

NOT FOR DISTRIBUTION IN THE UNITED STATES

ADORE BEAUTY GROUP LIMITED

PRE-QUOTATION DISCLOSURE

The following information is required to be provided to ASX Limited for release to the market in connection with the official quotation and conditional and deferred settlement trading of fully paid ordinary shares (**Shares**) in Adore Beauty Group Limited (ACN 636 138 988) (**Adore Beauty** or the **Company**).

Capitalised terms which have not been otherwise defined in this document have the meaning given to them in the prospectus lodged by Adore Beauty with the Australian Securities and Investments Commission on 7 October 2020 (**Prospectus**).

1 Basis of allocation and procedures determining allocations

The basis for allocation of Securities under the Offer and the procedures by which Applicants can determine their precise allocations is set out below:

- (a) **Institutional Offer:** Allocations to Institutional Investors were determined by agreement between the Joint Lead Managers, the Company and Adore Beauty SaleCo Limited (**SaleCo**). The Joint Lead Managers, the Company and SaleCo have had absolute discretion regarding the basis of allocation of Shares among Institutional Investors. Successful Applicants under the Institutional Offer have been advised of their allocations.
- (b) **Broker Firm Offer:** The allocation of Shares to Brokers was determined by the Joint Lead Managers, Adore Beauty and SaleCo. Shares that were allocated to Brokers for allocation to their Australian resident clients were issued or transferred to the Applicants nominated by those Brokers (subject to the right of Adore Beauty, SaleCo and the Joint Lead Managers to reject, aggregate or scale back Applications). It was a matter for the Brokers as to how they allocated Shares amongst their eligible clients. Applicants under the Broker Firm Offer can confirm their allocation of Shares by telephoning their Broker.
- (c) **Priority Offer:** The allocation of Securities under the Priority offer was made at the absolute discretion of the Company. Applicants under the Priority Offer received a personalised invitation to apply for Shares. The aggregate number of Shares offered under the Priority Offer did not exceed \$5,964,935 worth of Shares in aggregate. Applications under the Priority Offer were for a minimum of \$2,000 worth of Shares. Applicants under the Priority Offer have been advised of their allocations.
- (d) **Employee Gift Offer:** Eligible Employees who participated in the Employee Gift Offer and applied for the maximum of \$1,000 worth of Shares were allocated 148 Shares each.

Applicants can also telephone the Adore Beauty Offer Information Line on 1800 628 703 (toll free within Australia) or +61 1800 628 703 (outside Australia) between 8.30am and 5.30pm (Melbourne time), Monday to Friday.

It is the responsibility of each Applicant to confirm their holding before trading in Shares. Applicants who sell Shares before receiving a holding statement, do so at their own risk, even if they obtained details of their holding from the Adore Beauty Offer Information Line or confirmed their allocation through a Broker.

2 Conditions for the Conditional Market

The conditions for the conditional market as outlined in the Prospectus and the date by which each of these conditions must be satisfied as required by ASX Operating Rules – Procedure 3330.1(a)(iii) are:

Condition	Time for satisfaction
Settlement of the Offer	Monday, 26 October 2020
The issue and transfer of Shares to successful Applications under the Offer	Tuesday, 27 October 2020

3 The Final Price and number of Shares issued and transferred under the Offer

- (a) The Final Price for each Share under the Retail Offer (comprising the Broker Firm Offer, the Priority Offer and Employee Gift Offer) and the Institutional Offer is \$6.75.
- (b) The total number of Shares allocated under each part of the Retail Offer and the Institutional Offer and the IPO Shares is:

Broker Firm Offer	8,057,407
Priority Offer	720,111
Employee Gift Offer	26,492
Institutional Offer	31,106,509
IPO Shares	14,814
Total Shares issued or transferred under the Offer	39,925,333

At Completion of the Offer, there will be a total of 94,124,497 Shares on issue.

The Company confirms that at the time of Completion of the Offer, it will have a free float of at least 20% as shown below:

Total Escrowed Shares	54,199,164
Free Float Shares	39,925,333
Free float	42.4%

4 Intended despatch date

- (a) The intended date for the despatch of:
- (i) in relation to all holdings on the CHESS sub-register, a notice from Adore Beauty under ASX Settlement Operating Rule 8.9.1;
 - (ii) in relation to all other holdings, issuer sponsored holding statements; and

(iii) any refund money,

is Thursday, 29 October 2020.

5 Statement in relation to issue of Options

The Company confirms that 555,000 Options will be issued to Tennealle O'Shannessy (CEO) and 50,000 Options will be issued to Stephanie Carroll (CFO) under the Company's Equity Incentive Plan on Completion.

6 Voluntary escrow

The following is a breakdown of the number of Shares subject to voluntary escrow and the escrow period applied to those Shares. For details of the material terms of the voluntary escrow arrangements, including any exceptions to the restrictions on disposal, please refer to Sections 7.13 and 9.6 of the Prospectus.

Parties whose securities are subject to voluntary escrow	Number of securities subject to voluntary escrow	Escrow period
Quadrant Growth Fund	30,600,001	Until after release of the financial results for FY21
Kate Morris	10,200,000	Until after release of the financial results for FY21
James Height	10,200,000	Until after release of the financial results for FY21
Tennealle O'Shannessy	868,502	Until after release of the financial results for FY21
Stephanie Carroll	86,850	Until after release of the financial results for FY21
HAJA Holdings Pty Limited	203,740	Until after release of the financial results for FY21
Dan Ferguson	619,452	Until after release of the financial results for FY21
Sarah Mullen	823,192	Until after release of the financial results for FY21
Gareth Williams	597,427	Until after release of the financial results for FY21

7 Capital Structure

Adore Beauty's capital structure as at Completion is set out as follows:

Class	Number
Shares	94,124,497
Options	605,000

8 Institutional Bookbuild

Adore Beauty confirms that in relation to the funds raised pursuant to the institutional bookbuild under the Institutional Offer (**Institutional Bookbuild**):

- (a) The number of Shares allocated under the Institutional Bookbuild (including Shares allocated under the cornerstone process) is 31,106,509 at a price of \$6.75 per Share (**Bookbuild Price**);
- (b) No promoters or related parties will be taking up a material number of Securities;
- (c) No concessionary fee or other arrangements have been entered into which have had the result that the effective transfer price paid by some allottees differs materially from the Bookbuild Price announced by Adore Beauty;
- (d) No arrangements have been entered into which have had the result that some allottees receive a material benefit for agreeing to participate in the Institutional Bookbuild at the Bookbuild Price announced by Adore Beauty and which is not received by other allottees; and
- (e) no arrangements have been entered into with associates of Adore Beauty or the bookrunner to avoid a shortfall, or the appearance of a shortfall, in the Institutional Bookbuild.

9 Further Information

In addition to the documents already described in this announcement, the following documents will be released on the ASX Market Announcements Platform at the same time as this pre-quotations disclosure:

- (a) **ASX listing application:** The Company's Appendix 1A, ASX Listing Application and Agreement and Information Form and Checklist;
- (b) **Prospectus:** The Prospectus lodged with ASIC by the Company and SaleCo on 7 October 2020;
- (c) **Constitution:** The Company's constitution;
- (d) **Audited accounts:** Adore Beauty Pty Ltd's audited accounts for the full years ended 30 June 2018 and 30 June 2019 and the Company's audited accounts for the full year ended 30 June 2020;
- (e) **Incentive plan:** The full terms and conditions of the Equity Incentive Plan;
- (f) **Corporate Governance Statement:** The Company's Corporate Governance Statement;
- (g) **Securities trading policy:** The Company's Securities trading policy;
- (h) **Distribution schedule:** a distribution schedule;
- (i) **Top 20 Shareholders:** a statement of the top 20 Shareholders in the Company.

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This notice does not constitute an offer of securities in the United States or to any person to whom it would not be lawful outside Australia. The securities referred to herein have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended, or under the securities laws of any state or other jurisdiction of the United States, and may not be offered or sold in the United States absent registration or an applicable exemption from registration requirements. This notice must not be distributed or released in the United States, or in any jurisdiction outside of Australia where distribution may be restricted by law.