

14 May 2020

AFG announces completion of the institutional component of its Entitlement Offer and Placement

Australian Finance Group Limited (**AFG** or the **Company**) (ASX:AFG) is pleased to announce the successful completion of its fully underwritten placement to institutional and sophisticated investors (**Placement**) and the institutional component of its 1 for 5.5 pro-rata accelerated non-renounceable entitlement offer (**Entitlement Offer**) of fully paid ordinary shares in the Company (**New Shares**) at an offer price of \$1.15 per New Share, details of which were previously announced to the ASX on Wednesday, 13 May 2020.

The Placement and the Entitlement Offer (together, the **Offer**) are expected to raise approximately A\$60 million.

Approximately \$46.9 million was raised across the Placement and the institutional component of the Entitlement Offer (**Institutional Entitlement Offer**).

Certain AFG Directors and Management have committed to subscribe for approximately \$5 million of the Entitlement Offer and committed to sub-underwrite up to \$0.7 million of the Retail Entitlement Offer.

Placement and Institutional Entitlement Offer

The Placement received strong demand from both existing shareholders and new institutional investors and the Institutional Entitlement Offer had a take-up rate by eligible institutional shareholders of approximately 92% (excluding AFG Directors). New Shares in respect of institutional entitlements not taken up under the Institutional Entitlement Offer and New Shares that would have represented the entitlements of ineligible institutional shareholders (**Shortfall Institutional Entitlement Shares**) were offered and placed to institutional and sophisticated investors. In determining allocations of the Shortfall Institutional Entitlement Shares and the Placement New Shares, AFG and the underwriter prioritised AFG's existing shareholders and used best endeavours to ensure that all eligible institutional and sophisticated investors who bid for their pro-rata share of the Placement or more were allocated a minimum of their pro-rata share and were not diluted by the Offer.

AFG Chief Executive Officer David Bailey commented: *"We are extremely pleased with the strong support displayed by both existing holders and new institutional investors for the Offer. This represents a clear endorsement of AFG's long term vision and efforts to maintain business momentum during this period of market disruption. The Offer will serve to further strengthen our capital position, support future growth of AFG Securities and allow the Company to continue to deliver its long term multi-tiered approach for growth."*

Approximately 40.8 million New Shares subscribed for under the Placement and Institutional Entitlement Offer are expected to be settled on Friday, 22 May 2020 and to be issued and commence trading on the ASX on Monday, 25 May 2020. New Shares issued under the Offer will rank equally with existing AFG ordinary shares as at their date of issue, however New Shares issued under the Placement will not be entitled to participate in the Entitlement Offer.

The Company's ordinary shares are expected to resume trading on the ASX on an ex-entitlement basis from market open today (Thursday, 14 May 2020).

Retail Entitlement Offer

The retail component of the Entitlement Offer, which is fully underwritten, is expected to raise a further \$13.1 million (the **Retail Entitlement Offer**). The Retail Entitlement Offer is expected to open on Wednesday, 20 May 2020 and close on Tuesday, 2 June 2020.

Eligible retail shareholders with a registered address in Australia or New Zealand on the Record Date of 7.00pm (Sydney time), Friday, 15 May 2020, will have the opportunity to invest in New Shares at the offer price of A\$1.15 per New Share under the Retail Entitlement Offer. Further details as to eligibility, as well as the terms and conditions under which eligible retail shareholders may apply for New Shares under the Retail Entitlement Offer, will be set out in the Retail Offer Booklet to be sent to eligible retail shareholders on Wednesday, 20 May 2020.

Further information

Further information on the Offer is set out in the Investor Presentation separately lodged with ASX on Wednesday, 13 May 2020.

For further information in relation to the Retail Entitlement Offer, please contact the Offer Information Line on 1300 658 099 (within Australia) or + 61 1300 658 099 (from outside Australia) at any time between 8.30am and 5.00pm (Sydney time), Monday to Friday during the retail offer period. For other questions, please consult your broker, solicitor, accountant, financial adviser, or other professional adviser.

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FORWARD LOOKING STATEMENTS

This announcement contains certain "forward-looking statements". The words "expect", "anticipate", "estimate", "intend", "believe", "guidance", "should", "could", "may", "will", "predict", "plan" and other similar expressions are intended to identify forward-looking statements. Indications of, and guidance on, future earnings and financial position and performance are also forward-looking statements. Forward-looking statements, opinions and estimates provided in this announcement are based on assumptions and contingencies which are subject to change without notice and involve known and unknown risks and certainties and other factors which are beyond the control of AFG, its directors and management. This includes statements about market and industry trends, which are based on interpretations of current market conditions. Forward-looking statements are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance. Actual results, performance or achievements may differ materially from those expressed or implied in such statements and any projections and assumption on which these statements are based. These statements may assume the success of AFG's business strategies. The success of any of those strategies will be realised in the period for which the forward-looking statement may have been prepared or otherwise. Readers are cautioned not to place undue reliance on forward-looking statements, particularly in light of the current economic climate and the significant volatility, uncertainty and disruption caused by the outbreak of COVID-19, and except as required by law or regulation, none of AFG, its representatives or advisers assumes any obligation to update these forward-looking statements. No representation or warranty, express or implied, is made as to the accuracy, likelihood of achievement or reasonableness of any forecasts, prospects, returns or statements in relation to future matters contained in this announcement. The forward looking statements are based on information available to AFG as at the date of this announcement. Except as required by law or regulation (including the ASX Listing Rules), none of AFG, its representatives or advisers undertakes any obligation to provide any additional or updated information whether as a result of a change in expectations or assumptions, new information, future events, or results or otherwise. Indications of, and guidance or outlook on, future earnings or financial position or performance are also forward looking statements.

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



Lisa Bevan
Company Secretary