CIMIC

CIMIC Group Limited
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26 October 2021

ASX Market Announcements
ASX Limited
Level 4
20 Bridge Street
SYDNEY NSW 2000

VENTIA PROSPECTUS AND CIMIC SHAREHOLDER OFFER

CIMIC Group Limited (**CIMIC**) refers to the attached prospectus for the potential initial public offering (**IPO**) of ordinary shares in Ventia Services Group Limited (**Ventia**) by Ventia and Ventia SaleCo Limited (**SaleCo**), and listing of Ventia on the Australian Securities Exchange and New Zealand Stock Exchange.

Contained within the prospectus is information on the opportunity for eligible CIMIC shareholders to acquire Ventia shares as part of the IPO (**CIMIC Shareholder Offer**).

Eligible CIMIC shareholders (see the definition of "Eligible CIMIC Group Limited Shareholders" in the prospectus) who wish to acquire Ventia shares as part of the IPO should consider the prospectus and must apply in accordance with the instructions in the prospectus.

In order to obtain a prospectus, you can call the Ventia Offer Information Line on 1300 140 281 (within Australia) or 0800 453 521 (within New Zealand) or +61 3 9415 4015 (outside Australia) from 8.30am to 5.30pm (Sydney time), Monday to Friday or download a copy at www.ventiaipo.com. Letters and emails will also be sent to eligible CIMIC shareholders alerting them to this opportunity.

The prospectus has been lodged with the Australian Securities and Investments Commission (**ASIC**) today by Ventia and SaleCo. Applications can only be made under the prospectus after the end of the exposure period (which is expected to be 3 November 2021, unless extended by ASIC).

The IPO can be withdrawn at any time and there is no assurance that it will proceed. CIMIC will update the market on the outcome of the IPO.

Ventia is an investment partnership between CIMIC and funds managed by affiliates of Apollo Global Management, with each owning 47.1%.

Sincerely,

CIMIC GROUP LIMITED
T +61 2 9925 6666
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Authorised by the CIMIC Group Continuous Disclosure Committee

Important notice

This document does not contain or constitute an offer or invitation to purchase or subscribe for any shares in Ventia in any jurisdiction including the United States and should not be relied on in connection with any decision to purchase or subscribe for any such shares.

A prospectus in relation to the IPO has been lodged with ASIC, and any person wishing to acquire Ventia shares should consider the prospectus and must use the application form in or accompanying the prospectus. Application forms will only be made available with the prospectus after the expiry of the exposure period (referred to above).

The provision of this announcement is not, and should not be considered as, financial product advice. The information in this announcement is general information only, and does not take into account your individual objectives, taxation position, financial situation or needs. If you are unsure of your position, please contact your accountant, tax advisor, stockbroker or other professional advisor.

This announcement contains certain "forward-looking statements". Forward-looking statements are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance.

CIMIC Group, together with its related bodies corporate (other than Ventia), shareholders and affiliates and each of their respective officers, directors, employees, partners, consultants, contractors, affiliates, agents and advisers (each a **CIMIC Party**) have not authorised, permitted or caused the issue or lodgement, submission, dispatch or provision of the prospectus, and do not make or purport to make any statement in the prospectus, and there is no statement in the prospectus which is based on any statement made by a CIMIC Party. To the maximum extent permitted by law, each CIMIC Party expressly disclaims any and all liabilities (including, without limitation, any liability arising out of fault or negligence for any direct, indirect, consequential or contingent loss or damage) in respect of, and makes no representations or warranties (express or implied) regarding, and takes no responsibility for, and has not independently verified, any part of the prospectus or the IPO and makes no representation or warranty as to the currency, accuracy, reliability, completeness or fairness of the prospectus. The CIMIC Parties make no recommendations as to whether any person should participate in the IPO nor do they make any representations or warranties to any person concerning the IPO, and they further expressly disclaim that they are in a fiduciary relationship with any recipient of the prospectus.

ventia

PROSPECTUS

Initial Public Offering of Shares

Joint Lead Managers

Barrenjoey | J.P.Morgan | MACQUARIE

IMPORTANT NOTICES AND DISCLAIMER

The Offer

The Offer contained in this prospectus (**Prospectus**) is an invitation by Ventia Services Group Limited (ABN 53 603 253 541) (**Ventia** or the **Company**) to acquire fully paid ordinary shares (**Shares**). The Prospectus is issued by the Company and Ventia SaleCo Limited (ACN 654 078 878) (**SaleCo**) for the purposes of Chapter 6D of the *Corporations Act 2001* (Cth) (**Corporations Act**). See Section 7 for further information on the Offer, including details of the securities that will be issued and transferred under this Prospectus.

Lodgement and Listing

The Prospectus is dated 26 October 2021 and was lodged with the Australian Securities and Investments Commission (**ASIC**) on that date. The Company will apply to the Australian Securities Exchange (**ASX**) for its admission to the Official List and quotation of Shares on ASX. The Company will also apply for listing with NZX as a foreign exempt issuer and for quotation of the Shares on the NZX Main Board. None of ASIC, the ASX, NZX or their respective officers take any responsibility for the contents of the Prospectus or the merits of the investment to which the Prospectus relates.

Expiry Date

This Prospectus expires on the date that is 13 months after the Prospectus Date (**Expiry Date**) and no Shares will be issued on the basis of this Prospectus after the Expiry Date.

Note to Applicants

The Offer contained in the Prospectus is not investment or financial product advice and does not take into account the investment objectives, financial position and particular needs of individual investors.

It is important that you read the Prospectus carefully and in its entirety before deciding to invest in Ventia.

In particular, you should consider the basis of preparation of the Financial Information and the best estimate assumptions underlying the Forecast Financial Information (see Section 4) and the risk factors (see Section 5) that could affect the business, operational and financial performance, and financial condition of Ventia. You should carefully consider these risks in light of your personal circumstances and seek professional advice from your accountant, tax adviser, stockbroker, lawyer or other professional adviser before deciding to invest. Some of the key risk factors that should be considered by prospective investors are set out in Section 5 of the Prospectus. There may be risk factors in addition to these that should be considered in light of your personal circumstances.

Except as required by law, and only to the extent required, no person named in the Prospectus, nor any other person, guarantees the performance of Ventia, the repayment of capital or the payment of a return on the Shares.

No person is authorised to give any information or make any representation in connection with the Offer which is not contained in the Prospectus. Any information or representation not so contained may not be relied on as having been authorised by Ventia, or any other person in connection with the Offer. You should rely only on information contained in the Prospectus when deciding whether to invest in Ventia.

Barrenjoey Advisory Pty Limited, J.P. Morgan Securities Australia Limited and Macquarie Capital (Australia) Limited have acted as joint lead managers (**Joint Lead Managers**) to the Offer, Bell Potter Securities Limited, Morgans Financial Limited and Forsyth Barr Limited acted as Co-Lead Managers to the Offer and Crestone Wealth Management Limited and National Australia Bank Limited have acted as Co-Managers to the Offer. None of these parties, together with their related bodies corporate, shareholders or affiliates, agents and advisers (each a **Limited Party**) has authorised, permitted or caused the issue or lodgement, submission, dispatch or provision of this Prospectus and there is no statement in this Prospectus which is based on any statement made by any of them. To the maximum extent permitted by law, the Joint Lead Managers, Co-Lead Managers and Co-Managers (**Limited Parties**) expressly disclaim all liabilities (whether in fault, negligence or otherwise and including, without limitation, any liability arising out of direct, indirect, consequential or contingent loss or damage) in respect of, make no representations regarding, and take no responsibility for, any part of the Offer or this Prospectus other than references to their respective names and have not verified and make no representation or warranty, express or implied, as to the fairness, currency, accuracy, reliability, correctness or completeness of this Prospectus or any of the information, opinions and conclusions contained in it. The Joint Lead Managers, Co-Lead Managers and Co-Managers and each of their respective Limited Parties make no recommendations as to whether you or your related parties should participate in the Offer nor do they make any representations or warranties to you concerning the Offer, and by making an Application you represent, warrant and agree that you have not relied on any statements made by a Limited Party in relation to the Offer and you further expressly disclaim that you are in a fiduciary relationship with any of them.

The Limited Parties are full service financial institutions engaged in various activities, which may include trading, financial advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services including for which they have received or may receive customary fees and expenses or other transaction consideration. In the course of these activities, the Limited Parties and their respective affiliates may at any time for their own account and for the accounts of their clients make or hold investments in equity securities or other financial products of Ventia or its affiliates, and receive customary fees and expenses or other transaction consideration in respect of such activities.

As set out in Section 7 of the Prospectus, it is expected that the Shares will be quoted on the ASX and on the NZX Main Board, initially on a conditional and deferred settlement basis. Ventia, SaleCo, the Registry, the Joint Lead Managers, the Co-Lead Managers and the Co-Managers each disclaim all liability, whether in fault, negligence or otherwise, to persons who trade Shares before receiving their holding statement, or allotment confirmation notice, even if such person received confirmation of their allocation from the Offer Information Line or confirmed their firm allocation through a Broker.

Exposure Period

The *Corporations Act 2001* (Cth) (**Corporations Act**) prohibits Ventia from processing Applications in the seven-day period after the date of lodgement of the Prospectus (**Exposure Period**).

The Exposure Period may be extended by ASIC by up to a further seven days (i.e. up to a total of 14 days). The Exposure Period enables the Prospectus to be examined by market participants prior to the raising of funds. The examination may result in the identification of deficiencies in the Prospectus.

Cover image:
Perth, WA

Applications received during the Exposure Period will not be processed until after the expiry of the Exposure Period. No preference will be conferred on Applications received during the Exposure Period.

No cooling-off rights

Cooling-off rights do not apply to an investment in Shares issued under this Prospectus. This means that, in most circumstances, you cannot withdraw your Application once it has been accepted.

Obtaining a copy of this Prospectus

During the Exposure Period, an electronic version of this Prospectus without an Application Form will be available at www.ventiaipo.com to persons who are Australian and New Zealand residents only. Application Forms will not be made available until after the Exposure Period has expired.

During the Retail Offer Period, this Prospectus is available in electronic form at www.ventiaipo.com. The Offer constituted by this Prospectus in electronic form at www.ventiaipo.com is available only to persons within Australia and New Zealand. The Prospectus is not available to persons in other jurisdictions (including the United States) in which it may not be lawful to make such an invitation or offer. If you access the electronic version of this Prospectus, you should ensure that you download and read the Prospectus in its entirety.

You may before the Retail Offer Period closes, obtain a paper copy of the Prospectus (free of charge) by telephoning the Offer Information Line on 1300 140 281 (within Australia) or 0800 453 521 (within New Zealand) or +61 3 9415 4015 (outside Australia and New Zealand) from 8.30am to 5.30pm (Sydney time), Monday to Friday during the Retail Offer Period.

Applications for Shares may only be made during the Retail Offer Period on an Application Form attached to or accompanying this Prospectus.

The Corporations Act prohibits any person from passing the Application Form on to another person unless it is attached to a paper copy of the Prospectus or the complete and unaltered electronic version of the Prospectus.

Refer to Section 9 for further information.

Statements of past performance

This Prospectus includes information regarding the past performance of Ventia. Investors should be aware that past performance should not be relied upon as being indicative of future performance.

Past performance is not necessarily a guide to future performance and no representation or warranty is made by any person as to the likelihood of achievement or reasonableness of any forward-looking statements, forecast financial information in Section 4 or other forecast. Nothing contained in this Prospectus nor any information made available to you is, or shall be relied upon as, a promise, representation, warranty or guarantee as to the past, present or the future performance of the Company.

Financial Information presentation

Section 4 sets out the detail of the Financial Information referred to in this Prospectus. The basis of preparation and presentation of the Financial Information in this Prospectus is set out in Section 4.2.

All references to CY2018, CY2019, CY2020, CY2021F and CY2022F appearing in this Prospectus are to the financial years ended or ending 31 December 2018, 31 December 2019, 31 December 2020, 31 December 2021 and 31 December 2022, respectively, unless otherwise indicated. All references to H1CY2020 and H1CY2021 appearing in this Prospectus are to the financial half years ended 30 June 2020 and 30 June 2021, respectively, unless otherwise indicated.

The Financial Information has been prepared and presented in accordance with the recognition and measurement principles of Australian Accounting Standards (**AAS**) (including the Australian Accounting Interpretations) issued by the Australian Accounting Standards Board (**AASB**), which are consistent with International Financial Reporting Standards (**IFRS**) and Interpretations issued by the International Accounting Standards Board (**IASB**). The Financial Information is presented in an abbreviated form insofar as it does not include all disclosures, statements and comparative information as required by AAS and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the Corporations Act. The Financial Information should be read in conjunction with, and is qualified by reference to, the information contained in Sections 4 and 5.

The Historical Financial Information is presented on both a statutory and pro forma basis. Unless otherwise stated, all pro forma data in this Prospectus gives effect to the pro forma adjustments referred to in Section 4. Unless otherwise specified all information in Sections 1-4 is presented on a pro forma basis.

The Prospectus also includes Forecast Financial Information based on the best estimate assumptions of the Board. The basis of preparation and presentation of the Forecast Financial Information, to the extent applicable, is consistent with the basis of preparation and presentation for the Historical Financial Information. The Forecast Financial Information presented in this Prospectus is presented on both a statutory and pro forma basis and is unaudited.

Investors should note that certain financial data included in the Prospectus is not recognised under the AAS and is classified as 'non-IFRS financial information' under Regulatory Guide 230 'Disclosing non-IFRS financial information' published by ASIC. Ventia believes that this non-IFRS financial information provides useful information to users in measuring the financial performance and condition of Ventia.

The non-IFRS financial measures do not have standardised meanings under the AAS and therefore may not be comparable to similarly titled measures presented by other entities, nor should they be interpreted as an alternative to other financial measures determined in accordance with the AAS. Investors are cautioned therefore not to place undue reliance on any non-IFRS financial information and ratios included in this Prospectus.

All financial amounts contained in this Prospectus are expressed in Australian dollars, unless otherwise stated. Any discrepancies between totals and sums of components in tables contained in this Prospectus are due to rounding.

Investigating Accountant's Report on Financial Information and financial services guide

The provider of the Investigating Accountant's Reports on the Historical Financial Information and Forecast Financial Information is required to provide Australian retail clients with a financial services guide in relation to the review under the Corporations Act. The Investigating Accountant's Reports and accompanying financial services guide are provided in Section 8.

Forward-looking statements

This Prospectus contains certain forward-looking statements and comments about future events, including the Company's expectations about the performance of the Company's business, growth strategy and the forecast financial information in Section 8 of the Prospectus, as well as expected trends in the industry sectors in which the Company currently operates, and estimates and forecasts of the Company's potential total addressable market and market share. 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' and other similar expressions within the meaning of securities laws of applicable jurisdictions. Indications of, and guidance or outlook on, future earnings or financial position or performance are also forward-looking statements.

Any forward-looking statements provided in this Prospectus are based on certain assumptions and contingencies which are subject to change without notice, which are based on interpretations of current market conditions and potential opportunities. Forward-looking statements also involve inherent risks and uncertainties, both general and specific, and there is a risk that such predictions, forecasts, projections and other forward-looking statements will not be achieved. A number of important factors could cause the Company's actual results to differ materially from the plans, objectives, expectations, estimates and intentions expressed in such forward-looking statements, including those set forth in Section 5 of this Prospectus, and many of these factors are beyond the Company's control. In particular, potential investors are strongly cautioned not to place reliance on past performance or forward-looking statements, particularly in light of the current economic uncertainties and disruption caused by the outbreak of COVID-19. A number of important factors could cause the Company's actual results to differ materially from the plans, objectives, expectations, estimates and intentions expressed in such forward-looking statements, including (but not limited to) the risks and uncertainties related to the ongoing impact of COVID-19, the Australian and global economic environment, market conditions and the impact of regulation. Forward-looking statements are provided as a general guide only, and should not be relied on as an indication or guarantee of future performance and involve known and unknown risks, uncertainties and other factors, many of which are outside the control of the Company. As such, undue reliance should not be placed on any forward-looking statements.

Forward-looking statements should be read in conjunction with the risk factors set out in Section 5 of this Prospectus, the assumptions contained in the Financial Information set out in Section 4 and other information in the Prospectus.

No offering where offering would be illegal

The Prospectus does not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation. No action has been taken to register or qualify the Shares or the Offer, or to otherwise permit a public offering of Shares, in any jurisdiction outside Australia and New Zealand.

The distribution of the Prospectus outside Australia and New Zealand (including electronically) may be restricted by law and persons who come into possession of the Prospectus outside Australia and New Zealand should seek advice and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. For details of selling restrictions that apply to the Shares in certain jurisdictions outside of Australia and New Zealand, please refer to Section 9.

This Prospectus may not be distributed to, or relied upon by, persons in the United States, unless accompanied by the US Institutional Offering Memorandum as part of the Institutional Offer. The Shares being offered pursuant to this Prospectus have not been, and will not be, registered under the US Securities Act or any securities laws of any state or other jurisdiction in the United States and may not be offered or sold in the United States except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act and any other applicable securities laws of any state or other jurisdiction of the United States.

The Offer is not being extended to any investor outside of Australia and New Zealand, other than to certain Institutional Investors as part of the Institutional Offer.

Please refer to Section 9 of the Prospectus for more detail on selling restrictions that apply to the Offer and the sale of Shares in jurisdictions outside of Australia and New Zealand.

Privacy

By filling out the Application Form to apply for Shares, you are providing personal information to Ventia through Ventia's service provider, Computershare Investor Services Pty Limited ABN 48 078 279 277 (**Registry**), which is contracted to manage Applications.

Ventia, and the Registry on its behalf, may collect, hold and use that personal information in order to process your Application, service your needs as a Securityholder, provide facilities and services that you request and carry out appropriate administration. Some of this personal information is collected as required or authorised by certain laws including the *Income Tax Assessment Act 1997* (Cth) and the Corporations Act.

If you do not provide the information requested in the Application Form, Ventia and the Registry may not be able to process or accept your Application.

Your personal information may also be used from time to time to inform you about other products and services offered by Ventia and its group companies, which it considers may be of interest to you.

Your personal information may also be provided to Ventia's members, agents and service providers on the basis that they deal with such information in accordance with Ventia's privacy policy. The members, agents and service providers of Ventia may be located outside Australia and New Zealand where your personal information may not receive the same level of protection as that afforded under Australian and New Zealand law. The types of agents and service providers that may be provided with your personal information and the circumstances in which your personal information may be shared are:

- the Registry for ongoing administration of the register of members;
- printers and other companies for the purpose of preparation and distribution of statements and for handling mail;
- market research companies for the purpose of analysing the Securityholder base and for product development and planning; and
- legal and accounting firms, auditors, contractors, consultants and other advisers for the purpose of administering, and advising on, the Shares and for associated actions.

If an Applicant becomes a Securityholder, the Corporations Act requires Ventia to include information about the Securityholder (including name, address and details of the Shares held) in its public register of members. If you do not provide all the information requested, your Application may not be able to be processed.

The information contained in Ventia's register of members must remain there even if that person ceases to be a Securityholder.

Information contained in Ventia's register of members is also used to facilitate dividend payments and corporate communications (including Ventia's financial results, annual reports and other information that Ventia may wish to communicate to its Securityholders) and compliance by Ventia with legal and regulatory requirements. An Applicant has a right to gain access to the information that Ventia and the Registry hold about that person, subject to certain exemptions under law. A fee may be charged for access. Access requests must be made in writing or by telephone call to Ventia's registered office or the Registry's office, details of which are disclosed in the Corporate Directory on the inside back cover of the Prospectus.

Applicants can obtain a copy of Ventia's Privacy Statement by visiting Ventia's website https://www.ventia.com/documents/downloads/114/Ventia_Privacy_Statement.pdf.

Photographs and diagrams

Photographs used in this Prospectus which do not have descriptions are for illustration only and should not be interpreted to mean that any person shown endorses this Prospectus or its contents or that the assets shown in them are owned by Ventia. Diagrams used in this Prospectus are illustrative only and may not be drawn to scale. Unless otherwise stated, all data contained in charts, graphs and tables is based on information available at the Prospectus Date.

Website

Ventia maintains a website at www.ventia.com.

Any references to documents included on Ventia's website are for convenience only, and information contained in or otherwise accessible through this or a related website is not a part of this Prospectus.

Applications

Applications may be made only during the Retail Offer Period (as applicable) on the appropriate Application Form attached to, or accompanying, this Prospectus in its paper copy form or in its electronic form which must be downloaded in its entirety from www.ventiaipo.com.

By making an Application, you represent and warrant that you were given access to this Prospectus, together with an Application Form.

The Corporations Act prohibits any person from passing on to another person the Application Form unless it is attached to, or accompanied by, the complete and unaltered version of this Prospectus.

Glossary

Certain terms and abbreviations used in the Prospectus have defined meanings which are explained in the Glossary in Appendix 3. Unless otherwise stated or implied, reference to times in this Prospectus are to the time in Sydney, Australia.

Questions

Instructions on how to apply for Shares are set out in Section 7 of this Prospectus and on the back of the provided Application Form.

If you have any questions about how to apply for Shares, please call your Broker (in relation to the Broker Firm Offer). Alternatively, call the Offer Information Line on 1300 140 281 (within Australia) or 0800 453 521 (within New Zealand) or +61 3 9415 4015 (outside Australia and New Zealand) from 8.30am to 5.30pm (Sydney time), Monday to Friday.

Important notice to New Zealand investors

This Offer to New Zealand investors is a regulated offer made under Australian and New Zealand law. In Australia, this is Chapter 8 of the *Corporations Act 2001* (Aust) and regulations made under that Act. In New Zealand, this is subpart 6 of Part 9 of the Financial Markets Conduct Act 2013 and Part 9 of the Financial Markets Conduct Regulations 2014.

This Offer and the content of the Offer document are principally governed by Australian rather than New Zealand law. In the main, the *Corporations Act 2001* (Aust) and the regulations made under that Act set out how the Offer must be made.

There are differences in how financial products are regulated under Australian law. For example, the disclosure of fees for managed investment schemes is different under the Australian regime.

The rights, remedies and compensation arrangements available to New Zealand investors in Australian financial products may differ from the rights, remedies, and compensation arrangements for New Zealand financial products.

Both the Australian and New Zealand financial markets regulators have enforcement responsibilities in relation to this Offer. If you need to make a complaint about this Offer, please contact the Financial Markets Authority, New Zealand (http://www.fma.govt.nz). The Australian and New Zealand regulators will work together to settle your complaint.

The taxation treatment of Australian financial products is not the same as for New Zealand financial products.

If you are uncertain about whether this investment is appropriate for you, you should seek the advice of a financial advice provider.

The Offer may involve a currency exchange risk. The currency for the financial products is not New Zealand dollars. The value of the financial products will go up or down according to changes in the exchange rate between that currency and New Zealand dollars. These changes may be significant.

If you expect the financial products to pay any amounts in a currency that is not New Zealand dollars, you may incur significant fees in having the funds credited to a bank account in New Zealand in New Zealand dollars.

If the financial products are able to be traded on a financial product market and you wish to trade the financial products through that market, you will have to make arrangements for a participant in that market to sell the financial products on your behalf. If the financial product market does not operate in New Zealand, the way in which the market operates, the regulation of participants in that market, and the information available to you about the financial products and trading may differ from financial product markets that operate in New Zealand.

A copy of this Prospectus, other documents relating to the Offer and a copy of the Constitution have been, or will be, lodged with the New Zealand Companies Office and are, or will be, available at www.business.govt.nz/disclose (Offer number, OFR13196). In addition to the Company applying to the ASX for admission to the Official List and quotation of the Shares on ASX, the Company will also apply for listing with the NZX as a foreign exempt issuer and for quotation of the Shares on the NZX Main Board.

Cautionary note regarding industry and market data

This Prospectus, including the Industry Overview in Section 2 and the Company Overview in Section 3, contains statistics, data and other information (including forecasts and projections) relating to: (i) markets, market sizes, market shares, market and other industry data; and (ii) macroeconomic trends and other data, in each case pertaining to the Company's business and the markets in which the Company operates (**Market Data**).

The Company engaged BIS Oxford Economics to prepare an industry report (**Industry Report**) that covered market drivers, the estimated addressable market size of Maintenance Services, the outlook for each industry segment that Ventia operates in and Ventia's estimated market share. In order to enable potential investors to assess the reasonableness of the estimates of the total addressable market and the assumptions underlying these estimates, a description of the way BIS Oxford Economics calculated these estimates is set out in Appendix 1 to this Prospectus. Throughout the Industry Report, the total estimated addressable market refers to the outsourced component of the Maintenance Services market, which BIS Oxford Economics defined with the assistance of Ventia, as described in Appendix 1.

The Industry Report is dated 17 August 2021 and reflects the information available to BIS Oxford Economics as of that date. It has not been updated for information arising after that date, including subsequent market and trading conditions and government policy changes, including in relation to the current lockdowns (and the extensions of lockdowns) in Australia and New Zealand as a result of COVID-19 outbreaks. As at the Prospectus Date, the Company does not believe that these developments will result in a material change to the expected industry segment growth rates and market sizes as reflected in the Industry Report for FY21 to FY25.

Investors should note that all references to FY18, FY19, FY20, FY21F, FY22F, FY23F, FY24F and FY25F appearing in the Industry Report are to the financial years ended or ending 30 June 2018, 30 June 2019, 30 June 2020, 30 June 2021, 30 June 2022, 30 June 2023, 30 June 2024 and 30 June 2025 respectively.

Because Ventia's fiscal year ends on 31 December of each year, in order to derive Ventia's market share information for FY21 on a consistent basis with the BIS estimates of addressable markets in the Industry Report, Ventia has adjusted its revenue data from its financial statements to a 30 June 2021 basis; Ventia has subtracted its revenue from its financial statements for the six months ended 30 June 2020 (which financial statements are unaudited but have been subject to review) from its revenue from its financial statements for the year ended 31 December 2020 (which financial statements have been audited), to derive Ventia revenue for the six months ended 31 December 2020. This has then been added to Ventia's revenue from its financial statements for the six months ended 30 June 2021 to derive Ventia's revenue for the 12 months ended 30 June 2021.

The Industry Report is based on BIS Oxford Economics proprietary data which has been developed with reference to a number of sources as summarised in Appendix 1. Some of the analysis contained in the Industry Report, including market share estimates, was supported by internal financial and operational information supplied to BIS Oxford Economics by or on behalf of the Company. While the Industry Report provides that the views, opinions, forecasts and information contained in the report are based on information reasonably believed by BIS Oxford Economics in good faith to be reliable, BIS Oxford Economics has not independently verified or audited the information or material provided to it by or on behalf of the Company. See Appendix 1 for further information.

In addition, the Company has not independently verified, and cannot give any assurances as to the accuracy and completeness of, the market and industry data contained in this Prospectus that has been extracted or derived from the Industry Report. Accordingly, the accuracy and completeness of such information is not guaranteed. There is no assurance that any of the forecasts or projections contained in the Industry Report which are referred to in this Prospectus will be achieved.

The Industry Report includes or is otherwise based on information BIS Oxford Economics obtained from: (a) forecasts from BIS Oxford Economics' proprietary datasets; contract data; industry reports; (b) publicly available information; and other information publicly released by corporations and government departments. BIS Oxford Economics has not independently verified or audited this information or any information provided by or on behalf of the Company. Accordingly, the accuracy and completeness of such information is not guaranteed. The information from the Industry Report has been accurately reproduced and, as far as the Company is aware, no facts have been omitted that would render the information provided inaccurate or misleading.

Investors should note that market data and statistics are inherently predictive and subject to uncertainty and not necessarily reflective of actual market conditions. There is no assurance that any of the forecasts contained in reports and research of third parties which are referred to in this Prospectus will be achieved. In addition, none of the Company, the Directors or the Joint Lead Managers can assure you as to the accuracy or the reliability of the underlying assumptions used to estimate such industry data and third party market data. Forecasts and estimates involve risks and uncertainties and are subject to change based on various factors, including the risk factors in Section 5.

Moreover, in any disclosure that contains projections as to market size estimates, the Company has given due regard to the latest available industry sources that are publicly available, including those that assess the impact of the COVID-19 pandemic lockdowns and restrictions on movement, government stimulus and changing fiscal policy on market volumes and pricing. It should be noted, however, that such information is produced at a point in time, and may not fully reflect the longer-term impact of COVID-19, the recent lockdowns and restrictions on movement in Australia and New Zealand as a result of the recent outbreak of the COVID-19 Delta variant, government stimulus packages or recent changes in policy that were introduced or that may be introduced in response to COVID-19. In light of the ongoing uncertainty in respect of the impact of COVID-19, investors are cautioned not to place undue reliance on industry estimates, forecasts and projections.

Contents

Edinburgh, SA

IMPORTANT INFORMATION

Key Offer Dates

Prospectus date	26 October 2021
Broker Firm Offer, Priority Offer, Employee Offer and CIMIC Group Limited Shareholder Offer open	3 November 2021
Broker Firm Offer, Priority Offer, Employee Offer and CIMIC Group Limited Shareholder Offer close	10 November 2021
Commencement of trading on the ASX and on the NZX Main Board, on a conditional and deferred settlement basis	19 November 2021
Settlement date	22 November 2021
Expected Completion (Shares issued or transferred to successful Applicants)	23 November 2021
Expected dispatch of holding statements and allotment confirmation notices	24 November 2021
Expected commencement of trading of Shares on the ASX and on the NZX Main Board, on a normal settlement basis	By 25 November 2021

Dates may change

The dates above are indicative only and may change without notice. The Company and SaleCo, in consultation with the Joint Lead Managers, reserve the right to vary the times and dates of the Offer.

Unless otherwise indicated, all times are Sydney time. The Company and SaleCo, in consultation with the Joint Lead Managers, reserve the right to vary any and all of the above dates and times without notice (including, subject to ASX Listing Rules and the Corporations Act, to close the Offer early, to extend the Closing Date, to accept late Applications or bids, either generally or in particular cases, or to cancel or withdraw the Offer before settlement, in each case without notifying any recipient of this Document or any Applicants). If the Offer is cancelled or withdrawn before the allocation of Shares, then all Application Payments received will be refunded in full (without interest) as soon as possible in accordance with the requirements of the Corporations Act.

Key Offer Statistics[1]

Indicative Price Range[2]	\$2.75 – \$3.15 per share
Total proceeds under the Offer (assuming the Over-allocation Option is not exercised)	\$1,001 – \$1,093 million
Total proceeds under the Offer (assuming the Over-allocation Option is exercised in full)	\$1,097 – \$1,202 million
Proceeds of the Offer raised by the issue of Shares in the Company[3]	\$394 – \$397 million
Proceeds of the Offer paid to Existing Shareholders (assuming the Over-allocation Option is not exercised)	\$607 – \$696 million
Proceeds of the Offer paid to Existing Shareholders (assuming the Over-allocation Option is exercised in full)	\$703 – \$805 million

1. The Key Offer Statistics contain Forecast Financial Information, which is prepared on the basis of the general and specific assumptions set out in Sections 4.9.1 and 4.9.2 and should be read in conjunction with the discussion of the Pro Forma Historical Financial Information and the Pro Forma Forecast Financial Information in Sections 4.8 and 4.9, including the sensitivities set out in Section 4.10 and the risk factors set out in Section 5. The above table contains non-IFRS financial measures, which are discussed in Section 4.2.8.
2. The Indicative Price Range is the indicative range for the Final Price. The Final Price may be set below, within or above the Indicative Price Range (refer to Section 7.4.3 for further details). Shares may trade below the Final Price following Completion of the Offer.
3. The issue of New Shares under the Offer will raise materially the same dollar amount, irrespective of where the Final Price is set relative to the Indicative Price Range, because the number of New Shares to be issued will be increased or decreased to ensure materially constant issue proceeds are raised by the Company. This means that the total number of Shares available in the Offer can vary, both because of possible variances in the number of New Shares to be issued and also depending on whether or not the Over-allocation occurs.

Key Offer Statistics[1]

Total number of Shares available under the Offer (assuming no Over-allocation as referred to in Section 7.6)[3]	346.9 – 364.1 million
Total number of Shares available under the Offer (assuming maximum Over-allocation as referred to in Section 7.6)[3]	381.6 – 398.7 million
Total number of New Shares to be issued under the Offer[3]	126.0 – 143.2 million
Total number of Existing Shares to be sold under the Offer (assuming no Over-allocation as referred to in Section 7.6)	220.9 million
Total number of Existing Shares to be sold under the Offer (assuming maximum Over-allocation as referred to in Section 7.6)	255.6 million
Maximum number of shares that can be Over-allocated[4]	34.7 million
Number of Shares to be held by Existing Shareholders at the end of the Stabilisation Period (assuming the Over-allocation Option is not exercised)	377.5 million
Number of Shares to be held by Existing Shareholders at the end of the Stabilisation Period (assuming the Over-allocation Option is exercised in full)	342.8 million
Total number of Shares on issue at Completion[3,5]	761.6 – 778.8 million
Market capitalisation based on the total number of Shares on issue at Completion[3] and the Indicative Price Range	$2,142 – $2,399 million
Pro forma historical net debt as at 30 June 2021[6]	$722 million
Enterprise value based on the Indicative Price Range[7]	$2,864 – $3,121 million
Enterprise value/Pro Forma forecast CY2021 EBITA[8]	12.5x – 13.6x
Enterprise value/Pro Forma forecast CY2022 EBITA[8]	10.4x – 11.3x
Market capitalisation/Pro Forma forecast CY2021 NPATA[8]	15.3x – 17.2x
Market capitalisation/Pro Forma forecast CY2022 NPATA[8]	12.5x – 14.0x
Market capitalisation/Pro Forma forecast CY2021 NPAT	17.4x – 19.4x
Market capitalisation/Pro Forma forecast CY2022 NPAT	13.8x – 15.4x
Implied forecast dividend yield for CY2022[9]	5.4% – 6.0%

4. Based on an Over-allocation Option size of approximately 10% of the base Offer size (that is, the Offer size prior to any exercise of the Over-allocation Option). See Section 7.6 for further details.
5. Includes 37.2 million EIP Shares, which will be reclassified as Shares by Completion as discussed in Section 6.3.4.1.
6. Pro forma historical net debt is the indebtedness of Ventia as of 30 June 2021 (plus lease liabilities, less estimated cash and cash equivalents), adjusted for the repayment of the Existing Banking Facilities, anticipated drawings under the New Banking Facilities and receipt of the net proceeds of the Offer upon Completion, as if these actions took place as at 30 June 2021 (refer Section 4.7.2 for further details).
7. Enterprise value is calculated as the sum of the market capitalisation of Ventia (based on the total number of Shares on issue at Completion and the Indicative Price Range) and pro forma historical net debt.
8. Refer to Section 4.2.8 for an explanation of EBITA and NPATA. Refer to footnote 1 regarding Forecast Financial Information.
9. Calculated as the implied dividend per Share based on a 75% dividend payout ratio on forecast CY2022 NPATA divided by the Indicative Price Range. The payment of a dividend by the Company is at the discretion of the Directors and will be a function of a number of factors the Directors may consider relevant. No assurances can be given by any person, including the Directors, about the payment of any dividend or the level of franking on any such dividend. For more details on the Company's dividend policy, see Section 4.12.

Ventia is a leading essential infrastructure services provider in Australia and New Zealand.

Our purpose is **making infrastructure work for our communities.**

$4.6bn

total revenue in CY2020

~40%

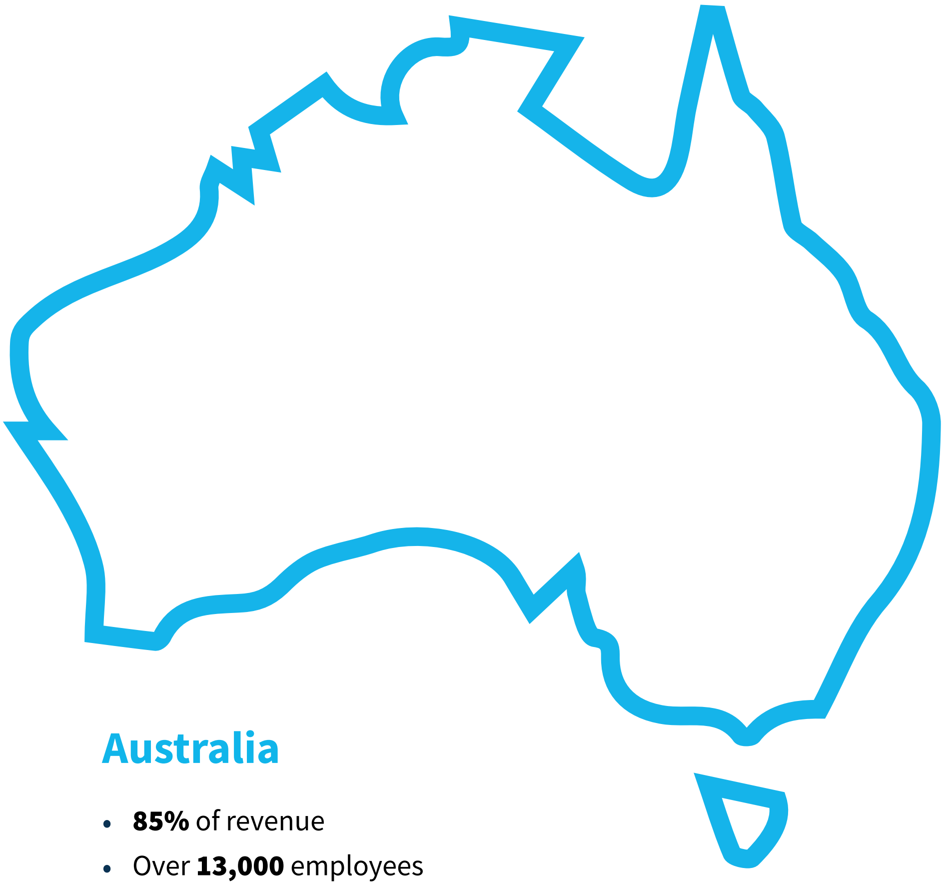
of revenue from regional and rural areas CY2020

$15.5bn

work in hand as at 31 July 2021

$62.0bn

total estimated addressable market in FY21F



New Zealand

- **15%** of revenue
- Over **2,000** employees
- **~50** sites
- Provides services to over **90%** of the electricity transmission network
- #1 telecommunications infrastructure services provider

Australia

- **85%** of revenue
- Over **13,000** employees
- **~350** sites
- Provides services to **50%** of private motorways and tunnels
- Provides services to over **70%** of defence sites
- #1 telecommunications infrastructure services provider

Note, all Australia and New Zealand statements as at CY2020 with the exception of employee numbers (as at 30 June 2021), sites (as at 30 June 2021), and telecommunications infrastructure services provider market position (based on Ventia's actual LTM revenue to 30 June 2021).

CHAIRMAN'S LETTER

On behalf of the Board of Ventia, I am pleased to present you with the opportunity to become an investor in Ventia.

Ventia's purpose is 'making infrastructure work for our communities' and our number-one brand promise is 'safety and health above all else'.

Ventia operates throughout Australia and New Zealand and is one of the largest providers of Maintenance Services for critical public and private infrastructure. We have a very strong management team, led by CEO Dean Banks. We believe the team has the skills, experience and values to deliver profitable growth, by meeting our clients' and the community's needs and by managing risk successfully. With highly relevant experience, in the same or similar industries, our Board of Directors are fully equipped to support management in executing its strategy.

Ventia is the sum of its considerable and successful predecessor entities, namely: Broadspectrum, formerly Transfield Services, Leighton Contractors Services and Thiess Services. Now integrated and operating under one primary brand, one leadership team and a core systems and governance platform, Ventia is positioned for sustainable growth.

We deliver services to over 100 clients across Australia and New Zealand and approximately 40% of our work is in regional and rural areas. With over 15,000 employees and access to a subcontractor workforce of over 20,000 people, we are a significant employer and are very proud of our achievements in Indigenous employment and broader community engagement.

Ventia differentiates through a clear focus on providing Maintenance Services. We are not a construction company. We are committed to being client-focused, innovative and sustainable in all that we do. These capabilities matter to us, our clients and the communities we serve.

Ventia operates in a very large addressable market, over $60 billion p.a. and growing. We had work in hand of $15.5 billion as at 31 July 2021, providing high visibility over revenue in future years. For the 12 months to 31 December 2021, pro forma total revenue is forecast to be $4.5 billion and pro forma net profit after tax is forecast to be $123.4 million. For the 12 months to 31 December 2022, pro forma total revenue is forecast to be $4.9 billion and pro forma net profit after tax is forecast to be $155.5 million. Refer to Section 4 for further details in relation to these forecasts, including the underlying assumptions and a discussion of the drivers of our historical and forecast financial performance, and Section 5 for details of risks affecting Ventia's business which may affect its ability to achieve these forecasts.

We have continued to provide services and support our clients during the ongoing COVID-19 pandemic. Ventia's performance through the COVID-19 pandemic highlights the resilience of our business and the importance of the services we provide.

We have historically generated, and are forecasting, strong free cash flow supporting our initial forecast dividend yield of 5.4% – 6.0%[1].

The purpose of this Offer is to raise new capital to repay debt, allow Existing Shareholders to realise part of their investment, provide Ventia with access to capital markets and added financial flexibility to pursue further growth opportunities, and to create a liquid market for Ventia's shares.

Following the IPO, Ventia will have an investment grade financial profile, giving it the financial strength necessary to pursue considerable growth opportunities.

Through the Offer, Ventia and SaleCo are seeking to raise $1.1 to $1.2 billion through the issue and sale of 382 to 399 million[2] shares, assuming the Final Price is set within the indicative range of $2.75 to $3.15 per share.

SaleCo is seeking proceeds of $0.7 to $0.8 billion through the sale of approximately 256 million shares in Ventia, currently owned by the Existing Shareholders, Apollo and CIMIC, at the Final Price[2].

Following Completion of the Offer, the Existing Shareholders will each hold 22.3% of the Shares on issue (or a total of 44.5% of such Shares)[2,3].

This Prospectus contains detailed information about the Offer, Ventia's business and the industry in which Ventia operates, forecast and historical information, as well as key risks associated with an investment in the Company.

Please read this Prospectus carefully, and in its entirety, before deciding to invest in our Company.

On behalf of the Board of Directors, I look forward to welcoming you as a Ventia Shareholder.

Sincerely,

David Moffatt
Chairman

1. Calculated as the implied dividend per Share based on a 75% dividend payout ratio on forecast CY22 NPATA divided by the Indicative Price Range. The payment of a dividend by the Company is at the discretion of the Directors and will be a function of a number of factors the Directors may consider relevant. No assurances can be given by any person, including the Directors, about the payment of any dividend or the level of franking on any such dividend. For more details on the Company's dividend policy, see Section 4.12.
2. These figures assume the Over-allocation Option is exercised in full.
3. These percentages assume that the Final Price is set at the midpoint of the Indicative Price Range. As noted in Section 7.1, the number of New Shares to be issued by the Company will be increased or decreased to ensure materially constant issue proceeds are raised by the Company, and any such variations will have a slight effect on these percentages.

NSW/QLD border, Mungindi QLD

SECTION 1
INVESTMENT OVERVIEW

Sydney, NSW

1.1. Introduction and overview of Ventia

Question	Answer	Section
Who is Ventia?	Ventia is a leading essential infrastructure services provider in Australia and New Zealand and is structured across four Sectors: • Defence & Social Infrastructure (**D&SI**); • Infrastructure Services (**IS**); • Telecommunications; and • Transport. Ventia has extensive capabilities across the full asset lifecycle including Operations and Maintenance (**O&M**), Facilities Management (**FM**), Minor Capital Works (**MCW**), Environmental Services (**ES**) and other solutions. Ventia's purpose is 'making infrastructure work for our communities' and its number-one brand promise is 'safety and health above all else'. Ventia's strategy is to 'Redefine Service Excellence', by being client-focused, innovative and sustainable.	3.1.1
What is Ventia's history?	Ventia's legacy entities date back to the 1950s. Ventia as a corporate entity was formed in 2015 through the carve-out and integration of leading infrastructure services businesses Leighton Contractors Services, Thiess Services and Visionstream by an investment partnership between CIMIC Group Limited (**CIMIC**) (formerly Leighton Holdings) and funds managed by affiliates of Apollo Global Management, Inc. (**Apollo Global Management**). In June 2020, Ventia acquired Broadspectrum (previously known as Transfield Services) to form one of the largest infrastructure services companies in Australia and New Zealand.	3.1.3
Which geographies does Ventia operate in?	Ventia operates in all states and territories of Australia and throughout New Zealand. Ventia operates across a broad geographic footprint with ~40% of its CY2020 revenue generated in regional and rural areas. The diverse nature of Ventia's operations is further evidenced by no single state or territory contributing more than 29% of total revenue during CY2020. During CY2020, Ventia generated 85% of its revenue from Australia and 15% of its revenue from New Zealand.	3.1.4
What are Ventia's service capabilities?	Ventia provides a broad range of Maintenance Services and other solutions across its four Sectors. Ventia's service delivery capability is complemented by technology-enabled solutions and technical expertise. Ventia does not provide Major Capital Construction works. Ventia's service capabilities cover: • **Operations and Maintenance (O&M):** Focuses on ensuring infrastructure assets function efficiently, safely and cost-effectively throughout their lifecycle. • **Soft Facilities Management (Soft FM):** Focuses on the provision of services to help ensure clients' facilities operate efficiently and safely by maintaining the hygiene, security and aesthetic quality of an asset. • **Hard Facilities Management (Hard FM):** Includes maintenance and upgrade services of physical building elements such as structure and finishes as well as fixed plant and equipment. • **Environmental Services (ES):** Relates to the remediation of contaminated land and waterways to return them safely to clients or local communities. • **Minor Capital Works (MCW):** Relates to services provided to smaller value capital projects and project management involving design, documentation, construction and commissioning of new assets as well as renewal and refurbishment of existing assets. • **Other solutions:** Includes technology solutions, property and consulting.	3.1.5

<table>
<tr><th>Question</th><th>Answer</th><th>Section</th></tr>
<tr><td>What services does Ventia provide?</td><td>Ventia's business is structured across four Sectors: D&SI, IS, Telecommunications and Transport. Each Sector includes several Business Units.
Defence & Social Infrastructure (D&SI): Ventia's D&SI Sector provides maintenance and support services to clients operating across Defence, Social Infrastructure (Education, Social Housing, Justice and Health), Local Government and Critical Infrastructure. Ventia also provides property and consulting services to public and private clients.
Infrastructure Services (IS): Ventia's IS Sector supports the ongoing maintenance of infrastructure including utility infrastructure (including Water and Electricity & Gas) and Resources & Industrial assets (including mine operation facilities, Oil & Gas processing facilities, gas wells and industrial facilities). Ventia also provides complex and large-scale environmental remediation services and leverages technologies aimed at enhancing client productivity.
Telecommunications: Ventia's Telecommunications Sector has an end-to-end service capability that spans design, supply, minor construction, installation, commissioning and maintenance of telecommunications networks and infrastructure.
Transport: Ventia's Transport Sector provides maintenance, project delivery and technology solutions to owners and operators of road, motorway, tunnel and rail networks. The Sector aims to deliver long-term value to clients through proactive engagement across operations and asset management in the delivery of services.</td><td>3.2</td></tr>
<tr><td>Who are Ventia's clients?</td><td>Ventia has long-term relationships with a diverse range of public and private sector clients.
In CY2020:
70% of Ventia's revenue was generated from public sector clients and 30% from private sector clients.
Ventia delivered services to 60+ public sector clients including government departments, agencies and authorities at federal, state and local levels.
Ventia delivered services to 65+ private sector clients ranging from medium-sized domestic organisations to large national and global corporates.
Ventia is focused on developing long-term relationships with its clients and has maintained many client relationships for decades across all of its Sectors.</td><td>3.3.1</td></tr>
<tr><td>How many employees does Ventia have?</td><td>As at 30 June 2021, Ventia has over 15,000 employees.
The employee workforce is supplemented by access to over 20,000 subcontractors which allows the business to adapt to changing work volume and demand levels.</td><td>3.6.1</td></tr>
<tr><td>What has been the impact of COVID-19 on Ventia?</td><td>Ventia's business has remained resilient during 2021 despite the continuing impact of COVID-19 on the broader economies of Australia and New Zealand. At the time of publication, COVID-19 has impacted Ventia's operations in a number of ways including:
delays in some existing projects and in the commencement of some projects;
reductions in the scope of work or deferrals in the expansion of services in respect of some projects; and
localised temporary restrictions on Ventia's ability to undertake certain work in Australia and New Zealand; offset in part by
increased demand for cleaning services; and
increased revenue associated with greater government spending following government stimulus measures introduced in response to COVID-19.</td><td>3.9 and 4.8.1.4</td></tr>
</table>

Question	Answer	Section
How has Ventia responded to COVID-19?	Ventia has implemented a comprehensive COVID-19 response to support its workforce and the continuity of services to clients, including the following initiatives: • supporting worker welfare; • maintaining client services; • continuity of key functions; • communication and feedback; • risk mitigation; and • establishment of a Coronavirus Hub (a resource that operates 24/7 to support managers in providing a timely and coordinated response to known COVID-19 cases).	3.9
Why is the Offer being conducted?	The Offer is being conducted to: • reduce the Company's existing debt levels; • provide Ventia with access to capital markets and added financial flexibility to pursue further growth opportunities; • create a liquid market for Ventia's Shares; and • allow Existing Shareholders to realise part of their investment in Ventia.	7.1.2

1.2. Overview of the Maintenance Services Industry

Question	Answer	Section
What is the estimated addressable market size and the growth outlook?	Ventia's total addressable market for Maintenance Services in FY21F is estimated to be $62.0 billion and is expected to grow at a CAGR of 5.5% from FY21F to FY25F, reaching $76.9 billion in FY25F[1]. The addressable market for Maintenance Services covers the outsourced component of a number of industry segments in Australia and New Zealand. An alignment of industry segments to Ventia's Sectors is provided below.	2.1.2

1. BIS Oxford Economics (2021). Refer to Section 2.1.2 for further detail.

Question	Answer	Section
What industry segments are included in the addressable market?	Ventia operates in a number of industry segments across its four Sectors, all of which are expected to grow from FY21F to FY25F[2].	2.1.2

Ventia Sectors and industry segments	Estimated addressable market size (FY21F, $bn)	CAGR (FY21F – FY25F)
Defence & Social Infrastructure (D&SI)		
Social infrastructure	17.6	4.6%
Defence	3.5	8.6%
Total D&SI	**21.1**	**5.3%**
Infrastructure Services (IS)		
Electricity and Gas Transmission & Distribution	7.6	6.5%
Water	4.7	6.3%
Resources & Industrial	4.0	4.1%
Oil & Gas	2.8	10.4%
Electricity Generation	2.1	7.5%
Environmental	1.0	5.7%
Total IS	**22.2**	**6.6%**
Telecommunications		
Telecommunications	7.8	6.8%
Total Telecommunications	**7.8**	**6.8%**
Transport		
Roads	4.9	1.3%
Rail	0.7	4.3%
Total Transport	**5.6**	**1.6%**
New Zealand		
All[3]	5.3	3.9%
Total New Zealand	**5.3**	**3.9%**
Total estimated addressable market	**62.0**	**5.5%**

2. BIS Oxford Economics (2021). Refer to Section 2.1.2 for further detail.
3. With the exception of Resources & Industrial, Oil & Gas and Rail.

Question	Answer	Section
What are the key drivers of demand for Maintenance Services?	Several drivers are expected to support demand for Maintenance Services in Australia and New Zealand: • **Population growth:** Contributes to increased utilisation of existing assets and the need for additional investment in infrastructure. • **Size and growth of asset base:** An existing large and growing asset base supports higher levels of Maintenance Services. • **Outsourcing rates:** Grow the extent of O&M services delivered by service providers, separate to the size and growth of the underlying asset base. • **Technology adoption and automation:** Strengthens the proposition for asset owners to engage a third party to deliver services given productivity efficiencies. • **Environmental regulation:** Drives greater requirement for specialised environmental services due to changing environmental regulation and standards, the reclaim and reuse of land and planned improvements to fuel quality.	2.1.3
Who are the key market participants?	The Maintenance Services market in Australia and New Zealand is fragmented, with a diverse range of service providers from domestic and international markets. Key domestic competitors in Australia include Downer, Service Stream and Lendlease Services[4], all of which operate across a number of Ventia's Sectors, however each with a different mix of industry segments and services. Key competitors in New Zealand include Downer, Fulton Hogan, Fletcher Building and VINCI. International service providers, including Serco, Sodexo and ISS, also operate in some of Ventia's Sectors (particularly in D&SI) and a long tail of smaller niche service providers operate in specific industry segments and geographies.	2.1.4
What has been the impact of COVID-19 on the Maintenance Services industry?	Although the COVID-19 pandemic and related restrictions and border closures impacted overall economic growth, the Maintenance Services market has only suffered some temporary negative impacts in some end markets – particularly those more closely impacted by restrictions on the movement of people, such as tertiary education and non-residential building. The emergence of the COVID-19 pandemic has also seen some positive trends, which have supported Maintenance Services expenditure in a number of industry segments and have largely offset any negative impacts noted above. Some of this expenditure represents a pull forward of planned activity to provide more immediate economic stimulus, or a temporary increase to meet heightened needs, and is therefore expected to be unwound in coming years as the economy begins to recover from the COVID-19 pandemic. However, BIS Oxford Economics expects that overall activity in the Maintenance Services market will grow in FY22F and experience a 5.5% CAGR from FY21F to FY25F, primarily due to the large asset base requiring Maintenance Services and the likelihood that O&M and FM contracts will increasingly be integrated into larger packages (as an efficiency and cost saving measure) and hence enter Ventia's addressable market. At the time of publication, COVID-19 related restrictions in New Zealand and some eastern states of Australia present near-term challenges for the Maintenance Services market associated with the deferral of some works. BIS Oxford Economics expects that any deferred activity during lockdowns will be recovered once restrictions ease. While much of this recovery is anticipated to occur in FY22, unanticipated delays to the easing of restrictions could see the recovery extend into FY23.	2.3

4. Service Stream announced on 21 July 2021 that it has entered into an agreement to acquire Lendlease Services.

1.3. Key features of Ventia's business model

Question	Answer	Section
How does Ventia generate its revenue?	Ventia enters into client contracts with relatively long-term durations under various contract profiles including Schedule of Rates, Fixed Price and Cost Reimbursable. Most of Ventia's revenue (80% in CY2020) is from contracts with Schedule of Rates profiles.	3.3.2.1
What is the nature of Ventia's client relationships and contracts?	Ventia has long-term relationships with a diverse range of public and private sector clients. The quality of client relationships and the account management approach is evidenced through Ventia's historical performance: • Experienced an average contract renewal rate of >80% since 2016[5]. • Multiple contracts for individual clients, showcasing the diversity of services provided. In CY2020 Ventia delivered services to its top five clients across 31 separate contracts. • The average contract term at inception is over five years[6]. Including extension options, the average contract term at inception increases to over seven years. Contracts with over $50 million of work in hand represent 91% of the total work in hand balance as at 31 July 2021. Of these contracts, 94% contain some form of embedded price escalation mechanism or relate to panel arrangements where specific projects are short-term and individually priced taking into account the prevailing market conditions at the time of the tender. Ventia believes that these pricing mechanisms provide it with a degree of margin protection against escalating costs such as labour.	3.3
What is Ventia's work in hand and what is the typical percentage of forward revenue secured?	Ventia has $15.5 billion of work in hand as at 31 July 2021. The stability of Ventia's revenue profile is supported by relatively high visibility over future revenue with ~70-80% of Ventia's next 12 months revenue historically supported by work in hand[7].	3.3.2.3
What is Ventia's operating model?	Ventia has an enterprise-wide operating model, including a core technology platform and business management systems and processes which aim to deliver a number of favourable outcomes across risk management, profitable growth, efficiency and consistency in operational delivery. Ventia views its enterprise-wide operating model as a key source of competitive advantage which generates economies of scale and supports earnings. Ventia's tender risk management process helps to ensure it strategically targets the right opportunities and ensures the work winning process is comprehensively managed. New business is evaluated through an enterprise risk management framework before a contract is signed and new works commence. Responding to tender opportunities requires a five-stage internal approval process, which (depending on the size and type of opportunity) may start ~18 months prior to submission of the tender.	3.5
What was the rationale for the acquisition of Broadspectrum?	Ventia's acquisition of Broadspectrum brought together two infrastructure services businesses with complementary capabilities and clients across Australia and New Zealand. With the major integration activities substantially complete, Ventia has demonstrated significant benefits from the integration including operational efficiencies, strengthened regional presence in key geographies and broader capabilities that have supported contract wins.	3.1.3

5. Average renewal rate for the period 2016-2020. Calculated as the contract value of renewal opportunities won divided by the contract value of total renewal opportunities tendered.
6. Based on CY2020 revenue weighted average contract term at inception.
7. From CY2018 to CY2020.

1.4. Financials and dividend policy

Question	Answer	Section
What is Ventia's historical and forecast financial information?	The following table contains Ventia's Pro Forma Financial Information. While it does not represent the statutory results, Ventia believes it provides useful information as it permits investors to examine what it considers to be the underlying financial performance of the business.	4.3

	Pro Forma Historical			Pro Forma Forecast	
$ millions	CY2018	CY2019	CY2020	CY2021F	CY2022F
Total revenue	4,754.5	4,803.8	4,591.9	4,501.7	4,942.6
EBITDA	354.1	351.5	354.5	365.8	408.6
EBITA	172.8	175.0	201.0	229.9	276.2
NPAT	78.6	82.0	106.0	123.4	155.5
NPATA	100.0	101.5	119.5	139.8	171.8

Question	Answer	Section
How does Ventia fund its operations?	Ventia's principal sources of funds are cash generated from operations, cash on hand and committed facilities under the New Banking Facilities. Ventia expects to have a $400.0 million revolving cash facility which is expected to be undrawn at Completion of the Offer and pro forma cash on hand of $153.2 million as at 30 June 2021. Ventia is forecast to continue to generate strong cash flows, with pro forma forecast operating cash flow of $309.7 million in CY2021F and $373.7 million in CY2022F, representing operating cash flow conversion of 84.7% and 91.4% respectively.	4.5 to 4.7
What is Ventia's dividend policy?	The Directors intend to pay out between 60% and 80% of Ventia's pro forma NPATA as a dividend. For the period from Completion to 31 December 2022, Ventia expects to pay dividends equivalent to approximately 75% of pro forma NPATA. The level of payout ratio is expected to vary between periods depending on factors the Directors may consider, including the general business environment, the operating results and financial condition of Ventia, future funding requirements, capital management initiatives, tax considerations (including the level of franking credits available), any contractual, legal or regulatory restrictions on the payment of dividends by Ventia, and any other factors the Directors may consider relevant.	4.12
What will be the first dividend and when will it be paid?	The first dividend will be for the period from Completion to 31 December 2021, which will be payable in or around April 2022.	4.12

1.5. Key strengths

Topic	Summary	Section
Attractive industry outlook	Ventia operates in a large and growing market supported by a number of favourable demand drivers including population growth, size and growth of the asset base, increasing outsourcing rates, technology adoption and automation and environmental regulations. BIS Oxford Economics estimates the addressable outsourced Maintenance Services market across Australia and New Zealand to be $62.0 billion in FY21F and projects it to grow at a CAGR of 5.5% to reach $76.9 billion in FY25F.	2.1

Topic	Summary	Section
Dedicated focus on Maintenance Services with broad service offering	Ventia only delivers Maintenance Services and does not provide Major Capital Construction works. The depth of expertise and focus on Maintenance Services differentiates Ventia's service offering and supports its value proposition to clients. Ventia can offer clients a wide range of services and can add incremental services to existing contracts or client relationships. It is often not practical for clients to develop specialised Maintenance Services capabilities in-house which enhances the appeal to clients of outsourcing services to Ventia.	3.1.6
Scale and national platform	Ventia has a number of market-leading positions in each of its Sectors. The Company's presence across urban, regional and rural communities throughout Australia and New Zealand enables it to deliver essential infrastructure services across geographically diverse contracts. Supported by its scalable workforce model, Ventia believes it has more flexibility to respond to clients' needs and achieve economies of scale driving value for both Ventia and its clients. Ventia's ability to offer services across multiple regions in an integrated manner also simplifies the execution of services for clients with large geographic footprints.	2.1.4.2 and 3.1.6
Enterprise-wide, scalable operating model	Ventia's established and robust core enterprise platform drives consistency and operating efficiencies for the benefit of clients and their customers. The scalable operating model allows Ventia to harness best practices across the Company in areas such as operations, safety, compliance and risk management.	3.1.6 and 3.5.1
Brand and reputation	Ventia believes that its track record of delivering essential infrastructure services and large-scale contracts positions it for projects of state and national significance. Through developing strategic relationships and a focus on safety, Ventia has built trust to deliver highly sensitive and complex projects across its Sectors. The quality of Ventia's services has been recognised through several industry awards.	3.1.6
Long-term relationships and track record of renewals	Ventia has developed long-term and trusted relationships with a diverse client base, with numerous examples of relationships that have been sustained for decades. Clients often use Ventia repeatedly and for a range of projects, demonstrating the strength of Ventia's offering.	3.1.6
Highly qualified workforce supported by experienced management team and Board	With access to a workforce of over 35,000 employees and subcontractors, Ventia can leverage a deep pool of highly qualified talent across Australia and New Zealand. The subcontractor base allows for flexible staffing, enables Ventia to scale the workforce up and down on short notice and provides wide geographical coverage. The workforce is supported by a highly experienced senior management team, led by CEO Dean Banks. Ventia's Board is comprised of four Independent Non-Executive Directors and four Non-Executive Directors with a broad and diverse range of experiences. It is chaired by David Moffatt, who has been Chairman of Ventia since its formation in 2015.	3.1.6, 6.1 and 6.2
Diversified and predictable earnings with high degree of forward visibility	Ventia's track record of financial performance has been underpinned by resilient revenue and stable margins. The stability of Ventia's revenue profile has historically been supported by relatively high visibility over future revenue, which is represented by work in hand. Between CY2018 and CY2020, ~70-80% of Ventia's next 12 months revenue was supported by work in hand. As at July 2021, Ventia has $15.5 billion of work in hand, which is expected to cover over ~98% of the total revenue for CY2021F and ~80% of the total revenue for CY2022F.	4.8.1.2

Topic	Summary	Section
High cash flow conversion	Ventia has historically generated operating cash flow conversion of between 80% and 90% of EBITDA between CY2018 and CY2020, which is forecast to increase to over 90% in CY2022F. In addition, Ventia has a capital-light business model with capital expenditure typically less than 1% of total revenue.	4.5 and 4.6
Attractive growth opportunities	Ventia's ability to service its clients across a diverse range of essential infrastructure has underpinned its historical performance. In addition to pursuing opportunities within its existing markets from both new and existing clients, Ventia believes its national scale across Australia and New Zealand, established client relationships and breadth of capabilities present it with a range of options to strategically expand into market adjacencies. Ventia targets growth opportunities across three main categories: • Market growth – The Maintenance Services market is projected to grow at a 5.5% CAGR from FY21F to FY25F with all industry segments expected to grow. The market is expected to benefit from various underlying tailwinds and the Company believes it is well positioned to benefit. • Capturing market share – Ventia has a history of selectively pursuing and successfully bidding for new work, leveraging its deep client relationships, industry capabilities, scale and operating platform. Ventia has also secured significant contract wins to date in CY2021. – Ventia also seeks opportunities within existing contracts to expand the scope of services offered and to deliver additional works. This is often driven by client demand for services to be bundled in order to maximise efficiencies, reduce costs and enhance service outcomes. – As an integrated end-to-end essential infrastructure services provider, Ventia has identified significant opportunities to cross-sell its service capabilities across its existing client base. This may be achieved via the bundling of services such as O&M and FM on an existing contract or seeking to expand the services delivered to other client sites. • Expansion into adjacencies – Ventia continually monitors potential adjacency opportunities across new geographies, service capabilities and industry segments. Ventia has a strong track record of expanding into new market adjacencies, both organically and via acquisitions or strategic partnerships.	3.4

1.6. Key risks

Topic	Summary	Section
Ventia may fail to renew existing contracts or win new contracts	Ventia's ability to renew contracts with existing clients and win new contracts is fundamental to its business, growth and profitability. Ventia has existing contracts at various stages, including contracts that have either expired or are due to expire in the next 12 months. Ventia faces competition in all the industry segments in which it operates. Contract renewals and new contracts, including contracts entered into with an existing client where a previous contract has expired, are usually subject to a competitive process. There is a risk that Ventia may not win these contracts for any of a number of reasons. Failure to successfully renew existing contracts (including a number of long-term contracts with key government clients) or to win new contracts could negatively impact Ventia's financial performance, including, in the case of a failure to retain an existing client, leaving Ventia with excess capacity or excess labour or redundancy costs, and adversely impacting its ability to grow its operations by reducing its profitability.	5.2.1

Topic	Summary	Section
Panels and tender processes	Ventia has been appointed to a number of client panels, which may enable Ventia to participate in certain tender processes that it would otherwise not be able to participate in; but this does not guarantee that Ventia will be awarded contracts from the panel appointments. The appointment to these panels is for a fixed period (for example, three or five years) and Ventia is generally one of a number of service providers appointed to each panel. If Ventia is unable to secure its position on a panel which it currently sits on, is unable to secure work under that panel arrangement or is unable to secure future panel positions, this may adversely impact Ventia's financial performance and growth prospects.	5.2.2
Commencement of Ventia's new contracts may be delayed	Where Ventia wins a new contract, commencement of the contract can be delayed past the expected commencement date. Ventia is also a party to a number of contracts where Ventia's ability to perform its obligations and commence earning revenue is dependent on third parties performing their own contractual arrangements in a timely manner. Ventia may not have any contractual protection against such delays. Any delay in the commencement of a contract or any issues which may result in an impact on mobilisation may result in a delay in Ventia receiving revenue or may cause Ventia to incur additional costs, and therefore could have an adverse impact on Ventia's operations and financial performance, including its ability to achieve management's forecasts for the business.	5.2.3
Some contract counterparties may have the right to terminate their contracts or may seek to renegotiate during the contract term	Ventia is a party to a number of contracts and agreements with a broad range of clients, as well as with service providers, technology providers and lessors. Ventia's ability to operate its business depends on such contracts. In particular, Ventia's client contracts are fundamental to Ventia's business, growth and profitability. There is a risk that Ventia's existing contracts, including client contracts, may be terminated, impaired, reduced in scope through a variation, or renegotiated on less favourable terms. Termination of Ventia's services by a client before the end of a contract's term will reduce Ventia's future revenue and, in some situations, may leave Ventia with excess capacity or excess labour or redundancy costs. Upon termination, Ventia may not receive adequate compensation, or any compensation, for such losses and costs, which could adversely affect Ventia's financial performance and financial position. From time to time, contract counterparties may seek to renegotiate existing contracts for various reasons during the term of the contract. To the extent such contract counterparties have a right to terminate a contract, they may seek to use this right as leverage in the renegotiation process, and may seek terms that are potentially less favourable to Ventia. Although the frequency of client contract renegotiations has historically been low, the frequency of client contract renegotiations may increase in the future. If contract renegotiations lead to the parties entering into new contracts on terms less favourable to Ventia, or if the parties fail to reach an agreement and the client terminates the existing contract, Ventia's financial performance could be adversely impacted.	5.2.4
Claims for abatements, damages or indemnities may arise in connection with Ventia's service delivery under client contracts	Ventia is subject to on-going obligations and various levels of liability if it does not meet its obligations under its client contracts. Some of Ventia's client contracts contain abatement, damages and indemnification provisions that (although not uncommon in the industry in which Ventia operates) can be complex to manage and may disadvantage Ventia in some circumstances. In such cases, Ventia may be subject to claims for abatements, liquidated damages or liability under indemnity provisions, or Ventia's invoices may otherwise not be paid. Furthermore, these types of liabilities (unlike other liabilities such as public injury liability or liability for third party property damage) are not typically insurable. In the event that such claims are not insured or insurable, Ventia's financial performance could be adversely impacted.	5.2.5

Topic	Summary	Section
Ventia may fail to properly understand client requirements, drivers of client demand or cost inputs	A large number of Ventia's contracts are large, complex multi-year contracts. In some circumstances, there is a risk that Ventia may enter into contracts where the agreed revenue is insufficient to cover Ventia's costs of delivering the services or to provide adequate profit margins. The risk of such failures occurring may increase as Ventia seeks to enter into new adjacent markets, or to expand its product offering into adjacent services in which it has less experience and less industry knowledge. Any failure on the part of Ventia or its clients to properly understand client requirements, drivers of demand or cost inputs may adversely impact Ventia's operating and financial performance and financial position.	5.2.6
Ventia's existing and target clients may choose to change from outsourcing to in-sourcing of services	Ventia's financial performance and anticipated growth depends on its clients continuing to outsource services. In addition, Ventia's anticipated future growth depends in part on additional services being outsourced in the future. A significant portion of Ventia's existing business consists of providing services to a diverse range of government departments and bodies at national, state and local levels in Australia and New Zealand. Outsourcing decisions by government departments and bodies may be driven by political and public policy considerations and preferences, as well as budget considerations and the priorities and agendas of political parties or other stakeholders. These are subject to change, including as a result of changes in government. A decline in outsourcing or adverse outsourcing decisions by Ventia's clients, including by government departments and bodies, may adversely affect Ventia's future revenue and profitability and its prospects for growth.	5.2.7
Joint venture risk	Certain subsidiaries of Ventia have entered into unincorporated joint ventures or are shareholders in incorporated joint ventures on certain projects. Whilst Ventia ordinarily shares control of joint ventures through equal participating interests or shareholdings, it does not ordinarily have the means to exert overall control of its joint ventures. At times, major decisions are required to be made in respect of these joint ventures, which may impact the manner of the delivery of the services for that project or the financial outcome for the joint venture. Ventia may also be reliant upon its joint venture partner providing specific resources or expertise to deliver the joint venture obligations. Ventia's interests may not always be the same as those of its joint venture partners in relation to these matters and conflicts can have adverse time and cost implications. Ventia's joint venture partners may not deliver on their obligations, which may cause financial and reputational impacts to Ventia. The contractual terms governing Ventia's joint venture arrangements may give joint venture partners rights that are adverse to the interests of Ventia in certain circumstances (for example where Ventia breaches a term of the arrangement or as a result of other events following the Offer), including buy-out rights, and may give rise to disputes between the joint venture partners. If the joint venture is incorporated, the directors of the joint venture are required to act in the best interests of the joint venture company, which may not align with the best interests of Ventia. While the majority of Ventia's joint venture partners are large corporate entities, there is the risk that such partners may default on their obligations or otherwise act in a manner which adversely affects Ventia. Any default by a joint venture party could result in Ventia ultimately being jointly or severally liable for the obligations of the joint venture (or the joint venture partner).	5.2.8
Ventia's performance is linked to its ability to attract and retain key management and skilled labour	Ventia's performance is dependent on the ability of its senior executives and other key personnel to manage and grow its business and respond to clients' needs. Continuity and retention of senior executives and other key personnel is important for client retention and ongoing client negotiations. The loss of the services of Ventia's senior executives or other key personnel, or an inability to attract and retain qualified and competent senior executives or other key personnel, could have an adverse effect on Ventia's operating and financial performance.	5.2.9

Topic	Summary	Section
Managing a large and complex workforce	Ventia manages a large and complex workforce consisting of more than ~15,000 full-time, part-time and casual employees and a subcontractor workforce of 20,000 as at 30 June 2021. Ventia's service quality is dependent on Ventia's ability to attract, develop, motivate and retain appropriately skilled personnel in these categories and on Ventia's ability to provide a sufficient level of training and oversight in order to achieve consistent standards. If Ventia does not manage its workforce effectively, this may affect Ventia's reputation as an employer; and as a consequence, it may not be able to attract and retain personnel or may not be able to find suitable replacements in a timely manner. This could have an adverse effect on Ventia's business and financial performance.	5.2.10
Pandemic and other public health risks (COVID-19)	Notwithstanding that Ventia's business remained resilient during 2021, COVID-19 and the related restrictions and border closures are impacting a number of industry segments within the Maintenance Services market. There is a risk that the continuing impact of COVID-19 on the broader economy, government/public health orders, directions and alert levels restricting people movement, mandating vaccination and limiting business operations in a number of Ventia's addressable markets, could have a business impact on Ventia. Although the effects of COVID-19 have in part been offset by increased demand in some industry segments, it is not currently possible to fully predict the impact and potential adverse effects that the ongoing COVID-19 pandemic could have on Ventia's business in the future. The ongoing outbreaks and spread of COVID-19 and any other possible future variants of the disease may have a significant adverse impact on Ventia's activities. There is continuing uncertainty as to the extent, duration and final effects of the COVID-19 pandemic or other possible disease outbreaks, including in relation to the government response, work stoppages, government restrictions, quarantines, border closures (including effects on worker migration), travel restrictions, unemployment, federal or state funded worker allowances, the extent and timing of stimulus initiatives, mandating of vaccinations and the effect such factors may have on Ventia, the Australian, New Zealand and global economies, and share markets.	5.2.20
Other risks	A number of other risks relating specifically to an investment in Ventia are set out in Section 5 including: • industrial relations and employee risks; • contractual and general litigation risk; • Ventia may fail to meet its workplace health and safety obligations; • PPP defects and handover risk; • brand and reputation; • reliance on subcontractors and suppliers; and • other specific and general investment risk factors, including misconduct, risk of non-compliance or change in regulation, cyber security, data protection risks and performance of third party technology providers, inability to secure adequate insurance, third party injury or commercial operations interruption, impact of natural events and climate change, capital and maintenance expenditure, disposals, acquisitions and investments by Ventia may not be successful, business operating risks, contingent liabilities, financing issues, general economic conditions, accounting and taxation changes and force majeure events.	5

1.7. Key Offer Statistics

Question	Answer	Section
What are the key Offer statistics?	See Key Offer Statistics table below	Key Offer Statistics on pages 6 to 7

Key Offer Statistics

Indicative Price Range	$2.75 – $3.15 per share
Total proceeds under the Offer (assuming the Over-allocation Option is not exercised)	$1,001 – $1,093 million
Total proceeds under the Offer (assuming the Over-allocation Option is exercised in full)	$1,097 – $1,202 million
Proceeds of the Offer raised by the issue of Shares in the Company	$394 – $397 million
Proceeds of the Offer paid to Existing Shareholders (assuming the Over-allocation Option is not exercised)	$607 – $696 million
Proceeds of the Offer paid to Existing Shareholders (assuming the Over-allocation Option is exercised in full)	$703 – $805 million
Total number of Shares available under the Offer (assuming no Over-allocation as referred to in Section 7.6)	346.9 – 364.1 million
Total number of Shares available under the Offer (assuming maximum Over-allocation as referred to in Section 7.6)	381.6 – 398.7 million
Total number of New Shares to be issued under the Offer	126.0 – 143.2 million
Total number of Existing Shares to be sold under the Offer (assuming no Over-allocation as referred to in Section 7.6)	220.9 million
Total number of Existing Shares to be sold under the Offer (assuming maximum Over-allocation as referred to in Section 7.6)	255.6 million
Maximum number of shares that can be Over-allocated	34.7 million
Number of Shares to be held by Existing Shareholders at the end of the Stabilisation Period (assuming the Over-allocation Option is not exercised)	377.5 million
Number of Shares to be held by Existing Shareholders at the end of the Stabilisation Period (assuming the Over-allocation Option is exercised in full)	342.8 million
Total number of Shares on issue at Completion	761.6 – 778.8 million
Market capitalisation based on the total number of Shares on issue at Completion and the Indicative Price Range	$2,142 – $2,399 million
Pro forma historical net debt as at 30 June 2021	$722 million
Enterprise value based on the Indicative Price Range	$2,864 – $3,121 million
Enterprise value/Pro Forma forecast CY2021 EBITA	12.5x – 13.6x
Enterprise value/Pro Forma forecast CY2022 EBITA	10.4x – 11.3x
Market capitalisation/Pro Forma forecast CY2021 NPATA	15.3x – 17.2x
Market capitalisation/Pro Forma forecast CY2022 NPATA	12.5x – 14.0x
Market capitalisation/Pro Forma forecast CY2021 NPAT	17.4x – 19.4x
Market capitalisation/Pro Forma forecast CY2022 NPAT	13.8x – 15.4x
Implied forecast dividend yield for CY2022	5.4% – 6.0%

For detailed footnotes on the above, refer to notes in Key Offer Statistics on pages 6 and 7.

1.8. Directors and senior management

Question	Answer	Section
Who are the Directors of Ventia?	• David Moffatt (Chairman, Non-Executive Director) • Jeff Forbes (Lead Independent Non-Executive Director, Chair of the Nomination Committee) • Lynne Saint (Independent Non-Executive Director and Chair of the Audit and Risk Committee) • Sibylle Krieger (Independent Non-Executive Director and Chair of the People and Remuneration Committee) • Anne Urlwin (Independent Non-Executive Director and Chair of the Safety and Sustainability Committee) • Kevin Crowe (Non-Executive Director, Chair of the Work Winning and Tender Committee) • Robert Cotterill (Non-Executive Director) • Ignacio Segura (Non-Executive Director)	6.1
Who are Ventia's executive leadership team?	• Dean Banks (Group Chief Executive Officer) • Stuart Hooper (Chief Financial Officer) • Jonathan Dockney (Group General Counsel) • Karen O'Driscoll (Group Executive – Digital Services) • Christian Frost (Group Executive – Safety, Health, Environment and Quality) • Mark Ralston (Group Executive – Strategy and Corporate Affairs) • Charmaine Higgins (Interim Group Executive – People and Capability) • Derek Osborn (Group Executive – Defence & Social Infrastructure) • Peter Borden (Group Executive – Transport) • Richard Kelleway (Group Executive – Infrastructure Services) • Tim Harwood (Group Executive – Telecommunications)	6.2

1.9. Significant interests of key people and related party transactions

Question	Answer	Section
Who are the Existing Shareholders and what will their interest in Ventia be following Completion of the Offer?	• The following table represents the Existing Shareholders' interests in Shares on Completion, assuming the Final Price is set at the midpoint of the Indicative Price Range and the Over-allocation Option is exercised in full:	7.1.4

Existing Shareholders interest in Ventia on Completion	
CIMIC	22.3%
Apollo	22.3%
Total interest	**44.5%**

Question	Answer	Section
Will any Shares be subject to restrictions on disposal following Completion of the Offer?	Each Escrowed Shareholder has entered into a voluntary escrow deed in respect of all the Shares they will hold on Completion of the Offer[8], which prevents them from dealing in their Escrowed Shares for an agreed period. Under the terms of the voluntary escrow arrangements with the Escrowed Shareholders, subject to certain customary exceptions, the Escrowed Shares held by the Escrowed Shareholders will be subject to escrow until 4.15pm on the date on which the Company releases its financial results for the period ending 31 December 2022. In addition,13,720,431 Shares held by current employees and issued under Ventia's legacy incentive plans may not be sold or otherwise dealt with by those employees until released from disposal restrictions as further described in Section 6.3.4.	6.3.3, 6.3.4.1 and 9.8.2
What significant benefits and interests are payable to Directors and other persons connected with Ventia or the Offer and what significant interests do they hold?	• The following table represents the Directors' respective interests in Shares on Completion, assuming the Final Price is set at the midpoint of the Indicative Price Range: *Directors' respective interest in Ventia on Completion* David Moffatt: 1.3% **Total Directors' interest: 1.3%** • Certain Company executives and other members of management are eligible to participate in the Company's STI Plan and LTI Plan and the Ventia Incentive Plan, as disclosed in Section 6.3.3. • Directors and management are entitled to remuneration, fees and other payments as set out in Section 6.3. • Professional advisers to the Offer are entitled to the fees set out in Section 6.3.1. • The Joint Lead Managers are entitled to fees as set out in Section 6.3.1. • The Company has entered into commercial agreements with Apollo and CIMIC, as disclosed in Section 9.8.	6.3 and 9.8

1.10. Details of the Offer

Question	Answer	Section
Who is the issuer of this Prospectus?	• This Prospectus is issued by Ventia Services Group Limited (ABN 53 603 253 541) (**Ventia**) and Ventia SaleCo Limited (ACN 654 078 878) (**SaleCo**).	7.1
What is the Offer?	• The Offer is an initial public offering of 126 to 143 million Shares for issue by the Company and 221 million Shares for sale by SaleCo, assuming the Over-allocation Option is not exercised (or 256 million Shares assuming the Over-allocation Option is exercised in full)[9]. • Following the end of the Stabilisation Period for the Offer and assuming the Over-allocation Option is exercised in full, the Existing Shareholders will hold a maximum of 45.0% of the Shares on issue[10]. Depending on the proportion of Shares retained by the Existing Shareholders, the Shares offered under this Prospectus will represent ~50.1% to 51.2% of the Shares on issue following the Offer[11]. • All Shares will be issued at the Final Price.	7.1

8. Excluding any Shares acquired for cash in the Offer.
9. See Section 7.1 for further details.
10. In addition, a further 4.9% will be held by certain other persons who are minority shareholders as at the date of this Prospectus. These persons are executives or former executives of Ventia and Ventia Services Group EIP Pty Ltd as trustee for participants under EIP 1 and EIP 2.
11. See Section 7.1 for further details. Assumes the Over-allocation Option is exercised in full.

Question	Answer	Section
What is SaleCo?	• SaleCo is a special purpose vehicle established to enable Selling Shareholders to sell part or all of their investment in Ventia on Completion.	9.3
What are Market Stabilisation Activities?	• The Stabilisation Manager may determine to facilitate Market Stabilisation Activities post-Listing as outlined in Section 7.6. • At any time during the 30-day period following Listing, the Stabilisation Manager may engage in Market Stabilisation Activities on the ASX by bidding for or purchasing Shares on-market (**Market Stabilisation Activities**). No Market Stabilisation Activities will occur on the NZX Main Board. During the 30-day period following Listing when Market Stabilisation Activities may occur on the ASX, trading on the NZX Main Board in respect of the Shares will commence at the same time as the open of trading of the Shares on the ASX. • The purpose of any Market Stabilisation Activities would be to adjust the available supply of Shares if a decline in market price below the Final Price were to indicate excess supply. The Stabilisation Manager's purchase of Shares may have the effect of stabilising the trading price for Shares on the ASX in circumstances where the trading price is at or below the Final Price. The Stabilisation Manager may also offer to resell (on-market) some or all of the Shares purchased pursuant to Market Stabilisation Activities. The resale of Shares may also affect the trading price for Shares on the ASX (by increasing supply and therefore restraining a rise in price).	7.6
What would be the impact of any Market Stabilisation Activities on the Shareholding of the Existing Shareholders?	See table below	7.1.4

	Prior to the Offer	After Completion of the Offer and after the Stabilisation Period	
	Percentage Shareholding	Shares held (million)	Percentage Shareholding
If there are no Market Stabilisation Activities[12]			
Existing Shareholders	94.1%	342.8	44.5%
EIP shareholders	5.9%	37.2	4.8%
New Shareholders	0.0%	389.6	50.6%
If there are Market Stabilisation Activities to the maximum extent permitted[12]			
Existing Shareholders	94.1%	377.5	49.0%
EIP shareholders	5.9%	37.2	4.8%
New Shareholders	0.0%	354.9	46.1%

Question	Answer	Section
What is the proposed use of funds raised pursuant to the Offer?	• The Offer is being conducted to raise new capital to repay debt, allow Existing Shareholders to realise part of their investment, provide Ventia with access to capital markets and added financial flexibility to pursue further growth opportunities and to create a liquid market for Ventia's shares and to pay the costs of the Offer.	7.1.2

12. See Section 7.6 for further details. Assumes the Final Price is set at the midpoint of the Indicative Price Range.

Question	Answer	Section
Will the Shares be quoted on the ASX?	• Yes. On or about the date of this Prospectus, the Company will apply to the ASX for admission to the Official List of the ASX and quotation of Shares on the ASX under the code 'VNT'. • Completion of the Offer is conditional on the ASX approving this application. If approval is not given within three months after such application is made (or any longer period permitted by law), the Offer will be withdrawn and all Application Payments received will be refunded without interest as soon as practicable in accordance with the requirements of the Corporations Act.	7.9
Will the Shares also be quoted on the NZX?	• Yes. Ventia will apply for listing with the NZX as a foreign exempt issuer and for quotation of the Shares on the NZX Main Board. • Completion of the Offer is conditional on NZX approving this application. If approval is not given within three months after such application is made (or any later date permitted by law), the Offer will be withdrawn and all Application Payments received will be refunded without interest as soon as practicable in accordance with the requirements of the Corporations Act.	7.9
How is the Offer structured?	• The Offer will comprise: – the Broker Firm Offer; – the Employee Offer; – the Priority Offer; – the CIMIC Group Limited Shareholder Offer; and – the Institutional Offer. • No general public offer of Shares will be made under the Offer.	7.1.1
Will the Offer be extended into New Zealand?	• Yes. All Shares offered to investors in New Zealand under the Offer are being offered under the Mutual Recognition Regime. • No offer of Shares is being made to investors in New Zealand until such time as the relevant notice and accompanying documents required to be lodged under the Mutual Recognition Regime have been lodged. • Investors in New Zealand should refer to the section 'Important Notice to New Zealand investors' on page 3 of this Prospectus. • Shares will be allocated to the NZX Main Board and held on the New Zealand share register if payment under the Retail Offer has been made in New Zealand dollars.	Sections 7.9.4 and 7.9.5 and 'Important Notice to New Zealand investors' on page 3
Is the Offer underwritten?	• No. The Offer is not underwritten.	7.2
What is the allocation policy?	• The allocation of Shares between the Broker Firm Offer, Employee Offer, Priority Offer, CIMIC Group Limited Shareholder Offer and Institutional Offer will be determined by the Company in agreement with the Joint Lead Managers. • The allocation of Shares to participants under the Institutional Offer will be determined by the Company in agreement with the Joint Lead Managers. • For Broker Firm Offer participants, the relevant Broker will decide how it allocates Shares among its retail clients, and it (and not the Company or the Joint Lead Managers) will be responsible for ensuring that retail clients who have received an allocation from their Broker receive the relevant Shares. • The Company will determine the allocation of Shares to participants in the Employee Offer and Priority Offer in its absolute discretion. • The allocation of Shares to participants under the CIMIC Group Limited Shareholder Offer will be determined by the Company and SaleCo.	7.3 and 7.4

Question	Answer	Section
Is there any brokerage, commission or stamp duty payable by Applicants?	• No brokerage, commission or stamp duty is payable by Applicants on the acquisition of Shares under the Offer.	7.2 and 9.6
What are the tax implications of investing in Shares?	• A summary of certain Australian and New Zealand tax consequences of participating in the Offer and investing in Shares is set out in Sections 9.11 and 9.12. • The tax consequences of any investment in Shares will depend upon an investor's particular circumstances. • Applicants should obtain their own tax advice prior to deciding whether to invest in Shares.	7.2, 9.11 and 9.12
When will I receive confirmation that my Application has been successful?	• Confirmations of successful Applications in the form of holding statements and allotment confirmation notices are expected to be mailed on or around 24 November 2021.	7.2
How can I apply?	• Eligible investors may apply for Shares under the Offer by completing a valid Application Form attached to or accompanying this Prospectus. – Applicants under the Broker Firm Offer should complete a hard copy Broker Firm Offer Application Form and follow the instructions of their Broker. – Priority Offer applicants, who have been invited by Ventia to participate in the Offer, may apply for Shares by completing a valid online Application Form at www.ventiaipo.com. – Employee Offer applicants, who have been invited by Ventia to participate in the Offer, may apply for Shares by completing a valid online Application Form at www.ventiaipo.com. – CIMIC Group Limited Shareholder Offer applicants may apply for Shares by completing a valid online Application Form at www.ventiaipo.com. – If you are an Institutional Investor, separate instructions in relation to the Institutional Offer will be provided to you by the Joint Lead Managers. • To the extent permitted by law, an Application is irrevocable.	7.3 and 7.4
Where can I find more information about this Prospectus or the Offer?	• Please call the Ventia Offer Information Line on 1300 140 281 (within Australia) or 0800 453 521 (within New Zealand) or +61 3 9415 4015 (outside Australia and New Zealand) from 8.30am to 5.30pm (Sydney time), Monday to Friday.	7.2
Can the Offer be withdrawn?	• The Company and SaleCo reserve the right to not proceed with the Offer at any time before the issue and transfer of Shares to successful Applicants. • If the Offer does not proceed, Application Payments will be refunded. No interest will be paid on any Application Payments refunded as a result of the withdrawal of the Offer.	7.8

SECTION 2

INDUSTRY OVERVIEW

Heatherton, VIC

2.1. Overview of the Maintenance Services market

Ventia operates in the Maintenance Services market across Australia and New Zealand, across a broad range of industry segments. BIS Oxford Economics estimates that the total addressable market for Maintenance Services in FY21F will be $62.0 billion[1].

Ventia's addressable market covers four service types including Operations and Maintenance (**O&M**), Facilities Management (**FM**), Minor Capital Works (**MCW**) and Environmental Services (**ES**), as outlined in Section 2.1.1.

This Section provides an overview of the Maintenance Services market, including the estimated outsourced market size, key demand drivers, competitive landscape and outlook for the industry segments in which Ventia operates. It also provides a summary of Ventia's regulatory environment and recent market trends resulting from the COVID-19 pandemic.

To assist the Company with preparing this Section of the Prospectus, the Company commissioned a report (**Industry Report**) by BIS Oxford Economics which covered market drivers, the estimated addressable market size of Maintenance Services, the outlook for each industry segment and Ventia's estimated market share across each of its Sectors. To enable potential investors to assess the reasonableness of the estimates of the total addressable market and the assumptions underlying these estimates, a description of the methodology BIS Oxford Economics used to calculate these estimates is set out in Appendix 1. Certain statistics, data and other information in this Section are based on the Industry Report. All information provided in Sections 2.1.2, 2.1.3, 2.2 and 2.3 is sourced from the Industry Report unless indicated otherwise. BIS Oxford Economics has estimated Ventia's addressable market based on the services that Ventia delivers (outlined in Figure 2). Throughout the Industry Report, the total estimated addressable market refers to the outsourced component of the Maintenance Services market, which BIS Oxford Economics defined with the assistance of Ventia. Further detail on the methodology used to size Ventia's estimated addressable market is provided in Appendix 1.

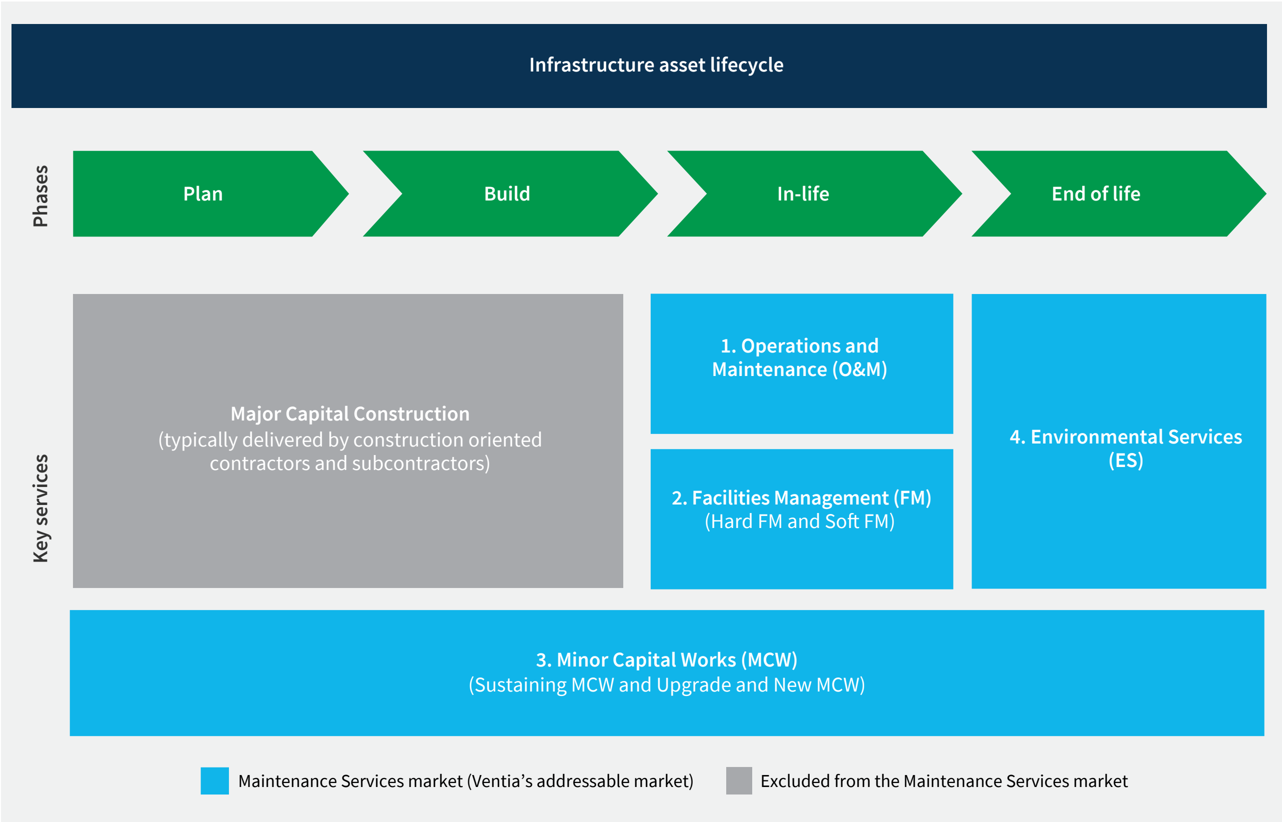
BIS Oxford Economics has consented to the inclusion in this Prospectus of references to the Industry Report and to the inclusion of statements based on the findings of its report, in the form and context in which those references and statements are included. Unless otherwise stated, the numbers reflected in this Section are in Australian dollars.

2.1.1 Service types

Ventia's essential Maintenance Services capabilities span the asset lifecycle across plan, build, in-life and end of life phases, as summarised in Figure 1. Whilst Ventia does not deliver Major Capital Construction services, construction activity supports growth in the asset base requiring Maintenance Services[2].

1. BIS Oxford Economics (2021).
2. Major Capital Construction services have not been included in the estimated addressable market for any industry segment. Further information on the methodology BIS Oxford Economics used to estimate the addressable market is included in Appendix 1.

Figure 1: Overview of the infrastructure asset lifecycle[3]



The Maintenance Services market in which Ventia operates and which is sized in this Section includes the outsourced component of the four service types outlined below in Table 1. Further detail on Ventia's services is provided in Section 3.1.5.

Table 1: Services delivered in the Maintenance Services market[4]

Service type	Description
1. Operations and Maintenance (O&M)	• Work undertaken on an asset which improves the standard and/or quality of the asset but does not improve upon the original design standard. • Covers preventative and reactive maintenance, plant shutdown maintenance and minor alterations of operational assets. • Includes aspects of the operation of specific core assets and processes on behalf of asset owners. • O&M services occur within the non-built environment[5] across a number of industry segments such as Roads, Telecommunications, Water and Resources & Industrial.

3. Ventia also performs a small amount of design, engineering and decommissioning for MCW.
4. Refer to Appendix 1 for an overview of how BIS Oxford Economics has sized each service in the Maintenance Services market.
5. Non-built environment refers to infrastructure that does not include building structures.

Service type	Description
2. Facilities Management (FM)	• All services associated with running or maintaining a building facility. • Includes building maintenance and excludes any O&M services of non-building related processes or operations. • Key industry segments delivering FM services include Social Infrastructure and Defence. • FM can be divided into Soft FM and Hard FM as outlined below.
a. Soft FM	• Ancillary services such as janitorial or cleaning, security, justice logistics, catering, laundry, landscaping and other related support services. • The size of the larger bundled or integrated outsourced Soft FM services market is more relevant to Ventia[6].
b. Hard FM	• Technical services, typically involving trades skills, such as the maintenance, asset management and refurbishment of electrical and mechanical systems, including machinery, Heating, Ventilation and Air Conditioning (**HVAC**), building automation systems, fire detection and alarm systems, security systems, process control, lift systems and plumbing.
3. Minor Capital Works (MCW)	• Refers to smaller value capital projects, defined as a subset of broader spending on building or civil infrastructure and is typically captured in construction industry activity. • Whilst the size of projects associated with MCW can differ by industry segment, in general, projects up to $100 million in contract value have been included in the analysis of the total estimated addressable market size[7]. • MCW can be divided into Sustaining MCW and Upgrade and New MCW as outlined below.
a. Sustaining MCW	• Sustaining MCW relates to works required to return an asset to its original design standard (for example, the resurfacing of a road). • Closely related to O&M and Hard FM services.
b. Upgrade and New MCW	• Involves MCW associated with upgrading an existing asset to improve its design standard (for example, upgrading the capacity of an existing sewerage treatment facility), or building a new asset (for example, a telecommunications network).
4. Environmental Services (ES)	• Relates to a range of remediation services to restore contaminated land and waterways. • Involves the removal of contaminants and pollution, and the mitigation of any associated negative effects (for example, per- and polyfluoroalkyl substances (**PFAS**) soil remediation).

2.1.2 Estimated addressable market size

Ventia operates across a number of industry segments which have been sized by BIS Oxford Economics. Table 2 aligns the industry segments to Ventia's Sectors and includes a summary of each industry segment's estimated addressable market size for FY21F and growth outlook from FY21F to FY25F[8]. The methodology BIS Oxford Economics applied to calculate the estimated addressable market size for each industry segment is described in Appendix 1.

BIS Oxford Economics estimates Ventia's total addressable market for Maintenance Services in FY21F to be $62.0 billion. While the market size has remained flat over recent years, BIS Oxford Economics is forecasting market growth over coming years, with a CAGR of 5.5% forecast over the four years to FY25F. BIS Oxford Economics forecasts Ventia's estimated addressable market to reach $76.9 billion in FY25F.

6. The estimated addressable market for Soft FM has been defined as the bundled or integrated outsourced Soft FM services market.
7. Refer to Appendix 1 for further information on the size of projects associated with MCW by industry segment.
8. All numbers presented in this Section are reflected in current prices (nominal value) per BIS Oxford Economics (2021).

Table 2: Summary of industry segments across Ventia's Sectors[9]

		Estimated addressable market size[10]	
Industry segment	Ventia Sector	FY21F ($bn)	Forecast CAGR (FY21F – FY25F)
Social Infrastructure	Defence & Social Infrastructure (D&SI)	17.6	4.6%
Defence		3.5	8.6%
Total D&SI		**21.1**	**5.3%**
Electricity and Gas Transmission & Distribution (**T&D**)	Infrastructure Services (IS)	7.6	6.5%
Water		4.7	6.3%
Resources & Industrial		4.0	4.1%
Oil & Gas		2.8	10.4%
Electricity Generation		2.1	7.5%
Environmental		1.0	5.7%
Total IS		**22.2**	**6.6%**
Telecommunications	Telecommunications	7.8	6.8%
Total Telecommunications		**7.8**	**6.8%**
Roads	Transport	4.9	1.3%
Rail		0.7	4.3%
Total Transport		**5.6**	**1.6%**
New Zealand	**All[11]**	**5.3**	**3.9%**
Total New Zealand		**5.3**	**3.9%**
Total estimated addressable market		**62.0**	**5.5%**

Ventia's total estimated addressable market grew at a CAGR of 0.8% from FY18 to FY20. Excluding Telecommunications, which experienced a decline in spending as the construction phase of the National Broadband Network (**NBN**) moved towards completion, the Maintenance Services market grew at a CAGR of 2.7% over the same period.

Whilst FY21F is a forward estimate, it reflects the estimated impact of trends in industry segments during FY21 based on current data available. This includes both the continued decline in Telecommunications spending and a step up in Roads Maintenance Services during FY21F. The Maintenance Services market is estimated to contract from FY18 to FY21F at a CAGR of (0.8%). During this same period, non-Telecommunications industry segments are estimated to grow at a CAGR of 2.1%.

From FY21F to FY25F, the Maintenance Services market is expected to grow at a CAGR of 5.5% supported by new investment in the Telecommunications industry segment (including upgrades to the NBN and the rollout of 5G networks) and increased activity in the Upgrade and New MCW components of the Water, Electricity T&D and Electricity Generation industry segments. Refer to Section 2.2 for the key factors supporting the outlook for each industry segment.

A summary of the estimated addressable market for Maintenance Services across Australia and New Zealand is provided in Figure 2.

9. BIS Oxford Economics (2021).
10. All Sectors except Telecommunications exclude equipment and materials from the total estimated addressable market.
11. New Zealand has been sized including the same industry segments as Australia with the exception of Resources & Industrial, Oil & Gas and Rail. Further information on the methodology BIS Oxford Economics used to estimate the addressable market is included in Appendix 1.

Figure 2: Total estimated addressable market for Maintenance Services across Australia and New Zealand ($bn)

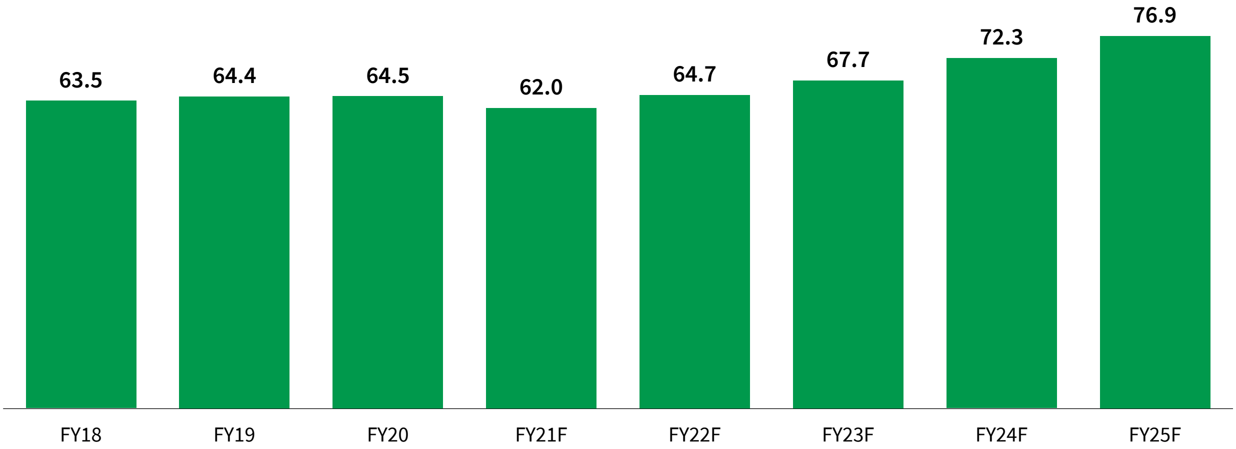
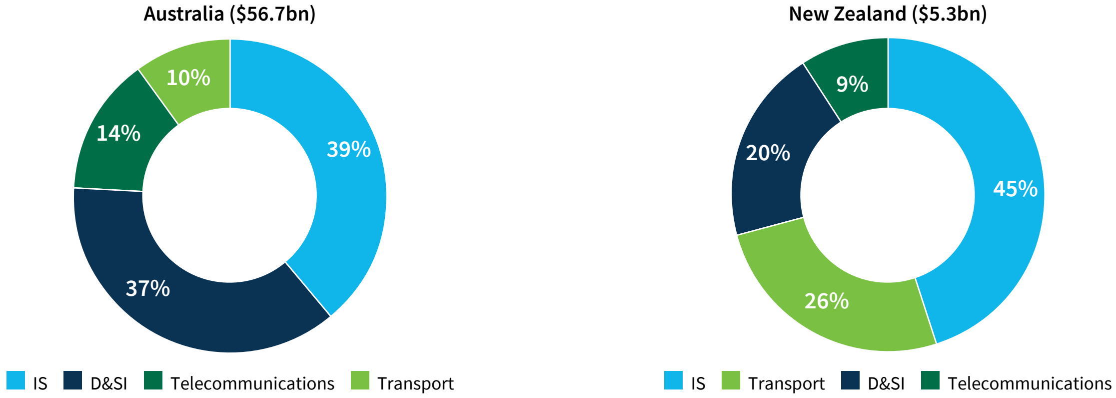


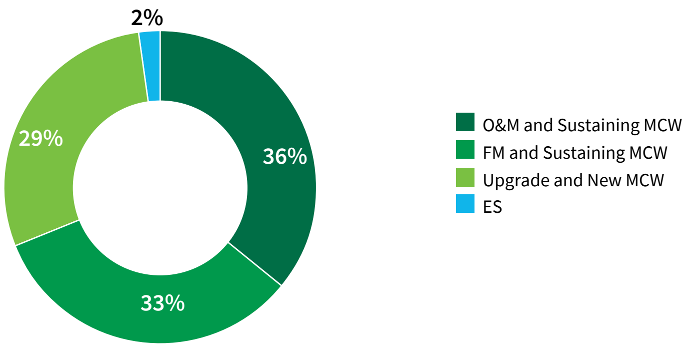
Figure 3: FY21F total estimated addressable market by Ventia Sector (Australia and New Zealand)[12]



As shown in Figure 4, BIS Oxford Economics estimates that O&M, FM, Sustaining MCW and ES services represent the majority of the estimated addressable market in Australia for FY21F at $40.1 billion (71% of the total addressable market). The estimated Upgrade and New MCW of $16.5 billion (29% of the total addressable market) for FY21F largely comprises spend across the Telecommunications, Water and Electricity T&D industry segments.

12. The difference in the split of estimated addressable market by Sector between Australia and New Zealand is predominantly due to differences in Ventia's operations in each country. Further information on the methodology BIS Oxford Economics used to estimate the addressable market is included in Appendix 1.

Figure 4: FY21F total estimated addressable market by service type in Australia[13]



2.1.3 Demand drivers

A summary of the key drivers that are expected to support demand for Maintenance Services in Australia and New Zealand is provided in Table 3.

Table 3: Summary of expected key demand drivers for Maintenance Services[14]

Demand driver	Impact on Maintenance Services	Key trends
1. Population growth	• Contributes to increased utilisation of existing assets. • Contributes to the need for additional investment in infrastructure.	• Larger populations support higher urban densities, increased congestion, and increased burden on existing infrastructure. • Over the five years to FY20, Australia experienced population growth of 1.5% p.a., although BIS Oxford Economics forecasts that growth will slow to 0.2% during FY21F as a result of the international border closures in response to the COVID-19 pandemic, with population growth expected to remain weak into FY22F. • BIS Oxford Economics expects population growth in Australia to return to a stronger growth rate of 1.4% p.a. from FY22F to FY25F assuming international borders reopen and the backlog of immigration resumes[15]. This is a higher rate of population growth than most developed countries[16]. • The growth in urban populations across Australia is expected to closely resemble overall population growth in the future[17], despite recent increases in intra-state regional migration due to the COVID-19 pandemic[18].

13. The BIS Oxford Economics dataset for Maintenance Services captures spend on O&M, Hard FM and Sustaining MCW. Further information on the methodology BIS Oxford Economics used to estimate the addressable market is included in Appendix 1.
14. BIS Oxford Economics (2021).
15. While the Australian Government has not advised on an exact date for the reopening of borders, in July 2021 the federal and state governments released a four-phase plan to achieve uncapped inbound arrivals for all vaccinated persons.
16. BIS Oxford Economics notes that population growth within OECD countries typically does not surpass 0.5% p.a.
17. Particularly once overseas migration resumes, as most migrants tend to settle in urban areas.
18. Australian Bureau of Statistics (2020).

Demand driver	Impact on Maintenance Services	Key trends
2. Size and growth of asset base	• Large existing asset base requires maintenance, separate to the level of new infrastructure being developed. • Growing size of the asset base supports higher levels of Maintenance Services. – Economic activity necessitates a larger asset base to sustain GDP growth and improve productivity. – Construction activity across the public and private sectors directly adds to the asset base which needs to be maintained. – Government funding supports investment in infrastructure.	**Large existing asset base:** • The size of the asset base of non-residential buildings totalled $2.9 trillion in FY20, having grown at a CAGR of 4.7% from FY05 to FY15 before slowing to a CAGR of 2.5% over the next five years to FY20. **Economic activity:** • Australian GDP declined 0.2% in FY20 during a period of significant government policy responses to mitigate the impact of the COVID-19 pandemic. • Australian GDP is forecast to grow by 1.3% in FY21F as the economy recovers from the impact of COVID-19. Following a quarterly GDP decline of 7.0% in the June quarter of 2020, there was a relatively strong rebound in the first three quarters of FY21 as lockdown conditions eased, which saw quarterly GDP rise above pre-COVID levels. • The September 2021 quarter is expected to see another temporary fall in Australian GDP as lockdown conditions persist, although essential services are expected to continue to operate throughout this period. With the Delta variant of the virus likely to see sustained local transmission, lockdown restrictions may not be fully eased until vaccination rates rise to 70-80%. An eventual easing is likely to drive a recovery in growth in late 2021 and/or early 2022. • Overall, Australian GDP is forecast to increase 2.0% in FY22F and 5.0% in FY23 before easing over FY24F and FY25F. This is supported by the vaccine rollout, a large buffer of household savings to support spending as restrictions ease, and elevated levels of government spending on infrastructure. **Construction activity:** • Excluding private housing construction, total construction in Australia is forecast to grow at a CAGR of 4.3% from FY21F to FY25F to reach an annual value of $161.3 billion in FY25F. • Public construction activity is expected to be focused on transport, telecommunications networks, utilities, education and health buildings. Private sector construction activity is expected to focus on resources, electricity, telecommunications networks and commercial and industrial buildings. • However, labour constraints associated with increased competition for skilled workers may limit growth in construction activity and subsequently Maintenance Services activity.

Demand driver	Impact on Maintenance Services	Key trends
2. Size and growth of asset base *continued*		**Government infrastructure expenditure:** • Total public sector construction expenditure has grown at a CAGR of 3.7% from FY05 to FY20 to reach $50.3 billion in FY20. • BIS Oxford Economics expects public sector funded construction to grow at a CAGR of 4.4% from FY21F to FY25F to reach $60.2 billion in FY25F, representing 37.3% of total non-dwelling construction spend in FY25F. • State and federal governments have been increasing infrastructure construction funding to respond to a variety of factors including growing populations, historical underinvestment in some infrastructure (such as rail, roads, schools and hospitals), the need to reduce the strain on existing infrastructure, and to stimulate economic activity. **Private investment and construction activity:** • While private business investment and construction activity declined in FY20 and is expected to decline in FY21F, a combination of government investment incentives and a recovery in the Australian and global economies has prevented a larger decline, with a turnaround in private investment expected in FY22. • Privately funded non-dwelling construction is expected to grow at a CAGR of 3.8% from FY21F to FY25F to reach $101.1 billion in FY25F, representing 62.7% of total non-dwelling construction spend in FY25F.
3. Outsourcing rates	• Grows the extent of outsourcing of Maintenance Services, separate to the size and growth of the underlying asset base.	• Outsourcing rates are increasing as organisations seek to reduce costs, focus on core activities and avoid the need to hold specialist Maintenance Services capabilities in-house. • BIS Oxford Economics estimates that the proportion of outsourced Maintenance Services across addressable industry segments[19] has risen from 49.1% in FY11 to 58.3% in FY20. Outsourcing rates are expected to increase to 59.7% by FY25F, potentially adding $800 million to the size of these segments from outsourcing alone.
4. Technology adoption and automation	• Strengthens the proposition for asset owners to engage a third party to deliver services.	• Advancements in technology can improve service outcomes through efficiency gains that support further investment in infrastructure. 'Intelligent automation' or 'smart technology' also has the potential to support the level of outsourcing rates across industry segments. • Technology may also limit the need for 'physical' maintenance for preventative purposes, but increase the demand for specialised, technology-based services.

19. Includes all industry segments except Soft FM Services in Defence and Social Infrastructure and Environmental; Upgrade and New MCW services are also excluded from the outsourcing calculations.

Demand driver	Impact on Maintenance Services	Key trends
5. Environmental regulation	• Drives greater requirement for specialised ES.	• Increasing demand for ES driven by higher fuel quality standards, carbon emission targets and review of existing environmental regulations. • One reason for this trend is expected to be governments seeking to reclaim land in inner city areas due to land shortages. Other factors include governments bringing forward planned improvements to fuel quality to 2024 (from 2027)[20] which is expected to necessitate infrastructure upgrades.
6. New Zealand	• Several factors are supporting the demand for Maintenance Services in New Zealand.	**Population growth:** • The past five years have seen the strongest growth in population in New Zealand since the mid-1900s[21] of 2.0% p.a., although near-term growth is expected to be tempered by the lack of international migration as a result of the COVID-19 pandemic. **Economic activity:** • New Zealand's economy contracted by only 1% in FY20, owing to its early elimination of COVID-19 infections in the community. Fiscal stimulus and attractive borrowing conditions have prompted strong rebounds in household spending and private investment – such that GDP growth is estimated to have recovered to 5.1% in FY21F and is forecast to average 2.4% per annum over the five years to FY25F. **Growth in the asset base:** • Non-residential construction in New Zealand is forecast to grow at a CAGR of 4.5% from FY21F to FY25F, supported by federal government infrastructure packages totalling NZD57.3 billion. Catering to a larger population, a historic underspend on maintenance[22] and the need for stimulus following the COVID-19 pandemic are the key drivers behind rising investment.

20. Associated with improving community health standards by requiring domestic petroleum refineries to undertake the necessary infrastructure upgrades for low sulphur fuel production.
21. Stats NZ, Estimated Resident Population.
22. Transport, water and defence infrastructure have been targeted for significant increases in public investment, per Civil Contractors (2021), Water Industry Commission for Scotland (2021), and New Zealand Defence Force (2019).

2.1.4 Competitive landscape

2.1.4.1 Competitors in the Maintenance Services market

The Maintenance Services market in Australia and New Zealand is fragmented, with a diverse range of service providers from domestic and international markets. This Section provides a summary of Ventia's key competitors across each of its four Sectors. Additional information on Ventia's Sectors is included in Section 3.2.

Defence & Social Infrastructure

Ventia's D&SI Sector provides maintenance and support services to clients operating across Defence, Social Infrastructure (**Education, Social Housing, Justice and Health**), Local Government and Critical Infrastructure. Competition in the D&SI Sector tends to be based on service breadth, quality and cost to deliver services. Ventia competes against several companies in this Sector, with Downer being the main domestic competitor. There are also several international Soft and Hard FM service providers operating in the market including Serco, Sodexo, ISS, BGIS and Programmed[23], while companies such as Thales and BAE compete in services associated with Army Sustainment[24].

Infrastructure Services

Ventia's IS Sector supports owners and operators of utilities, resources and industrial assets. Key competitors in the IS Sector are domestic companies which vary by industry segment and geography. Medium to large competitors include Downer, Service Stream[25], Lendlease Services[25] and UGL, although none of these peers operate across all of the industry segments that Ventia's IS Sector operates in. Subsidiaries of international service providers also operate within the Australian market, although these competitors typically focus on specific industry segments or services. For example, SUEZ operates in the Water industry segment and Veolia operates in the Water, Environmental and Resources & Industrial industry segments.

Telecommunications

Ventia's Telecommunications Sector provides end-to-end services including design, supply, minor construction, installation, commissioning and maintenance. The competitive landscape in the Telecommunications Sector is characterised by a number of companies operating across the NBN and carrier networks. These include Downer, Service Stream[25], Lendlease Services[25] and to a lesser extent Fulton Hogan and BSA. The balance of the market comprises smaller, niche service providers operating in local geographies.

Transport

Ventia's competitors in the Roads industry segment include both national and regionally based service providers. Service providers that compete against Ventia on a national basis across Australia include Downer and Fulton Hogan. Other competitors include Lendlease Services[25] and Maca, while companies such as Johnson Controls compete in Road Intelligent Transport Systems. Key competitors in the Roads industry segment in New Zealand include Downer, Fulton Hogan, Fletcher Building and VINCI.

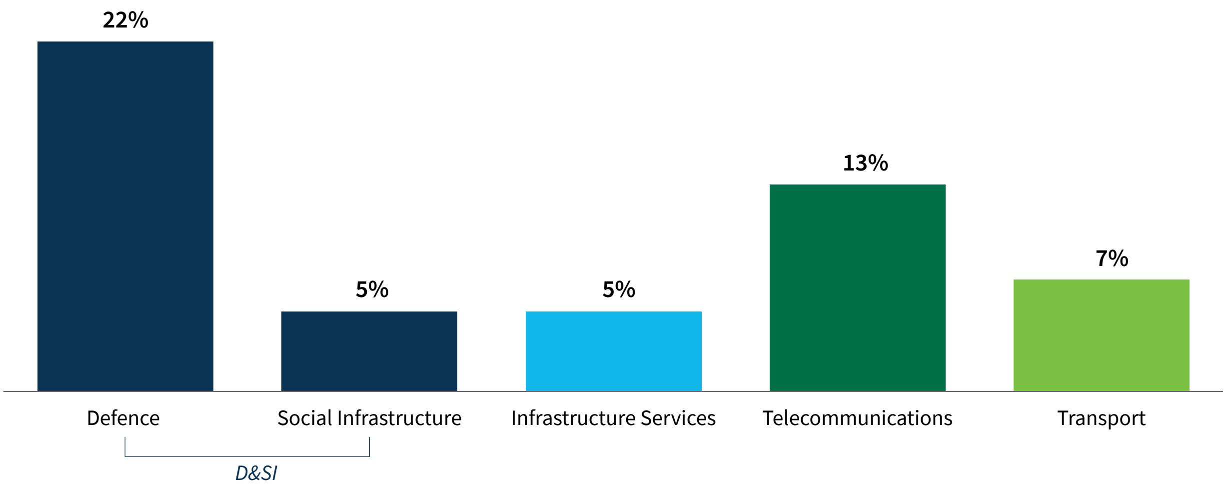
Ventia's competitors in the Rail industry segment operate across a range of capabilities such as rollingstock, rail construction and below rail infrastructure[26]. Key competitors include John Holland, UGL, Downer and Acciona. Ventia only delivers Maintenance Services to below rail infrastructure in Australia.

23. Programmed is a subsidiary of PERSOL GROUP.
24. Relates to the maintenance of land-based vehicles and equipment.
25. Service Stream announced on 21 July 2021 that it has entered into an agreement to acquire Lendlease Services.
26. Below rail infrastructure refers to fixed infrastructure assets as opposed to rollingstock and locomotives.

2.1.4.2 Market position

BIS Oxford Economics has estimated Ventia's market share across each of its Sectors in Australia and New Zealand as presented in Figure 5 below. A summary of the methodology applied by BIS Oxford Economics is provided in Appendix 1.

Figure 5: Ventia's estimated market share in Australia and New Zealand (FY21F)[27,28]



Within each of its Sectors, Ventia holds leading market positions in specific services including those summarised below in Table 4.

Table 4: Estimated market positions[29]

Sector	Ventia's estimated market position
Defence & Social Infrastructure	• #1 provider of defence estate and base services in Australia. • #1 provider of social housing maintenance in NSW.
Infrastructure Services	• #1 complex ES remediation provider in Australia. • A leading water infrastructure maintenance provider in Australia.
Telecommunications	• #1 telecommunications infrastructure services provider in Australia and New Zealand. • A leading provider in delivery of premises ready for service for NBN Co. Limited (nbn) (Australia) and Chorus (New Zealand).
Transport	• #1 in private motorways and tunnels servicing and maintenance in Australia.

27. BIS Oxford Economics (2021).
28. Ventia's actual revenue for July 2020 to June 2021 was used for the purpose of calculating market share by adding actual H2CY2020 revenue to actual H1CY2021 revenue. See Appendix 1 for further information.
29. Management estimates. Refer to Appendix 1 for additional information on the approach management applied to estimating the Company's market positions.

2.1.5 Key barriers to entry

The Company believes that there are several barriers to entry that can prevent the easy replication of a Maintenance Services provider's offering by new entrants to the industry:

- **Scale and capabilities:** The size and scope of projects tend to require larger service providers to be able to address the complex demands, such as the need to mobilise large workforces in short periods and the requirement to meet cybersecurity and data and analytics requirements. This is supported by holding the required accreditations and certifications to deliver services.
- **Industry segment coverage:** Service providers operating across a diverse mix of industry segments can reduce the financial impact of a decline in any specific industry segment.
- **Financial strength:** PPP projects, as well as other large, outsourced infrastructure projects, require significant financial resources which generally limits the types of companies that can service these projects.
- **Experience and track record:** Clients are focused on ensuring outsourcing risk is minimised. Large clients therefore tend to outsource services to large service providers with a track record of delivery.
- **Established client relationships:** Existing service providers are better positioned to understand the client's underlying business or activities and are considered to be well positioned to deliver the services with a lower level of risk.
- **Specialist technical expertise and intellectual property:** Industry segments such as Telecommunications and Environmental require significant technical expertise for which only a small number of service providers hold the capabilities, credentials and track record.

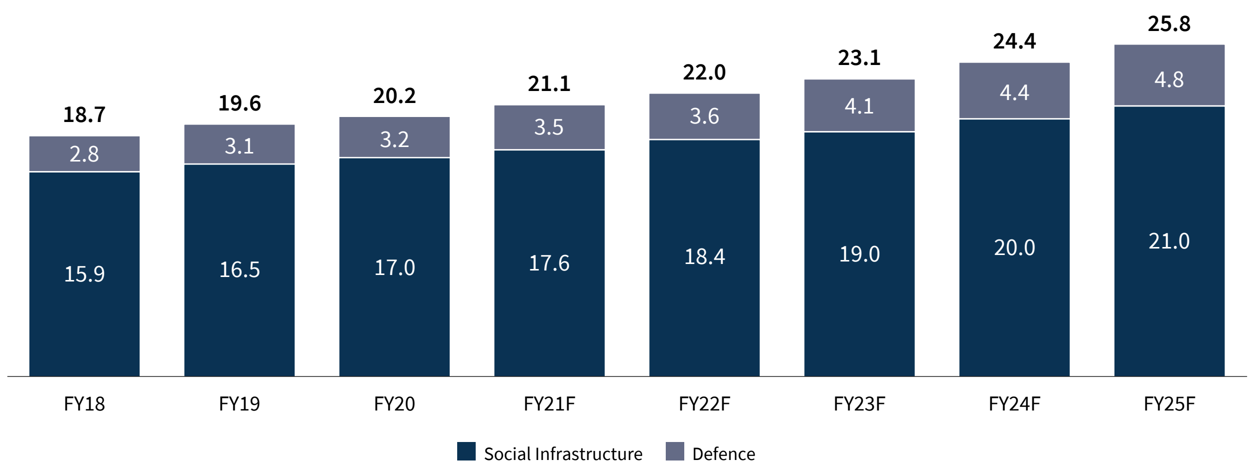
2.2. Maintenance Services market outlook

This Section provides a summary of the estimated addressable market size and outlook for Ventia's Sectors across each industry segment sized by BIS Oxford Economics[30]. All commentary and values contained in Sections 2.2.1, 2.2.2, 2.2.3 and 2.2.4 relate to the outlook for Ventia's addressable market in Australia only. A summary of the outlook for Ventia's addressable market in New Zealand is provided in Section 2.2.5.

2.2.1 Defence & Social Infrastructure

BIS Oxford Economics estimates that the addressable market for the industry segments relating to Ventia's D&SI Sector will total $21.1 billion in FY21F, including $17.6 billion (83.4%) in Social Infrastructure and $3.5 billion (16.6%) in Defence, and forecasts it to grow at a CAGR of 5.3% from FY21F to FY25F.

Figure 6: Maintenance Services to the D&SI Sector (FY18-FY25F) ($bn)



30. All numbers presented in this section are reflected in current prices (nominal value) per BIS Oxford Economics (2021).

Table 5: Summary of key market drivers for the D&SI Sector[31]

Industry segment	Key market drivers	Forecast CAGR (FY21F – FY25F)
Social Infrastructure	• In the near-term, building Hard FM activity is expected to be supported by strong increases in public funding to address the large backlog in social housing maintenance – a measure which is also being used as economic stimulus. This is expected to offset the temporary weakness in building segments exposed to the impact of COVID-19, notably the tertiary education sector. • On a longer-term basis, building Hard FM is expected to grow as the stock of assets increases and as asset owners increasingly outsource maintenance to seek higher efficiencies. • Soft FM activity has been supported by rising demand for outsourced Soft FM from remote camps, justice logistics, transport, utilities and bundled government services contracts. • Soft and Hard FM providers will benefit from rising levels of non-residential building capital spend from FY22F, following a dip in FY21F.	**4.6%**
Defence	• Growth in Defence Estate and Infrastructure Group[32] Sustainment expenditure, which includes spending related to base services (such as estate maintenance and garrison support), is expected to remain relatively flat from FY21F to FY25F, having increased by 50% over FY18 to FY20. • Defence Army Sustainment expenditure in the 2021-22 Commonwealth Budget is projected to rise from $1.8 billion in FY21F to $3.1 billion in FY25F – Ventia currently has a small share of this market, but the expected growth is a key driver of the outlook for Ventia's estimated addressable market. • Although not directly addressable by Ventia, growing capital works on defence bases and government funding for Defence more broadly present additional opportunities within the Defence industry segment. – This does not directly support immediate growth within Ventia's current estimated addressable market; however, it will support growth in the overall asset base which will need to be maintained[33].	**8.6%**

31. The estimated addressable market refers to the outsourced component of the Maintenance Services market. Further information on the methodology BIS Oxford Economics used to estimate the addressable market is included in Appendix 1.
32. Defence Estate and Infrastructure Group is the consolidated service delivery organisation for Defence.
33. Defence capital expenditure on projects >$15 million for Defence Estate and other infrastructure is expected to increase from $2.0 billion to $3.5 billion from FY21F to FY25F at a CAGR of 14.3%.

2.2.2 Infrastructure Services

BIS Oxford Economics estimates that the addressable market for the industry segments related to Ventia's IS Sector will total $22.2 billion in FY21F, including $7.6 billion (34.3%) for Electricity and Gas T&D, $4.7 billion (21.2%) for Water, $4.0 billion (18.0%) for Resources & Industrial, $2.8 billion (12.6%) for Oil & Gas, $2.1 billion (9.6%) for Electricity Generation and $1.0 billion (4.3%) for Environmental. The market is forecast to grow at a CAGR of 6.6% from FY21F to FY25F.

Figure 7: Maintenance Services to the Infrastructure Services Sector (FY18-FY25F) ($bn)

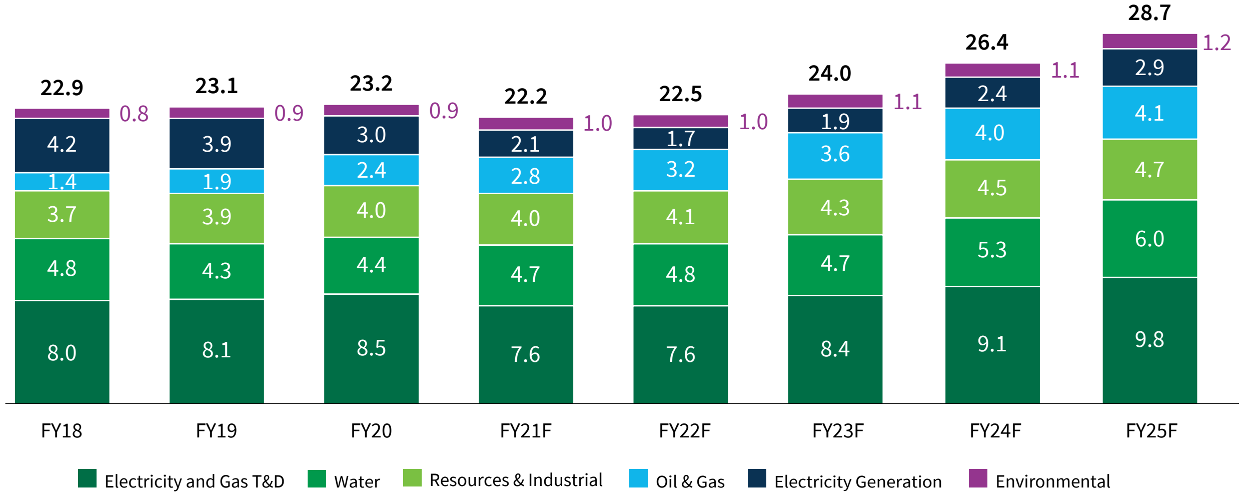


Table 6: Summary of key market drivers for the IS Sector[34]

Industry segment	Key market drivers	Forecast CAGR (FY21F – FY25F)
Electricity and Gas T&D	Electricity T&D: • Electricity T&D represents the majority of the estimated addressable market size of the Electricity and Gas T&D industry segment[35]. • A projected decline in MCW in FY21F is expected due to a focus on Major Capital Construction projects, limiting both the need for MCW and capacity for service providers to perform MCW. • Historical maintenance spend has been supported by long-term growth in Electricity T&D networks[36]. • Although Maintenance Services are expected to fall during FY21F, the outlook is supported by the increasing demand for electricity and renewables: – The national move towards renewable electricity generation is driving the need to upgrade existing transmission networks. – The need to grow distribution networks to cater for rising electricity demand, as well as rising reactive works in the wake of increasing climatic events, is expected to support growth in distribution O&M (and construction) works.	**6.5%**

34. The estimated addressable market refers to the outsourced component of the Maintenance Services market. Further information on the methodology BIS Oxford Economics used to estimate the addressable market is included in Appendix 1.
35. Electricity T&D is estimated to be $7.4 billion in FY21F and Gas T&D is estimated to be $0.2 billion in FY21F.
36. Electricity transmission networks grew by 1,921km to 43,264km in the decade to 2020, while Electricity distribution networks grew by 6,215km to 750,487km over the same time period.

Industry segment	Key market drivers	Forecast CAGR (FY21F – FY25F)
Electricity and Gas T&D *continued*	Gas T&D: • Growth in gas pipeline construction has declined from FY15 to FY20 following the end of the boom in oil and gas construction. • Total gas pipeline construction is expected to pick up strongly over FY20 to FY25F, largely due to major new connections expected to be built to large offshore fields in WA and the NT and the development of a number of smaller onshore gas fields in QLD and the NT. The Maintenance Services market is expected to benefit from this growing asset base.	**6.5%**
Water	• Maintenance Services have been stable over recent years given the significant investment in water infrastructure in the late 2000s and early 2010s in response to prolonged drought conditions. • Water and wastewater maintenance is expected to steadily increase from FY21F to FY25F supported by the need to service both an ageing and larger asset base. • The market outlook is supported by the following: – Governments increasingly focused on addressing water security issues in regional areas across Australia, with over $170 million committed to 63 feasibility studies through the Australian Government's National Water Infrastructure Development Fund[37]. – Growing populations in key metropolitan areas are expected to support demand for sewerage and drainage maintenance work. – Replacement of ageing metropolitan water infrastructure in capital cities to ensure water supplies keep pace with population growth.	**6.3%**
Resources & Industrial	• Growth is driven by several factors: – The overall market environment for Resources & Industrial has improved significantly over the past year, supported by improving global demand, commodity prices rebounding and growing investment opportunities. – Strong growth in activity on Australian resources projects, across a number of major iron ore projects and smaller gold, copper, nickel and lithium resource sectors. • The need to spend more on, and eventually replace, depleting mines is expected to also boost MCW spend over the coming years.	**4.1%**
Oil & Gas	• Oil & Gas maintenance requirements have increased over the last five years following a significant rise in Liquefied Natural Gas (**LNG**) investment and subsequent lift in production. • The Maintenance Services market is expected to grow strongly over the next four years, as newly commissioned LNG facilities (including upstream gas fields feeding the LNG plants) approach full capacity. • Increasing major and minor Oil & Gas-related capital projects, in response to the recent rebound in oil prices and depleting gas fields (both onshore and offshore).	**10.4%**

37. As per the National Water Grid Authority.

Industry segment	Key market drivers	Forecast CAGR (FY21F – FY25F)
Oil & Gas *continued*	• Recent requirement to strengthen Australia's fuel storage capacity to enhance fuel security[38] is expected to drive investment in downstream infrastructure.	**10.4%**
Electricity Generation	• Electricity Generation Maintenance Services have fallen from FY18 to FY20, primarily due to: – Falling levels of capital spending on renewable generation projects, which had historically been boosted by a range of large and small projects encouraged by incentives to meet renewable energy targets. – Falls in prices of large-scale generation certifications, a lack of national energy policy and the inability of the transmission network to cope with an influx of new renewable generation. – Major projects, such as Snowy 2.0[39], are limiting the capacity to undertake smaller projects, reducing the size of the estimated addressable market. • As transmission investment increases, there is expected to be an increase in both smaller and larger renewables projects from FY23. • A growing asset base of renewable generation assets, driven by state government renewable energy targets, is expected to support medium-term growth in electricity generation Maintenance Services[40]. – Renewable electricity generation construction activity on projects less than $100 million in value is expected to pick up from the current trough and grow at a CAGR of 10.0% from FY21F to FY25F to reach $2.3 billion. • The outlook for O&M services in this industry segment is flat, due to a structural transition away from fossil fuel electricity generation and the associated closures of coal fired power stations reducing demand for O&M services.	**7.5%**
Environmental	• Demand for remediation services is supported by tightening environmental regulation, rising land prices and increasing building and construction activity. • Major remediation works supporting growth over the medium-term include the removal of land contamination from the use of PFAS at Department of Defence sites associated with firefighting foams, environmental works on Australia's two closing oil refineries[41] and rising mine remediation requirements as mines reach the end of their useful lives. • Unanticipated major environmental incidents or land developments may potentially drive an additional step up in demand for remediation services.	**5.7%**

38. To comply with the International Energy Agency's 90-day oil stockholding obligation by 2026.
39. Snowy 2.0 is the largest committed renewable energy project in Australia, which involves linking two existing dams through 27km of tunnels and building a new underground power station.
40. Climate Council of Australia (2017), Renewables Ready: States Leading the Charge.
41. Closing refineries include Kwinana and Altona.

2.2.3 Telecommunications

BIS Oxford Economics estimates that the addressable market for the industry segment corresponding to Ventia's Telecommunications Sector will total $7.8 billion in FY21F, and forecasts it to grow at a CAGR of 6.8% from FY21F to FY25F.

Figure 8: Maintenance Services to the Telecommunications Sector (FY18-FY25F) ($bn)

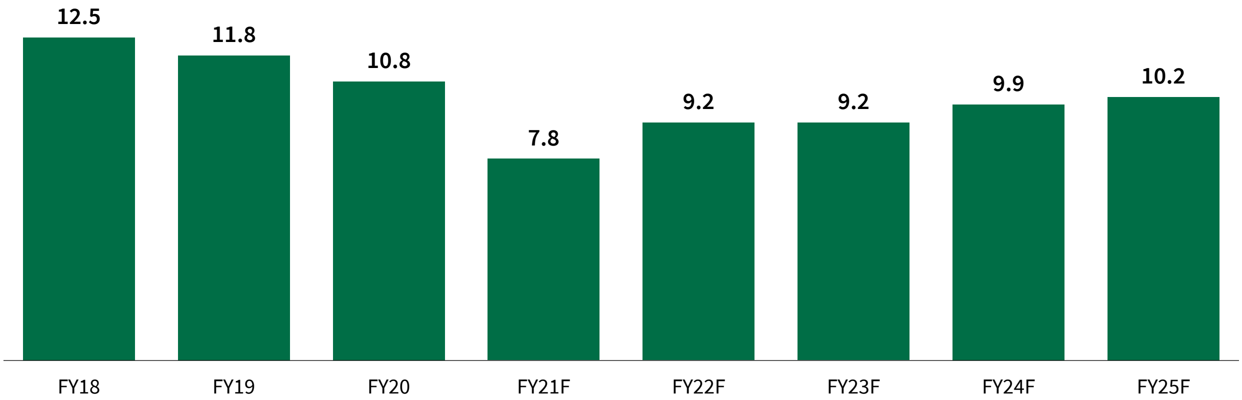


Table 7: Summary of key market drivers for the Telecommunications Sector[42]

Industry segment	Key market drivers	Forecast CAGR (FY21F – FY25F)
Telecom-munications	• The estimated market size over the historical period reduced as the construction phase of the NBN reached completion. • O&M activity has risen marginally in recent years given the requirements of maintaining the 'last mile' copper network. In the medium to longer-term, O&M activity is expected to stabilise in real terms as efficiencies from new technologies offset growth in the asset base[43]. • Key drivers of the growth expected to FY25F include the recently commenced NBN investment[44] to enhance the network via upgrading its Fibre-to-the-Node (**FTTN**) network to Fibre-to-the-Premises (**FTTP**) and the rollout of new technologies by network carriers, including 5G.	**6.8%**

42. The estimated addressable market refers to the outsourced component of the Maintenance Services market. Further information on the methodology BIS Oxford Economics used to estimate the addressable market is included in Appendix 1.
43. New fibre and wireless technologies are less maintenance intensive.
44. Refers to the Federal Government's $4.5 billion NBN investment announced in September 2020.

2.2.4 Transport

BIS Oxford Economics estimates that the addressable market for the industry segments corresponding to Ventia's Transport Sector will total $5.6 billion in FY21F, including $4.9 billion (88.1%) related to Roads and $0.7 billion (11.9%) related to Rail. The market is forecast to grow at a CAGR of 1.6% from FY21F to FY25F.

Figure 9: Maintenance Services to the Transport Sector (FY18-FY25F) ($bn)

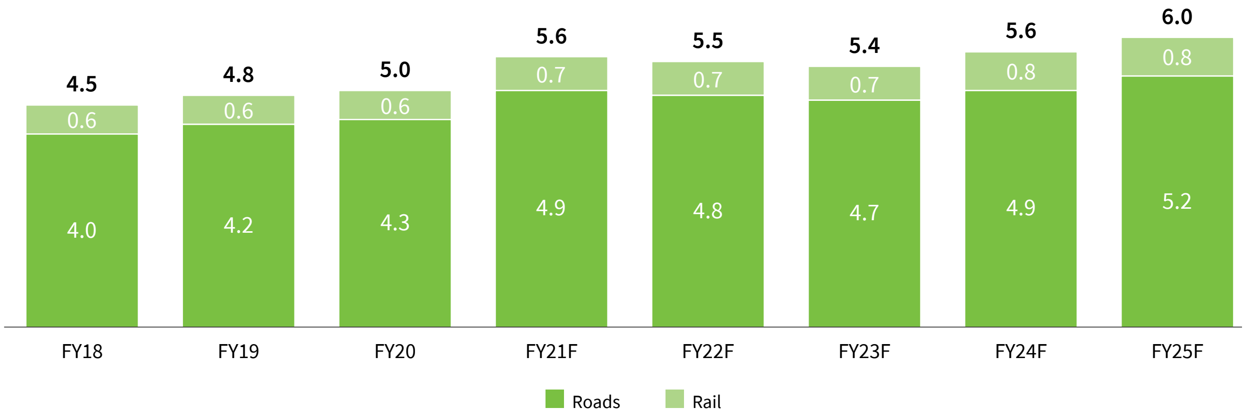


Table 8: Summary of key market drivers for the Transport Sector[45]

Industry segment	Key market drivers	Forecast CAGR (FY21F – FY25F)
Roads	• Significant increase in outsourced Maintenance Services during FY21F to $4.9 billion (13% increase on FY20) supported by stimulus measures implemented by federal and state governments in response to the COVID-19 pandemic. • Activity is expected to ease during FY22F and FY23F, albeit remaining above pre-pandemic levels, with subsequent growth supported by growing road networks, freight usage, and increasing levels of outsourcing of road Maintenance Services by state governments. • Growth in the road network presents further opportunities for providers of Maintenance Services in the longer-term by adding to the stock of road network assets that will need to be maintained[46].	**1.3%**
Rail	• Strong pipeline of government funded major rail infrastructure projects supporting growth in the asset base for Maintenance Services.	**4.3%**

45. The estimated addressable market refers to the outsourced component of the Maintenance Services market. Further information on the methodology BIS Oxford Economics used to estimate the addressable market is included in Appendix 1.

46. Total capital works on road projects are expected to grow from $20.9 billion in FY21F to $30.2 billion in FY25F, representing a CAGR of 9.7%.

2.2.5 New Zealand

BIS Oxford Economics estimates that the addressable market for Maintenance Services in New Zealand will total $5.3 billion in FY21F and is forecast to grow at a CAGR of 3.9% from FY21F to FY25F.

Figure 10: New Zealand Maintenance Services (FY18-FY25F) ($bn)

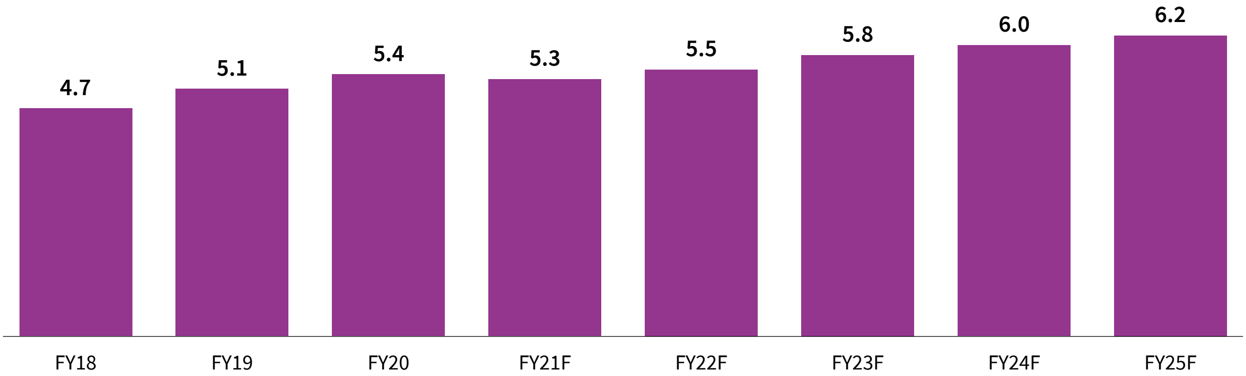


Table 9: Summary of key market drivers for New Zealand[47]

Industry segment	Key market drivers	Forecast CAGR (FY21F – FY25F)
Maintenance Services in New Zealand	• Federal Budget infrastructure investment is expected to drive growth in Maintenance Services across the majority of industry segments. The Federal Budget in FY20 included NZD57.3 billion of infrastructure investment over the next five years. • Growing investment in water and road infrastructure (approximately 52% of the total estimated addressable market in FY21F) to address historic underinvestment, safety concerns and future demand pressures. – BIS Oxford Economics estimates an increase in annual expenditure of approximately NZD250 million on road maintenance by FY25F. – Estimates suggest NZD115 to NZD185 billion of water investment is required over the next 30 years (average NZD3.8 billion to NZD6.2 billion p.a.[48] • Social Infrastructure is expected to grow steadily over FY21F to FY25F – expenditure is projected to grow in line with population growth. • Telecommunications is the only industry segment in New Zealand that is expected to contract over FY21F to FY25F as the rollout of the Ultra-Fast Broadband network reaches completion.	**3.9%**

47. The estimated addressable market refers to the outsourced component of the Maintenance Services market. Further information on the methodology BIS Oxford Economics used to estimate the addressable market is included in Appendix 1.

48. As per an independent review conducted by the Water Industry Commission for Scotland (2021).

2.3. Impact of the COVID-19 pandemic

Although the COVID-19 pandemic and related restrictions and border closures impacted population and overall economic growth, the Maintenance Services market has only suffered temporary negative impacts in some end markets, particularly those more closely impacted by restrictions on the movement of people, such as tertiary education and non-residential building.

The emergence of the COVID-19 pandemic has also seen some positive trends in a number of industry segments which have largely offset any negative impacts noted above. A key reason for this is the essential nature of Maintenance Services, with examples of tailwinds in certain industry segments including:

- **Defence:** Accelerated Defence sustainment and investment activities supported by federal government funding to increase economic activity, protect jobs and assist businesses.
- **Roads:** Government funding of road maintenance during FY21F to stimulate economic activity.
- **Social Infrastructure:** Increasing demand for Soft FM, particularly cleaning services to hospitals and schools, in the context of an increased focus on hygiene and sanitation.
- **Telecommunications:** Strong demand on telecommunications networks driven by employees working from home.

Some of this expenditure represents a pull forward of planned activity to provide more immediate economic stimulus, or a temporary increase to meet heightened needs, and is therefore expected to be unwound in coming years as the economy begins to recover from the COVID-19 pandemic. However, BIS Oxford Economics expects that overall activity in the Maintenance Services market will grow in FY22F and experience a 5.5% CAGR from FY21F to FY25F, primarily due to the large asset base requiring Maintenance Services and the likelihood that O&M and FM contracts will increasingly be integrated into larger packages (as an efficiency and cost saving measure) and hence enter Ventia's addressable market.

At the time of publication, COVID-19 related restrictions in New Zealand and some eastern states of Australia present near-term challenges for the Maintenance Services market associated with the deferral of some works. BIS Oxford Economics expects that any deferred activity during lockdowns will be recovered once restrictions ease. While much of this recovery is anticipated to occur in FY22, unanticipated delays to the easing of restrictions could see the recovery extend into FY23.

Refer to Section 3.9 for further information relating to the initiatives Ventia has implemented in response to COVID-19, and Section 5.2.20 regarding the risks associated with the COVID-19 pandemic.

2.4. Regulatory landscape

Within each of its Sectors, Ventia is required to comply with a broad range of laws and regulations in each jurisdiction where it conducts business.

In Australia, federal, state and local governments and government-related bodies, and in New Zealand, central and local governments and government-related bodies, play significant roles both as major clients and through their regulatory bodies. Ventia must also observe special conditions imposed by regulators, such as the NSW Environmental Protection Authority, as well as relevant local councils.

For certain clients and operational activities, Ventia is required to hold or procure environmental licences and development, resource or operational consents for the activities it undertakes. Ventia must obtain and retain specialist trade licences as a condition of its operations, including licences for performing electrical, plumbing, HVAC and building works. It must continue to hold accreditations, including for health and safety by the Office of Federal Safety Commissioner, and other permissioning documents required under applicable government regulations.

Ventia holds electrical contractor licences in NSW, VIC, SA, WA and QLD pursuant to each state's applicable laws.

In addition to operational regulatory requirements, Ventia is required to comply with, without limitation, anti-bribery, corruption and sanctions, anti-money laundering, migration, modern slavery, competition and privacy laws.

In relation to work health and safety (**WH&S**), Ventia has general statutory duties under the relevant Australian health and safety legislation and under New Zealand health and safety at work laws to ensure, among other things:

- the health and safety of its employees, contractors and other persons affected by its business activities;
- that workplaces under its management or control are, so far as is reasonably practicable, without risks to safety and health;
- the provision and maintenance of safe plant, equipment and systems of work; and
- that where required, certain unplanned or uncontrolled incidents are notified to the relevant WH&S authority.

More generally, Ventia is subject to a wide range of federal, state and local laws and regulations dealing with environmental matters, matters of national security and social infrastructure, employment and industrial relations matters, data, data security, sustainability matters, competition, taxation, fair trading and intellectual property.

Additionally, it is usual for government procurement processes and contracts to mandate compliance with specific government conditions, including probity frameworks or other probity requirements. Ventia has standards and practices in place that align with the key probity principles frequently encountered in government tendering in Australia and New Zealand.

SECTION 3

COMPANY OVERVIEW

Darwin, NT

3.1. Overview of Ventia

3.1.1 Introduction

Ventia is a leading essential infrastructure services provider in Australia and New Zealand. It has extensive capabilities across the full asset lifecycle including O&M, FM, MCW, ES, and other solutions. Ventia provides these services across a diverse range of industry segments through long-term contracts with a range of government agencies and blue-chip organisations.

Ventia's purpose is 'making infrastructure work for our communities' and its number one brand promise is 'safety and health above all else'. Ventia's strategy is to 'Redefine Service Excellence', by being client-focused, innovative and sustainable.

Ventia currently has over 15,000 employees (in addition to access to a subcontractor workforce of over 20,000)[1]. It delivers services to over 100 clients across more than 400 sites in Australia and New Zealand, making it one of the largest infrastructure services providers and employers in these geographies.

Ventia generated $4.6 billion of revenue in CY2020. The Company believes that Ventia's future performance is supported by favourable market trends, a high level of contract renewals and work in hand of $15.5 billion[2].

Ventia is structured across four Sectors which each include several Business Units, largely aligned with industry segments. Each Sector is led by a Group Executive, reporting to the Ventia CEO.

A summary of Ventia's Sectors is provided in Table 10.

Table 10: Overview of Ventia's Sectors

Sector	Defence & Social Infrastructure (**D&SI**)	Infrastructure Services (**IS**)	Telecommunications	Transport
Business Units	• Defence • Social Infrastructure • Critical Infrastructure • Local Government • Property	• Resources & Industrial • Water • Electricity & Gas • Environmental Services • Technology Solutions	• Fixed Networks • New Zealand • Essential Services • Wireless • nbn Operations & Assurance	• Roads Transport Operations Australia • Transport New Zealand • Rail Operations
CY2020 revenue ($bn) (% of CY2020 revenue)	• $1.6bn (34%)	• $1.2bn (27%)	• $1.3bn (28%)	• $0.5bn (11%)
Select clients	• Defence agencies • Commonwealth, state and local government agencies • Healthcare and education providers	• Utility network owners • Mining operators • Energy and industrial clients	• Telecommunication network carriers • Private non-carrier networks	• Road and rail network owners • Government agencies
Reference	Section 3.2.1	Section 3.2.2	Section 3.2.3	Section 3.2.4

1. As at 30 June 2021.
2. As at 31 July 2021.

3.1.2 Recent operational achievements

Winner of the 2021 Australian Workplace Health and Safety Award[3] and Transpower's Safety Innovation 2021 award

Reconciliation Australia – Elevate RAP[4] status

Top 5 Australian Defence contractor[5]

Provided access for over 4 million premises in Australia and New Zealand to fast fibre telecommunications networks[6]

Provided services to over 70% of defence sites across Australia in CY2020

Operated one of the largest private firefighting businesses in Australia in CY2020

Provided planned and responsive maintenance to ~45% of social housing dwellings in NSW in CY2020

24/7 network operations oversight for critical infrastructure networks across Australia and New Zealand

Serviced over 90% of transmission networks for the New Zealand National Grid in CY2020

Maintained and serviced 50% of the outsourced motorways and tunnels in Australia in CY2020

3. Australian Workplace Health & Safety Award for Large Enterprise – New Initiative Award.
4. Reconciliation Action Plans. Elevate RAP status held by Broadspectrum, a Ventia company.
5. Australian Defence Magazine (2020).
6. Since the commencement of the national fibre/broadband networks in Australia and New Zealand (from 2011 and 2008 respectively).

3.1.3 Ventia's history

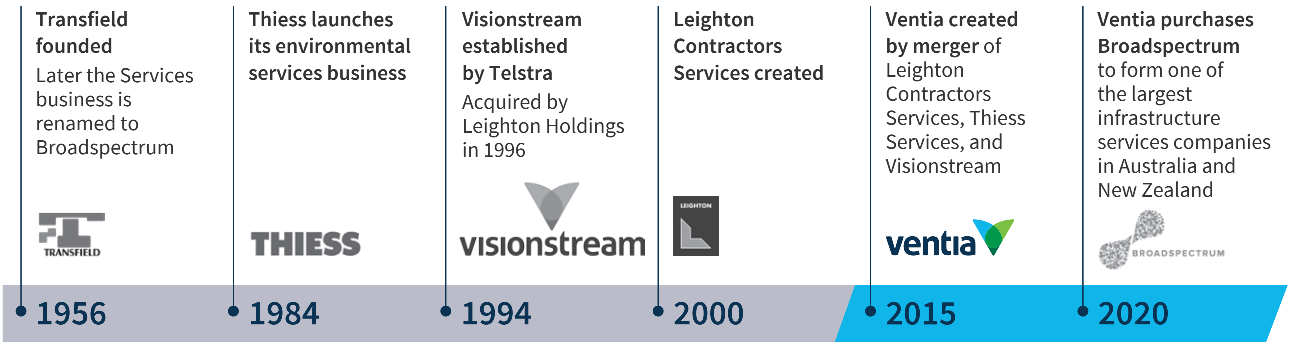
Ventia's legacy entities date back to the 1950s. Ventia as a corporate entity was formed in 2015 through the carve-out and integration of leading infrastructure services businesses Leighton Contractors Services, Thiess Services and Visionstream by an investment partnership between CIMIC Group Limited (**CIMIC**) (formerly Leighton Holdings) and funds managed by affiliates of Apollo Global Management, Inc. (**Apollo Global Management**).

- **Leighton Contractors Services:** first established as a services division within Leighton Contractors Pty Ltd (**Leighton Contractors**), now known as CPB Contractors, CIMIC's construction subsidiary. It was created in 2000 to provide long-term O&M services to the motorways and tunnels markets and subsequently expanded into FM in 2007 and utilities in 2012;
- **Thiess Services:** established as the services business of Thiess Pty Ltd (**Thiess**) in 1987 to focus on the Environmental industry segment which was first launched in 1984. In the 1990s and early 2000s Thiess Services grew its capabilities in water management, electricity and gas maintenance and construction and remediation. In 1999, Thiess Services acquired a 50% interest in Silcar, a telecommunications, energy and infrastructure services provider and in 2013 Thiess Services acquired the remaining 50% interest;
- **Visionstream:** established by Telstra in 1994 to design and construct its hybrid fibre coaxial (**HFC**) pay-TV network and acquired by Leighton Holdings in 1996. The business grew to undertake more extensive field services work with Telstra and other telecommunications clients, establishing itself as the leading telecommunications infrastructure services provider in Australia and New Zealand; and
- In June 2020, Ventia acquired **Broadspectrum** to form one of the largest infrastructure services companies in Australia and New Zealand. Broadspectrum, previously known as Transfield Services, was founded in 1956 and was one of Australia's oldest and largest services providers to a range of public and private sector clients across defence, social infrastructure, utilities, resources, transport and property.

Ventia's acquisition of Broadspectrum brought together two infrastructure services businesses with complementary capabilities and clients across Australia and New Zealand. With the major integration activities substantially complete, Ventia has demonstrated significant benefits from the integration including operational efficiencies, strengthened regional presence in key geographies and broader capabilities that have supported contract wins. Recent examples of contract wins include the road maintenance and asset management contract for the Parklands Zone with Transport for NSW (Sydney Roads Asset Performance Contract, SRAPC), the South Australian Across Government Facilities Management Agreement (**AGFMA**) providing FM services to over 3,500 government facilities throughout the state, and the North East Link for which Ventia is the O&M services provider to the Spark Consortium, which has been announced as the preferred bidder.

Ventia now operates primarily under one brand and operating platform.

Figure 11: Summary of Ventia's history



3.1.4 Operating footprint

Ventia operates in all states and territories of Australia and throughout New Zealand. Ventia operates across a broad geographic footprint with approximately 40% of its CY2020 revenue generated in regional and rural areas. No single state or territory contributed more than 29% of total revenue during CY2020 (see Figure 13), further highlighting the diverse nature of Ventia's operations. Ventia has a flexible approach to managing its workforce and the Company believes that Ventia's ability to mobilise its workforce to deliver projects across Australia and New Zealand, in both metropolitan and regional locations, is a key competitive advantage.

An overview of Ventia's project sites across Australia and New Zealand is provided in Figure 12.

Figure 12: Project sites (as at 30 June 2021)

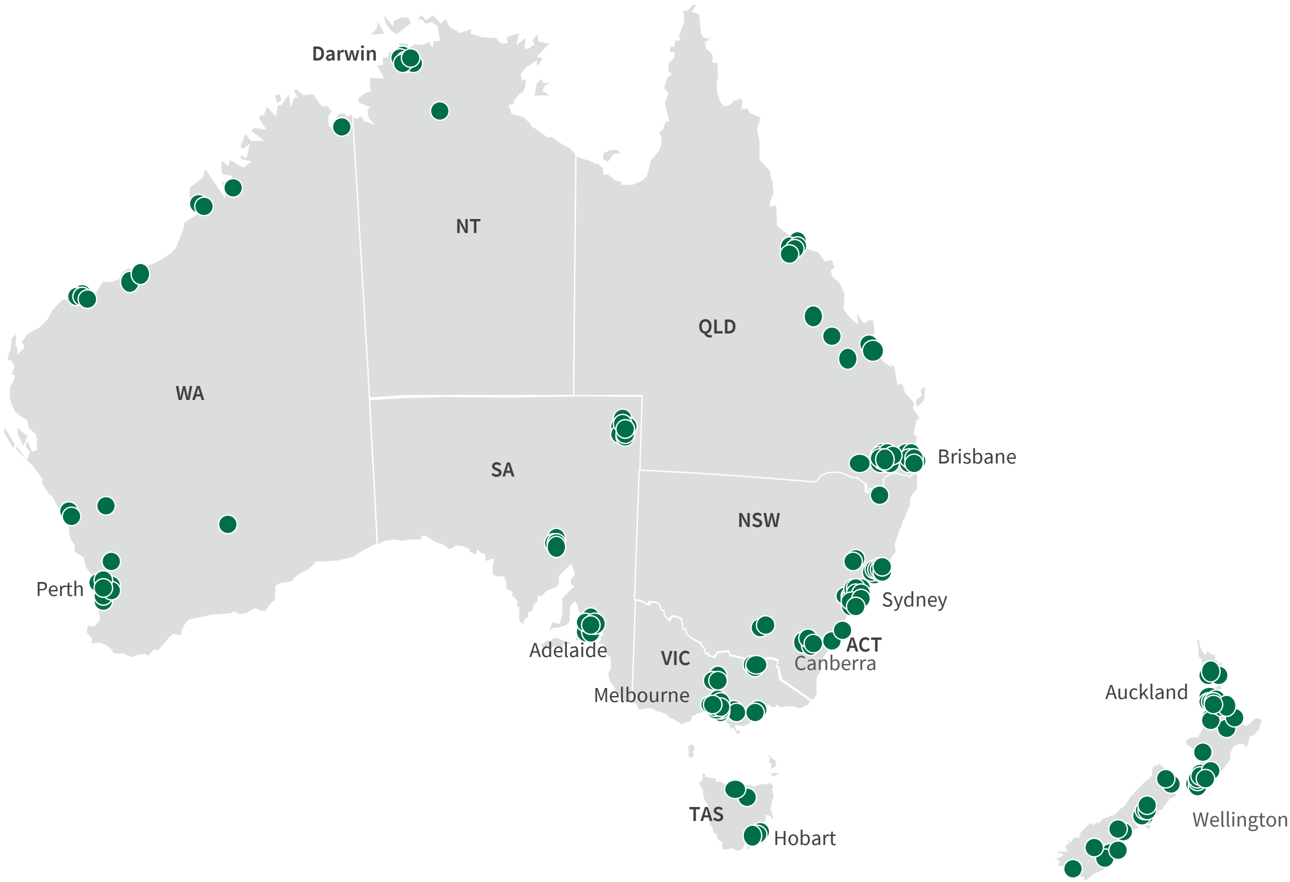
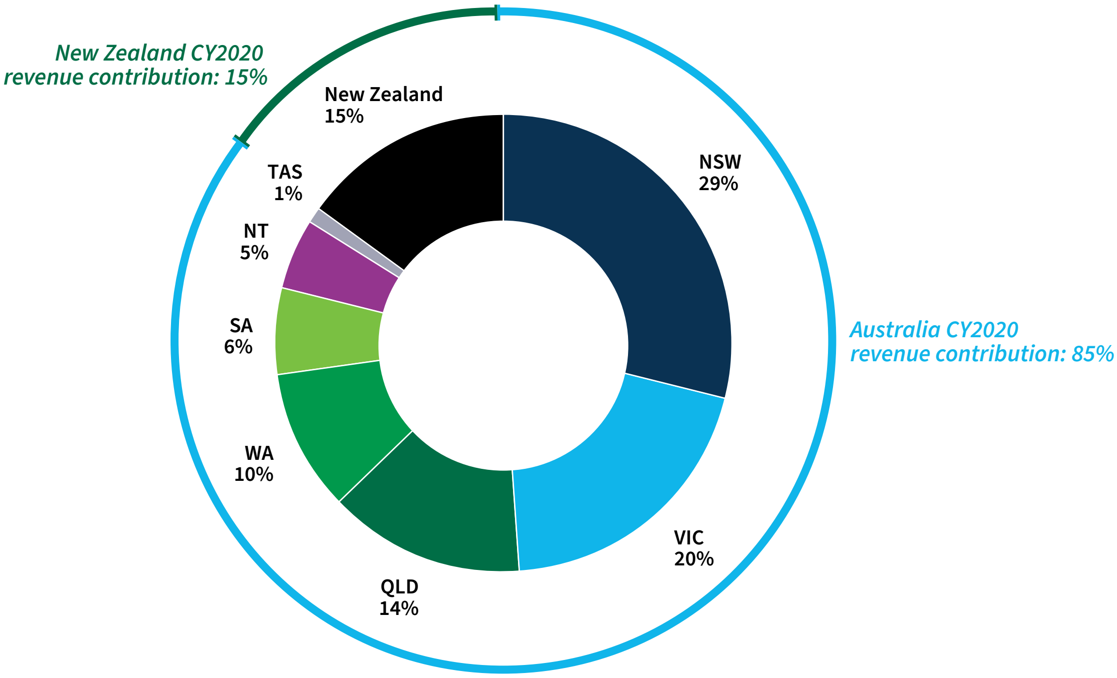


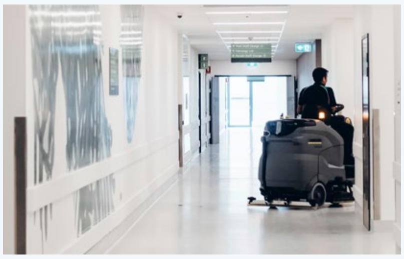
Figure 13: CY2020 revenue by geography[7]



3.1.5 Ventia's services

Ventia provides a broad range of Maintenance Services and other solutions across its four Sectors which span the full infrastructure asset lifecycle as summarised in Table 11. Ventia's service delivery capability is complemented by technology-enabled solutions and technical expertise.

Table 11: Ventia's services

Operations and Maintenance (O&M)	
	• Focuses on ensuring infrastructure assets function efficiently, safely and cost-effectively throughout their lifecycle. • Covers a range of preventative and reactive maintenance services, plant shutdown maintenance and minor alterations to assets. • Includes work undertaken on assets which improves the standard and/or quality of the asset, including asset management services to optimise availability and reliability, maximise performance, reduce costs, and ensure compliance and sustainability. • Includes aspects of the operation of specific core assets and processes on behalf of asset owners.
Soft Facilities Management (Soft FM)	
	• Focuses on provision of services to help ensure clients' facilities operate efficiently and safely by maintaining the hygiene, security and aesthetic quality of an asset. • Covers a range of services such as catering, cleaning, landscaping, pest control and waste management. • Excludes services that involve the maintenance of physical building elements (which are captured in Hard FM).

7. Based on project site location.

Hard Facilities Management (Hard FM)

- Includes maintenance and upgrade services of physical building elements such as structure and finishes as well as fixed plant and equipment.
- Includes Maintenance Services for electrical, plumbing, HVAC and general building maintenance.
- Covers preventative, planned, compliance-related, reactive and emergency services to ensure buildings are safe and compliant with relevant standards.
- Soft and Hard FM services are sometimes bundled for a fully integrated FM solution.

Environmental Services (ES)

- Relates to the remediation of contaminated land and waterways to return them safely to clients or local communities.
- Involves the removal and/or stabilisation of contaminants and pollutants as well as the mitigation of their negative effects through innovative, technology-driven solutions.

Minor Capital Works (MCW)

- Relates to services provided to smaller value capital projects and project management involving design, documentation, construction and commissioning of new assets as well as renewal and refurbishment of existing assets.
- Includes the design and delivery of custom integrated telecommunications networks/assets.

Other solutions

- Includes technology solutions, property and consulting.
- Technology solutions services are focused on exploring new solutions to harness emerging technologies to supplement the core service offering. They also include engineering consulting and project management activities.
- Property and consulting includes property leasing, services and sales advisory for the commercial and corporate sectors.

3.1.6 Ventia's competitive advantages

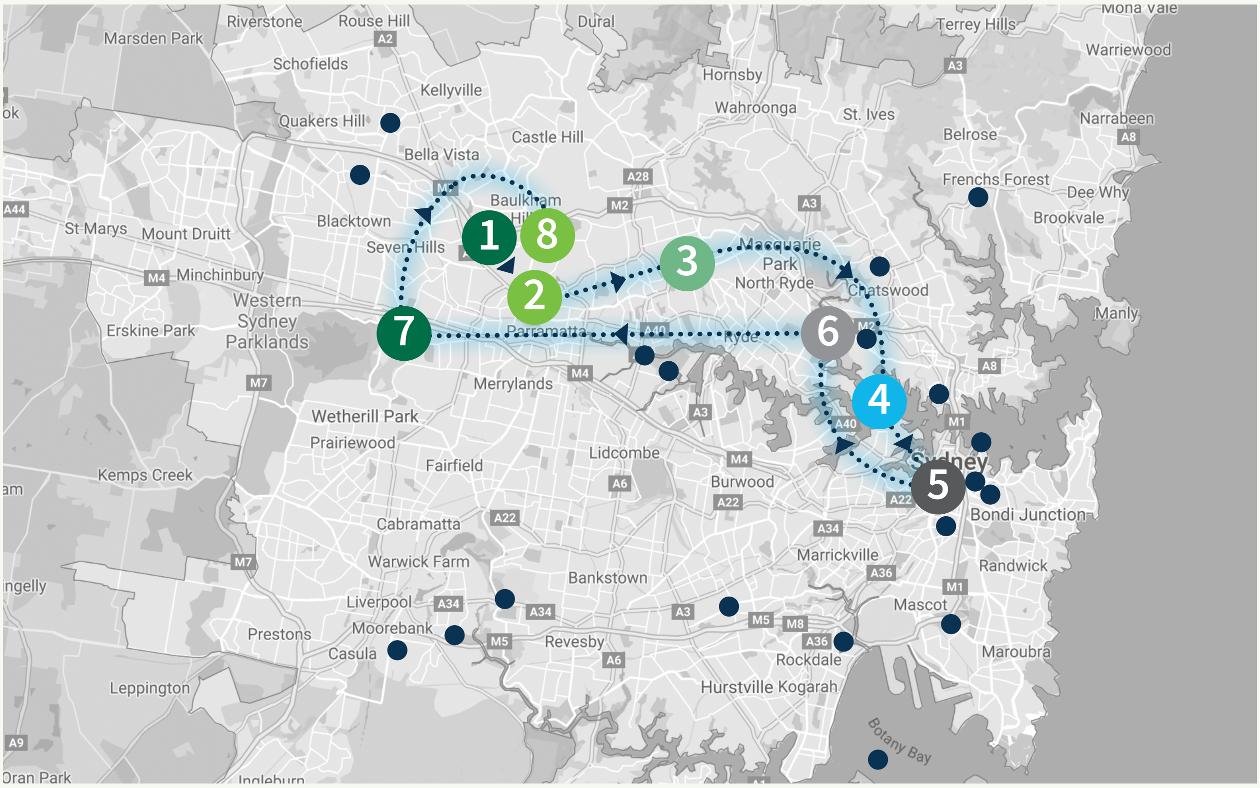
Ventia believes that it has a number of competitive advantages:

- ✓ **Dedicated focus on Maintenance Services:** Ventia only delivers Maintenance Services and does not provide Major Capital Construction works. The depth of expertise and focus on Maintenance Services differentiates Ventia's service offering and supports its value proposition to clients.
- ✓ **Scale and national platform:** Ventia's presence across urban, regional and rural communities throughout Australia and New Zealand enables it to deliver essential infrastructure services across geographically diverse contracts. Supported by its scalable workforce model, Ventia believes it has more flexibility to respond to clients' needs and achieve economies of scale driving value for both Ventia and its clients. Ventia's ability to offer services across multiple regions in an integrated manner also simplifies the execution of services for clients with large geographic footprints.
- ✓ **Breadth and depth of service offering:** Ventia can offer clients a wide range of services and add incremental services to existing contracts or client relationships. It is often not practical for clients to develop specialised Maintenance Services capabilities in-house which enhances the appeal to clients of outsourcing services to Ventia.
- ✓ **Enterprise-wide operating model:** Ventia's established and robust core enterprise platform (as outlined in Section 3.5) drives consistency and operating efficiencies for the benefit of clients and their customers. The scalable operating model allows Ventia to harness best practices across the Company in areas such as operations, safety, compliance and risk management.
- ✓ **Focus on Service Excellence.** Ventia's strategy is to 'Redefine Service Excellence' through being client-focused, innovative and sustainable. The focus on Service Excellence extends to clients, communities, employees and other key stakeholders – with an ambition to 'raise the bar' every day. Ventia has been recognised through numerous industry awards, including the nbn Supplier of the Year Award in 2018 and 2019[8], the Defence Contractor Innovation Award in 2020 and the 2021 Australian Workplace Health & Safety Award for Large Enterprise – New Initiative Award.
- ✓ **Brand and reputation:** Ventia believes that its track record of delivering essential infrastructure services and large-scale contracts positions it for projects of state and national significance. Through developing strategic relationships and a focus on safety, Ventia has built trust to deliver highly sensitive and complex projects across its Sectors.
- ✓ **Long-term relationships and track record of renewals:** Ventia has developed long-term and trusted relationships with its clients, with numerous examples of relationships that have been sustained for decades. Clients often use Ventia repeatedly, and for a range of projects, demonstrating the strength of Ventia's offering.
- ✓ **Highly qualified workforce:** With access to a workforce of over 35,000 employees and subcontractors Ventia can leverage a deep pool of highly qualified talent across Australia and New Zealand. The subcontractor base allows for flexible staffing, enables Ventia to scale the workforce up and down on short notice and provides wide geographical coverage. Ventia supports its workforce with training and development offerings that include operational and contract leadership programs for in-field and project leaders, graduate development offerings, as well as the delivery of targeted bespoke training through its in-house Registered Training Organisation (**RTO**).

8. nbn did not award a Supplier of the Year in 2020.

Figure 14: Case study

Illustration of supporting essential infrastructure assets



Other Sydney metropolitan assets serviced or maintained by Ventia

1 **7.00am Shower and prepare for work**
Sydney Water network maintenance provided by the IS team

2 **8.00am Drop the kids at schools**
Cleaning services for schools in Western Sydney provided by the Social Infrastructure team

3 **8.30am Drive to work**
Motorways and tunnels maintenance provided by the Transport team on the M2 and Lane Cove Tunnel

4 **9.00am Arrive at work in Barangaroo**
Complex remediation services on the Barangaroo site provided by the Environmental Services team

5 **12.00pm Meet a friend for lunch at Town Hall**
Integrated FM services to Sydney's Town Hall provided under the City of Sydney contract

6 **4.00pm Visit a relative who is unwell in hospital**
Hard FM services at the Royal North Shore Hospital provided by the Social Infrastructure team

7 **6.00pm Drive home**
Roads in Western Sydney maintained under the SRAPC with Transport for NSW

8 **9.00pm Relax at home with a movie**
Home internet powered by the nbn, provided through fibre cable laid by the Telecommunications team

3.2. Ventia's Sectors and Business Units

This Section provides a summary of Ventia's Sectors and Business Units. Further information on the operating platform and corporate functions that support service delivery is provided in Section 3.5.

3.2.1 Defence & Social Infrastructure

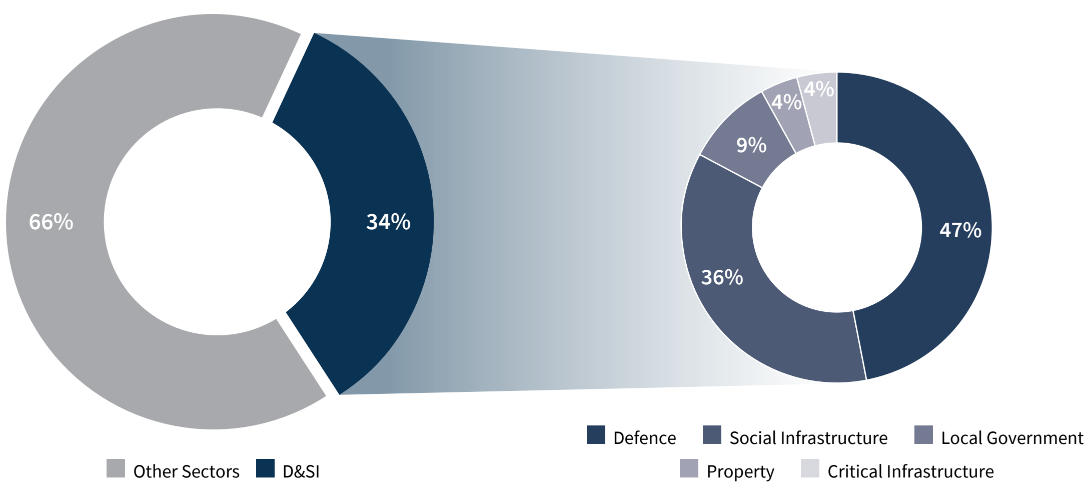
Ventia's D&SI Sector provides maintenance and support services to clients operating across Defence, Social Infrastructure (Education, Social Housing, Justice and Health), Local Government and Critical Infrastructure. Ventia also provides property and consulting services to public and private clients.

The D&SI Sector provides a range of Maintenance Services including O&M, Soft FM, Hard FM, MCW, ES and other solutions across five Business Units as summarised in Table 12. This Section provides an overview of the key activities of each of D&SI's Business Units.

Table 12: D&SI Business Units

	Business Unit	Example clients	Example projects
1.	**Defence**	• Defence and national security agencies	• Providing asset management and operational services across a wide range of capabilities.
2.	**Social Infrastructure**	• NSW Government – Public Works Advisory • Royal North Shore Hospital (Infrashore)	• Cleaning and support services to schools across Sydney and Newcastle (NSW) as part of the NSW Whole of Government FM Cleaning Contract with NSW Government – Public Works Advisory.
3.	**Local Government**	• Mornington Peninsula Council • City of Sydney	• Integrated asset management and FM for the Mornington Peninsula Council in VIC, servicing open spaces, parklands and public buildings.
4.	**Property**	• Government agencies • Transport agencies	• Providing whole-of-asset support to various government and public buildings, including property and lease management, FM, and projects and change management.
5.	**Critical Infrastructure**	• Department of Transport WA • Energy Queensland (EQL)	• Maintenance and support for the Department of Transport WA, servicing 38 marine facilities and 1,500 marine and land-based navigational aids.

Figure 15: D&SI Sector and Business Unit contribution (CY2020 revenue)



Defence

Ventia has supported the defence industry for over three decades and operates nationally through an approximately 3,000-strong workforce.

Ventia currently delivers Maintenance Services, including estate management, materiel sustainment[9], and support services, to defence bases across Australia. As outlined in Section 2.2.1, the Australian Government continues to invest heavily in strengthening the country's defence capabilities which provides further opportunities for Ventia to continue to grow the level of services delivered in the Defence industry segment.

Social Infrastructure

The Social Infrastructure Business Unit delivers a range of Maintenance Services to Education, Social Housing, Justice and Health clients across Australia and New Zealand as outlined below:

- **Education**

  Ventia delivers Maintenance Services for its Education clients across Hard and Soft FM, MCW and O&M services – including lifecycle planning and strategic asset management. Ventia services education facilities such as primary and secondary schools, universities and other tertiary institutions.

- **Social Housing**

  Ventia is the largest social housing maintenance provider in NSW with approximately 60,000 dwellings serviced. Ventia works closely with governments, local community groups and community housing providers to provide Maintenance Services to social housing assets including Hard and Soft FM services, oversight of whole-of-house upgrades, 24/7 contact centre support for tenant maintenance issues and portfolio asset management.

- **Justice**

  Ventia's Maintenance Services provided to Justice clients include the secure management of people in custody, transportation logistics and electronic monitoring services.

- **Health**

  Ventia provides a range of Hard and Soft FM services including patient services, cleaning and sterilisation of hospitals and health facilities as well as ward support services, asset management, maintenance and network design and build for hospitals and health facilities.

Local Government

Ventia partners with local governments to provide a range of Maintenance Services focused on improving a council's service delivery for its community. Ventia provides FM services to councils in major cities in both Australia and New Zealand as well as other local government agencies.

These services mainly focus on Hard and Soft FM services for council assets such as parks, libraries, community halls, sports facilities and pools.

Property

Ventia combines core property, leasing, consulting and FM services alongside specialist project and construction management, space planning, design engineering and asset management. Ventia's range of services is designed to enable clients to make cost-effective decisions that drive continuous improvement, long-term savings and value generation.

Critical Infrastructure

Ventia delivers a range of Hard and Soft FM services to the non-production assets of Resources & Industrial clients, mainly relating to offices and other buildings which are typically co-located at operating sites. Examples include the non-operational assets at mining camps and ancillary buildings of Electricity and Gas T&D infrastructure owners.

9. Defence materiel sustainment involves the maintenance and support of specialist military equipment.

Figure 16: D&SI case study

Royal North Shore Hospital

PROJECT SNAPSHOT	
Business Unit	**Social Infrastructure**
Service capability	**FM**
Location	**St Leonards, Sydney (NSW)**
Client	**Infrashore PPP Alliance (PPP with NSW Department of Health)**
Length of client relationship	**13 years**
Current contract duration	**28 years, commenced in 2008**

PROJECT OVERVIEW

- Ventia provides core FM and engineering services to the Royal North Shore Hospital, one of the largest hospitals in Sydney.
- The team maintain over 217,000m^2 of hospital space, involving a cancer centre, 29 procedure and operating rooms, emergency department, ICU wards and car parks.
- Ventia provides Hard FM services to the hospital, utilising a workforce of both employees and subcontractors to maintain the hospital's assets.

3.2.2 Infrastructure Services

Ventia's IS Sector supports the ongoing maintenance of infrastructure including utility infrastructure (including Water and Electricity & Gas) and Resources & Industrial assets (including mine operation facilities, Oil & Gas processing facilities, gas wells and industrial facilities). Ventia also provides complex and large-scale environmental remediation services and leverages technologies aimed at enhancing client productivity.

Ventia has the leading position in complex remediation projects in Australia having completed over 50% of large-scale remediation projects in Australia and New Zealand over the past 10 years[10]. In addition, Ventia is a leading water infrastructure maintenance provider in Australia, maintaining large-scale water networks in Sydney (NSW), Melbourne (VIC) and South East QLD.

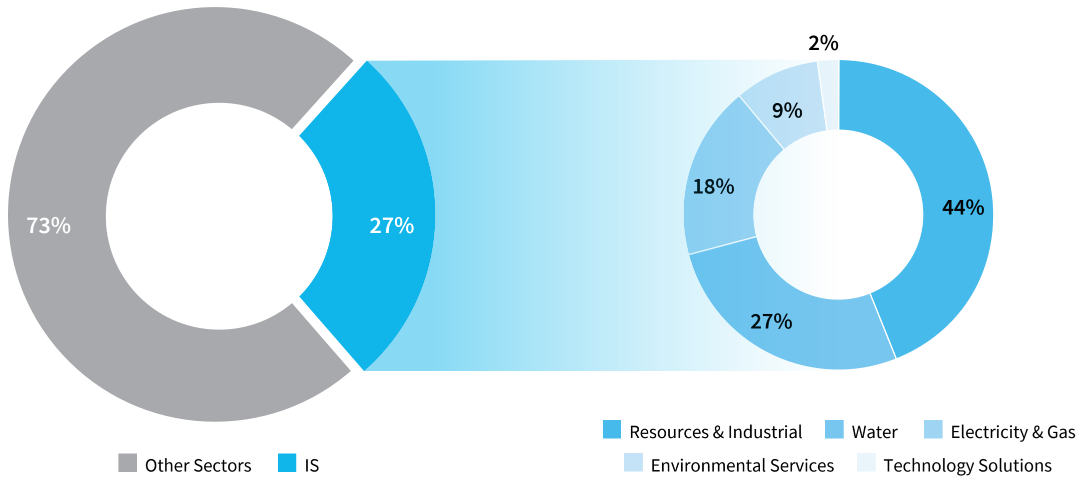
The IS Sector provides a range of Maintenance Services including O&M, Soft FM, Hard FM, MCW, ES and other solutions across five Business Units as summarised in Table 13. This Section provides an overview of the key activities of each of IS' Business Units.

10. Refer to Appendix 1 for detail.

Table 13: IS Business Units

	Business Unit	Example clients	Example projects
1.	**Resources & Industrial**	• Chevron Australia • INPEX • BP • BHP	• Maintenance, minor upgrades and routine shutdown works at Chevron-operated natural gas facilities in WA.
2.	**Water**	• Sydney Water • Yarra Valley Water • Urban Utilities	• Maintenance of Sydney Water network in northern Sydney, NSW (through the Confluence JV[11]).
3.	**Electricity & Gas**	• Energy Queensland • Transpower	• Supporting EQL in maintaining its electricity network assets, including overhead and underground transmission and distribution lines, replacement of ageing infrastructure and support during severe weather events.
4.	**Environmental Services**	• Jemena • Transport for NSW	• Innovative remediation at Kendall Bay for Jemena, using an in-situ stabilisation technology to remediate contaminated marine sediments.
5.	**Technology Solutions**	• Bluescope Steel • Mobil	• Supporting Bluescope Steel through the development of a virtual reality training program for an industrial shutdown process, utilising a 'digital twin' solution developed by laser scanning and point cloud modelling.

Figure 17: IS Sector and Business Unit contribution (CY2020 revenue)



11. The Confluence JV is a joint venture between Ventia, Downer EDI Limited and Jacobs Engineering Group.

Resources & Industrial

Ventia provides a range of O&M, MCW and FM services to a range of clients across Resources, Industrial and Oil & Gas as summarised below:

- **Resources**
  Ventia provides project management, maintenance and shutdown services for clients in Resources and Oil & Gas exploration and processing. Ventia has a long history of supporting some of the largest resources assets in Australia, including the INPEX-operated LNG energy development in the NT, and the Olympic Dam mine in SA.
- **Industrial**
  Ventia provides a range of O&M and MCW services to Industrial clients, including shutdown services, repair and maintenance works, engineering and project management for industrial processing facilities. Clients are typically in the Oil & Gas refining, heavy manufacturing or electricity generation markets.
- **Well Servicing**
  Ventia provides a range of Maintenance Services to Oil & Gas clients including drilling, well servicing and maintenance, engineering and rig manufacturing, catering, mobile camp manufacturing, logistics, pipelines and construction, technical services, pressure control and snubbing.

Water

Ventia provides O&M and MCW services to Australian and New Zealand water utilities and authorities. Ventia also provides environmental monitoring of waterways and water networks.

Key water infrastructure serviced includes bulk and retail water networks, water and wastewater treatment plants, pump stations, desalination plants and catchment assets. An example of a long-term contract held by Ventia is the provision of O&M services to the Victorian desalination plant in Wonthaggi.

Electricity & Gas

Ventia services electricity distribution (including poles and wires maintenance) and substation infrastructure. Ventia also offers a suite of high voltage technical services such as testing of transformers, generators, motors and switchboards for substations, process plants and electrical infrastructure.

Ventia also undertakes the upgrading, renewal and replacement of gas mains for Gas T&D clients.

Environmental Services

Ventia provides a range of ES, including remediation, occupational health and hygiene, emerging contaminants and thermal hazardous waste treatment.

Ventia's leading position is underpinned by a large and experienced team with expertise across biological, thermal and physical chemicals. These capabilities are complemented by Ventia's PFAS processing plant, which utilises innovative technology (SourceZone) to treat contaminated soil. Further, Ventia, in joint venture with SUEZ[12], owns and operates a contaminated soil processing facility in VIC, providing a comprehensive solution for the treatment and immobilisation of contaminated soils.

Technology Solutions

Ventia is focused on exploring new solutions to harness emerging technologies for the benefit of Ventia's clients. The Technology Solutions Business Unit includes:

- **ICD[13]:** ICD specialises in brownfield projects and provides front-end design and detailed 3D smart modelling across engineering disciplines. These are relevant to clients across all of Ventia's Sectors, with most work currently relating to IS clients.
- **Vianet:** Vianet is Ventia's Internet of Things (**IoT**) service offering, enabling real-time monitoring and data analysis for more effective and efficient asset management. Vianet's IoT solution is applicable across all Sectors with core capabilities including automatic meter reading, sewer monitoring, neural network image processing and predictive modelling.

12. SUEZ Recyling & Recovery Pty Ltd.
13. ICD Asia Pacific Pty Limited.

Figure 18: IS case study

Transpower

PROJECT SNAPSHOT	
Business Unit	**Electricity & Gas**
Service capability	**O&M, FM and MCW**
Location	**New Zealand**
Client	**Transpower**
Length of client relationship	**25+ years**
Current contract duration	**10 years**

PROJECT OVERVIEW

- Having supported Transpower for over 25 years, Ventia provides maintenance and project services across New Zealand's electricity network.
- 24/7 support to 11,238 kilometres of high voltage transmission lines, 60 route kilometres of underground and submarine transmission cable, over 40,000 supporting towers and poles, 169 substations and over 1,000 transformers.
- Involves maintenance and project services to T&D infrastructure, with teams focused on minimising downtime and optimising operational efficiencies.
- Ventia has recently trialled the use of drone and Artificial Intelligence (**AI**) technology to reduce power disruption and improve the efficiency of tower and transmission line inspections in Auckland.

3.2.3 Telecommunications

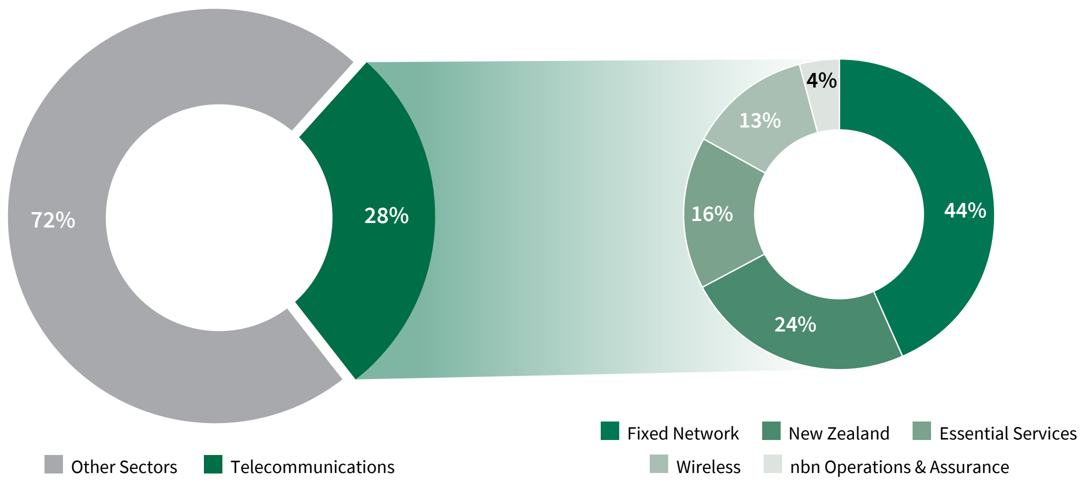
Ventia is Australia and New Zealand's largest telecommunications infrastructure services provider. Ventia has an end-to-end service capability that spans design, supply, minor construction, installation, commissioning and maintenance of telecommunications networks and infrastructure.

The Telecommunications Sector provides a range of Maintenance Services including O&M, Soft FM, Hard FM and MCW across five Business Units as summarised in Table 14. This Section provides an overview of the key activities of each of Telecommunications' Business Units.

Table 14: Telecommunications Business Units

	Business Unit	Example clients	Example projects
1.	**Fixed Networks** ***(AU)***	• nbn • Telstra	• Ventia provides services to nbn, including the NBN rollout to new building and housing developments, as well as connections to businesses.
2.	**New Zealand** ***(NZ)***	• Chorus • Ultrafast Fibre (**UFF**)	• Chorus Field Services Agreement, under which Ventia provides support for housing connections, installation of fibre for new developments, and maintenance and provisioning of Chorus' fibre and copper network.
3.	**Essential Services** ***(AU)***	• Telstra • Victorian Emergency Services Telecommunications Authority (**ESTA**) • Vocus	• Telstra Facilities Design and Construction (**FDC**) works, providing support to the upgrade of critical assets across Telstra's exchange and other building networks.
4.	**Wireless** ***(AU)***	• NSW Telecommunications Authority • nbn • Telstra • BHP	• Supporting the NSW Telecommunications Authority, servicing and expanding the Public Safety Network through the Critical Communication Enhancements Program.
5.	**nbn Operations & Assurance** ***(AU)***	• nbn	• Ventia provides services to nbn, including service activation, service assurance work and urgent work directions across various fibre, copper and HFC technologies.

Figure 19: Telecommunications Sector and Business Unit contribution (CY2020 revenue)[14]



Fixed Networks

Ventia has delivered major projects across the Australian telecommunications infrastructure network for over 25 years. Ventia's services include the design, construction and installation of telecommunications networks across a variety of technologies including copper, HFC and fibre. An example of this includes the NBN fixed network rollout, where Ventia provided access for over 4 million premises using Fibre-to-the-Premises (**FTTP**), Fibre-to-the-Curb (**FTTC**), and Fibre-to-the-Node (**FTTN**) and HFC across QLD, NSW, VIC and TAS.

New Zealand

Ventia is one of the largest telecommunications infrastructure services providers in New Zealand providing a range of Fixed Network, Essential Services and Wireless.

Ventia works closely with Chorus, through the Field Services Agreement supporting new connections and network maintenance and provisioning. Ventia has been a major delivery partner in New Zealand's Ultra-Fast Broadband (**UFB**) rollout and Rural Broadband Initiative. Ventia has provided UFB access to over 500,000 customers across New Zealand through works with Chorus. Ventia also passed 200,000 premises as part of works with UFF.

Essential Services

Ventia provides O&M, Hard FM and MCW services to critical telecommunications infrastructure. An example of this capability is the Telstra Network Integrity and Facilities Management (**NIFM**) works, where Ventia delivers significant maintenance and building services to Telstra exchange and network assets across Australia. Ventia also provides asset maintenance and monitoring for telecommunications and emergency services networks via a 24/7 Network Operations Centre in Melbourne, VIC and building services including lifecycle replacement programs and facility upgrades.

Wireless

Ventia provides a range of O&M and MCW services for wireless assets for carrier and private non-carrier networks (for example on mine sites) across Australia. This includes site acquisition and engineering design, and installation and commissioning of greenfield and upgrade sites including passive infrastructure (including towers and poles) and active equipment (including antennas and associated equipment).

nbn Operations & Assurance

Ventia has been a long-term services provider to nbn with a history dating back to 2010. Ventia's operations and assurance work includes service activation (connections) and services assurance (repairs and maintenance) for end users as well as overall network assurance.

14. Sum of Business Unit contributions exceeds 100% due to rounding.

Figure 20: Telecommunications case study

Telstra NIFM

PROJECT SNAPSHOT	
Business Unit	**Essential Services**
Service capability	**O&M, FM and MCW**
Location	**Nationwide across Australia**
Client	**Telstra**
Length of client relationship	**25+ years**
Current contract duration	**3 years (within the Telstra Field Optimisation contract)**

PROJECT OVERVIEW

- Ventia has supported Telstra for over 25 years and has been an important service provider to Telstra's essential infrastructure across Australia.
- In 2020, Ventia was selected to become a key partner of Telstra's Field Optimisation Program and secured a new three-year agreement.
- Ventia is one of a small number of preferred suppliers to Telstra for the following contracted works:
  - Delivery of significant maintenance and building services to Testra exchange and network assets nationally.
  - Maintenance of the exchange network, telepower systems and FM to the building networks (including HVAC, fire and other maintenance works).

3.2.4 Transport

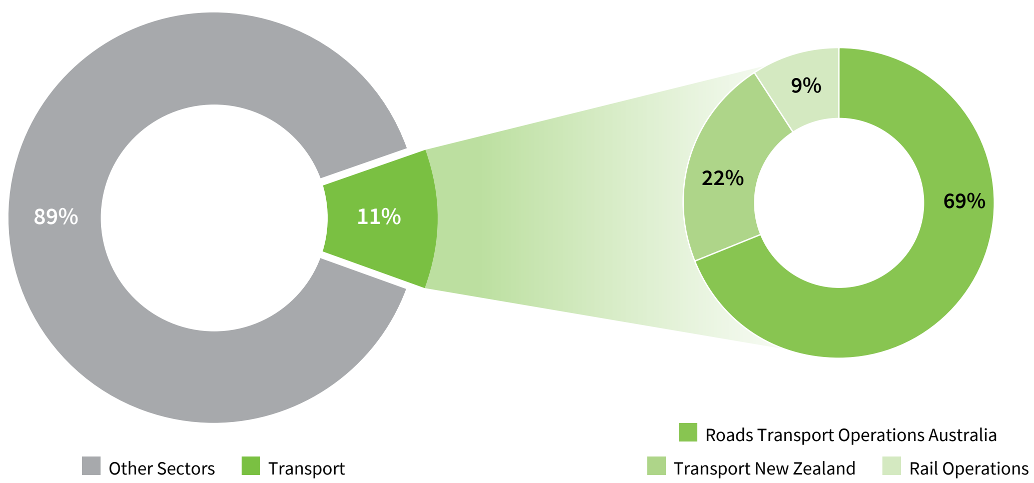
Ventia's Transport Sector provides maintenance, project delivery and technology solutions to owners and operators of road, motorway, tunnel and rail networks. The Sector aims to deliver long-term value to clients through proactive engagement across operations and asset management in the delivery of services.

The Transport Sector provides a range of Maintenance Services including O&M, Soft FM, Hard FM and MCW across three Business Units as summarised in Table 15. This Section provides an overview of the key activities of each of Transport's Business Units.

Table 15: Transport Business Units

	Business Unit	Example clients	Example projects
1.	**Roads Transport Operations Australia**	• Transurban • Transport for NSW • Main Roads WA	• Supporting five of Transurban's motorway and tunnel assets in Sydney, NSW, Ventia provides asset management, and oversees shutdowns to conduct maintenance to pavements, structures, mechanical ventilation, fire maintenance systems and cleaning services.
2.	**Transport New Zealand**	• Waka Kotahi (New Zealand Transport Agency (**NZTA**)) • Auckland Transport	• O&M service provider to the Transmission Gully motorway[15] under a 25-year concession period, providing asset management, maintenance, corridor management and traffic control, seismic monitoring, incident response and environmental management.
3.	**Rail Operations**	• Sydney Trains • Airtrain Citylink	• Service provider to Australia's airport rail links in Sydney, NSW and Brisbane, QLD providing asset management and maintenance of the tunnel structures, lighting, drainage systems, fire safety systems, signal and overhead traction equipment, and other rail infrastructure.

Figure 21: Transport Sector and Business Unit contribution (CY2020 revenue)



15. The Wellington Gateway Partnership (WGP) is a JV between Pacific Partnerships, CPB HEB JV and Ventia.

Roads Transport Operations Australia

Ventia provides Maintenance Services to road and transport networks with services including motorway and road network maintenance, asset management, incident response and recovery and operations control room management. Ventia provides these services across metropolitan and regional road networks.

Ventia's Intelligent Transport Systems (**ITS**) takes an integrated view of the people, roads, vehicles, signalling and other systems that contribute to safe and effective transportation networks for commercial and public users.

Transport New Zealand

Ventia undertakes road network maintenance, asset management and tunnel maintenance, predominantly on the North Island of New Zealand.

Rail Operations

Ventia maintains freight, passenger and metro commuter rail networks – including communications, signalling, track work, tunnel maintenance and proximate civil works for the rail corridors in Australia. Ventia also offers intelligent rail solutions, including to the Sydney (NSW) and Brisbane (QLD) airport rail links.

Figure 22: Transport case study

Sydney Road Asset Performance Contract (SRAPC)

PROJECT SNAPSHOT

Business Unit	**Roads Transport Operations Australia**
Service capability	**O&M**
Location	**Western Sydney and regional NSW**
Client	**Transport for NSW**
Length of client relationship	**20+ years**
Current contract duration	**9 years + two 3-year extension options**

PROJECT OVERVIEW

- Road maintenance and asset management services and ITS to the Parklands Zone and throughout regional NSW.
  - Consists of 919km of road, 158 bridges, one tunnel, 681km of cycleway, 186km of roadside safety barriers, 23,800 traffic signs and 708 traffic signals.
  - Management of ITS across the Parklands Zone and regional NSW consisting of 7,672 streetlights and 5,312 other assets.
- The project provides a strategic footprint to leverage other adjacent opportunities to drive growth.

3.3. Clients and contracts

3.3.1 Ventia's clients

Ventia has long-term relationships with a diverse range of public and private sector clients. Sector Group Executives and Business Unit Leads are accountable for key account management, which is key to maintaining collaborative relationships. There is a focus on active engagement with clients throughout the project which the Company believes drives client satisfaction and identification of growth opportunities within existing contracts. This allows Ventia to position itself strongly for contract renewals.

The quality of client relationships and the account management approach is evidenced through Ventia's historical performance:

- Longstanding relationships with both public and private sector clients providing diversified revenue stream (see Figure 23 for CY2020 revenue by client type):
  - In CY2020, Ventia delivered services to 60+ public sector clients including government departments, agencies and authorities at federal, state and local levels.
  - In CY2020, Ventia delivered services to 65+ private sector clients ranging from medium-sized domestic organisations to large national and global corporates.
- Experienced an average contract renewal rate of >80% since 2016[16].
- Multiple contracts for individual clients, showcasing the diversity of services provided. In CY2020, Ventia delivered services to its top five clients across 31 separate contracts. A summary of CY2020 revenue contribution by client is provided in Figure 24.

Examples of some of Ventia's long-term client relationships are presented in Table 16.

Figure 23: CY2020 revenue by client type

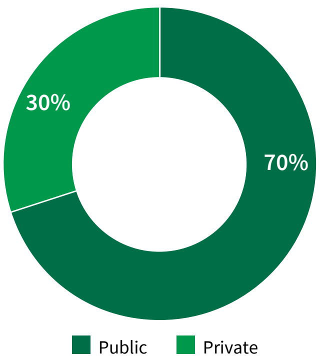
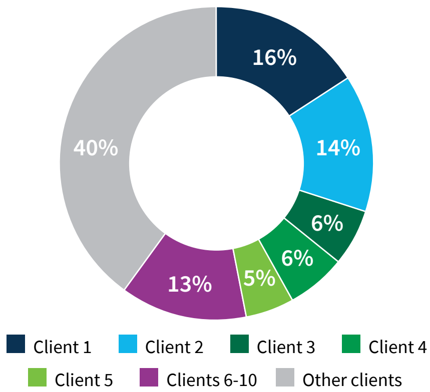


Figure 24: CY2020 revenue by client



16. Average renewal rate for the period 2016-2020. Calculated as the contract value of renewal opportunities won divided by the contract value of total renewal opportunities tendered.

Table 16: Longevity of client relationships

Relationship (years)	Sector	Client	Description
30+	D&SI	Confidential	Defence and national security agency
25+	D&SI	Department of Transport WA	Government transport agency
25+	IS	Transpower	NZ electricity network owner
25+	Telecommunications	Telstra	Major telecommunications agency
20+	IS	Energy Australia	Energy generator, wholesaler and retailer
20+	IS	Gippsland Water	Water network owner
20+	Transport	Transport for NSW	Government transport agency
15+	D&SI	Confidential	Government social housing provider
15+	D&SI	NSW Government – Public Works Advisory	Government works agency
15+	IS	Energy Queensland	Government electricity T&D
15+	Transport	Transurban	Global toll road operator
10+	IS	BHP	Global resources company
10+	Telecommunications	Chorus	Major telecommunications agency
10+	Telecommunications	nbn	Telecommunications network owner

3.3.2 Contractual arrangements

3.3.2.1 Contract types

As summarised in Table 17, Ventia enters into contracts with various contract profiles including Schedule of Rates, Fixed Price and Cost Reimbursable. Most of Ventia's revenue (80% in CY2020) is from contracts with Schedule of Rates profiles. Ventia does not participate in Major Capital Construction which is evidenced by the low contribution of Fixed Price contracts to its revenue (11% in CY2020).

Table 17: Summary of Ventia's contracting profiles

Contract profile	Overview	Proportion of CY2020 revenue (%)
Schedule of Rates	• Contracts that predominantly have a combination of: 1) unit pricing; and 2) variable volume of works (typically based on work activities or number of client assets maintained – with the ability to remeasure work volumes over time). • Overheads are often paid as a fixed monthly component of the fee.	80%
Fixed Price	• Contracts that predominantly have a fixed price (subject to variations) for an agreed outcome, meaning that Ventia is paid for a proportion of works as they are performed, where the overall price is fixed and is not affected by the cost of delivery. • Progress payments by the client are made either monthly or as a lump sum once a completion milestone has been reached.	11%
Cost Reimbursable	• Contracts that are predominantly structured to pass the actual costs through to the client plus a margin.	9%

Contracts with over $50 million of work in hand represent 91% of the total work in hand balance as at 31 July 2021. Of these contracts, 94% contain some form of embedded price escalation mechanism, or relate to panel arrangements where specific projects are short-term and individually priced taking into account the prevailing market conditions at the time of the tender. Price escalation mechanisms vary by contract and may be based on national and regional CPI, labour and food price indices, cost plus or fixed percentage increases. Ventia believes that these pricing mechanisms provide it with a degree of margin protection against escalating costs such as labour.

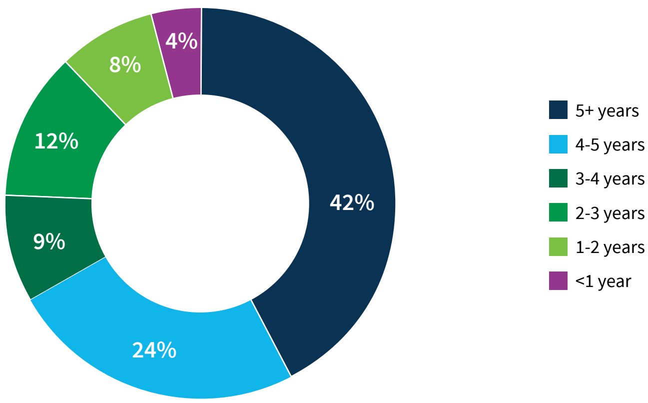
3.3.2.2 Contract durations

Ventia's portfolio consists of contracts with relatively long-term durations. In CY2020, approximately 75% of Ventia's revenue was generated from contracts with a term of three years or more at inception (excluding extension options).

The average contract term at inception is over five years[17]. Should extension options be included, the average contract term at inception increases to over seven years.

Ventia believes that this relatively long-dated contract profile helps to provide it with a high degree of revenue visibility across a significant portion of its revenue base, which is further explained in Section 3.3.2.3 below.

Figure 25: CY2020 revenue contribution by contract term at inception (excluding extension options)[18]



3.3.2.3 Work in hand

Ventia has $15.5 billion of work in hand as at 31 July 2021. A summary of Ventia's work in hand over time and the split of work in hand by Sector is provided in Figures 26 and 27.

Work in hand is defined as i) comprising the future revenue from contracted projects with agreed volumes and scope; and ii) an estimate of future revenue that is likely to be generated from contracted projects where the project scope and volumes are variable. Included in ii) are works that are expected to be secured under contracted panel or umbrella arrangements, contracted work for future periods where the value is not yet agreed, and contracted work with volume estimates based on a conservative historical run rate or other reliable estimate.

The stability of Ventia's revenue profile is supported by relatively high visibility over future revenue with approximately 70-80% of Ventia's next 12 months revenue historically supported by work in hand[19].

17. Based on CY2020 revenue weighted average contract term at inception.
18. Sum of contributions does not equal 100% due to rounding.
19. From CY2018 to CY2020.

Figure 26: Work in hand ($bn)

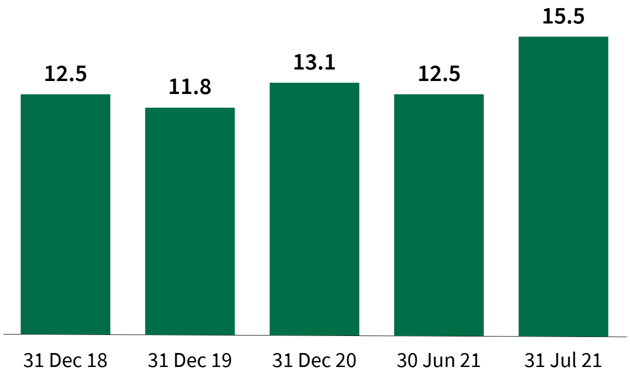
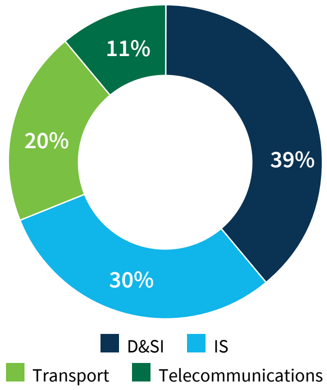


Figure 27: Work in hand, % by Sector (as at 31 July 2021)



3.4. Ventia's growth strategy

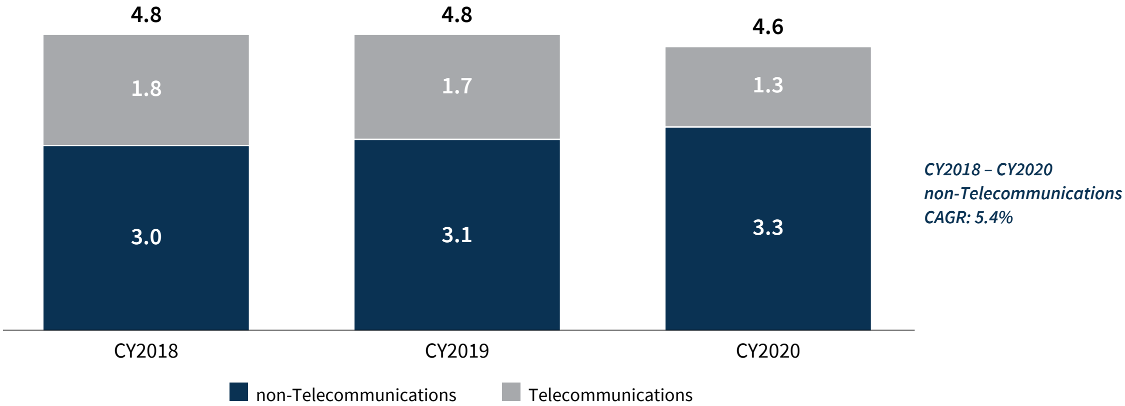
Ventia's ability to service its clients across a diverse range of essential infrastructure has underpinned its historical performance.

Ventia believes that it is well positioned to benefit from a number of favourable industry trends including population growth, a large and growing asset base to service, government funding for infrastructure projects and increasing outsourcing rates, as outlined in Section 2.1.3. Although Ventia's total revenue over the historical period has remained relatively flat due to declining Telecommunications revenue, the revenue from non-Telecommunications Sectors[20] has grown at a combined CAGR of 5.4% from CY2018 to CY2020.

In addition, as outlined in Section 2.2.3, BIS Oxford Economics expects an increase in the estimated addressable market size of the Telecommunications industry segment over the next four years to FY25F of 6.8% p.a., through continued NBN investment and the development of new technologies by network carriers including the 5G network.

Ventia believes that its track record of delivering growth in its non-Telecommunications Sectors, along with the positive Telecommunications outlook forecasted by BIS Oxford Economics, positions the business well for growth. Ventia believes that its ability to capture the opportunities presented by underlying market growth is evidenced by its work in hand of $15.5 billion as at 31 July 2021.

Figure 28: Ventia revenue from non-Telecommunications and Telecommunications Sectors CY2018 to CY2020 ($bn)



In addition to pursuing opportunities within its existing markets from both new and existing clients, Ventia believes its national scale across Australia and New Zealand, established client relationships and breadth of capabilities present it with a range of options to strategically expand into market adjacencies.

This Section outlines the key growth opportunities Ventia is pursuing as summarised in Table 18.

20. D&SI, IS and Transport.

Table 18: Summary of key growth opportunities

	Growth opportunities		
	1. Market growth	2. Capturing market share	3. Expansion into adjacencies
Overview	• Sustained growth in end-markets • Favourable market trends • Maintaining and renewing existing contracts	• Winning new contracts • Delivering growth within existing contracts by increasing services provided • Extending range of services provided to existing clients via cross-selling capabilities	• Expansion into new industry segments • New service capabilities • Geographic expansion • Execution of strategic acquisitions
Reference	• Section 3.4.1	• Section 3.4.2	• Section 3.4.3

3.4.1 Market growth

The Maintenance Services market is projected to grow at a 5.5% CAGR from FY21F to FY25F with all industry segments expected to grow[21]. As discussed in Section 2.1.3 the market is expected to benefit from various underlying tailwinds, including government infrastructure expenditure, population growth, increasing outsourcing rates, private sector construction, increased environmental regulation and technology adoption and automation.

With a history of high contract renewal win rates (>80% p.a. since 2016[22]), the Company believes it is well positioned to secure a share of the underlying market growth.

3.4.2 Capturing market share

As shown in Figure 28, in recent years Ventia's non-Telecommunications Sectors have grown strongly, driven by expanding services delivered to existing clients, winning new contracts and winning renewal contracts previously serviced by competitors. Ventia considers the diverse range of integrated services it can deliver across different infrastructure assets to be a key driver of growth.

Ventia has identified three key drivers of increasing its market share:

1. Winning new work

Ventia has a history of selectively pursuing and successfully bidding for new work, leveraging its deep client relationships, industry capabilities, scale and operating platform. Ventia has recently secured a number of significant opportunities where clients have sought long-term, bundled services contracts. Ventia was successful in winning these opportunities given its scale, breadth of capability, focus on environmental, social and governance matters (including diversity and inclusion), and track record of performance on similar contracts:

- **D&SI:** Across Government Facilities Management Arrangement (**AGFMA**) contract with the Government of SA where Ventia will support over 30 government agencies in more than 3,500 locations across the state. The contract has commenced (currently in transition), with services to commence from December 2021, delivering approximately $300 million p.a. in revenue to Ventia over an initial term of five years and seven months[23].
- **IS:** Long-term maintenance master contract with Chevron Australia for works in the Pilbara region of WA. Ventia to deliver maintenance, minor upgrades and routine shutdown works at Chevron-operated natural gas facilities. The contract is expected to commence in 2021 and deliver approximately $100 million p.a. to Ventia over an initial contract term of 10 years.
- **Telecommunications:** N2P Evolution contract with nbn supporting the rollout of fibre and providing FTTP access to eligible premises currently connected via FTTN technology. The contract is expected to commence in 2021 with an initial contract term of 2.5 years.
- **Transport:** O&M provider to the Spark Consortium, which has been announced as the preferred bidder for the North East Link project in Melbourne, VIC with an initial contract term of 25 years.

21. BIS Oxford Economics (2021).
22. Average renewal rate for the period 2016-2020. Calculated as the contract value of renewal opportunities won divided by the contract value of total renewal opportunities tendered.
23. Contract includes three two-year extension options.

2. Growth within existing contracts

Ventia seeks opportunities within existing contracts to expand the scope of services offered and to deliver additional works. This is often driven by client demand for services to be bundled in order to maximise efficiencies, reduce costs and enhance service outcomes.

Ventia expects that growth opportunities within existing contracts may be driven by a number of factors including:

- Track record of performance and the ability to deliver increased volumes of work and an expanded set of services.
- Strong account management and understanding of clients' requirements to utilise the existing contract to support new or additional works.
- In-depth knowledge of the underlying asset (through O&M services capability) may support growth within existing contracts by identifying improved outcomes above ongoing maintenance works such as asset renewals and other MCW.
- Additional government stimulus funding may provide opportunities to support public sector clients.
- Ventia's national footprint and ability to manage large subcontractor and supplier networks enable effective spend at scale.

Growth within existing contracts offers benefits to both Ventia and its clients, as cost savings from using a single, integrated services provider across multiple capabilities or infrastructure types can be shared in addition to enabling Ventia to provide (and clients to benefit from) more consistent delivery of services.

3. Cross-selling

As an integrated end-to-end essential infrastructure services provider, Ventia has identified significant opportunities to cross-sell its service capabilities across its existing client base. This may be achieved via the bundling of services such as O&M and FM on an existing contract or seeking to expand the services delivered to other client sites.

EQL provides an example of Ventia's ability to cross-sell its services to enhance service quality. Ventia has provided O&M and MCW services to EQL since 2005 and built on this long-term relationship by securing a non-network FM contract in 2019.

Ventia will continue to seek cross-selling opportunities across the business with near-term opportunities being targeted by leveraging telecommunication capabilities to non-telecommunication industry segments.

3.4.3 Expanding into adjacencies

Ventia continually monitors potential adjacency opportunities across new geographies, service capabilities and industry segments. Ventia has a strong track record of expanding into new market adjacencies, both organically and via acquisitions or strategic partnerships.

As part of any expansion into these adjacencies, Ventia may from time to time consider the merits of strategic bolt-on opportunities to accelerate growth. Ventia adopts a prudent approach to acquisitions and has significant experience in successfully integrating acquisitions. Ventia has identified a number of potential bolt-on acquisition opportunities that may complement existing capabilities. An example includes the agreement Ventia recently entered into to purchase Kordia's Australian services business (**Kordia Solutions**), which Ventia believes will further strengthen Ventia's telecommunication services offering. Kordia Solutions provides design, consultancy, maintenance and construction services for fixed and mobile indoor and outdoor telecommunications networks to major public and private built environments[24] (see Section 9.10 for further information).

Ventia is exploring new capabilities where Maintenance Services are already being provided to clients. Examples include decommissioning services for industrial clients, and supporting clients through the energy transition to renewable and alternative energy sources and storage options.

24. Built environments include infrastructure and asset types such as stadiums, offices and other public and government buildings.

3.5. Operating model and risk management

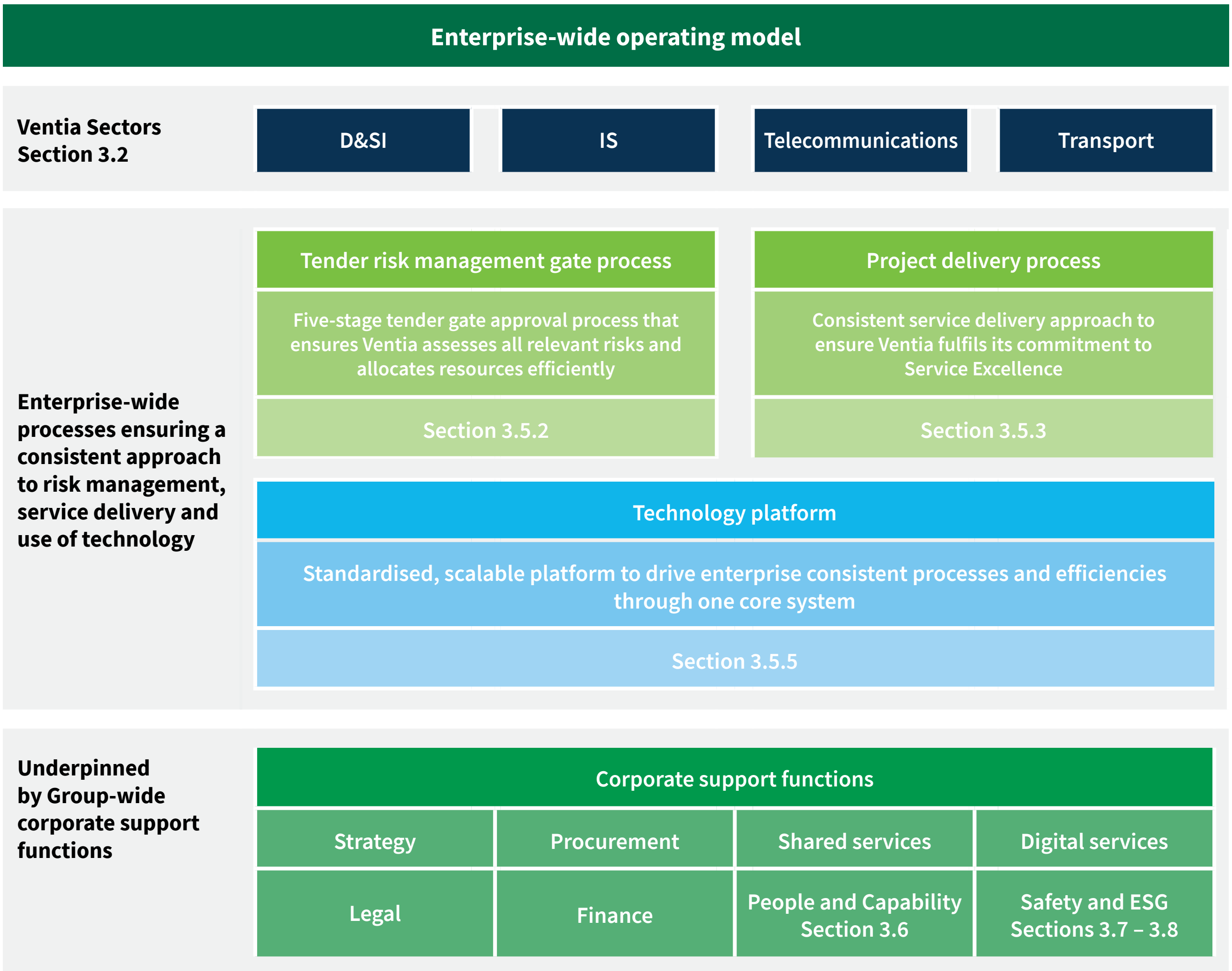
3.5.1 Enterprise-wide operating model

This Section provides an overview of Ventia's enterprise-wide operating model and business management systems and processes which aim to deliver a number of favourable outcomes across risk management, profitable growth, efficiency and consistency in operational delivery. A summary of Ventia's enterprise-wide operating model is provided in Figure 29.

As outlined in Section 3.1.6, Ventia sees its enterprise-wide operating model as a key source of competitive advantage which generates economies of scale and supports earnings growth by providing the following:

- A standardised and scalable technology platform.
- A flexible workforce model to support project-level efficiencies.
- Lean overhead structure and consolidated systems, property and corporate services.
- Enterprise-wide functions to coordinate the delivery of shared services, procurement, recruitment, National Operations and Contact Centres, and other corporate support functions.
- Centralised system to support tendering process.
- Ability to integrate acquired businesses onto the enterprise-wide platform.

Figure 29: Enterprise-wide operating model



3.5.2 Tender risk management gate process

Ventia's tender risk management process helps to ensure it strategically targets the right opportunities and ensures the work winning process is comprehensively managed. New business is evaluated through an enterprise risk management framework before a contract is signed and new works commence.

Ventia's Business Units are responsible for winning and delivering their own projects. This structure allows each Business Unit to focus on its strengths and pursue business strategies tailored to its respective market, whilst sharing the benefits of scale and technical capabilities that enable a competitive market offering and cross-sell opportunities.

Ventia's work in hand is secured through a number of avenues:

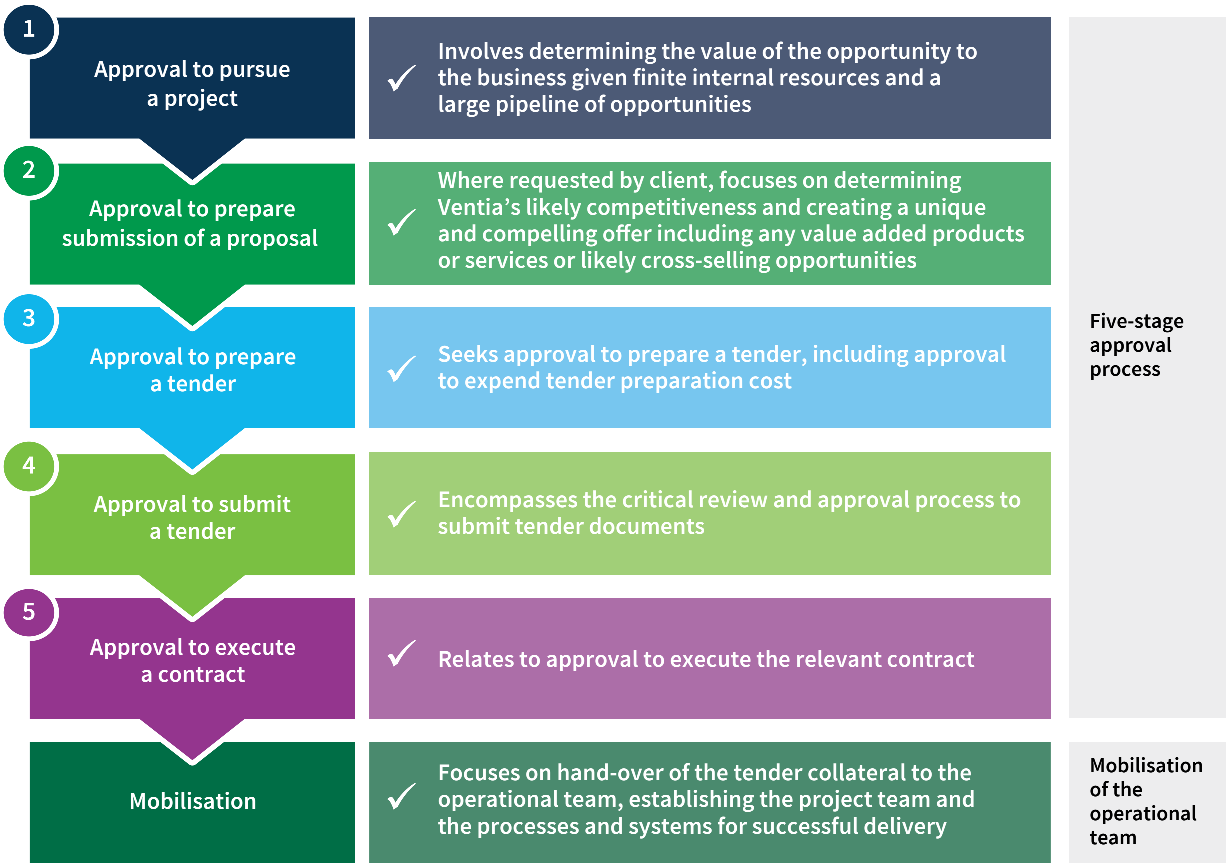
- Growth within existing contracts.
- Extensions of existing contracts.
- Competitive contract renewals.
- Tendering for new works.
- Proactive, unsolicited proposals.

In addition, Ventia has been appointed to a number of client panels, which may enable Ventia to participate in certain tender processes that it would otherwise not be able to participate in. The appointment to these panels is for a fixed period (typically three to five years) and Ventia is generally one of several service providers appointed to each panel.

Responding to tender opportunities requires an internal five-stage approval process, which (depending on the size and type of opportunity) may start approximately 18 months prior to submission of the tender (see Figure 30).

The approval at each gate is provided either by the relevant Business Unit Lead, Sector Group Executive, CEO or the Board, depending on materiality of the tender and in accordance with set Delegations of Authority.

Figure 30: Five-stage tender gate approval process and mobilisation



Ventia is selective in the opportunities it progresses through the tender gate approval process, applying the risk management framework and commercial experience from delivering similar projects to tenders submitted. The risk/reward profile is evaluated at each stage and opportunities may not proceed to tender due to a range of factors – including health and safety, contractual, design, program, delivery, operational, environmental, completion, reputational and/or financial risks.

After successful tendering the focus on risk continues as part of ongoing monitoring during project delivery to identify and mitigate any issues in a timely manner.

The strength of Ventia's tender risk management gate process, combined with the project delivery process (refer to Section 3.5.3), is demonstrated by Ventia's track record of successful project delivery. Since Ventia's inception in 2015, the average project margin delivered[25] for large projects[26] has exceeded the average tender project margin[27].

3.5.3 Project delivery process

Ventia's Business Management System (**BMS**) details the enterprise-wide four-step standard process for project delivery:

1. **Launch and mobilise project:** Includes the establishment of the project and comprises a range of activities, such as the structured and planned handover from the tender team to the project team, validation of the project delivery strategy, preparation of management plans, implementation of the project systems and processes, workforce recruitment, subcontractor procurement, commercial negotiation, induction, and service-specific training. The above culminate in the project readiness review conducted prior to project commencement.

   The Company believes that its ability to mobilise quickly and efficiently is underpinned by its:
   - Ability to quickly recruit personnel, utilising Skout Solutions, a JV between Ventia and Randstad, which has a large candidate database and industry-aligned recruitment specialists.
   - Network of subcontractors and suppliers.
   - Network of potential industry JV partners to provide the relevant specialised capability on the project.
2. **Deliver and manage work:** Following commencement of the project, work delivery is managed in accordance with set rules, policies and guidelines. These include the planning and management of various work types and work execution, mitigation of service delivery risks, and management of project KPIs and productivity targets.
3. **Manage work support arrangements:** Includes the various approaches Ventia takes to monitor and manage the project, including resourcing, subcontractors, commercial and risk management and financial reporting. Performance reporting and lessons learned throughout the project are captured in this phase of the project delivery process which provides opportunities for client engagement to drive client satisfaction and scope management.
4. **Complete and close project:** Includes the activities undertaken during completion of the project, including the project handover, demobilisation, commercial closure, and the management of practical completion.

3.5.4 Innovation

Ventia seeks to enhance its service offering through new technologies and innovative approaches. Ventia recognises that innovation is critical to solve client challenges and improve service delivery outcomes across quality, financial performance, sustainability and safety. Notable recent examples include:

- **Drone inspection technology:** Established in 2017, Ventia's drone solutions program uses a team of in-house certified pilots and a fleet of state-of-the-art drones to enhance asset inspection, environmental monitoring, and imaging and mapping services. The use of drones reduces safety risks by reducing the need to work at heights and can improve maintenance efficiency.

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25. Project margin is the equivalent of profit before tax, calculated at the project level. Average project margin delivered is calculated as the total actual project margin divided by total actual revenue on projects secured and delivered (or being delivered) by Ventia from 1 January 2015 to 30 June 2020, and combined Ventia and Broadspectrum from 1 July 2020 to 30 June 2021.
26. Large projects are projects with over $50m in contract value (being total revenue over the life of the project) won by Ventia from 1 January 2015 to 30 June 2020, and combined Ventia and Broadspectrum from 1 July 2020 to 30 June 2021.
27. Average tender project margin is calculated as the total tender margin divided by total tender revenue on tenders won by Ventia from 1 January 2015 to 30 June 2020, and combined Ventia and Broadspectrum from 1 July 2020 to 30 June 2021.

- **Defence innovation:** Ventia was the winner of the 2020 Defence Contractor Innovation Award for the Universal Shore Power Cable and Hose Management Solution. The solution resolved a long-standing challenge in the labour-intensive deployment of one-tonne shore power cables, reducing deployment time by over 80% and required personnel by 95%.
- **SourceZone:** SourceZone provides a permanent and complete solution to PFAS soil contamination, capable of removing up to 99% of PFAS mass from soil.

3.5.5 Information Technology (**IT**) and cybersecurity

Ventia operates on a secure, standardised and scalable technology platform that is designed to drive enterprise-consistent processes and efficiencies across all Sectors and corporate support functions. The platform includes:

- A standardised SAP enterprise resource planning (**ERP**) foundation.
- A SAP work management engine, integrated with financials and billing.
- A flexible cloud-based front-end for mobility and user interactions, leveraging AWS[28] and SAP technologies.
- An integrated application programming interface (**API**) engine.
- An analytics function built on Microsoft Azure.

Ventia believes that the technology platform enables benefits for the Company, its clients and their customers by providing:

- Scale and consistency in operations and safety.
- A lean operating structure.
- Security and high availability.
- Real-time transparency and analytics for clients.
- A scalable growth platform with ability to add contracts.
- An integrated flexible edge user experience layer to support client and subcontractor portals, and mobility solutions.

Ventia has implemented a range of initiatives to provide network protection, internet and email filtering, and vulnerability management. In accordance with the cybersecurity risk management policies, Ventia has also invested in endpoint protection, monitoring, testing and alerting tools as well as regular awareness training. Ventia's cybersecurity strategy is regularly assessed to ensure ongoing effectiveness, and to identify, prioritise and address potential vulnerabilities.

Ventia relies on IT, data handling and data storage systems to deliver contracts and operate corporate functions. The Group Executive – Digital Services is responsible for managing these systems as well as cybersecurity risks (see Section 5.2.19) and provides quarterly reporting to the Ventia Board and Audit and Risk Committee on these matters.

Ventia's technology systems face a range of threats, including cyber threats such as attacks and intrusion attempts, ransomware, attacks and viruses, and physical threats such as deliberate or accidental damage, as well as power surges and failures. For example, in April and May 2019 (prior to the acquisition by Ventia in June 2020), Broadspectrum detected unauthorised activity in its systems which disrupted its ability to provide services to its clients. The incident was managed and resolved by the Incident Management Team, and investigation into the activity by external specialists confirmed no unauthorised access to client data had been gained.

Ventia has strict contractual and regulatory obligations to ensure client data is protected and (in some instances) remains onshore; and has implemented a range of practices to ensure compliance with these obligations.

Ventia operates an externally audited security model, designed to address information security, including:

- Monitoring public and vendor threat sources.
- Automated internal and external vulnerability scanning.
- User awareness, communications and incident reporting processes.
- Monitoring and strengthening network and corporate security.
- Managing third party vendor security risks.
- Maintaining a strong security risk governance and escalation process.

28. Amazon Web Services.

IT and business continuity plans including crisis management structures and disruption solutions are designed to manage the impact of adverse events. In the event of a cybersecurity incident or IT systems threat or failure, third party analysts are engaged through an incident retainer to determine the source of the threat or failure and to take steps to restore systems promptly.

In addition, there is periodic testing of IT systems and business continuity plans for effectiveness. As part of Ventia's annual cybersecurity insurance renewal, Chubb Limited performed an independent assessment of Ventia's internet-facing IT services, and the assessment ranked Ventia in the Top 10% of Business Services globally for the period from 15 March 2020 to 15 March 2021.

3.5.6 Insurance

Ventia has a range of insurance policies in place that it considers appropriate to manage the risks of its day-to-day business, its joint ventures, and specific activities. Key policies in place currently include coverage for public/products liability, directors and officers, professional indemnity, industrial special risks, cyber liability, contract works and plant and equipment, commercial crime, pollution liability, aviation hull and refuelling liability, marine hull and liability and motor vehicle insurance. The policies have various self-insured retentions, terms, conditions and exclusions set by the insurers or as agreed between Ventia and its insurers. As the needs of the business change, so may Ventia's approach to insurance. Not all risks are insurable and there is no guarantee that the insurance policies Ventia holds will protect it against all risks and liabilities. Refer to Section 5 for a summary of these risks.

An overview of Ventia's key insurance policies is set out in Table 19.

Table 19: Ventia's key insurance policies

Insurance policy	Description
General and products liability	• Covers legal liability which Ventia has to third parties arising from property damage or bodily injury caused by its operations.
Professional indemnity	• Covers claims against Ventia which arise from a breach of professional duty.
Aviation refuelling liability	• Covers liabilities arising from the refuelling of military aircraft.
Industrial special risks	• Covers damage to Ventia property and stock held at its offices, depots and permanent operating locations.
Cyber liability	• Covers costs and losses incurred by Ventia as a result of cyber-attack plus liabilities to third parties as a result of a cyber event, including the loss of personal, private and commercially sensitive information.
Contractor's pollution liability	• Covers clean-up costs and third party liabilities which arise from pollution events at project sites or permanent operating locations.
Motor vehicle	• Covers damage to road registered vehicles owned, leased and operated by Ventia and third party property damage caused by these vehicles.
Marine hull and liability	• Covers damage to vessels owned or operated by Ventia and liabilities arising from their operation.
Comprehensive crime	• Covers theft of assets including money and securities by an employee acting alone or in collusion with others.
Contract works, plant and equipment	• Covers damage to capital works undertaken by Ventia plus damage to plant and equipment utilised across the business including drilling rigs.
Directors and Officers liability	• Covers Directors and Officers for claims against them which arise from wrongful acts whilst performing their duties for the Company.
Aviation (liability, hull and protection and indemnity)	• Covers damage to aircraft operated by Ventia and liabilities to third parties arising from their operation as part of Ventia's well servicing operations.

3.6. Employees and community

3.6.1 Workforce overview

Ventia has over 15,000 employees[29]. The employee workforce is supplemented by access to over 20,000 subcontractors, which allow the business to flexibly adapt to changing work volume and demand levels. Figure 31 outlines the breakdown of Ventia's employees by geography and Figure 32 outlines the breakdown of Ventia's employees by Sector.

Figure 31: Employees by geography[30]

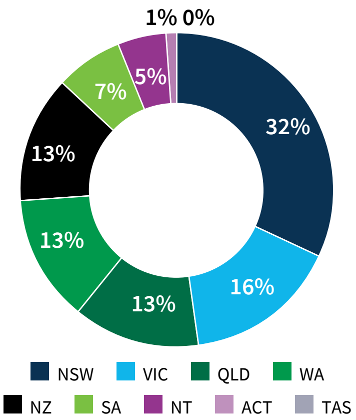
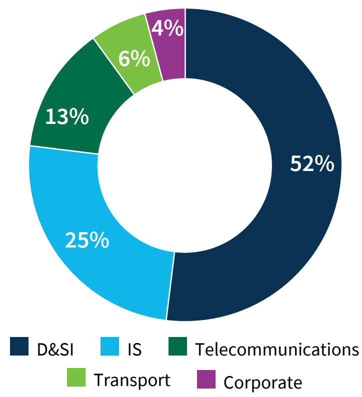


Figure 32: Employees by Sector[30]



Ventia has an in-house accredited RTO that supports the development of workforce skills of employees and subcontractors. The RTO status enables Ventia to self-deliver quality, nationally recognised and tailored training solutions.

In addition, Ventia has a range of leadership training initiatives to develop emerging talent, including the Best Leader (aimed at contract and functional managers), Frontline Leader (aimed at in-field supervisors) and Women Leading (aimed at female emerging leaders) programs.

As at 30 June 2021, Ventia had 350+ apprentices, trainees and graduates working in the business. Ventia was recognised by the Australian Financial Review[31] as a top employer in the industry ranking #25 in Australia's Top 100 Graduate Employers 2021 ranking.

3.6.2 Industrial relations

Ventia regularly communicates with the following unions and has occasional involvement with several others:

- Amalgamated Workers Union of New Zealand (**AWUNZ**)
- Australian Manufacturing Workers Union
- Australian Services Union
- Australian Workers Union
- Communications Electrical Plumbing Union
- Construction Forestry Mining Energy Union (**CFMEU**)
- E tū (New Zealand)
- Electrical Trades Union
- Maritime Union of Australia (working through CFMEU and Offshore Alliance)
- United Firefighters Union
- United Workers Union

29. As at 30 June 2021.
30. Excludes subcontractors.
31. In collaboration with GradConnection and Chandler McLeod.

Ventia's employees are not required to disclose union membership; and accordingly, the percentage of employees that are represented by labour unions is unknown to the Company.

Ventia employs its workforce under Enterprise and Collective Agreements (42%), Modern Awards (20%), and individual contractual agreements (38%)[32]. For Ventia's wages staff (being those covered by Enterprise and Collective Agreements, and Modern Awards), 67% are employed under Enterprise and Collective Agreements, and 33% are employed under Modern Awards[32].

There are 109 Enterprise and Collective Agreements that cover Ventia's group of companies and certain incorporated JV entities and their employees[33]. The average term of Enterprise and Collective Agreements at inception is 36 months, and the average remaining term is 19 months (for non-expired Enterprise and Collective Agreements). Of the 109 Enterprise and Collective Agreements, 27 are expiring within the next 12 months and 30 agreements have expired. Expired agreements include those that are the subject of negotiation (12 agreements), those that continue to operate under the expired agreements on a roll forward basis (14 agreements), and those that are in the process of being rescinded (four agreements).

There are several modern awards that are applicable to Ventia and its employees as at 30 June 2021, predominantly the Cleaning Services Award 2020 and the Clerks Private Sector Award.

3.7. Safety

Ventia's number-one brand promise is 'safety and health above all else'. Given the nature of Ventia's operations, its workforce may be exposed to a number of health and safety risks in the performance of their duties. Ventia is committed to providing a safe environment for employees, subcontractors and the community by reducing the potential for fatalities, permanent disabilities and serious environmental harm, as well as all other incidents.

Safety, Health, Environment and Quality (**SHEQ**) is embedded within Ventia by:

- Ensuring a clear focus on safety and wellbeing – instilled through 'Safe for Life' safety messaging and campaigns.
- Maintaining and promoting an integrated approach to safety, health and environmental management certified to international and Australian standards.
- Having in place Critical Risk Protocols (**CRPs**), processes, systems and behaviours that reduce risk:
  - Ventia's CRPs relate to high-risk activities that are undertaken by Ventia. The CRPs establish the essential requirements and behaviours for managing safety risks and comprise three elements – critical controls, mandatory safety rules, and safe work fundamentals.
- Focusing on innovation and technology to reduce risk and monitor performance.
- Applying a 'Fair Play' model to promote outstanding performance and reinforcing the significant focus on leadership accountability for safety outcomes.
- Performing due diligence on subcontractors to ensure compliance in accordance with required standards and certifications prior to engagement.
- Continuous review and improvement of SHEQ systems, standards and processes to address and minimise risks.
- Implementation of early intervention programs to improve employee wellbeing and reduce incident frequencies including:
  - **Healthy Bodies:** Ventia's physical wellbeing program, comprising early intervention injury management and other wellbeing initiatives.
  - **Healthy Minds:** Ventia's mental health program comprising employee assistance, leader training and support network.

There are a range of legislative requirements relevant to each federal, state, territory and local jurisdiction, which Ventia must comply with. Ventia holds four accreditations with the Office of the Federal Safety Commissioner (**OFSC**), an ISO[34] triple certification (Safety, Environment, Quality) and a variety of additional certifications relevant to the performance of specific contracted works. Ventia is also required to comply with workplace health and safety regulations (see Section 2.4 and Section 5.2.13 for further information).

Critical controls and early intervention programs are in place to prevent serious injury and encourage proactive reporting

32. As at 31 August 2021.
33. As at 30 June 2021.
34. International Organization for Standardization.

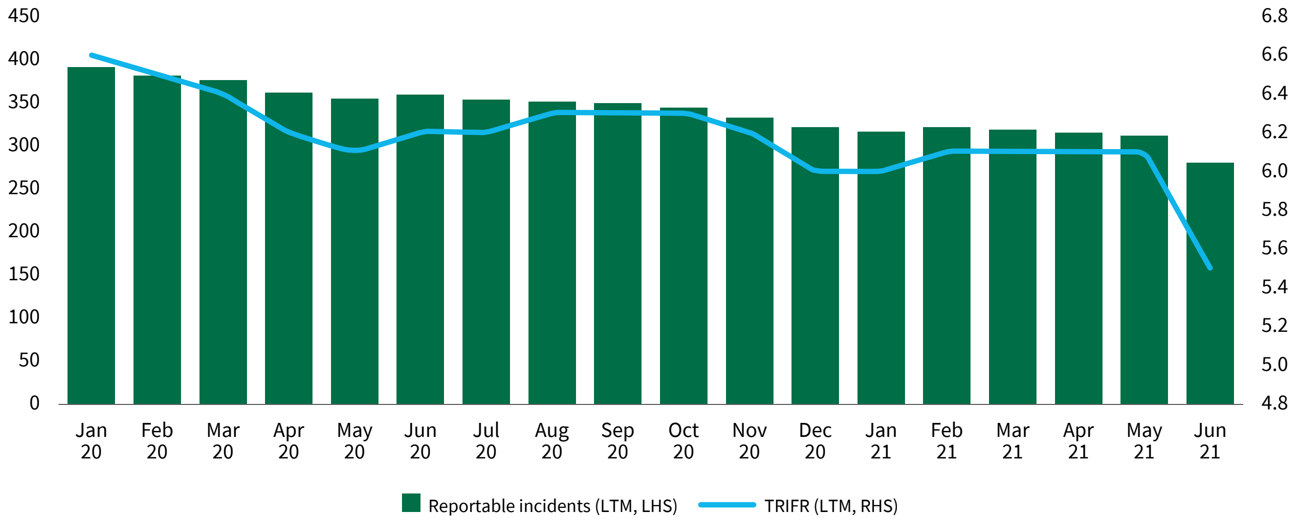
and safety engagement and provide training. There has been increasing focus on critical risk management and early intervention programs in recent years, including the rollout of the Healthy Bodies program to the broader organisation in 2020 (after successful deployment in prior years within the Telecommunications Sector), and the introduction of 120 Healthy Minds champions in 2020 to support awareness and usage of the mental health and wellbeing program.

Ventia's health and safety performance is monitored through several indicators:

- Total Recordable Injury Frequency Rate[35] (**TRIFR**) of 5.5 in the 12 months to June 2021, down from 6.6 in the 12 months to January 2020 (see Figure 33).
- Serious Injury Frequency Rate[36] (**SIFR**) of 0.9 in the 12 months to June 2021, decreasing throughout the measurement period in 2021:
  - SIFR is a new safety measure within Ventia, that was put in place in January 2021 to focus on the prevention of serious injuries. The measure references Safe Work guidance on contemporary approaches to safety measurement and was developed in consultation with safety industry experts.

Ventia has won several safety awards including the 2021 Australian Workplace Health & Safety Award for Large Enterprise – New Initiative Award and Transpower's Safety Innovation 2021 award.

Figure 33: TRIFR and reportable incidents



35. Total number of recordable injuries, divided by hours worked in millions. Metric as at 25 July 2021, potentially subject to adjustments over time to reflect additional information received regarding reportable incidents and other operational updates.
36. Total number of serious injuries, divided by hours worked in millions. Metric as at 25 July 2021, potentially subject to adjustments over time to reflect additional information received regarding reportable incidents and other operational updates.

3.8. Environment, Social and Governance

Ventia recognises the importance of corporate social responsibility and is committed to a comprehensive range of environmental and social initiatives. Ventia's mature corporate governance framework underpins all business activities and has been benchmarked to the ASX Governance Principles.

Environment	**Towards net-zero emissions** • Targeting net-zero in advance of industry benchmarks. • 10% reduction in emissions targeted in 2021. • Planned fleet transition to hybrid commenced. **Assisting clients** • Partnering with Transurban on the Joint Sustainability Working Group to focus on four key areas: road emissions, roadside litter, diversity and human rights (modern slavery). • Innovative technology solutions to support clients' sustainability aspirations: – Research and development of innovative technologies (including SourceZone) to remediate PFAS contaminated soil. – SUEZ Ventia Joint Venture soil processing facility in VIC. – Energy efficiency reviews and upgrades for clients' facilities and networks. • Recognised sustainable operations, including through Infrastructure Sustainability Council of Australia Operations (**ISCA**) rating (see Figure 34).
Social	Ventia aims to attract and retain a diverse and inclusive workforce and enhance pathways into employment through targeted initiatives, including: **1) Embracing gender diversity** • Targeting 40% female workforce representation (currently 31% as at 30 June 2021). • Ventia Sustainability Council: progressing workplace gender equality. **2) Supporting Indigenous communities** • First infrastructure services provider in Australia to secure Elevate RAP status from Reconciliation Australia[37] (the highest status granted). • Independent Indigenous Advisory Board established to monitor Ventia's Indigenous participation program and progress against RAP commitments. • Indigenous recruitment focus, targeting improved Indigenous participation and increased access to employment opportunities. • In New Zealand, developing a framework to support Māori and Pasifika engagement. • Supporting Indigenous business with over $100 million in procurement contracts across 44 Indigenous businesses as at 30 June 2021.
Governance	**Robust policies and processes, including:** • Code of conduct (with training for the full workforce). • Full suite of corporate governance policies (refer to Section 6.5 for details). **Ventia has been internally benchmarked to the ASX Governance Principles**

37. Elevate RAP status held by Broadspectrum, a Ventia company.

Figure 34: ESG case study

ISCA Award

PROJECT OVERVIEW

- A major road project to improve roads in Melbourne's western suburbs. The project includes the maintenance of 260km of road between West Melbourne and Werribee, VIC.
- Ventia is the Maintenance Services provider, delivering road rehabilitation works, MCW and O&M services for the 23-year project term.

ESG INITIATIVES

- Innovative pavement design and usage of sustainable materials resulting in a substantial reduction in lifecycle materials impacts.
- Trial usage of recycled asphalt comprising fly-ash and a binder material made from 40% recycled soft plastics, 20% recycled oil and 40% print cartridge toner.
- Upgraded light system to LEDs resulting in a 20% reduction in depot electricity usage.

RECOGNITION

- The project was awarded an interim Commended rating for Operations from ISCA:
  - Only three organisations (including this project) have achieved a Commended rating from ISCA since the initiation of the Infrastructure Sustainability Operations rating assessment in 2017.
  - The rating scheme incorporates governance, economic, environmental and social aspects of infrastructure development.

3.9. COVID-19 and Ventia's response

As outlined in Section 2.3, whilst COVID-19 and the related restrictions and border closures are impacting a number of industry segments within the Maintenance Services market, this has been largely offset by demand from other industry segments[38].

At the time of publication, COVID-19 related restrictions in New Zealand and some eastern states of Australia present near-term challenges for the Maintenance Services market associated with the deferral of some works. Notwithstanding the continuing uncertainty as to the extent, duration and final effects of the COVID-19 pandemic, as summarised in Section 2.3, BIS Oxford Economics expects that overall activity in the Maintenance Services market will grow in FY22F and experience a 5.5% CAGR from FY21F to FY25F, primarily due to the large asset base requiring Maintenance Services and the likelihood that O&M and FM contracts will increasingly be integrated into larger packages and hence enter Ventia's addressable market.

As discussed in Section 4, Ventia's business has remained resilient during 2021 despite the continuing impact of COVID-19 on the broader economies of Australia and New Zealand. At the time of publication, COVID-19 has impacted Ventia's operations in a number of ways, including:

- delays in some existing projects and in the commencement of some projects;
- reductions in the scope of work or deferrals in the expansion of services in respect of some projects; and
- localised temporary restrictions on Ventia's ability to undertake certain work in Australia and New Zealand; offset in part by
- increased demand for cleaning services; and
- increased revenue associated with greater government spending following government stimulus measures introduced in response to COVID-19.

To support its workforce and continuity of services to clients, Ventia implemented a comprehensive COVID-19 response, including the following initiatives:

- **Supporting worker welfare:** Guidance, support and leave arrangements for Ventia employees who are suspected to have been or have been infected with COVID-19 or need to support family members who have been impacted.
- **Maintaining client services:** Business impact assessments and plans to comply with the government restrictions whilst ensuring the ongoing provision of services to clients.
- **Continuity of key functions:** Business continuity plans and strategies to ensure key support functions including payroll, accounts payable, ICT[39] and treasury continue to operate effectively despite employee absences due to COVID-19.
- **Communication and feedback:** Proactive and reactive communication strategies to keep Ventia's workforce, clients and business partners informed about safety protocols and response plans for the impact of COVID-19 and specific government restrictions and client requirements.
- **Risk mitigation:** Financial modelling and scenario analysis to enable continuous adaptation of Ventia's COVID-19 response plan and inform Executive and Board decisions.
- **Establishment of a Coronavirus Hub:** Operating 24/7 to support managers in providing a timely and coordinated response to known or suspected COVID-19 cases.

Refer to Section 4.8.1.4 and Section 5.20 for further information on the impact and risks associated with COVID-19.

38. Examples include services to Defence, Telecommunications, Roads and some Social Infrastructure (including hospitals and schools).
39. Information and Communication Technology.

SECTION 4

FINANCIAL INFORMATION

Freemans Bay, New Zealand

4.1. Introduction

4.1.1 Background

As set out in Section 3.1.3, Ventia was formed in 2015 through the carve-out and integration of leading infrastructure services businesses Leighton Contractors Services, Thiess Services and Visionstream by CIMIC and Apollo.
In June 2020, Ventia acquired all of the share capital of Ferrovial Services Australia Pty Ltd (**Ferrovial**), subsequently renamed BRS Holdco Pty Ltd (**Broadspectrum**), to form one of the largest infrastructure services providers in Australia and New Zealand.

Prior to lodging this Prospectus, Ventia was converted into a public company and renamed Ventia Services Group Limited.

4.1.2 Overview of the Financial Information

The financial information for Ventia contained in this Section 4 includes:

- historical consolidated financial information for the financial years ended 31 December 2018 (**CY2018**), 31 December 2019 (**CY2019**) and 31 December 2020 (**CY2020**) and for the half years ended 30 June 2020 (**H1CY2020**) and 30 June 2021 (**H1CY2021**); and
- forecast consolidated financial information for the financial years ending 31 December 2021 (**CY2021F**) and 31 December 2022 (**CY2022F**).

	Statutory Financial Information	Pro Forma Financial Information
Historical Financial Information	Statutory Historical Financial Information comprises the following: • statutory historical consolidated statements of profit or loss for CY2018, CY2019, CY2020, H1CY2020 and H1CY2021 (**Statutory Historical Income Statements**); • statutory historical consolidated statements of cash flows for CY2018, CY2019, CY2020, H1CY2020 and H1CY2021 (**Statutory Historical Cash Flows**); and • statutory historical consolidated statement of financial position as at 30 June 2021 (**Statutory Historical Statement of Financial Position**).	Pro Forma Historical Financial Information comprises the following: • pro forma historical consolidated statements of profit or loss for CY2018, CY2019, CY2020, H1CY2020 and H1CY2021 (**Pro Forma Historical Income Statements**); • pro forma historical consolidated statements of cash flows for CY2018, CY2019, CY2020, H1CY2020 and H1CY2021 (**Pro Forma Historical Cash Flows**); and • pro forma historical consolidated statement of financial position as at 30 June 2021 (**Pro Forma Historical Statement of Financial Position**).
Forecast Financial Information	Statutory Forecast Financial Information comprises the following: • statutory forecast consolidated statements of profit or loss for CY2021F and CY2022F (**Statutory Forecast Income Statements**); and • statutory forecast consolidated statements of cash flows for CY2021F and CY2022F (**Statutory Forecast Cash Flows**).	Pro Forma Forecast Financial Information comprises the following: • pro forma forecast consolidated statements of profit or loss for CY2021F and CY2022F (**Pro Forma Forecast Income Statements**); and • pro forma forecast consolidated statements of cash flows for CY2021F and CY2022F (**Pro Forma Forecast Cash Flows**).

The Historical Financial Information and Forecast Financial Information together form the **Financial Information**.

This Section 4 also sets out:

- the basis of preparation and presentation of the Financial Information (refer to Section 4.2);
- information regarding certain non-IFRS financial and other measures;
- pro forma adjustments and reconciliations of the Statutory Historical Financial Information to the Pro Forma Historical Financial Information and of the Statutory Forecast Financial Information to the Pro Forma Forecast Financial Information (see Section 4.3);
- a summary of Ventia's key pro forma and statutory financial metrics (see Section 4.5);
- a description of how Ventia finances its operations, including a description of the New Banking Facilities (refer to Section 4.7);
- information regarding Ventia's capital and contractual commitments, and contingent liabilities (refer to Sections 4.7.5 and 4.7.6);
- the key factors impacting historical financial performance;
- management's discussion and analysis of the Historical Financial Information (refer to Section 4.8);
- the general assumptions, Directors' best estimate assumptions and specific assumptions underlying the Forecast Financial Information (refer to Sections 4.9.1 and 4.9.2);
- management's discussion and analysis of the Pro Forma and Statutory Forecast Financial Information (refer to Section 4.9.3);
- an analysis of the sensitivity of the Forecast Financial Information to changes in certain key assumptions (see Section 4.10);
- qualitative disclosures about Ventia's financial risk management framework (refer to Section 4.11); and
- the proposed dividend policy (refer to Section 4.12).

The Financial Information presented in this Prospectus has been reviewed by Deloitte Corporate Finance Pty Limited (**Investigating Accountant**) in accordance with the Australian Standard on Assurance Engagements ASAE 3450 *Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information*, as stated in its Investigating Accountant's Report on the Financial Information. Investors should note the scope and limitations of the Investigating Accountant's Report on the Financial Information (see Section 8).

The information in this Section 4 should also be read in conjunction with the risk factors set out in Section 5 and other information contained in this Prospectus. In addition, the significant accounting policies are set out in Appendix 2.

Investors should note that past results are not a guarantee of future performance.

All amounts disclosed in the tables in this Section 4 are presented in Australian dollars and, unless otherwise noted, are rounded to the nearest $0.1 million. Tables in this Section 4 have not been amended to correct immaterial summation differences that may arise from this rounding convention.

Ventia reports on a 31 December financial year basis, and the Financial Information in this Section has been presented consistent with this.

4.2. Basis of preparation

4.2.1 Overview

The Directors are responsible for the preparation and presentation of the Financial Information.

The Financial Information included in this Prospectus is intended to present potential investors with information to assist them in understanding Ventia's statutory and pro forma historical financial performance, cash flows and financial position from CY2018 to H1CY2021, together with the forecast financial performance and cash flows to the end of December 2022.

The Statutory Historical Financial Information and Statutory Forecast Financial Information have been prepared in accordance with the recognition and measurement principles of the Australian Accounting Standards (**AAS**) issued by the AASB, which are consistent with the IFRS, and interpretations issued by the IASB.

The Significant Accounting Policies adopted in the preparation of the Financial Information are set out in Appendix 2 and have been consistently applied throughout the financial periods presented in this Prospectus unless stated otherwise.

The Pro Forma Historical Financial Information and the Pro Forma Forecast Financial Information have been prepared solely for inclusion in this Prospectus and have been derived from the Statutory Historical Financial Information and the Statutory Forecast Financial Information adjusted for certain transactions and pro forma adjustments described further below.

Ventia has four reporting segments under AASB 8 *Operating Segments* which are set out in Section 4.4, and include Defence & Social Infrastructure (**D&SI**), Infrastructure Services (**IS**), Telecommunications and Transport (also referred to as Sectors in other Sections of the Prospectus). Prior to H1CY2021, Ventia did not include segment financial information on a statutory basis in its financial reports, as it was not required to do so under AASB 8 *Operating Segments*. Ventia's interim financial statements for H1CY2021 (and for the H1CY2020 comparative period) include such segment information.

In addition to the Financial Information, Section 4 includes non-IFRS and other measures that Ventia uses to manage and report on its business that are not defined under or recognised by AAS or IFRS, set out in Section 4.2.8.

Due to their nature, the Pro Forma Historical Financial Information and Pro Forma Forecast Financial Information do not represent the actual or prospective financial position, financial performance or cash flows of Ventia. Ventia believes that they provide useful information, as they permit investors to examine what it considers to be the underlying financial performance and cash flows of the business presented on a consistent basis with the Forecast Financial Information. This Prospectus includes Forecast Financial Information based on the specific and general assumptions of Ventia.

The Financial Information is presented in an abbreviated form insofar as it does not contain all the presentation and disclosures, statements or comparative information as required by AAS applicable to general purpose financial reports prepared in accordance with the Corporations Act.

The information in this Section 4 should also be read in conjunction with the key factors and trends impacting historical performance and expected to impact future performance and the management discussion and analysis in Section 4.8.1, the general and specific assumptions and commentary underlying the Forecast Financial Information in Section 4.9, the risk factors in Section 5, as well as the general disclosure provided throughout this Prospectus.

4.2.2 Accounting for the Acquisition of Ferrovial Services Australia Pty Ltd

On 30 June 2020, Ventia acquired all of the share capital of Ferrovial Services Australia Pty Ltd, subsequently renamed BRS Holdco Pty Ltd (**Broadspectrum**). Broadspectrum, previously known as Transfield Services, was founded in 1956 and was one of Australia's oldest and largest services providers to a range of public and private sector clients across defence, social infrastructure, utilities, resources, transport and property. From 1 July 2020, the Statutory Financial Information includes the consolidated financial position, financial performance and cash flows of Broadspectrum.

A pro forma adjustment has been made in the Pro Forma Historical Financial Statements for CY2018, CY2019, CY2020 and H1CY2020 to reflect the Broadspectrum acquisition as if that acquisition had occurred on 1 January 2018.

In preparing the Pro Forma Historical Financial Information, Ventia extracted financial information from the audited financial statements of Broadspectrum for CY2018 and CY2019, for which financial statements were lodged with ASIC. However, as there were no financial statements for Broadspectrum for H1CY2020 (given its acquisition during the CY2020 period), Ventia extracted financial information from Broadspectrum's unaudited management accounts for the period from 1 January 2020 to 30 June 2020.

As part of the acquisition of Broadspectrum, and in accordance with AASB 3 *Business Combinations* (**AASB 3**), Ventia performed an assessment to allocate the purchase consideration against the fair value of assets acquired and liabilities assumed. Fair value is defined in AASB 13 *Fair Value Measurement* as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The purchase price allocation process included the following key activities:

- Harmonisation of accounting principles
  - A process was undertaken to harmonise accounting principles across the existing business and the newly acquired Broadspectrum business.
  - This process identified a number of adjustments to harmonise accounting principles including:
    - performing an assessment of all key client contracts to review the application of AASB 15 *Revenue from Contracts with Customers* (**AASB 15**) and alignment of revenue recognition criteria with Ventia's accounting principles; and
    - the derecognition of pre-contract bid costs previously capitalised by Broadspectrum to align with Ventia's accounting treatment to expense these costs as incurred.
- Property, Plant and Equipment
  - Independent valuation experts were appointed by management to determine the fair value of acquired property, plant and equipment. This was determined to be $159.0 million as at 30 June 2020.
  - A physical verification process for all material assets was conducted by management shortly after the acquisition date to confirm the existence and condition of the assets acquired.
- Intangibles
  - Independent valuation experts were appointed by management to determine the fair value of separately identifiable intangible assets.
  - This included the identification and valuation of customer contracts and relationships, software and brands totalling $159.9 million as at 30 June 2020.
- Employee provisions
  - Management performed a review of the completeness and accuracy of employee entitlements.
- Unfavourable Contracts provisions
  - Unfavourable Contracts provisions relate to acquired contracts where the fair value of the contract is deemed unfavourable relative to expected market returns.
  - Expected market returns were assessed with reference to Ventia's contract portfolio and relevant industry data.
  - The provisions are released over the remaining contract term, with the impact for CY2020 and expected impact for CY2021F and CY2022F being as follows:
    - CY2020: $11.3 million; CY2021F: $20.8 million; CY2022F: $16.9 million; primarily relating to the Defence & Social Infrastructure and Infrastructure Services segments.
  - Ventia will target the renewal of Unfavourable Contracts at expected market returns.
  - At 30 June 2021, the Unfavourable Contracts provision is $91.7 million.
- Onerous Contracts and Other Specific Contract provisions
  - Onerous Contracts provisions relate to acquired contracts in which the unavoidable costs of meeting the contractual obligations exceed the economic benefits expected to be received.
  - Other Specific Contract provisions relate to individual identified items where an outflow is expected, such as contractual performance measures, legal and other claims.
  - As cash costs are incurred, the provisions are released to offset these costs, with the impact for CY2020 and expected impact for CY2021F and CY2022F being as follows:
    - CY2020: $17.7 million; CY2021F: $36.8 million; CY2022F: $20.1 million; primarily relating to the Defence & Social Infrastructure and Transport segments.
  - If these Onerous Contracts and Other Specific Contracts provisions had been recognised by Ventia outside of a business combination, the associated statement of Profit or Loss impact would have been incurred in periods prior to 30 June 2020.
  - At 30 June 2021, the Onerous Contracts provision is $41.4 million and the Other Specific Contract provision is $51.5 million.

4.2.3 Preparation of the Historical Financial Information

4.2.3.1 Statutory Historical Financial Information

The Statutory Historical Financial Information for the years ended CY2018, CY2019 and CY2020 has been extracted from the consolidated general purpose financial statements of Ventia for CY2019 and CY2020 (which included comparative financial information for CY2018), which were prepared in accordance with AAS (which are compliant with International Financial Reporting Standards) in accordance with the Reduced Disclosure Requirements (**RDR**) framework. The RDR framework requires compliance with all recognition and measurement requirements of the AAS but excludes the requirement to disclose information regarding disaggregation of revenue recognised, tax expense and deferred tax balances, discontinued operations, proposed final dividends, key assumptions included in determining the recoverable amount of cash-generating units and related sensitivity analysis, detailed financial information in respect of joint ventures and associates, expected credit losses and other detailed financial instrument disclosures. In Ventia's view, no material disclosures or notes were omitted when preparing such information in accordance with the RDR framework. These consolidated financial reports were audited by Deloitte Touche Tohmatsu (**Deloitte**) in accordance with the Australian Auditing Standards. Deloitte issued an unmodified audit opinion on each financial report.

The Statutory Historical Financial Information for H1CY2020 and H1CY2021 has been derived from the half-year interim consolidated general purpose statutory financial report for H1CY2021 of Ventia (which included comparative financial information for H1CY2020). The consolidated interim financial report for H1CY2021 was reviewed by Deloitte in accordance with the Australian Auditing Standards. Deloitte issued an unmodified review conclusion on the interim financial report.

4.2.3.2 Pro Forma Historical Financial Information

The Pro Forma Historical Results and the Pro Forma Historical Cash Flows have been prepared for the purpose of inclusion in this Prospectus and have been derived from the Statutory Historical Financial Information and adjusted for the effects of the Pro Forma Adjustments described in Section 4.2 of this Prospectus. In particular, Pro Forma Adjustments have been made to reflect the following as if each had occurred on 1 January 2018 (amongst others):

- the Broadspectrum Pro Forma Adjustments which comprise:
  - the inclusion of the financial results and cash flows of Broadspectrum from 1 January 2018 until its acquisition on 30 June 2020;
  - the exclusion of the financial results and cash flows of Broadspectrum's Americas operations which were carved out of Broadspectrum (and not acquired by Ventia);
  - the inclusion of the financial results and cash flows from joint ventures acquired as part of the Broadspectrum acquisition;
  - the exclusion of the financial results and cash flows from joint ventures in which Broadspectrum's shares were sold to the joint venture partner;
  - the exclusion of management fees charged by Ferrovial prior to 30 June 2020;
  - the exclusion of historical financial results and cash flows relating to immigration contracts exited by Broadspectrum in 2017 (which contributed to revenue and earnings in CY2018 and CY2019);
  - the exclusion of the financial results and cash flows of APP Corporation Pty Limited (**APP**) which was sold on 19 March 2021, as well as the proceeds from the sale of APP;
- the exclusion of transaction and integration costs relating to the Broadspectrum acquisition and transaction costs relating to the sale of APP;
- the exclusion of Ventia accelerated amortisation relating to software and brand that will not be used by Ventia post-integration of the Broadspectrum acquisition;
- the exclusion of costs directly attributable to the Offer;
- the inclusion of additional public company costs, representing Ventia's estimate of the incremental annual Board, listing and other costs (such as Directors' fees, share registry costs, Directors' and Officers' insurance premiums, annual report costs) and professional fees that it will incur operating as a listed public company;
- the exclusion of Ventia's current shareholder fee structure which will not be in place following Completion of the Offer;

- the inclusion of remuneration changes reflecting the salary packages and incentives agreed with key executives that will apply upon Completion of the Offer and the exclusion of the existing executive incentive plan (refer to Sections 6.3.3 and 6.3.4);
- the inclusion of the application of AASB 16 *Leases* in CY2018 as if this standard had been adopted from 1 January 2018 (refer to Section 4.2.5);
- the inclusion of changes to the capital and debt structure (including finance costs) following Completion of the Offer, including the issue of new equity under the Offer and the drawdown of the New Banking Facilities (refer to Section 4.7) to repay existing debt facilities; and
- the inclusion of tax impacts of the above adjustments and the application of a pro forma effective income tax rate which is expected to be applicable going forward.

The Pro Forma Historical Financial Information is provided for illustrative purposes only and is not represented as being necessarily indicative of the historical or future financial position of Ventia.

4.2.4 Preparation of the Forecast Financial Information

The Forecast Financial Information has been prepared solely for inclusion in this Prospectus based on an assessment of current economic and operating conditions, including the impact of the COVID-19 pandemic, and should be read in conjunction with the best estimate general and specific assumptions set out in Section 4.9, the sensitivity analysis described in Section 4.10, the risk factors described in Section 5, the Significant Accounting Policies set out in Appendix 2, and the other information in this Prospectus.

The inclusion of these assumptions is intended to assist investors in assessing the reasonableness and likelihood of the assumptions occurring and is not intended to be a representation that the assumptions will occur. Investors should be aware that the timing of actual events and the magnitude of their impact might differ from that assumed in preparing the Forecast Financial Information, and that these differences may have a material effect on Ventia's actual financial performance or financial position.

In addition, the assumptions upon which the Forecast Financial Information are based are, by their very nature, subject to significant uncertainties and contingencies, many of which will be outside the control of Ventia, the Directors and management, and are not predictable. Accordingly, none of Ventia, the Directors, management, or any other person can give investors any assurance that the events and outcomes discussed in the Forecast Financial Information will arise. Events and outcomes may differ in amount and timing from the assumptions and may have a material impact on the actual results for CY2021F and CY2022F. Due to its nature, the Pro Forma Forecast Financial Information does not represent the Company's actual or prospective financial performance or cash flows for CY2021F or for CY2022F.

The Directors believe that the Forecast Financial Information has been prepared with due care and attention, and consider all general and specific assumptions, when taken as a whole, to be reasonable at the time of preparing this Prospectus. However, this information is not fact, and investors are cautioned not to place undue reliance on the Forecast Financial Information. Investors should note that past results are not a guarantee of future performance.

It is not intended that the Forecast Financial Information or other forward-looking statements be updated or revised, nor is it intended that prospective financial information will be published in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus, except where required by law or regulation.

The Forecast Financial Information has been prepared and presented on both a statutory and pro forma basis. The Statutory Forecast Financial Information and Pro Forma Forecast Financial Information for CY2021F includes the actual results of Ventia for H1CY2021 and forecast results for the remainder of CY2021F which have had regard to the performance of the business up to the date of this Prospectus.

In preparing the Pro Forma Forecast Financial Information, pro forma adjustments have been made to the Statutory Forecast Financial Information to reflect the following (amongst others):

- the Broadspectrum Pro Forma Adjustments which comprise:
  - the exclusion of the financial results and cash flows of APP which was sold to a third party on 19 March 2021, as well as the proceeds from the sale of APP;

- the exclusion of transaction and integration costs relating to the Broadspectrum acquisition and the transaction costs relating to the sale of APP;
- the exclusion of costs directly attributable to the Offer;
- the inclusion of additional public company costs, representing Ventia's estimate of the incremental annual Board, listing and other costs (such as Directors' fees, share registry costs, Directors' and Officers' insurance premiums, annual report costs) and professional fees that it will incur operating as a listed public company;
- the exclusion of Ventia's current shareholder fee structure which will not be in place following Completion of the Offer;
- the inclusion of remuneration changes reflecting the salary packages and incentives agreed with key executives that will apply upon Completion of the Offer (refer to Sections 6.3.3 and 6.3.4);
- the inclusion of changes to the capital and debt structure (including finance costs) following Completion of the Offer, comprising the issue of new equity under the Offer and the drawdown of the New Banking Facilities (refer to Section 4.7) to repay existing debt facilities; and
- the inclusion of tax impacts of the above adjustments and the application of a pro forma effective income tax rate which is expected to be applicable going forward.

Section 4.3 sets out the pro forma adjustments made to the Statutory Forecast Income Statements and a reconciliation from the Statutory Forecast Income Statements to the Pro Forma Forecast Income Statements.

The Forecast Financial Information presented in this Prospectus has been reviewed by Deloitte Corporate Finance Pty Limited but has not been audited. Investors should note the scope and limitations of the Investigating Accountant's Report on the Forecast Financial Information (see Section 8).

4.2.5 Changes in Accounting Standards (AASB 16 *Leases*)

Ventia adopted AASB 16 on 1 January 2019 using a modified retrospective approach. The accounting treatment for a lessee under AASB 117 *Leases* (**AASB 117**) was based on categorising the lease either as a finance lease (recognised on the statement of financial position) or an operating lease (not recognised on the statement of financial position). Under AASB 16, Ventia is required to recognise a lease liability and a right-of-use asset on the statement of financial position for most leases. As a result of the adoption of AASB 16, operating expenses decrease and depreciation and interest expenses increase, and the timing of expense recognition changes due to the change from a straight-line rental expense to depreciation and interest expenses (with interest expenses having an accelerated profile). This Prospectus presents the Pro Forma Historical Financial Information on a consistent basis to illustrate the impact of AASB 16 as if the standard had been applied from 1 January 2018.

4.2.6 Acquisition of Kordia Solutions Pty Limited

As at the date of this Prospectus, Ventia Holdings I Pty Limited (**Buyer**) has entered a share sale agreement with Kordia Group Limited and Kordia Pty Limited to acquire the entire outstanding share capital of Kordia Solutions Pty Limited (**Kordia Solutions**). Kordia Solutions provides design, consultancy, maintenance and construction services for fixed and mobile indoor and outdoor telecommunications networks to major public and private built environments[1].

The Agreement contains certain standard representations and limited warranties, and is subject to customary conditions precedent, including regulatory approvals and the consents of the counterparties of some of the Company's material contracts. The Buyer must use its reasonable endeavours to ensure that each condition precedent is satisfied as soon as practicable. Accordingly, the Financial Information does not include the historical or forecast financial contribution, cash flows (including cash flows in respect of the total deferred payment amounts) or financial position from Kordia Solutions. Refer to Sections 3.4.3 and 9.10 for further information.

1. Built environments include infrastructure and asset types such as stadiums, offices and other public and government buildings.

4.2.7 Foreign currency

Ventia transacts in currencies other than its functional currency, the Australian Dollar (**AUD**), most notably the New Zealand Dollar (**NZD**). Ventia's Australian sales are made in AUD and New Zealand sales are made in NZD. The cost of sales is predominantly in AUD and NZD. Other currencies make up an immaterial amount.

Ventia's earnings are exposed to the net impact of movements in foreign exchange rates on sales and costs in the foreign currencies in which purchases are made, and hence are subject to both realised and unrealised gains and losses on foreign currency movements. Ventia's operations in New Zealand are denominated in NZD and the potential impact of variations in the AUD-to-NZD exchange rate on Ventia's NPATA in CY2022F is considered in Section 4.10.

4.2.8 Explanation of certain non-IFRS and other measures

Ventia uses certain measures to manage and report on its business that are not recognised under AAS or IFRS. These measures are collectively referred to in this Section 4 and under ASIC Regulatory Guide 230 *Disclosing Non-IFRS Financial Information* as 'non-IFRS financial measures'.

These non-IFRS financial measures are intended to supplement the measures calculated in accordance with AAS and IFRS and not be a substitute for those measures. Because non-IFRS financial measures are not defined by a recognised body of accounting standards, they do not have a prescribed meaning and the way that Ventia calculates them may be different to the way that other companies calculate similarly titled measures. Investors are cautioned not to place undue reliance on any non-IFRS financial measures included in this Prospectus.

The principal non-IFRS financial measures used in this Prospectus are described below, together with certain other measures that management uses to assess the business and to communicate with investors regarding its performance and financial condition.

4.2.8.1 EBITDA Margin, EBITA, EBITA Margin and EBIT Margin

EBITDA is earnings before interest, tax, depreciation and amortisation and is recognised under AAS and IFRS. As it excludes the non-cash charges for depreciation and amortisation, management believes that EBITDA is useful to help understand the cash generation potential of the business. However, it should not be considered as an alternative to cash flow from operations because it does not reflect actual cash movements or movements in Ventia's working capital. EBITDA also does not consider the capital expenditure required to support Ventia's operations.

Management uses EBITDA to evaluate the operating performance of the business without the non-cash impact of depreciation and amortisation and before interest and tax charges, which are affected by the capital structure and historical tax position of Ventia.

EBITDA Margin for the Group is EBITDA divided by total revenue and expressed as a percentage. EBITDA Margin by segment is segment EBITDA divided by segment services revenue. EBITDA Margin (on a Group and segment basis) is a measure that management uses to evaluate the profitability of the overall business, its business segments and individual contracts.

EBITA in the Pro Forma Financial Information is earnings before interest, tax and amortisation of acquired intangibles as part of the Broadspectrum acquisition. EBITA in the Statutory Financial Information is earnings before interest, tax and amortisation of acquired intangibles. It is similar to EBITDA, except EBITA is after depreciation and amortisation of software assets. Management believes that including depreciation and amortisation of software assets in EBITA provides a useful alternative measure as depreciation and amortisation of software assets largely relates to investments in plant and equipment, technology and other capital investments that will be replaced in the ordinary course of business. EBITA does not reflect actual cash movements or movements in working capital, nor does it consider the capital expenditure required to support Ventia's operations.

EBITA Margin for the Group is EBITA divided by total revenue, expressed as a percentage. EBITA Margin by segment is segment EBITA divided by segment revenue.

EBIT is earnings before interest and tax and is recognised under AAS and IFRS. It is similar to EBITA except EBIT is after the amortisation of acquired intangibles. EBIT does not reflect actual cash movements or movements in working capital, nor does it consider the capital expenditure required to support Ventia's operations.

EBIT Margin for the Group is EBIT divided by total revenue, expressed as a percentage.

4.2.8.2 NPATA

NPAT is net profit after tax and is recognised under AAS and IFRS. It is calculated as EBIT after net finance costs and tax expense and is a measure of Ventia's profitability after all expenses, including non-cash charges (for example depreciation, amortisation of software and amortisation of acquired intangibles). NPAT is impacted by Ventia's capital structure, particularly the level of debt and associated interest cost.

NPATA is NPAT but before the after-tax amortisation of acquired intangibles.

4.2.8.3 Capital Expenditure

Ventia categorises Capital Expenditure as follows:

- Maintenance Capital Expenditure: relates to capital investments required to replenish or replace existing plant and equipment, software and licences; and
- Growth Capital Expenditure: relates to capital investments made to deliver new contracts, support a material expansion of existing contracts and to reduce Ventia's cost base.

The amounts of Capital Expenditure in any given period will impact Ventia's cash flows and funding requirements.

4.2.8.4 Net Working Capital

Net Working Capital comprises trade and other receivables, inventory and prepayments, less trade and other payables, provisions and other creditors. The Net Working Capital required by Ventia is generally positively correlated with total revenue. Increases/(decreases) in Net Working Capital generally result in cash outflows/(inflows), reflecting changes in working capital investment in the business.

Changes in Net Working Capital can have an impact on Ventia's cash flows and funding requirements.

4.2.8.5 Operating Cash Flow and Operating Cash Flow Conversion

Operating Cash Flow represents EBITDA plus any non-cash share-based payments, less changes in Net Working Capital. Operating Cash Flow Conversion reflects Operating Cash Flow divided by EBITDA, expressed as a percentage.

Operating Cash Flow does not consider lease payments, Maintenance Capital Expenditure or Growth Capital Expenditure. It also does not consider interest payments, tax payments, debt repayments or dividends.

4.3. Historical and forecast consolidated statements of profit or loss

Tables 20 and 21 set out the Pro Forma Historical Results and the Pro Forma Forecast Results.

Table 20: Summary pro forma historical consolidated statements of profit or loss for CY2018 to CY2020 and summary pro forma forecast consolidated statements of profit or loss for CY2021F to CY2022F

	Pro Forma Historical			Pro Forma Forecast	
$ millions	CY2018	CY2019	CY2020	CY2021F	CY2022F
Services revenue	**4,753.0**	**4,801.2**	**4,590.7**	**4,501.3**	**4,942.6**
Other income	1.5	2.5	1.2	0.4	–
Total revenue	**4,754.5**	**4,803.8**	**4,591.9**	**4,501.7**	**4,942.6**
Subcontractor expenses	(1,962.2)	(1,961.9)	(1,948.0)	(1,907.2)	(2,052.7)
Labour expenses	(1,876.3)	(1,936.6)	(1,776.8)	(1,775.6)	(1,961.4)
Materials expenses	(406.1)	(409.7)	(410.1)	(353.6)	(402.2)
Other expenses	(164.9)	(150.5)	(105.8)	(104.9)	(120.5)
Total operating expenses	**(4,409.5)**	**(4,458.6)**	**(4,240.6)**	**(4,141.3)**	**(4,536.8)**
Share of profits in joint venture entities	**9.1**	**6.4**	**3.3**	**5.4**	**2.9**
EBITDA	**354.1**	**351.5**	**354.5**	**365.8**	**408.6**
Depreciation	(133.8)	(127.5)	(116.1)	(104.8)	(105.4)
Amortisation of software	(47.5)	(49.0)	(37.4)	(31.0)	(27.1)
EBITA	**172.8**	**175.0**	**201.0**	**229.9**	**276.2**
Amortisation of acquired intangibles	(30.5)	(27.9)	(19.2)	(23.4)	(23.3)
EBIT	**142.3**	**147.1**	**181.8**	**206.5**	**252.9**
Net finance costs	(29.9)	(30.0)	(30.4)	(30.2)	(30.8)
Profit/(loss) before tax	**112.3**	**117.1**	**151.5**	**176.3**	**222.1**
Tax expense	(33.7)	(35.1)	(45.4)	(52.9)	(66.6)
NPAT	**78.6**	**82.0**	**106.0**	**123.4**	**155.5**
Amortisation of acquired intangibles (after tax)	21.4	19.5	13.4	16.4	16.3
NPATA	**100.0**	**101.5**	**119.5**	**139.8**	**171.8**

Table 21: Summary pro forma historical consolidated statements of profit or loss for H1CY2020 and H1CY2021

	Pro Forma Historical	
$ millions	H1CY2020	H1CY2021
Services revenue	**2,388.6**	**2,309.1**
Other income	0.7	0.4
Total revenue	**2,389.2**	**2,309.6**
Subcontractor expenses	(1,034.1)	(1,001.9)
Labour expenses	(907.4)	(869.4)
Materials expenses	(241.3)	(181.4)
Other expenses	(48.7)	(71.4)
Total operating expenses	**(2,231.5)**	**(2,124.1)**
Share of profits in joint venture entities	2.1	3.4
EBITDA	**159.8**	**188.8**
Depreciation	(59.1)	(51.9)
Amortisation of software	(26.9)	(14.9)
EBITA	**73.9**	**122.1**
Amortisation of acquired intangibles	(7.8)	(10.7)
EBIT	**66.1**	**111.3**
Net finance costs	(14.9)	(14.9)
Profit/(loss) before tax	**51.2**	**96.5**
Tax expense	(15.4)	(28.9)
NPAT	**35.9**	**67.5**
Amortisation of acquired intangibles (after tax)	5.4	7.5
NPATA	**41.3**	**75.0**

Tables 22 and 23 set out the statutory historical and forecast results.

Table 22: Summary statutory historical consolidated statements of profit or loss for CY2018 to CY2020 and summary statutory forecast consolidated statements of profit or loss for CY2021F to CY2022F

	Statutory Historical			Statutory Forecast	
$ millions	CY2018	CY2019	CY2020	CY2021F	CY2022F
Services revenue	**2,233.2**	**2,255.5**	**3,223.2**	**4,501.3**	**4,942.6**
Other income	(0.0)	0.8	0.7	0.4	–
Total revenue	**2,233.2**	**2,256.2**	**3,223.9**	**4,501.7**	**4,942.6**
Total operating expenses	(2,038.0)	(2,026.1)	(2,961.2)	(4,235.2)	(4,539.9)
Share of profits in joint venture entities	8.4	5.6	3.1	5.4	2.9
EBITDA	**203.6**	**235.8**	**265.8**	**271.9**	**405.5**
Depreciation	(12.9)	(45.5)	(79.4)	(104.8)	(105.4)
Amortisation	(18.8)	(22.6)	(59.6)	(81.0)	(56.1)
EBIT	**171.8**	**167.6**	**126.8**	**86.1**	**244.0**
Net finance costs	(74.7)	(79.3)	(92.4)	(142.2)	(30.0)
Profit/(loss) before tax	**97.1**	**88.3**	**34.4**	**(56.1)**	**214.0**
Tax expense	(27.0)	(26.2)	(10.3)	27.3	(64.2)
Net profit/(loss) from continuing operations	**70.1**	**62.1**	**24.1**	**(28.8)**	**149.8**
Profit after tax from discontinued operations	–	–	3.9	24.6	–
NPAT	**70.1**	**62.1**	**28.0**	**(4.2)**	**149.8**

Table 23: Summary statutory historical consolidated statements of profit or loss for H1CY2020 and H1CY2021

	Statutory Historical	
$ millions	H1CY2020	H1CY2021
Services revenue	**1,021.2**	**2,309.1**
Other income	0.1	0.4
Total revenue	**1,021.3**	**2,309.5**
Total operating expenses	(921.2)	(2,149.3)
Share of profits in joint venture entities	1.9	3.4
EBITDA	**102.1**	**163.7**
Depreciation	(22.4)	(51.9)
Amortisation	(13.6)	(38.9)
EBIT	**66.0**	**72.9**
Net finance costs	(40.2)	(51.9)
Profit/(loss) before tax	**25.9**	**21.0**
Tax expense	(7.7)	(5.8)
Net profit/(loss) from continuing operations	**18.1**	**15.3**
Profit after tax from discontinued operations	–	24.6
NPAT	**18.1**	**39.9**

Tables 24 and 25 set out a reconciliation from the Statutory Historical Results and the Statutory Forecast Results to the Pro Forma Historical Results and Pro Forma Forecast Results respectively.

Table 24: Pro forma adjustments to the statutory consolidated historical and forecast statements of profit or loss for CY2018 to CY2022F

		Historical			Forecast	
$ millions	Note	CY2018	CY2019	CY2020	CY2021F	CY2022F
Statutory NPAT		**70.1**	**62.1**	**28.0**	**(4.2)**	**149.8**
Broadspectrum Pro Forma Adjustments	1	(32.8)	(30.5)	(9.7)	(24.7)	–
Broadspectrum transaction and integration costs	2	–	6.0	49.9	67.2	3.1
Amortisation	3	–	–	24.0	26.4	5.8
Offer-related costs	4	–	–	–	35.0	–
Listed public company costs	5	(8.7)	(8.7)	(8.7)	(7.3)	–
Ventia shareholder fee	6	3.4	3.5	3.0	2.6	–
Remuneration changes	7	(2.2)	(4.6)	(8.2)	(3.5)	–
AASB 16 *Leases*	8	(1.3)	–	–	–	–
Total operating expense adjustments (pre-tax)		**(41.7)**	**(34.3)**	**50.4**	**95.8**	**8.9**
Interest expense adjustments	9	74.3	73.8	73.1	112.0	(0.8)
Income tax adjustments	10	(24.1)	(19.6)	(45.5)	(80.2)	(2.4)
Total adjustments		**8.5**	**19.9**	**78.0**	**127.6**	**5.7**
Pro forma NPAT		**78.6**	**82.0**	**106.0**	**123.4**	**155.5**
Amortisation of acquired intangibles (after tax)		21.4	19.5	13.4	16.4	16.3
Pro forma NPATA		**100.0**	**101.5**	**119.5**	**139.8**	**171.8**

Notes:

1. Includes NPAT from Broadspectrum. Refer to Section 4.2 for further information.
2. Excludes transaction and integration costs relating to the acquisition of Broadspectrum and the sale of APP.
3. Excludes Ventia accelerated amortisation relating to software and brand that will not be used by Ventia post-integration of the Broadspectrum acquisition.
4. Excludes Offer-related costs which are expected to be expensed. Assumes an illustrative primary raising by the Company of $400m and secondary raising by SaleCo of $900m.
5. Includes Ventia's estimate of incremental costs that it will incur as a listed company.
6. Excludes Ventia's current shareholder fee structure which will not be in place following Completion of the Offer.
7. Excludes the existing executive incentives plan and includes Ventia's new share-based payment plan which will be implemented upon Completion.
8. Includes the impact of AASB 16 *Leases* (which was adopted by Ventia and Broadspectrum on 1 January 2019) as if this standard had been adopted from 1 January 2018 (refer to Section 4.2.5).
9. Includes interest expense on the New Banking Facilities as though they had been in place from 1 January 2018 and excludes the repayment of the existing debt facilities (and close-out of associated hedges), including the removal of the existing amortisation and write-off of borrowing costs associated with the existing debt facilities.
10. Application of a pro forma tax rate of 30%, which is the Australian corporate tax rate and is reflective of Ventia's anticipated tax rate following Completion.

Table 25: Pro forma adjustments to the statutory historical consolidated statements of profit or loss for H1CY2020 and H1CY2021

		Historical	
$ millions	Note	H1CY2020	H1CY2021
Statutory NPAT		**18.1**	**39.9**
Broadspectrum Pro Forma Adjustments	1	(5.0)	(24.7)
Broadspectrum transaction and integration costs	2	10.3	28.8
Amortisation	3	–	13.2
Offer-related costs	4	–	0.8
Listed public company costs	5	(4.4)	(4.4)
Ventia shareholder fee	6	2.2	1.5
Remuneration changes	7	(4.3)	(1.5)
Total operating expense adjustments		**(1.1)**	**13.8**
Interest expense adjustments	9	36.4	37.0
Income tax adjustments	10	(17.6)	(23.2)
Total adjustments		**17.7**	**27.7**
Pro forma NPAT		**35.8**	**67.5**
Amortisation of acquired intangibles (after tax)		5.4	7.5
Pro forma NPATA		**41.3**	**75.0**

Refer to the notes under Table 24.

4.4. Segment information

Ventia has four reporting segments as outlined in Section 3.2 (which are also referred to as Sectors in other Sections of the Prospectus):

- Defence & Social Infrastructure: provides maintenance and support services to clients operating across Defence, Social Infrastructure (Education, Social Housing, Justice and Health), Local Government and Critical Infrastructure. Ventia also provides property and consulting services to public and private clients;
- Infrastructure Services: provides ongoing maintenance of infrastructure including utility infrastructure (including Water and Electricity & Gas) and Resources & Industrial assets (including mine operation facilities, Oil & Gas processing facilities, gas wells and industrial facilities). Ventia also provides complex and large-scale environmental remediation services, and leverages technologies aimed at enhancing client productivity;
- Telecommunications: provides end-to-end service capabilities that span design, supply, minor construction, installation, commissioning and maintenance of telecommunications networks and infrastructure; and
- Transport: provides maintenance, project delivery and technology solutions to owners and operators of road, motorway, tunnel and rail networks.

Each of Ventia's segments includes several Business Units, largely aligned with industry segments as summarised in Figure 35 below. See Section 3.1.1 for further information. The management discussion and analysis set out in Sections 4.8 and 4.9 contains references to these Business Units.

Figure 35: Overview of Ventia's Business Units

Segments	Defence & Social Infrastructure (**D&SI**)	Infrastructure Services (**IS**)	Telecommunications	Transport
Business Units	• Defence • Social Infrastructure • Critical Infrastructure • Local Government • Property	• Resources & Industrial • Water • Electricity & Gas • Environmental Services • Technology Solutions	• Fixed Networks • New Zealand • Essential Services • Wireless • nbn Operations & Assurance	• Roads Transport Operations Australia • Transport New Zealand • Rail Operations

Corporate costs include those related to:

- segment based management and support functions;
- Group-wide corporate support functions (including Finance, Legal, Digital Services, People & Capability, Safety, Procurement, Shared Services and Strategy);
- Board fees; and
- other public company costs.

Segment results include the allocation of corporate costs that can be directly attributed to a segment. After this allocation, the remaining corporate costs represent Gross Corporate Costs. A portion of these Gross Corporate Costs is recharged to the segments based on an assessment of services provided. Corporate costs not allocated or recharged to segments are reported as Net Corporate Costs.

Table 26 sets out Ventia's pro forma services revenue, EBITDA and EBITA by segment for CY2018 to CY2022F. Prior to H1CY2021, Ventia did not include segment financial information on a statutory basis in its financial reports, as it was not required to do so under AASB 8 *Operating Segments*. Ventia's interim financial statements for H1CY2021 (and for the H1CY2020 comparative period) include such segment information.

Table 26: Pro forma services revenue, EBITDA and EBITA summary by reporting segment for CY2018 to CY2022F

	Pro Forma Historical			Pro Forma Forecast	
$ millions	CY2018	CY2019	CY2020	CY2021F	CY2022F
Defence & Social Infrastructure	1,289.0	1,401.9	1,556.5	1,871.5	2,079.6
Infrastructure Services	1,234.6	1,270.9	1,229.6	1,206.3	1,350.1
Telecommunications	1,780.6	1,712.6	1,290.0	931.3	995.5
Transport	448.7	415.7	514.5	492.2	517.3
Total services revenue	**4,753.0**	**4,801.2**	**4,590.7**	**4,501.3**	**4,942.6**
Defence & Social Infrastructure	81.1	83.9	110.2	124.4	135.9
Infrastructure Services	77.4	91.9	116.2	120.0	135.4
Telecommunications	271.2	247.5	174.2	124.9	133.0
Transport	19.1	(3.9)	25.2	31.7	36.3
Corporate	(94.7)	(67.9)	(71.1)	(35.2)	(32.0)
Total EBITDA	**354.1**	**351.5**	**354.5**	**365.8**	**408.6**
Defence & Social Infrastructure	59.7	63.5	88.5	106.4	119.1
Infrastructure Services	24.7	42.0	67.0	75.5	90.2
Telecommunications	241.0	217.6	148.3	105.8	112.9
Transport	7.3	(15.1)	15.9	23.8	29.4
Corporate	(159.9)	(133.0)	(118.7)	(81.5)	(75.3)
Total EBITA	**172.8**	**175.0**	**201.0**	**229.9**	**276.2**

Table 27 sets out Ventia's pro forma services revenue, EBITDA and EBITA by segment for H1CY2020 and H1CY2021.

Table 27: Pro forma services revenue, EBITDA and EBITA by reporting segment for H1CY2020 and H1CY2021

	Pro Forma Historical	
$ millions	H1CY2020	H1CY2021
Defence & Social Infrastructure	763.3	951.9
Infrastructure Services	616.7	589.0
Telecommunications	729.5	490.6
Transport	279.0	277.6
Total services revenue	**2,388.6**	**2,309.1**
Defence & Social Infrastructure	37.1	62.9
Infrastructure Services	50.5	59.5
Telecommunications	95.0	70.2
Transport	10.1	18.6
Corporate	(32.8)	(22.4)
Total EBITDA	**159.8**	**188.8**
Defence & Social Infrastructure	27.4	54.1
Infrastructure Services	26.1	36.5
Telecommunications	81.5	62.1
Transport	4.8	14.7
Corporate	(65.9)	(45.3)
Total EBITA	**73.9**	**122.1**

Table 28 sets out Ventia's statutory services revenue and EBITA by segment for H1CY2020 and H1CY2021.

Table 28: Statutory services revenue and EBITA by reporting segment for H1CY2020 and H1CY2021

		Statutory	
$ millions	Note	H1CY2020	H1CY2021
Defence & Social Infrastructure		115.1	951.9
Infrastructure Services		180.7	590.6
Telecommunications		600.3	490.6
Transport		142.1	290.9
Corporate	1	(16.9)	(14.9)
Total services revenue		**1,021.2**	**2,309.1**
Defence & Social Infrastructure		2.0	54.1
Infrastructure Services		12.0	36.6
Telecommunications		69.4	62.4
Transport		4.2	14.7
Corporate		(21.7)	(83.9)
Total EBITA		**66.0**	**83.9**

Note:

1. Negative corporate revenue represents the elimination of joint venture revenues, of which $16.9 million and $14.9 million in H1CY2020 and H1CY2021 respectively are included in Transport and IS revenue

Prior to H1CY2021, Ventia did not include segment financial information on a statutory basis in its financial reports, as it was not required to do so under AASB 8 *Operating Segments*. Ventia's interim financial statements for H1CY2021 (and for the H1CY2020 comparative period) include such segment information.

4.5. Key financial metrics

Table 29 sets out the key historical and forecast pro forma and statutory financial metrics for CY2018 to CY2022F. Refer to Section 4.2.8 for the explanation of certain non-IFRS and other measures.

Table 29: Key historical and forecast pro forma and statutory financial metrics for CY2018 to CY2022F

	Historical			Forecast	
	CY2018	CY2019	CY2020	CY2021F	CY2022F
Pro forma					
Total revenue growth	N/A	1.0%	(4.4%)	(2.0%)	9.8%
EBITDA growth	N/A	(0.7%)	0.9%	3.2%	11.7%
EBITDA Margin	7.4%	7.3%	7.7%	8.1%	8.3%
EBITA growth	N/A	1.3%	14.9%	14.4%	20.1%
EBITA Margin	3.6%	3.6%	4.4%	5.1%	5.6%
EBIT growth	N/A	3.4%	23.6%	13.6%	22.5%
EBIT Margin	3.0%	3.1%	4.0%	4.6%	5.1%
NPAT growth	N/A	4.3%	29.3%	16.4%	26.0%
NPATA growth	N/A	1.5%	17.7%	17.0%	22.9%
Operating Cash Flow Conversion	87.5%	82.4%	87.0%	84.7%	91.4%
Statutory					
Total revenue growth	N/A	1.0%	42.9%	39.6%	9.8%
EBITDA growth	N/A	15.8%	12.7%	2.3%	49.2%
EBITDA Margin	9.1%	10.5%	8.2%	6.0%	8.2%
EBIT growth	N/A	(2.4%)	(24.4%)	(32.1%)	183.5%
EBIT Margin	7.7%	7.4%	3.9%	1.9%	4.9%
NPAT growth	N/A	(11.4%)	(54.9%)	NM	NM
Operating Cash Flow Conversion				73.0%	91.4%

Table 30 sets out the key historical pro forma financial metrics for H1CY2020 and H1CY2021.

Table 30: Key historical pro forma financial metrics for H1CY2020 and H1CY2021

	Pro Forma Historical	
	H1CY2020	H1CY2021
Pro forma		
Total revenue growth	N/A	(3.3%)
EBITDA growth	N/A	18.2%
EBITDA Margin	6.7%	8.2%
EBITA growth	N/A	65.1%
EBITA Margin	3.1%	5.3%
EBIT growth	N/A	68.4%
EBIT Margin	2.8%	4.8%
NPAT growth	N/A	88.2%
NPATA growth	N/A	81.6%
Operating Cash Flow Conversion	139.6%	76.6%

4.6. Historical and forecast cash flows

Tables 31 and 32 set out a summary of Ventia's pro forma historical consolidated statements of cash flows for CY2018, CY2019, CY2020, H1CY2020 and H1CY2021, pro forma forecast consolidated statements of cash flows for CY2021F and CY2022F and statutory forecast consolidated statements of cash flows for CY2021F and CY2022F.

Table 31: Summary pro forma historical and forecast consolidated statements of cash flows for CY2018 to CY2022F

		Pro Forma Historical			Pro Forma Forecast		Statutory Forecast	
$ millions	Note	CY2018	CY2019	CY2020	CY2021F	CY2022F	CY2021F	CY2022F
EBITDA		354.1	351.5	354.5	365.8	408.6	271.9	405.5
Non-cash share-based payments		7.5	7.5	7.5	7.5	7.5	4.0	7.5
Changes in Net Working Capital		(51.8)	(69.3)	(53.6)	(63.6)	(42.5)	(77.5)	(42.5)
Operating Cash Flow		**309.8**	**289.7**	**308.4**	**309.7**	**373.7**	**198.4**	**370.6**
Lease payments	1	(88.8)	(82.1)	(80.8)	(78.0)	(78.0)	(78.0)	(78.0)
Maintenance Capital Expenditure		(21.2)	(15.6)	(15.1)	(30.3)	(33.6)	(30.3)	(33.6)
Growth Capital Expenditure		(21.3)	(45.0)	(14.9)	(11.3)	(7.4)	(11.3)	(7.4)
Proceeds from asset sale	2	–	–	–	–	–	91.1	–
Cash flow before financing and tax		**178.4**	**146.9**	**197.6**	**190.1**	**254.7**	**169.9**	**251.6**
Interest paid	3				(22.6)	(21.0)	(77.6)	(21.0)
Tax paid					(45.4)	(56.8)	(23.9)	(56.8)
Dividends to Shareholders in H1CY2021	4				–	–	(38.5)	–
Repayment of existing debt	5				–	–	(1,450.9)	–
New Banking Facilities	6				–	–	743.4	–
Issue of New Shares	7				–	–	400.0	–
Offer-related costs	8				–	–	(9.7)	–
Net cash flows before dividends to New Shareholders					**122.1**	**176.9**	**(287.3)**	**173.8**

Notes:
1. Comprises principal and interest payments in respect of leased assets accounted for under AASB 16 *Leases*.
2. Relates to proceeds from the sale of APP in CY2021F.
3. Pro forma interest paid is based on the New Banking Facilities, while Statutory Financial Information includes the costs of the existing debt facilities prior to Completion and the New Banking Facilities from Completion.
4. Relates to dividends paid to Ventia's existing shareholders in H1CY2021.
5. Reflects the repayment of the existing debt facilities (and close-out of associated hedges).
6. Reflects drawdown of the New Banking Facilities net of costs incurred with the establishment of the New Banking Facilities.
7. Assumes the Final Price is at the midpoint of the Indicative Price Range. However, the issue of New Shares under the Offer will raise materially the same dollar amount, irrespective of where the Final Price is set relative to the Indicative Price Range, because the number of New Shares to be issued will be increased or decreased to ensure materially constant issue proceeds are raised by the Company.
8. Comprises capitalised portion of costs associated with the Offer (the expensed portion of these costs is included in EBITDA).

Table 32: Summary pro forma historical consolidated statements of cash flows for H1CY2020 and H1CY2021

		Pro Forma Historical	
$ millions	Note	H1CY2020	H1CY2021
EBITDA		159.8	188.8
Non-cash share-based payments		3.8	3.8
Changes in Net Working Capital		59.5	(47.9)
Operating Cash Flow		**223.1**	**144.7**
Lease payments	1	(40.9)	(38.4)
Maintenance Capital Expenditure		(1.7)	(4.9)
Growth Capital Expenditure		(7.5)	(0.6)
Cash flow before financing and tax		**172.9**	**100.8**

Note:

1. Comprises principal and interest payments in respect of leased assets accounted for under AASB 16 *Leases*.

Table 33 sets out Ventia's Statutory Historical Cash Flows for CY2018, CY2019, CY2020, H1CY2020 and H1CY2021.

Table 33: Statutory Historical Cash Flows for CY2018 to CY2020, H1CY2020 and H1CY2021

		Historical		Historical	
$ millions	CY2018	CY2019	CY2020	H1CY2020	H1CY2021
Receipts from customers	2,245.1	2,484.3	3,617.8	1,096.4	2,355.7
Payments to suppliers and employees	(2,025.4)	(2,298.6)	(3,478.1)	(1,014.0)	(2,250.9)
Interest (paid)/received	(66.5)	(67.8)	(73.6)	(32.1)	(42.6)
Income tax paid	(56.5)	(4.8)	1.2	(0.4)	(16.7)
Cash flow from discontinued operations	–	–	13.2	–	1.2
Net cash flow from operating activities	**96.7**	**113.0**	**80.6**	**49.8**	**46.7**
Proceeds from sale of property, plant and equipment	1.9	1.6	0.5	0.1	0.2
Acquisition of subsidiary	–	–	(460.0)	(465.3)	–
Cash acquired upon acquisition of subsidiary	–	–	225.2	225.2	–
Proceeds from sale of discontinued operations	–	–	–	–	89.4
Acquisition of intangibles	(23.9)	(16.2)	(8.7)	(6.3)	(0.5)
Acquisition of property, plant and equipment	(14.8)	(5.6)	(20.6)	(0.4)	(5.2)
Dividends received from equity accounted investments	2.0	1.6	1.9	1.9	7.8
Net loan provided to equity accounted investments	(3.4)	–	–	–	–
Net cash flow from investing activities	**(38.2)**	**(18.6)**	**(261.6)**	**(244.8)**	**91.6**
Capital reductions	(0.4)	(0.5)	(4.1)	(4.1)	–
Proceeds from borrowings	–	100.0	478.8	478.8	–
Proceeds from derivatives	–	–	56.1	56.1	–
Repayment of principal portion of lease liabilities	–	(31.8)	(52.9)	(17.3)	(34.6)
Repayment of borrowings	(2.8)	(5.7)	(20.1)	(5.2)	(50.0)
Borrowing costs paid	–	(9.6)	(37.4)	(37.4)	–
Dividends paid	(58.1)	(78.0)	(4.9)	(4.9)	(38.5)
Net cash flow from financing activities	**(61.3)**	**(25.6)**	**415.5**	**466.1**	**(123.1)**
Net increase/(decrease) in cash and cash equivalents held	**(2.8)**	**68.8**	**234.5**	**271.2**	**15.2**

Tables 34 and 35 set out the pro forma adjustments to the Statutory Historical Cash Flows as well as the Statutory Forecast Cash Flows to reflect the full year impact of the operating structure that will be in place following Completion of the Offer and to eliminate certain non-recurring items.

Table 34: Pro forma adjustments to the statutory historical statements of cash flows for CY2018 to CY2020

		Historical		
$ millions	Note	CY2018	CY2019	CY2020
Statutory net cash flow before financing and tax		**185.8**	**131.8**	**62.7**
Broadspectrum Pro Forma Adjustments	1	(22.6)	3.5	87.4
Broadspectrum transaction and integration costs	2	–	6.0	49.9
Capital Expenditure	3	16.6	7.9	3.9
Listed public company costs	4	(8.7)	(8.7)	(8.7)
Ventia shareholder fee	5	3.4	3.5	3.0
Remuneration changes	6	5.3	2.9	(0.7)
AASB 16 *Leases*	7	(1.3)	–	–
Pro forma net cash flow before financing and tax		**178.4**	**146.9**	**197.6**

Notes:

1. Includes statutory net cash flow before financing and tax from Broadspectrum. Refer to Section 4.2 for further information.
2. Excludes transaction and integration costs relating to the acquisition of Broadspectrum and the sale of APP.
3. Excludes Capital Expenditure relating to redundant IT systems as a result of the acquisition of Broadspectrum.
4. Includes Ventia's estimate of incremental costs it will incur as a listed company.
5. Excludes Ventia's current shareholder fee structure which will not be in place following Completion of the Offer.
6. Excludes the existing executive incentive plan and includes Ventia's new share-based payment plan which will be implemented upon Completion.
7. Includes the impact of AASB 16 *Leases* (which was adopted by Ventia and Broadspectrum on 1 January 2019) as if this standard had been adopted from 1 January 2018 (refer to Section 4.2.5).

Table 35: Pro forma adjustments to the statutory forecast consolidated statements of cash flows for CY2021F to CY2022F

		Forecast	
$ millions	Note	CY2021F	CY2022F
Statutory net cash flow before dividends to New Shareholders		**(287.3)**	**173.8**
Discontinued operations	1	(92.2)	–
Tax paid	2	(21.5)	–
Net interest payments	3	55.1	–
Broadspectrum transaction and integration costs	4	67.2	3.1
Net Working Capital	5	15.0	–
Offer-related costs	6	44.7	–
Listed public company costs and Director fees	7	(7.3)	–
Ventia shareholder fee	8	2.6	–
Dividends to Shareholders in H1CY2021	9	38.5	–
Refinance of the existing debt facilities with the New Banking Facilities	10	707.5	–
Proceeds from issue of shares		(400.0)	–
Other		(0.2)	–
Pro forma net cash flow before dividends to New Shareholders		**122.1**	**176.9**

Notes:

1. Excludes proceeds from the sale of APP and cash flows from APP in CY2021F.
2. Excludes statutory tax paid and includes pro forma tax paid.
3. Excludes net interest payments under the existing debt facilities and includes net interest payments under the New Banking Facilities.
4. Excludes transaction and integration costs relating to the acquisition of Broadspectrum and the sale of APP.
5. Excludes a cash outflow relating to non-recurring workers' compensation as a result of the Broadspectrum acquisition.
6. Excludes Offer-related costs.
7. Includes Ventia's estimate of incremental costs it will incur as a public company.
8. Excludes Ventia's current shareholder fee structure which will not be in place following Completion of the Offer.
9. Excludes dividends paid to existing Shareholders.
10. Excludes repayment of the existing debt facilities (and associated hedges) and includes drawdown of the New Banking Facilities (net of costs).

Table 36: Pro forma adjustments to the statutory historical consolidated statements of cash flows for H1CY2020 and H1CY2021

		Historical	
$ millions	Note	H1CY2020	H1CY2021
Statutory net cash flow before financing and tax		**60.9**	**162.4**
Broadspectrum Pro Forma Adjustments	1	101.8	(90.7)
Broadspectrum transaction and integration costs	2	10.3	28.8
Capital Expenditure	3	2.6	–
Offer-related costs	4	–	0.8
Listed public company costs	5	(4.4)	(4.4)
Ventia shareholder fee	6	2.2	1.5
Remuneration changes	7	(0.5)	2.3
Pro forma net cash flow before financing and tax		**172.9**	**100.8**

Notes:

1. Includes the statutory net cash flow before financing and tax from Broadspectrum. Refer to Section 4.2 for further information.
2. Excludes transaction and integration costs relating to the acquisition of Broadspectrum and the sale of APP.
3. Excludes Capital Expenditure relating to redundant IT systems as a result of the acquisition of Broadspectrum.
4. Excludes Offer-related costs.
5. Includes Ventia's estimate of incremental costs it will incur as a listed company.
6. Excludes Ventia's current shareholder fee structure which will not be in place following Completion of the Offer.
7. Excludes the existing executive incentive plan and includes Ventia's new share-based payment plan which will be implemented upon Completion.

4.7. Statutory and Pro Forma Historical Consolidated Statement of Financial Position

Table 37 sets out the adjustments that have been made to the reviewed statutory historical consolidated statement of financial position for Ventia as at 30 June 2021 to prepare a pro forma historical consolidated statement of financial position. These adjustments reflect the impact of the capital structure that will be in place at Completion of the Offer as if it had occurred or was in place as at 30 June 2021.

On Completion of the Offer, Ventia will issue new equity under the Offer and draw down on its New Banking Facilities (described below), with proceeds used to pay:

- amounts owing by Ventia under its Existing Banking Facilities and relevant derivative instruments in place immediately post Completion of the Offer;
- establishment costs in respect of the New Banking Facilities; and
- other transaction advisory fees, costs and expenses arising in connection with the Offer.

The pro forma historical consolidated statement of financial position shown in Table 37 has been extracted from the reviewed financial statements at 30 June 2021 and adjusted to reflect the impact of the Offer and the refinancing arrangements as if they took place as at 30 June 2021. The adjustments also include assumptions relating to the Offer which include matters not known at the Prospectus Date, e.g. the Final Price, the extent of sell-down by Selling Shareholders and the number of new Shares to be issued by the Company. The pro forma historical consolidated statement of financial position is therefore provided for illustrative purposes only and is not necessarily representative of Ventia's view on its future financial position.

In particular, cash and cash equivalents in the pro forma historical consolidated statement of financial position has been adjusted to reflect the impact of the Offer and the refinancing arrangements as if they took place as at 30 June 2021, in accordance with ASIC Regulatory Guide 228.87(a), and as such does not adjust for various anticipated cash flows of the business between 30 June 2021 and Completion of the Offer. Refer to Table 38 for target financial indebtedness at Completion of the Offer. Further information on the sources and uses of funds of the Offer is contained in Section 7.1.3 and further information on the New Banking Facilities is contained in this Section 4.6 and Section 4.7.4.

Table 37: Pro forma Historical Consolidated Statement of Financial Position as at 30 June 2021

$ millions	Note	Statutory Historical 30 June 2021	Recognition of NZ tax losses	Before Completion of the Offer	Offer proceeds net of Offer Costs	Net impact of refinancing	Employee Incentive Plan	Pro forma reflecting Completion of the Offer
Cash and cash equivalents	1	459.2	–	459.2	351.1	(657.1)	–	153.2
Trade and other receivables	2	745.4	–	745.4	–	(7.6)	–	737.8
Current tax asset	3	1.7	–	1.7	–	(1.7)	–	–
Inventories		29.9	–	29.9	–	–	–	29.9
Derivative assets	4	3.5	–	3.5	–	(3.5)	–	–
Current assets		**1,239.7**	**–**	**1,239.7**	**351.1**	**(669.9)**	**–**	**920.9**
Trade and other receivables		8.5	–	8.5	–	–	–	8.5
Derivative assets	4	0.9	–	0.9	–	(0.9)	–	–
Investments		5.0	–	5.0	–	–	–	5.0
Deferred tax assets	5	213.0	3.0	216.0	14.7	11.2	–	241.8
Right-of-use assets		124.0	–	124.0	–	–	–	124.0
Property, plant and equipment		167.2	–	167.2	–	–	–	167.2
Intangibles		164.3	–	164.3	–	–	–	164.3
Goodwill		1,093.0	–	1,093.0	–	–	–	1,093.0
Non-current assets		**1,775.9**	**3.0**	**1,778.9**	**14.7**	**10.3**	**–**	**1,803.8**
TOTAL ASSETS		**3,015.6**	**3.0**	**3,018.6**	**365.8**	**(659.6)**	**–**	**2,724.7**
Trade and other payables		885.7	–	885.7	–	–	–	885.7
Derivative liabilities	4	12.4	–	12.4	–	(12.4)	–	–
Provisions		258.5	–	258.5	–	–	–	258.5
Lease liabilities		47.0	–	47.0	–	–	–	47.0
Current tax liability	3	21.6	(7.5)	14.1	–	(2.9)	–	11.1
Current liabilities		**1,225.1**	**(7.5)**	**1,217.6**	**–**	**(15.3)**	**–**	**1,202.3**
Trade and other payables		31.0	–	31.0	–	–	–	31.0
Provisions		280.2	–	280.2	–	–	–	280.2
Derivative liabilities	4	74.0	–	74.0	–	(74.0)	–	–
Lease liabilities		78.1	–	78.1	–	–	–	78.1
Borrowings	6	1,284.6	–	1,284.6	–	(541.3)	–	743.4
Non-current liabilities		**1,748.0**	**–**	**1,748.0**	**–**	**(615.3)**	**–**	**1,132.7**
TOTAL LIABILITIES		**2,973.1**	**(7.5)**	**2,965.6**	**–**	**(630.6)**	**–**	**2,335.0**
Share capital	7	2.7	–	2.7	390.3	–	–	393.0
Reserves	8	(4.4)	–	(4.4)	–	8.1	(3.3)	0.4
Retained earnings	9	44.2	10.5	54.7	(24.5)	(37.1)	3.3	(3.7)
TOTAL EQUITY		**42.5**	**10.5**	**53.0**	**365.8**	**(29.0)**	**–**	**389.7**

Notes:
1. Includes net cash raised pursuant to the Offer, drawings under the New Banking Facilities and repayment of the existing debt facilities (and close-out of associated hedges) as a result of the refinancing.
2. Includes the write-off of existing capitalised borrowing costs.
3. Includes the recognition of New Zealand tax losses, the tax impact associated with the write-off of existing capitalised borrowing costs and the tax impact associated with the close-out of existing hedges.
4. Includes the close-out of hedges associated with existing debt facilities.
5. Includes the recognition of New Zealand tax losses, the tax effect of the costs associated with the Offer and the tax impact associated with the write-off of existing capitalised borrowing costs.
6. Includes the repayment of existing debt facilities, write-off of existing capitalised borrowing costs and the capitalisation and amortisation of refinancing costs associated with the New Banking Facilities upon Completion (refer to Section 4.7.4). All proceeds from the New Banking Facilities are non-current liabilities.
7. Includes the issue of New Shares under the Offer (assumes the Final Price is at the midpoint of the Indicative Price Range) offset by the costs after income tax related to the issue of New Shares. While the amount assumed to be raised by the issue of New Shares under the Offer assumes the Final Price is at the midpoint of the Indicative Price Range, the issue of New Shares under the Offer will raise materially the same dollar amount, irrespective of where the Final Price is set relative to the Indicative Price Range, because the number of New Shares to be issued will be increased or decreased to ensure materially constant issue proceeds are raised by the Company.
8. Includes the impact on reserves of the close-out of hedges associated with existing debt facilities and the unwind of the existing executive incentive plan.
9. Includes the recognition of New Zealand tax losses, impact of transaction costs relating to the Offer that are required to be expensed, the write-off of capitalised borrowing costs associated with the existing debt facilities, the close-out of associated hedges, and the unwind of the existing executive incentive plan.

4.7.1 Liquidity and capital resources

Ventia's principal sources of liquidity are cash generated from operations, cash on hand and committed debt facilities under the New Banking Facilities.

Ventia's main uses of cash are to fund its operations, working capital, Capital Expenditure, interest payments, principal repayments and payment of tax and dividends. Ventia expects that it will have sufficient cash flow from operations to meet its business needs during the forecast period and will have sufficient working capital to carry out its stated objectives.

Ventia's ability to generate sufficient cash depends on its future performance which, to a certain extent, is subject to a number of factors beyond its control, including general economic, financial and competitive conditions.

4.7.2 Indebtedness

Table 38 below sets out the indebtedness of Ventia as of 30 June 2021, before Completion of the Offer and on a pro forma basis adjusted for the repayment of the Existing Banking Facilities, anticipated drawings under the New Banking Facilities and receipt of the net proceeds of the Offer upon Completion, as if these actions took place as at 30 June 2021. The net total indebtedness does not include the impact of other operational, financing or investing activities from 1 July 2021 to the date of the Offer.

Table 38: Pro forma consolidated indebtedness as at 30 June 2021

$ millions	Before Completion of the Offer	Offer proceeds net of Offer Costs	Net impact of refinancing	Pro forma reflecting Completion of the Offer
Debt	1,284.6	–	(541.3)	743.4
Upfront fees	38.0	–	(31.4)	6.6
Lease liabilities	125.1	–	–	125.1
Gross total indebtedness	**1,447.7**	**–**	**(572.7)**	**875.1**
Cash and cash equivalents	(459.2)	(351.1)	657.1	(153.2)
Cash flow hedging reserve	8.1	–	(8.1)	–
Derivative at fair value	82.0	–	(82.0)	–
Net total indebtedness	**1,078.7**	**(351.1)**	**(5.7)**	**721.9**
Net total indebtedness to CY2021F pro forma EBITDA				2.0x
Net total indebtedness to CY2022F pro forma EBITDA				1.8x

4.7.3 Receivables finance arrangements

Ventia has a receivables financing facility with a banking institution. The level of non-recourse factoring across Ventia was $40.8 million as at 30 June 2021.

Certified receivables are sold to this banking institution on a non-recourse basis and are acknowledged by the client with payment only being subject to the passage of time. Under the factoring arrangements:

- the certified receivables are derecognised where the risks and rewards of the receivables have been transferred, as the cash flow is only derived when there are goods or services provided or work performed by Ventia for which it is entitled to be paid;
- the cash flow to Ventia only arises when there is an amount certified by the client and contractually due to be paid to Ventia, and there are no disputes regarding the amounts due and the client has acknowledged this by way of certification; and
- the receipt by Ventia irrevocably removes Ventia's right to the certified receivable due from the clients.

4.7.4 New Banking Facilities

Ventia has executed, or will have executed before Completion, a syndicated facility agreement for the provision of syndicated term loan facilities and a syndicated facility agreement for the provision of a syndicated revolving cash facility.

On or shortly following Completion of the Offer, funding provided under the syndicated term loan facilities (together with proceeds from the issue of New Shares under the Offer) will be utilised to repay Ventia's existing debt. Upon repayment of the existing debt, the associated security granted by Ventia will be discharged.

The availability of funding under the New Banking Facilities is conditional upon evidence that Ventia is quoted on the ASX on a conditional and deferred settlement basis, and other conditions precedent which are customary for facilities of the nature of the New Banking Facilities. Accordingly, upon Completion of the Offer, Ventia expects it will have debt funding available to assist with the repayment of its Existing Debt Facilities and to provide for funding needs after Completion.

The New Banking Facilities have an aggregate commitment of $1,150 million and comprise:

- $750 million of term loan facilities, spread equally across three-, four- and five-year tranches, each of which will be fully drawn at Completion; and
- a $400 million four-year revolving cash facility which is expected to be undrawn at Completion of the Offer.

The New Banking Facilities have variable interest rates, based on BBSY plus a margin. These facilities will attract commitment fees common with this type of facility.

4.7.5 Capital Expenditure commitments

Table 39 sets out Capital Expenditure commitments as at 30 June 2021.

Table 39: Capital Expenditure commitments as at 30 June 2021

$ millions	Less than 1 year	1 to 5 years	Over 5 years	Total
Capital Expenditure commitments	3.7	–	–	3.7
Total	**3.7**	**–**	**–**	**3.7**

4.7.6 Contingent liabilities

Indemnities given by third parties on behalf of Ventia in the ordinary course of business are as follows:

Table 40: Contingent liabilities as at 30 June 2021

$ millions	30 Jun 21
Insurance, performance and payment bonds	344.6
Letters of credit	3.3
Total	**347.8**

Legal claims arise in the ordinary course of business. The Directors consider that appropriate provisions have been raised to reflect expected settlement amounts and finalisation of open matters and therefore no contingent liabilities for legal settlements have been noted.

4.8. Management discussion and analysis of the Historical Financial Information

The management discussion and analysis set out below contains references to Ventia's Business Units as described in Section 4.4.

4.8.1 Key factors impacting historical financial performance

Set out below is a discussion of the key factors which affected Ventia's financial performance in CY2018, CY2019, CY2020, H1CY2020 and H1CY2021 and which the Directors expect may continue to affect it in the future.

The discussion of these general factors is intended to provide a brief summary only and does not detail all the factors that affected Ventia's historical operating and financial performance, nor everything which may affect its operations and financial performance in the future.

4.8.1.1 Revenue

Ventia generates revenue by delivering Maintenance Services across a diverse range of industry segments typically through long-term contracts with its clients. A summary of the contractual arrangements, as presented in Section 3.3.2, is provided below:

- Ventia enters into contracts with various contract profiles including Schedule of Rates, Fixed Price and Cost Reimbursable. The majority of Ventia's revenue (80% in CY2020) is from contracts with Schedule of Rates profiles. Ventia does not participate in Major Capital Construction, which is evidenced by the low contribution of Fixed Price contracts to its revenue (11% in CY2020).
- Ventia's contract portfolio consists of contracts with relatively long-term durations. In CY2020, approximately 75% of Ventia's revenue was generated from contracts with a contract length of three years or more at inception (excluding extension options). Ventia believes that this relatively long-dated contract profile helps to provide it with a high degree of revenue visibility across a significant portion of its revenue base.
- Contracts with over $50 million of work in hand represent 91% of the total work in hand balance as at 31 July 2021. Of these contracts, 94% contain some form of embedded price escalation mechanism or relate to panel arrangements where specific projects are short-term and individually priced taking into account the prevailing market conditions at the time of the tender. Ventia believes that these pricing mechanisms provide it with a degree of margin protection against escalating costs.

As set out below in Section 4.8.2, Ventia's total revenue over the historical period has remained broadly flat. This is largely due to declining revenue in the Telecommunications segment resulting from the completion of the construction phase of the NBN. Total revenue from non-Telecommunications segments[2] has grown at a CAGR of 5.4% from CY2018 to CY2020.

2. D&SI, IS and Transport.

A summary of the key factors which have influenced Ventia's historical revenue is provided below:

- **Industry factors:** As summarised in Section 2.1.3, a key driver of Ventia's revenue is the demand for Maintenance Services which is supported by a range of factors including population growth, size and growth of the asset base, increasing outsourcing rates, technology adoption and automation, and environmental regulations. As described above, Ventia's revenue has also been influenced by factors specific to individual industry segments such as in Telecommunications, where the completion of the construction phase of the NBN has reduced demand for services.
- **Contract renewals:** Ventia has a track record of high contract renewal win rates (>80% p.a. since 2016[3]) supported by long-term and trusted relationships with its clients.
- **Winning new work:** Ventia has a history of selectively pursuing and successfully bidding for new work, leveraging its deep client relationships, industry capabilities, scale and operating platform.
- **Growth within existing contracts:** Ventia has sought opportunities within existing contracts to expand the scope of services offered and to deliver additional works.
- **Cross-selling:** Ventia has identified significant opportunities to cross-sell its service capabilities across its existing client base via the bundling of services such as O&M and FM.
- **Contract completion:** Ventia's revenue has been impacted in instances where projects have reached completion, or contracts have not been renewed.

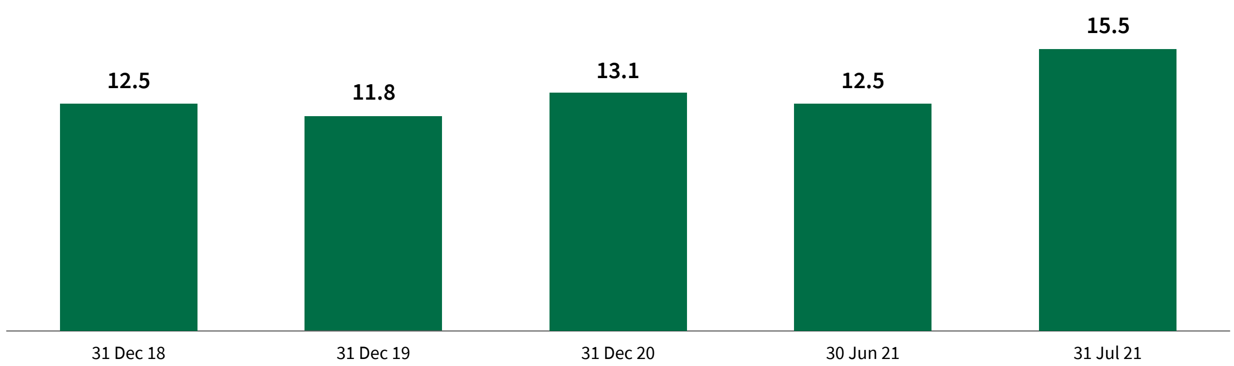
4.8.1.2 Work in hand

Ventia has historically achieved stable levels of work in hand[4] as set out in Figure 36 below and described in further detail in Section 3.3.2.3. This has been supported by the factors described in Section 4.8.1.1, including contract renewals, winning new work and growing services under existing contracts.

Ventia's work in hand grew by $2.4 billion to $15.5 billion as at 31 July 2021, relative to 31 December 2020. This reflects a number of significant contract wins to date during CY2021F (see Section 3.4.2).

The stability of Ventia's revenue profile has been supported by relatively high visibility over future revenue. Between CY2018 and CY2020, approximately 70% to 80% of Ventia's next 12 months revenue was supported by work in hand. Following the significant recent contract wins referenced above, work in hand as at 31 July 2021 is expected to cover approximately 98% of the total revenue for CY2021F, and approximately 80% of the total revenue for CY2022F.

Figure 36: Work in hand ($bn)



3. Average renewal rate for the period 2016-2020. Calculated as the contract value of renewal opportunities won divided by the contract value of total renewal opportunities tendered.
4. Work in hand is defined as i) comprising the future revenue from contracted projects with agreed volumes and scope, and ii) an estimate of future revenue that is likely to be generated from contracted projects where the project scope and volumes are variable. Included in ii) are works that are expected to be secured under contracted panel or umbrella arrangements, contracted work for future periods where the value is not yet agreed, and contracted work with volume estimates based on a conservative historical run rate or other reliable estimate.

4.8.1.3 Operating expenses

Ventia's operating expenses include:

- subcontractor expenses: costs of subcontractors engaged to provide additional workforce capacity in providing services to clients;
- labour expenses: costs of labour to perform client services, project management and support services as well as corporate functions;
- materials expenses: costs of materials and supplies that Ventia uses to perform its services, including building supplies and hardware, cleaning products, work-wear and office supplies; and
- other expenses: such as IT costs, professional fees, occupancy costs, fleet costs and other costs.

The majority of Ventia's operating expenses are directly incurred in the delivery of services to clients. These costs generally move with revenue over time. In any given period, the amount and mix of operating expenses depend on the type of projects and contracts delivered.

While Ventia allocates a portion of corporate expenses to each of the four segments, there are Net Corporate Costs which are not directly attributable to any of these segments. Refer to Section 4.4 for further information.

Ventia seeks to drive continuous improvement through the implementation of operational efficiencies to reduce operating expenses, including through the following initiatives:

- leveraging an enterprise-wide operating model to deliver economies of scale;
- rationalised organisation structures to increase financial and operational accountability and drive improved financial performance;
- focus on productivity through optimised rostering leading to better utilisation of the workforce;
- disciplined commercial approach to project scope and cost management;
- optimising Ventia's flexible workforce via self-perform and subcontract decisions;
- centralisation of procurement and plant management functions;
- selective approach to targeting and pricing opportunities in line with Ventia's tender risk management gate process; and
- ongoing focus on process automation and improvement.

These initiatives are expected to continue to drive operational improvements and the related financial benefits in CY2021F and CY2022F.

In addition to these initiatives, Ventia's integration of Broadspectrum has enabled the delivery of a number of benefits including the removal of duplicate costs and the implementation of a scalable and enterprise-wide operating model, delivering operational efficiencies.

4.8.1.4 Impact of COVID-19

The COVID-19 pandemic and related government-imposed restrictions and border closures have temporarily impacted a number of industry segments within Ventia's addressable market, as outlined in Section 2.3.

At the time of publication, COVID-19 has impacted Ventia's operations in a number of ways, including:

- delays in some existing projects and in the commencement of some projects;
- reductions in the scope of work or deferrals in the expansion of services in respect of some projects; and
- localised temporary restrictions on Ventia's ability to undertake certain work in Australia and New Zealand due to restrictions; offset in part by
- increased demand for cleaning services; and
- increased revenue associated with greater government spending following government stimulus measures introduced in response to COVID-19.

Refer to Section 4.9 for Ventia's assumptions with regards to the ongoing and potential future impact of COVID-19.

In response to the COVID-19 pandemic, Ventia implemented several initiatives which resulted in a relatively small increase in operating expenses. These initiatives include supporting worker welfare, maintaining client services whilst complying with government restrictions, ensuring the continuity of key functions, proactive and reactive communication strategies, risk mitigation and the establishment of a Coronavirus Hub. Refer to Section 3.9 for further information.

4.8.2 Historical consolidated statements of profit or loss and cash flows (CY2018 to CY2020)

4.8.2.1 Group historical consolidated statements of profit or loss

Table 41: Group historical consolidated statements of profit or loss for CY2018 to CY2020

	Historical			Change		Change (%)	
$ millions	CY2018	CY2019	CY2020	CY2019	CY2020	CY2019	CY2020
Pro Forma							
Total revenue	4,754.5	4,803.8	4,591.9	49.2	(211.9)	1.0%	(4.4%)
EBITDA	354.1	351.5	354.5	(2.6)	3.1	(0.7%)	0.9%
EBITDA Margin	7.4%	7.3%	7.7%	(13bps)	40bps	NM	NM
Depreciation	(133.8)	(127.5)	(116.1)	6.3	11.4	(4.7%)	(8.9%)
Amortisation of software	(47.5)	(49.0)	(37.4)	(1.5)	11.6	3.1%	(23.6%)
EBITA	172.8	175.0	201.0	2.2	26.0	1.3%	14.9%
EBITA Margin	3.6%	3.6%	4.4%	1bps	73bps	NM	NM
NPAT	78.6	82.0	106.0	3.4	24.0	4.3%	29.3%
NPATA	100.0	101.5	119.5	1.5	17.9	1.5%	17.7%
Statutory							
Total revenue	2,233.2	2,256.2	3,223.9	23.1	967.6	1.0%	42.9%
EBITDA	203.6	235.8	265.8	32.2	30.0	15.8%	12.7%
EBITDA Margin	9.1%	10.5%	8.2%	134bps	(221bps)	NM	NM
Depreciation	(12.9)	(45.5)	(79.4)	(32.6)	(33.9)	252.5%	74.4%
Amortisation	(18.8)	(22.6)	(59.6)	(3.8)	(37.0)	20.0%	163.4%
EBIT	171.8	167.6	126.8	(4.1)	(40.8)	(2.4%)	(24.4%)
EBIT Margin	7.7%	7.4%	3.9%	(26bps)	(350bps)	NM	NM
NPAT	70.1	62.1	28.0	(8.0)	(34.1)	(11.4%)	(54.9%)

Pro forma

Total revenue increased from $4,754.5 million in CY2018 to $4,803.8 million in CY2019 and decreased to $4,591.9 million in CY2020. The movement from CY2018 to CY2019 mainly reflects the increase in D&SI and IS services revenue, partly offset by decreases in Telecommunications and Transport. The movement from CY2019 to CY2020 mainly reflects decreases in Telecommunications services revenue, which was partly offset by increases in D&SI and Transport.

EBITDA remained relatively stable between CY2018 and CY2020, at $354.1 million in CY2018, $351.5 million in CY2019 and $354.5 million in CY2020. This reflected growth in D&SI and IS, as well as a reduction in Net Corporate Costs, offset by the decline in Telecommunications.

EBITDA Margin decreased from 7.4% in CY2018 to 7.3% in CY2019, mainly due to recognition of losses on certain Transport contracts. EBITDA Margin increased to 7.7% in CY2020, mainly due to operational improvements and cost savings following the Broadspectrum acquisition (as outlined in Section 4.8.1.3) and provision releases relating to Unfavourable Contracts and improved performance on unprofitable contracts.

Refer to Sections 4.8.2.2 to 4.8.2.6 for a discussion of Ventia's historical financial performance by segment.

Depreciation decreased from $133.8 million in CY2018 to $127.5 million in CY2019 and $116.1 million in CY2020. This was mainly due to a reduction in the number of right-of-use assets, as a result of operational improvements through enhanced plant and property management (as outlined in Section 4.8.1.3).

Amortisation of software increased from $47.5 million in CY2018 to $49.0 million in CY2019 and decreased to $37.4 million in CY2020. The movement between CY2018 and CY2019 mainly reflects an increase in investment in software, while the movement between CY2019 and CY2020 was mainly due to a decrease in the assessed fair value of Broadspectrum's IT systems following the Broadspectrum acquisition.

EBITA increased from $172.8 million in CY2018 to $175.0 million in CY2019 and $201.0 million in CY2020, primarily driven by the growth in EBITDA and the decrease in depreciation and amortisation of software. EBITA Margin remained stable at 3.6% in CY2018 and CY2019, as a result of a decrease in EBITDA Margin and an increase in amortisation of software as a proportion of total revenue, offset by a decrease in depreciation as a proportion of total revenue. EBITA Margin increased to 4.4% in CY2020, due to the EBITDA Margin expansion and the decline in depreciation and amortisation of software as a proportion of total revenue.

NPAT increased from $78.6 million in CY2018 to $82.0 million in CY2019 and $106.0 million in CY2020.

NPATA increased from $100.0 million in CY2018 to $101.5 million in CY2019 and $119.5 million in CY2020.

Statutory

Total revenue increased from $2,233.2 million in CY2018, to $2,256.2 million in CY2019, and $3,223.9 million in CY2020. The movement in CY2019 mainly reflects new contracts and increased volumes on existing contracts, partly offset by completed projects. The movement from CY2019 to CY2020 mainly reflects the consolidation of Broadspectrum from 30 June 2020.

EBITDA increased from $203.6 million in CY2018 to $235.8 million in CY2019 and to $265.8 million in CY2020. The growth in CY2019 mainly reflects the adoption of AASB 16 *Leases*. The growth in CY2020 mainly reflects the consolidation of Broadspectrum from 30 June 2020 as well as cost savings from the Broadspectrum acquisition, partly offset by Broadspectrum transaction and integration costs. EBITDA Margin increased from 9.1% in CY2018 to 10.5% in CY2019, and declined to 8.2% in CY2020. The increase in EBITDA Margin in CY2019 is due to the adoption of AASB 16 *Leases*, while the decline in CY2020 was mainly driven by the consolidation of lower margin contracts from Broadspectrum and Broadspectrum transaction and integration costs.

Depreciation increased from $12.9 million in CY2018 to $45.5 million in CY2019 and $79.4 million in CY2020. The movement in CY2019 mainly reflects the depreciation of right-of-use assets following the adoption of AASB 16 *Leases* on 1 January 2019, while the movement in CY2020 mainly reflects the consolidation of Broadspectrum assets from 30 June 2020.

Amortisation increased from $18.8 million in CY2018 to $22.6 million in CY2019 and $59.6 million in CY2020. The movement in CY2019 mainly reflects an increase in software assets, while the movement in CY2020 mainly reflects increased amortisation from the consolidation of Broadspectrum assets from 30 June 2020.

EBIT decreased from $171.8 million in CY2018 to $167.6 million in CY2019 and $126.8 million in CY2020. These movements reflect the increases in depreciation and amortisation, partly offset by the increase in EBITDA. EBIT Margin declined from 7.7% in CY2018 to 7.4% in CY2019 due to the increase in depreciation and amortisation as a proportion of total revenue, and declined to 3.9% in CY2020 due to the decrease in EBITDA Margin as well as the increase in depreciation and amortisation as a proportion of total revenue.

NPAT decreased from $70.1 million in CY2018 to $62.1 million in CY2019 and $28.0 million in CY2020. The movements in CY2019 and CY2020 reflect the movements in EBIT, while CY2020 was further impacted by higher net finance costs which was a result of additional debt to fund the Broadspectrum acquisition.

4.8.2.2 Defence & Social Infrastructure

Table 42: Defence & Social Infrastructure pro forma historical services revenue, EBITDA and EBITA for CY2018 to CY2020

	Pro Forma Historical			Change		Change (%)	
$ millions	CY2018	CY2019	CY2020	CY2019	CY2020	CY2019	CY2020
Services revenue	1,289.0	1,401.9	1,556.5	112.9	154.6	8.8%	11.0%
EBITDA	81.1	83.9	110.2	2.8	26.3	3.4%	31.4%
EBITDA Margin	6.3%	6.0%	7.1%	(31bps)	110bps	NM	NM
EBITA	59.7	63.5	88.5	3.8	25.0	6.3%	39.4%
EBITA Margin	4.6%	4.5%	5.7%	(10bps)	116bps	NM	NM

D&SI services revenue increased from $1,289.0 million in CY2018 to $1,401.9 million in CY2019 and $1,556.5 million in CY2020. The growth between CY2018 and CY2020 mainly reflects increased volumes in existing Social Infrastructure and Defence contracts as well as services revenue from new contracts in Defence, Social Infrastructure, Critical Infrastructure and Local Government.

The $112.9 million increase in CY2019 services revenue mainly reflects the following:

- the full year impact of contracts which commenced in CY2018 and new contracts which commenced in CY2019 which contributed to an increase of approximately $133 million; and
- variation of volumes within existing contracts which contributed to a net increase in existing contract services revenue of approximately $15 million; partly offset by
- a completed contract which resulted in a decrease of approximately $41 million.

The $154.6 million increase in CY2020 services revenue mainly reflects the following:

- variation of volumes within existing contracts which contributed to a net increase in contract volume of approximately $147 million; and
- the full year impact of contracts which commenced in CY2019 and new contracts which commenced in CY2020 which contributed to an increase of approximately $17 million; partly offset by
- a completed contract which resulted in a decrease of approximately $29 million.

D&SI EBITDA increased from $81.1 million in CY2018 to $83.9 million in CY2019 and $110.2 million in CY2020. EBITDA Margin decreased from 6.3% in CY2018 to 6.0% in CY2019, and increased to 7.1% in CY2020.

D&SI EBITA increased from $59.7 million in CY2018 to $63.5 million in CY2019 and $88.5 million in CY2020. EBITA Margin decreased from 4.6% in CY2018 to 4.5% in CY2019, and increased to 5.7% in CY2020.

The growth in EBITDA and EBITA in CY2019 was mainly driven by the increase in services revenue at slightly reduced EBITDA Margin and EBITA Margin as a result of a change in the mix of work performed. The growth in EBITDA, EBITA, EBITDA Margin and EBITA Margin in CY2020 was mainly driven by the increase in services revenue at improved margins. The improved margins were driven by operational improvements (as outlined in Section 4.8.1.3), mix of work performed, provision releases relating to Unfavourable Contracts and the removal of duplicate costs post the Broadspectrum acquisition.

4.8.2.3 Infrastructure Services

Table 43: Infrastructure Services pro forma historical services revenue, EBITDA and EBITA for CY2018 to CY2020

	Pro Forma Historical			Change		Change (%)	
$ millions	CY2018	CY2019	CY2020	CY2019	CY2020	CY2019	CY2020
Services revenue	1,234.6	1,270.9	1,229.6	36.4	(41.3)	2.9%	(3.2%)
EBITDA	77.4	91.9	116.2	14.5	24.3	18.8%	26.4%
EBITDA Margin	6.3%	7.2%	9.4%	96bps	222bps	NM	NM
EBITA	24.7	42.0	67.0	17.4	24.9	70.4%	59.3%
EBITA Margin	2.0%	3.3%	5.4%	131bps	214bps	NM	NM

IS services revenue increased from $1,234.6 million in CY2018 to $1.270.9 million in CY2019 and decreased to $1,229.6 million in CY2020. The growth in CY2019 mainly reflects increased volumes from existing contracts in Resources & Industrial and new contracts in Environmental Services, Water and Resources & Industrial. The decrease in CY2020 mainly reflects reduced volumes in existing Resources & Industrial contracts, partly offset by the commencement of new contracts in Environmental Services, Resources & Industrial, and Water and increased volumes under existing contracts in Resources & Industrial, Electricity & Gas and Environmental Services.

The $36.4 million increase in CY2019 services revenue mainly reflects the following:

- increased volumes within existing contracts which contributed to an increase of approximately $111 million; and
- the full year impact of contracts which commenced in CY2018 and new contracts which commenced in CY2019 which contributed to an increase of approximately $71 million; partly offset by
- completed projects which resulted in a decrease of approximately $150 million.

The $41.3 million decrease in CY2020 services revenue mainly reflects the following:

- the full year impact of a contract non-renewal which occurred in CY2019, mainly due to pricing discipline, resulting in a decrease of approximately $66 million;
- completed projects which resulted in a decrease of approximately $38 million;
- variation of volumes within existing contracts which resulted in a net decrease of approximately $30 million; partly offset by
- the full year impact of contracts which commenced in CY2019 and new contracts which commenced in CY2020 which contributed to an increase of approximately $92 million.

IS EBITDA increased from $77.4 million in CY2018 to $91.9 million in CY2019 and $116.2 million in CY2020. EBITDA Margin increased from 6.3% in CY2018 to 7.2% in CY2019 and 9.4% in CY2020.

IS EBITA increased from $24.7 million in CY2018 to $42.0 million in CY2019 and $67.0 million in CY2020. EBITA Margin increased from 2.0% in CY2018 to 3.3% in CY2019 and 5.4% in CY2020.

The increase in EBITDA, EBITDA Margin, EBITA and EBITA Margin in CY2019 was mainly driven by the completion of an unprofitable legacy construction contract in CY2018, mix of work performed and operational improvements (as outlined in Section 4.8.1.3). The growth in EBITDA, EBITA, EBITDA Margin and EBITA Margin in CY2020 was mainly driven by operational improvements (as outlined in Section 4.8.1.3), mix of work performed, provision releases relating to Unfavourable Contracts and the removal of duplicate costs post the Broadspectrum acquisition.

4.8.2.4 Telecommunications

Table 44: Telecommunications pro forma historical services revenue, EBITDA and EBITA for CY2018 to CY2020

	Pro Forma Historical			Change		Change (%)	
$ millions	CY2018	CY2019	CY2020	CY2019	CY2020	CY2019	CY2020
Services revenue	1,780.6	1,712.6	1,290.0	(68.0)	(422.6)	(3.8%)	(24.7%)
EBITDA	271.2	247.5	174.2	(23.7)	(73.3)	(8.7%)	(29.6%)
EBITDA Margin	15.2%	14.5%	13.5%	(78bps)	(95bps)	NM	NM
EBITA	241.0	217.6	148.3	(23.4)	(69.3)	(9.7%)	(31.9%)
EBITA Margin	13.5%	12.7%	11.5%	(83bps)	(121bps)	NM	NM

Telecommunications services revenue decreased from $1,780.6 million in CY2018 to $1,712.6 million in CY2019 and $1,290.0 million in CY2020. The decline between CY2018 and CY2020 mainly reflects the reduction of volume in fibre network build projects in Australia and New Zealand, as well as lower volumes across network provider contracts, partly offset by the commencement of new O&M works.

The $68.0 million decrease in CY2019 services revenue mainly reflects the following:

- variation of volumes within existing contracts (including across fibre network build in Australia and New Zealand and network provider contracts) which resulted in a net decrease of approximately $378 million; partly offset by
- the commencement of new contracts for fibre network build in Australia and fibre network O&M which contributed to an increase of approximately $309 million.

The $422.6 million decrease in CY2020 services revenue mainly reflects the following:

- the completion of the initial fibre network build in Australia, which resulted in a decrease of approximately $301 million; and
- variation of volumes within existing contracts which resulted in a net decrease of approximately $194 million; partly offset by
- the commencement of new contracts which contributed to an increase of approximately $68 million.

Telecommunications EBITDA decreased from $271.2 million in CY2018 to $247.5 million in CY2019 and $174.2 million in CY2020. EBITDA Margin declined from 15.2% in CY2018 to 14.5% in CY2019 and 13.5% in CY2020.

Telecommunications EBITA decreased from $241.0 million in CY2018 to $217.6 million in CY2019 and $148.3 million in CY2020. EBITA Margin declined from 13.5% in CY2018 to 12.7% in CY2019 and 11.5% in CY2020.

The decline in EBITDA, EBITDA Margin, EBITA and EBITA Margin in CY2019 and CY2020 was mainly driven by the decline in services revenue and a change in mix of work performed towards more O&M work, partly offset by cost management initiatives (as outlined in Section 4.8.1.3) and the removal of duplicate costs post the Broadspectrum acquisition.

4.8.2.5 Transport

Table 45: Transport pro forma historical services revenue, EBITDA and EBITA for CY2018 to CY2020

	Pro Forma Historical			Change		Change (%)	
$ millions	CY2018	CY2019	CY2020	CY2019	CY2020	CY2019	CY2020
Services revenue	448.7	415.7	514.5	(33.0)	98.8	(7.4%)	23.8%
EBITDA	19.1	(3.9)	25.2	(23.0)	29.1	NM	NM
EBITDA Margin	4.3%	(0.9%)	4.9%	(520bps)	583bps	NM	NM
EBITA	7.3	(15.1)	15.9	(22.4)	31.0	NM	NM
EBITA Margin	1.6%	(3.6%)	3.1%	(526bps)	673bps	NM	NM

Transport services revenue decreased from $448.7 million in CY2018 to $415.7 million in CY2019 and increased to $514.5 million in CY2020. The decline in CY2019 mainly reflects contracts in non-core service areas which were exited, the completion of contracts in Australia as well as lower service revenue in Transport New Zealand. The growth in CY2020 mainly reflects increased service revenue in Roads Transport Operations Australia.

The $33.0 million decrease in CY2019 services revenue mainly reflects the following:

- non-core contracts which were exited by Ventia and completion of contracts, which resulted in a decrease of approximately $68 million; partly offset by
- variation of volumes within existing contracts which contributed to a net increase of approximately $23 million; and
- the commencement of new contracts which contributed to an increase of approximately $11 million.

The $98.8 million increase in CY2020 segment revenue mainly reflects the following:

- variation of volumes within existing contracts which contributed to a net increase of approximately $102 million; and
- the commencement of new contracts which contributed to an increase of approximately $12 million; partly offset by
- completed projects which resulted in a decrease of approximately $13 million.

Transport EBITDA decreased from $19.1 million in CY2018 to an EBITDA loss of $3.9 million in CY2019, and increased to $25.2 million in CY2020. EBITDA Margin declined from 4.3% in CY2018 to (0.9)% in CY2019 and increased to 4.9% in CY2020.

Transport EBITA decreased from $7.3 million in CY2018 to an EBITA loss of $15.1 million in CY2019, and increased to $15.9 million in CY2020. EBITA Margin declined from 1.6% in CY2018 to (3.6)% in CY2019 and increased to 3.1% in CY2020.

The decline in EBITDA, EBITDA Margin, EBITA and EBITA Margin in CY2019 was mainly due to the decrease in services revenue and recognition of losses on certain Transport contracts.

The increase in EBITDA, EBITDA Margin, EBITA and EBITA Margin in CY2020 was primarily driven by the increase in services revenue and improved margins mainly due to operational improvements and cost savings following the Broadspectrum acquisition (as outlined in Section 4.8.1.3), and improved performance on unprofitable contracts.

4.8.2.6 Corporate

Table 46: Pro forma historical Net Corporate Costs for CY2018 to CY2020

	Pro Forma Historical			Change		Change (%)	
$ millions	CY2018	CY2019	CY2020	CY2019	CY2020	CY2019	CY2020
Net Corporate Costs							
EBITDA	(94.7)	(67.9)	(71.1)	26.8	(3.2)	(28.3%)	4.8%
% of total revenue	(2.0%)	(1.4%)	(1.5%)	58bps	(14bps)	NM	NM

At the EBITDA level, Net Corporate Costs decreased from $94.7 million in CY2018 to $67.9 million in CY2019 and increased to $71.1 million in CY2020. The decrease between CY2018 and CY2019 mainly reflects the implementation of operational efficiencies, as well as increased cost recharges resulting from higher services revenue. The increase between CY2019 and CY2020 reflects lower cost recharges from reduced services revenue and higher employee incentive costs which were partly offset by cost savings following the Broadspectrum acquisition (as outlined in Section 4.8.1.3).

Gross Corporate Costs (before recharges) decreased by 10.6% between CY2018 and CY2020, primarily driven by operational efficiencies and the removal of duplicate roles as part of the integration of Broadspectrum. Corporate costs recharged remained broadly consistent from CY2018 to CY2020. Refer to Section 4.4 for a description of corporate costs.

4.8.2.7 Group historical consolidated cash flows

Table 47: Group historical consolidated cash flows for CY2018 to CY2020

	Historical			Change		Change (%)	
$ millions	CY2018	CY2019	CY2020	CY2019	CY2020	CY2019	CY2020
Pro Forma							
EBITDA	354.1	351.5	354.5	(2.6)	3.1	(0.7%)	0.9%
Non-cash share-based payments	7.5	7.5	7.5	–	–	–	–
Changes in Net Working Capital	(51.8)	(69.3)	(53.6)	(17.5)	15.7	33.7%	(22.6%)
Operating Cash Flow	**309.8**	**289.7**	**308.4**	**(20.1)**	**18.7**	**(6.5%)**	**6.5%**
Lease payments	(88.8)	(82.1)	(80.8)	6.7	1.3	(7.5%)	(1.6%)
Maintenance Capital Expenditure	(21.2)	(15.6)	(15.1)	5.5	0.5	(26.2%)	(3.2%)
Growth Capital Expenditure	(21.3)	(45.0)	(14.9)	(23.7)	30.1	111.3%	(67.0%)
Cash flow before financing and tax	**178.4**	**146.9**	**197.6**	**(31.5)**	**50.7**	**(17.7%)**	**34.5%**
Statutory							
Receipts from customers	2,245.1	2,484.3	3,617.8	239.2	1,133.5	10.7%	45.6%
Payments to suppliers and employees	(2,025.4)	(2,298.6)	(3,478.1)	(273.2)	(1,179.5)	13.5%	51.3%
Interest paid	(66.5)	(67.8)	(73.6)	(1.3)	(5.8)	1.9%	8.5%
Income tax paid	(56.5)	(4.8)	1.2	51.6	6.1	(91.4%)	NM
Cash flow from discontinued operations	–	–	13.2	–	13.2	NM	NM
Net cash flow from operating activities	**96.7**	**113.0**	**80.6**	**16.3**	**(32.4)**	**16.9%**	**(28.7%)**
Net cash flow from investing activities	(38.2)	(18.6)	(261.6)	19.6	(243.0)	(51.3%)	NM
Net cash flow from financing activities	(61.3)	(25.6)	415.5	35.7	441.1	(58.2%)	NM
Net increase/(decrease) in cash and cash equivalents held	**(2.8)**	**68.8**	**234.5**	**71.6**	**165.7**	**NM**	**NM**

Pro forma

Operating Cash Flow decreased from $309.8 million in CY2018 to $289.7 million in CY2019 and increased to $308.4 million in CY2020.

Changes in Net Working Capital were 1.1%, 1.4% and 1.2% of total revenue in CY2018, CY2019 and CY2020 respectively. The change in CY2019 mainly reflects increased Telecommunications work in progress at the year end, and the movement in CY2020 mainly reflects the cash collection of this work in progress.

Cash flow before financing and tax decreased from $178.4 million in CY2018 to $146.9 million in CY2019 and increased to $197.6 million in CY2020.

The movement in CY2019 reflects the decrease in Operating Cash Flow and an increase in Growth Capital Expenditure on plant and equipment to support increased volumes and new projects. This was partly offset by reduced lease payments, as a result of operational improvements through enhanced plant and property management, and lower Maintenance Capital Expenditure due to reduced capital requirements.

The movement in CY2020 reflects increased Operating Cash Flow and reduced Growth Capital Expenditure as investment programs completed in CY2020.

Statutory

Net cash flow from operating activities increased from $96.7 million in CY2018 to $113.0 million in CY2019 and decreased to $80.6 million in CY2020. The increase in CY2019 was mainly due to an increase in receipts from customers and lower income tax paid, partly offset by higher payments to suppliers and employees. Income tax paid declined in CY2019 as the tax amount paid in CY2018 related to tax expenses incurred in both CY2017 and CY2018, combined with a reduced CY2019 tax amount as it included deductions relating to the Broadspectrum transaction and integration costs and a research and development claim.

The movement in net cash flow from operating activities in CY2020 reflects higher payments to suppliers and employees and higher interest paid (reflecting increased debt to fund the Broadspectrum acquisition), partly offset by an increase in receipts from customers and cash flow from discontinued operations (APP).

Cash and cash equivalents decreased by $2.8 million in CY2018, increased by $68.8 million in CY2019 and increased by $234.5 million in CY2020. The movement in CY2019 was mainly due to the increase in net cash flow from operating activities, lower net cash outflow from investing activities, and lower cash outflow from financing activities. The movement in CY2020 was mainly due to cash inflows from financing activities, reflecting increased debt which was only partly used to fund the Broadspectrum acquisition.

4.8.3 Historical consolidated statements of profit or loss and cash flows (H1CY2020 and H1CY2021)

4.8.3.1 Group historical consolidated statements of profit or loss

Table 48: Group historical consolidated statements of profit or loss for H1CY2020 and H1CY2021

	Historical		Change	Change (%)
$ millions	H1CY2020	H1CY2021	H1CY2021	H1CY2021
Pro Forma				
Total revenue	2,389.2	2,309.6	(79.7)	(3.3%)
EBITDA	159.8	188.8	29.0	18.2%
EBITDA Margin	6.7%	8.2%	149bps	NM
Depreciation	(59.1)	(51.9)	7.2	(12.1%)
Amortisation of software	(26.9)	(14.9)	12.0	(44.5%)
EBITA	73.9	122.1	48.1	65.1%
EBITA Margin	3.1%	5.3%	219bps	NM
NPAT	35.9	67.5	31.7	88.2%
NPATA	41.3	75.0	33.7	81.6%
Statutory				
Total revenue	1,021.3	2,309.5	1,288.3	126.1%
EBITDA	102.1	163.7	61.7	60.4%
EBITDA Margin	10.0%	7.1%	(290bps)	NM
Depreciation	(22.4)	(51.9)	(29.5)	131.4%
Amortisation	(13.6)	(38.9)	(25.3)	186.4%
EBIT	66.0	72.9	6.9	10.4%
EBIT Margin	6.5%	3.2%	(331bps)	NM
NPAT	18.1	39.9	21.7	120.0%

Pro forma

Total revenue declined from $2,389.2 million in H1CY2020 to $2,309.6 million in H1CY2021. The movement from H1CY2020 to H1CY2021 mainly reflects decreases in service revenue in Telecommunications, partly offset by an increase in D&SI service revenue.

EBITDA increased from $159.8 million in H1CY2020 to $188.8 million in H1CY2021, and EBITDA Margin increased from 6.7% to 8.2%. The increase in EBITDA and EBITDA Margin was due to operational improvements, provision releases relating to Unfavourable Contracts and the removal of duplicate costs post the Broadspectrum acquisition.

Refer to Sections 4.8.3.2 to 4.8.3.6 for a discussion of Ventia's financial performance by segment.

Depreciation decreased from $59.1 million in H1CY2020 to $51.9 million in H1CY2021, largely reflecting lower levels of plant and equipment.

Amortisation of software decreased from $26.9 million in H1CY2020 to $14.9 million in H1CY2021, reflecting the decrease in the assessed fair value of Broadspectrum's IT systems following its acquisition.

EBITA increased from $73.9 million in H1CY2020 to $122.1 million in H1CY2021, reflecting the increase in EBITDA and decreases in depreciation and amortisation of software.

NPAT increased from $35.9 million in H1CY2020 to $67.5 million in H1CY2021.

NPATA increased from $41.3 million in H1CY2020 to $75.0 million in H1CY2021.

Statutory

The main contributor to the movements between H1CY2020 and H1CY2021 was the Broadspectrum acquisition. The financial results in H1CY2020 did not include the results of Broadspectrum.

Total revenue increased from $1,021.3 million in H1CY2020 to $2.309.5 million in H1CY2021.

EBITDA increased from $102.1 million in H1CY2020 to $163.7 million in H1CY2021 mainly due to the contribution from Broadspectrum in H1CY2021. EBITDA Margin declined from 10.0% to 7.1% mainly driven by the consolidation of lower margin contracts from Broadspectrum and Broadspectrum transaction and integration costs.

Depreciation increased from $22.4 million in H1CY2020 to $51.9 million in H1CY2021, mainly due to the consolidation of Broadspectrum.

Amortisation increased from $13.6 million in H1CY2020 to $38.9 million in H1CY2021, mainly due to the consolidation of Broadspectrum.

EBIT increased from $66.0 million in H1CY2020 to $72.9 million in H1CY2021, mainly due to the consolidation of Broadspectrum.

NPAT increased from $18.1 million in H1CY2020 to $39.9 million in H1CY2021, mainly due to the gain on sale of APP and the consolidation of Broadspectrum.

4.8.3.2 Defence & Social Infrastructure

Table 49: Defence & Social Infrastructure pro forma historical services revenue, EBITDA and EBITA for H1CY2020 and H1CY2021

	Pro Forma Historical		Change	Change (%)
$ millions	H1CY2020	H1CY2021	H1CY2021	H1CY2021
Services revenue	763.3	951.9	188.5	24.7%
EBITDA	37.1	62.9	25.8	69.6%
EBITDA Margin	4.9%	6.6%	175bps	NM
EBITA	27.4	54.1	26.6	97.1%
EBITA Margin	3.6%	5.7%	209bps	NM

D&SI services revenue increased from $763.3 million in H1CY2020 to $951.9 million in H1CY2021. The increase of $188.5 million was mainly due to:

- variation of volumes within existing Social Infrastructure, Defence and Property contracts, which contributed to a net increase of approximately $133 million; and
- the contribution of new contracts in Critical Infrastructure, Social Infrastructure and Local Government, which contributed to an increase of approximately $41 million.

D&SI EBITDA increased from $37.1 million in H1CY2020 to $62.9 million in H1CY2021. EBITDA Margin increased from 4.9% to 6.6%. D&SI EBITA increased from $27.4 million in H1CY2020 to $54.1 million in H1CY2021. EBITA Margin increased from 3.6% to 5.7%. The growth in EBITDA, EBITDA Margin, EBITA and EBITA Margin was mainly driven by the increase in services revenue and improved margins mainly due to operational improvements (as outlined in Section 4.8.1.3), provision releases relating to Unfavourable Contracts and the removal of duplicate costs following the Broadspectrum acquisition.

4.8.3.3 Infrastructure Services

Table 50: Infrastructure Services pro forma historical services revenue, EBITDA and EBITA for H1CY2020 and H1CY2021

	Pro Forma Historical		Change	Change (%)
$ millions	H1CY2020	H1CY2021	H1CY2021	H1CY2021
Services revenue	616.7	589.0	(27.6)	(4.5%)
EBITDA	50.5	59.5	9.0	17.8%
EBITDA Margin	8.2%	10.1%	191bps	NM
EBITA	26.1	36.5	10.4	39.8%
EBITA Margin	4.2%	6.2%	196bps	NM

IS services revenue decreased from $616.7 million in H1CY2020 to $589.0 million in H1CY2021.

The $27.6 million decrease in H1CY2021 services revenue mainly reflects the following:

- the completion of projects in Water and Environmental Services, which resulted in a decrease of approximately $46 million; partly offset by
- the contribution of new contracts in Water, Environmental Services and Resources & Industrial, which contributed to an increase of approximately $18 million; and
- variation of volumes within Resources & Industrial, Electricity & Gas, Environmental Services and Water, which resulted in a net increase of approximately $6 million.

IS EBITDA increased from $50.5 million in H1CY2020 to $59.5 million in H1CY2021. EBITDA Margin increased from 8.2% to 10.1%. IS EBITA increased from $26.1 million in H1CY2020 to $36.5 million in H1CY2021. EBITA Margin increased from 4.2% to 6.2%. The growth in EBITDA, EBITDA Margin, EBITA and EBITA Margin was mainly driven by operational improvements, mix of work performed, the removal of duplicate costs following the Broadspectrum acquisition and provision releases relating to Unfavourable Contracts.

4.8.3.4 Telecommunications

Table 51: Telecommunications pro forma historical services revenue, EBITDA and EBITA for H1CY2020 and H1CY2021

	Pro Forma Historical		Change	Change (%)
$ millions	H1CY2020	H1CY2021	H1CY2021	H1CY2021
Services revenue	729.5	490.6	(238.9)	(32.8%)
EBITDA	95.0	70.2	(24.8)	(26.1%)
EBITDA Margin	13.0%	14.3%	129bps	NM
EBITA	81.5	62.1	(19.4)	(23.8%)
EBITA Margin	11.2%	12.7%	149bps	NM

Telecommunications services revenue decreased from $729.5 million in H1CY2020 to $490.6 million in H1CY2021.

The $238.9 million decrease in H1CY2021 services revenue mainly reflects the following:

- the completion of fibre network build in Australia, which resulted in a decline of approximately $233 million; and
- decreased volumes from the fibre network build in New Zealand, which resulted in a decrease of approximately $38 million; partly offset by
- the commencement of new O&M contracts, which contributed to an increase of approximately $68 million.

Telecommunications EBITDA decreased from $95.0 million in H1CY2020 to $70.2 million in H1CY2021. EBITDA Margin increased from 13.0% to 14.3%. Telecommunications EBITA decreased from $81.5 million in H1CY2020 to $62.1 million in H1CY2021. EBITA Margin increased from 11.2% to 12.7%. The decrease in EBITDA and EBITA was mainly driven by the decrease in services revenue, while the increase in EBITDA Margin and EBITA Margin was mainly due to operational improvements and cost savings following the Broadspectrum acquisition (as outlined in Section 4.8.1.3).

4.8.3.5 Transport

Table 52: Transport pro forma historical services revenue, EBITDA and EBITA for H1CY2020 and H1CY2021

	Pro Forma Historical		Change	Change (%)
$ millions	H1CY2020	H1CY2021	H1CY2021	H1CY2021
Services revenue	279.0	277.6	(1.4)	(0.5%)
EBITDA	10.1	18.6	8.6	84.9%
EBITDA Margin	3.6%	6.7%	310bps	NM
EBITA	4.8	14.7	9.9	207.4%
EBITA Margin	1.7%	5.3%	358bps	NM

Transport services revenue decreased from $279.0 million in H1CY2020 to $277.6 million in H1CY2021.

The $1.4 million decrease in H1CY2021 services revenue mainly reflects the following:

- the completion of several Roads Transport Operations Australia and Rail Operations contracts which contributed to a decrease of approximately $34 million; partly offset by
- the commencement of new Roads Transport Operations Australia contracts, which contributed to an increase of approximately $28 million; and
- variation of volumes in contracts across Australia and New Zealand, which contributed to an increase of approximately $5 million.

Transport EBITDA increased from $10.1 million in H1CY2020 to $18.6 million in H1CY2021. EBITDA Margin increased from 3.6% to 6.7%. Transport EBITA increased from $4.8 million in H1CY2020 to $14.7 million in H1CY2021. EBITA Margin increased from 1.7% to 5.3%. The growth in EBITDA, EBITDA Margin, EBITA and EBITA Margin was mainly driven by the completion of unprofitable contracts, operational improvements, mix of work performed and cost savings following the Broadspectrum acquisition (as outlined in Section 4.8.1.3).

4.8.3.6 Corporate

Table 53: Pro forma historical Net Corporate Costs for H1CY2020 and H1CY2021

	Pro Forma Historical		Change	Change (%)
$ millions	H1CY2020	H1CY2021	H1CY2021	H1CY2021
Net Corporate Costs				
EBITDA	(32.8)	(22.4)	10.4	(31.8%)
% of total revenue	(1.4%)	(1.0%)	40bps	NM

At the EBITDA level, Net Corporate Costs decreased from $32.8 million in H1CY2020 to $22.4 million in H1CY2021. The decrease between H1CY2020 and H1CY2021 mainly reflects the removal of duplicate roles following the Broadspectrum acquisition and operational improvements (as outlined in Section 4.8.1.3).

4.8.3.7 Group historical consolidated cash flows

Table 54: Group historical consolidated cash flows for H1CY2020 and H1CY2021

	Historical		Change	Change (%)
$ millions	H1CY2020	H1CY2021	H1CY2021	H1CY2021
Pro Forma				
EBITDA	159.8	188.8	29.0	18.2%
Non-cash share-based payments	3.8	3.8	–	0.0%
Changes in Net Working Capital	59.5	(47.9)	(107.4)	NM
Operating Cash Flow	**223.1**	**144.7**	**(78.3)**	**(35.1%)**
Lease payments	(40.9)	(38.4)	2.5	(6.2%)
Maintenance Capital Expenditure	(1.7)	(4.9)	(3.2)	196.2%
Growth Capital Expenditure	(7.5)	(0.6)	6.9	(92.0%)
Cash flow before financing and tax	**172.9**	**100.8**	**(72.1)**	**(41.7%)**
Statutory				
Receipts from customers	1,096.4	2,355.7	1,259.3	114.9%
Payments to suppliers and employees	(1,014.0)	(2,250.9)	(1,236.9)	122.0%
Interest paid	(32.1)	(42.6)	(10.4)	32.5%
Income tax paid	(0.4)	(16.7)	(16.3)	NM
Cash flow from discontinued operations	–	1.2	1.2	N/A
Net cash flow from operating activities	**49.8**	**46.7**	**(3.2)**	**(6.4%)**
Net cash flow from investing activities	(244.8)	91.6	336.4	NM
Net cash flow from financing activities	466.1	(123.1)	(589.2)	NM
Net increase/(decrease) in cash and cash equivalents held	**271.2**	**15.2**	**(256.0)**	**(94.4%)**

Pro forma

Operating Cash Flow decreased from $223.1 million in H1CY2020 to $144.7 million in H1CY2021, mainly due to changes in Net Working Capital, offset by the increase in EBITDA. Net Working Capital decreased by $59.5 million in H1CY2020 mainly due to a higher payables balance across Broadspectrum legacy contracts at 30 June 2020. Net Working Capital increased by $47.9 million in H1CY2021 mainly due to the decrease in provisions and a higher receivables balance at 30 June 2021 as a result of increased services revenue in May 2021 and June 2021.

Cash flow before financing and tax decreased from $172.9 million in H1CY2020 to $100.8 million in H1CY2021. This reflects the decrease in Operating Cash Flow and an increase in Maintenance Capital Expenditure. This was partly offset by a decrease in lease payments and Growth Capital Expenditure as investment programs completed in CY2020.

Statutory

Net cash flow from operating activities decreased from $49.8 million in H1CY2020 to $46.7 million in H1CY2021. This was mainly due to an increase in interest paid relating to the additional debt to fund the Broadspectrum acquisition and increased income tax paid, partly offset by the consolidation of Broadspectrum.

Cash and cash equivalents increased by $271.2 million in H1CY2020 and $15.2 million in H1CY2021. The increase in H1CY2020 is mainly due to cash assumed as part of the Broadspectrum acquisition. The increase in H1CY2021 was mainly due to APP sale proceeds, partly offset by the repayment of borrowings and the payment of dividends to existing Shareholders.

4.9. Forecast Financial Information

The Forecast Financial Information has been prepared based on the Significant Accounting Policies adopted by Ventia, which are in accordance with the AAS and are disclosed in Appendix 2. The Forecast Financial Information is based on various general and specific assumptions concerning future events, including those set out below.

The Forecast Financial Information for CY2021F includes Ventia's reviewed results for H1CY2021 and forecasts for 1 July 2021 to 31 December 2021, which have had regard to the performance of the business up to the date of this Prospectus.

The assumptions below are set out in summary only and do not represent all factors that may affect Ventia's forecast financial performance. This information is intended to assist investors in assessing the reasonableness and likelihood of the assumptions occurring but is not intended to be a representation that the assumptions will occur.

In preparing the Forecast Financial Information, Ventia has undertaken an analysis of historical performance and applied assumptions in order to forecast future performance for CY2021F and CY2022F. Ventia believes that the assumptions, when taken as a whole, are reasonable at the time of preparing this Prospectus, including each of the general and specific assumptions set out in this Section. However, the actual results are likely to vary from the forecast and any variation may be materially negative or positive. The assumptions upon which the Forecast Financial Information is based are by their nature subject to significant uncertainties and contingencies, many of which are outside the control of Ventia and the Directors and are not readily predictable.

Accordingly, no assurance is given that the Forecast Financial Information or any prospective statement included in this Prospectus will be achieved. Events and outcomes might differ in amount and timing from the assumptions, with a material negative or positive impact on the Forecast Financial Information. The assumptions set out below should be read in conjunction with the sensitivity analysis set out in Section 4.10, the risk factors set out in Section 5 and the Investigating Accountant's Report set out in Section 8.

The management discussion and analysis set out below contains references to Ventia's Business Units as described in Section 4.4.

4.9.1 General assumptions

The Directors have adopted the following general assumptions in preparing the Forecast Financial Information:

- there is no material change in the competitive and operating environments in which Ventia operates;
- there is no change in applicable AAS and IFRS that would have a material impact on Ventia's accounting policies, financial reporting or disclosure requirements;
- there is no significant deviation from current market expectations of the broader economic conditions including exchange rates relevant to the Australian and New Zealand operations under which Ventia and its key clients operate;
- there are no material changes in the legislative regimes (including taxation) and regulatory environment in which Ventia and its clients operate;
- there are no material losses of customers or contracts beyond those incorporated in the forecasts;
- there are no material industrial actions or other disturbances, environmental costs or legal claims;
- there is no material amendment to or termination of any material agreement relating to Ventia's business other than as disclosed in this Prospectus;
- there are no significant disruptions to the continuity of Ventia's operations and there are no other material changes in Ventia's business;
- no material acquisitions or divestments are completed;
- there are no material changes to Ventia's corporate and funding structure other than as set out in, or contemplated by, this Prospectus;
- there is no loss of key management personnel and Ventia will maintain the ability to recruit and retain required personnel;
- there is no material litigation that will arise or be settled to the benefit or detriment of Ventia;
- there are no material contingent liabilities that will arise or be realised to the detriment of Ventia;
- the Offer proceeds in accordance with the key dates set out on page 6 of this Prospectus; and
- none of the risks set out in Section 5 occurs; or if they do, none of them has a material adverse impact on Ventia's operations.

4.9.2 Specific assumptions

The Forecast Financial Information is based on various best estimate assumptions, of which the key assumptions are set out below. The assumptions below are a summary only and do not represent all factors that will affect Ventia's forecast financial performance. This information is intended to assist investors in assessing the reasonableness and likelihood of the assumptions occurring and is not intended to be a representation that the assumptions will occur. It should be read in conjunction with the basis of preparation of the Forecast Financial Information set out in Section 4.2.4, the general assumptions set out in this Section, the risk factors set out in Section 5, the Significant Accounting Policies set out in Appendix 2 and other information contained in this Prospectus.

Ventia has prepared its Forecast Financial Information based on the specific assumptions outlined below.

4.9.2.1 Revenue

Forecast revenue from existing projects is based on the following:

- Ventia has assumed increases or decreases in work volumes by individual contract. These assumptions are informed by its deep client relationships and identified opportunities across the client base;
- for contracts that are due for renewal during the forecast period, Ventia has assumed a probability of renewing each contract. The aggregate probability of renewal across all contracts is approximately 68%[5], which is lower than Ventia's average renewal rate of over 80%[6]. In addition Ventia has assumed these contracts are renewed on broadly similar commercial terms as the corresponding existing contracts. Approximately 7.6% of total revenue for CY2022F is subject to forecast contract renewals, of which the largest represents approximately 1% of CY2022F total revenue; and
- Ventia has also assumed the completion of certain projects in accordance with contract terms.

Forecast revenue from new projects is based on the following:

- signed new contracts as at the date of this Prospectus are assumed to commence in accordance with contracted terms;
- contracts where Ventia is the preferred provider are assigned a probability of approximately 90% to 95%; and
- for other identified opportunities, Ventia has assumed a probability of winning each opportunity. The aggregate probability of converting these opportunities into signed contracts during the forecast period is approximately 33%.

The assumptions above are informed by Ventia's analysis of the competitive landscape, its points of competitive advantage (see Section 3.1.6 for further information), the number of other tenderers, client discussions and Ventia's relationships with its clients, as well as Ventia's historical experience.

4.9.2.2 Work in hand

As at 31 July 2021, Ventia had work in hand totalling $15.5 billion.

- This work in hand as at 31 July 2021 is expected to cover $4,419.1 million (or approximately 98%) of total revenue for CY2021F of $4,501.7 million. The existing pipeline of contract opportunities and other expected sources of growth are expected to account for $72.8 million (or less than 2%) and $9.8 million (or less than 0.5%), respectively, of CY2021F total revenue.
- The work in hand as at 31 July 2021 is expected to cover $3,936.3 million (or approximately 80%) of total revenue for CY2022F of $4,942.6 million. The existing pipeline of contract opportunities and other expected sources of growth are expected to account for $973.7 million (or approximately 20%) and $32.6 million (or less than 1%), respectively, of CY2022F total revenue.

5. Calculated as forecast weighted total renewal revenue divided by forecast unweighted total renewal revenue.
6. Average renewal rate for the period 2016-2020. Calculated as the contract value of renewals divided by the contract value of total renewal opportunities tendered.

4.9.2.3 Operating expenses

Forecast operating expenses across existing and new projects are based on the following:

- the assumed labour mix between employees and subcontractors varies by project and includes labour optimisation initiatives where operational improvement opportunities are identified. Direct employee costs reflect existing Enterprise and Collective Agreement terms, and subcontractor costs are consistent with existing arrangements;
- Ventia has assumed procurement, occupancy, and transportation terms reflecting existing arrangements; and
- further operational improvements as outlined in Section 4.8.1.3.

The levels of forecast subcontractor, labour, materials and other expenses vary based on the mix of work volumes.

4.9.2.4 Depreciation and amortisation

Forecast depreciation is based on the following:

- depreciation of right-of-use assets in accordance with AASB 16 *Leases*;
- depreciation schedules for existing property, plant and equipment; and
- depreciation for any planned Capital Expenditure.

Forecast amortisation is based on the following:

- amortisation schedules for existing intangible assets including software, brand and acquired intangibles; and
- amortisation for any planned investment in intangible assets such as software.

4.9.2.5 Capital Expenditure

Forecast Capital Expenditure reflects the following assumptions:

- Maintenance Capital Expenditure is based on capital investments expected to be required to replenish or replace existing property, plant and equipment, as well as IT systems; and
- Growth Capital Expenditure is based on capital investments expected to be required to support signed new contracts as well as other identified opportunities, weighted by Ventia's assumed probability of winning those opportunities.

4.9.2.6 Impact of COVID-19

As summarised in Section 4.8.1.4, the COVID-19 pandemic has impacted Ventia's operations in a number of ways. In preparing the Forecast Financial Information, Ventia has had regard to the ongoing and potential future impact of COVID-19.

While uncertain, in preparing the Forecast Financial Information Ventia has assumed that the COVID-19 pandemic will have a reducing impact on operations for the remainder of CY2021F. In preparing the forecasts for CY2022F, Ventia has assumed there is no material ongoing impact on operations associated with COVID-19. Refer to Section 5.2.20 for additional information on the risks associated with COVID-19.

4.9.3 Forecast consolidated statements of profit or loss and cash flows (CY2021F and CY2022F)

4.9.3.1 Group forecast consolidated statements of profit or loss

Table 55: Group forecast consolidated statements of profit or loss for CY2021F and CY2022F

	Historical/Forecast			Change		Change (%)	
$ millions	CY2020	CY2021F	CY2022F	CY2021F	CY2022F	CY2021F	CY2022F
Pro Forma							
Total revenue	4,591.9	4,501.7	4,942.6	(90.1)	440.8	(2.0%)	9.8%
EBITDA	354.5	365.8	408.6	11.3	42.8	3.2%	11.7%
EBITDA Margin	7.7%	8.1%	8.3%	40bps	14bps	NM	NM
Depreciation	(116.1)	(104.8)	(105.4)	11.3	(0.5)	(9.7%)	0.5%
Amortisation of software	(37.4)	(31.0)	(27.1)	6.4	4.0	(17.1%)	(12.8%)
EBITA	201.0	229.9	276.2	28.9	46.3	14.4%	20.1%
EBITA Margin	4.4%	5.1%	5.6%	73bps	48bps	NM	NM
NPAT	106.0	123.4	155.5	17.4	32.1	16.4%	26.0%
NPATA	119.5	139.8	171.8	20.3	32.0	17.0%	22.9%
Statutory							
Total revenue	3,223.9	4,501.7	4,942.6	1,277.8	440.8	39.6%	9.8%
EBITDA	265.8	271.9	405.5	6.1	133.6	2.3%	49.2%
EBITDA Margin	8.2%	6.0%	8.2%	(220bps)	217bps	NM	NM
Depreciation	(79.4)	(104.8)	(105.4)	(25.4)	(0.5)	32.0%	0.5%
Amortisation	(59.6)	(81.0)	(56.1)	(21.4)	24.8	35.9%	(30.7%)
EBIT	126.8	86.1	244.0	(40.7)	158.0	(32.1%)	183.5%
EBIT Margin	3.9%	1.9%	4.9%	(202bps)	303bps	NM	NM
NPAT	28.0	(4.2)	149.8	(32.2)	154.0	NM	NM

Pro forma

Total revenue is forecast to decrease from $4,591.9 million in CY2020 to $4,501.7 million in CY2021F and increase to $4,942.6 million in CY2022F. The forecast decrease in CY2021F is driven by expected declines in Telecommunications, IS and Transport, partly offset by expected growth in D&SI. The forecast increase in CY2022F is driven by expected growth in all segments reflecting net increased volumes in existing contracts and recent contract wins.

EBITDA is forecast to increase from $354.5 million in CY2020 to $365.8 million in CY2021F and $408.6 million in CY2022F. The forecast increase over this period is mainly driven by expected growth in D&SI, Transport and IS service revenue, as well as a decrease in Net Corporate Costs.

EBITDA Margin is forecast to increase from 7.7% in CY2020, to 8.1% in CY2021F and 8.3% in CY2022F.

- The forecast change from CY2020 to CY2021F is mainly due to the full year contribution of cost savings initiatives previously implemented during CY2020, further reduction in corporate costs, operational improvements (as outlined in Section 4.8.1.3) and provision releases relating to Unfavourable Contracts.
- The forecast change from CY2021F to CY2022F is mainly due to leveraging the fixed cost base as total revenue increases and the ongoing contribution from operational improvements (as outlined in Section 4.8.1.3), partly offset by a reduction in the provision releases relating to Unfavourable Contracts.

Refer to Sections 4.9.3.2 to 4.9.3.6 for a discussion of Ventia's forecast financial performance by segment.

Depreciation expense is forecast to decrease from $116.1 million in CY2020 to $104.8 million in CY2021F due to lower levels of plant and equipment and a reduction in right-of-use assets, through enhanced plant and property management. Depreciation expense in CY2022F remains stable with CY2021F at $105.4 million reflecting ongoing investment to sustain the asset base.

Amortisation of software is forecast to decrease from $37.4 million in CY2020 to $31.0 million in CY2021F and $27.1 million in CY2022F, mainly due to a decrease in the assessed fair value of Broadspectrum's IT systems following the acquisition by Ventia and some systems becoming fully amortised.

EBITA is forecast to increase from $201.0 million in CY2020, to $229.9 million in CY2021F, to $276.2 million in CY2022F. This reflects the forecast growth in EBITDA and the decrease in depreciation and amortisation of software (as described above). EBITA Margin is forecast to increase from 4.4% in CY2020 to 5.1% in CY2021F and 5.6% in CY2022F, due to the increase in EBITDA Margin and lower depreciation and amortisation of software as a proportion of total revenue.

NPAT is forecast to increase from $106.0 million in CY2020 to $123.4 million in CY2021F and $155.5 million in CY2022F.

NPATA is forecast to increase from $119.5 million in CY2020 to $139.8 million in CY2021F and $171.8 million in CY2022F.

Statutory

Total revenue is forecast to increase from $3,223.9 million in CY2020, to $4,501.7 million in CY2021F and $4,942.6 million in CY2022F. The movement in CY2021F reflects the full year contribution from the Broadspectrum acquisition. The forecast increase in CY2022F is driven by expected growth in all segments reflecting net increased volumes in existing contracts and recent contract wins.

EBITDA is forecast to increase from $265.8 million in CY2020 to $271.9 million in CY2021F and $405.5 million in CY2022F. EBITDA Margin is forecast to decrease from 8.2% in CY2020 to 6.0% in CY2021F and increase to 8.2% in CY2022F.

The forecast EBITDA growth in CY2021F is mainly due to the full year contribution of Broadspectrum as well as cost savings from the Broadspectrum acquisition, partly offset by transaction and integration costs, and costs relating to the Offer.

The forecast decline in EBITDA Margin in CY2021F is mainly driven by Broadspectrum integration costs, costs relating to the Offer and the consolidation of lower margin contracts from Broadspectrum, partly offset by the full year contribution of cost savings initiatives previously implemented during CY2020, further reduction in corporate costs, operational improvements (as outlined in Section 4.8.1.3) and provision releases relating to Unfavourable Contracts.

The forecast EBITDA growth in CY2022F reflects the expected growth in EBITDA across all segments, as well as a decrease in Net Corporate Costs.

The forecast increase in EBITDA Margin in CY2022F is mainly driven by the transaction, integration and Offer costs not recurring in CY2022F, leveraging the fixed cost base as total revenue increases and the ongoing contribution from operational improvements (as outlined in Section 4.8.1.3), partly offset by a reduction in the provision releases relating to Unfavourable Contracts.

Depreciation is forecast to increase from $79.4 million in CY2020 to $104.8 million in CY2021F and $105.4 million in CY2022F. The movement in CY2021F reflects the full year contribution from the Broadspectrum acquisition. Depreciation expense in CY2022F remains stable with CY2021F reflecting ongoing investment to sustain the asset base.

Amortisation is forecast to increase from $59.6 million in CY2020 to $81.0 million in CY2021F and decrease to $56.1 million in CY2022F. The movement in CY2021F mainly reflects the full year contribution and the acceleration of amortisation related to the Broadspectrum acquisition. The movement in CY2022F is mainly due to the accelerated amortisation in CY2021F not recurring in CY2022F.

EBIT is forecast to decrease from $126.8 million in CY2020 to $86.1 million in CY2021F and increase to $244.0 million in CY2022F. The movement in CY2021F is due to the increases in depreciation and amortisation, partly offset by the increase in EBITDA. The movement in CY2022F mainly reflects the increase in EBITDA and the decrease in amortisation.

NPAT is forecast to decrease from $28.0 million in CY2020 to a loss of $4.2 million in CY2021F, mainly due to the Broadspectrum transaction and integration costs and costs relating to the Offer, the write-off of unamortised borrowing costs and the close-out of hedges associated with existing debt facilities. NPAT is forecast to subsequently increase to $149.8 million in CY2022F due to the increase in earnings described above, lower finance costs relating to the New Banking Facilities as well as a significant reduction in forecast non-recurring costs.

4.9.3.2 Defence & Social Infrastructure

Table 56: Defence & Social Infrastructure forecast services revenue, EBITDA and EBITA for CY2021F and CY2022F

	Pro Forma Historical/Forecast			Change		Change (%)	
$ millions	CY2020	CY2021F	CY2022F	CY2021F	CY2022F	CY2021F	CY2022F
Services revenue	1,556.5	1,871.5	2,079.6	315.0	208.1	20.2%	11.1%
EBITDA	110.2	124.4	135.9	14.2	11.6	12.9%	9.3%
EBITDA Margin	7.1%	6.6%	6.5%	(43bps)	(11bps)	NM	NM
EBITA	88.5	106.4	119.1	17.9	12.7	20.3%	11.9%
EBITA Margin	5.7%	5.7%	5.7%	0bps	4bps	NM	NM

D&SI services revenue is forecast to increase from $1,556.5 million in CY2020, to $1,871.5 million in CY2021F, and $2,079.6 million in CY2022F.

The $315.0 million increase in CY2021F services revenue mainly reflects the following:

- variation in volumes within existing contracts in Social Infrastructure, Defence and Property, which is expected to contribute to a net increase in services revenue of approximately $163 million. This includes increased demand for cleaning services in response to COVID-19; and
- new Social Infrastructure, Defence, Critical Infrastructure and Local Government contracts which have been signed as at the date of this Prospectus and are expected to commence in CY2021F. The contribution to the increase in services revenue from these contracts is expected to be approximately $113 million.

The $208.1 million increase in CY2022F services revenue mainly reflects the following:

- full year contribution of contracts expected to commence in CY2021F, within Social Infrastructure and Defence which is expected to contribute approximately $243 million; partly offset by
- variation in volumes within existing contracts in Social Infrastructure, which is expected to result in a decrease in services revenue of approximately $45 million.

D&SI EBITDA is forecast to increase from $110.2 million in CY2020, to $124.4 million in CY2021F, and $135.9 million in CY2022F. EBITDA Margin is forecast to decline from 7.1% in CY2020 to 6.6% in CY2021F and 6.5% in CY2022F.

D&SI EBITA is forecast to increase from $88.5 million in CY2020, to $106.4 million in CY2021F, to $119.1 million in CY2022F. EBITA Margin is forecast to remain stable between CY2020 and CY2022F at 5.7%.

The forecast growth in EBITDA and EBITA in CY2021F mainly reflects the expected 20.2% growth in services revenue, operational improvements and provision releases relating to Unfavourable Contracts, partly offset by change in mix of work performed. The forecast decline in EBITDA Margin in CY2021F mainly reflects mix of work performed, partly offset by operational improvements and provision releases relating to Unfavourable Contracts. The forecast EBITA Margin in CY2021F reflects a decrease in depreciation as a proportion of services revenue offsetting the decline in EBITDA Margin.

The forecast growth in EBITDA and EBITA in CY2022F mainly reflects the expected 11.1% growth in services revenue whilst leveraging the fixed cost base.

4.9.3.3 Infrastructure Services

Table 57: Infrastructure Services forecast services revenue, EBITDA and EBITA for CY2021F and CY2022F

	Pro Forma Historical/Forecast			Change		Change (%)	
$ millions	CY2020	CY2021F	CY2022F	CY2021F	CY2022F	CY2021F	CY2022F
Services revenue	1,229.6	1,206.3	1,350.1	(23.3)	143.8	(1.9%)	11.9%
EBITDA	116.2	120.0	135.4	3.8	15.4	3.3%	12.9%
EBITDA Margin	9.4%	9.9%	10.0%	50bps	8bps	NM	NM
EBITA	67.0	75.5	90.2	8.5	14.7	12.7%	19.4%
EBITA Margin	5.4%	6.3%	6.7%	81bps	42bps	NM	NM

IS services revenue is forecast to decrease from $1,229.6 million in CY2020 to $1,206.3 million in CY2021F, and increase to $1,350.1 million in CY2022F.

The $23.3 million decrease in CY2021F services revenue mainly reflects the following:

- contracts which are expected to complete in the forecast period and which are forecast to result in a decline in services revenue of approximately $113 million; and
- net variation in volumes within existing contracts in Resources & Industrial, Electricity & Gas and Water, which is expected to contribute to a net decrease in services revenue of approximately $33 million; partly offset by
- new Resources & Industrial, Environmental Services and Water contracts which have been signed as at the date of this Prospectus. These are expected to contribute to an increase in services revenue of approximately $124 million.

The $143.8 million increase in CY2022F services revenue mainly reflects the following:

- full year contribution of contracts expected to commence in CY2021F in Resources & Industrial, Environmental Services and Water. These are expected to contribute to an increase in services revenue of approximately $108 million;
- variation in volumes within existing contracts in Resources & Industrial, Electricity & Gas and Water, which is expected to contribute a net increase of $58 million; and
- identified new opportunities in Electricity & Gas, Environmental Services and Resources & Industrial, which are expected to contribute to an increase in services revenue of approximately $57 million; partly offset by
- contracts which are expected to complete in the forecast period resulting in a decline in services revenue of approximately $89 million.

IS EBITDA is forecast to increase from $116.2 million in CY2020 to $120.0 million in CY2021F and $135.4 million in CY2022F. EBITDA Margin is forecast to increase from 9.4% in CY2020 to 9.9% in CY2021F and 10.0% in CY2022F.

IS EBITA is forecast to increase from $67.0 million in CY2020 to $75.5 million in CY2021F and $90.2 million in CY2022F. EBITA Margin is forecast to increase from 5.4% in CY2020 to 6.3% in CY2021F and 6.7% in CY2022F.

The forecast increase in EBITDA, EBITDA Margin, EBITA and EBITA Margin in CY2021F mainly reflects operational improvements and provision releases relating to Unfavourable Contracts. In addition, the forecast increase in EBITA Margin in CY2021F reflects a decrease in depreciation as a proportion of services revenue.

The forecast increase in EBITDA, EBITDA Margin, EBITA and EBITA Margin in CY2022F mainly reflects the 11.9% increase in services revenue whilst leveraging the fixed cost base, combined with operational improvements, partly offset by a reduction in the provision releases relating to Unfavourable Contracts. In addition, the forecast increase in EBITA Margin in CY2022F reflects a decrease in depreciation as a proportion of services revenue.

4.9.3.4 Telecommunications

Table 58: Telecommunications forecast services revenue, EBITDA and EBITA for CY2021F and CY2022F

	Pro Forma Historical/Forecast			Change		Change (%)	
$ millions	CY2020	CY2021F	CY2022F	CY2021F	CY2022F	CY2021F	CY2022F
Services revenue	1,290.0	931.3	995.5	(358.7)	64.2	(27.8%)	6.9%
EBITDA	174.2	124.9	133.0	(49.3)	8.1	(28.3%)	6.5%
EBITDA Margin	13.5%	13.4%	13.4%	(9bps)	(6bps)	NM	NM
EBITA	148.3	105.8	112.9	(42.5)	7.1	(28.7%)	6.7%
EBITA Margin	11.5%	11.4%	11.3%	(14bps)	(2bps)	NM	NM

Telecommunications services revenue is forecast to decrease from $1,290.0 million in CY2020 to $931.3 million in CY2021F and increase to $995.5 million in CY2022F.

The $358.7 million decrease in CY2021F services revenue mainly reflects the following:

- variation of volumes within existing contracts (including across fibre network build in Australia and New Zealand) which is expected to result in a net decrease of approximately $514 million; partly offset by
- the commencement of new contracts which are expected to contribute an increase of approximately $181 million.

The $64.2 million increase in CY2022F services revenue mainly reflects the following:

- the expected renewal of existing contracts and the full year contribution of new contracts commenced in CY2021F which is expected to contribute $240 million; partly offset by
- variation of volumes within existing contracts (including across fibre network build in Australia and New Zealand and network provider contracts) which is expected to result in a net decrease of approximately $185 million.

Telecommunications EBITDA is forecast to decrease from $174.2 million in CY2020 to $124.9 million in CY2021F and increase to $133.0 million in CY2022F. EBITDA Margin is forecast to decrease from 13.5% in CY2020 to 13.4% in CY2021F and CY2022F.

Telecommunications EBITA is forecast to decrease from $148.3 million in CY2020 to $105.8 million in CY2021F and increase to $112.9 million in CY2022F. EBITA Margin is forecast to decrease from 11.5% in CY2020 to 11.4% in CY2021F and 11.3% in CY2022F.

The forecast decreases in EBITDA, EBITDA Margin, EBITA and EBITA Margin in CY2021F are mainly due to the expected reduction in service revenue, partly offset by operational improvements.

The forecast increases in EBITDA and EBITA in CY2022F are mainly due to the expected increase in service revenue.

4.9.3.5 Transport

Table 59: Transport forecast services revenue, EBITDA and EBITA for CY2021F and CY2022F

	Pro Forma Historical/Forecast			Change		Change (%)	
$ millions	CY2020	CY2021F	CY2022F	CY2021F	CY2022F	CY2021F	CY2022F
Services revenue	514.5	492.2	517.3	(22.3)	25.1	(4.3%)	5.1%
EBITDA	25.2	31.7	36.3	6.6	4.5	26.1%	14.3%
EBITDA Margin	4.9%	6.4%	7.0%	156bps	57bps	NM	NM
EBITA	15.9	23.8	29.4	7.8	5.6	49.0%	23.7%
EBITA Margin	3.1%	4.8%	5.7%	173bps	85bps	NM	NM

Transport services revenue is forecast to decrease from $514.5 million in CY2020 to $492.2 million in CY2021F and increase to $517.3 million in CY2022F.

The $22.3 million decrease in CY2021F services revenue mainly reflects the following:

- variation of volumes within existing contracts (across all Business Units) which is expected to result in a net decrease of approximately $46 million; and
- contracts which are expected to complete (Roads Transport Operations Australia and Rail Operations), and are forecast to contribute to a decline in services revenue of approximately $43 million; partially offset by
- new contracts which are expected to result in an increase in services revenue of approximately $67 million.

The $25.1 million increase in CY2022F services revenue mainly reflects the following:

- new contracts (Roads Transport Operations Australia) which are expected to contribute approximately $25 million;
- identified new opportunities in Rail Operations and Transport New Zealand, which are expected to contribute to an increase in services revenue of approximately $18 million; and
- variation of volumes within existing contracts (across all Business Units); partly offset by
- contracts which are expected to complete resulting in a decline in services revenue of approximately $29 million.

Transport EBITDA is forecast to increase from $25.2 million in CY2020 to $31.7 million in CY2021F and $36.3 million in CY2022F. EBITDA Margin is forecast to increase from 4.9% in CY2020 to 6.4% in CY2021F and 7.0% in CY2022F.

Transport EBITA is forecast to increase from $15.9 million in CY2020 to $23.8 million in CY2021F and $29.4 million in CY2022F. EBITA Margin is forecast to increase from 3.1% in CY2020 to 4.8% in CY2021F and 5.7% in CY2022F.

The forecast increases in EBITDA, EBITDA Margins, EBITA and EBITA Margins in CY2021F are expected to be driven by the completion of unprofitable contracts, operational improvements, mix of work performed and cost savings following the Broadspectrum acquisition (as outlined in Section 4.8.1.3).

The forecast increase in EBITDA, EBITDA Margin, EBITA and EBITA Margin in CY2022F mainly reflects the 5.1% increase in services revenue whilst leveraging the fixed cost base and combined with operational improvements.

4.9.3.6 Corporate

Table 60: Forecast Net Corporate Costs for CY2021F and CY2022F

	Pro Forma Historical/Forecast			Change		Change (%)	
$ millions	CY2020	CY2021F	CY2022F	CY2021F	CY2022F	CY2021F	CY2022F
Net Corporate Costs							
EBITDA	(71.1)	(35.2)	(32.0)	35.9	3.2	(50.5%)	(9.2%)
% of total revenue	(1.5%)	(0.8%)	(0.6%)	77bps	14bps	NM	NM

At the EBITDA level, Net Corporate Costs are forecast to decrease from $71.1 million in CY2020 to $35.2 million in CY2021F and $32.0 million in CY2022F.

The forecast decline between CY2020 and CY2021F is mainly due to the full year contribution of cost savings initiatives implemented during CY2020, further operational improvements and cost savings following the Broadspectrum acquisition, partly offset by investments in business development and data analytics capabilities.

The Net Corporate Costs are stable between CY2021F and CY2022F, with a small reduction of $3.2 million mainly driven by increased cost recharges from the various segments resulting from higher services revenue.

Gross Corporate Costs (before recharges) are forecast to decrease by 18.2% between CY2020 and CY2021F, primarily driven by the removal of duplicate roles as part of the integration of Broadspectrum. Cost recharges are forecast to remain broadly consistent from CY2020 to CY2021F.

Gross Corporate Costs (before recharges) are forecast to increase by 2.4% from CY2021F to CY2022F, driven mainly by assumed inflation. A slight increase in cost recharges is forecast, driven by higher services revenue, resulting in a $3.2 million reduction in Net Corporate Costs. Refer to section 4.4 for a description of corporate costs.

4.9.3.7 Group pro forma forecast consolidated cash flows

Table 61: Group pro forma forecast consolidated cash flows for CY2021F and CY2022F

	Historical/Forecast			Change		Change (%)	
$ millions	CY2020	CY2021F	CY2022F	CY2021F	CY2022F	CY2021F	CY2022F
Pro Forma							
EBITDA	354.5	365.8	408.6	11.2	42.8	3.2%	11.7%
Non-cash share-based payments	7.5	7.5	7.5	–	–	–	–
Changes in Net Working Capital	(53.6)	(63.6)	(42.5)	(10.0)	21.2	18.6%	(33.3%)
Operating Cash Flow	**308.4**	**309.7**	**373.7**	**1.3**	**64.0**	**0.4%**	**20.7%**
Lease payments	(80.8)	(78.0)	(78.0)	2.9	(0.0)	(3.6%)	0.0%
Maintenance Capital Expenditure	(15.1)	(30.3)	(33.6)	(15.2)	(3.3)	100.5%	10.8%
Growth Capital Expenditure	(14.9)	(11.3)	(7.4)	3.6	3.9	(24.1%)	(34.4%)
Cash flow before financing and tax	**197.6**	**190.1**	**254.7**	**(7.5)**	**64.6**	**(3.8%)**	**34.0%**
Statutory							
EBITDA		271.9	405.5	N/A	133.6	N/A	49.2%
Non-cash share-based payments		4.0	7.5	N/A	3.5	N/A	87.5%
Changes in Net Working Capital		(77.5)	(42.5)	N/A	35.0	N/A	(45.2%)
Operating Cash Flow		**198.4**	**370.6**	**N/A**	**172.1**	**N/A**	**86.8%**
Lease payments		(78.0)	(78.0)	N/A	(0.0)	N/A	0.0%
Maintenance Capital Expenditure		(30.3)	(33.6)	N/A	(3.3)	N/A	10.8%
Growth Capital Expenditure		(11.3)	(7.4)	N/A	3.9	N/A	(34.4%)
Proceeds from asset sale		91.1	–	N/A	(91.1)	N/A	(100.0%)
Cash flow before financing and tax		**169.9**	**251.6**	**N/A**	**81.6**	**N/A**	**48.0%**

Pro forma

Operating Cash Flow is forecast to increase from $308.4 million in CY2020 to $309.7 million in CY2021F and $373.7 million in CY2022F.

The Operating Cash Flow of $309.7 million in CY2021F is driven by EBITDA of $365.8 million, an increase of $11.2 million, and an expected $63.6 million increase in Net Working Capital due to a decrease in the provisions balance during the period.

The Operating Cash Flow of $373.7 million in CY2022F is driven by EBITDA of $408.6 million, an increase of $42.8 million, and an expected increase in Net Working Capital of $42.5 million due to a decrease in the provisions balance during the period.

As a percentage of total revenue, changes in Net Working Capital were 1.2% in CY2020 and are forecast to be 1.4% in CY2021F and 0.9% in CY2022F.

Lease payments are forecast to decline from $80.8 million in CY2020 to $78.0 million in both CY2021F and CY2022F. This reflects expected decreases in leased assets in CY2021F, which are expected to stabilise in CY2022F.

Maintenance Capital Expenditure is forecast to increase from $15.1 million in CY2020 to $30.3 million in CY2021F and $33.6 million in CY2022F. This increase mainly reflects maintenance on assets acquired during CY2019 and CY2020 as well as variability in ongoing maintenance schedules.

Growth Capital Expenditure is forecast to decrease from $14.9 million in CY2020 to $11.3 million in CY2021F and $7.4 million in CY2022F, reflecting lower required levels of capital investment.

Cash flow before financing and tax is forecast to decrease from $197.6 million in CY2020 to $190.1 million in CY2021F and increase to $254.7 million in CY2022F.

Statutory

Operating Cash Flow is forecast to increase from $198.4 million in CY2021F to $370.6 million in CY2022F.

The $77.5 million increase in Net Working Capital in CY2021F includes the $63.6 million increase in the pro forma forecast plus $15.0 million relating to non-recurring workers' compensation as a result of the Broadspectrum acquisition, less $1.2 million relating to cash flow from discontinued operations (APP). The $42.5 million increase in Net Working Capital in CY2022F is the same as the pro forma movement.

Maintenance Capital Expenditure is forecast to increase from $30.3 million in CY2021F to $33.6 million in CY2022F. This increase mainly reflects maintenance on assets acquired during CY2019 and CY2020 as well as variability in ongoing maintenance schedules.

Growth Capital Expenditure is forecast to decrease from $11.3 million in CY2021F to $7.4 million in CY2022F, reflecting lower required levels of capital investment.

Cash flow before financing and tax is forecast to increase from $169.9 million in CY2021F to $251.6 million in CY2022F. The cash flow in CY2021F includes $91.1 million in proceeds from the sale of APP.

4.10. Sensitivity analysis

The Forecast Financial Information is based on a number of estimates and assumptions that are subject to business, economic and competitive uncertainties and contingencies, many of which are beyond the control of Ventia, its Directors and management, and depend upon assumptions with respect to future business developments, which are subject to change.

Investors should be aware that future events cannot be predicted with certainty and as a result, deviations from the figures forecast in this Prospectus are to be expected. To assist investors in assessing the impact of these assumptions on the CY2022F forecasts, set out in Table 62 below is a summary of the sensitivity of certain Forecast Financial Information to changes in a number of key variables. Given the level of work in hand as a proportion of CY2021F forecast pro forma revenue, and the amount of time between the Prospectus date and 31 December 2021, Ventia has chosen to present the sensitivity with respect to the CY2022F forecasts, and not for CY2021F.

The changes in the key variables as set out in the sensitivity analysis are not intended to be indicative of the complete range of variations that may be experienced. For the purposes of the analysis below, the effect of the changes in key assumptions on the CY2022F pro forma NPATA of $171.8 million is presented. The potential changes in the CY2022F pro forma NPATA are for the forecast results for the 12 months ending December 2022. The sensitivity analysis is intended as a guide only and variations in actual performance could exceed the ranges shown.

Care should be taken in interpreting these sensitivities. The estimated impact of changes in each of the variables has been calculated in isolation from changes in other variables, in order to illustrate the likely impact on the forecast. In practice, changes in variables may offset each other or be additive, and it is likely that Ventia management would respond to any adverse change in one variable by seeking to minimise the net effect on Ventia's NPATA. The effect of movements in some variables may be non-linear, such that the effect of a movement of 10% in a variable may not simply be 10 times the effect of a movement of 1% in the variable.

Table 62: Sensitivity analysis on pro forma forecast NPATA for CY2022F

	Note	Variance	Impact on CY2022F NPATA
Total revenue	1	+/- 1%	+/- $2.9 million
New business probability	2	+/- 5%	+/- $1.8 million
New business timing	3	+/- 1 month	+$2.6/-$3.3 million
Probability of renewals	4	+/- 5%	+/- $0.8 million
Labour and subcontractor expenses	5	+/- 1%	+/- $2.3 million
Materials expenses	6	+/- 1%	+/- $0.2 million
Change in AUD per NZD1.00	7	+/- 1c	+/- $0.4 million
Change in interest rates	8	+/- 25bps	-/+ $0.4 million

Notes:

1. Full year impact of an increase or decrease to revenue of 1% and assumes a constant CY2022F EBITDA Margin of 8.3%.
2. Probability weighting of new business wins increased or reduced by 5%. Sensitivity excludes contracts that have been won or are in preferred tender status as at 30 June 2021.
3. New business wins commencing after 1 February 2022, brought forward by one month or new business wins commencing after 1 January 2022, delayed by one month.
4. For existing contracts due for retender from 1 July 2021, probability of renewal increased or decreased by 5%. Sensitivity excludes contracts that have been won or are in preferred tender status as at 30 June 2021.
5. Full year impact of an increase or decrease to labour and subcontractor expenses of 1%. Sensitivity assumes EBITDA Margin remains constant.
6. Full year impact of an increase or decrease to materials expenses of 1%. Sensitivity assumes EBITDA Margin remains constant.
7. AUD per NZD 1.00 exchange rate is increased or decreased by 1 cent, impacting earnings, depreciation and interest incurred in New Zealand dollars.
8. Interest rate is increased or decreased by 25 basis points, impacting only the unhedged portion of the New Banking Facilities. Ventia's interest rate hedging policy is described in Section 4.11.

4.11. Financial risk management framework

Ventia's activities expose it to several financial risks including market risk (interest rate and foreign exchange risk), liquidity risk and credit risk.

Ventia manages financial risk through Board approved policies and procedures. These specify the responsibility of the Board of Directors and senior management regarding the management of financial risk. Financial risk is managed centrally by Ventia's treasury and finance team under the direction of the Board of Directors. The finance team manages risk exposures primarily through delegated authority limits and defined measures. The finance team regularly monitors Ventia's exposure to any of these financial risks and reports to the Board of Directors.

Ventia does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

4.11.1 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial asset or financial liability will change as a result of changes in market interest rates. Ventia is exposed to interest rate risk as it borrows at floating interest rates and adverse movements in floating interest rates will increase the cost of floating rate debt. Ventia's exposure to market interest rates relates primarily to its long-term debt. All interest rate exposures are identified, quantified, monitored and managed centrally by Ventia's treasury team. Ventia has a list of approved financial instruments which can be used to manage interest rate risk.

4.11.2 Foreign currency risk

Foreign currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Ventia's exposure to the risk of changes in foreign exchange rates relates to Ventia's operating activities (where revenues or expenses are denominated in a different currency from Ventia's presentation currency, primarily New Zealand dollars), and Ventia's net investments in foreign subsidiaries where the value of the investments in subsidiaries is recorded in the foreign currency translation reserve. Ventia also incurs debt in foreign currencies however exposure to changes in foreign exchange rates has been mitigated through Ventia entering into cross-currency swaps.

4.11.3 Liquidity risk

Liquidity risk is the risk that Ventia will not have sufficient funds to meet its financial commitments as and when they fall due.

Liquidity risk management involves maintaining available funding and ensuring the consolidated entity has access to an adequate amount of committed credit facilities. Ventia's objective is to maintain a balance between continuity of funding and flexibility through the use of loans, bank overdrafts and finance leases.

The finance team manages liquidity risk through frequent and periodic cash flow forecasting and analysis. Ventia expects to have a $400.0 million four-year revolving cash facility which is expected to be undrawn at Completion of the Offer and pro forma cash on hand of $153.2 million as at 30 June 2021, which will be available to fund working capital and expansion requirements.

4.11.4 Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to Ventia.

Ventia is exposed to counterparty credit risk arising from its operating activities (primarily customer receivables) and financing activities, including deposits with banks and financial institutions, foreign exchange and other financial instruments. The maximum exposure to credit risk arising from potential default of the counterparty is equal to the carrying amount of the financial assets.

Credit risks related to balances with banks and financial institutions are managed by Ventia's Group finance function in accordance with approved policies. Such policies only allow financial derivative instruments to be entered into with high credit quality financial institutions.

Trade receivables consist of receivables from government agencies and corporations. Receivables balances are monitored regularly with the result that Ventia's exposure to credit losses to date has been negligible.

4.12. Dividend policy

Depending on available profits and the financial position of Ventia, it is the current intention of the Board to pay dividends.

The Directors intend to pay out between 60% and 80% of Ventia's NPATA as a dividend. For the period from Completion to 31 December 2022, Ventia expects to pay dividends equivalent to approximately 75% of pro forma NPATA.

The first dividend will be for the period from Completion to 31 December 2021, which will be payable in or around April 2022. This dividend is expected to be unfranked. Ventia intends to frank its subsequent dividends to the maximum extent possible, subject to the availability of franking credits, and expects that its dividends in respect of the period 1 January 2022 to 31 December 2022 will be partly franked.

The level of payout ratio is expected to vary between periods depending on factors the Directors may consider, including the general business environment, the operating results and financial condition of Ventia, future funding requirements, capital management initiatives, tax considerations (including the level of franking credits available), any contractual, legal or regulatory restrictions on the payment of dividends by Ventia, and any other factors the Directors may consider relevant.

No assurances can be given by any person, including the Directors, about the payment of any dividend and the level of franking on any such dividend. Please read the Forecast Financial Information in conjunction with the assumptions underlying its preparation as set out in Section 4.9, the risk factors set out in Section 5 and the terms of the New Banking Facilities set out in Section 4.7.4.

Investors who are not residents of Australia and who acquire Shares may be subject to Australian withholding tax on dividends or other distributions paid in respect of the Shares. Prospective investors who are not residents of Australia should consult with their own tax advisers regarding the application of the Australian withholding or other taxes to their particular situations as well as any additional tax consequences resulting from purchasing, holding or disposing of the Shares.

SECTION 5

RISK FACTORS

Wellington, New Zealand

5.1. Introduction

This Section describes the potential risks associated with the operations of Ventia and the risks associated with an investment in the Shares. It does not purport to list every risk that may be associated with the operations of Ventia or an investment in the Shares now or in the future. The occurrence of, or consequences of, some of the risks described in this Section 5 are partially or completely outside of the control of Ventia, its Directors and its management.

The selection of risks is based on the assessment of a combination of the probability of the risk occurring; the ability to mitigate the risk; and the impact of the risk, if it did occur. That assessment is based on the knowledge of Ventia as at the date of this Prospectus, but there is no guarantee or assurance that the importance of different risks will not change or that other risks will not emerge.

There can be no guarantee that Ventia will deliver on its business strategy, or that the forecasts or any forward-looking statement contained in this Prospectus will be achieved or realised. Investors should note that past performance is not a reliable indicator of future performance.

The Directors strongly recommend that potential investors consider the risk factors described below, together with information contained elsewhere in this Prospectus, before deciding whether to apply for Shares; and seek professional guidance from their solicitor, stockbroker, accountant or other independent and qualified professional adviser before deciding whether to apply for Shares pursuant to this Prospectus.

5.2. Specific risks relating to Ventia

5.2.1 Ventia may fail to renew existing contracts or win new contracts

Ventia's ability to renew contracts with existing clients and win new contracts is fundamental to its business, growth and profitability. Ventia has existing contracts at various stages, including contracts that have either expired or are due to expire in the next 12 months (refer to Section 3.3.2 for further information). Ventia faces competition in all the industry segments in which it operates (refer to Section 2.1.4 for further information). Contract renewals and new contracts, including contracts entered into with an existing client where a previous contract has expired, are usually subject to a competitive process. There is a risk that Ventia may not win these contracts for any of a number of reasons.

These include, for example:

- lower pricing from competitors;
- Ventia's inability to differentiate its services and to market them effectively;
- Ventia's failure to maintain the quality or efficiency of its service offerings or to anticipate, identify or react to changes in client preferences or requirements;
- Ventia's failure to react to new developments in service delivery technology;
- negative perceptions adversely affecting Ventia's brand and reputation as a result of the eventuation of some of the other risk factors listed in this Section; and
- increased competition in sectors where Ventia competes against less established mid-tier competitors through tenders or under panel contracts where there are lower barriers to entry and a broader base of service providers.

Failure to successfully renew existing contracts (including a number of long-term contracts with key government clients, which are discussed further in Section 3.3.1) or to win new contracts could negatively impact Ventia's financial performance, including, in the case of a failure to retain an existing client, leaving Ventia with excess capacity or excess labour or redundancy costs, and adversely impacting its ability to grow its operations by reducing its profitability.

5.2.2 Panels and tender processes

Ventia has been appointed to a number of client panels (refer to Section 3.5.2 for further information), which may enable Ventia to participate in certain tender processes that it would otherwise not be able to participate in, but this does not guarantee that Ventia will be awarded contracts from the panel appointments. The appointment to these panels is for a fixed period (for example, three or five years) and Ventia is generally one of a number of service providers appointed to each panel.

If Ventia is unable to secure its position on a panel which it currently sits on, is unable to secure work under that panel arrangement or is unable to secure future panel positions, this may adversely impact Ventia's financial performance and growth prospects.

5.2.3 Commencement of Ventia's new contracts may be delayed

Where Ventia wins a new contract, commencement of the contract can be delayed past the expected commencement date; for example, where there is a delay in the transition from the client's existing provider to Ventia or where Ventia fails to mobilise the resources needed to provide services under the contract in a timely manner.

Ventia is also a party to a number of contracts where Ventia's ability to perform its obligations and commence earning revenue is dependent on third parties performing their own contractual arrangements in a timely manner. Examples of such situations include delays in the construction of infrastructure or buildings, or commissioning of plant and equipment in respect of which Ventia is to provide maintenance services.

Ventia may not have any contractual protection against such delays. Any delay in the commencement of a contract or any issues which may result in an impact on mobilisation may result in a delay in Ventia receiving revenue or may cause Ventia to incur additional costs, and therefore could have an adverse impact on Ventia's operations and financial performance, including its ability to achieve management's forecasts for the business.

5.2.4 Some contract counterparties may have the right to terminate their contracts or may seek to renegotiate during the contract term

Ventia is a party to a number of contracts and agreements with a broad range of clients, as well as with service providers, technology providers and lessors. Ventia's ability to operate its business depends on such contracts. In particular, Ventia's client contracts are fundamental to Ventia's business, growth and profitability. There is a risk that Ventia's existing contracts, including client contracts, may be terminated, impaired, reduced in scope through a variation, or renegotiated on less favourable terms.

Some contract counterparties have a right to terminate contracts in certain circumstances, including where a change of control provision is triggered (which may occur as a result of the Offer or as a result of changes in ownership of Shares or other events following the Offer), or where Ventia is in material breach of the contract. Some clients also have the right to compensation or indemnification from Ventia in the event that they suffer any losses arising from termination in those circumstances. Whilst Ventia generally seeks to mitigate risk of termination of contracts in the event that a change of control provision is triggered through a consent process, Ventia cannot guarantee that consents to change of control will be forthcoming or, if forthcoming, that such consents will not be subject to conditions that are unfavourable to Ventia. While Ventia has sought consents in relation to change of control provisions triggered as a result of the Offer, or as a result of changes in ownership of Shares or other events following the Offer, from a number of counterparties, it has not yet received all of the consents sought.

In addition, contracts with a number of Ventia's clients, including certain government clients, contain a right for the client to terminate for convenience at any time during the contract term; and similar rights are held by some other contract counterparties.

Termination of Ventia's services by a client before the end of a contract's term will reduce Ventia's future revenue and, in some situations, may leave Ventia with excess capacity or excess labour or redundancy costs. Upon termination, Ventia may not receive adequate compensation, or any compensation, for such losses and costs, which could adversely affect Ventia's financial performance and financial position.

From time to time, contract counterparties may seek to renegotiate existing contracts for various reasons during the term of the contract. To the extent such contract counterparties have a right to terminate a contract, they may seek to use this right as leverage in the renegotiation process, and may seek terms that are potentially less favourable to Ventia.

Ventia may have potential liabilities for redundancies and other liabilities as a consequence of any client contracts that are renegotiated or terminated before they would otherwise expire.

Although the frequency of client contract renegotiations has historically been low, the frequency of client contract renegotiations may increase in the future. If contract renegotiations lead to the parties entering into new contracts on terms less favourable to Ventia, or if the parties fail to reach an agreement and the client terminates the existing contract, Ventia's financial performance could be adversely impacted.

5.2.5 Claims for abatements, damages or indemnities may arise in connection with Ventia's service delivery under client contracts

Ventia is subject to on-going obligations and various levels of liability if it does not meet its obligations under its client contracts. Some of Ventia's client contracts contain abatement, damages and indemnification provisions that (although not uncommon in the industry in which Ventia operates) can be complex to manage and may disadvantage Ventia in some circumstances.

For example, in a number of client contracts:

- Ventia's liability relating to certain claims is uncapped, particularly in the government sector, and as a result, the amount of any such liability could be material and could exceed the amounts that Ventia is entitled to receive under the terms of the contract or agreement; and
- the terms of certain contracts impose detailed obligations on Ventia to perform services at a defined standard, and from time to time, Ventia may fail to perform its obligations under a contract, or may disagree with its clients about whether the services have been performed in the manner that the contract requires.

In such cases, Ventia may be subject to claims for abatements, liquidated damages or liability under indemnity provisions, or Ventia's invoices may otherwise not be paid. Furthermore, these types of liabilities (unlike other liabilities such as public injury liability or liability for third party property damage) are not typically insurable. In the event that such claims are not insured or insurable, Ventia's financial performance could be adversely impacted.

5.2.6 Ventia may fail to properly understand client requirements, drivers of client demand or cost inputs

A large number of Ventia's contracts are large, complex multi-year contracts. In some circumstances, there is a risk that Ventia may enter into contracts where the agreed revenue is insufficient to cover Ventia's costs of delivering the services or to provide adequate profit margins. This can occur for a number of reasons, including a failure to properly understand the scope and requirements of a contract, a failure to assess accurately the costs of delivering the contracted services, a failure to properly model the drivers of client demand or a failure to adhere to Ventia's internal risk assessment and contracting process guidelines. The risk of such failures occurring may increase as Ventia seeks to enter into new adjacent markets, or to expand its product offering into adjacent services in which it has less experience and industry knowledge.

A number of Ventia's client contracts require Ventia to maintain the client's assets to a specified standard, which may expose Ventia to obligations to re-perform works or carry out additional rectification works. Any obligation to carry out re-performance or rectification of works could have an adverse effect on Ventia's financial performance.

A number of Ventia's client contracts do not contain volume or utilisation commitments and are therefore dependent on the client's demand requirements. There is a risk that the level of client demand may be less than forecast in general or in a particular period, which could have an adverse effect on Ventia's financial performance.

A number of Ventia's client contracts include complex and comprehensive documentation and substantiation requirements before the client is obliged to pay for the work performed. The complexity, and time to meet the requirements, creates a risk of under-recovery and ageing of claims until the works are approved by the client for payment.

Any failure on the part of Ventia or its clients to properly understand client requirements, drivers of demand or cost inputs may adversely impact Ventia's operating and financial performance and financial position.

5.2.7 Ventia's existing and target clients may choose to change from outsourcing to in-sourcing of services

Ventia's financial performance and anticipated growth depends on its clients continuing to outsource services (refer to Section 3.4.1 for further information). In addition, Ventia's anticipated future growth depends in part on additional services being outsourced in the future (refer to Section 3.4 for further information).

A reduction in outsourcing may result from a variety of factors, including changing economic conditions or industry trends, changes in the specific strategies of Ventia's clients or poor performance by outsourced service providers.

A significant portion of Ventia's existing business consists of providing services to a diverse range of government departments and bodies at national, state and local levels in Australia and New Zealand (refer to Section 3.3 for further information). Outsourcing decisions by government departments and bodies may be driven by political and public policy considerations and preferences, as well as budget considerations and the priorities and agendas of political parties or other stakeholders. These are subject to change, including as a result of changes in government.

A decline in outsourcing or adverse outsourcing decisions by Ventia's clients, including by government departments and bodies, may adversely affect Ventia's future revenue and profitability and its prospects for growth.

5.2.8 Joint venture risk

Certain subsidiaries of Ventia have entered into unincorporated joint ventures or are shareholders in incorporated joint ventures on certain projects. Whilst Ventia ordinarily shares control of joint ventures through equal participating interests or shareholdings, it does not ordinarily have the means to exert overall control of its joint ventures. At times, major decisions are required to be made in respect of these joint ventures, which may impact the manner of the delivery of the services for that project or the financial outcome for the joint venture. Ventia may also be reliant upon its joint venture partner providing specific resources or expertise to deliver the joint venture obligations. Ventia's interests may not always be the same as those of its joint venture partners in relation to these matters and conflicts can have adverse time and cost implications. Ventia's joint venture partners may not deliver on their obligations, which may cause financial and reputational impacts to Ventia.

The contractual terms governing Ventia's joint venture arrangements may give joint venture partners rights that are adverse to the interests of Ventia in certain circumstances (for example where Ventia breaches a term of the arrangement or as a result of other events following the Offer), including buy-out rights, and this may give rise to disputes between the joint venture partners. If the joint venture is incorporated, the directors of the joint venture are required to act in the best interests of the joint venture company, which may not align with the best interests of Ventia.

While the majority of Ventia's joint venture partners are large corporate entities, there is the risk that such partners may default on their obligations or otherwise act in a manner which adversely affects Ventia. Any default by a joint venture party could result in Ventia ultimately being jointly or severally liable for the obligations of the joint venture (or the joint venture partner).

5.2.9 Ventia's performance is linked to its ability to attract and retain key management and skilled labour

Ventia's performance is dependent on the ability of its senior executives and other key personnel to manage and grow its business and respond to clients' needs. Continuity and retention of senior executives and other key personnel are important for client retention and ongoing client negotiations.

The loss of the services of Ventia's senior executives or other key personnel, or an inability to attract and retain qualified and competent senior executives or other key personnel, could have an adverse effect on Ventia's operating and financial performance.

Tightening of the labour market in key regions due to a shortage of skilled labour, with a risk of high industry turnover and a growing number of competing employers for skilled labour, may inhibit Ventia's ability to hire and retain employees. Ventia is exposed to increased labour costs in markets where the demand for labour is strong. A shortage of skilled labour could limit Ventia's ability to attract and retain core skills required to grow its business or lead to a decline in productivity and an increase in training costs, and could also adversely affect Ventia's safety record if the workforce is less experienced in the tasks they are required to perform, or the proportion of experienced supervision is reduced. It may also expose Ventia to the risk that it cannot find sufficient resources to comply with its contract obligations.

During periods of increased restrictions on movement (both within Australia and between Australia and other countries) due to public health orders, there is a risk that Ventia will not be able to source appropriately skilled labour within the expected wage levels. This could result in higher labour costs, which could adversely impact Ventia's financial performance.

Each of these factors could materially adversely impact Ventia's operating and financial performance and, if costs increase or productivity declines, its operating margins.

5.2.10 Managing a large and complex workforce

Ventia manages a large and complex workforce consisting of more than ~15,000 full-time, part-time and casual employees and a subcontractor workforce of 20,000 as at 30 June 2021 (refer to Section 3.6 for further information). Ventia's service quality is dependent on Ventia's ability to attract, develop, motivate and retain appropriately skilled personnel in these categories and on Ventia's ability to provide a sufficient level of training and oversight in order to achieve consistent standards.

Ventia's ability to effectively manage and engage its staff to minimise turnover is important. A high level of staff turnover could reduce operational efficiency, impair knowledge continuity, and lead to excessive recruitment costs.

If Ventia does not manage its workforce effectively, this may affect Ventia's reputation as an employer; and as a consequence, it may not be able to attract and retain personnel or may not be able to find suitable replacements in a timely manner. This could have an adverse effect on Ventia's business and financial performance.

5.2.11 Industrial relations and employee risks

Some of Ventia's full-time and part-time employees are represented by a union or are otherwise employed under awards or union-negotiated Enterprise Agreements. As at the date of this Prospectus, Ventia has 109 Enterprise Agreements across the combined Australian and New Zealand businesses. The Enterprise Agreements can each be for a term of up to four years. Of the 109 Enterprise Agreements, 15 are in, or are about to commence, bargaining. The negotiation of new Enterprise Agreements or changes to awards from time to time may increase the overall costs of running Ventia's business and such increased costs may not be able to be passed through to clients in full or at all.

The timing and complexity of negotiations for Enterprise Agreements varies depending upon the number of employees covered by the agreement, the areas of contention and their resolution with union representation. Although there is a rolling program of expiry and negotiations across all sectors, it is important that Enterprise Agreements are managed well by Ventia to minimise the risk of industrial action.

Ventia is also subject to modern awards and a number of Ventia's Enterprise Agreements that are complex and can be the subject of differing interpretations. Ventia is exposed to a risk of underpayment of its workers should it misinterpret or make a mistake as to the amounts payable to its workforce. An underpayment of its workforce will expose Ventia to the risk of a regulatory non-compliance, potential prosecution and an adverse impact on Ventia's financial performance and reputation. Ventia has, in the past, had engagement with the Fair Work Ombudsman regarding a small number of underpayments affecting employees. Each of these cases with the Fair Work Ombudsman were self-reported and have since been resolved.

Because of the size and complexity of the overall Ventia workforce, adverse developments or decisions in Australian and New Zealand labour law are likely to have an impact on Ventia's employment arrangements, including a loss of flexibility in the use of Ventia's workforce, the labour cost base or the use and cost of casual labour or their conversion to permanent employees, any of which may have an adverse impact on Ventia's financial performance and reputation.

If employees take industrial action, Ventia could be exposed to loss to the extent the industrial action impairs Ventia's ability to provide services or causes disruption to Ventia's clients, if the relevant client contracts do not include industrial action as a force majeure event or, even if they do, the action becomes materially extended.

Ventia employs a number of independent contractors and sole traders. These third parties, whilst engaged on individual contracts or agreements, may seek to claim that the nature of the arrangement is one of employer and employee and not independent contractor. The costs of defending such allegations, or the compensation payable should it be determined the relationship is one of employer/employee, could have an adverse impact on Ventia's financial performance and reputation.

5.2.12 Contractual and general litigation risk

Ventia may be exposed to litigation, claims and disputes in the ordinary course of its business, including contractual disputes, employment disputes, indemnity claims, property damage claims, environmental claims, personal injury claims, inquiries and audits, as well as costly multi-party litigation and matters arising from historical conduct or practices from acquired entities (refer to Section 9.9 for further information).

Contractual relationships with clients, suppliers and employees, as well as relationships with regulators and government departments and bodies, are fundamental to the success of Ventia's operations. All contracts carry a risk that the respective parties will not fulfil their respective contractual obligations (either in part or in full), either deliberately by reason of being unable or unwilling to perform or because of differing interpretations as to what constitutes performance.

For example, Ventia is aware of the potential for claims to arise against Ventia group companies in relation to the Gateway Motorway project. These potential claims arise in connection with Visionstream Australia's involvement in the design and construction of aspects of the motorway upgrade and allegations of defects in those works, as well as maintenance performed by the Gateway Motorway Services JV (a joint venture between Ventia Pty Limited and Lendlease Services) and allegations that the maintenance was defective. For additional information on the Gateway Motorway project potential claims, refer to Section 9.9.2. If action is taken against a Ventia group company in connection with these matters, this could result in costly multi-party litigation or further claims against Ventia group companies. In addition, Ventia's financial performance and financial condition may be adversely affected if the claim against the relevant company is for a material amount and is ultimately successful or partially successful to a material degree or if the costs of any subsequent litigation are material. Furthermore, any litigation may have a material impact on Ventia's reputation and its standing within the industry.

More generally, in certain cases, it may be costly and time-consuming for Ventia to enforce or protect its contractual rights, defend its position or exercise remedies available to Ventia, with no guarantee of success in Ventia's favour or that works will not be delayed due to the dispute, impacting revenues and cash flow. Should Ventia be unsuccessful in defending its position with respect to claims from client contracts or otherwise, Ventia's insurance may not be adequate to cover liabilities that it may incur (in particular if the claim arose due to gross negligence) and Ventia may not be able to continue to maintain such insurance or obtain comparable insurance at a reasonable cost, or at all.

Accordingly, there is a risk that litigation, claims and disputes (including disputes in respect of major client contracts) may have a material impact on Ventia's reputation and its standing within the industry, business relationships and growth prospects, and may have an adverse effect on Ventia's financial performance and financial position.

5.2.13 Ventia may fail to meet its workplace health and safety obligations

Ventia is subject to laws and regulations in respect of health and safety in Australia and New Zealand (refer to Section 2.4 for further information). Additional or amended laws and regulations may increase the cost of compliance, adversely impact Ventia's ability to comply, or expose Ventia to greater potential liabilities where, for example, changes to the regulatory framework result in higher or more complicated regulatory standards. Given the nature of Ventia's operations, its workforce may be exposed to a number of health and safety risks in the performance of their duties, which could lead to injury or workplace fatality, including when undertaking lifting operations, working around and operating mobile plant, working at heights, working near traffic, working near live services, excavations, hazardous energies, confined spaces, hazardous substances, and driving and remote travel.

In Australia, Ventia is required to attain and maintain federal safety accreditation. Ventia has been the subject of a show cause notice from the Federal Safety Commissioner and is currently addressing the show cause requirements. In addition, it remains subject to frequent audits as to safety compliance. The loss of a Commonwealth safety accreditation may mean Ventia is prohibited from performing certain types of Commonwealth funded works.

In the event Ventia breaches applicable laws and regulations, including for example where Ventia is held responsible for a workplace incident or injury or death, Ventia and its Directors and officers could be subject to sanctions and penalties. Fatalities or workplace accidents may adversely affect Ventia's safety record and reputation, which may make it difficult for Ventia to hire and retain personnel and to retain and win business. In addition, many of Ventia's existing and potential clients treat safety as a key criterion when evaluating potential outsourcing partners.

In addition, Ventia's safety performance is audited as part of the continuation of its ability to self-insure components of its workers' compensation. Failure to meet the required standards for self-insurance may lead to withdrawal of the right to self-insure, causing Ventia to move to third party workers' compensation insurance at a higher cost as well as triggering a payment against potential future liability for the scheme that is exited that would otherwise be the subject of an ongoing provision.

Ventia's systems and processes are audited for ISO accreditation. ISO accreditation is a key requirement of many of Ventia's contracts. The loss of the ISO accreditation may have a material impact on Ventia's reputation, ability to win future work, and operating and financial results.

Any deterioration in Ventia's workplace safety performance may adversely affect Ventia's ability to win and retain contracts with its clients and impact its reputation, which could adversely impact Ventia's operating and financial performance.

5.2.14 PPP defects and handover risk

Ventia has a number of contracts for Public Private Partnerships (**PPPs**) where Ventia provides the Operations and Maintenance services to the PPP company for assets which have been constructed by a separate design and construct contractor working for the PPP company. Under these PPP contracts, Ventia has obligations relating to the condition of the assets during the term of the PPP contract as well as when they are handed back at completion of the PPP contract.

There is a risk in these contracts that the assets constructed by the design and construct contractor will not be to the standard required for the assets, which results in additional operations and maintenance works (and costs) for Ventia.

There is also a risk that the assets will deteriorate (through early failure or use beyond that planned) to the extent that additional rectification work is required to be undertaken by Ventia to bring them up to the required condition during the term of the PPP contract or at hand back, which may result in unplanned costs for Ventia.

Additional costs that relate to an obligation to carry out substantial additional operations and maintenance works or rectification of works due to a defect or a premature failure of an asset could have an adverse effect on Ventia's financial performance.

5.2.15 Brand and reputation

Ventia's ability to maintain its reputation is critical to its ongoing financial performance. Ventia's reputation could be jeopardised if it fails to maintain high standards for service quality or if it does not comply with regulations or accepted practices. Additionally, Ventia's reputation could be damaged by the conduct of third parties, including its joint venture partners or subcontractors.

Any consequential negative publicity may reduce demand for Ventia's services. Failure to comply with laws and regulations, to maintain an effective system of internal controls or to provide accurate and timely financial information could also damage Ventia's reputation and expose it to prosecution or other adverse consequences, which could further impact Ventia's reputation.

Damage to Ventia's reputation or the reputation of its clients could have an adverse effect on Ventia's operations and financial performance.

5.2.16 Reliance on subcontractors and suppliers

Ventia's activities involve reliance on numerous subcontractors and suppliers. Ventia's reliance on subcontractors and suppliers to provide services decreases its control over the delivery, quality and reliability of the services provided.

There is a risk that a subcontractor or supplier may fail to deliver the services that they are required to provide, or fail to deliver such services in a timely manner or to the standards required (including failing to comply with the service standards required in Ventia's contractual arrangements or otherwise failing to comply with all laws and regulations).

Any delay, disruption or deterioration in the level of goods or services provided by a subcontractor or supplier (or any failure by a subcontractor or supplier to comply with all relevant laws and regulations) could impair Ventia's ability to provide services to its clients and could affect Ventia's reputation and adversely affect its financial performance.

In addition, if any subcontractor or supplier is unable to continue to provide services to Ventia for any reason and an alternative service provider is not found in a timely manner, Ventia's financial and operating performance could be adversely affected.

5.2.17 Misconduct

In the event that an employee, subcontractor or agent commits fraud, or breaches Ventia's security systems procedures or clearances or should any other misconduct occur, such an occurrence could have an adverse impact on Ventia's business, government clearances and reputation. Misconduct by employees, subcontractors or joint venture partners could involve security breaches or intentional failures to comply with applicable laws, including laws and regulations relating to environmental, health or safety matters and regulatory or internal policy requirements for handling of sensitive or otherwise protected information. Misconduct could also involve improper release or use of Ventia's clients' sensitive information, which could result in regulatory sanctions against Ventia and serious harm to Ventia's reputation. These actions could also lead to civil, criminal and/or administrative penalties (including fines or imprisonment), cancellation of contracts, loss of security clearances and suspension or restrictions from government work, and harm Ventia's reputation, which could have an adverse impact on Ventia's financial performance and financial position.

5.2.18 Risk of non-compliance or change in regulation

Ventia is exposed to changes in regulation covering a wide range of areas. In particular, Ventia is subject to a wide variety of federal, state and local laws and regulations dealing with environmental matters, matters of national security and social infrastructure, industrial matters, data, data security, privacy, occupational health and safety and sustainability matters. Certain statutory provisions may impose liability without regard to whether Ventia knew of, or was responsible for, a breach of the relevant statutory requirements and without regard to Ventia's own negligence or fault. In addition, any future legislation or regulatory change imposing more constraints or more stringent requirements may affect Ventia's business, operations or financial performance (either directly or indirectly).

Compliance with applicable federal, state and local laws and regulations may become more costly and time-consuming and may impact Ventia's operations or delay proposed projects. These laws and regulations are constantly evolving and may become increasingly complex and stringent. The ultimate impact of complying with existing laws and regulations is not always clearly known or determinable, due in part to the fact that implementing regulations for these laws may not yet have been promulgated and in certain instances are undergoing revision. These laws and regulations, particularly new legislative or administrative proposals (or judicial interpretation of existing laws and regulations), could result in substantially increased operational and other costs and could have an adverse effect on Ventia's operations and financial performance.

Regulations, such those relating to the Queensland Building and Construction Commission, may demand minimum financial requirements as a component of compliance, which may amend or increase the requirement for an entity to hold cash or other assets, with a consequent impact on that entity's ability to pay dividends. In addition, regulators, such as the Australian Building and Construction Commission (**ABCC**), may also conduct audits of Ventia's compliance from time to time, such as the current ABCC audit initiated in October 2021 (refer to Section 9.9.3 for further information). There is a risk that if the ABCC finds that there has been a significant breach of the Building Code, the ABCC may refer the matter to the Federal Minister with recommendations that a sanction be imposed. The Federal Minister may then issue either a formal warning or impose an exclusion sanction of up to 12 months prohibiting Ventia from expressing interest or tendering for Commonwealth funded building work. A prohibition on tendering for Commonwealth funded building work may impact Ventia's reputation, and its operating and financial performance.

Moreover, changes in the law or regulations, or an increased complexity in the manner in which compliance is to be achieved, may require heightened compliance efforts, could divert the attention of Ventia's management, and may require significant expenditure. To the extent that this expenditure cannot ultimately be reflected in Ventia's client contracts (or otherwise recovered), Ventia's operating results may be detrimentally impacted.

A breach of any laws or regulations applicable to Ventia may result in the imposition of conditions, fines and penalties, or prosecution or other sanctions on Ventia, which could have an adverse effect on Ventia's business, reputation, operating and financial performance and financial position. Any deterioration in Ventia's regulatory compliance performance may adversely affect Ventia's reputation and standing in the industry, and its ability to win and retain contracts with its clients.

5.2.19 Cyber security, data protection risks and third party technology providers

Ventia may be adversely affected by malicious third party applications that interfere with, or exploit, security flaws in Ventia's software and infrastructure (some of which may be provided or managed by third parties) or impact third party providers to Ventia, such as providers of cloud services. Viruses, worms and other malicious software programs could, among other things, jeopardise the security of information stored in a client's or Ventia's computer systems (including any private or confidential information of clients collected or held by Ventia).

While Ventia does undertake measures to prevent and detect the occurrence of such disruptions and failures, there is a risk that such measures may not be adequate. To a degree, Ventia is also reliant on the prevention measures of its clients, its Information Technology (**IT**) vendors and third parties and these may not be adequate or updated. If Ventia's efforts to combat these malicious applications are unsuccessful, or if its software or infrastructure has actual or perceived vulnerabilities, Ventia's business reputation and brand name may be harmed, which may result in an adverse effect on its operations and financial position.

Breaches of security, such as cyber-attacks by hackers, could also render Ventia's IT infrastructure and software platforms unavailable through a disrupted denial of service or other disruptive attacks. Furthermore, any privacy or data security breaches or Ventia's failure to protect private or confidential client information could also result in breaches of Ventia's obligations under its contractual arrangements and applicable laws and breaches of obligations under privacy laws to notify individuals and the Australian Information Commission (or other regulatory authority). Further, it could hinder Ventia's ability to retain existing clients and attract new clients, which would have an adverse impact on Ventia's future prospects.

Ventia's software and hardware technology infrastructure may also be exposed to damage or interruption from system failures, power loss, telecommunications failures, inadequate system maintenance, damage to the physical infrastructure, disasters from natural or human causes, misuse, human error or other unforeseen events which may cause the systems to be unavailable from time to time.

There is additionally the risk of rogue employees of Ventia, or its service providers, exposing Ventia to the impacts of a malicious act intended to cause harm to Ventia.

Ventia is also reliant on certain third party IT providers in operating its business, including cloud storage solution providers, and IT support and maintenance providers of critical IT infrastructure and software. Any failure of, inadequacies or deficiencies of, or downtime in the availability of, these third party IT providers may have an impact on the availability, security and integrity of Ventia's internal systems and services.

Breaches of security and disruption to Ventia's services or clients could adversely impact on Ventia's revenue and profitability.

5.2.20 Pandemic and other public health risks (COVID-19)

Notwithstanding that Ventia's business remained resilient during 2021, COVID-19 and the related restrictions and border closures are impacting a number of industry segments within the Maintenance Services market. There is a risk that the continuing impact of COVID-19 on the broader economy, government/public health orders, directions and alert levels restricting people movement, mandating vaccination and limiting business operations in a number of Ventia's addressable markets, could have a business impact on Ventia. Although the effects of COVID-19 have in part been offset by increased demand in some industry segments (refer to Section 2.3, Section 3.9 and Section 4.8.1.4 for further information), it is not currently possible to fully predict the impact and potential adverse effects that the ongoing COVID-19 pandemic could have on Ventia's business in the future. The ongoing outbreaks and spread of COVID-19 and any other possible future variants of the disease may have a significant adverse impact on Ventia's activities.

Due to the essential nature of services delivered by Ventia, the majority of its clients have requested that work continue as usual during the pandemic, which means that its employees and contractors may be exposed to ongoing COVID outbreaks. In the event that there is an outbreak at a facility that Ventia manages or in a Ventia workplace, its employees and contractors may become sick, or may be required to quarantine, which may lead to workforce pressures. In addition, the spread of diseases amongst its executives, employees, contractors, suppliers and logistic networks, as well as disruptions and economic impact resulting from any lockdown, quarantine and isolation requirements, or closure of state borders, may reduce Ventia's ability to operate in an efficient manner (or at all). Further, government mandated lockdowns or vaccination requirements may also lead to workforce disruption, delays and restricted access to client sites or adversely impact the timing of future projects. For example, Ventia has experienced a delay in the award of some new projects and a slowdown of revenues on a small number of projects, and expects that these impacts (along with disruption to Ventia's workforce as a result of extended government restrictions, recent outbreaks and border closures) may be exacerbated in the near-term by rising case numbers in Australia, disruption to the Australian hospital system and ongoing restrictions on movement and government policy responses in both Australia and New Zealand. Furthermore, closure of state borders, suspension of the 'travel bubble' between Australia and New Zealand, the mandating of vaccinations and ongoing international border closures can impact the logistics of the movement of workers and resources and can hinder the timely mobilisation of new contracts or cause workforce disruption to existing contracts. Any of these events may have an adverse impact on Ventia's financial position.

Ventia provides services in a range of facilities including hospitals, schools and justice centres. In the provision of services Ventia consults with relevant stakeholders and follows client and specialist protocols in the delivery of these services. There is the possibility that Ventia's management of COVID-19 impacts, on its workforce or the facilities that it manages, may be audited or reviewed or may become the subject of public inquiries and political or media scrutiny. For example, a ministerial inquiry has been announced by the Minister for Corrections (following allegations involving two offenders regarding their COVID-19 management), in relation to the management of COVID-19 at the Parklea Correctional Centre, a facility managed by the MTC Broadspectrum Joint Venture. The facility, which is located within local government areas which were areas of concern during recent lockdowns, experienced a COVID-19 outbreak in or around September 2021. The outbreak was contained without serious illness or fatalities. Such incidents and any resulting audit, review or inquiry may attract media attention and public scrutiny, which could impact Ventia's reputation. Additionally, there could be claims against Ventia if it were alleged to have failed to meet contractual or legal obligations in relation to its workforce or the facilities that it manages.

There is continuing uncertainty as to the extent, duration and final effects of the COVID-19 pandemic or other possible disease outbreaks, including in relation to the government response, work stoppages, government restrictions, quarantines, border closures (including effects on worker migration), travel restrictions, unemployment, federal or state funded worker allowances, the extent and timing of stimulus initiatives, mandating of vaccinations and the effect such factors may have on Ventia, the Australian, New Zealand and global economies, and share markets. Furthermore, the efficacy of vaccine rollouts, particularly in Australia and New Zealand, in combating COVID-19 remains uncertain. It is possible that COVID-19 will have further substantial negative effects on these economies where Ventia operates and that Ventia may be affected by the macroeconomic effects and ensuing financial volatility resulting from the pandemic and any other possible outbreaks, which could have an adverse effect on Ventia's financial position.

In addition, the COVID-19 pandemic and any future outbreaks or disruptions caused by the virus or responses to it may adversely affect Ventia's business and financial performance and may also have the effect of exacerbating many of the other risks identified in this Prospectus.

5.2.21 Inability to secure adequate insurance

Whilst Ventia seeks to maintain insurance coverage that is consistent with industry practice (refer to Section 3.5.6 for further information), there is a risk that coverage may not be available when required, at commercially acceptable premiums, or at all. Insurance coverage may increase in cost or may not cover the full scope and extent of claims against Ventia or losses it may incur. In addition, Ventia may elect to self-insure, or not to insure against certain risks where it considers the applicable premiums to be excessive in relation to the perceived risks and benefits. As a result, Ventia may incur losses that are not insured or that are beyond its insurance coverage limits, which could materially and adversely impact its financial performance and financial condition. In addition, there can be no assurance that adequate insurance will continue to be available, will be available at economically acceptable premiums or will be adequate to cover any claims made. If the hardening of the insurance market continues, Ventia's insurance premiums may rise to a level where it becomes uneconomical to insure certain risks, which may adversely impact Ventia's financial performance and financial condition.

In addition, any claim under Ventia's insurance policies may be subject to certain exceptions or may not be honoured (in full or in part). The deductibles under the insurance policies may change on renewal, increasing the liability risk retention to Ventia. If liabilities are incurred without adequate insurance, or are subject to heightened deductibles and a claim arises, this may have an adverse impact on Ventia's financial performance and financial position.

5.2.22 Third party injury or commercial operations interruption

Ventia performs services for major utilities and in environments where it interfaces with the public and third party commercial businesses. In performing those services Ventia (or a subcontractor on Ventia's behalf) may cause injury to individuals as well as damage or disruption to the commercial operations of third parties.

In some instances, Ventia is responsible for a client's assets and for the loss or damage to such assets irrespective as to the cause of that loss or damage.

Ventia may be found liable for such injury, damage or interruption outside of any insurance protection, which may have an adverse impact on Ventia's financial performance and financial position.

5.2.23 Impact of natural events and climate change

Ventia's activities could be impacted by individual natural events such as significant rain, fire or prolonged periods of adverse weather conditions including floods, drought, water scarcity or temperature extremes. Such natural events could result in adverse impacts on Ventia, such as delays to contract performance or additional cost of performance. This could result in increased costs and/or reduced revenues which could impact Ventia's financial performance and financial position.

Changes in policy, technology innovation and client or investor preferences could adversely impact Ventia's business strategy, or its business in certain sectors (such as Resources, particularly in the event of a transition to a lower carbon economy), which may occur in unpredictable ways. For example, a structural transition away from fossil fuel electricity generation and the associated closure of coal fired power stations has reduced demand for maintenance services that Ventia provides to this sector.

5.2.24 Capital and maintenance expenditure

Ventia requires access to sufficient capital to fund the maintenance and replacement of its existing physical assets and equipment and any future expansion required (refer to Section 4.9 for further information). A failure or inability to obtain sufficient capital on favourable terms may hinder Ventia's ability to maintain and/or expand its asset base and reduce Ventia's competitiveness.

This may have an adverse effect on the financial performance and/or financial position of Ventia.

5.2.25 Disposals, acquisitions and investments by Ventia may not be successful

Ventia has in the past acquired, and may in the future acquire, businesses from time to time. There can be no assurance that Ventia will be successful in identifying acquisition opportunities, agreeing favourable terms for an acquisition or realising the anticipated benefits and synergies of any businesses that it acquires.

The ability to realise these benefits will depend in part on whether Ventia can efficiently integrate acquired businesses with its existing operations. For example, the integration of an acquisition may involve IT systems and other associated IT infrastructure which the acquisition target relies on to operate. A failure to successfully integrate IT systems and associated IT infrastructure may adversely impact Ventia's financial performance.

The challenges of integrating and operating acquired businesses may be greater if Ventia acquires businesses that provide services outside Ventia's current offering or involve a business that is culturally different to Ventia, particularly if it is unable to retain the acquired company's management. The process of integration of an acquired business introduces change which can cause disruption to performance of both the existing business and the acquired business.

While Ventia will endeavour to conduct all reasonable and appropriate due diligence on potential acquisition opportunities, such opportunities may carry the risk of unsuccessful performance or execution. Information relating to acquisitions is often derived from information made available by or on behalf of the relevant vendors. Although Ventia and its advisers seek to conduct due diligence, they do not verify the accuracy and completeness of all information provided to them. To the extent that any of this information is incomplete, inaccurate or misleading, there is a risk that the financial performance of Ventia may be adversely affected relative to its expectations and that the acquisition will not result in the benefit or synergies anticipated.

Ventia will seek to obtain customary warranties and indemnities from vendors of acquired assets; however, Ventia may not be able to obtain, or may not obtain, all appropriate warranties or indemnities, or further risks outside of due diligence may arise that are not covered under the warranties and indemnities within the relevant acquisition agreement. If a liability arises in respect of which Ventia is not indemnified, this may materially adversely affect the financial performance of Ventia. Similarly, Ventia has in the past disposed or divested, and may in the future dispose or divest, certain business lines for strategic reasons, and may be subject to risks associated with ongoing liabilities and indemnities under the relevant sale agreements. For example, Ventia has given limited indemnities connected to its disposal of the APP business. Ventia is also reliant upon indemnities, including indemnities from overseas entities (for example, in relation to taxation matters referred to in Section 9.9.1) that may require enforcement outside of Australia, as well as warranty and indemnity insurance. There is a risk that these indemnities may not cover the relevant risks, the counterparty may deny indemnity and Ventia may need to enforce its rights in a foreign court or legal system.

In addition, for future acquisitions or investments, there is a risk that Ventia will overestimate the value of acquired businesses and therefore overpay. These factors may adversely impact Ventia's financial performance, its growth strategy and its capacity to pursue further acquisitions.

5.2.26 Business operating risks

Although Ventia has established risk management practices to identify, monitor, control and manage risk at the individual contract or project level, Ventia and its clients and suppliers are exposed to a range of operational risks relating to both current and future operations.

These risks include, but are not limited to, failure to complete projects on time, failure to deliver services in accordance with contract requirements, human error, accidents, weather, natural disasters, terrorism, cost overruns, delays, industrial and environmental accidents, industrial disputes, contract losses, delays due to government actions, delays due to public health issues (including the outbreak of a pandemic or contagious disease, such as COVID-19), litigation or damage by third parties, or increases in the cost of materials, spare parts, labour, plant and equipment.

Where projects are delayed, the recognition of revenue for those contracts may be deferred to later periods and this may increase the cost of performance due to price escalation. This deferral may have an adverse impact on Ventia's financial performance and position.

Whilst Ventia endeavours to take appropriate action to mitigate these operational risks, and seek escalation provisions to protect against cost increases over time or to insure against them, Ventia cannot control the risks its clients and suppliers are exposed to, nor can it remove all disruption risk to its own business; and one or more of these risks may adversely impact Ventia's reputation, financial performance or position.

5.2.27 Contingent liabilities

As is typical in the industries in which Ventia operates, Ventia is regularly required to provide and fund bank guarantees and bonds in relation to projects and contracts. There is a risk that a performance security may be called upon, requiring Ventia to make whole the provider of the security which may in turn adversely affect Ventia's financial performance and position. There is also a risk that such performance securities may become harder or more expensive to secure in the future.

5.2.28 Ventia may not be able to secure future funding on acceptable terms

As described in Section 4.7.4, although Ventia has entered into, or will enter into before Completion, the New Banking Facilities, Ventia's banking facilities will require refinancing in the future and Ventia may seek additional debt finance in the future to support growth.

The terms which debt financiers are willing to offer may depend on macroeconomic conditions, the tenor of the facilities, the performance of Ventia and the risks associated with the intended use of the funds.

Deterioration of Ventia's financial condition, reduction in its credit standing or instability in local and global bank and capital markets could increase Ventia's cost of borrowing or eliminate its ability to raise additional debt or replace existing debt as it matures.

An inability for Ventia to secure debt funding on reasonable terms, or to continue to comply with its financial covenants, could constrain the future growth of its business and could adversely impact Ventia's operating and financial performance.

5.2.29 General economic conditions in Australia and New Zealand may worsen

Ventia's business is predominantly based in Australia, with the balance of its business based in New Zealand. The operating and financial performance of Ventia is influenced by the general economic conditions in Australia and New Zealand (refer to Section 2 for further information) as well as general economic conditions globally.

A prolonged downturn in general economic conditions may impact the demand for Ventia's services or make it difficult to win or renew contracts at equivalent or higher prices. Economic conditions in Australia and New Zealand may also encourage increased competition, either from domestic competitors or from overseas competitors.

These factors may in turn have an adverse impact on Ventia's financial performance and growth prospects.

5.3. General investment risks

5.3.1 Share market investments

Once Ventia becomes a publicly listed company on the ASX and NZX, it will become subject to general market risks applicable to all securities listed on a securities exchange. This may result in fluctuations in its Share price that are not explained by the fundamental operations and activities of Ventia.

The price of Shares quoted on the ASX and NZX may rise or fall and the Shares may trade below or above the Final Price due to a number of factors, including:

- general economic conditions, in Australia, New Zealand and globally, including interest rates, exchange rates, inflation rates and commodity prices;
- fluctuations in the local and global market for listed stocks;
- changes to government policy, legislation or regulation;
- inclusion in or removal from market indices (including S&P/ASX indices);
- the nature of markets in which Ventia operates;
- general and operational business risks;
- natural disasters;
- global hostilities, tensions and acts of terrorism; and
- pandemics.

There is no assurance that the price of the Shares will increase following their quotation on the ASX and NZX, even if Ventia's earnings increase.

5.3.2 Trading in Shares may not be liquid

Once the Shares are quoted on the ASX and on the NZX Main Board, there can be no guarantee that an active trading market for the Shares will develop or that the price of the Shares will increase. There may be relatively few potential buyers or sellers of the Shares on the ASX and/or on the NZX Main Board at any time. This may increase the volatility of the market price of the Shares. It may also affect the prevailing market price at which Shareholders are able to sell their Shares. This may result in Shareholders receiving a market price for their Shares that is less than the price that Shareholders paid.

5.3.3 Significant retained holding by the Selling Shareholders

The Selling Shareholders and certain Management Shareholders have entered into voluntary escrow arrangements in relation to all of their Escrowed Shares.

In each case, the escrow restrictions are subject to certain exceptions as set out in more detail in Section 9.8.2. The absence of any sale of Escrowed Shares by the Escrowed Shareholders during their Escrow Period may cause, or at least contribute to, limited liquidity in the market for the Shares.

This could affect the prevailing market price at which Shareholders are able to sell their Shares. It is important to recognise that Shareholders may receive a market price for their Shares that is less than the price that Shareholders paid.

Following the end of the relevant Escrow Period, a significant sale of Shares by the Selling Shareholders, or the perception that such sales might occur, could adversely affect the market price of the Shares.

Because of the size of the retained interest in Ventia by the Selling Shareholders, they have the capacity to control the election of Directors and the potential outcome of matters submitted to a vote of Shareholders.

The interests of the Selling Shareholders may differ from the interests of Ventia and the interests of Shareholders who purchase Shares in the Offer. Also, while they hold a large stake in Ventia, the Selling Shareholders will be able to determine or influence whether a takeover or similar offer for the Shares is successful.

5.3.4 Risk of Shareholder dilution

In the future, Ventia may elect to issue Shares or engage in fundraisings and also to fund, or raise proceeds for, acquisitions that Ventia may decide to make. While Ventia will be subject to the constraints of the ASX Listing Rules regarding the percentage of its capital that it is able to issue within a 12-month period (other than where exceptions apply), Shareholders may be diluted as a result of such issues of Shares and fundraisings.

5.3.5 Accounting standards

Australian accounting standards are set by the Australian Accounting Standards Board (**AASB**) and are outside the Directors' and Ventia's control. Changes to accounting standards issued by the AASB may materially adversely affect the financial performance and position reported in Ventia's financial statements.

5.3.6 Taxation risks

Changes to the rate of taxes imposed on Ventia (including in overseas jurisdictions in which Ventia operates now or in the future) or tax legislation generally may affect Ventia and its Shareholders. In addition, an interpretation of Australian taxation laws by the Australian Taxation Office or of New Zealand's taxation laws by New Zealand Inland Revenue that differs to Ventia's interpretation may lead to an increase in Ventia's taxation liabilities and a reduction in Shareholder returns. For example, the Australian Taxation Office is conducting an audit into aspects of the way in which profits associated with historical Regional Processing Centre contracts associated with the Broadspectrum business were allocated, and has reached a preliminary position different from that adopted by Broadspectrum (refer to Section 9.9.1 for further information).

Personal tax liabilities are the responsibility of each individual investor. Ventia is not responsible either for taxation or penalties incurred by investors.

5.3.7 No guarantee of dividend

The ability of Ventia to pay dividends in the future is dependent on many factors, and in particular its financial performance and profits derived from operations. This, together with a number of other factors, will impact on Ventia's ability to pay dividends. The Board cannot give any assurance regarding the payment of dividends in the future.

5.3.8 Ventia could be impacted by force majeure events

Events may occur within or outside Australia and New Zealand that could impact upon the Australian and New Zealand economies, the operations of Ventia and the price of the Shares.

The events include but are not limited to acts of terrorism, an outbreak of international hostilities, fires, floods, earthquakes, labour strikes, civil wars, natural disasters, outbreaks of disease, pandemics or other natural or man-made events or occurrences that can have an adverse effect on the demand for Ventia's services and its ability to conduct business. Ventia has only a limited ability to insure against some of these risks (refer to Section 3.5.6 for further information).

These occurrences may have an adverse impact on Ventia's financial performance.

SECTION 6

KEY PEOPLE, INTERESTS AND BENEFITS

Parramatta, NSW

6.1. Board of Directors

The profile of each Director is set out below.

Each Director brings relevant experience and skills to the Board, including industry and business knowledge, financial management and corporate governance experience.

Director/Position	Experience, qualifications and expertise
 **David Moffatt** Chairman, Non-Executive Director	David has held the role of Chairman since the formation of Ventia in 2015. David has over 30 years' experience in executive leadership, including as CEO, CFO and as a Director for companies in the Telecommunications, Financial Services, Infrastructure Services and Media Industries. He has lived and worked in Australia, the United States, Europe and Asia. David's previous roles include Chairman of Asurion Asia Pacific and CEO of Lebara Group. He was Chief Financial Officer and Group MD Finance for Telstra Corporation Limited and Group MD Telstra Consumer, serving on the boards of the Telstra-affiliated businesses Foxtel, CSL (Hong Kong) and Reach (Hong Kong). He was also CEO of GE and GE Capital Australia & New Zealand. David's community and charitable activities include being a founding director of Giant Steps, a school for autistic children, and a former director for The Australian Centre for Philanthropy and Non-Profit Studies (Queensland University of Technology (**QUT**)). David holds a Bachelor Business from QUT and was recently awarded an Honorary Doctorate at QUT.
 **Jeff Forbes** Lead Independent Non-Executive Director	Jeff joined the Board in October 2021 as Lead Independent Non-Executive Director. Jeff is an experienced Finance Executive and Company Director with over 30 years' merger and acquisition, equity and capital markets and project development experience. As an executive, Jeff worked at Cardno Limited, an engineering and environment consultancy company, as CFO, Executive Director and Company Secretary before leaving in 2013 to commence Non-Executive Director roles. He has spent time as a Non-Executive Director and member of the remuneration and audit and risk committees of both listed and unlisted companies in a variety of sectors. Prior to Cardno, Jeff was the CFO, Company Secretary and Executive Director at Highlands Pacific Limited, a PNG-based mining and exploration company. He has significant experience in capital raisings and during his career has worked for numerous major companies including Rio Tinto, BHP and CSR. Jeff is the Non-Executive Chair of Herron Todd White Group, and Non-Executive Director of Cardno Limited, PWR Holdings Limited and Intega Group Limited. Jeff holds a Bachelor of Commerce from the University of Newcastle and is a Graduate of the Australian Institute of Company Directors.

Director/Position	Experience, qualifications and expertise
 **Lynne Saint** Independent Non-Executive Director	Lynne joined the Board in October 2021 as Independent Non-Executive Director. Lynne has broad financial and commercial experience from a global career including more than 19 years with Bechtel Group where she served as Chief Audit Executive and Chief Financial Officer of the Mining and Metals Global Business Unit. Her expertise encompasses strong financial skills, corporate governance, enterprise risk, supply chain risk and project management. Prior to Bechtel, Lynne worked in commercial roles at Fluor Daniel and Placer Dome. She also held consulting and auditing roles with PwC and KPMG. In 2003 she was recognised as the Telstra Queensland Businesswoman of the Year. She currently serves as a Non-Executive Director of Nufarm Limited and Iluka Resources Limited. Lynne holds a Bachelor of Commerce and a post-graduate diploma in Education Studies from the University of Queensland. She is a Fellow of the Australian Society of Certified Practising Accountants (**CPA Australia**) and the Australian Institute of Company Directors.
 **Sibylle Krieger** Independent Non-Executive Director	Sibylle joined the Board in October 2021 as Independent Non-Executive Director. Sibylle has over 40 years' experience as a commercial lawyer, economic regulator and Non-Executive Director of a broad range of companies across sectors including energy, water, professional services and fintech. Sibylle's particular focus as a Non-Executive Director has been on corporate governance, organisational culture and remuneration governance. Her boards have included both private sector and government-owned corporations. Sibylle is currently a Non-Executive Director of AEMO Services, Openpay Group and MyState Limited, and was previously Non-Executive Chair of Xenith IP Group Limited and a Non-Executive Director on the Boards of Vector Limited, AEMO and Sydney Ports Corporation. Sibylle holds an LLB (Hons) from the University of Adelaide, an LLM from Columbia University New York and an MBA from Melbourne Business School. She is a Fellow of the Australian Institute of Company Directors.
 **Anne Urlwin** Independent Non-Executive Director	Anne joined the Board in October 2021 as Independent Non-Executive Director. Anne is a Wanaka (New Zealand) based professional director with experience in a range of sectors including construction, infrastructure, telecommunications, energy, regulation, health and financial services. Anne's current governance roles include Precinct Properties New Zealand Limited, Summerset Group Holdings Limited, Queenstown Airport Corporation Limited and Vector Limited. Anne is a former director of Tilt Renewables Limited, Chorus Limited and Meridian Energy Limited, and a former Chair of national commercial construction group Naylor Love Enterprises Limited and the New Zealand Blood Service. Anne holds a B Com from the University of Canterbury and is a Chartered Fellow of the Institute of Directors in New Zealand, a member of the Australian Institute of Company Directors and a Fellow of Chartered Accountants Australia and New Zealand (**CA ANZ**).

Director/Position	Experience, qualifications and expertise
 **Kevin Crowe** Non-Executive Director	Kevin joined the Board in 2015 as a Non-Executive Director. Kevin is a Partner in the Private Equity group of Apollo Global Management, a global alternative asset manager. He joined Apollo Global Management in 2006 and is based in London, having also spent extensive time in Apollo Global Management's New York and Hong Kong offices. Kevin is currently a director of Haydock Finance and has previously served on the board of directors of Norwegian Cruise Line, Nine Entertainment Company, Prestige Cruise Holdings and Quality Distribution. Prior to joining Apollo Global Management, Kevin was a member of the Financial Sponsors group in the Global Banking department of Deutsche Bank Securities. Kevin graduated from Princeton University with a Bachelor of Arts in Economics and a Certificate in Finance.
 **Robert Cotterill** Non-Executive Director	Robert joined the Board as an alternate Director in 2015 and as a Non-Executive Director in 2016. Robert is the Executive General Manager of Strategy, Investments and Acquisitions at CIMIC. Robert joined the CIMIC Group in 2007. He is a part of the CIMIC Group ELT and currently represents CIMIC on the Boards of Thiess and Ventia. He has held various positions within the CIMIC Group since 2007, including in CIMIC Group's acquisition of UGL, the creation of Ventia, sale of John Holland, and the 50% sale of Thiess. Robert has also played leading roles in various private financing and public private partnership infrastructure transactions throughout Australia and New Zealand. Prior to joining CIMIC, Rob worked as a strategy consultant for Booz Allen Hamilton (renamed Strategy&) and as a graduate engineer at KBR. Robert holds a Bachelor of Engineering (Environmental Engineering) with Honours and a Master of Commerce from the University of NSW.
 **Ignacio Segura** Non-Executive Director	Ignacio joined the Board in March 2021 as a Non-Executive Director Ignacio is Deputy Chief Executive Officer and Chief Operating Officer CIMIC. He joined the CIMIC Group in 2018. He was formerly the Chief Executive Officer of Dragados (2012-2017), an ACS Group company. Ignacio joined ACS Group in 1999 and held roles including General Manager of Galicia in ACS Proyectos, Obras y Construcciones (1999-2004), Executive General Manager for Building in Spain of Dragados (2004-2006) and Managing Director of Dragados (2006-2012). Ignacio is a civil engineer with 30 years of international experience in the construction sector. Ignacio holds a Master of Science in Civil Engineering form the Polytechnic University of Madrid (1990).

6.2. Management

The profiles of senior members of management are set out in the table below.

Member/Position	Experience, qualifications and expertise
 **Dean Banks** Group Chief Executive Officer	Dean commenced as Ventia Group CEO in January 2021. In his prior role, Dean led the successful transformation of leading UK infrastructure business, Balfour Beatty. Dean has spent the last 15 years in C-suite roles in FTSE 250 global businesses in the construction, manufacturing and services industries. With a strong focus on safety and continuous improvement, Dean has an impressive track record of delivering improvements and successful outcomes to global organisations. Dean is a visible and energetic leader who is passionate about building high performing teams, developing capability and creating networks of strategic partners to deliver long-term value for organisations. Dean has completed the INSEAD Advanced Management Programme, and the Integrated Management Development Scheme from Warwick University.
 **Stuart Hooper** Chief Financial Officer	Stuart joined Ventia in 2015 as Group Executive – Strategy & Corporate Development. In 2018, he was appointed Chief Financial Officer accountable for driving governance, compliance and performance. Prior to joining Ventia, Stuart worked at PwC for 14 years in assurance, corporate finance and transaction advisory practices in Australia and the United States. Stuart holds a Bachelor of Commerce from Monash University, and is a member of the CA ANZ.
 **Jonathan Dockney** Group General Counsel	Jonathan joined Ventia in 2015. Jonathan has advised international construction and service companies. His specialities include work-winning strategies and risk identification, management and mitigation. He is the joint Company Secretary of Ventia and its subsidiaries. In addition to Jonathan's legal qualifications, he holds a Bachelor of Science (Hons) in Building and is a Fellow of the Chartered Institute of Building.

Member/Position	Experience, qualifications and expertise
 **Karen O'Driscoll** Group Executive – Digital Services	Karen commenced as Group Executive, Digital Services for Ventia in 2020. During her 13 years at Broadspectrum, Karen has held several senior roles in the company's technology business. She has led several programs, including the design and deployment of a global applications platform, cloud and security transformation and the establishment of a digital eco-system to drive innovation, as well as delivering technology solutions for key contracts in water, roads, rail, power, social, defence and telecommunications. Karen previously worked with Glaxo SmithKline delivering technology transformation programs in Europe and the US. Karen holds a Bachelor of Science (Hons) in Information Systems Management.
 **Christian Frost** Group Executive – Safety, Health, Environment & Quality	Christian joined Ventia in 2018. Christian has held a variety of senior roles with a background combining consulting and internal strategy development and execution. Christian's experience includes leading the establishment of the operational HSE function in a start-up environment at the national broadband network, consolidating a centre of excellence in the infrastructure industry, transforming and centralising the safety function of a media-conglomerate and leading a consulting practice that provided safety advisory services. Christian holds an MBA from Deakin University, Graduate Certificate in OHS Management, and a Bachelor of Science from the University of NSW.
 **Mark Ralston** Group Executive – Strategy & Corporate Affairs	Mark joined Ventia at its formation in 2015. Mark is responsible for Group and portfolio strategy, sustainability, corporate development initiatives, M&A integration and corporate affairs. Mark is a member of Ventia's Indigenous Advisory Board and is an experienced leader with over 20 years' experience across Australia and the United States in the Engineering and Construction, Transportation, Healthcare and Technology sectors. He has established and grown a strategy consulting business and has previously held executive roles in infrastructure and high-growth technology companies. Mark holds a Bachelor of Applied Science from the University of Sydney.

Member/Position	Experience, qualifications and expertise
 **Charmaine Higgins** Interim Group Executive – People & Capability	Charmaine commenced as Interim Group Executive – People & Capability in August 2021. Charmaine joined Ventia at its inception in 2015 and has held various senior People and Capability (**P&C**) roles, most recently as General Manager People & Capability for the Defence & Social Infrastructure Sector. Throughout her 30-year career across companies in both Australia and New Zealand, Charmaine has capabilities across people and capability as a trusted adviser and coach, driving the people agenda and developing company culture to achieve sustainable growth. This includes a focus on diversity and inclusion, compliance, governance, employee and industrial relations, and business planning. Charmaine is a graduate of the Australian Institute of Company Directors. She holds a Bachelor of Human Resources, and is currently undertaking a Masters of Organisational Psychology.
 **Derek Osborn** Group Executive – Defence & Social Infrastructure	Derek joined the Ventia Executive team in 2020, following Ventia's acquisition of Broadspectrum. Derek is responsible for the strategic growth and delivery of services to the defence, local government, property and social infrastructure sectors, including education, health, housing and justice. In addition, his portfolio includes the Ventia network of contact centres. With more than 25 years' experience, Derek has held senior and executive leadership roles in the mining, defence and property sectors, and worked in consulting, public and listed company roles. Derek holds a Bachelor of Environmental Design and a Master in Building Science, and is a member of the Australian Institute of Company Directors.
 **Peter Borden** Group Executive – Transport	Peter joined Ventia in 2016 as Chief Commercial Officer, before moving to the role of Group Executive – Transport in 2020. Prior to this, Peter held several roles at Downer including Executive General Manager – Commercial and Risk (Infrastructure Division), Group Deputy Chief Operating Officer and Chief Executive Officer (Rail Division). He also held the role of Finance Manager – Operations for McConnell Dowell. Peter holds degrees in economics, law and business administration, is a Fellow of the CA ANZ, a member of the Australian Institute of Company Directors, and has completed the Columbia Business School Senior Executive Program in New York.

Member/Position	Experience, qualifications and expertise
 **Richard Kelleway** Group Executive – Infrastructure Services	Richard was appointed Group Executive – Infrastructure Services in 2020. Prior to this appointment, Richard was the CEO of Visionstream from 2015. Richard has held the position of EGM Services for Thiess and before this, he spent eight years in leadership roles at Tyco Fire Protection Services, where his last role was President and CEO Asia Pacific and the Middle East. In 2010-2011, Richard was recognised as one of Australia's top 100 influential engineers by the Institute of Engineers Australia. He is a Board member of the Australian Business and Community Network (**ABCN**). Richard has a Bachelor of Civil Engineering (Hons) from Thames University, London.
 **Tim Harwood** Group Executive – Telecommunications	Tim was appointed Group Executive – Telecommunications in 2020. Tim has nearly 30 years' experience in various project, general and executive management positions in Australia, Asia and the Middle East, working with the CIMIC Group since 1998 before joining Visionstream at the formation of Ventia in 2015. Tim has worked in senior and executive management positions in the mining, construction, services and telecommunications sectors. With a strong background in project management and leading multi-disciplinary teams, his experience ranges from business start-ups through to divestment, including the establishment of new businesses and joint ventures, strategic and business planning, tendering, business integration and transformation, as well as operations and general management. Tim holds a Bachelor of Applied Science (UTS) and a Master of Applied Science (UNSW).

6.3. Interests and benefits

This Section 6.3 sets out the nature and extent of the interests and fees of certain persons involved in the Offer. Other than as set out below or elsewhere in this Prospectus, no:

- Director or proposed Director;
- person named in this Prospectus who has performed a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;
- promoter of the Company; or
- underwriter to the Offer or financial services licensee named in this Prospectus as a financial services licensee involved in the Offer,

holds at the time of lodgement of this Prospectus with ASIC, or has held in the two years before lodgement of this Prospectus with ASIC, an interest in:

- the formation or promotion of the Company;
- property acquired or proposed to be acquired by the Company in connection with its formation or promotion, or in connection with the Offer; or
- the Offer,

and no amount (whether in cash, Shares or otherwise) has been paid or agreed to be paid, nor has any benefit been given or agreed to be given, to any such persons for services in connection with the formation or promotion of the Company or the Offer or to any Director or proposed Director to induce them to become, or qualify as, a Director.

6.3.1 Interests of advisers

The Company has engaged the following professional advisers:

- Barrenjoey, J.P. Morgan and Macquarie Capital have acted as the Joint Lead Managers to the Offer. The Company has paid, or agreed to pay, the Joint Lead Managers the fees described in Section 9.6 for these services;
- Herbert Smith Freehills has acted as Australian legal adviser to the Company in relation to the Offer. The Company has paid, or agreed to pay, approximately $2,000,000 (excluding disbursements and GST) for these services up until the Prospectus Date. Further amounts may be paid to Herbert Smith Freehills in accordance with its normal time-based charges;
- Deloitte has acted as Investigating Accountant and has performed work to provide the Independent Limited Assurance Report. The Company has paid, or agreed to pay, up to $1,700,000 (excluding disbursements and GST) for the above services. Further amounts may be paid to Deloitte in accordance with its normal time-based charges;
- PwC has acted as taxation adviser in relation to the Offer (with the exception of the matter described in Section 9.9.1). The Company has paid, or agreed to pay, up to $385,000 (excluding disbursements and GST) for the above services. Further amounts may be paid to PwC in accordance with its normal time-based charges;
- BIS Oxford Economics has prepared the Industry Report included in this Prospectus. The Company has paid, or agreed to pay, up to $115,000 (excluding disbursements and GST) for the above services;
- Bell Potter Securities Limited, Morgans Financial Limited and Forsyth Barr Limited have agreed to act as Co-Lead Managers to the Offer. Bell Potter, Morgans and Forsyth Barr will each be paid a base fee of $150,000. Bell Potter, Morgans and Forsyth Bar will each be paid a broker firm fee of 1.5% of the value of Shares allocated to clients of that Co-Lead Manager. Bell Potter, Morgans and Forsyth Barr may be paid an incentive fee subject to the size of their final Broker Firm Offer bid. The Co-Lead Managers' fees are inclusive of any applicable GST and will be paid by Ventia and the Joint Lead Managers (out of the fees payable to the Joint Lead Managers under the Offer Management Agreement); and
- Crestone Wealth Management Limited and National Australia Bank Limited have acted as Co-Managers to the Offer and will each be paid a broker firm fee of 1.5% of the value of Shares allocated to clients of that Co-Manager. Other fees payable to the Co-Managers are described in Section 9.6.

Other than as otherwise stated, these amounts, and other expenses of the Offer, will be paid by the Company out of funds raised under the Offer or available cash. Further information on the use of proceeds and payment of expenses of the Offer is set out in Section 7.1.2.

6.3.2 Directors' interests and remuneration

6.3.2.1 Director appointment letters

Prior to the Prospectus Date, each of the Non-Executive Directors has entered into appointment letters with the Company, confirming the terms of their appointments, their roles and responsibilities and the Company's expectations of them as Directors.

6.3.2.2 Non-Executive Director remuneration

Under the Constitution and the ASX Listing Rules, the total amount of fees paid to all Non-Executive Directors in any financial year must not exceed the aggregate amount of Non-Executive Directors' fees approved by Shareholders at the Company's general meeting. This amount has been fixed by the Company at $2,000,000 per annum.

As at the Prospectus Date, the annual Non-Executive Directors' base fee agreed to be paid by the Company to:

- the Chair is $350,000;
- each of the Non-Executive Directors is $180,000 (although see below regarding Kevin Crowe, Robert Cotterill and Ignacio Segura);
- the Lead Independent Director is $35,000;
- the Chair of the Audit, Risk and Compliance Committee is $35,000;
- the Chair of the People and Remuneration Committee is $25,000;
- the Chair of the Safety and Sustainability Committee is $25,000; and
- each member of a committee (except for the Nomination Committee) is $15,000.

Directors will not receive additional fees for being a member of the Nomination Committee.

In subsequent years, these fees may vary.

Kevin Crowe (nominated by Apollo) and Robert Cotterill and Ignacio Segura (nominated by CIMIC) have waived initial entitlements to fees for acting as Directors and committee members, and do not currently intend to receive such fees in the future (but this may change over time).

Ventia has agreed to pay each of the Independent Non-Executive Directors for preparatory work undertaken by them in the period prior to the Offer, to familiarise themselves with the Company and otherwise in connection with the Offer, on the same fee basis (but pro rated having regard to the period over which the work was undertaken) as would have applied had they been appointed as Directors during that period. Those Directors may elect to apply a proportion of the amounts to be so paid to them for these services in subscription for Shares under the Offer at the Final Price.

All Non-Executive Directors' fees are exclusive of statutory superannuation contributions.

6.3.2.3 Deeds of indemnity, insurance and access

The Company has entered into deeds of indemnity, insurance and access with each Director. Each deed contains a right of access to certain books and records of the Company and its related bodies corporate for a period of seven years after the Director ceases to hold office. This seven-year period is extended where certain proceedings or investigations commence during the seven-year period but are not resolved until later.

Pursuant to the Constitution, the Company must indemnify Directors and executive officers on a full indemnity basis and to the full extent permitted by law against all losses, liabilities, costs, charges and expenses incurred by those individuals as officers of the Company or a related body corporate. Under the deeds of indemnity, insurance and access, the Company indemnifies each Director on a full indemnity basis and to the full extent permitted by law, against all losses or liabilities (including all reasonable legal costs) incurred by the Director as an officer of the Company or of a related body corporate. Similar deeds have been entered into with certain executive officers.

Pursuant to the Constitution, the Company may purchase and maintain insurance for each Director and executive officer of the Company to the full extent permitted by law against any liability incurred by those individuals in their capacity as officers of the Company or a related body corporate. Under the deeds of indemnity, insurance and access, the Company must maintain such insurance for each Director until a period of seven years after a Director ceases to hold office. This seven-year period is extended where certain proceedings or investigations commence during the seven-year period but are not resolved until later.

6.3.2.4 Other information

Directors are entitled to be paid for travel and other expenses incurred in attending to the Company's affairs, including attending and returning from general meetings of the Company or meetings of the Board or Committees of the Board. Any Director who performs extra services, makes any special exertions for the benefit of the Company or who otherwise performs services which, in the opinion of the Board, are outside the scope of the ordinary duties of a Non-Executive Director, may be remunerated for the services (as determined by the Board) out of the funds of the Company. These amounts are in addition to the fees set out in Section 6.3.2.2.

The Company may pay benefits as determined by the Board, in accordance with the Corporations Act, on retirement to Directors.

6.3.2.5 Directors' shareholdings

Directors are not required by the Constitution to hold any Shares. However, the Company has adopted a minimum shareholding requirement (**MSR**) that requires each Director who receives Director's fees to hold, within three years of that Director's appointment or election, a minimum value of Shares approximating 100% of the Director's base fee remuneration. To assist Directors to meet this requirement, it has been agreed that the independent Non-Executive Directors may elect to be paid a proportion of their first year's base fee remuneration at the time of Completion (although subject to a requirement for pro rata repayment, should they not remain a Director for the whole of that first year) and it will be applied towards subscription for Shares under the Offer at the Final Price. Following Completion, Directors may also elect to salary sacrifice part or all of their base fee to acquire share rights to assist Directors with meeting their MSR. Any such share rights will be issued under the Ventia Incentive Plan and each share right will automatically convert into a Share at the end of a specified period as determined by the Board at the time of issue. The number of share rights to be issued to a Director will be calculated by dividing the amount of base fee that the Director wishes to salary sacrifice by the volume weighted average price of Shares for the one month prior to the grant date of share rights.

It has been agreed that the Directors (and their associates) are also entitled to apply for, and pay for from their own funds, Shares issued or sold under the Offer at the Final Price. Final Directors' shareholdings will be notified to the ASX and the NZX following Admission.

The Directors' (and their associated entities') interests in Shares and other securities in the Company on the Prospectus Date and on Completion (subject to any further acquisitions under the Offer) are set out below.

	Immediately prior to Completion		Shares committed to be acquired in the Offer[1]	On Completion[1]	
Directors	EIP Shares[2]	% Shares	Shares	Shares	%[3]
David Moffatt	9,962,179	1.6%	0	9,962,179	1.3%
Total	**9,962,179**	**1.6%**	**0**	**9,962,179**	**1.3%**

Notes:

1 Represents Shares committed to be applied for by Directors (or entities associated by those Directors) under the Offer at the Final Price. Directors may apply proceeds to be received by them for services in relation to the Offer as described in Section 6.3.2.2 in subscription for Shares under the Offer at the Final Price. Directors remain free to apply for additional Shares under the Offer at the Final Price. Shares acquired by Directors (or entities associated with those Directors) under the Offer at the Final Price will not be subject to the escrow arrangements in Section 9.8.2. Final Directors' shareholdings will be notified to the ASX following Admission.

2 David Moffatt's EIP Shares will be reclassified as Shares by Completion. These shares were issued under EIP 1 and are held by David Moffatt, the Plan Trustee for Moffatt Management Pty Ltd as trustee for The Moffatt Superannuation Fund and The Institute of Citizenship and Civil Society Pty Limited (**ICCS**) as trustee for The Moffatt Family Trust. On Completion David will hold an interest-free limited recourse loan from a Ventia Group company of approximately $2,407,935 in respect of 2,714,146 of its Shares (refer to Section 6.3.4.1). Shares held by the Plan Trustee for these entities on Completion will be subject to the escrow arrangements described in Section 9.8.2.

3 Assumes the Final Price is set at the midpoint of the Indicative Price Range.

6.3.3 Executive remuneration

6.3.3.1 Group Chief Executive Officer

Details regarding the terms of employment of the Group CEO, Dean Banks, are set out below.

Term	Description
Employer	Ventia Holdings I Pty Limited ACN 638 043 320
Remuneration and other benefits	Dean is currently entitled to Total Fixed Remuneration (**TFR**) of $1,200,000 per annum (inclusive of base salary and superannuation contributions as well as other agreed benefits (but excluding STIs and LTIs)), which will increase to $1,350,000 per annum effective from 1 January 2022.
STIs	Currently Dean may receive an amount of up to 112.5% of his TFR in cash as an STI, which will increase to 127.5% of his TFR (with the STI target being 85% of his TFR) effective from 1 January 2022. For CY2022 and following, Dean may also receive a percentage of his TFR in cash and/or as an award under the Ventia Incentive Plan. The percentage and form of his STI will be determined by the Board prior to the relevant financial year as described further in Section 6.3.4.4.

Term	Description
LTIs	Dean may also be granted LTIs. Prior to the Prospectus Date, Dean was granted 9,000,000 fully paid EIP Shares under EIP 1 which are held by the Plan Trustee for Dean under the terms of EIP 1. EIP Shares will be reclassified as Shares by Completion and may not be sold or otherwise dealt with by Dean until released from this restriction as follows: • 3,000,000 Shares, 1 January 2024; • 3,000,000 Shares, 1 January 2026; • 1,500,000 Shares, if the volume-weighted-average-price of Shares for any period of 30 days (**30-Day VWAP**) following the expiry of the escrow period under Dean's Escrow Deed (refer to Section 9.8.2) exceeds $1.94; and • 1,500,000 Shares, if the 30-Day VWAP following the expiry of the escrow period under Dean's Escrow Deed exceeds $2.94, subject in each case to Dean remaining in continuous employment with the Ventia Group at the relevant release date and otherwise on the terms of EIP 1. Should Dean cease to be employed by the Ventia Group before Shares are released from their dealing restriction, the restriction will remain in place and Ventia has the right to buy back those Shares. Dean's Shares referred to above will also be subject to the escrow arrangements described in Section 9.8.2. On Completion Dean will hold an interest-free limited recourse loan from a Ventia Group company of approximately $8,572,017 in respect of these Shares (refer to Section 6.3.4.1). For CY2022 and following, Dean will also be eligible to be granted LTIs with the first grants to be made in CY2023. For any LTI grant, Dean may receive up to 100% of his TFR as an LTI award under the Ventia Incentive Plan. The percentage and form of his LTI will be determined by the Board prior to the relevant financial year as described further in Section 6.3.4.3 below.
Termination	Dean's employment may be terminated by either party on nine months' notice. In the event of material breach or other circumstances warranting summary dismissal, Ventia Holdings I Pty Limited may terminate the agreement without prior notice.
Restraints	Dean is subject to post-employment non-competition and non-solicitation restraints that apply for a period of 12 months across Australia, New Zealand, Papua New Guinea and New Caledonia and any other country in which Ventia Group has carried on a business in the 24 months prior to termination. The enforceability of the restraint clause is subject to usual legal requirements.

6.3.3.2 Chief Financial Officer

Details regarding the terms of employment of the Chief Financial Officer, Stuart Hooper, are set out below.

Term	Description
Employer	Ventia Pty Limited ACN 603 146 676
Remuneration and other benefits	Stuart is currently entitled to TFR of $700,000 per annum (inclusive of base salary and superannuation contributions as well as other agreed benefits (but excluding STIs and LTIs)), which will increase to $800,000 per annum effective from 1 January 2022.
STIs	Currently Stuart receives an amount of up to 75% of this TFR in cash as an STI, which will increase to 90% of his TFR (with the STI target being 60% of his TFR) effective from 1 January 2022. For CY2022 and following, Stuart may also receive a percentage of his TFR in cash and/or as an award under the Ventia Incentive Plan. The percentage and form of his STI will be determined by the Board prior to the relevant financial year as described further in Section 6.3.4.4.

<table>
<tr><th>Term</th><th>Description</th></tr>
<tr><td>LTIs</td><td>Stuart may also be granted LTIs.

Prior to the Prospectus Date, Stuart was granted 2,310,363 EIP Shares under EIP 1 which are held by the Plan Trustee for Stuart under the terms of EIP 1. EIP Shares will be reclassified as Shares by Completion and 1,085,658 of these Shares may not be sold or otherwise dealt with by Stuart until released from this restriction as follows:
• 542,828 Shares, annually over three years in three equal proportions with the first release date of 31 March 2021;
• 271,415 Shares, if the 30-Day VWAP following the expiry of the escrow period under Stuart's Escrow Deed exceeds $1.94; and
• 271,414 Shares, if the 30-Day VWAP following the expiry of the escrow period under Stuart's Escrow Deed exceeds $2.94,

subject in each case to Stuart remaining in continuous employment with the Ventia Group at the relevant release date and otherwise on the terms of EIP 1. Should Stuart cease to be employed by the Ventia Group before Shares are released from their dealing restriction, the restriction will remain in place and Ventia has the right to buy back those Shares. Stuart's Shares referred to above will also be subject to the escrow arrangements described in Section 9.8.2. On Completion Stuart will hold an interest-free limited recourse loan from a Ventia Group company of approximately $950,982 in respect of 1,085,658 of these Shares (refer to Section 6.3.4.1).

For CY2022 and following, Stuart will also be eligible to be granted LTIs with the first grants to be made in CY2023. For any LTI grant, Stuart may also receive up to 80% of his TFR as an LTI award under the Ventia Incentive Plan. The percentage and form of his LTI will be determined by the Board prior to the relevant financial year as described further in Section 6.3.4.3 below.</td></tr>
<tr><td>Termination</td><td>Stuart's employment may be terminated by either party on six months' notice.

In the event of material breach or other circumstances warranting summary dismissal, Ventia Pty Limited may terminate the agreement without prior notice.</td></tr>
<tr><td>Restraints</td><td>Stuart is subject to post-employment non-competition and non-solicitation restraints that apply for a period of 12 months across Australia, New Zealand, Papua New Guinea and New Caledonia and any country or region in which the Ventia Group has carried on business in the 24 months prior to termination. The enforceability of the restraint clause is subject to usual legal requirements.</td></tr>
</table>

6.3.3.3 Other executives

Other senior executive remuneration packages include a total fixed remuneration component (including base salary and statutorily required superannuation) and, in some instances, potential to earn an STI up to a certain percentage of the respective executive's TFR. Certain executives have the potential to earn an LTI, subject to the terms of the relevant plan, and some are eligible to participate in the legacy EIP 1 and EIP 2 plans referred to in Section 6.3.4 below (and to participate in the new Ventia Incentive Plan from Completion). Senior executive employment contracts may generally be terminated by either party on three or six months' notice. Contracts generally include a restraint of trade period ranging from three to 12 months following termination, enforceability of which is subject to legal requirements. Most of the senior executives are entitled to receive redundancy payments (for a period ranging from three to nine months) if their employment ends in circumstances of redundancy.

Details of Ventia's incentive programs are set out in the following Section 6.3.4.

6.3.4 Equity-based remuneration

The Company has two legacy employee equity incentive plans in place:

- Executive Incentive Plan No. 1 (**EIP 1**); and
- Executive Incentive Plan No. 2 (**EIP 2**).

The Company will not grant any further awards under EIP 1 or EIP 2.

The Company has adopted a new incentive plan (**Ventia Incentive Plan**) for any post-Completion awards. No awards will be granted under the Ventia Incentive Plan on or prior to Completion, and the Company intends to only grant incentives under the Ventia Incentive Plan following Completion.

The Company's EIP 1, EIP 2 and Ventia Incentive Plan are designed to assist in the motivation, reward and retention of participants, including senior management and other employees. These plans are designed to align the interests of participants with the interests of Shareholders by providing an opportunity for employees to receive an equity interest in the Company, subject to the satisfaction of certain conditions. The Company assesses appropriate remuneration structures for its employees having regard to the duties they are expected to undertake and the remuneration practices in the broader market, particularly those of its comparable peers. Ventia is seeking strong engagement of long-term employees who undertake their duties diligently and professionally to achieve relevant milestones and enhance value for Shareholders.

6.3.4.1 Legacy incentive plans – EIP 1 and EIP 2

The Company has granted EIP Shares under EIP 1 and EIP 2. No options have been granted to participants under these plans. EIP Shares issued under EIP 1 are held by the Plan Trustee as trustee for each participant in the plan. Shares issued under EIP 2 are issued to, and held by, participants directly. By Completion, all of the EIP Shares will be reclassified as Shares.

In total there are 37,249,684 EIP Shares on issue held individually or by the Plan Trustee for David Moffatt, Dean Banks and Stuart Hooper and 16 further current and former employees (or their associated entities). These shares will comprise, in total, approximately 5.9% of the Company's total share capital immediately prior to Completion. David Moffatt's, Dean Banks' and Stuart Hooper's shares are referred to in Sections 6.3.2.5 and 6.3.3 above. The 16 current and former employees will hold 15,977,143 EIP Shares immediately prior to Completion (of which 13,458,152 will be held under EIP 1 by the Plan Trustee and 2,518,991 will be held under EIP 2).

By Completion, all of the EIP Shares will be reclassified as fully paid Shares and are expected to comprise approximately 4.8% of all Shares on Completion (assuming the Final Price is set at the midpoint of the Indicative Price Range).

In addition to David Moffatt, Dean Banks and Stuart Hooper, eight current and former employees will hold limited recourse loans from Ventia on Completion of approximately $4,685,426 (in total) in respect of 4,898,790 of their Shares. The limited recourse loans are provided to facilitate the purchase of fully paid EIP Shares or payment of amounts unpaid on EIP Shares. Loans are interest-free if the participant holds the shares in their own name, or in the case of EIP 1, if the Plan Trustee holds the EIP Shares for the benefit of the participant in their own name; but they otherwise bear interest. Ventia holds security over the present and future interest in shares to which loans apply until such time as the loans are repaid. Loans are repayable on the tenth anniversary of the grant of the loan unless repaid earlier either by way of:

- mandatory repayment at the time of disposal of the Shares; or
- mandatory application of dividends and distributions paid in respect of those Shares; or
- a voluntary pre-payment by the relevant participant.

It is expected that, of the 15,977,143 Shares expected to be held by the 16 current and former employees on Completion following the reclassification of their EIP Shares as referred to above, 3,634,773 Shares held by current employees may not be sold or otherwise dealt with by those employees until released from these restrictions as follows:

- 1,470,849 Shares, annually over five years in five equal proportions, with the first release date of 1 July 2018 (in the case of 43,333 of these Shares), 1 October 2020 (in the case of 325,697 of these Shares), 3 August 2021 (in the case of 920,000 of these Shares) and 29 January 2022 (in the case of 181,819 of these Shares);

- 180,943 Shares, annually over three years in three equal proportions with the first release date of 31 March 2021; and
- 1,982,981 Shares, if the 30-Day VWAP following the expiry of the escrow period under the relevant employee's Escrow Deed exceeds $1.94 (in the case of 801,617 of these Shares), $2.29 (in the case of 108,333 of these Shares), $2.41 (in the case of 271,415 of these Shares) and $2.94 (in the case of 801,617 of these Shares),

subject in each case to the employee remaining in continuous employment with the Ventia Group at the relevant release date and otherwise on the terms of EIP 1 or EIP 2 as applicable. Should an employee cease to be employed by the Ventia Group before their Shares are released from their dealing restriction, the restriction will remain in place and Ventia has the right to buy back those Shares. Shares held by current and former employees on Completion will also be subject to escrow arrangements as described in Section 9.8.2.

6.3.4.2 Ventia Incentive Plan

The key features of the Ventia Incentive Plan are outlined in the table below:

Term	Description
Administration	The Ventia Incentive Plan will be administered by the Board or a committee delegated by the Board.
Eligibility	Full-time and part-time employees (including a Director in an executive capacity) of the Company or any other person who the Board determines is eligible (including any contractor or Non-Executive Director) are eligible to receive awards under the Ventia Incentive Plan (**Participant**). The Board will select eligible persons to whom awards are to be granted from time to time.
Awards	The Ventia Incentive Plan provides the Company with flexibility to grant the following types of awards: • options to subscribe for Shares (**Options**); • rights to be paid Shares or a cash amount determined by the price of Shares at a specified time or based on the movement in the price of Shares over a period of time (**Incentive Rights**); • ability to subscribe for Shares that are subject to restrictions, including on transfer, until specified conditions are satisfied (**Restricted Shares**); or • rights to receive Shares (or cash in lieu of Shares), based on specified performance factors (**Performance Rights**) or following a period of continuous employment (**Share Rights**), (together **Awards**).
Dividend equivalent rights	The Board may determine that at the time an Invitation of Options, Incentive Rights or Performance Rights is made the Participant may also be granted **Dividend Equivalent Rights**. Dividend Equivalent Rights are a right to be paid Shares or a cash amount based on the value of dividends paid over a period of time or the change in the amount or value of dividends paid over a period of time.
Grant terms	The Board will determine the terms and conditions of each Award, including: • the type of Award; • the number or value of Shares or other consideration subject to the Award; • if the Award is an Option, the exercise price of the Option, or if it is any other type of Award, the purchase price (if any) payable for the Shares under the Award; and • any vesting conditions, including service and/or performance conditions. The terms and conditions of each Award will be set out in an Award invitation (**Invitation**).
Exercise price or purchase price	The exercise price or purchase price will be determined by the Board and be specified in the Invitation.

Term	Description
Vesting and exercise	Options will become exercisable when the applicable vesting conditions have been satisfied. Incentive Rights and Performance Rights will vest and be settled by the delivery of Shares (or, where applicable, cash) when the applicable vesting or performance conditions have been satisfied. Restricted Shares will cease to be restricted when the applicable vesting conditions have been satisfied in accordance with the Invitation.
Lapsing and forfeiture	An Option will lapse on the date specified in the grant (or three years after vesting if not specified), or any earlier date specified in the Invitation (for example, upon failure to satisfy a vesting condition). Restricted Shares will become subject to forfeiture or compulsory transfer, and Incentive Rights and Performance Rights will lapse, on the occurrence of a date or circumstance specified in the Invitation (for example, upon failure to satisfy a vesting or performance condition).
Dealing restrictions	A Participant may not dispose of an Award in any manner, other than if permitted by the Company or under an Award transfer program approved by the Company that permits transfers in specified circumstances.
Dividends and voting rights	Awards other than Restricted Shares do not carry voting rights or rights to receive dividends. The Board may determine the extent to which Restricted Shares carry voting rights or rights to receive dividends.
Cessation of employment	The Board may specify in the terms of an Invitation or make a determination as to how a Participant's Awards will be treated on the occurrence of cessation of employment of the Participant. Applicable treatment may include: • vesting on the cessation date; • options only be exercisable within a specified period; or • lapse or forfeiture of the Awards.
Clawback	The Board may make a determination in its absolute discretion on how a participant's Awards will be treated, such as deeming the Award has lapsed or forfeited, where (without limitation), in the opinion of the Board, a Participant: • has acted fraudulently or dishonestly; • has engaged in, or was involved in, serious misconduct; • breached his or her duties, responsibilities or obligations to any Group Company; • has done an act which brings any Group Company into disrepute; • where there has been a material misstatement or omission in the financial statements of a Group Company; • there occurs a catastrophic environmental or safety event (including the occurrence of any fatalities) caused by, contributed to or in respect of any Group Company, its operations or personnel, or other event which leads to a significant adverse impact on the reputation of a Group Company or its operations; or • there occurs any other circumstance, which the Board has determined in good faith provides grounds for the Board to exercise its discretion for the treatment of a participant's Awards.

Term	Description
Change of control	Where there is a change of control event (for example, a takeover bid, scheme of arrangement, merger or any other transaction or event that in the Board's opinion is a change of control event), the Company may determine, subject to the ASX Listing Rules, with respect to each Award, that: • Awards, to the extent not fully vested, will become vested and exercisable in full or in part; • Options may be exercised within a specific period only, otherwise they will lapse; • disposal restrictions or any other terms which apply to the Awards cease to apply; or • the Company, on behalf of the Participant, will direct any trustee to transfer trust shares into the Participant's name.
Award adjustments	In order to minimise material advantage or disadvantage to a Participant resulting from a variation in the Company's issued share capital, before the delivery of Shares or payment to a Participant, the Company may, subject to the ASX Listing Rules, appropriately and proportionately adjust the exercise price and/or number and/or class of Shares subject to each outstanding Option or Award.
Amendments	The Board may amend or supplement the Ventia Incentive Plan, however it may not do so without the approval of more than 50% of the Participants holding Awards where the amendment adversely affects the existing rights of those Awards held by those Participants.
ASX Listing Rules	The Ventia Incentive Plan and Awards made under it are always subject to the ASX Listing Rules (while Ventia is listed on the Official List) and applicable laws.
Maximum number of securities proposed to be issued subject to Awards	Between 38,081,963 to 38,940,308 (calculated as 5% of the total number of Shares on issue on Completion, based on the Indicative Price Range) over a three-year period after Completion, subject to adjustment for any capital reorganisation or other relevant corporate actions.

The Plan Trustee may acquire up to $4 million worth of Shares in the Offer to enable the grant of Awards from time to time to Participants under the Ventia Incentive Plan.

6.3.4.3 Long-term incentive program

The Company intends to establish a long-term incentive program under which participants (for example Directors, executives or senior management of the Group) may be offered long-term incentive awards (**LTIs**) to be decided by the Board on an annual basis, under the Ventia Incentive Plan. The value of the LTIs granted is expected to be calculated as a percentage of the participant's total fixed remuneration. LTIs may, for example, be granted in Options, share appreciation rights (a form of Incentive Right), Dividend Equivalent Rights, or any other form of Award permitted by the Ventia Incentive Plan as the Board determines. Shares acquired by participants following vesting of LTIs may be subject to disposal restrictions for a further period.

The LTIs will be subject to the terms and conditions in an invitation letter (**LTI Letter**) and the Ventia Incentive Plan. While the Company intends to issue LTI Letters to certain participants in CY2022, the first grants of LTIs under the Ventia Incentive Plan will not be made until CY2023 following release of the financial results for CY2022.

6.3.4.4 Short-term incentive program

The Company intends to establish a short-term incentive program under which participants (for example Directors, executives or senior management of the Group) may be offered short-term incentive awards (**STIs**). It is anticipated that participants will receive part of their STI in cash (**Cash Award**) and part in an Award under the Ventia Incentive Plan (**Equity Award**). The Equity Award, for example, could be granted in the form of Share Rights (which would vest after a period of continuous employment, subject to any clawback provisions), potentially with attaching Dividend Equivalent Rights.

STIs will be subject to the terms and conditions in the invitation letter (**STI Letter**) and, in the case of the Equity Awards, the rules of the Ventia Incentive Plan.

It is expected that STIs will be granted on an annual basis after the end of the Company's financial year. The maximum value of the STIs is expected to be calculated as a percentage of the participant's total fixed remuneration (subject to potential reduction in the event of a catastrophic environmental or safety event). The amount paid and value of Equity Awards granted will be determined by reference to performance against determined financial measures (for example NPATA, free cash flow, work in hand and revenue secured) and non-financial measures (for example safety or sustainability measures and strategic initiatives) over the financial year prior to grant. These performance measures will be determined by the Board and specified in the STI Letter.

The Company intends to grant the first STIs under this short-term incentive program in CY2022 (by reference to performance measures relating to CY2021).

6.4. Corporate governance

6.4.1 Overview

This Section explains how the Board will oversee the management of the Company's business. The main policies and practices adopted by the Company are summarised below. Details of the Company's key policies and practices and the charters for the Board and each of its committees will be available from Listing from https://www.ventia.com/who-we-are/corporate-governance.

The Board is responsible for the overall operation and stewardship of the Company and provides input to, and approval of, the Company's strategic direction and budgets as developed by management.

In conducting the Company's business with these objectives, the Board seeks to ensure that the Company is properly managed to protect and enhance Shareholder interests, and that the Company and its Directors, officers and personnel operate in an appropriate environment of corporate governance. Accordingly, the Board has created a framework for managing the Company, including adopting relevant internal controls, risk management processes and corporate governance policies and practices which it believes are appropriate for the Company's business and which are designed to promote the responsible management and conduct of the Company.

The Directors will bring to the Board relevant experience and skills, including industry and business knowledge, financial management and corporate governance experience.

6.4.2 ASX Corporate Governance Council's Corporate Governance Principles and Recommendations

The Company is seeking a listing on the ASX. ASX Corporate Governance Council has developed and released its fourth edition of the corporate governance principles and recommendations (**ASX Recommendations**) for ASX-listed entities in order to promote investor confidence and to assist entities in meeting stakeholder expectations.

The ASX Recommendations are not prescriptions, but guidelines. Under the ASX Listing Rules, the Company must prepare a corporate governance statement disclosing the extent to which it has followed the ASX Recommendations in the reporting period.

Where the Company does not follow a recommendation, it must identify the recommendation that has not been followed and give reasons for not following it. The Company intends to comply with all of the ASX Recommendations from the time of Listing, with the exception of ASX Recommendation 2.4 which provides that the Board should be comprised of a majority of independent Directors, and ASX Recommendation 2.5 which provides that the Chair of the Board of a listed entity should be an Independent Director.

The Company intends that in the future it will comply with all of the ASX Recommendations and, in particular, intends that the composition of the Board will evolve over time to comply with ASX Recommendation 2.4 and ASX Recommendation 2.5. During such time as the Chair is not an Independent Non-Executive Director, an Independent Non-Executive Director will be designated as 'Lead Independent Non-Executive Director'. The Board considers that the proposed composition of the Board and the selection of the Chair at the time of Listing is appropriate in light of the non-independent Non-Executive Directors' experience and contribution to Ventia and its strategic goals. All the Directors believe that they will be able to, individually and collectively, analyse the issues before them objectively and in the best interests of shareholders and in accordance with their duties as Directors.

6.4.3 Board composition

On Listing, the Board of Directors will be comprised of eight Directors:

- four independent Non-Executives Directors; and
- four non-Independent Non-Executive Directors (including the Non-Executive Chair).

Detailed biographies of the Board members on Listing are provided in Section 6.1.

The Board Charter sets out guidelines to assist in considering the independence of Directors. The Board considers a Director to be independent where he or she is free of any interest, position or relationship that might influence, or might reasonably be perceived to influence, in a material respect, his or her capacity to bring independent judgement to bear on issues before the Board and to act in the best interests of the Company as a whole rather than an individual shareholder or other party. The Board reviews the independence of each Non-Executive Director in light of information disclosed to the Board having regard to all relevant matters, including Box 2.3 of the ASX Recommendations.

The Board considers that each of Jeff Forbes, Lynne Saint, Sibylle Krieger and Anne Urlwin is free from any interest, position or relationship that might influence, or might reasonably be perceived to influence, in a material respect, his or her capacity to bring independent judgement to bear on issues before the Board and to act in the best interests of the Company as a whole rather than in the interests of an individual shareholder or other party and is able to fulfil the role of an Independent Director for the purpose of the ASX Recommendations.

Each of Kevin Crowe, Robert Cotterill and Ignacio Segura have been nominated to the Board by a substantial Shareholder (Apollo, in the case of Kevin Crowe, and CIMIC, in the case of Robert Cotterill and Ignacio Segura), and is a senior executive of (or of a related entity of) a substantial Shareholder (Apollo, in the case of Kevin Crowe, and CIMIC, in the case of Robert Cotterill and Ignacio Segura), and are therefore not considered by the Board to be independent.

David Moffatt was originally nominated to the Board by Apollo in 2015 as Executive Chairman and subsequently held the position of Group CEO of Ventia on an interim basis (between November 2019 and January 2021). He is currently a senior professional adviser to Apollo Global Management. Given these matters, David Moffatt is not considered by the Board to be independent.

The Board believes that each of David Moffatt, Kevin Crowe, Robert Cotterill and Ignacio Segura will add significant value to the Board given their considerable experience and skills and will bring objective and independent judgement to the Board's deliberations.

6.4.4 Board Charter

The Board has adopted a written charter to provide a framework for the effective operation of the Board. The Charter outlines the manner in which the Board's powers and responsibilities will be exercised and discharged. It sets out the Board's composition and process as well as the relationship and interaction between the Board, Board Committees and management.

The Board is responsible for the overall operation and stewardship of the Company and provides input to and approval of the Company's strategic direction and budgets as developed by management.

The responsibilities of the Board include:

- setting strategic objectives and approving operating budgets;
- appointing, and evaluating from time to time the performance of, determining the remuneration of, and planning succession of, the Group CEO and senior executive team;

- approving major capital expenditure and transactions, and overseeing capital management;
- assessing the appropriate level of financial and non-financial risk that the Company should be prepared to accept in the execution of its strategic and business objectives;
- reviewing the Company's risk management frameworks at least annually;
- approving financial reports, profit forecasts, outlook statements and other reports required at law or under the ASX Listing Rules to be adopted by the Board;
- undertaking an annual evaluation of the performance of the Board, each Board Committee and individual Directors; and
- approving the Company's values, and reviewing the Company's governance policies.

Except for matters specifically reserved for the Board, the Board has delegated to the Group CEO authority for all other matters that are necessary for the day-to-day operation of the Company. The role of management is to support the Group CEO and implement the running of the general operations and financial business of the Company, in accordance with the delegated authority of the Board.

6.4.5 Board Committees

The role of the Board includes establishing such committees of the Board as may be appropriate to streamline the discharge of its responsibilities. The Board may also delegate specific functions to ad hoc committees on an 'as needs' basis.

The Board has established an Audit, Risk and Compliance Committee, People and Remuneration Committee, Nomination Committee, Safety and Sustainability Committee and Work Winning and Tender Committee.

6.4.5.1 Audit, Risk and Compliance Committee

The Audit, Risk and Compliance Committee's charter provides that the committee must comprise only Non-Executive Directors, a majority of independent Directors, an Independent Chair who is not Chair of the Board, and a minimum of three members of the Board. The Audit, Risk and Compliance Committee will comprise:

- Lynne Saint (Chair);
- David Moffatt;
- Jeff Forbes;
- Anne Urlwin; and
- Robert Cotterill.

The Group CEO, CFO, Group General Counsel, General Manager, Risk and Group Company Secretary should generally be present at the meetings of the committee. The committee may also invite such other persons to its meetings, as it deems appropriate.

The Audit, Risk and Compliance Committee has been established to assist the Board in fulfilling its corporate governance and oversight responsibilities in relation to the Company's financial reports and financial reporting process, internal control structure, risk management systems (financial and non-financial) and the internal and external audit process. Accordingly the committee will meet on a regular basis to review:

- integrity of financial reports and statements;
- effectiveness of internal financial control systems;
- internal audit function and integrity of process;
- effectiveness of risk management systems and management of material financial and non-financial risks;
- external audit function and integrity of process; and
- compliance with legal and regulatory obligations, internal policies and industry standards.

The Audit, Risk and Compliance Committee will annually assess and report to the Board on the role and responsibilities, independence, objectivity and effectiveness of the external auditor.

6.4.5.2 Nomination Committee

The Nomination Committee's charter provides that the committee must consist of only Non-Executive Directors, a majority of independent Directors, a minimum of three members of the Board, and an Independent Director as Chair.

The Nomination Committee will comprise:

- Jeff Forbes (Chair);
- Sibylle Krieger;
- Lynne Saint;
- Anne Urlwin;
- David Moffatt; and
- Robert Cotterill.

The responsibilities of the committee include:

- making recommendations to the Board about the size and composition of the Board and the nomination criteria, and assisting with the review of the Board's skills matrix;
- reviewing succession plans for Directors; and
- overseeing the regular assessment of, and making recommendations to the Board as to, the independence of each Director and associated disclosures.

6.4.5.3 People and Remuneration Committee

The People and Remuneration Committee's charter provides that the committee must consist of only Non-Executive Directors, a majority of Independent Directors, a minimum of three members of the Board, and an Independent Director as Chair.

The People and Remuneration Committee will comprise:

- Sibylle Krieger (Chair);
- Anne Urlwin;
- Lynne Saint;
- Kevin Crowe; and
- Ignacio Segura.

The objective of the committee is to assist the Board in the effective discharge of its responsibilities as they relate to people and remuneration matters (other than matters within the remit of the Safety and Sustainability Committee). The committee's responsibilities include reviewing the progress of the Company's people and culture strategy, reviewing policies in respect of diversity including an annual review of the effectiveness of Ventia's Diversity and Inclusion Policy, talent and succession planning, remuneration matters and performance reviews, among others.

6.4.5.4 Safety and Sustainability Committee

The Safety and Sustainability Committee will comprise:

- Anne Urlwin (Chair);
- Ignacio Segura;
- Sibylle Krieger;
- Lynne Saint; and
- David Moffatt.

The primary objective of the committee is to assist the Board in fulfilling its responsibilities to optimise growth and diversification opportunities within established business plan targets. The committee is responsible for:

- reviewing and recommending for Board approval health, safety and environment (**HSE**) policies;
- reviewing and recommending for Board approval sustainability policies, the Sustainability Report and regulatory reporting on sustainability; and
- reviewing management reports related to HSE and sustainability and monitoring compliance with obligations and delivery against targets.

6.4.5.5 Work Winning and Tender Committee

The Work Winning and Tender Committee will comprise:

- Kevin Crowe (Chair);
- Jeff Forbes;
- Robert Cotterill;
- David Moffatt; and
- Sibylle Krieger.

The primary objective of the committee is to assist the Board in fulfilling its responsibilities to optimise growth and diversification opportunities within established business plan targets. The committee is responsible for:

- reviewing the development and implementation of strategic business development initiatives, and ensuring initiatives are consistent with the Company's business plan;
- responding to business development challenges and initiatives; and
- general business development activities including tendering for material contracts.

6.5. Corporate governance policies

The Board has adopted the following corporate governance policies, each having been prepared having regard to the ASX Recommendations and which will be available from Listing on the Company's website at https://www.ventia.com/who-we-are/corporate-governance.

6.5.1 Code of Conduct

The Board recognises the need to observe the highest standards of corporate practice and business conduct. Accordingly, the Board has adopted a Code of Conduct, which sets out the Company's conduct principles and standards of behaviour. It provides a single reference point to ensure that work is done safely, ethically and in compliance with applicable laws and regulations.

The Code of Conduct outlines the obligations of employees and other persons required to comply with it in respect of, among other things, safety, sustainability, compliance, conflicts of interest and ethical work practices.

6.5.2 Bribery and Corruption Policy

The Company has adopted an anti-bribery and corruption policy to demonstrate its commitment to establishing and maintaining strict ethical standards and high levels of integrity in conducting its business. All Directors, officers, employees, contractors, business partners and any other parties acting as representatives or agents of the Company or performing services for or on its behalf, must not:

- engage in bribery, corruption or fraud nor pay, offer, promise or accept, directly or indirectly, any facilitation payments, secret commission or other form of improper payment or otherwise breach relevant anti-corruption laws;
- engage or make a payment to a business partner or other third party knowing or suspecting the business partner may use or offer all or a portion of the payment directly or indirectly as a bribe, kickback, secret commission or other form of improper payment;
- offer, provide or accept gifts or hospitality in a manner inconsistent with the Company's Gifts and Hospitality Standard;
- make political or charitable donations or sponsorships on behalf of the Company contrary to the policy; or
- falsify or misdescribe any book, record or account relating to the Company's business.

6.5.3 Disclosure Policy

Once listed, the Company will be required to comply with the continuous disclosure requirements of the ASX Listing Rules and the Corporations Act. The Company will be required to disclose to the ASX and the NZX any information concerning the Company which a reasonable person would expect to have a material effect on the price or value of the Company's securities.

The Board aims to ensure that Shareholders are informed of all major developments affecting the Company's state of affairs relevant to Shareholders in accordance with all applicable laws. As such, the Company has adopted a Disclosure Policy to assist the Company to comply with its continuous disclosure obligations, which establishes procedures to ensure that Directors and senior management are aware of, and fulfil their obligations in relation to, providing timely, full and accurate disclosure of materially price sensitive information to the Company's Shareholders in accordance with the Company's disclosure obligations under the Corporations Act and the ASX Listing Rules. The Policy also sets out procedures for communicating with Shareholders, stakeholders, the media and the market.

The Company is committed to observing its disclosure obligations under the ASX Listing Rules, the NZX Listing Rules and the Corporations Act. Information will be communicated to Shareholders through the lodgement of all relevant financial and other information with the ASX and the NZX and continuous disclosure announcements will be made available on the Company's website at www.ventia.com.

6.5.4 Securities Dealing Policy

The Company has adopted a Securities Dealing Policy which will apply to the Company's Directors and employees (**Relevant Persons**).

The Securities Dealing Policy is intended to explain the types of conduct in relation to dealings in securities that are prohibited under the Corporations Act and the FMCA and to establish procedures in relation to dealings in securities including Shares by Relevant Persons.

The Securities Dealing Policy defines certain 'closed periods' during which trading in Shares by Directors, key management personnel and certain other senior executives and nominated employees is prohibited. Those closed periods are currently defined as any of the following periods:

- the period from the close of trading on the ASX on 31 December each year until the day following the announcement to the ASX and the NZX of the full year results;
- the period from the close of trading on the ASX on 30 June each year until the day following the announcement to the ASX and the NZX of the half year results; and
- any other period that the Board specifies from time to time.

In all instances, buying or selling Shares is not permitted at any time by any person who possesses price-sensitive information, in a manner contrary to the Corporations Act or the FMCA.

6.5.5 Diversity and Inclusion Policy

The workforce of the Company is made up of individuals with diverse skills, backgrounds, perspectives and experiences and this diversity is recognised, valued and respected. The Company acknowledges the positive outcomes that can be achieved through a diverse workforce and recognises and utilises the contribution of diverse skills and talent from its workforce. For the purposes of Ventia's diversity policy, 'diversity' encompasses differences in gender, marital or family status, sexual orientation, gender identity, age, disabilities, ethnicity, religious beliefs, cultural background, socio-economic background, perspective and experience, and also differences in approach and viewpoints. The Company's diversity policy seeks to promote an inclusive workforce with a particular focus on gender diversity and Indigenous participation.

6.5.6 Whistleblower Protection Policy

The Company has adopted a Whistleblower Protection Policy, which encourages the reporting of suspected misconduct or an improper state of affairs or circumstances in relation to the Company. Examples of reportable conduct under the Whistleblower Protection Policy include (but are not limited to):

- a breach of the Code of Conduct;
- financial fraud or mismanagement including tax related misconduct;
- unsafe or unethical work practices or work practices which endanger the environment; and
- breaches of any legal or regulatory obligations.

The Whistleblower Protection Policy explains how a report may be made and the protections a whistleblower will receive.

SECTION 7

DETAILS OF THE OFFER

Wellington, New Zealand

7.1. The Offer

This Prospectus relates to an initial public offering of between 346,892,058 and 364,058,969 Shares to raise between $1,001,162,164 to $1,092,709,983, at an Indicative Price Range of $2.75 to $3.15 per Share[1]. The Final Price per Share will be determined through the bookbuild process described in Section 7.4.2.

The Offer will consist of:

- between 126,021,518 and 143,188,429 New Shares offered by the Company[2]; and
- 220,870,540 Existing Shares offered by SaleCo (which may increase by up to a further 34,689,206 Existing Shares, to 255,559,746 Existing Shares in total, if the Over-allocation Option is exercised).

The total number of Shares on issue at Completion of the Offer is expected to be between 761,639,249 and 778,806,160 Shares and all Shares will rank equally with each other. The Shares offered under this Prospectus (excluding Shares the subject of the Over-allocation Option – see below) will represent approximately 45.5% to 46.7% of the Shares on issue on Completion of the Offer.

Up to 34,689,206 further Shares may be Over-allocated in the Institutional Offer. This is approximately 10% of the base number of Shares to be issued and sold under the Offer (excluding any Shares the subject of the Over-allocation Option). If Shares are Over-allocated, the Stabilisation Manager may initially settle those Over-allocations through Share borrowing as described in Section 7.6, but will ultimately return the borrowings by either exercising the Over-allocation Option described in Section 7.6 or by purchasing Shares on the ASX at or below the Final Price, should Shares trade below the Final Price (and use the Shares purchased to return the borrowed Shares) or by a combination of these means.

If the Over-allocation Option is not exercised at all, SaleCo will sell 220,870,540 Existing Shares in the Offer. If the Over-allocation Option is exercised in full, SaleCo will sell 255,559,746 Existing Shares in the Offer.

See Section 7.6 for details of the Over-allocation Option and associated Market Stabilisation Activities on the ASX. No Market Stabilisation Activities will occur on the NZX Main Board.

Disregarding any Over-allocation or exercise of the Over-allocation Option, following Completion of the Offer, the Existing Shareholders will hold a maximum of 49.6% of the Shares on issue. Depending on the proportion of Shares retained by the Existing Shareholders, the Shares offered under this Prospectus will represent approximately 45.5% to 46.7% of the Shares on issue on Completion of the Offer.

Successful Applicants under the Offer will pay the Final Price per Share. The Final Price will be determined at the conclusion of the bookbuild process and may be set at a price below, within or above the Indicative Price Range. See Section 7.4.3 for further details.

The Offer is made on the terms and is subject to the conditions set out in this Prospectus.

7.1.1 Structure of the Offer

The Offer comprises the Institutional Offer and the Retail Offer, each of which are described below:

- the Institutional Offer, which is an invitation to bid for Shares made to Institutional Investors:
  - in Australia and New Zealand and a number of other eligible jurisdictions under this Prospectus; and
  - in the United States under the US Institutional Offering Memorandum; and

1. The number of Shares offered under the Offer and the proceeds of the Offer will vary, having regard to possible variance in the number of New Shares to be issued, as explained below, whether or not Over-allocation occurs and determination of the Final Price.
2. The issue of New Shares under the Offer will raise materially the same dollar amount, irrespective of where the Final Price is set relative to the Indicative Price Range, because the number of New Shares to be issued will be increased or decreased to ensure materially constant issue proceeds are raised by the Company. This means that the total number of Shares available in the Offer can vary, both because of possible variance in the number of New Shares to be issued and also depending on whether or not Over-allocation occurs.

- the Retail Offer, which consists of:
  - the Broker Firm Offer, which is open to Australian and New Zealand resident retail clients of Brokers who have received a firm allocation of Shares from their Broker (see Section 7.3.1);
  - the Employee Offer, which is open to Eligible Employees, including Directors (see Section 7.3.2);
  - the Priority Offer, which is open to selected investors nominated by the Company (see Section 7.3.3); and
  - a CIMIC Group Limited Shareholder Offer, which is an offer to Eligible CIMIC Group Limited Shareholders (see Section 7.3.4).

No general public offer of Shares will be made under the Offer. Members of the public wishing to apply for Shares under the Offer must do so through a Broker with a firm allocation of Shares under the Broker Firm Offer.

All Shares being offered to investors in New Zealand under the Offer are being offered under the Mutual Recognition Regime.

The allocation of Shares between the Institutional Offer and the Retail Offer will be determined by agreement between the Company, SaleCo and the Joint Lead Managers, having regard to the allocation policies outlined in Section 7.3 and Section 7.4.

7.1.2 Purpose of the Offer and use of proceeds

The Offer is being conducted to:

- provide Existing Shareholders with an opportunity to monetise all or part of their investment in the Company;
- provide a liquid market for Shares and an opportunity for others to invest in the Company;
- provide funds for the repayment of debt, in order to strengthen the Company's balance sheet and provide financial flexibility to pursue identified growth opportunities and payment of the transaction costs associated with the Offer; and
- provide the Company with access to capital markets to improve capital management flexibility.

7.1.3 Sources and uses of funds

Table 63: Sources and uses of funds

Assuming the Final Price is set at the midpoint of the Indicative Price Range and the Over-allocation Option is exercised in full, the proceeds of the Offer will be applied as set out in the table below.

Sources of funds	$ millions
Cash proceeds received from the sale of Existing Shares by SaleCo (received by SaleCo)	753.9
Cash proceeds received from issue of New Shares by the Company (received by the Company)	395.4
Total sources of funds	**1,149.3**

Uses of funds	$ millions
Purchase of Existing Shareholders' interest in the Company	753.9
Costs of the Offer	44.3
Repayment of debt	351.1
Total uses of funds	**1,149.3**

7.1.4 Shareholding structure of the Company

Details of the ownership of Shares immediately prior to the Offer and the ownership of Shares as expected at Completion and after the end of the Stabilisation Period are set out below assuming the Final Price is set at the midpoint of the Indicative Price Range.

Table 64: Shareholding structure

Shareholder	Shares held immediately prior to Completion (shares)	Shares held immediately prior to Completion (%)	Shares held immediately following Completion (shares)[3]	Shares held immediately following Completion (%)	Shareholding after the end of the Market Stabilisation Period, assuming no Market Stabilisation Activities and full exercise of the Over-allocation Option (%)[4]	Shareholding after the end of the Market Stabilisation Period, assuming maximum Market Stabilisation Activities and no exercise of the Over-allocation Option (%)[5]
CIMIC	299,184,023	47.1%	171,404,150	22.3%	22.3%	24.5%
Apollo	299,184,023	47.1%	171,404,150	22.3%	22.3%	24.5%
David Moffatt	9,962,179	1.6%	9,962,179	1.3%	1.3%	1.3%
Dean Banks	9,000,000	1.4%	9,000,000	1.2%	1.2%	1.2%
Stuart Hooper	2,310,363	0.4%	2,310,363	0.3%	0.3%	0.3%
Other management	15,977,143	2.5%	15,977,143	2.1%	2.1%	2.1%
New IPO investors	–	–	389,582,790	50.6%	50.6%	46.1%
Total	**635,617,731**	**100.0%**	**769,640,775**	**100.0%**	**100.0%**	**100.0%**

7.1.5 Control implications of the Offer

The Directors do not expect any Shareholder will control (as defined by section 50AA of the Corporations Act) the Company after Completion.

Up to 49.6% of the Shares on issue after Completion of the Offer and after the Stabilisation Period will be held by the Existing Shareholders[6].

On Completion, the entity's free float (as defined by the ASX Listing Rules) will not be less than 20%.

7.1.6 Potential effect of the fundraising on the future of the Company

The Directors believe that on Completion of the Offer, the Company will have sufficient funds available from the cash proceeds of the Offer, banking facilities and its operations to fulfil the purpose of the Offer and carry out its stated business objectives.

3. Assumes maximum permitted Over-allocation, and corresponding lending of Existing Shares by the Existing Shareholders under the stock borrowing arrangements described in Section 7.6. Numbers of Shares for Directors and management are based on midpoint of Indicative Price Range ($2.95 per Share).
4. Shares held by the Existing Shareholders and new Shareholders at the end of the Stabilisation Period will depend on whether and to what extent the Over-allocation Option is exercised, which will in turn depend on whether and to what extent Over-allocation occurred and whether and to what extent Market Stabilisation Activities are undertaken. See Section 7.6 for further details.
5. Shares held by the Existing Shareholders and new Shareholders at the end of the Stabilisation Period will depend on whether and to what extent the Over-allocation Option is exercised, which will in turn depend on whether and to what extent Over-allocation occurred and whether and to what extent Market Stabilisation Activities are undertaken. See Section 7.6 for further details.
6. Assumes that the Over-allocation Option is not exercised.

7.2. Terms and conditions of the Offer

Table 65: Terms and conditions of the Offer

Topic	Summary
What is the type of security being offered?	Shares (being fully paid ordinary shares in the Company).
What are the rights and liabilities attached to the security being offered?	A description of the Shares, including the rights and liabilities attaching to them, is set out in Section 7.10.
What is the consideration payable for each security being offered?	The Indicative Price Range for the Offer is $2.75 to $3.15 per Share. Successful applicants under the Offer will pay the Final Price, which will be determined at the conclusion of the bookbuild and may be set below, within or above the Indicative Price Range. Applicants under the Retail Offer will apply for a set dollar amount of Shares. Accordingly, Applicants will not know the number of Shares they will receive at the time they make their investment decision, nor will they know the Final Price. Except as required by law, Applicants cannot withdraw or vary their Applications.
What is the Offer period?	The key dates, including the Offer period, are set out on page 6 of this Prospectus. No Shares will be issued on the basis of this Prospectus later than the Expiry Date.
Will the Offer be extended into New Zealand?	Yes. All Shares offered to investors in New Zealand under the Offer are being offered under the Mutual Recognition Regime. No offer of Shares is being made to investors in New Zealand until such time as the relevant notice and accompanying documents required to be lodged under the Mutual Recognition Regime have been lodged.
What are the cash proceeds to be raised?	Between $1,001 million and $1,093 million is expected to be raised under the Offer (assuming the Over-allocation Option is not exercised). Between $1,097 million and $1,202 million is expected to be raised under the Offer (assuming the Over-allocation Option is exercised in full).[7]
Is the Offer underwritten?	No. The Offer is not underwritten.
Who are the Joint Lead Managers for the Offer?	Barrenjoey Advisory Pty Limited, Macquarie Capital (Australia) Limited and J.P. Morgan Securities Australia Limited.

7. For detail on the calculation of cash proceeds refer to notes in Key Offer Statistics on pages 6 to 7.

Topic	Summary
What is the minimum and maximum Application size under the Retail Offer?	The minimum Application under the Broker Firm Offer is $2,000, and in multiples of $500 thereafter. There is no maximum value of Shares that may be applied for under the Broker Firm Offer. The Joint Lead Managers and the Company and SaleCo reserve the right to treat any Applications in the Broker Firm Offer that are from persons who they believe may be Institutional Investors, as Final Price bids in the Institutional Offer or to reject the Applications. The Joint Lead Managers and the Company and SaleCo also reserve the right to aggregate any Applications that they believe may be multiple Applications from the same person. Applications under the Employee Offer, Priority Offer and CIMIC Group Limited Shareholder Offer must be for a minimum of $2,000 worth of Shares and in multiples of $500 worth of Shares thereafter. There is no maximum value of Shares that may be applied for under the Employee Offer or CIMIC Group Limited Shareholder Offer. Priority Offer applicants will be advised of the maximum value of Shares that they may apply for. Applications may also be made in New Zealand dollars. Applications in New Zealand dollars must be for a minimum of NZ$2,200 worth of Shares and in multiples of NZ$550 worth of Shares thereafter.
What is the allocation policy?	The allocation of Shares between the Broker Firm Offer, Employee Offer, Priority Offer, CIMIC Group Limited Shareholder Offer and the Institutional Offer will be determined by the Company and SaleCo in agreement with the Joint Lead Managers, having regard to the allocation policies outlined in Section 7.3 and Section 7.4. For Broker Firm Offer participants, the relevant Broker will decide how it allocates Shares among its retail clients, and it (and not the Company or the Joint Lead Managers) will be responsible for ensuring that retail clients who have received an allocation from it receive the relevant Shares. The Joint Lead Managers will determine the following in agreement with the Company and SaleCo: • the number of Shares to be allocated between the Institutional Offer, Broker Firm Offer, Employee Offer, CIMIC Group Limited Shareholder Offer and the Priority Offer; and • the allocation of Shares to participants under the Institutional Offer. The Company will determine allocation of Shares to participants in the Priority Offer at its discretion.
Will the Shares be quoted on the ASX?	The Company has applied to the ASX for admission to the Official List and quotation of Shares on the ASX (which is expected to be under the code VNT). Completion of the Offer is conditional on the ASX approving this application. If approval is not given within three months after such application is made (or any longer period permitted by law), the Offer will be withdrawn and all Application Payments received will be refunded without interest as soon as practicable in accordance with the requirements of the Corporations Act.

Topic	Summary
Will the Shares be quoted on the ASX? *continued*	The Company will be required to comply with the ASX Listing Rules, subject to any waivers obtained by the Company from time to time. The ASX takes no responsibility for this Prospectus or the investment to which it relates. The fact that the ASX may admit the Company to the Official List is not to be taken as an indication of the merits of the Company or the Shares offered for subscription.
Will the Shares be quoted on the NZX?	The Company will apply for listing with the NZX as a foreign exempt issuer and for quotation of the Shares on the NZX Main Board. Completion of the Offer is conditional on the NZX approving this application. If approval is not given within three months after such application is made (or any longer period permitted by law), the Offer will be withdrawn and all Application Payments received will be refunded without interest as soon as practicable in accordance with the requirements of the Corporations Act.
When are the Shares expected to commence trading?	It is expected that trading of the Shares on the ASX and the NZX will commence on 19 November 2021, initially on a conditional and deferred settlement basis. The contracts formed on acceptance of applications and confirmations of allocations will be conditional on the ASX and the NZX agreeing to quote the Shares, and on settlement under the Offer Management Agreement (**Settlement**) occurring (although settlement under the Offer Management Agreement may occur in a staged manner). Trades occurring on the ASX and the NZX before Settlement will also be conditional on Settlement occurring. Conditional trading will continue until the Company has advised the ASX and the NZX that Settlement under the Offer Management Agreement has occurred and issue and transfer of Shares under the Offer has been completed. The last condition is expected to be satisfied on or about 23 November 2021. Normal settlement trading is expected to commence by 25 November 2021. If Settlement has not occurred within 14 days (or such longer period as the ASX allows) after the day Shares are first quoted on the ASX and the NZX, the Offer and all contracts arising on acceptance of Applications in the Offer and confirmations of allocations will be cancelled and of no further effect and all Application Payments received will be refunded (without interest). In these circumstances, all purchases and sales made through the ASX or the NZX participating organisations during the conditional trading period will be cancelled and of no effect. It is the responsibility of each Applicant to confirm their holding before trading in Shares. Applicants who sell Shares before they receive an initial holding statement or allotment confirmation notice do so at their own risk. The Company, the Share Registry and the Joint Lead Managers disclaim all liability, whether in negligence or otherwise, to persons who sell Shares before receiving their initial holding statement or allotment confirmation notice, even if such person received confirmation of allocation from the Ventia Offer Information Line, by a Broker or otherwise.

Topic	Summary
When will I receive confirmation of whether my Application has been successful?	It is expected that initial holding statements and allotment confirmation notices will be despatched by standard post on or about 24 November 2021.
Are there any escrow arrangements?	Yes. Details are provided in Section 7.7 and Section 9.8.2.
Has any ASX confirmation or ASIC modification been obtained or relied upon?	Yes. Details are provided in Section 9.14.
Are there any taxation considerations?	Yes. Details are provided in Section 9.11 and Section 9.12.
Are there any brokerage, commission or stamp duty considerations?	No brokerage, commission or stamp duty is payable by applicants on acquisition of Shares under the Offer. See Section 9.6 for details of various fees payable by the Company to the Joint Lead Managers and by the Joint Lead Managers to the Co-Lead Managers, Co-Managers and Brokers (on behalf of the Company).
What should I do if I have questions?	If you have any questions about how to apply for Shares, please call the Ventia Offer Information Line on 1300 140 281 (within Australia) or 0800 453 521 (within New Zealand) or +61 3 9415 4015 (outside Australia) from 8.30am to 5.30pm (Sydney time), Monday to Friday. If you have any questions about whether to invest in the Company, you should seek professional advice from your accountant, financial adviser, stockbroker, lawyer or other professional adviser.

7.3. Retail Offer

7.3.1 Broker Firm Offer

7.3.1.1 Who may apply

The Broker Firm Offer is open to persons who have received an invitation to participate from their Broker and who have a registered address in Australia or New Zealand and are not located in the United States. If you have been offered a firm allocation by a Broker, you will be treated as an Applicant under the Broker Firm Offer in respect of that allocation. You should contact your Broker to determine whether they may allocate Shares to you under the Broker Firm Offer.

7.3.1.2 How to apply

If you are an Applicant applying under the Broker Firm Offer, you should complete and lodge your Broker Firm Offer Application Form with the Broker from whom you received an invitation to participate. Broker Firm Offer Application Forms must be completed in accordance with the instructions given to you by your Broker and the instructions set out on the Broker Firm Offer Application Form.

Applicants under the Broker Firm Offer should contact their Broker to request a Prospectus and Broker Firm Offer Application Form, or download a copy at www.ventiaipo.com. Your Broker will act as your agent and it is your Broker's responsibility to ensure that your Application Form and Application Payment are received before 5.00pm (Sydney time) on the Closing Date for the Broker Firm Offer or any earlier closing date as determined by your Broker.

By making an Application, you declare that you were given access to this Prospectus (including any supplementary or replacement prospectus), together with a Broker Firm Offer Application Form. The Corporations Act prohibits any person from passing an Application Form to another person unless it is attached to, or accompanied by, a hard copy of this Prospectus or the complete and unaltered electronic version of this Prospectus.

The minimum Application under the Broker Firm Offer is $2,000 worth of Shares and in multiples of $500 thereafter. Applications in New Zealand dollars must be for a minimum of NZ$2,200 worth of Shares and in multiples of NZ$550 worth of Shares thereafter. Applicants under the Broker Firm Offer will have their Shares allocated to the ASX and held on the Australian share register if they pay for their Shares in Australian dollars, and allocated to the NZX Main Board and held on the New Zealand share register if they pay for their Shares in New Zealand dollars. There is no maximum value of Shares that may be applied for under the Broker Firm Offer. However, the Company, SaleCo and the Joint Lead Managers reserve the right to aggregate any Applications that they believe may be multiple Applications from the same person or reject or scale back any Applications in the Broker Firm Offer. They may determine a person to be eligible to participate in the Broker Firm Offer, and may amend or waive the Broker Firm Offer Application procedures or requirements, in their discretion in compliance with applicable laws.

Applicants under the Broker Firm Offer must lodge their Broker Firm Offer Application Form and Application Payment with their Broker in accordance with the Broker's directions in order to receive their firm allocation. Applicants under the Broker Firm Offer must not send their Broker Firm Offer Application Forms to the Share Registry.

Ventia, SaleCo, the Joint Lead Managers and the Share Registry take no responsibility for any acts or omissions committed by your Broker in connection with your Application.

The Broker Firm Offer opens on 3 November 2021 and is expected to close on 10 November 2021. The Company, SaleCo and the Joint Lead Managers may elect to extend the Offer or any part of it, or accept late Applications either generally or in particular cases. The Offer, or any part of it, may be closed at any earlier date and time, without further notice. Your Broker may also impose an earlier closing date. Applicants are therefore encouraged to submit their Applications as early as possible. Please contact your Broker for instructions.

7.3.1.3 How to pay

Applicants under the Broker Firm Offer must make their Application Payments in accordance with instructions received from their Broker.

7.3.1.4 Application Payments

Application Payments will be held on trust for Applicants until the issue of Shares to successful Applicants. Application Payments will be refunded if the Offer is withdrawn or cancelled, or the ASX or the NZX (as relevant) does not grant permission for Shares to be quoted within three months after the Prospectus Date. No interest will be payable on refunded amounts. No refunds pursuant solely to rounding will be paid.

The Company and SaleCo reserve the right to decline any Application in whole or in part, without giving any reason. Applicants under the Broker Firm Offer whose Applications are not accepted, or who are allocated a lesser number of Shares than the amount applied for, will receive a refund of all or part of their Application Payments, as applicable. Interest will not be paid on any monies refunded.

Applicants whose Applications are accepted in full will receive the whole number of Shares calculated by dividing the Application Payment by the Final Price. Where the Final Price does not divide evenly into the Application Payment, the number of Shares to be allocated will be determined by the Applicant's Broker.

Cheque(s) or bank draft(s) must be in Australian Dollars and drawn on an Australian branch of a financial institution, must be crossed 'Not Negotiable' and must be made payable in accordance with the directions of the Broker from whom you received a firm allocation.

Applicants should ensure that sufficient funds are held in the relevant account(s) to cover the amount of the cheque(s) or bank draft(s). If the amount of your cheque(s) or bank draft(s) for Application Payments (or the amount for which those cheque(s) or bank draft(s) clear in time for allocation) is less than the amount specified on your Broker Firm Offer Application Form, you may be taken to have applied for such lower dollar amount of Shares as your cleared Application Payments will pay for (and to have specified that amount on your Broker Firm Offer Application Form), or your Application may be rejected.

7.3.1.5 Acceptance of Applications

An Application in the Broker Firm Offer is an offer by an Applicant to the Company and SaleCo to acquire Shares in the dollar amount specified in the Broker Firm Offer Application Form at the Final Price on the terms and conditions set out in this Prospectus (including any supplementary or replacement prospectus) and the Broker Firm Offer Application Form. At the time of making an Application, an Applicant will not know the precise number of Shares they will be allocated and the price paid per Share until the Final Price is determined as set out in Section 7.4.3. To the extent permitted by law, an Application is irrevocable.

An Application may be accepted in respect of the full amount, or any amount lower than that specified in the Broker Firm Offer Application Form, without further notice to the Applicant. Acceptance of an Application will give rise to a binding contract on allocation of Shares to the successful Applicant conditional on the quotation of Shares on the ASX or the NZX (as applicable) and Settlement.

7.3.1.6 Broker Firm Offer allocation policy

The allocation of Shares to Brokers will be determined by the Joint Lead Managers in agreement with the Company and SaleCo.

Shares that are allocated to Brokers for allocation to their Australian and New Zealand resident clients will be issued to the Applicants nominated by those Brokers. It will be a matter for each Broker as to how it allocates Shares among its retail clients, and it (and not the Company, SaleCo or the Joint Lead Managers) will be responsible for ensuring that retail clients who have received a firm allocation from it receive the relevant Shares.

7.3.2 Employee Offer

7.3.2.1 Who may apply

All Eligible Employees are entitled to participate in the Employee Offer. Eligible Employees are all permanent full-time and permanent part-time employees and officers of Ventia, as at 26 October 2021, who are resident in Australia and New Zealand (or other eligible jurisdictions, if any, as nominated by the Company and SaleCo) and are not located in the United States (and any other persons, if any, invited by the Company to participate in the Employee Offer, provided that they are not located in the United States).

7.3.2.2 How to apply

If you are an Eligible Employee, you will receive an email with instructions on how to participate in the Employee Offer online at www.ventiaipo.com. Please follow the instructions provided in that email offer in order to apply. Applications under the Employee Offer are online only.

The minimum application under the Employee Offer is $2,000 of Shares and in multiples of $500 thereafter. Applications in New Zealand dollars must be for a minimum of NZ$2,200 worth of Shares and in multiples of NZ$550 worth of Shares thereafter. There is no maximum value of Shares which may be applied for under the Employee Offer. Applicants will have their Shares allocated to the ASX and held on the Australian share register if they pay for their Shares in Australian dollars, and allocated to the NZX Main Board and held on the New Zealand share register if they pay for their Shares in New Zealand dollars.

Under the Employee Offer, you will receive a guaranteed minimum allocation of $2,000 of Shares, or NZ$2,200 for applicants who pay in New Zealand dollars, at the Final Price. Applicants who are allocated a lesser number of Shares than the amount applied for will receive a refund of all or part of their Application Payments, as applicable. Refunds will be paid in the same currency used by the Applicant to make their Application Payment. Interest will not be paid on any monies refunded. No refunds pursuant solely to rounding will be paid.

By making an application online, you declare that you were given access to this Prospectus, together with an Application Form. The Corporations Act prohibits any person from passing an Application Form to another person unless it is attached to, or accompanied by, a hard copy of this Prospectus or the complete and unaltered electronic version of this Prospectus.

7.3.2.3 How to pay

Applicants under the Employee Offer must pay by BPAY®[8] or electronic funds transfer (New Zealand residents only) following the instructions outlined on the Offer website.

It is the Applicant's responsibility to ensure payments are received by the end of the Offer Period, being 5.00pm (Sydney time) on 10 November 2021. Your bank, credit union or building society may impose a limit on the amount that you can transact and policies with respect to timing for processing BPAY® transactions and electronic funds transfers, which may vary between bank, credit union or building society. The Company, SaleCo and the Joint Lead Managers take no responsibility for any failure to receive Application Payments before the close of the Offer arising as a result of, among other things, delays in processing of payments by financial institutions.

If the amount of your payment for Application Payments (or the amount for which those payments clear in time for allocation) is insufficient to pay for the dollar amount of Shares you have applied for in your Application, you may be taken to have applied for such lower number of Shares as your cleared Application Payments will pay for (and to also have specified that amount in your Application), or your Application may be rejected.

7.3.2.4 Acceptance of Applications

An Application in the Employee Offer is an offer by an Applicant to the Company and SaleCo to acquire Shares in the dollar amount specified in the Employee Offer Application Form at the Final Price on the terms and conditions set out in this Prospectus (including any supplementary or replacement prospectus) and the Employee Offer Application Form.

At the time of making an Application, an Applicant will not know the precise number of Shares they will be allocated and the price paid per Share until the Final Price is determined as set out in Section 7.4.3. To the extent permitted by law, an Application is irrevocable.

An Application may be accepted in respect of the full amount, or any amount lower than that specified in the Employee Offer Application Form, without further notice to the Applicant (subject to the guaranteed minimum allocation referred to in Section 7.3.2.2). Acceptance of an Application will give rise to a binding contract on allocation of Shares to successful Applicants conditional on the quotation of Shares on the ASX or NZX (as applicable) and Settlement.

7.3.2.5 Employee Offer allocation policy

The allocation of Shares under the Employee Offer will be determined by the Company and SaleCo.

The Company, SaleCo and the Joint Lead Managers also reserve the right to close the Offer or any part of it early, extend the Offer or any part of it, accept late applications either generally or in particular cases, reject any application, or (subject to the terms of any guaranteed allocations referred to in this Prospectus) allocate to any applicant fewer Shares than applied for.

7.3.3 Priority Offer

7.3.3.1 Who may apply

The Priority Offer is open to investors who have received an invitation to participate in the Offer from the Company and SaleCo and who have a registered address in Australia or New Zealand and are not located in the United States. If you have been invited by the Company and SaleCo to participate in the Priority Offer, you will be treated as an Applicant under the Priority Offer in respect of those Shares that are allocated to you.

7.3.3.2 How to apply

If you have received a personalised invitation to apply for Shares under the Priority Offer and you wish to apply for Shares, you should follow the instructions on your personalised invitation to complete and lodge your Application online at www.ventiaipo.com. By making an Application under the Priority Offer, you declare that you were invited to participate in the Priority Offer and were given access to this Prospectus (and any supplementary or replacement prospectus), together with a Priority Offer Application Form.

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8. Registered by BPAY Pty Ltd (ABN 69 079 137 518).

The minimum Application size under the Priority Offer is $2,000 worth of Shares at the Final Price. Applications in New Zealand dollars must be for a minimum of NZ$2,200 worth of Shares. There is no maximum value of Shares that may be applied for under the Priority Offer. Applicants will have their Shares allocated to the ASX and held on the Australian share register if they pay for their Shares in Australian dollars, and allocated to the NZX Main Board and held on the New Zealand share register if they pay for their Shares in New Zealand dollars.

The Company and SaleCo reserve the right to scale back or reject Applications in whole or part, without giving any reason, subject to the terms of the guaranteed minimum allocation described above. Applicants under the Priority Offer whose Applications are not accepted, or who are allocated a lesser number of Shares than the amount applied for (subject to the guaranteed minimum allocation), will receive a refund of all or part of their Application Payments, as applicable. Refunds will be paid in the same currency used by the Applicant to make their Application Payment. Interest will not be paid on any monies refunded. No refunds pursuant solely to rounding will be paid. The Company and SaleCo may amend or waive the Priority Offer Application procedures or requirements, in their discretion in compliance with applicable laws.

The Company, SaleCo and the Joint Lead Managers may elect to extend the Offer or any part of it, or accept late Applications either generally or in particular cases. The Offer, or any part of it, may be closed at any earlier date and time, without further notice (subject to the ASX Listing Rules, the NZX Listing Rules and the Corporations Act). Applicants are therefore encouraged to submit their Applications as early as possible.

7.3.3.3 How to pay

Applicants under the Priority Offer must pay by BPAY®[9] or electronic funds transfer (New Zealand residents only) following the instructions outlined on the Offer website.

It is the Applicant's responsibility to ensure payments are received by the end of the Offer Period, being 5.00pm (Sydney time) on 10 November 2021. Your bank, credit union or building society may impose a limit on the amount that you can transact and policies with respect to timing for processing BPAY® transactions and electronic funds transfers, which may vary between bank, credit union or building society. The Company, SaleCo and the Joint Lead Managers take no responsibility for any failure to receive Application Payments before the close of the Offer arising as a result of, among other things, delays in processing of payments by financial institutions.

If the amount of your payment for Application Payments (or the amount for which those payments clear in time for allocation) is insufficient to pay for the dollar amount of Shares you have applied for in your Priority Offer Application Form, you may be taken to have applied for such lower number of Shares as your cleared Application Payments will pay for (and to also have specified that amount in your Priority Offer Application Form), or your Application may be rejected.

7.3.3.4 Acceptance of Applications

An Application in the Priority Offer is an offer by an Applicant to the Company and SaleCo to subscribe for Shares in the dollar amount specified in the Priority Offer Application Form at the Final Price on the terms and conditions set out in this Prospectus (including any supplementary or replacement prospectus) and the Priority Offer Application Form. To the extent permitted by law, an Application is irrevocable.

An Application may be accepted in respect of the full amount, or any amount lower than that specified in the Priority Offer Application Form, without further notice to the Applicant. Acceptance of an Application will give rise to a binding contract on allocation of Shares to successful Applicants conditional on the quotation of Shares on the ASX or the NZX (as applicable) and Settlement.

7.3.3.5 Priority Offer allocation policy

Allocations within the Priority Offer will be at the absolute discretion of the Company and SaleCo.

9. Registered by BPAY Pty Ltd (ABN 69 079 137 518).

7.3.4 CIMIC Group Limited Shareholder Offer

7.3.4.1 Who may apply

All Eligible CIMIC Group Limited Shareholders are entitled to participate in the CIMIC Group Limited Shareholder Offer. Eligible CIMIC Group Limited Shareholders are registered holders of Ordinary CIMIC Group Limited Shares at 7.00pm Sydney time on Wednesday, 20 October 2021 who are shown on CIMIC Group Limited's register as having a registered address in Australia or New Zealand (or other eligible jurisdictions, if any, as nominated by the Company and SaleCo) and are not located in the United States.

7.3.4.2 How to apply

If you are an Eligible CIMIC Group Limited Shareholder, visit www.ventiaipo.com and follow the CIMIC Group Limited Shareholder Application instructions on that website. You will need your Securityholder Reference Number (**SRN**) or Holder Identification Number (**HIN**) which can be found on the holding statement for your CIMIC securities, payment advice and certain materials sent to you by CIMIC in relation to the Offer. Applications under the CIMIC Group Limited Shareholder Offer are online only.

The minimum application under the CIMIC Group Limited Shareholder Offer is $2,000 of Shares and in multiples of $500 thereafter. Applications in New Zealand dollars must be for a minimum of NZ$2,200 worth of Shares and in multiples of NZ$550 worth of Shares thereafter. There is no maximum value of Shares which may be applied for under the CIMIC Group Limited Shareholder Offer. Applicants will have their Shares allocated to the ASX and held on the Australian share register if they pay for their Shares in Australian dollars, and allocated to the NZX Main Board and held on the New Zealand share register if they pay for their Shares in New Zealand dollars.

Under the CIMIC Group Limited Shareholder Offer, you will receive a guaranteed minimum allocation of $2,000 of Shares, or NZ$2,200 for applicants who pay in New Zealand dollars, at the Final Price.

By making an application online, you declare that you were given access to this Prospectus, together with an Application Form. The Corporations Act prohibits any person from passing an Application Form to another person unless it is attached to, or accompanied by, a hard copy of this Prospectus or the complete and unaltered electronic version of this Prospectus.

7.3.4.3 How to pay

Applicants under the CIMIC Group Limited Shareholder Offer must pay by BPAY®[10] or electronic funds transfer (New Zealand residents only) following the instructions outlined on the website.

It is the Applicant's responsibility to ensure payments are received by the end of the Offer Period, being 5.00pm (Sydney time) on 10 November 2021. Your bank, credit union or building society may impose a limit on the amount that you can transact and policies with respect to timing for processing BPAY® transactions and electronic funds transfers, which may vary between bank, credit union or building society. The Company, SaleCo and the Joint Lead Managers take no responsibility for any failure to receive Application Payments before the close of the Offer arising as a result of, among other things, delays in processing of payments by financial institutions.

If the amount of your payment for Application Payments (or the amount for which those payments clear in time for allocation) is insufficient to pay for the dollar amount of Shares you have applied for in your Application, you may be taken to have applied for such lower number of Shares as your cleared Application Payments will pay for (and to also have specified that amount in your Application), or your Application may be rejected.

7.3.4.4 Acceptance of Applications

An Application in the CIMIC Group Limited Shareholder Offer is an offer by an Applicant to the Company and SaleCo to acquire Shares in the dollar amount specified on the CIMIC Group Limited Shareholder Application Form at the Final Price on the terms and conditions set out in this Prospectus (including any supplementary or replacement prospectus) and the CIMIC Group Limited Shareholder Application Form. To the extent permitted by law, an Application is irrevocable.

10. Registered by BPAY Pty Ltd (ABN 69 079 137 518).

At the time of making an Application, an Applicant will not know the precise number of Shares they will be allocated and the price paid per Share until the Final Price is determined as set out in Section 7.4.3.

An Application may be accepted in respect of the full amount, or any amount lower than that specified in the CIMIC Group Limited Shareholder Application Form, without further notice to the Applicant. Acceptance of an Application will give rise to a binding contract on allocation of Shares to successful Applicants conditional on the quotation of Shares on the ASX or the NZX (as applicable) and Settlement.

7.3.4.5 CIMIC Group Limited Shareholder Offer allocation policy

The allocation of Shares under the CIMIC Group Limited Shareholder Offer will be determined by the Company and SaleCo.

The Company, SaleCo and the Joint Lead Managers also reserve the right to close the Offer or any part of it early, extend the Offer or any part of it, accept late applications either generally or in particular cases, reject any application, or (subject to the terms of any guaranteed allocations referred to in this Prospectus) allocate to any applicant fewer Shares than applied for.

7.4. Institutional Offer

7.4.1 Invitations to bid

The Company and SaleCo invite certain eligible Institutional Investors to bid for Shares in the Institutional Offer. The Institutional Offer will comprise an invitation to:

- Australian and New Zealand resident Institutional Investors, and other Institutional Investors in certain eligible jurisdictions outside Australia, New Zealand and the United States to bid for Shares under this Prospectus; and
- Institutional Investors in the United States under the US Institutional Offering Memorandum.

7.4.2 Institutional Offer process and the Indicative Price Range

The Institutional Offer will be conducted using a bookbuild process managed by the Joint Lead Managers. Full details of how to participate, including bidding instructions, will be provided to eligible participants by the Joint Lead Managers.

Participants can only bid into the bookbuild for Shares through the Joint Lead Managers. Participants may bid above or within the Indicative Price Range, which is $2.75 to $3.15 per Share.

Under the terms of the Offer Management Agreement, the Final Price will be determined by the Company and SaleCo in agreement with the Joint Lead Managers, after the close of the Broker Firm Offer, Employee Offer, Priority Offer and Institutional Offer.

The Institutional Offer will open on 15 November 2021 and close on 16 November 2021. The Company, SaleCo and the Joint Lead Managers reserve the right to vary the times and dates of the Offer, including to close the Offer early, extend the closing date of the Offer or accept late Applications or bids, either generally or in particular cases, without notification.

Bids in the Institutional Offer may be amended or withdrawn at any time up to the close of the Institutional Offer. Any bid not withdrawn at the close of the Institutional Offer is an irrevocable offer by the relevant bidder to apply or procure Applications for the Shares bid for (or such lesser number as may be allocated) at the price per Share bid or at the Final Price, where this is below the price per Share bid, on the terms and conditions set out in this Prospectus (including any supplementary or replacement document) and the US Institutional Offering Memorandum (as applicable) and in accordance with any bidding instructions provided by the Joint Lead Managers to participants.

Bids can be accepted or rejected in whole or in part without further notice to the bidder. Acceptance of a bid will give rise to a binding contract on allocation of Shares to successful bidders conditional on Settlement and the quotation of Shares on the ASX or the NZX (as applicable).

Details of the arrangements for notification and settlement of allocations applying to participants in the Institutional Offer will be provided to participants in the bookbuild process.

7.4.3 Final Price

The institutional bookbuild process will be used to determine the Final Price.

Under the terms of the Offer Management Agreement, the Final Price will be determined by the Company and SaleCo in agreement with the Joint Lead Managers after the close of the Broker Firm Offer, Priority Offer and Institutional Offer. The Company and SaleCo will exercise their rights in this regard (and other rights and discretions that they have under the Offer Management Agreement) at the direction of the Selling Shareholders (refer to Section 9.8.4).

It is expected that the Final Price will be announced to the market on or around 15 November 2021. In determining the Final Price, consideration will be given to, but will not be limited to, the following factors:

- the level of demand for Shares under the Institutional Offer at various prices;
- the level of demand for Shares under the Broker Firm Offer, Priority Offer, Employee Offer and CIMIC Group Limited Shareholder Offer;
- the objective of maximising the proceeds of the Offer; and
- the desire for an orderly secondary market in the Shares.

The Final Price will not necessarily be the highest price at which Shares could be sold. The Final Price may be set below, within or above the Indicative Price Range. All successful bidders under the Institutional Offer will pay the Final Price.

Applicants under the Broker Firm Offer, the Employee Offer, the Priority Offer and the CIMIC Group Limited Shareholder Offer may apply in Australian dollars or New Zealand dollars. The Final Price is an Australian dollar amount. If you apply for a New Zealand dollar amount of Shares, the Joint Lead Managers will convert the Australian dollar Final Price to New Zealand dollars at the applicable exchange rate published by the RBA on its website at 7.00pm Sydney time on the closing date of the bookbuild which is expected to be 16 November 2021. In this case, you will be taken to have applied for the New Zealand dollar amount of Shares applied for. Any New Zealand dollar amount applied for in excess of the New Zealand dollar amount of Shares issued will be refunded in full (without interest). Shares will be allocated to the NZX Main Board and held on the New Zealand share register if payment under the Retail Offer has been made in New Zealand dollars.

7.4.4 Allocation policy under Institutional Offer

The allocation of Shares among bidders in the Institutional Offer will be determined by the Joint Lead Managers in agreement with the Company and SaleCo. The Company and SaleCo will exercise their rights in this regard (and other rights and discretions that they have under the Offer Management Agreement) at the direction of the Selling Shareholders (refer to Section 9.8.4).

The initial determinant of the allocation of Shares under the Institutional Offer will be the Final Price. Bids lodged at prices below the Final Price will not receive an allocation of Shares.

The allocation policy will also be influenced by, but not constrained by, factors including:

- the price and number of Shares bid for by particular bidders;
- the timing of receipt of bids; and
- any other factors that the Company, SaleCo and the Joint Lead Managers consider appropriate, in their absolute discretion.

7.4.5 Cornerstone Commitments

Ventia has received a commitment from one or more funds advised by Capital Research Global Investors to subscribe for 42.5 million Shares (up to 5.6% of Shares on issue at Completion) at prices up to and including the top of the Indicative Price Range of $3.15.

7.5. Acknowledgments

Each Applicant in the Offer made under this Prospectus will be deemed to have:

- agreed to become a member of the Company and to be bound by the terms of the Constitution and the terms and conditions of the Offer;
- acknowledged having personally received a complete and unaltered printed or electronic copy of this Prospectus (and any supplementary or replacement prospectus) including or accompanied by the Application Form and having read them all in full;
- declared that all details and statements in their Application Form are complete and accurate;
- declared that the Applicant(s), if a natural person, is/are over 18 years of age;
- acknowledged that, once the Company or a Broker receives an Application Form, it may not be withdrawn;
- applied for the number of Shares at the Australian dollar amount or New Zealand dollar amount (as applicable) shown on the Application Form;
- agreed to being allocated and issued or transferred the number of Shares applied for (or a lower number allocated in a way described in this Prospectus), or no Shares at all;
- authorised the Company, SaleCo, the Joint Lead Managers and their respective officers or agents, to do anything on behalf of the Applicant(s) necessary for Shares to be allocated to the Applicant(s), including to act on instructions received by the Share Registry upon using the contact details in the Application Form;
- acknowledged that, in some circumstances, the Company may not pay dividends, or that any dividends paid may not be franked;
- acknowledged that the information contained in this Prospectus (or any supplementary or replacement prospectus) is not financial product advice or a recommendation that Shares are suitable for the Applicant(s), and does not take into account the personal circumstances, investment objectives, financial situation and particular needs (including financial and taxation issues) of the Applicant(s);
- declared that the Applicant(s) is/are a resident of Australia or New Zealand (except as applicable to the Institutional Offer) and is/are not in the United States;
- acknowledged and agreed that the Offer may be withdrawn by the Company and SaleCo or may otherwise not proceed in the circumstances described in this Prospectus; and
- acknowledged and agreed that if Listing does not occur for any reason, the Offer will not proceed.

Each Applicant in the Retail Offer, and each person to whom the Institutional Offer has been made under this Prospectus, will be taken to have represented, warranted and agreed as follows:

- it understands that the Shares have not been, and will not be, registered under the US Securities Act or the securities laws of any state or other jurisdiction of the United States and may not be offered, sold or resold in the United States except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act and any other applicable securities laws of any state or other jurisdiction of the United States;
- it is not in the United States, and it is purchasing the Shares in an 'offshore transaction' (as defined in Rule 902(h) under the US Securities Act) in reliance on Regulation S under the US Securities Act;
- it has not sent and will not send this Prospectus or any other material relating to the Offer to any person in the United States; and
- if you decide to sell, transfer or otherwise dispose of any Shares, you will do so only in transaction exempt from, or not subject to, the registration requirements of the US Securities Act, including in a standard (regular way) brokered transaction on the ASX where neither you nor any person acting on your behalf knows, or has reason to know, that the sale has been pre-arranged with, or that the purchaser is, a person in the United States.

Each Applicant under the Institutional Offer will be required to make certain representations, warranties and undertakings set out in the confirmation of allocation letter distributed to it.

For more information on the other selling restrictions which apply to the Offer, refer to Section 9.17.

7.6. Over-allocation Option and Market Stabilisation Activities

Up to 34,689,206 Shares may be over-allocated in the Institutional Offer (**Over-allocation**). This is approximately 10% of the base number of Shares to be issued and sold under the Offer (excluding any Shares the subject of the Over-allocation Option).

If Shares are Over-allocated, the Stabilisation Manager may initially satisfy these Over-allocations by borrowing an equivalent number of Shares from SaleCo at Settlement of the Institutional Offer. Shares delivered on Settlement under the borrowing arrangements and transferred to Institutional Investors will be delivered and transferred under this Prospectus or the US Institutional Offering Memorandum.

The Joint Lead Managers may satisfy their obligation to return Shares borrowed from SaleCo by the Stabilisation Manager either by:

- requiring SaleCo to transfer Shares at the Final Price under an option granted by SaleCo to the Stabilisation Manager to purchase up to an additional 34,689,206 Shares at the Final Price (**Over-allocation Option**); or
- purchasing Shares on the ASX at or below the Final Price, should Shares trade below the Final Price (and using the Shares purchased to return the borrowed Shares); or
- a combination of these means,

at any time within the period of up to 30 days following Listing (**Stabilisation Period**).

The final number of Shares sold by SaleCo under the Offer will depend upon whether the Stabilisation Manager exercises the Over-allocation Option at all, in part or in full. To the extent that the Over-allocation Option is exercised, the obligation of SaleCo to transfer Shares on exercise will be offset against the Stabilisation Manager's obligation to return Shares borrowed from SaleCo. So, for example, if the Over-allocation Option is exercised in full, the Stabilisation Manager's obligation to return the borrowed Shares will be set off completely by SaleCo's obligation to transfer Shares under the Over-allocation Option. The effect of this will be that the final number of Existing Shares sold by SaleCo under the Offer will increase by up to 34,689,206 Shares.

The Selling Shareholders have entered into Option Deeds (which also include Over-allocation Option and share lending provisions) with SaleCo, as described in Section 9.3, and SaleCo has entered into an Over-allocation Option and Share Lending Deed with the Stabilisation Manager, under which:

- SaleCo will be entitled to borrow Existing Shares from the Selling Shareholders, and the Stabilisation Manager will be entitled to borrow Existing Shares from SaleCo, to facilitate settlement of Over-allocations (as outlined above); and
- SaleCo grants the Over-allocation Option to the Stabilisation Manager and receives a back-to-back option from the Selling Shareholders.

The effect of these arrangements is that to the extent that the Stabilisation Manager exercises the Over-allocation Option, the number of Shares sold by SaleCo in the Offer, and the number of Shares that the Selling Shareholders sell to SaleCo, will increase. If the Over-allocation Option is not exercised at all, each Selling Shareholder will hold 24.5% of the Shares on issue (and the Selling Shareholders will together hold a total of 49.0% of such Shares) following the Offer[11]. If the Over-allocation Option is exercised in full, each Selling Shareholder will hold 22.3% of the Shares on issue (and the Selling Shareholders will together hold a total of 44.5% of such Shares) following the Offer[11].

11. These percentages assume that the Final Price is set at the midpoint of the Indicative Price Range. As noted in Section 7.1, the number of New Shares to be issued by the Company will be increased or decreased to ensure materially constant issue proceeds are raised by the Company, and any such variations will have a slight effect on these percentages.

If an Over-allocation of Shares is made to Institutional Investors under the Offer, at any time during the Stabilisation Period, the Stabilisation Manager may, on any day on which the Stabilisation Manager has consulted with the Company and SaleCo, bid for and purchase Shares up to the number of Shares the subject of the Over-allocation on the ASX in accordance with the requirements of the ASIC 'no action letter' and ASX Stabilisation Agreement. These conditions include that:

- any stabilising bids by the Stabilisation Manager must not, on any trading day, be higher than the lower of the highest current independent bid on the ASX or the Final Price;
- the purchases made by the Stabilisation Manager on a given trading day for the purposes of satisfying its obligations to deliver Shares will be disclosed on the ASX Company Announcements platform prior to commencement of trading on the following trading day (with such disclosure to be made on a daily basis); and
- bids on the ASX or by the Stabilisation Manager to satisfy Over-allocations will be identified on ASX's automated trading system at the time the bid is made.

Such purchases may have the effect of stabilising the trading price for Shares on the ASX at a level higher than may otherwise have been the case in circumstances where the trading price is at or below the Final Price.

Where the Stabilisation Manager acquires Shares on the ASX, the Stabilisation Manager may elect to redeliver those shares to SaleCo or its order, or place those Shares in a nominee account for the benefit of SaleCo (**Nominee Account**).

During the Stabilisation Period, the Stabilisation Manager may resell some or all of the Shares in the Nominee Account. This resale may also affect the trading price of Shares (for example, this may have the effect of creating a lower price than may otherwise have been the case), although the Stabilisation Manager is not able to resell Shares for less than the Final Price in these circumstances.

If, after the Stabilisation Period, the number of shares redelivered to or at the order of SaleCo by or on behalf of the Stabilisation Manager is less than the number of borrowed Shares from SaleCo, then the Over-allocation Option will be deemed exercised by the Stabilisation Manager with respect to the number of Shares not yet delivered, and the Stabilisation Manager must pay to SaleCo the Final Price for each such Share.

SaleCo will be entitled to receive any profits arising from Market Stabilisation Activities, and also any interest earned on the proceeds received by the Stabilisation Manager in respect of the Over-allocated Shares up until the time those proceeds are released to SaleCo.

SaleCo indemnifies the Stabilisation Manager against certain taxes and duties that may arise in connection with the Over-allocation Option and Market Stabilisation Activities and is also required to reimburse the Stabilisation Manager for third party costs and expenses incurred by it in connection with the Over-allocation Option and Market Stabilisation Activities.

Irrespective of whether Market Stabilisation Activities occur, there is no guarantee at any time that the trading price of Shares will not fall below the Final Price.

No Market Stabilisation Activities will occur on the NZX. During the Stabilisation Period, the open of trading on the NZX Main Board in respect of the Shares will commence at the same time as the open of trading of the Shares on the ASX.

7.7. Voluntary escrow arrangements

Upon Completion of the Offer the Existing Shareholders will be subject to voluntary escrow arrangements (other than for any Shares acquired by them, or entities related to them, under the Offer at the Final Price).

The Escrowed Shareholders have entered into voluntary escrow arrangements which prevent them from disposing of their Escrowed Shares during the relevant Escrow Period (subject to relevant exceptions). See Section 9.8.2 for details on escrow arrangements.

7.8. Discretion regarding the Offer

The Company and SaleCo may withdraw the Offer at any time before the issue of Shares to successful Applicants. If the Offer, or any part of it, does not proceed, all relevant Application Payments will be refunded (without interest).

The Company, SaleCo and the Joint Lead Managers also reserve the right to close the Offer or any part of it early, extend the Offer or any part of it, accept late Applications or bids either generally or in particular cases, reject any Application or bid, or allocate to any applicant or bidder fewer Shares than applied or bid for.

7.9. ASX and NZX listing details

7.9.1 Application to the ASX for listing and quotation of Shares

The Company will apply to the ASX for admission to the Official List of the ASX and quotation of the Shares on the ASX within seven days after the Prospectus Date. The Company's code is expected to be 'VNT'.

The ASX and its officers take no responsibility for this Prospectus or the investment to which it relates. The fact that the ASX may admit the Company to the Official List is not to be taken as an indication of the merits of the Company or the Shares offered for issue. If the Company does not make such an application within seven days after the Prospectus Date, or permission is not granted for the official quotation of the Shares on the ASX within three months after the Prospectus Date (or any later date permitted by law), all Application Payments received by, or on behalf of, the Company will be refunded without interest as soon as practicable in accordance with the requirements of the Corporations Act.

7.9.2 CHESS and issuer sponsored holdings

The Company will apply to participate in the ASX's Clearing House Electronic Sub-Register System (**CHESS**) and will comply with the ASX Listing Rules and the ASX Settlement Operating Rules. CHESS is an electronic transfer and settlement system for transactions in securities quoted on the ASX under which transfers are effected in an electronic form.

When the Shares become approved financial products (as defined in the ASX Settlement Operating Rules), ASX listing register holdings will be registered in one of two sub-registers, being an electronic CHESS sub-register or an issuer sponsored sub-register.

For all successful Applicants, the Shares of a Shareholder who is a participant in CHESS or a Shareholder sponsored by a participant in CHESS will be registered on the CHESS sub-register. All other Shares will be registered on the issuer sponsored sub-register.

Following Completion of the Offer, Shareholders will be sent a holding statement that sets out the number of Shares that have been allocated to them. This statement will also provide details of a Shareholder's Holder Identification Number (**HIN**) for CHESS holders or, where applicable, the Securityholder Reference Number (**SRN**) of issuer sponsored holders. Shareholders will subsequently be sent statements showing any changes to their shareholding. Certificates will not be issued. Shareholders will be sent subsequent statements during the first week of the following month if there has been a change to their holding on the register and as otherwise required under the ASX Listing Rules and the Corporations Act. Additional statements may be requested at any other time either directly through the Shareholder's sponsoring Broker in the case of a holding on the CHESS sub-register or through the Share Registry in the case of a holding on the issuer sponsored sub-register. The Company and the Share Registry may charge a fee for these additional issuer sponsored statements.

7.9.3 Conditional and deferred settlement trading and selling Shares on-market

It is expected that trading of the Shares on the ASX and on the NZX Main Board will commence on or about 19 November 2021, initially on a conditional and deferred settlement basis.

If the Offer is withdrawn before Shares have commenced trading on an unconditional basis, all contracts for the sale of the Shares on the ASX will be cancelled and any Application Payments received will be refunded as soon as possible (without interest).

Conditional and deferred settlement trading will continue until the Company has advised the ASX that:

- Settlement under the Offer Management Agreement has occurred; and
- the issue and transfer of Shares to Applicants under this Prospectus has completed,

which is expected to be on or about 23 November 2021.

Normal settlement trading is expected to commence by 25 November 2021.

If Settlement has not occurred within 14 days (or such longer period as the ASX and NZX allow) after the day Shares are first quoted on the ASX and the NZX (as applicable), the Offer and all contracts arising on acceptance of the Offer will be cancelled and of no further effect and all Application Payments will be refunded (without interest). In these circumstances, all purchases and sales of Shares made through the ASX or NZX participating organisations during the conditional trading period will be cancelled and of no effect.

NZX foreign exempt listing

Contemporaneous with the Company's application for its admission to the Official List and quotation of Shares on the ASX, the Company will apply for listing with the NZX as a foreign exempt issuer and for quotation of the Shares on the NZX Main Board.

NZX Listing Rule 1.7.1 sets out how the NZX Listing Rules are modified for foreign exempt issuers. In broad terms, if the Company is admitted to the NZX Main Board as a foreign exempt issuer, it will need to comply with the ASX Listing Rules (other than as waived by the ASX) but will not need to comply with the vast majority of the NZX Listing Rules. Rather, the Company will need to comply only with the rules specified in NZX Listing Rule 1.7.2, which are relatively procedural in nature. The Company will not be subject to substantive NZX Listing Rule requirements, such as the rules on continuous disclosure, periodic reporting, shareholder approval of share issuances, escrow, transactions with persons of influence and significant transactions.

If the Company does not make an application for admission to the NZX within seven days after the Prospectus Date, or the Company is not admitted to the official list of NZX within three months of the Prospectus Date (or any longer period permitted by law), the Offer will be cancelled and all Application Payments received will be refunded (without interest).

The NZX takes no responsibility for the contents of this Prospectus or for the merits of the investment to which this Prospectus relates. The fact that the NZX may admit the Company to the NZX Main Board and quote the Shares on the NZX Main Board is not to be taken as an indication of the merits, or as an endorsement by the NZX, of the Company or the Shares. The NZX is a licensed market operator in New Zealand under the Financial Markets Conduct Act 2013, however it is not a licensed market operator under the Corporations Act.

For all successful Applicants, where a valid Common Shareholder Number (**CSN**) (matching in detail to the registration details supplied) is provided during the application process, allocated shares as a result of the IPO application will be registered under that CSN. If you do not provide a CSN you will be allocated a Shareholder Reference Number (**SRN**). Following completion of the Offer, Shareholders will be sent a holding statement that sets out the number of Shares that have been allocated to them on the New Zealand register. This statement will also provide details of the CSN or SRN. In addition, New Zealand shareholders allocated a new SRN will be sent an Authorisation Code (**FIN**) to their registered address. The CSN/SRN and FIN will be required to sell the shares via a NZX Firm (as defined in the NZX Participant Rules). Opening a new broker account can take a number of days depending on the NZX Firm's new client procedures.

No Market Stabilisation Activities will occur on the NZX. During the Stabilisation Period, the open of trading on the NZX Main Board in respect of the Shares will commence at the same time as the open of trading of the Shares on the ASX.

7.9.4 Share registers

Institutional Investors (including the Australian and New Zealand resident clients of the Joint Lead Managers) must apply in Australian dollars and will have their Shares allocated to the ASX and held on the Australian share register.

Applicants under the Broker Firm Offer, Employee Offer, Priority Offer and CIMIC Group Limited Shareholder Offer will have their Shares allocated to the ASX and held on the Australian share register if they pay for their Shares in Australian dollars, and allocated to the NZX Main Board and held on the New Zealand share register if they pay for their Shares in New Zealand dollars.

7.10. Summary of rights and liabilities attached to Shares and other material provisions of the Constitution

7.10.1 Introduction

The rights and liabilities attaching to ownership of Shares arise from a combination of the Constitution, statute, the ASX Listing Rules and general law.

A summary of the significant rights, liabilities and obligations attaching to the Shares and a description of other material provisions of the Constitution are set out below. This summary is not exhaustive nor does it constitute a definitive statement of the rights and liabilities of Shareholders. The summary assumes that the Company is admitted to the Official List of the ASX.

7.10.2 Voting at a general meeting

At a general meeting of the Company, every Shareholder present in person or by proxy, representative or attorney has one vote on a show of hands and, on a poll, one vote for each Share held (with adjusted voting rights for partly paid shares). If the votes are equal on a proposed resolution, the chairperson of the meeting has a casting vote, in addition to any deliberative vote.

7.10.3 Meetings of members

Each Shareholder is entitled to receive notice of, attend and vote at general meetings of the Company and to receive all notices, accounts and other documents required to be sent to Shareholders under the Constitution, the Corporations Act and the ASX Listing Rules. The Company must give at least 28 days' written notice of a general meeting.

7.10.4 Dividends

The Board may pay any interim and final dividends that, in its judgement, the financial position of the Company justifies. The Board may also pay any dividend required to be paid under the terms of issue of a Share, and fix a record date for a dividend and the timing and method of payment.

Employee Offer, Priority Offer and CIMIC Group Limited Shareholder Offer Applicants will be asked to provide bank account details for electronic payment of any refunds arising from their Application and future dividends at the time of submitting their Application.

7.10.5 Transfer of Shares

Subject to the Constitution and to any restrictions attached to a Shareholder's Shares, Shares may be transferred in accordance with the ASX Settlement Operating Rules, the Corporations Act (and Corporations Regulations 2001) and the ASX Listing Rules or by a written transfer in any usual form or in any other form approved by the Board and permitted by the relevant laws and ASX requirements. The Board may decline to register a transfer of Shares or apply a holding lock to prevent a transfer in accordance with the Corporations Act or the ASX Listing Rules.

7.10.6 Issue of further Shares

The Board may, subject to the Constitution, the Corporations Act and the ASX Listing Rules issue, allot or grant options for, or otherwise dispose of, Shares in the Company on such terms as the Board decides.

7.10.7 Preference shares

The Company may issue preference shares including preference shares which are, or at the option of the Company or holder are, liable to be redeemed or convertible to ordinary shares. The rights attaching to preference shares are those set out in the Constitution unless other rights have been approved by special resolution of the Company.

7.10.8 Winding up

If the Company is wound up, then subject to the Constitution, the Corporations Act and any rights or restrictions attached to any Shares or classes of shares, Shareholders will be entitled to a share in any surplus property of the Company in proportion to the number of Shares held by them.

If the Company is wound up, the liquidator may, with the sanction of a special resolution, divide among the Shareholders the whole or part of the Company's property and decide how the division is to be carried out as between Shareholders or different classes of shareholders.

7.10.9 Non-marketable parcels

In accordance with the ASX Listing Rules, the Board may sell Shares that constitute less than a marketable parcel by following the procedures set out in the Constitution. An unmarketable parcel of Shares is defined in the ASX Listing Rules and is, generally, a holding of Shares with a market value of less than $500.

7.10.10 Proportional takeover provisions

The Constitution contains provisions requiring Shareholder approval in relation to any proportional takeover bid. These provisions will cease to apply unless renewed by Shareholders passing a special resolution by the third anniversary of either the date those rules were adopted or the date those rules were last renewed.

7.10.11 Variation of class rights

The procedure set out in the Constitution must be followed for any variation of rights attached to the Shares. Under that rule, and subject to the Corporations Act and the terms of issue of a class of shares, the rights attached to any class of Shares may be varied:

- with the consent in writing of the holders of 75% of the issued Shares included in that class; or
- by a special resolution passed at a separate meeting of the holders of those Shares.

7.10.12 Directors – appointment and removal

Under the Constitution, the Board is comprised of a minimum of four Directors and a maximum of 12 Directors, unless the Shareholders pass a resolution varying that number at a general meeting. Directors are elected or re-elected at annual general meetings of the Company.

No Director (excluding the CEO) may hold office without re-election beyond the third annual general meeting following the meeting at which the Director was last elected or re-elected. The Board may also appoint any eligible person to be a Director either to fill a casual vacancy on the Board or as an addition to the existing Directors, who will then hold office until the conclusion of the next annual general meeting of the Company following their appointment. The Constitution also contains provisions supporting the Director appointment provisions of the Relationship Agreement summarised in Section 9.8.1.

7.10.13 Directors – voting

Questions arising at a meeting of the Board must be decided by a majority of votes of the Directors present at the meeting and entitled to vote on the matter. In the case that the votes are equal on a proposed resolution, the chairperson of the meeting has a casting vote in addition to his or her deliberative vote, unless there are only two Directors present or entitled to vote in which case the chairperson of the meeting does not have a second or casting vote and the proposed resolution is taken as lost.

7.10.14 Directors – remuneration

Under the Constitution, the Board may decide the remuneration from the Company to which each Director is entitled for his or her services as a Director. However, the total aggregate amount provided to all non-executive Directors for their services as Directors must not exceed in any financial year the amount fixed by the Company in general meeting. The remuneration of a Director (who is not the CEO or an executive Director) must not include a commission on, or a percentage of, operating revenue. The current maximum aggregate sum of Non-Executive Director remuneration is set out in Section 6.3.2. Any change to that maximum aggregate amount needs to be approved by Shareholders.

Directors may be paid for all travelling and other expenses the Directors incur in attending to the Company's affairs, including attending and returning from general meetings of the Company or meetings of the Board or of committees of the Board. Any Director who performs extra services or makes any special exertions for the benefit of the Company, which, in the opinion of the Board, are outside the scope of ordinary duties of a Director, may be remunerated for the services (as determined by the Board) out of the funds of the Company.

Directors' remuneration is discussed further in Section 6.3.2.

7.10.15 Powers and duties of Directors

The business and affairs of the Company are to be managed by or under the direction of the Board, which (in addition to the powers and authorities conferred on it by the Constitution) may exercise all powers and do all things that are within the Company's power and the powers that are not required by law or by the Constitution to be exercised by the Company in general meeting.

7.10.16 Access to records

The Company may enter into contracts with a Director or former Director agreeing to provide continuing access for a specified period after the Director ceases to be a Director to Board papers, books, records and documents of the Company which relate to the period during which the Director or former Director was a Director on such terms and conditions as the Board thinks fit. The Company may procure that its subsidiaries provide similar access to Board papers, books, records or documents.

7.10.17 Indemnities

The Company, to the extent permitted by law, indemnifies each Director of the Company on a full indemnity basis against all losses, liability, costs, charges and expenses incurred by that person as an officer of the Company or of a related body corporate.

The Company may, to the extent permitted by law, purchase and maintain insurance or pay, or agree to pay, a premium for a contract insuring each Director of the Company against any liability incurred by that person as an officer of the Company or of a related body corporate, including for negligence or for reasonable costs and expenses incurred by that person in defending or responding to proceedings (whether civil or criminal and whatever the outcome).

7.10.18 Amendment

The Constitution can only be amended by special resolution passed by at least three-quarters of Shareholders present (in person or by proxy) and entitled to vote on the resolution at a general meeting of the Company.

7.10.19 Share capital

On Completion of the Offer, the only class of security on issue by the Company will be fully paid ordinary shares.

SECTION 8

INVESTIGATING ACCOUNTANT'S REPORT

Perth, WA

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The Directors
Ventia Services Group Limited
Level 8, 80 Pacific Highway
North Sydney NSW 2060

The Directors
Ventia SaleCo Limited
Level 8, 80 Pacific Highway
North Sydney NSW 2060

26 October 2021

Dear Directors

INVESTIGATING ACCOUNTANT'S REPORT ON THE HISTORICAL FINANCIAL INFORMATION OF VENTIA SERVICES GROUP LIMITED AND THE FINANCIAL SERVICES GUIDE

Introduction

This report has been prepared at the request of the directors of Ventia Services Group Limited (ACN 602 253 541) (the Company) and Ventia SaleCo Limited (ACN 654 078 878) (SaleCo) (together, the Directors) for inclusion in the prospectus to be issued by the Company and SaleCo (the Prospectus) in respect of the initial public offering of fully paid ordinary shares in the Company, by way of issue by the Company and sale by the SaleCo (the Offer) and listing of the Company on the Australian Securities Exchange.

Deloitte Corporate Finance Pty Limited is wholly owned by Deloitte Touche Tohmatsu and holds the appropriate Australian Financial Services licence under the Corporations Act 2001 (Cth) (Corporations Act) for the issue of this report.

Capitalised terms used in this report have the same meaning as defined in the glossary of the Prospectus.

Scope

Statutory Historical Financial Information

Deloitte Corporate Finance Pty Limited has been engaged by the Directors to review the statutory historical financial information of the Company, being:

- the statutory historical consolidated statements of profit or loss for the financial years ended 31 December 2018, 31 December 2019 and 31 December 2020 and the half-years ended 30 June 2020 and 30 June 2021;
- the statutory historical consolidated statement of financial position as at 30 June 2021; and
- the statutory historical consolidated statements of cash flows for the financial years ended 31 December 2018, 31 December 2019 and 31 December 2020 and the half-years ended 30 June 2020 and 30 June 2021,

as set out in Section 4.3, 4.6 and 4.7 of the Prospectus (the Statutory Historical Financial Information).

Member of Deloitte Asia Pacific Limited and the Deloitte organisation.

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The Statutory Historical Financial Information has been prepared in accordance with the stated basis of preparation, being the recognition and measurement principles contained in Australian Accounting Standards and the Company's adopted accounting policies.

The Statutory Historical Financial Information for the years ended 31 December 2018, 31 December 2019 and 31 December 2020 has been extracted from the general purpose financial reports of the Company for the financial years ended 31 December 2018, 31 December 2019 and 31 December 2020. The annual financial reports were audited by Deloitte Touche Tohmatsu in accordance with the Australian Auditing Standards. Deloitte Touche Tohmatsu issued an unmodified audit opinion in respect of these financial reports.

The Statutory Historical Financial Information for the half-years ended 30 June 2020 and 2021 has been extracted from the half-year financial report of the Company for the half-year ended 30 June 2021 (including comparatives for 30 June 2020). The half-year financial report was reviewed by Deloitte Touche Tohmatsu in accordance with the Australian Auditing Standards. Deloitte Touche Tohmatsu issued an unmodified review conclusion in respect of this financial report.

The Statutory Historical Financial Information is presented in the Prospectus in an abbreviated form, insofar as it does not include all of the presentation and disclosures required by Australian Accounting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the Corporations Act 2001 (Cth).

Pro forma Historical Financial Information

Deloitte Corporate Finance Pty Limited has been engaged by the Directors to review the pro forma historical financial information of the Company, being:

- the pro forma historical consolidated statements of profit or loss for the financial years ended 31 December 2018, 31 December 2019 and 31 December 2020 and the half-years ended 30 June 2020 and 30 June 2021;
- the pro forma historical consolidated statement of financial position as at 30 June 2021; and
- the pro forma historical consolidated statements of cash flows for the financial years ended 31 December 2018, 31 December 2019 and 31 December 2020 and the half-years ended 30 June 2020 and 30 June 2021,

as set out in Section 4.3, 4.6 and 4.7 of the Prospectus (the Pro forma Historical Financial Information).

The Pro forma Historical Financial Information has been derived from the Statutory Historical Financial Information, after adjusting for the effects of pro forma adjustments described in Section 4.2 of the Prospectus (the Pro forma Adjustments).

The stated basis of preparation is the recognition and measurement principles contained in Australian Accounting Standards applied to the Statutory Historical Financial Information and the events or transactions to which the Pro forma Adjustments relate, as if those events or transactions had occurred as at the date of the Statutory Historical Financial Information. Due to its nature, the Pro forma Historical Financial Information does not represent the Company's actual or prospective financial performance, financial position and/or cash flows.

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Directors' Responsibility

The directors are responsible for:

- the preparation and presentation of the Statutory Historical Financial Information and the Pro forma Historical Financial Information, including the selection and determination of the Pro forma Adjustments made to the Statutory Historical Financial Information and included in the Pro forma Historical Financial Information; and

- the information contained within the Prospectus.

This responsibility includes for the operation of such internal controls as the directors determine are necessary to enable the preparation of the Statutory Historical Financial Information and the Pro forma Historical Financial Information that are free from material misstatement, whether due to fraud or error.

Our Responsibility

Our responsibility is to express a limited assurance conclusion on the Statutory Historical Financial Information and the Pro forma Historical Information based on the procedures performed and the evidence we have obtained. We have conducted our engagement in accordance with the Australian Standard on Assurance Engagements (ASAE) 3450 *Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information.*

A review consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain reasonable assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we will not express an audit opinion.

Our engagement did not involve updating or re-issuing any previously issued audit or review report on any financial information used as a source of the financial information.

Conclusions

Statutory Historical Financial Information

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the Statutory Historical Financial Information is not prepared, in all material respects, in accordance with the stated basis of preparation, as described in Section 4.2 of the Prospectus.

Pro forma Historical Financial Information

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the Pro forma Historical Financial Information is not prepared, in all material respects, in accordance with the stated basis of preparation as described in Section 4.2 of the Prospectus.

Restrictions on Use

Without modifying our conclusions, we draw attention to Section 4.2 and the 'Important Notices' pages of the Prospectus, which describes the purpose of the Financial Information, being for inclusion in the Prospectus. As a result, the Investigating Accountant's Report may not be suitable for use for another purpose.

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Consent

Deloitte Corporate Finance Pty Limited has consented to the inclusion of this limited assurance report in the Prospectus in the form and context in which it is included.

Disclosure of Interest

Deloitte Corporate Finance Pty Limited does not have any interest in the outcome of this Offer other than the preparation of this report and participation in the due diligence procedures for which normal professional fees will be received.

Deloitte Touche Tohmatsu is the auditor of the Company.

Yours sincerely

DELOITTE CORPORATE FINANCE PTY LIMITED

Tara Hynes
Authorised Representative of
Deloitte Corporate Finance Pty Limited
(AFSL Number 241457)

Harriet Fortescue
Authorised Representative of
Deloitte Corporate Finance Pty Limited
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The Directors
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Level 8, 80 Pacific Highway
North Sydney NSW 2060

The Directors
Ventia SaleCo Limited
Level 8, 80 Pacific Highway
North Sydney NSW 2060

26 October 2021

Dear Directors

INVESTIGATING ACCOUNTANT'S REPORT ON THE FORECAST FINANCIAL INFORMATION OF VENTIA SERVICES GROUP LIMITED AND THE FINANCIAL SERVICES GUIDE

Introduction

This report has been prepared at the request of the directors of Ventia Services Group Limited (ACN 602 253 541) (the Company) and Ventia SaleCo Limited (ACN 654 078 878) (SaleCo) (together, the Directors) for inclusion in the prospectus to be issued by the Company and SaleCo (the Prospectus) in respect of the initial public offering of fully paid ordinary shares in the Company, by way of issue by the Company and sale by the SaleCo (the Offer), and listing of the Company on the Australian Securities Exchange.

Deloitte Corporate Finance Pty Limited is wholly owned by Deloitte Touche Tohmatsu and holds the appropriate Australian Financial Services licence under the Corporations Act 2001 (Cth) (Corporations Act) for the issue of this report.

Capitalised terms used in this report have the same meaning as defined in the glossary of the Prospectus.

Scope

Deloitte Corporate Finance Pty Limited has been engaged by the Directors to review the forecast financial information, being:

- the statutory forecast consolidated statement of profit or loss and the statutory forecast consolidated statement of cash flows of the Company for the financial years ending 31 December 2021 and 31 December 2022, as set out in Sections 4.3 and 4.6 respectively of the Prospectus (the Statutory Forecast Financial Information). The directors' best estimate assumptions underlying the Statutory Forecast Financial Information are described in Section 4.9 of the Prospectus. The stated basis of preparation used in the preparation of the Statutory Forecast Financial Information is the recognition and measurement principles contained in Australian Accounting Standards and the Company's adopted accounting policies; and

- the pro forma forecast consolidated statement of profit or loss and the pro forma forecast consolidated statement of cash flows of the Company for the financial years ending 31 December 2021 and 31 December 2022 as set out in Sections 4.3 and 4.6 respectively of the Prospectus (the Pro forma Forecast Financial Information). The Pro forma Forecast Financial Information has been derived from the Statutory Forecast Financial Information, after adjusting for the effects of the Pro forma Adjustments described in Section 4.2 of the Prospectus.

  The stated basis of preparation used in the preparation of the Pro forma Forecast Financial Information is the recognition and measurement principles contained in Australian Accounting Standards applied to

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the Statutory Forecast Financial Information and the events or transactions to which the Pro forma Adjustments relate, as if those events or transactions had occurred prior to 1 January 2021. Due to its nature, the Pro forma Forecast Financial Information does not represent the Company's actual prospective financial performance and/or cash flows for the financial years ending 31 December 2021 or 31 December 2022,

(together, the Forecast Financial Information).

The Forecast Financial Information has been prepared by management and adopted by the directors of the Company in order to provide prospective investors with a guide to the potential financial performance and cash flows of the Company for the financial years ending 31 December 2021 and 31 December 2022. There is a considerable degree of subjective judgement involved in preparing forecasts since they relate to events and transactions that have not yet occurred and may not occur. Actual results are likely to be different from the Forecast Financial Information since anticipated events or transactions frequently do not occur as expected and the variations may be material.

The directors' best estimate assumptions on which the Forecast Financial Information is based relate to future events and/or transactions that management expect to occur and actions that management expect to take, and are also subject to uncertainties and contingencies, which are often outside the control of the Company. Evidence may be available to support the assumptions on which the Forecast Financial Information is based, however such evidence is generally future orientated and therefore speculative in nature. We are therefore not in a position to express a reasonable assurance conclusion on those best estimate assumptions, and accordingly, provide a lesser level of assurance on the reasonableness of the Directors' best estimate assumptions. We do not express any opinion on the achievability of the results. The limited assurance conclusion expressed in this report has been formed on the above basis.

Prospective investors should be aware of the material risks and uncertainties relating to an investment in the Company, which are detailed in the Prospectus, and the inherent uncertainty relating to the prospective financial information. Accordingly, prospective investors should have regard to the investment risks and sensitivities set out in Section 5 and Section 4.10 of the Prospectus.

The sensitivity analysis set out in Section 4.10 of the Prospectus demonstrates the impacts on the Forecast Financial Information of changes in key assumptions. The Forecast Financial Information is therefore only indicative of the financial performance which may be achievable. We express no opinion as to whether the Forecast Financial Information will be achieved.

We have assumed, and relied on representations from certain members of management of the Company, that all material information concerning the prospects and proposed operations of the Company has been disclosed to us and that the information provided to us for the purpose of our work is true, complete and accurate in all respects. We have no reason to believe that those representations are false.

Directors' Responsibility

The directors of the Company are responsible for:

- the preparation of the Forecast Financial Information, including the best estimate assumptions underlying the Forecast Financial Information and the selection and determination of the Pro forma Adjustments made to the Statutory Forecast Financial Information and included in the Pro forma Forecast Financial Information; and
- the information contained within the Prospectus.

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This responsibility includes for the operation of such internal controls as the directors determine are necessary to enable the preparation of the Forecast Financial Information that are free from material misstatement, whether due to fraud or error.

Our Responsibility

Our responsibility is to express a limited assurance conclusion on the Statutory Forecast Financial Information and the Pro forma Forecast Financial Information based on the procedures performed and the evidence we have obtained. We have conducted our engagement in accordance with the Australian Standard on Assurance Engagements (ASAE) 3450 *Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information.*

A review consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain reasonable assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we will not express an audit opinion.

Conclusions

Statutory Forecast Financial Information

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that:

(i) the directors' best estimate assumptions used in the preparation of the Statutory Forecast Financial Information do not provide reasonable grounds for the Statutory Forecast Financial Information;

(ii) in all material respects, the Statutory Forecast Financial Information:

   a. is not prepared on the basis of the directors' best estimate assumptions as described in Section 4.9 of the Prospectus;

   b. is not presented fairly in accordance with the stated basis of preparation, being the accounting policies adopted and used by the Company and the recognition and measurement principles contained in Australian Accounting Standards; and

(iii) the Statutory Forecast Financial Information itself is unreasonable.

Pro forma Forecast Financial Information

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that:

(i) the directors' best estimate assumptions used in the preparation of the Pro forma Forecast Financial Information do not provide reasonable grounds for the Pro forma Forecast Financial Information;

(ii) in all material respects, the Pro forma Forecast Financial Information:

   a. is not prepared on the basis of the directors' best estimate assumptions as described in Section 4.9 of the Prospectus;

   b. is not presented fairly in accordance with the stated basis of preparation, being the accounting policies adopted and used by the Company and the recognition and measurement principles contained in Australian Accounting Standards, applied to the Statutory Forecast Financial

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Information and the Pro forma Adjustments as if those adjustments had occurred as at 1 January 2021; and

(iii) the Pro forma Forecast Financial Information itself is unreasonable.

Restrictions on Use

Without modifying our conclusions, we draw attention to Section 4.2 and the ‘Important Notices’ pages of the Prospectus, which describes the purpose of the Financial Information, being for inclusion in the Prospectus. As a result, the Investigating Accountant’s Report may not be suitable for use for another purpose.

Consent

Deloitte Corporate Finance Pty Limited has consented to the inclusion of this limited assurance report in the Prospectus in the form and context in which it is included.

Disclosure of Interest

Deloitte Corporate Finance Pty Limited does not have any interest in the outcome of this Offer other than the preparation of this report and participation in the due diligence procedures for which normal professional fees will be received.

Deloitte Touche Tohmatsu is the auditor of the Company.

Yours sincerely

DELOITTE CORPORATE FINANCE PTY LIMITED

Tara Hynes

Tara Hynes
Authorised Representative of
Deloitte Corporate Finance Pty Limited
(AFSL Number 241457)

Harriet Fortescue
Authorised Representative of
Deloitte Corporate Finance Pty Limited
(AFSL Number 241457)

Deloitte.

March 2020

Financial Services Guide (FSG)

What is an FSG?

An FSG is designed to provide information about the supply of financial services to you.

Deloitte Corporate Finance Pty Limited (**DCF**) (AFSL 241457) provides this FSG to you, so you know how we are remunerated and who to contact if you have a complaint.

Who supplies the financial services?

We provide this FSG to you where you engage us to act on your behalf when providing financial services.

Alternatively, we may provide this FSG to you because our client has provided financial services to you that we delivered to them.

The person who provides the financial service to you is our Authorised Representative (**AR**) and DCF authorises the AR to distribute this FSG. Their AR number and contact details are in the document that accompanies this FSG.

What financial services are we licensed to provide?

We are authorised to provide financial product advice and to arrange for another person to deal in financial products in relation to securities, interests in managed investment schemes, government debentures, stocks or bonds, to retail and wholesale clients. We are also authorised to provide personal and general financial product advice and deal by arranging in derivatives and regulated emissions units to wholesale clients, and general financial product advice relating to derivatives to retail clients.

General financial product advice

We provide general advice when we have not taken into account your personal objectives, financial situation or needs, and you would not expect us to have done so. In this situation, you should consider whether our general advice is appropriate for you, having regard to your own personal objectives, financial situation or needs.

If we provide advice to you in connection with the acquisition of a financial product, you should read the relevant offer document carefully before making any decision about whether to acquire that product.

Personal financial product advice

When we give you advice that takes into account your objectives, financial situation and needs, we will give you a Statement of Advice to help you understand our advice, so you can decide whether to rely on it.

How are we remunerated?

Our fees are usually determined on a fixed fee or time cost basis plus reimbursement of any expenses incurred in providing the services. Our fees are agreed with, and paid by, those who engage us.

Clients may request particulars of our remuneration within a reasonable time after being given this FSG.

Apart from these fees, DCF, our directors and officers, and any related bodies corporate, affiliates or associates, and their directors and officers, do not receive any commissions or other benefits.

All employees receive a salary, and, while eligible for annual salary increases and bonuses based on overall performance, they do not receive any commissions or other benefits as a result of the services provided to you.

The remuneration paid to our directors reflects their individual contribution to the organisation and covers all aspects of performance.

We do not pay commissions or provide other benefits to anyone who refers prospective clients to us.

Associations and relationships

The Deloitte member firm in Australia (Deloitte Touche Tohmatsu) controls DCF. Please see www.deloitte.com/au/about for a detailed description of the legal structure of Deloitte Touche Tohmatsu.

We, and other entities related to Deloitte Touche Tohmatsu, do not have any formal associations or relationships with any entities that are issuers of financial products. However, we may provide professional services to issuers of financial products in the ordinary course of business.

What should you do if you have a complaint?

Please contact us about a concern:

The Complaints Officer
PO Box N250
Grosvenor Place
Sydney NSW 1220
complaints@deloitte.com.au
Phone: +61 2 9322 7000

If an issue is not resolved to your satisfaction, you can lodge a dispute with the Australian Financial Complaints Authority (**AFCA**). AFCA provides fair and independent financial services dispute resolution free to consumers.

www.afca.org.au
1800 931 678 (free call)
Australian Financial Complaints Authority Limited

GPO Box 3 Melbourne VIC 3001

What compensation arrangements do we have?

Deloitte Australia holds professional indemnity insurance that covers the financial services we provide. This insurance satisfies the compensation requirements of the Corporations Act 2001 (Cth).

Deloitte Corporate Finance Pty Limited, ABN 19 003 833 127, AFSL number 241457 of Level 1 Grosvenor Place, 225 George Street, Sydney NSW 2000
Member of Deloitte Touche Tohmatsu Limited
Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee, and its network of member firms, each of which is a legally separate and independent entity.

SECTION 9

ADDITIONAL INFORMATION

Brisbane, QLD

9.1. Registration

Ventia Services Group Pty Limited was incorporated in Victoria, Australia on 8 December 2014 as a private company limited by shares and was converted to a public company limited by shares on 7 October 2021.

SaleCo was incorporated in Victoria, Australia on 29 September 2021.

9.2. Company tax status and financial year

Ventia is and will be taxed as an Australian resident public company for the purposes of Australian income tax law. Ventia will be subject to tax at the applicable Australian corporate tax rate.

Ventia's financial year for taxation purposes ends on 31 December annually.

9.3. Sale of Shares by SaleCo

As part of the Offer, the Selling Shareholders intend to sell some of their Existing Shares through SaleCo. SaleCo has been established to facilitate this sale. The Selling Shareholders have executed Option Deeds with SaleCo under which they irrevocably offer to sell up to 110.4 million Existing Shares each (or a total of up to 220.9 million Existing Shares) to SaleCo, free from encumbrances and third party rights, and conditional upon listing of Ventia on the ASX and the NZX and commencement of quotation of Shares on the ASX and the NZX (on a conditional and deferred settlement basis). Any sales of Shares under these Option Deeds are required to occur on the Completion Date. In total, Existing Shares amounting to between 28.4% and 29.0% of the Shares which will be on issue following Completion of the Offer are expected to be sold through SaleCo under these arrangements.

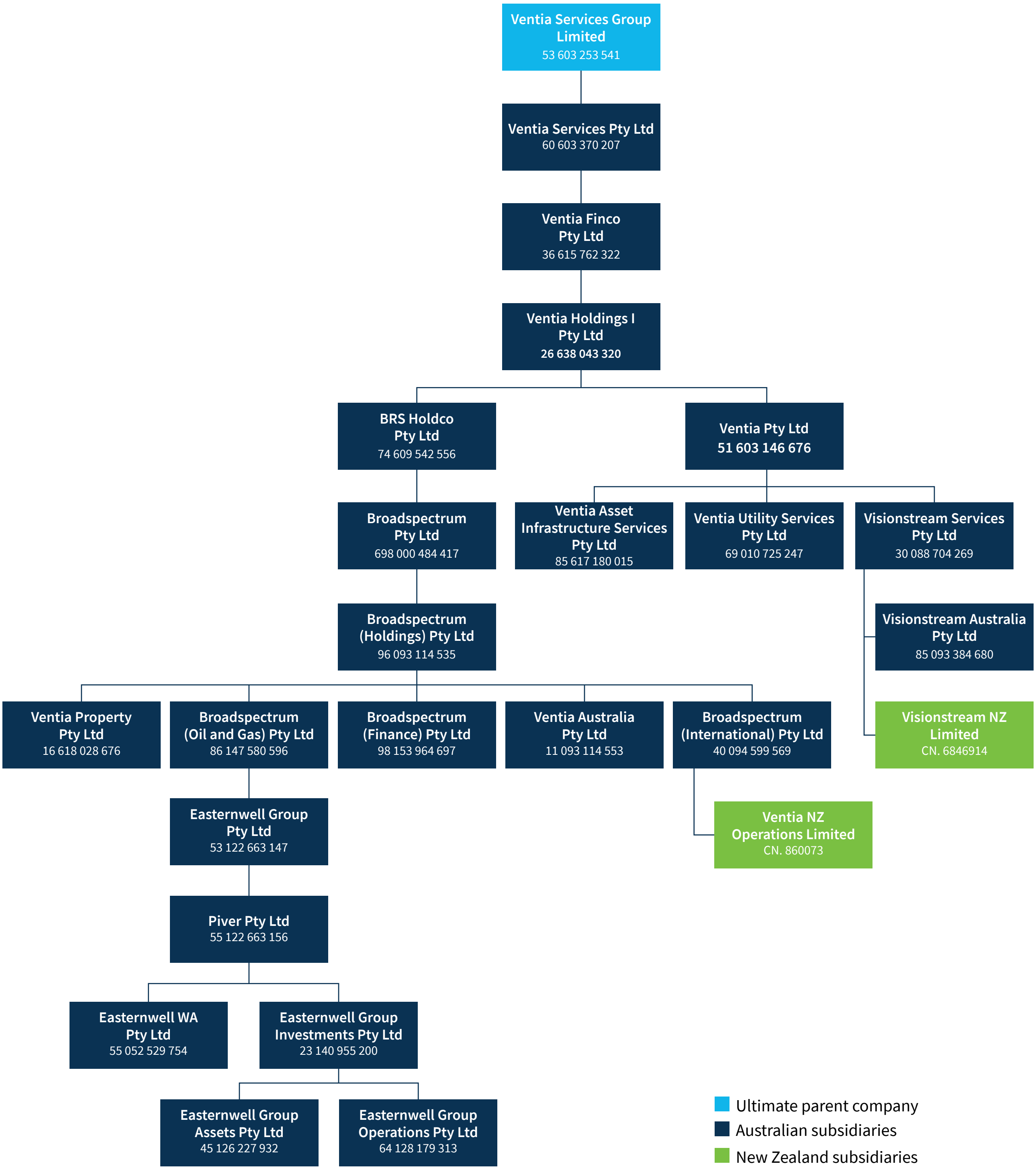
The Existing Shares that SaleCo acquires from the Selling Shareholders will be transferred to successful Applicants at the Final Price. The price payable by SaleCo for these Existing Shares is the Final Price. Ventia will also issue Shares to successful Applicants under the Offer at the Final Price.

As described in Section 7.6, the Selling Shareholders, SaleCo and the Stabilisation Manager have entered into arrangements under which up to a further 34.7 million Existing Shares may be 'Over-allocated' (in addition to the total of up to 220.9 million Existing Shares referred to above) to applicants under the Offer. The Option Deeds also include over-allocation option and share lending provisions between the Selling Shareholders and SaleCo as described in Section 7.6, to facilitate the Over-allocation Option arrangements and Market Stabilisation Arrangements described in that section.

SaleCo is a special purpose vehicle, which has no material assets, liabilities or operations other than its interests in and obligations under the Offer Management Agreement and the option deeds and Over-allocation and stock borrowing arrangements described above. The sole shareholder of SaleCo is Fremac Nominees Pty Ltd (ACN 001 430 913), and the Directors are Robert Cotterill, Kevin Crowe, Ignacio Surinach and David Moffatt. Ventia has agreed to provide such resources and support as are necessary to enable SaleCo to discharge its functions in relation to the Offer and has indemnified SaleCo and the Directors of SaleCo for any loss which SaleCo and the Directors of SaleCo may incur in relation to the Offer.

9.4. Corporate structure (simplified)

Figure 37: Simplified Ventia Corporate Structure



The diagram above sets out a simplified corporate structure of Ventia before and after Completion of the Offer. Each of the entities shown above is in the Maintenance Services industry. Each entity was incorporated either in Australia or New Zealand and its business activities are principally conducted in that country.

9.5. Capital Structure

As at the Prospectus Date, Ventia has 598,368,046 Shares on issue and 37,249,684 EIP Shares on issue. EIP Shares are described in Section 6.3.4. As referred to in Section 6.3.4.1, by Completion all of the EIP Shares will be reclassified as fully paid Shares. As at the Prospectus Date, 4,342,633 EIP Shares held by three Plan participants are unpaid in the amount of $3,834,408. These EIP Shares are held by David Moffatt (2,714,146 EIP Shares, $2,407,935 unpaid); Stuart Hooper (1,085,658 EIP Shares, $950,982 unpaid); and a further employee (542,829 EIP Shares, $475,491 unpaid). Prior to Admission and Completion, all of these EIP Shares will be fully paid up by the participants, funded by limited recourse loans in the preceding amounts from a Ventia Group company as described in Section 6.3.4.

9.6. Offer Management Agreement

The Offer is being managed by the Joint Lead Managers pursuant to the Offer Management Agreement between Ventia, SaleCo and the Joint Lead Managers (Offer Management Agreement).

The Joint Lead Managers have agreed to:

- arrange and manage the Offer; and
- provide settlement support for the Institutional Offer and Broker Firm Offer.

The Joint Lead Managers have not agreed to underwrite the Offer and do not guarantee that the Offer will be successful.

For the purposes of this Section 9.6:

Enquiry means any actual or threatened claim or proceedings in relation to the Offer, the Offer Documents (as defined below), Ventia, SaleCo or any of their officers or directors, or any investigation, enquiry, order, action, suit, charge, investigation or other proceeding (whether commenced, announced or threatened) by ASIC, ASX, NZX, FMA or any governmental agency in relation to the Offer, the Offer Documents or the Group or any of Ventia's officers or directors (in their capacity as such), and includes any circumstances where:

- ASIC issues an order (including an interim order) under Section 739 of the Corporations Act;
- ASIC holds a hearing under Section 739(2) of the Corporations Act;
- an application is made by ASIC for an order under Part 9.5 of the Corporations Act in relation to the Offer, or the Offer Documents or ASIC commences any investigation or hearing under Part 3 of the ASIC Act in relation to the Offer or the Offer Documents;
- any person who has previously consented to the inclusion of its name in any of the Offer Documents withdraws that consent; or
- any person gives a notice under Section 730 of the Corporations Act in relation to the Offer Documents.

FMA means The New Zealand Financial Markets Authority.

Group means Ventia, SaleCo and their respective subsidiaries as at Completion.

NZ Registrar means the New Zealand Registrar of Financial Service Providers appointed under section 35 of the Financial Service Providers (Registration and Dispute Resolution) Act 2008 or any other person established by law to replace the Registrar, and includes a Registrar, Deputy Registrar, District Registrar or an Assistant Registrar of Companies appointed in accordance with the Companies Act 1993 of New Zealand.

NZ Securities Laws means the New Zealand Financial Markets Conduct Act 2013 and the New Zealand Financial Markets Conduct Regulations 2014, in each case as modified by relief from the requirements of those regulations and that act by the Mutual Recognition Regime and any additional applicable exemption

Offer Documents means the following documents issued or published by, or on behalf of, and with the authorisation of, Ventia and SaleCo in respect of the Offer, and in a form approved by the Joint Lead Managers:

- the pathfinder prospectus;
- the Prospectus, any Application Form and any supplementary prospectus;
- the Preliminary US Institutional Offering Memorandum, US Institutional Offering Memorandum and any documents associated with those documents;
- any other written communication that constitutes an offer to sell or the solicitation of an offer to buy the Shares in the United States or to; and

- the roadshow presentation (including the presentation used for the cornerstone process) and/or ASX announcement(s) used by or on behalf of Ventia to conduct the Offer.

Public Information means all public and other media statements or announcements made by, or on behalf of Ventia and SaleCo or any other Group member in relation to the business or affairs of Ventia, the Group or the Offer, other than the Offer Documents.

9.6.1 Fees and costs

Ventia has agreed to pay the Joint Lead Managers, a selling and management fee equal to 0.4% of the gross proceeds of the Offer and a settlement fee equal to 1.6% of the gross proceeds of the Offer. In addition, an incentive fee of up to 1.0% of the gross proceeds of the Offer may also be payable to the Joint Lead Managers at the absolute discretion of Ventia and SaleCo. For these purposes, gross proceeds of the Offer relates to the proceeds raised in the base Offer (that is, before any Over-allocations) and also any proceeds raised on exercise of the Over-allocation Option.

Any fees payable to Co-Lead Managers, Co-Managers and Brokers appointed in relation to the Offer are payable by the Joint Lead Managers on behalf of Ventia and the SaleCo out of the structuring and management fees payable to it under the Offer Management Agreement. In addition to the fees described above, Ventia has agreed to reimburse the Joint Lead Managers for certain other reasonable agreed costs and expenses, including legal costs incurred by the Joint Lead Managers in relation to the Offer.

9.6.2 Representations, warranties and undertakings

The Offer Management Agreement contains certain representations and warranties provided by Ventia and SaleCo (as applicable) to the Joint Lead Managers, as well as customary conditions precedent (including conducting due diligence, lodgement of this Prospectus, Escrowed Shareholders entering into voluntary escrow deeds and ASIC and ASX granting the waivers and modifications necessary to enable the Offer to proceed in accordance with the timetable).

The representations and warranties relate to matters such as the nature of Ventia and SaleCo the conduct of Ventia and SaleCo (including in respect of its business and operations, disclosure and compliance with the Corporations Act, the ASX Listing Rules and other applicable laws), information provided to the Joint Lead Managers, accounting controls, material contracts, licenses, litigation, insurance, information in this Prospectus and the conduct of the Offer.

A number of standard representations and warranties are also given by the Joint Lead Managers to Ventia and SaleCo.

The undertakings given by Ventia and SaleCo relate to matters including, but not limited to, provision of and consultation with the Joint Lead Managers in respect of ASIC and ASX correspondence, notification of breach to the Joint Lead Managers, variation of the constitution of Ventia and undertakings that during the period following the date of the Offer Management Agreement:

- until 120 days after the date of Completion, it will not (without the prior written consent of the Joint Lead Managers) allot or agree to allot (or indicate that it may do so), any shares or other securities that are convertible or exchangeable into equity, or represent the right to receive equity of Ventia, or any other Group member, or enter into any swap or other arrangements that transfers to another, in whole or in part, any of the economic consequences of ownership of securities of the type, however settled, subject to certain limited exceptions including the valid exercise of any options pursuant to an employee securities, option or incentive plan, a non-underwritten dividend reinvestment plan or bonus share plan, or proposed transaction disclosed in the pathfinder prospectus or this Prospectus;
- until 120 days after the date of Completion, it will not alter the capital structure of Ventia, amend Ventia's constitution or, except with the prior written consent of the Joint Lead Managers;
- until 120 days after the date of Completion, it will not vary in any material respect any term of a material contract described in Section 9.7 and 9.8 of this Prospectus or, in the case of Ventia only, any contract that is material to its business, except with the prior written consent of the Joint Lead Managers; and
- until 120 days after the date of Completion it will carry on its business, and procure that each Group member carries on its business in the ordinary course and not dispose (or permit any other Group Member to dispose) of any material part of its (or their) business or property except in the ordinary course or as disclosed in this Prospectus.

9.6.3 Indemnity

Subject to certain exclusions relating to, among other things the fraud, recklessness, wilful misconduct or gross negligence by the Joint Lead Managers or certain of their affiliated parties (Indemnified Parties), Ventia and SaleCo agree to keep the Indemnified Parties indemnified from losses suffered in connection with the Offer, including for losses, claims, damages or liabilities under the US Securities Act and other US securities laws.

9.6.4 Termination

The Joint Lead Managers may, by notice given to Ventia and SaleCo, and without cost or liability, terminate the Offer Management Agreement if any of the following events has occurred or occurs at any time from the date of this agreement until on or before 2.00pm on the date of Settlement (or such other time as specified):

- (**disclosures**) a statement in the Prospectus or any other Offer Document is or becomes misleading or deceptive or is likely to mislead, deceive or confuse or a matter required to be included is omitted from the Prospectus or an Offer Document (including, without limitation, having regard to the provisions of Part 6D.2 of the Corporations Act and the NZ Securities Laws);
- (**disclosures in the US Institutional Offering Memorandum or any documents associated with the US Institutional Offering Memorandum**) the US Institutional Offering Memorandum or any documents associated with the US Institutional Offering Memorandum includes an untrue statement of a material fact or omits to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading;
- (**supplementary prospectus**) Ventia and SaleCo issue or, in the reasonable opinion of the terminating Joint Lead Manager, are required to issue, a supplementary prospectus to comply with Section 719 of the Corporations Act or Ventia and SaleCo lodge a supplementary Offer Document that is in a form that has not been approved by the Joint Lead Managers;
- (**market fall**) at any time the S&P/ASX 200 Index falls to a level that is 87.5% or less of the level as at the close of trading on the day immediately prior to the bookbuild closing date and remains at or below that level at the close of trading on 2 consecutive Business Days or on the Business Day prior to the Settlement Date;
- (**voluntary escrow deeds**) if the voluntary escrow deeds to be entered into by Ventia and the Escrowed Shareholders are withdrawn, varied, terminated, rescinded, altered or amended, breached or failed to be complied with (other than with the consent of the Joint Lead Managers);
- (**forecasts**) there are not, or there cease to be, reasonable grounds in the opinion of the terminating Joint Lead Manager for any material statement or estimate in the Offer Documents which relates to a future matter, which is in the opinion of the terminating Joint Lead Manager, unlikely to be met in the projected timeframe (including in each case financial forecasts);
- (**fraud**) Ventia and SaleCo or any of their respective directors or officers (as those terms are defined in the Corporations Act) engage, or have engaged since the date of this agreement, in any fraudulent conduct or activity whether or not in connection with the Offer;
- (**listing and quotatio**n) approval is refused or not granted, or approval is granted subject to conditions other than customary conditions, to:
  - Ventia's admission to the official list of ASX and NZX on or before 5.00pm on the listing approval date required under the Offer Management Agreement; or
  - the quotation of the Shares on ASX or NZX to be traded through CHESS on or before the listing approval date required under the Offer Management Agreement,

or if granted, the approval is subsequently withdrawn or qualified (other than by customary conditions) or withheld;

- (**mutual recognition**) Ventia or SaleCo fails to comply with the requirements of the Mutual Recognition Regime to enable the Offer to proceed on the basis of this Prospectus, under those regulations;
- (**notifications**) any of the following notifications are made in respect of the Offer:
  - ASIC issues an order (including an interim order) under Section 739 of the Corporations Act except where such an order does not become publicly known and is withdrawn within 2 days of being made (or if it is made within 2 days prior to the Settlement Date it has been withdrawn prior to the Settlement Date);
  - ASIC holds a hearing under Section 739(2) of the Corporations Act where such hearing does not become publicly known and is withdrawn within 2 days of commencing (or if it is held within 2 days prior to the Settlement Date it has been withdrawn prior to the Settlement Date);

  - an application is made by ASIC for an order under Part 9.5 of the Corporations Act in relation to the Offer or an Offer Document or ASIC commences any investigation or hearing under Part 3 of the ASIC Act in relation to the Offer or an Offer Document except where such application, investigation or hearing does not become publicly known and is withdrawn within 2 days of being made (or if it is made within 2 days prior to the Settlement Date it has been withdrawn prior to the Settlement Date);
  - any person (other than the terminating Joint Lead Manager) who has previously consented to the inclusion of its name in any Offer Document withdraws that consent;
  - any person (other than the terminating Joint Lead Manager) gives a notice under Section 730 of the Corporations Act in relation to an Offer Document; or
  - NZX, the NZ Registrar or FMA contacts or gives any notice to Ventia in respect of a matter that has or is likely to have a materially adverse effect on the outcome of the Offer or the ability of the Offer to be made into New Zealand under the Mutual Recognition Regime or the ability of the Ventia to be listed on NZX;
- (**certificate not provided**) Ventia or SaleCo do not provide a certificate as and when required by the Offer Management Agreement;
- (**material contracts**) any of the obligations of the relevant parties under any of the contracts that are material to the business of the Group or the material agreements summarised in Section 9.7 and 9.8 of this Prospectus are not capable of being performed in accordance with their terms or if all or any part of any such contracts:
  - is terminated;
  - ceases to have effect, otherwise than in accordance with its terms; or
  - is or becomes void, voidable, illegal, invalid, unenforceable (other than by reason only of a party waiving any of its rights) or capable of being terminated, rescinded or avoided or of limited force and affect, or its performance is or becomes illegal;
- (**withdrawal**) Ventia and SaleCo withdraws an Offer Document or the Offer, or indicates that it does not intend to proceed with the Offer or any part of the Offer;
- (**insolvency events**) any Group member becomes insolvent or there is an act or omission which may result in any of those entities becoming insolvent;
- (**timetable**) an event specified in the timetable contained in the Offer Management Agreement from the date of this agreement up to and including the Settlement date is delayed by more than two business days (other than any delay agreed between Ventia and the Joint Lead Managers, or a delay as a result of an extension to the exposure period by ASIC);
- (**unable to issue or transfer**) Ventia is prevented from allotting and issuing the New Shares or the Offer Shares, or SaleCo is prevented from transferring the Offer Shares (including pursuant to the Over-allocation Option), within the time required by the Offer timetable, the Offer Documents, the ASX Listing Rules, or by any other applicable laws, an order of a court of competent jurisdiction or a governmental authority;
- (**change to Ventia**) Ventia:
  - alters its issued capital or the issued capital of a Group member; or
  - disposes or attempts to dispose of a substantial part of the business or property of Ventia or a Group member,

  other than as disclosed in this Prospectus or as otherwise permitted by the Offer Management Agreement, in each case without the prior written consent of the Joint Lead Managers;
- (**regulatory approvals**) a regulatory body withdraws, revokes or amends any regulatory approvals required for Ventia or SaleCo to perform its obligations under the Offer Management Agreement or to carry out the transactions contemplated by the Offer Documents;
- (**force majeure**) there is an event or occurrence, including any statute, order, rule, regulation, directive or request of any governmental agency which makes it illegal or commercially impracticable for the Joint Lead Managers to satisfy an obligation under this document, or to market, promote or settle the Offer;
- (**change in Board or management**) a change or vacancy in the Board of Ventia or the CEO or CFO of Ventia occurs;

- (**prosecution**) either:
  - a Director of or a proposed Director named in this Prospectus is charged with an indictable offence; or
  - any governmental agency commences any public action against Ventia and SaleCo or any of its Directors in their capacity as Directors of Ventia or SaleCo, or announces that it intends to take such action;
  - any Director or a proposed Director of Ventia named in this Prospectus is disqualified from managing a corporation under Part 2D.6 of the Corporations Act.

9.6.5 Termination events subject to materiality

The Joint Lead Managers may, by notice given to Ventia and SaleCo, and without cost or liability, terminate the Offer Management Agreement, if any of the following events occur at any time from the date of the Offer Management Agreement until on or before 2.00pm on the date of Settlement (or such other time as specified) only if the Joint Lead Managers have reasonable grounds to believe that the event:

- 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 Joint Lead Managers to market or promote or settle the Offer or on the likely price at which the Shares will trade on ASX or NZX; or
- will, or is likely to give rise to a liability of the Joint Lead Managers or one of its affiliates under, or give rise to, or result in, a contravention by the Joint Lead Manager or its affiliates or the Joint Lead Managers or its affiliates being involved in a contravention of, any applicable law.

The Joint Lead Managers can terminate as above, if any of the following events occur:

- (**new circumstances**) there occurs a new circumstance that arises after the Prospectus is lodged that would have been required to be included in the Prospectus if it had arisen before lodgement;
- (**material contracts**) any of the obligations of the relevant parties under any of the contracts that are material to the business of the Group or the material agreements summarised in Section 9.7 and 9.8 of this Prospectus are not capable of being performed in accordance with their terms or if all or any part of any such contracts:
  - is amended or varied without the consent of the Joint Lead Managers (acting reasonably); or
  - is breached;
- (**disclosures in the due diligence report and any other information**) the due diligence report prepared by the due diligence committee in connection with the Offer or the verification material or any other information supplied by or on behalf of Ventia or SaleCo to the Joint Lead Managers in relation to the Group or the Offer is (or is likely to), or becomes (or becomes likely to be), misleading or deceptive, including by way of omission;
- (**adverse change**) any adverse change occurs in the assets, liabilities, financial position or performance, profits, losses or prospects of Ventia and the Group (insofar as the position in relation to an entity in the Group affects the overall position of Ventia), including any adverse change in the assets, liabilities, financial position or performance, profits, losses or prospects of the Group from those respectively disclosed in any Offer Document or the Public Information.
- (**change of law**) there is introduced, or there is a public announcement of a proposal to introduce, into the Parliament of Australia, New Zealand or any State or Territory of Australia a new law, or the Reserve Bank of Australia or New Zealand, or any Commonwealth or State authority, including ASIC, adopts or announces a proposal to adopt a new policy (other than a law or policy which has been announced before the date of the Offer Management Agreement);
- (**breach of laws**) there is a contravention by Ventia or any other Group Member of the Corporations Act, the Competition and Consumer Act 2010 (Cth), ASIC Act, the Companies Act and the Securities Act 1978 of New Zealand (any regulations under those acts), the Commerce Act 1986 of New Zealand, the Fair Trading Act 1986 of New Zealand, its constitution or any of the ASX Listing Rules;
- (**compliance with law**) any of the Offer Documents or any aspect of the Offer does not comply with the Corporations Act, the Companies Act and the NZ Securities Law (and all regulations under those acts), the Listing Rules or any other applicable law or regulation;
- (**representations and warranties**) a representation, warranty, undertaking or obligation contained in the Offer Management Agreement on the part of Ventia or SaleCo (whether severally or jointly) is breached, becomes not true or correct or is not performed;

- (**breach**) Ventia or SaleCo defaults on one or more of its obligations under the Offer Management Agreement;
- (**constitution**) Ventia varies any term of its constitution without the prior written consent of the Joint Lead Managers;
- (**legal proceedings**) the commencement of legal proceedings against Ventia, any other Group member or against any Director or the director of any other Group member in that capacity or any regulatory body commences any enquiry or public action against a Group member;
- (**debt covenants**) Ventia or any Group member is in breach of any debt covenant;
- (**information supplied**) any information supplied (including any information supplied prior to the date of the Offer Management Agreement) by or on behalf of a Group member to the Joint Lead Managers in respect of the Offer or the Group is, or is found to be, misleading or deceptive, or likely to mislead or deceive (including by omission);
- (**certificate incorrect**) a certificate provided by Ventia or SaleCo pursuant to the Offer Management Agreement is false, misleading, inaccurate or untrue or incorrect (including by omission);
- (**hostilities and disruption in financial markets**) any of the following occur:
  - except in relation to Afghanistan, hostilities not presently existing commence (whether war has been declared or not) or an escalation in existing hostilities occurs (whether war has been declared or not) involving any one or more of Australia, New Zealand, the United States, Canada, Japan, the United Kingdom, the People's Republic of China, Singapore or a member state of the European Union or any major terrorist attack is perpetrated on any of those countries or any diplomatic, military, commercial or political establishment of any of those countries (except Afghanistan);
  - a general moratorium on commercial banking activities in Australia, New Zealand, Japan, Singapore, Hong Kong, the United Kingdom, the United States or a member state of the European Union is declared by the relevant central banking authority in those countries, or there is a disruption in commercial banking or security settlement or clearance services in any of those countries which persists for at least one day;
  - any adverse effect on the financial markets in Australia, New Zealand, Japan, Singapore, Hong Kong, the United Kingdom, the United States or a member state of the European Union, or in foreign exchange rates or any development involving a prospective change in political, financial or economic conditions in any of those countries; or
  - trading in all securities quoted or listed on ASX, the NZX, New York Stock Exchange, London Stock Exchange, Hong Kong Stock Exchange or the Tokyo Stock Exchange is suspended or limited in a material respect for one day (or a substantial part of one day) on which that exchange is open for trading.

9.7. Finance documents

9.7.1 Overview of New Banking Facilities

Ventia and certain other members of the Group (the **Guarantor Group**) have entered into or will have entered into before Completion a new $750 million senior unsecured syndicated term loan facility with three, four and five year tranches documented under a syndicated facility agreement and a new $400 million senior unsecured four-year syndicated revolving cash facility documented under a syndicated facility agreement.

The availability of funding under the New Banking Facilities is conditional on, among other things, Ventia having been admitted to the official list of the ASX and its shares being quoted on a conditional and deferred settlement basis, and other conditions precedent which are customary for facilities of this nature.

The New Banking Facilities are guaranteed by the Guarantor Group.

On or shortly following Completion, the syndicated term loan facility will be fully drawn and, in conjunction with proceeds from the sale of new Shares under the Offer, will be utilised to repay in full the Group's Existing Banking Facilities. At the same time, outstanding surety bonds and bank guarantees issued or fronted under the Group's existing secured bonding facilities will be transferred to new bilateral bank guarantee and surety bond facilities which will also be available for requesting the issuance of new surety bonds and bank guarantees. The syndicated revolving cash facility will not be drawn at Completion and will remain available for drawing from time to time for working capital and general corporate purposes of the Group.

9.7.2 Summary of terms of the New Banking Facilities

Feature	Syndicated Term Loan Facility	Syndicated Revolving Cash Facility
Amount	$750,000,000 total commitment split between 3 year, 4 year and 5 year tranches of $250,000,000 each.	$400,000,000 total commitment
Purpose	Refinance existing secured debt	Working capital and general corporate purposes
Maturity	3/4/5 years from utilisation	4 years from utilisation of the syndicated term loan facility or, if earlier, 30 June 2026
Interest and fees	Interest accrues at the rate of BBSY plus an applicable margin. The margin steps up or down according to changes in Ventia's credit rating. The syndicated term loan facility attracts customary establishment, ticking and undrawn commitment fees.	Interest accrues at the rate of BBSY plus an applicable margin. The margin steps up or down according to changes in Ventia's credit rating. The syndicated revolving cash facility attracts customary establishment, ticking and undrawn commitment fees.
Repayments	Interest only with bullet repayment of outstanding principal on maturity.	Interest only with bullet repayment of outstanding principal on maturity.
Mandatory prepayment	The New Banking Facilities include an obligation to use net sale proceeds of certain material disposals (exceeding a certain percentage of total tangible assets in any financial year) in prepayment of those facilities, unless reinvested in the Group within a certain time period.	
Conditions precedent	Initial utilisation will be conditional upon, among other things, Ventia having been admitted to the official list of the ASX and its shares being quoted on a conditional and deferred settlement basis, and other conditions precedent which are customary for facilities of this nature.	
Financial close sunset date	The syndicated term loan facility must be drawn by 30 June 2022 before it becomes unavailable for drawing. It is a further condition precedent under the syndicated revolving cash facility that financial close under the syndicated term loan facility has occurred.	
Guarantees and security	The New Banking Facilities will be guaranteed by the Guarantor Group. Ventia will ensure that the Guarantor Group will at all times comprise no less than 90% of EBITDA and 90% of total tangible assets of the Group. The Guarantor Group must also include each wholly-owned subsidiary of Ventia that on a stand-alone basis contributes greater than 5% of EBITDA or 5% of total tangible assets of the Group. The New Banking Facilities are unsecured.	
Financial undertakings	The New Banking Facilities will contain financial undertakings which are tested semi-annually.	

Feature	Syndicated Term Loan Facility	Syndicated Revolving Cash Facility
Restrictions on dividends	Ventia may pay a dividend only if no event of default has occurred which is continuing or will occur as a result of making the dividend.	
Other terms	The New Banking Facilities also contain customary representations and warranties, undertakings and events of default. A breach of a financial undertaking or certain other terms, which are not remedied within any applicable grace period, will be an event of default under the New Banking Facilities and will, among other consequences, enable the applicable facility agent (on behalf of the financiers) to cancel commitments and/or accelerate repayment under the New Banking Facilities.	
Review events	The New Banking Facilities contain review events which are triggered if (a) after Completion a person has a relevant interest in more than 50% of the ordinary shares in the capital of Ventia, controls the composition of more than 50% of the Board of Ventia, or controls Ventia within the meaning of section 50AA of the Corporations Act; (b) after Completion Ventia is suspended from official quotation on the official list of the ASX and remains suspended from official quotation for a period of more than 10 consecutive trading days; or (c) Ventia is not assigned a credit rating of BBB-/Baa3 or better from one of S&P and Moody's within 30 days of Completion; or (d) on the day falling 30 days after Completion, Ventia is assigned a credit rating of below BBB-/Baa3 from one of S&P or Moody's. If a review event occurs, the relevant facility agent may trigger a 60-day (or in the case of the credit rating review events, a 90-day) good faith negotiation period, following which if appropriate amendments are not agreed, the relevant financier may cancel its commitments and declare all amounts owing due and payable within 30 days of notice.	

9.7.3 Hedging Arrangements

Certain members of the Guarantor Group have entered into or will have entered into before Completion hedging arrangements allowing for interest rate swaps with certain hedge counterparties. The hedging arrangements have the benefit of equivalent guarantor coverage, representations and warranties, undertakings, events of default and review events as under the New Banking Facilities.

9.7.4 Bilateral Bank Guarantee and Surety Bond Facilities

Certain members of the Guarantor Group have entered into, or will have entered into before Completion, bilateral committed and uncommitted bank guarantee and surety bond facilities to support contractual obligations of the Group. These bilateral facilities rank senior pari passu with the New Banking Facilities and are unsecured. These bilateral facilities have the benefit of equivalent guarantor coverage, representations and warranties, events of default and review events as under the New Banking Facilities.

9.8. Agreements with Selling Shareholders

9.8.1 Relationship Agreement

Ventia has entered into a Relationship Agreement with the Selling Shareholders to govern the relationship between Ventia and the Selling Shareholders while each Selling Shareholder holds Retained Shares.

The Relationship Agreement includes the following key terms:

- The obligations of the parties to the Relationship Agreement are conditional on Completion.
- The parties to the Relationship Agreement agree to certain procedures regarding the use of confidential information.
- Each Selling Shareholder may nominate for appointment or replacement from time to time:
  - two Directors to the Board for so long as the Selling Shareholder holds Retained Shares which represent at least 15% of the Shares on issue, provided that in these circumstances Apollo may only nominate one Director while David Moffatt is a member of the Board (given that, while David Moffatt is not treated as a Director nominated by Apollo for the purposes of the Relationship Agreement, he was originally nominated to the Board by Apollo as described in Section 6.1); and
  - one Director to the Board for so long as the Selling Shareholder holds Retained Shares which represent less than 15% but at least 10% of the Shares on issue, provided that in these circumstances Apollo may not nominate a Director while David Moffatt is a member of the Board.
- Unless each Selling Shareholder agrees otherwise, and except for issuance under an executive incentive plan, any Equity Securities to be issued by Ventia must be offered pro rata to Ventia's shareholders.
- Appointment of a person as Ventia's Group Chief Executive Officer requires consultation with, and the prior written consent of, each Selling Shareholder.
- Even though each Selling Shareholder's right to appoint Directors (as discussed in paragraph (c) above) may be reduced or cease, except subject to the Company's governance processes and ASX requirements (including as to Director re-election) and applicable laws, nominated Directors will not be required to resign simply because their nominator ceases to be entitled to nominate them.
- The rights and obligations described above terminate in respect of a Selling Shareholder if that Selling Shareholder (and, if applicable, its affiliates) ceases to hold in aggregate at least 10% of the Shares in Ventia.
- The Relationship Agreement also provides for ongoing information sharing arrangements relating to the provision of accounting, financial or other information by Ventia to the Selling Shareholders and their respective affiliates, subject at all times to any applicable laws, undertakings to government agencies, confidentiality undertakings and provision of reasonable notice, to the extent required by the Selling Shareholders for compliance with their obligations under applicable law and other requirements of governmental, legal, taxation, regulatory (including stock exchange) or licensing authorities.
- Each Selling Shareholder may at any time decide to sell down or restructure its shareholding in Ventia. If a Selling Shareholder decides to conduct a sell-down or restructure of its shareholding, it may request the reasonable cooperation and assistance of Ventia in facilitating the sell-down or restructure.
- The Relationship Agreement terminates if:
  - Completion does not occur by 31 December 2021 or such other date as is agreed between the parties; or
  - in respect of a Selling Shareholder (and except for some procedural clauses), that Selling Shareholder (and, if applicable, its affiliates) ceases to hold in aggregate at least 3% of the Shares on issue following Completion.

9.8.2 Voluntary Escrow Arrangements

Each Escrowed Shareholder has entered into a voluntary escrow deed in respect of their Shares held on Completion of the Offer, which prevents them from dealing in their Shares for the period set out in the table below (**Escrow Period**).

In aggregate, 380,057,984 Shares will be the subject of these Escrow Arrangements,[1] representing approximately 49.4% of the total Shares on issue immediately following Completion of the Offer. A table setting out the Escrowed Shareholders, the Shares they are expected to hold following Completion of the Offer and the percentage of the total Shares on issue following Completion of the Offer subject to voluntary escrow is set out below:

Shareholder	Shares held on Completion of the Offer (#)[1]	% of total issued Shares on Completion of the Offer subject to voluntary escrow[1]	End of Escrow Period
AIF VIII Singapore Pte Ltd[2]	171,404,150[3]	22.3%	The period ending at 4.15pm on the date on which the Company releases its financial results for the period ending 31 December 2022.
CIMIC Group Limited	171,404,150[4]	22.3%	
Ventia Services Group EIP Pty Ltd	34,730,693	4.5%	
Four individual current and former senior executives of Ventia (not being the CEO or CFO)	1,000,000	0.1%	
	1,085,658	0.1%	
	173,333	0.0%	
	260,000	0.0%	

1. Excludes any Shares that may be acquired for cash in the Offer. Any Shares acquired for cash in the Offer will not be subject to escrow. Assumes the Final Price is set at the midpoint of the Indicative Price Range.
2. AIF VIII Asia Intermediate, LLC., AIF VIII Asia-Pacific Investments Pte. Ltd and AIF VIII Euro Holdings, L.P. (each a **Controller** and together, the **Controllers**) are also parties to the voluntary escrow deed entered into by AIF VIII Singapore Pte Ltd and are subject to the same escrow restrictions in respect of the securities, substantial economic interest or other interests in the Escrowed Shares in which a Controller has a direct or indirect interest and each intermediate entity through which that interest occurs (**Controller Interests**).
3. Up to a further 17,344,603 Shares may be escrowed, if and to the extent that such Shares are re-delivered to AIF VIII Singapore Pte Ltd under stock borrowing arrangements and overallotment arrangements described in Section 7.6.
4. Up to a further 17,344,603 Shares may be escrowed, if and to the extent that such Shares are re-delivered to CIMIC Group Limited under stock borrowing arrangements and overallotment arrangements described in Section 7.6.

'Dealing', for the purposes of these restrictions, is broadly defined and includes, among other things, to dispose of, or agree or offer to dispose of, the Escrowed Shares or any legal, beneficial or economic interest in the Escrowed Shares or to create or agree or offer to create any security interest in the Escrowed Shares.

An Escrowed Shareholder (or, where applicable, a Controller) may be released early from these escrow obligations, as required by law, or to:

- enable:
  - the Escrowed Shareholder to accept an offer under a takeover bid in respect of all or a proportion of the Escrowed Shares, provided that the holders of at least half of the Shares that are not subject to any voluntary escrow deed, and to which the offers under the takeover bid relate, have accepted an offer under the takeover bid; or
  - the Escrowed Shares held by the Escrowed Shareholders to be transferred or cancelled as part of a merger by scheme of arrangement relating to Ventia under Part 5.1 of the Corporations Act,

provided that, in each case, if for any reason any or all Escrowed Shares are not transferred or cancelled in accordance with such a takeover bid or scheme of arrangement, then the holder of such Escrowed Shares agrees that the restrictions applying to the Escrowed Shares will continue to apply;

- allow the Escrowed Shareholder or Controller to encumber or transfer any (or all) of its Restricted Shares or Controller Interests to a bona fide third party financial institution (**Financial Institution**) as security for a loan, hedge or other financial accommodation provided that any such agreement with a Financial Institution must provide that the Escrowed Shares are to remain in escrow and subject to the terms of the voluntary escrow deed as if the Financial Institution were a party to the voluntary escrow deed;

1. Up to a further 34,689,206 Shares may be escrowed, if and to the extent that such Shares are re-delivered to AIF VIII Singapore Pte Ltd and CIMIC Group Limited under stock borrowing arrangements and overallotment arrangements described in Section 7.6.

- allow the Escrowed Shareholder or Controller to participate in an equal access share buy-back, equal access capital return, or equal access capital reduction, in each case in respect of Restricted Shares or Controller Interests held by it;
- allow the Escrowed Shareholder or Controller to transfer (in one or more transactions) any or all Escrowed Shares or Controller Interests to an affiliate or an affiliated fund of the Escrowed Shareholder provided such affiliate or affiliated fund transferee agrees to be bound by the voluntary escrow arrangements for the term of those arrangements; or
- allow the Escrowed Shareholder or Controller to transfer (in one or more transactions) any or all Escrowed Shares or Controller Interests as part of a pro rata distribution to its limited partners, members or stockholders.

The voluntary escrow deed entered into by AIF VIII Singapore Pte Ltd and CIMIC Group Limited also contains provisions relating to cooperation on any sale of Escrowed Shares following expiry of the Escrow Period. These provisions mean that AIF VIII Singapore Pte Ltd and CIMIC Group Limited will have relevant interests in each other's Retained Shares for the purposes of Chapter 6 of the Corporations Act.

9.8.3 Termination of Management Consulting Arrangement

CIMIC and Apollo Management VIII LP (together, the **Service Providers**) entered into an agreement with Ventia dated 31 March 2015, under which Ventia receives management consulting services from the Service Providers in return for an annual fee payable by Ventia to the Service Providers (**Management Consulting Agreement**).

Ventia and the Service Providers have agreed to terminate these arrangements with effect from Completion.

9.8.4 Side letter – Exercise rights under the OMA

The Company and SaleCo have entered into a letter agreement with the Selling Shareholders under which the Company and SaleCo agree to exercise rights and discretions that they have under the Offer Management Agreement (including as regards decisions regarding pricing and allocation, withdrawal of the Offer and determination of discretionary fees) at the direction of the Selling Shareholders.

9.8.5 CIMIC Guarantees

Pursuant to sale agreements dated 17 December 2014 (**Sale Agreements**), Ventia Pty Limited (formerly LS Newco Pty Limited) ACN 603 146 676, a subsidiary of Ventia, acquired:

- the Leighton Contractor Services and Visionstream businesses from CIMIC and CPB Contractors Pty Limited (formerly Leighton Contractors Pty Limited) ACN 000 893 667; and
- the Thiess Services business from Thiess Pty Ltd ACN 010 221 486.

Completion under the Sale Agreements occurred on 30 March 2015 (**Sale Completion**).

CIMIC had previously provided parent guarantees (**Parent Guarantees**) in respect of the obligations of relevant Ventia Group members under certain customer contracts of the Leighton Contractor Services, Visionstream and Thiess Services businesses (**Guaranteed Contracts**). Under the terms of the Sale Agreements, Ventia was required to take all reasonable steps to release CIMIC from the Parent Guarantees prior to and effective from Sale Completion. Such reasonable steps included replacing the Parent Guarantees with a parent guarantee provided by Ventia or another Ventia Group member. For any Parent Guarantees that were not released and replaced prior to Sale Completion, Ventia was required to pay a fee to CIMIC at Completion (**Initial Parent Guarantee Fee**). The Initial Parent Guarantee Fee paid by Ventia to CIMIC was $2,352,914.

Under the terms of the Sale Agreements, on or around 30 March of each calendar year following Sale Completion, Ventia is required to pay a fee to CIMIC in relation to the remaining Parent Guarantees which have not been released and replaced (**Parent Guarantee Fee**). The Parent Guarantee Fee is calculated as:

- $2.5 million x (A/B), where:
  - A = the total estimated work in hand for all Guaranteed Contracts as at the date on which the Parent Guarantee Fee is payable; and
  - B = the total estimated work in hand for all Guaranteed Contracts as at 30 November 2014 (pro forma adjusted as at 26 March 2015), being $3,299,763,347.

As at the Prospectus Date, there were four Parent Guarantees which had not been released and replaced.

The Parent Guarantee Fee paid by Ventia to CIMIC in each of the past three years is set out below:

- 30 March 2019 – $1,152,000;
- 30 March 2020 – $1,132,000; and
- 30 March 2021 – $1,096,000.

Until either the Parent Guarantees are released and replaced or the relevant Guaranteed Contracts have terminated, the Parent Guarantee Fee will remain payable by Ventia to CIMIC on an annual basis (including following Listing).

9.9. Litigation and claims

Ventia and its subsidiaries are, from time to time, party to various disputes and legal proceedings incidental to the conduct of its business. Except as otherwise disclosed in the Prospectus, as at the Prospectus Date there are no current, pending or threatened civil litigation, arbitration proceedings or administrative appeals, or criminal or governmental prosecutions, of a material nature, involving Ventia or its subsidiaries which are likely to have a material adverse impact on the business or financial position of Ventia.

9.9.1 ATO Audit

The Australian Taxation Office (**ATO**) is conducting an audit into historical aspects of the former Broadspectrum and Transfield businesses, being Broadspectrum Pty Ltd and Ferrovial Services Australia Pty Ltd (**BRS**) that Ventia acquired from Ferrovial S.A. In particular, the ATO is reviewing the way in which BRS allocated profits associated with historical Regional Processing Centre (**RPC**) contracts between Australia and the RPC jurisdictions (Nauru and Manus Island) for tax purposes. The ATO has not raised any contention that BRS' allocation of profits was motivated by a tax avoidance purpose.

The ATO's audit covers the period from 1 July 2012 to 31 December 2017. BRS filed its income tax returns based on allocations of revenue that were specified in the RPC contracts that it had entered into with the Commonwealth Government. BRS took its filing position following receiving external transfer pricing advice. Ventia maintains that the position adopted by BRS in its income tax returns is correct.

The following events have taken place:

- **July 2020:** the ATO issued a position paper to BRS that set out its preliminary views and invited a response.
- **October 2020:** BRS communicated to the ATO that it disagreed with the ATO's position. BRS' detailed response to the ATO set out its view of the factual and legal basis justifying the position adopted in the income tax returns.
- **May 2021:** BRS furnished a further submission to the ATO that contained evidence on particular aspects of its position. BRS also provided the ATO with an opinion that it had received from Queen's Counsel supporting its position.
- **August 2021:** BRS furnished a further submission that included evidence to support its position.

Ventia understands that the ATO is reviewing its position based on the information and documents that Ventia has provided (and where appropriate, will continue to provide). Ventia understands that the ATO has not yet determined its final position on the audit and in particular, whether it will alter the preliminary position in its position paper of July 2020 as a consequence of the BRS submissions.

Due to the current status of the audit, it is difficult to quantify the risk to Ventia. However, if the ATO maintains its position as set out in the preliminary position conveyed in the ATO's position paper, Ventia understands that the ATO would propose to seek to cancel carry forward losses with a tax-effected value of up to $101 million and, in addition, seek to assess for up to $107 million of cash tax payable. The ATO has not conveyed its position on administrative penalties and shortfall interest.

BRS has paid tax in Papua New Guinea and Nauru on the profits that the ATO now contemplates seeking to tax in Australia. Those PNG and Nauru tax payments were based on allocations of revenue that were specified in the RPC contracts that it had entered into with the Commonwealth Government. In the case of Papua New Guinea, the applicable tax rate is significantly above the Australian tax rate. The total amount of tax paid in PNG and Nauru in the ATO audit period was $198 million. As such, Ventia's position is that the ATO's preliminary position would result in 'double taxation'. In the case of PNG, Ventia would propose to rely on the provisions in the PNG/Australia Double

Tax Agreement, including the Mutual Agreement Procedure, which may lead to a refund of tax levied on income paid in PNG and/or a reduction in the ATO's position. In addition, Ventia may be entitled to Australian Foreign Income Tax Offsets in respect of profits that are subject to double taxation in Nauru and Australia.

Ventia has not made a provision for any cash tax, penalties or interest that may be payable, and has not recognised any of the associated carry forward tax losses.

The SPA for the acquisition of the Broadspectrum group of companies included a specific indemnity covering certain losses in connection with such tax audit. Ferrovial S.A. has exercised a right under the terms of the SPA with Ventia to control the conduct of the ATO audit. It is considered that the process is at a stage when it is not possible to conclude if the indemnity will apply in respect of those losses, though as noted above, BRS has provided the ATO with an opinion that it had received from Queen's Counsel supporting its position. In any case, an indemnity claim against Ferrovial is subject to a maximum amount of $40 million depending upon the level of the tax assessment and impact on the tax asset of BRS at the time of completion of the acquisition.

Ventia understands that following the ATO's consideration of the material provided, it will issue a final Statement of Audit Position and, if applicable, will then issue any necessary adjustments to reflect that position.

In addition to the Mutual Agreement Procedure noted above, Ventia has rights to object, appeal and review the ATO's position.

9.9.2 Gateway Motorway project

Ventia is aware of the potential for claims to arise against Ventia group companies in relation to the Gateway Motorway project. These potential claims arise in connection with Visionstream Australia's involvement in the design and construction of aspects of the motorway upgrade and allegations of defects in those works, as well as maintenance performed by the Gateway Motorway Services JV (GMS, a joint venture between Ventia Pty Limited and Lendlease Services), and allegations that the maintenance was defective.

Visionstream Australia has been identified as a third party in existing litigation between other parties involved in the project, including the head design and construction contractor. Allegations of defective maintenance may also be made against GMS, and GMS may also be joined as a party to the proceedings. Court orders in that litigation require all third party claims by the defendants (including the head design and construction contractor) to be filed in mid-November 2021, and as such, Ventia believes that a third party claim against Visionstream Australia or GMS could be served in the near-term.

While it is not currently possible for Ventia to estimate its potential liability in respect of these claims, the works performed by Visionstream Australia relate to intelligent transport signage, electrical works and light poles, with a subcontract value of $38 million. Based on documents currently filed in court in connection with the existing litigation, Ventia understands the quantum of a claim against Visionstream Australia could be in the order of $64 million, based on other parties' estimates for (a) the potential future cost to rectify alleged defects and (b) the associated lane occupancy fees to perform rectification works. Other parties to the existing proceedings may also allege they have suffered loss arising from the same or similar defects and may issue proceedings in their own right. To the extent that there are any claims served against either Visionstream Australia or GMS in respect of these matters, the basis and quantum of the claims will need to be properly particularised and the effect of contractual liability caps considered. Ventia will dispute the claims and intends to defend them vigorously.

If action is taken against a Ventia group company, this could result in costly multi-party litigation or further claims against Ventia group companies. In addition, Ventia's financial performance and financial condition may be adversely affected if the claim against the relevant company is for a material amount and is ultimately successful or partially successful to a material degree or if the costs of any subsequent litigation are material. Furthermore, any litigation may have a material impact on Ventia's reputation and its standing within the industry.

9.9.3 ABCC Audits

Ventia is required to comply with the *Code for the Tendering and Performance of Building Work 2016* (Cth) (**Building Code**). The Australian Building and Construction Commission (**ABCC**), from time to time, conducts audits of Ventia's compliance with the Building Code.

In February 2021, the ABCC requested that Ventia review a selection of progress payment claims issued by subcontractors conducting building work on the Pilbara Region – Rural Network Contract 90/17 in Western Australia. That review identified certain delayed payments to subcontractors and Ventia undertook rectification measures to ensure compliance with the Building Code. It also advised the ABCC of certain rectification measures that it would put in place to address those matters including staff training and process improvements. The ABCC accepted these rectification measures and requested Ventia implement additional measures relating to a dispute settlement process with respect to its downstream subcontractors and identify and report future delayed payments to the ABCC. Ventia is required to provide details of its proposed rectification measures in these areas by the end of October 2021.

In October 2021, the ABCC also notified Ventia that it was conducting a desktop audit in relation to Ventia Australia's compliance with the Building Code. Ventia Australia is in discussions with the ABCC as to the extent of this audit and is working constructively with the ABCC to take a practical approach to a review across its operations in light of the review and rectification measures undertaken in connection with the Pilbara region, discussed above.

Notwithstanding that Ventia is not currently aware of any matters that would give rise to a significant breach of the Building Code and has confidence in the rectification measures that it has implemented to date, there is a risk that if the ABCC finds that there has been a significant breach of the Building Code, the ABCC may refer the matter to the Federal Minister with recommendations that a sanction be imposed. The Federal Minister may then issue either a formal warning or impose an exclusion sanction of up to 12 months prohibiting Ventia from expressing interest or tendering for Commonwealth funded building work. A prohibition on tendering for Commonwealth funded building work may impact Ventia's reputation, and its operating and financial performance.

9.10. Acquisition of Kordia Solutions Pty Ltd

Under the share sale agreement between Kordia Pty Limited, Kordia Group Limited and Ventia Holdings I Pty Limited (**Buyer**), the Buyer has agreed to acquire the entire outstanding share capital of Kordia Solutions Pty Limited ABN 80 002 649 229 (**Kordia Solutions**).

Kordia Solutions provides design, consultancy, maintenance and construction services for fixed and mobile indoor and outdoor telecommunications networks to major public and private built environments[2].

The Agreement contains certain standard representations and limited warranties, and is subject to customary conditions precedent, including regulatory approvals and the consents of the counterparties of some of the Company's material contracts. The Buyer must use its reasonable endeavours to ensure that each condition precedent is satisfied as soon as practicable.

9.11. Australian taxation considerations

The following comments provide a general summary of Australian tax issues for Australian tax resident investors who acquire shares under this Prospectus.

The categories of investors considered in this summary are limited to individuals, certain companies, trusts, partnerships and complying superannuation funds, each of whom hold their shares on capital account.

This summary does not consider the consequences for non-Australian tax resident investors, or Australian tax resident investors who are insurance companies, banks, investors that hold their shares on revenue account or carry on a business of trading in shares or investors who are exempt from Australian tax. This summary also does not cover the consequences for Australian tax resident investors who are subject to Division 230 of the *Income Tax Assessment Act 1997* (Cth) (the **Taxation of Financial Arrangements** or '**TOFA**' regime).

This summary is based on the law in Australia in force at the time of issue of this Prospectus. This summary does not take into account the tax law of countries other than Australia. This summary is general in nature and is not intended to be an authoritative or complete statement of the applicable law. The taxation laws of Australia or their interpretation may change.

The precise implications of ownership or disposal of the Shares will depend upon each investor's specific circumstances. Investors should obtain their own advice on the taxation implications of holding or disposing of the shares, taking into account their specific circumstances.

2. Built environments include infrastructure and asset types such as stadiums, offices and other public and government buildings.

1. Dividends on a share

Individuals and complying superannuation entities

Where dividends on a Share are distributed, those dividends will constitute assessable income of an Australian tax resident investor. Australian tax resident investors who are individuals or complying superannuation entities should include the dividend in their assessable income in the year they derive the dividend, together with any franking credit attached to that dividend if they are a 'qualified person' (refer to further comments below). Such investors should be entitled to a tax offset equal to the franking credit attached to the dividend subject to being a 'qualified person' or where the investor receives less than $5,000 in franking credits from all sources for the income year. The tax offset can be applied to reduce the tax payable on the investor's taxable income. Where the tax offset exceeds the tax payable on the investor's taxable income in an income year, such investors should be entitled to a tax refund.

Where a dividend paid is unfranked, the investor will generally be taxed at their prevailing tax rate on the dividend received with no tax offset.

Corporate Investors

Corporate investors are required to include both the dividend and associated franking credit in their assessable income subject to being a 'qualified person'. A tax offset is then allowed up to the amount of the franking credit on the dividend.

An Australian resident corporate investor should be entitled to a credit in its own franking account to the extent of the franking credit attached to the dividend received. Such corporate investors can then pass on the benefit of the franking credits to their own investor(s) on the payment of dividends.

Excess franking credits received cannot give rise to a refund, but may be able to be converted into carry forward tax losses.

Investors that are companies should seek specific advice regarding the tax consequences of dividends received in respect of the Shares they hold and the calculation and availability of carry forward tax losses arising from excess tax offsets.

Trusts and partnerships

Investors who are trustees (other than trustees of complying superannuation entities) or partnerships should include the franking credit in their assessable income in determining the net income of the trust or partnership. Subject to being a 'qualified person', the relevant beneficiary or partner may be entitled to a tax offset equal to the beneficiary's or partner's share of the franking credit received by the trust or partnership.

The relevant beneficiary or partner should seek specific advice regarding the tax consequences of dividends received in respect of Shares held.

Shares held at risk

The benefit of franking credits can be denied where an investor is not a 'qualified person' in which case the investor will not be able to include an amount for the franking credits in their assessable income and will not be entitled to a tax offset.

Broadly, to be a qualified person, an investor must satisfy the holding period rule including, if necessary, the related payment rule.

The holding period rule requires an investor to hold the shares 'at risk' for more than 45 days continuously, in the period beginning the day after the day on which the investor acquires the shares and ending on the 45th day after the day on which the shares become ex-dividend. The dates the shares are acquired and disposed of are ignored for the purposes of determining the 45-day period. Any day on which an investor has a materially diminished risk or loss of opportunity for gain (through transactions such as granting options or warrants over shares or entering into a contract to sell the shares) will not be counted as a day on which the investor held the shares 'at risk'. This holding period rule is subject to certain exceptions. Special rules apply to trusts and beneficiaries.

Under the related payment rule, a different testing period applies where the investor has made, or is under an obligation to make, a related payment in relation to a dividend. A related payment is one where an investor or their associate passes on the benefit of the dividend to another person. The related payment rule requires the investor to have held the shares at risk for a period commencing on the 45th day before, and ending on the 45th day after, the day the shares become ex-dividend. Practically, this should not impact investors who do not pass the benefit of the dividend to another person. Investors should obtain their own tax advice to determine if these requirements have been satisfied.

Dividend washing rules can apply such that no tax offset is available (nor is an amount required to be included in your assessable income) for a dividend received. Investors should consider the impact of these rules as well as other integrity measures which may apply to the claiming of tax offsets, having regard to their own personal circumstances.

2. Disposal of Shares

The disposal of a Share by an investor will be a capital gains tax (**CGT**) event. A capital gain will arise where the capital proceeds on disposal exceed the cost base of the Share (broadly, the amount paid to acquire the Share plus any transaction costs). In the case of an arm's length on-market sale, the capital proceeds will generally be the cash proceeds from the sale.

A CGT discount may be applied against the capital gain (after reduction of total capital gains by capital losses) where the investor is an individual, complying superannuation entity or trustee, the shares have been held for more than 12 months (not including the date of acquisition and disposal) and certain other requirements have been met. Where the CGT discount applies, any capital gain arising to individuals and entities acting as trustees (other than a trust that is a complying superannuation entity) may be reduced by one half after offsetting current year or prior year capital losses. For a complying superannuation entity, any capital gain may be reduced by one-third, after offsetting current year or prior year capital losses.

Where the investor is the trustee of a trust that has held the shares for more than 12 months (not including the date of acquisition and disposal) before disposal, the CGT discount may flow through to the beneficiaries of the trust if those beneficiaries are not companies. Investors that are trustees should seek specific advice regarding the tax consequences of distributions to beneficiaries who may qualify for discounted capital gains.

A capital loss will be realised where the reduced cost base of the shares exceeds the capital proceeds from disposal. Capital losses may only be offset against capital gains realised by the investor in the same income year or future income years, subject to certain loss recoupment tests being satisfied. Capital losses cannot be offset against other assessable income.

3. Goods and Services Tax (**GST**)

Investors should not be liable for GST in respect of their investment in shares. Investors may not be entitled to claim full input tax credits in respect of any GST paid on costs incurred in connection with their acquisition of the shares. Separate GST advice should be sought by investors in this respect.

4. Stamp duty

Investors should not be liable for stamp duty in respect of their holding of shares, unless they acquire, either alone or with an associated/related person, an interest of 90% or more in the Company. Under current stamp duty legislation, no stamp duty would ordinarily be payable by investors on any subsequent transfer of shares.

Investors should seek their own advice as to the impact of stamp duty in their own particular circumstances.

5. Tax file numbers (**TFN**)

Resident investors may, if they choose, notify the Company of their TFN, Australian Business Number or a relevant exemption from withholding tax with regards to dividends. In the event the Company is not so notified, tax will automatically be deducted at the highest marginal rate, including (where relevant) the Medicare Levy, from unfranked dividends and/or distributions.

Resident investors may be able to claim a tax credit/rebate (as applicable) in respect of any tax withheld on dividends in their income tax returns.

9.12. New Zealand taxation considerations

The following comments provide a general summary of New Zealand tax issues for New Zealand tax resident investors who acquire Shares under this Prospectus.

The categories of investors considered in this summary are limited to individuals, certain companies, trusts and partnerships, each of whom hold their Shares on capital account.

This summary does not consider the consequences for non-New Zealand tax resident investors, dual resident investors, or New Zealand tax resident investors who are insurance companies, banks, complying superannuation funds, portfolio investment entities (**PIEs**), investors that hold their Shares through a tax transparent, fiscally transparent or hybrid entity, investors that hold their Shares on revenue account or carry on a business of trading in Shares or investors who are exempt from New Zealand tax. These investors should seek their own New Zealand tax advice.

This summary is based on the law in New Zealand in force at the time of issue of this Prospectus (specifically the Income Tax Act 2007 and the Goods and Services Tax Act 1985). This summary does not take into account the tax law of countries other than New Zealand. This summary is general in nature and is not intended to be an authoritative or complete statement of the applicable law. The taxation laws of New Zealand or their interpretation may change. The precise implications of ownership or disposal of the Shares will depend upon each investor's specific circumstances.

Investors should obtain their own advice on the taxation implications of holding or disposing of the Shares, taking into account their specific circumstances.

1. Dividends on a Share

New Zealand tax resident investors who hold Shares in the Company will be subject to the New Zealand foreign investment fund (**FIF**) rules. However, as the Company will be an Australian resident company that will be listed on the ASX, the New Zealand resident investor should be exempt from attributing FIF income on the basis of an exemption for ASX-listed Australian companies.

If the New Zealand resident investor's shareholding in the Company is not exempt from the FIF rules, or the investor owns more than 10% of the Company, the investor should seek their own tax advice to determine their tax position.

As the Company is not a New Zealand resident company, dividends paid will not have New Zealand imputation credits attached unless the Company elects into the Trans-Tasman imputation regime in the future. This is discussed further below.

Any Australian franking credits attached to the dividend are not creditable for New Zealand tax purposes.

Individuals

New Zealand tax resident investors who are individuals should include the gross dividend in their assessable income in the year they derive the dividend. This includes the payment received, plus any Australian dividend withholding tax deducted from, and New Zealand imputation credits attached to, the dividend (if any).

The individual should be entitled to tax credits for Australian dividend withholding tax deducted at source, as well as any New Zealand imputation credits attached to the dividend. Subject to the availability of tax treaty relief under the Australia/New Zealand Double Tax Agreement, the rate of any Australian dividend withholding tax should be limited to 15%.

Excess foreign tax credits cannot be carried forward, and the New Zealand Inland Revenue will not refund withholding tax paid to the Australian Tax Office. Excess New Zealand imputation credits received cannot give rise to a refund, but are either converted into carry-forward tax losses or carried forward to a future income year.

If a New Zealand resident investor does not currently file an income tax return, the investor may need to file an income tax return declaring the dividends from the Company.

Corporate Investors

New Zealand resident investors who are companies are required to include the gross dividend in their assessable income. This includes the payment received, plus any Australian dividend withholding tax deducted from, and New Zealand imputation credits attached to, the dividend (if any).

The Company should be entitled to tax credits for Australian dividend withholding tax deducted at source, as well as any New Zealand imputation credits attached to the dividend. Subject to the availability of tax treaty relief under the Australia/New Zealand Double Tax Agreement, the rate of any Australian dividend withholding tax should be limited to 15% (or less under the treaty, if more than 10% of the Company is owned by a New Zealand resident Company investor).

A New Zealand resident Company investor should be entitled to a credit in its own New Zealand imputation credit account to the extent of any New Zealand imputation credits attached to the dividend received. Such Company investors may then pass on the benefit of the New Zealand imputation credits to their own New Zealand resident shareholder(s) on the payment of future dividends, subject to meeting certain shareholder continuity requirements.

Excess foreign tax credits cannot be carried forward, and the New Zealand Inland Revenue will not refund withholding tax paid to the Australian Tax Office. Excess New Zealand imputation credits received cannot give rise to a refund, but are either converted into carry-forward tax losses or carried forward to a future income year.

Trusts and partnerships

New Zealand resident investors who are trustees or partnerships are required to include the gross dividend in their assessable income in determining the net income of the trust, beneficiaries or partnership. This includes the payment received, plus any Australian dividend withholding tax deducted from, and New Zealand imputation credits attached to, the dividend (if any).

The relevant trustee, beneficiary or partner may be entitled to tax credits equal to the trustee, beneficiary or partner's proportionate share of any New Zealand imputation credits and Australian dividend withholding tax credits received by the trust, beneficiary or partnership. These tax credits may be used to satisfy or partially satisfy the trustee's, beneficiary's or partner's New Zealand income tax liability on the gross dividend.

Excess foreign tax credits cannot be carried forward, and the New Zealand Inland Revenue will not refund withholding tax paid to the Australian Tax Office. Excess New Zealand imputation credits received cannot give rise to a refund, but are either converted into carry-forward tax losses or carried forward to a future income year.

Trans-Tasman imputation regime

New Zealand operates an imputation regime under which income tax paid by the New Zealand subsidiaries gives rise to credits, known as imputation credits.

The Trans-Tasman imputation regime allows Australian and New Zealand Group companies to form a Trans-Tasman imputation group. This could allow the Company to operate a New Zealand imputation credit account and pass on the benefit of New Zealand imputation credits to its New Zealand resident investors when it pays a dividend, relative to their proportionate ownership.

New Zealand imputation credits attached to dividends may be used by New Zealand resident investors as a credit against their tax liability in respect of the dividends. The maximum ratio at which the Company can attach New Zealand imputation credits to dividends is 28:72 (i.e. $28 of imputation credits to $72 of cash dividend).

The Company has not elected to enter into the Trans-Tasman imputation regime. Should the Company elect to enter the regime, it may in the future be in a position to impute dividends for New Zealand tax purposes in the year of election and later income years.

2. Disposal of Shares

New Zealand does not have a comprehensive capital gains tax regime. As a result, New Zealand resident investors that hold their Shares on capital account should not be subject to New Zealand tax on disposal of their Shares. Similarly, a capital loss realised on disposal is not deductible to the investor under New Zealand tax law.

Although New Zealand does not have a comprehensive capital gains tax, there are instances where a New Zealand resident investor could be subject to New Zealand tax on gains they make on the sale or disposal of their Shares or be allowed a deduction for any loss they make. Investors must consider their individual circumstances to determine whether any gain on the sale or disposal of their Shares will be taxable (or loss deductible).

Generally, an investor will be subject to tax on any gain (or allowed to deduct any loss) arising from the sale or disposal of their Shares if they are in the business of dealing in shares, acquire their Shares as part of a profit-making undertaking or scheme, or acquire their Shares with the dominant purpose of reselling them.

As noted above, Ventia has not considered the consequences for investors who hold their investments on revenue account or as trading stock.

3. GST

New Zealand resident investors should not be liable for GST in respect of their investment in Shares.

4. Stamp Duty

New Zealand does not have a stamp duty regime. Accordingly, no stamp duty will be payable by the investors on the acquisition of Shares or on subsequent transfer of Shares.

9.13. Consents to be named and inclusion of statements and disclaimers of responsibility

Each of the parties listed below in this Section 9.13 (each a **consenting party**), to the maximum extent permitted by law, expressly disclaims all liabilities in respect of, makes no representations regarding and takes no responsibility for any statements in or omissions from this Prospectus, other than the reference to its name in the form and context in which it is named and a statement or report included in this Prospectus with its consent as specified below.

Each of the consenting parties listed below has given and has not, at the time of lodgement of this Prospectus with ASIC, withdrawn its written consent to the inclusion of statements in this Prospectus that are specified below in the form and context in which the statements appear:

- Barrenjoey Advisory Pty Limited has given, and has not withdrawn prior to the Prospectus Date, its written consent to be named in this Prospectus as a Joint Lead Manager to the Offer;
- J.P. Morgan has given, and has not withdrawn prior to the Prospectus Date, its written consent to be named in this Prospectus as a Joint Lead Manager to the Offer;
- Macquarie Capital (Australia) Limited has given, and has not withdrawn prior to the Prospectus Date, its written consent to be named in this Prospectus as a Joint Lead Manager to the Offer;
- Bell Potter Securities Limited, Morgans Financial Limited and Forsyth Barr Limited have given and not withdrawn prior to the Prospectus Date, their written consent to be named in this Prospectus as a Co-Lead Manager to the Offer;
- Crestone Wealth Management Limited and National Australia Bank Limited have given and not withdrawn prior to the Prospectus Date, their written consent to be named in this Prospectus as a Co-Manager to the Offer;
- Herbert Smith Freehills has given, and has not withdrawn prior to the Prospectus Date, its written consent to be named in this Prospectus as Australian legal adviser (other than in relation to taxation (with the exception of the matter described in Section 9.9.1) and stamp duty matters) to Ventia in relation to the Offer;
- Deloitte Corporate Finance Pty Limited has given, and has not withdrawn prior to the Prospectus Date, its written consent to be named in this Prospectus as Investigating Accountant to Ventia in relation to the Financial Information and to the inclusion in this Prospectus of its Investigating Accountant's Report in Section 8;
- Deloitte Touche Tohmatsu has given, and has not withdrawn prior to the Prospectus Date, its written consent to be named in this Prospectus as the auditor of Ventia;
- PricewaterhouseCoopers has given, and has not withdrawn prior to the Prospectus Date, its written consent to be named in this Prospectus as taxation adviser (with the exception of the matter described in Section 9.9.1) to Ventia in relation to the Offer;

- BIS Oxford Economics has given, and has not withdrawn prior to the Prospectus Date, its written consent to be named in this Prospectus and to the inclusion in this Prospectus of the information from its Industry Report in the form and context in which it is included; and
- Computershare has given, and has not withdrawn prior to the Prospectus Date, its written consent to be named in this Prospectus as the Share Registry to Ventia.
- Capital Research Global Investors has given, and has not withdrawn prior to the Prospectus Date, its written consent to be named in this Prospectus as an investor in Shares.

No consenting party referred to in this Section 9.13 has made any statement that is included in this Prospectus or any statement on which a statement made in this Prospectus is based, except as stated above. Each consenting party referred to in this Section 9.13 has not authorised or caused the issue of this Prospectus, does not make any offer of Shares and expressly disclaims and takes no responsibility for any statements in or omissions from this Prospectus, except as stated above in this Section 9.13.

9.14. Regulatory relief

9.14.1 ASIC exemptions and relief

Ventia has applied for a modification to ASIC Corporations (Short Selling) Instrument 2018/745, which provides an exemption from compliance with section 1020B(7C)(a) of the Corporations Act relating to the prohibition of certain short sales of securities, on behalf of all persons who sell or offer to sell Shares during the period of conditional trading on ASX, to address certain technical issues with that Instrument.

ASIC has provided a ‘no action’ letter to the Company relating to the Market Stabilisation Activities, which may be undertaken by the Stabilisation Manager, as described in Section 7.6.

9.14.2 ASX Waivers

Ventia has sought and obtained standard waivers and confirmations including the following waivers and confirmations in connection with its application to the ASX for admission to the Official List:

- confirmation that Ventia may undertake deferred and conditional settlement trading of Shares, subject to certain conditions to be approved by the ASX; and
- confirmation that Ventia has a structure and operations acceptable to the ASX for admission to the Official List for the purposes of Listing Rule 1.1 (Condition 1), including a waiver of Listing Rule 1.3.3(c).

ASX has also agreed to various matters in connection with the Market Stabilisation Arrangements.

9.15. Participation in issues of securities

Except as described in this Prospectus, Ventia has not granted, or proposed to grant, any rights to any person, or to any class of person, to participate in an issue of Ventia’s securities.

9.16. Description of syndicate

The Joint Lead Managers to the Offer are Barrenjoey Advisory Pty Limited, J.P. Morgan and Macquarie Capital (Australia) Limited.

9.17. Selling restrictions

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

The Offer is being extended to New Zealand investors under the Mutual Recognition Regime. Important information specific to New Zealand investors is provided on page 3 of this Prospectus under the heading ‘Important notice to New Zealand investors’.

Bermuda

No offer or invitation to subscribe for New Shares may be made to the public in Bermuda. No invitation is being made to persons resident in Bermuda for exchange control purposes to subscribe for New Shares.

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'), only to persons to whom New Shares may be lawfully distributed in the Provinces, and only by persons permitted to sell such securities. This document is not a prospectus, an advertisement or a public offering of securities in the Provinces. This document may only be distributed in the Provinces to persons who are 'accredited investors' within the meaning of National Instrument 45-106 – *Prospectus Exemptions*, of the Canadian Securities Administrators.

No securities commission or authority in the Provinces has reviewed or in any way passed upon this document, the merits of the New Shares or the offering of the 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. While such resale restrictions generally do not apply to a first trade in a security of a foreign, non-Canadian reporting issuer that is made through an exchange or market outside Canada, Canadian purchasers should seek legal advice prior to any resale of the New Shares.

The Company 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 the Company or its Directors or officers. All or a substantial portion of the assets of the Company and such persons may be located outside Canada and, as a result, it may not be possible to satisfy a judgement against the Company or such persons in Canada or to enforce a judgement obtained in Canadian courts against the Company or such persons outside Canada.

Any financial information contained in this document has been prepared in accordance with Australian Accounting Standards and also complies 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 Provinces may provide a purchaser with remedies for rescission or damages if an offering memorandum contains a misrepresentation, provided the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's Province. A purchaser may refer to any applicable provision of the securities legislation of the purchaser's Province for particulars of these rights or consult with a legal adviser.

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 there are Canadian tax implications for investors in the Provinces.

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.

Japan

The New Shares have not been and will not be registered under Article 4, paragraph 1 of the Financial Instruments and Exchange Law of Japan (Law No. 25 of 1948), as amended (the **FIEL**) pursuant to an exemption from the registration requirements applicable to a private placement of securities to Qualified Institutional Investors (as defined in and in accordance with Article 2, paragraph 3 of the FIEL and the regulations promulgated thereunder). Accordingly, the New Shares may not be offered or sold, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan other than Qualified Institutional Investors. Any Qualified Institutional Investor who acquires New Shares may not resell them to any person in Japan that is not a Qualified Institutional Investor, and acquisition by any such person of New Shares is conditional upon the execution of an agreement to that effect.

Korea

The Company is not making any representation with respect to the eligibility of any recipients of this document to acquire the New Shares under the laws of Korea, including, without limitation, the Foreign Exchange Transaction Act and regulations thereunder. The New Shares have not been, and will not be, registered under the Financial Investment Services and Capital Markets Act of Korea (**FSCMA**) and therefore may not be offered or sold (directly or indirectly) in Korea or to any resident of Korea or to any persons for re-offering or resale in Korea or to any resident of Korea (as defined under the Foreign Exchange Transaction Act of Korea and its enforcement decree), except as permitted under the applicable laws and regulations of Korea.

Accordingly, the New Shares may not be offered or sold in Korea other than to 'accredited investors' (as defined in the FSCMA).

Kuwait

This document does not constitute an offer or invitation to subscribe for or purchase any securities in Kuwait. The New Shares have not been licensed for offering in Kuwait by the Kuwait Capital Markets Authority. An offering of New Shares is, therefore, restricted in Kuwait. No private or public offering of New Shares is being made in Kuwait and no marketing or solicitation activities are being undertaken to market the New Shares in Kuwait. This document is not intended to lead to the conclusion of any contract within Kuwait and no agreement relating to the sale of New Shares will be concluded in Kuwait.

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.

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).

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 'institutional investor' (as defined in the SFA) or (ii) an 'accredited investor' (as defined in the SFA). If you are not an investor falling within one of these categories, 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.

South Africa

This document does not, nor is it intended to, constitute a prospectus prepared and registered under the South African Companies Act 2008 and may not be distributed to the public in South Africa. This document has not been registered with nor approved by the South African Companies and Intellectual Property Commission.

Any offer of New Shares in South Africa will be made by way of a private placement to, and capable of acceptance only by, investors who fall within one of the specified categories listed in section 96(1)(a) of the South African Companies Act.

An entity or person resident in South Africa may not implement participation in the Offer unless (i) permitted under the South African Exchange Control Regulations or (ii) a specific approval has been obtained from an authorised foreign exchange dealer in South Africa or the Financial Surveillance Department of the South African Reserve Bank.

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.

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**).

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.

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 UK Prospectus Regulation. 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 the Company.

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 on or rely on this document.

United States

This Prospectus may not be distributed to, or relied upon by, any person in the United States, unless it forms part of the US Institutional Offering Memorandum for the purposes of the Institutional Offer.

This Prospectus does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States.

The Shares have not been, and will not be, registered under the US Securities Act or the securities laws of any state or other jurisdiction of the United States, and may not be offered or sold, directly or indirectly, in the United States except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act and any other applicable US securities laws.

9.18. Ownership restrictions

9.18.1 Corporations Act

The takeover provisions in Chapter 6 of the Corporations Act restrict acquisitions of shares in listed companies if the acquirer's (or another party's) voting power would increase to above 20%, or would increase from a starting point that is above 20% and below 90%, unless certain exceptions apply. The Corporations Act also imposes notification requirements on persons having voting power of 5% or more in Ventia, either themselves or through an associate.

9.18.2 *Foreign Acquisitions and Takeovers Act 1975* (Cth)

Generally, the *Foreign Acquisitions and Takeovers Act 1975* (Cth) (**FATA**) applies to acquisitions of shares and voting power in a company of 20% or more by a single foreign person and its associates (**substantial interest**), or 40% or more by two or more un-associated foreign persons and their associates (**aggregate substantial interest**). Where a foreign person holds a substantial interest in Ventia or foreign persons hold an aggregate substantial interest in Ventia, Ventia itself will be a 'foreign person' for the purpose of the FATA.

The FATA also regulates acquisitions of 'direct interests' in 'national security businesses'. Ventia is likely to be a 'national security business' for this purpose (given various aspects of its business including those relating to Defence). A person will acquire a 'direct interest' in Ventia if it acquires an interest of 10% or more, or of it acquires an interest of 5% or more if the person who acquires the interest has entered into a legal arrangement relating to the business of the person and Ventia, or if it acquires any percentage interest if the person who acquires the interest is in a position to influence or participate in the central management or control of Ventia or to influence, participate in or control the policy of Ventia.

Where an acquisition of a substantial interest or aggregate substantial interest, or of a direct interest, meets certain criteria, the acquisition may not occur unless notice of it has been given to the Federal Treasurer, and the Federal Treasurer has either stated that there is no objection to the proposed acquisition in terms of the Australian Government's Foreign Investment Policy (**Policy**) or a statutory period has expired without the Federal Treasurer objecting. An acquisition of a substantial interest or an aggregate substantial interest, or of a direct interest, meeting certain criteria, may also lead to divestment orders unless a process of notification, and either a statement of non-objection or expiry of a statutory period without objection, has occurred.

9.19. Transaction costs

The costs of the Offer assuming the Final Price is set at the top of the Indicative Price Range and the Over-allocation Option is exercised in full are expected to be approximately $46 million (including advisory, legal, accounting, tax and duty, listing and administrative fees, the Joint Lead Managers' offer management fees, Prospectus design and printing, advertising, marketing, Share Registry and other expenses). These costs have been, or will be, borne by Ventia from available funds.

9.20. Governing law

This Prospectus and the contracts that arise from the acceptance of the Applications under this Prospectus are governed by the laws applicable in New South Wales, Australia and each Applicant under this Prospectus submits to the exclusive jurisdiction of the courts of New South Wales, Australia.

9.21. Statement of Directors

This Prospectus has been authorised by each Director and each SaleCo Director. Each Director and SaleCo Director has consented to its lodgement with ASIC and its issue and has not withdrawn that consent. The Directors have made enquiries and nothing has come to their attention to suggest that Ventia is not continuing to earn profit from continuing operations up to the date of this Prospectus.

APPENDIX 1

METHODOLOGY FOR ADDRESSABLE MARKET SIZE, ESTIMATED MARKET SHARE AND ESTIMATED MARKET POSITION

Edinburgh, SA

(a) Addressable market size: BIS Oxford Economics

Ventia commissioned an Industry Report by BIS Oxford Economics as part of preparing Section 2 of this Prospectus which included an assessment of the estimated addressable market size of outsourced Maintenance Services in Australia and New Zealand. While BIS Oxford Economics regularly undertakes research, analysis and forecasting of outsourced Maintenance Services markets, further work was undertaken for this Industry Report to, as best possible, estimate Ventia's Addressable Market in each industry segment. The estimated addressable market only includes those service types that Ventia currently delivers, or has the existing capabilities to deliver, within each industry segment.

The BIS Oxford Economics analysis in respect to Ventia's total addressable market for Maintenance Services provides three years of historical estimates from FY18 to FY20. BIS Oxford Economics also prepared forecasts of Ventia's total addressable market for FY21F to FY25F. All data in the Industry Report is presented on a 30 June year end basis to align with the format of available data on which the analysis was based.

As part of preparing the Industry Report for the purposes of the Prospectus, BIS Oxford Economics used a number of sources, including:

- Proprietary BIS Oxford Economics forecasts from datasets including *Maintenance in Australia, Building Work Done, Engineering Construction in Australia, and Building and Construction in New Zealand*.
- Contract data compiled through BIS Oxford Economics *Australian and New Zealand Maintenance Masterplan* services.
- Statistics published by the Australian Bureau of Statistics and Stats NZ.
- Government budget papers and portfolio statements.
- Other industry reports, company reports, investor briefings and contract announcements.

Some of the data sources used by BIS Oxford Economics cover multiple service types. The BIS Oxford Economics dataset for Maintenance Services captures spend on O&M, Hard FM and Sustaining MCW. BIS Oxford Economics sized the other service types, including Soft FM, Upgrade and New MCW and ES using separate datasets.

Upgrade and New MCW market size estimates and forecasts included in the Industry Report have been based on BIS Oxford Economics construction industry research and analysis, with core industry data sources being the Construction Work Done, Australia, Preliminary series from the ABS and, for New Zealand, the Value of Building Work Put in Place series from Stats NZ, as well as a range of other economic and industry data released by these agencies. In forecasting activity, BIS Oxford Economics uses a range of published sources including public sector budgets and portfolio statements as well as information drawn from various agency and industry reports, company annual reports, investor reports and other sources. These are consistent with the BIS Oxford Economics regular construction industry forecasting services: Long Term Building Work Done, Engineering Construction in Australia and Building and Construction in New Zealand.

O&M, FM, Sustaining MCW and ES market size estimates and forecasts for the Industry Report are based on BIS Oxford Economics research incorporating a range of published and unpublished data and surveys expanding on the regular program of analysis for its Maintenance in Australia and other forecasting services. This analysis includes review of public sector budgets and expenditure programs as well as various industry reports from national statistical agencies and the private sector, company annual reports and contract announcements collected in its Australian and New Zealand Maintenance Masterplan services. In estimating and forecasting activity, BIS Oxford Economics used published capital stock statistics from the set of national accounts, as well as data relating to demand drivers such as official population and trade data as well as new asset investment (including construction forecasts) and its drivers.

While total market construction activity (which is a key indicator for MCW as well as other downstream Maintenance Services such as O&M and FM) is available on a quarterly basis, most data collected by BIS Oxford Economics for the O&M and MCW market, including key ABS industry reports and BIS Oxford Economics proprietary data used in this analysis, is only available annually on a 30 June year end basis. Consequently, the analysis and forecasts in this report have also been provided on a 30 June year end basis and are likely to be more accurate than interpolating estimates to arrive at Calendar Year estimates.

APPENDIX 1 METHODOLOGY FOR ADDRESSABLE MARKET SIZE, ESTIMATED MARKET SHARE AND ESTIMATED MARKET POSITION

BIS Oxford Economics did not include spend associated with Major Capital Construction projects in the sizing of the estimated addressable market for any industry segment[1] as it is not considered to be addressable by Ventia. BIS Oxford Economics worked with Ventia management to determine for which industry segments Upgrade and New MCW spend is addressable by Ventia and the appropriate definition for Upgrade and New MCW to apply for each relevant industry segment. A summary of the definition for each industry segment is provided below:

- **Electricity T&D, Water and Electricity Generation[2]:** Contract value threshold for Upgrade and New MCW projects of below $100 million was adopted for the estimated addressable market.
- **Defence:** Contract value threshold for inclusion in the estimated addressable market size of below $15 million which is considered reflective of the addressable Upgrade and New MCW in this industry segment.
- **Telecommunications:** Estimated addressable market size includes all capital expenditure relating to the rollout of telecommunications networks (for example, nbn in Australia and Chorus Fibre in New Zealand).
- **Other industry segments:** No Upgrade and New MCW included in the sizing of the estimated addressable market.

Table 66 summarises the specific services and projects that are included and excluded in the estimated addressable market for each industry segment.

Table 66: Specific services and projects included and excluded in the estimated addressable market size for each industry segment[3]

Industry segment	Services and projects included	Services and projects excluded
D&SI		
Social Infrastructure	• Soft FM – Includes services for social and community housing, health, education, justice, mining camps, transport, utilities and government • Hard FM and Sustaining MCW – Includes services for social and community housing, retail, offices, accommodation, health and education	• Upgrade and New MCW • Major Capital Construction • Single service FM contracts outside major cleaning contracts (for example, hospital catering contracts)
Defence	**Defence Estate and Infrastructure (including defence housing):** • Hard FM • Sustaining MCW • Soft FM, including services such as hospitality and catering, waste management, aircraft refuelling, rescue and firefighting • Upgrade and New MCW up to $15 million in contract value **Army Sustainment (land based vehicles and equipment):** • O&M • Sustaining MCW	**Defence Estate and Infrastructure:** • Major Capital Construction **Army Sustainment:** • Upgrade and New MCW • Major Capital Construction

1. For example, no spend associated with large scale construction of transport (including tunnelling), utilities, building or resources infrastructure is included in the sizing of the estimated addressable market.
2. Electricity Generation only includes Upgrade and New MCW associated with renewable infrastructure.
3. Refer to Section 3.2 for further information about the activities Ventia delivers within each Sector.

Industry segment	Services and projects included	Services and projects excluded
IS		
Electricity and Gas T&D	**Electricity T&D:** covers electricity T&D lines, substations and related assets: • O&M • Sustaining MCW • Upgrade and New MCW up to $100 million in contract value **Gas T&D:** covers transmission and supply pipelines for the transport and distribution of gas: • O&M • Sustaining MCW	**Electricity T&D:** • Major Capital Construction **Gas T&D:** • Upgrade and New MCW • Major Capital Construction
Water	Covers water supply and storage, sewerage and drainage across: • O&M • Sustaining MCW • Upgrade and New MCW up to $100 million in contract value	• Major Capital Construction
Resources & Industrial	Covers mining (excluding Oil & Gas extraction) and heavy industrial assets[4] across: • O&M[5] • Sustaining MCW	• Upgrade and New MCW • Major Capital Construction
Oil & Gas	Covers upstream (i.e. oil and gas, mid-stream (i.e. LNG plants) and downstream (i.e. petroleum refineries) segments across: • O&M • Sustaining MCW	• Upgrade and New MCW • Major Capital Construction
Electricity Generation	**Renewable electricity generation infrastructure:** • O&M • Sustaining MCW • Upgrade and New MCW up to $100 million in contract value **Thermal and other electricity generation infrastructure:** • O&M • Sustaining MCW	**Renewable electricity generation infrastructure:** • Major Capital Construction **Thermal and other electricity generation infrastructure:** • Upgrade and New MCW • Major Capital Construction
Environmental	• Remediation and rehabilitation ES including complex soil remediation, groundwater rehabilitation and routine remediation projects	• n/a

4. Including smelters, refineries, minerals processing, chemical plants, blast furnaces, steel mills and industrial ovens.
5. Services delivered to mining camps are captured in the estimated outsourced addressable market size of Social Infrastructure.

Industry segment	Services and projects included	Services and projects excluded
Telecommunications		
Telecommunications	Covers mobile phone, radio, television, microwave and radar transmission towers, telephone and telegraph lines, underground cables and coaxial cables: • O&M • Sustaining MCW • Upgrade and New MCW[6]	• n/a
Transport		
Roads	Services for major toll roads and tunnels, freeways, bridges, arterial roads, and local roads across: • O&M • Sustaining MCW	• Upgrade and New MCW • Major Capital Construction
Rail	Services to below rail infrastructure (i.e. fixed infrastructure assets as opposed to servicing rollingstock and locomotives) across: • O&M • Sustaining MCW	• Rollingstock and locomotive services • Upgrade and New MCW • Major Capital Construction
New Zealand		
New Zealand	As per the definition in Australia for the following industry segments: • Water • Electricity and Gas T&D • Electricity Generation • Environmental • Telecommunications • Roads Minor adjustments made to the following industry segments to align with Ventia's addressable market in New Zealand: • Defence • Social infrastructure	Industry segments that are not currently addressable within New Zealand: • Resources & Industrial • Oil & Gas • Rail

6. Includes all spend associated with telecommunications networks rollouts (for example, the NBN in Australia and Chorus Ultra-Fast Broadband in New Zealand).

(b) Estimated market share: BIS Oxford Economics

Ventia's estimated market share of the addressable market by Sector in Australia and New Zealand was prepared by BIS Oxford Economics in conjunction with a review of actual revenue information supplied to BIS Oxford Economics by or on behalf of Ventia. To compare Ventia's actual revenue information on a consistent basis with BIS Oxford Economics' industry data, which is presented on a June year-end basis, actual LTM revenue Ventia generated to 30 June 2021 was provided to BIS Oxford Economics. This involved adding Ventia's revenue for the six months ended 31 December 2020[7] to Ventia's revenue for the six months ended 30 June 2021[8].

BIS Oxford Economics also reviewed project-level data across each of Ventia's Sectors to align actual revenue information to the definition of the estimated addressable market size for each Sector. BIS Oxford Economics did not independently verify or audit the information provided to it by or on behalf of Ventia.

(c) Estimated market position: Management methodology

The methodology applied by management to estimate the Company's market position in Australia and New Zealand is detailed in Table 67.

Table 67: Management's approach to determining Ventia's market position

Sector	Ventia's estimated market position	Methodology
D&SI	#1 provider of defence estate and base services in Australia	Based on a comparison of Ventia's actual LTM revenue to 30 June 2021 to the estimated addressable market as at FY21F for defence base services (as prepared by BIS Oxford Economics). Market position supported by Ventia being the Estate Maintenance and Operation Services (**EMOS**) provider for two of five regions in Australia, and the only EMOS provider also delivering other defence base services across all five regions.
	#1 provider of social housing maintenance in NSW	Based on Ventia's share of social housing properties managed in NSW in 2020.
IS	#1 complex ES remediation provider in Australia	Based on Ventia's share of complex remediation projects greater than $20 million in Australia over the past 10 years, on the basis of both estimated revenue and the number of projects.
	A leading water infrastructure maintenance provider in Australia	Based on Ventia's actual LTM revenue to 30 June 2021 compared to public disclosures of other key market participants.

7. Actual revenue for the six months ended 31 December 2020 was calculated by subtracting revenue for the six months ended 30 June 2020 (as reflected in unaudited but reviewed financial statements for the six months ended 30 June 2020) from revenue for the year ended 31 December 2020 (as reflected in audited financial statements).
8. Actual revenue for the six months ended 30 June 2021 as per the unaudited but reviewed financial statements for the six months ended 30 June 2021.

APPENDIX 1 METHODOLOGY FOR ADDRESSABLE MARKET SIZE, ESTIMATED MARKET SHARE AND ESTIMATED MARKET POSITION

Sector	Ventia's estimated market position	Methodology
Telecommunications	#1 telecommunications infrastructure services provider in Australia and New Zealand	In Australia, based on comparison of Ventia's actual LTM revenue to 30 June 2021 compared to public disclosures of other key market participants. In New Zealand, based on a comparison of Ventia's actual LTM revenue to 30 June 2021 to the total estimated addressable market as at FY21F for telecommunications infrastructure services (as prepared by BIS Oxford Economics) and to public disclosures of other key market participants.
	A leading provider in delivery of premises ready for service for nbn (Australia) and Chorus (New Zealand)	Based on the number of premises Ventia has made ready to connect to the NBN in Australia and the Ultra-Fast broadband network in New Zealand against the total number of premises ready to connect (as disclosed in public filings by nbn and Chorus).
Transport	#1 in private motorways and tunnels servicing and maintenance in Australia	Based on Ventia's share of total private tunnels and motorways serviced in Australia in 2020.

APPENDIX 2

SIGNIFICANT ACCOUNTING POLICIES

Auckland, New Zealand

The following significant accounting policies have been adopted in the preparation and presentation of the Financial Information in Section 4.

(a) Basis of preparation

Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis, except for derivative financial instruments, which are measured at fair value.

Functional and presentation currency

These consolidated financial statements are presented in Australian dollars which is the Company's functional currency. Certain companies within the Group have different functional currencies.

(b) Critical accounting judgements and estimates

In the application of the Company's accounting policies, which are described below, the Directors of the Company are required to make judgements and estimates about the carrying amounts of assets and liabilities that are not readily apparent from other sources. Judgements and estimates are continually evaluated and are based on historical experience and other factors, including expectation of future events that may have a financial impact on the Group and are believed to be reasonable under the circumstances. Actual results may differ from these estimates. Revisions to estimates are recognised in the year in which the estimate is revised and in any future year affected.

Judgements made in the application of accounting standards that could have a significant effect on the consolidated financial statements and estimates with a risk of adjustment in the next year are as follows:

- Services and other contracting projects:
  - Determination of stage of completion;
  - Estimation of total contract revenue and contract costs;
  - Assessment of the probability of customer approval of variations and acceptance of claims;
  - Estimation of project completion date; and
  - Assumed levels of project execution productivity.
- Leasing:
  - Determination of the existence of leases;
  - Estimation of residual value guarantees and buy out options of lease liabilities; and
  - Estimation of lease extension options.
- Asset disposals – determination as to whether control has transferred;
- Estimation of the economic life of property, plant and equipment;
- Onerous contracts in which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received;
- Determination of the fair value of assets acquired and liabilities assumed in business combinations, in particular:
- The identification of unfavourable contracts where the fair value of the contract is deemed unfavourable relative to expected market returns and they are provided for as part of the purchase price allocation process. These provisions are then released as an increase to earnings, in line with the financial performance of the contract over the remaining term;
- Asset impairment testing, including assumptions in value in use calculations; and
- Goodwill and intangible asset impairment testing, including assumptions in determining the recoverable amount of all cash-generating units containing goodwill.
- Significant judgement is required in determining the consolidated entity's provision for income taxes. There are a number of transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain and on which professional judgement, based on relevant tax law, is exercised.

(c) New and amended accounting standards and interpretations

In the audited financial statements for the year ended 31 December 2020, the Company has applied a number of new and revised accounting standards and amendments that are mandatorily effective for an accounting period that begins on or after 1 January 2020, as follows:

- AASB 2018-6 *Amendments to Australian Accounting Standards – Definition of a Business*;
- AASB 2018-7 *Amendments to Australian Accounting Standards – Definition of Material*;
- AASB 2019-1 *Amendments to Australian Accounting Standards – References to the Conceptual Framework*;
- AASB 2019-3 *Amendments to Australian Accounting Standards – Interest Rate Benchmark Reform*; and
- AASB 2019-5 *Amendments to Australian Accounting Standards – Disclosure of the Effect of New IFRS Standards Not Yet Issued in Australia*.

While these standards introduce new disclosure requirements, they do not materially affect the Group's accounting policies or any of the amounts recognised in the financial statements.

In the reviewed financial statements for the six-month period ended 30 June 2021 the Group has applied new and revised accounting standards and amendments that are mandatorily effective for an accounting period that begins on or after 1 January 2021, as follows:

- AASB 2020-8: *Amendments to Australian Accounting Standards – Interest Rate Benchmark Reform – Phase 2.*

This standard does not materially affect the Group's accounting policies or any of the amounts recognised in the financial statements.

(d) Implementation of IFRIC agenda decision relating to Software-as-a-Service (**SaaS**) arrangements

During the six-month period to 30 June 2021, the Group revised its accounting policy in relation to upfront configuration and customisation costs incurred in implementing SaaS arrangements in response to the IFRIC agenda decision clarifying its interpretation of how current accounting standards apply to these types of arrangements. The new accounting policy is presented below. This change in accounting policy had no impact on the financial statements of the Group as to date the Group has not incurred upfront configuration and customisation costs in implementing SaaS arrangements which have been capitalised.

SaaS arrangements

SaaS arrangements are service contracts providing the Group with the right to access the cloud provider's application software over the contract period. Costs incurred to configure or customise, and the ongoing fees to obtain access to the cloud provider's application software, are recognised as operating expenses when the services are received.

Some of these costs incurred are for the development of software code that enhances or modifies, or creates additional capability to, existing on-premises systems and meets the definition of and recognition criteria for an intangible asset. These costs are recognised as intangible software assets and amortised over the useful life of the software on a straight-line basis. The useful lives of these assets are reviewed at least at the end of each financial year, and any change accounted for prospectively as a change in an accounting estimate.

(e) Basis of consolidation

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has the rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Results of controlled entities are included in the consolidated statement of profit or loss from the date control is obtained and excluded from the date the entity is no longer controlled. Intragroup balances and transactions, and any unrealised gains or losses arising from intragroup transactions, are eliminated in preparing the consolidated financial statements.

Investments in equity accounted investees

The Group's interests in equity accounted investees comprise interests in joint venture entities only.

A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Interests in joint venture entities are accounted for using the equity method. Under this method, the interests are initially recognised in the consolidated statement of financial position at cost, including transaction costs and goodwill on acquisition, and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses and movements in other comprehensive income in profit or loss and other comprehensive income respectively.

Joint operations

A joint operation is an arrangement in which the Group has joint control whereby the Group has rights to the assets, and obligations for the liabilities, relating to an arrangement. The Group accounts for its share of jointly held assets, liabilities, revenues and expenses of joint operations.

(f) Business Combinations

The acquisition method of accounting is used to account for all business combinations. The consideration for the acquisition of a controlled entity comprises the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes the fair value of any pre-existing equity interest in the controlled entity. Acquisition related costs are expensed as incurred. Identifiable assets acquired and liabilities assumed in a business combination are measured at their fair values at the acquisition date. On an acquisition by acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net identifiable assets. The excess of the consideration transferred over the fair value of the Group's share of the net identifiable assets acquired is recorded as goodwill. Where the consideration is less than the fair value of the net identifiable assets of the controlled entity acquired the difference is recognised directly in the statement of profit or loss as a gain on acquisition of a controlled entity.

(g) Revenue

Revenue earned from the provision of services to entities outside the Group is presented net of the amount of goods and services tax (**GST**).

The Group provides operations and maintenance services, soft and hard facilities management, environmental services, minor capital works and other solutions.

With respect to the method for recognising revenue over time (i.e. the method for measuring progress towards complete satisfaction of a performance obligation), the Group has established certain criteria that are applied consistently for similar performance obligations:

- In contracts to provide different highly interrelated goods or services in order to produce a combined output, the applicable output method is that of surveys of performance completed to date (or measured unit of production). Under this method, the revenue recognised represents the amount of work performed, valued at unitary prices.
- In routine or recurring service contracts in which the services are substantially the same and are transferred with the same pattern of consumption over time in such a way that the customer receives and consumes the benefits of the services as the entity provides them, the method selected by the Group to recognise revenue is the time elapsed output method.
- Only in those contracts that are not for routine or recurring services, and where the unit price of the goods and services to be performed cannot be determined, the percentage of completion measured in terms of the costs incurred (input method) is used to recognise revenue.

In applying this criteria to the Group, there is no single contract type due to the considerable diversity of the services rendered. In general, the contracts involve various tasks and unit prices and the related revenue is recognised in the consolidated statement of profit or loss as the services are provided, based on the time elapsed, i.e. when the customer simultaneously receives and consumes the benefits provided by the entity's performance of the service as the entity performs. This occurs for example in routine or recurring services such as facilities management, cleaning or planned maintenance services.

Variable consideration

It is common for contracts to include performance bonuses or penalties assessed against the timeliness or cost effectiveness of work completed or other performance related KPIs. Where consideration in respect of a contract is variable, the expected value of revenue is only recognised when the uncertainty associated with the variable consideration is subsequently resolved. The Group assesses these requirements on a periodic basis when estimating the variable consideration to be included in the transaction price. The estimate is based on all available information including historic performance. Where modifications in contract requirements are entered into, the transaction price is updated to reflect these. Where the price of the modification has not been confirmed, an estimate is made of the amount of revenue to recognise whilst also considering these requirements.

Contract fulfilment costs

Costs incurred prior to the commencement of a contract may arise due to mobilisation/site setup costs, feasibility studies, environmental impact studies and preliminary design activities as these are costs incurred to fulfil a contract. Where these costs are expected to be recovered, they are capitalised and amortised over the course of the contract consistent with the transfer of service and asset to the customer. Where the costs, or a portion of these costs, are reimbursed by the customer, the amount received is recognised as deferred revenue and allocated to the performance obligations within the contract and recognised as revenue over the course of the contract.

Financing components

The Group does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer represents a financing component. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

Onerous contracts

A provision is made for the difference between the expected cost of fulfilling a contract and the expected unearned portion of the transaction price where the unavoidable forecast costs are greater than the forecast revenue.

Interest revenue

Interest revenue is recognised on an accrual basis.

Dividend income

Dividend income is recognised when the dividend is declared. A payable is not recognised for dividends to be paid unless the dividend has been declared by the Directors, but not distributed, at or before the end of the year.

(h) Other income

Other income primarily includes gains on sale of property, plant and equipment.

(i) Income tax

Income tax expense on the profit or loss for the year comprises current and deferred tax expense. Income tax expense is recognised in the statement of profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity. Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted at the reporting date, and any adjustment to tax payable in respect of previous years. The Group adopts the balance sheet liability method to provide for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Taxable temporary differences are not provided for the initial recognition of goodwill.

The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted at the statement of financial position date. Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The Company and its subsidiaries are part of a Tax Consolidated Group of which Ventia Services Group Limited is the head entity. The head entity recognises all of the current tax assets and liabilities and deferred tax assets in respect of tax losses of the Tax Consolidated Group (after elimination of intra-group transactions). Deferred tax assets and liabilities in respect of temporary differences are recognised in the respective Companies' financial statements.

The Tax Consolidated Group has entered into a tax funding agreement that requires the Group to make contributions to the head entity for current tax assets and liabilities occurring after the implementation of tax consolidation. Under the tax funding agreement, the contributions are calculated using the 'group allocation' approach so that the contributions are equivalent to the current tax balances generated by transactions entered into by wholly-owned subsidiaries. The contributions are payable as set out in the agreement and reflect the timing of the head entity's obligations to make payments for tax liabilities to the relevant tax authorities. The assets and liabilities arising under the tax funding agreement are recognised as intercompany assets and liabilities with a consequential adjustment to current income tax.

(j) Inventory

Inventories are carried at the lower of cost and net realisable value. Inventories comprise of:

Raw materials and consumables

Cost is based on weighted averages and includes expenditure incurred in acquiring the inventories and bringing them to their existing condition and location.

(k) Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation and any impairment in value.

Depreciation

Depreciation is calculated so as to write off the cost of property, plant and equipment over their estimated effective useful lives for the current and comparative reporting years as follows:

- Leasehold buildings and improvements: straight-line method – over the terms of the leases, up to 40 years;
- Plant and equipment: straight-line method – up to 15 years;
- Motor vehicles: straight-line method – up to 10 years.

Subsequent costs

Subsequent expenditure is included in the carrying amount of property, plant and equipment only when it is probable that the associated future economic benefits will flow to the Group. All other costs are recognised in the statement of profit or loss.

(l) Leases

The Group as Lessee

The Group assesses whether a contract is or contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. In such instances, the Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease agreements, except for short-term leases and low value leased assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed. The Group has a significant lease portfolio, comprising predominantly property, plant, minor equipment and fleet vehicle rentals.

Measurement and presentation of lease liability

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

The following items are also included in the measurement of the lease liability:

- fixed lease payments offset by any lease incentives;
- variable lease payments, for lease liabilities which are tied to a floating index;
- the amounts expected to be payable to the lessor under residual value guarantees;
- the exercise price of purchase options (if it is reasonably certain that the option will be exercised); and
- payments of penalties for terminating leases, if the lease term reflects the lease terminating early.

The lease liability is separately disclosed on the statement of financial position. The liabilities which will be repaid within 12 months are recognised as current and the liabilities which will be repaid in excess of 12 months are recognised as non-current.

The lease liability is subsequently measured by reducing the balance to reflect the principal lease repayments made and increasing the carrying amount by the interest on the lease liability.

The Group is required to remeasure the lease liability and make an adjustment to the right-of-use asset in the following instances:

- The term of the lease has been modified or there has been a change in the Group's assessment of the purchase option being exercised, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- The lease payments are adjusted due to changes in the index or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate. However, if a change in lease payments is due to a change in a floating interest rate, a revised discount rate is used.

Measurement and presentation of right-of-use assets

The right-of-use assets recognised by the Group comprise the initial measurement of the related lease liability, any lease payments made at or before the commencement of the contract, less any lease incentives received and any direct costs. Costs incurred by the Group to dismantle the asset, restore the site or restore the asset are included in the cost of the right-of-use asset.

It is subsequently measured under the cost model with any accumulated depreciation and impairment losses applied against the right-of-use asset. If the cost of the right-of-use asset reflects that the Group will exercise a purchase option, the right-of-use asset is depreciated from the commencement date to the end of the useful life of the underlying asset. Otherwise, the Group depreciates the asset over the shorter period of either the useful life of the asset or the lease term. The depreciation starts at the commencement date of the lease and the carrying value of the asset is adjusted to reflect the accumulated depreciation balance.

Any remeasurement of the lease liability is also applied against the right-of-use asset value. The right-of-use assets are separately disclosed on the statement of financial position.

The Group as Lessor

The Group enters into lease agreements as a lessor with respect to some property subleases as well as renting equipment to its partners, suppliers and contractors.

The leases entered into by the Group are recognised as either finance or operating leases. If the terms of the lease agreement transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. If this is not the case, then the lease is recognised as an operating lease. The income received from operating leases is recognised on a straight-line basis over the lease term. Initial direct costs incurred in negotiating and arranging operating leases are included in the carrying amount of the leased asset. Amounts due from lessees under finance leases are recognised as receivables.

(m) Intangibles

Goodwill

Goodwill arising from a business combination is not amortised but is tested for impairment annually or more frequently if there is an indication that it may be impaired. Goodwill is allocated to cash-generating units for the purpose of impairment testing.

Brand names

Brand names acquired as part of a business combination are carried at their fair value at the date of acquisition less accumulated amortisation and any impairment losses. Where brand names' useful lives are assessed as being indefinite, the brand names are not amortised but are tested for impairment annually, or more frequently whenever there is an indication that they might be impaired. Where brand names' useful lives are assessed as finite, the brand names are amortised over their estimated useful lives.

Customer contracts and relationships

Customer contracts and relationships were acquired as part of a business combination. Customer contracts and relationships are carried at their fair value at the date of acquisition less accumulated amortisation and any impairment losses. Customer contracts are amortised on the straight-line basis over the remaining contract term. Customer relationships are amortised over a period of up to five years on the straight-line basis.

Capitalised software

Software and development costs consist of costs incurred in developing systems, costs incurred in acquiring software and licences that will provide future economic benefits. These assets are carried at cost less accumulated amortisation and amortised over a period of up to five years on the straight-line basis.

(n) Impairment

The carrying amounts of the Group's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. For goodwill and indefinite useful life intangible assets, the recoverable amount is estimated annually regardless of whether any indicators of impairment exist.

An asset's recoverable amount is the greater of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash flows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in the statement of profit or loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit and then to reduce the carrying amount of the other assets in the unit on a pro-rata basis.

(o) Non-derivative financial instruments

Non-derivative financial instruments comprise of cash and cash equivalents, trade and other receivables, trade and other payables and interest-bearing liabilities. When acquired, non-derivative financial instruments are recognised at fair value. At subsequent reporting dates they are measured at amortised cost unless specifically mentioned below.

Cash and cash equivalents

Cash and cash equivalents include cash on hand and cash at bank.

Trade and other receivables

Trade debtors include all net receivables from services and other contracting services. Trade debtors are normally settled within 60 days of billing.

Contract work in progress represents the amount expected to be collected from customers for contract work performed to date. It is measured as costs incurred plus profits recognised to date, less progress billings. In the statement of financial position, services contracts in progress for which costs incurred plus recognised profits exceed progress billings and recognised losses are presented as trade and other receivables.

Other receivables generally arise from transactions other than the provision of services and include amounts in respect of sales of assets and GST receivable.

The Group assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables, contract debtors and lease receivables, the Group applies the simplified approach permitted by AASB 9: *Financial Instruments*, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

Trade and other payables

Liabilities are recognised for amounts to be paid for goods or services received. Trade payables are also comprised of amounts received from customers in advance of work completed. Contracts for which progress billings and recognised losses exceed costs incurred plus recognised profits are presented as deferred revenue. Advances received from customers are presented as deferred revenue.

Borrowings

Borrowings are initially measured at fair value less any directly attributable transaction costs. Subsequent to initial recognition, borrowings are measured at amortised cost using the effective interest method.

(p) Derivative financial instruments

Derivative financial instruments are stated at fair value, with changes in fair value recognised in the statement of profit or loss. Where derivative financial instruments qualify for hedge accounting, recognition of changes in fair value depends on the nature of the item being hedged. Hedge accounting is discontinued when the hedging relationship is revoked, the hedging instrument expires, is sold, terminated, exercised, or no longer qualifies for hedge accounting.

Cash flow hedges

Changes in the fair value of designated and qualifying cash flow hedges are deferred in equity. Where it is expected that all or a portion of a loss recognised directly in equity will not be recovered in future periods, that loss is recognised in the statement of profit or loss. Amounts deferred are included in the initial measurement of the cost of the asset or liability where the forecast transaction being hedged results in the recognition of a non-financial asset or a non-financial liability.

Cash flow hedges relating to operating activities are recognised in profit or loss in the same period the hedged item is recognised in profit or loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss deferred in equity is recognised immediately in profit or loss.

The cash flow hedging reserve represents the cumulative effective portion of the gains or losses arising on changes in fair value of hedging instruments entered into for cash flow hedges. The cumulative gain or loss arising on changes in fair value of the hedging instruments that are recognised and accumulated under the heading of cash flow hedging reserve will be reclassified to profit or loss only when the hedged transaction affects profit or loss.

(q) Provisions

Liabilities in respect of amounts which are not due to be settled within 12 months are discounted at year end using rates which most closely match the terms of maturity of the related liabilities. Corporate bond rates are utilised where a deep market exists. Rates from national government securities are utilised where a deep market for corporate bonds does not exist.

Wages, salaries, annual leave and long service leave

The provision for employee entitlements to wages, salaries, annual leave and long service leave represents the amount which the Group has a present obligation to pay resulting from employees' services provided up to the reporting date. Provisions have been calculated based on expected wage and salary rates and include related on-costs. In determining the liability for these employee entitlements, consideration has been given to estimated future increases in wage and salary rates to reflect the remuneration rates which are expected to be paid when the liability is settled.

Superannuation

Defined contribution superannuation plans exist to provide benefits for eligible employees or their dependants. Contributions by the Group are expensed to the statement of profit or loss as incurred.

Annual bonus and deferred incentive arrangements

Annual bonuses and deferred incentives are provided for at reporting date and include related on-costs. The Group recognises a provision where there is a contractual or constructive obligation.

Workers Compensation

Provision for workers compensation reflects the present value of obligations under self-insurance schemes which are estimated using actuarial techniques.

Make good

Provisions for make good are recognised at the time of recognising a right-of-use asset and represent an estimate of the costs to be incurred in the dismantling of the asset and restoring it to the condition specified in the lease.

Warranties and contract claims

Provisions for warranties and contract claims are made for the estimated liability on all items under warranty at the balance sheet date and known claims arising under service contracts.

Onerous contracts and other

Provisions for onerous contracts are recognised when the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it. Provisions primarily include amounts recognised in relation to onerous customer contracts and lease contracts. The onerous contract provision is discounted using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Unfavourable contracts

A provision is made for unfavourable contracts where the fair value of the contract is deemed unfavourable relative to expected market returns and they are provided for as part of the purchase price allocation process. These provisions are then released as an increase to earnings, in line with the financial performance of the contract over the remaining term.

(r) Share capital

Ordinary and vested EIP shares are classified as equity and recognised at the value of consideration received by the Company.

(s) Capital redemption reserve

The Capital Redemption Reserve arises on the repurchase of shares by the Company and consists of the difference between the value attributed at grant date to share options issued under the Ventia Executive Incentive Plan and the value of the shares which have been repurchased by the Company.

(t) Share-based payment reserve

Ventia Incentive Plan

Equity-settled share-based payments are measured at fair value at grant date. The cost of these transactions is recognised in the statement of financial performance and credited to the share-based payments reserve over the vesting period. At each balance date the Group revises its estimates of the number of rights that are expected to vest for service and non-market performance conditions. The fair value at grant date is determined independently using an option pricing model that takes into account market related performance conditions.

The amount payable to employees in relation to cash-settled share-based payments is recognised as an expense in the statement of financial performance, with a corresponding increase in liabilities, over the period during which the employees become unconditionally entitled to the payment. The liability is remeasured at each reporting date and at settlement date based on the fair value, with any changes in the liability being recognised in the statement of financial performance.

No awards will be granted under the Ventia Incentive Plan on or prior to Completion.

Ventia Executive Incentive Plan

Share capital compensation benefits (**EIP shares**) are provided to executive employees via the Ventia Executive Incentive Plan (**EIP**). This share scheme was approved by the shareholders and is designed to provide incentives to attract, retain and motivate key people within the Company and its controlled entities (the **Group**) whose contributions are important to the Group's success.

The EIP is administered by Ventia Services Group EIP Pty Limited (the **Trustee**) and the Company. The Trustee is a wholly owned subsidiary of the Company.

The fair value of the EIP shares is recognised as an expense with a corresponding increase in the share-based payments reserve. The share-based payments reserve is used to recognise the fair value of share-based payments issued to executive employees over the vesting period, and to recognise the value attributable to the share-based payments during the year.

The total amount of the expense is determined by reference to the fair value of EIP shares granted:

- including any market performance conditions (e.g. the Group's share valuation);
- excluding the impact of any service and non-market performance vesting conditions (e.g. profitability, sales growth targets and remaining an executive employee of the Group over a specified time period); and
- including the impact of any non-vesting conditions (e.g. the requirement for executive employees to save or hold shares for a specified period of time).

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the Company revises its estimates of the number of EIP shares that are expected to vest based on the non-market vesting and service conditions. The Company recognises the impact of the revision to original estimates, if any, in profit or loss and the Company recognises the corresponding adjustment in the share-based payments reserve.

A portion of the EIP shares issued to executive employees under the EIP are funded by a limited recourse loan and therefore are treated like share options in accordance with AASB 2 *Share-based Payment*.

By Completion, all of the EIP Shares will be reclassified as fully paid Shares.

(u) Foreign currency translation

Transactions

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transaction. Foreign exchange gains and losses resulting from the settlement of foreign currency transactions are recognised in the statement of profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Translation of controlled foreign entities

Assets and liabilities of controlled foreign entities are translated into the presentation currency at the rates of exchange at reporting date and the statement of profit or loss is translated at the rates approximating foreign exchange rates ruling at the dates of the transactions. The resulting exchange differences are taken directly to the foreign currency translation reserve. Exchange gains and losses on transactions which form part of the net investments in foreign controlled entities together with any related income tax effect are recognised in the foreign currency translation reserve. On disposal of a controlled foreign entity, the deferred cumulative amount recognised in equity relating to that particular foreign entity is recognised in the statement of profit or loss as part of the gain or loss on sale.

APPENDIX 3

GLOSSARY

South Island, New Zealand

GLOSSARY

Term	Meaning
$	Australian Dollars unless otherwise stated
30-Day VWAP	The volume-weighted average price of Shares for any period of 30 days
AAS	Australian Accounting Standards and other authoritative pronouncements adopted by the Australian Accounting Standards Board
AASB	Australian Accounting Standards Board
ABN	Australian Business Number
AEDT	Australian Eastern Daylight Time
Apollo	AIF VIII Singapore Pte. Ltd.
Apollo Global Management	Apollo Global Management, Inc.
APP	APP Corporation Pty Limited
Applicant	A person who submits an Application
Application	An application for Shares under this Prospectus
Application Form	The application forms attached to or accompanying this Prospectus (including the electronic form provided by an online application facility)
Application Payment	The amount accompanying an Application Form submitted by an Applicant
ASAE	Australian Standard on Assurance Engagements
ASIC	Australian Securities and Investments Commission
ASIC Act	*Australian Securities and Investments Commission Act 2001* (Cth)
ASX	Australian Securities Exchange
ASX Listing Rules	The official rules of ASX that govern the admission, quotation and removal of securities from the Official List
ASX Recommendations	The ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (4th Edition)
ASX Settlement Operating Rules	The operating rules of ASX Settlement Pty Limited (ACN 008 504 532) and, to the extent that they are applicable, the operating rules of each of ASX and ASX Clear Pty Limited (ACN 001 314 503)
ATO	Australian Taxation Office
AU	Australia
AUD	Australian Dollars

Term	Meaning
Barrenjoey	Barrenjoey Advisory Pty Limited
BIS Oxford Economics	BIS Oxford Economics Pty Ltd (ABN 20 060 358 689)
bn	Billion
Board	The board of Directors of the Company
Broadspectrum	BRS Holdco Pty Ltd
Broker	Any ASX or NZX participating organisation selected by the Joint Lead Managers and the Company to act as a broker for the Offer
Broker Firm Offer	The offer of Shares to Australian and New Zealand resident retail clients of Brokers who have received a firm allocation of Shares from their Broker provided that such clients are not in the United States as described in Section 7.3.1
Broker Firm Offer Application Form	An application form attached to or accompanying this Prospectus (including any electronic form provided by an online application facility) in respect of the Broker Firm Offer
CAGR	Compound annual growth rate
Capital Research Global Investors	Capital Research Global Investors, as investment adviser for and on behalf of: Capital Income Builder, Capital Group Capital Income Builder (LUX), Capital Group Capital Income Builder (Canada), and American Fund Insurance Series – Capital Income Builder
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CGT	Capital gains tax
Chairman	The chairman of the board of Directors of the Company, currently David Moffatt
CHESS	ASX's Clearing House Electronic Sub-register System operated in accordance with the ASX Listing Rules and the ASX Settlement Operating Rules
CIMIC	CIMIC Group Limited (ABN 57 004 482 982)
CIMIC Group Limited Shareholder Offer	The offer of Shares to Eligible CIMIC Group Limited Shareholders as described in Section 7.3.4
Co-Lead Managers	Bell Potter Securities Limited, Morgans Financial Limited and Forsyth Barr Limited
Co-Managers	Crestone Wealth Management Limited and National Australia Bank Limited
Company or **Ventia**	Ventia Services Group Ltd (ABN 53 603 253 541)
Completion	The completion of the Offer, being the date on which Shares are issued or transferred to successful Applicants in accordance with the terms of the Offer

APPENDIX 3 GLOSSARY

Term	Meaning
Computershare	Computershare Investor Services Pty Limited (ABN 48 078 279 277)
Constitution	The constitution of the Company
Corporations Act	*Corporations Act 2001* (Cth)
COVID-19	2019 novel coronavirus disease
CY or **Calendar Year**	Calendar year ended/ending 31 December (as applicable)
D&SI	Defence & Social Infrastructure
Deloitte	Deloitte Touche Tohmatsu
Director	Each of the directors of the Company from time to time
EBIT	Earnings before interest and taxation
EBITA	Earnings before interest, taxation and amortisation of acquired intangibles
EBITDA	Earnings before interest, taxation, depreciation and amortisation
EIP 1	Executive Incentive Plan No. 1
EIP 2	Executive Incentive Plan No. 2
Eligible CIMIC Group Limited Shareholders	Registered holders of Ordinary CIMIC Group Limited Shares at 7.00pm AEST on Wednesday, 20 October 2021 who are shown on CIMIC's register as having a registered address in Australia or New Zealand (or other eligible jurisdictions, if any, as nominated by the Company and SaleCo) and are not located in the United States
Eligible Employees	Permanent full-time and permanent part-time employees and officers of Ventia, as at 26 October 2021, who are resident in Australia and New Zealand (or other eligible jurisdictions, if any, as nominated by the Company and SaleCo) and are not located in the United States (and any other persons, if any, invited by the Company to participate in the Employee Offer, provided that they are not located in the United States).
Eligible US Fund Manager	A dealer or other professional fiduciary organised, or incorporated, in the United States that is acting for a discretionary or similar account (other than an estate or trust) held for the benefit or account of persons that are not 'US persons' (as defined in Rule 902(k) under the US Securities Act) for which it has and is exercising investment discretion, within the meaning of Rule 902(k)(2)(i) under the US Securities Act
Employee Offer	An offer to all Eligible Employees as nominated by the Company, as described in Section 7.3.2
ES	Environmental Services
Escrowed Shareholders	The holders of Escrowed Shares as set out in Section 9.8.2
Escrowed Shares	The Shares which are subject to voluntary escrow arrangements as set out in Section 9.8.2

Term	Meaning
Existing Banking Facilities	Term B Loans and a revolving cash facility provided to Ventia which it is intended will be repaid in connection with Completion of the Offer
Existing Shareholders	The Shareholders as at the Prospectus Date (other than holders of Shares originally acquired under EIP 1 and EIP 2), being Apollo and CIMIC
Existing Shares	Shares existing at the Prospectus Date
Expiry Date	The date that is 13 months after the Prospectus Date
Exposure Period	The seven-day period specified in section 727(3) of the Corporations Act, being a minimum period of seven days after the Prospectus Date, during which an Application must not be accepted. ASIC may extend this period to no more than 14 days after the Prospectus Date
FATA	*Foreign Acquisitions and Takeovers Act 1975* (Cth)
Final Price	The price per Share to be paid for Shares under the Offer, which will be determined in the manner described in Section 7.4.3
Financial Information	The financial information of Ventia contained in Section 4 of this Prospectus
FIRB	Foreign Investment Review Board
FM	Facilities Management
FMCA	Financial Markets Conduct Act 2013 of New Zealand
Forecast Financial Information	Statutory Forecast Financial Information and Pro Forma Forecast Financial Information
Forecast Period	Period from CY2021F to CY2022F
FY or **Financial Year**	Financial year ended/ending 30 June (as applicable)
GDP	Gross Domestic Product
Group or **Ventia Group**	The Company and the entities which are the Company's wholly owned or controlled entities
GST	Goods and services tax
Historical Financial Information	Statutory Historical Financial Information and Pro Forma Historical Financial Information
H1CY	Six months ended/ending 30 June (as applicable)
H2CY	Six months ended/ending 31 December (as applicable)
IASB	International Accounting Standards Board
IFRS	International Financial Reporting Standards

Term	Meaning
Indicative Price Range	The indicative range for the setting of the Final Price per Share. The Final Price per Share may be set within, above or below the Indicative Price Range, as explained in Section 7.4.3
Industry Report	Report commissioned by Ventia and prepared by BIS Oxford Economics
Institutional Investor	An investor to whom, in the absolute discretion of the Joint Lead Managers, Offer Shares are able to be offered under applicable laws without the need for any prospectus, registration or formality (other than a registration or formality which the Company is willing to comply with), including, in Australia ('professional investors' under section 708(11) of the Corporations Act and 'sophisticated investors' under section 708(8) of the Corporations Act) and in New Zealand ('wholesale investors' within the meaning of clause 3(2) of schedule 1 of the FMCA); provided that if such an investor is in the United States, it is reasonably believed by the Joint Lead Managers to be a 'qualified institutional buyer' (as defined in Rule 144A under the US Securities Act) or it is an Eligible US Fund Manager
Institutional Offer	An offer to Institutional Investors in Australia, New Zealand, and certain other eligible jurisdictions around the world (other than the United States), made under this Prospectus as described in Section 7.4 and to Institutional Investors in the United States under the US Institutional Offering Memorandum
Investigating Accountant	Deloitte Corporate Finance Pty Limited (ACN 003 833 127)
Investigating Accountant's Report	The report provided by the Investigating Accountant which is presented in Section 8
IPO	Initial public offering
IS	Infrastructure Services
IT	Information Technology
Joint Lead Managers or **JLMs**	Barrenjoey, JP Morgan and Macquarie Capital
JP Morgan	J.P. Morgan Securities Australia Limited
JV	Joint Venture
Kordia Solutions	The business conducted by Kordia Solutions Pty Limited as described in Section 9.10
KPI	Key Performance Indicator
Listing	Admission of Ventia to the Official List of the ASX and the NZX Main Board
LTI	Long-term incentive awards
LTM	Last 12 months
m	Million
Macquarie Capital	Macquarie Capital (Australia) Limited

Term	Meaning
Market Stabilisation Activities	The bidding for or purchasing of Shares on-market from Shareholders, using the Offer proceeds from the Over-allotment Shares, as described in Section 7.6. No Market Stabilisation Activities will occur on the NZX Main Board
MCW	Minor Capital Works
Mutual Recognition Regime	The mutual recognition regime established under subpart 6 of Part 9 of the FMCA and Part 9 of the Financial Markets Conduct Regulations 2014 of New Zealand
N/A	Not available or not applicable
NBN	National Broadband Network
nbn	NBN Co. Limited
NM	Not meaningful
New Banking Facilities	Syndicated term loan facilities and a syndicated revolving cash facility provided to Ventia on Completion of the Offer
New Shares	New Shares to be issued in the Offer
Non-Executive Director	A Director who is not part of the executive management team
NPAT	Net profit after taxation
NPATA	NPAT but before the after tax amortisation of acquired intangibles (refer to Section 4.2.8)
NSW	New South Wales
NT	Northern Territory
NZ	New Zealand
NZ$ or **NZD**	New Zealand dollars
NZX	NZX Limited
NZX Listing Rules	The listing rules applying to the NZX Main Board in force from time to time
NZX Main Board	The main board equity security market operated by NZX
O&M	Operations and Maintenance
Offer	The Institutional Offer and Retail Offer as described in Section 7.1 under this Prospectus
Offer Management Agreement	The offer management agreement between Ventia, SaleCo and the Joint Lead Managers
Offer Period	The period during which investors may subscribe for Shares under the Offer
Official List	The official list of entities that the ASX has admitted to and not removed from listing

Term	Meaning
Operating Cash Flow	EBITDA plus any non-cash expenses, less changes in Net Working Capital (refer to Section 4.2.8)
Operating Cash Flow Conversion	Operating Cash Flow divided by EBITDA, expressed as a percentage (refer to Section 4.2.8)
Over-allocation	Has the meaning given in Section 7.6
Over-allocation Option	The option described as such in Section 7.6
Over-allotment Shares	Shares Over-allocated to successful Applicants
p.a.	Per annum
PFAS	Per- and polyfluoroalkyl substances
PPP	Public Private Partnership
Priority Offer	The offer of Shares to investors in Australia and New Zealand nominated by the Company as described in Section 7.3.3 provided that such investors are not in the United States
Pro Forma Financial Information	Pro Forma Forecast Financial Information and Pro Forma Historical Financial Information
Pro Forma Forecast Cash Flows	Pro forma forecast consolidated cash flow information for CY2021F and CY2022F
Pro Forma Forecast Financial Information	Pro Forma Forecast Results and Pro Forma Forecast Cash Flows
Pro Forma Forecast Results	Pro forma forecast consolidated statement of profit or loss for CY2021F and CY2022F
Pro Forma Historical Cash Flows	Pro forma historical consolidated cash flow information for CY2018, CY2019, CY2020, H1CY2020 and H1CY2021
Pro Forma Historical Financial Information	Pro Forma Historical Results, the Pro Forma Historical Cash Flows and the Pro Forma Historical Statement of Financial Position
Pro Forma Historical Results	Pro forma historical consolidated statements of profit or loss for CY2018, CY2019, CY2020, H1CY2020 and H1CY2021

Term	Meaning
Pro Forma Historical Statement of Financial Position	Pro forma historical consolidated statement of financial position as at 30 June 2021
Prospectus	This document dated 26 October 2021 (including the electronic form of this document) and any replacement or supplementary prospectus in relation to this document
Prospectus Date	The date on which a copy of this Prospectus was lodged with ASIC, being 26 October 2021
PwC	PricewaterhouseCoopers
QLD	Queensland
QIB	Qualified institutional buyer as defined in Rule 144A under the US Securities Act
Relationship Agreement	The relationship agreement between Ventia and the Selling Shareholders, as described in Section 9.8.1
Retail Offer	The Broker Firm Offer, Priority Offer, Employee Offer and CIMIC Group Limited Shareholder Offer
SA	South Australia
SaleCo	Ventia SaleCo Limited (ACN 654 078 878)
SaleCo Director	Each of the directors of SaleCo
Selling Shareholders	The Shareholders as at the Prospectus Date (other than holders of Shares originally acquired under EIP 1 and EIP 2), being Apollo and CIMIC
Settlement	Settlement in respect of the Shares the subject of the Offer occurring under the Offer Management Agreement
Share Registry	Computershare Investor Services Pty Limited
Shareholders	The registered holders of a Share
Shares	Fully paid ordinary shares in the capital of the Company
Stabilisation Manager	Macquarie Capital or its affiliate
Stabilisation Period	The 30-day period following the commencement of conditional and deferred settlement trading of Shares on the ASX
State	A state of Australia
Statutory Financial Information	Statutory Forecast Financial Information and Statutory Historical Financial Information

Term	Meaning
Statutory Forecast Cash Flows	Statutory forecast consolidated cash flow information for CY2021F and CY2022F
Statutory Forecast Financial Information	Statutory Forecast Results and Statutory Forecast Cash Flows
Statutory Forecast Results	Statutory forecast consolidated statement of profit or loss CY2021F and CY2022F
Statutory Historical Cash Flows	Statutory historical consolidated cash flow information for CY2018, CY2019, CY2020, H1CY2020 and H1CY2021
Statutory Historical Financial Information	Statutory Historical Results, Statutory Historical Cash Flows and Statutory Historical Statement of Financial Position
Statutory Historical Results	Statutory historical consolidated statements of profit or loss for CY2018, CY2019, CY2020, H1CY2020 and H1CY2021
Statutory Historical Statement of Financial Position	Statutory historical consolidated statement of financial position as at 30 June 2021
STIs	Short-term incentive awards
Successful Applicant	A person who submits an Application that is successful
TAS	Tasmania
Territory	A territory of Australia
TFN	Tax file number
T&D	Transmission and Distribution
US Institutional Offering Memorandum	The offering memorandum under which the Institutional Offer will be made in the United States, which consists of this Prospectus and an Offer document ‘wrap’
US Securities Act	United States Securities Act of 1993, as amended
Ventia Incentive Plan	As defined in Section 6.3.4
Ventia Offer Information Line	1300 140 281 (within Australia) or 0800 453 521 (within New Zealand) or +61 3 9415 4015 (outside Australia and New Zealand)
VIC	Victoria
WA	Western Australia

CORPORATE DIRECTORY

Company's registered office

Ventia Services Group Ltd (ABN 53 603 253 541)
Level 8
80 Pacific Highway
North Sydney NSW 2060

SaleCo's registered office

Ventia SaleCo Limited (ACN 654 078 878)
Level 8
80 Pacific Highway
North Sydney NSW 2060

Joint Lead Managers

Barrenjoey Advisory Pty Limited
Liberty Place, Level 41
161 Castlereagh Street
Sydney NSW 2000

J.P. Morgan Australia Limited
Level 18, J.P. Morgan House
85 Castlereagh Street
Sydney NSW 2000

Macquarie Capital (Australia) Limited
50 Martin Place
Sydney NSW 2000

Legal Adviser

Herbert Smith Freehills
Level 34, ANZ Tower
161 Castlereagh Street
Sydney NSW 2000

Investigating Accountant

Deloitte Corporate Finance Pty Limited
Grosvenor Place
225 George Street
Sydney NSW 2000

Auditor

Deloitte Touche Tomahatsu
Grosvenor Place
225 George Street
Sydney NSW 2000

Co-Lead Managers

Bell Potter Securities Limited
Level 38, Aurora Place
88 Phillip Street
Sydney NSW 2000

Morgans Financial Limited
Level 29, Riverside Centre
123 Eagle Street
Brisbane QLD 4000

Forsyth Barr Limited
193 Princes Street
Dunedin 9016 New Zealand

Co-Managers

Crestone Wealth Management Limited
Level 32
2 Chifley Square
Sydney NSW 2000

National Australia Bank Limited
Level 6
2 Carrington Street
Sydney NSW 2000

Share registry

Computershare Investor Services Pty Limited
Level 3
60 Carrington Street
Sydney NSW 2000

Ventia IPO Information Line

1300 140 281 (within Australia) or 0800 453 521 (within New Zealand) or +61 3 9415 4015 (outside Australia and New Zealand) from 8.30am to 5.30pm (Sydney time), Monday to Friday

Offer Website

www.ventiaipo.com

Company website

www.ventia.com

ventia