Equity Raising Presentation

scee

14 November 2017

About SCEE

Southern Cross Electrical Engineering (SCEE) is an ASX listed electrical, instrumentation, communication and maintenance services company recognised for our industry leading capabilities

Established in 1978 in Western Australia, the combination in 2016 with Datatel Communications Pty Limited (established 1998) and in 2017 with East Coast-based Heyday5 Pty Limited (business established 1978) has created a diversified national electrical contractor

OUR VALUES

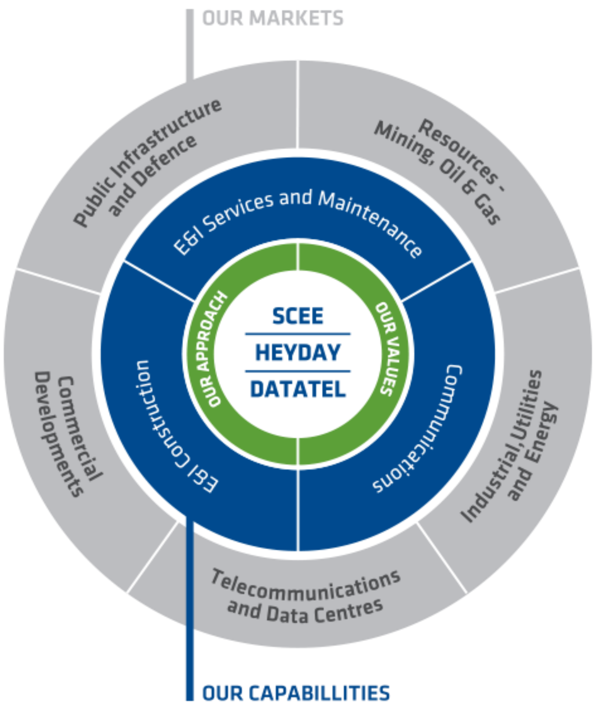
Safety
It's in everything we do.

Quality
Exceeding customer expectations through continuous improvement.

Reliability
We are dependable and consistently deliver high quality services.

Trust
Entrust and empower our team to take ownership.

Loyalty
We believe in harmonious relationships and building these through integrity and mutual respect.



Corporate snapshot

Capital Structure[1]

ASX Code	SXE
Share Price	$0.825
Market Capitalisation (pre-issue)	$154.4m
No of ordinary shares (pre-issue)	187.1m
No of ordinary shares (post-issue)	231.4m
Number of performance rights	5.2m
Cash (30 June 2017)	$40.6m
Debt (30 June 2017)	$0.2m
Enterprise Value	$114.1m

Share Price History

Directors and Management

Derek Parkin	Non-Executive Chairman
Graeme Dunn	Managing Director & CEO
Frank Tomasi	Non-Executive Director
Simon Buchhorn	Non-Executive Director
Karl Paganin	Non-Executive Director
David Hammond	Executive Director
Chris Douglass	CFO & Company Secretary

Shareholders[1]

Shareholder	%
Frank Tomasi	34.8%
Heyday Vendors[2]	14.7%
Colonial First State	9.1%
Thorney Investments	6.0%
Non-Substantial Institutions	14.7%
Other	20.6%
Total	**100.0%**

Note 1: As at 13 November 2017 (i.e. prior to the equity raising described in this presentation).
Note 2: The fifth Heyday vendor, Executive Director David Hammond, was issued 6.9m shares on 1 November following AGM approval, which are included in this table.

Equity raising

Offer	Placement of approximately 44.25 million new fully paid ordinary shares to institutional and sophisticated investors to raise approximately $33.2m (before costs) under SCEE's available 25% placement capacity pursuant to ASX Listing Rules 7.1 and 7.1A Shareholder approval is not required. The placement is not underwritten.
Offer Price	The Offer Price of $0.75 represents a discount of 9.1% to SCEE's closing price on 13 November 2017, and a discount of 6.5% to volume weighted average price for the 5 trading days up to, and including, 13 November 2017
Ranking	On an equivalent basis with existing SCEE shares
Use of proceeds	To support SCEE's growth strategy, by providing: • general working capital, in the context of SCEE's greatly enlarged order book and significant pipeline of work; and • balance sheet strength and flexibility to capitalise on potential growth opportunities
Lead Manager	Euroz Securities Limited
Settlement	Wednesday, 22 November 2017. Issue of Placement Shares Thursday, 23 November 2017

Highlights

Strategic	In FY17 achieved transformational milestones in SCEE's strategy to diversify and grow into adjacent and complementary sectors and geographies: • Organically diversified original SCEE business into defence, transport, renewables and utilities sectors • Expanded telecommunications-focussed subsidiary Datatel into QLD, NSW, VIC and TAS and into wireless sector • Acquired leading east coast electrical contractor Heyday, with strong presence in commercial, data centres and public and transport infrastructure markets Growth strategy reaffirmed to achieve further sector and geographic diversity
Outlook	Record order book of over $480m at 30 June 2017 Greater longevity in order book with over $190m orders for FY19 already secured Anticipate revenue over $350m in FY18 with over 80% of orders already secured Submitted tenders and BD pipeline exceeds $1.5bn

Underlying FY17 full year financial performance

	FY 17* $m	FY 16* $m	Change %
Revenue	199.9	207.6	(4%)
Gross profit	24.2	33.4	(28%)
Gross margin	12.1%	16.1%	
EBITDA	6.8	12.2	(44%)
EBIT	2.6	7.4	(65%)
NPAT	1.4	5.4	(74%)
Net Margin	0.7%	2.6%	

Activity in first half slow due to delayed mobilisation to projects, lower than anticipated release of work in iron ore sector and NBN delays

In second half strong turnaround with impact of acquisition of Heyday, expansion of Datatel into East Coast and contribution from organic diversification into projects in transport, defence and renewables

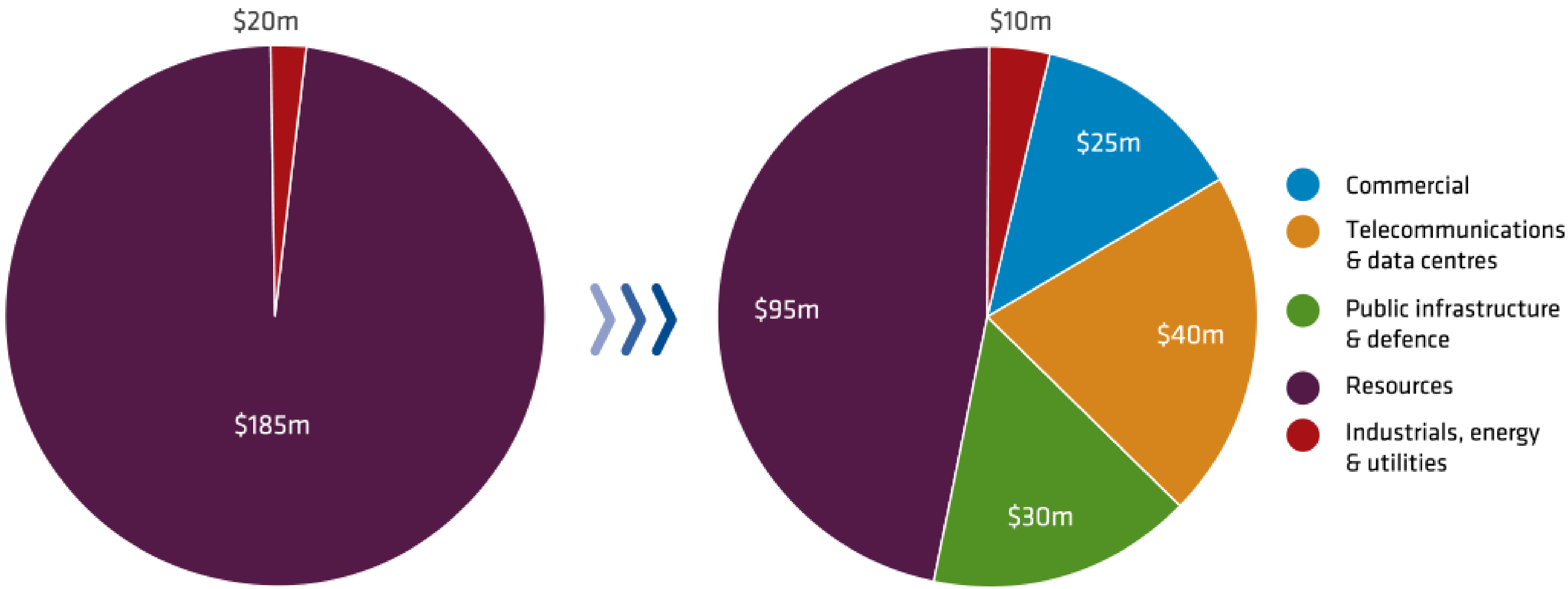
Underlying overheads as percentage of revenue fell from 14.9% in H1 FY17 to 6.2% in H2 FY17 as consequence of management action to ensure an efficient operating structure and higher volumes of activity

FY16 comparative result included significant contributions from large-scale iron ore construction projects which successfully closed out with strong gross margins

* Results presented on an underlying trading basis. An FY17 reconciliation to statutory results can be found in Appendix 1 and an FY16 reconciliation to statutory results can be found in Appendix 2

FY17 Revenue - Diversification by sector

Sector diversification has begun in FY17 as resources-derived revenues in WA and Queensland declined from FY16 to be replaced with commercial, telco and infrastructure work. Order book indicates those declining sectors will turn around in FY18 combined with strong growth elsewhere.



FY16

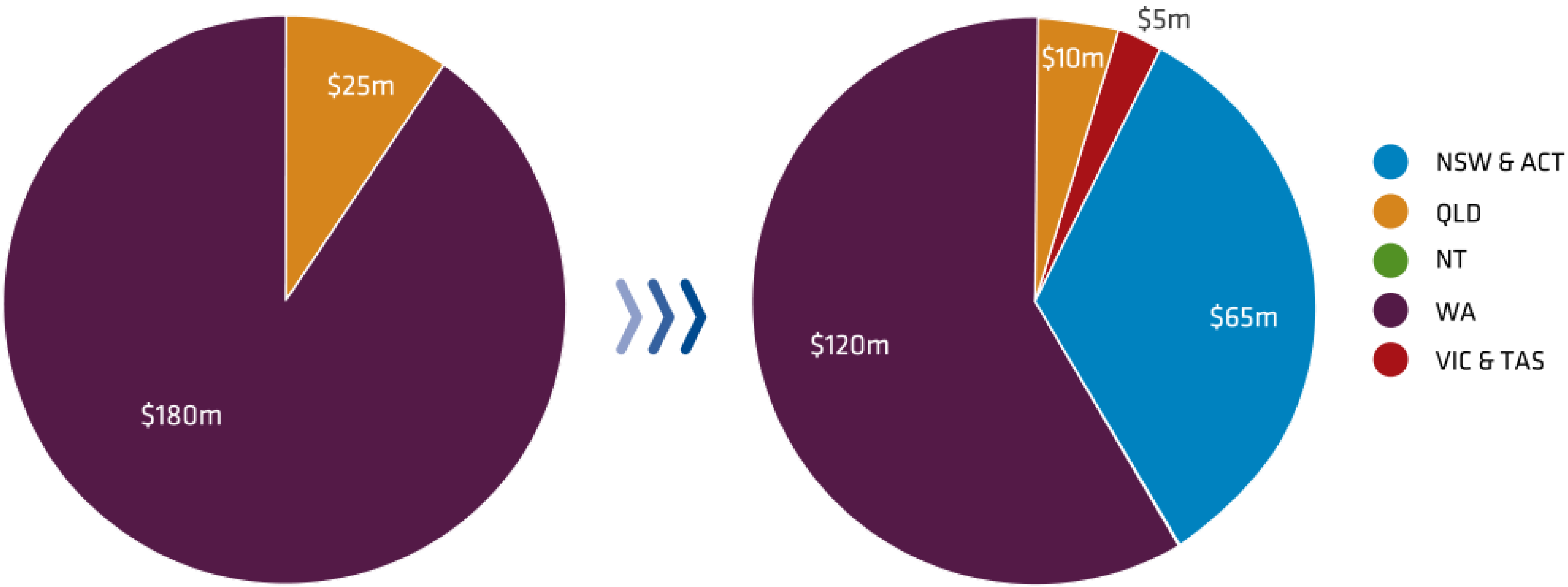
Revenue: $207.6m

FY17

Revenue: $199.9m

FY17 Revenue - Diversification by geography

Geographic diversification also has begun in FY17 as revenues in WA and Queensland declined from FY16 to be replaced mainly with work in NSW and ACT. Order book indicates WA decline will halt in FY18 with strong growth elsewhere.



FY16

Revenue: $207.6m

FY17

Revenue: $199.9m

Balance sheet – 30 June 2017

	JUN 17 $m	JUN 16 $m
Current assets	89.9	78.9
Non current assets	98.2	42.7
Total assets	188.1	121.7
Current liabilities	72.2	24.3
Non current liabilities	16.2	9.7
Total liabilities	88.4	34
Equity	99.8	87.7

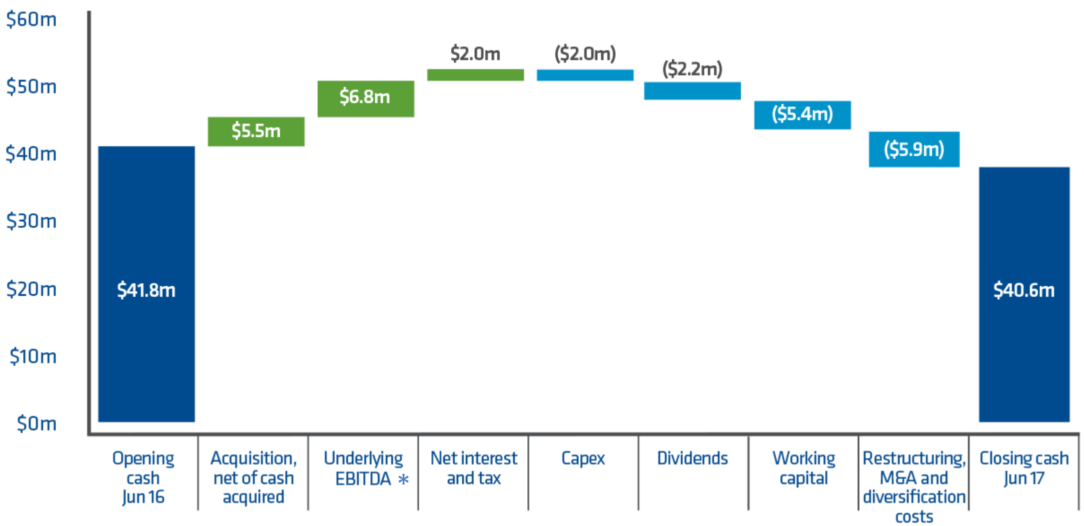
Strong balance sheet throughout the year

Cash of $40.6m and negligible debt at 30 June

Further $9.25m of cash has now been paid to Heyday vendors in September 2017

Available bank guarantee and surety bond facilities of $75.5m of which $42.9m used.

FY17 Cashflow



$5.9m cash expended on restructuring the business to drive future savings, investing in growth and expansion initiatives and on M&A activity

Capex remained low at $2.0m and forecast to remain at these levels for time being

* Results presented on an underlying trading basis. An FY17 reconciliation to statutory results can be found in Appendix 1

Health, safety and people

Workforce increased from 600 employees in June 2016 to currently over 1400 and recruitment is continuing

Thirteen years LTI free in Australia

Ongoing commitment to indigenous participation

Restructuring of the organisation during the year to ensure efficient operating structure with continued transition of tasks to our offshore support centres

Leading national diversified electrical contractor

The combined Group will have a diversified portfolio of projects across Australia and over 1400 employees

- Commercial
- Public Infrastructure and defence
- Resources – mining, oil & gas
- Telecommunications and data centres
- Industrials, energy & utilities

Strategy

Recognising the cyclical nature of the resources construction market, and primarily seeing ourselves as an electrical contractor, from early 2016 we implemented a strategy to:

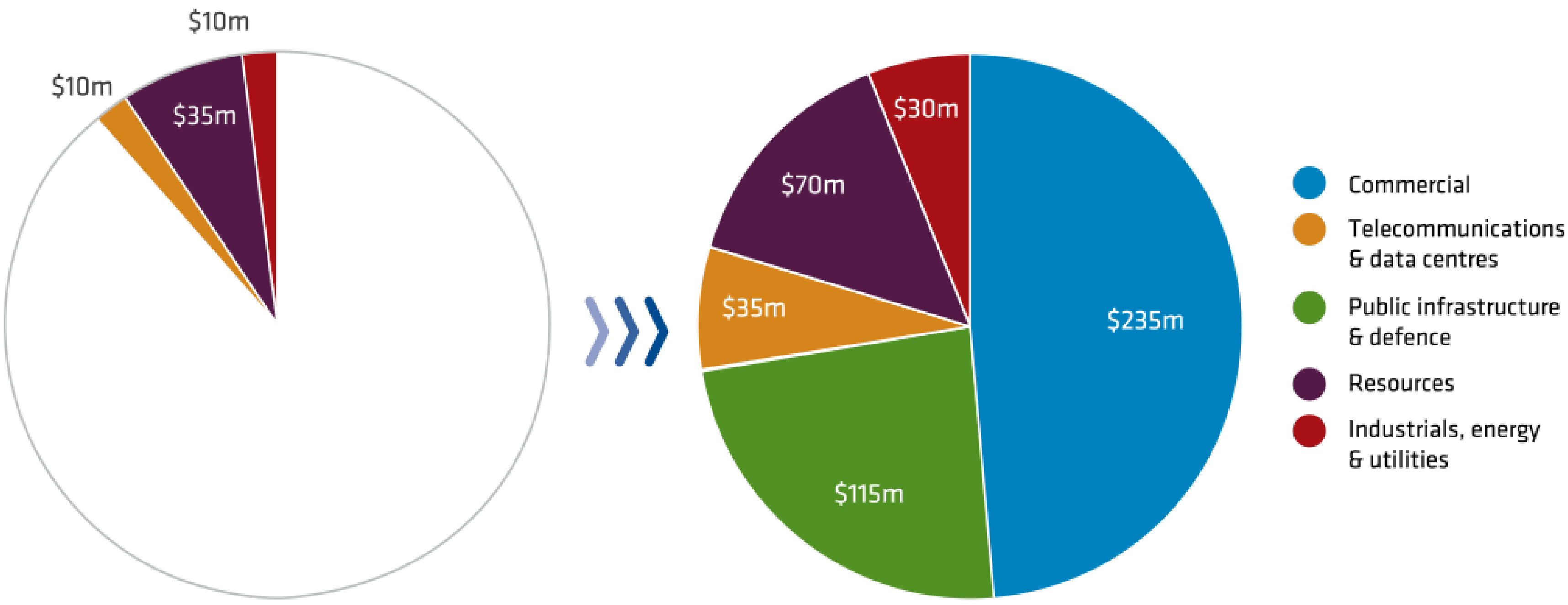
- *transition to a sustainable resources business through exposure to sustaining capital and maintenance markets; and*
- *grow through expansion into adjacent and complementary sectors - identified as telecommunications, utilities and transport, social, commercial and defence infrastructure - and new geographies*

Achievements against the strategy to date include:

- The original SCEE business has organically diversified with entries into the transport infrastructure, defence, renewables and utilities sectors
- The acquisition of Datatel provided a direct and scalable entry into the telecommunications sector
- The Heyday acquisition was a transformational milestone combining two well-established, culturally aligned electrical contracting businesses operating in complementary sectors and geographies with Heyday's strong history in the public and transport infrastructure, commercial and data centre sectors

Order book by sector – 30 June 2017

Transformational growth in order book from $55m at end FY16 to over $480m end FY17. Grown in all sectors including resources. Organic diversification into infrastructure, defence, renewables and utilities. Acquisitive entry into commercial, telecommunications & data centres, and infrastructure.



FY16

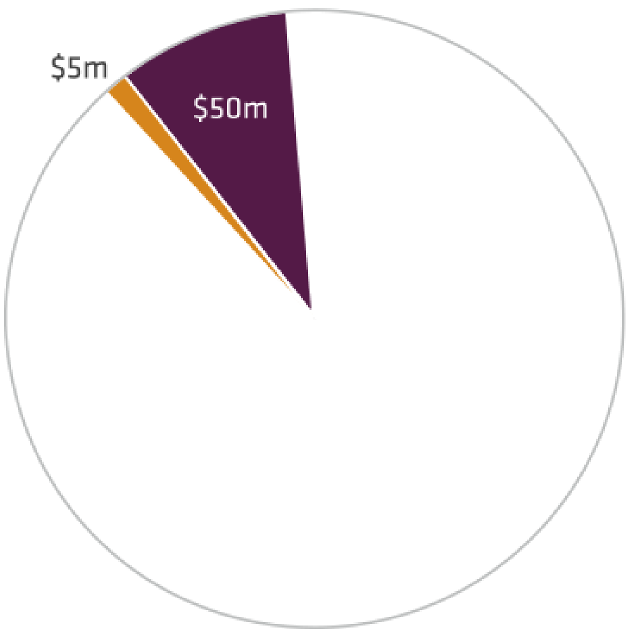
Order book: $55m

FY17

Order book: $480m

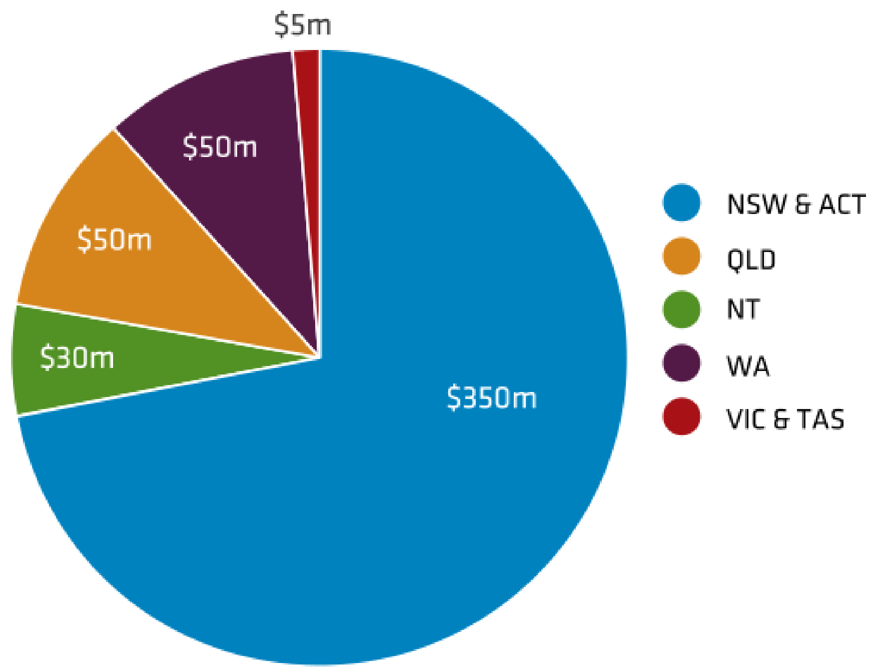
Order book by geography – 30 June 2017

Order book grown from $55m at end FY16 to over $480m end FY17. Held steady in WA and grown in Queensland. Organic entry into NT and acquisitive entry into NSW and ACT.



FY16

Order book: $55m



FY17

Order book: $480m

Amrun Bauxite Project – QLD

SCEE has subcontracts with Civmec and Decmil to perform electrical and instrumentation works on the process facility and mine infrastructure area at Rio Tinto’s Amrun project near Weipa in North Queensland.

Wheatstone LNG Project – WA

SCEE's LNG focused joint venture KSJV has a subcontract from Bechtel to deliver electrical and instrumentation services on the Chevron operated Wheatstone Project near Onslow, Western Australia.

Sector outlook - Resources

Resources

Record exports in many commodities driving sustaining capital and maintenance expenditure

SCEE remains a major supplier to the iron ore sector and is positioning for the upcoming large scale replacement tonnage projects at Rio Tinto Koodaideri, FMG Firetail and BHP South Flank – having already commenced early works at South Flank

LNG activity expected to continue through FY18

Progressing over $25m of work at Rio Tinto’s Amrun bauxite project in Queensland

Actively pursuing FY18 opportunities in bauxite, gold and lithium sectors and other metals

Westmead Hospital - NSW

Early Contractor Involvement with Multiplex. Heyday's scope expected to include the engineering design and installation of specialty electrical and communication services including patient information technology, electronic access control, nurse call systems and emergency power backup.

RAAF Base Tindal - NT

SCEE has a subcontract with Lendlease for the design, supply, installation, testing and commissioning of the electrical component of the upgrade of the existing facilities at Royal Australian Airforce Base Tindal.

Sector outlook – Public infrastructure & defence

Public infrastructure & defence

Sector primarily driven by government expenditure

Progressing $30m of work at RAAF Tindal base in Northern Territory

Positioning for significant defence opportunities in WA, NT and VIC

Infrastructure seeing strengthening growth driven by public and private sector investment in major road and rail infrastructure which the enhanced scale of the Group enables us to pursue in WA and NSW

NSW has a $72.7 billion four-year infrastructure program providing longevity to pipeline

Circa $80m of healthcare work in order book and other East Coast opportunities being pursued

Tower 2 Darling Park – NSW

Heyday are performing the Insurance Australia Group fitout including the design finalisation and construction of electrical and communication services across 33,000 square metres of commercial space.

Duo Central Park – NSW

Heyday is installing the electrical and communication services under a design and construct contract with Multiplex for a two tower development comprising a hotel, apartments and commercial space.

Sector outlook – Commercial

Commercial	Strong commercial sector growth forecast over the next five years particularly in NSW and ACT with construction activity at record levels Office developments and fit-outs and shopping centre refurbishments driven by population growth Potential to leverage combined Group's customer relationships and skills into new geographies

NBN Construction

Datatel are performing NBN construction works across Australia under framework agreements for a variety of clients.

Global Switch Data Centre – NSW

Heyday has performed all major electrical installations to Global Switch's Sydney campus.

Sector outlook – Telecommunications & data centres

Telecoms & data centres

Datatel has fifteen framework agreements with Telcos, OEMs and Tier 1 contractors across five states in the NBN, wireless and telco infrastructure segments

Commenced program of construction of mobile network towers for OEM and maintenance works for Telstra

Expecting to further expand and grow offerings and capability

Data storage services industry in growth stage and further data centre work in prospect

Solar Farm Projects - NSW

The scope of SCEE's work includes the design and construction of all photovoltaic (PV) electrical packages downstream of the delivery stations at four solar farms located at Parkes, Griffiths, Dubbo and Narromine.

Ergon Energy Service Agreement - QLD

SCEE has entered into a three year service agreement for the provision of asset inspection and maintenance services on the Ergon Energy electricity distribution network in the Northern Region of Queensland.

Sector outlook – Industrials, energy & utilities

Industrial, energy & utilities

Industrials market in low growth phase but SCEE continues to win projects on ad hoc basis

Entered utilities market with first award from Western Power in WA and now Ergon Energy in Queensland

Commenced our first renewable energy project (130MW solar) in NSW and further solar and wind farms in pipeline

Solar sector in transformational stage with $1.3 billion in large scale solar investment set this year and forecast to be circa $2 billion in 2018

Current energy sector critical issues expected to present further opportunities

Business Development pipeline

Pipeline outlook positive:

- four out of five of SCEE's market sectors in or entering growth phase
- NSW and ACT buoyant with WA and QLD returning to growth

Tendering at high level with over $500m of submitted tenders with clients pending decision

Business development pipeline strong with prospects exceeding further $1bn expected to be estimated in tendering departments in this period

Immediate strategic actions

Growth strategy has been reaffirmed to achieve further sector and geographic diversity through organic activity and acquisitions.

SCEE will build on the organic and acquisitive diversification achievements of the last year:

- the enhanced scale of the group unlocks the opportunity to pursue upcoming large scale infrastructure projects
- leverage the combined Group's customer relationships and skills into new states
- opportunities arising in telecommunications driven by continual technological innovation
- being positioned for the next turn of the resources cycle

SCEE is now actively considering new organic and acquisitive initiatives to support further growth and diversification

Conclusion and outlook

- FY17 transformational year for SCEE - achieved key milestones in diversification and growth strategy including acquisition of Heyday with a strong presence in the East Coast commercial and infrastructure markets, geographic and sector expansion in telecommunications through Datatel and organic entry into the defence, transport, renewables and utilities sectors

- Order book grown significantly to a record $480m at 30 June 2017 and submitted tenders and BD pipeline exceeds $1.5bn

- Anticipate revenue over $350m in FY18 with over 80% of orders already secured

- Growth strategy has been reaffirmed to achieve further sector and geographic diversity

- Placement to institutional and sophisticated investors of approximately 44.25m new ordinary shares to raise approximately $33.2m at $0.75 per share

- Funds to be applied towards general working capital purposes in the context of SCEE's greatly enlarged order book and significant pipeline of work, and to provide balance sheet strength and flexibility to capitalise on potential growth opportunities

Appendices

Appendix 1 - Underlying to statutory results FY17 reconciliation
Appendix 2 - Underlying to statutory results FY16 reconciliation
Appendix 3 – ASIC Letter
Appendix 4 – Key risks
Appendix 5 – Foreign selling restrictions
Appendix 6 - Disclaimer

Appendix 1 – FY17 Underlying to statutory results reconciliation

	Statutory $m	Organisation restructuring $m	M&A costs $m	Expansion and diversification investments $m	Post-acquisition deferred consideration adjustments and amortisation charges $m	Underlying $m
Revenue	199.9	-	-	-	-	199.9
Gross Profit	23.9	0.3	-	-	-	24.2
Overheads	(23.4)	1.7	1.7	2.2	-	(17.8)
Deferred consideration adjustments	5.4	-	-	-	(5.4)	0.0
Other income	0.4	-	-	-	-	0.4
EBITDA	**6.3**	**2.0**	**1.7**	**2.2**	**(5.4)**	**6.8**
Depreciation and amortisation expense	(6.3)	-	-	-	2.0	(4.2)
EBIT	**0.0**	**2.0**	**1.7**	**2.2**	**(3.4)**	**2.6**
Net finance income	(0.6)	-	-	-	0.4	(0.3)
Profit before income tax	**(0.6)**	**2.0**	**1.7**	**2.2**	**(3.0)**	**2.3**
Income tax expense	0.2	(0.5)	-	(0.7)	-	(1.0)
Net profit after tax	**(0.4)**	**1.5**	**1.7**	**1.5**	**(3.0)**	**1.4**

1. **Organisation restructuring** represents the costs incurred, primarily redundancies, as management took actions to ensure an efficient operating structure in a strongly cost focused market
2. **M&A costs** represents external costs of M&A activity, primarily the acquisition of Heyday in March 2017
3. **Expansion and diversification investments** represents investments in progressing expansion and diversification initiatives, primarily the integration of Datatel and its expansion onto the East Coast
4. **Deferred consideration adjustments and amortisation charges** represents reassessment of Datatel deferred consideration expectations as FY17 earn-out not achieved and reductions in stretch earn-out assumptions in FY18 and FY19. Amortisation charge relates to the amortisation of intangible items arising on the acquisition of Heyday and is a non-cash item

Appendix 2 – FY16 Underlying to statutory results reconciliation

SCEE's results are reported under International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board. The Company discloses certain non-IFRS measures that are not prepared in accordance with IFRS and therefore considered non-IFRS financial measures. The non-IFRS measure should only be considered in addition to, and not as a substitute for, other measures of financial performance prepared in accordance with IFRS.

EBIT and EBITDA are a non-IFRS earnings measure which do not have any standard meaning prescribed by IFRS and therefore may not be comparable to EBIT and EBITDA presented by other companies. EBIT represents earnings before interest and income tax. EBITDA represents earnings before interest, income tax, depreciation and amortisation. A reconciliation of profit before tax to EBIT and EBITDA is presented in the table on the left below.

The term "underlying trading" used in this document is a non-IFRS measure which refers to the statutory results excluding one-off items disclosed in the reconciliation presented on below and on slide 4 and in Appendix 2. This measure was used by management to assess the Company's performance. The underlying trading results are unaudited.

FY16 underlying profit reconciliation:

	Statutory $m	Acquisition costs $m	Underlying trading (unaudited) $m
Contract revenue	70.5		70.5
Contract expenses	(55.0)		(55.0)
Gross profit	**15.4**		**15.4**
Other income	0.1		0.1
Overheads	(11.0)	0.4	(10.6)
EBITDA	4.5	0.4	4.9
Depreciation expense	(2.5)		(2.5)
EBIT	**2.0**	**0.4**	**2.4**
Net finance expense	0.2		0.2
Profit before tax	**2.2**		**2.2**
Income tax expense	(0.9)	(0.1)	(1.0)
Profit from continuing operations	**1.3**	**0.3**	**1.6**

Appendix 3 – ASIC Letter

As part of its regular financial reporting surveillance program, ASIC has reviewed the financial report of SCEE for the year ended 30 June 2017. SCEE has received a letter from ASIC's Financial Reporting and Audit department dated 8 November 2017 requesting information to enable them to understand the accounting treatment for business combinations (being the acquisitions of Heyday5 Pty Ltd and Datatel Communications Pty Ltd).

ASIC have noted in that letter that certain disclosures given by SCEE appear to suggest that some components of deferred consideration for those business combinations may be required to be treated as remuneration for employee services rather than purchase consideration.

The information requested in that letter includes further details of the deferred consideration components and remuneration and other arrangements with the vendors of Heyday5 and Datatel.

SCEE is satisfied that all of the deferred consideration components are correctly classified for accounting purposes and should not treated as remuneration for employee services and, in particular, notes that all of the executive vendors in those acquisitions are employed at market rates terms negotiated on an arm's-length basis.

SCEE has responded to ASIC with the information requested and no further response has been received from ASIC to date.

Risks associated with SCEE's business

- **Contract termination:** If SCEE does not perform its obligations under a contract in accordance with the terms and conditions of the contract, SCEE is at risk that the contract will be terminated. Any such performance issue may result in contract guarantees being relied upon by its clients and could also adversely affect SCEE's reputation in the marketplace which could adversely impact its ability to secure new contracts. In addition, SCEE's contracts may be subject to termination for convenience to clients without cause. In the event of a contract termination, SCEE may not be able to redeploy the assets and resources used on that project to other projects on the same terms or at all, and SCEE may experience downtime between demobilisation and redeployment. Any of these factors could materially adversely affect SCEE's margins and results of operations.
- **Available personnel:** SCEE's ability to remain productive, profitable, competitive and to effect its planned growth initiatives, depends on its ability to attract and retain skilled labour. Any tightening of the labour market in key regions due to a shortage of skilled labour, combined with a high industry turnover rate and competing employers for skilled labour may inhibit SCEE's ability to hire and retain employees. A shortage of skilled labour could also limit SCEE's ability to grow its business or lead to a decline in productivity and an increase in training costs. Each of these factors could materially adversely impact revenue and operating margins.
- **Reliance on key personnel:** SCEE depends substantially on its Managing Director and CEO, senior management and key personnel to oversee the day-to-day operations and the strategic management of SCEE. There can be no assurance given that there will be no detrimental impact on SCEE if directors or employees cease their employment.
- **Reputational risk:** The reputation of SCEE and its services is important in attracting and retaining existing business and obtaining new business and key employees. Reputational damage could arise due to a number of circumstances, including errors or defects, inadequate services or unsatisfactory client outcomes. Negative publicity could adversely affect the reputation of SCEE which may potentially result in a fall in the number of clients seeking the products and services of SCEE.
- **Duration and timing of contracts:** SCEE has a number of short duration contracts in a number of sectors. A downturn in one or more of these sectors could result in a loss of expected revenues once these contracts expire, with an adverse impact on the Company's financial performance and/or financial position. In addition, there is no guarantee on the timing of the contracts in the forecast revenue. SCEE is exposed to the risk that potential or existing contracts identified are not realised in the expected forecast period due to delays in contractual negotiations, delays from a client postponing an expected project or delays in getting access to the site due to other project issues. Such a delay in the timing of forecast revenue could have an adverse impact on the financial performance and/or financial position of the Company.
- **Ability to maintain site margins:** if SCEE faces increasing operating costs for labour and equipment that will reduce margins if these costs cannot be passed on to customers. In addition, Directors' Forecasts are based on it performing its contracts to specification and no damages claims including liquidated damages claims) arising from its clients. A damages claim (including a liquidated damages claim) could result in a loss on a contract and may have an adverse impact on the Company's financial performance and/or financial position.
- **Contractual disputes and litigation:** SCEE is not currently involved in any contractual disputes or litigation matters with its customers. However, there is a risk that SCEE may in the future have disputes with its customers in respect of major contracts and that this may have an adverse impact on the Company's financial performance and/or financial position.
- **Failure to win new projects:** SCEE's performance is influenced by its ability to win new projects and complete these projects in a timely manner. The failure of SCEE to win new projects will adversely impact its financial performance.
- **Increased competition from new and existing competitors:** The industries in which SCEE operates are characterised by both larger companies with significant financial and technical capabilities and a number of smaller, independent operators. SCEE may not always be able to match its competitors in service levels and prices. As a result, increased competition from new or existing competitors may have an adverse impact on SCEE's ability to secure new projects and sales, which may have an adverse impact on the financial performance and/or financial position of the Company.
- **Disruption of business operations:** SCEE and its customers are exposed to a range of operational risks relating to both current and future operations. Such operational risks include equipment failures, accidents, information system failures, external services failure, industrial action or disputes and natural disasters. While SCEE endeavours to take appropriate action to mitigate these operational risks and insure against them, SCEE cannot control the risks its clients are exposed to, nor can it completely remove all possible risks relating to its own business. A disruption in the operations of SCEE or its customers may have an adverse impact on the financial performance and/or financial position of the Company.

Appendix 4 – Key risks contd.

Risks associated with SCEE's business

- **Industrial accidents:** The services provided by SCEE involve risk both to property and persons. A serious accident may occur, causing damage, injury or death which may have operational and financial implications for SCEE. There can be no guarantee that SCEE will not suffer some kind of industrial accident in the future.
- **Liability and litigation risk:** The provision of products and services by SCEE carries with it a risk of liability for losses arising from the provision of defective products or services, environmental damage, personal injury or property damage and indirect or consequential losses suffered by third parties. There is a risk that litigation may be commenced against SCEE to recover such losses. SCEE's insurance and contractual arrangements may not adequately protect it against such liabilities and any loss falling outside the scope of insurance, and the costs and potential damage to reputation arising from any litigation against SCEE, may adversely affect the Company's financial performance and/or financial position.
- **Acquisition integration**: SCEE may in the future pursue strategic acquisitions in the course of its business. To finance such acquisitions, SCEE may procure additional debt and/or seek to raise equity capital. Growth through acquisition entails numerous operational and financial risks. These risks include, but are not limited to, poor integration of the acquired businesses, entry into market segments with more risk than existing operations and loss of managerial focus on existing businesses. These risks may have an adverse impact on the Company's financial performance and/or financial position.
- **Downturn in demand for electrical contracting services:** The future growth of SCEE is dependent on the continuation of demand for electrical contracting services. Demand could be adversely impacted by a reduction in development activity in the Company's key sectors. A reduction in reliance on third parties may also arise where the customer decides to perform the services in-house using existing resources. A decrease in demand or decline in the trend towards outsourcing may negatively impact the growth prospects of SCEE and the financial performance and/or position of the Company.

General investment risks

- **Economic risk:** General economic conditions may negatively impact SCEE's performance and the performance of SCEE's shares. Any protracted slow down in economic conditions or factors such as movements in inflation or interest rates and industrial disruption may have a negative impact on SCEE's costs and revenues.
- **Interest rate risk**: Changes in interest rates will affect borrowings which bear interest at floating rates to the extent that SCEE has not hedged against this interest rate risk. An increase in interest rates will affect SCEE's cost of servicing these borrowings, which may adversely impact its business, financial condition and financial performance.
- **Changes in accounting policy**: Accounting policy standards may change. This may affect the reported earnings of SCEE and its financial position from time to time. There are multiple pending changes to the accounting standards that may impact SCEE, including those governing revenue recognition, leases and financial instruments. SCEE has previously and will continue to assess and disclose, when known, the impact of these changes in its periodic financial reporting.
- **Taxation**: Future changes in Australian taxation law, including changes in interpretation or application of the law by the courts or taxation authorities in Australia, may adversely affect the taxation treatment of an investment in SCEE shares or the holding and disposal of those shares. Further, changes in taxation law, or changes in the way taxation law is expected to be interpreted in the various jurisdictions in which SCEE operates, may impact the future tax liabilities of SCEE.

Appendix 5 – Foreign selling restrictions

International Offer Restrictions

This document does not constitute an offer of new shares of SCEE 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.

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).

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New Zealand

This document is not a product disclosure statement or any other form of disclosure document under the Financial Markets Conduct Act 2013 (the “FMC Act”). This document has not been registered, filed with or approved by any New Zealand regulatory authority under the FMC Act. 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.

Appendix 5 – Foreign selling restrictions

Singapore

This document and any other materials relating to the New Shares have not been, and will not be, or registered as a prospectus 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, whether directly or indirectly, to any person in Singapore other than (a) to an institutional investor pursuant to Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"), (b) to a relevant person under 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 (c) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where 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 of the trust is an individual who is an accredited investor,

securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferrable for 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 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) pursuant to section 276(7) of the SFA or as specified in Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore.

This document has been given to you on the basis that you are (i) an "institutional investor" (as defined in the SFA) or (ii) a "relevant person" (as defined in section 275(2) of the SFA). You must ensure that you comply with the requirements under the SFA (including any applicable resale restrictions) in respect of any investment in the New Shares. In the event that you are not an investor falling within any of the categories set out above, please return this document immediately. You may not forward or circulate this document to any other person in Singapore. Any failure to comply with these restrictions may constitute a violation of applicable securities laws.

United States

This document does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. Any securities described in this document have not been, and will not be, registered under the US Securities Act of 1933 and may notbe offered or sold in the United States except in transactions exempt from, or not subject to, registration under the US SecuritiesAct and applicable US state securities laws.

Appendix 6 - Disclaimer

Forward Looking Statements

Some of the information contained in this presentation contains “forward-looking statements” which may not directly or exclusively relate to historical facts. These forward-looking statements reflect the current intentions, plans, expectations, assumptions and beliefs of Southern Cross Electrical Engineering Limited (“SCEE”) about future events and are subject to risks, uncertainties and other factors, many of which are outside the control of SCEE.

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No financial product advice

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General

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