

Wednesday, 20 October 2021

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ACQ Announces \$27.059M Entitlement Offer, adjustment of final dividend record date and special dividend

Acorn Capital Investment Fund Limited (ASX: ACQ) (**ACQ**) is pleased to announce a 1 for 4 non-renounceable entitlement offer of new ACQ shares (**New Shares**) at an issue price of \$1.60 per New Share (**Offer Price**) to raise up to \$27,059,728 (**Entitlement Offer**).

The proceeds of the Entitlement Offer will be used to pay the costs associated with conducting the Entitlement Offer and invested in accordance with the Company's proven and disciplined investment process, which has outperformed its benchmark since inception. The Entitlement Offer will not be underwritten.

Entitlement Offer

Eligible shareholders with a registered address in Australia or New Zealand will be invited to subscribe for 1 New Share for every 4 existing ACQ ordinary shares held on the Record Date of 7.00pm (Melbourne time) on Friday, 29 October 2021 (**Entitlement**).

Eligible shareholders who take up their Entitlement in full may also apply for additional new shares in excess of their entitlement up to a maximum of 400% of their Entitlement (**Additional New Shares**) under a 'Top-Up Facility' (**Top Up Facility**). Additional New Shares issued under the Top Up Facility are subject to scale back at the sole discretion of ACQ. There is no guarantee that a Shareholder who applies for Additional New Shares will receive all or any of the Additional New Shares that they subscribe for.

New Shares issued under the Entitlement Offer will rank equally with existing ACQ ordinary shares from issue.

The Entitlement Offer will open on Wednesday, 3 November 2021 and close at 5.00pm (Melbourne time) on Friday, 12 November 2021. Fractional entitlements will be rounded up to the nearest whole share. All New Shares in the Entitlement Offer will be issued at a price of \$1.60 per New Share which represents:

- a 4.8% discount to the closing market price of ACQ ordinary shares on Tuesday, 19 October 2021; and
- a 3.8% discount to the theoretical ex-rights price (TERP) of \$1.664.

Entitlements cannot be traded on the ASX or transferred. Eligible shareholders who do not take up their entitlements under the Entitlement Offer in full or in part will not receive any value in respect to those Entitlements not taken up.

New Shares will be quoted on a deferred settlement from market open on Monday, 15 November 2021 and issued on Thursday, 18 November 2021. It is the responsibility of eligible shareholders to determine their allocation prior to trading in New Shares. ACQ recommends that Shareholders should only sell up to the amount of New Shares applied for under their Entitlement and not trade any additional New Shares applied for under the Top Up Facility as there is no assurance as to the level of allocations under the Top Up Facility. Applicants who sell New Shares before they receive confirmation of their allotment will do so at their own risk.

In order to take up Entitlements, holders must meet certain eligibility criteria that are set out in the offer booklet. In particular, persons in the United States and persons acting for the account or benefit of a person in the United States will not be eligible to participate in the Entitlement Offer.

Eligible shareholders should read the offer booklet in full before deciding whether to subscribe for New Shares. Eligible shareholders who wish to acquire New Shares under the Entitlement Offer will need to complete, or otherwise apply in accordance with, the personalised entitlement and acceptance form that will accompany the offer booklet.

Further details about the Entitlement Offer are set out in ACQ's investor presentation, provided to the ASX today and will also be set out in the offer booklet, which ACQ expects to lodge with ASX and dispatch to eligible shareholders with an entitlement and acceptance form on Thursday, 4 November 2021. Both documents are available on ASX's website (www.asx.com.au) and on the Company's website (<https://acqfund.com.au/investor-centre/>).

Indicative Timetable for Rights Offer

Event	Indicative timing (Melbourne time) ⁽¹⁾
Announcement of Entitlement Offer	Before commencement of trading on Wednesday, 20 October 2021
ACQ shares trade on ASX on an ex-entitlement basis	Thursday, 28 October 2021
Record date for determining entitlement to participate in the Entitlement Offer	Friday, 29 October 2021
Despatch of offer booklet and Entitlement Offer opens	Wednesday, 3 November 2021
Entitlement Offer closes	5.00pm, Friday, 12 November 2021
New Shares under the Entitlement Offer commence trading on an deferred settlement basis ⁽²⁾	Monday, 15 November 2021
Announcement of results of Entitlement Offer	Wednesday, 17 November 2021
Allotment of New Shares under the Entitlement Offer	Thursday, 18 November 2021
Despatch holding statements	Friday, 19 November 2021
Commencement of trading of New Shares issued under the Entitlement Offer	Friday, 19 November 2021

⁽¹⁾ The Entitlement Offer timetable is subject to change. ACQ reserves the right to vary the timetable for the Entitlement Offer without notice, subject to the Corporations Act, ASX Listing Rules and other applicable laws. The commencement of quotation of New Shares under the Entitlement Offer is subject to confirmation from ASX.

⁽²⁾ It is the responsibility of shareholders to determine their allocation prior to trading in the New Shares. Shareholders who sell New Shares before they receive confirmation of their allotment will do so at their own risk.

Adjustment of record date for Final Dividend

To enable all shares including new shares issued under the Entitlement Offer to participate equally in the final dividend of 4 cents per share fully franked declared on 27 August 2021 (**Final Dividend**), ACQ has adjusted the record date for the Final Dividend from 12 November 2021 to 7.00pm Melbourne time on Friday, 19 November 2021. In all other respects the terms of the Final Dividend remain the same.

The timetable for elections to participate in ACQ's Dividend Reinvestment Plan remain unchanged.

Announcement of Special Dividend and revised dividend policy

ACQ is also pleased to announce today that it has declared a fully franked special dividend of 4 cents per share with a record date of Friday, 19 November 2021 (**Special Dividend**). In declaring the Special Dividend the ACQ Board updated its previously communicated intentions in relation to future dividend payments to the following:

"Acorn Capital Investment Fund Limited intends to pay annual dividends targeting at least 5% of closing post-tax NTA for each financial year, franked to the highest extent possible and without the Company incurring a liability. Where the Company accumulates franking credits that the Board determines are in excess to its requirements it is the intent to distribute those excess credits by way of special dividends. This is subject to the Company having sufficient profit and cash flow to make such payments."

Participation in Special Dividend and Final Dividend

The Special Dividend as well as the Final Dividend each have a record date of Friday, 19 November 2021. Accordingly, New Shares issued under the Entitlement Offer will be entitled to receive both the Final Dividend and the Special Dividend.

Shareholder Enquiries

Eligible shareholders who have questions relating to the Entitlement Offer should call the ACQ Share Registry on 1 300 850 505 (within Australia) or +61 3 9415 4000 (outside Australia) from 8.30am to 5.30pm (Melbourne time) Monday to Friday.

Further information in relation to the matters described in this announcement are set out in the investor presentation released to ASX by ACQ on Wednesday, 20 October 2021.

Further Information

Offers of New Shares under the Entitlement Offer will be made under an arrangement between the Company and Ord Minnett Limited (**Authorised Intermediary**), as a holder of an Australian Financial Services Licence, under section 911A(2)(b) of the Corporations Act. The Company has authorised the Authorised Intermediary to make offers to arrange for the issue of the New Shares under the Entitlement Offer and the Company will only issue the New Shares in accordance with the offers and no others.

MinterEllison is acting as legal adviser to ACQ in relation to the Entitlement Offer.

For and on behalf of the Company

Matthew Sheehan

Company Secretary

Acorn Capital Investment Fund Limited

This announcement has been authorised for release to ASX by the Board of Directors of Acorn Capital Investment Fund Limited.

IMPORTANT NOTICE AND DISCLAIMER

This release is for information purposes only and is not financial product or investment advice or a recommendation to acquire Shares (nor does it or will it form any part of any contract to acquire shares). The information in this release is in summary form and does not contain all the information necessary to fully evaluate the Entitlement Offer or any potential investment in ACQ. It should be read in conjunction with ACQ's other periodic and continuous disclosure announcements lodged with ASX. This release has been prepared without taking into account the objectives, financial situation or needs of individuals. Before making an investment decision, prospective investors should consider the appropriateness of the information having regard to their own objectives and financial situation and seek legal, financial and taxation advice.

This release may not be released or distributed in the United States. This release does not constitute an offer to sell, or a solicitation of an offer to buy, any securities in the United States or in any other jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer. The offer and sale of the Entitlements or the New Shares have been referred to in this announcement have not been, and will not be, registered under the U.S. Securities Act of 1933 (the U.S. Securities Act) or the securities laws of any state or other jurisdiction of the United States. Accordingly, the Entitlements and New Shares may not be offered or sold, directly or indirectly, in the United States, except in pursuant to an exemption form, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws.

All dollar values are in Australian dollars (A\$) unless otherwise stated. All times and dates refer to Australian Eastern Standard time (AEST).

Allocation Policy – Entitlement Offer

In respect of the Entitlement Offer, ACQ will attempt to allocate Shares to its existing shareholders in accordance with their pro-rata entitlements. To the extent that the applications received do not amount in value to the target amount of proceeds under the Entitlement Offer, eligible shareholders will be permitted to apply for more than their entitlement. ACQ may also in those circumstances offer shares to new institutional investors.

Forward Looking Statements

This announcement contains certain "forward-looking statements" including but not limited to projections, that are based on management's beliefs, assumptions and expectations and on information currently available to management. Forward-looking statements can generally be identified by the use of forward-looking words such as, "expect", "anticipate", "likely", "intend", "should", "could", "may", "predict", "plan", "propose", "will", "believe", "forecast", "estimate", "target", "outlook", "guidance" and other similar expressions within the meaning of securities laws of applicable jurisdictions. Such forward-looking statements include statements regarding the timetable, conduct and outcome of the Entitlement Offer and the use of proceeds thereof, statements about the plans, objectives and strategies of the management of ACQ, statements about the industry and the markets in which ACQ operates and statements about the future performance of the ACQ businesses. Indications of, and guidance or outlook on, future earnings or financial position or performance, future earnings and distributions are also forward-looking statements. You should note the current economic climate and the significant volatility, uncertainty and disruption to equity and capital markets caused by the outbreak of COVID-19. Any forward looking statements, opinions and estimates in this announcement speak only as of the date hereof and are based on assumptions and contingencies subject to change without notice, as are statements about market and industry trends, projections, guidance and estimates. 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. The forward-looking statements contained in this announcement are not indications, guarantees or predictions of future performance and involve known and unknown risks and uncertainties and other factors, many of which are beyond the control of ACQ and may involve significant elements of subjective judgement and assumptions as to future events which may or may not be correct. Forward-looking statements may also assume the success of the ACQ's business strategies. The success of any of these strategies is subject to uncertainties and contingencies beyond the ACQ's control, and no assurance can be given that any of the strategies will be effective or that the anticipated benefits from the strategies will be realised in the period for which the forward looking statements may have been prepared or otherwise. Refer to the 'Important: Risks associated with the Entitlement Offer' section of the Investor Presentation for a non-exhaustive summary of certain key business, offer and general risk factors that may affect ACQ

There can be no assurance that actual outcomes will not differ materially from these forward-looking statements. A number of important factors could cause actual results or performance to differ materially from the forward looking statements, including (without limitation) the risks and uncertainties associated with the ongoing impacts of COVID-19, the Australian and global economic environment and capital market conditions and other risk factors set out in the Investor Presentation. Investors should consider the forward-looking statements contained in this announcement in light of those risks and disclosures. The forward-looking statements are based on information available to ACQ as at the date of this announcement. No representation, warranty or assurance (express or implied) is given or made in relation to any forward-looking statement by any person (including ACQ or any of its advisers). In particular, no representation, warranty or assurance (express or implied) is given that the occurrence of the events expressed or

implied in any forward-looking statements in this announcement will actually occur. Actual operations, results, performance, production targets or achievement may vary materially from any projections and forward-looking statements and the assumptions on which those statements are based. Except as required by law or regulation (including the ASX Listing Rules), none of ACQ, its representatives or advisers undertakes any obligation to provide any additional or updated information in respect of any statements made, whether as a result of a change in expectations or assumptions, conditions, new information, future events or results or otherwise.