

25 July 2016



## PLACEMENT AND INTENTION TO SEEK MIGRATION TO THE AIM MARKET OF THE LONDON STOCK EXCHANGE

ThinkSmart Limited (**ASX: TSM**), a financial technology company and a leader in digital, paperless, retail point of sale finance is pleased to announce that it has entered an agreement to undertake a placement of 20,000,000 shares<sup>1</sup> to a fund that is managed by Henderson Global Investors at a price of 25 pence per share (approximately A\$0.44 per share<sup>2</sup>).

The agreement, which will raise 5 million GBP, represents a vote of confidence in ThinkSmart's future, allowing the business to further grow and develop its operations in the United Kingdom.

As part of the proposed transaction ThinkSmart also intends to, subject to receipt of necessary regulatory and shareholder approvals as discussed further below:

- conduct an off-market tender buy-back of up to 10,000,000 shares;
- apply to be admitted to the AIM market of the London Stock Exchange; and
- delist from the ASX.

ThinkSmart Group Executive Chairman Ned Montarello commented:

*"This transaction is the culmination of ThinkSmart's strategic review process, commenced in August 2015. We look forward to welcoming Henderson to ThinkSmart's share register and believe Henderson's investment at a premium to current market prices is a vote of confidence in ThinkSmart's future, including the Carphone Warehouse contract that was entered earlier this year."*

*"This agreement is a strong outcome for shareholders and we are of the view that the proposed transition of ThinkSmart's listing to AIM will allow us to reposition the business to deliver its growth strategy in the UK, has the potential to more closely align our shareholder base with our operations in the UK, and provides ThinkSmart with access to UK equity capital markets to fund future growth."*

### Background to the proposed transaction

In March 2016, ThinkSmart announced that following the conclusion of its strategic review, it intended to undertake an IPO of its UK business via a listing of its wholly-owned subsidiary, ThinkSmart Europe Limited, in calendar year 2016, subject to market conditions. ThinkSmart will now work towards migrating the company's listing from ASX to the AIM market of the London Stock Exchange.

<sup>1</sup> Equates to approximately 21.7% of ThinkSmart's current issued shares (based on 96,227,920 shares currently on issue). Will equate to approximately 17.2% of shares following the issue (and prior to the buy-back).

<sup>2</sup> Applying exchange rate as at 22 July 2016 of A\$1.75: 1 GBP.

**ThinkSmart Limited**  
ABN 24 092 319 698

**Australian Registered Office**  
Suite 5, 531 Hay Street  
Subiaco, 6008  
WESTERN AUSTRALIA  
P +61 8 9380 8333  
F +61 8 9380 8300

**European Head Office**  
7<sup>th</sup> Floor, Oakland House  
Talbot Road, Old Trafford  
Manchester, M16 0PQ  
UNITED KINGDOM  
P +44 161 333 2400  
F +44 161 333 2426

[www.thinksmartworld.com](http://www.thinksmartworld.com)

A migration of ThinkSmart's listing will achieve the benefits of listing in the UK in line with the strategic review, including (i) more closely aligning ThinkSmart's trading market and shareholder base with its operations in the UK; (ii) raising the profile of ThinkSmart from a commercial and capital markets perspective; and (iii) providing access to UK equity capital markets for funding ThinkSmart's future development, while maintaining the group's current structure.

### Details of the proposed transaction

- The Alphagen Volantis Catalyst Fund II Limited, managed by Alphagen Capital Limited (part of Henderson Global Investors) to subscribe for 20,000,000 shares at 25 pence per share, a 15% premium to the current share price.<sup>3</sup>
- ThinkSmart to buy-back up to 10,000,000 shares from existing shareholders by way of an off-market tender buy-back at an indicative price range of A\$0.38 to A\$0.55. The buy-back will provide shareholders with an opportunity to exit their holding prior to the delisting from ASX becoming effective.
- Following completion of the placement and buy-back, ThinkSmart to seek admission to AIM and to formally apply to ASX to be delisted from ASX upon admission to AIM.<sup>4</sup>
- As part of the admission process for AIM, it is anticipated the board of ThinkSmart will be reconstituted as is appropriate for a listing on AIM, with the current intention being the board will be supplemented with two additional independent UK based directors, with the current Executive Chairman, Ned Montarello, taking on a non-executive chairman role and an Australian non-executive director retiring.
- The proposed transaction is subject to receipt of the necessary regulatory approvals (including ASIC relief in respect of the buy-back) and rulings from the Australian Taxation Office in respect of the transaction satisfactory to ThinkSmart, as well as ThinkSmart shareholder approvals (including in respect of the placement, buy-back and delisting) by the end of October or such later date as agreed. The placement to Henderson is subject to there being no material adverse change in ThinkSmart prior to completion of the placement.

Full details of the transaction will be included in a notice of meeting containing the shareholder resolutions to approve the transaction, which will be sent to shareholders following receipt of the necessary regulatory approvals for the transaction to proceed.

<sup>3</sup> Based on the closing price of ThinkSmart shares on ASX of A\$0.38 and an exchange rate of A\$1.75: 1 GBP, both as at 22 July 2016.

<sup>4</sup> ThinkSmart has received in-principle advice from ASX that it will agree to ThinkSmart being delisted from ASX upon certain conditions, being principally that shareholders receive certain information more than one month prior to delisting (which it is intended would be provided around the time of the notice of meeting in relation to the approvals for the transaction) and ThinkSmart being admitted to AIM. ThinkSmart will make a further announcement regarding the proposed delisting (including regarding timing) when it submits a formal request to delist.

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## Indicative timetable

An indicative timetable for the transaction follows:

Late August	Notice of meeting sent to ThinkSmart shareholders
Late September	ThinkSmart shareholder meeting to approve the transaction and placement to Henderson completes
Early October	Tender Buy-Back opens
Late October	Tender Buy-Back closes
Early November	Admission to AIM and delisting from ASX

Completion of the proposed transaction, including the placement, buy-back and the migration from the ASX to AIM remains subject to regulatory and shareholder approvals, which have not yet been obtained. Accordingly, the above dates are subject to change.

## ENDS

### Further information:

[www.thinksmartworld.com](http://www.thinksmartworld.com)

Ned Montarello, Executive Chairman

+61 (0)8 9380 8333

Neil Hackett, Company Secretary

+61 (0) 403 535 391

Michael Mullane, Cannings Corporate Communications

+61 (0)2 8284 9993

+61 (0) 414 590 296

### ABOUT THINKSMART:

ThinkSmart Limited (ASX: TSM) a financial technology company and a leader in digital, paperless, retail point of sale finance which processes high volumes of transactions quickly and efficiently through its SmartCheck proprietary technology. This enables online credit approval in just a few minutes whether customers are online or in store. Our products are executable throughout today's complex retail channel, creating additional revenue and enhanced margin performance – on and off line.

For over 13 years, ThinkSmart has been an exclusive partner to Dixons Retail, now part of the newly merged Dixons Carphone Group Plc, where it has developed compelling Business and Consumer lease finance propositions, most recently introducing Upgrade Anytime – a first to market offer which enables consumers to upgrade to the very latest computing and vision products, bringing more technology to more customers more often.

### ADDITIONAL INFORMATION:

The contents of this announcement should be regarded as insufficient to form the basis of an investment decision (whether in relation to ThinkSmart or TSEL), for which further investigation, analysis and consideration would be required. The contents of this announcement should not be regarded as an invitation or inducement to engage in an investment activity (whether in relation to ThinkSmart or TSEL).

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