or +61 1300 658 099 (outside Australia) from 8.30am to 5.00pm (Perth time) Monday to Friday before the Retail Entitlement Offer closes on Tuesday, 2 June 2020 or visit the offer website at <https://events.miraqle.com/AFG-offer>. For other questions, you should consult your stockbroker, solicitor, accountant, or other professional adviser.

On behalf of AFG, we regret that you are not eligible to participate in the Entitlement Offer and thank you for your continued support.

Yours sincerely



Anthony Gill  
Independent Non-Executive Chairman  
Australian Financial Group Ltd

### **Important Information**

This letter is not a prospectus or offering document under Australian law or under any other law. No action has been or will be taken to register, qualify or otherwise permit a public offering of the New Shares in any jurisdiction outside Australia and New Zealand. This letter is for information purposes only and does not constitute or form part of an offer, invitation, solicitation, advice, or recommendation with respect to the issue, purchase, or sale of any New Shares in AFG.

This notice does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States. Neither the entitlements nor the New Shares have been or will be registered under the U.S. Securities Act of 1933 (the **US Securities Act**) or the securities laws of any state or other jurisdiction of the United States. Accordingly, the entitlements may not be taken up by, and the New Shares may not be offered or sold in the United States or to any person acting for the account or benefit of a person in the United States unless they are registered under the US Securities Act or unless they are offered or sold pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and any applicable U.S. state securities laws.

The provision of this document is not, and should not be considered as, financial product advice. The information in this document is general information only, and does not take into account your individual objectives, taxation position, financial situation or needs. If you are unsure of your position, please contact your stockbroker, solicitor, accountant, or other professional advisor.