



15 April 2020

ELECTRO OPTIC SYSTEMS HOLDINGS LIMITED

Company Update and Capital Raising Presentation

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Summary

Equity raising to enhance liquidity and continue to fund ongoing growth

Business update

- Backlog and pipeline expectations unchanged, with increased momentum of acquisition activity in key customer programs
- Logistical issues causing delivery and payment disruptions under some existing contracts despite full funding with irrevocable letter of credit
- Award of a material new contract from an existing customer expected within weeks, with no delivery or payment disruptions
- Decision to transition production from Q3 FY2020 to contracts without delivery or payment disruptions to sustain plant capacity and supply chain

Outlook update

- Ongoing disruption of global logistics is assumed reflecting prudent planning
- Decision to defer \$70 million of export revenue and \$9 million of EBIT relating to contracts with assumed disruption to delivery and payment
- FY2020 guidance revised to \$230 million in revenue and \$27 million EBIT, representing 25% growth over FY2019 EBIT prior to FX gains
- FY2021 outlook for strengthening growth as activity deferred from FY2020 is caught up and pipeline converted to backlog
- Upon resumption of payments under delayed contracts, expectation of significant funding flexibility to continue to pursue growth opportunities

Funding update

- Unrestricted cash balance of \$43 million as at 14 April 2020
- ~\$134 million fully underwritten institutional Placement⁽¹⁾ to fund working capital for inventory expansion, investments to maintain growth, additional liquidity and transaction costs
- EOS has also agreed a \$15 million line of credit from EFIC (undrawn)

(1) Excludes funds raised through the non-underwritten SPP.



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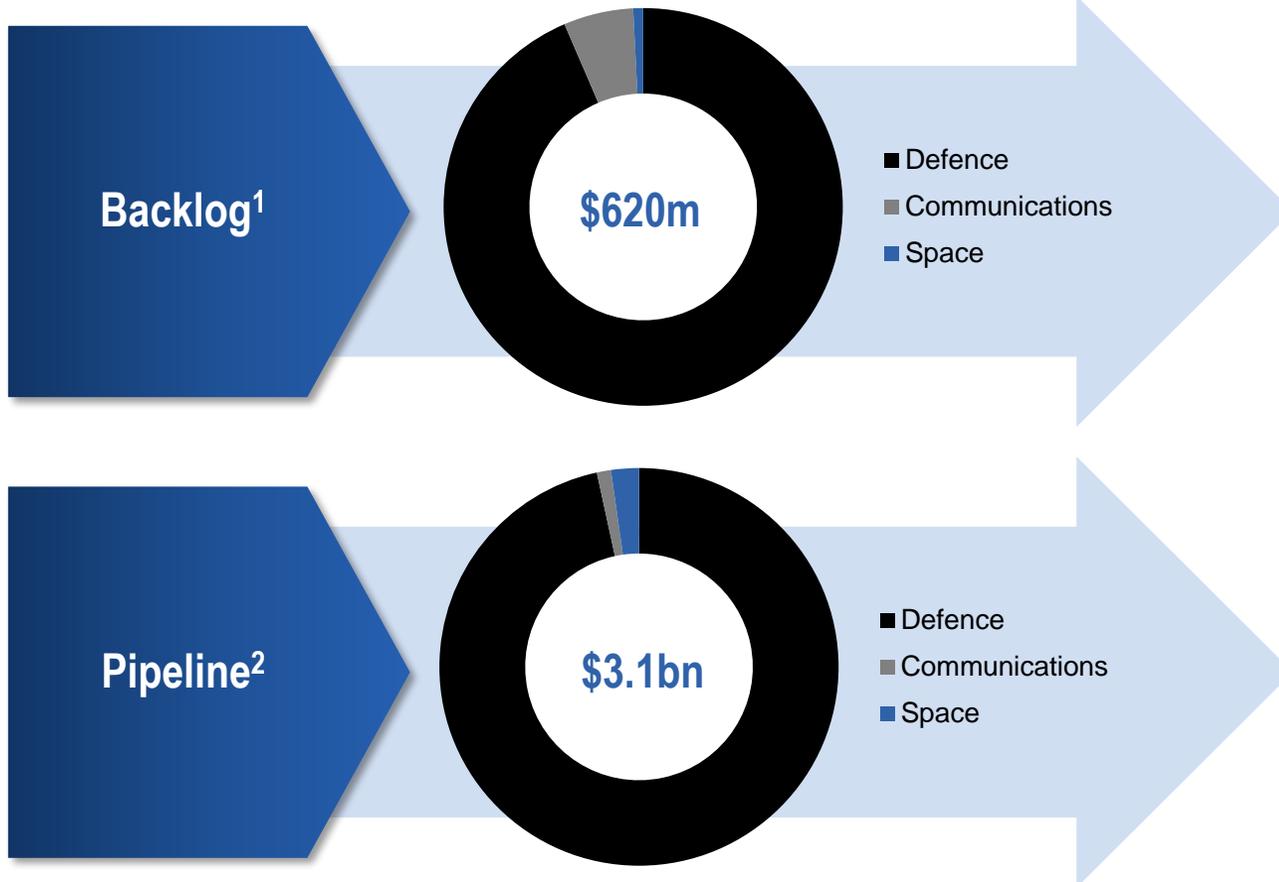
COMPANY UPDATE

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Backlog and Pipeline Update

As at 31
December 2019



Backlog

- To date, no customer has indicated intent to cancel or diminish any contract in effect
- EOS considers contract cancellations or diminution unlikely as contracts support long term government defence programs in allied and coalition governments
- Current expectations are for both revenue and backlog growth through FY2020

Pipeline

- EOS' pipeline of potential contract award activity unchanged
- Increased level of acquisition activity from key customer programs reflecting their desire to protect critical suppliers of defence equipment
- EOS in final stages of award of a material contract from an existing customer with no prospect of delivery or payment delays. Expect accelerated payment terms which customer has offered to all suppliers to mitigate impact of COVID-19 on its supply chain

(1) The backlog figure represents the expected revenue EOS will receive from contracts which have been awarded to EOS but for which EOS has not delivered the products, as at 31 December 2019. (2) Pipeline is the value of business for which EOS has already tendered or initiated tenders with existing customers for, and which may potentially be awarded within 36 months of 31 December 2019.

Business Update



Relentless focus on absorbing and mitigating real and potential impacts of COVID-19

Staff	<ul style="list-style-type: none"> • Taking all reasonable precautions to protect health of EOS' 450 strong global workforce • With exception of production and IT staff, essentially all EOS staff are working from home • As at 14 April 2020, no EOS staff member has tested positive to COVID-19
Logistics	<ul style="list-style-type: none"> • EOS normally generates ~90% of revenue from exports and this business model requires functional transport and logistical links • Closure of key international air transport hubs, reduction or elimination of commercial flight operations, long quarantine periods entering and leaving most countries and closure of many government offices globally are collectively requiring significant adjustments over the medium term to the way EOS delivers its products and services • Presently, EOS can produce products to meet contracted requirements, but for some delivery is delayed due to closure of airports, transport hubs or customer facilities required for acceptance procedures • This does not impact revenue recognition, but cash receipts have been materially impacted as they are usually based on delivery and acceptance
Australian production	<ul style="list-style-type: none"> • Prior to COVID-19, EOS had planned to run its Australian plant at 75% of maximum capacity on a single shift of eight hours • To mitigate impact of COVID-19, EOS has recently divided this shift into two half-shifts which do not occupy the plant at the same time • This arrangement has temporarily reduced output by 20%, however intention is to make adjustments to restore output • Management decision to transition production from Q3 FY2020 to contracts without delivery or payment disruptions to sustain plant capacity and supply chain

Business Update (cont.)



Relentless focus on absorbing and mitigating real and potential impacts of COVID-19

Offshore production

- USA: on schedule to commence production from mid-2020, which is unchanged and expected to ramp up to \$400 million in annual capacity over 24 months
- UAE: Presently closed under a government directive expected to be in force to May and possibly longer. Plant is essential for product delivery in the region. Impact on EOS production plans expected to be minimal since production was not planned until mid-2021
- Singapore: Presently closed under a government directive expected to be in force to May and possibly longer. Impact on EOS production plans expected to be minimal since production was not planned until mid-2022

Supply chain

- No major delay or disruption to supply chain so far
- Large injection of production parts due to 70% EBIT growth target adopted in November 2019 have only been partly consumed, with availability for more than three months of full production in Australia
- EOS has temporarily stopped issuing new part orders for contracts that are experiencing significant delivery and payment delays, but this is not a sustainable position as EOS expects demand to expand from FY2020 and the proven supply chain is absolutely essential
- Proceeds from the Placement allow efficient transition over four months of EOS plant capacity from orders now delayed in delivery to orders not affected, sustaining the supply chain

Outlook Update



Protecting growth through a period of disruption to global logistics

FY2020 guidance revised to \$230 million revenue and \$27 million EBIT, representing 25% growth over FY2019 EBIT prior to FX gains

Guiding principles	<ul style="list-style-type: none"> • As Australia's largest defence exporter, EOS depends on global logistics to deliver products and services to customers, which has been significantly disrupted by COVID-19 • No orders cancelled. Contracts are multi-year awards and delivery delays are expected to be adapted to by EOS and its customers • Management taking decisive and pre-emptive action to balance temporary cash impacts of producing under some existing contracts, with importance of maintaining a growth trajectory into FY2021 • Guidance assumes no existing orders are cancelled, the award of a new material contract and that the most severe impacts of COVID-19 are contained within FY2020
FY2020 guidance	<ul style="list-style-type: none"> • Deferral of \$70 million of export revenue and \$9 million of EBIT from FY2020 to FY2021, relating to contracts with assumed disruption to delivery and payment • EOS to date produced over \$60 million of product for which delivery has been disrupted and payment delayed. Plan to continue production from April to July 2020 for these customers at a cash cost of up to \$55 million, allowing transition to new contracts with unimpaired delivery or payment from July / August 2020 • More than \$140 million of receivables associated with delayed deliveries expected to be received from Q4 FY2020
Growth outlook	<ul style="list-style-type: none"> • FY2021 outlook is for strengthening growth as activity deferred from FY2020 is caught up, backlog is processed, and pipeline awards are made • Upon resumption of payments under delayed contracts, expectation of significant funding flexibility to continue to pursue value-accretive growth opportunities

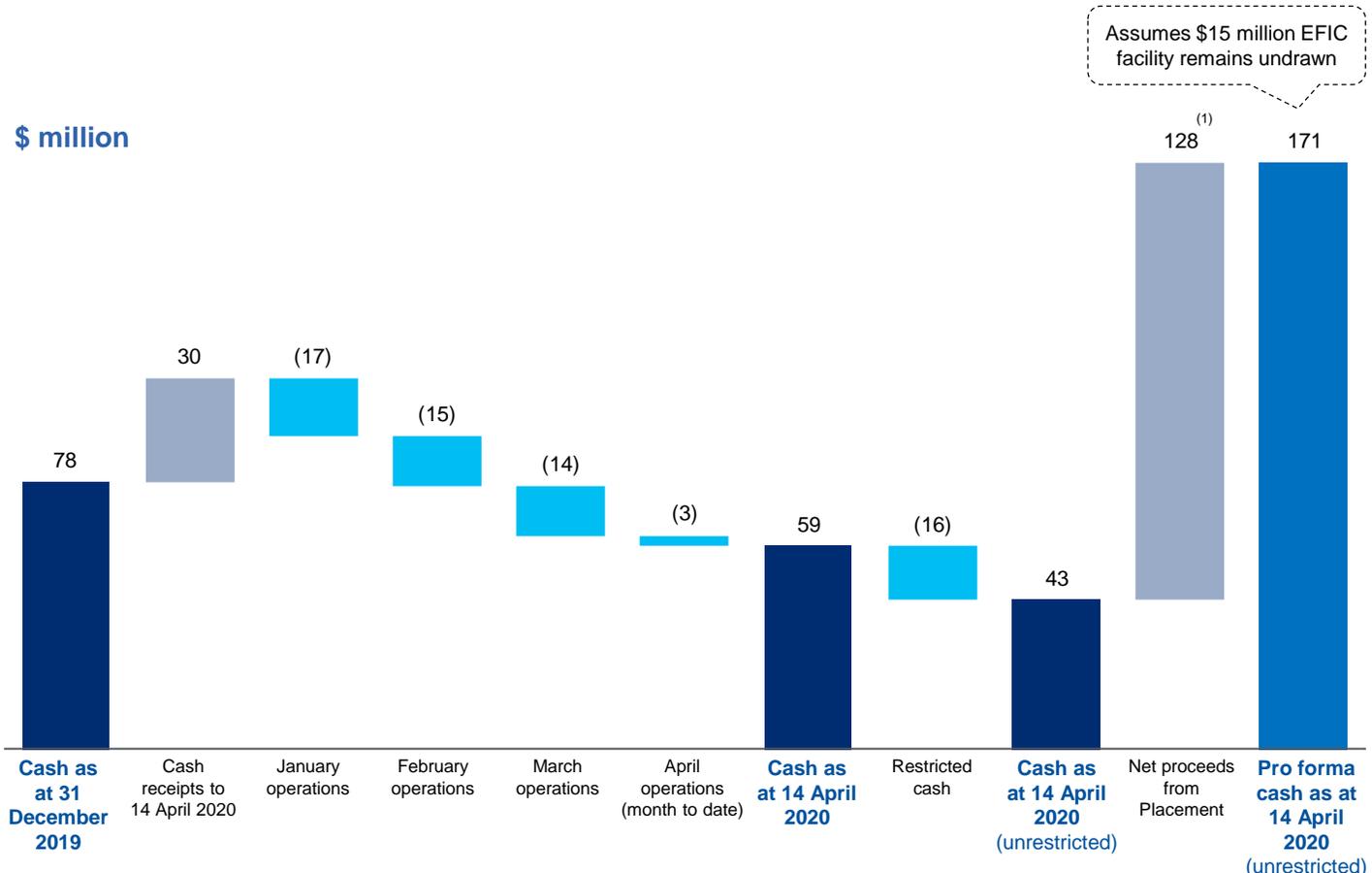
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Funding Update



Equity raising provides liquidity, ability to retain production capacity and pursue growth

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Pro-forma cash

- Following the ~\$134 million Placement⁽²⁾ EOS will have ~\$171 million of pro-forma unrestricted cash
- Pro-forma cash expected to be sufficient to achieve revised FY2020 guidance and maintain a sufficiently positive amount of unrestricted cash
- Upon resumption of payments under delayed contracts, expectation of significant funding flexibility to continue to pursue value-accretive growth opportunities

Additional funding sources

- \$15 million line of credit from EFIC agreed providing additional funding (undrawn)
- Potential to explore additional debt facilities

(1) Proceeds from Placement net of estimated fees associated with Placement. Excludes funds raised through the non-underwritten SPP.
 (2) Excludes funds raised through the non-underwritten SPP.



Sources and Uses of Funds

Sources	\$ million
Institutional Placement ⁽¹⁾	~134
Total	~134

Uses	\$ million
A. Working capital for inventory expansion	~55
B. Investments to maintain growth	~45
C. Additional liquidity and transaction costs	~34
Total	~134

Use of Offer Proceeds:

A. Working capital for inventory expansion

- ~\$55 million of the proceeds will fund four months of production of goods and services for secure government contracts during a period when delivery of and payment for those products are disrupted by the impact of COVID-19
- This outlay will complete the production run, consuming acquired parts and result in \$160 million of completed products
- Although built against fully funded government contracts, these products are of standard configuration and could be sold at full price if delivery delays persist

B. Investments to maintain growth

- ~\$11 million for completion of the Audacy acquisition for EOS' Space Communications business
- ~\$20 million counter-drone system production start-up including directed energy weapons and demonstrations for EOS' Defence Systems business
- ~\$14 million for performance and security upgrades to EOS' global IT and communications infrastructure for remote working, productivity enhancements, highly secure workspaces and classified communications for national security programs to move company operations into a post-pandemic paradigm

C. Additional liquidity and transaction costs

- ~\$34 million to provide additional cash liquidity, optionality to pursue growth opportunities and fund ~\$6m of transaction costs associated with the Placement

(1) Excludes funds raised through the non-underwritten SPP. Funds raised via the SPP will be applied to fund future growth opportunities and provide additional cash liquidity.



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CAPITAL RAISING

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Equity Raising Overview

Placement	<ul style="list-style-type: none"> • EOS is undertaking a fully underwritten institutional Placement to professional and sophisticated investors to raise ~\$134 million with ~28.3 million fully paid New Shares to be issued, representing 25% of current issued capital • New Shares to be issued under EOS' unconditional placement capacity per ASX Listing Rule 7.1 as increased by the ASX Class Waiver dated 31 March 2020 ("Class Waiver")
Share Purchase Plan	<ul style="list-style-type: none"> • EOS will also conduct a non-underwritten SPP to existing eligible shareholders capped at a total aggregate of \$10 million • All of the Directors of EOS who are shareholders have indicated that they will participate in the SPP
Offer price	<ul style="list-style-type: none"> • The Placement will be conducted at \$4.75 per New Share ("Placement Price"), representing a 17.4% discount to the last traded price of \$5.75 and 10.9% discount to the 5-day volume weighted average price of \$5.33 on 14 April 2020 • The price for New Shares offered in the SPP will be the lower of the Placement Price and the 5-day volume weighted average price prior to close of the SPP ("SPP Price")
Ranking	<ul style="list-style-type: none"> • New Shares issued under the Placement and SPP will rank pari passu with existing EOS shares on issue
Underwriting	<ul style="list-style-type: none"> • The Placement is fully underwritten by Citigroup Global Markets Australia Pty Limited, which is acting as sole lead manager, bookrunner and underwriter • The SPP is not underwritten

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Equity Raising Timetable



Event	Date ⁽¹⁾
SPP Record Date	7:00pm, Tuesday, 14 April 2020
Trading halt and announcement of Placement and SPP	Wednesday, 15 April 2020
Placement opens	Wednesday, 15 April 2020
Announcement of results of Placement and trading halt lifted	Thursday, 16 April 2020
Settlement of Placement	Monday, 20 April 2020
Issue and trading of New Shares under the Placement	Tuesday, 21 April 2020
SPP offer opens and SPP Offer Booklet dispatched to eligible shareholders	Wednesday, 22 April 2020
SPP pricing period	Monday, 4 May 2020 – Friday, 8 May 2020
SPP closing date	5:00pm, Friday, 8 May 2020
Issue of New Shares under the SPP	Thursday, 14 May 2020
Dispatch of holding statements and normal trading of New Shares issued under the SPP	Friday, 15 May 2020

(1) The above timetable is indicative only and may be subject to change. EOS and the Lead Manager reserve the right to amend any or all of these dates and times without notice, subject to the Corporations Act, the ASX Listing Rules and other applicable laws. In particular, EOS reserves the right to extend the closing date of the Offer, to accept late applications under the Offer (either generally or in particular investments) and to withdraw the Offer without prior notice. Any extension of the closing dates will have a consequential effect on the issue date of Securities. All dates and times refer to Sydney, Australia time.



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KEY RISKS & FOREIGN SELLING RESTRICTIONS

Key Risks



1. Manufacturing Facilities

The EOS business plan relies on establishment of significant high technology manufacturing capacity. Notwithstanding the use of a large-scale pilot plant, there is risk associated with developing and maintaining the manufacturing facilities used by the business so that they operate efficiently and to capacity, and remain appropriate for the nature and scale of EOS' activities. Any failure in the development, effectiveness or suitability of EOS' manufacturing facilities may materially impact the business, its financial performance and prospects.

2. Supply Chain

A majority of EOS production activity is outsourced to suppliers of components, assemblies and sub-systems. This supply chain is globally distributed to reduce prices and reduce risk. A failure or delay in the supply chain caused by an individual supplier, shipping agent, government control or transport company (whether for operational reasons at the supplier's facilities, contractual issues between the supplier and EOS or otherwise) could adversely impact the EOS business.

3. Acquisitions and Integration

EOS' growth strategy may involve finding and consummating acquisitions in areas complementary to or ancillary to its existing business. EOS may not be successful in identifying and acquiring suitable acquisition targets for an acceptable price. Further, acquisitions may require additional funding on acceptable terms, which may or may not be available to EOS at the relevant time.

Furthermore, integration of EOS' operations and the operations of each business which it has acquired, or will in the future acquire is complex, time-consuming and expensive and may adversely affect the results of EOS' operations.

4. International Operations

EOS has a number of customer and supplier relationships in various countries and expects to continue to do business around the world. In addition, EOS' customers are often sovereign states. EOS' operations will therefore be subject to a number of risks inherent in global operations, including political and economic instability in foreign markets, inconsistent product regulation by foreign agencies or governments, imposition of product tariffs and burdens, cost of complying with a wide variety of regulatory requirements (including the U.S. Foreign Corrupt Practices Act, the U.S. Export Administration Act and the U.S. Arms Export Control Act (and the regulations promulgated thereunder)), difficulty in enforcing intellectual property rights, foreign taxes, and language and other cultural barriers. In connection with its business with sovereign states, EOS is subject to a wide range of budget, political and strategic pressures which may trigger change at the contractual level. Such matters may adversely impact EOS financial performance and its business activities.

5. Export Controls

EOS requires specific government permits under applicable international export laws from the country of manufacture for each and every export of defence equipment. Such permits are issued and occasionally withdrawn for political and strategic reasons by the issuing government. Delivery contracts must be declined or avoided if an export license is not granted. The occurrence of such events may adversely impact the EOS business, its financial performance and prospects.



Key Risks (cont.)

6. Government Contracts

A portion of EOS' revenues may depend on its ability to do business with the Australian government as well as the U.S. and other foreign governments and their various agencies, whether directly or indirectly. Such customers may:

- a) award or terminate contracts at their convenience;
- b) terminate, reduce or modify contracts or subcontracts if its requirements or budgetary constraints change;
- c) cancel multi-year contracts and related orders if funds become unavailable;
- d) shift their spending priorities;
- e) adjust contract costs and fees on the basis of audits done by its agencies;
- f) use and practice intellectual property developed in the performance of a government contract or subcontract;
- g) claim rights to intellectual property not properly protected pursuant applicable contract terms;
- h) seek penalties and fines exceeding the value of a contract for contract activity that results in the submission of a false claim to the government;
- i) debar EOS or its subsidiaries because of legal and other actions undertaken by or against EOS or its subsidiaries, EOS' officers, directors, shareholders, employees and affiliates, or convictions of EOS' officers, directors, shareholders, employees or affiliates; and
- j) inquire about and investigate business practices and audit compliance with applicable rules and regulations.

The impact of any of the above may have a negative effect on EOS' revenues and performance.

7. Contracts in General

There are a number of risks associated with contracts entered into by EOS, including the risk that those contracts may contain unfavourable provisions, or be terminated, lost or impaired, or renewed on less favourable terms.

EOS expects that it will be awarded a material new contract from an existing customer with no delivery or payment impairment expected within weeks of this presentation. The receipt of this award is not guaranteed. The final contract may be delayed or not entered into at all, or, if entered into, it could be on terms less favourable to EOS than expected (potentially materially so). If any of these circumstances eventuate, they may have a negative effect on EOS' revenues and performance, including rendering EOS' 2020 guidance unachievable.

8. Reliance on Key Personnel

EOS technical superiority and market access are based on a small number of individual employees. The loss of any one of these could adversely affect the EOS business, its financial position and performance.

9. Foreign Exchange

EOS reports its financial results in Australian currency but operates principally in foreign markets, and is typically paid in foreign currency. It is not possible to offset all foreign exchange risk through financial or other instruments and fluctuations in the value of Australian dollar may impact EOS financial performance.



Key Risks (cont.)

10. Product Liability

As with all new products, even after the granting of regulatory approval, there is no assurance that unforeseen adverse events or manufacturing defects will not arise in EOS' products. Adverse events could expose EOS to product liability claims or litigation, resulting in the removal of regulatory approval for the relevant products and/or monetary damages being awarded against EOS. In such event, EOS' liability may exceed EOS' insurance coverage, if any.

11. Competition

EOS operates in markets which are significant on industry terms, and which attract strong competition. Accordingly, there is no certainty that EOS' current market share will be maintained or that its expected market share will be achieved in the near future or if at all.

12. Occupational Health and Safety

EOS manufactures large quantities of material and its activities also involve the use of explosives and lethal equipment by EOS personnel for testing purposes. A major health or safety issue arising in the workplace or during testing activities could disrupt or delay EOS programs, with negative impact on EOS' financial performance.

13. Reputational Risk

Adverse publicity about EOS, its subsidiaries or any of their respective directors or business activities could directly impact EOS' access to necessary government permits or contracts, which may adversely affect EOS' financial performance.

14. Intellectual Property

EOS products are based on advanced technology developed by EOS. EOS' intellectual property protection strategies include, but are not heavily reliant on, patents. Items which could be patented are often protected by insinuating a deep dependence on EOS copyrighted software. However, parallel developments by competitors are common.

EOS' ability to commercially exploit technology which it considers it owns could be delayed or disrupted by a suit alleging violation of another party's intellectual property rights.

EOS regards its patents, copyrights, trademarks, trade secrets and similar intellectual property as important. EOS relies on patent, trademark and copyright law, trade secret protection and duties of confidence with third parties to protect its intellectual property rights. While EOS will use all reasonable endeavours to protect these rights, the steps that EOS takes to protect its intellectual property rights may be inadequate. The unauthorised use or disclosure of EOS proprietary technology and systems may have adverse effects on the operation and financial performance of EOS.

15. Environmental Risk

Extensive national environmental laws and regulations in Australia affect the operations of EOS. The laws and regulations set various standards that regulate certain aspects of health and environmental quality, provide penalties or other remedies for any violation of standards and, in certain circumstances, impose obligations to undertake remedial action in current locations where operations are conducted. There is a risk that significant damages or penalties might be imposed on EOS and its subsidiaries, including for certain discharges into the environment, effects on employees, sub-contractors or customers, or as clean up costs.

Key Risks (cont.)



16. Technical Risk

A key requirement of modern aerospace markets is the rapid deployment of new technology. However product lifetimes in these markets may exceed 20 years. Accordingly, there are risks to EOS' financial performance which may arise from the reduced time for product development and testing and a rapidly changing environment.

17. Market impact of COVID-19

The events relating to COVID-19 have recently resulted in significant market falls and volatility including in the prices of securities trading on the Australian Securities Exchange (ASX) (including the price of EOS shares) and on other foreign securities exchanges. There is continued uncertainty as to the further impact of COVID-19 including in relation to governmental action, work stoppages, lockdown, quarantines, travel restrictions and the impact on the Australian and global economy and share markets. In light of recent Australian and global macroeconomic events, including though not limited to the impact of the COVID-19 and other factors, it is likely that Australia and other international economies will experience a recession or downturn of uncertain severity and duration which would further affect spending on manufacturing, continue to impact on the operating and financial performance and prospects of EOS and continue to interfere with EOS' business.

There are also other changes in the macroeconomic environment which are also beyond the control of EOS and may be exacerbated in an economic recession or downturn. These include, but are not limited to:

- a) changes in inflation, interest rates and foreign currency exchange rates;
- b) changes in employment levels and labour costs, which will affect the cost structure of EOS;
- c) changes in aggregate investment and economic output; and
- d) other changes in economic conditions which may affect the revenue or costs of EOS.

18. Business and operational impact of COVID-19

COVID-19 has affected EOS' ability to effect final delivery of its products due to isolations and evacuations of its staff and the staff of its customers. Governments around the world are also recommending or enforcing restrictions on international travel in order to slow the spread of COVID-19. Given the high degree of uncertainty surrounding the extent and duration of COVID-19 it is not currently possible to assess the full impact of COVID-19 on EOS' business. However a prolonged reduction in business activity across the business' key markets may materially adversely impact EOS' financial performance and profitability. A number of aspects of EOS' business may also be directly or indirectly affected by travel restrictions associated with COVID 19 including disruption to EOS' supply chain, particularly availability of components and logistics (including shipping of raw materials and finished goods) and government imposed shut downs of manufacturing and distribution centres affecting supply of products to customers.

19. Political, economic or social instability

EOS sells its products in over 5 countries. Regional political, economic or social instability (including as a result of contagious viruses such as the virus that causes COVID-19) could negatively impact sales and the receipt of payment for sales. Further, a prolonged period of reduced or negative economic growth (including a recession or depression) in any of EOS' key markets (or in a number of EOS' markets) could materially and adversely affect EOS' sales, financial performance and profitability.

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Norway

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The New Shares may not be offered or sold, directly or indirectly, in Norway except to "professional clients" (as defined in Norwegian Securities Regulation of 29 June 2007 no. 876 and including non-professional clients having met the criteria for being deemed to be professional and for which an investment firm has waived the protection as non-professional in accordance with the procedures in this regulation).

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Foreign Selling Restrictions (cont.)

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New Zealand

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- is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;
- meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
- is large within the meaning of clause 39 of Schedule 1 of the FMC Act;
- is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or
- is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.

If you (or any person for whom you are acquiring or procuring the New Shares) are in New Zealand, you (and any such person) represent and warrant that You:

- a) are a person who (i) is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act, (ii) meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act, (iii) is large within the meaning of clause 39 of Schedule 1 of the FMC Act, (iv) is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act or (v) is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act;
- b) acknowledge that: (i) Part 3 of the FMC Act shall not apply in respect of the offer of New Shares to you, (ii) no product disclosure statement under the FMC Act may be prepared in respect of the offer of New Shares and (iii) any information provided to you in respect of the offer is not required to, and may not, contain all of the information that a product disclosure statement under New Zealand law is required to contain;
- c) warrant that if in the future you elect to directly or indirectly offer or sell any of the New Shares allotted to you, you undertake not to do so in a manner that could result in (i) such offer or sale being viewed as requiring a product disclosure statement or other similar disclosure document or any registration or filing in New Zealand, (ii) any contravention of the FMC Act or (iii) the Company or its directors incurring any liability; and
- d) warrant that (i) any person for whom you are acquiring New Shares meets one or more of the criteria specified in subclause (a) above and (ii) you have received, where required, a safe harbour certificate in accordance with clause 44 of Schedule 1 of the FMC Act.



Foreign Selling Restrictions (cont.)

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This presentation has been given to you on the basis that you are (i) an existing holder of the Company's shares, (ii) an "institutional investor" (as defined in the SFA) or (iii) an "accredited investor" (as defined in the SFA). In the event that you are not an investor falling within any of the categories set out above, please return this presentation immediately. You may not forward or circulate this presentation to any other person in Singapore.

Any offer is not made to you with a view to the New Shares being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire New Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

If you (or any person for whom you are acquiring the New Shares) are in Singapore, you (and any such person) represent and warrant that you:

- are an "institutional investor" or an "accredited investor" (as such terms are defined in the SFA);
- will acquire the New Shares in accordance with applicable provisions of the SFA; and
- acknowledge that the offer of the New Shares is subject to the restrictions (including selling restrictions) set out in the SFA.

Switzerland

The New Shares may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange or on any other stock exchange or regulated trading facility in Switzerland. Neither this document nor any other offering or marketing material relating to the New Shares constitutes a prospectus or a similar notice, as such terms are understood under art. 35 of the Swiss Financial Services Act or the listing rules of any stock exchange or regulated trading facility in Switzerland.

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Foreign Selling Restrictions (cont.)

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United Kingdom

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This presentation is issued on a confidential basis to "qualified investors" (within the meaning of section 86(7) of the FSMA) in the United Kingdom, and the New Shares may not be offered or sold in the United Kingdom by means of this presentation, any accompanying letter or any other document, except in circumstances which do not require the publication of a prospectus pursuant to section 86(1) of the FSMA. This presentation should not be distributed, published or reproduced, in whole or in part, nor may its contents be disclosed by recipients to any other person in the United Kingdom.

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In the United Kingdom, this presentation is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 (**FPO**), (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO or (iii) to whom it may otherwise be lawfully communicated (together "relevant persons"). The investments to which this presentation relates are available only to, and any offer or agreement to purchase will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this presentation or any of its contents.

If you (or any person for whom you are acquiring the New Shares) are in the United Kingdom, you (and any such person) are:

- a "qualified investor" within the meaning of Section 86(7) of the FSMA; and
- within the categories of persons referred to in Article 19(5) (investment professionals) or Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO, as amended.

For personal use only

Summary of Underwriting Arrangements



Citigroup Global Markets Australia Pty Limited (Citi) is acting as sole lead manager and underwriter of the Placement. The Company entered into an underwriting agreement with Citi in respect of the Placement (Agreement). The Agreement contains representations and warranties and indemnities in favour of Citi. Citi may also, in certain circumstances, terminate its obligations under the Agreement if any of the following events occur prior to 4.30pm on the settlement date for the Placement by giving written notice to the Company:

- A. in Citi's reasonable opinion, a statement in the materials released to ASX in connection with the Placement (ASX Materials) is or becomes false, misleading or deceptive or is likely to mislead or deceive (including by omission);
- B. an event specified in the timetable for the Placement is delayed (other than any delay agreed between the Company and Citi in writing);
- C. the Company is unable or is unlikely to be able to issue the shares under the Placement the date for issue of the shares as specified in the timetable for the Placement;
- D. the Company alters its capital structure (other than as contemplated in the Agreement or the ASX announcement released on launch of the Placement) or constituent documents without the prior consent of Citi (such consent not to be unreasonably withheld or delayed);
- E. ASIC issues, or threatens to issue, proceedings or commences any inquiry or investigation in relation to the Placement;
- F. the ASX makes any official statement to any person, or indicates to the Company, or Citi (whether or not by way of an official statement) that the Company's Shares will be suspended from quotation on ASX, the Company will be removed from the official list of the ASX or that quotation of all of the Shares to be issued under the Placement will not be granted by the ASX or such approval has not been given before the close of business on the last date on which the shares may be issued or such suspension from quotation occurs;
- G. any government or any governmental or regulatory body issues, or threatens to issue, proceedings or commences any inquiry or investigation into the Company or the Placement;
- H. the ASX/S&P 200 Index falls by 10% or more below its level at market close on the trading day immediately prior to the date of the Agreement;
- I. (*) the Company is in breach of the Agreement or any of the Company's representations or warranties in the Agreement is not true or correct when made or taken to be made;
- J. (*) any adverse change occurs in the assets, liabilities, financial position or performance, profits, losses or prospects of the Company or its subsidiaries (the Group), including any adverse change in the assets, liabilities, financial position or performance, profits, losses or prospects of the Company or the Group from those respectively disclosed in (i) the ASX Materials or (ii) the Company's financial results for the year ended 31 December 2019 or any other subsequent disclosure made to the ASX prior to the date of the Agreement;
- K. (*) a change in the senior management or the board of directors of the Company occurs or is announced;

Summary of Underwriting Arrangements (cont.)



- L. (*) any regulatory body commences any public action against an officer of the Company in his or her capacity as an officer of the Company or announces that it intends to take any such action or an officer of the Company is charged with an indictable offence or is disqualified from managing a corporation under the Corporations Act;
- M. (*) any of the following occurs (i) hostilities not presently existing at the date of the Agreement commence (whether war has been declared or not), (ii) a major escalation in existing hostilities occurs (whether war has been declared or not), (iii) a national emergency is declared or (iv) a terrorist act is perpetrated, involving any one or more of Australia, New Zealand, the United States of America, any member of the European Union, Hong Kong, Japan, Singapore, the People's Republic of China or the United Kingdom or any diplomatic, military, commercial or political establishment of any of these countries elsewhere in the world, save where any of the above events occur as a result of a pandemic, epidemic or large-scale outbreak of a disease (including without limitation SARS, swine or avian flu, H5N1, H7N9, COVID-19 or a related or mutated forms of these);
- N. (*) there is introduced or there is a public announcement of a proposal to introduce, into the Parliament of Australia, New Zealand or any State of Australia a new law, or the Reserve Bank of Australia, or any Commonwealth or State authority, adopts or announces a proposal to adopt a new policy (other than a law or policy which has been announced before the date of the Agreement), any of which does or is likely to prohibit or regulate or otherwise adversely affect the Placement, capital issues or stock markets; or
- O. (*) any of the following occurs (i) a general moratorium on commercial banking activities in Australia, the United States, Hong Kong, the United Kingdom or Singapore is declared by the relevant central banking authority in any of those countries, or there is a material disruption in commercial banking or security settlement or clearance services in any of those countries, (ii) trading in all securities quoted or listed on ASX, the London Stock Exchange, the Hong Kong Stock Exchange, the New York Stock Exchange or Singapore Stock Exchange is suspended or limited in a material respect for more than one day on which that exchange is open for trading or (iii) there is any adverse change to the existing financial markets, political or economic conditions of, or currency exchange rates or controls in Australia, the United States of America, Hong Kong, the United Kingdom or Singapore, or the international financial markets or any prospective adverse change in national or international political, economic or financial conditions.

No event listed with an (*) above entitles Citi to exercise its termination rights unless, Citi has reasonable and bona fide grounds to believe and does believe that the relevant (a) will, or is likely to, give rise to a liability of Citi under, or give rise to, or result in, Citi contravening, or being considered to be involved in a contravention of, any applicable law or (b) has or may have a material adverse effect on (i) the marketing, settlement or outcome of the Placement, or on the ability of Citi to market or promote or settle the Placement or (ii) the likely trading price of the Company's Shares (including the Shares to be issued under the Placement); or (iii) the willingness of investors to subscribe for Shares under the Placement.

If Citi terminates its obligations under the Agreement, Citi will not be obliged to perform any of its obligations that remain to be performed. Termination of the Agreement could have an adverse impact on the amount of proceeds raised under the Placement.