



*NOT FOR RELEASE TO US WIRE SERVICES OR DISTRIBUTION IN THE UNITED STATES*

**ASX Announcement**

**18 May 2023**

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

**Equity Raising Presentation & Overview**

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

- Equity Raising Presentation & Overview.

**END**

This release is authorised by the AUB Board.

For further information, contact Michael Emmett, AUB Group CEO and Managing Director, on +61 2 9935 2255 or [michael.emmett@aubgroup.com.au](mailto:michael.emmett@aubgroup.com.au)

**About AUB Group**

AUB Group Limited (ASX:AUB) is an ASX200 listed group comprising brokers and underwriting agencies operating across ~540 locations across Australia and New Zealand. Over 4,000 team members work with our 950,000 clients to place more than AUD 8.7bn in insurance premiums with local and foreign insurers.

**AUB Group Limited**

Level 14, 141 Walker Street  
North Sydney NSW 2060

ABN 60 000 000 715  
ACN 000 000 715

[aubgroup.com.au](http://aubgroup.com.au)

# **AUB**

## ***EQUITY RAISING PRESENTATION & OVERVIEW***

18 May 2023



**Mike Emmett**

CEO and Managing Director



**Mark Shanahan**

CFO



# IMPORTANT NOTICE AND DISCLAIMERS



This investor presentation (**Presentation**) is dated 18 May 2023 and has been prepared by AUB Group Limited (ACN 000 000 715) (**AUB**). By accepting this Presentation you represent and warrant that you are entitled to receive this Presentation in accordance with the restrictions, and agree to be bound by the limitations contained within it.

This Presentation has been prepared in relation to a fully underwritten institutional placement (Placement) of new fully paid ordinary shares in AUB (**New Shares**). Separate to the Placement, AUB will also conduct a non-underwritten offer of New Shares to eligible AUB shareholders under a share purchase plan in accordance with *ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547 (SPP)*, (the Placement and the SPP together, the **Offer**).

## SUMMARY INFORMATION

This Presentation contains summary information about the current activities of AUB and its subsidiaries (the **AUB Group** or **Group**) which is current as at the date of this Presentation (unless otherwise indicated). The information in this Presentation is of a general nature and does not purport to be complete. This Presentation does not purport to contain all of the information that an investor should consider when making an investment decision nor does it contain all of the information which would be required in a product disclosure statement or prospectus prepared in accordance with the requirements of the Corporations Act 2001 (Cth) (**Corporations Act**). It should be read in conjunction with AUB's other periodic and continuous disclosure announcements lodged with the ASX which are available from the ASX at [www.asx.com.au](http://www.asx.com.au).

Certain market and industry data used in this Presentation may have been obtained from publications, research, surveys or studies conducted by third parties, including industry or general publications. Neither AUB nor its advisers or representatives have independently verified any such market or industry data provided by third parties or industry or general publications.

No member of the AUB Group gives any representations or warranties in relation to the statements or information in this Presentation.

## NOT FINANCIAL PRODUCT ADVICE

This Presentation is for information purposes only and is not a prospectus, disclosure document, product disclosure statement or other offering document under Australian law or the law of any other jurisdiction. This Presentation is not financial product advice, nor taxation, accounting, legal or investment advice, and is not a recommendation to acquire New Shares. This Presentation has been prepared without taking into account the objectives, financial situation and particular needs of individuals. Before making an investment decision, prospective investors should consider the appropriateness of the information having regard to their own objectives, financial situation and needs and seek appropriate advice, including financial, legal, accounting and taxation advice appropriate to their jurisdiction. An investment in securities is subject to known and unknown risks, some of which are beyond the control of AUB. Prospective investors should have regard to the "Key Risks" section of this Presentation (Appendix A) when making their investment decision. AUB is not licenced to provide financial product advice in respect of New Shares. Cooling off rights do not apply to an investment in New Shares.

## FINANCIAL INFORMATION

All dollar values contained in this document are expressed in Australian dollars unless otherwise stated. Totals may vary slightly due to rounding.

AUB prepares its financial information in accordance with the Corporations Act, Australian Accounting Standards (**AAS**) adopted by the Australian Accounting Standards Board (**AASB**) and International Financial Reporting Standards (**IFRS**) adopted by the International Accounting Standards Board (**IASB**).

# IMPORTANT NOTICE AND DISCLAIMERS



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 US Securities Exchange Act of 1934 and are not recognised under the AAS or IFRS. Non-IFRS financial information / non-GAAP financial measures in this Presentation include (1) Gross Written Premium (**GWP**), Earnings Before Interest and Tax (**EBIT**), Normalised or underlying variants of Revenue, Expenses, EBIT or Net Profit After Tax (**NPAT**) and flow on computations adjusted for non recurring items or are shown on a pro forma basis, and (2) Revenue and Expenses which are shown on a 100% basis including for associates (adjustments for non controlling interest are shown separately). AUB believes the non-IFRS financial information and non-GAAP financial measures provide useful information to users in measuring the financial performance and condition of AUB. However, investors should note that the non-IFRS financial information and non-GAAP financial measures do not have standardised meanings prescribed by AAS or IFRS. Therefore, the non-IFRS / non-GAAP 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, nor should the information 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 / non-GAAP financial information included in this Presentation.

## ROUNDING

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

## FUTURE PERFORMANCE

This Presentation may contain certain forward-looking statements. The words “anticipate”, “believe”, “expect”, “project”, “forecast”, “estimate”, “likely”, “intend”, “outlook”, “should”, “could”, “may”, “target”, “plan” and other similar expressions are intended to identify forward-looking statements. Indications of, and guidance on, future earnings, financial position, dividends and performance are also forward-looking statements as are statements regarding AUB’s future operations and projects, the outcome of the Offer and the use of proceeds. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks (including (without limitation) the risks and uncertainties associated with the ongoing impacts of COVID-19, certain geopolitical tensions such as the hostility between Russia and Ukraine and the risks set out in Appendix A: Key Risks section of this Presentation), uncertainties and other factors, many of which are beyond the control of AUB, its officers, employees, agents and advisors, that may cause actual results to differ materially from those expressed or implied in such statements. There can be no assurance that actual outcomes will not differ materially from these statements. There are usually differences between forecast and actual results because events and actual circumstances frequently do not occur as forecast and their differences may be material.

Investors are strongly cautioned not to place undue reliance on forward-looking statements, including in respect of AUB’s future financial performance and outlook, particularly in light of the current economic climate and the significant volatility, uncertainty and disruption caused by the outbreak of COVID-19 and certain geopolitical tensions such as the hostility between Russia and Ukraine. Neither AUB, nor the underwriter to the Placement (Underwriter), nor any other person, gives any representation, warranty or assurance, nor will guarantee that the occurrence of the events expressed or implied in any forward-looking statement will occur.

Each recipient of this Presentation should make its own enquiries and investigations regarding all information included in this Presentation including the assumptions, uncertainties and contingencies which may affect AUB’s future operations and the values and the impact that future outcomes may have on AUB.

# IMPORTANT NOTICE AND DISCLAIMERS



To the maximum extent permitted by law, AUB, the Underwriter and each of their respective affiliates and related bodies corporate, and each of their respective directors, officers, partners, employees and agents (**Extended Parties**) expressly exclude and disclaim any responsibility for the accuracy or completeness of any forward-looking statements whether as a result of new information, future events or results or otherwise. To the maximum extent permitted by law, each of AUB and the Underwriter and their respective Extended Parties expressly exclude and disclaim any responsibility to update or revise any forward looking statement to reflect any change in AUB's financial condition, status or affairs or any change in the events, conditions or circumstances on which a statement is based, except as required by Australian law.

## PAST PERFORMANCE

Past performance and pro forma historical financial information in this Presentation is given for illustrative purposes only and should not be relied on and is not an indication of future performance including future share price information. Historical information in this Presentation relating to AUB is information that has been released to the market. For further information, please see past announcements released to the ASX.

## NOT AN OFFER

This Presentation is not and should not be considered an offer or an invitation to acquire New Shares or any other securities or financial products and does not and will not form any part of any contract for the acquisition of New Shares.

## DETERMINATION OF ELIGIBILITY

Investors acknowledge and agree that the determination of eligibility of investors for the purposes of the Offer is determined by reference to a number of matters, including legal and regulatory requirements, logistical and registry constraints and the discretion of AUB and/or the Underwriter. Each of AUB and the Underwriter and each of their respective Extended Parties disclaim any duty or liability (including for negligence) in respect of that determination and the exercise or otherwise of that discretion, to the maximum extent permitted by law. The Underwriter may rely on information provided by or on behalf of institutional investors in connection with managing, conducting and underwriting the Placement without having independently verified that information and the Underwriter does not assume responsibility for the fairness, currency, accuracy, reliability or completeness of that information.

## NOT FOR RELEASE TO U.S. WIRE SERVICES OR DISTRIBUTION IN THE UNITED STATES

This Presentation may not be released to U.S. wire services or distributed in the United States. This Presentation does not constitute an offer to sell, or a solicitation of an offer to buy, any securities in the United States or any other jurisdiction. The New Shares have not been, and will not be, registered under the U.S. Securities Act of 1933 (the **U.S. Securities Act**) or the securities laws of any state or other jurisdiction of the United States. Accordingly, the New Shares may not be offered or sold, directly or indirectly, in the United States except in transactions exempt from, or not subject to, the registration requirements of the U.S. Securities Act and any applicable securities laws of any state or other jurisdiction of the United States. The distribution of this Presentation in the United States and elsewhere outside Australia may be restricted by law. Persons who come into possession of this Presentation should observe any such restrictions as any non-compliance could contravene applicable securities laws. Please refer to "International Offer Restrictions" in Appendix C of this Presentation for more information.

# IMPORTANT NOTICE AND DISCLAIMERS



## SPP

The offer booklet for the SPP (**SPP Offer Booklet**) will be available to eligible shareholders following its lodgement with the ASX. Any eligible shareholder who wishes to participate in the SPP should consider the SPP Offer Booklet in deciding whether to apply under that offer. Any eligible shareholder who wishes to apply for New Shares under the SPP will need to apply in accordance with the instructions contained in the SPP Offer Booklet and the SPP application form. This Presentation does not constitute financial product advice and does not and will not form part of any contract for the acquisition of New Shares including under the SPP.

The SPP is being conducted by, and is the sole responsibility of, AUB. The SPP is not underwritten. The Underwriter and its Extended Parties (together, the Underwriter Parties) do not have any role, nor have they had any involvement, with respect to the SPP. None of the Underwriter Parties will have authorised, permitted or caused the issue, lodgement, submission, dispatch or provision of the SPP Offer Booklet or any other materials in connection with the SPP (**SPP Materials**). Furthermore, they do not make or purport to make any statement in the SPP Materials and there will be no statement in the SPP Materials that is based on any statement by any of the Underwriter Parties. To the maximum extent permitted by law, each Underwriter Party (i) expressly disclaims all liabilities in respect of, and makes no representations regarding, and takes no responsibility for any part of the SPP, the SPP Materials or any action taken (or inaction) by investors under the SPP, and (ii) excludes and disclaims all liability for any expenses, losses, damages or costs incurred by SPP investors (whether direct, indirect, consequential or contingent) as a result of their participation (or non-participation) in the SPP.

## AUB AND THE UNDERWRITER

The Underwriter has not, nor have any of its Extended Parties nor the advisors to AUB, authorised, permitted or caused the issue, lodgement, submission, dispatch or provision of this Presentation and do not make or purport to make any statement in this Presentation and there is no statement in this Presentation that is based on any statement by any of those parties.

AUB, the Underwriter and their respective Extended Parties, to the maximum extent permitted by law, expressly exclude and disclaim all liabilities, including without limitation liability for negligence in respect of, and make no representations or warranties regarding, and take no responsibility for any part of this Presentation other than reference to their name, including for, any expenses, losses, damages or costs incurred by you as a result of the information in this Presentation being inaccurate or incomplete in any way for any reason, whether by negligence or otherwise. AUB, the Underwriter and their respective Extended Parties make no representations or warranties, express or implied, as to the fairness, currency, accuracy, reliability or completeness of information, opinions and conclusions in this Presentation.

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

The Underwriter is the underwriter of the Placement. The Underwriter is acting for and providing services to AUB in relation to the Placement and will not be acting for or providing services to AUB shareholders or creditors. The Underwriter has been engaged solely as an independent contractor and is acting solely in a contractual relationship on an arm's length basis with AUB. The engagement of the Underwriter by AUB is not intended to create any agency or other relationship between the Underwriter and AUB's shareholders or creditors.

# IMPORTANT NOTICE AND DISCLAIMERS



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

In connection with the Placement, one or more institutional investors may elect to acquire an economic interest in the New Shares (Economic Interest), instead of subscribing for or acquiring the legal or beneficial interest in those securities. The Underwriter (or its affiliates) may, for its own account, write derivative transactions with those investors relating to the New Shares to provide the Economic Interest, or otherwise acquire New Shares in AUB in connection with the writing of those derivative transactions in the Placement and/or the secondary market. As a result of those transactions, the Underwriter (or its affiliates) may be allocated, subscribe for or acquire New Shares or securities of AUB in the Placement and/or the secondary market, including to hedge those derivative transactions, as well as hold long or short positions in those securities. These transactions may, together with other securities in AUB acquired by the Underwriter or its affiliates in connection with their ordinary course sales and trading, principal investing and other activities, result in the Underwriter or its affiliates disclosing a substantial holding and earning fees.

The information in the Presentation remains subject to change without notice. AUB and the Underwriter reserve the right to withdraw or vary the timetable for the Offer without notice.

## **DISCLAIMER**

No person is authorised to give any information or make any representation in connection with the Offer which is not contained in this Presentation. Any information or representation not contained in this Presentation may not be relied on as having been authorised by AUB in connection with the Offer. The Underwriter and its Extended Parties take no responsibility for any information in this Presentation or any action taken by you on the basis of such information. To the maximum extent permitted by law, AUB, the Underwriter and their respective Extended Parties exclude and disclaim all liability (including without limitation liability for negligence) for any expenses, losses, damages or costs incurred by you as a result of your participation in or failure to participate in the Offer and the information in this Presentation being inaccurate or incomplete in any way for any reason, whether by negligence or otherwise. The Underwriter and its Extended Parties make no recommendation as to whether you or your related parties should participate in the Offer nor do they make any representations or warranties to you concerning this Offer or any such information, and you represent, warrant and agree that you have not relied on any statements made by the Underwriter or any of its Extended Parties in relation to the New Shares or the Offer generally and you further expressly disclaim that you are in a fiduciary relationship with any of them.

To the maximum extent permitted by law, you agree to release and indemnify the Underwriter and its Extended Parties from and against all claims, actions, damages, remedies or other matters, whether in tort, contract or under law or otherwise, arising from or which may arise from or in connection with the provision of, or any purported reliance on, this Presentation and you covenant that no claim or allegations will be made against the Underwriter or its Extended Parties in relation to this Presentation.

The distribution of this Presentation in jurisdictions outside Australia may be restricted by law and you should observe such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities law. Please refer to Appendix C of this Presentation ("International Offer Restrictions") for more information. By accepting this Presentation, you represent and warrant that you are entitled to receive such a presentation in accordance with such restrictions and agree to be bound by the limitations contained therein.

# CONTENTS & AGENDA



8	Overview
18	Appendix A - Key Risks
27	Appendix B - Summary of Underwriting Agreement
31	Appendix C - International Offer Restrictions



# Overview



# EXECUTIVE SUMMARY



Operational update	<ul style="list-style-type: none"> <li>• AUB is delivering against its strategy with strong organic performance driven by revenue growth and underlying margin expansion (440 bps improvement since FY19)</li> <li>• AUB continues to grow Gross Written Premium (GWP) (33.1% CAGR since FY19) and benefits from a favourable premium rate environment</li> <li>• Tysers is performing ahead of expectations, cost synergy realisation is on track with revenue synergies to flow in FY24</li> <li>• AUB continues to execute on accretive M&amp;A (e.g. Tysers, SUU) and has a strong local and international pipeline</li> <li>• FY23 Underlying Net Profit After Tax (UNPAT) guidance range upgraded to AUD 120mn – AUD 124mn (previous guidance range AUD 112.9mn – AUD 121.4mn)</li> </ul>
Tysers update	<ul style="list-style-type: none"> <li>• Tysers is performing ahead of expectation, strong post-Covid rebound, 9.6% organic revenue outperformance for 6 months to March 23 vs initial forecast</li> <li>• LTI scheme implemented for key brokers, no unplanned loss of key brokers since acquisition. Target state operating model implemented</li> <li>• Underlying business economics strong with diversified product and client geographical mix</li> <li>• EBIT margin improved to &gt; 22.5% for 6 months to 31 Mar'23 vs 20.4% for 3 months to 31 Dec'22 (previously upgraded target 30%)</li> </ul>
Tysers UK Retail update	<ul style="list-style-type: none"> <li>• Following considerable discussions and progress with PSC Insurance Group Ltd in relation to the JV, AUB has decided not to proceed with the JV. Accordingly, AUB will continue to own 100% of the entire Tysers business, including Tysers UK Retail</li> <li>• Tysers UK Retail is a highly attractive business with meaningful scale, deep client relationships and strong organic and inorganic growth potential</li> <li>• Tysers UK Retail now operates as a separate legal entity, wholly-owned by the Tysers group, consistent with AUB's previously announced FY23 priorities</li> </ul>
Equity raising	<ul style="list-style-type: none"> <li>• AUB is launching a fully underwritten AUD 150mn Institutional Placement and non-underwritten Share Purchase Plan targeting up to AUD 15mn</li> <li>• The raising replaces the proceeds that would have been received had the JV been established</li> <li>• AUB will be well positioned to capitalise on its attractive and value accretive M&amp;A pipeline</li> <li>• AUB expects to continue to pay dividends of between 50% and 70% of UNPAT</li> <li>• AUB is cash generative and expects leverage of &lt; 2.0x by 30 Jun'23 assuming net proceeds of \$150mn from this raising</li> <li>• Impact of raising EPS neutral before deployment of the amount raised towards bolt-on acquisitions</li> </ul>

# AUB STRATEGY

*Clearly articulated with delivery on target*

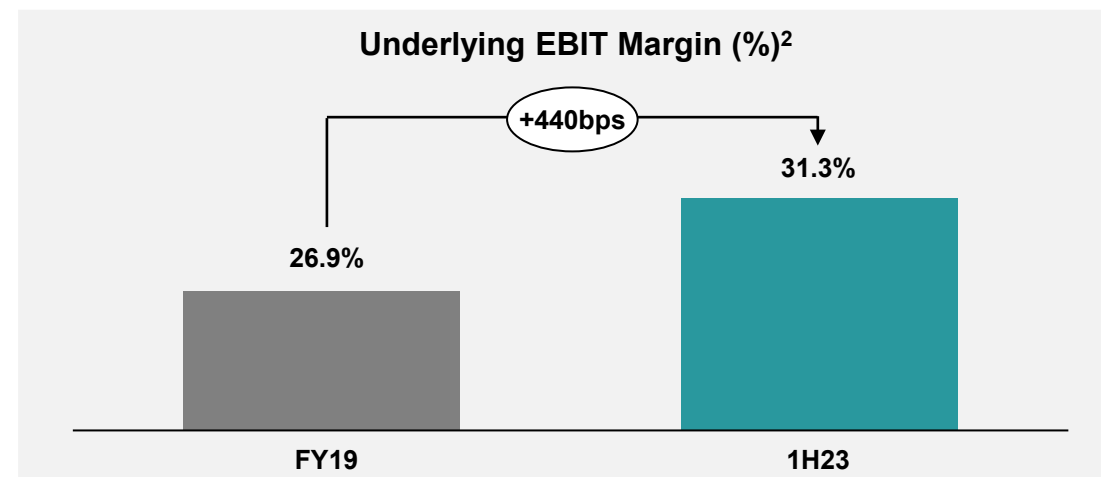
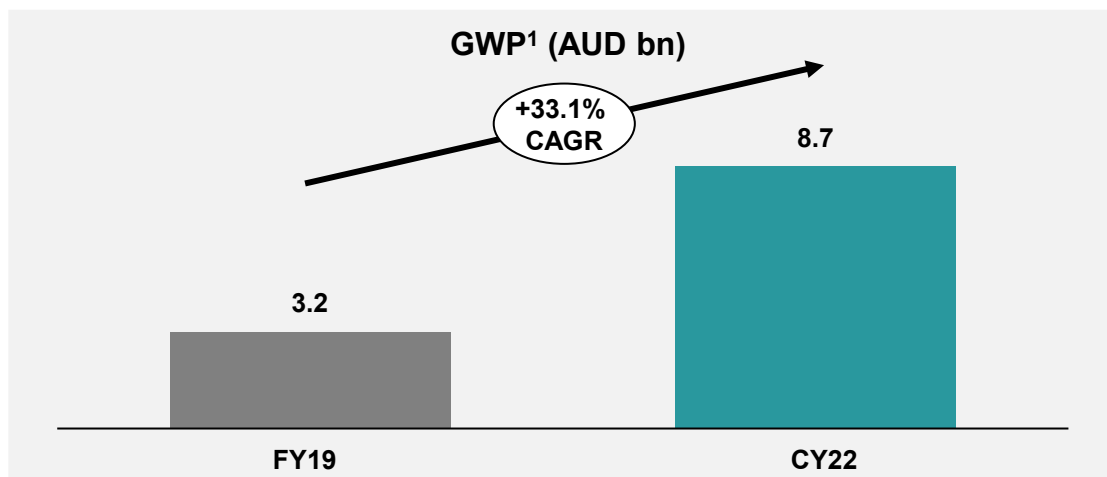


## Delivering strong core business performance

- ✓ Strong organic performance driven by revenue growth and underlying margin expansion across all divisions (1H23 UNPAT grew 32.6% ex Tysers vs pcg)
- ✓ Australian Broking portfolio optimisation on track (1H23 EBIT grew 28.7% vs pcg)
- ✓ Tysers performing ahead of expectations, underlying EBIT margin target previously upgraded to 30% (20.4% at 31 Dec'22)
- ✓ Agencies focus on scale continues (1H23 EBIT grew 22.0% vs pcg). SUU strata acquisition performing strongly
- ✓ New Zealand recovery on track with performance ahead of expectations
- ✓ BizCover performing in accordance with expectations



## Successful accretive acquisitions

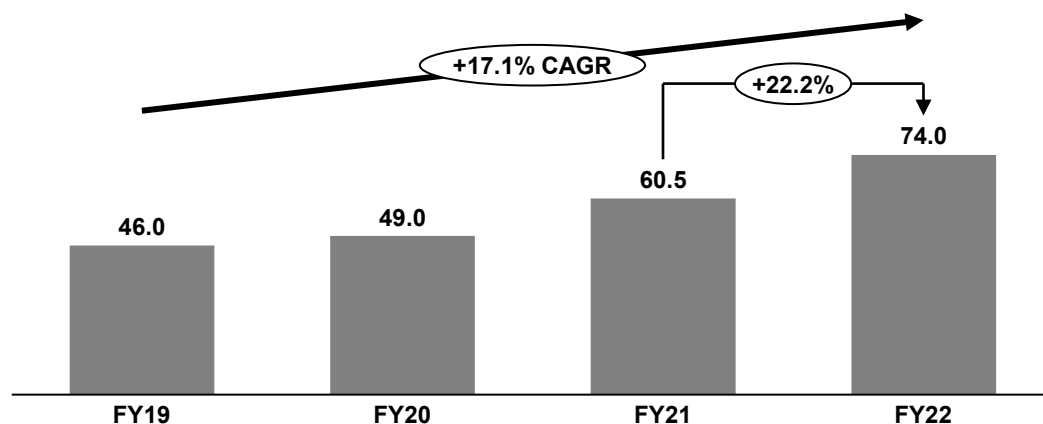


# FY23 EARNINGS GUIDANCE

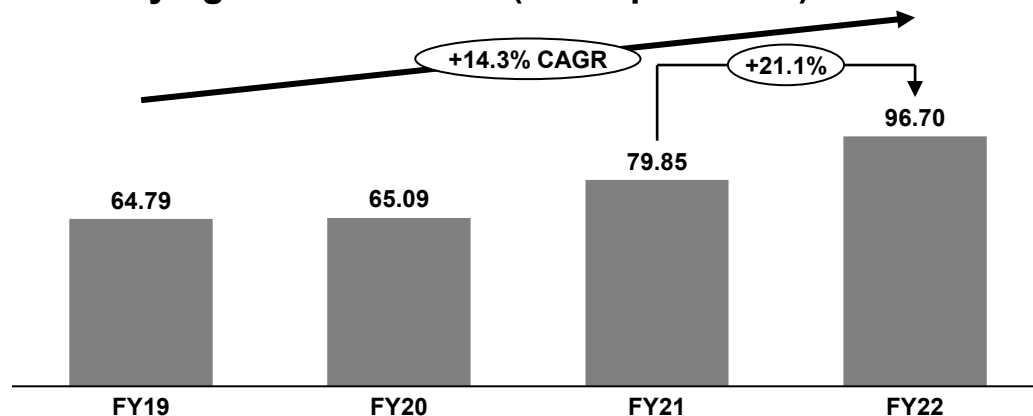
UNPAT guidance range upgraded to AUD 120mn – AUD 124mn (previously AUD 112.9 – AUD 121.4mn) due to continued strong progress across all parts of AUB



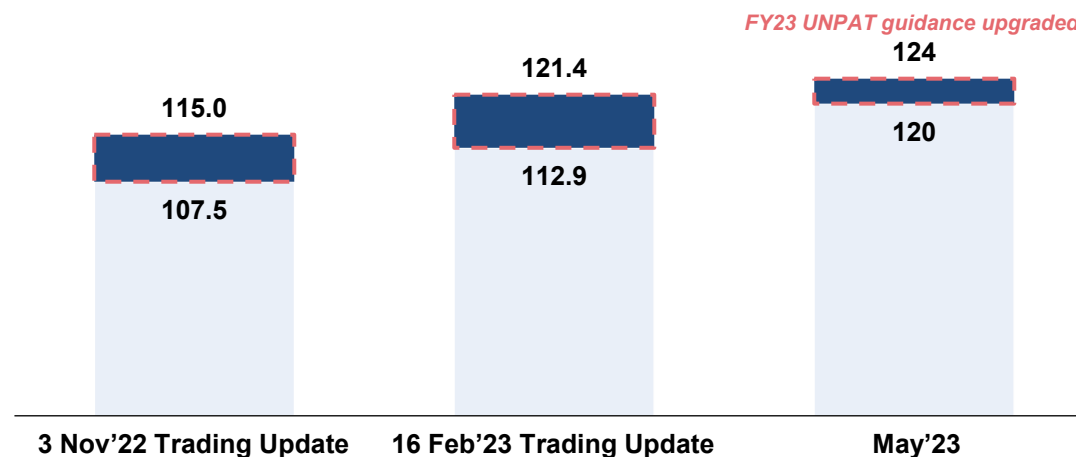
## Underlying NPAT<sup>1</sup> over time (AUD mn)



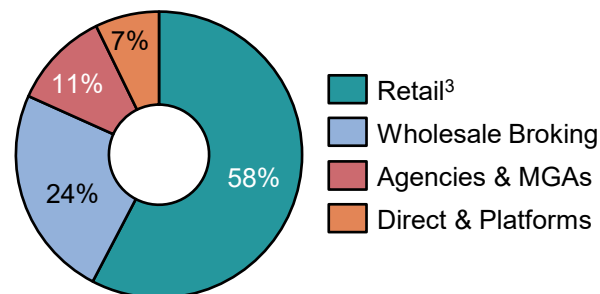
## Underlying EPS<sup>2</sup> over time (cents per share)



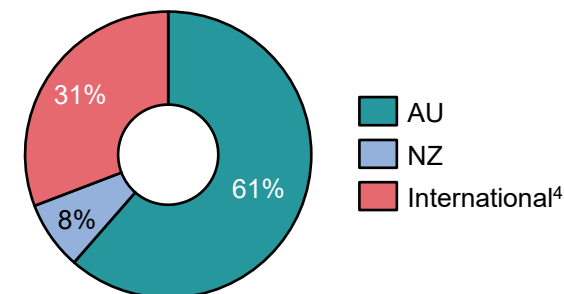
## FY23 Underlying NPAT<sup>1</sup> guidance evolution (AUD mn)



## CY22 Portfolio Revenue - split by Business Segment<sup>5,6</sup>



## CY22 Portfolio Revenue - split by Geography<sup>5,6</sup>



Highly diversified business with significant, increased scale

# TYSERS FINANCIAL PERFORMANCE UPDATE

Strong post-Covid rebound. 9.6% organic revenue outperformance for 6 months to Mar'23 (vs initial forecast)



**Key Metrics**  
6M to Mar'23  
Performance

**AUD 196.3mn**  
Revenue<sup>1</sup>

**> 22.5% EBIT**  
Margin<sup>1</sup>

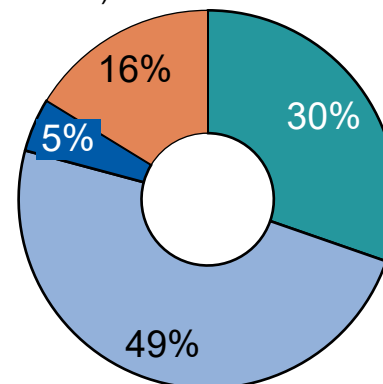


## Business Update (L6M since acquisition)

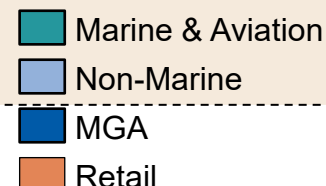
- Strong revenue performance vs forecast resulting from:
  - o Marine and Aviation - significant new business in Cargo and higher rates
  - o Non-Marine
    - o Contingency rebounded as forecast post-Covid
    - o International Property & Casualty outperformed from new business in Credit & Political Risk, partially offset by withdrawals from Colombia, Ecuador and Russia
  - o Retail growing strongly
  - o Positive impact of interest rates on trust account balances
- Implemented LTI scheme to retain key brokers (all key brokers retained since acquisition)

Revenue <sup>1</sup> 6M to Mar'23 (AUD mn)	Actual	Initial Forecast	Constant Currency Outperformance
<b>Wholesale Broking</b>	<b>155.9</b>	<b>142.6</b>	<b>11.3%</b>
Marine and Aviation	59.6	53.5	12.7%
Non-Marine	96.3	89.1	10.4%
MGA	8.8	8.9	1.6%
Retail	31.6	29.9	4.4%
<b>Total</b>	<b>196.3</b>	<b>181.4</b>	<b>9.6%</b>

**Tysers Income Mix** (6M to 31 Mar 23)

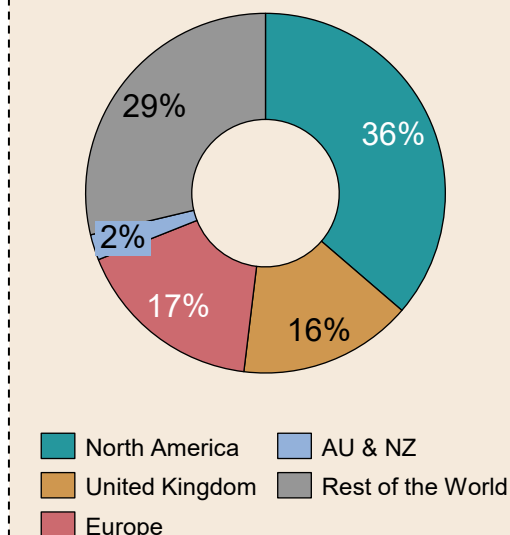


### Wholesale Broking



### Wholesale Broking Income Mix

Client Geography (6M to 31 Mar 23)



# TYSERS UK RETAIL UPDATE

*High-performance strategically aligned business*



## Strategic alignment

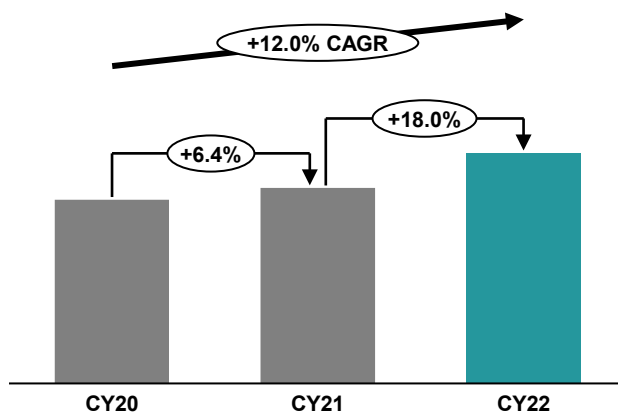
- Meaningful scale, attractive profitability and strategic alignment with Tysers wholesale business
- Diversified client mix with strong retention (all top 20 clients retained since 2020)
- Experienced and aligned management team – key members participating in Tysers LTI scheme



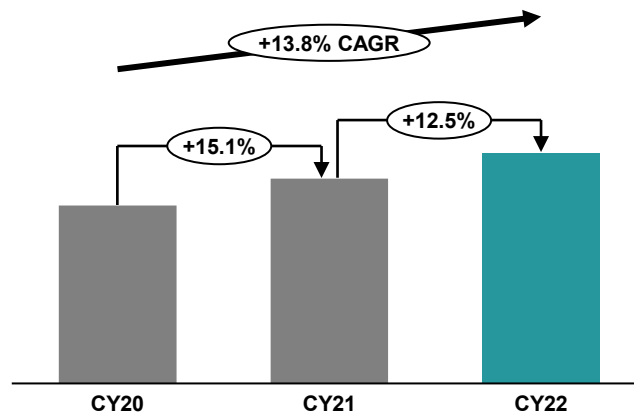
## Future growth areas

- Increased cross-sell opportunities between wholesale and retail resulting from increased alignment
- Deep client relationships, strong organic and bolt-on growth potential

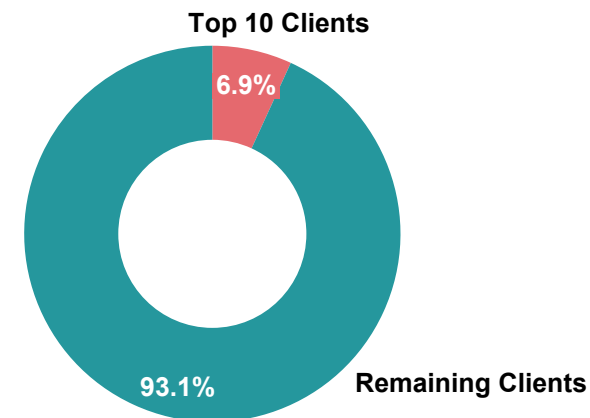
GWP Growth %



Revenue<sup>1</sup> Growth %



Diversified mix of clients<sup>2</sup>



# TYSERS SYNERGIES & INTEGRATION UPDATE

Cost synergy delivery on track, revenue synergies to flow in FY24



## Revenue Levers

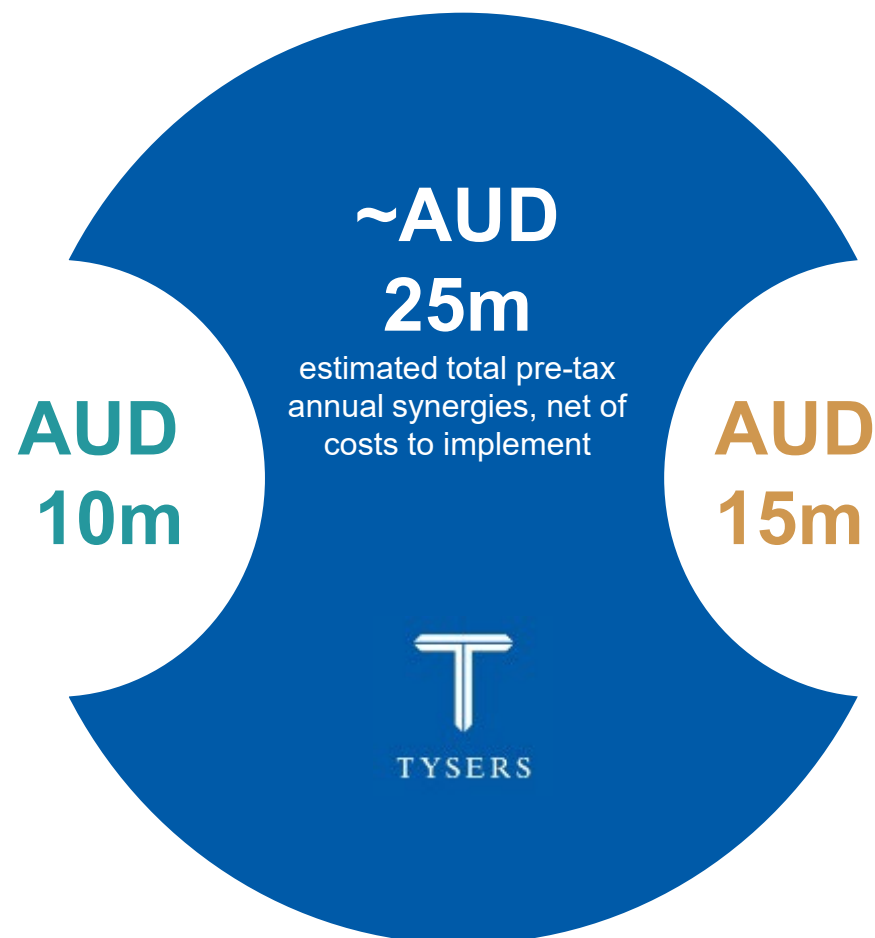
- Increased placement of AUB client risks with Tysers
  - ✓ Austbrokers and Tysers wholesale/retail engagement model implemented
  - ✓ AUB Agency Binder renewal plan in place to commence in July 2023
- Expand Agency portfolio
  - ✓ New binder capacity and capability opportunities under review

Benefits commencing

May  
2023

Target run-rate  
achieved by:

Jul 2024



## Cost Levers

- Optimise Tysers & AUB operating structure & governance
- Deliver efficient operations

Benefits commencing

Oct 2022

1H23 Savings

~360k

2H23 Savings

~1.8mn

FY23 Savings

~2.1mn

Implemented Savings  
(annual run-rate equivalent)

~5.1mn

Target run-rate  
achieved by:

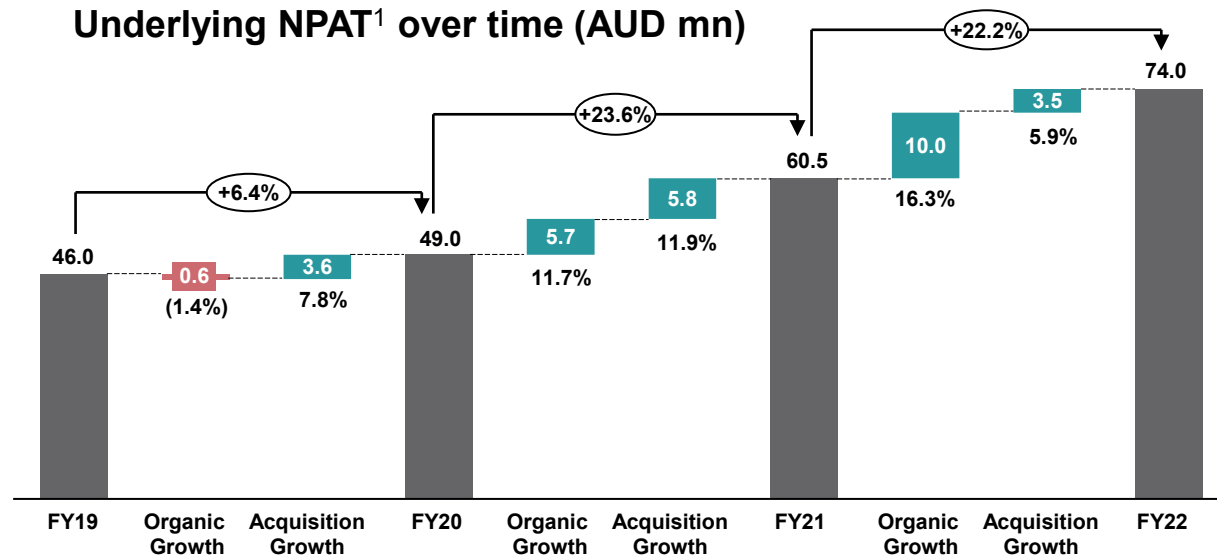
Dec 2023

# ACQUISITION GROWTH STRATEGY

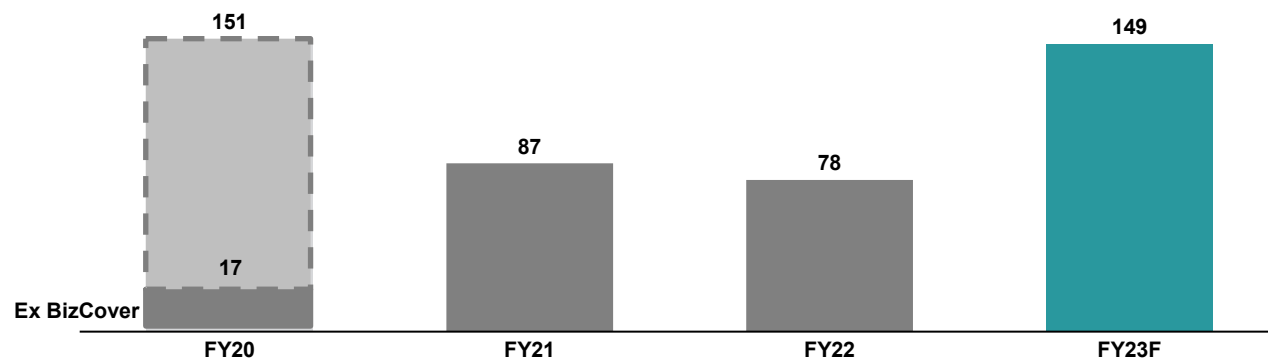
Capital to support a strong BAU M&A pipeline



## Underlying NPAT<sup>1</sup> over time (AUD mn)



## Value of bolt-on M&A spend<sup>2</sup> over time (AUD mn)



**2.57**  
Leverage Ratio  
31 Mar'23

**AUD 59.8mn**  
Cash & Undrawn  
Debt  
31 Mar'23  
(AUB Group Ltd)

### By June '23 (Post equity raising)

- Leverage ratio anticipated to reduce to <2.0x (Net Debt / EBITDA<sup>3</sup>)
- Cash and debt headroom c.\$250mn
- Strong capacity for continued bolt-on acquisitions



# EQUITY RAISING

*AUB is launching a AUD 150mn Institutional Placement and Share Purchase Plan of up to AUD 15mn to position the business for future growth*



Offer structure and size	<ul style="list-style-type: none"><li>Fully underwritten institutional placement (“<b>Placement</b>”) of new fully paid ordinary shares to raise AUD 150mn</li><li>6.25mn shares to be issued under the Placement representing ~6.2% of issued share capital under AUB’s existing placement capacity under ASX listing rule 7.1</li><li>AUB will also be undertaking a non-underwritten share purchase plan (SPP) targeting to raise up to AUD 15mn</li></ul>
Offer Price	<p>Offer Price of AUD 24.00 per share, represents a:</p> <ul style="list-style-type: none"><li>7.2% discount to the last close price of AUD 25.86 per share on 17 May 2023</li><li>9.3% discount to the 5 day volume weighted average trading price of AUD 26.45 per share on 17 May 2023</li></ul>
Use of proceeds	<ul style="list-style-type: none"><li>Provide financial flexibility given the retention of Tysers UK Retail, reduce leverage and allow AUB to capitalise on its attractive and accretive bolt-on acquisition M&amp;A pipeline</li></ul>
Ranking	<ul style="list-style-type: none"><li>New fully paid ordinary shares (“<b>New Shares</b>”) will rank equally with existing AUB shares on issue</li></ul>
Underwriting	<ul style="list-style-type: none"><li>Macquarie Capital (Australia) Limited (“<b>Macquarie</b>”) is acting as Underwriter, Lead Manager and Bookrunner to the Placement</li><li>The SPP is not underwritten</li></ul>
Share purchase plan	<ul style="list-style-type: none"><li>AUB will offer eligible Australian and New Zealand shareholders on the AUB register as at 7:00pm on Wednesday, 17 May 2023 the ability to participate in a non-underwritten SPP targeting up to AUD 15mn</li><li>Eligible shareholders can provide a maximum application of AUD 30k per holder with applications under the SPP will be subject to scale back at AUB’s absolute discretion<sup>1</sup></li><li>The SPP offer period will commence on Friday, 26 May 2023 and conclude on Thursday, 8 June 2023</li><li>Shares offered under the SPP will be issued at the Offer Price</li></ul>

# EQUITY RAISING TIMETABLE



Event	Date
<b>Institutional placement</b>	
Trading halt and announcement of the Offer	Thursday, 18 May 2023
Institutional Placement opens	Thursday, 18 May 2023
Institutional Placement closes	Friday, 19 May 2023
Announcement of results of Institutional Placement	Friday, 19 May 2023
Trading halt lifted and shares recommence trading	Friday, 19 May 2023
Settlement of New Shares issued under the Placement	Tuesday, 23 May 2023
Allotment of New Shares issued under the Placement	Wednesday, 24 May 2023
<b>Share purchase plan (SPP)</b>	
Record date for SPP	Wednesday, 17 May 2023
SPP Offer opens, and SPP Offer Booklet made available	Friday, 26 May 2023
SPP offer closes	Thursday, 8 June 2023
Announcement of results of SPP	Thursday, 15 June 2023
Allotment of New Shares under the SPP	Friday, 16 June 2023
Commencement of trading of New Shares issued under the SPP	Monday, 19 June 2023
Holding statements in respect of New Shares issued under the SPP dispatched	Monday, 19 June 2023

# Appendix A – Key Risks

# SUMMARY OF KEY RISKS



This section discusses some of the key risks associated with any investment in AUB, together with the risks relating to participation in the Placement and the SPP (the **Offer**), 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.

## BUSINESS RISKS

<b>Reduction of gross written premium in the general insurance market</b>	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 globally, and particularly if gross written premium declined in Australia and/or New Zealand. 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.
<b>Reliance on dividends from network</b>	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 AUB may not control and are subject to corporate law requirements.
<b>Loss of AUB network partners</b>	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.
<b>Reliance on strategic partners</b>	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.
<b>Loss of key staff and/or challenges attracting new staff</b>	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 retain and attract the people it desires.

# 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.

## Mergers and acquisition risk

AUB completed the acquisition of Tysers on 30 September 2022. While AUB adopts a disciplined strategic approach to mergers and acquisitions there can be no assurance that the anticipated benefits and synergies expected to result from this or other 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.

Following the issuance of AUB shares as part consideration to Tysers' former owner, Odyssey Investment Partners (**Odyssey**), on 30 September 2022, Odyssey owns approximately 8.88% of AUB's issued share capital as at the date of this presentation. Such shares are subject to a voluntary escrow arrangement as previously disclosed.

As previously disclosed, by the terms of the Tysers transaction documents AUB may be required to pay up to GBP 100 million in deferred consideration to the Tysers vendors. The final amount of deferred consideration payable will be influenced by the financial performance of the companies in the Tysers group in the 24 month period following completion of the acquisition of Tysers, which occurred on 30 September 2022.

# SUMMARY OF KEY RISKS



## 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 example, 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.

## 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 has also become further exposed to a number of laws and regulatory requirements in the various jurisdictions in which Tysers operates. A breach of 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. Similarly, Tysers is regulated by the Financial Conduct Authority and applicable laws in the United Kingdom. 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. 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.



# SUMMARY OF KEY RISKS



## Financial crime risk

AUB may be exposed to violations of financial crime laws including fraud, anti-bribery and corruption, sanctions and anti-money laundering and terrorism financing. The acquisition of Tysers has further exposed AUB to the risk of operating in some jurisdictions which can be higher risk for breach of such financial crime laws. A breach of financial crime laws or other applicable laws or regulatory requirements 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. To minimise the risk of non-compliance with regulatory obligations, AUB may be required to make additional investments into people, frameworks, systems and monitoring to minimise the risk of non-compliance in the future.

The acquisition of Tysers has exposed AUB to risk in relation to the historical actions of Tysers and its subsidiaries. Investigations previously disclosed in relation to the alleged conduct of business in Ecuador between 2013 and 2017 by Integro Insurance Brokers Limited (a company within the Tysers group) and/or its employees, agents and associated persons are ongoing. However, the UK Serious Fraud Office has communicated that it has decided not to take any action against Integro Insurance Brokers Limited / Tysers in respect of the alleged conduct. The U.S. Department of Justice (**DOJ**) investigation into Integro Insurance Brokers Limited, its employees, agents and associated persons remains ongoing.

The DOJ investigation relates to suspicions of bribery and corruption, and possible associated money laundering. If this investigation reveals any unlawful conduct by companies within the Tysers group, Tysers (and/or the relevant group companies) may be subject to fines and/or other penalties and may incur reputational damage. AUB and Tysers continue to cooperate with the DOJ in relation to the matters.

As previously disclosed, AUB has obtained a number of contractual protections in the Tysers transaction documents, including indemnification that AUB considered appropriate for the potential losses / fines and penalties which may become payable by Tysers in connection with the aforementioned investigations.

The outcome of the DOJ investigation 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 Integro Insurance Brokers Limited / Tysers (and indirectly AUB) at the conclusion of the investigation. For example, the outcome of the investigation could include financial penalty orders, enforceable undertakings or other remedial directions. This may adversely impact AUB's reputation, business operations, financial position and results.

## Litigation risk

AUB and its subsidiaries may be subject to litigation, class action or other prosecutions or proceedings, claims or disputes in the course of its business in each of the jurisdictions in which they operate from time to time. Given the nature of their insurance broking businesses, AUB subsidiaries are and can be occasionally named as co-defendants in proceedings alongside insurers. If any of AUB's subsidiaries were to be found liable in any such proceedings, this could result in a requirement to pay damages, fines, compensation and/or other penalties, as well as the risk of reputational damage. This, in turn, may adversely impact AUB's reputation, financial performance and position.

## 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



<b>Investment impairment</b>	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.
<b>Changes to accounting standards</b>	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.
<b>Technology and cyber security risk</b>	<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>
<b>Loss or misuse of personal and confidential information</b>	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, all of which could have a material adverse effect on AUB's financial position and results of operations and harm AUB's business reputation.



# SUMMARY OF KEY RISKS



<b>Damage to the AUB and Tysers brands</b>	<p>AUB faces the risk of loss that directly or indirectly impacts earnings or value that would be caused by adverse perceptions of AUB and/or Tysers 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 and Tysers brands 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 and Tysers brands 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 the reputation of AUB and/or Tysers 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 the reputation or branding of AUB and/or Tysers could impede its ability to compete successfully and future business plans and performance.</p>
<b>Fraudulent or Inappropriate conduct by employees</b>	<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>
<b>International expansion</b>	<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 geopolitical risk, 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>
<b>Foreign exchange</b>	<p>The acquisition of Tysers has increased AUB's exposure to fluctuations in the value of international currencies, including the United States dollar and the British pound. AUB consolidates results of overseas businesses into AUB Group results and the performance of overseas businesses in Australian dollars when reported in AUB Group financial statements may vary due to the movement of foreign exchange rates, subject to any currency hedging arrangements AUB has in place. This could have an adverse effect on AUB's financial performance.</p>
<b>Tax changes</b>	<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 or global tax law and practice that impact AUB, or the insurance industry generally, could also have an adverse effect on AUB shareholder returns.</p>

# SUMMARY OF KEY RISKS



## Market and liquidity risk

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), natural disasters and pandemics (including the continuation or escalation of the COVID-19 pandemic). 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.

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.

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 response to the COVID-19 pandemic, governments and central banks around the world implemented both monetary and fiscal policy to reduce volatility and increase liquidity in financial markets, which contributed to higher inflation in many jurisdictions in which AUB operates. Central banks in those jurisdictions have since utilised monetary policy tools, including quantitative tightening, to combat inflation. This has resulted in challenging market conditions for debt financing. 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.

## Environmental, social and governance (ESG) risks and expectations

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, ethical sourcing, native title, energy, general employment practice, and strategies in relation to climate change.


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.

# SUMMARY OF KEY RISKS



## EQUITY RAISING RISKS

Underwriting risk	<p>AUB has entered into an underwriting agreement with Macquarie Capital (Australia) Limited (<b>MCAL</b>) (the underwriter) pursuant to which the underwriter has agreed to underwrite the Placement (<b>Underwriting Agreement</b>), subject to those terms and conditions of the Underwriting Agreement. If certain conditions are not satisfied or if certain termination events occur, the underwriter may terminate the Underwriting Agreement. Those termination events are summarised in Appendix B of this Presentation. Termination of the Underwriting Agreement would have an adverse impact on the amount of proceeds raised under the Placement. Termination of the Underwriting Agreement could materially adversely affect AUB's business, cash flow, financial condition and results of operations. Further, the SPP is not underwritten. Accordingly, it is uncertain how much capital AUB will raise under the SPP.</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"><li>• Australian and international general economic conditions, including inflation rates, the level of economic activity, interest rates, commodity prices and currency exchange rates;</li><li>• changes in Australian and foreign government laws and regulation (including fiscal and monetary policies);</li><li>• geopolitical instability, international hostilities and acts of terrorism in Australia and around the world;</li><li>• investor perceptions in the local and global markets for listed stocks; and</li><li>• changes in the supply and demand of securities.</li></ul> <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 not participate in the Placement or the SPP will have their percentage shareholding in AUB diluted. A participating shareholder may also be diluted even though it participates in the Placement or the SPP, depending on the number of New Shares allocated to them. Investors may also have their investment diluted by future capital raisings by AUB. AUB may issue new securities in the future (including, without limitation, to finance acquisitions, contractually payable amounts or pay down debt) which may, under certain circumstances, dilute the value of an investor's interest.</p>



# Appendix B – Summary of Underwriting Agreement

# SUMMARY OF UNDERWRITING AGREEMENT



AUB has entered into an underwriting agreement with Macquarie in respect of the Placement dated 18 May 2023 (Underwriting Agreement), pursuant to which Macquarie has agreed to fully underwrite the Placement on the terms and conditions of the Underwriting Agreement. The SPP will not be underwritten. The Underwriting Agreement contains customary conditions precedent, representations, warranties, undertakings and indemnities in favour of the Underwriter.

Macquarie may terminate its obligations under the Underwriting Agreement on the occurrence of certain events without cost or liability at any time before 4.00pm on the settlement date for the Placement (expected to be 23 May 2023). Those events include (but are not limited to) where:

- ASIC issues, or threatens to issue, proceedings in relation to the Placement, or commences a formal investigation or hearing in relation to the Placement (or announces its intention to do so) and such application, proceedings, investigation become public or if made public, are not withdrawn within specified timeframes;
- ASX announces that existing AUB shares will be delisted, removed from quotation, withdrawn from admission to trading status or suspended from quotation;
- ASX notifies AUB or Macquarie that unconditional approval (or approval conditional only on customary conditions which are acceptable to the Underwriter, acting reasonably) will not be granted to the official quotation of all of the Placement Shares on ASX or if granted, the approval is subsequently withdrawn, qualified (other than by customary conditions) or withheld;
- AUB withdraws the Placement;
- there are certain delays to the timetable for the Placement, other than with the written consent of Macquarie;
- AUB does not provide a confirmatory certificate to Macquarie by the time specified under the Underwriting Agreement;
- any written materials that are presented to applicants or any other offer documents in connection with the Placement (Placement Materials) contain statements which are untrue, inaccurate or become misleading or deceptive or likely to mislead or deceive (including by omission), in each case in a manner which that is materially adverse from the perspective of an applicant, or the Placement Materials omit any information they are required to contain;
- an obligation arises on AUB to give ASX a notice in accordance with section 708A(9) of the Corporations Act;
- AUB (or any member of the AUB Group that represents in excess 2.5% of the consolidated assets or earnings of the AUB Group) is or becomes insolvent;
- an AUB director or the Chief Financial Officer of AUB is charged with an indictable offence, any regulatory body commences any public action against an AUB director (or announces its intention to do so) or a director of AUB is disqualified from managing a corporation;
- AUB or any of its related bodies corporate engage in any fraudulent conduct or activity whether or not in connection with the Placement, 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 Placement;
- there is an event or occurrence, including any statute, order, rule, regulation, directive or request of any governmental agency which makes it illegal for Macquarie to satisfy an obligation under the Underwriting Agreement, or to market, promote, underwrite or settle the Placement;

# SUMMARY OF UNDERWRITING AGREEMENT



- AUB is prevented from allotting and issuing the Placement Shares under the ASX Listing Rules, applicable laws, an order of a court of competent jurisdiction or a governmental agency;
- a change in the Chief Executive Officer, the Chief Financial Officer or Chairperson of AUB, or in Peter Harmer's status as a director of AUB, occurs or is announced by AUB; and
- AUB alters its capital structure without the consent of Macquarie, other than where permitted within certain exceptions.

In addition, Macquarie may terminate its obligations under the Underwriting Agreement on the occurrence of any of the following events during the same period as above, provided that 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 the success, marketing or settlement of, the Placement, or the willingness of investors to subscribe for or settle New Shares to be issued under the Placement; or (b) has given or could reasonably be expected to give rise to or result in a contravention by, or a liability of, Macquarie or its affiliates under any applicable law:

- AUB fails to perform or observe any of its obligations under the Underwriting Agreement (including, for the avoidance of doubt undertakings), or any representation or warranty given by AUB in the Underwriting Agreement proves to be, has been, or becomes untrue, misleading, deceptive or incorrect;
- any response in the Due Diligence Questionnaire or any other information supplied by or on behalf of AUB to Macquarie for the purposes of the Placement or the Placement Materials, is or becomes false, misleading or deceptive, or is or becomes likely to mislead or deceive (including, in each case, by omission);
- a confirmatory certificate provided by AUB to Macquarie under the Underwriting Agreement when given is untrue, incorrect or misleading or deceptive (including by omission);
- 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 Placement;
- a contravention by AUB of the Corporations Act, its Constitution, any of the ASX Listing Rules, any other applicable law or regulation (as amended or varied) or order or request made by or on behalf of ASIC, ASX or any governmental agency;
- a change in the board of directors in AUB (other than the Chief Executive Officer of AUB, Chairperson of AUB or Peter Harmer);
- hostilities not existing at the date of this Presentation commence or there is an outbreak or a major escalation of hostilities (in each case, whether war is declared or not) occurs, involving one or more of Australia, New Zealand, the United Kingdom, the United States, 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, or any of those countries declare or escalate a national emergency, or a significant terrorist attack is perpetrated in any of those countries;
- chemical, nuclear or biological weapons of any sort are used in connection with the Ukraine conflict, or the military of any member state of the North Atlantic Treaty Organization becomes directly involved in the Ukraine conflict;
- 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;

# SUMMARY OF UNDERWRITING AGREEMENT




- 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; and
- 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.

Termination of the Underwriting Agreement by Macquarie will discharge Macquarie's obligations in respect of the period prior to termination and discharge AUB's obligation to pay Macquarie 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 Macquarie, refer to the Appendix 3B released to the ASX on the date of this Presentation.

AUB also gives certain representations, warranties and undertakings to Macquarie and an indemnity in favour of Macquarie and its affiliates subject to certain carve-outs.





## Appendix C – 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



*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 in any manner that would constitute carrying on business in 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).

## **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).

# INTERNATIONAL OFFER RESTRICTIONS



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 or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) other than to a person who:

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

## **Norway**

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

# INTERNATIONAL OFFER RESTRICTIONS



## 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 13 of the Securities and Futures Act 2001 of Singapore (the “SFA”) or another exemption under the SFA.

This document has been given to you on the basis that you are an “institutional investor” or an “accredited investor” (as such terms are defined in the SFA). If you are not such an investor, 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 in Singapore. On-sale restrictions in Singapore 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.

## 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 of New Shares will be made to, and no subscription for New Shares will be permitted from, any person in the Abu Dhabi Global Market or the Dubai International Financial Centre.

# INTERNATIONAL OFFER RESTRICTIONS



## 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 (“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.

## 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.