



4/100 Havelock Street
West Perth WA 6005

PO Box 710
West Perth WA 6872

23 July 2021

Market Announcements Office
ASX Limited
Exchange Centre
20 Bridge Street
SYDNEY NSW 2000

Dear Sir/Madam

AFG NOTES EXPIRY DATE FOR CONNECTIVE MERGER

Please see attached statement regarding the expiry date for the Connective Merger.

Authorised for disclosure by:

A handwritten signature in blue ink, appearing to read 'Lisa Bevan'.

Lisa Bevan
Company Secretary

CONTACT DETAILS

Alison Clarke, AFG Head of Corporate Communications
David Bailey, CEO

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AFG notes expiry date for Connective merger

As noted by Australian Finance Group Ltd (**ASX:AFG**) in the Market Release dated 12 August 2019 in relation to the proposed merger with the Connective Group, the transaction is conditional upon two key requirements:

1. Clearance for the transaction by the ACCC - which was received on 18 June 2020; and
2. A court validating the transaction as not being unlawful or able to be set aside (a non-customary condition).

The end date to satisfy the conditions under the Implementation Deed entered into by the parties is 31 August 2021.

Despite the hearing in the Victorian Supreme Court concluding in March 2020, the decision by the trial judge has not yet been delivered. Given the ability of a party to the court proceeding to appeal this decision when it is delivered, AFG has concluded that it is not likely that the merger will be able to complete prior to the expiry of the Implementation Deed.

AFG Chief Executive Officer David Bailey said: "The extraordinary length of time that the judgement has taken has blocked our ability to complete this transaction. Disappointingly, this means the merger is not likely to proceed at this time.

"As leaders in the mortgage broking industry AFG and Connective have both built powerful businesses that support extensive networks of small business operators driving competition in the lending market and choice to consumers.

"The two businesses are very complementary, and we remain convinced the merger would deliver benefits to our brokers and customers. We will continue to examine opportunities for future investments as they arise," he concluded.

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

For media enquiries, please contact

Alison Clarke

Head of Corporate Communications

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