

Super Retail
Group



Inspiring you to
live your passion



Super Retail Group Limited

2020 INVESTOR PRESENTATION

COVID-19 impacts and
trading update, strategy
execution and equity raising



rebel



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- eligible institutional shareholders of Super Retail Group (“**Institutional Entitlement Offer**”); and
- eligible retail shareholders of Super Retail Group (“**Retail Entitlement Offer**”),

(together, the “**Offer**”) under section 708AA of the Corporations Act 2001 (Cth) (“**Corporations Act**”) (as modified by the Australian Securities and Investments Commission (“**ASIC**”) Corporations (Non Traditional Rights Issues) Instrument 2016/84).

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Agenda

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KEY DETAILS OF THE OFFER



Executive Summary

SUPER RETAIL'S CORE 4 BRANDS ARE WELL POSITIONED TO BENEFIT FROM CHANGING CONSUMER TRENDS

Super Retail and consumer responses to COVID-19	<ul style="list-style-type: none">Super Retail has responded promptly to protect the health and safety of team members and customers and to introduce cost, cash flow and liquidity measuresCOVID-19 is driving a number of shifts in consumer behaviour – channel shift on-line, at-home fitness and leisure, DIY auto repairs, outdoor activities and domestic tourismSuper Retail's core 4 brands are well positioned to take advantage of these trendsOmni-retail capabilities have facilitated a prompt and effective response
Trading has rebounded strongly in May	<ul style="list-style-type: none">Following a 26.2% decline in Group LFL sales in April vs. pcp, trading has rebounded strongly in May with Group LFL sales increasing 26.5% vs. pcp¹Group sales growth has continued to benefit from the strong consumer environment in June
Execution of the strategy has continued through COVID-19	<ul style="list-style-type: none">Excellence in omni-retail execution – introduced contact-free click & collect across all four brands in AprilLeveraging closeness to customer – large and highly engaged customer base – pivoted from catalogue campaigns to digitalLeading 'core 4' brands – all Australian stores remained open²
Equity raising, rationale for equity raising and use of proceeds	<ul style="list-style-type: none">Super Retail is announcing an underwritten accelerated pro-rata non-renounceable entitlement offer to raise approximately \$203m (Equity Raising) to eligible shareholders at a fixed price of \$7.19 per shareEnables continued execution of Super Retail's strategy and pursuit of strategic growth initiativesThe Company's omni-retail channel business strategy has enabled the business to adapt quickly to changing consumer behaviour during COVID-19 and has delivered a resilient trading performanceSuper Retail's portfolio of market leading brands in lifestyle categories is now extremely well positioned to benefit from consumer trends emerging from COVID-19Key investments in omni-retail capabilities, supply chain investments, simplification of the business model, working capital to take advantage of elevated sales in certain categories, footprint optimisation and organic market share growth opportunitiesThe Equity Raising will provide Super Retail with additional flexibility in a more uncertain economic environment
Major shareholder support and participation	<ul style="list-style-type: none">Entities controlled by Mr. Reg Rowe have expressed their support for the Equity Raising and committed to take up their full entitlement, representing a subscription of \$59.2m of new shares in the Equity Raising, and remain committed to their shareholding for the long-term

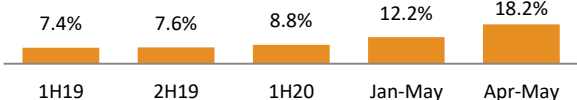
Response to COVID-19

PROTECTING THE HEALTH AND WELLBEING OF TEAM MEMBERS, CUSTOMERS AND THE COMMUNITY, WHILE MANAGING COSTS, PRESERVING CASH AND ACCELERATING SUPER RETAIL'S OMNI-RETAIL STRATEGY

Response to COVID-19	Health and safety	<ul style="list-style-type: none"> Safety measures implemented across all stores, offices and distribution centres to meet social-distancing requirements and support the health and wellbeing of team members, customers, trade partners and the community
	Core 4 brands continued to trade	<ul style="list-style-type: none"> Core 4 brands adapted to shifting consumer purchasing patterns All Australian stores continued to trade¹
	Pivoted to on-line fulfilment	<ul style="list-style-type: none"> Recent investments in omni-retail platform and supply chain enabled Super Retail to effectively meet a significant shift to on-line and click & collect purchasing
	Temporary measures to preserve cash and manage costs	<ul style="list-style-type: none"> Responded promptly with temporary measures to manage costs, cash flow and liquidity <ul style="list-style-type: none"> Reduced rosters, utilised leave balances and obtained government wage support Reduced discretionary operating expenditure and capex – e.g. advertising, store refurbishments Managed working capital – extending payables and reducing inventory levels Repurposed costs to areas of high activity to meet customer demand
Measures to accelerate strategy post COVID-19		<ul style="list-style-type: none"> Actions underway to support omni-retail strategy including acceleration of migration to cloud-based platforms Additional measures currently being evaluated include optimisation of support office functions and store network

Well positioned to benefit from consumer response to COVID-19

SUPER RETAIL'S CORE 4 BRANDS ARE WELL-PLACED TO BENEFIT FROM OBSERVED CHANGES IN CONSUMER BEHAVIOUR

	COVID-19 impact on consumer	Impact on sales during COVID-19	Potential trends as restrictions ease												
<div>Channel shift to on-line</div> <div>1</div>	<ul style="list-style-type: none">• Mobility restrictions forcing reduction of in-store shopping• Purpose-driven shopping• Home delivery encouraged	<ul style="list-style-type: none">• Significant uplift in on-line sales from new and existing customers as in-store shoppers shifted to the on-line channel• On-line for Rebel and Supercheap Auto particularly strong <p>On-line sales as a % of total sales (%)¹</p>  <table><tr><th></th><th>1H19</th><th>2H19</th><th>1H20</th><th>Jan-May</th><th>Apr-May</th></tr><tr><th>On-line sales as a % of total sales (%)</th><td>7.4%</td><td>7.6%</td><td>8.8%</td><td>12.2%</td><td>18.2%</td></tr></table>		1H19	2H19	1H20	Jan-May	Apr-May	On-line sales as a % of total sales (%)	7.4%	7.6%	8.8%	12.2%	18.2%	<ul style="list-style-type: none">• Consumer has become familiar and comfortable shopping on-line – particularly expected to impact on-line favourable categories of apparel and footwear
	1H19	2H19	1H20	Jan-May	Apr-May										
On-line sales as a % of total sales (%)	7.4%	7.6%	8.8%	12.2%	18.2%										
<div>Trend towards health and wellness</div> <div>2</div>	<ul style="list-style-type: none">• Closure of gyms• Restrictions on outdoor exercising• Limited leisure options but greater leisure time• Suspension of team sports	<ul style="list-style-type: none">• Increased at-home consumption• Consumers working from home driving a significant uplift in "comfort athleisure clothing"• Rebel mix shift to weights and gym equipment, personal fitness, and home entertainment goods• Supercheap Auto increase in DIY / household projects products	<ul style="list-style-type: none">• Re-commencement of grassroots, school and professional sporting seasons• Likely to see increased general physical activity due to health and wellness trend												
<div>Pent up demand for domestic tourism and leisure activity</div> <div>3</div>	<ul style="list-style-type: none">• Travel restrictions• Closure of camping grounds and national parks (particularly over peak Easter camping period)• Ban on fishing in some states	<ul style="list-style-type: none">• Restrictions on camping and fishing activity over Easter shifted customer demand into May as restrictions eased	<ul style="list-style-type: none">• Offshore travel restrictions to drive demand for domestic tourism and leisure (e.g. camping, hiking)• Local leisure activities re-opening												

Group trading update

FOLLOWING A DECLINE IN APRIL, GROUP SALES HAVE REBOUNDED STRONGLY IN MAY

Segment	LFL sales growth			Sales (\$m)	Total Sales on pcip
	Mar 2020 YTD (weeks 1-38) ¹	Weeks 39-47 ¹	May 2020 YTD (weeks 1-47) ¹	May 2020 YTD (weeks 1-47) ¹	May 2020 YTD (weeks 1-47) ¹
Supercheap Auto	3.2%	3.7%	3.3%	987	4.6%
Rebel	3.5%	(2.3%)	2.5%	945	2.1%
BCF	(2.2%)	(0.7%)	(2.0%)	478	(0.6%)
Macpac	(4.7%)	(38.8%)	(12.5%)	109	(10.0%)
Total	1.9%	(1.7%)	1.2%	2,519	1.9%

- Group LFL sales for weeks 39-47¹ down 1.7%. Following a 26.2% decline vs. pcip in April¹, Group LFL sales rebounded strongly in May¹, up 26.5% vs. pcip
 - Led by Supercheap Auto, Rebel and BCF (Macpac impacted by NZ government imposed closure)
 - Strong shift to on-line with Group on-line sales increasing 126.2% vs. pcip to 18.2% of Group sales over the April/May¹ period
 - Group sales have continued to benefit from the strong consumer environment in June
- Gross margin percentage over the April/May¹ period was down vs. pcip, impacted by a shift in product mix towards higher value / lower margin products and higher proportion of on-line sales. Cost mitigation measures have partially offset the gross margin impact
- May YTD¹ gross margin percentage is c.20bps below 1H20. May YTD¹ normalised operating costs (excl. D&A)² as a % of sales broadly in-line with 1H20
- Minimal disruption to Super Retail's supply chain, with the exception of domestic freight capacity both in-bound and on-line delivery
- Inventory levels at May 2020¹ reduced by \$65m vs. pcip as a result of strong May trading and measures undertaken to reduce inventory holdings. Temporary extension of key supplier terms impacted payables
- Capital expenditure incurred over the year to date to the end of May 2020 totalled \$61m
- Pre-tax abnormal items totaling \$18m were recognized as part of FY20 interim results. A further circa \$40m of pre-tax abnormal costs³ are expected in FY20 full-year results⁴
- In accordance with usual end of year practice, Super Retail is also undertaking a review of the carrying values of intangibles, which may result in additional non-cash write-downs

Notes:

1 Mar 2020 YTD (30 June 2019 to 21 Mar 2020) representing the period of the Super Retail trading update provided on 26 March 2020, weeks 39-47 (22 Mar 2020 to 23 May 2020) representing the period since the trading update to the May YTD month end. April month (29 March 2020 to 25 Apr 2020) and May month (26 April 2020 to 23 May 2020) under Super Retail's 4-4-5 trading calendar.

2 Calculated on a pre-AASB16 basis and includes selling and distribution, marketing, occupancy and administration costs but excludes D&A and c.\$18m of abnormal / one-off expenses in 1H20.

3 Includes remediation of staff underpayments, the exit of certain non-core businesses, an internal restructure, accelerated write-down of certain assets and close out of interest swaps.

4 Subject to audit and normal end of year processes.

Segment trading update

CORE FOUR BRANDS DELIVERED A STRONG SALES REBOUND IN MAY AS COVID-19 RESTRICTIONS EASED AND ARE FAVOURABLY POSITIONED TO BENEFIT FROM NEAR TERM CONSUMER TRENDS



Weeks 39-47¹
LFL sales growth: 3.7%

- April trading impacted by NZ closures (45 of 326 stores)
- Post Anzac Day, trading benefited from fiscal stimulus and lifting of restrictions
- Category shift towards essential and self-sufficiency products, with some shift to higher value / lower margin products
- April/May² on-line sales of \$16.9m, up 65% vs. pcp (represents 10% of sales)



Weeks 39-47¹
LFL sales growth: (2.3%)

- April and May trading in CBD and shopping centre stores impacted by decline in foot traffic
- Sales skewed towards fitness and hard goods through March and April (driven by increased home fitness activity), with a strong shift back to footwear and apparel in May
- Limited stock availability impacting sales in late May and June
- April/May² on-line sales of \$40.2m, up 176% vs. pcp (represents 28% of sales)



Weeks 39-47¹
LFL sales growth: (0.7%)

- Varied impact on sales by state in April driven by state government imposed restrictions
- Material increase in camping, fishing and other domestic leisure product categories through May
- April/May² on-line sales of \$8.2m, up 89% vs. pcp (represents 12% of sales)



Weeks 39-47¹
LFL sales growth: (38.8%)

- New Zealand stores closed for 7 weeks. More acute impact on trading given footprint (36 of 73 stores)
- Australian trading impacted by decline in foot traffic in shopping centre stores and slower activity around key Easter trading period
- April/May² on-line sales of \$7.6m, up 149% vs. pcp (represents 49% of sales)

Our Strategy

THE THREE PRIMARY VALUE LEVERS



5 STRATEGIC DRIVERS



**GROW THE CORE
4 BRANDS**



**LEVERAGE CLOSENESS
TO OUR CUSTOMER**



**CONNECTED OMNI-
RETAIL SUPPLY CHAIN**



**SIMPLIFY THE
BUSINESS**



**EXCEL IN OMNI-
RETAIL EXECUTION**

Strategy execution remains on track



GROW THE CORE 4 BRANDS



LEVERAGE CLOSENESS TO OUR CUSTOMER



CONNECTED OMNI-RETAIL SUPPLY CHAIN



SIMPLIFY THE BUSINESS



EXCEL IN OMNI-RETAIL EXECUTION

Current Focus Areas

- New concept Rebel Doncaster store opened in March
- 5-year organic brand strategies and private brand review in train
- Key range and assortment alignment to customer need commenced
- Relationships with global partners further solidified

- Investment in analytical insight and customer strategy leadership
- Customer behavioural analytics and insights leveraged to inform campaign activity
- Execution of pricing strategy delivering positive results

- Consolidation of Rebel DCs
- Macpac Australian DC commenced operation
- Group sourcing optimisation and 5-year supply chain strategy in train
- Overseas sourcing project implementation in progress
- Order management System (OMS) phase I implementation on track for delivery in June

- Senior Leadership team KPI's aligned to Group strategy
- IS 5-year strategy, acceleration of migration to cloud based solutions
- Team engagement and communication tools in place (Workplace by Facebook)
- Workforce planning program commenced
- Closed Infinite Retail and Autocrew

- Improved conversion rates across all brands
- Introduced click & collect in all Macpac Australian stores
- Click & collect rollout complete across NZ
- Increased on-line penetration through April and May

Strategy robust throughout COVID-19



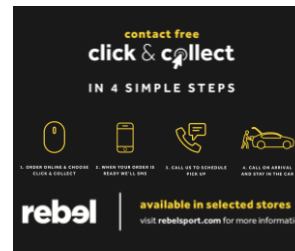
GROW THE CORE 4 BRANDS



LEVERAGE CLOSENESS TO OUR CUSTOMER



CONNECTED OMNI-RETAIL SUPPLY CHAIN



SIMPLIFY THE BUSINESS



EXCEL IN OMNI-RETAIL EXECUTION

COVID-specific actions

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| <ul style="list-style-type: none"> Alignment of category and range offering mix to changing consumer demand during COVID restrictions (Rebel: Fitness and Hard goods; SCA: Tools, In-car Tech, Paint and Panel; BCF: Fishing) | <ul style="list-style-type: none"> Customer behavioural analytics and insights leveraged to inform new COVID-19 specific campaign activity (e.g. BCF backyard campout) Shift from catalogues to digital campaigns Maintained customer activity throughout | <ul style="list-style-type: none"> DC assets leveraged to service significant on-line order demand Customer Contact Centre (CCC) resourced to support customer requirements | <ul style="list-style-type: none"> Seamless shift to remote support office workforce Digital acceleration program implemented to focus e-commerce activity to manage significantly increased on-line volume and align offering with changing customer behaviour | <ul style="list-style-type: none"> Contact-free click & collect implementation across all Australian standalone stores COVID-19 health & safety measures implemented in all stores Significant on-line growth successfully executed |
|--|--|---|---|--|

Key outcomes

- | | | | |
|---|--|---|---|
|  <p>Accelerating sales momentum in Supercheap Auto, Rebel & BCF following easing of restrictions</p> |  <p>NPS remained strong with May YTD at 60.6%</p>  <p>6.5m active club members</p> |  <p>Supply Chain cost per unit (CPU) down May YTD yoy</p>  <p>Click & collect at 29% of on-line sales in April and 36% in May. May YTD at 43%</p> |  <p>Business successfully run remotely</p>  <p>Omni-retail offering uninterrupted¹</p> |
|---|--|---|---|

Equity Raising overview

THE EQUITY RAISING WILL ENABLE SUPER RETAIL TO CONTINUE TO EXECUTE ITS STRATEGY AND PURSUE STRATEGIC GROWTH INITIATIVES

Equity Raising	<ul style="list-style-type: none">• Super Retail is raising approximately \$203m through an underwritten accelerated pro rata non-renounceable Entitlement Offer
Rationale and use of proceeds	<ul style="list-style-type: none">• The Equity Raising will enable Super Retail to continue to execute its strategy and pursue strategic growth initiatives• Allows Super Retail to position the business to take advantage of changing consumer trends by returning capital expenditure to historic levels of c.\$90m per annum, even if a softer trading environment emerges• Investments are expected to include<ul style="list-style-type: none">– Omni-retail digital customer experience and analytics investments– Supply chain investment to facilitate omni-channel sales growth– Further simplification of our business model– Investment in working capital to take advantage of elevated sales in certain categories, and to take advantage of increased supplier promotional activity– Investment in footprint optimisation and organic market consolidation and share gain opportunities presented as a result of the COVID-19 disruption• Provides Super Retail with the flexibility to continue to invest in this strategy in a more uncertain economic environment

Balance sheet update

PRO FORMA FOR COMPLETION OF THE EQUITY RAISING, NET DEBT AT MAY MONTH END REDUCES TO C.\$10M

- Net debt at December 2019¹ was c.\$252m
 - Pro-forma for the Equity Raising⁴, net debt at December 2019 reduces to c.\$54m
 - Pro-forma net debt / EBITDA reduces from 0.8x to 0.2x and pro-forma lease adjusted net debt / EBITDAR reduces from 2.1x to 1.8x
 - Working capital typically peaks in late November / early December. By the December month end the debt levels are below average debt levels
- Net debt at May 2020¹ was c.\$208m and average net debt for the 12 months ended May 2020 was c.\$394m
 - Pro-forma for the Equity Raising⁴, net debt at May 2020 reduces to c.\$10m and average net debt reduces to c.\$196m
- Super Retail currently has \$755m of bank debt facilities, with a range of maturities out to 2022
- On completion of the equity raising, Super Retail intends to review the requirement for its \$100m ANZ facility, with the potential to reduce total facilities to \$655m
- Having regard to a strong balance sheet on completion of the Equity Raising, payment of a FY20 final dividend will be considered by the Board in the ordinary course⁶

- Notes:
- December 2019 month ended 28 December 2019 and May 2020 month ended 23 May 2020.
 - Shown on pre-AASB16 basis; calculated based on LTM normalised EBITDA.
 - Shown on pre-AASB16 basis; net debt adjusted for lease liabilities of c.\$938m and LTM normalised EBITDAR represents LTM normalised EBITDA adjusted for rent expense of c.\$248m.
 - Assumes \$5m transaction fees and costs.
 - Excludes multi-options lines of credit.
 - The payment of dividends is subject to the discretion of the Board and depends on, among other things, Super Retail's profitability and other factors deemed relevant. Refer to the Key Risks.

Adjusted capital structure (Pro Forma Dec 2019)¹

\$m	December 2019	Impact of the Equity Raising ⁴	Pro-forma
Drawn debt	309	(198)	111
Cash	(57)	-	(57)
Net debt	252	(198)	54
Net debt / EBITDA²	0.8x	(0.6x)	0.2x
Lease adj. net debt / EBITDAR³	2.1x	(0.3x)	1.8x

Pro forma liquidity as at May 2020¹

\$m	May 2020
Cash on hand and undrawn debt facilities ⁵	524
Net proceeds from Offer ⁴	198
Total available liquidity as at May 2020	722

Total bank facilities as at May 2020¹

\$m	May 2020
Bank debt and overdraft facilities	635
New ANZ facility	100
Multi options lines of credit	20
Total bank facilities	755

Pro forma balance sheet as at 28 December 2019

\$m	28 December 2019 (Pre-AASB16) ¹	28 December 2019 (Statutory) ²	Impact of Equity Raising ³	Pro forma post Equity Raising
Cash and cash equivalents	57	57	-	57
Trade and other receivables	52	49	-	49
Inventories	621	621	-	621
Property, plant and equipment	250	244	-	244
Right-of-use assets	-	848	-	848
Intangible assets	892	891	-	891
Other assets	14	14	-	14
Assets	1,886	2,724	-	2,724
Trade and other payables	586	543	-	543
Borrowings	309	303	(198)	105
Lease liabilities	-	938	-	938
Other liabilities	172	144	-	144
Liabilities	1,067	1,928	(198)	1,730
Equity	819	796	198	994

Notes:

1 Balance sheet as reported in page 5 of Super Retail Group Limited Appendix 4D & Interim Financial Report.

2 Balance sheet as reported in page 11 of Super Retail Group Limited Appendix 4D & Interim Financial Report. The balance sheet reflects the adoption of the new lease accounting standard AASB 16 Leases which resulted in the recognition of Right-of-use assets of \$848m and Lease liabilities of \$938m at December 2019. Refer to Note 18 of the Super Retail Group Limited Appendix 4D & Interim Financial Report for the impact of AASB 16 adoption.

3 Assumes \$5m transaction fees and costs.

Details of the offer

Offer structure	<ul style="list-style-type: none"> Underwritten 1 for 7 accelerated pro rata non-renounceable entitlement offer to raise approximately \$203m (Equity Raising or Offer) Approximately 28.2 million new fully paid ordinary shares in Super Retail (New Shares) to be issued under the Equity Raising, representing approximately 14.3% of Super Retail's existing shares on issue
Offer price	<ul style="list-style-type: none"> New Shares will be issued at a fixed price of \$7.19 (Offer Price) The Offer Price represents a 7.0% discount to TERP² of \$7.73
Record date	<ul style="list-style-type: none"> Record date 7:00pm (Sydney) on Wednesday, 17 June 2020
Institutional Entitlement Offer	<ul style="list-style-type: none"> The Institutional Entitlement Offer will be conducted by way of a bookbuild process on Monday, 15 June 2020 Entitlements under the Institutional Entitlement Offer that are not taken up and entitlements of ineligible institutional shareholders will be offered for sale in the bookbuild
Retail Entitlement Offer	<ul style="list-style-type: none"> The Retail Entitlement Offer will open on Monday, 22 June 2020 and close on Friday, 3 July 2020
Ranking	<ul style="list-style-type: none"> New Shares issued will rank equally in all respects with Super Retail's existing ordinary shares
Underwriting ³	<ul style="list-style-type: none"> Macquarie Capital (Australia) Limited and UBS AG, Australia Branch are joint lead managers and underwriters to the Equity Raising
Major shareholder support	<ul style="list-style-type: none"> SCA FT Pty Ltd (SCA FT) and SCCASP Holdings Pty Ltd (SCCASP), entities controlled by Mr. Reg Rowe and of which Mr. Reg Rowe is a director and shareholder, have committed to take-up their full entitlement, representing a subscription of \$59.2m of New Shares in the Offer, and remains committed to their shareholding for the long-term

Notes:

- The Retail Entitlement Offer is only available to eligible retail shareholders with a registered address in Australia or New Zealand on the Record Date — see the Retail Offer Booklet for further details on eligibility once available.
- TERP is the theoretical price at which Super Retail shares trade immediately after the ex-date for the Offer. TERP is a theoretical calculation only and the actual price at which Super Retail shares trade on the ASX immediately after the ex-date for the Offer will depend on many factors and may not be equal to TERP. TERP is calculated by reference to the closing price of Super Retail's shares as traded on ASX on Friday, 12 June 2020, being the last trading day prior to the announcement of the Offer.
- Subject to the "Key Terms of Underwriting Agreement" as summarised on pages 26-28 of this Presentation.

Entitlement offer timetable

Event ¹	Date (2020)
Announcement of Offer, Institutional Entitlement Offer opens	Monday, 15 June
Institutional Entitlement Offer closes	Monday, 15 June
Trading halt is lifted and trading resumes on an "ex-entitlement" basis	Tuesday, 16 June
Record date for the Offer (7:00pm Sydney time)	Wednesday, 17 June
Retail Entitlement Offer opens and Retail Entitlement Offer Booklet despatched	Monday, 22 June
Settlement of Institutional Entitlement Offer	Wednesday, 24 June
Allotment and normal trading of New Shares issued under the Institutional Entitlement Offer	Thursday, 25 June
Retail Entitlement Offer closes (5:00pm Sydney time)	Friday, 3 July
Announce results of Retail Entitlement Offer	Wednesday, 8 July
Settlement of Retail Entitlement Offer	Thursday, 9 July
Allotment of New Shares issued under the Retail Entitlement Offer	Friday, 10 July
Normal trading of New Shares issued under the Retail Entitlement Offer	Monday, 13 July
Despatch of holding statements in respect of New Shares issued under the Retail Entitlement Offer	Wednesday, 15 July

Notes:

- 1 All dates and times are indicative and Super Retail reserves the right to amend any or all of these events, dates and times subject to the Corporations Act 2001 (Cth), ASX Listing Rules and other applicable laws. All times and dates are in reference to Sydney, Australia time.

Appendix

A

KEY RISKS

B

INTERNATIONAL OFFER RESTRICTIONS



Key risks

Super Retail Group's financial position and performance, its dividends and the market price of Super Retail Group's shares may be adversely affected, sometimes materially, by a number of risk factors. Holders of Super Retail Group shares ("**Super Retail Group Shareholders**") should accordingly be aware that an investment in Super Retail Group carries a number of risks, some of which are specific to Super Retail Group and some of which relate to listed securities generally. These risks mean that the price and value of Super Retail Group shares may rise or fall over any given period. Some of these risks are beyond Super Retail Group's control.

Super Retail Group Shareholders should be aware of the following risks (which are some, but not necessarily all, of the risks) which may affect the future operating and financial performance of Super Retail Group and the value of Super Retail Group shares. These risks have been divided into business risks and general and offer risks, and are not listed in the order of importance. Additional risks and uncertainties that Super Retail Group is unaware of, or that it currently considers to be immaterial, may also become important factors that adversely affect Super Retail Group's operating and financial performance.

Before investing in Super Retail Group shares, you should consider whether this investment is suitable for you. Potential investors should also consider publicly available information on Super Retail Group (such as that available on the websites of Super Retail Group and Australian Securities Exchange ("**ASX**")), carefully consider their personal circumstances and consult their stockbroker, solicitor, accountant or other professional advisor to ensure they understand fully the terms of the Offer and the inherent risks before making an investment decision.

Business Risks

Impact of COVID-19

Super Retail Group has observed that there is continuing uncertainty as to the duration and further impact of the COVID-19 pandemic, including in relation to the timing and nature of government approaches to easing containment measures (including travel restrictions) and the depth and length of the negative impacts on domestic and global economic activity. 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 Super Retail Group's business. However, a prolonged reduction in demand for automotive parts and accessories and outdoor, sporting and leisure goods across the business' key markets in Australia and New Zealand would materially adversely impact Super Retail Group's financial performance and profitability. A number of aspects of Super Retail Group's business may also be directly or indirectly affected by government, regulatory or health authority actions, work stoppages, lockdowns, quarantines, social distancing, travel restrictions and other measures associated with COVID-19 in Australia and internationally, including: disruption to Super Retail Group's supply chain and workforce, particularly availability of products and logistics (including shipping of goods), increased costs associated with social distancing, cleaning and hygiene measures at stores, distribution centres and support offices, the possibility of and government imposed shut-downs of or restrictions on the operation of stores, distribution centres and support offices which may impact the ability of Super Retail Group to supply products to customers or require discounting of stock in order to clear inventory.

There is a risk that if the duration of events surrounding COVID-19 is prolonged, Super Retail Group may need to take additional measures in order to respond appropriately.

The indirect impact of the COVID-19 pandemic on the broader economy has affected and may further affect retail activity generally and may have an adverse effect on Super Retail Group's long-term business performance and profitability. Super Retail Group's recent trading performance, as set out in the 'Group trading update' on page 10 of this Presentation, may not be sustained in future trading periods. The COVID-19 pandemic has altered and may further alter consumer behaviour (for example, it may cause a long-term shift toward online shopping or cause consumers to reduce household spending) and such changes may adversely affect Super Retail Group's financial performance.

There are also other changes in the domestic and global macroeconomic environment associated with the events relating to COVID-19 that are beyond the control of Super Retail Group and may be exacerbated in an economic recession or downturn. These include, but are not limited to:

- changes in inflation, interest rates and foreign currency exchange rates;
- changes in employment levels and labour costs;
- changes in aggregate investment and economic output; and
- other changes in economic conditions which may affect the revenue or costs of Super Retail Group.

Many of the risks highlighted in further detail below are likely to be heightened due to the impacts of the COVID-19 pandemic.

Work health and safety

While a strong emphasis is placed on the implementation of work health and safety standards, the risk of a serious injury or fatality remains possible. The occurrence of such events may have an adverse effect on the productivity, operations and reputation of Super Retail Group.

Super Retail Group is focused on the safety of its staff, customers and contractors. Super Retail Group's safety processes have been reviewed in light of COVID-19 and, where appropriate, additional processes and procedures implemented. However, there is still a risk of a COVID-19 related infection occurring at a Super Retail Group store, distribution centre or support office, which could have a negative impact on Super Retail Group's reputation, ability to supply products to customers and financial performance.

Key risks (cont.)

Changing consumer preferences and buying patterns

The markets in which Super Retail Group competes (being automotive parts and accessories and outdoor, sporting and leisure goods) are subject to changing consumer preferences and buying patterns, including as a result of new technologies and offerings from competitors (including online retail experiences), macroeconomic conditions and the impact of events such as COVID-19. These factors, including their potential to produce a structural shift to online retail, may also impact Super Retail Group's ability to successfully transition to an omni-retail model due to the pace and complexity of change and the level of dual investment required in digital offerings and the physical store network.

A shift towards online retail and delivery of products direct to consumers may be adversely impacted by continued or increased disruptions relating to COVID-19 experienced by third parties upon which Super Retail Group relies as part of its operations, particularly the third party logistics providers responsible for delivery of goods direct to consumers.

If Super Retail Group is not able to develop or access new technologies and anticipate or respond to disruptions in the markets in which Super Retail Group competes, including if there are new or improved products or retail experiences (including online retail experiences) that are, or are perceived to be, superior to those offered by Super Retail Group, then Super Retail Group may suffer a decrease in the demand for its products, which may have a material adverse impact on Super Retail Group's financial position, performance and prospects.

In addition, a significant proportion of Super Retail Group's revenues are generated from discretionary items, which are subject to rapid and occasionally unpredictable changes in customer preferences and disposable income. Misjudgements of customer preferences and failing to accurately anticipate buying patterns may also result in lower revenue and margins and could have a material adverse impact on Super Retail Group's future financial performance.

Competition

Super Retail Group operates in a competitive retail market exhibiting low barriers to entry. The growth and intensity of competition in the increasingly globalised retail market continues which means that Super Retail Group faces increased competition from existing competitors and new entrants, particularly into the Australian and New Zealand retail markets. Super Retail Group's performance and profitability could be adversely affected if the actions of competitors or potential competitors become more effective, new competitors enter the market or current economic conditions (including as a result of COVID-19) lead to significant promotional or clearance activity by competitors in financial distress, particularly if Super Retail Group is unable to respond effectively to such activity or its response is delayed.

Growth

Growth in sales and profitability of Super Retail Group is dependent upon a number of factors, including but not limited to macroeconomic conditions, the competitive environment, cost management and customer participation as well as Super Retail Group's ability to refurbish existing stores and open new stores on a profitable basis, mature new stores, appropriately select products and transition to omni-retail and meet the associated costs (including fixed lease costs). All of these factors may be impacted by the circumstances surrounding COVID-19.

Breach of industrial practices

Failure by an employer to comply with relevant employment laws, awards or enterprise agreements can lead to potential regulatory investigations or enforcement actions or other civil or criminal fines or penalties. As disclosed on 12 February 2019, Super Retail Group identified underpayments of overtime and some allowances to retail managers and other staff members, in breach of the applicable award and enterprise agreement, and self-reported the underpayments to the Fair Work Ombudsman. This followed an earlier self-disclosure to the Fair Work Ombudsman of the underpayment of overtime and some allowances to Super Retail Group's new store set up employees. Although a significant proportion of the remediation work necessitated by these underpayments has been completed, there are ongoing efforts to contact former team members and liaise with current team members in relation to their entitlements and Super Retail Group continues to liaise with the Fair Work Ombudsman in relation to the oversight and investigation of these issues. Accordingly, there is a risk of regulatory enforcement action and associated penalty payments in relation to these underpayments.

Supply chain management

The efficiency of Super Retail Group's overall supply chain is vital to Super Retail Group's ongoing success. Any disruptions, adverse changes or inefficiencies in Super Retail Group's supply chain (including as a result of COVID-19, geopolitical tensions or instability or changes in macroeconomic conditions) could have an adverse impact on Super Retail Group's ability to supply products to its customers. The supply and distribution of Super Retail Group's products (including delivery of products direct to consumers) is reliant on the effective and continued operation of third party logistics providers. These providers have experienced significant disruptions to their operations as a result of COVID-19 and, particularly if these disruptions were to continue or increase, they may have a material adverse impact on Super Retail Group's operations, customer engagement levels and financial performance. In addition, misjudgements of demand could result in overstocked or understocked inventory and/or lower gross margins as a result of markdowns. These risks could result in a material adverse impact to Super Retail Group's financial performance and profitability.

Information technology

Super Retail Group relies on various information technology systems for its business operations and to maximise efficiency, including through inventory management software, payment systems and online sales platforms. Any sustained and unplanned downtime of these systems, including as a result of cybersecurity attacks, system failures, network disruptions and other malicious or non-malicious incidents, could have a material adverse impact on Super Retail Group's ability to operate its business and consequently its reputation and financial performance.

Key risks (cont.)

Security or privacy of data

As a retailer, the protection of customer, employee, third party and company data is critical to Super Retail Group's operations. Super Retail Group has access to customer, employee and third party information, including as a result of its database of customers and online retail offerings. The legal and regulatory environment surrounding information security and privacy is increasingly complex and demanding. Customers, employees and third parties, such as suppliers, also have high expectations that Super Retail Group will adequately protect their personal information. A significant breach of customer, employee, third party or company data could attract significant media attention, damage Super Retail Group's employee, customer or supplier relationships and reputation and result in lost sales, penalties or litigation.

Brand names may diminish in reputation and value

Brand names are important assets to each of the businesses within Super Retail Group and the success of Super Retail Group is heavily reliant on its reputation and branding. Unforeseen issues or events which place Super Retail Group's reputation at risk may impact on its future growth and profitability. The reputation and value associated with these brand names could be adversely impacted by a number of factors, including failure to provide customers with the quality of product and service standards they expect, breaches of product compliance standards (including the requirement that products must be safe and fit for purpose under Australian and New Zealand Consumer Law), product recalls, misleading claims and false advertising, warranty claims, disputes or litigation with third parties such as employees, suppliers or customers, regulatory investigations or enforcement actions (including in relation to breaches of product compliance standards), a major information security breach or adverse media coverage.

Business continuity

Inadequate business continuity capability across Super Retail Group could lead to significant business disruption which may have a material adverse impact on Super Retail Group's financial performance and profitability. Existing business continuity plans may not effectively prevent or minimise disruptions, including those relating to supply, distribution, operation of physical stores, work health and safety and security of information technology systems.

Catastrophic and extreme weather events

Super Retail Group's operations (including its ability to open stores), supply chain and profitability could be materially impacted by natural disasters, extreme weather events (such as floods, drought and bushfires), acts of terrorism, pandemics (including the COVID-19 pandemic) and other catastrophic events outside of Super Retail Group's control. In addition, demand for certain products supplied by Super Retail Group could be impacted by levels of consumer participation in activities that may be affected by catastrophic or extreme weather events. There is also a risk that, with time, the frequency and intensity of natural disasters and extreme weather events may increase if climate change accelerates or worsens.

Sustainability

The sustainability of Super Retail Group's business involves maintaining and improving a number of practices including identifying issues in Super Retail Group's supply chain (including the risk of modern slavery practices), sourcing sustainable materials and packaging, fostering product compliance systems that improve product safety, promoting gender equality and reducing carbon emissions. An actual or perceived failure to adequately address sustainability-related issues may have a material adverse impact on Super Retail Group's financial performance, reputation and operations.

Domestic and global economic conditions

Super Retail Group's financial performance and profitability and the financial performance, dividends and market price of Super Retail Group shares may be materially adversely affected by a number of general risk factors, including but not limited to changes in international economic outlook, laws and regulations and governmental fiscal, monetary and regulatory policies.

In particular, the COVID-19 pandemic and the actions taken by governments to control its spread have resulted in significant global market volatility and economic uncertainty. In light of this, as well as other significant national and global events including the Australian bushfires and international political tensions, it is likely that Australia and many other countries are experiencing, or will experience, economic recessions or downturns of uncertain severity and duration. This could cause the retail environment to deteriorate as consumers reduce their level of consumption or redirect their spending to cheaper products or stores. A reduction in consumer spending or a change in spending patterns is likely to result in a reduction in Super Retail Group's revenue and may have a material adverse impact on its financial position, performance and profitability. As described in the 'Current and future funding requirements' risk below, the deterioration of global economic conditions has created, and may continue to create, uncertainty in credit markets which may also limit the availability of financing and/or increase the costs of refinancing Super Retail Group's existing debt facilities.

Current and future funding requirements

Super Retail Group's ability to service its existing and new debt, and refinance expiring debt on acceptable terms, will depend on its future performance and cash flows, which in turn will be affected by various factors, some of which are outside of Super Retail Group's control (such as changes in interest and foreign exchange rates, general economic conditions and the impact of COVID-19). Any inability to secure sufficient debt funding (including to refinance on acceptable terms) from time to time or to service its existing and new debt may have a material adverse impact on Super Retail Group's financial performance and profitability. In particular, to the extent that additional equity or debt funding is not available from time to time on acceptable terms, or at all, Super Retail Group may not be able to take advantage of acquisition and other growth opportunities, develop new ideas or respond to competitive pressures. These risks are exacerbated by the deterioration of global economic conditions as a result of the COVID-19 pandemic, and in particular the volatility of global capital markets, which may also restrict Super Retail Group's ability to access those markets and issue new debt to meet funding requirements.

Key risks (cont.)

Relationship with suppliers and trade partners

Super Retail Group relies on numerous key suppliers and trade partners in Australia, New Zealand, China and other foreign jurisdictions. Any loss of these key suppliers and trade partners or a change in their ability to perform their obligations, including as a result of financial distress, may mean Super Retail Group cannot source certain products, particularly direct sourced products, or may need to source products from alternative suppliers on new or altered trading terms. Any such change (including as a result of the COVID-19 pandemic) in Super Retail Group's relationship with its suppliers or trade partners, or in its terms of trade, could have an adverse impact on Super Retail Group's financial performance and profitability.

Approximately 30% of sales are generated by products directly imported by Super Retail Group. The concentration of Super Retail Group's suppliers in China makes Super Retail Group vulnerable to the political and economic environments in that country, including movements in the Chinese Yuan/United States dollar exchange rate and the impact of the COVID-19 pandemic (including travel restrictions), which could have a material adverse impact on Super Retail Group's ability to source products, in particular direct sourced products, at competitive prices.

Material increases in suppliers' production costs could lead to higher costs and therefore impact Super Retail Group's margins, or require Super Retail Group to source products from other locations. In this event, existing gross margins may not be able to be maintained.

In addition, any delays in lead times on orders from suppliers could impact Super Retail Group's sales.

Intellectual property rights

Super Retail Group operates in an industry that has substantial intellectual property which is protected by various mechanisms including patents, designs and trade marks. Super Retail Group's reputation and financial performance may be adversely impacted by allegations or litigation relating to infringement of intellectual property rights. In addition, Super Retail Group's ability, and the ability of its trade partners, to protect registered and unregistered intellectual property rights across various jurisdictions is important to preserving the value of its product offerings, brands and reputation and asserting or defending such rights may be costly and time-consuming.

Key personnel

Super Retail Group's financial performance and profitability may be materially adversely impacted by the loss of key senior management personnel, the inability to attract new suitably qualified personnel, any significant turnover or sustained absences of key personnel or increased compensation costs associated with attracting and retaining key personnel (in each case, including as a result of COVID-19).

Legislative and regulatory changes

There is a risk that a government agency in Australia or internationally will repeal, amend, enact or promulgate a new law, regulation or policy (including in response to the COVID-19 pandemic), or that a government authority will issue a new interpretation of a law, regulation or policy, which affects the operation of Super Retail Group's business and/or its financial performance. These laws, regulations and policies include those that relate to fair trading and consumer protection, product safety, employment, property, taxation (including goods and services taxes and stamp duty) and customs and tariffs.

Failure to comply with applicable laws, regulations and policies may result in enforcement actions, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include civil or criminal fines or penalties.

Litigation

Super Retail Group is subject to the usual business risk that disputes or litigation may arise from time to time in the course of its business activities. There is a risk that any material or costly dispute or litigation could have a material adverse impact on Super Retail Group's reputation, financial performance and profitability.

Regulatory enforcement action

Super Retail Group is required to maintain compliance with all applicable laws and regulations, including those relating to consumer protection, product quality, ethical sourcing and transport. Failure to comply with these laws and regulations could result in regulatory enforcement action and other claims which could have a material adverse impact on Super Retail Group's reputation, financial performance and profitability. Refer also to the separate risk factor outlined above under 'Breach of industrial practices'.

Operating costs

Super Retail Group's ability to remain competitive is impacted by its capacity to offer low prices, the scalability of its operations and the costs of its operating structure. If Super Retail Group is unable to effectively manage these factors, it may have a material adverse impact on Super Retail Group's margins, financial performance and profitability.

Key risks (cont.)

Property leases

Super Retail Group has a large number of leased premises. The growth prospects of Super Retail Group are partly dependent on increased contribution from existing stores, Super Retail Group's ability to continue to open and operate new stores on a profitable basis and the ability of new stores to meet financial targets. Accordingly, there may be a material adverse impact on Super Retail Group's financial performance and profitability if Super Retail Group is unable to renegotiate acceptable lease terms of existing stores when leases are due to expire and to identify suitable sites and negotiate suitable leasing terms for new stores. Furthermore, a shift towards online retail may adversely impact the profitability of Super Retail Group's physical stores which could in turn reduce Super Retail Group's margins due to fixed leasing costs.

Additionally, if in response to COVID-19, Super Retail Group's stores are closed or suffer a significant decline in revenue (in one or more of its key markets) as a result of governments imposing restrictions on the movement of their citizens and limiting non-essential services and activities, and Super Retail Group is not able to negotiate appropriate rent relief terms with its landlords, there may be a material adverse impact on Super Retail Group's financial performance and profitability.

Counterparty risk

There is a risk that counterparties may fail to meet their contractual obligations (particularly to the extent that the relevant counterparties are facing financial distress, including as a result of COVID-19) resulting in financial loss to Super Retail Group and impacting on Super Retail Group's business relationships and operations. Super Retail Group cannot guarantee that its counterparties will fulfil these obligations or that Super Retail Group will successfully manage counterparty risk. Any significant failure of counterparties to meet their obligations to Super Retail Group may materially adversely impact Super Retail Group's financial performance and profitability.

Asset impairment

Consistent with accounting standards, Super Retail Group is periodically required to assess the carrying values of its assets. Where the value of an asset is assessed to be less than its carrying value, Super Retail Group is obliged to recognise an impairment charge in its profit and loss account. Impairment charges can be significant and operate to reduce the level of a company's profits and potentially, its capacity to pay dividends.

Insurance

Although Super Retail Group maintains insurance coverage that it believes is appropriate to protect against major operating and other risks, not all risks are insured or insurable. Super Retail Group cannot be sure that adequate insurance coverage for potential losses and liabilities will be available in the future on commercially reasonable terms, and may also carry large deductibles and premiums. If Super Retail Group experiences a loss in the future, the proceeds of the applicable insurance policies, if any, may not be adequate to cover replacement costs, lost revenues, increased expenses or liabilities to third parties. This could materially adversely impact Super Retail Group's financial performance and profitability.

Taxation

Future changes in Australian taxation law, including changes in interpretation or application of the law by the courts or taxation authorities in Australia, may affect taxation treatment of an investment in Super Retail Group shares or the holding and disposal of those shares. Further, changes in tax law, or changes in the way tax law is expected to be interpreted, in the various jurisdictions in which Super Retail Group operates, may impact the future tax liabilities of Super Retail Group which, in turn, could materially adversely impact Super Retail Group's financial performance and profitability. In addition, an investment in shares involves tax considerations which may differ for each investor. Investors are encouraged to seek professional tax advice in connection with any investment in Super Retail Group.

Exchange rates

Super Retail Group is exposed to movements in exchange rates. Super Retail Group's financial statements are maintained in Australian dollars. However, a portion of Super Retail Group's income is earned in New Zealand dollars. In addition, a significant portion of Super Retail Group's products are sourced either directly or indirectly from overseas, particularly from China. Exchange rate movements affecting these currencies (including as a result of the circumstances surrounding COVID-19) may impact the profit and loss account or assets and liabilities of Super Retail Group, to the extent that the foreign exchange rate risk is not hedged or not appropriately hedged.

Interest rates

While Super Retail Group takes reasonable steps to protect itself through the use of hedges, rising interest rates may nonetheless adversely impact Super Retail Group's interest payments on its floating rate borrowings and may result in adverse impacts to its financial performance and profitability.

Changes in accounting policy

The Australian Accounting Standards Board ("AASB"). Changes to accounting standards issued by AASB could adversely affect the financial position and performance reported in Super Retail Group's financial statements.

Key risks (cont.)

General and Offer Risks

Market

There are risks associated with any investment in listed securities. The market price of listed securities such as Super Retail Group shares is affected by numerous factors. These factors include but are not limited to:

- the impact of COVID-19, or other pandemics or epidemics, and the measures taken to control their spread;
- the impact of government stimulus and other fiscal measures (such as JobKeeper) employed in response to COVID-19 and the timing and impact of when those measures cease to have effect;
- general movements in Australian and international stock markets, including market volatility;
- investor sentiment and the risk of contagion;
- Australian and international economic conditions and outlook (which have generally deteriorated in the context of COVID-19), including changes in the rate of inflation, interest rates (including potential for negative interest rates), exchange rates, commodity prices, employment levels and consumer demand;
- changes in Australian and foreign government regulation and fiscal, monetary and regulatory policies;
- loss of key personnel and delays in replacement;
- announcements of new technologies;
- geo-political instability, including international hostilities or tensions, acts of terrorism and the response to COVID-19;
- natural disasters and catastrophes, whether in global, regional or local scale;
- operating results of Super Retail Group that may vary from expectations of securities analysts and investors;
- changes in market valuations of other retail companies;
- changes in the competitive landscape including competitor store rollouts, digital investment and pricing and promotional activity; and
- future issues of Super Retail Group equity securities.

Super Retail Group shares may trade below the offer price and no assurances can be given that Super Retail Group's market performance will not be materially adversely affected by any such factors or market fluctuations. It is also possible that new risks might emerge as a result of Australian or global markets experiencing extreme stress or existing risks may manifest themselves in ways that are not currently foreseeable. There have been in recent months, and may be in the future, significant fluctuations and volatility in the prices of shares. In particular, the COVID-19 pandemic, and the continuing uncertainty as to its future impact on the Australian and global economies, has contributed to significant market falls and volatility, including on the prices of shares trading on the ASX (including the price of Super Retail Group shares) and other foreign securities exchanges, which may materially adversely impact the market price of New Shares.

There may be relatively few, or many, buyers or sellers of Super Retail Group securities on the ASX at any given time. This may increase the volatility of the market price of Super Retail Group shares. It may also affect the prevailing market price at which Super Retail Group Shareholders are able to sell their Super Retail Group shares, which may be more or less than the share price under the Offer. The composition of Super Retail Group's share register, including the holding of Super Retail Group's founding shareholder, may reduce liquidity in Super Retail Group shares.

Equity raising

UBS AG, Australia Branch (ABN 47 088 129 613) ("**UBS**") and Macquarie Capital (Australia) Limited (ABN 79 123 199 548) ("**MCAL**", together with UBS, the "**Underwriters**") will be acting as underwriters, joint lead managers and bookrunners to the Offer. Super Retail Group entered into an underwriting agreement with the Underwriters in respect of the Offer on 15 June 2020 ("**Underwriting Agreement**").

Key terms of Underwriting Agreement

The Underwriters' obligations under the Underwriting Agreement, including to manage and underwrite the Offer, are conditional on certain matters, including the timely delivery of due diligence process materials and the execution of a commitment letter by the major securityholder (and that letter not being terminated).

If certain conditions are not satisfied or certain events occur, the Underwriters may terminate the Underwriting Agreement. Termination of the Underwriting Agreement would have an adverse impact on the total amount of proceeds that could be raised under the Offer.

Key risks (cont.)

The events which may trigger termination of the Underwriting Agreement include (but are not limited to) the following:

- the ASX/S&P 200 Index falls:
 - 12.5% or more from its level at market close on the last trading day immediately preceding the date of the Underwriting Agreement (12 June 2020):
 - at any time on the announcement date of the Offer (15 June 2020); or
 - at market close on any business day prior to the settlement date of the Institutional Entitlement Offer (24 June 2020); or
 - 13.75% or more from its level at market close on the last trading day immediately preceding the date of the Underwriting Agreement (12 June 2020) at market close on the business day immediately prior to the settlement date of the Retail Entitlement Offer (9 July 2020);
- the Offer documents contain (whether by omission or otherwise) any statement which is or becomes misleading or deceptive or a matter required to be included is omitted from the Offer documents, including having regard to the Corporations Act, the ASX Listing Rules or any other applicable law or regulation;
- a cleansing notice lodged with ASX is amended or required to be amended and this does not occur in a form approved by the Underwriters acting reasonably;
- an obligation arises on Super Retail Group to give ASX a notice in accordance with section 708AA(12) of the Corporations Act (as included in the Corporations Act by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84);
- there are not, or there cease to be, reasonable grounds for any material statement or estimate in the Offer documents which relates to a future matter;
- until 4:00pm on the issue date of the Institutional Entitlement Offer (ie. 25 June 2020), the major securityholder's commitment letter is void or voidable, breached in a material respect, terminated or rescinded, or a condition precedent to which it is subject becomes impossible or unlikely to be satisfied, or the major securityholder has given a written notice to terminate the commitment letter, or prior to completion of the Offer the major securityholder makes a public statement withdrawing support for the Offer or sells shares in Super Retail Group, except in compliance with Super Retail Group's securities trading policy and with the Underwriters' consent;
- Super Retail Group or its directors or officers engage in any fraudulent conduct;
- Super Retail Group ceases to be admitted to the official list of ASX or Super Retail Group's shares are suspended from trading on, or cease to be quoted on, ASX (excluding a trading halt or suspension contemplated by the Underwriting Agreement in order to facilitate the Offer);
- ASX makes any official statement to any person, or indicates to Super Retail Group or an Underwriter that it will not grant permission for the official quotation of the shares being issued under the Offer, or the approval for the official quotation is subsequently withdrawn, qualified (other than by customary conditions) or withheld by ASX;
- ASIC or any other person applies for an order under certain provisions of the Corporations Act in respect of, or commences certain actions or investigations against Super Retail in relation to, the Offer or the Offer documents;
- in relation to debt facilities:
 - Super Retail Group breaches, or defaults under, any provision, undertaking, covenant or ratio of any material financing arrangement which has a material adverse effect on Super Retail Group; or
 - an event of default, potential event of default, review event which gives a lender or financier the right to accelerate or require repayment of the debt or financing, or other similar event occurs under or in respect of any material financing arrangement which is not promptly waived by the relevant financier and which has a material adverse effect on Super Retail Group;
- Super Retail Group fails to deliver a certificate when required to under the Underwriting Agreement;
- Super Retail Group withdraws the Offer or any part of the Offer;
- any member of Super Retail Group becomes insolvent or there is an act or omission which is likely to result in a Super Retail Group member becoming insolvent;
- there are certain delays in the timetable for the Offer;
- Super Retail Group is prevented from completing the Offer by or in accordance with the ASX Listing Rules, ASIC, ASX, any applicable laws or an order of a court or other governmental agency;
- a regulatory body withdraws, revokes or adversely amends any regulatory approvals required for Super Retail Group to perform its obligations under the Underwriting Agreement or to carry out the Offer;
- there is an event or occurrence which makes it illegal, or commercially impossible for the Underwriters to satisfy a material obligation under the Underwriting Agreement, or to market, promote or settle the Offer;
- a change in the directors or Chief Executive Officer or Chief Financial Officer of Super Retail Group occurs;
- the chief executive officer, chief financial officer or a director of Super Retail Group is charged with an indictable offence, is the subject of any public action commenced by a government agency or is disqualified from managing a corporation under certain provisions of the Corporations Act;
- a trading halt ends before the expiry of the relevant period in the timetable for the Offer without the prior written consent of the Underwriters;
- any of the Offer documents or public information or any aspect of the Offer does not comply with the Corporations Act, ASX Listing Rules, relevant ASIC instruments or any other applicable law or regulation;
- Super Retail Group or any of its members contravenes the Corporations Act, company constitution, ASX Listing Rules, any applicable laws or a requirement, order or request is made by ASIC, ASX or a government agency;
- the due diligence materials or any other information supplied by Super Retail Group to the Underwriters in relation to Super Retail Group or the Offer is misleading or deceptive, including by omission;
- there is an adverse change in the assets or liabilities, financial position or performance, profits or losses or prospects of Super Retail Group, including any adverse change in the assets or liabilities, financial position or performance, profits or losses or prospects of Super Retail Group from those disclosed in any Offer document;
- a new law is introduced, or there is a public announcement of a proposal to introduce, into the Parliament of Australia or any State or Territory, or the Reserve Bank of Australia, or any Commonwealth or State government or authority adopts or announces a proposal to adopt a new policy or restriction;
- a representation, warranty, undertaking or obligation contained in the Underwriting Agreement on the part of Super Retail Group is breached, becomes not true or correct or is not performed;

Key risks (cont.)

- the commencement of legal proceedings against Super Retail Group or any member of Super Retail Group, or any of their directors in that capacity;
- a government agency commences any enquiry or public action against Super Retail Group, any members of Super Retail Group, the chief executive officer, chief financial officer or directors of Super Retail Group, or announces that it intends to take action;
- in respect of any one or more of Australia, People's Republic of China, the United Kingdom, the United States or any member state of the European Union, any of the following occurs:
 - an outbreak or major escalation of hostilities;
 - a declaration of a new national emergency or war;
 - a major escalation of a national emergency; or
 - a significant terrorist attack.
- a statement in a certificate required under the Underwriting Agreement is misleading, inaccurate, untrue or incorrect;
- any of the following occurs:
 - a general moratorium on commercial banking activities in Australia, the United Kingdom or the United States is declared by the relevant central banking authority in those countries, or there is a material disruption in commercial banking or security settlement or clearance services in any of those countries;
 - any adverse effect on the financial markets in Australia, the United Kingdom or the United States, or in foreign exchange rates, the effect of which makes it impractical or inadvisable to proceed with the issue or enforce contracts to issue the New Shares; or
 - trading in all securities quoted or listed on ASX, the New York Stock Exchange or London Stock Exchange is suspended or limited in a material respect for 1 day (or a substantial part of 1 day) on which that exchange is open for trading, or a Level 3 "market-wide circuit breaker" is implemented by the New York Stock Exchange upon a 20% decrease against the prior day's closing price of the S&P 500 Index only.

The ability of an Underwriter to terminate the Underwriting Agreement in respect of some events will depend on whether, in the reasonable opinion of the Underwriter, the event:

- a) has or is likely to have, a materially adverse effect on the success, settlement or marketing of the Offer or on the ability of the Underwriters to market or promote or settle the Offer or the willingness of investors to subscribe for the New Shares; or
- b) will or is likely to give rise to a liability of the Underwriter under, or a contravention by the Underwriter or its affiliates of, or the Underwriter or its affiliates being involved in, a contravention of any applicable law.

For the purposes of the Underwriting Agreement, the effect of any matter on the success of the Offer is determined by assessing the likely effect of that matter on a decision of an investor to invest in the New Shares as if that decision to invest were made after the occurrence of that matter and not by considering the number and extent of applications received before the occurrence of that matter.

For details of fees payable to the Underwriters, see the Appendix 3B released to ASX on 15 June 2020.

Super Retail Group also gives certain representations, warranties and undertakings to the Underwriters and an indemnity to the Underwriters and their affiliates subject to certain carve-outs.

Dilution

If shareholders do not participate in the Offer, then their percentage shareholding in Super Retail Group will be diluted and they will not be exposed to future increases or decreases in Super Retail Group's share price in respect of those New Shares that would have been issued to them had they participated in the Offer.

Dividends

The payment of dividends on Super Retail Group's shares is impacted by a range of factors including its profitability, retained earnings, availability of franking credits, availability of cash, capital requirements, obligations under debt instruments and economic conditions more broadly. Any future dividends will be determined by the Super Retail Group Board having regard to these factors (and others), its operating results and financial position at the relevant time. Irrespective of any statements made by Super Retail Group in relation to its dividend policy and dividend payout ratio, dividends are discretionary and there is no guarantee that any dividend will be paid by Super Retail Group or, if paid, paid at previous levels.

Appendix

A

KEY RISKS

B

INTERNATIONAL OFFER RESTRICTIONS



International offer restrictions

This document does not constitute an offer of New Shares in Super Retail Group in any jurisdiction in which it would be unlawful. In particular, this document may not be distributed to any person, and the New Shares may not be offered or sold in the institutional entitlement offer, in any country outside Australia except to the extent permitted below.

Canada (British Columbia, Ontario and Quebec provinces)

This document constitutes an offering of New Shares only in the Provinces of British Columbia, Ontario and Quebec (the "**Provinces**") and to those persons to whom they may be lawfully distributed in the Provinces, and only by persons permitted to sell such New Shares. This document is not, and under no circumstances is to be construed as, an advertisement or a public offering of securities in the Provinces. This document may only be distributed in the Provinces to persons that are "accredited investors" within the meaning of NI 45-106 – *Prospectus Exemptions*, of the Canadian Securities Administrators.

No securities commission or similar authority in the Provinces has reviewed or in any way passed upon this document, the merits of the New Shares or the offering of New Shares and any representation to the contrary is an offence.

No prospectus has been, or will be, filed in the Provinces with respect to the offering of New Shares or the resale of such securities. Any person in the Provinces lawfully participating in the offer will not receive the information, legal rights or protections that would be afforded had a prospectus been filed and receipted by the securities regulator in the applicable Province. Furthermore, any resale of the New Shares in the Provinces must be made in accordance with applicable Canadian securities laws which may require resales to be made in accordance with exemptions from dealer registration and prospectus requirements. These resale restrictions may in some circumstances apply to resales of the New Shares outside Canada and, as a result, Canadian purchasers should seek legal advice prior to any resale of the New Shares.

Super Retail Group as well as its directors and officers may be located outside Canada and, as a result, it may not be possible for purchasers to effect service of process within Canada upon Super Retail Group or its directors or officers. All or a substantial portion of the assets of Super Retail Group and such persons may be located outside Canada and, as a result, it may not be possible to satisfy a judgment against Super Retail Group or such persons in Canada or to enforce a judgment obtained in Canadian courts against Super Retail Group or such persons outside Canada.

Any financial information contained in this document has been prepared in accordance with Australian Accounting Standards and also comply with International Financial Reporting Standards and interpretations issued by the International Accounting Standards Board. Unless stated otherwise, all dollar amounts contained in this document are in Australian dollars.

Statutory rights of action for damages and rescission

Securities legislation in certain of the Provinces may provide purchasers with, in addition to any other rights they may have at law, rights of rescission or to damages, or both, when an offering memorandum that is delivered to purchasers contains a misrepresentation. These rights and remedies must be exercised within prescribed time limits and are subject to the defences contained in applicable securities legislation. Prospective purchasers should refer to the applicable provisions of the securities legislation of their respective Province for the particulars of these rights or consult with a legal adviser.

The following is a summary of the statutory rights of rescission or to damages, or both, available to purchasers in Ontario. In Ontario, every purchaser of the New Shares purchased pursuant to this document (other than (a) a "Canadian financial institution" or a "Schedule III bank" (each as defined in NI 45-106), (b) the Business Development Bank of Canada or (c) a subsidiary of any person referred to in (a) or (b) above, if the person owns all the voting securities of the subsidiary, except the voting securities required by law to be owned by the directors of that subsidiary) shall have a statutory right of action for damages and/or rescission against Super Retail Group if this document or any amendment thereto contains a misrepresentation. If a purchaser elects to exercise the right of action for rescission, the purchaser will have no right of action for damages against Super Retail Group. This right of action for rescission or damages is in addition to and without derogation from any other right the purchaser may have at law. In particular, Section 130.1 of the Securities Act (Ontario) provides that, if this document contains a misrepresentation, a purchaser who purchases the New Shares during the period of distribution shall be deemed to have relied on the misrepresentation if it was a misrepresentation at the time of purchase and has a right of action for damages or, alternatively, may elect to exercise a right of rescission against Super Retail Group, provided that (a) Super Retail Group will not be liable if it proves that the purchaser purchased the New Shares with knowledge of the misrepresentation; (b) in an action for damages, Super Retail Group is not liable for all or any portion of the damages that Super Retail Group proves does not represent the depreciation in value of the New Shares as a result of the misrepresentation relied upon; and (c) in no case shall the amount recoverable exceed the price at which the New Shares were offered.

Section 138 of the *Securities Act* (Ontario) provides that no action shall be commenced to enforce these rights more than (a) in the case of any action for rescission, 180 days after the date of the transaction that gave rise to the cause of action or (b) in the case of any action, other than an action for rescission, the earlier of (i) 180 days after the purchaser first had knowledge of the fact giving rise to the cause of action or (ii) three years after the date of the transaction that gave rise to the cause of action. These rights are in addition to and not in derogation from any other right the purchaser may have.

Certain Canadian income tax considerations. Prospective purchasers of the New Shares should consult their own tax adviser with respect to any taxes payable in connection with the acquisition, holding or disposition of the New Shares as any discussion of taxation related matters in this document is not a comprehensive description and there are a number of substantive Canadian tax compliance requirements for investors in the Provinces.

International offer restrictions (cont.)

Language of documents in Canada. Upon receipt of this document, each investor in Canada hereby confirms that it has expressly requested that all documents evidencing or relating in any way to the sale of the New Shares (including for greater certainty any purchase confirmation or any notice) be drawn up in the English language only. *Par la réception de ce document, chaque investisseur canadien confirme par les présentes qu'il a expressément exigé que tous les documents faisant foi ou se rapportant de quelque manière que ce soit à la vente des valeurs mobilières décrites aux présentes (incluant, pour plus de certitude, toute confirmation d'achat ou tout avis) soient rédigés en anglais seulement.*

European Union

This document has not been, and will not be, registered with or approved by any securities regulator in the European Union. Accordingly, this document may not be made available, nor may the New Shares be offered for sale, in the European Union except in circumstances that do not require a prospectus under Article 1(4) of Regulation (EU) 2017/1129 of the European Parliament and the Council of the European Union (the "**Prospectus Regulation**").

In accordance with Article 1(4)(a) of the Prospectus Regulation, an offer of New Shares in the European Union is limited to persons who are "qualified investors" (as defined in Article 2(e) of the Prospectus Regulation).

Hong Kong

WARNING: This document has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the "**SFO**"). No action has been taken in Hong Kong to authorise or register this document or to permit the distribution of this document or any documents issued in connection with it. Accordingly, the New Shares have not been and will not be offered or sold in Hong Kong other than to "professional investors" (as defined in the SFO and any rules made under that ordinance).

No advertisement, invitation or document relating to the New Shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to New Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors. No person allotted New Shares may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

Malaysia

This document may not be distributed or made available in Malaysia. No approval from, or recognition by, the Securities Commission of Malaysia has been or will be obtained in relation to any offer of New Shares. The New Shares may not be offered, sold or issued in Malaysia except pursuant to, and to persons prescribed under, Schedules 5 and 6 of the Malaysian Capital Markets and Services Act.

New Zealand

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (the "**FMC Act**").

The New Shares are not being offered to the public within New Zealand other than to existing shareholders of Super Retail Group with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the FMC Act and the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016.

Other than in the entitlement offer, the New Shares may only be offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) to a person who:

- 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.

Norway

This document has not been approved by, or registered with, any Norwegian securities regulator under the Norwegian Securities Trading Act of 29 June 2007 no. 75. Accordingly, this document shall not be deemed to constitute an offer to the public in Norway within the meaning of the Norwegian Securities Trading Act. The New Shares may not be offered or sold, directly or indirectly, in Norway except to "professional clients" (as defined in the Norwegian Securities Trading Act).

International offer restrictions (cont.)

Singapore

This document and any other materials relating to the New Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this document and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of New Shares, may not be issued, circulated or distributed, nor may the New Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part XIII of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

This document has been given to you on the basis that you are (i) an existing holder of Super Retail Group'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 document immediately. You may not forward or circulate this document 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.

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.

Neither this document nor any other offering or marketing material relating to the New Shares may be publicly distributed or otherwise made publicly available in Switzerland. The New Shares will only be offered to investors who qualify as "professional clients" (as defined in the Swiss Financial Services Act). This document is personal to the recipient and not for general circulation in Switzerland.

No offering or marketing material relating to the New Shares has been, nor will be, filed with or approved by any Swiss regulatory authority or authorised review body. In particular, this document will not be filed with, and the offer of New Shares will not be supervised by, the Swiss Financial Market Supervisory Authority (FINMA).

United Arab Emirates

This document does not constitute a public offer of securities in the United Arab Emirates and the New Shares may not be offered or sold, directly or indirectly, to the public in the UAE. Neither this document nor the New Shares have been approved by the Securities and Commodities Authority ("SCA") or any other authority in the UAE.

This document may be distributed in the UAE only to "qualified investors" (as defined in the SCA Board of Directors' Chairman Decision No. 37 RM of 2019, as amended) and may not be provided to any person other than the original recipient. No marketing of the New Shares has been, or will be, made from within the UAE other than in compliance with the laws of the UAE and no subscription for any securities may be consummated within the UAE.

No offer or invitation to subscribe for New Shares is valid, or permitted from any person, in the Abu Dhabi Global Market or the Dubai International Financial Centre.

United Kingdom

Neither this document nor any other document relating to the offer has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended ("FSMA")) has been published or is intended to be published in respect of the New Shares.

The New Shares may not be offered or sold in the United Kingdom by means of this document or any other document, except in circumstances that do not require the publication of a prospectus under section 86(1) of the FSMA. This document is issued on a confidential basis in the United Kingdom to "qualified investors" (within the meaning of Article 2(e) of the Prospectus Regulation (2017/1129/EU), replacing section 86(7) of the FSMA). This document may not be distributed or reproduced, in whole or in part, nor may its contents be disclosed by recipients, to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received in connection with the issue or sale of the New Shares has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of the FSMA does not apply to Super Retail Group.

In the United Kingdom, this document 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 investment to which this document relates is available only to relevant persons. Any person who is not a relevant person should not act or rely on this document.