

9 May 2022

The Manager
Market Announcements Office
Australian Securities Exchange Ltd
Level 6, Exchange Centre
20 Bridge Street
Sydney NSW 2000

FOR RELEASE TO THE MARKET

Investor Presentation - Tysers Acquisition and Capital Raising

Please find attached for immediate release in relation to AUB Group Limited (**ASX: AUB**) the following document:

- AUB Acquisition of Tysers – Investor Presentation & Equity Raising Overview.

ENDS

This release has been authorised by the AUB Board.

For further information, contact Michael Brown, Pegasus Corporate Advisory on +61 (0) 400 24 80 80 or mbrown@pegasusadvisory.com.au.

About AUB Group

AUB Group Limited is an ASX200 listed group comprising insurance brokers and underwriting agencies operating in ~500 locations across Australia and New Zealand. Over 3,000 team members work with our 850,000 clients to place more than AUD4.0bn in insurance premiums with local and foreign insurers.

AUB ACQUISITION OF TYSERS

INVESTOR PRESENTATION & EQUITY RAISING OVERVIEW

9 May 2022



Mike Emmett

CEO and Managing Director



Mark Shanahan

CFO



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This Presentation has been prepared in relation to:

- AUB Group's acquisition (**Acquisition**) of 100% of the shares in each of: (i) Galileo Insurance Services LLC; (ii) Integro Insurance Brokerage Services LLC; (iii) Integro Insurance Brokers Holdings Ltd and (iv) Tysers (Bermuda) Ltd and their respective subsidiaries (collectively, **Tysers**) from Integro Ltd. and Integro Parent Inc; and
- a pro rata accelerated non-renounceable entitlement offer of new fully paid ordinary shares in AUB (**New Shares**), to be made to:
 - eligible institutional and sophisticated shareholders of AUB (**Institutional Entitlement Offer**); and
 - eligible retail shareholders of AUB (**Retail Entitlement Offer**),(together, the **Entitlement Offer**) under section 708AA of the *Corporations Act 2001*(Cth) as modified by *ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84* and *ASIC Corporations (Disregarding Technical Relief) Instrument 2016/73* (the **Corporations Act**); and
- an institutional placement of New Shares made to certain institutional and sophisticated investors (**Placement**, and together with the Entitlement Offer, the **Offer**).

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Each underwriter, in conjunction with its affiliates, is acting in the capacity as such in relation to the Offer and will receive fees and expenses for acting in this capacity. Each underwriter and/or its affiliates are or may in the future be lenders to AUB or its affiliates.

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Summary



TRANSFORMATIVE ACQUISITION

AUB has agreed to acquire Tysers, a leading London and Lloyd's wholesale broker with global distribution and access to specialist underwriting expertise



AUB Strategy and Trading Update

- AUB is delivering against its strategy
- Continuing to grow gross written premium (GWP) and improve EBIT margin (460 bps improvement since FY19), and benefitting from a continued favourable premium rate environment (high single digit rises in commercial lines)
- AUB reconfirms FY22 guidance
- Executing on strategic priority to partner with and / or invest in a wholesale broker

Acquisition Overview

- AUB to acquire 100% of Tysers for AUD 880m (GBP 500m)^{1,2}
 - Implies c. 12x EV / FY22 pro forma EBITDA (pre synergies) and c. 9x EV / FY22 pro forma EBITDA (post synergies)
 - Potential for additional deferred consideration of up to AUD 176m (GBP 100m)¹, which may be payable two years post completion subject to achievement of revenue growth targets⁴
 - The full payment of the deferred consideration is estimated to represent c. 4-6x of the incremental EBITDA associated with achievement of the upper revenue targets⁵
- Highly strategic – resulting in a market leading product and service offering for AUB clients
 - Ability to provide differentiated offering for AUB brokers, underwriting agency network and customers
 - Enhanced margin on existing GWP, increased capacity to write more GWP at higher margins
 - Investment in a respected Lloyd's broker with revenue & margin upside operating in a favourable rate environment
- AUB and PSC Insurance (PSC) have entered into a non-binding term sheet (Term Sheet) pursuant to which the parties will work together and intend to form a 50/50 joint venture (JV) in the Tysers UK Retail division (Tysers UK Retail) post completion of the Acquisition. The JV will combine AUB's and PSC's retail broking expertise. It is intended that PSC will acquire a 50% stake in the JV using the same multiple and commercial terms as the overall Acquisition. The entry into the JV is subject to final AUB and PSC Board approvals, due diligence, separation planning and regulatory and licensing approvals as required, and appropriate JV documentation. The impact of the JV is not reflected in any of the numbers presented in this presentation

Financial Outcomes

- 30% underlying EPS accretion on a pro forma CY22 basis, including full run-rate synergies^{1,3} (low double digit pre synergies)
- Estimated run-rate synergies of c. AUD 25m of incremental EBITDA⁶ derived from cost rationalisation and margin enhancement on current premiums
 - Additional synergies from increased capacity and new product offering not yet quantified, creating further upside

Funding

- AUD 350m underwritten equity raising, comprised of AUD 71m institutional placement and AUD 279m pro rata accelerated non-renounceable entitlement offer
 - New shares to be issued under capital raising will participate in 2H22 dividend
- Vendor Placement of AUD 176m (GBP 100m) of AUB shares to the vendor of Tysers to be issued on acquisition completion, with a 24 month escrow period post-completion⁷
- Debt drawn from a new replacement facility⁸ – gross debt / pro forma CY22 EBITDA at completion of 2.8x⁹, with pathway to reduce gross debt / EBITDA to around 2.4x within 12 months of completion. Significant debt headroom of AUD 74m expected post completion

Completion

- Targeting completion during AUB's 1H23, subject to regulatory approvals

Transaction Overview



TRANSFORMATIVE TRANSACTION

Tysers is a leading independent foreign Lloyd's broker that complements AUB's existing portfolio and allows AUB to drive further value for its shareholders



- ✓ **Global insurance broker with AUD 3.6bn GWP and direct access to the Lloyd's market**
- ✓ **Builds on AUB's track record of successful acquisitions, strengthens the operational platform and continued execution of strategy**
- ✓ **Specialty capabilities that complement AUB's focus segments to accelerate scale in Agencies and facilitate market leading client outcomes**
- ✓ **Acquisition of Tysers captures further economics in the broking value chain, and improves capacity to write new business with enhanced margins**
- ✓ **Highly synergistic and strategic combination with AUD 25m in annual margin enhancement and cost synergies expected within 18 months of completion**
- ✓ **30% underlying EPS accretion on a pro forma CY22 basis, including full run-rate synergies¹**
- ✓ **Fully underwritten equity and debt funding with Acquisition completion expected in AUB's 1H23, subject to regulatory approvals**
- ✓ **Strong alignment with Tysers vendor through issue of escrowed stock as partial consideration and potential for a significant earnout payment linked to revenue growth after two years**

FINANCIAL HIGHLIGHTS



- ⬆️ **Acquisition consideration of AUD 880m^{1,2} (GBP 500m):**
 - Implies c. 12x EV / FY22 pro forma EBITDA (pre synergies) and c. 9x EV / FY22 pro forma EBITDA (post synergies)
 - Potential for additional deferred consideration of up to AUD 176m¹ (GBP 100m), which may be payable two years post completion subject to revenue growth targets being achieved. The full payment of the deferred consideration is estimated to represent c.4-6x of the incremental EBITDA associated with achievement of the upper revenue targets^{3,4}
- ⬆️ **Estimated annual run-rate synergies of c. AUD 25m of incremental EBITDA⁵, through margin uplift and rationalisation of costs**
 - Additional synergies from increased capacity and new product offering not yet quantified, creating further upside
- ⬆️ **30% underlying EPS accretion on a pro forma CY22 basis, including full run-rate synergies⁶**
- ⬆️ **Substantial debt headroom**
 - Debt headroom c. AUD 74m
 - Pathway to reduce leverage from gross debt / EBITDA of 2.8x⁷ to around 2.4x and gearing from 35% to 33% within 12 months of completion
 - AUB will continue to be strongly placed to fund value-accretive bolt-on acquisitions and pay dividends post the Acquisition, due to its organic cash generation and debt headroom
- ⬆️ **AUB does not expect to change its dividend policy as a result of the transaction**
 - AUB currently targets a dividend payout ratio of 50% - 70% of underlying NPAT, and has averaged a payout ratio of 66% over the last 2 years
 - AUB expects to pay a 2H22 dividend on existing and new shares, and to pay fully franked dividends over the medium term noting existing franking credit balance

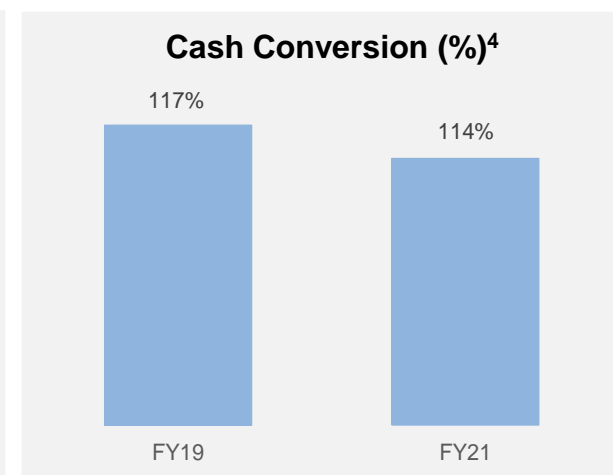
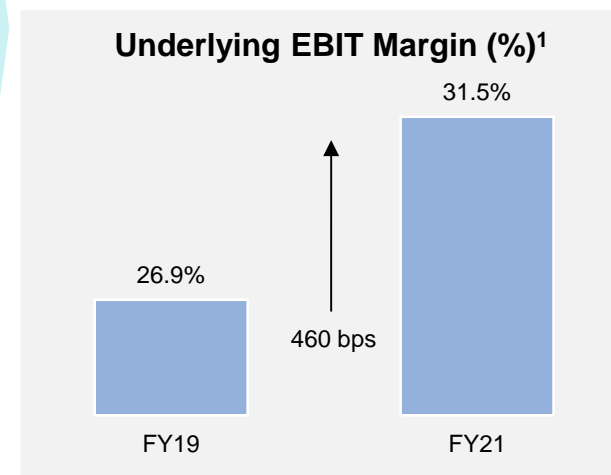
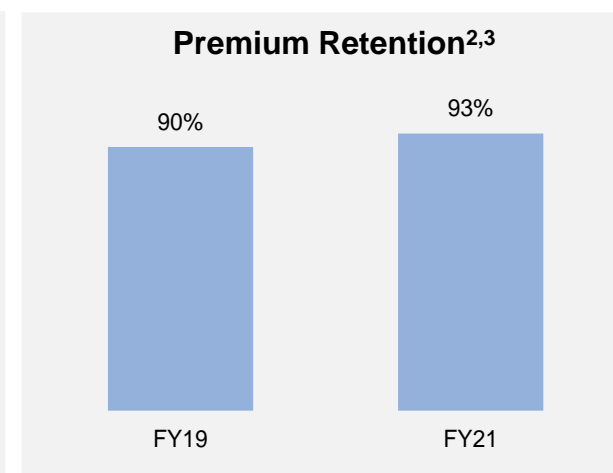
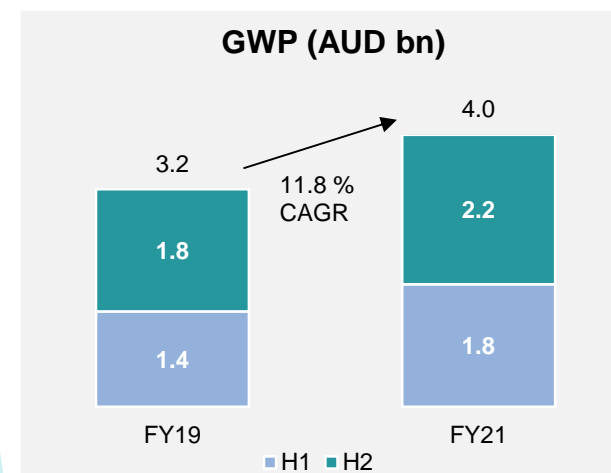
AUB's Strategic Priorities



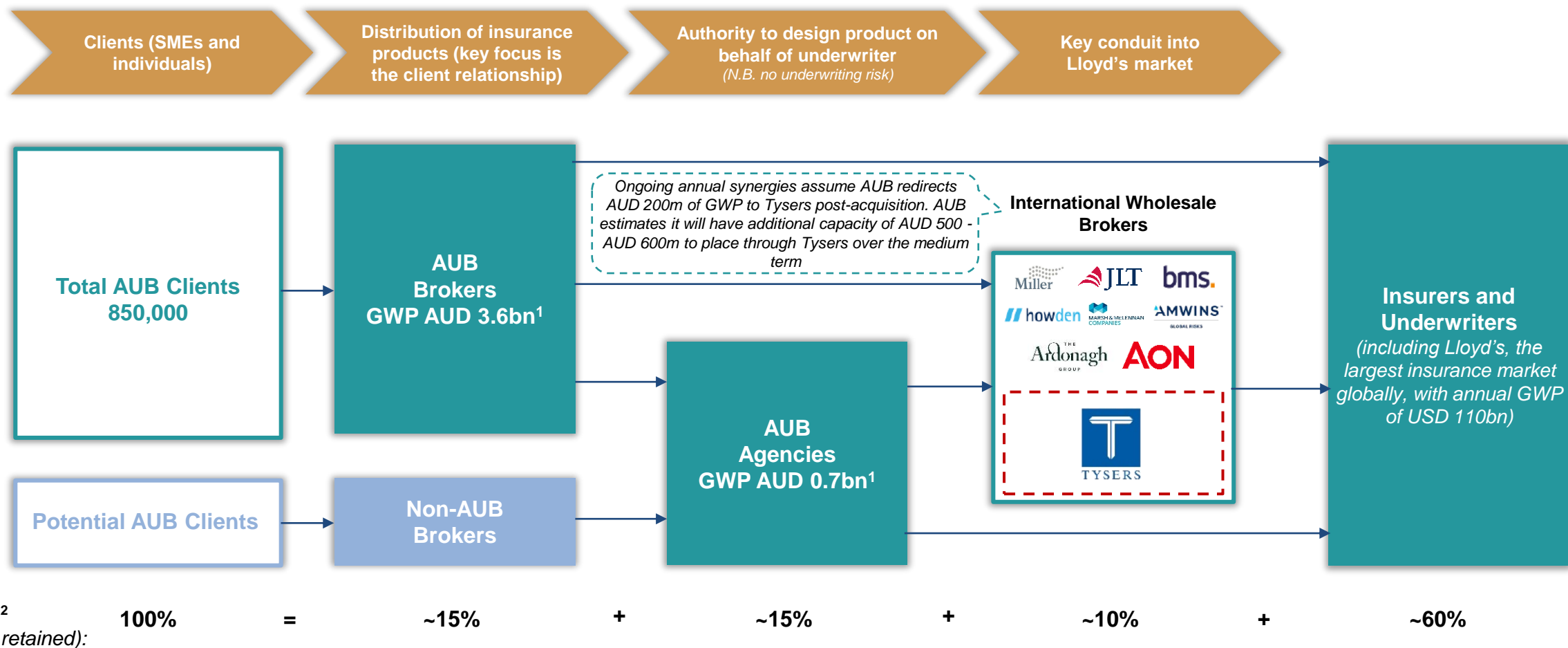
STRATEGY: CLEARLY ARTICULATED, DELIVERY ON TARGET



Network optimisation and focus	<ul style="list-style-type: none"> ✓ Consolidation ✓ Fixed underperformers ✓ Exited sub-scale business ✓ Increased specialisation <div style="text-align: center;"> <p>■ Total Partner Business Count</p> </div>
Successful accretive acquisitions	<div style="display: flex; flex-wrap: wrap; justify-content: space-around;"> <div style="text-align: center;"> </div> <div style="text-align: center;"> </div> <div style="text-align: center;"> </div> <div style="text-align: center;"> </div> <div style="text-align: center;"> </div> <div style="text-align: center;"> </div> <div style="text-align: center;"> </div> <div style="text-align: center;"> </div> </div>
Technology platform upgrade delivered	<ul style="list-style-type: none"> ✓ Delivered ExpressCover in Australia to simplify and accelerate the sales experience ✓ Acquired capabilities to enhance broker mgmt. via investment in iaAnyware ✓ Executed on multiple tech-led initiatives to drive broker efficiency and client experience
Enhanced partner proposition	<ul style="list-style-type: none"> ✓ Negotiated improved product wordings and coverage ✓ Enhanced commercial agreements with underwriting partners ✓ New and enhanced services for network partners while reducing cost-to-serve ✓ Cost reduction programs to deliver savings in the form of reduced recharges



ACQUISITION OF TYSERS CAPTURES FURTHER ECONOMICS IN THE BROKING VALUE CHAIN



MARKET LEADING CUSTOMER AND FINANCIAL OUTCOMES



Customer Outcomes



Better and more suitable products for clients



Better sourcing of new products and responsiveness to customer needs



More expedited roll out of new products and terms given Tysers existing capabilities, binders and relationship with Lloyd's



Acting in the best interests of clients

Financial Outcomes

		GWP ↑	Margin ↑	Synergies
1	Redirect ~AUD 200m of GWP from international wholesale brokers to Tysers (over time likely to be more) creating uplift in margin and revenue	✓	✓	AUD 10m
2	Improved access to Lloyds and international markets provides AUB with increased capacity to write new business (~AUD 500 – AUD 600m)	✓	✓	\$\$\$
3	Improved access to Lloyds and Tysers binders. This allows AUB to design and deliver differentiated products to cater for its broker and agency network	✓	✓	\$\$
4	Broader and enhanced product offering will be well received by AUB's current client base and expected to attract non AUB underwriters and brokers and new clients to AUB's network	✓	✓	\$\$
5	Cost synergies achieved through rationalisation of duplicate costs across operations and head office function		✓	AUD 15m
Estimated Total Pre-Tax Synergies				AUD 25m

Included in pre-tax synergy estimates

JOINT VENTURE PROPOSED FOR TYSERS UK RETAIL BUSINESS

AUB Group announces a non-binding term sheet with PSC Insurance (PSC) to create a 50% owned joint venture that will acquire the Tysers UK retail broking business



Overview

- AUB Group have entered into a non-binding term sheet with PSC to establish a 50/50 joint venture (JV), which will hold 100% of the Tysers UK retail broking business
- If the JV transaction is implemented, PSC will acquire 50% of the JV on the same commercial terms as the overall Tysers acquisition
 - Proceeds from PSC, upon establishment of the JV, will be used by AUB Group to reduce leverage or will be redeployed to make other value accretive acquisition opportunities
 - The JV is intended to be established as soon as possible after the close of the Tysers acquisition
- The entry into the JV is subject to final AUB and PSC Board approvals, due diligence, separation planning, regulatory and licensing approvals as required, and appropriate JV documentation
- We will update the market on further details if the JV is implemented with PSC



PSC is a highly experienced partner with presence and capability in the UK broking market and will provide additional oversight through the integration



Opportunity for AUB to further reduce leverage or redeploy capital into other value accretive M&A



Strong cultural alignment and mutual respect between PSC and AUB

Overview of Tysers



TYSERS OVERVIEW

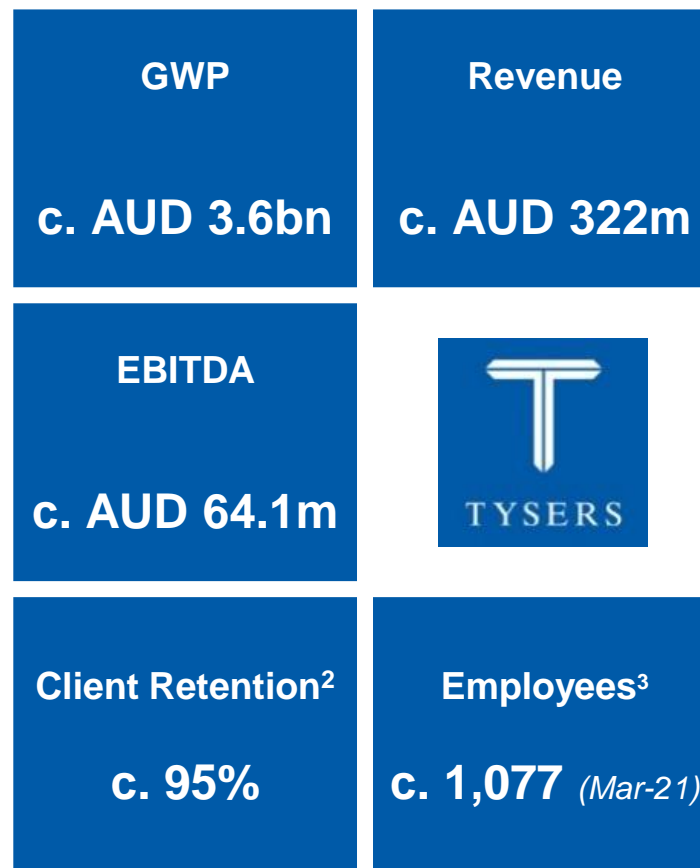
Tysers is a leading independent wholesale broker in the Lloyd's marketplace with a strong brand and reputation supported by 200 years of industry expertise and heritage



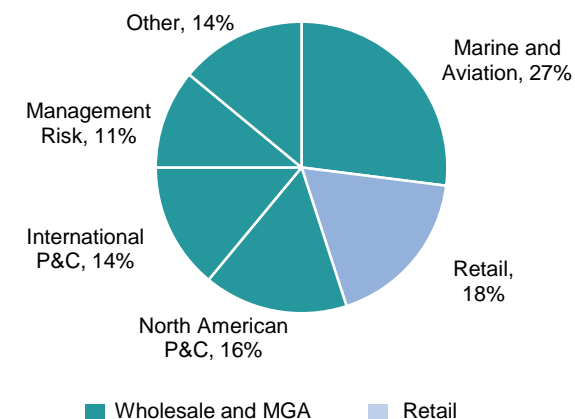
Business Overview

- Leading specialist international insurance broker and the 6th largest wholesale broker in the Lloyd's marketplace
- With 200 years of expertise, it is differentiated by its strong specialty focus, market knowledge, experience and placement capabilities as well as exceptional client and market relationships
- The business operates across three segments:
 - Wholesale:** leading independent wholesale broker to the Lloyd's marketplace with deep expertise and global distribution
 - Retail:** broker servicing niche product areas, including entertainment, sport, specialty classes of SME and HNW / private client
 - Managing General Agents (MGA):** substantial number of delegated authorities, both in-house and third party
- ~1,100 employees³, ~1,000 based in the UK and further ~100 in offices in 10 countries
- Robust track record of growth and profitability with strong cash conversion

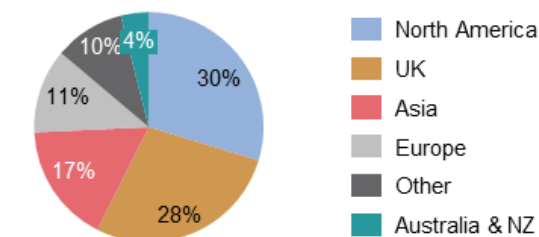
CY21 Key Stats¹



Revenue by Practice Area⁴



Revenue by Geography⁵



INTEGRATED AND EXPERIENCED GOVERNANCE

AUB will be adding highly experienced members to Tysers' Board, providing relevant experience and facilitating expedient integration of Tysers from a governance perspective



Peter Harmer



**Current NED of AUB
New director of Tysers Board**

- Peter is the former CEO of ASX-listed IAG Limited, and has served previously as the CEO of CGU¹, Aon Limited UK, Aon Risk Services Australia Pacific, and Aon Re Australia
- As the CEO of AON UK Peter lived and worked in London serving as Chairman of the London Market Reform Group, the only cross-market body representing brokers, underwriters, Lloyd's syndicates and Lloyd's Corporation
- Peter has over 40 years of experience in the industry spanning insurance, reinsurance broking, and insurance broking. He is a Non-Executive Director of Commonwealth Bank of Australia and nib Holdings Limited

Mike Emmett



**CEO of AUB
New director of Tysers Board**

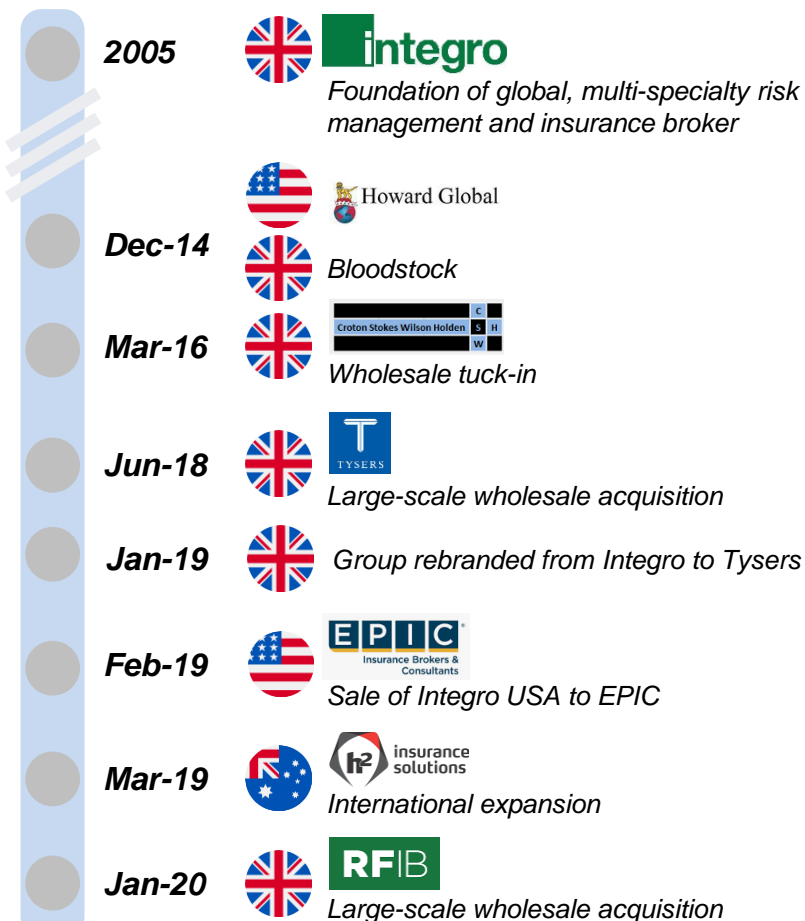
- Mike has enjoyed a diverse career working across the Insurance, Consulting, and IT Industries in Australia, the UK and South Africa. Prior to joining AUB Group, Mike was the Group CEO for Cover-More, previously an ASX-listed global travel insurer and now part of the Zurich Group
- Mike previously held senior roles in Australia at QBE as Group Executive, Operations, and EY leading the Financial Services Advisory business
- Both QBE and Cover-More had substantial international and UK operations. In addition to this, prior to moving to Australia Mike worked in London for a number of years providing consulting advice in the insurance and banking industries

TYSERS: HISTORY AND PORTFOLIO HIGHLIGHTS

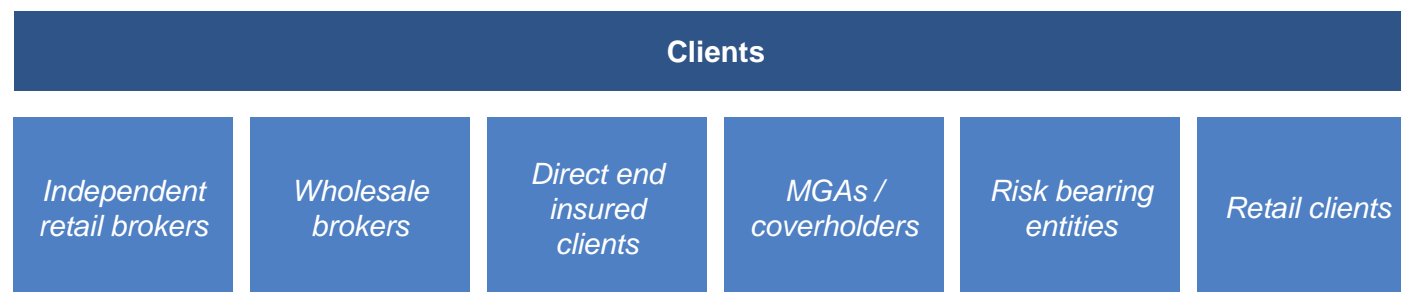
Tysers encapsulates a full range of insurance capabilities, products, specialisms and clients with leading positions in the London market, and able to service internationally



Company History

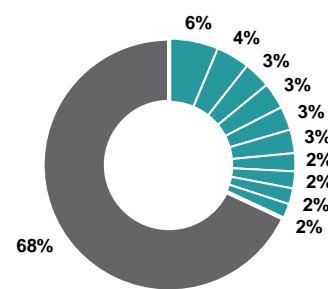


Portfolio Overview



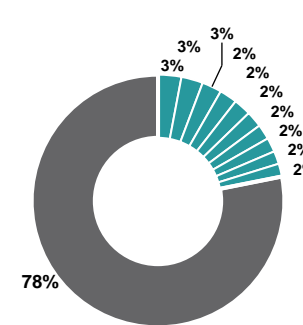
Revenue Diversification

Revenue by Insurer¹



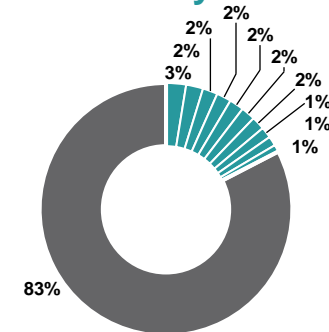
Top 10 insurers account for c.32% of revenue

Revenue by Producers¹



Top 10 producers account for c.22% of revenue

Revenue by Clients¹



Top 10 clients account for c.17% of revenue

TYSERS – EXPERIENCED MANAGEMENT TEAM



Focused leadership team with complementary skills and experiences to drive meaningful value creation



Clive Buesnel
CEO

- Joined November 2020
- Lloyd's Blueprint architect and market sponsor for data
- Previously Vice Chairman and UK Insurance head at Deloitte. Founder and CEO of the Insurance sector at Xchanging, and CEO of a Lloyd's syndicate
- Career in business leadership, transformation and operations both in the UK and globally

Commercial leadership

- Broking Divisions led by tenured group of experienced, entrepreneurs in the UK broking market



Jason Collins
Co-Head Global Broking, Markets and Business Development

- Joined Tysers in 2009, promoted to current role in 2016
- PPL Board member
- Previously co- founded and grew Arch Intermediaries, acquired by Tysers in 2009



David Abraham
Co-Head Global Broking, Client Relationships and Claims

- Joined Tysers in 2009, promoted to current role in 2016
- Previously co- founded and grew Arch Intermediaries, acquired by Tysers in 2009



Bob Pybus
Head of Retail Broking

- Joined Tysers in 2015 through the acquisition of NPA which he co-founded in 1990
- Director of UNA Alliance
- Former President of his local CII and former Director of BIBA

Functional leadership

- Operational and support functions led by group of professionals having significant experience with businesses of scale



Andrew Westenberg
Chief Financial Officer

- Joined in 2019 to lead the finance department
- Previously Finance Director of Brewin Dolphin, a FTSE 250 financial services business



Martin Elton
Chief Operating Officer

- Joined Tysers in January 2021
- Previously led the outsourced operations and IT setup for Convex
- Former MD of a broking operations JV with Aon, COO at XIS and COO and EMEA MD at ActiveOps

TYSERS – HISTORICAL FINANCIALS

A highly profitable business, expected to return to growth in CY22



Financial Overview

AUD m	CY19	CY20	CY21
Revenue	363.4	328.4	322.1
Staff costs	158.0	163.5	168.6
Bonus expense	44.4	31.2	28.0
Non-staff costs	79.5	71.7	61.4
Total operating costs¹	281.9	266.3	258.0
Normalised EBITDA	81.5	62.1	64.1
<u>KPIs:</u>			
EBITDA margin	22.4%	18.9%	19.9%
GWP	4,453	4,269	3,585
Bonus as a % of pre bonus EBITDA	35.2%	33.4%	30.4%

Commentary

- CY22 revenue is expected to return to growth, as the effects of COVID-19 start to unwind.
- Q1 CY22 revenue of GBP 51.1 million (AUD 89.9 million) was:
 - 13.3% ahead of the immediately preceding quarter Q4 CY21 reflecting the positive impact of a diversified portfolio
 - ahead of AUB's expectation
- A number of Tysers' lines of business were impacted by COVID-19 related lockdowns and supply chain challenges however we are seeing strong bounce back in YTD revenue from these in the first four months of CY22:
 - North American property and casualty (commercial property and auto lines impacted by state driven lockdown restrictions). YTD revenue is +11% on prior comparative period (pcp)
 - The contingency business (negatively affected by live event and global music tour cancellations). YTD revenue is +780% on pcp
 - Retail (entertainment focused UK practice impacted by suspension of productions and prolonged lockdown restrictions). YTD revenue is +14% on pcp
- YTD (four months to April) revenue is up 6% on pcp. The headline result includes very strong growth in key business areas offset by predicted reductions in revenue in certain areas such as:
 - International P&C is down 26% due to the one-off impact of ceasing operations in Ecuador and Colombia and the impact of sanctions on Russia
 - Specialty is down 17% due to a slow start to recommencement of horse racing events. Thoroughbred bloodstock is the largest of the specialty insurance areas
 - Management Risk is down 10% due to the temporary impact of an Insurer ceasing to accept EPL (Employment Practices Liability) Risks. This has been replaced with capacity at a different insurer
- High cash conversion of 98% in CY21²

TYSERS EBITDA ADJUSTMENTS

AUB Group adjustments to reflect the underlying, go-forward EBITDA being acquired



Financial Overview

	CY21	GBP m	AUD m
	Reported EBITDA	14.7	25.9
1	Regulatory investigation (Purchase carve-out)	7.4	13.0
2	Regulatory uplift (project response to 1. above)	2.2	3.8
3	Ongoing Tysers sale process (won't continue post-sale)	5.3	9.3
4	IT Systems uplift (costs for once-off uplift e.g. remote working)	3.9	6.9
5	Exceptional bonuses (to compensate for Covid impacts)	6.1	10.8
6	FX P&L (to remove FX gains)	(9.0)	(15.8)
7	Normalise P&L for acquisitions and disposals (deal perimeter)	1.0	1.8
8	Historic M&A and UK Corporate build costs (projects completed)	2.9	5.0
	Other	1.9	3.4
	Normalised EBITDA	36.4	64.1
	Normalised EBITDA margin	19.9%	

Commentary

The new CEO, supported by the current owner, has invested significant resources and capital into uplifting Tysers' capabilities. This has seen Tysers undertake a number of significant enhancement programmes as well as bolt on acquisitions

- 1 Costs in respect of certain regulatory investigations (see page 48)
- 2 Project to uplift risk management processes in the wake of the above investigations (see page 48)
- 3 Costs associated with the sale process for Tysers (commenced in CY20 but impacted by COVID)
- 4 Roll out of remote work capabilities (COVID), retirement of legacy systems, broking system consolidation, KYC systems
- 5 One off CY21 bonus paid above levels typically expected for the revenue generated in CY21¹
- 6 Operational FX gains
- 7 Reflects the annualised impact of the go-forward perimeter on EBITDA
- 8 Costs to buy RFIB and establish new UK corporate HQ / shut US HQ

Pre COVID
(CY19) EBITDA
margin of
22.4%

Maximising Tysers' Potential



AUB IS WELL PLACED TO MITIGATE THE RISKS OF THE TRANSACTION



Risks

Large Acquisition

Significant Integration

Realisation of Synergies

Broker Retention

Risk Management

- Equity and debt funding is fully underwritten
- FX risk of upfront payment is hedged
- Potential 50/50 JV with PSC in respect of Tysers UK Retail post completion of the acquisition will leverage the retail expertise of AUB and PSC
- Standalone business today (not a carve out of an existing business) and will continue as a standalone division within AUB
- Appropriate governance and management reporting, along with AUB policies and risk framework will provide suitable oversight
- AUB model provides key employees with business ownership opportunities
- AUB has the capacity and experience to manage a large transaction
- Extensive due diligence supports AUB's estimate of pre-tax synergies
- Synergies from cost rationalisation (available to AUB as a strategic buyer) have been identified and will not negatively impact Tysers
- Margin enhancement on existing premiums are within control of AUB today
- Financial and legal arrangements in place to retain key brokers throughout earn out period (partially funded by Tysers)
- Transition to AUB's remuneration model over time is expected to be attractive to Tysers brokers and employees
- Transition from private equity ownership to AUB (a long-term strategic owner) expected to be well received by Tysers brokers, employees and customers
- Customary due diligence undertaken by AUB and its advisers, including on a Tysers ongoing regulatory investigation (refer to slide 48 for further details)
- AUB has made its own assessment of this investigation and sought a number of contractual protections for AUB in the transaction documents
- AUB will assume responsibility for conduct in connection with the response to the investigations
- Tysers has been enhancing its anti-bribery and corruption policies and its frameworks for financial crime management
- AUB intends to appoint additional members to the Tysers Board with UK insurance industry experience (including Mike Emmett and Peter Harmer)
- Tysers' management team has significant experience and will continue managing the Tysers business
- Standard business conduct provisions between signing and completion

Significant alignment to maximise the potential of Tysers through vendor scrip offering – Odyssey will receive GBP 100m (AUD 176m) of AUB shares as part consideration under a 24 month escrow and a two-year revenue earn-out

The Merged Group



INTEGRATION, MANAGEMENT REPORTING AND RETENTION

As part of the Acquisition, AUB will retain Tysers' experienced management team with key changes across Tysers' Board and Leadership to deliver appropriate governance



Management Reporting Structure



Integration and Retention

- Tysers is a standalone operating business today and will become a new division of AUB Group
- In addition to integrated governance, Tysers will also adopt AUB's policies and risk frameworks
- Significant operational integration is not required
- Appropriate retention mechanism for Tysers brokers and employees in place and in line with market practice
- Financial incentives (fully or partially funded by the vendor) and non-competes in place for key Tysers producers identified by AUB during due diligence. Financial incentives are contingent on retention for >12 months post completion of Acquisition
- AUB's remuneration and shared ownership model expected to be compelling to Tysers brokers and employees
- Transition from private equity owner to a long-term strategic owner provides stability for Tysers brokers and employees, and is expected to be well received

OVERVIEW OF THE CONSOLIDATED GROUP

The consolidated future delivers a stronger AUB Group with an enhanced broker and client proposition, uplift in capabilities, stronger financials, and a more diversified business

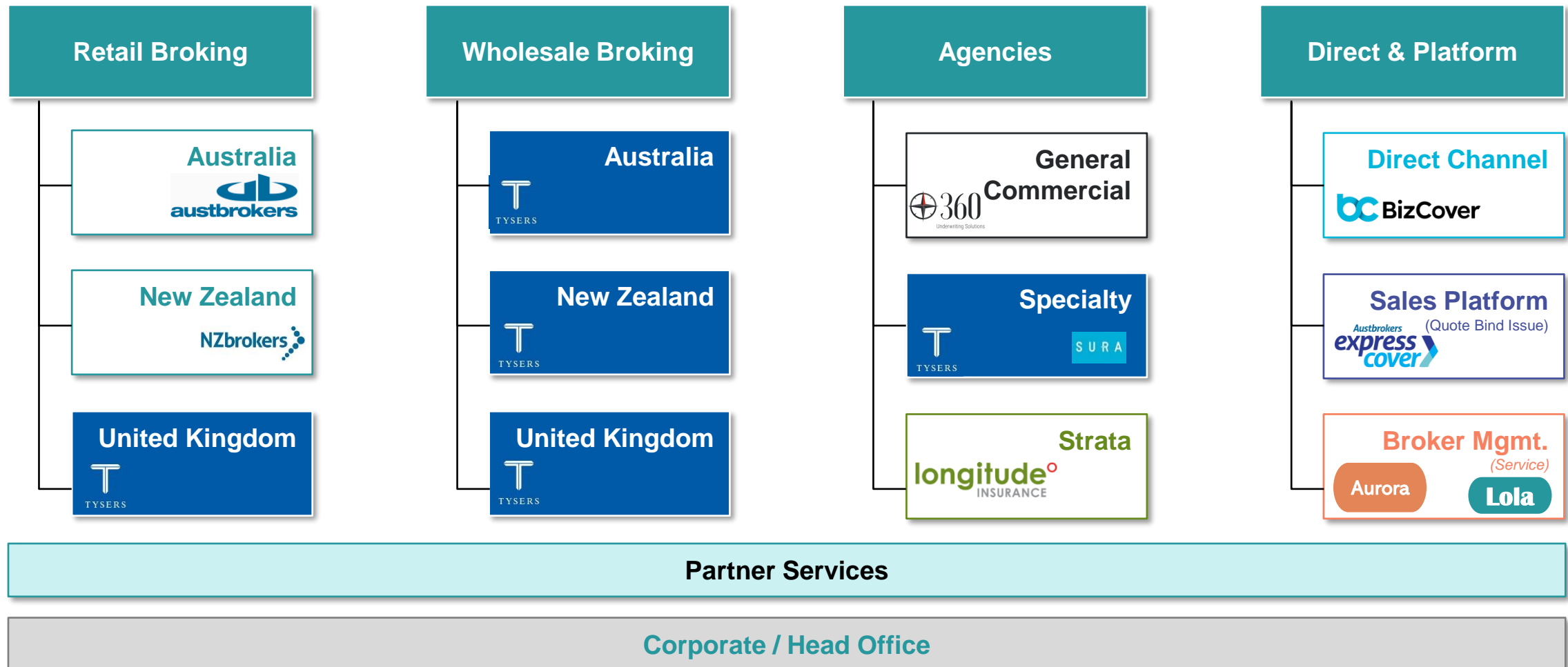


Key Capabilities	Insurance broking, underwriting agencies and risk advisory services	International wholesale insurance broker with specialist capabilities	Differentiated, exclusive product offering with enhanced capacity, margins and vertical integration
Geographic Split by CY21 Revenue	<p>Australia 89%, NZ 11%</p>	<p>North America 30%, UK 28%, Asia 17%, Europe 11%, Other 10%, Australia & NZ 4%</p>	<p>Australia & NZ 68%, North America 11%, UK 9%, Asia 9%, Europe 9%, Other 9%</p>
CY21 Premiums (AUD bn)	4.3	3.6	7.9 (with increased capacity)
CY21 Revenue (AUD m)	670.5 ²	322.1	1,002.6 ⁴
CY21 Underlying EBIT Margin (%)	31.6% ^{2,3}	19.9%	28.9% (with further margin enhancement expected)
CY21 UNPAT (AUD m)	65.9	51.8	114.7 ⁴
Employees (#) ⁶	~3,000	~1,100	~4,100

30% underlying EPS accretion on a pro forma CY22 basis, including full run-rate synergies⁵

INTEGRATION, STRUCTURE & CAPABILITY MODEL

Following the Acquisition, AUB Group will be restructured to optimise our breadth of capabilities across the Insurance value chain



PRO FORMA FINANCIALS



CY21 Pro Forma Income Statement

AUD m	AUB	Tysers	Adj.	Combined
Revenue	670.5	322.1	10.0	1,002.6
Expenses	(474.7)	(258.1)	14.3 ¹	(718.5)
EBIT before NCI	195.8	64.0²	24.3	284.1
Interest - operating entities	(5.4)	-	-	(5.4)
Interest - corporate	(4.7)	-	(30.9)	(35.6)
PBT before NCI	185.7	64.0	(6.6)	243.1
Non-controlling interests	(91.1)	-	-	(91.1)
Underlying PBT	94.6	64.0	(6.6)	152.0
Tax	(28.7)	(12.2)	3.6	(37.3)
Underlying NPAT	65.9	51.8	(3.0)	114.7

Commentary

- Revenue and expenses represent 100% of the revenue and expenses of subsidiaries and associates
- The non-controlling interests (NCI) represents the non-AUB shareholders share of profit before tax (PBT)
- Corporate interest reflects new leverage for the pro forma group
- The pro forma income statement includes synergies which are expected to be achieved in the first 18 months post completion of the Acquisition
- Foreign currency exposure will be managed by foreign exchange rate hedging arrangements as appropriate
- See page 25 for detailed build up of Tysers' pro forma EBITDA

PRO FORMA FINANCIALS



CY21 Pro Forma Balance Sheet¹

AUD m	AUB	Tysers	Adjustments	Pro forma
<u>Assets</u>				
Cash	75.8	34.7	-	110.5
Trust Cash	196.8	346.2	-	543.0
Other current assets	64.4	130.3	-	194.7
Intangible assets and goodwill	514.8	601.2	320.3	1,436.3
Investment in associates	275.6	-	-	275.6
Other non-current assets	58.5	21.1	25.8	105.5
Total assets	1,185.9	1,133.5	346.1	2,665.6
<u>Liabilities</u>				
Interest bearing loans and borrowings	230.7	-	408.5	639.2
Current liabilities	280.2	492.0	-	772.2
Non-current liabilities	60.7	45.0	135.5	241.1
Total liabilities	571.6	537.0	544.1	1,652.6
Net assets	614.4	596.5	(197.9)	1,013.0

Commentary

- New five-year AUD 675m fully underwritten multi-currency debt facility will replace AUD 250m existing syndicated facility:
 - Interest expected to be ~5% per annum based on current rates
 - AUD 74m debt headroom for value-accretive bolt-on acquisitions post completion
 - More flexible financial covenants for AUB Group
- AUD 350m equity raise, AUD 176m Vendor Placement and AUD 409m of debt drawn used to fund AUD 55m² of transaction costs and ~AUD 880m net purchase proceeds
- The Group's investment in its associates is accounted for using equity accounting in the Consolidated Financial Statements – these are entities in which the Group has significant influence (more than 20% of voting rights) but not control
- Insurance broking does not involve taking insurance claims risk – it manages the distribution (and in some cases the underwriting activities) of general insurance. Insurance broking balance sheets do not involve claims or other insurance related liabilities
- Other non-current assets adjustment – certain debt funding costs capitalised to be amortised over 5 years
- Non-current liabilities adjustment for potential future earn out payment

Funding



UNDERWRITTEN EQUITY AND DEBT FUNDING

Sources	GBP m	AUD m	%	Commentary
Equity raising	198.9	350.0	37.5%	AUD 350m fully underwritten offering to be undertaken via ANREO and Institutional Placement. Given completion timeline, c. AUD 192m will be used to pay down the existing debt facility
Placement to vendor	100.0	176.0	18.8%	£100m out of £500m EV of upfront consideration to the vendor to be paid in AUB shares and issued at the Offer Price
Incremental new debt	232.1	408.5	43.7%	AUD 675m fully underwritten multi-currency denominated debt facilities. A total of c. AUD 601m will be drawn down on completion (including the c. AUD 192m paid down temporarily on capital raise)
Total sources	531.0	934.5	100.0%	The new debt facilities allow for an accordion tranche to be established to fund the potential for deferred consideration

Uses	GBP m	AUD m	%	Commentary
Cash payment ¹	400.0	704.0	75.3%	Cash payment for Tysers on a debt free / cash free basis. Some amounts held in escrow to provide AUB additional contractual protection
Scrip payment	100.0	176.0	18.8%	£100m out of £500m EV of upfront consideration to the vendor to be paid in AUB shares and issued at the Offer Price
Transaction costs ³	31.0	54.5	5.8%	
Total uses	531.0	934.5	100.0%	Potential for deferred consideration of up to AUD 176m (GBP 100m) which is payable two years post completion subject to revenue growth targets being achieved ⁴



AUD 880m¹

Upfront consideration
c. 12x pro forma EBITDA pre synergies and c. 9x pro forma EBITDA post synergies²



Fully Funded

Through new underwritten equity raising, Vendor Placement and debt facilities

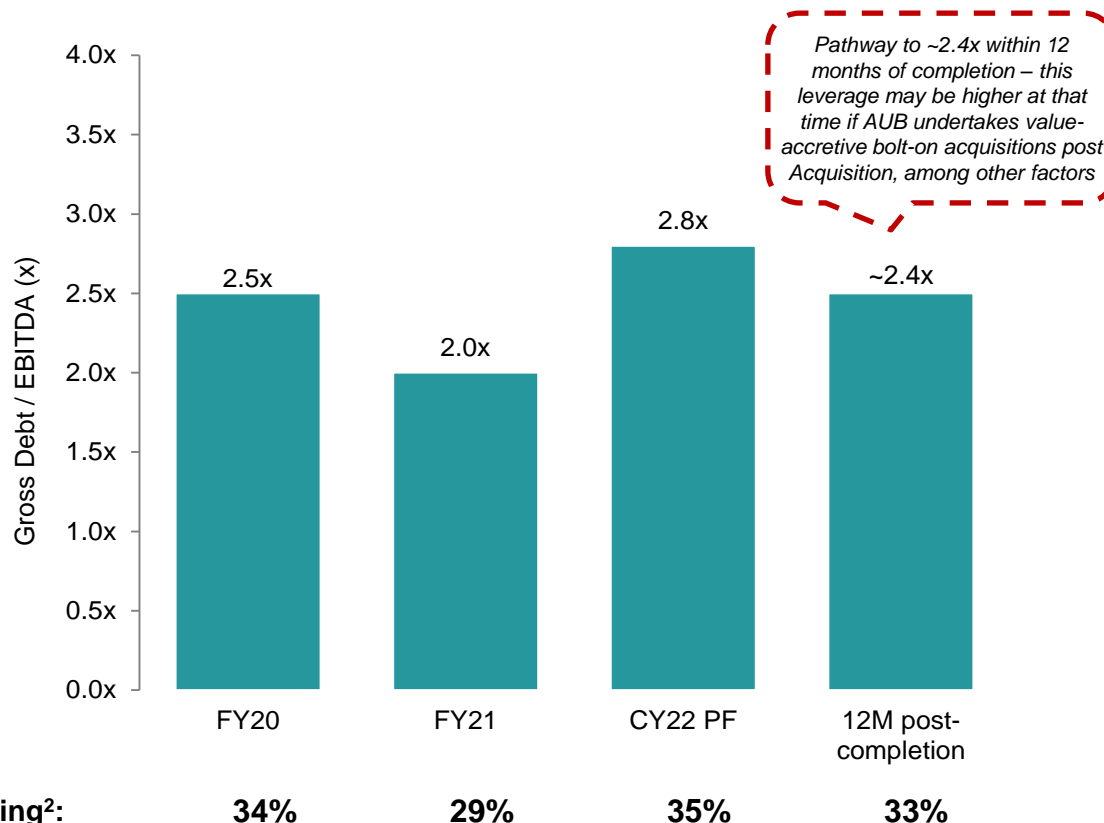


No Change to Dividend Policy

Full franking expected over the medium term – potential 2H22 dividend payable on all existing and new AUB ordinary shares

INCREASED LEVERAGE IN THE SHORT TERM, MOVING LOWER POST COMPLETION, NOT IMPACTING DIVIDEND

Gross Debt / EBITDA¹ (x)



Commentary

- Pathway to reduce leverage to around 2.4x and gearing to 33% within 12 months of completion²
- Leverage remains well within renewed covenants
- AUB will continue to be strongly placed to fund value-accretive bolt-on acquisitions and pay dividends post the Acquisition, due to its organic cash generation and debt headroom
 - Significant debt headroom of AUD74m expected post completion
- The new debt facilities allow for an accordion tranche to be established to fund the potential deferred consideration
- Free cash flow from Tysers post debt amortisation and AUB dividend funding will be available to partially pay deferred consideration, make early repayments, or fund new acquisitions



2.8x
Gross debt / pro forma
EBITDA (post synergies)



Pathway to leverage / gearing of
~2.4x / 33%
within 12 months of completion

EQUITY RAISING SUMMARY

AUB is undertaking an equity raising to raise AUD 350m with proceeds to be used to fund the Acquisition in conjunction with Vendor Placement and new debt



Offer Size and Structure	<ul style="list-style-type: none"> Underwritten AUD 350 million equity raising (Equity Raising) consisting of: <ul style="list-style-type: none"> An institutional placement (Placement) to raise approximately AUD 71 million 1 for 5.2 pro-rata accelerated non-renounceable entitlement offer (Entitlement Offer)¹ to existing shareholders to raise approximately AUD 279 million <ul style="list-style-type: none"> Eligible shareholders will be invited to subscribe for 1 new AUB share (New Shares) for every 5.2 existing AUB shares held as at 7:00pm 11 May 2022 (Entitlement Offer Record Date) The Entitlement Offer is non-renounceable and entitlements will not be tradeable or otherwise transferable Approximately 18 million New Shares to be issued under the Equity Raising representing approximately 24.1% of current issued capital
Offer Price	<ul style="list-style-type: none"> The Equity Raising will be offered at a price of AUD 19.50 per New Share (Offer Price) <ul style="list-style-type: none"> 12.8% discount to the last closing price of AUD 22.36 on 6 May 2022; and 10.6% discount to the Theoretical Ex-Rights Price (TERP)² of AUD 21.80
Use of Proceeds	<ul style="list-style-type: none"> The proceeds will be used (in conjunction with Vendor Placement and new debt) to fund the Acquisition, and to repay existing debt given time to completion
Institutional Entitlement Offer	<ul style="list-style-type: none"> Institutional Entitlement Offer and Placement to be conducted from 9 May 2022 to 10 May 2022³ Institutional entitlements not taken up and those of ineligible institutional shareholders will be sold at the Offer Price
Retail Entitlement Offer	<ul style="list-style-type: none"> Retail Entitlement Offer to open on 16 May 2022 and close at 5:00pm on 27 May 2022³ Only eligible shareholders with a registered address in Australia or New Zealand as at the Entitlement Offer Record Date may participate in the Retail Entitlement Offer
Vendor Placement	<ul style="list-style-type: none"> AUD 176m / GBP 100m of AUB shares to be issued on Acquisition completion at the Offer Price, with a 24 month escrow period post-completion
Ranking	<ul style="list-style-type: none"> New Shares will rank equally with existing AUB shares on issue
Underwriting	<ul style="list-style-type: none"> The Placement and Entitlement Offer are underwritten by Goldman Sachs Australia Pty Limited and Macquarie Capital (Australia) Limited

EQUITY RAISING TIMETABLE



Event	Date
Announcement of Equity Raising	Monday, 9 May 2022
Institutional Entitlement Offer and Placement opens	Monday, 9 May 2022
Institutional Entitlement Offer and Placement closes	Tuesday, 10 May 2022
Announcement of results of Institutional Entitlement Offer and Placement	Tuesday, 10 May 2022
Trading halt lifted and shares recommence trading	Tuesday, 10 May 2022
Entitlement Offer record date (7pm, Sydney time)	Wednesday, 11 May 2022
Retail Entitlement Offer opens, and Retail Offer Booklet made available	Monday, 16 May 2022
Settlement of New Shares issued under the Institutional Entitlement Offer and Placement	Tuesday, 17 May 2022
Allotment and commencement of trading of New Shares under the Institutional Entitlement Offer and Placement	Wednesday, 18 May 2022
Retail Entitlement Offer closes (5pm, Sydney time)	Friday, 27 May 2022
Announcement of results of Retail Entitlement Offer	Wednesday, 1 June 2022
Settlement of New Shares issued under the Retail Entitlement Offer	Thursday, 2 June 2022
Allotment of New Shares under the Retail Entitlement Offer	Friday, 3 June 2022
Commencement of trading of New Shares issued under the Retail Entitlement Offer	Monday, 6 June 2022
Holding statements in respect of New Shares issued under the Retail Entitlement Offer despatched	Monday, 6 June 2022

Conclusion



STRATEGIC AND FINANCIALLY ATTRACTIVE TRANSFORMATVIE ACQUISITION

Strategically Attractive

Acquisition of well established global insurance broker with AUD 3.6bn GWP and direct access to the Lloyd's market

Specialty capabilities that complement AUB's focus segments, facilitating market leading client outcomes

Captures further economics in the broking value chain, and improves margins and capacity to write new business

Financial Highlights

Estimated run-rate synergies of c. AUD 25m of incremental EBITDA, through margin uplift and rationalisation of cost efficiencies

30% underlying EPS accretion on a pro forma CY22 basis, including full run-rate synergies

Balance sheet strength maintained with sufficient headroom for bolt-on M&A opportunities

Strong alignment with vendors with scrip consideration of AUD 176m escrowed for 24 months post-completion



Fully underwritten equity and debt funding with Acquisition completion expected in AUB's 1H23, subject to regulatory approvals

Appendices



Appendix A – Supplementary Materials

THE LONDON WHOLESALE MARKET

The London Insurance Market is one of the world's most comprehensive, sophisticated and stable insurance markets, with centuries of knowledge in underwriting and brokerage¹



London Market Metrics

USD110bn
of GWP²

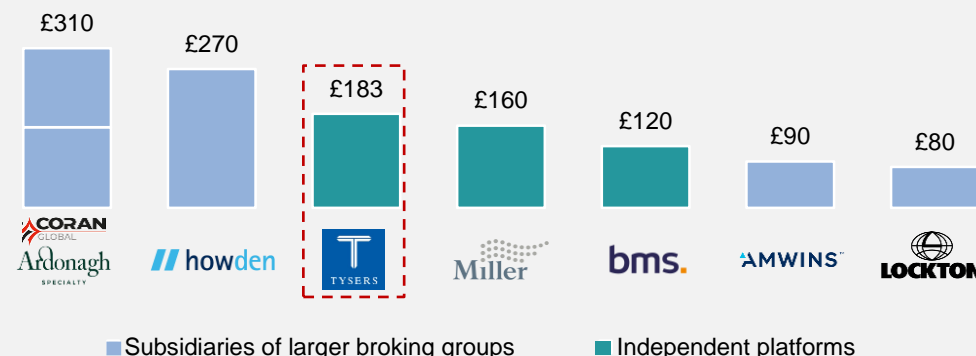
4.1%
CAGR from '10 to '18³

36%
of premiums from US⁴

40%
of the global specialty market⁵

47,000
people employed⁶

Competitive Landscape (by revenue, in millions)⁷



- Competitive landscape of wholesale brokers outside the “Big 3”⁷
- Consolidation at the top of the market creating disruption and a clear opportunity for independents of scale to benefit
- Producers, clients and markets seeking alternative distribution channels to the “Big 3”⁷ to avoid over-concentration and over-reliance
- Tysers is the largest remaining independent player

Market Highlights

- London Market best positioned for long-term success given embedded expertise and specialised insurance ecosystem
- Global footprint anchored in London remains the best broking model for long-term success, given stability of London and growth of international broking hubs
- Lloyd's strategic plans are yielding positive results for the market; improving profitability and rising rates are attracting long-term capital, leading to increased capacity
- Client base is looking to partner with wholesale brokers who can service their full scope of needs
- Strong barriers to entry as clients need an intermediary to access the London Insurance Market, and in many cases multiple underwriters to place large specialty risks¹

Source: 1. FWD Research: Client Research into the Wholesale Insurance market. 2. London Matters 2020, comprised of USD75.9bn Core London Market business, USD11.8bn company managed business, and USD22.7bn of London brokered business. 3. London Matters 2020, led by the managed business and broker of 12% CAGR. 4. London Matters 2020, share of London Market premium from US, overtaking the UK and Ireland as the largest source of income. 5. FCA Wholesale Insurance Broker Market Study (Feb, 2019). 6. London Matters 2020. 7. Ardonagh Specialty Pro forma 2020 revenue estimate of Ardonagh's Specialty (incl. completed transactions) and Corant Global (comprising Ed Broking, Cooper Gay, Besso Limited, Globe Underwriting, Epsilon). Howden 2020 revenue estimate based on Howden RKH. Miller revenue estimated at c.GBP 160m. BMS and Amwins estimated revenue based on IMAS Top 50 Brokers 2020 publication. Lockton latest estimate of revenues generated by its wholesale and reinsurance segments (as reported by Business Insurance).

Appendix B – Key Risks

SUMMARY OF KEY RISKS



This section discusses some of the key risks associated with any investment in AUB (including matters in relation to the Acquisition), which may affect the value of AUB shares. The risks set out below are not listed in order of importance and do not constitute an exhaustive list of all risks involved with an investment in AUB. Before investing in AUB, you should be aware that an investment in AUB has a number of risks, some of which are specific to AUB and some of which relate to listed securities generally, and many of which are beyond the control of AUB. Before investing in AUB shares, you should consider whether this investment is suitable for you. Potential investors should review publicly available information on AUB (such as that available on the website of AUB and ASX, including previous AUB ASX announcements and periodic disclosures), carefully consider their personal circumstances and consult their stockbroker, solicitor, accountant or other professional adviser before making an investment decision.

ACQUISITION SPECIFIC RISKS

Acquisition risk

AUB and its advisers have undertaken financial, operational, legal, regulatory, tax and other analysis in respect of Tysers in order to determine its attractiveness to AUB and whether to pursue the Acquisition. Risks may exist in relation to Tysers of which AUB may be unaware, including latent, future or otherwise unknown claims or liabilities. It is possible that such analysis, and the best estimates and assumptions made by AUB, draws conclusions and forecasts which are not realised in due course (whether because of flawed methodology or misinterpretation of economic circumstances). These conclusions and forecasts have been influenced by diligence completed on Tysers' historical financials, which has resulted in certain diligence adjustments to historical statutory earnings for items reasonably considered by AUB and its accounting adviser to be "one off" or "non-recurring" in nature. Further, Tysers has undertaken certain material acquisitions and divestments in recent years. These have contributed to certain of those diligence adjustments to historical statutory earnings. Whilst integration of the acquired businesses within Tysers continues, full integration is not always practical for example due to separate products or product systems. To the extent that the actual results achieved by Tysers are weaker than predicted or result in different conclusions than those reached by AUB, there is a risk that there may be an adverse impact on the financial position and performance of AUB.

Completion risk

Completion of the Acquisition is conditional on certain matters as set out in the Stock Purchase Agreement (SPA) in respect of the Acquisition which include certain regulatory approvals (such as anti-trust and financial regulatory approvals, including the UK Financial Conduct Authority, Bermuda Monetary Authority, the Monetary Authority of Singapore and the Texas Department of Insurance) and successful completion of the Offer. If any of the conditions are not satisfied or waived on or before the longstop date as set out in the SPA, completion of the Acquisition may be delayed (provided the Tysers' vendors were to consent to any such delay), or may not occur on the current terms, or may not occur at all. There can be no guarantee AUB will obtain necessary regulatory approvals to complete the Acquisition within any particular timeframe, or at all, or that such approvals will be granted on terms that are acceptable or on an unconditional basis. This could prevent completion of the Acquisition (or, at best, delay completion, provided the Tysers' vendors were to consent to any such delay) and/or this may have a material adverse effect on the financial performance of AUB post-completion of the Acquisition.

If the Acquisition is not completed as a result of a failure to satisfy conditions (or otherwise), AUB will need to consider alternative uses for any remaining proceeds from the Offer (including to fund other potential acquisitions that AUB may identify in the future), or ways to return such proceeds to AUB shareholders. If completion of the Acquisition is delayed, AUB may incur additional costs and it may take longer than anticipated for AUB to realise the benefits of the Acquisition. Any failure to complete, or delay in completing, the Acquisition and/or any action required to be taken to return capital raised to AUB shareholders may have a material adverse effect on AUB's financial performance, financial position and the price of AUB shares.

SUMMARY OF KEY RISKS



Integration of Tysers and cost and revenue synergies

Consistent with AUB's business model, Tysers will continue to operate largely as a stand-alone business, with certain functions being integrated with AUB group functions. There is nevertheless a risk that those aspects of integration of Tysers into AUB which are intended may encounter unexpected challenges or issues or that this process takes longer than anticipated, diverts management attention or does not deliver the anticipated benefits (including earnings per share accretion) or cost or revenue synergies estimated to be derived from the Acquisition. Possible problems may include:

- differences in corporate culture between the businesses being integrated;
- inability to successfully combine the finance, legal and compliance functions of the two businesses in an effective manner;
- lack of capability and talent to deliver integration;
- unanticipated or higher than expected costs, delays or failures relating to integration of systems;
- failing to enhance margins as planned;
- inability to direct offshore premiums through Tysers;
- loss of, or reduction in, key personnel, expert capability or employee productivity, or failure to retain or procure employees (including employees with required expertise);
- failure to derive the expected benefits of the strategic growth initiatives; and
- disruption of ongoing operations of other AUB group businesses.

In each case, these possibilities may have an adverse impact on AUB's operating and financial performance and the future price of AUB shares.

International expansion risk

Tysers has significant operations internationally, including in the United States and the United Kingdom. As a result of AUB increasing the scale of its global operations as a consequence of the Acquisition, AUB will be further exposed to the performance of international economies, global macroeconomic conditions, the imposition of additional regulatory requirements and the impact of global geopolitical events (including any escalations to the current conflict in Ukraine).

AUB will be exposed to a number of laws and regulatory requirements in the various jurisdictions that Tysers operates in. This expansion will also expose AUB to the risk of operating in some jurisdictions which can be higher risk for breach of financial crimes laws and regulatory requirements. AUB will need to manage compliance with applicable laws (which may include the development of further internal policies and processes) and a failure to do so adequately could result in regulatory investigations and/or prosecutions which may have an adverse impact on AUB's earnings and/or financial position and performance as well as its reputation.

AUB will also become more exposed to fluctuations in the value of international currencies, including the United States dollar and the British pound, than it was prior to the Acquisition. AUB proposes to enter into foreign exchange rate hedging arrangements in relation to the proceeds from the Offer; however, if the Acquisition does not proceed it may expose AUB to losses arising from foreign exchange movements.

In cases where AUB's debt or other obligations are in currencies different than the currency in which AUB earns revenue, AUB may face higher costs to service those debts, which could impact on its financial performance or position. Fluctuations in the exchange rates, may also decrease the expected contributions made by Tysers to AUB's earnings, resulting in an adverse impact on AUB's financial position.

SUMMARY OF KEY RISKS



Due diligence risk	<p>AUB undertook a customary due diligence investigation process in respect of the Acquisition and was provided with the opportunity to review detailed information provided by or on behalf of Tysers. AUB satisfied itself with its due diligence enquiries to-date but, in some cases, AUB did not receive all of the information sought from Tysers. Furthermore, AUB has not been able to verify the accuracy, reliability or completeness of all the information that was provided to it against independent data. There is no assurance that the due diligence was conclusive. If any of the information that was provided is incomplete, inaccurate, or misleading (including in respect of accounts provided by Tysers), the benefits expected to be derived from the Acquisition may not be delivered.</p> <p>The information reviewed by AUB includes unaudited and forward looking information. While AUB has been able to review some of the foundations for the unaudited and/or forward looking information relating to Tysers, unaudited and/or forward looking information can be unreliable and be based on assumptions that may prove to be incorrect or may change in the future.</p> <p>Investors should also note that there is no assurance that the due diligence conducted was conclusive and that all material issues and risks in respect of the Acquisition have been identified. Therefore, there is a risk that unforeseen issues and risks may arise, which may also have a material impact on AUB.</p>
Debt financing and funding risk	<p>AUB has also obtained commitments for debt financing to be applied toward the cash consideration payable to the Tysers vendors on completion of the Acquisition under the SPA. If certain events occur (e.g. insolvency, major misrepresentation, unlawfulness, repudiation, AUB breaching a major undertaking or it being unlawful for its lenders to provide funding), the financiers are not obligated to fund those debt commitments, and may terminate the debt facilities. The inability of AUB to drawdown on these debt commitments would have an adverse impact on AUB's sources of funding for the Acquisition and may result in AUB being in default of its payment obligations under the SPA at completion.</p> <p>If the Acquisition proceeds to completion, and AUB draws down on debt commitments, there will be an increase in AUB's debt levels. The use of debt financing to fund part of the Acquisition consideration means that AUB will be more exposed to risks associated with gearing. For example, AUB will be more exposed to any movements in interest rates. In addition, AUB will have a higher level of gearing post acquisition, incur higher costs and will be more exposed to general risks relating to any refinancing of its debt facilities. It may be difficult for AUB to refinance all or some of these debt facilities and an inability to secure new debt facilities at a similar quantum and cost to existing debt facilities may adversely affect the financial performance of AUB.</p>
Historical and acquisition liabilities	<p>If the Acquisition completes, AUB will be exposed to the risks associated with owning and operating Tysers and AUB may become directly or indirectly exposed to liabilities in connection with Tysers' past and/or present conduct (or that of its representatives and/or introducers) or exposed to liabilities that Tysers has incurred as a result of present or prior acts or omissions, including liabilities which are contingent, of an uncertain amount or which may not have been identified during AUB's due diligence, or which were of a greater magnitude than expected, or for which regulators take enforcement action, for which insurance may not be adequate or available or for which AUB was unable to obtain sufficient contractual protection. These could include liabilities relating to current or future litigation, criminal penalties, regulatory actions, professional indemnity claims and other liabilities, including in connection with certain alleged conduct by a third party introducer acting on behalf of Tysers (see below risk factor titled 'Risk from ongoing investigations involving Tysers'). Such liabilities may adversely affect the ultimate value of AUB's investment in Tysers and the financial performance or position of AUB after the Acquisition.</p>

SUMMARY OF KEY RISKS



Risk from ongoing investigations involving Tysers and compliance system upgrade

AUB is aware that the United Kingdom's Serious Fraud Office (SFO) has an ongoing investigation into suspicions of bribery and corruption in relation to the conduct of business in Ecuador between 2013 and 2017 by Integro Insurance Brokers Limited, its employees, agents and associated persons, and also into any associated money laundering, and that the U.S. Department of Justice (DOJ) also has an ongoing investigation in relation to this conduct. Integro Insurance Brokers Limited is a company within the Tysers group.

AUB understands Tysers was notified by the SFO and DOJ of the investigations in May 2020 and October 2020 respectively and that Tysers has been cooperating with the SFO and DOJ since being notified. AUB further understands that Tysers has responded to a number of requests for information and documents, but neither the SFO nor DOJ has communicated its view of the likely outcome of the case or timeline for resolving these matters.

The outcome of the investigations by the SFO and DOJ, and response of the FCA, cannot be predicted with any degree of certainty at this point in time, and so AUB cannot be certain about the nature or extent of any liabilities, including financial penalties, that may arise for Tysers (and indirectly AUB) at the conclusion of those investigations. For example, the outcome of the investigations could include financial penalty orders, enforceable undertakings or other remedial directions. The outcome of the investigations or remediation process may adversely impact Tysers' (and indirectly AUB's) reputation, business operations, financial position and results.

AUB has conducted customary due diligence and based on the due diligence material that has been made available by Tysers to AUB, AUB has made its own assessment of this matter and sought a number of contractual protections in the transaction documents. Those protections include indemnification that AUB considers appropriate for the potential losses / fines and penalties which may become payable by Tysers in connection with the investigations.

Although AUB has not identified from its due diligence any other material compliance issues, to the extent that any are subsequently identified or become known this may expose Tysers (and indirectly AUB) to other liabilities, enforcement action or other outcomes.

AUB has also conducted an assessment of the broader compliance framework, taking into account changes made by Tysers since the time of the conduct under review (2013 – 2017) and as a result of these investigations and following an extensive external review commissioned by Tysers of its financial crime framework, in order to satisfy itself as to the likely risks of similar issues arising in the future assuming implementation of those changes.

If the Acquisition completes, AUB has agreed with the vendors that AUB will assume responsibility for Tysers' response to the investigations.

Tysers has been working on the implementation of enhancements to its anti-bribery and corruption policies, its frameworks for financial crime management (including anti-bribery and corruption, sanctions and anti-money laundering and terrorism financing) and on-boarding of and payments to third parties. The enhancements are designed as a general uplift in capability, as well as to address known compliance issues and potential weaknesses. Tysers continues to keep the SFO, DOJ and FCA informed of its progress.

SUMMARY OF KEY RISKS



UK Pension Schemes	<p>Tysers historically provided defined benefits to its employees in the United Kingdom, through two defined benefit pension schemes (Pension Schemes). AUB is aware that the Pension Schemes have funding deficits. AUB also understands that the trustee of one of the Pension Schemes has certain powers that may be exercised in the event it objects to the Acquisition. The powers include allowing the trustee to set employer contribution rates going forward, winding up the scheme, and requiring additional contributions from employing entities.</p> <p>Under the SPA, an amount representing the funding deficits will be included as a debt item in the completion statement.</p> <p>AUB has discussed the Acquisition with the trustee of each Pension Scheme. AUB has entered into legally binding pension agreements with the trustee of each Pension Scheme under which a one-off cash contribution into each of the Pension Schemes will be made following completion of the Acquisition. AUB has entered into a non-legally binding memorandum of understanding with the trustee of each Pension Scheme confirming the trustees' view as at the date of each memorandum of understanding that there is not expected to be material detriment to the financial support provided to the Pension Schemes as a result of the Acquisition.</p> <p>The Pension Schemes are also within the jurisdiction of the UK Pensions Regulator and its statutory "moral hazard" powers. The UK Pensions Regulator could conceivably exercise such powers against AUB or others if on investigation broadly it considered that the Acquisition was materially detrimental to the ability of the employer participating in the Pension Schemes to provide continuing financial support to each Scheme. The memorandums of understanding being entered into are designed to demonstrate this has been considered in respect of the Acquisition and that in AUB and the trustees' opinion at the date of the memorandums there was no such material detriment, but these will not bind the UK Pensions Regulator.</p>
Loss of key management and brokers	<p>There is a risk that there will be some unintended loss of key staff (including key brokers / 'producers') leading up to and following the Tysers acquisition by AUB. Loss of key staff may have an impact on Tysers' collective 'know-how', including the loss of important relationships with insurers, customers and other brokers, and could lead to a loss of certain key customers or insurance partners who might have long standing relationships with particular key Tysers people, notwithstanding incentives that have been put in place by Tysers and, conditional on completion of the Acquisition, by AUB, to seek to retain such persons.</p>
Change of control	<p>The Acquisition may trigger change of control clauses in a number of material contracts to which Tysers is a party. If triggered, the change of control clauses may require counterparty consent. If the consent of a counterparty cannot be obtained either before or after completion of the Acquisition and a material contract containing a change of control clause is terminated or renegotiated on less favourable terms, it may have an adverse impact on AUB's financial performance and prospects.</p>
Regulatory risk	<p>Tysers operates in a highly regulated environment which has been and continues to be subject to regulatory review and change. Material regulatory changes may place increased demands on industry participants and have continued impacts on the insurance broking industry. Any regulatory invention after completion of the Acquisition could have an adverse impact resulting in lower returns than anticipated under the Acquisition.</p>

SUMMARY OF KEY RISKS



Substantial holding by vendor (and related entities)

Immediately after completion of the Acquisition, the vendor of Tysers (and related entities) (each, a Vendor Shareholder) will beneficially own in aggregate up to 8.9% of the Company's issued share capital following the issue of the scrip consideration under the Stock Purchase Agreement.

Each of the Vendor Shareholders will enter into voluntary escrow arrangements in relation to their escrowed shares. The absence of any sale of escrowed shares by the Vendor Shareholders during the escrow period (being 24 months from completion of the Acquisition) may cause, or at least contribute to, limited liquidity in the market for AUB Shares. This could affect the prevailing market price at which Shareholders are able to sell their Shares.

Following the end of the escrow period, a significant sale of Shares by one or more of the Vendor Shareholders, or the perception that such sales might occur, could adversely affect the market price of the Shares at any time. The Vendor Shareholders may also be able to exert a degree of influence over the Company's management and affairs and over matters requiring shareholder approval, including the nomination and election of Directors and approval of significant corporate transactions.

JV proposal may not eventuate

AUB has entered into a non-binding Term Sheet with PSC in connection with a potential joint venture in respect of Tysers UK Retail. On and from implementation of the JV, AUB will only be expected to be entitled to 50% of the earnings of Tysers UK Retail, which will impact how accretive the Acquisition is to AUB overall (with the commensurate benefit that the proceeds of sale of a 50% interest to PSC will facilitate repayment of some of AUB's debt to targeted levels).

As the Term Sheet is not legally binding, there is no obligation on either party to comply with the terms of the Term Sheet to, amongst other things, implement a joint venture arrangement with respect to Tysers UK Retail notwithstanding the parties' current intention to explore and develop a potential joint venture. The entry into any joint venture will be subject to final AUB and PSC board approvals, due diligence, separation planning and regulatory and licensing approvals as required, and appropriate JV documentation. There is no guarantee that a joint venture will eventuate. If the joint venture does not eventuate, this will reduce AUB's capacity to repay some of its debt in the short term (but will mean that AUB continues to be exposed to all of the earnings of this part of Tysers' business).

SUMMARY OF KEY RISKS

BUSINESS RISKS	
Reduction of gross written premium in the Australian and New Zealand general insurance market	<p>AUB derives most of its revenue as a result of sales of general insurance products either as agent of the customer through its broker network or as agent of the insurer through its underwriting agency business. A substantial portion of the broker revenue relates to the proportion of the premium payable by the customer. AUB's revenues could be adversely affected if any reduction in sales volumes or premium prices resulted in a reduction in the overall level of insurance premium paid by insurance customers (known as "gross written premium") declined in Australia and/or New Zealand.</p> <p>Gross written premium is influenced by factors including pricing decisions by insurers and the level of demand for general insurance products. Any softening in local and global economic conditions is likely to lead to a softening in the level of gross written premium.</p>
Reliance on dividends from network	<p>As AUB is a holding company, the amount of cash available to AUB to, among other things, pay dividends to AUB shareholders depends in part on the timing and amount of dividends paid by member firms of AUB's network. The amounts available will depend on the financial performance of member businesses and the decisions made by their boards to declare dividends, which we may not control and are subject to corporate law requirements.</p>
Loss of AUB network partners	<p>AUB's financial results substantially depend on the business generated by AUB's network members, and therefore if members were to leave the network, AUB's revenues and profit would likely be reduced. While there are significant barriers to member firms leaving the network, including, in most cases, AUB's right to pre-empt a sale of other shareholders' equity and restrictions on a former network member competing with the AUB member network, nevertheless network firms may leave.</p>
Reliance on strategic partners	<p>AUB depends on relationships with strategic partners such as insurers and premium funders. The loss of any of these relationships could adversely affect AUB's business by reducing the range of products and services AUB can offer with respect to both the insurance brokerage and underwriting agency businesses. This could result in lower revenue.</p>
Loss of key staff and/or challenges attracting new staff	<p>A loss of key personnel by AUB may lead to material business interruption and loss of key customer or partner relationships AUB also relies on the need to be able to attract staff with the right experience and expertise to assist AUB with successful execution of its strategic priorities and growth plans. Particularly given the presently competitive labour market, there can be no certainty that AUB will be able to attract the people it desires.</p>

SUMMARY OF KEY RISKS

Business model of acquiring and holding equity in operating business

An important part of AUB's business model and its growth strategy is to acquire and hold equity in insurance broking, underwriting agency or risk services businesses. While AUB ordinarily has veto rights on most decisions concerning AUB group members, it may not have the capacity to implement its decisions in all cases.

Risks resulting from this model include:

- disputes regarding the acquisition of a business, including the amount and timing of any deferred consideration;
- deficiencies in due diligence by AUB;
- competition for opportunities;
- potential unknown or contingent liabilities;
- compliance integration of newly acquired entities;
- reliance on partners (including, in certain cases, management who hold an equity stake within the operating businesses) who may not perform satisfactorily or with whom the relationship may break down, which may lead to issues with decision-making; and
- insufficient funding to capitalise on opportunities.

AUB has entered into put option arrangements (or similar) with other shareholders in a number of AUB network firms that upon vesting will entitle the shareholders to require AUB to buy their shares.

There can be no assurance that the anticipated benefits and synergies expected to result from all or some of these acquisitions will be realised. The ability to realise these benefits will depend in part upon whether the acquired businesses can be integrated in an efficient and effective manner.

Increased competition or market change

Any increase in competition or deterioration in the competitive positioning of AUB may have an adverse impact on AUB network members and could potentially result in a reduction in gross written premium placed through AUB network members due to a loss of market share; a reduction in fees and commissions; and/or a reduction in margins which may adversely impact the revenue and earnings of AUB network members.

Increased competition from new entrants and existing market participants in markets in which AUB operates, including increased commoditisation of business insurance products, may have an adverse impact on partner network and AUB earnings. If there are changes in the remuneration model for, or the use of, insurance brokers, underwriting agencies, or risk services businesses, this may adversely impact AUB's earnings and/or financial position and performance. In addition, increased competition, or a change in the market structure for premium funding may also adversely impact upon the premium funding business in which AUB has an equity interest, ultimately potentially adversely impacting AUB's earnings.

AUB in some cases acts as agent of the insurers. Insurers may choose to reduce their reliance on insurance brokers and underwriting agencies including through an increase in their direct web-based distribution models. For instance, insurers may target clients directly, as opposed to through insurance brokers. For instance, there have been attempts by insurers to move directly into the SME sector. AUB's ability to offset these pressures will depend on its ability to provide value-added services such as risk management and consulting services to its clients. The Australian general insurance industry has consolidated significantly over the last 15 years and further insurer consolidation may result in a more limited product set and/or greater pricing power for insurers which may result in downwards pressure on commissions and fees.

SUMMARY OF KEY RISKS



Compliance and regulatory risk

AUB operates in a highly regulated environment which has been and continues to be subject to regulatory review and change. Failure to act in accordance with regulation, industry standards and codes, internal policies and procedures and principles of good governance as applicable to AUB's business, presents risk. AUB may be exposed to violations of laws and regulation concerning, for example, anti-bribery and corruption, sanctions and anti-money laundering and terrorism financing (Financial Crime Laws). A breach of Financial Crime Laws could lead to enforcement action by regulators, and/or significant fines and/or other penalties, litigation, as well as the risk of reputational damage. This, in turn, may adversely impact AUB's reputational, financial performance and position.

AUB network partners that hold Australian financial services licences are required to comply with the licence requirements and financial services regulations applicable to them. There are penalties for non-compliance with these requirements including that a licence may be suspended or withdrawn and proceedings may be commenced by regulators or other parties and monetary penalties may be imposed. This may have an adverse impact on AUB's earnings and/or financial position and performance. Regulatory changes may also impact AUB and/or its operating entities through costly and burdensome regulation and may have consequences which cannot be foreseen. Additionally, compliance with these regulatory obligations may require considerable investment into the establishment of compliance systems and the monitoring and maintenance of such systems to minimise the risk of non-compliance in the future.

AUB also faces the risk of failing to identify or appropriately respond to changes in the regulatory environment or of damaging AUB's standing with its regulators as a result of AUB not meeting regulatory expectations. A key emerging regulatory risk is that commission-based remuneration of general insurance brokers may cease to be exempt from bans on conflicted remuneration. The Australian Government has commenced the Quality of Advice Review, which will consider (among other things) the effectiveness of measures that have been implemented by regulatory bodies and financial services entities to improve the quality of financial advice, and whether each remaining exemption to the ban on conflicted remuneration (such as commissions) remains justified, including the exemptions for general insurance products and consumer credit insurance products. Any changes resulting from the Quality of Advice Review may impact AUB group's remuneration structure.

Loss of capacity for underwriting agencies

Unexpected loss of underwriter capacity, whereby an underwriter fails to renew a binder or withdraws capacity for strategic reasons (such as exiting lines of business or a specific country exit) is likely to result in significant loss of income.

Further risk may be as a result of an underwriter withdrawing capacity due to uneconomic underwriting results. This would severely constrain the ability of underwriting agencies to write new business and may restrict them from renewing existing business. Any such scenario would have an adverse impact on the financial performance of AUB's underwriting business.

SUMMARY OF KEY RISKS



Investment impairment	<p>AUB's balance sheet includes a significant level of investments and intangible assets recognised as a result of its various acquisitions. Investments and intangible assets must be regularly tested for impairment. Impairment results from a decrease in value indicated by a permanent decline in profits below the level that supports the value of the investment or asset. In the event that any of AUB's investments or intangible assets are found to be impaired to a level below their carrying value. AUB would need to write down the value of the intangible asset. This will result in the recognition of an impairment expense which may adversely impact AUB's financial position and performance.</p>
Coronavirus (COVID-19)	<p>The ongoing COVID-19 pandemic has had a significant impact on the global economy and the ability of individuals, businesses, and governments to operate. Across the globe, travel, trade, business, working arrangements and consumption have been materially impacted by the pandemic. There continues to be considerable uncertainty as to the duration of and further impact of COVID-19 including (but not limited to) in relation to government, regulatory or health authority actions, work stoppages, lockdowns, quarantines and travel restrictions. The impact of some or all of these factors could cause significant direct disruption to AUB's operations and financial performance.</p> <p>A continuation or escalation of the COVID-19 pandemic could also materially affect risk profiles and affect the ability of AUB or its network partners to sell insurance policies. Furthermore, the Group's financial position may be adversely impacted if a number of its suppliers (including its counterparties, suppliers of IT services, and other suppliers of goods and services) are unable to successfully implement business continuity plans in the current environment or if any such suppliers are unable to continue as going concerns as a result of the economic impact of COVID-19. The spread of COVID-19 has resulted in governmental authorities in Australia, the United States, the United Kingdom and other countries around the world imposing a variety of measures restricting day-to-day life, including quarantines and travel restrictions of varying scope. This has resulted in significant disruptions in the global economy and the economies of particular countries, including travel, entertainment, retail, tourism, health systems, food and manufacturing supply chains, consumption and overall economic output, which in turn has caused lower interest rates and significant volatility in global financial markets. Whilst such measures have now largely been removed, the extent of the impact on AUB's business, results of operations, financial condition, liquidity and cash flows is largely dependent on future developments, which are highly uncertain and not predictable, including the scale of COVID-19 (and any new strains of COVID-19) and actions taken to address its impact.</p> <p>Having regard to COVID-19, extra caution should be exercised when assessing the risks associated with an investment in AUB. The continually changing situation is bringing unprecedented challenges to global financial markets and the global economy, with significant volatility and movements seen in prices and valuations in equities. This applies equally to the Australian financial market and economy.</p>

SUMMARY OF KEY RISKS



Changes to accounting standards	Changes to Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act could affect AUB's reported results of operations in any given period or AUB's financial condition from time to time.
Technology and cyber security risk	<p>AUB's information technology systems (including those provided by third party technology vendors) are vulnerable to service interruptions, degradation, damage or interruption from a number of sources, including natural disasters, power losses, computer systems failures, hardware and software defects or malfunctions, hardware and software updates, distributed denial-of-service, internet and telecommunications or data network failures, operator negligence, improper operation by or supervision of employees, physical and electronic losses of data and similar events, computer viruses, other malware or other cyber-attacks, penetration by hackers seeking to disrupt operations or misappropriate information, break-ins, sabotage, intentional acts of vandalism and other breaches of security.</p> <p>Any damage or interruption to, or reduction in speed or functionality of, AUB's information systems or those provided by third party technology vendors could significantly curtail, directly and indirectly, AUB's ability to conduct its business and generate revenue and could result in significant costs being incurred, for example to rebuild systems, respond to regulatory inquiries or actions, pay damages, or take other remedial steps with respect to third parties.</p>
Loss or misuse of personal and confidential information	AUB's operations rely on the secure processing, transmission and storage of confidential, proprietary and other information in its computer systems and networks. AUB's facilities and systems, as well as the facilities and systems utilised by AUB network partners, may be vulnerable to privacy and security incidents, security attacks and breaches, acts of vandalism or theft, computer viruses or other malware, hardware and software defects or malfunctions, hardware and software updates, distributed denial-of-service or other cybersecurity risks, misplaced or lost data, programming and/or human errors or other similar events. Any security breach involving the misappropriation, loss or other unauthorised disclosure or use of confidential information, including financial data, commercially sensitive information, or other proprietary data, whether by AUB or a third party, could have a material adverse effect on AUB's business, reputation, financial condition, cash flows, or results of operations. The occurrence of any of these events could result in interruptions, delays, the loss or corruption of data, cessations in the availability of systems, potential liability and regulatory action or liability under privacy and security laws (including as a result of a notifiable data breach under the Notifiable Data Breach Scheme), all of which could have a material adverse effect on AUB's financial position and results of operations and harm AUB's business reputation.
Damage to the AUB brand	<p>AUB faces the risk of loss that directly or indirectly impacts earnings or value that would be caused by adverse perceptions of AUB held by brokers, customers, shareholders, employees, regulators and the broader community.</p> <p>AUB's success is heavily reliant on its reputation and branding. Maintaining the strength of the AUB brand is critical to retaining and expanding the AUB network, solidifying AUB's business relationships and successfully implementing its business strategy. The promotion and enhancement of the AUB brand will also depend, in part, on its success in continuing to provide a high quality customer experience to those AUB network partners that rely on AUB for the provision of support services.</p> <p>Issues or events which place AUB's reputation at risk may impact on AUB's future growth and profitability, for example, by impacting AUB's ability to attract and retain brokers or by causing the loss of brokers. Any factors that diminish AUB's reputation or branding could impede its ability to compete successfully and future business plans and performance.</p>

SUMMARY OF KEY RISKS



Fraudulent or inappropriate conduct by employees	<p>AUB has in place policies and procedures implemented in relation to the risk of fraud. However, particularly in relation to businesses where AUB does not control the day-to-day operations (including AUB network partners in which AUB has an equity interest, joint ventures or other contract-based arrangements), there is a risk that funds of the business or of those held on behalf of clients may be the subject of fraudulent behaviour. Any such fraudulent behaviour would likely have an adverse impact of AUB's financial position and performance.</p> <p>AUB is also at risk of employees throughout the AUB group, including its operating businesses and AUB network partners, acting in a way which is not consistent with the behaviours, culture and values of the AUB group. This may adversely impact AUB's financial position, performance and reputation.</p>
International expansion	<p>One potential source of AUB's long-term growth is further international expansion. This carries the inherent risk of known and unknown market factors (such as cultural differences, regulatory restrictions and economic conditions) which could mean that the expansions will not be successful.</p> <p>AUB may incur significant expenses and capital expenditures in connection with building its presence in those markets if this strategy were to be followed.</p>
Tax changes	<p>Any changes to the taxation of shares (including the taxation of dividends) and the taxation of companies (including the existing rate of company income tax) may adversely impact on AUB shareholder returns, as may a change to the tax payable by AUB shareholders in general. Any other changes to Australian tax law and practice that impact AUB, or the insurance industry generally, could also have an adverse effect on AUB shareholder returns.</p>
Economic conditions risk	<p>The operating and financial performance of AUB is influenced by a variety of general economic and business conditions, including levels of consumer spending, inflation, interest rates and exchange rates, supply and demand, industrial disruption, access to capital markets and government fiscal, monetary and regulatory policies. Changes in general economic conditions may result from many factors including government policy, international economic conditions, significant acts of terrorism, hostilities or war (including in connection with Ukraine) or natural disasters, as well as the impacts of COVID-19. A prolonged deterioration in general economic conditions, including inflation, an increase in interest rates or commodity prices or a decrease in consumer and business demand, could be expected to have an adverse impact on AUB's operating and financial performance and financial position.</p> <p>The nature and consequences of any such factors are difficult to predict and there can be no guarantee that AUB could respond effectively. Any such event and/or the effectiveness of AUB's response could adversely affect AUB's financial performance, financial position, capital resources and prospects, as well as its share price.</p> <p>AUB also relies on access to debt financing. The ability to secure financing, or financing on acceptable terms, may be affected by volatility in the financial markets, globally or within a particular geographic region, industry or economic sector. In recent years, global credit and equity markets have experienced periods of uncertainty, followed by periods of stability and low volatility. More recently, financial markets globally have been impacted by events in Ukraine and the COVID-19 pandemic, the latter which has seen governments and central banks around the world implement both monetary and fiscal policy to reduce volatility and increase liquidity in financial markets, whilst also promoting growth to severely impacted economies. The monetary policy tools utilised have included quantitative easing, including the lowering of interest rates, which can result in challenging market conditions when major central banks begin the process of normalising monetary policy settings in future years. For these reasons, financing may be unavailable or the cost of financing may be significantly increased. An inability to obtain, or increase in the costs of obtaining, financing on acceptable terms could adversely impact AUB's financial position and performance. AUB is exposed to movements in interest rates through its debt facility.</p>


SUMMARY OF KEY RISKS



Environmental, social and governance (ESG) risks and expectations	<p>Evolving community attitudes towards, and increasing regulation and disclosure in relation to, ESG issues may impact the operation of AUB's business. Some of the areas of focus for AUB are diversity and inclusion, modern slavery, general employment practice, and strategies in relation to climate change.</p> <p>Increased expectations, and in particular the failure to meet those expectations, with respect to ESG may impact on the profitability or value of AUB's business, restrict AUB's ability to attract financing or investment, result in heightened compliance costs associated with meeting prevailing regulatory and disclosure standards, or adversely impact on the reputation of AUB including with its network partners, stakeholders and employees, any of which may have an adverse effect on AUB's business, financial position and prospects.</p>
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EQUITY RAISING RISKS

Underwriting risk	<p>AUB has entered into an underwriting agreement with Goldman Sachs Australia Pty Ltd and Macquarie Capital (Australia) Limited (the underwriters) pursuant to which the underwriters have agreed to underwrite the Offer (Underwriting Agreement), subject to those terms and conditions of the Underwriting Agreement. If certain conditions are not satisfied or if certain termination events occur, the underwriters may terminate the Underwriting Agreement. Those termination events are summarised in Appendix C of this Presentation.</p> <p>Termination of the Underwriting Agreement would have an adverse impact on the amount of proceeds raised under the Offer, which could result in AUB not having access to sufficient capital required to fund the Acquisition. Termination of the Underwriting Agreement could materially adversely affect AUB's business, cash flow, financial condition and results of operations.</p>
Market generally	<p>The price of AUB securities on the ASX may rise or fall due to numerous factors including:</p> <ul style="list-style-type: none"> • Australian and international general economic conditions, including inflation rates, the level of economic activity, interest rates, commodity prices and currency exchange rates; • tensions and acts of terrorism in Australia and around the world (including in connection with Ukraine); • investor perceptions in the local and global markets for listed stocks; and • changes in the supply and demand of securities. <p>AUB securities may trade below the offer price and no assurances can be given that AUB's market performance will not be materially adversely affected by any such market fluctuations or factors. No member of AUB, nor any of their directors nor any other person guarantees AUB's market performance.</p>
Dilution	<p>Existing shareholders who do choose not to participate in the Offer will have their percentage shareholding in AUB diluted and as the entitlement offer is non-renounceable, there is no opportunity to receive value for renunciation of the entitlement to participate in the entitlement offer.</p>



Appendix C – Summary of material contracts

SUMMARY OF STOCK PURCHASE AGREEMENT



Transaction overview	AUB has agreed to acquire (through its wholly owned subsidiaries) 100% of the shares in each of: (i) Galileo Insurance Services LLC; (ii) Integro Insurance Brokerage Services LLC; (iii) Integro Insurance Brokers Holdings Ltd and (iv) Tysers (Bermuda) Ltd and their respective subsidiaries from Integro Ltd. and Integro Parent Inc. (the Acquisition), pursuant to the stock purchase agreement dated 8 May 2022 (the Acquisition Agreement).
Acquisition consideration	<ul style="list-style-type: none"> The consideration under the Acquisition Agreement is comprised of (a) cash consideration of GBP 400,000,000, as adjusted for cash, debt, debt like items and working capital adjustments in accordance with the completion accounts to be prepared by AUB following completion in accordance with the Acquisition Agreement; and (b) GBP100,000,000 of AUB shares to be issued to the Sellers on acquisition completion at the Offer Price, with a 24 month escrow period post-completion The Consideration may be adjusted by the payment of up to GBP 100,000,000 in additional earn-out consideration (if any) on the second anniversary of Completion.
Conditions precedent to closing the Acquisition	<p>Completion of the Acquisition is subject to satisfaction (or waiver in relation to the first three bullets) of:</p> <ul style="list-style-type: none"> the regulatory conditions which include approval from financial regulators in the UK, Singapore, Texas, Dubai, Saudi Arabia and Bermuda; the merger control condition in respect of clearance from the competition authority in Saudi Arabia; the pre-Completion restructuring in relation to Integro Insurance Brokerage Services LLC; and The financing condition, which will be settlement of the Institutional Entitlement Offer and the Retail Entitlement Offer in accordance with the Underwriting Agreement
Timetable	Completion of the Acquisition is expected to take place by December 2022 subject to the conditions set out above having been satisfied (or, where applicable, waived), or such later time as agreed between Tysers and AUB in accordance with the Acquisition Agreement.
Completion and pre-completion conduct	For the period up to Completion, Tysers must carry on its business in all material respects in the ordinary course and is subject to customary restrictions and undertakings in respect of its pre-completion conduct.
W&I insurance and representations and warranties	<ul style="list-style-type: none"> AUB has obtained warranty and indemnity insurance (the W&I Policy) covering certain losses arising from breaches of the fundamental warranties given by the Sellers and the business warranties given by the management warrantors in connection with the Acquisition, subject to customary exclusions and de minimis provisions. The W&I Policy is the sole recourse for claims in respect of breaches of business warranties and, in the absence of fraud, AUB will have no right to make any claim against the management warrantors for breaches of such warranties. Claims for breach of fundamental warranties given by the Sellers may be set off against the earn-out consideration (if any) or claimed under the W&I Policy Claims under the tax indemnity may be set off against the earn-out consideration (if any), subject to certain exclusions and de minimis amounts.

SUMMARY OF UNDERWRITING AGREEMENT



AUB entered into an underwriting agreement with the Underwriters (being Goldman Sachs Australia Pty Ltd and Macquarie Capital (Australia) Limited) in respect of the Offer on 9 May 2022 (**Underwriting Agreement**). The Underwriters' obligations under the Underwriting Agreement, including to underwrite and manage the Offer, are conditional on certain matters, including the timely delivery of certain due diligence materials or the delivery of certain certificates or other documents. If certain conditions are not satisfied, or certain events occur, the Underwriters may terminate their obligations under the Underwriting Agreement. The events which may trigger termination of the Underwriting Agreement include the following:

- ASX announces that AUB will be removed from the official list or that AUB's shares will be removed from official quotation or suspended from quotation by ASX for any reason other than a trading halt in connection with the Offer;
- ASX ceases to quote AUB's shares on ASX;
- ASX makes a written statement to AUB that official quotation of the New Shares will not be granted or approval (subject only to customary conditions) is refused or not granted to the official quotation of the New Shares on ASX, or if granted, the approval is subsequently withdrawn, qualified (other than by customary conditions) or withheld;
- a statement contained in the Offer materials is or becomes misleading or deceptive in a material respect (including by omission) or likely to mislead or deceive in a material respect or the Offer materials omit any information they are required to contain;
- AUB alters its capital structure without the consent of the Underwriters, other than certain exceptions;
- there are certain delays to the timetable for the Offer (other than with the prior written consent of the Underwriters);
- AUB withdraws the Offer;
- AUB does not provide a confirmatory certificate to the Underwriters by the time specified under the Underwriting Agreement, or any confirmatory certificate is false, misleading, untrue or incorrect;
- AUB (or any member of the AUB Group that represents a material part of the consolidated assets or earnings of the AUB Group) or Tysers becomes insolvent;
- there is an event or occurrence, including any statute, order, rule, regulation, directive or request of any government agency which makes it illegal for an Underwriter to satisfy an obligation under the Underwriting Agreement, or to market, promote, underwrite or settle the Offer;
- ASX withdraws, revokes or amends any ASX waiver obtained in connection with the Offer;
- AUB or any of its Related Bodies Corporate engage in any fraudulent conduct or activity whether or not in connection with the Offer, or a director or the Chief Financial Officer of AUB is charged in relation to any fraudulent conduct or activity whether or not in connection with the Offer;
- a director or the Chief Financial Officer of AUB is charged with an indictable offence, or a director of AUB is disqualified from managing a corporation;
- a change in the Chief Executive Officer, the Chief Financial Officer or Chairperson of AUB or a change in the board of directors of AUB;
- there is an application to any government agency for any order, declaration or other remedy, or any government agency commences any other investigation or hearing or announces its intention to do so, in connection with the Offer (or any part of it);
- ASIC issues or threatens to issue proceedings in relation to the Offer or commences any formal inquiry or investigation into the Offer (or announces its intention to do so);
- ASIC or any other government agency commences or gives notice of an intention to commence a prosecution of AUB or any of its directors, or commence a hearing or investigation into AUB;
- AUB fails to perform or observe any of its obligations under the Underwriting Agreement or any representation or warranty given by AUB in the Underwriting Agreement proves to be, has been, or becomes untrue, misleading or incorrect;
- the Due Diligence Committee Report or any other information supplied by or on behalf of AUB to the Underwriters for the purposes of due diligence, the Offer materials or the Offer, is or becomes false, misleading or deceptive, or is or becomes likely to mislead or deceive (including, in each case, by omission);

SUMMARY OF UNDERWRITING AGREEMENT



- AUB becomes required to give or gives a correcting notice under certain sections of the Corporations Act relating to the requirement to correct a defective cleansing notice;
- there is introduced, or there is a public announcement of a proposal to introduce, into the Parliament of Australia or any State of Australia a new law, or the Reserve Bank of Australia, or any Commonwealth or State authority (including ASIC), adopts or announces a proposal to adopt a new policy (other than a law, regulation, or policy which has been announced prior to the date of the Underwriting Agreement) any of which does or is likely to prohibit or regulate the Offer;
- a contravention by AUB of the Corporations Act, its Constitution, any of the ASX Listing Rules, any other applicable law or regulation or order or request made by or on behalf of ASIC, ASX or any government agency;
- AUB is prevented from allotting and issuing the New Shares under the Listing Rules, applicable laws, an order of a court of competent jurisdiction or a government agency;
- a suspension or material limitation in trading in shares generally on ASX, HKEX, LSE or NYSE for at least 1 day on which that exchange is open for trading;
- a general moratorium on commercial banking activities in Australia, New Zealand, Hong Kong, the United States of America or the United Kingdom is declared by the relevant central banking authority in those countries, or there is a material disruption in commercial banking or security settlement or clearance services in any of those countries;
- any adverse change or disruption to the existing financial markets, political or economic conditions of Australia, Hong Kong, the European Union, the United States of America, the United Kingdom or the international financial markets; or
- hostilities not existing at the date of the underwriting agreement commence (whether war has been declared or not) or an outbreak or a material escalation of hostilities (whether war is declared or not), in either case, involving any one or more of Australia, New Zealand, the United States of America, United Kingdom, Japan, any member state of the European Union, the People's Republic of China, Hong Kong or any member state of the North Atlantic Treaty Organization (NATO) or a national state of emergency is declared or there is an escalation of a national emergency by any of those countries, or a major terrorist act is perpetrated in any of those countries, or chemical, nuclear or biological weapons of any sort are used in connection with or the military of any member state of NATO becomes directly involved in, the Ukraine conflict that is ongoing at the date of the Underwriting Agreement;

An Underwriter may terminate the Underwriting Agreement in respect of certain events only if it has reasonable grounds to believe and, does believe, that the event (a) has had, or is likely to have a materially adverse effect on (i) the success, marketing or settlement of the Offer; or (ii) the willingness of investors to subscribe for or settle New Shares; or (b) will, or is likely to, give rise to a liability of an Underwriter or its affiliates under, or give rise to, or result in, an Underwriter or its affiliates being involved in a contravention of, any applicable law.

Termination by an Underwriter will discharge AUB's obligation to pay that Underwriter any fees, costs, charges or expenses which have not accrued as at termination, but the termination of its obligations will not limit or prevent the exercise of any other rights or remedies which any of the parties may otherwise have.

For details of the fees payable to the Underwriters, see the Appendix 3B released to ASX on 9 May 2022.

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

SUMMARY OF SYNDICATED FACILITY AGREEMENT



Facility amount and underwriter	AUD 675,000,000 syndicated facility comprising: <ul style="list-style-type: none">• AUD 120,000,000 revolving tranche; and• AUD 555,000,000 amortising term tranche. Syndicated facility agreement also include an accordion tranche to fund potential deferred consideration or, if not used for that purpose, future permitted acquisitions and related working capital. Underwriter: Goldman Sachs Mortgage Company (or its affiliate).
Use of proceeds	Financing the Acquisition (including payment of associated costs), refinancing existing debt (including payment of associated costs) and towards general corporate or working capital purposes.
Loan term	5 years from the date of the syndicated facility agreement.
Interest rate	Expected to be base rate plus ~4.5 - 5% per annum.
Amortisation/ repayments	Repaid in accordance with typical repayment provisions.
Guarantees and security	Guaranteed and secured on a first ranking basis by AUB and certain wholly-owned subsidiaries of AUB (including, following completion, wholly-owned members of the Tysers group).
Conditions to drawing	Customary conditions precedent to initial drawdown for facilities of this nature.
Other details	The syndicated facility agreement includes customary undertakings, representations and events of default for facilities of this nature.



Appendix D – International Offer Restrictions

INTERNATIONAL OFFER RESTRICTIONS



This document does not constitute an offer of new ordinary shares ("New Shares") of the Company in any jurisdiction in which it would be unlawful. In particular, this document may not be distributed to any person, and the New Shares may not be offered or sold, in any country outside Australia except to the extent permitted below.

Bermuda

No offer or invitation to subscribe for New Shares may be made to the public in Bermuda or in any manner that would constitute engaging in business in or from within Bermuda. In addition, 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 judgment against the Company or such persons in Canada or to enforce a judgment 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 comply with International Financial Reporting Standards and interpretations issued by the International Accounting Standards Board. Unless stated otherwise, all dollar amounts contained in this document are in Australian dollars.

INTERNATIONAL OFFER RESTRICTIONS



Canada (British Columbia, Ontario and Quebec provinces) (continued)

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.*

Cayman Islands

No offer or invitation to subscribe for New Shares may be made to the public in the Cayman Islands or from within the Cayman Islands.

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).

INTERNATIONAL OFFER RESTRICTIONS



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"). Accordingly, this document may not be distributed, and the New Shares may 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.

New Zealand

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

The New Shares are not being offered to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the Financial Markets Conduct (Incidental Offers) Exemption Notice 2021.

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

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

INTERNATIONAL OFFER RESTRICTIONS



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.

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.

INTERNATIONAL OFFER RESTRICTIONS



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.

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. This document may be distributed in the UAE only to "professional investors" (as defined in the SCA Board of Directors' Decision No.13/RM of 2021, as amended).

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 or rely on this document.

INTERNATIONAL OFFER RESTRICTIONS



United States

This document does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. The New Shares have not been, and will not be, registered under the US Securities Act of 1933 or the securities laws of any state or other jurisdiction of the United States. Accordingly, the New Shares 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 applicable US state securities laws.

The New Shares will only be offered and sold in the United States to:

- “qualified institutional buyers” (as defined in Rule 144A under the US Securities Act); and
- dealers or other professional fiduciaries organized or incorporated in the United States that are 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 and for which they exercise investment discretion, within the meaning of Rule 902(k)(2)(i) of Regulation S under the US Securities Act.