



# SRG ACQUISITION OF TBS GROUP

STRATEGIC ACQUISITION  
AND CAPITAL RAISING

APRIL 2018

*PRIVATE AND CONFIDENTIAL*

A large, stylized, high-contrast portrait of a man in a suit and tie, rendered in a halftone or dot-matrix style. The image is positioned on the right side of the slide, partially overlapping the main text area.

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# 1. TRANSACTION OVERVIEW



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# KEY ACQUISITION HIGHLIGHTS



- Acquisition of TBS Group, a leading NZ based specialist industrial contractor in asset and infrastructure maintenance services
- Key sectors include oil and gas, transport infrastructure, energy, renewables, steel and dairy
- Non-core asset held by automotive company Bapcor Limited (ASX:BAP)
- Acquisition Purchase Price of NZ\$35m (A\$32.9m), with effective date 1 April 2018
- Funded by A\$24m capital raising (A\$20m Placement and \$4m SPP) and balance from existing cash and NAB debt facilities
- FY18F revenue of ~A\$70m, EBITDA range of A\$7.5m – A\$7.9m and EBIT of A\$6.0m – A\$6.4m
- FY19F EBITDA earnings range of A\$8.0m – A\$9.0m
- Highly attractive acquisition for SRG:
  - ✓ Compelling strategic rationale aligned with SRG's strategy in the Development Phase
  - ✓ Significantly enhances SRG's exposure to asset maintenance services
  - ✓ Excellent cultural fit with highly experienced management team
  - ✓ Strategically aligned specialist services offering
  - ✓ International geographic expansion and platform for future growth in New Zealand
  - ✓ Synergies and cross-selling opportunities in New Zealand and Australia
  - ✓ ~4.2x FY18F EV/EBITDA multiple and ~3.8x FY19F EV/EBITDA multiple
  - ✓ Highly EPS accretive to SRG shareholders of ~30%\*

\* Based on broker consensus of SRG FY18F and midpoint of TBS FY19F

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## 2. OVERVIEW OF TBS GROUP



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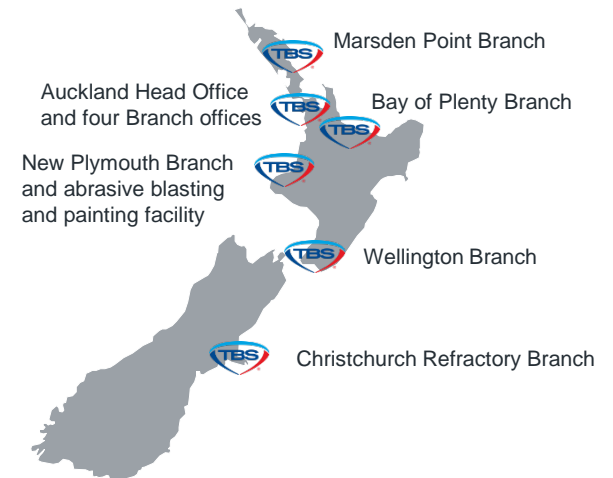
# TBS GROUP OVERVIEW



## Company Overview

- TBS Group is a leading NZ industrial contractor in asset and infrastructure maintenance services
- Specialist services include infrastructure maintenance services, building maintenance services, remedial services, protective coatings, industrial access solutions (scaffold and rope) and refractory services
- Sectors include oil and gas, transport infrastructure, energy, renewables, steel and dairy
- Primarily operates via four specialist companies including TBS Farnsworth, TBS Remcon, TBS Coatings and Crow Refractory
- Established in 1948 in Auckland as the Farnsworth Group
- Headquartered in Auckland with operations throughout NZ
- Approximately ~450 employees
- TBS Group was acquired by an investment holding company, Hellaby in July 2016
- Bapcor acquired TBS Group in 2017 as part of its acquisition of Hellaby
- As an automotive parts distributor, Bapcor has divested non-core assets with TBS Group the last non-core asset held for sale

## Geographic Presence








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# DIVISIONAL OVERVIEW



Division	Overview / Capabilities	Years of Operation	Employees	FY17 Revenue (NZ\$m)
 	<ul style="list-style-type: none"> <li>Diverse asset maintenance and construction services</li> <li>Maintains some of New Zealand's largest infrastructure assets</li> <li>One of New Zealand's most recognised contractors delivering services to a range of industries</li> <li>Total Bridge Services is a JV with Fulton Hogan and WSP Opus NZ and provides maintenance activities on the Auckland Harbour Bridge</li> </ul>	~70	~225	~38
	<ul style="list-style-type: none"> <li>Established in 2013 to offer construction solutions to remediate leaky, seismically challenged end of life buildings and structures</li> <li>Services include concrete and structural remediation, interior refurbishment, façade building deconstruction and reconstruction, structural strengthening and toxic waste removal</li> </ul>	~4	~70	~19
	<ul style="list-style-type: none"> <li>Access solutions</li> <li>Abrasive blasting and protective coating services</li> <li>Focussed on Taranaki region</li> <li>Key clients including Methanex and Fonterra</li> </ul>	~35	~80	~10
	<ul style="list-style-type: none"> <li>Leading provider of refractory services</li> <li>Services include the design, supply, construction, installation and maintenance of refractory lining</li> <li>Ability to take on any sized project, either new construction or maintenance within its area of expertise</li> </ul>	~20	~80	~14

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# STRONG MANAGEMENT TEAM



- Highly experienced management team
- Leadership team will transition with the business
- Management team incentivised to grow TBS Group



**Mark Rich**

*Interim Chief Executive Officer*

TBS Group

Over ~30 years experience  
(joined in 2017)



**Mike Flood-Smith**

*General Manager*

TBS Remcon

Over ~20 years experience  
(joined in 2014)



**Bruce Hodgson**

*General Manager*

TBS Coatings

Over ~25 years experience  
(joined in 2017)



**Steve Martin**

*General Manager*

TBS Farnsworth

Over ~30 years experience  
(joined in 2014)



**Martin Dold**

*General Manager*

Crow Refractory

Over ~20 years experience  
(joined in 2013)

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# LEADING CUSTOMER PROFILE



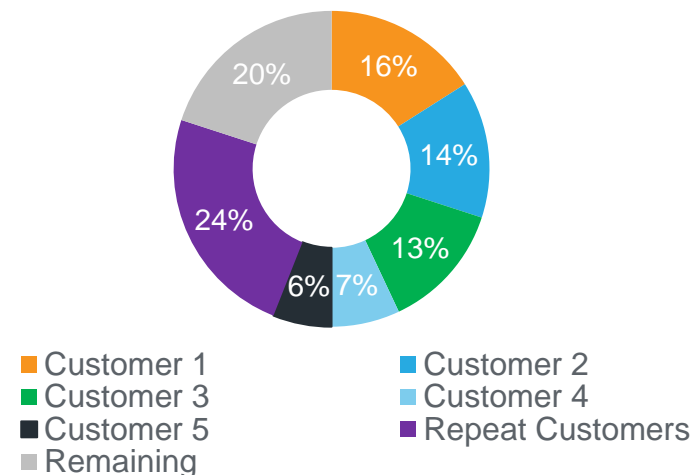
## Snapshot of Customers



## Long Term Maintenance Customers

- Customers are major NZ corporations
- Long term customer relationships
- ~80% of revenue through:
  - long term and recurring contracts
  - preferred supplier agreements
  - annuity type contracts

## Key Customer Revenue Split



# SNAPSHOT OF CAPABILITIES



Protective Coatings



Transmission Tower Maintenance



Industrial Waterblasting



Vacuum Loading



Wind Farm Maintenance



Industrial Rope Access



Commercial Building Services



Building & Bridge Remediation



Refractory Services



Scaffolding, Rigging & Access



Hazardous Material Management



General Engineering Services



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# SNAPSHOT OF PROJECTS



Auckland Harbour Bridge



Refining NZ Maintenance Contract



OI Glass – AK3 Rebuild



Makatote Rail Viaduct Life Ext.



Transmission Tower Maintenance



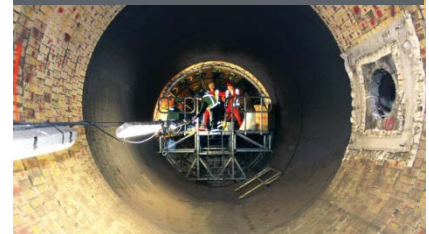
Wind Farm Maintenance



Building Remediation – Mt. Road



NZ Steel – Kiln Refractory Reline



Umora Offshore Maintenance



Argent Hall Remediation



Uptown Apartments Remediation



Petrochemical Site Services



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# 3. STRATEGIC RATIONALE



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# WHAT SRG DO



## INFRASTRUCTURE



### CIVIL

Dam Strengthening

Bridge  
Construction

Tank and Silo  
Construction

Heavy Lifting

Load Handling

Slipform

Stay Cables

Geotech

Bridge  
Maintenance

Ground Anchors



### BUILDING

Post-Tensioning

Slab on Ground

Industrial  
Pavements

Multistorey  
Post-Tensioning

Slipform

Reinforcement

Remedial



### SERVICES

Infrastructure  
Strengthening

Facade  
Refurbishment

Concrete Repair

Monitoring &  
Diagnosis

Precision Grouting

Cathodic Protection

Waterproofing

Specialised  
Services



### PRODUCTS

Macalloy Bar

SureLok

Monitoring

Concrete Canvas

Rock Mesha

Ground Support  
Products

Geotechnical  
Equipment

Ducting / Chairs

Barrel and Wedges

Castings

## RESOURCES



### MINING

Drill and Blast

Geotech

Monitoring

Engineering

Technical Access

Mine Infrastructure

Open Pit

Civil

Ground Support

Remedial

# ALIGNED WITH STRATEGIC PLAN



## FOUNDATION

2015

Develop vision / strategy ✓

Drive Zero Harm ✓

Right structure /  
capability ✓

Develop brand / value  
proposition ✓

Rigorous review  
mechanisms in place ✓

Formalise relationships  
with key stakeholders ✓

Drive improvement /  
efficiency ✓

Resolve legacy issues ✓

## DEVELOPMENT

2016 - 2019

Execute strategy

Projects delivered above  
green sheet

Secure infrastructure  
projects of scale

Organic growth in target  
markets

Growth in  
complementary services  
/ markets

Selective acquisitions to  
accelerate growth

Brand recognition

## MARKET LEADERSHIP

2020 +

Zero Harm industry  
leader

Global complex service  
partner of choice

Strong brand

Employer of choice

ASX top 200

Consistent performance

Above market returns

Diversified international  
specialist contractor



# ENHANCED DIVERSIFICATION



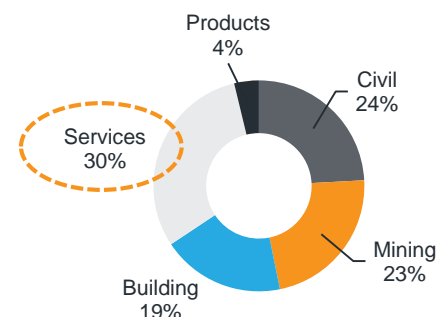
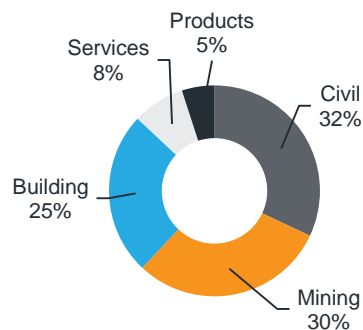
An acquisition of TBS Group will significantly expand SRG's recurring service and maintenance exposure and provides a platform for further expansion in New Zealand...

FY17A (30 June)

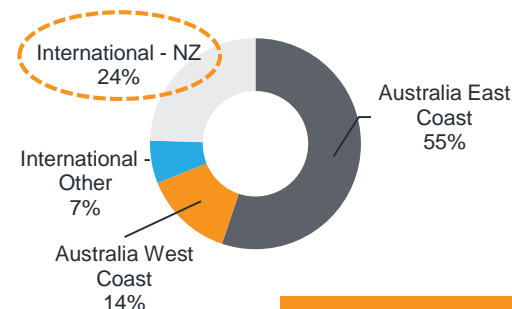
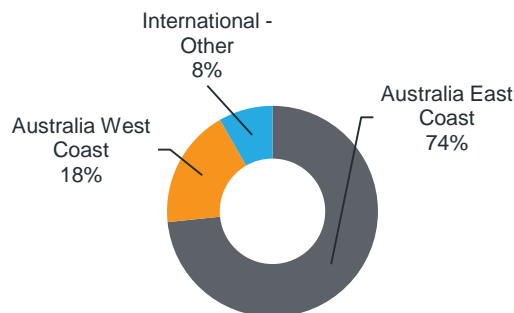


Combined Group (pro-forma)<sup>(2)</sup>

## Revenue Composition by Segment



## Revenue Composition by Geography<sup>(1)</sup>



1. SRG west coast includes WA and NT. All TBS Group revenue assumed to be derived from New Zealand.
2. All TBS Group revenue allocated to SRG's "Services" segment and converted at NZD:AUD 0.94.
3. Charts based on FY17 Actual Revenue for SRG and TBS

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# MERGE CO OPPORTUNITIES



## TBS Group in Australia

- SRG has completed an initial market analysis which covers the potential cross-sell opportunities for delivering TBS Group services in Australia
- The three initial target opportunities include:



### Refractory Services

- Refractory Design & Specification
- Refractory Material Supply & Installations
- Corrosion Protection



### Towers Maintenance

- Application of protective coatings
- Tower erection and construction work
- Inspection services



### Wind Farms

- Coatings repair and maintenance services
- Rope and non rope access
- Bolt tensioning and asset condition surveys

- Other target opportunities include Asset Maintenance Services and Access Solutions to the Oil and Gas, Resources, Transport Infrastructure and Dairy sectors

## SRG in New Zealand

- The core services that SRG currently provide in Australia will be significantly enhanced with the added resources from the TBS Group in New Zealand through market knowledge and understanding as well as existing relationships and networks available
- The initial target opportunities include:
  - Civil** – Bridge, dam, tank and renewable construction
  - Building** – Post tensioning to commercial sector
  - Geotechnical** – Ground support including rock stabilisation and seismological services
  - Services** – Structural strengthening, façade restoration, concrete repair, carbon fibre and cathodic protection to infrastructure sector
  - Products** – Construction and mining sector

## Integration Structure and Rationale

- The proposed structure of the combined entity retains the current management structure, with the TBS Group CEO reporting through to SRG Construction EGM ensuring:
  - Business Continuity:** minimises any business disruption
  - Service Alignment:** The services and capabilities within TBS Group naturally align to those delivered within SRG's Construction division. The current New Zealand operations within SRG also report through this division

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# 4. ACQUISITION FUNDING



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# PROPOSED FUNDING ARRANGEMENTS



- Purchase price of A\$32.9 million (NZ\$35.0m), payable 100% in cash
  - Cash-free and debt-free acquisition based on normal working capital
  - NZ\$2.5 million of the purchase price deferred to September 2018 subject to certain conditions
- SRG is undertaking a fully underwritten A\$20.0 million institutional placement
  - Within SRG's existing placement capacity limit
  - SRG also plans to offer eligible shareholders an opportunity to participate in a Share Purchase Plan (SPP) at the same price as the institutional placement capped at A\$4.0 million
- SRG will fund the balance of the acquisition by drawing down debt under its existing loan facility with NAB

Sources	A\$m	Uses	A\$m
Debt	15.0	Acquisition Price <sup>(1)</sup>	32.9
Equity – Placement	20.0	Working Capital / Growth <sup>(1,2)</sup>	3.6
Equity – SPP <sup>(2)</sup>	4.0	Broker, Transaction and Integration Costs	2.5
<b>Total Sources</b>	<b>39.0</b>	<b>Total Uses</b>	<b>39.0</b>

Note: All transaction amounts converted at NZD:AUD 0.94.

1. Excludes the impact of any purchase price adjustments e.g. working capital adjustment based on actual completion net working capital. Includes NZ\$2.5m purchase price deferred until September 2018 subject to certain conditions
2. SPP and working capital use assumes full take up of \$4m offer

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# EQUITY RAISING DETAILS



## Equity Raising Details

<b>Placement Structure</b>	Underwritten Placement to institutional and sophisticated investors New shares will rank pari passu with existing shares
<b>Placement Size</b>	A\$20.0 million 12.5 million in new shares (18.8% of current issued capital)
<b>Placement Pricing</b>	\$1.60 per Placement share (5.3% discount to the 5-day VWAP of \$1.69)
<b>Shares to be Issued</b>	Up to 12.5 million shares (“New Shares”) under placement
<b>Purpose</b>	Along with existing cash and debt facility, to fund the acquisition of TBS Group
<b>Underwriting</b>	Euroz Securities Limited and Hartleys Limited are acting as Joint Underwriter and Joint Lead Manager on the institutional placement. Bell Potter will act as Co-Manager.
<b>Transaction advisers</b>	Investec Australia Limited is acting as Sole Financial Adviser, PwC is acting as financial due diligence and tax advisers and Herbert Smith Freehills and Chapman Tripp are acting as legal advisers. Sternship Advisers is acting as Corporate Adviser.
<b>SPP</b>	Eligible shareholders in Australia and New Zealand will have the opportunity to subscribe for SRG shares pursuant to a non-underwritten Share Placement Plan (SPP) <ul style="list-style-type: none"><li>– Pricing to be the same as the Institutional Placement</li><li>– Up to A\$15,000 per eligible shareholder</li><li>– Capped at A\$4.0 million (with applications to be scaled back if oversubscribed)</li></ul>

# EQUITY RAISING TIMETABLE



Equity Raising Details	
SPP Record Date	4 April 2018
Trading Halt, Announcement and Placement Conducted	5 April 2018
Existing Shares Recommence Trading	6 April 2018
Placement Settlement Date	11 April 2018
Allotment and Trading of Placement Shares	12 April 2018
SPP Materials Mailed to Shareholders	Week commencing 9 April 2018



# 5. APPENDICES



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# PROFORMA BALANCE SHEET



A\$m	SRG Dec-17	TBS Dec-17 <sup>(1,3)</sup>	New Acquisition Debt	Funding Proceeds Net of Acquisition Consideration <sup>(4)</sup>	Pro-Forma Combined Dec-17
Total Assets (excl. Intangibles)	109.7	22.0	-	6.1	137.9
Intangibles	23.0	20.9	-	-	43.9
Total Liabilities	(45.7)	(10.0)	(15.0)	-	(70.7)
<b>Net Assets</b>	<b>87.0</b>	<b>32.9</b>	<b>(15.0)</b>	<b>6.1</b>	<b>111.0</b>
Cash and Cash Equivalents	15.1	-	-	6.1	21.2
Interest Bearing Liabilities	(12.2)	-	(15.0)	-	(27.2)
<b>Net Cash / (Net Debt)</b>	<b>3.0</b>	<b>-</b>	<b>(15.0)</b>	<b>6.1</b>	<b>(5.9)</b>
FY18 Forecast Revenue <sup>(2)</sup>	265.9	70.0	-	-	335.9
FY18 Forecast EBITDA <sup>(2)</sup>	17.5	7.7	-	-	25.2
<b>Net Debt / FY18 Forecast EBITDA</b>	<b>na</b>	<b>na</b>	<b>-</b>	<b>-</b>	<b>0.2x</b>

Note: All transaction amounts converted at NZD:AUD 0.94. No definitive assessment of acquisition accounting impacts has yet been made.

1. Financial position as at 31 December 2017 on a cash and debt free basis in accordance with the share sale agreement. Excludes the impact of any purchase price adjustments e.g. working capital adjustment based on actual completion net working capital.
2. SRG forecasts based on the average of broker estimates. TBS forecasts based on midpoint of FY18 EBITDA range
3. Note final intangible balance post-acquisition will vary based on any purchase price adjustments that will be determined on completion.
4. Excludes impact of funding of transaction costs and impact of any purchase price adjustments.

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# KEY RISKS



This section discusses some of the key risks associated with an investment in shares in SRG. The risks may affect the future operating and financial performance of SRG and/or the value at which the New Shares may trade in the future. The risk factors described in this section are not listed in order of importance or likelihood and do not constitute an exhaustive list of all risk factors relating to an investment in SRG. There may be additional risks and uncertainties not currently known that may also have an adverse effect on SRG's business or the value of SRG's shares. You should note that the occurrence or consequences of many of the risks described in this section are partially or completely beyond the control of SRG, its directors and management. It is also important to note that there can be no guarantee that SRG will achieve its stated objectives or that any forward looking statements, expectations, illustrations or forecasts contained in this presentation will be realised or otherwise eventuate.

## 1. Risks relating to SRG

**Professional negligence claim risk:** As a professional service provider, SRG is exposed to the risk of professional negligence claims against it. SRG maintains professional indemnity insurance to mitigate its exposure to liability in the event of a professional negligence claim against it. However, if a professional negligence claim against SRG was successful, this may adversely affect SRG's reputation, increase future insurance costs and, to the extent the claim was not insured or indemnity was refused by the insurer, cause material financial loss. In addition, any claim or litigation, whether or not settled and whether or not determined in SRG's favour, may result in negative publicity, significantly increase SRG's operating costs and require significant time and attention of management and technical personnel. This may adversely impact the financial performance, financial position, cash flow and share price of SRG.

**Insurance risk:** SRG maintains insurance for its operations within ranges of coverage that it believes to be consistent with industry practice. However, insurance proceeds may not be adequate to cover all potential liabilities and losses. In addition, professional indemnity insurance is not always available and no assurance can be given that SRG will be able to obtain insurance coverage in the future at reasonable rates or that any coverage it arranges will be adequate and available to cover claims. Where SRG is unable to obtain appropriate insurance for work it undertakes, or the relevant insurance policy does not apply as anticipated, SRG may be exposed to material uninsured losses which, in turn, may impact upon the financial performance of SRG.

**Key personnel and labour risk:** A number of key personnel are important to attaining the business goals of SRG. One or more of these key employees could leave their employment, and this may adversely affect the ability of SRG to conduct its business and, accordingly, affect the financial performance of SRG. Recruiting and retaining qualified personnel are important to the success of SRG. The number of persons skilled in the types of work in which SRG specialises is limited and competition for such persons can be strong, depending on market conditions. In addition, any disputes with employees (through personal injuries, industrial matters or otherwise), changes in labour regulations, or other developments in the area may cause labour disputes, work stoppages or other disruptions in production that could adversely impact SRG's operations.

**Cost overrun risk:** Commencement of contracts won by SRG and provision of services under those contracts can be delayed past the expected commencement date. In addition, SRG's provision of services under existing contracts can also be impacted by the customer requesting to delay or reduce the level of services provided, or adverse weather conditions. SRG's ability to perform its obligations and commence earning revenue may also be dependent on customers or other third parties performing their own contractual arrangements in a timely manner. Any delay in the commencement or performance of services under a contract for any reason may result in a delay in SRG receiving revenue or may cause SRG to incur additional costs, and therefore could have an adverse impact on SRG's financial performance, including its ability to achieve management's forecasts for the business.

**Financing risk:** SRG's capital requirements will depend on a number of factors. While every care has been taken in estimating the capital cost and future operating costs for SRG's business, including contingency, the actual costs experienced in SRG's services may vary from its estimates. Any variations could adversely affect SRG's financial position and performance. Following completion of the Placement, SRG expects to have sufficient funding (based on existing estimates of funding requirements) in relation to its existing operations (and for the operations of the TBS Group). However, further funding may be required in the future for SRG's development or ongoing activities. SRG may be required to seek alternative or further funding (either in the form of debt or equity). Any debt funding, if available, may involve restrictions on SRG's financing and operating activities, or its business strategy, and additional equity funding may dilute shareholders and may be undertaken at lower prices than the current market price. No assurances can be made that appropriate capital or funding, if and when needed, will be available on terms favourable to SRG or at all. In the ordinary course of operations, SRG is required to issue financial assurances, particularly insurances and bond/bank guarantee instruments, to secure statutory and environmental performance undertakings and commercial arrangements. SRG's ability to provide such assurances is subject to external financial and credit market assessments, and its own financial position.

**Litigation risk:** The risk of litigation and claims is a general risk of SRG's business. The nature of SRG's business means that it is likely to be involved in litigation or regulatory actions arising from a wide range of matters, including customer claims, contractual claims, and occupational health and safety claims. Any claims, litigation or investigation, with or without merit, and whether or not settled out of court or determined in SRG's favour, may result in negative publicity, significantly increase SRG's operating costs and require significant time and attention of management and technical personnel. SRG may incur costs in making payments to settle any such claims or complying with any court order which may not be adequately covered by insurance, or at all. This may adversely impact the financial performance, financial position, cash flow and share price of SRG.

**Currency risk:** Doing business internationally exposes SRG to risks related to the value of one currency compared to another. The functional currency for SRG for accounting purposes is Australian dollars. However, SRG may earn revenues and incur expenditures in other currencies, principally denominated in the currency in the location in which activities are undertaken (including NZ dollars following the TBS Group acquisition). In cases where SRG's debt or other obligations are in currencies different to the functional currency of the borrowing entity, SRG's earnings may be impacted positively or adversely as a result of fluctuations in exchange rates. As a result, the financial performance and results of SRG will be impacted by the relative performance of the relevant currencies and conversion of costs and revenue to Australian dollars. SRG may use derivative instruments in order to hedge against movements in currency exchange rates. Too much exposure in the derivative markets relative to SRG's exposure in the spot market may have a material adverse effect on SRG.

# KEY RISKS



**Regulation risk:** SRG's business activities are subject to the laws and regulations, the number of which will increase with the acquisition of TBS Group. A failure to comply with relevant laws and regulations may result in operations being impacted and financial penalties, along with the potential for associated damage to the reputation of SRG. The possible nature and extent of changes to legislation, regulations or guidelines or their interpretation or administration cannot be predicted with any certainty. Such changes may result in the imposition of more onerous obligations on SRG and, in turn, impact on the planned activities of SRG and its operating and financial performance.

**Debt covenant risk:** SRG's debt facilities are subject to certain covenants, including covenants based on certain financial ratios. Although SRG currently has no reason to consider that it will be unable to comply with these covenants, any failure to comply in the future could limit its financial flexibility or enable SRG's financiers to accelerate repayment of the debt obligations. In addition, SRG's debt level is expected to increase as part of the acquisition of the TBS Group. As a result, there is a risk that SRG may be more exposed to the risks associated with gearing and leverage. This may have an adverse effect on SRG's financial performance.

**Workplace health and safety risk:** SRG's operations involve a variety of risks to the health and safety of its personnel. A failure to maintain adequate systems and processes to avoid or mitigate the risks of health and safety incidents may result in events affecting the health and safety of SRG personnel which, in turn, may result in regulatory or other legal action against SRG. This could lead to increased operating costs, legal liability, regulatory action, the loss of operating licenses and/or damage to SRG's reputation.

**Tax risk:** Changes in the interpretation or application of existing taxation laws by the courts or taxation authorities in Australia, or changes to the laws themselves, may affect the taxation treatment of an investment in SRG shares or the holding or disposal of those shares. Further, changes in tax law, or changes in the way tax law is expected to be interpreted, in the various jurisdictions in which SRG operates, may impact SRG's future tax liabilities.

**Dividend risk:** SRG has paid dividends in the past. However, the payment of dividends (if any) by SRG is determined by the SRG board from time to time at its discretion, and is dependent upon factors including the profitability and cash flow of SRG's business at the relevant time.

**Force majeure risk:** Events may occur within or outside SRG's key markets that could impact upon relevant economies and the operations of SRG. The events include, but are not limited to, acts of terrorism, an outbreak of international hostilities, fires, floods, earthquakes, labour strikes, civil wars, natural disasters, outbreaks of disease or other natural or man-made events or occurrences that can have an adverse effect on the demand for SRG's services and its ability to conduct business.

**Economic conditions:** Any deterioration or adverse changes in macroeconomic conditions, including global, regional and local economic growth, the costs and general availability of credit, the level of inflation, interest rates, exchange rates, government policy (including fiscal, monetary and regulatory policies), general consumption and consumer spending and sentiment, and levels of unemployment, amongst others, are outside of the control of SRG and may result in material adverse impacts on the demand for SRG's services and SRG's financial performance and operating results. In particular, SRG is exposed to the construction and infrastructure industries. Although SRG has a diverse client base, a downturn in these industries in Australia and the other jurisdictions in which SRG operates may adversely affect SRG's financial performance and operating results.

## 2. Risks relating to the acquisition of TBS Group

**Completion risk:** There is a risk that the acquisition of TBS Group may not complete on the current terms and expected timing, if at all. If the acquisition is not completed, SRG would assess the best way to utilise the proceeds of the Placement and SPP, including whether there is an efficient manner of returning proceeds to shareholders. Any failure to consummate the acquisition could materially and adversely affect SRG and its share price.

**Due diligence risk:** SRG undertook a due diligence process in respect of TBS Group, which relied in part on a review of financial and other information provided by TBS Group and/or Bapcor. While SRG considers the due diligence process undertaken to be appropriate, SRG has not been able to verify the accuracy, reliability or completeness of all the information it reviewed against independent data. If any of the information provided to and relied on by SRG in its due diligence process and its preparation of this presentation proves to be incomplete, incorrect or misleading, there is a risk that the actual financial position and operational performance of SRG may be materially different to the financial position and operational performance expected by SRG and reflected in this presentation. Investors should also note that there is no assurance that the due diligence conducted was conclusive and that all material issues and risks in respect of the transaction have been identified and avoided or managed appropriately. There is a risk that unforeseen issues and risks may arise, which could adversely affect the operations, financial performance or financial position of SRG.

**Integration risk:** The integration of TBS Group carries risk for SRG, including potential delays or costs in implementing necessary changes, difficulties in integrating various operations and failures to appropriately manage the business in circumstances where its geographical and technical scope has increased. The success of the acquisition will be dependent on, among other things, the effective and timely integration of the business of TBS Group into the business of SRG following completion of the acquisition, which cannot be guaranteed to occur successfully. Certain contracts of the TBS Group require the counterparty's consent to the acquisition. If a contractual counterparty does not provide its consent to the acquisition (which may trigger termination or pre-emption rights in favour of the contractual counterparty), or if any of these contracts are terminated or renegotiated by the counterparty, this may have an adverse effect on the financial performance and prospects of SRG. These consents are not conditions to the sale and purchase agreement for the acquisition of TBS Group ("SPA").



# INTERNATIONAL OFFER RESTRICTIONS



## International Offer Restrictions

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

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### New Zealand

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (the "FMC Act"). The New Shares are not being offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) other than to a person who:

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

### 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 existing holder of SRG's shares, (ii) an "institutional investor" (as defined in the SFA) or (iii) a "relevant person" (as defined in section 275(2) of the SFA). 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 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.

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