INVESTOR PRESENTATION: Acquisition

› 18 May 2017

MAINSTREAMBPO
SPECIALISTS IN BUSINESS PROCESS OUTSOURCING

Disclaimer

Overview

This investor presentation ("Presentation") has been prepared by MainstreamBPO Limited (ACN 112 252 114) ("MainstreamBPO" or "Company") and is dated 17 May 2017. This Presentation has been prepared in relation to the acquisition of a company by MainstreamBPO ("Acquisition").

Summary Information

This Presentation contains summary information about the current activities of MainstreamBPO as at the date of this Presentation. The information in this Presentation is of a general nature and does not purport to be complete. This Presentation does not purport to contain all the information that an investor should consider when making an investment decision nor does it contain all the information which would be required in a disclosure document or prospectus prepared in accordance with the requirements of the Corporations Act. It should be read in conjunction with MainstreamBPO's other periodic and continuous disclosure announcements lodged with the ASX, which are available at www.asx.com.au. Neither MainstreamBPO nor its directors, employees or advisers give any warranties in relation to the statements and information in this Presentation.

Not an offer

This Presentation is for information purposes only and is not a prospectus, disclosure document, product disclosure statement or other offering document under Australian law or any other law (and will not be lodged with ASIC or any other regulator and is not approved by or registered with any regulator). The Presentation is not and should not be considered an offer or an invitation to acquire MainstreamBPO shares or any other financial products.

This Presentation may not be released or distributed in the United States. This Presentation does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States or in any other jurisdiction in which such an offer would be illegal.

The distribution of this Presentation in other jurisdictions outside Australia may also be restricted by law and any such restrictions should be observed. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

Not financial product advice

This Presentation does not constitute financial product or investment advice (nor tax, accounting or legal advice) nor is it a recommendation to acquire MainstreamBPO shares . This Presentation has been prepared without taking into account the objectives, financial situation or needs of any particular investor. Before making an investment decision, prospective investors should consider the appropriateness of the information having regard to their own objectives, financial situation and needs and seek appropriate advice, including financial, legal and taxation advice appropriate to their jurisdiction. MainstreamBPO is not licensed to provide financial product advice in respect of MainstreamBPO shares or any other investment.

Financial data

All dollar values are in Australian dollars ("A$"). Investors should note that this Presentation contains pro forma financial information. The pro forma financial information provided in this Presentation is for illustrative purposes only and is not represented as being indicative of MainstreamBPO's views on its future financial condition and/ or performance.

The pro forma financial information has been prepared by MainstreamBPO and may not have been prepared in accordance with the measurement and recognition requirements or the disclosure requirements, of applicable accounting standards and other mandatory requirements in Australia.

Disclaimer

Future performance

This Presentation contains certain “forward looking statements”. 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 and include, but are not limited to, indications of, or guidance or outlook on, future earnings or financial position or performance of MainstreamBPO, the outcome and effects of the Offer and the use of proceeds. The forward looking statements contained in this Presentation are not 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 MainstreamBPO, and may involve significant elements of subjective judgement and assumptions as to future events which may or may not be correct. Refer to the risks section of this Presentation for a summary of certain general and MainstreamBPO specific risk factors that may affect MainstreamBPO.

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 the risk factors set out in this Presentation. Investors should consider the forward looking statements contained in this Presentation in light of those disclosures. The forward looking statements are based on information available to MainstreamBPO as at the date of this Presentation.

Except as required by law or regulation (including the ASX Listing Rules), MainstreamBPO accepts no obligation to provide any additional or updated information whether as a result of new information, future events or results or otherwise. Indications of, and guidance or outlook on, future earnings or financial position or performance are also forward looking statements.

Effect of rounding

A number of figures, amounts, percentages, estimates, calculations of value and fractions in this Presentation are subject to the effect of rounding. Accordingly, the actual calculation of these figures may differ from the figures set out in this Presentation.

Investment risk

An investment in MainstreamBPO is subject to investment and other known and unknown risks, some of which are beyond the control of MainstreamBPO including possible loss of income and principal invested. MainstreamBPO does not guarantee any particular rate of return or the performance of MainstreamBPO , nor does it guarantee the repayment of capital from MainstreamBPO or any particular tax treatment. In considering an investment in MainstreamBPO shares, investors should have regard to (amongst other things) the risks outlined in this Presentation.

Disclaimer

To the maximum extent permitted by law, no representation or warranty, express or implied, is made as to the currency, accuracy, reliability or completeness of information in this Presentation and each of MainstreamBPO, the Underwriter and their respective advisers, affiliates, related bodies corporate, directors, officers, partners, employees and agents excludes and disclaims all liability, including without limitation for negligence or for any expenses, losses, damages or costs incurred by you as a result of your participation in the Offer and the information in this Presentation being inaccurate or incomplete in any way for any reason, whether by negligence or otherwise. MainstreamBPO, and their advisors make no recommendations as to whether investors or their related parties should participate in the Offer.

Statements made in this Presentation are made only as at the date of this Presentation. The information in this Presentation remains subject to change without notice. MainstreamBPO reserves the right to withdraw the Offer or vary the timetable for the Offer without notice.

Agenda

1. MainstreamBPO overview
2. Transaction overview
3. Strategic rationale
4. Key risks

1. MainstreamBPO overview

Overview of MainstreamBPO

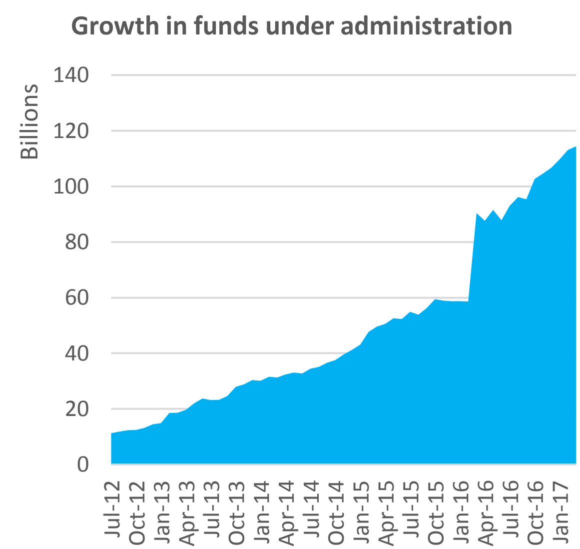
- MainstreamBPO is a service provider to the financial services industry
  - Provides full-service administration to investment funds
  - Earns recurring revenue through long-term service contracts which grows in line with underlying funds
- Established in 2006, now employs 170 staff in six countries: Australia, Hong Kong, Singapore, United States, Isle of Man and Malta
- Serves 631 funds with assets in excess of $114 billion
- Focused on support clients across markets and geographies

INVESTOR SERVICES

UNIT PRICING

FUND ACCOUNTING

MIDDLE OFFICE SERVICES



Current growth drivers

1. Significant growth in core business

- Leading independent full service provider administering assets in excess of $114 billion.
- Australia's investment management assets growing at 10% p.a. since 1992.

2. Significant growth in Singapore and Hong Kong businesses

- Anticipate 50% of revenue to be from global operations by FY19.
- Singapore and HK experiencing similar growth to core business five years ago.

3. Cross border opportunities

- Nine offices in six countries (all major fund centres).
- Opportunity to cross sell products as global footprint grows.
- Pipeline of potential acquisitions meeting MAI's acquisition criteria.

4. Leverage Technology

- Renegotiate and renew IT contracts to create scale and fix costs for medium term.
- Define strategy and application of technology for product and geographic markets.

5. Improve Margin

- Increase automation in unit registry by 15% during FY18.
- Utilise existing processing centres for more commoditised back- of-house tasks.
- Utilise follow-the-sun processing for overnight activities and specialised activities.

2. Transaction overview

Transaction overview

MainstreamBPO has announced the acquisition of an Ireland based fund administrator which complements and enhances the Group's existing operations

Trinity Fund Administration
(Dublin & Cayman Islands)

- Acquisition of reputable fund administrator for $5 million USD[1] (anticipated A$6.7 million if all earn-outs over 3 years achieved)
- Common service offering, excellent client base and experienced team makes Trinity a natural fit for MainstreamBPO
- Delivers established market positions in key fund domiciles of Ireland and Cayman Islands
- Provides a regional base for cross-selling MainstreamBPO's European services to clients in other regions
- Material cost synergies through consolidation of Trinity's technology vendors
- Expected to be earnings accretive in FY18 (to 30 June 2018)

1. Assumes AUD/USD 0.7500

Introducing Trinity Fund Administration

Reputable and experienced fund administrator complementary to the Group's existing operations

- **History:** Founded in 1993 by CEO John McCann.
- **Clients:** administers more than 140 funds with assets of more than US $7 billion.
- **Staff:** all 30 Trinity staff will join the Group with John McCann to join MainstreamBPO's executive team as CEO of Group's European and Cayman operations.
- **Services:** Administrative, transfer agency, company register, corporate secretarial, risk and regulatory reporting and other ancillary fund services in Dublin and the Cayman Islands.
- **Awards:** recognised by the international funds industry:
  - "*Best Offshore Hedge Fund Administrator*" in the Hedge Week Global Awards (March 2017).
  - "*Best Fund Formation Service*" in the Corporate LiveWire Global Fund Awards (April 2017).

3. Strategic rationale

Strategic rationale

The acquisition is aligned with MainstreamBPO's strategy to support our clients across markets by building scale, efficient operations and investing in leading technology

Complementary to existing operations

- Highly complementary to MainstreamBPO's existing service offering and sticky revenue streams.
- Supports growth strategy and consistent with track record of successful integration of stand-alone fund administrators into the Group.

Strengthens the Group's presence in key geographic markets

- Brings a critical mass of established operations to key global fund centres of Ireland (#2 in Europe for hedge funds) and the Cayman Islands (#1 for global investors).
- Delivers scale and management depth to support the Group's existing European operations in Isle of Man and Malta.

Significant opportunity to grow client relationships

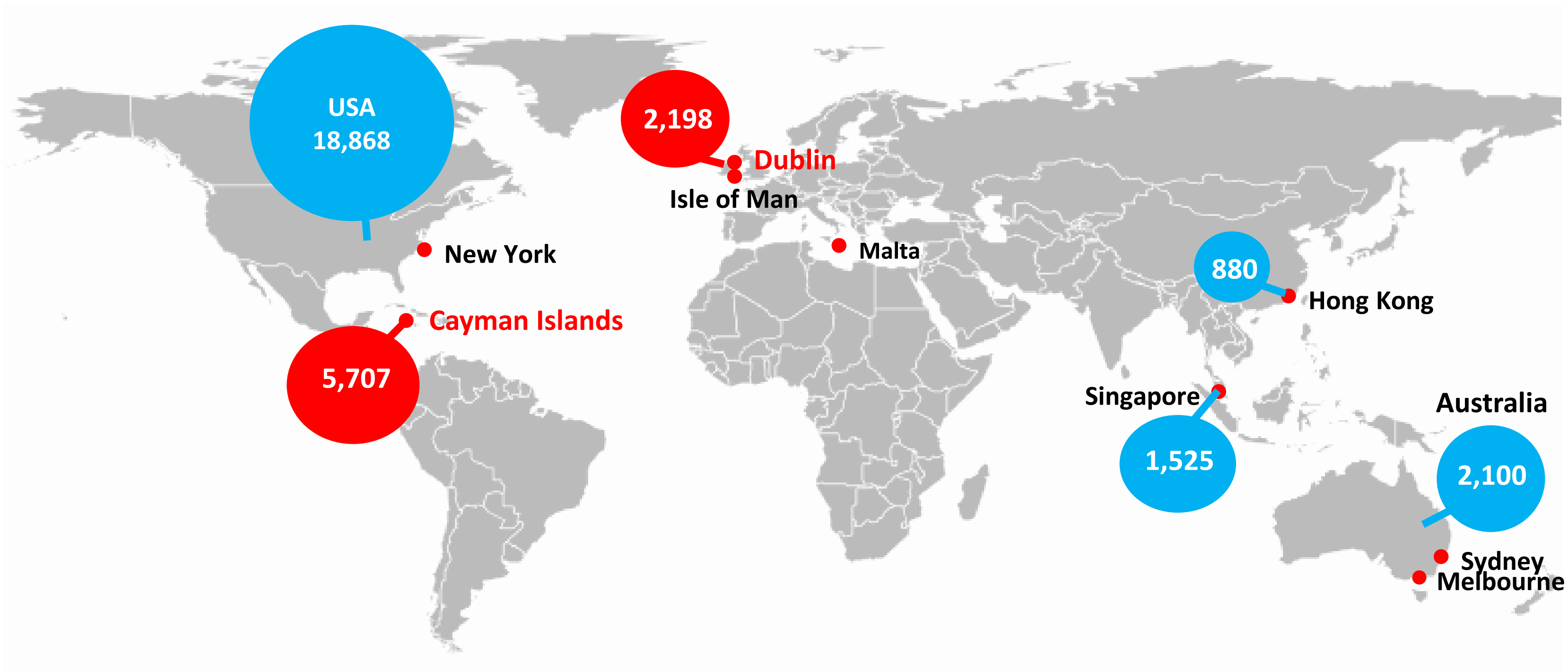
- Opportunity to grow and strengthen cross-border client relationships via services in Ireland and the Cayman Islands.

Extends MainstreamBPO's capabilities

- Extends Mainstream's capabilities in corporate, risk and reporting services, offering additional revenue opportunities.

Delivering on our growth strategy

Trinity acquisition enhances MAI's geographic spread, client base and overall growth strategy



- Current MainstreamBPO offices
- Additional Trinity offices

Image shows investment fund assets (excluding fund-of-funds), $US billion, December quarter 2016. Source: Australian Trade and Investment Commission "Australia's Managed Funds 2017 Update" (April 2017), page 2, and Cayman Islands Monetary Authority "2015 Investments Statistical Digest", page 2. Note: Circles are not to scale. Refers to home domiciled funds except Hong Kong and the Cayman Islands which include home and foreign-domiciled funds. Fund of funds are not included except for the Cayman Islands. Australia includes funds managed by consolidated assets of domestic collective investment institutions, other investors (including funds sourced from governments, charities and other) and overseas investors.

Financial impact

Funding

- MainstreamBPO intends to undertake an appropriate equity capital raise prior to completion and draw down on an existing debt facility. The proceeds of this equity capital raise and the debt facility will be used to fund the Acquisition.

FY17 guidance

- MainstreamBPO reaffirmed its guidance of A$3.6 – 4.0 million EBITDA and A$28 – 30 revenue for FY17 in its FY17 Interim Results.
- The Acquisition will not contribute to FY17 results.

Financial impact

- The Acquisition is forecast to contribute A$0.67 million EBITDA in FY18, being the first full year following completion of integration.
- Total purchase price represents approximately 10.0 times FY18 EBITDA.
- Initial consideration price represents approximately 7.0 times FY18 EBITDA.
- The Acquisition is expected to be earnings accretive for MAI shareholders in FY18.
- Value enhancing versus MAI's current trading multiple.

Other information

- Acquisition expected to complete July 2017, subject to regulatory approval.
- Of the total consideration, US $3.5 million is payable as cash on completion with the balance payable in cash and shares over 3 years subject to certain conditions being met.
- All employees and the founder of Trinity will join the Group and remain invested in day-to-day operations.

Pro-forma balance sheet

Simplified pro-forma balance sheet at 31 December 2016 (for illustrative purposes)

$	MainstreamBPO	Impact of Acquisition[1,#]	Pro-forma
Current assets	$8.5 M	$2.2 M	$10.7 M
Non-current assets	$18.6 M	$4.3 M	$23.0 M
Total assets	**$27.1 M**	**$6.5 M**	**$33.6 M**
Current liabilities	$5.6 M	$0.3 M	$6.0 M
Non-current liabilities	$6.8 M	-	$6.8 M
Total liabilities	**$12.5 M**	**$0.3 M**	**$12.8 M**
Net assets	**$14.6 M**	**$6.2 M**	**$20.8 M**
Equity	**$14.6 M**	**$6.2 M**	**$20.8 M**

1. Assumes AUD/ EUR 0.6700 and AUD/KYD 0.6300

Impact of the acquisition reflects the estimated financial effect of the accounting for business combinations. Australian Accounting standards require an allocation of fair value of assets and liabilities acquired. Post acquisition, a purchase price allocation exercise will be undertaken which may identify other intangibles and may impact future amortisation and depreciation charges. The allocation may give rise to material differences in values allocated to the above balance sheet items.

4. Key risks

Key risks – transaction specific

Key risk	Summary
Reliance on information provided	MainstreamBPO has undertaken a due diligence process in respect of each of the Acquisition, which relied in part on the review of financial and other information provided by the vendors. Despite taking reasonable efforts, MainstreamBPO has not been able to verify the accuracy, reliability or completeness of all the information which was provided to it against independent data. If any of the data or information provided to and relied upon by MainstreamBPO in its due diligence process and its preparation of this Presentation proves to be incomplete, incorrect, inaccurate or misleading, there is a risk that the actual financial position and performance of the acquired business may be materially different to the financial position and performance expected by MainstreamBPO and reflected in this Presentation. Investors should also note that there is no assurance that the due diligence conducted was conclusive and that all material issues and risks in respect of the Acquisition have been identified. Therefore, there is a risk that unforseen issues and risks may arise, which may also have a material impact on MainstreamBPO' financial position and performance.
Completion risk	Completion of the Acquisition is conditional on certain matters. If any of the conditions are not met, completion may be deferred or cancelled. Failure to complete a transaction may have a material adverse effect on MainstreamBPO's financial performance, financial position and security price.
Integration risks	The long term success of the acquired business will depend, in part, on the success of integration of the acquired business into MainstreamBPO' current operations. The integration process will involve, among other things, integrating personnel and combining different technology systems. The process of integrating operations could, among other things, divert management's attention, interrupt or lose momentum in the activities of the businesses and could result in the loss of key personnel. There is also a risk that the integration of the acquired business may be more complex than currently anticipated, encounter unexpected challenges or issues and take longer than expected. Any of these outcomes could have an adverse effect on the business, results of operations or financial condition and performance of MainstreamBPO. There is a risk that MainstreamBPO's success and profitability could be adversely affected if the acquired business is not integrated effectively. There is a risk that integration could take longer or cost more than expected or that the anticipated benefits and synergies of the integration may be less than estimated. Possible problems may include differences in management culture between the organisations; unanticipated costs or delays relating to integration of IT, business, information or accounting systems; loss of key personnel; and timing for realisation or disposal of surplus infrastructure. These integration issues may adversely impact the earnings of MainstreamBPO.
Analysis of acquisition opportunity	MainstreamBPO has undertaken financial, business and other analyses of each of the acquired businesses in order to determine their attractiveness to MainstreamBPO and whether to pursue the Acquisition. It is possible that such analyses and the best estimate assumptions made by MainstreamBPO draw conclusions and forecasts that are inaccurate or which are not realised in due course. To the extent that the actual results achieved by the acquired business is different to those indicated by MainstreamBPO's analysis, there is a risk that the profitability and future earnings of the operations of MainstreamBPO may be materially different from the profitability and earnings expected.
Recovery for breach of warranties	The transaction documents for the Acquisition have limits on MainstreamBPO's ability to claim for breaches of the agreement. There is a risk that the loss suffered by MainstreamBPO for a breach will exceed the amount for which it is entitled to claim against the vendor and a risk that MainstreamBPO may not be able to recover from the vendor at all.

Key risks – general

Key risk	Summary
Change in risk and investment profile	The investment profile for shareholders in MainstreamBPO will change. While the operations of MainstreamBPO and the acquired business are similar in a number of ways the operational profile, capital structure and size of MainstreamBPO post acquisition will be different to that of MainstreamBPO on a standalone basis. These changes in risk and investment profile may be considered by some shareholders to be a disadvantage.
Amortisation and impairment of intangibles	In accounting for the acquired business, MainstreamBPO will need to perform a fair value assessment of each of the acquired assets (including intangible assets) and liabilities. To the extent goodwill and indefinite life intangible assets are recognised in respect of accounting for the acquisition, they will be subject to annual impairment testing. Other identifiable intangible assets are amortised and assessed for any indicators of impairment each reporting period. In the event that the recoverable amount of intangible assets is impaired, this will result in an additional expense in the income statement of MainstreamBPO.
Competition	There is strong competition in the markets in which the acquired businesses will operate. MainstreamBPO must compete with a variety of market participants in the international funds industry. These market participants compete vigorously and such competitive market conditions may adversely impact on the earnings and assets of MainstreamBPO post-acquisition.
Brands and reputation	The capacity of MainstreamBPO to attract and retain customers depends, to an extent, upon the brands and reputation of its business. Any decline in MainstreamBPO' brand and reputation could contribute to lower new business sales, do damage to its customer strategies and may impact the future profitability and financial position of MainstreamBPO.
Key personnel	MainstreamBPO and the acquired business has benefited from having stable and experienced management teams. While MainstreamBPO will make every effort to retain key employees and recruit new personnel as the need arises, loss of a number of key personnel may adversely affect the post-acquisition earnings or growth prospects of MainstreamBPO.
Policy / regulatory changes	Changes in laws, regulations and government policy may affect MainstreamBPO and the attractiveness of an investment in MainstreamBPO positively or negatively. The impact of future regulatory and legislative change upon the business of MainstreamBPO cannot be predicted. In addition, if the amount and complexity of new regulation increases, so too may the cost of compliance and the risk of non-compliance.

Thank you