



Acquisition of MLC

Monday, 31 August 2020

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 - a fully underwritten¹ 1 for 2.09 pro rata accelerated non-renounceable entitlement offer of New Shares to eligible shareholders (**Entitlement Offer**), (the Placement and Entitlement Offer are together, the **Offer**).
- IOOF will also undertake a non-underwritten share purchase plan to eligible shareholders in Australia and New Zealand (the **Share Purchase Plan**)

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- In connection with the bookbuild, one or more institutional investors may elect to acquire an economic interest in the entitlements or New Shares (Economic Interest), instead of subscribing for or acquiring the legal or beneficial interest in those entitlements or New Shares. The underwriter (or its affiliates) may, for its own account, write derivative transactions with those investors relating to the entitlements or the New Shares to provide the Economic Interest, or otherwise acquire securities in IOOF in connection with the writing of such derivative transactions in the bookbuild and/or the secondary market. As a result of such transactions, the underwriter (or its affiliates) may be allocated, subscribe for or acquire entitlements, New Shares or securities of IOOF in the Placement or the Entitlement Offer, the bookbuild and/or the secondary market, including to hedge those derivative transactions, as well as hold long or short positions in such securities. These transactions may, together with other securities in IOOF 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.

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Allocations

- You acknowledge and agree that IOOF may comply with the terms of the ASX Class Waiver Decision – Temporary Extra Placement Capacity dated 9 July 2020 to announce to the market reasonable details of the approach it took in identifying investors to participate in the Placement and how it determined their respective allocations in the Placement, and IOOF must within 5 business days of completing the Placement supply to ASIC and ASX (but not for public release) an allocation spread sheet showing full details of the persons to whom the Placement was allocated and for applicants for whom no New Shares were allocated, including the name, existing holding, number of New Shares they applied for or were offered in the Placement and the number of New Shares they were allocated in the Placement (including any zero allocations) and this will necessitate disclosing your application and allocation in the Placement.
- You acknowledge and agree that your existing holding, if any, of fully paid ordinary shares in IOOF will be estimated by reference to IOOF's beneficial register on 28 August 2020 which shows historical holdings as at that date and is not up to date. There will be no verification or reconciliation of the holdings as shown in the historical beneficial register and accordingly this may not truly reflect your actual holding of fully paid ordinary shares in IOOF. IOOF and the underwriter do not have any obligation to reconcile assumed holdings (e.g. for recent trading or swap positions) when determining allocations nor do they have any obligation to allocate pro rata on the basis of existing securityholdings. If you do not reside in a permitted jurisdiction for this Placement you will not be able to participate in the Placement. IOOF and the underwriter and their respective Extended Parties disclaim any duty or liability (including, without limitation, any liability arising from fault, negligence or negligent misstatement) in respect of the determination of your allocation using your assumed holdings.
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General

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Glossary

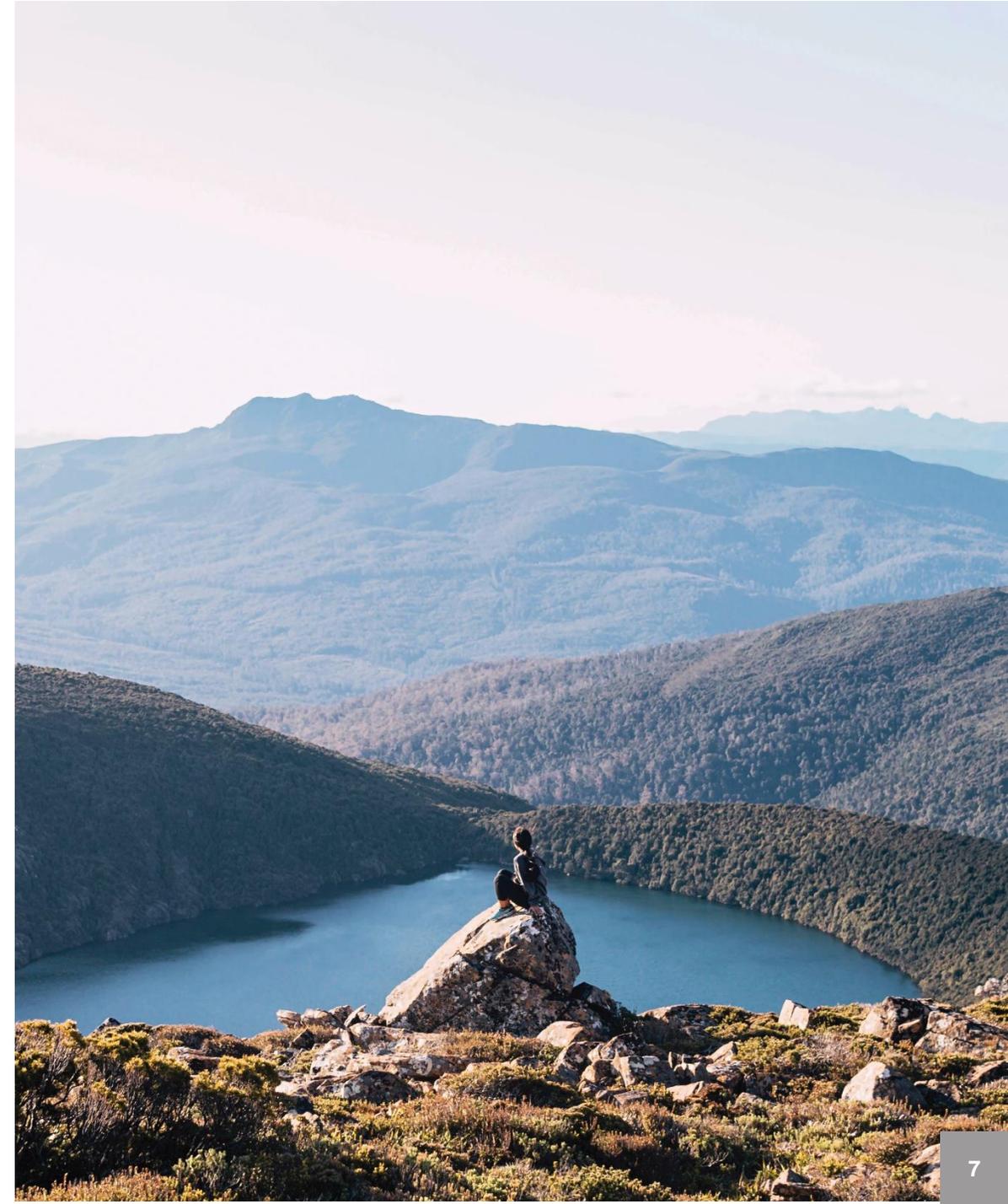
Term	Definition
Acquisition	The acquisition by IOOF from NAB of 100% of the MLC Group and certain assets (but not liabilities) of the Advice Entities. The transaction perimeter excludes MLC Life (which remains 20% owned by NAB) and JBWere
Advice Entities	The Australian Financial Service licensees holders that operate the MLC Group's advice business
AFSL	Australian Financial Services Licence
AL	Aligned Licensee
Completion	Date by which ownership of MLC transfers to IOOF, expected to be before 30 June 2021
EBIT	Earnings before interest and tax
EBITDA	Earnings before interest, tax, depreciation and amortisation
EPS	Earnings per share
FUAdmin	Funds under administration
FUAdvice	Funds under advice
FUM	Funds under management
FUMA	Funds under management, advice and administration
IFAs	Independent financial advisers
IOOF	IOOF Holdings Ltd (ACN 100 103 722)
MLC	MLC Wealth Limited (ACN 071 514 264) and its wholly and partly owned subsidiaries and controlled entities (other than the Advice Entities and certain out-of-scope entities)
New Shares	The new shares to be issued pursuant to the Placement and Entitlement Offer
Offer	The Placement and the Entitlement Offer to be conducted by IOOF as described on slide 28
RSE	Registrable Superannuation Entity
Sales Agreement	The share sale and purchase agreement between IOOF and NAB in relation to the acquisition of shares in MLC Wealth Limited (ACN 071 514 264)
SLN	Subordinated Loan Note
SPP	The Share Purchase Plan to be conducted by IOOF as described on slide 28
TERP	Theoretical Ex-Rights Price
TSA	Transitional Services Agreement
UNPAT	Underlying net profit after tax and excludes the impact of certain non-operational financial items
VWAP	Volume Weighted Average Price

Agenda

1. Transformational acquisition of MLC
2. Overview of MLC
3. Strategic vision
4. Integration management
5. Transaction funding and financial impact

Appendix

- A. Key risks
- B. International selling restrictions





Section 1 | Transformational acquisition of MLC

Unique opportunity to create Australia's leading advice-led wealth manager

The new IOOF

- **Transformational acquisition:**
 - Transformational acquisition creating Australia's leading advice-led wealth manager with ~\$510 billion FUMA and 1,884 advisers¹.
 - Compelling opportunity to create long-term value for the benefit of clients, members and shareholders.
- **Highly complementary business:**
 - Aligns with IOOF's strategy and existing businesses.
 - Step change in scale and economic diversification.
- **Attractive financial metrics:**
 - Targeting pre-tax synergies of \$150 million per annum by the third full year of ownership.
 - Expected to deliver in excess of 20% EPS accretion on an FY21F pro forma basis², including \$150 million of estimated pre-tax synergies, excluding transaction and integration costs.
 - Targeting return on funds employed of c. 15%³ by the third full year of ownership.
 - One-off pre-tax integration and transaction costs of approximately \$360 million to be incurred over ~4 years.

The Transaction

- **Purchase consideration:** \$1,440 million, representing:
 - 7.4x pro forma FY20 UNPAT⁴ including full synergies.
 - 16.2x pro forma FY20 UNPAT⁴ excluding synergies.
- Funding for upfront integration and transaction costs of \$90 million, of which the majority is in relation to building an MLC data centre

Funding:

- **\$1,040 million** fully underwritten institutional placement (Placement) and accelerated non-renounceable entitlement offer (Entitlement Offer).
- **\$250 million** incremental senior debt via a syndicated debt facility.
- **\$200 million** subordinated loan note issued to NAB.
- **\$40 million** in existing IOOF cash.
- Potential additional proceeds via a share purchase plan.
- Post acquisition net debt / EBITDA of <1.0x, below IOOF's target leverage ratio range.⁵

Completion:

- Expected before 30 June 2021 subject primarily to APRA and ACCC approvals.⁶

Notes: (1) FUMA as at 30 June 2020. IOOF adviser numbers as at 20 August 2020. MLC adviser numbers as at 30 June 2020. (2) EPS accretion as if the MLC acquisition was effective 1 July 2020. In accordance with AASB133, IOOF's FY21F EPS has been adjusted to account for the bonus element of the Entitlement Offer and the Placement. Calculated excluding the impact of any proceeds received under the proposed Share Purchase Plan. (3) Based on targeted returns in the third full year of ownership (including run-rate synergies of \$150m pre-tax, excluding integration and transaction costs) divided by funds employed (inclusive of transaction and integration costs). Funds employed is calculated as capital employed including cumulative capital expenditure less cumulative depreciation and amortisation over 3 years. (4) Based on IOOF's estimate of MLC's Sep-20 earnings reflecting a standalone cost base. (5) Based on MLC's estimated underlying FY20 cash earnings. Does not include synergies. Net debt as defined for debt covenants and excludes the subordinated loan note issued to NAB. (6) Other conditions and completion deliverables include foreign regulatory approvals and no termination of funding agreements.

IOOF leading industry transformation

- In the reshaped financial services industry, the new IOOF will be:
 - Positioned at the forefront of industry transformation;
 - Utilise its proprietary technology to deliver the lowest cost to operate; and
 - Look after over 2.2 million Australians and have the ability to offer broad choice and accessibility of quality financial advisory and wealth management services.

New IOOF

- › #1 retail wealth manager by FUMA – \$510 billion¹
- › #1 advice business by number of advisers – 1,884 advisers²
- › #2 super platform by FUAdmin - \$173 billion³
- › IOOF will not assume conduct or remediation liabilities for MLC's advice business arising in relation to pre-completion conduct as the MLC licensed advice entities will remain with NAB.
- › Other MLC pre-completion conduct or remediation liabilities including for the platform business will be retained by IOOF, which will manage its exposure through a combination of provisions, indemnities and warranties including indemnities for fines and penalties, certain regulatory investigations and certain litigation matters (including for two class actions and one ASIC proceeding).⁴

Compelling fit with IOOF strategy

- › IOOF has been transforming its business to be fit-for-purpose in the new financial services environment, spearheaded by ClientFirst, Evolve and Advice 2.0 strategies.
- › The combined IOOF and MLC will bring about the unique potential to lead the transformation of the wealth management industry.
- › IOOF's in-house technology capabilities have underpinned our operational transformation and has become a source of competitive advantage.
- › The benefits of common purpose and scale will deliver a step-change in client, member, adviser and shareholder outcomes.

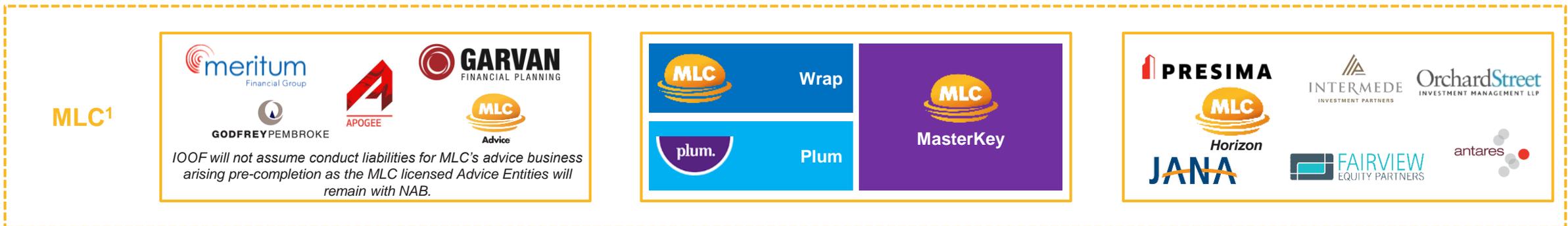


Notes: (1) For MLC, FUMA sourced from NAB as at 30 June 2020. For IOOF, FUMA based on reported FUMA as at 30 June 2020. (2) IOOF financial adviser numbers sourced from ASIC financial adviser register (as at 20 August 2020). MLC adviser numbers sourced from NAB as at 30 June 2020. Assumes all current MLC financial advisers transition to IOOF. Based on active MLC advisers only. (3) Based on APRA annual fund-level superannuation statistics June 2019 (issued 10 December 2019). (4) While the provisions, indemnities and warranties in the Sale and Purchase Agreement have sought to address known issues, those arrangements may not respond in all circumstances and are subject to limitations and as such IOOF could retain economic exposure for certain pre-completion conduct or remediation liabilities – see slides 30-31 for a summary of the Sale and Purchase Agreement and the Risks Section.

Unmatched scale creating enhanced client choice and experience

Highly **complementary business** which will enhance IOOF's advice-led strategy and business segmentation

Delivery of superior, long-term outcomes for clients, members, advisers and shareholders



Notes: (1) IOOF is acquiring the Godfrey Pembroke and MLC brands but will not be acquiring the Meritum, Apogee or Garvan brands. MLC's investment management division includes a number of non-fully owned entities including Orchard Street (96.6%), JIA (45%), Fairview (40%) and Intermede (40%).

Superior, long-term outcomes for clients and members, advisers and shareholders

Understand me, look after me, secure my future

Clients and members

Greater scale, efficiency and capacity to invest

- The MLC acquisition provides IOOF with greater scale and efficiency, and the capacity to invest to continue to deliver positive long-term outcomes for clients / members including:
 - › Choice and accessibility of quality financial advice and products;
 - › Bringing together best-in-class products and services;
 - › Generating efficiencies to deliver the lowest cost to operate; and
 - › Superior client experience interacting with IOOF.

Advisers

Leading advice-led business

- ClientFirst approach shared by both IOOF and MLC.
- IOOF has the #2 largest advice network in Australia and is committed to its advice-led wealth management strategy.
- IOOF has committed to continue its investment into advice systems and processes, with a focus on delivering higher quality, and more efficient advice outcomes and to manage the increased compliance requirements.
- IOOF will conduct a process by which advisers will be given an opportunity to join an IOOF licensee and benefit from other areas of support.

Shareholders

Significantly accretive transaction

- Attractive valuation:
 - › \$1,440 million purchase price represents 7.4x pro forma FY20 UNPAT including full synergies, or 16.2x pro forma FY20 UNPAT excluding synergies.¹
- Strong financial outcomes:
 - › Expected to deliver in excess of 20% EPS accretion on an FY21F pro forma basis², including \$150 million of estimated pre-tax synergies, excluding transaction and integration costs; and
 - › Targeting return on funds employed of c. 15%³ by the third full year of ownership.
- Pro forma IOOF will be highly cash generative, and expects to maintain its target 60 – 90% of UNPAT dividend payout policy.



Notes: (1) Based on IOOF's estimate of MLC's Sep-20 earnings reflecting a standalone cost base. (2) EPS accretion as if the MLC acquisition was effective 1 July 2020. In accordance with AASB133, IOOF's FY21F EPS has been adjusted to account for the bonus element of the Entitlement Offer and the Placement. Calculated excluding the impact of any proceeds received under the proposed Share Purchase Plan. (3) Based on targeted returns in the third full year of ownership (including run-rate synergies of \$150m pre-tax, excluding integration and transaction costs) divided by funds employed (inclusive of transaction and integration costs). Funds employed is calculated as capital employed including cumulative capital expenditure less cumulative depreciation and amortisation over 3 years.



Section 2 | Overview of MLC

Overview of MLC

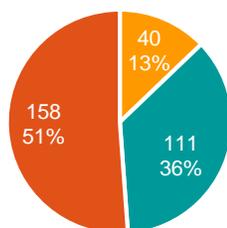
MLC provides leading wealth offerings incorporating advice, platforms, retirement and investment solutions, and asset management.

Company overview

- MLC is NAB's wholly owned wealth management business.
- MLC is a highly complementary business to IOOF with a diversified wealth offering comprising advice, platforms, retirement and investment solutions, and asset management with FUMA of \$308 billion as at 30 June 2020.
- Headquartered in Sydney, MLC services ~1.1 million members and has ~3,200 FTE.
- MLC's advice network comprises 538¹ aligned and direct advisers.

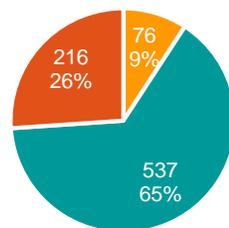
Key metrics by segment

30-Jun-20 FUMA
(\$ billion)



Total: \$308 billion

FY20F pro forma net revenue (\$ million)²



Total: \$827 million³

- Advice
- Platform, retirement and investment solutions
- Asset management

Company segments – metrics as at 30 June 2020

Advice⁴

- MLC has 538 financial advisers comprising aligned, including GWM Wealth Services, Apogee and Godfrey Pembroke, and direct advisers, including MLC Advice.
- FUAdvice of \$40 billion, including MLC Advice and aligned advisers.

Platforms, retirement and investment solutions

- MLC operates retail wrap (MLC Wrap), retail contemporary and legacy platforms (MasterKey Retail Onsale & Offsale) as well as corporate platforms (Plum and MasterKey Business Super).
- FUAdmin \$111 billion, including Retail and Workplace.

Asset management

- MLC also owns a multi-manager, in-house asset manager and boutique stakes as part of its asset management division.
- \$158 billion⁵ of FUM, comprising diversified portfolio management, in-house and boutiques.

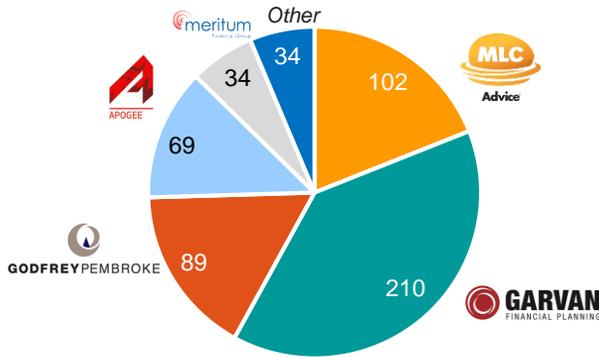
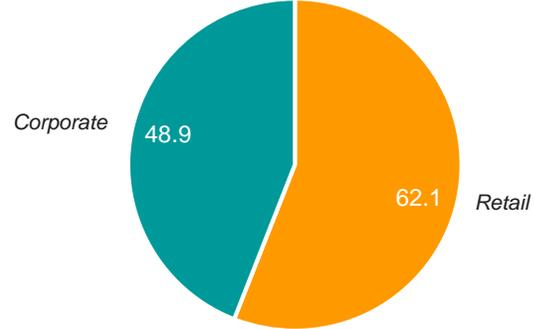
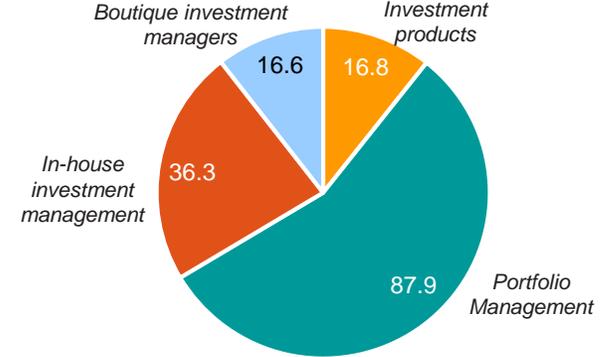
On 27 August 2020 APRA imposed additional licence conditions on, and issued certain directions to, NULIS Nominees (Australia) Limited (NULIS). The conditions require NULIS to make certain changes to its systems and processes and the directions require NULIS to engage an independent expert to perform compliance assessments to confirm its compliance with the conditions



Notes: (1) Based on active MLC advisers only. (2) Based on IOOF's estimate of MLC's Sep-20 pro forma net revenue. (3) Total includes ~\$(2) million of other net revenue. (4) The Advice Entities will remain with NAB. IOOF is not assuming any pre-completion advice liabilities and NAB and the Advice Entities have agreed to release IOOF and the MLC Group in respect of pre-completion conduct relating to the Advice business. (5) Boutiques FUM included on a 100% basis.

MLC in detail

MLC is a diversified wealth management and advice business

	Advice ¹	Platforms, retirement and investment solutions	Asset management
Business Overview	<ul style="list-style-type: none"> Includes the self-employed MLC Advice business, and dealer groups wholly owned by MLC: 30 June 2020 Funds under Advice: <ul style="list-style-type: none"> MLC Advice: \$22.8 billion Dealer groups: \$16.7 billion 30 June 2020 number of advisers:² <ul style="list-style-type: none"> MLC Advice: 102 Dealer groups: 436 	<ul style="list-style-type: none"> Platform business across retail and corporate: <ul style="list-style-type: none"> Retail – Wrap & MasterKey Onsale and Mature products Corporate SME – MasterKey Business and Personal Super Institutional / large corporate – Plum Business and Plum Personal Includes IFA sales and support sub-segment, which is a channel for non-MLC licensed advisers offering MLC products as part of APL 	<ul style="list-style-type: none"> End-to-end product manufacturing: <ul style="list-style-type: none"> Investment products: MLC Wholesale Investment Options (for Wrap product), Jana Investment Trusts and Direct Asset Management options Portfolio management: Including portfolio construction, asset allocation, manager research and selection and portfolio implementation and research Investment management: Internal capability, together with investment in boutique partners across a range of asset classes
Key metrics – 30 June 2020	 <p>No. of active advisers: 538²</p>	 <p>FUAdmin: \$111.0 billion</p>	 <p>FUM: \$157.6 billion³</p>



Notes: (1) The Advice Entities will remain with NAB. IOOF is not assuming any pre-completion advice liabilities and NAB and the Advice Entities have agreed to release IOOF and the MLC Group in respect of pre-completion conduct relating to the Advice business. (2) Based on active MLC advisers only. (3) Boutiques FUM included on a 100% basis.



Section 3 | Strategic vision

A new IOOF: Australia's leading advice-led wealth manager

Australia's leading advice-led wealth manager

- Combined FUMA of \$510 billion¹
- #1 retail wealth manager by Platform FUAdmin¹
- #1 advice business by number of advisers²
- #2 Superfunds FUAdmin³
- Looking after ~2.2 million Australians

ClientFirst culture

- Brings together a common culture with client-focused strategy.
- Significant scale to deliver the lowest cost to operate and offer streamlined propositions to clients/members.
- Ensuring members and clients benefit from wealth management industry transformation.

Lead the advice industry evolution

- Deployment of Advice 2.0 strategy to lead transformation of advice industry, lifting professionalism, support and compliance.
- Strong commitment to continue investment into advice systems and processes, with a focus on delivering higher quality, and more efficient advice outcomes.
- IOOF is committed to its advice-led wealth management strategy to deliver advice to Australians.

Proprietary technology

- In-house technological capabilities have underpinned IOOF's operational transformation and has become a source of competitive advantage.
- IOOF's technology is highly adaptable as demonstrated by our Evolve technology, which already administers both Employer Super and advisory (retail) product suites.
- Technology will be a critical component of the separation and integration of MLC.

Significantly earnings and cashflow accretive

- High cashflow generation profile.
- Low capital intensity and net working capital requirements.

Strong pro-forma balance sheet

- Expected Completion net debt / EBITDA of <1.0x, below IOOF's target leverage ratio range of 1.0x to 1.3x.⁴
- Further de-leveraging over the medium term through strong organic cash flow generation.⁵
- Expect to maintain the current dividend policy of 60 – 90% of UNPAT payout ratio.

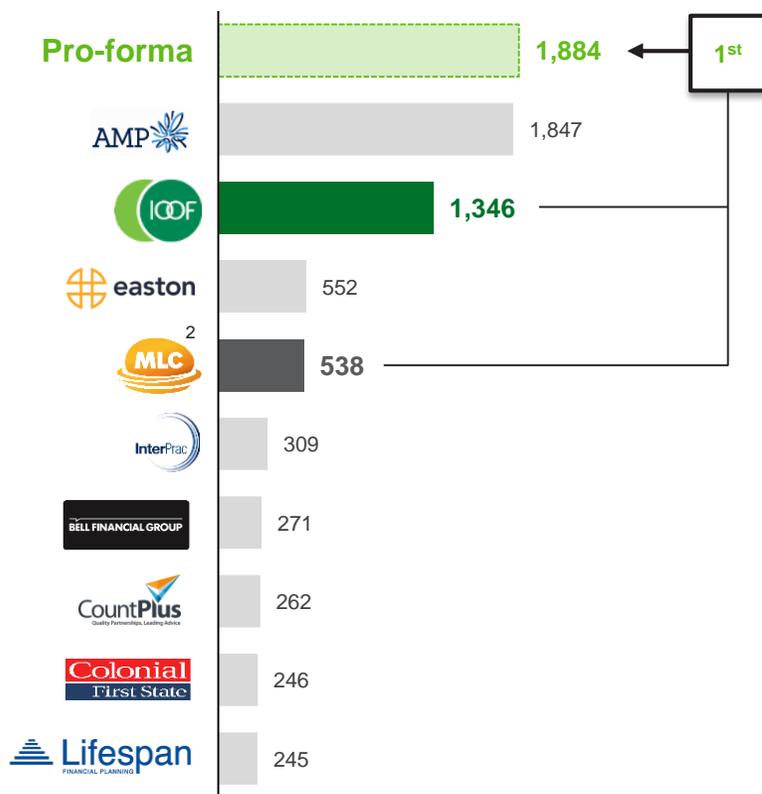


Notes: (1) For MLC, FUMA sourced from NAB as at 30 June 2020. For IOOF, FUMA based on reported FUMA as at 30 June 2020. (2) IOOF financial adviser numbers sourced from ASIC financial adviser register (as at 20 August 2020). MLC adviser numbers sourced from NAB as at 30 June 2020. Assumes all current MLC financial advisers transition to IOOF. Based on active MLC advisers only. (3) Based on APRA annual fund-level superannuation statistics June 2019 (issued 10 December 2019). (4) Based on IOOF's estimate of MLC's Sep-20 earnings reflecting a standalone cost base. Does not include synergies. Net debt as defined for debt covenants and excludes the subordinated loan note issued to NAB. (5) In addition, IOOF evaluates potential opportunities for investments or divestments on a regular basis. IOOF has received an approach with a third party, relating to the potential divestment of its professional trustee services business, Australian Executor Trustees Limited. While discussions are on-going, there is no assurance that any divestment will occur, of if so, on what terms.

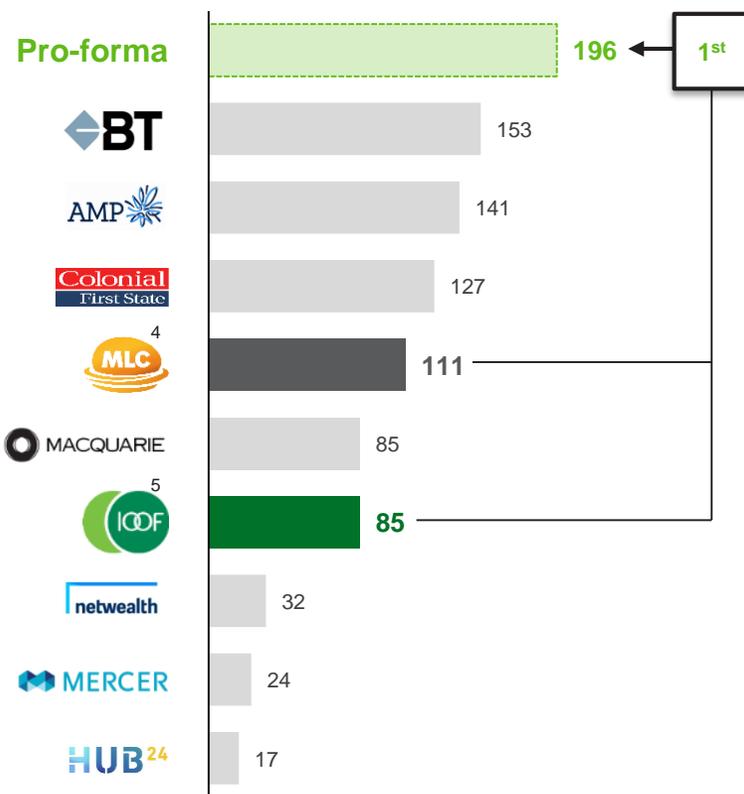
Australia's leading advice-led wealth manager

The transaction creates the number 1 retail wealth manager by Funds under Administration and the number 1 advice business by number of financial advisers.

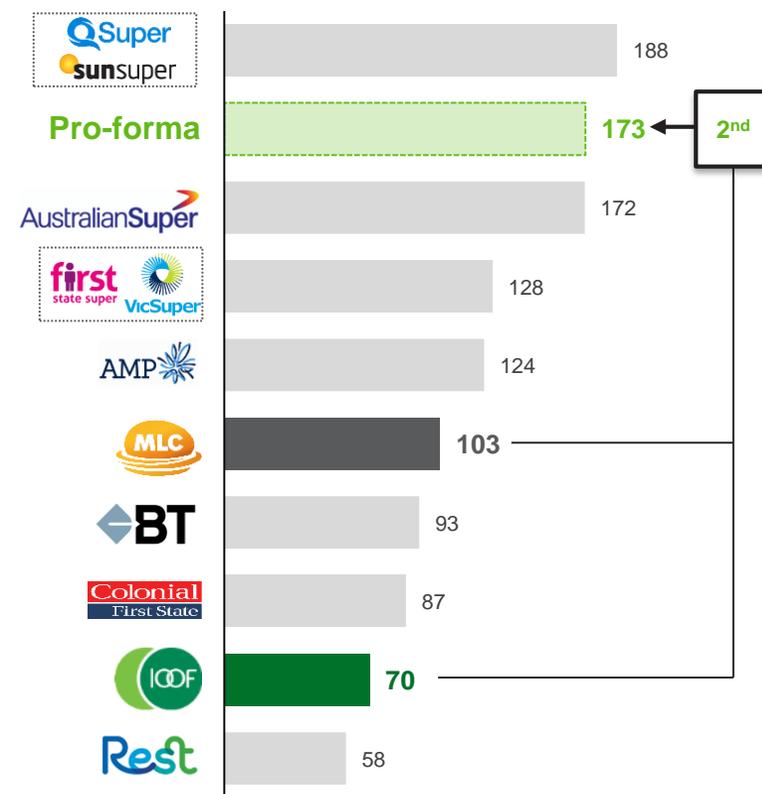
Financial advisers¹ (No.)



Platform (FUAdmin, \$ billion)³

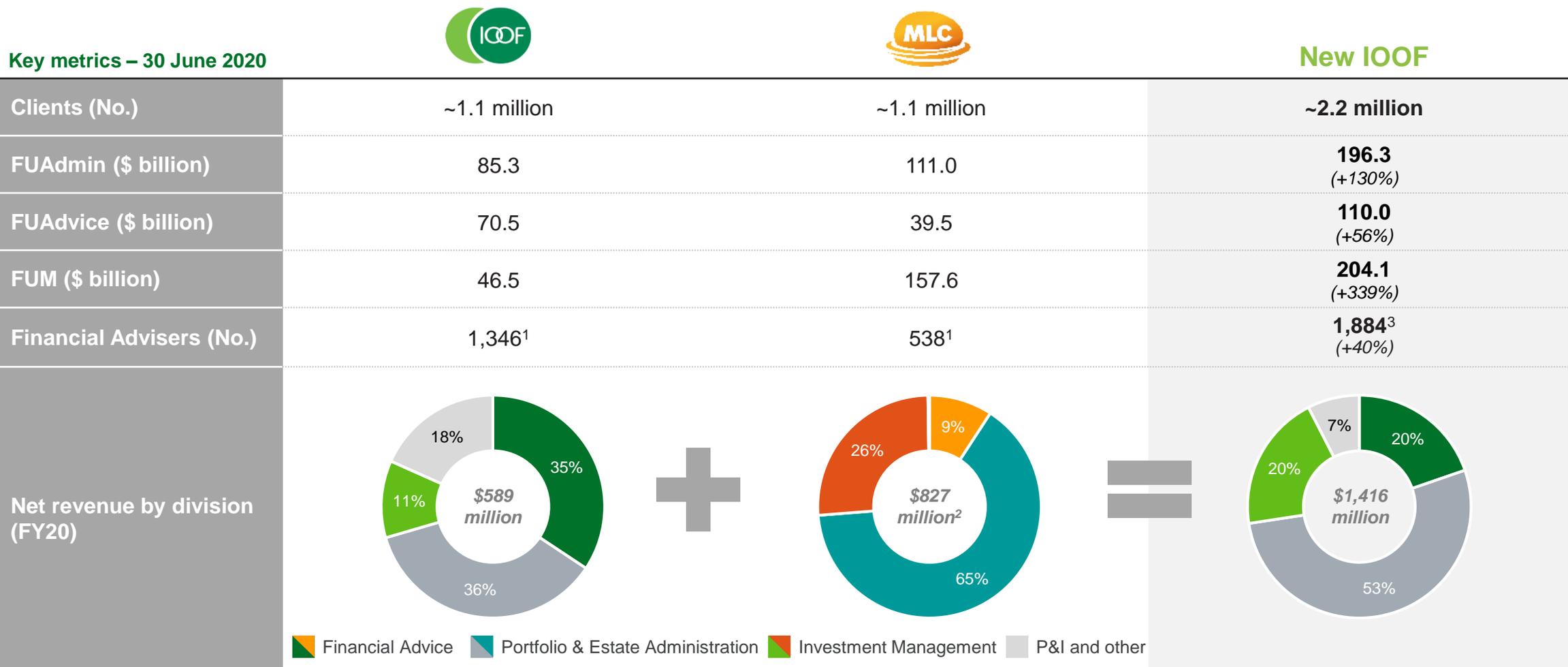


Superannuation (FUAdmin, \$ billion)⁶



Notes: (1) Financial adviser numbers sourced from ASIC financial adviser register (as at 20 August 2020). Shows ranking of total current adviser licenses by controlling entity, does not include SMSF Advisers Network / National Tax Accountants (852 advisers). Assumes all current MLC financial advisers transition to IOOF. (2) MLC adviser numbers sourced from NAB as at 30 June 2020. Based on active MLC advisers only. (3) Platform Funds under Administration sourced from Plan for Life Platform Funds Monthly Market Report for Total Wraps, Platforms and Master Trusts, as at May 2020. (4) For MLC, Funds under Administration sourced from NAB as at 30 June 2020. (5) For IOOF, Funds under Administration based on reported FUMA as at 30 June 2020. (6) Based on APRA annual fund-level superannuation statistics June 2019 (issued 10 December 2019). QSuper / Sunsuper funds shown on a combined basis given Memorandum of Understanding signed 4 March 2020 (per Qsuper announcement). First State Super / VicSuper shown on a combined basis to reflect merger completed on 1 July 2020.

Acquisition will significantly increase the scale of IOOF's core business

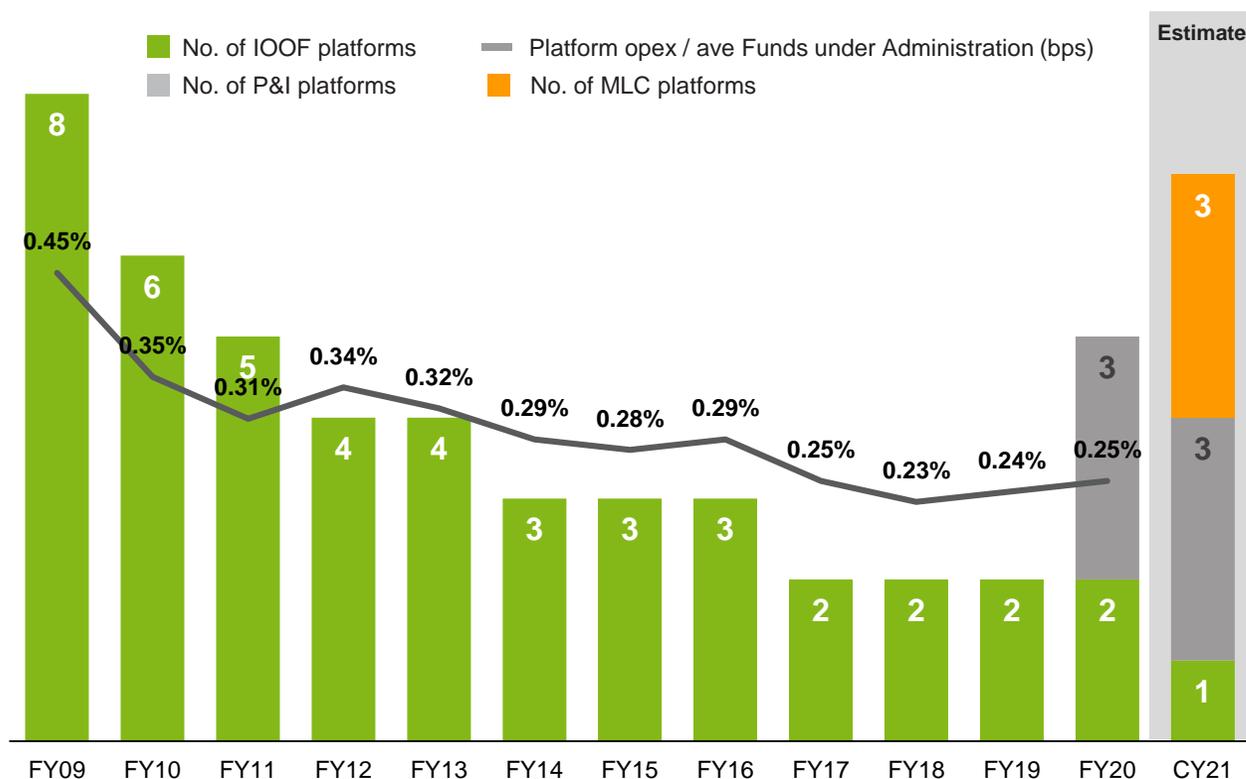


Notes: (1) IOOF financial adviser numbers sourced from ASIC financial adviser register (as at 20 August 2020). MLC adviser numbers sourced from NAB as at 30 June 2020. Based on active MLC advisers only. (2) Based on IOOF's estimate of MLC's Sep-20 pro forma net revenue. (3) Assumes all current MLC financial advisers transition to IOOF.

Simplification benefits through scale

Successful track record of integration and simplification delivering long term benefits

Platforms and operating expenses over time



Simplification benefits

- › Highly complementary business model provides opportunities to realise significant simplification
- › Enabling efficiency benefits, sustainability and ability to innovate

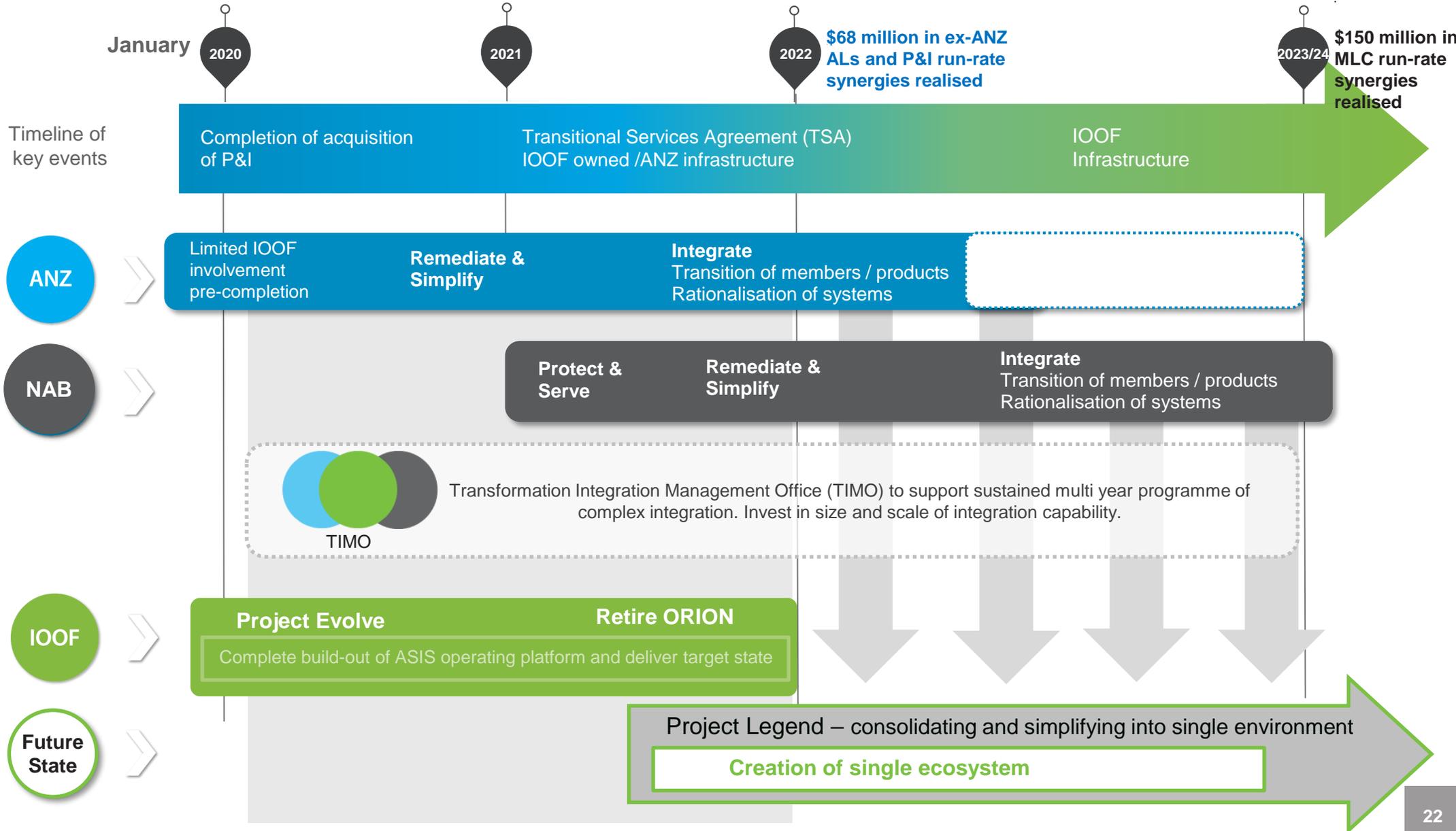
Lowest cost to operate

- › Evolve is a cross-functional programme of work delivering IOOF's go-forward platform for proprietary retail, advisory and workplace products
- › Enables IOOFs platforms to go from two to one by end of 2021
- › IOOF owns its own technology
- › The Evolve platform currently administers:
 - Employer Business – c. \$8 billion and ~146,000 accounts¹
 - Retail Wrap – c. \$5 billion and ~30,000 accounts¹



Section 4 | Integration management

High level roadmap – industrialised transformation and migration capabilities



Hypothesis: Support “as is” to understand “what matters” from member perspective. Jointly led strategy to improve member outcomes before full separation. This is NOT just an integration. It’s a transformation

IOOF continues to execute own investment in future technology, product and service. Latest technology thinking and systems. Minimises risks.

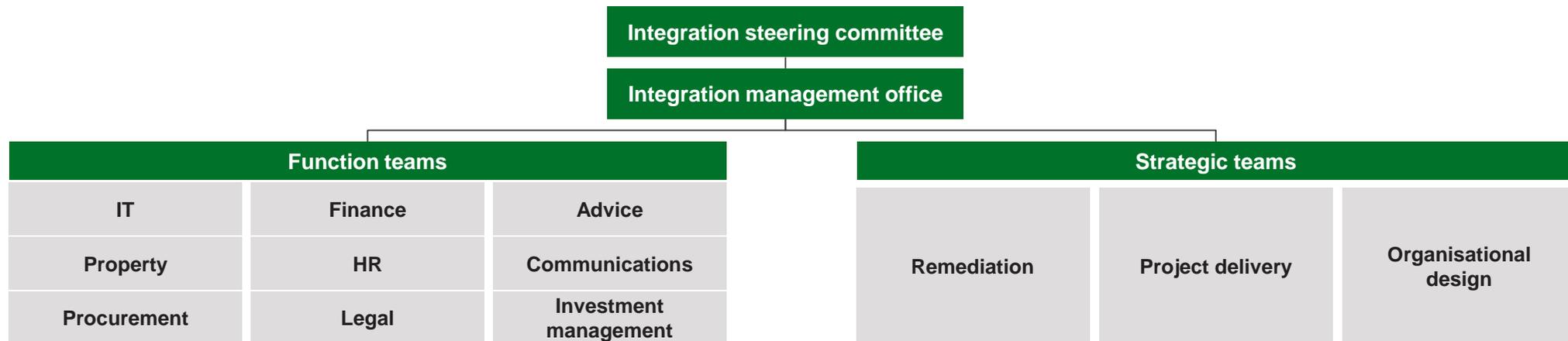


Integration management

IOOF has a detailed integration plan that leverages the deep institutional expertise developed over numerous transactions and integrations

Integration execution team

- ✓ **Execution:** IOOF has deep experience in integrating complex wealth, with a particular emphasis on the integration and consolidation of IT systems and platforms.
- ✓ **Planning:** IOOF has developed a clear integration plan for MLC which will ensure a smooth transition, alongside the ongoing integration of the P&I business.
- ✓ **Accountability:** MLC execution team includes dedicated Transformation executive reporting to the CEO.
- ✓ **Resourcing:** Well resourced teams to implement integration, overseen by IOOF Executive team through business line responsibilities.
- ✓ **Outcomes:** Continued focus on client/member outcomes.





Section 5 | Transaction funding and financial impact

Transaction funding

Funding mix

Acquisition consideration	<ul style="list-style-type: none"> • Purchase consideration of \$1,440 million <ul style="list-style-type: none"> › Upfront cash consideration of \$1,240 million; and › 5 year subordinated loan note of \$200 million • Cash consideration funded with existing cash, incremental senior debt and an underwritten equity raise announced today
Equity raising	<ul style="list-style-type: none"> • Fully underwritten institutional placement (Placement) and pro rata accelerated non-renounceable entitlement offer (Entitlement Offer) to raise \$1,040 million • Potential additional proceeds via share purchase plan
Debt	<ul style="list-style-type: none"> • \$250 million new syndicated debt
Subordinated loan note	<ul style="list-style-type: none"> • \$200 million subordinated loan note issued to NAB

Sources & uses

Sources	\$ million
Placement and Entitlement Offer	1,040
Subordinated loan note issued to NAB	200
Incremental debt	250
Existing IOOF cash	40
Total sources	1,530

Uses	\$ million
Purchase consideration	1,440
Upfront integration costs and transaction costs	90
Total uses	1,530

Combined group – pro forma financial summary

FY20 pro forma financial profile

\$ million	IOOF (audited)	MLC ¹ (unaudited, pro forma standalone estimate)	Combined (pre-synergies)	Impact from synergies ²	Uplift in funding costs ³	Combined (run-rate synergies)
Net revenue (\$ million)	589	827	1,416			1,416
Operating expenses (\$ million)	(384)	(682)	(1,067)			(1,067)
Underlying EBITDA (\$ million)	204	145	349	150		499
UNPAT (\$ million)	124	89	213	105	(5)	313
Funds under Advice (\$ billion)	71	40	110			110
Funds under Administration (\$ billion)	85	111	196			196
Funds under management (\$billion)	47	158	204			204
Senior net debt / EBITDA (x)	1.3x					0.8x⁶

Profit and loss

› Acquisition:

- Expected to deliver in excess of 20% EPS accretion on an FY21F pro forma basis⁴, including \$150 million of targeted pre-tax synergies, excluding transaction and integration costs; and
- Targeting return on funds employed of c. 15%⁵ by the third full year of ownership.
- Strong cashflow generation.

Balance sheet

- › Sufficient regulatory capital and management buffers transferred with MLC as part of the acquisition.
- › Maintenance of conservative leverage profile – combined net debt to EBITDA at Completion expected to be below target leverage range of 1.0x to 1.3x.
- › IOOF expects to maintain its target 60 – 90% of UNPAT dividend payout policy.

Notes: (1) Based on IOOF's estimate of MLC's Sep-20 earnings reflecting a standalone cost base. (2) Synergies targeted to be realised in full in the third full year of ownership. Excludes \$360m in one-off pre-tax integration costs associated with the MLC acquisition. Synergies tax effected at 30% for UNPAT. (3) \$5m in post-tax funding costs accounts for both the incremental \$250 million in senior debt funding (estimated ~2% pre-tax cost of funds) and subordinated loan note. Tax effected at 30%. (4) EPS accretion as if the MLC acquisition was effective 1 July 2020. In accordance with AASB133, IOOF's FY21F EPS has been adjusted to account for the bonus element of the Entitlement Offer and the Placement. Calculated excluding the impact of any proceeds received under the proposed Share Purchase Plan. (5) Based on targeted returns in the third full year of ownership (including run-rate synergies of \$150m pre-tax, excluding integration and transaction costs) divided by funds employed (inclusive of transaction and integration costs). Funds employed is calculated as capital employed including cumulative capital expenditure less cumulative depreciation and amortisation over 3 years. (6) Based on MLC's estimated underlying FY20 cash earnings. Does not include synergies. Net debt as defined for debt covenants and excludes the subordinated loan note issued to NAB.



Debt funding and subordinated loan note

Transaction is expected to be materially credit enhancing for IOOF, driven by realisation of targeted synergies and high cash flow generation

Senior debt funding

Upfront senior debt funding	<ul style="list-style-type: none"> Upfront purchase consideration will be partly funded by a new committed senior debt facility of \$250 million
Pro forma leverage	<ul style="list-style-type: none"> The transaction has been funded to align gearing with low end of IOOF's target 1.0x – 1.3x net debt / EBITDA range. <ul style="list-style-type: none"> Expected Completion net debt / EBITDA of <1.0x, below IOOF's target leverage ratio range¹; and Leverage expected to reduce over time with the realisation of synergies
Impact on existing facilities	<ul style="list-style-type: none"> Existing syndicated facilities remain in place, subject to lender consent <ul style="list-style-type: none"> IOOF is confident it will be able to obtain lender consent on its existing syndicated facility. NAB has already provided its consent as an existing lender to the syndicated facility IOOF expects to maintain a diversified lender group post-transaction IOOF extended its debt maturity during the period to September 2022
Funding certainty	<ul style="list-style-type: none"> To ensure funding certainty: <ul style="list-style-type: none"> New upfront facility to be underwritten by NAB and Citi Backstop provided by NAB and Citi in the unlikely scenario that consent is not provided by existing lender group

Subordinated loan note

Issue size	<ul style="list-style-type: none"> \$200 million
Coupon	<ul style="list-style-type: none"> 1% per annum on principal and any coupon payable but unpaid due to the subordination regime Step up to 4% per annum if Noteholders request redemption more than 42 months after the issue date and the Company does not redeem
Redemption	<ul style="list-style-type: none"> Redemption amount equal to principal plus accrued interest plus additional amount equal to any uplift in notional securities over a reference price (being a 15% premium to TERP for the Equity Offer) and subject to adjustment, including for dividends
Maturity date	<ul style="list-style-type: none"> 5 years from Completion
Early Redemption start period	<ul style="list-style-type: none"> 42 months from Completion
Structure	<ul style="list-style-type: none"> Subordinated to the Group's senior bank debt financiers Ranks equally with all other senior unsecured creditors Ranks senior to equity holders



Notes: (1) Based on MLC's estimated underlying FY20 cash earnings. Does not include synergies. Net debt as defined for debt covenants and excludes the subordinated loan note issued to NAB.

Equity raising details

Offer size and structure	<ul style="list-style-type: none"> Fully underwritten \$1,040 million equity raising consisting of: <ul style="list-style-type: none"> › An institutional placement (Placement) to raise approximately \$452 million; and › A 1 for 2.09 pro rata accelerated non renounceable entitlement offer (Entitlement Offer) to existing shareholders to raise approximately \$588 million. <ul style="list-style-type: none"> - Eligible shareholders will be invited to subscribe for one new IOOF share (New Shares) for every 2.09 existing IOOF shares held as at 7:00pm Wednesday, 2 September 2020 (Entitlement Offer Record Date) - The Entitlement Offer is non renounceable and entitlements will not be tradeable or otherwise transferable A non-underwritten Share Purchase Plan Approximately 297 million New Shares to be issued under the Offer representing approximately 85% of current issued capital¹
Offer pricing	<ul style="list-style-type: none"> The Equity Raising will be offered at a price of \$3.50 per New Share (Offer Price) <ul style="list-style-type: none"> › 22.5% discount to dividend adjusted last close price of \$4.515 on Wednesday, 26 August 2020; and › 13.6% discount to dividend adjusted theoretical ex-rights price (TERP)² of \$4.05 on Wednesday, 26 August 2020
Use of proceeds	<ul style="list-style-type: none"> The proceeds will be used to fund (i) upfront purchase price of MLC and (ii) upfront integration costs and transaction costs If the Acquisition does not proceed, IOOF will consider alternative uses for some of the funds, including the return of some of the proceeds to shareholders, debt reduction, working capital or alternative investment opportunities
Institutional offer	<ul style="list-style-type: none"> Institutional Entitlement Offer and Placement to be conducted from Monday, 31 August 2020 to Tuesday, 1 September 2020³ Entitlements not taken up and those of ineligible institutional shareholders will be sold at the Offer Price
Retail offer	<ul style="list-style-type: none"> Retail entitlement offer to open on Monday, 7 September 2020 and close at 5:00pm on Wednesday, 16 September 2020³ Only eligible shareholders with a registered address in Australia or New Zealand may participate in the Retail Entitlement Offer
Share Purchase Plan ⁴	<ul style="list-style-type: none"> IOOF will offer a Share Purchase Plan (SPP) to eligible shareholders in Australia and New Zealand on the IOOF register as at 7:00pm Friday, 28 August 2020 (SPP Record Date) to apply for up to an additional A\$30,000 of New Shares free of any brokerage, commission and transaction costs The price for the SPP will be the same as the Offer Price IOOF is aiming to raise up to \$50 million via the SPP which is not underwritten, but reserves the right to increase this amount in its absolute discretion
Board participation	<ul style="list-style-type: none"> All of the Directors of IOOF who are shareholders have indicated they will participate in the Entitlement Offer
Underwriting	<ul style="list-style-type: none"> The Placement and Entitlement Offer are fully underwritten by the Lead Manager The SPP is not underwritten
Ranking of new shares	<ul style="list-style-type: none"> New Shares will rank equally with existing IOOF shares on issue, but will not be eligible to receive the dividend declared on Monday, 31 August 2020



Notes: (1) Excludes any proceeds raised through the Share Purchase Plan. (2) The theoretical ex rights price (TERP) includes shares issued under the Entitlement Offer and Placement. TERP is the theoretical price at which IOOF's shares should trade at immediately after the ex-date for the Entitlement Offer based only on the last traded price and issuance of shares at the Offer Price in the Entitlement Offer and the Placement. TERP is a theoretical calculation only and the actual price at which IOOF shares trade immediately after the ex-date for the Entitlement Offer may be different from TERP. (3) These timings are indicative only and subject to variation. IOOF reserves the right to alter the timetable at its absolute discretion and without notice, subject to the Listing Rules, Corporations Act and other applicable laws. All references are to Australian Eastern Standard Time (AEST). (4) The equity raising structure balances the need for certainty of proceeds received through the underwritten Placement and Entitlement Offer (for the purposes described in this presentation) with IOOF's desire to provide its retail shareholders with the opportunity to further participate in the capital raise through the SPP. The target on the SPP of \$50 million is considered appropriate to provide the majority of IOOF's retail shareholders with the opportunity to receive a pro rata allocation having regard to the total equity raising size and structure (including that it is being offered together with the Entitlement Offer) and the construct of the share register. Full details of the SPP will be set out in the SPP offer booklet, which will be sent out to eligible shareholders in due course.

Equity raising timetable

Event	Date
SPP Record Date	7:00pm Friday, 28 August 2020
Announcement of Placement and accelerated non-renounceable entitlement offer	Monday, 31 August 2020
Entitlement Offer Record Date	7:00pm Wednesday, 2 September 2020
Placement and Institutional Entitlement Offer	
Placement and Institutional Entitlement Offer opens	Monday, 31 August 2020
Placement and Institutional Entitlement Offer closes	Tuesday, 1 September 2020
Announcement of results of Placement and Institutional Entitlement Offer	Wednesday, 2 September 2020
Shares recommence trading	Wednesday, 2 September 2020
Settlement of New Shares issued under the Placement and Institutional Entitlement Offer	Monday, 7 September 2020
Issue and commencement of trading of New Shares under the Institutional Entitlement Offer	Tuesday, 8 September 2020
Retail Entitlement Offer and SPP	
Retail offer booklet despatched to Eligible Retail Shareholders and Retail Entitlement Offer opens	Monday, 7 September 2020
SPP offer booklet despatched to Eligible Retail Shareholders and SPP opens	Monday, 7 September 2020
Retail Entitlement Offer and SPP closes	5:00pm Wednesday, 16 September 2020
Announcement of results of Retail Entitlement Offer and SPP	Friday, 18 September 2020
Settlement of New Shares issued under the Retail Entitlement Offer	Tuesday, 22 September 2020
Issue of New Shares under the Retail Entitlement Offer	Wednesday, 23 September 2020
Commencement of trading of New Shares issued under the Retail Entitlement Offer	Thursday, 24 September 2020
Holding statements in respect of New Shares issued under the Retail Entitlement Offer despatched	Thursday, 24 September 2020
Allotment of New Shares under the SPP	Thursday, 24 September 2020
Commencement of trading of New Shares issued under the SPP	Friday, 25 September 2020
Holding statements in respect of New Shares issued under the SPP despatched	Friday, 25 September 2020



The timetable (and each reference in this presentation to a date specified in the timetable) is indicative only and IOOF may, at its discretion, vary any of the above dates by lodging a revised timetable with the ASX. All times referred to in this presentation are Australian Eastern Standard Time (AEST).

Summary sale and purchase agreement and other terms

<p>Acquisition</p>	<ul style="list-style-type: none"> • The acquisition by IOOF from NAB of 100% of the MLC Group (post restructure to exclude the AFSL holders that operate MLC’s advice business (the Advice Entities) and other out of scope entities) (the MLC Group) and assets (but not liabilities) of the Advice Entities. The transaction perimeter excludes MLC Life (which remains 20% owned by NAB) and JBWere. • MLC self-employed advisers proposed to transfer to IOOF AFSLs at Completion. • Transaction perimeter excludes MLC Life (which remains 20% owned by NAB) and JBWere.
<p>Transaction price and consideration</p>	<ul style="list-style-type: none"> • Purchase consideration of \$1,440 million <ul style="list-style-type: none"> › \$1,240 million is payable on Completion; › \$200 million is payable via Subordinated Loan Notes. • Purchase price will be subject to standard closing account adjustments including in relation to net assets, regulatory capital and a buffer.
<p>Subordinated Loan Notes (SLNs)</p>	<ul style="list-style-type: none"> • SLNs are unsecured subordinated debt obligations of IOOF. • 1% per annum coupon, payable semi-annually. Step up to 4% per annum if Noteholders request redemption more than 42 months after the issue date and the Company does not redeem. • 5 year term with an early redemption start period of 42 months from Completion. • Equity linked redemption linked to any uplift in notional securities over a reference price (being a 15% premium to TERP for the Equity Offer) and subject to adjustment. • IOOF permitted to accelerate redemption after 3 years if VWAP is at least 150% of the reference price or in the case of certain tax changes. Holder permitted to accelerate redemption at any time commencing 42 months after the issue date, subject to Issuer consent, or upon change in control (acquisition by a person of beneficial ownership of 50% or more of the ordinary voting power or outstanding voting shares) or delisting or 15 trading day suspension).
<p>Conditions</p>	<ul style="list-style-type: none"> • Sale is conditional on: <ul style="list-style-type: none"> › APRA approval on IOOF’s application to own or control a registrable superannuation entity (RSE) licensee under section 29HD of <i>the Superannuation Industry (Supervision) Act 1993 (SIS Act)</i>. IOOF has experience in obtaining the SIS Act approval through its ANZ P&I transaction. › ACCC non-objection to the acquisition. While the transaction would see IOOF increase its share in some industry segments, it would continue to face rigorous competition from not only other wealth managers but also industry funds, and the best interests duty for advisers has removed certain of the benefits of scale.

Summary sale and purchase agreement and other terms (cont'd)

<p>Conditions (cont'd)</p>	<ul style="list-style-type: none"> • Sale is conditional on: <ul style="list-style-type: none"> › Transfer of Advice Entities and excluded assets outside transaction perimeter as part of the separation of the MLC business. › No termination of the existing (debt and equity) funding agreements. • In addition, certain foreign regulatory notifications and approvals are required as Completion deliverable as a result of the operations in the UK, Ireland, Canada and the USA where MLC has relatively small operations.
<p>Break fee</p>	<ul style="list-style-type: none"> • A break fee of \$14 million is only payable by IOOF if either IOOF or NAB terminate the Share Sale and Purchase Agreement due to termination of a Funding Agreement (equity or debt) (other than by IOOF) and it is not cured generally within a 20 business day cure period.
<p>Estimate time for completion</p>	<ul style="list-style-type: none"> • Completion is currently expected before 30 June 2021, although the timetable may change. • Timing is ultimately subject to satisfaction of closing conditions and completion deliverables.
<p>Transition/transitional services</p>	<ul style="list-style-type: none"> • The parties have agreed to plan for the transition of the respective businesses through a transitional implementation plan reporting to a committee represented by NAB, MLC and IOOF during the pre-Completion period. The transition process will be governed by a range of separation agreements following Completion. • After regulatory approvals have been obtained IOOF intends to stand-up a new data centre to accept the transfer of the NAB/MLC records post Completion. • NAB has agreed to provide transitional services for up to two years although the intention is to migrate off such services as quickly as possible following Completion.
<p>Liability regime</p>	<ul style="list-style-type: none"> • The Advice Entities will remain with NAB. IOOF is not assuming any pre-completion advice liabilities under the transaction documents and NAB and the Advice Entities have agreed to release IOOF and the MLC Group in respect of pre-completion conduct relating to the Advice business. • Provisions for a small number of known matters will be included in the completion accounts (at least \$30 million), although the final provision will depend on the status of the various remediation programs at Completion. • Indemnities provided for specific pre-completion matters including tax, breaches of anti-money laundering, regulator fines and penalties, an 80% share of a provision overrun for a remediation programme for workplace super and three pieces of litigation (relating to an ASIC action in relation to plan service fees, a class action in relation to grandfathered commissions and a separate class action in relation to the transition of certain accrued default account members to MySuper) and certain on-going regulatory investigations and certain existing investigations in respect of the MLC Group including investigations relating to the implementation of planned services fees, late lodgement of significant breach reports and deduction of adviser services fees from super accounts of deceased members. • Typical warranties for a transaction of this type. • The indemnities and warranties are subject to various limitations and qualifications and subject to certain exceptions, an aggregate limit of the purchase price applies.
<p>Inherited MLC Life arrangements continue</p>	<ul style="list-style-type: none"> • Existing MLC Life (80% owned by Nippon Life, 20% owned by NAB) arrangements with MLC will continue. • MLC and IOOF to procure offer and promotion of certain life insurance products of MLC Life through MLC and IOOF channels on a non-exclusive basis. • MLC restricted from issuing directly competing life products until October 2036 (but does not restrict continued issuance of certain existing IOOF products) and white-labelling certain life insurance products using MLC's brands until October 2029.

Summary of Underwriting Agreement

IOOF has entered into an underwriting agreement under which Citigroup Global Markets Australia Pty Limited (the Underwriter) has agreed to fully underwrite the Offer,¹ subject to the terms and conditions of that agreement (Underwriting Agreement). The SPP is not underwritten.

The Underwriter's obligations under the Underwriting Agreement, including to manage and underwrite the Offer, are conditional on certain matters, including IOOF entering into the Acquisition agreement and Acquisition debt funding arrangements, IOOF obtaining all ASX waivers and ASIC modifications necessary to implement the Offer, IOOF releasing to ASX an announcement that discloses the Offer, as well as IOOF providing executed due diligence materials to the Underwriter before the Offer is announced. Further, if certain events occur, some of which are beyond IOOF's control, the Underwriter may terminate the Underwriting Agreement.

The Underwriter may terminate its obligations under the Underwriting Agreement on the occurrence of certain events, including where:

- a) the Acquisition will not proceed due to:
 - i. where a condition precedent to the Acquisition agreement or the Acquisition debt funding arrangements (in the reasonable opinion of the Underwriter) becomes or is likely to become incapable of being satisfied and as a result of which it becomes capable of being terminated by a party; or
 - ii. the Acquisition agreement or the Acquisition debt funding arrangements are amended, modified, varied or breached in a manner which has a material adverse effect, or they are terminated, rescinded or repudiated, in either case, without the Underwriter's prior written consent;
- b) any offer document omits certain material required by the Corporations Act or contains (whether by omission or otherwise) any statement which is false, misleading or deceptive (including by way of omission) or which is likely to mislead or deceive;
- c) IOOF becomes aware that it will not be able to drawdown the required amount under the Acquisition debt funding arrangements on or prior to the Acquisition settlement date;
- d) IOOF ceases to be admitted to the official list of ASX or its ordinary shares are suspended from trading on, or cease to be quoted on, ASX (for any reason other than a trading halt in connection with the Offer);
- e) ASIC applies for certain orders under the Corporations Act in relation to the Offer or an offer document, or gives a notice of intention to prosecute or prosecutes IOOF or any of its Directors, or takes certain other actions;
- f) approval for the official quotation of the New Shares is not given by ASX by the applicable dates;
- g) IOOF is prevented from allotting or issuing New Shares under the Offer;
- h) there are certain delays in the timetable for the Offer or the SPP without the Underwriter's consent;
- i) IOOF or one of its subsidiaries (Group Member) is insolvent or there is an act or omission which is likely to result in IOOF or a Group Member becoming insolvent;
- j) ASIC makes a determination, exemption or order which would prevent IOOF from making the Offer under sections 708AA (as modified by the ASIC Instrument and any other applicable ASIC legislative instrument or other relief) or 708A, including a determination under sections 708AA(3) or 708A(2);
- k) an obligation arises on IOOF to give ASX a notice in accordance with section 708AA(12) (as modified by the ASIC Instrument and any other applicable ASIC legislative instrument or other relief), other than the obligation to lodge a supplementary offer document solely because of agreement on a revised Offer Price;
- l) an event or occurrence which makes it illegal or commercially impossible for the Underwriter to satisfy an obligation under the Underwriting Agreement, or to market, promote or settle the Offer; or
- m) IOOF withdraws the Offer or any part of the Offer.

In addition, in some cases the Underwriter's ability to terminate the Underwriting Agreement will depend on whether, in the reasonable opinion of the Underwriter, the event:

- a) has, or is likely to have, a material adverse effect on the success of the Offer, the ability of the Underwriter to market or promote or settle the Offer, the price or likely price at which the New Shares are likely to trade on ASX or the willingness of persons to apply for, or settle obligations to subscribe for, New Shares under the Offer; or
- b) has given (or is likely to give) rise to a liability for the Underwriter under, or result in the Underwriter being involved in a contravention of, any applicable law, (together, the **Materiality Qualifier**).

Such events include where:

- a) IOOF breaches or defaults under the Acquisition debt funding arrangements or any other material financing arrangement, or an event of default, potential event of default, review event which results in the accelerated repayment of the debt or financing, or other similar event occurs under or in respect of the Acquisition debt funding arrangements or any other material financing arrangement;
- b) IOOF or any of its Directors or officers engage, or have engaged, in any fraudulent conduct by or on behalf of IOOF (whether or not in connect with the Offer or the SPP), or civil or criminal proceedings are brought against IOOF or any Director or other officer of IOOF in relation to any fraudulent, misleading or deceptive conduct by or on behalf of IOOF (whether or not in connection with the Offer or the SPP);
- c) a Director of IOOF:
 - i. is charged with an indictable offence, or a public action is commenced by a government authority against any of IOOF's Directors or a government authority announces that it intends to take that action; or
 - ii. is disqualified from managing a corporation under applicable law; or
- d) a representation, warranty, undertaking or obligation contained in the Underwriting Agreement on the part of IOOF is breached, becomes not true or correct or is not performed.



Notes: (1) See "Shortfall" heading below for further details on this.

Summary of Underwriting Agreement (cont'd)

In addition, if certain events occur at any time in the period from (and including) the date of the Underwriting Agreement to and including 3.00pm on the Retail Settlement Date (as defined in the equity raising timetable), the Underwriter may notify IOOF of the event and request that a new Offer Price be determined as negotiated in good faith between the Underwriter and IOOF. If the Underwriter and IOOF have not agreed a new Offer Price prior to 8.00am on the third business day following notification of the relevant event (or the Retail Settlement Date if the notification of the relevant event arises less than 3 business days prior to that date) then the Underwriter may terminate with immediate effect.

These events include:

- a) where one or both of the Chief Executive Officer and the Chairman of IOOF are terminated from their respective roles; or
- b) in the reasonable opinion of the Underwriter and subject to the Materiality Qualifier, one or more of the following events has occurred: there have been certain disruptions in trading of securities on ASX or certain other stock exchanges; a general moratorium on commercial banking activities or a material disruption in commercial banking or security settlement, payment or clearance services in certain countries; commencement or the major escalation of hostilities, or the declaration or escalation of a national emergency, or a terrorist attack, in certain countries; certain changes of law; the SPP offer booklet contains a statement that is false, misleading or deceptive (including by omission) or does not otherwise comply with applicable laws; or IOOF fails to conduct the SPP in accordance with applicable laws, and in the manner, and for the purpose described in, the announcement released on the same date as this presentation and the SPP offer booklet.

Termination of the Underwriting Agreement would have an adverse impact on the amount of proceeds raised under the Offer and could affect IOOF's ability to pay the purchase price for the Acquisition. If the Underwriting Agreement is terminated, IOOF must use reasonable endeavours to find alternative funding arrangements to meet its contractual obligations under the Acquisition agreement to pay the purchase price. A break fee is only payable by IOOF if either IOOF or NAB terminate the Share Sale and Purchase Agreement due to termination of a Funding Agreements (equity or debt) (other than by IOOF) and it is not cured within a 20 business day cure period. Termination of the Underwriting Agreement could materially adversely affect IOOF's business, cash flow, financial performance, financial condition and share price.

For details of the fees payable to the Underwriter, see the Appendix 3B released to ASX on 31 August 2020.

IOOF also gives certain representations, warranties and undertakings to the Underwriter and an indemnity to the Underwriter and its affiliates subject to certain carve-outs.

Shortfall

The Underwriting Agreement provides that the Underwriter will not be issued any shares that would either cause it to (i) notify the Treasurer under the Foreign Acquisitions and Takeovers Act 1975 (Cth), (ii) breach published Foreign Investment Review Board policy or (iii) breach the 20% takeover threshold contained in Chapter 6 of the Corporations Act 2001 (Cth). The issue size is up to approximately 297 million shares or 85% of the existing shares on issue. If the Underwriter is required to take up shares on issue which would otherwise cause it to breach or notify under these provisions then (i) it will still fund its respective proportion of the underwritten proceeds for the Placement and the Entitlement Offer in accordance with and subject to the terms of the Underwriting Agreement; and (ii) will seek to procure subscriptions in respect of the excess shortfall shares or may itself subscribe for the excess shortfall shares once the restriction no longer applies to it, within a certain period. No material impact on control is expected to arise as a consequence of these arrangements or from any shareholder taking up their entitlement under the Entitlement Offer where there is an excess shortfall.

The Directors of IOOF reserve the right to issue any shortfall (including any excess shortfall) under the Entitlement Offer and the Placement at their discretion. Any excess shortfall may, subject to the terms of the Underwriting Agreement, be allocated to the Underwriter or to third party investors as directed by the Underwriter. The basis of allocation of any other shortfall will be determined by the Directors of IOOF at their discretion, taking into account whether investors are existing shareholders, IOOF's register and any potential control impacts



Appendix A | Key risks

Key risks

Prior to deciding whether to apply for New Shares under the Offer, you should read this presentation and the Entitlement Offer booklet (as applicable) in their entirety and review all announcements made to the ASX and other information available on IOOF's website in order to gain an understanding of IOOF, its activities, operations, financial position and prospects. You should be aware that there are risks associated with an investment in IOOF. These can be categorised as specific risks (that is, matters that relate directly to the Acquisition or IOOF's business) and general risks (those that relate to the industries in which IOOF operates in general). Many of these risks are outside the control of IOOF and cannot be mitigated by the use of safeguards or any controls. The New Shares carry no guarantee in respect of profitability, return of capital or the price at which they will trade on ASX. An investment in IOOF is speculative. The following is not an exhaustive summary but identifies the areas the Board of Directors of IOOF regards as the major risks related to an investment in IOOF.

Risks specific to the Acquisition

<p>Completion Risk</p>	<p>Completion of the Acquisition is conditional on various matters as set out in the definitive share sale agreement in respect of the Acquisition (Sale Agreement), including certain regulatory approvals (including from the ACCC and APRA) and various completion deliverables including notifications and approvals from overseas regulatory authorities in the U.S., U.K., Ireland and Canada. If any of the conditions are not satisfied or waived, or any of the completion deliverables are not delivered, Completion of the Acquisition may be deferred or may not occur on the current terms or at all.</p> <p>If the Acquisition is not completed as a result of a failure to satisfy conditions (or otherwise), IOOF will need to consider alternative uses for the proceeds from the Offer, or ways to return such proceeds to shareholders. If Completion of the Acquisition is delayed, IOOF may incur additional costs and it may take longer than anticipated for IOOF to realise the benefits of the Acquisition. Any failure to complete, or delay in completing, the Acquisition could materially and adversely affect IOOF's operational and financial performance and the price of its shares.</p>
<p>Historical Liabilities</p>	<p>If the Acquisition completes, IOOF may become directly or indirectly exposed to liabilities that the MLC Group have incurred or are liable for in the past as a result of prior acts or omissions, including liabilities which were not identified during IOOF's due diligence or which are greater than expected, or for which IOOF was unable to negotiate sufficient protection in the Sale Agreement. Such liabilities may adversely affect the financial performance or position of IOOF after the Acquisition:</p> <p>(i) Advice liabilities: IOOF will seek to enter into a new arrangements with self-employed advisers of various Advice Entities (rather than inheriting or transferring the existing arrangements). While NAB has had an on-going substantial remediation program for advice, there is a risk that a third party could claim against the MLC Group in respect of pre-completion advice liabilities.</p> <p>(ii) Client remediation: The MLC Group has had to establish a number of active remediation projects including in relation to certain events related to, among other things, inappropriate charging of adviser service fees, insufficient client disclosures and notices, and incorrect calculations of tax capital gains tax and cost bases (Open Remediation Matters). If any Open Remediation Matters are not resolved before Completion a provision will be included in the completion accounts and, other than in relation to Workplace Super, that provision will be the sole recourse for those remediation projects. Determining such provisions requires significant judgement. Existing provisions of the MLC Group may not be sufficient and where a provision is increased following Completion, the costs of such increase will be borne by the MLC Group not NAB unless a warranty claim can be pursued. There may be additional matters not assessed during due diligence to which no provision may apply.</p> <p>(iii) AML/CTF liability: The MLC Group currently meets its AML/CTF obligations under a joint AML/CTF programme with other NAB Group entities. Following Completion, it will need to make alternative arrangements to meet those obligations. While NAB has indemnified IOOF for fines and penalties and monetary orders payable to AUSTRAC or the Commonwealth of Australia for pre-Completion breaches, there may be circumstances where the indemnity does not respond.</p> <p>(iv) Regulatory action: The MLC Group may be subject to regulatory action in respect of other acts or omissions that occurred prior to Completion. There may be circumstances where the indemnity NAB has provided IOOF does not cover all of the fines and penalties payable to regulators in respect of pre-Completion breaches of Law. Matters resulting in the regulatory action may also lead to the requirement for the MLC Group to modify its systems or compensate clients, which also will not be indemnified by NAB.</p> <p>(v) Class actions and investigations: Certain MLC Group entities are party to ongoing litigation in respect of a number of complaints and claims brought against them. This includes: (a) Mervyn Lawrence Brady v NULIS Nominees in the Federal Court of Australia (Federal Court) - a class action alleging breaches of s 52(2) of the Superannuation Industry (Supervision) Act in making and implementing a decision to continue to charge grandfathered commissions between June 2016 to October 2019 and so did not act in the best interests of the class members; (b) David Shimshon v MLC Nominees & NULIS Nominees (MySuper Class Action) in the Supreme Court of Victoria, a class action by members alleging breaches of s 52(2) of the Superannuation Industry (Supervision) Act in failing to transfer certain accrued default accounts held within the MLC MasterKey Personal Super and MLC MasterKey Business Super products to a MySuper product in a timely manner and so did not act in the best interests of the class members; and (c) ASIC v MLC Nominees & NULIS Nominees - an action by ASIC alleging breaches of sections 912A(1) (general obligations of a financial services licensee) and 1041H(1) (misleading or deceptive conduct) of the Corporations Act 2001 (Cth) and sections 12DA (misleading or deceptive conduct) and 12DB (false or misleading representations) of the Australian Securities and Investments Commission Act 2001 (Cth) in relation to plan services fees charged to superannuation members. Additionally, there are ongoing regulatory investigations in respect of the conduct of the MLC Group which, whilst not yet in litigation, may result in litigation (including criminal proceedings). These include investigations by ASIC in relation to (a) the implementation of plan service fees, (b) suspected contraventions of section 912D of the Corporations Act concerning the late lodgement of significant breach reports and (c) the deduction of adviser service fees from super accounts of deceased members. An indemnity from NAB applies in respect of the listed litigation and investigations, as well as certain claims made in, appeals from or proceedings that are directly related to the litigation and investigations, but may not respond to certain related claims or extend to other existing (or future) litigation or investigations.</p>

Key risks (cont'd)

Risks specific to the Acquisition (cont'd)

<p>Historical Liabilities (cont'd)</p>	<p>(vi) Royal Commission and ongoing regulatory investigations: A number of issues which are relevant to the MLC Group were identified as part of the Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry (the Royal Commission) some of which are subject to ongoing regulatory investigations by ASIC (see above) and APRA. The investigation by APRA has led to the imposition of additional licence conditions and directions on a member of the MLC Group as described below.</p> <p>(vii) Employee payroll liabilities: NAB is undertaking certain investigations in relation to potential underpayments pursuant to the terms of the enterprise agreement. There may be circumstances where an indemnity from NAB does not cover IOOF for all liability arising out of any claim by an employee for underpayment.</p> <p>(viii) Residual exposure under historical transaction documents: Certain MLC Group entities are exposed to potential residual liability (including tax liability) under historical transaction documents. The standard tax indemnity provided by NAB may not address other tax liability.</p>
<p>NULIS licence conditions</p>	<p>On 27 August 2020 APRA imposed additional licence conditions (Conditions) on, and issued certain directions (Directions) to, NULIS Nominees (Australia) Limited (NULIS). The Conditions require NULIS to make certain changes to its systems and processes and the Directions require NULIS to engage an independent expert to perform a compliance assessment to confirm its compliance with the Conditions. Conditions require work to be implemented in stages and be completed by 30 April 2021. Compliance with the Conditions and Directions may require appropriate provisioning and result in increased expenses. Breach of the Conditions or Directions may result in additional regulatory action against NULIS. APRA's approval for IOOF to acquire a stake in NULIS may be conditional on or may be subject to APRA being satisfied of NULIS's compliance with the Conditions or Directions. As such, any failure to comply with the Conditions or Directions may delay or cause APRA to withhold the necessary approvals and impact Completion.</p>
<p>Restrictions on MLC Group conducting a life insurance business</p>	<p>MLC has entered into certain arrangements with MLC Limited (MLCL). Under such arrangements, MLC has agreed to procure the offer and promotion of certain life insurance products and MLCL has agreed to act as issuer for such products. However, MLC and its related bodies corporate are subject to certain long term restrictions in relation to issuing life insurance products and white labelling or branding arrangements. Following Completion of the Acquisition such restrictions will apply to IOOF as well and mean that IOOF is restricted from issuing or entering into branding arrangements in relation to life insurance products (other than the existing IOOF Wealthbuilder product).</p>
<p>Separation and transition</p>	<p>The MLC business is heavily integrated within the NAB Group including operational systems, and IT back end services. The operational separation of the MLC business from NAB will not be completed before Completion, so that IOOF will need to rely on transitional services to be provided by NAB until such time as IOOF and NAB have successfully executed a separation and migration program for MLC to operate on a standalone basis.</p> <p>There is risk that operational separation from NAB could take longer, be more complex or cost more than expected, encounter unexpected challenges or issues, and divert management attention in executing such a complex and lengthy program.</p>
<p>Integration and Synergies</p>	<p>The acquisition of MLC will be transformational for IOOF's business, operational profile, capital structure and size compared to that of IOOF on a standalone basis. There is a risk that the success and profitability of IOOF following Completion could be adversely affected if MLC is not integrated effectively. There is a risk that integration could take longer, be more complex or cost more than expected, encounter unexpected challenges or issues, divert management attention or that the anticipated benefits and synergies of the integration may be less than estimated. This risk is heightened because IOOF is part way through integrating the operations of the P&I business acquired recently from ANZ. Possible problems may include:</p> <ul style="list-style-type: none"> (i) differences in management culture between the businesses being integrated; (ii) unanticipated or higher than expected costs, delays or failures relating to integration of businesses, information technology, accounting or other systems;

Key risks (cont'd)

Risks specific to the Acquisition (cont'd)

<p>Integration and Synergies (cont'd)</p>	<p>(iii) loss of, or reduction in, key personnel, expert capability or employee productivity, or failure to procure or retain employees;</p> <p>(iv) failure to derive the expected benefits of the strategic growth initiatives; and</p> <p>(v) disruption of ongoing operations of other IOOF businesses.</p> <p>Any failure to achieve the targeted synergies of integration may impact on the financial performance, operation and position of IOOF and its related bodies corporate (the Group) and the future price of IOOF shares.</p>
<p>Reliance on Information Provided</p>	<p>IOOF undertook a due diligence process in respect of the Acquisition, which relied in part on the review of financial and other information provided by NAB. Despite making reasonable efforts, IOOF has not been able to verify the accuracy, reliability or completeness of all the information which was provided.</p> <p>If any information provided and relied upon by IOOF in its due diligence and preparation of this presentation proves to be incorrect, incomplete or misleading, there is a risk that the actual financial position and performance of MLC and the Group may be materially different to the expectations and targets reflected in this presentation.</p> <p>Investors should also note that there is no assurance that the due diligence conducted was conclusive, and that all material issues and risks in respect of the Acquisition have been identified and avoided or managed appropriately (for example, because it was not always possible to negotiate indemnities or representations and warranties from NAB to cover all potential risks). Therefore, there is a risk that issues and risks may arise which will also have a material impact on the Group (for example, IOOF may later discover liabilities or defects which were not identified through due diligence or for which there is no contractual protection for IOOF). This could adversely affect the operations, financial performance or position of IOOF.</p>
<p>Impairment of Intangible Assets</p>	<p>As part of the acquisition, IOOF will need to perform a fair value assessment of MLC's assets (including intangibles) and liabilities. In the event that goodwill or any other intangible assets are required to be impaired under the Australian Accounting Standards post Completion, this will result in an additional expense in the income statement of the Group.</p>
<p>Adviser transfer</p>	<p>There is a risk that the customers of employed and self employed financial advisers as well as the self employed financial advisers of MLC's advice businesses may elect not to transfer to an IOOF AFSL. This could result in the actual financial position and performance of the Group being materially different to the expectations reflected in this presentation.</p>
<p>Risks Associated with Existing Contracts and Agreements</p>	<p>IOOF and its subsidiaries (which, following Completion, will include the entities acquired pursuant to the Sale Agreement) are party to various contractual arrangements including in relation to certain private market assets, some of which are material to the operations of the Group. As part of Completion, certain contracts will also need to be transferred from the MLC Group so they are retained by the NAB Group and others transferred from various 'advice' entities and other entities to IOOF or the members of the MLC Group. Further, some contracts which are being retained by NAB will need to be replicated for the MLC Group being acquired. There is a risk that these contractual arrangements could be terminated, lost or impaired, or renewed or replaced on less favourable terms from time to time. Some of these contractual arrangements can be terminated without cause or on short notice periods (depending on the circumstances).</p> <p>Further, some contractual arrangements (including those relating to IOOF's existing debt facilities) may be breached or terminated as a result of the Acquisition or as a result of the proposed funding arrangements for the Acquisition. The breach, termination or non-renewal of material contracts could have adverse consequences for the Group, including debt becoming repayable and other adverse effects on the Group's operational and financial performance or financial condition.</p>
<p>Risks Associated with retention of MLC Group employees</p>	<p>Employees employed by MLC at the time it is acquired will be covered by NAB's industrial instruments and will therefore be entitled to terms and conditions of employment that are bespoke to their employment with MLC (as part of the NAB Group). IOOF will have to meet the employees' existing employment terms and conditions or (if those conditions cannot be met because of operational or commercial constraints) IOOF will have to provide commensurately beneficial terms to the employees (this may be financially onerous) or implement variations to terms and conditions of employment (this may result in disputes, or IOOF may not secure the desired changes).</p>

Key risks (cont'd)

Risks specific to the Acquisition (cont'd)

<p>Risk Associated with the Size of the Acquisition and exchange risk</p>	<p>MLC, if acquired by IOOF, will be a material part of IOOF's business. The increased relative exposure to the advice business, platforms, retirement and investment solutions business and asset management business could adversely impact IOOF's financial position and performance if MLC does not perform as expected.</p> <p>The transaction includes acquisition of overseas entities. The value of a financial asset, liability, commitment or earnings held or transacted in foreign currency may be impacted by changes in currency exchange rates.</p>
<p>FINRA Broker-dealer licence risk</p>	<p>The MLC institutional distribution team currently relies on, and undertakes certain regulated activities under NAB Securities LLC's broker-dealer registration with Financial Industry Regulation Authority Inc. (FINRA) in the U.S. NAB Securities LLC's is an entity outside of the transaction perimeter and as such NAB have agreed to provide certain transitional services to allow MLC's institutional distributions team and certain regulated activities continue to operate under NAB Securities LLC's current broker-dealer registration with FINRA. Such transitional service arrangements will be conditional on the ability for the arrangements to meet specific compliance and operational conditions set by FINRA and are also an interim solution only. IOOF will be required to apply for its own broker-dealer registration with FINRA. There is a risk that such registration with FINRA will not be granted which could adversely impact IOOF's financial position and performance as contemplated by this presentation.</p>
<p>Risks of foreign regulated entities</p>	<p>MLC's overseas entities currently hold financial services licences in the various jurisdictions including the U.K., U.S., Canada and Ireland and as such are subject to extensive regulations, laws and rules applicable to each regulator and its respective regulatory regime. Following Completion, the Group will become holder of such licences and as such will be subject to, and must comply with, the obligations, requirements and conditions of the relevant overseas regulatory authority and the applicable licence. Failure to comply with any of these licence obligations, the relevant regulatory authority's regime and/or legislation could result in the suspension or cancellation of the licence which enables it to operate key parts of its business in such jurisdiction. A breach or loss of licences could have a material adverse effect on business and financial performance of the Group. These licences will also require the Group to maintain certain levels of regulatory capital, such regulatory capital rules may change from time to time.</p>
<p>Underwriting and Funding Risk</p>	<p>It is intended that the Acquisition and separation / integration activities will be funded through a combination of debt and equity.</p> <p>Equity: The equity offer (other than the share purchase plan) is underwritten. Under the underwriting agreement the Underwriter has agreed to manage and underwrite the institutional Placement and the Entitlement Offer, subject to the terms and conditions of the agreement. If certain conditions are not satisfied or certain customary termination events occur, the Underwriter may terminate the underwriting agreement. Those termination events are summarised on slide 33 of this presentation and include (amongst others): a condition precedent to the agreement cannot be satisfied; where the Acquisition cannot proceed for certain reasons, for example, because a condition precedent to the Sale Agreement cannot be satisfied; a breach of the agreement by IOOF; this presentation or the ASX announcement released by IOOF in connection with the Acquisition and the Offer being or becoming false, misleading or deceptive; IOOF becomes aware that it will not be able to drawdown the required amount under the Acquisition funding arrangements; hostilities, a national emergency or war involving certain countries; disruption to financial markets involving certain countries; changes in laws in Australia or certain other events. A number of these events will only give rise to a termination right where a materiality threshold is satisfied and certain of them may require the offer price to be repriced. Termination of the underwriting agreement would have an adverse impact on the amount of proceeds raised under the underwritten components of the equity offer and could affect IOOF's ability to pay the purchase price for the Acquisition. See slides 32-33 for further details.</p> <p>Debt: IOOF has entered into a commitment letter in respect of a debt facility that may be utilised to part-fund the Acquisition (see slide 27 of this presentation). The commitment to provide debt financing pursuant to that debt facility is subject to limited customary "certain funds" conditions and execution of long-form documentation in respect of the facility. The lenders under the commitment letter have a termination right in the event certain circumstances arise. Those circumstances include the Sale Agreement or definitive documentation for the facility not being entered into within an agreed period of time.</p> <p>If the underwriting agreement or the debt commitment letter, is terminated, this could result in IOOF not having access to sufficient capital to fund the Acquisition or undertake separation and integration activities. In this event, IOOF may need to seek alternative sources of funding, which may result in IOOF incurring additional costs (for example, by way of interest payments on debt) and/or restrictions being imposed on the manner in which IOOF conducts its business and deals with its assets (for example, by way of restrictive covenants binding upon IOOF). There is no guarantee that alternative funding could be sourced on satisfactory terms and conditions or at all. Failure to source alternative funding could result in IOOF being unable to perform its obligations to complete the Acquisition or being unable to implement the proposed separate / integration of MLC. Any of these outcomes could have a material adverse impact on IOOF's financial position, prospects and reputation.</p>
<p>Dilution</p>	<p>Entitlement rights cannot be traded on ASX or otherwise transferred. If you do not participate in the Entitlement Offer or SPP, or do not take up all of your entitlements to acquire New Shares under the Entitlement Offer or fully participate in the SPP, your percentage shareholding in shares will be diluted.</p>

Key risks (cont'd)

Risks to the Group

<p>Covid-19</p>	<p>IOOF is currently monitoring the actual and potential impact of COVID-19 on its business and the broader economy. However, given the high degree of uncertainty surrounding the extent and duration of government and regulatory responses to COVID-19, it is not currently possible to accurately assess the full impact of COVID-19 on IOOF's business. In Australia and globally, measures have been introduced, and may be further extended, to control the spread of the COVID-19 outbreak, including prolonged periods of social distancing, travel and trade restrictions, restrictions on public gatherings and business closures, which may directly or indirectly impact on IOOF's business (including the current Stage 4 restrictions in Victoria).</p> <p>There is a risk that the economic consequences of COVID-19 could become more severe and far reaching across the economy, leading to a more widespread downturn in business and economic activity. This would likely result in a significant loss of revenue for many businesses across a wide range of industry sectors, in turn potentially leading to further increased unemployment and decline in wealth and income. The Group's financial position, performance and prospects would be significantly impacted in such a scenario.</p> <p>Some of the Group's assets and liabilities comprise financial instruments that are carried at fair value, with changes in fair value recognised in the Group's income statement. Market declines and increased volatility could negatively impact the value of such financial instruments.</p> <p>In particular, there is a risk that COVID-19 results in increased volatility and uncertainty resulting in subdued flows in the Financial Advice business. Uncertainty could also result in increasing levels of withdrawals associated with the Early Release of Superannuation scheme. A fall in financial markets which is triggered by COVID-19 could cause a decrease in FUMA for the Group (as noted further below), with a consequential impact on income and earnings.</p>
<p>Client remediation provision</p>	<p>There are key changes to the way IOOF has had to do business as a result of the Royal Commission into 'Misconduct in the Banking, Superannuation and Financial Services Industry' (Royal Commission). ASIC, as part of its Wealth Management Project, has conducted investigations into financial advice fees paid pursuant to ongoing service arrangements, focused on major wealth management institutions with financial advice arms. The IOOF Group has a significant number of self-employed and salaried financial advisers and has undertaken its own review.</p> <p>As of 30 June 2020, the IOOF Group has recognised provisions in respect of client remediation and related costs. Determining the amount of the provision, which represents management's best estimate of the costs of settling the identified matters, requires the exercise of significant judgement. There is a risk that the assumptions made to support the level of the provision are incorrect, that the provision will not be sufficient to cover the actual expense and that financial performance will be adversely affected.</p> <p>As noted above, the MLC Group Entities have also recognised provisions in respect of client remediation and related costs arising in connection with various issues identified as part of the Royal Commission and other investigations conducted by the MLC Group Entities and/or regulators. There is a risk that the indemnity in the Sale Agreement is insufficient to cover the actual future liability in relation to Open Remediation Matters.</p>
<p>Class Actions and Potential Claims</p>	<p>IOOF may from time to time be involved in legal, regulatory or other proceedings and disputes arising from its business and operations. IOOF may also be exposed to litigation in the future over claims, including by regulators or government agencies, which may affect its business. A wholly owned subsidiary RI Advice Pty Limited is currently engaged in legal proceedings with ASIC relating to alleged breaches of financial services law where ASIC is seeking civil penalties. In addition, certain adviser groups RI Advice, M3 and FSP have been in receipt of ASIC notices to produce material in relation to investigations regarding among other things, fee for no service. To the extent that these risks are not covered by IOOF's insurance policies or other third party rights, litigation or the costs of responding to these legal actions or potential legal action may cause IOOF to incur significant costs, delays and other disruptions to its business and operations, which could have a material adverse impact on IOOF's financial position, performance, earnings and share price. In addition, regulatory actions and disputes with governmental authorities may result in fines, penalties and other administrative sanctions.</p> <p>The Group is currently defending a number of complaints and claims brought against it. For example, on 28 February 2020 IOOF Group was served with a class action proceeding filed by Shine Lawyers in the Federal Court of Australian on behalf of certain shareholders of IOOF - please refer to the ASX announcement on that date for further information. A failure to successfully defend those proceedings could have a material effect on the financial position and performance of the Group.</p>
<p>Decline in FUMA</p>	<p>The Group derives a significant proportion of its earnings from fees and charges based on the level of funds under management, administration and advice (FUMA). The level of FUMA will reflect (in addition to other factors such as the funds flowing into and out of FUMA) the investment performance of those funds. Therefore, changes in domestic and/or global investment market conditions or poor investment performance of the products in which the Group's clients invest could lead to a decline in FUMA, adversely impacting the amount that the Group earns in fees and charges. Deterioration in investment market conditions could also lead to reduced consumer interest and decrease in the ability to attract new investors in the Group's financial products and services. Additionally, it is possible that some funds could reduce in size or be terminated. Similarly, the unitholders of a fund may have the right to remove the investment manager, responsible entity or trustee. As the Group's management fees and charges are based on a percentage of FUMA, a decline in IOOF's assets under management could result in a consequent reduction to management fees, performance fees, income, profit and Share value.</p>
<p>Competition</p>	<p>There is substantial competition for the provision of financial services in the markets in which IOOF operates. A variety of market participants in specialised investment fund management, wealth advice and corporate trustee services compete vigorously for customer investments and the provision of wealth management services and there is increasing commoditisation of financial services and products. These competitive market conditions may adversely impact on the earnings and assets of IOOF and the Group.</p>

Key risks (cont'd)

Risks to the Group (cont'd)

Cybersecurity	There is a risk of significant failure in the IOOF Group's operations or material financial loss as a result of cyber attacks. Threats to information security are constantly evolving and techniques used to perpetrate cyber-attacks are increasingly sophisticated. ASIC has commenced proceedings against a IOOF subsidiary RI Advice Pty Limited on 21 August 2020 seeking pecuniary penalty orders in respect of a number of cyber security attacks, on a small number of authorised representatives. The proceedings are at an early stage and there can be no assurance as to the ultimate outcome.
Information Technology	IOOF, and the financial services industry in general, relies heavily on information technology to conduct an efficient and cost effective business. Therefore, any significant or sustained failure or inadequacy in IOOF's core technology systems or cyber security could have a materially adverse effect on its operations in the short term, which in turn could undermine longer term confidence and impact IOOF's future profitability and financial position. Third party risk management is of key importance for IOOF. IOOF requires adequate assurance over the conduct and controls that third parties have in place, for protection of information that is in custody of the third party. In addition, IOOF faces the risk, common with other industry participants, that further technology changes will be required which could result in an increase in costs.
Security or Privacy of Data	Failures or breaches of data protection and systems security can cause reputational damage, regulatory impositions and financial loss. The legal and regulatory environment surrounding information security and privacy is increasingly complex and demanding. Australian Privacy Principles govern privacy and data protection throughout Australia and significantly enhance privacy and data protection regulation. The protection of customer, employee, third party and company data is critical to IOOF's operations. IOOF retains a significant amount of customer, employee and third party information, including through its database of customers. Customers, employees and third parties such as suppliers will also have high expectations that IOOF will adequately protect their personal information.
Conduct risk	<p>Conduct risk is the risk of intentionally or unintentionally delivering poor outcomes for stakeholders (including clients, staff and shareholders) as a result of improper conduct (including, for IOOF, conduct that is not consistent with its stated values, Code of Conduct and ClientFirst philosophy) or inadequate systems (including complexity). Conduct risk goes beyond its legal and regulatory obligations. It is about how an entity treats its stakeholders (includes fairness of outcomes) and whether its products and services meet its stakeholders' needs and expectations. Behaviours that could expose the Group to conduct risk include:</p> <ul style="list-style-type: none"> (i) selling, providing or unduly influencing customers to purchase or receive products or services that may not meet their existing needs or that place the customer at risk of future hardship; (ii) being party to fraud; (iii) non adherence to applicable requirements; and (iv) delays in appropriately escalating regulatory or compliance issues. <p>If the Group's conduct related controls were to fail significantly, be set inappropriately, or not meet legal, regulatory or community expectations, then the Group may be exposed to:</p> <ul style="list-style-type: none"> (i) increased costs of fines, compliance, public censure, loss of confidence, litigation and settlements; (ii) increased supervision, oversight or enforcement by regulators or other stakeholders; (iii) enforced suspension of operations, amendment to licence conditions or loss of license to operate all or part of the Group's businesses; or (iv) other enforcement or administrative actions or proceedings.
Fraudulent or Improper Behaviour	IOOF has policies and procedures relating to the risk of fraud. However, there is a risk that funds of the business of those held on behalf of clients or advice provided to IOOF's clients may be the subject of internal or external fraudulent behaviour, particularly in relation to businesses where IOOF does not control the day-to-day operations. A significant or sustained failure in IOOF's core technology systems or cyber security could also expose IOOF to fraudulent behaviour. Any of the events described above may adversely impact both IOOF's financial position and its reputation.
Brands and Reputation	The Group's capacity to attract and retain financial advisers, employees, clients and FUMA depends to a certain extent upon the brands and reputation of its businesses. Matters which may give rise to adverse reputational consequences for IOOF include compliance issues, fraudulent behaviour, cyber and IT risks and adverse media publicity. A significant and prolonged decline in key brand value or adverse effects on group reputation could contribute to lower new business sales, reduced inflows of investment funds and assets, damage to client strategies and may impact adversely upon IOOF's future profitability and financial position.
Provision of Financial Advice	IOOF's financial advisers and authorised representatives provide advice to clients and may be exposed to litigation if this advice is judged to be incorrect, or if the authorised representative otherwise becomes liable for client losses. A claim against IOOF for inappropriate advice could have a material adverse effect on IOOF's financial position and reputation, and on its future operations and revenues.
Credit Risk	Credit risk refers to the risk that a counterparty will fail to meet its contractual obligations resulting in financial loss that arises from loans and other receivables. The Group's counterparties generally do not have an independent credit rating, and IOOF will need to assess the credit quality of the debtor taking into account its financial position, past experience of the debtor, and other available credit risk information. This risk may adversely impact on IOOF's future profitability and financial position.

Key risks (cont'd)

Risks to the Group (cont'd)

<p>Cash Flow and Fair Value Interest Rate Risk</p>	<p>Interest rate risk is the risk to the Group's earnings and capital arising from changes in market interest rates. The financial instruments held that will be impacted by interest rate risk consist of cash and cash equivalents, loans, and borrowings. Short and long-term investment mixes and loans to related entities are influenced by liquidity policy requirements. Interest rates (both charged and received) are based on market rates, and have to be closely monitored by management. They are primarily at variable rates of interest, and will expose IOOF to cash flow interest rate risk.</p> <p>Whilst IOOF may fix some of its debt and/or enter into interest rate hedging arrangements, it will remain exposed to interest rate movements which may adversely impact IOOF's financial position and performance.</p>
<p>Financing Risk</p>	<p>IOOF's existing debt facilities will need to be refinanced at various maturity dates. The inability to refinance these facilities or to secure new financing on satisfactory terms could adversely affect IOOF's financial performance and prospects. To the extent that additional equity or debt funding is not available from time to time on acceptable terms, or at all, IOOF may not be able to take advantage of acquisition and other growth opportunities, develop new ideas or respond to competitive pressures.</p> <p>If at any time IOOF requires an extension to a facility but is unable to obtain it and is unable to repay the relevant facility, this will constitute a default under the other existing facilities and enable the financiers to demand immediate repayment and cancel the facilities. Cancellation of the debt financing arrangements would have an adverse impact on IOOF's financial position and performance.</p>
<p>Liquidity Risk</p>	<p>Liquidity risk relates to IOOF having insufficient liquid assets to cover current liabilities and unforeseen expenses. While the Group manages liquidity risk exposure by maintaining sufficient liquid assets and an ability to access a committed line of credit, and the liquidity requirements for licensed entities in the Group are regularly reviewed and carefully monitored in accordance with those licence requirements, there is no assurance that this risk will not materialise. If liquidity risk arises, it may have an adverse effect on IOOF's future profitability and financial position.</p>
<p>Reliance on AFSL, RSE and Other Licences</p>	<p>In order to provide the majority of its services in Australia, a number of IOOF's controlled entities are required to hold a number of licences, most notably Australian Financial Services Licence (AFSL) or Registrable Superannuation Entity (RSE) licences. If any of those entities fail to comply with the general obligations and conditions of its licence, this could result in the suspension or cancellation of the licence which enables it to operate key parts of its business. A breach or loss of licences, consents or permissions could have a material adverse effect on business and financial performance of the Group. AFSL and RSE licences also require the licence holder to maintain certain levels of capital. These capital requirements may change from time to time. Earnings dilution may occur where IOOF is required to hold a higher capital base.</p>
<p>Insurance</p>	<p>IOOF holds insurance policies, including for errors and omissions (professional indemnity) and Directors and officers insurance, which IOOF regards as commensurate with industry standards, and adequate having regard to its business activities. These policies provide a degree of protection for IOOF's assets, liabilities, officers and employees. However, no assurance can be given that any insurance that IOOF currently maintains will:</p> <ul style="list-style-type: none"> (i) be available in the future on a commercially reasonable basis; or (ii) provide adequate cover against claims made against or by IOOF, noting that there are some risks that are uninsurable (e.g. nuclear, chemical or biological incidents) or risks where the insurance coverage is reduced (e.g. cyclone, earthquake, flood, fire). <p>IOOF also faces risks associated with the financial strength of its insurers to meet indemnity obligations when called upon which could have an adverse effect on earnings. If IOOF incurs uninsured losses or liabilities, its assets, profits and prospects may be adversely affected.</p>
<p>Unit Pricing Errors</p>	<p>Systems failures or errors in unit pricing of investments are issues affecting the broader funds management industry that may result in significant financial losses and brand damage to a number of financial services organisations. A unit pricing error made by IOOF or its service providers could cause financial or reputational loss.</p>
<p>Dependence on Key Personnel</p>	<p>The Group's performance is dependent on the talents and efforts of key personnel. IOOF's continued ability to compete effectively depends on its capacity to retain and motivate existing employees as well as attract new employees. The loss of key executives or advisors could cause material disruption to operations in the short to medium term. While equity incentives of key personnel align their interests with the Group's future performance, they do not provide a guarantee of their continued employment.</p>
<p>Dependence on Financial Advisers</p>	<p>The success of IOOF's advice and platform business is highly dependent on the quality of the relationships that IOOF has with its financial advisers and the quality of their relationships with their clients. IOOF's ability to retain productive advisers is in turn dependent on service levels, technological capability, suitability of product offerings and the quality and relevance of professional training. The loss or deterioration of these relationships could adversely impact on IOOF's operation and future profitability or financial position.</p>

Key risks (cont'd)

Risks to the Group (cont'd)

<p>Inability to successfully execute growth strategies</p>	<p>The future financial performance of IOOF is contingent on its ability to execute its growth strategies.</p> <p>Consistent with IOOF's announced long-term strategy of pursuing growth through accretive acquisitions, IOOF discusses potential opportunities for investments or divestments with third parties on a regular basis. These opportunities will on occasion progress to the stage where key terms are expressed as a highly conditional, non-binding indicative offer (NBIO). There is no assurance that any of these opportunities will progress beyond the NBIO stage or be concluded. Additionally, IOOF shareholders should note that there is no guarantee that such a strategy will be successful and that acquisition transactions undertaken by IOOF involve inherent risks, including:</p> <ul style="list-style-type: none"> (i) accurately assessing the value, strengths, weaknesses, contingent and other liabilities and potential profitability of acquired businesses; (ii) integration risks including the risk that integration could take longer or cost more than expected or that the anticipated benefits and synergies of the integration may be less than estimated; (iii) diversion of management attention from existing business; (iv) potential loss of key personnel and key clients; (v) unanticipated changes in the industry or general economic conditions that affect the assumptions underlying the Acquisition; (vi) decline in the value of, and unanticipated costs, problems or liabilities associated with, the acquired business; and (vii) potential for regulators to deny approval of acquisitions. <p>Any of these risks could result in a failure to realise the benefits anticipated to result from any acquisition of new business and could have a material adverse impact on the IOOF Group's financial position.</p> <p>Apart from acquisitions and divestments, the key strategies of the IOOF Group, as previously disclosed to the market, include:</p> <ul style="list-style-type: none"> (i) the Advice 2.0 project, focussed on the long term sustainability of the Advice division, an initiative redesigning the IOOF Advice division to enable Advisers to deliver the best advice outcomes for their clients; (ii) the objective of the Evolve project is to consolidate IOOF's proprietary registry administration platforms into a single contemporary platform by the end of the 2021 calendar year; and (iii) integrating and realising synergies following the completion, in February 2020, of the purchase of ANZ's OnePath Pensions and Investments business. <p>The separation from ANZ is primarily reliant on system separation, this is currently forecast to be delivered in early 2022.</p> <p>These are material strategies and a failure of part or all of those strategies may materially impact on IOOF's financial position, performance and prospects.</p>
<p>Future Payment of Dividends</p>	<p>The payment of dividends on IOOF shares is dependent on a range of factors including the profitability of the Group, the availability of cash, capital requirements of the business and obligations under debt instruments. Any future dividend levels will be determined by the IOOF board having regard to its operating results and financial position at the relevant time and there is no guarantee that any dividend will be paid by IOOF or, if paid, that they will be paid or franked at previous levels.</p>
<p>Regulatory and Legislative Risk and Reform</p>	<p>The financial services sectors in which IOOF operate are subject to extensive legislation, regulation and supervision by a number of regulatory bodies in multiple jurisdictions. The regulatory regimes governing IOOF's business activities are complex and subject to change. The impact of future regulatory and legislative change on IOOF cannot be predicted. In addition, if the amount and complexity of new regulation increases, so too may the cost of compliance and the risk of non-compliance.</p> <p>The Royal Commission made a considerable number of recommendations. The Australian government has committed to take action on all of the recommendations, has announced further commitments to address issues raised in the final report of the Royal Commission and has committed to an accelerated timetable for introducing the legislative changes required to give effect to the recommendations. The timetable for introducing legislative and regulatory changes may be subject to reprioritisation by the Australian Government as a result of the regulatory challenges created by the current COVID-19 pandemic. These legislative and regulatory changes, together with the accelerated timetable, will impact the operations of the Group as considerable resources have been and will be required to be directed towards the timely implementation of such changes.</p> <p>Other review and regulatory reforms currently relevant to the IOOF Group which present a potential regulatory risk include:</p> <ul style="list-style-type: none"> (i) the financial impact of the Early Release of Superannuation resulting in an increase in net outflows; and (ii) supervision, regulation and enforcement of anti-bribery and corruption, anti-money laundering, counter-terrorism financing and international sanctions laws has increased (collectively referred to as ABC/AML/CTF). The Group is subject to ABC/AML/CTF laws and regulations, the breach of which may result in regulatory investigations, remediation costs and substantial monetary penalties. This risk is heightened given a number of high profile control failures in the financial services industry.

Key risks (cont'd)

Risks to the Group (cont'd)

Governance	The IOOF Group has structures in place to manage governance issues such as conflicts of interest, board independence, appropriate audit and review, among others. If these are inadequate, it may not meet its legal, compliance and regulatory responsibilities, and the expectations the community has of a listed company.
Environmental, social and governance (ESG)	<p>ESG risks can have a material impact on IOOF's ability to deliver good long-term outcomes for its clients, investors and the community. A sustainability risk is an uncertain environmental or social event or condition that, if it occurs, can cause a significant negative impact on the IOOF Group. IOOF considers a broad range of ESG risks and opportunities, including climate change, human capital management, modern slavery, diversity and inclusion and tax transparency, among others.</p> <p>Climate change may impact on overall economic growth, unemployment and the wealth of customers, including due to:</p> <ul style="list-style-type: none">(i) extreme weather and climate change-related events affecting property and asset values or causing damage and/or interruptions to business operations and supply chains;(ii) the effect of new laws, regulations and government policies designed to mitigate climate change; and(iii) the cost of business insurance. <p>For example, parts of Australia have recently experienced physical climate events such as severe drought conditions and bushfires</p>

Key risks (cont'd)

General Risks

General Share Investment Risk	There are various risks associated with investing in any form of business and with investing in listed entities generally. The value of IOOF shares following the Offer will depend on general share market and economic conditions as well as the specific performance of IOOF. There is no guarantee of profitability, dividends, return of capital, or the price at which IOOF shares will trade on the ASX. The past performance of IOOF shares is not necessarily an indication as to future performance as the trading price of IOOF shares can go down or up in value. Additionally, a substantial proportion of IOOF's profits are generated from its investment portfolio. Consequently, investment performance significantly affects IOOF's profits and financial position.
General Economic and Political Conditions	Factors such as, but not limited to, domestic and international political changes (including policy responses to Covid-19), interest rates, exchange rates, inflation levels, commodity prices, industrial disruption, environmental impacts, international competition, taxation changes, changes in employment levels, consumer and business spending, employment rates and labour costs may all have an adverse impact on IOOF's revenues, operating costs, profit margins and share price. These factors are beyond the control of IOOF and its board and IOOF cannot, to any degree of certainty, predict how they will impact on IOOF. The environment in which IOOF operates may experience challenging conditions as a result of general uncertainty about future Australian, New Zealand and international economic conditions.
General Regulatory Risk	Changes in laws, regulations and government policy may affect IOOF and the attractiveness of an investment in IOOF positively or negatively. The financial services sector in which IOOF operates is subject to extensive legislation, regulation and supervision by a number of regulatory bodies in multiple jurisdictions.
Share Market Conditions	As IOOF is a listed company, the price at which its shares trade will be subject to the numerous influences that may affect both the broad trend in the share market and the share prices of individual companies and sectors. Investors should recognise that the price of New Shares may fall as well as rise.
Operational and Controls Risks	Operational risk relates to the risk of loss resulting from inadequate or failed internal processes, people and systems, or from external events which impact on IOOF's business. IOOF is exposed to operational risk present in the current business including risks arising from process error, fraud, system failure, failure of security and physical protection systems including cyber security and any pricing errors. The IOOF Group has specific operational exposures in connection with product disclosure statements, investment management, tax and financial advice, legal and regulatory compliance, product commitments and others. Operational risk has the potential to have an effect on IOOF's financial performance and position as well as reputation.
Capital Availability	Current economic conditions can impact on the availability of debt and equity funding that may be required to support the cash flow of a business. IOOF's development may be affected by availability of funding which would impact on its ability to establish business operations in the expected time frame and/or at its current levels.
Taxation	Future changes in taxation law in Australia, New Zealand and in other jurisdictions, including changes in interpretation or application of the law by the courts or taxation authorities in Australia or other jurisdictions, may impact the future tax liabilities of IOOF or may affect taxation treatment of an investment in IOOF shares, or the holding or disposal of those shares.
Accounting Standards	<p>IOOF prepares its general purpose financial statements in accordance with IFRS and with the Corporations Act. Australian Accounting Standards are not within the control of IOOF or its board and are subject to amendment from time to time, and any such changes may impact on IOOF's statement of financial position or statement of financial performance.</p> <p>Preparation of the Group's financial statements requires management to make estimates and assumptions and to exercise judgement in applying relevant accounting policies, each of which may directly impact the reported amounts of assets, liabilities, income and expenses. A higher degree of judgement is required for the estimates used in the calculation of provisions (including for customer-related remediation and forward-looking adjustments), the valuation of goodwill and intangible assets and the fair value of financial instruments. Changes in the methodology or assumptions on which the assessment of goodwill and intangible balances is based, together with expected changes in future cash flows (including changes flowing from current and potential regulatory reforms), could result in the potential write-off of a part of all of that goodwill or intangible balances.</p> <p>If the judgements, estimates and assumptions used by the Group in preparing financial statements are subsequently found to be incorrect, there could be a significant loss to the Group beyond that anticipated or provided for, which may adversely impact the Group's reputation and financial performance and position.</p>
Force Majeure Events	Events may occur within or outside Australia that could impact upon the global and Australian economies, the operations of IOOF and the price of the IOOF shares. These events include but are not limited to terrorism, an outbreak of international hostilities, fires, floods, earthquakes, labour strikes, civil wars, natural disasters, outbreaks of disease and biosecurity threats such as COVID-19 or other man-made or natural events or occurrences that can have an adverse effect on the demand for IOOF's services.



Appendix B | International selling restrictions

International selling restrictions

This document does not constitute an offer of New Shares 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.

Canada (British Columbia, Ontario and Quebec provinces)

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

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

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

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 to comply with International Financial Reporting Standards and interpretations issued by the International Accounting Standards Board. Unless stated otherwise, all dollar amounts contained in this document are in Australian dollars.

Statutory rights of action for damages and rescission

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

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

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

By purchasing the New Shares hereunder, purchasers in British Columbia not entitled to the statutory rights described above are hereby granted, in consideration of their purchase of securities and upon accepting a purchase confirmation in respect thereof, a contractual right of action for damages or rescission that is the same as the statutory right of action, if any, provided to residents of Ontario who purchase the securities.

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

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.*

International selling restrictions

Notice of the Underwriter

The Underwriter is relying on an exemption from the dealer registration requirements of applicable provincial securities laws pursuant to National Instrument 31-103 – Registration Requirements, Exemptions and Ongoing Registrant Obligations in connection with the offering of the New Shares. The Underwriter is not registered in Canada, and is resident in Australia. Accordingly, there may be difficulty enforcing legal rights against the Underwriter because it is resident outside of Canada, and all or substantially all of its assets may be situated outside of Canada. For the purposes of this offering, prospective investors may contact the Underwriter to obtain the name and address of the Underwriter's agent for service of process.

European Economic Area - Denmark, France, Germany and Netherlands

This document has been prepared on the basis that all offers of New Shares will be made pursuant to an exemption under the Prospectus Regulation (as defined below) from the requirement to publish a prospectus for offers of securities.

An offer to the public of New Shares has not been made, and may not be made, in relation to a member state of the European Economic Area or the United Kingdom (each, a Relevant Member State), except pursuant to one of the following exemptions under the Prospectus Regulation (as defined below):

- i. to legal entities which are qualified investors as defined in Article 2 lit. e) of the Prospectus Regulation;
- ii. to fewer than 150 natural or legal persons (other than qualified investors as defined in Article 2 lit. e) of the Prospectus Regulation); or
- iii. in any other circumstances falling within Article 1(4) of the Prospectus Regulation;

provided that no such offer of New Shares result in a requirement for the publication of a prospectus pursuant to Article 3(1) of the Prospectus Regulation.

For the purposes of this provision, the expression an "offer to the public" in relation to any New Shares in any Relevant Member State means the communication in any form and by any means, presenting sufficient information on the terms of the Offer and any New Shares in accordance with the Prospectus Regulation, so as to enable an investor to decide to purchase or subscribe for any New Shares, including any placing of New Shares through financial intermediaries. The Prospectus Regulation means Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC.

The target market for the New shares is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, MiFID II).

Hong Kong

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

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

No person allotted New Shares may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

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

Ireland

The information in this document does not constitute a prospectus under any Irish laws or regulations including without limitation the Companies Act, 2014 of Ireland (the Companies Act), any rules issued by the Central Bank of Ireland pursuant to section 1363 of the Companies Act, European Union (Prospectus) Regulations 2019 of Ireland, or the Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 (the **Prospectus Regulation**) and this document has not been filed with or approved by any Irish regulatory authority as the information has not been prepared in the context of a public offering of securities in Ireland within the meaning of the Prospectus Regulations. The New Shares have not been offered or sold, and will not be offered, sold or delivered directly or indirectly in Ireland by way of a public offering, except to "qualified investors" as defined in Regulation 2(l) of the Prospectus Regulations.

International selling restrictions

Japan

The New Shares have not been and will not be registered under Article 4, paragraph 1 of the Financial Instruments and Exchange Act of Japan (Law No. 25 of 1948), as amended (the **FIEA**) pursuant to an exemption from the registration requirements applicable to a private placement of securities to Qualified Institutional Investors (as defined in and in accordance with Article 2, paragraph 3 of the FIEA and the regulations promulgated thereunder). Accordingly, the New Shares may not be offered or sold, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan other than Qualified Institutional Investors. Any Qualified Institutional Investor who acquires New Shares may not resell them to any person in Japan that is not a Qualified Institutional Investor, and acquisition by any such person of New Shares is conditional upon the execution of an agreement to that effect.

New Zealand

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (the **FMC Act**). The New Shares are not being offered to retail investors within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the FMC Act and the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016.

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

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

Norway

This document has not been approved by, or registered with, or approved by Finanstilsynet (the Financial Supervisory Authority of Norway) and it does not constitute a prospectus under the Prospectus Regulation (Regulation (EU) 2017/1129) or the Norwegian Securities Trading Act of 29 June 2007 no. 75. Accordingly, this document may not be made available, nor may the New Shares be offered for sale, directly or indirectly, in Norway other than under circumstances that are exempted from the prospectus requirements under the Prospectus Regulation and the Norwegian Securities Trading Act. Any offering of New Shares in Norway is limited to persons who are "qualified investors" as defined in the Prospectus Regulation. Only such persons may receive this document and they may not distribute it or the information contained in it to any other person.

Singapore

This document and any other materials relating to the New Shares has not been and will not be registered as a prospectus with the Monetary Authority of Singapore. Accordingly, the New Shares may not be offered or sold or made the subject of an invitation for subscription or purchase, nor may this document or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the New Shares be circulated or distributed, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act, Chapter 289 of Singapore (the **SFA**)) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or to any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA, or (iii) otherwise pursuant to, and in accordance with, the conditions of, any other applicable provision of the SFA.

Where the New Shares are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor, or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary is an individual who is an accredited investor, securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the New Shares pursuant to an offer made under Section 275 of the SFA except:
 - 1) to an institutional investor or to a relevant person (as defined in Section 275(2) of the SFA), or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;
 - 2) where no consideration is or will be given for the transfer;
 - 3) where the transfer is by operation of law;
 - 4) as specified in Section 276(7) of the SFA; or
 - 5) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018 of Singapore.

International selling restrictions

Notification under Section 309B(1)(c) of the SFA – In connection with Section 309B of the SFA and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the **CMP Regulations 2018**), the Company has determined the classification of the New Shares as prescribed capital markets products (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

Switzerland

This document is not intended to constitute an offer or solicitation to purchase or invest in the New Shares described herein. The New Shares may not be publicly offered, sold or advertised, directly or indirectly, in, into or from Switzerland but may be offered to individually approached professional investors as defined in article 4 of the Swiss Financial Services Act (**FinSA**) and no application has been or will be made to admit the New Shares to trading on any trading venue (exchange or multilateral trading facility) in Switzerland. Neither this document nor any other offering or marketing material relating to the New Shares constitutes a prospectus compliant with the requirements of Article 652a or 1156 of the Swiss Code of Obligations or the listing rules of SIX Exchange Regulation or pursuant to the FinSA for a public offering of the New Shares and neither this document nor any other offering or marketing material relating to the New Shares may be distributed or otherwise made publicly available in, into or from Switzerland.

Neither this document nor any other offering or marketing material relating to the offering of the New Shares has been or will be filed with or approved by any Swiss regulatory authority or any review body.

This document is personal to the recipient only and not for general circulation in Switzerland.

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.

This document is issued on a confidential basis to "qualified investors" (as defined in Regulation (EU) 2017/1129 of the European Parliament and the Council of the European Union (**Prospectus Regulation**)) in the United Kingdom, and the New Shares may not be offered or sold in the United Kingdom by means of this document, any accompanying letter or any other document, except in circumstances which do not require the publication of a prospectus pursuant to section 86(1) of the FSMA. This document should not be distributed, published or reproduced, in whole or in part, nor may its contents be disclosed by recipients to any other person in the United Kingdom.

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

In the United Kingdom, this document is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 (**FPO**); (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO; or (iii) to whom it may otherwise be lawfully communicated (together **relevant persons**). The investments to which this document relates are available only to, and any offer or agreement to purchase will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this document or any of its contents.

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 U.S. Securities Act of 1933 (the "U.S. Securities Act") and may not be offered or sold in the United States except pursuant to an exempt from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable US state securities laws. There will be no public offering of the New Shares in the United States.