

2022 Annual General Meeting Presentation and Chair's Address

The annual general meeting of **Quickstep Holdings Limited** (ASX:QHL) (**Company**) will be held today using a webcasting facility, commencing at 2:00pm (AEDT). Online registration will open 30 minutes before the meeting at 1:30PM (AEDT). Please see the Company's Notice of Annual General Meeting (released to ASX on 14 October 2022) for instructions to join the meeting.

Attached is the Chair's Address and the Presentation to be given at the meeting.

Authorised by and for further information:

Mark Burgess – Managing Director
Quickstep Holdings Limited
Telephone: +61 2 9774 0300
Email: mburgess@quickstep.com.au

- ENDS -

Important Information – Forward looking statements:

This release contains forward-looking statements and information that are necessarily subject to risks, uncertainties and assumptions. Many factors could cause actual results, performance or achievements of the Company to be materially different from those expressed or implied in this release including, amongst others, changes in general economic and business conditions, regulatory environment, exchange rates, results of advertising and sales activities, competition, and the availability of resources. Should one or more of these risks or uncertainties materialise, or should underlying assumptions prove incorrect, actual results may vary materially from those described in this release. Except as required by law, the Company assumes no obligation to update or correct the information in this release. To the maximum extent permitted by law, the Company and its subsidiaries and officers do not make any representation or warranty as to the likelihood of fulfilment of any forward-looking statements and disclaim responsibility and liability for any forward-looking statements or other information in this release.

QUICKSTEP HOLDINGS LIMITED

FY22 AGM CHAIRMAN'S ADDRESS

Wednesday, 16 November 2022

This time a year ago, I made the comment that the 2021 financial year had been a challenging time for our business. As the COVID pandemic and society's response to the pandemic evolved over the past year, conditions became even more challenging for Quickstep, with significant bottlenecks in global supply chains and high levels of absenteeism amongst operational staff, especially as Australia went through the process of "learning to live with COVID". In the second half of the year, the company was also impacted by a number of equipment reliability issues, recovery from which was exacerbated by global labour and spare part shortages. I believe that Quickstep navigated its way well through these challenges, which were largely outside of our immediate control.

Since June 2022 the operating environment has steadily improved but we are not yet back to our pre-pandemic "normal". Quickstep is continuing to pay close attention to the reliability of our global supply chain and seeking to achieve the balancing act between ensuring that we have adequate inventory for efficient manufacturing flows, without burdening the balance sheet with excess inventory. Given the continuing tight labour market and the risk of further staff absenteeism, should the summer COVID wave forecast by health authorities come to pass, we expect that many of these labour challenges will extend into 2023.

The area of our operational performance that has particularly pleased me over the past financial year, is our safety performance. Our TRIFR (Total Recordable Injury Frequency Rate), which is our overarching measure of safety performance, improved by approximately 40% year-on-year, well exceeding our stretch target. This outcome is particularly noteworthy given the operational challenges noted above.

All in all, Quickstep has proved to be remarkably resilient to the very significant external challenges faced in the last financial year.

Turning now to future growth and development. Over the past couple of years, Quickstep has started to execute against its strategic plan and build new growth businesses adjacent to our core Aerostructures business.

Our core Aerostructures business is largely focused on F35 components and C130 wing flaps. Since our last AGM, Quickstep has successfully signed significant contracts with Northrop Grumman for the continuation of the F35 work and is well progressed in negotiations with Lockheed Martin for a subsequent C130 wing flap contract. These long term contracts underpin the ongoing success of this stable and profitable business segment and form the larger part of our record order book.

Our growth strategy is predominantly focused on growing our recently established Aftermarket and Applied Composites businesses. These two lines of business offer distinctly separate but compelling growth prospects for Quickstep.

The Aftermarket business, based at Melbourne's Tullamarine Airport, offers airlines in our region a new, independent and fully certified maintenance, repair & overhaul (MRO) facility based in Australia. This capability creates advantage for our customers through more reliable supply chains and improved speed of response. It also enables them to reduce their carbon footprint and their costs by removing the need to fly large components offshore for repair.

Our Applied Composites business has a very different growth trajectory as it is positioned right at the heart of the rapidly developing global drone market. From our humble beginnings in Geelong, we are now making our mark in this global industry and are pleased to be receiving enquiries from companies around the world. Given the large size of the USA market for drones, Quickstep is actively exploring the prospect of setting up its own engineering and manufacturing capability in North America.

While Mark Burgess will provide further details, I am pleased to report that we are seeing accelerating traction in both of these newly created business streams. Over the past few months, we have received new customer orders and commitments and revenue is forecast to build quickly. A recent and notable achievement was the signing of the Jetstar V2500 Engine Nacelle contract, announced in April 2022.

At this early stage in the development of these two growth businesses, we are still heavily investing for growth and gearing up our facilities for new orders. This takes a toll on our immediate short-term profitability. As the Aftermarket and Applied Composites businesses mature over the next couple of years, we would expect to see positive momentum in both revenue and profitability.

As I mentioned last year, I believe that the Quickstep strategy is a good blend of a traditional aerostructures business, that is providing the company with predictable growth and underlying profitability, and two newer business streams that provide longer term growth potential. One year on, I am pleased to report that we are seeing the rate of revenue growth accelerate in our two new businesses which is a good indication that we are executing to plan on the initial stages of our growth strategy.

Over the past 12 months, the rebuilding of the leadership team has been completed. Mark will introduce his team a little later in today's AGM and the quality and experience of the team that has been assembled is impressive. We have deep experience from many different industries as well as from top tier companies in our field. I am looking forward to this new executive team making its mark.

I would also like to thank my fellow directors for their contribution, advice, and support over the past twelve months.

Finally, I would like to thank all Quickstep employees for their contributions throughout the year. It has been a challenging year and the Quickstep community has tackled the myriad of pandemic and other related supply chain challenges with perseverance and determination.

I will now move to the formal AGM proceedings.

GROUP INVESTOR PRESENTATION

Mark Burgess, Nov 2022



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This presentation is not a disclosure document and should not be considered as investment advice or an offer or invitation to subscribe for or purchase any securities in Quickstep, or an inducement to make an offer or invitation with respect to such securities. This presentation should be read in conjunction with Quickstep’s other ASX releases as available from time to time

This presentation does not purport to cover all relevant information about any potential investment in Quickstep. Accordingly, potential investors are advised to seek appropriate independent advice, if necessary, to determine the suitability of any investment. This presentation must not be relied on to make an investment or other financial decision and recipients should conduct their own investigations, enquiries and analysis and place no reliance on this presentation in evaluating any potential investment.

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This presentation contains certain forward-looking statements which have not been based solely on historical facts but, rather, on Quickstep’s current expectations about future events and on a number of assumptions which are subject to significant uncertainties and contingencies, many of which are outside the control of Quickstep and its directors, officers and advisors. Many factors could cause actual results, performance or achievements of the Company to be materially different from these forward-looking statements including, amongst other things, changes in general economic and business conditions, regulatory environment, exchange rates, results of advertising and sales activities, competition, and the availability of resources and materials. Quickstep undertakes no obligation to update these forward-looking statements for events or circumstances that occur subsequent to such statements or to keep current any of the information provided. Any estimates or projections as to events that may occur in the future (including projections of revenue, expense, net income and performance) are based upon the best judgement of Quickstep and there is no guarantee that any of these estimates or projections will be achieved. Actual results will vary from the projections and such variations may be material. Quickstep has no obligation to tell recipients if it becomes aware of any inaccuracy in or omission from the information in this presentation.

Other than for the pictures of the Quickstep facilities and machinery, the assets featured in the pictures in this presentation are not assets of the Company.

By accepting this presentation, you acknowledge and agree to be bound by each of the foregoing statements.

Financial Data

Investors should be aware that certain financial measures included in this presentation are ‘non-IFRS financial information’ under ASIC Regulatory Guide 230: ‘Disclosing non-IFRS financial information’ published by ASIC and also ‘non-GAAP financial measures’ within the meaning of Regulation G under the U.S. Securities Exchange Act of 1934, as amended, and are not recognised under Australian Accounting Standards (AAS) and International Financial Reporting Standards (IFRS). The non-IFRS financial information / non-GAAP financial measures include EBITDA and EBIT. The Company believes the non-IFRS financial information / non-GAAP measures provide useful information to users in measuring the financial performance and conditions of the Company. The non-IFRS financial information / non-GAAP financial measures do not have a standardised meaning prescribed by AAS or IFRS. Therefore, the non-IFRS financial information is not a measure of financial performance, liquidity or value under the IFRS and may not be comparable to similarly titled measures presented by other entities and should not be construed as an alternative to other financial measures determined in accordance with AAS or IFRS. Investors are cautioned, therefore, not to place undue reliance on any non-IFRS financial information / non-GAAP financial measures included in this presentation.

How to vote

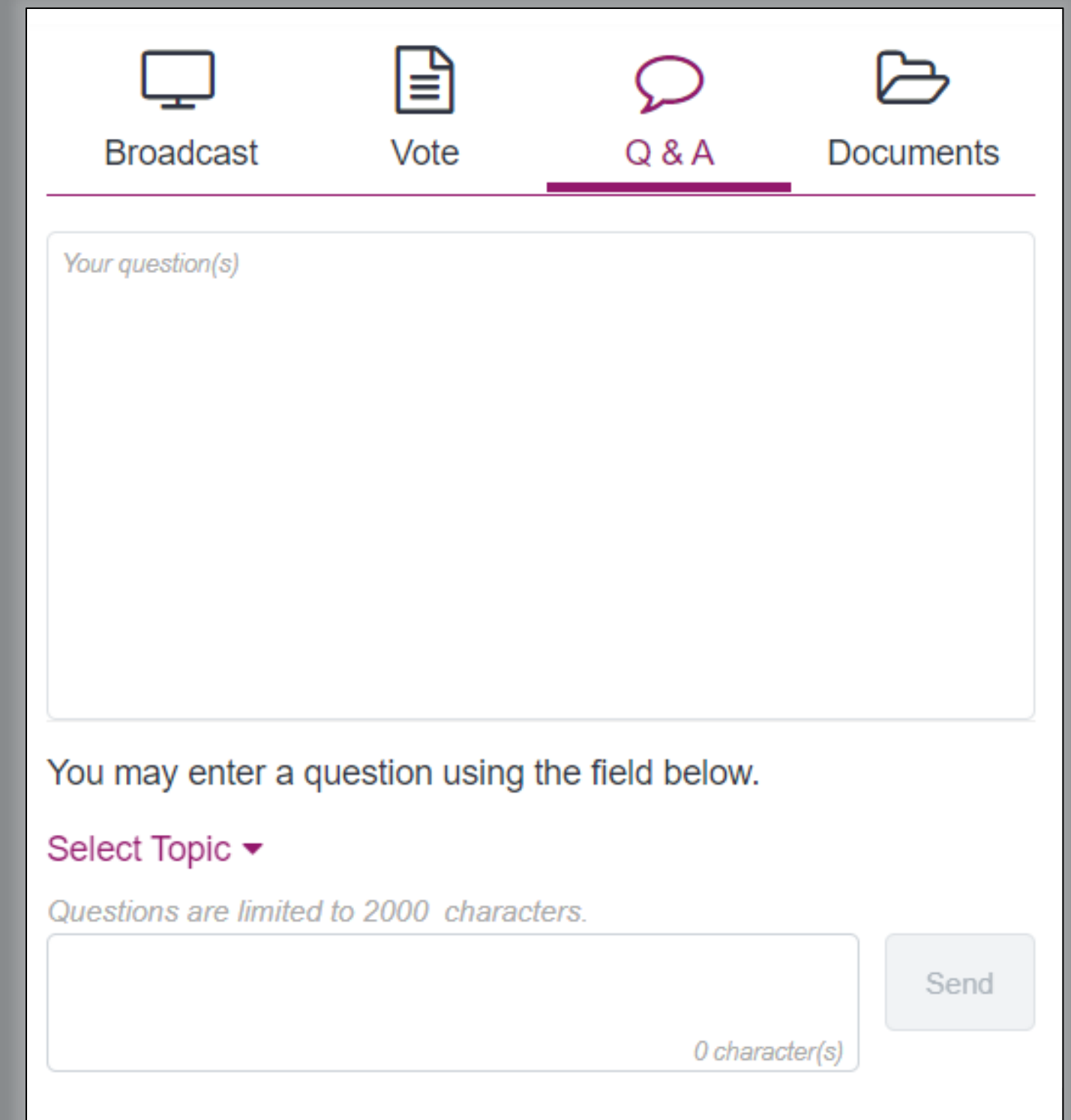
- When the poll is open, select the vote icon at the top of the screen.
- To vote, select either For, Against or Abstain.
- You will see a vote confirmation.
- To change or cancel your vote “click here to change your vote” at any time until the poll is closed.

The screenshot displays the online voting interface. At the top, there are four navigation icons: Broadcast, Vote (selected), Q & A, and Documents. Below the navigation bar is a section titled 'Items of Business'. The first item is '2A Re-elect Mr Sam Sample as a Director'. Below this item are three buttons: 'FOR', 'AGAINST', and 'ABSTAIN'. The 'FOR' button is highlighted. The second item is '2B Re-elect Ms Jane Citizen as a Director'. Below this item is a green checkmark icon and a confirmation message: 'We have received your vote **For**. Click here to change your vote.'

To vote online visit: <https://meetnow.global/M7WQMFS>

How to ask a question

- To ask a written question select the Q & A icon
- Select the topic your question relates to from the drop-down list
- Type your question in the text box and **press** the send button
- To ask a verbal question follow the instructions below the broadcast window.



The screenshot shows the 'Q & A' section of the MeetNow Global interface. At the top, there are four icons: a monitor for 'Broadcast', a document for 'Vote', a speech bubble for 'Q & A' (which is highlighted with a red underline), and a folder for 'Documents'. Below the icons is a large text area labeled 'Your question(s)'. Underneath this is a smaller text box with the placeholder 'You may enter a question using the field below.' and a dropdown menu labeled 'Select Topic ▼'. A note states 'Questions are limited to 2000 characters.' Below the text box is a 'Send' button and a character count '0 character(s)'.

To vote online visit: <https://meetnow.global/M7WQMFS>

PROXY RESULTS

To vote online visit: <https://meetnow.global/M7WQMFS>

	RESOLUTION	FOR	AGAINST	ABSTAIN	DISCRETION
1	Adoption of Remuneration report	13,708,053	892,770	183,399	439,939
2	Re-election of Director - AVM Kym Osley	14,745,101	250,146	70,397	693,846
3	Grant of Rights to Managing Director under the Quickstep Incentive Rights Plan	13,438,974	1,286,590	347,060	686,866
4	Approval of issue of securities under ASX Listing Rule 7.1A	13,748,524	1,132,779	196,348	681,839

If you have any problems with voting, please call Computershare on AU +61 3 9415 4024

Resolution 1



Adoption of Remuneration Report

“That, for the purposes of Section 250R(2) of the Corporations Act and for all other purposes, the Remuneration Report as contained in the Company’s Directors’ Report for the year ended 30 June 2022 be adopted.”

Proxy Votes Resolution 1

For	Against	Abstain	Discretionary
13,708,053	892,770	183,399	439,939

Resolution 2



Re-election of Director - AVM Kym Osley

“That Air Vice Marshal Kym Osley, a Director of the Company who retires by rotation in accordance with clause 13.3(c)(iii) of the Company’s Constitution and offers himself for re-election, be re-elected as a Director.”

Proxy Votes Resolution 2			
For	Against	Abstain	Discretionary
14,745,101	250,146	70,397	693,846

Resolution 3



Grant of Rights to Managing Director under the Quickstep Incentive Rights Plan

“That, for the purposes of ASX Listing Rule 10.14.1 and for all other purposes, approval is given for the grant to Managing Director, Mr Mark Burgess of 775,658 Rights under the Quickstep Incentive Rights Plan, as described in the Explanatory Statement.”

Proxy Votes Resolution 3			
For	Against	Abstain	Discretionary
13,438,974	1,286,590	347,060	686,866

Resolution 4



Approval of issue of securities under ASX Listing Rule 7.1A

“That, pursuant to and for the purposes of ASX Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of (or the entry into agreements to issue) Equity Securities representing up to 10% of the issued capital of the Company (calculated in accordance with the formula prescribed in ASX Listing Rule 7.1A.2) on the terms and conditions set out in the Explanatory Statement.”

Proxy Votes Resolution 4

For	Against	Abstain	Discretionary
13,748,524	1,132,779	196,348	681,839



AGENDA

1. NEW LEADERSHIP
2. WHAT WE DO
3. TARGETED GROWTH
4. FINANCIAL PERFORMANCE
5. USA GO-TO-MARKET
6. VISION



PEOPLE

~300 highly qualified personnel delivering quality and on-time composite solutions across multiple segments

FINANCIALS (FY22)

Revenue:

\$86.7M

EBITDA:

\$4.8M*

Operating Cashflow:

\$3.3M

** Normalised*



LOCATIONS

Bankstown Airport
Melbourne Airport
Geelong
Dallas, USA

22,000 sqm of accredited facilities, fully secured and ITAR compliant

**AUSTRALIAN
ENGINEERING
MANUFACTURING
AFTERMARKET**

ACCREDITATIONS



Part 145



Part 145

FAR145

Part 21J



Part 145

NEW LEADERSHIP TEAM WITH GLOBAL EXPERIENCE



MARK BURGESS
CEO

BAE, Honeywell
USA, Europe, MENA, APAC



DEMI STEFANOVA
COO

Caterpillar, Firmenich
USA, Europe, APAC



STEPHEN GAFFNEY
CFO

Sikorsky, Ludowici
APAC, India



SARAH HART
HEAD OF PEOPLE AND CULTURE

NSW Government
Australia



JOSH SCANLON
EGM AEROSTRUCTURES

Boeing
USA, APAC



TIM GENT
EGM AEROSPACE SERVICES

Qantas, Transdev
APAC



STEVE OSBORNE
EGM APPLIED COMPOSITES

RAAF, BAE
USA, Europe, MENA, APAC



LUKE PRESTON
HEAD OF TECHNOLOGY &
PARTNERSHIPS

Ford, Holden, Tesla
USA, APAC

WE ARE REDEFINING TECHNOLOGIES FOR AEROSPACE

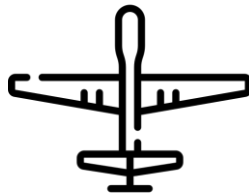
COMBINING **BOUNDLESS IMAGINATION** WITH FOCUS ON **DESIGN AND DEVELOPMENT** TO CREATE
SOME OF THE **MOST AMAZING PRODUCTS AND SERVICES** AVAILABLE TODAY IN



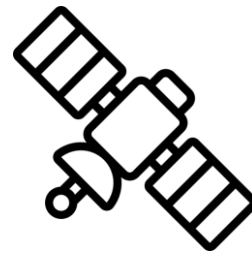
DEFENCE



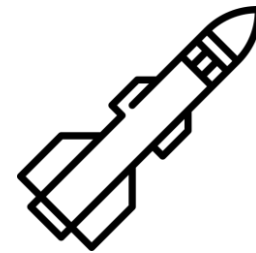
MRO



UAV



SPACE



GWEO

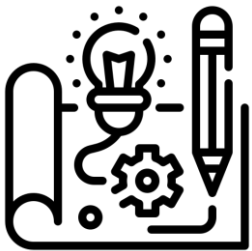


CLEANTECH

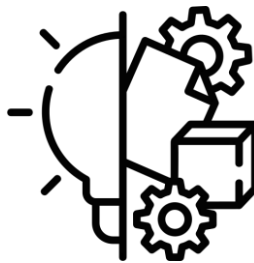
delivering advanced composite solutions to make aerospace products **lighter, safer, stronger, cost-efficient and sustainable**

OUR COMPETITIVE ADVANTAGE:

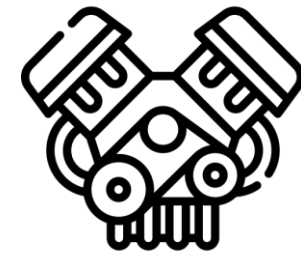
VALUE CREATION FOR OUR CUSTOMERS FROM IDEA TO FULL SCALE MANUFACTURING



CO-DESIGN



**FAST PROTOTYPE TO
MANUFACTURE**



**INDUSTRIAL SCALE-UP
AND REDUCED TIME TO
MARKET**

COMPANY SNAPSHOT

**The forward looking statement are not guarantees or predictions of future performance and involve known and unknown risks and uncertainties and factors beyond the control of Quickstep, its directors and management and may involve significant elements of subjective judgement and assumptions.*



AEROSTRUCTURES

250

Employees

1%*

Revenue CAGR
FY21-FY23(F)

- Stable, long-term defence aerospace contracts
- World-class composite structures

Customers



AFTERMARKET

25

Employees

268%*

Revenue CAGR
FY21-FY23(F)

- Major supplier to commercial airlines and charters
- Global regulatory approvals across commercial and military aircraft

Customers



APPLIED COMPOSITES

20

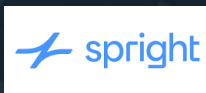
Employees

142%*

Revenue CAGR
FY21-FY23(F)

- Engineering & series production of commercial drones
- Global customer base

Customers



SEGMENTS GROWTH



AEROSTRUCTURES

- Record AU defence expenditure: ~\$500Bn 10 year value, strong CAGR⁺
- High growth segments: space, guided weapons, UAV, CleanTech

\$10Bn*

Addressable Market



AFTERMARKET

- Large, underserved Oceania aviation market
- Generational shift to onshore capability
- Low competitive intensity

\$400M*

Addressable Market



APPLIED COMPOSITES

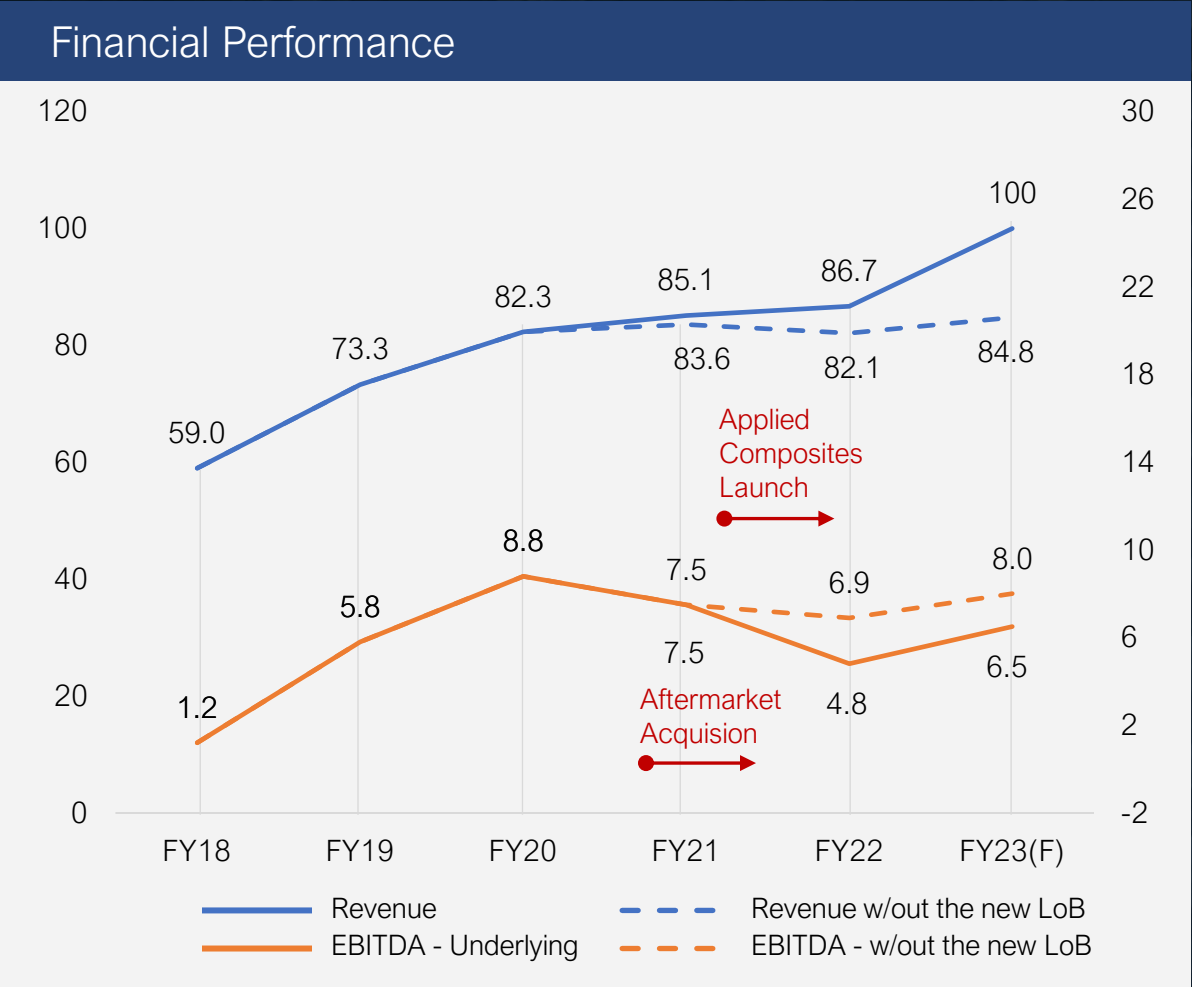
- High growth commercial drone market US\$7.2Bn, 9.1% CAGR⁺⁺
- Early mover advantage in design for manufacture

\$1.8Bn*

Addressable Market

>\$1.6Bn* PIPELINE

GROUP FINANCIAL PERFORMANCE



1%*

Aerostructures
Revenue CAGR
FY21-FY23(F)

268%*

Aftermarket
Revenue
CAGR FY21-FY23(F)

142%*

Applied Composites
Revenue CAGR
FY21-FY23(F)

11%

Average Group Revenue
CAGR FY18-FY22

\$100M*

FY23 Revenue Forecast
(94% Contracted)

\$12M**

Invested In Growth
Sectors (FY21-FY23F)

>\$200M

Record order backlog

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***Aftermarket business acquisition goodwill, Applied Composites equity investments in Swoop / Carbonix and Aftermarket trading losses FY21-FY23(F).*

USA GO TO MARKET STRATEGY

KEY PARTNERS <ul style="list-style-type: none">▪ Lockheed Martin▪ Northrop Grumman▪ Boeing▪ Spright▪ Dronamics▪ Swoop Aero▪ US DoD	KEY ACTIVITIES <ul style="list-style-type: none">▪ Advanced Engineering▪ Manufacturing▪ Final Assembly▪ MRO	VALUE PROPOSITION <ul style="list-style-type: none">▪ Commercial Drones <25kg▪ Military UAV / UAS▪ Commercial Drones >25kg▪ GWEO (Hypersonics)▪ Aviation Electrification (H2) Fuel Cells▪ Space Structures	CUSTOMER RELATIONSHIPS <p>Meeting current and future customer base demand in the USA</p>	CUSTOMER SEGMENTS <ul style="list-style-type: none">▪ Aerostructures▪ Commercial▪ Defence▪ Space▪ MRO
	KEY RESOURCES <ul style="list-style-type: none">▪ Sales▪ Engineering▪ Manufacturing▪ Supply Chain		CHANNELS <p>Existing contract extensions for the USA Market</p> <p>New contracts in drones and MRO</p>	
COST STRUCTURE <ul style="list-style-type: none">▪ Set up cost (3 Phases)▪ Shorter supply chain and time to market▪ Best-in-class supplier			REVENUE STREAMS <ul style="list-style-type: none">▪ Engineering Services▪ Manufacturing of components▪ Final Assembly▪ MRO	

PHASE I (FY23)

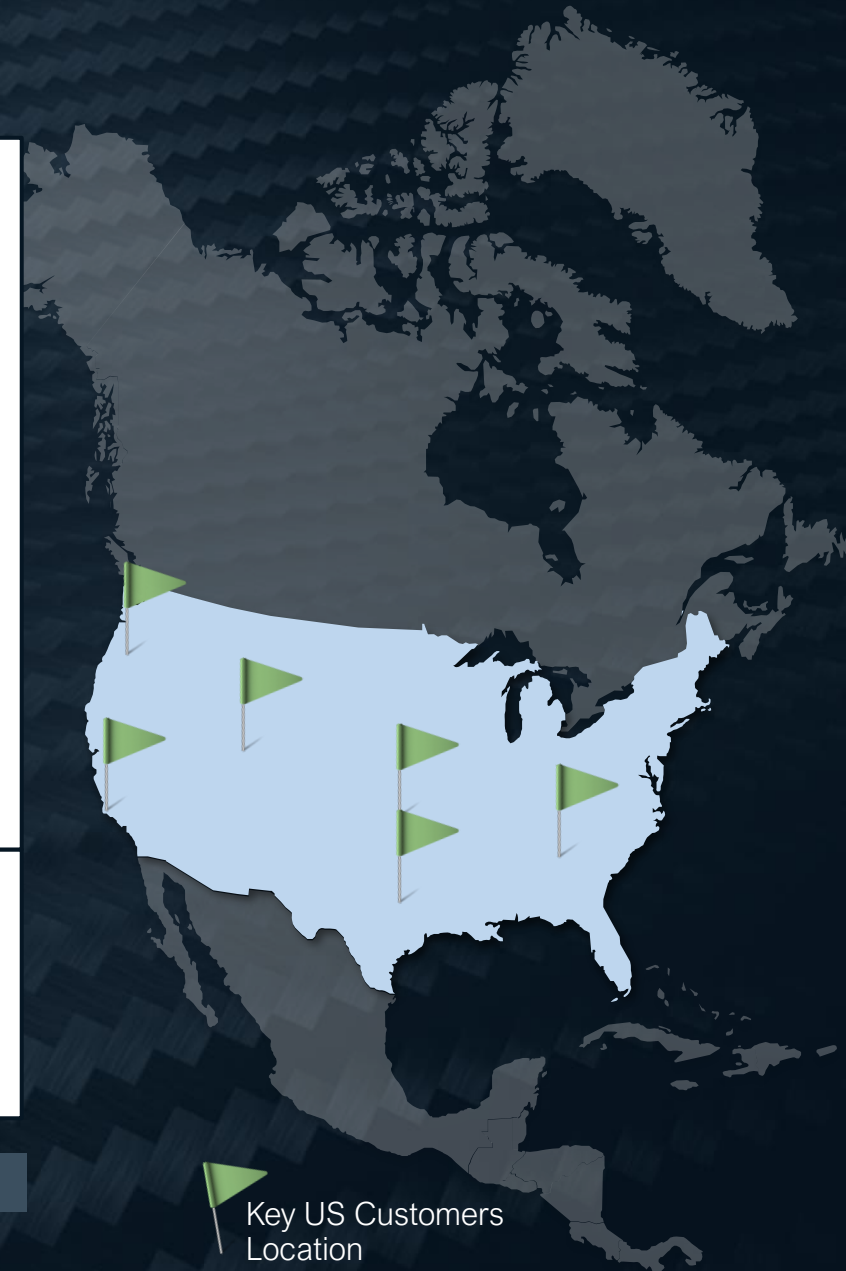
Prime Site set up
Engineering Services

PHASE 2 (FY24)

Manufacturing Capability

PHASE 3 (FY25)

Establish 2nd site Operations



QS VISION ROADMAP



PROJECT PURRAI 2030

Established global presence and segment dominance

PROJECT WINTON 2025

Complete factory of the future

PROJECT CORAL SEA 2024

US Scaling
Broad-based revenue & margin growth

PROJECT DARAMULUM 2022

Building global engineering capability



**AUSTRALIA'S LARGEST INDEPENDENT AEROSPACE
AND COMPOSITE BUSINESS. TRUSTED BY THE
WORLD'S MOST TRUSTED. ENGINEERING,
MANUFACTURING, AFTERMARKET SERVICES**

THANK YOU

<https://www.quickstep.com.au/>