



Australian Government

Takeovers Panel

# MEDIA RELEASE

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No: TP24/09

Wednesday, 7 February 2024

## Ignite Limited – Panel Receives Application

The Panel has received an application from Ignite Limited (ASX: IGN) (**Ignite**) in relation to its affairs.

Details of the application, as submitted by the applicant, are below.

A sitting Panel has not been appointed at this stage and no decision has been made whether to conduct proceedings. The Panel makes no comment on the merits of the application.

### Details

On 23 November 2023, Ignite announced a 1 for 1 accelerated non-renounceable entitlement offer at an offer price of \$0.05 per share to raise approximately \$4.45 million (**Entitlement Offer**).

On 24 November 2023, Octavium Capital Investments Pty Ltd (**Octavium**), Ignite's second largest shareholder, applied for 80.18% of its entitlement under the Entitlement Offer, equal to 17,715,000 Ignite shares (**Subscription Shares**) for an aggregate price of \$885,750 (**Subscription Price**). Prior to the Entitlement Offer, Octavium held voting power of 24.21% in Ignite.

On 28 November 2023, the Subscription Price for the Subscription Shares was deposited into Ignite's bank account under the reference 'Octavium Capital', with Ignite's bank records showing that the payment was made by Graham Newman Pty Limited (**GNPL**).

On 8 December 2023, Octavium released an updated substantial holder notice disclosing a relevant interest in 21,689,865 Ignite shares and voting power of 15.35%. The notice showed that Octavium had disposed of the Subscription Shares.

On 11 December 2023, GNPL released a substantial holder notice disclosing a relevant interest in 17,715,000 Ignite shares and voting power of 12.54%. The notice showed that GNPL had acquired the Subscription Shares for an amount equal to the Subscription Price.

The Entitlement Offer involved both an institutional component, which closed on 24 November 2023, and a retail component, which closed on 15 December 2023. Following the close of both the institutional component and the retail component, Ignite had raised approximately \$3.092 million. Shareholders and other third parties are entitled to apply for shortfall shares until 14 March 2024.

Ignite submits that:

- Octavium applied for the Subscription Shares under the Entitlement Offer to facilitate the acquisition of a substantial interest in Ignite by GNPL and
- Octavium and GNPL became associated by no later than 28 November 2023, resulting in GNPL acquiring voting power of 24.21% in Ignite (held by Octavium at that time) in breach of section 606.

Ignite also submits that the market is not informed as to the association between Octavium and GNPL and the aggregate interest<sup>1</sup> in Ignite shares that those entities hold, and that Octavium and GNPL are able to exert disproportionate control over Ignite, contrary to the principles in section 602.

Alternatively, Ignite submits that the circumstances appear to have undermined the basis on which rights issues are regulated and has caused the Entitlement Offer and the shortfall offer to not take place in an efficient, competitive and informed market.

Ignite has sought interim orders to the effect that (among other things) GNPL and Octavium be restricted from disposing of, or exercising any voting rights attaching to, the Subscription Shares. Ignite has sought final orders to the effect that (among other things) the Subscription Shares should be initially available under the shortfall offer with any remaining shares vested for sale in ASIC, and Octavium and GNPL should be required to issue updated and corrective substantial holder notices.

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<sup>1</sup> Approximately 27.89%, based on the latest substantial holder notices released by Octavium and GNPL