

MyStateLimited 

Investor update & capital raising

May 2021

The human way to bank



01 Trading update
Melos Sulicich
Managing Director & CEO
Gary Dickson
Chief Financial Officer

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Melos Sulicich
Managing Director & CEO

03 Capital strength
Gary Dickson
Chief Financial Officer

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Melos Sulicich
Managing Director & CEO

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Agenda
Investor update & capital raising

Executive summary

Trading update

- Momentum continues with financial performance ahead of prior year.
- Operating expenses managed carefully with further widening of 'positive JAWS'.
- Digital transformation delivering continuous improvement.

2025 strategy

A focused and accelerated growth strategy:

- Increased rate of loan book growth with further geographic diversification.
- Underpinned by Culture and Capability, Customer Experience and Acquisition, Distribution and Operations.
- Enabled via a strong digital and AI offering.

Capital raising

- Capital raised will be used to rapidly accelerate the execution of MyState's growth strategies.
- Up to approximately \$80 million equity raising comprising:
 - \$20m fully-underwritten institutional placement (Placement).
 - 1 for 6.6 pro rata accelerated non-renounceable entitlement offer to raise gross proceeds of up to approximately \$60 million (Entitlement Offer).
 - The Entitlement Offer is partially underwritten to \$30 million.
 - Up to approximately 18.6 million new fully paid ordinary shares (New Shares) (equivalent to 20.2% of current issued capital).



Trading update 01
Melos Sulicich

Key highlights

Financial YTD April 2021

+17.1%

Net profit after tax

+16.2%

Earnings per share

-360bps

Cost to income¹

+10bps

Net interest margin

+120bps

Return on tangible equity

+10.6%

Customer deposits

Note: Unaudited management results. Financial performance figures compare FY April YTD 20 to FY April YTD 21 as the previous corresponding period (pcp). Balance sheet and capital figures compare 31 December 2020 as pcp.

1 Excludes restructure costs
2 1 May 2020 – 30 April 2021

Strategic initiatives delivered

Grow

- ✓ Customer deposit growth of 10.6% over prior year
- ✓ Wealth distribution capability and capacity enhanced
- ✓ Cost out via closure of 6 MyState Bank branches

Increase digital capability + automation

- ✓ AI enabled home loan retention tool now live
- ✓ Best in class AI insights in MyState Bank app generating over 1.5m insights to benefit customers per month
- ✓ Multiple improvements to internet and mobile banking platform
- ✓ New Wealth Trustee Services platform

Build our brand

- ✓ Significant expansion of marketing activities into Melbourne and Tasmania
- ✓ Sponsorship of Football Tasmania

Attract + deepen relationships

- ✓ 16,100 customers have joined across the past 12 months²
- ✓ Customer NPS +33; Customer funding ratio 72.4%
- ✓ COVID assistance to customers

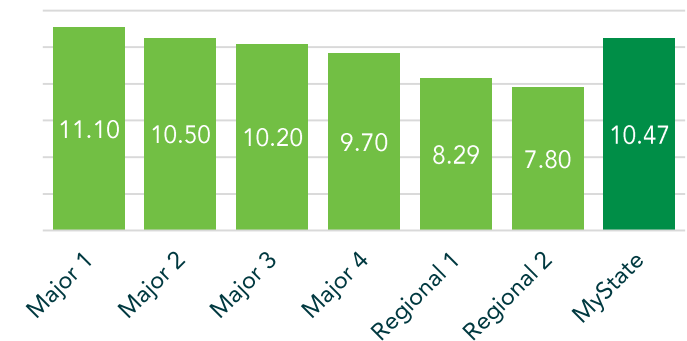
We have a focused digital strategy, with a significant opportunity to accelerate growth.

Financial YTD April 2021 performance summary

	FYTD April 21	FYTD April 20	Change	
Pre-provision operating profit (\$m) ¹	45.1	38.1	+18.3%	▲
Net profit after tax (\$m)	30.2	25.8	+17.1%	▲
Underlying net profit after tax (\$m) ¹	31.5	26.7	+18.2%	▲
Earnings per share (cps) ³	39.4	33.9	+16.2%	▲
Underlying EPS (cps) ^{1,3}	41.0	35.0	+17.3%	▲
Net interest margin	1.96%	1.86%	+10bps	▲
Cost to income ratio ¹	60.75%	64.35%	-360bps	▼
Total capital ratio ²	12.79%	13.24%	-45bps	▼
Return on average equity ³	10.47%	9.46%	+101bps	▲
Return on tangible equity ³	14.39%	13.19%	+120bps	▲
Credit performance - 30 day arrears	0.56%	0.68%	-12bps	▼

- Double digit NPAT and EPS growth.
- Strong top line momentum with NIM continuing to benefit from lower funding costs.
- Positive 'JAWS' with operating expenses continuing to be well managed.
- Annualised return on average equity increased on pcp to 10.47%.

Peer group ROE comparison (%)⁴



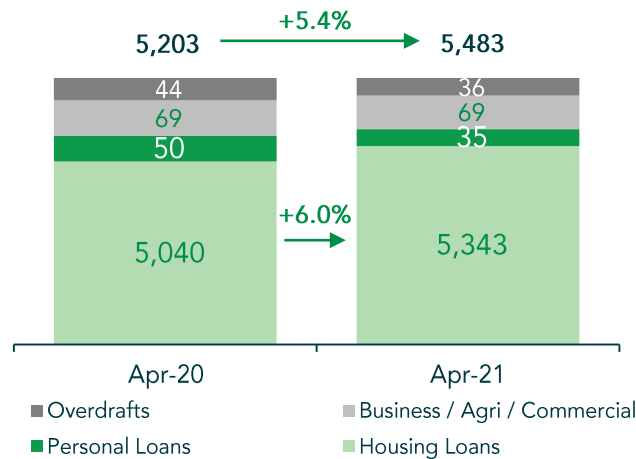
Note: Unaudited management results. Financial performance figures compare FY April YTD 20 to FY April YTD 21 as the previous corresponding period (pcp). Balance sheet figures compare 31 December 2020 as pcp. Forward looking COVID-19 overlay unchanged since 31 December 2020.

1. Excludes restructure costs and Bad & Doubtful Debts expense
2. Comparative is as at 31 December 2020
3. Annualised FYTD
4. As per most recent financial reporting

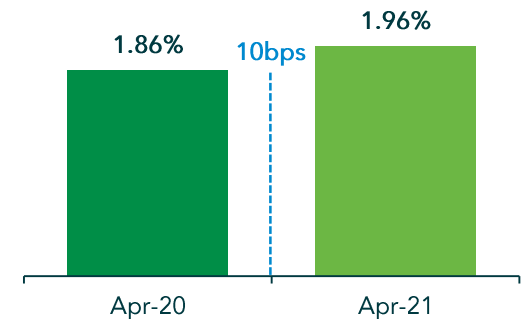
Operating performance

- Lending book growth a result of continued diversification across the eastern seaboard. Personal loans origination ceased.
- NIM benefiting from lower funding costs and growth in retail funding.
- Disciplined management of costs remains a priority.
- NPAT growth a result of strong net interest income performance, continued operating leverage and tight cost management.

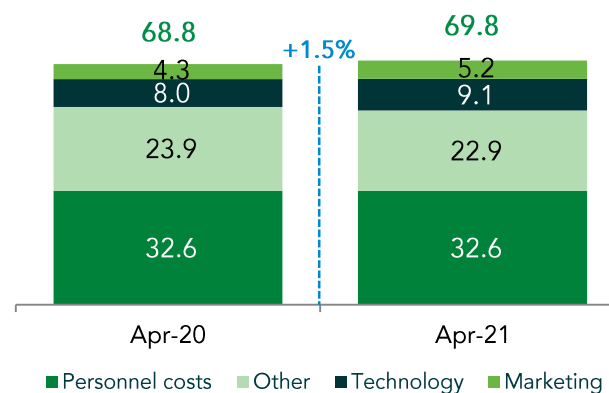
Lending book (\$m)



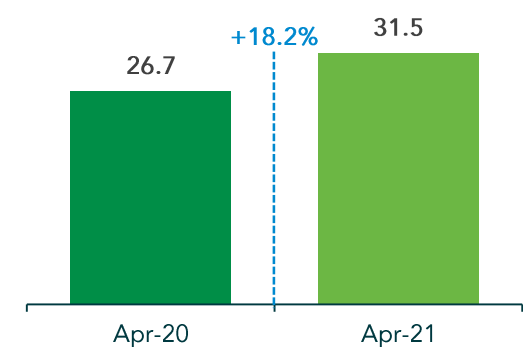
Net interest margin (NIM)



Operating expenses (\$m) ¹



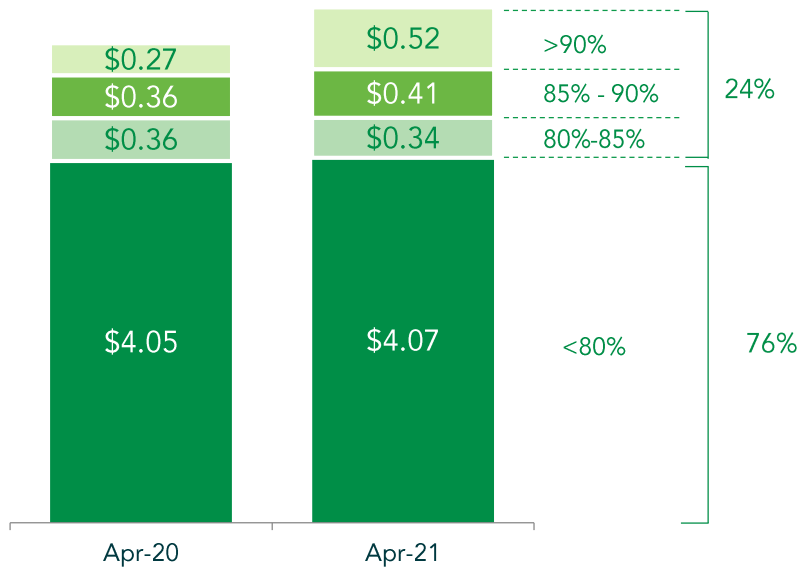
Underlying NPAT ²



1. Excludes restructure costs
 2. Excludes restructure costs (FY21) and Bad & Doubtful Debts expense

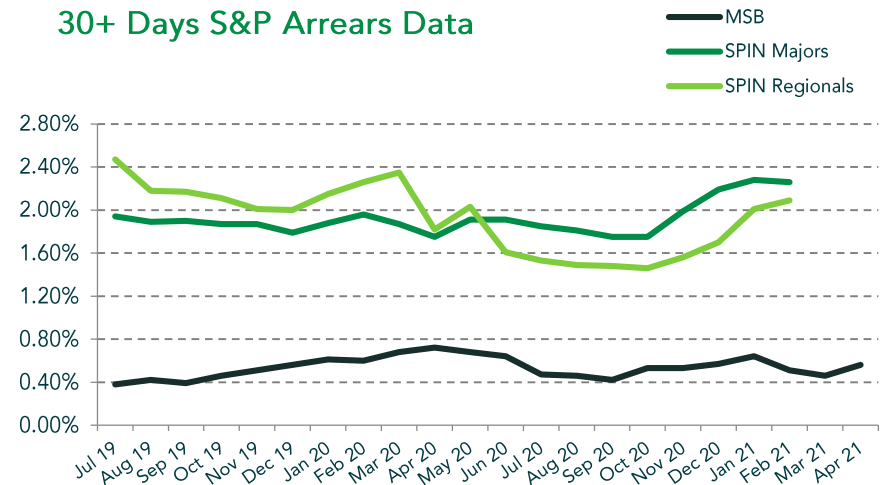
- Continued credit quality remains a hallmark of MyState's strategy and balance sheet strength.
- Focus on low-risk, owner occupied lending with LVR of less than 80%.
- Growth in >90% LVR loans reflects strong support of the First Home Loan Deposit Scheme.

Home loan book - LVR profile (\$b)

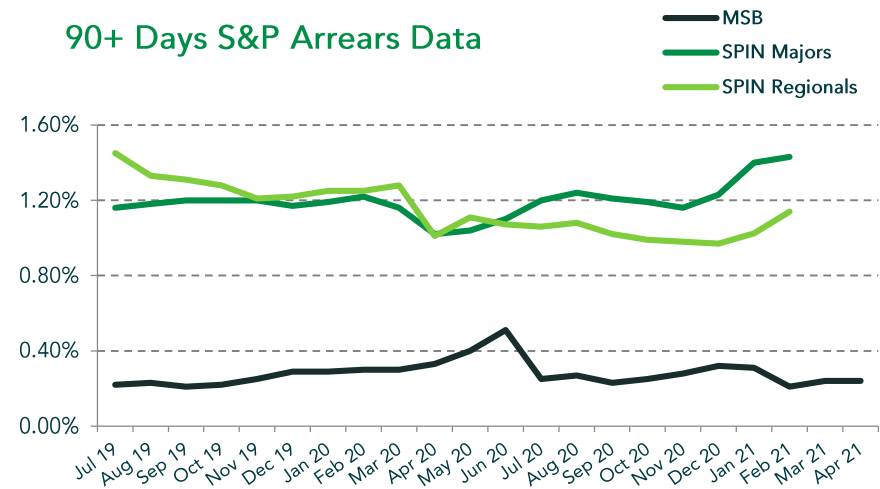


High credit quality

30+ Days S&P Arrears Data



90+ Days S&P Arrears Data



Balance sheet

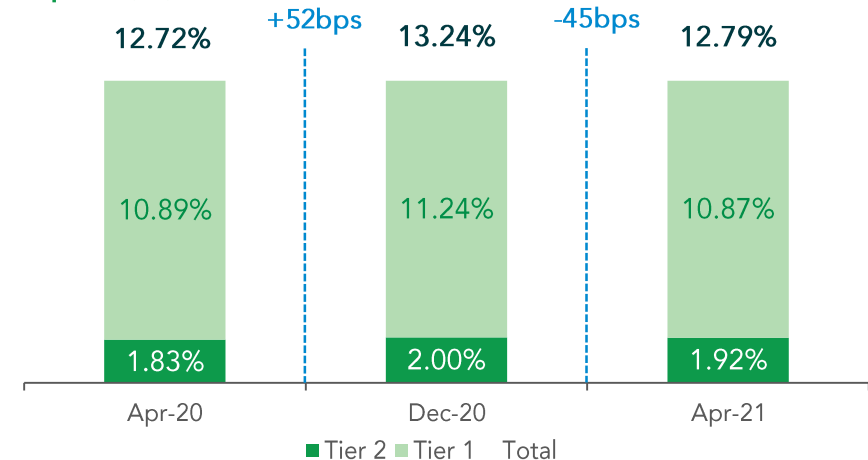
Capital

- Reduction in total capital ratio since 31 Dec 2020 reflects payment of FY21 interim dividend and balance sheet growth.
- Capital raising will provide capital flexibility and capacity for further growth.

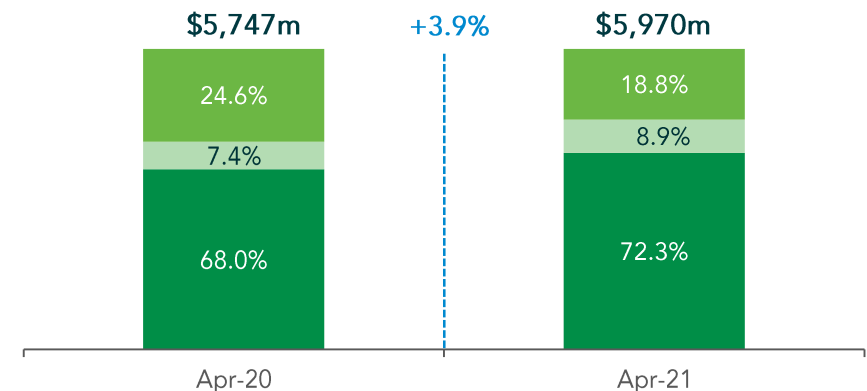
Funding

- Retail deposit led growth strategy.
- Customer deposits up 10.6% on pcp.
- Significant growth in the award winning Bonus Saver Account (+319% on 30 June 2020) driven by digital acquisition of new customers.
- Funding costs have continued to fall.

Capital (%)



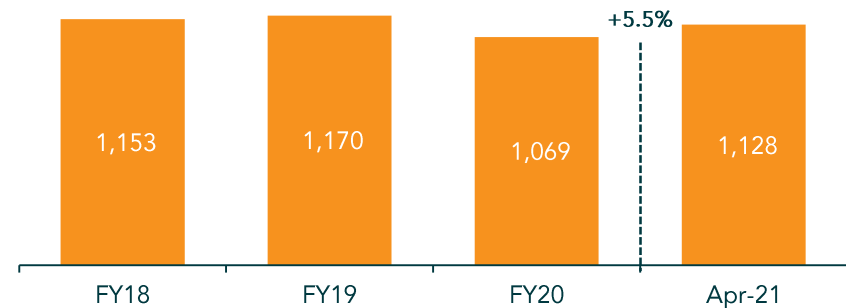
Funding mix (%)



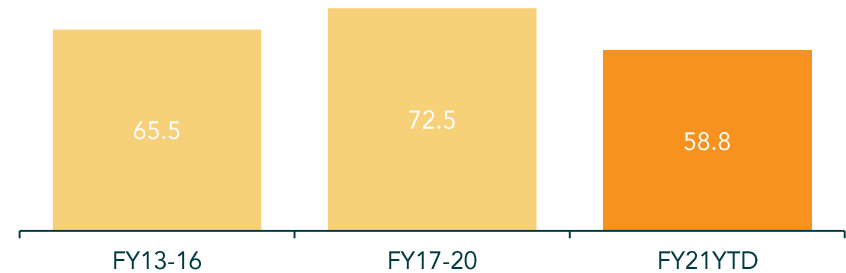
TPT Wealth

- Distribution capability enhanced to drive growth on the eastern seaboard, to compliment the team in the heartland market of Tasmania.
- FUM increased 5.5% financial YTD April 2021 to \$1.128b driven by income fund growth.
- 29% of investors on the new digital portal.
- Investment management for growth funds outsourced to Mercer.
- Replacement of legacy trustee system completed on schedule in February 2021.

Funds under management (\$m)



Net FUM growth (\$m)



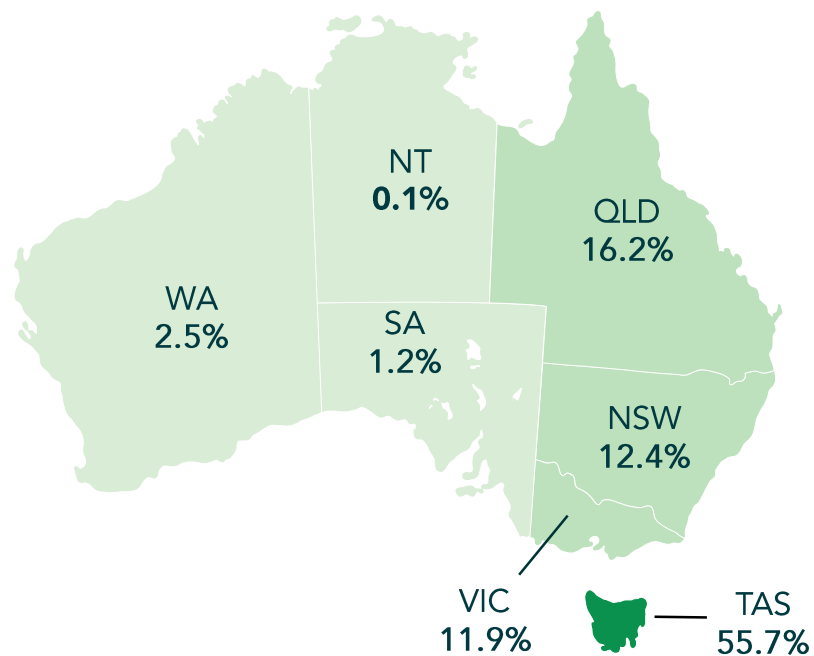


Strategy 2021 - 2025
Melos Sulicich **02**

Strong heartland presence and growing national reach...

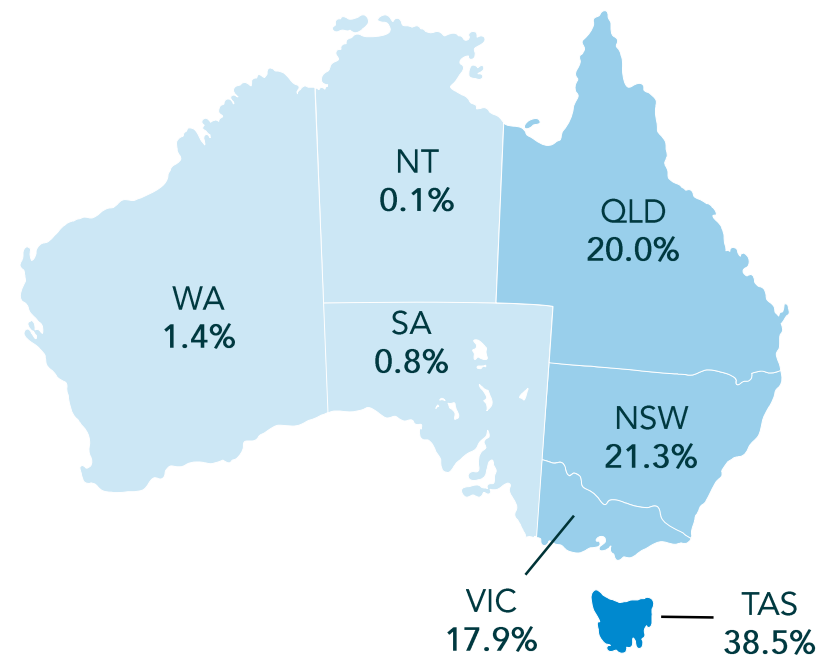
Home Loan geographic concentration – June 2016

Total home loan book \$3.7b



Home Loan geographic concentration – April 2021

Total home loan book \$5.3b



...which has evolved
into a digital bank

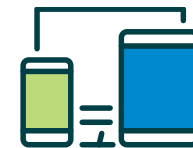
2016

Our journey

2021

Branch based "credit union"

- Geographically concentrated customer base
- Legacy technology platforms
- Inward-focused processes
- Disparate systems and processes
- Largely manual workflow



Digital Bank

- Increasingly geographically diverse customer base
- Online origination increasing
- Customer focused processes
- Relationship focused business and people
- Digitised and simplified systems and processes
- AI enabled customer insights

Well positioned for accelerated growth

Proven execution capability

- Transformed digital bank attracting new customers.
- Strong customer NPS demonstrating deep customer relationships.
- Simpler business, products and systems.
- Focus on operations, growth, margins, cost management and scalability.
- Increased marketing and brand activities reaching new markets.

Digital transformation driving growth

- 'Human way to bank' underpinned by strong digital capability.
- National reach.
- Enhanced customer facing digital proposition.
- Award winning products and leading customer satisfaction ratings.
- Automation of back-office operations.

Disciplined cost management

- Key restructuring activities complete – focus now on realising benefits and reinvesting in accelerated growth.
- Productivity efficiencies achieved through My Excellence program and ongoing digitisation.
- Reducing cost to income ratio.

Managing growth and credit quality

- Credit quality maintained amidst strong competition.
- Focus on low-risk owner occupier lending with an LVR less than 80%.
- Geographic diversification of loan book.
- Strong risk management practices in place.

Proven execution capability

Strategic initiatives delivered 2016 to 2021



Grow our balance sheet

- Home loan book has grown 43% from \$3.7bn to \$5.3bn
- New customer growth across eastern seaboard
- Customer funding ratio > 72% from 66.9% in 2016
- Ceasing origination of Personal Loans

Increase digital capabilities and use of automation

- National scalable digital bank
- Best in class AI insights and retention tools
- Simplification of processes with increasing use of robotics to scale
- Early to adopt NPP and digital wallets
- Closed CQ branch network and funds used to build out digital bank

Build our brand

- Upscaled marketing activity in Tasmania
- Significant expansion of marketing activities in Melbourne
- Award winning products: Bonus Saver awarded 5 Stars by Canstar and Mozo Experts Choice Award
- Trusted brand

Attract and deepen relationships

- Customer growth momentum
- Leading customer NPS +33
- COVID assistance to customers
- AI insights helping customers staying ahead



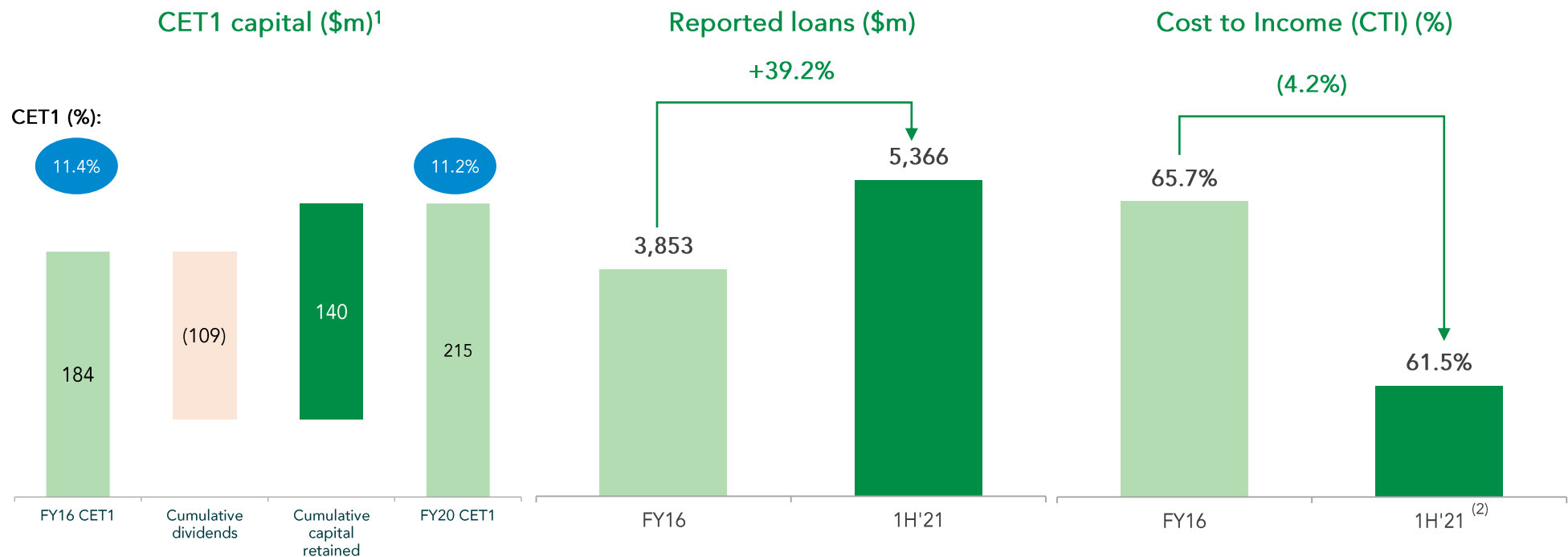
Invest in contemporary, scalable wealth management and trustee products and systems

- Legacy systems replaced
- Trustee services platform launched

Grow through mainland distribution

- Wealth distribution capability and capacity enhanced
- Uplift in business development resourcing within and outside Tasmania

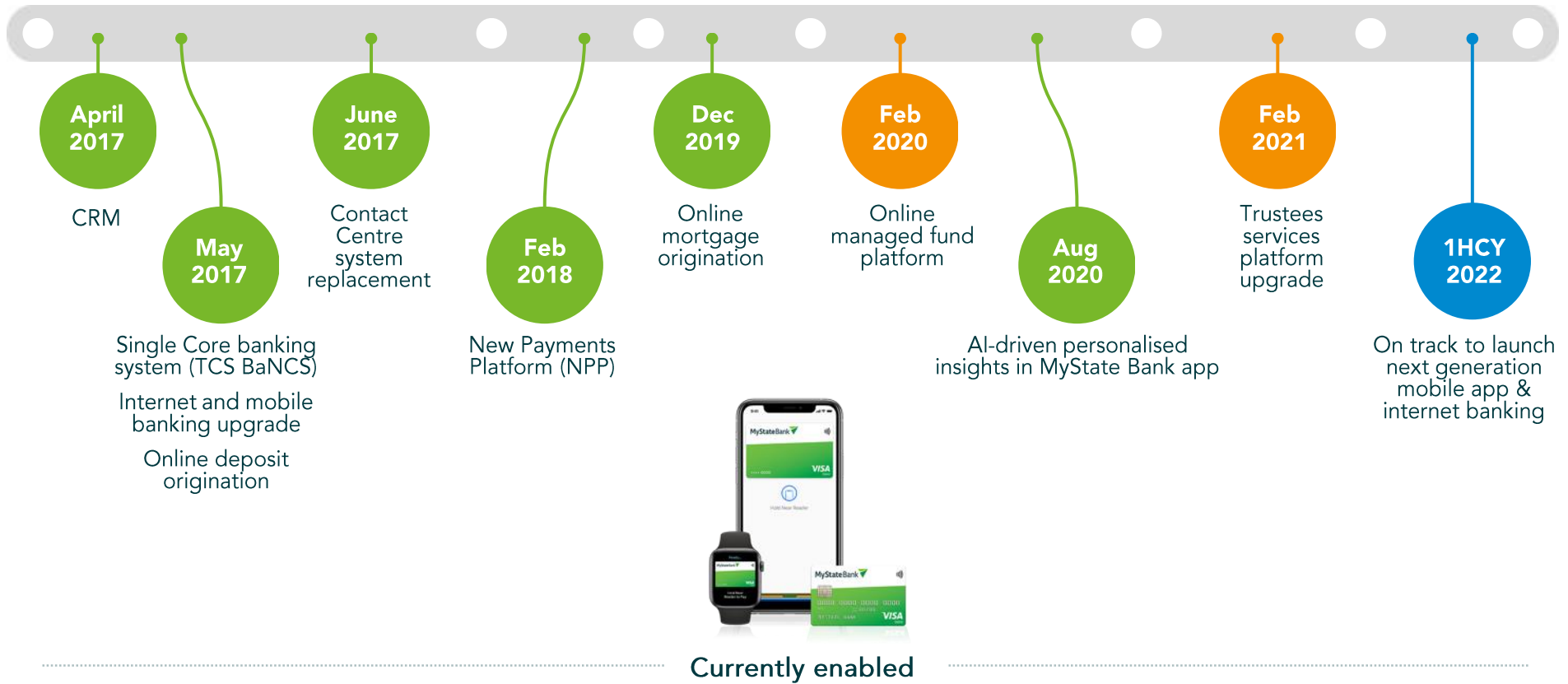
Capital invested generating loan book growth and resulting in lower CTI



- Over 5 years \$31m of capital invested to support loan growth.
- Loan book has grown by \$1,513m since FY16, representing a CAGR of 7.6%
- CTI has been on a downward trend between FY16 to 1H21 – a reduction of 4.2%

1. Based on movement in CET1 between 2016 and 2020, including retained earnings and dividends net of any re-investment plan
 2. Excluding restructuring costs.

Digital transformation driving growth



Operating environment creating opportunities

- In a world still feeling the effects of COVID-19, business is adapting to a lower growth environment; regulation, capital requirements, record low interest rates, intense competition and shifting buying patterns are all affecting profitability.
- In this environment, our focus remains on simplifying, automating, improving productivity, investing and innovating to grow retail deposits, home loans and wealth investments.

Economic and industry dynamics



Australian economy rebound strong with business confidence positive.



Low credit growth combined with low rates for longer increases importance of scale economies.



Competition for new lending remains intense.



Shifting customer preferences towards digital.



Regulatory requirements increasing.



Increasing industry consolidation.

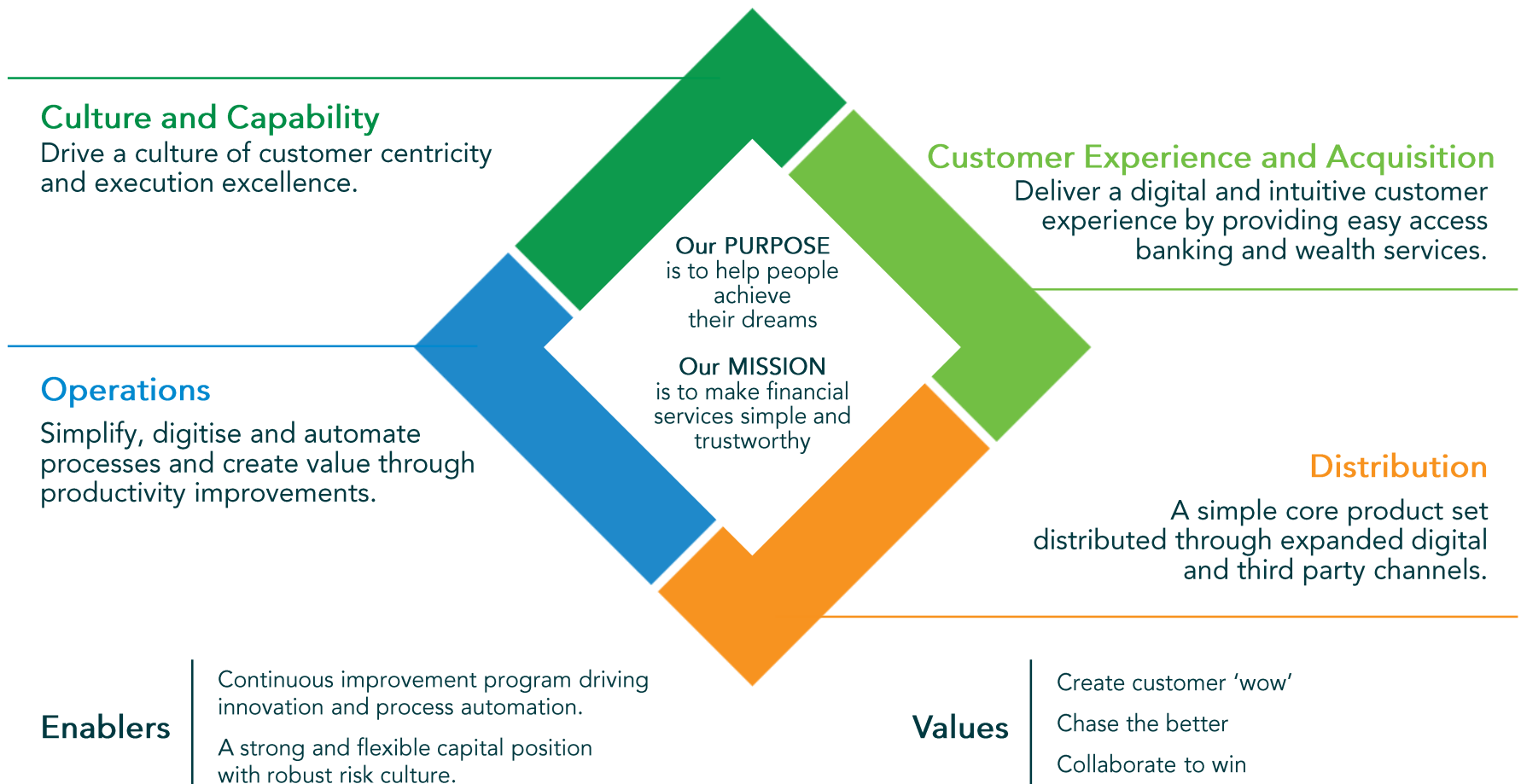
MyState's response

- Continue to grow market share in our heartland.
- Plans to grow rapidly in eastern seaboard markets.
- Simplified digital product set.
- Best in class analytics, insights and robotics processes.
- Simple and easy origination – swift time to 'yes'.
- 'Human way to bank' with strong digital capability.
- Leading customer NPS.
- Simplified business model reduces complexity.
- Automation and digitisation reducing error rates.
- A trusted brand with a deep care for customers.

Strategy 2021 - 2025

Our ambition is to grow our share in deposits, lending and FUM.

Our growth strategy is focused and bold. It builds on our strong financial position and high customer NPS to access specific growth opportunities in eastern seaboard markets, via a strong digital and AI enabled offering.



Strength in balance sheet supports accelerated growth and returns

- MyState sees a significant opportunity across its markets to accelerate growth, creating value for shareholders.
- Since 2016 MyState's home loan book has increased +43%.²
- Opportunity to build on past success and rapidly accelerate growth trajectory.
- Targeting above system growth at low marginal cost.

2021 – 2025 targets ¹	
Assets	<ul style="list-style-type: none"> • Rapidly accelerate balance sheet growth over the medium term, while maintaining current asset quality.
Costs	<ul style="list-style-type: none"> • Improved operating leverage (cost to income ratio) in line with business growth.
Earnings	<ul style="list-style-type: none"> • Targeting ROE accretion as capital is deployed. • Targeting growth in EPS over the medium term.
2022	<ul style="list-style-type: none"> • In FY22 ROE and EPS diluted as capital is deployed and increased opex continues to deliver balance sheet growth.

1. Targets assume current market conditions persist and there is no significant change or deterioration in Federal and State Government responses to COVID-19.

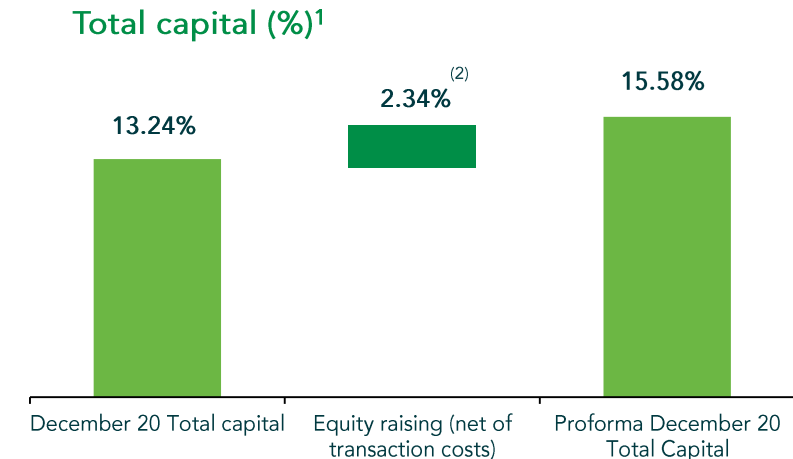
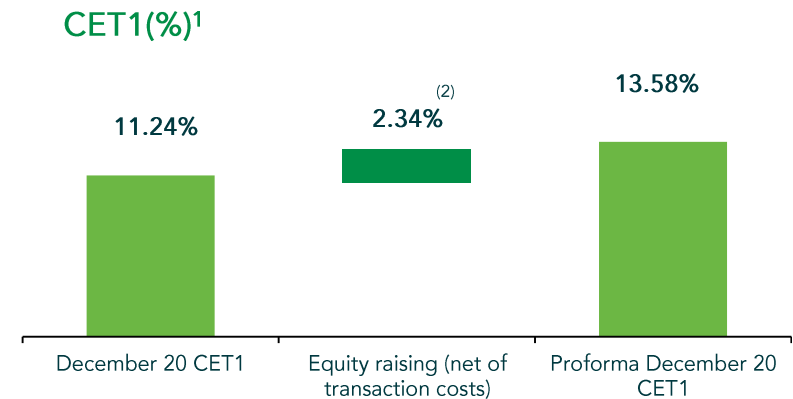
2. From 30 June 2016 to 30 April 2021



Capital strength 03
Gary Dickson

Capital raising will support MyState's significant growth plans

- MyState remains well capitalised with all capital ratios comfortably above regulatory requirements.
- Additional capital will be used to rapidly accelerate the execution of MyState's growth strategies.
- Capacity for Additional Tier 1 and Tier 2 capital to provide further capital flexibility.



1. Excludes the impact of the FY21 interim dividend (-0.50%) and retained earnings for the period from 1 Jan 2021 to 30 April 2021

2. Assumes \$50m capital raise (net of estimated transaction costs of \$2.25m)



Guidance & closing remarks **04**
Melos Sulichich

FY21 guidance and closing remarks



Guidance FY21

- Expect FY21 NPAT and EPS (pre capital raising) to continue momentum from FYTD April 21.
- Pre-provision operating profit range +11% to +14%.
- Positive JAWS.
- Full year FY21 dividend at least 12.5 cps.¹



Closing remarks

- Demonstrated capability on strategic execution.
- Trusted and respected challenger brand with leading customer advocacy.
- Increasing digital and AI capabilities remain a focus for future investment.
- Established digital bank.
- Delivering consistent shareholder returns.

¹ The amount of any dividend paid will be at the discretion of the Board and will depend on several factors, including (a) the recognition of profits and availability of cash for distributions; (b) the anticipated future earnings of the Company; and (c) when the forecast timeframe for capital demands of the business allows for a prudent distribution to Shareholders.



Capital raising information 05
Melos Sulicich and Gary Dickson

Key details of capital raise

Offer size and structure	<ul style="list-style-type: none"> Fully underwritten institutional placement (Placement) to raise approximately \$20 million Partially underwritten 1 for 6.6 pro rata accelerated non-renounceable entitlement offer to raise gross proceeds of up to approximately \$60 million (Entitlement Offer) Up to approximately 18.6 million new fully paid ordinary shares (New Shares) (equivalent to 20.2% of current issued capital)
Offer price	<ul style="list-style-type: none"> \$4.30 per New Share (Offer Price) representing: <ul style="list-style-type: none"> 9.6% discount to the theoretical ex-rights price (TERP)¹ of \$4.76; and 11.3% discount to MyState's last closing price of \$4.85 on Friday 21 May 2021
Use of proceeds	<ul style="list-style-type: none"> Capital raised will be used to rapidly accelerate the execution of MyState's growth strategies
Institutional offer	<ul style="list-style-type: none"> Placement and Institutional Entitlement Offer to be conducted on Tuesday 25 May 2021
Retail offer	<ul style="list-style-type: none"> Retail Entitlement Offer to open on Monday, 31 May 2021 and close at 5.00pm on Monday 21 June 2021 Only eligible shareholders with a registered address in Australia or New Zealand may participate in the Retail Entitlement Offer
Board participation	<ul style="list-style-type: none"> Most directors who are eligible to participate intend to participate in the Entitlement Offer
Underwriting	<ul style="list-style-type: none"> The Placement is fully underwritten The Entitlement Offer is partially underwritten by the Underwriter to a value of \$30m Merrill Lynch Equities (Australia) Limited is the Lead Manager and Underwriter
Ranking of new shares	<ul style="list-style-type: none"> New Shares will rank equally with existing MyState shares and will receive any final dividend that is declared which is expected to be at least 12.5cps²

1. Theoretical ex-rights price (TERP) includes shares issued under the Entitlement Offer and includes shares issued under the Placement. TERP is a theoretical calculation only and the actual price at which MyState shares trade immediately following the ex-date for the Entitlement Offer may differ from TERP. The TERP has been calculated by reference to MyState's closing price of \$4.85 on Friday, 21 May 2021

2. The amount of any dividend paid will be at the discretion of the Board and will depend on several factors, including (a) the recognition of profits and availability of cash for distributions; (b) the anticipated future earnings of the Company; and (c) when the forecast timeframe for capital demands of the business allows for a prudent distribution to Shareholders.

Key details of capital raise

Event	Date
Announcement of Equity Raising	Monday, 24 May 2021
Placement and Institutional Entitlement Offer bookbuild	Monday, 24 May 2021 – Tuesday, 25 May 2021
Announcement of results of Placement and Institutional Entitlement Offer	Wednesday, 26 May 2021
Shares recommence trading on ASX on an “ex-entitlement” basis	Wednesday, 26 May 2021
Entitlement Offer record date (7.00pm Sydney time)	Wednesday, 26 May 2021
Retail Offer booklet dispatched to Eligible Retail Shareholders	Monday, 31 May 2021
Retail Entitlement Offer opens (9.00am Sydney time)	Monday, 31 May 2021
Settlement of New Shares issued under the Placement and Institutional Entitlement Offer	Tuesday, 1 June 2021
Issue and commencement of trading of New Shares under the Placement and Institutional Entitlement Offer	Wednesday, 2 June 2021
Retail Entitlement Offer closes (5.00pm Sydney time)	Monday, 21 June 2021
Announcement of results of Retail Entitlement Offer	Thursday, 24 June 2021
Settlement of New Shares under the Retail Entitlement Offer	Friday, 25 June 2021
Issue of New Shares under the Retail Entitlement Offer	Monday, 28 June 2021
Commencement of trading of New Shares issued under the Retail Entitlement Offer	Tuesday, 29 June 2021
Dispatch of holding statements in respect of New Shares issued under the Retail Entitlement Offer	Wednesday, 30 June 2021

Dates and times are indicative only and subject to change without notice. MyState reserves the right to alter the dates in this presentation at its discretion and without notice, subject to the ASX Listing Rules and Corporations Act 2001 (Cth). All times are Sydney time. Sydney time refers to Australian Eastern Daylight Time and Australian Eastern Standard Time (as applies on the relevant date).



Key risks **06**

Key risks

This section identifies the areas that the directors of MyState Limited (ACN 133 623 962) (the Company) regard as the major risks associated with an investment in the Company, being both risks specific to the Company and risks of a general nature. Potential investors should be aware that an investment in the Company involves many risks, which may be different to the risks associated with an investment in other companies. The following summary, which is not exhaustive, represents some of the major risk factors which potential investors need to be aware of. In this 'Key Risks' section, references to "MyState Limited" mean the Company and its wholly owned subsidiaries, MyState Bank Limited (ACN 067 729 195) (**MyState Bank** or **MSB**) and TPT Wealth Ltd (ACN 009 475 629) (**TPT Wealth** or **TPT**).

Underwriting risk

The Company has entered into an agreement with the Lead Manager (Underwriting Agreement) with respect to \$50 million under the Placement and the Entitlement Offer. The Lead Manager's obligation to underwrite the Placement and partially underwrite the Entitlement Offer is subject to customary terms and conditions, including termination rights for the Lead Manager in specific circumstances, which are summarised on slides 35 to 39.

If the Underwriting Agreement is terminated for any reason, then the Company may not receive the full amount of the \$50 million underwritten amount, its financial position may change, and it may need to take other steps to raise capital.

Licences and approvals

As at the date of this Investor Presentation (**Presentation**), MyState Bank holds an authorised deposit-taking institution (**ADI**) licence, an Australian credit licence and an Australian financial services licence, which it requires to operate its business. The operation of the Company's business remains subject to MyState Bank continuing to hold these licences and having other appropriate regulatory approvals. Failure to maintain these licences and approvals may result in the Company ceasing to be able to operate all or some of its planned activities, which would have a material adverse effect on the Company's business and financial performance.

APRA prudential and capital adequacy requirements

MyState Bank is registered as an ADI and the Company is regulated as an authorised Non-Operating Holding Company (**NOHC**). Financial arrangements between the Company as a NOHC and other members of the Company will generally be subject to arm's length requirements. The prudential and supervisory arrangements that will apply are subject to changes in legislation and requirements imposed by APRA as the regulator from time to time. Additionally, under APRA's regulatory framework MyState Limited is required to hold a certain level of regulatory capital at all times. Any changes to APRA's minimum prudential capital ratios may have a material adverse effect on MyState Limited.

Key risks

Credit risk

The Company relies on its credit risk framework of policies, procedures and systems for controls on credit risk. A failure to comply with these processes, policies or systems may expose MyState Limited to greater than projected credit risk. While MyState Limited has a relatively low credit risk profile, if MyState Limited's customers do not pay the principal, interest and fees owing under their loans then MyState Limited may experience a decrease in projected revenue, increase in projected expenses or loan losses and a decrease in projected operating cash flows, which may have a material adverse effect on MyState Limited's business, financial performance and availability and cost of funding.

Liquidity risks

The ability of MyState Bank to meet its obligations, particularly in relation to deposit holders is a common risk for ADIs. MyState Limited has established policies and procedures and associated systems to ensure that counterparty obligations are met and access to funding and facilities supports these obligations under a stressed environment (including a system-wide stress or institution specific stress). Liquidity risks could arise from the inability of MyState Limited to anticipate and provide for unforeseen decreases or changes in funding sources which could have adverse consequences on MyState Limited's ability to meet its obligations as and when they fall due.

If MyState does not achieve growth in deposits which are sufficient to fund its loan book growth, MyState may need to raise capital to support that growth. MyState Limited's business plan is partially based upon achieving substantial growth in retail deposits and customer growth. This will involve successful implementation of the business' marketing strategy which is centred on building brand awareness, continuing to automate and digitalise operations and in turn growing its balance sheet. If the marketing costs assumed for customer acquisition and retail deposit growth materially increases or MyState Bank fails to continue to attract customers, MyState Bank may be unable to fund loan book growth. A failure to achieve targeted growth may impact the ability of MyState Limited to achieve its business strategy and may have a material adverse effect on MyState Limited's financial performance.

For TPT Wealth, liquidity risk is the risk of having insufficient realisable cash, investments and borrowing capacity to fund redemption requests net of subscriptions. TPT Wealth's assets primarily comprise realisable securities which can be readily sold in normal market conditions. However not all securities or instruments invested in by TPT Wealth may be listed or rated and consequently liquidity of such securities or instruments may be low. TPT Wealth may also encounter difficulties in disposing of assets at a fair market price due to adverse market conditions. Investments may need to be sold if insufficient cash is available to finance redemptions from investors. If the size of disposals is sufficiently large, or the market is illiquid, then there is a risk that either the investments might not be sold or the price at which they are sold may adversely affect the net asset value of a fund.

Dependence on key personnel

MyState Limited has a number of key executives, employees and directors who play an integral role in MyState Limited's business and its pursuit of its strategic objectives. The unexpected departure of an individual in a key role, or the failure to recruit and retain appropriately skilled and qualified persons into these roles, could have an adverse effect on MyState Limited's business, prospects, reputation, financial performance and financial condition.

Failure to comply with laws and regulations

The Company's activities are subject to laws and regulations, including the *Banking Act 1959 (Cth)*, *Anti-Money Laundering and Counter-Terrorism Financing Act 2006*, *Treasury Laws Amendment (Banking Executive Accountability and Related Measures) Act 2018 (Cth)* and *Privacy Act 1988 (Cth)*. If the Company fails to comply with these and other applicable laws and regulations, it could result in fines, the payment of compensation to affected parties or other legal or regulatory sanctions which could have a material adverse effect on the Company's, financial performance and prospects.

Competition in financial services industry

Banking and lending are inherently competitive markets. In addition to its direct competitors, the Company's products also compete against other sources of finance in the market, including digital banks and non-bank lenders. The level of current and future competition in the digital banking and lending and traditional bank lending markets may have a material adverse effect on the Company's business, financial performance and prospects. In particular, the Company's ability to compete will depend on its ability to expand its current digital capabilities and keep pace with technological developments. Larger banks are able to invest significant sums on technological innovation, as they seek to develop points of competitive advantage. If the Company is unable to keep pace with technological changes in the sector it may fall behind its competitors.

Downturn in the Australian economy

The Company's financial performance could be adversely affected by a downturn in the Australian economy, whether a slowing in forecast growth rates, a recession or depression. Adverse movements in a range of macroeconomic factors including but not limited to the Reserve Bank of Australia's overnight cash rate, the property market, the unemployment rate, economic growth rate, inflation rate, bank bill swap rate and exchange rates, may impact the financial performance of the Company.

The Company conducts all of its business in Australia and, consequently, the Company's performance will be influenced by the level and cyclical nature of lending in Australia. These factors are in turn impacted by both domestic and international economic conditions, natural disasters and political events.

A significant decrease in Australian housing valuations could adversely impact the Company's forecast home lending activities because borrowers with loans in excess of their property value may show a higher propensity to default and in the event of defaults, the Company may incur higher credit losses.

Increase in costs for labour, suppliers and contractors

There is a risk that MyState Limited may need to pay higher than expected costs to acquire or retain the necessary employees, suppliers and contractors to enable MyState Limited to continue operating its business and achieving its strategic objectives. Any material increase in labour costs or expenses associated with suppliers and contractors may have a material adverse effect on MyState Limited's financial performance.

Impact of the COVID-19 pandemic

The global COVID-19 pandemic has created significant national and global economic disruption. There is continuing uncertainty as to the ongoing impact of the COVID-19 pandemic, including in relation to the nature and timing of Federal and State government responses, temporary and permanent business closures, lockdowns, quarantines, travel restrictions and the resultant impacts on unemployment, consumer and business confidence and the broader national and global economy. Given the high degree of uncertainty surrounding the extent and duration of the COVID-19 pandemic, it is currently not possible to accurately assess the full impact of the COVID-19 pandemic on the Company's business. However the COVID-19 pandemic may negatively impact the business and financial performance of MyState Limited in the following aspects:

- a reduced demand for financial products offered by the Company;
- lower customer numbers than projected or changing customer transactional behaviours;
- exposure to a greater than usual customer default or fraud risk;
- the risk of illness amongst key personnel or the general employee population; and
- disruption in the delivery of products or services provided to the business by third parties, including the risk of those third parties becoming insolvent or otherwise being unable to supply products or services to MyState Limited at all.

These potential impacts are not intended to be exhaustive. The COVID-19 pandemic also has the potential to increase the likelihood or exacerbate the severity of other key risks detailed in this presentation.

Regulatory changes

The financial services sector has undergone a significant period of political and regulatory scrutiny and change. Future changes in laws and regulations in Australia may require changes to the Company's business plan and model and may affect the performance of MyState Limited. The Federal government and/or State governments may also implement changes to the legislation or regulations relating to or affecting taxation, interest rates or personal privacy, or otherwise take actions which could have a material adverse effect on MyState Limited's business, financial performance and prospects.

Key risks

Operational, technology and cyber risks

The business of MyState Limited depends on the efficient and uninterrupted operation of core IT infrastructure and systems. Any material interruptions to these systems would adversely impact the Company's ability to operate its business and could result in business interruption, the loss of customers and revenue or damaged reputation and could therefore adversely affect MyState Limited's business, financial performance and prospects.

MyState Limited uses technologies which involve the collection of individual personal information. Through the ordinary course of its business, MyState Limited is potentially exposed to cyber-attacks, which have increased in prevalence globally during the COVID-19 pandemic. Cyber-attacks may lead to compromise or even breach of the technology platforms used by MyState Limited to protect confidential information. There is a risk that any data security breaches, MyState Limited's inadvertent failure to protect confidential information or a successful cyber-security attack could result in a loss of information integrity, breaches of obligations of MyState Limited under applicable laws or customer or supplier agreements, system outages and the hacking of MyState Limited's digital assets and/or systems, each of which may potentially have a material adverse impact on MyState Limited's reputation and financial performance and prospects.

Reliance on external parties

MyState Limited relies on a number of suppliers in Australia to provide services to it and its customers. Failure by these suppliers to deliver services or comply with their contractual obligations as required could disrupt services and adversely impact the Company's operations, profitability or reputation. Additionally, MyState Limited may rely on external third party providers to operate its business, for example to provide IT systems and platforms. If there is any disruption in the products or services provided by third parties, MyState Limited's business may be adversely affected.

Failure of risk management strategies

MyState Limited has implemented risk management strategies and internal controls involving processes and procedures intended to identify, assess, measure, monitor, report and mitigate the risks to which it is subject as noted above. However, there are inherent limitations with any risk management framework as there may exist, or develop in the future, risks that MyState Limited has not anticipated or identified or controls that may not operate effectively. If any of MyState Limited's risk management processes and procedures prove ineffective or inadequate or are otherwise not appropriately implemented, MyState Limited could suffer unexpected losses and reputational damage which could adversely affect MyState Limited's businesses, financial performance, capital resources, financial condition and prospects.

Key risks

Market price of ordinary shares will fluctuate

There are risks associated with any securities investment. The prices at which the securities trade may fluctuate in response to a number of factors. Furthermore, the stock market may experience extreme price and volume fluctuations that may be unrelated or disproportionate to the operating performance of the Company. These factors may materially adversely affect the market price of the shares of the Company regardless of MyState Limited's operational performance. Neither the Company nor its directors warrant the future performance of the Company, or any return of an investment in the Company.

Dividends may fluctuate

Dividends are discretionary and do not accrue. The rate of dividends may fluctuate or the Company may not pay dividends at all. There is a risk that dividends may become less attractive compared to returns on comparable securities or investments. None of the Company, the Company's directors or any other person guarantees any particular rate of return on ordinary shares.

Litigation

The Company may be exposed to legal proceedings, with or without merit over the course of its operations. To the extent that these risks are not covered in the Company's insurance policies, litigation, and the costs of responding to the threat of legal advice, could have a material adverse effect on the Company's financial performance, reputation (thus adversely affecting its share price).

Underwriting agreement - termination rights

Underwriting Agreement - Right of Termination

The Company has entered into an agreement with the Lead Manager (Underwriting Agreement) with respect to \$20 million under the Placement and \$30 million under the Entitlement Offer. The Lead Manager's obligation to underwrite the Placement and partially underwrite the Entitlement Offer is subject to terms and conditions, including termination rights for the Lead Manager in specific circumstances. The Underwriter may, by notice given to MyState (the Issuer) and without cost or liability, immediately terminate if any one or more of the Termination Events (summarised on the following slides) occurs or has occurred and:

- (a) (Unqualified) that Termination Event is not marked with an "*"; or
- (b) (Qualified) that Termination Event is marked with an "*" and, the Underwriter has reasonable and bona fide grounds to believe that the event:
 - (i) may give rise to a liability of the Underwriter or any of its affiliates under, or could give rise to the Underwriter or any of its affiliates contravening, or being considered to be in contravention of any applicable law;
 - (ii) has or may have a material adverse effect on the success, marketing, settlement or outcome of the Offer or on the ability of the Underwriter to market, promote or settle the Placement and the Entitlement Offer (together, the Offer), or the likely trading price of fully paid ordinary shares in the capital of the Issuer (the Securities); or
 - (iii) has resulted in, or may result in, a material change in the financial position, performance or prospects of the Issuer and its controlled entities (taken as a whole group) from that which existed at the date of this document, other than as disclosed to ASX prior to the date of this document.

Underwriting agreement - termination rights

Schedule 3 Termination Events

- (a) (market fall) the S&P/ASX 200 Index falls to a level that is 87.5% or less of the level as at the close of trading immediately prior to the date of the Underwriting Agreement:
- (i) at any time before the settlement date of the Placement and institutional component of the Entitlement Offer (Institutional Settlement Date) and remains so for two consecutive Business Days; or
 - (ii) at close of trading on the Business Day before the Institutional Settlement Date; or
 - (iii) at close of trading on two consecutive Business Days before the date of settlement of the retail component of the Entitlement Offer.
- (b) (misleading disclosure) a statement contained in the offer materials (including any estimate, expression of belief or intention, or statement relating to future matters) is or becomes misleading or deceptive or likely to mislead or deceive or a matter required to be included is omitted from the offer materials, or there are no reasonable grounds for the making of any statement in the offer materials relating to future matters;
- (c) * (information) the Due Diligence Committee Report or any information supplied by or on behalf of the Issuer to the Underwriter for the purposes of Due Diligence Investigations, the offer materials, or the Offer, is misleading or deceptive (including by omission);
- (d) (offer cleansing statement) an offer cleansing statement is defective, or a corrective statement is required to be issued under the Corporations Act which is materially adverse to an investor;
- (e) * (adverse change) any adverse change, or development (including but not limited to any regulatory change) or event which is reasonably likely to give rise to an adverse change in the condition, financial or otherwise, or in the assets, liabilities, earnings, business, operations, management, profits, losses or prospects of the Issuer, any group member or their respective underlying investments occurs;
- (f) (new circumstance) a new circumstance arises which is a matter materially adverse to investors in Offer Securities and which would have been required by the Corporations Act to be included in the offer materials had the new circumstance arisen before the offer materials were given to ASX;
- (g) (future matters) there are not reasonable grounds for an expression of belief, expectation or intention, or statement relating to future matters (including any forecast or prospective information or data) in any of the offer materials (taking into account ASIC Regulatory Guide 170: Prospective Financial Information);

Underwriting agreement - termination rights

Schedule 3 Termination Events (continued)

(h) * (change of law) there is introduced or there is a public announcement of a proposal to introduce, into the Parliament of Australia or any State of Australia a new law or regulation, or the Reserve Bank of Australia, or any Commonwealth or State authority, adopts or announces a proposal to adopt a new policy (other than a law or policy which has been announced before the date of the Underwriting Agreement);

(i) (unable to proceed) the Issuer is or will be prevented from conducting or completing the Offer (including granting the entitlements or issuing the Offer Securities) by or in accordance with the Listing Rules, ASIC, ASX, any applicable laws or an order of a court of competent jurisdiction, or otherwise are or will become unable or unwilling to do any of these things or a third party applies to a court of competent jurisdiction seeking orders to prevent, or which will have the effect of preventing any of these things;

(j) (force majeure) there is an event or occurrence, including any statute, order, rule, regulation, directive or request (including one compliance with which is in accordance with the general practice of persons to whom the directive or request is addressed) of any government agency which makes it illegal for the Underwriter to satisfy an obligation under the Underwriting Agreement, or to market, promote, or settle the Offer;

(k) (listing):

- (i) ASX announces that the Issuer will be removed from official quotation, or that the Securities (or interests in them) will cease trading or be suspended from official quotation or cease to be quoted on the ASX (other than a voluntary suspension requested by the Issuer and consented to by the Underwriter to facilitate the Offer (such consent not to be unreasonably withheld or delayed));
- (ii) ASX makes any official statement to any person, or indicates to the Issuer or Underwriter that it will not grant permission for the official quotation of the Securities to be issued under the Offer; or
- (iii) permission for the official quotation of the Securities to be issued under the Offer is not granted before the date of issue of those Offer Securities or, if granted, the approval is subsequently withdrawn, qualified or withheld;

(l) (notifications):

- (i) an application is made by ASIC or another person for an order under Part 9.5 of the Corporations Act in relation to the offer materials or the Offer;
- (ii) a government agency commences, or gives notice of an intention to hold, any investigation or hearing in relation to the Offer or any of the offer materials; or
- (iii) a government agency prosecutes or commences proceedings against or gives notice of an intention to prosecute or commence proceedings against the Issuer or any of its directors, officers, employees or agents;

Underwriting agreement - termination rights

Schedule 3 Termination Events (continued)

- (m) (no misleading or deceptive conduct) the Issuer engages in conduct that is misleading or deceptive or which is likely to mislead or deceive in connection with the making of the Offer;
- (n) * (market disruption) either of the following occurs:
- (i) a general moratorium on commercial banking activities in Australia, the United States of America, Hong Kong, Singapore, the United Kingdom or the European Union is declared by the relevant central banking authority in any of those countries, or there is a material disruption in commercial banking or security settlement or clearance services in any of those countries; or
 - (ii) trading in all securities quoted or listed on ASX, the London Stock Exchange, HK Stock Exchange or the New York Stock Exchange is suspended or limited in a material respect for one full day or more on which that exchange is open for trading (Trading Day) or more, or a substantial part of one Trading Day;
- (o) * (hostilities) hostilities not presently existing commence (whether war has been declared or not) or a major escalation in existing hostilities occurs (whether war has been declared or not) involving any one or more of Australia, the United States of America, New Zealand, Singapore, Hong Kong, the United Kingdom, any member of the European Union, Norway, or the People's Republic of China or a terrorist act is perpetrated on any of those countries or any diplomatic, military, commercial or political establishment of any of those countries elsewhere in the world;
- (p) * (political or economic conditions) the occurrence of any adverse change or disruption to the political conditions or financial markets of Australia, the United States of America, New Zealand, Singapore, Hong Kong, the United Kingdom, any member state of the European Union, Norway, or the People's Republic of China or the international financial markets or any change or development involving a prospective change in national or international political, economic or financial conditions;
- (q) * (representations and warranties) a representation or warranty contained in this document on the part of the Issuer is untrue or incorrect when given or taken to be given or becomes untrue or incorrect;
- (r) (certificate) a certificate is not furnished when required, or when furnished by the Issuer under this document is untrue, incorrect or misleading;
- (s) (delay) any event specified in this document (including in the Timetable) is delayed by 1 day or more prior to the Institutional Settlement or 2 days or more at any time after the Institutional Settlement Date, without the prior written consent of the Underwriter;
- (t) * (breach) the Issuer fails to perform or observe any of its obligations under the Underwriting Agreement;
- (u) * (change in management) a change in CEO or CFO, or a resignation of a director of MyState occurs or is announced;

Underwriting agreement - termination rights

Schedule 3 Termination Events (continued)

(v) (prosecution) any of the following occurs:

- (i) a director or proposed director of the Issuer is charged with an indictable offence;
- (ii) any government agency commences any public proceedings against the Issuer or any director in their capacity as a director of the Issuer, or announces that it intends to take such action; or
- (iii) any director or proposed director of the Issuer is disqualified from managing a corporation under any applicable law;

(w) (ASX Waivers and ASIC Modifications) approval for any ASX waivers or ASIC modifications is withdrawn or is varied in a way that, in the reasonable opinion of the Underwriter, would have a material adverse effect on the success of the Offer;

(x) (Insolvency) an insolvency event occurs to a group member or there is an act which has occurred or any omission made which would result in an Insolvency Event occurring in respect of any group member; and

(y) (withdrawal) the Issuer withdraws the Offer or part of it, except where the Offer is withdrawn as a direct consequence of the Underwriter breaching any of its obligations under the Underwriting Agreement.



Appendices 07

A trusted and respected brand...

MyState is a unique provider of banking, trustee and wealth management services to more than 150,000 customers across Australia through its retail brands – MyState Bank and TPT Wealth.

MyState listed on the ASX in 2009.

MyState currently has a market capitalisation of around \$435m and has a shareholder base of 64,000.



MyState Bank is a leading challenger bank with strong digital capability. Since its establishment, it has grown its assets to more than \$5.5bn, offers award winning products and has market leading customer satisfaction ratings.

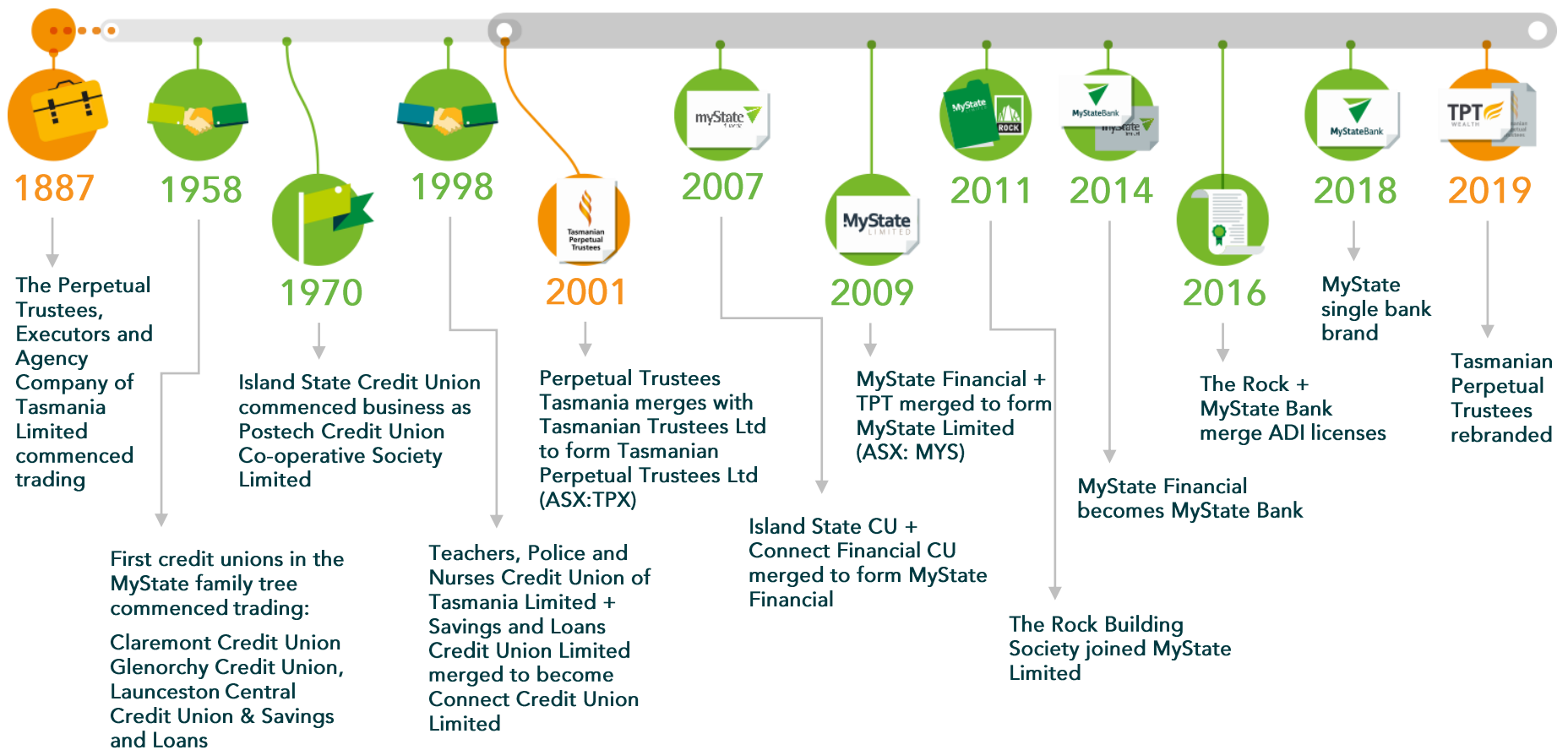
90%* Banking
Lending | Deposits | Transactions



TPT Wealth, a 133 year old business, is one of the oldest providers of wealth solutions in Australia. A trusted brand, today it offers contemporary financial products including asset management and trustee services.

10%* Wealth
Funds management | Trustee services

...with a long and proud history

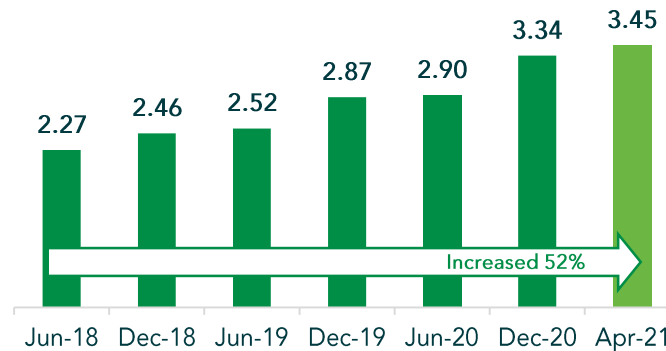


Digital transformation driving growth

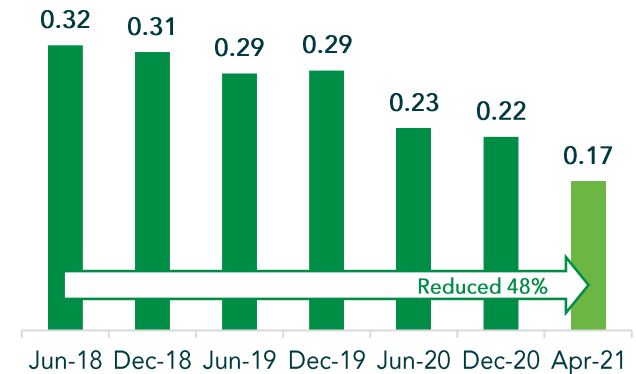
Migration to digital continues

- Best in class AI insights in MyState Bank app generating over 1.5m insights per month.
- 94% of transactions completed digitally.
- Digitisation of back office processes increasing scalability and speed.
- Customer uptake of internet and mobile banking increasing.
- Bonus Saver awarded 5 Stars by Canstar and Mozo Experts Choice Award.
- Digitisation strategy is growing our customer base with very high customer satisfaction.

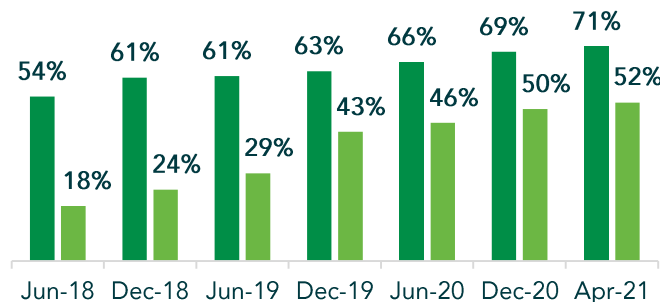
Digital transactions (#m)¹



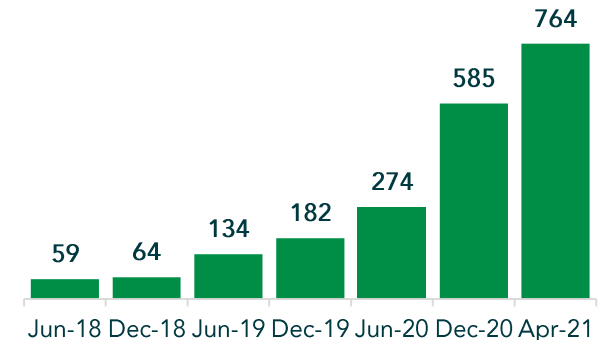
Branch transactions (#m)¹



Customers registered with IB & eStatements



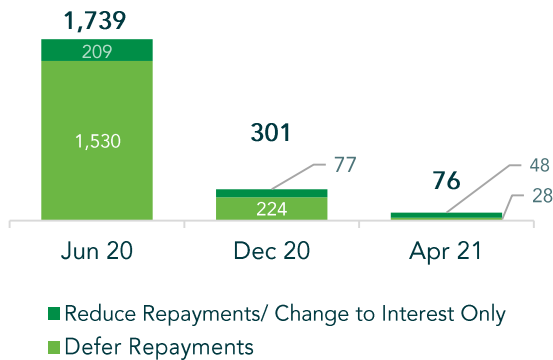
Online digital deposits (\$m)



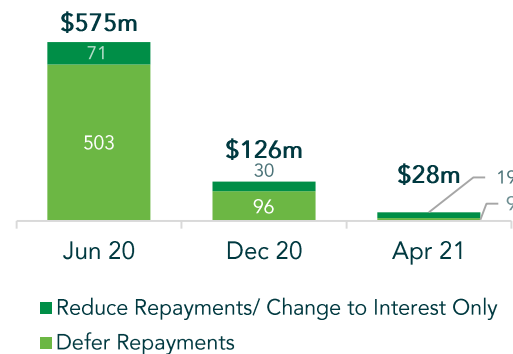
- Customers registered on Internet Banking (%)
- Customers with eStatements (%)

Mortgage deferral assistance

Total loans with assistance
(facilities, no.)



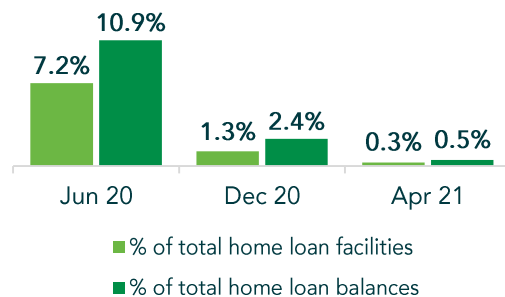
Total loans with assistance
(balances, \$m)



Financial assistance

- A very small number of accounts remained in deferral in April (76 customers; 73 home loans and 3 personal loans).
- 99.8% of customers who received assistance are making some sort of payments.
- Just 0.5% of the mortgage portfolio is receiving some form of assistance, with only 0.2% on payment deferrals.

Home lending assistance profile % of total home loan assistance balances



December 2020 pro forma balance sheet

- Pro forma balance sheet illustrates the impact of the Offer on the 31 December 2020 MyState Limited balance sheet. The following adjustments have been made:

- The impact of the interim dividend paid in March 2021, net of the Dividend Reinvestment Plan.
- The impact of the Offer (underwritten component only), net of equity raising costs.

A\$m	Actual	Interim Dividend	Equity raise proceeds	Transaction costs	Pro forma
Assets					
Cash and liquid assets	113.6	(10.1)	50.0	(2.3)	151.2
Due from other financial institutions	21.4				21.4
Other assets	5.4				5.4
Financial instruments	598.0				598.0
Loans and advances	5,378.9				5,378.9
PPE and ROU asset	16.9				16.9
Deferred tax assets	5.5			0.7	6.2
Intangibles and goodwill	83.6				83.6
Total assets	6,223.3	(10.1)	50.0	(1.6)	6,261.6
Liabilities					
Due to other financial institutions	(16.5)				(16.5)
Deposits and other borrowings	(5,830.1)				(5,830.1)
Employee benefit provisions	(5.1)				(5.1)
Other liabilities	(19.5)				(19.5)
Tax liabilities	(0.6)				(0.6)
Total liabilities	(5,871.8)	-	-	-	(5,871.8)
Net assets	351.5	(10.1)	50.0	(1.6)	389.8
Equity					
Total equity	351.5	(10.1)	50.0	(1.6)	389.8

1H: First half of financial year
2H: Second half of financial year
ADI: Authorised deposit-taking institution
APRA: Australian Prudential Regulation Authority
Avg: Average
ASX: Australian Securities Exchange
BBSW: Bank Bill Swap Rate
BDD: Bad & Doubtful Debt Expense
bps: basis points
CAGR: Compounded annual growth rate
CET1: Common Equity Tier 1
cps: Cents per share
CTI: Cost-to-income ratio
DRP: Dividend reinvestment plan
EPS: Earnings per share
FUM: Funds under management
FY: Financial year
FYTD: Financial year to date
HY: Half year
IO: Interest only
IRB: Internal ratings-based
JAWS: relationship between income and expense growth
LVR: Loan to valuation ratio
MYS: MyState Limited
MSB: MyState Bank Limited
NII: Net Interest Income
NIM: Net Interest Margin
NPAT: Net Profit after Tax
NPBT: Net Profit before Tax
PCP: Previous Corresponding Period
RBA: Reserve Bank of Australia
RMBS: Residential mortgage-backed security
ROE: Return on equity
SPIN: Standard and Poor's Performance Index
S&P: Standard and Poor's
TD: Term deposit
TPT: TPT Wealth Limited

This Presentation has been prepared by MyState Limited (ACN 133 623 962) ("MyState" or "Company") in relation to a pro rata accelerated non-renounceable entitlement offer of new shares ("New Shares") to eligible institutional investors and eligible retail investors ("Entitlement Offer") and placement to eligible institutional investors (together, the "Offer").

Summary Information

This Presentation contains selected summary information about MyState and does not purport to be all inclusive or relevant, or to contain all of the information that may be relevant, or which a prospective investor may require in when making an investment decision. It should be read in conjunction with MyState's other periodic and continuous disclosure announcements lodged with the Australian Securities Exchange, which are available at www.asx.com.au. The information in this Presentation is current as at the date of this Presentation unless otherwise specified and is subject to change without notice.

Not Financial Product Advice

This Presentation is for information purposes only and is not financial product advice or a recommendation to acquire or sell shares. It has been prepared without taking into account any investor's objectives, financial position, situation or needs. Recipients should not rely on this Presentation in considering the merits of MyState or the acquisition of shares in MyState. Before making an investment decision, the recipient should consider the appropriateness of the information in this Presentation and have regard to their own objectives, financial situation and needs, and conduct their own independent investigation and assessment of the contents of this Presentation, including obtaining investment, legal, tax, accounting and such other advice as it considers necessary or appropriate. Any references to or explanations of legislation, regulatory issues, benefits or other legal commentary (if any) is indicative only, does not summarise all of the relevant issues and are not intended to be a full explanation of a particular matter. MyState is not licensed to provide financial product advice in relation to the offer of shares. Cooling off rights do not apply to the acquisition of the New Shares.

Not an Offer

This Presentation is not an offer or an invitation to acquire or sell shares in MyState or any other financial products, or a solicitation to invest in or refrain from investing in, shares in MyState or any other financial products. It is not a prospectus, product

disclosure statement or other disclosure document under the Corporations Act. It has not been, and is not required to be, lodged with the Australian Securities and Investments Commission (ASIC).

Financial Information

All information in this Presentation is in Australian dollars (\$) unless stated otherwise. A number of figures, amounts, percentages, estimates, calculations of value and fractions in this presentation are subject to the effect of rounding. Accordingly, the actual calculation of these figures may differ from the figures set out in this presentation and totals may vary slightly due to rounding. All references to financial years (FY) appearing in this Presentation are to the financial years ended on 30 June of the indicated year.

Past Performance

Information regarding past performance, including past share price information, given in this Presentation is given for illustrative purposes only and should not be relied upon as (and is not) an indication of future performance.

Disclaimer

Merrill Lynch Equities (Australia) Limited ACN 006 276 795 ("Underwriter") is the lead manager and underwriter to the Offer. To the maximum extent permitted by law, MyState, its related bodies corporate and their respective officers, directors, employees, advisers, partners, affiliates and agents (the "MyState Parties"), and the Underwriter, its related bodies corporate and their respective officers, directors, employees, advisers, partners, affiliates and agents (the "Underwriting Parties"), make no representation or warranty, express or implied, as to the accuracy, completeness, timeliness or reliability of the contents of this Presentation. To the maximum extent permitted by law, none of the MyState Parties nor the Underwriting Parties accept any liability (without limitation, any liability arising from fault or negligence) for any loss whatsoever arising from the use of or reliance on this Presentation or its contents or otherwise arising in connection with it.

Disclaimer
Investor update & capital raising

Forward-looking statements

This Presentation may contain “forward-looking” statements including statements, guidance, forecasts, estimates, prospects, projections or statements in relation to future matters, including statements regarding MyState’s intent, belief or current expectations with respect to its business operations, market conditions, results of operations, financial conditions, and risk management practices. Forward-looking statements can generally be identified by the use of forward-looking words such as “anticipated”, “expected”, “aim”, “predict”, “projections”, “should”, “plans”, “guidance”, “forecast”, “estimates”, “could”, “may”, “target”, “consider”, “will” and other similar expressions. Indications of, and guidance on, future earnings, financial performance, and financial position are also forward-looking statements. Forward-looking statements including projections, indications or guidance on future earnings or financial position and estimates are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance. Forward-looking statements, opinions and estimates are based on assumptions and contingencies which are subject to certain risks, uncertainties and change without notice, as are statements about market and industry trends, which are based on interpretations of current market conditions. Many of these risks are not in the control of MyState. Should one or more of the risks or uncertainties materialise, or should underlying assumptions prove incorrect, there can be no assurance that actual outcomes will not differ materially from these statements. No independent third party has reviewed the reasonableness of these forward-looking statements.

To the fullest extent permitted by law, the MyState Parties disclaim any obligation or undertaking to release any updates or revisions to the information to reflect any change in expectations or assumptions. Except as required by law, none of the MyState Parties assume any obligation to release any updates or revisions to forward-looking statements to reflect any changes.

Investment Risk

An investment in securities in MyState is subject to investment and other known and unknown risks, some of which are beyond the control of MyState, including possible loss of income or principal invested. MyState does not guarantee any particular rate of return or the performance of MyState, nor does it guarantee any particular tax treatment. Investors should have regard to the risk factors outlined in this

Presentation when making their investment decision and should make their own enquiries and investigations regarding all information in this Presentation, including the assumptions, uncertainties and contingencies which may affect future operations of MyState and the impact that different future outcomes may have on MyState.

General

The distribution of this Presentation to persons or in jurisdictions outside Australia may be restricted by law and any person into whose possession this document comes should seek advice on and observe those restrictions.

Any failure to comply with such restrictions may violate applicable securities law. No party other than MyState has authorised, permitted, caused the issue, submission, dispatch or provision of this Presentation, or takes any responsibility for, or makes or purports to make any statements, representations or undertakings in this Presentation. None of the MyState Parties take any responsibility for the information in this Presentation or any action taken by the recipient on the basis of such information. To the maximum extent permitted by law, the MyState Parties:

- exclude and disclaim all liability, including for negligence, or for any expenses, losses, damages or costs incurred by you as a result of your participation in the Offer and the information in this Presentation being inaccurate or incomplete in any way for any reason, whether by negligence or otherwise; and
- make no representation or warranty, express or implied, as to the currency, accuracy, reliability or completeness of information in this Presentation.

Determination of eligibility of investors for the purpose of the Offer is determined by reference to a number of matters, including legal requirements and the discretion of MyState and the Underwriter. The MyState Parties and Underwriter Parties disclaim any liability in respect of the exercise or otherwise of that discretion, to the maximum extent permitted by law.

Disclaimer
Investor update & capital raising

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

Canada (British Columbia, Ontario and Quebec provinces)

This document constitutes an offering of New Shares only in the Provinces of British Columbia, Ontario and Quebec (the "Provinces"), only to persons to whom New Shares may be lawfully distributed in the Provinces, and only by persons permitted to sell such securities. This document is not a prospectus, an advertisement or a public offering of securities in the Provinces. This document may only be distributed in the Provinces to persons who are "accredited investors" within the meaning of National Instrument 45-106 – *Prospectus Exemptions*, of the Canadian Securities Administrators.

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

No prospectus has been, or will be, filed in the Provinces with respect to the offering of New Shares or the resale of such securities. Any person in the Provinces lawfully participating in the offer will not receive the information, legal rights or protections that would be afforded had a prospectus been filed and receipted by the securities regulator in the applicable Province. Furthermore, any resale of the New Shares in the Provinces must be made in accordance with applicable Canadian securities laws. While such resale restrictions generally do not apply to a first trade in a security of a foreign, non-Canadian reporting issuer that is made through an exchange or market outside Canada, Canadian purchasers should seek legal advice prior to any resale of the New Shares.

The Company as well as its directors and officers may be located outside Canada and, as a result, it may not be possible for purchasers to effect service of process within Canada upon the Company or its directors or officers. All or a substantial portion of the assets of the Company and such persons may be located outside

Canada and, as a result, it may not be possible to satisfy a judgment against the Company or such persons in Canada or to enforce a judgment obtained in Canadian courts against the Company or such persons outside Canada.

Any financial information contained in this document has been prepared in accordance with Australian Accounting Standards and also comply with International Financial Reporting Standards and interpretations issued by the International Accounting Standards Board. Unless stated otherwise, all dollar amounts contained in this document are in Australian dollars.

Statutory rights of action for damages and rescission. Securities legislation in certain Provinces may provide a purchaser with remedies for rescission or damages if an offering memorandum contains a misrepresentation, provided the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's Province. A purchaser may refer to any applicable provision of the securities legislation of the purchaser's Province for particulars of these rights or consult with a legal adviser.

Certain Canadian income tax considerations. Prospective purchasers of the New Shares should consult their own tax adviser with respect to any taxes payable in connection with the acquisition, holding or disposition of the New Shares as there are Canadian tax implications for investors in the Provinces.

Language of documents in Canada. Upon receipt of this document, each investor in Canada hereby confirms that it has expressly requested that all documents evidencing or relating in any way to the sale of the New Shares (including for greater certainty any purchase confirmation or any notice) be drawn up in the English language only. Par la réception de ce document, chaque investisseur canadien confirme par les présentes qu'il a expressément exigé que tous les documents faisant foi ou se rapportant de quelque manière que ce soit à la vente des valeurs mobilières décrites aux présentes (incluant, pour plus de certitude, toute confirmation d'achat ou tout avis) soient rédigés en anglais seulement.

International Offer Restrictions
Investor update & capital raising

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.

New Zealand

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

The New Shares are not being offered to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the Financial Markets Conduct (Incidental Offers) Exemption Notice 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, any Norwegian securities regulator under the Norwegian Securities Trading Act of 29 June 2007 no. 75. Accordingly, this document shall not be deemed to constitute an offer to the public in Norway within the meaning of the Norwegian Securities Trading Act. The New Shares may not be offered or sold, directly or indirectly, in Norway except to "professional clients" (as defined in the Norwegian Securities Trading Act).

International Offer Restrictions
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Singapore

This document and any other materials relating to the New Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this document and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of New Shares, may not be issued, circulated or distributed, nor may the New Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part XIII of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

This document has been given to you on the basis that you are (i) an "institutional investor" (as defined in the SFA) or (ii) an "accredited investor" (as defined in the SFA). If you are not an investor falling within one of these categories, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the New Shares being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire New Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

United Kingdom

Neither this document nor any other document relating to the offer has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended ("FSMA")) has been published or is intended to be

published in respect of the New Shares.

The New Shares may not be offered or sold in the United Kingdom by means of this document or any other document, except in circumstances that do not require the publication of a prospectus under section 86(1) of the FSMA. This document is issued on a confidential basis in the United Kingdom to "qualified investors" within the meaning of Article 2(e) of the UK Prospectus Regulation. This document may not be distributed or reproduced, in whole or in part, nor may its contents be disclosed by recipients, to any other person in the United Kingdom.

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

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

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