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ASX Announcement

22 May 2024

The Manager
Market Announcements Office
Australian Securities Exchange Ltd
Level 6, Exchange Centre
20 Bridge Street
Sydney NSW 2000

Acquisition of Pacific Indemnity - Investor Presentation & Equity Raising Overview

Please find attached for immediate release in relation to AUB Group Limited (ASX: AUB) the following document:

- Acquisition of Pacific Indemnity - Investor Presentation & Equity Raising Overview.

The release of this announcement was authorised by the AUB Board.

For further information, contact Mike Emmett, AUB CEO and Managing Director, on +61 2 9935 2222 or michael.emmett@aubgroup.com.au.

About AUB Group

AUB Group Limited (ASX: AUB) is an ASX200 listed group of retail & wholesale insurance brokers and underwriting agencies operating in ~570 locations globally. Over 5,000 team members work with ~950,000 clients to place ~AUD 9.5bn in insurance premiums with local and foreign insurers.

AUB ACQUISITION OF PACIFIC INDEMNITY

INVESTOR PRESENTATION & EQUITY RAISING OVERVIEW

22 May 2024



Mike Emmett

CEO and Managing Director



Mark Shanahan

CFO



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This investor presentation (**Presentation**) is dated 22 May 2024 and has been prepared by AUB Group Limited (ACN 000 000 715) (**AUB**). By accepting this Presentation you represent and warrant that you are entitled to receive this Presentation in accordance with the restrictions and agree to be bound by the limitations contained within it.

This Presentation has been prepared in relation to AUB's acquisition of 70% of Pacific Indemnity Underwriting Solutions (**Pacific Indemnity**) and a fully underwritten institutional placement (**Placement** or the **Offer**) of new fully paid ordinary shares in AUB (**New Shares**).

SUMMARY INFORMATION

This Presentation contains summary information about the current activities of AUB and its subsidiaries (the **AUB Group** or **Group**) which is current as at the date of this Presentation unless otherwise indicated. The information in this Presentation is of a general nature and does not purport to be complete. This Presentation does not purport to contain all of the information that an investor should consider when making an investment decision nor does it contain all of the information which would be required in a product disclosure statement or prospectus prepared in accordance with the requirements of the Corporations Act. It should be read in conjunction with AUB's other periodic and continuous disclosure announcements, available from the ASX at www.asx.com.au.

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FINANCIAL INFORMATION

All dollar values contained in this document are expressed in Australian dollars unless otherwise stated. Totals may vary slightly due to rounding.

AUB prepares its financial information in accordance with the Corporations Act, Australian Accounting Standards (**AAS**) adopted by the Australian Accounting Standards Board (**AASB**) and International Financial Reporting Standards (**IFRS**) adopted by the International Accounting Standards Board (**IASB**).

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Investors should be aware that certain financial measures included in this Presentation are “non-IFRS financial information” under ASIC Regulatory Guide 230: “Disclosing non-IFRS financial information” published by ASIC and also “Non-GAAP financial measures” within the meaning of Regulation G under the US Securities Exchange Act of 1934 and are not recognised under the AAS or IFRS. Non-IFRS financial information / non-GAAP financial measures in this Presentation include (1) Gross Written Premium (**GWP**), Earnings Before Interest and Tax (**EBIT**), Normalised or underlying variants of Revenue, Expenses, EBIT or Net Profit After Tax (**NPAT**) and flow on computations adjusted for non recurring items or are shown on a pro forma basis, and (2) Revenue and Expenses which are shown on a 100% basis including for associates (adjustments for non controlling interest are shown separately). AUB believes the non-IFRS financial information and non-GAAP financial measures provide useful information to investors in measuring the financial performance and condition of AUB. However, investors should note that the non-IFRS financial information and non-GAAP financial measures do not have standardised meanings prescribed by AAS or IFRS. Therefore, the non-IFRS / non-GAAP financial information is not a measure of financial performance, liquidity or value under the IFRS and may not be comparable to similarly titled measures presented by other entities, nor should the information be construed as an alternative to other financial measures determined in accordance with AAS or IFRS. Investors are cautioned, therefore, not to place undue reliance on any non-IFRS / non-GAAP financial information included in this Presentation.

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Certain figures, percentages, estimates, calculations of value and fractions provided 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 the Presentation.

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This Presentation may contain certain forward-looking statements. The words “anticipate”, “believe”, “expect”, “project”, “forecast”, “estimate”, “likely”, “intend”, “outlook”, “should”, “could”, “may”, “target”, “plan” and other similar expressions are intended to identify forward-looking statements. Indications of, and guidance on, future earnings, financial position, dividends and performance are also forward-looking statements as are statements regarding AUB’s future operations and projects, the outcome of the Offer and the use of proceeds. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks (including (without limitation) certain geopolitical tensions such as the hostility between Russia and Ukraine, and the Middle East, and the risks set out in Appendix A: Key Risks section of this Presentation), uncertainties and other factors, many of which are beyond the control of AUB, its officers, employees, agents and advisors, that may cause actual results to differ materially from those expressed or implied in such statements. There can be no assurance that actual outcomes will not differ materially from these statements. There are usually differences between forecast and actual results because events and actual circumstances frequently do not occur as forecast and their differences may be material.

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NOT AN OFFER

This Presentation is not and should not be considered an offer or an invitation to acquire New Shares or any other securities or financial products and does not and will not form any part of any contract for the acquisition of New Shares.

DETERMINATION OF ELIGIBILITY

Investors acknowledge and agree that the determination of eligibility of investors for the purposes of the Offer is determined by reference to a number of matters, including legal and regulatory requirements, logistical and registry constraints and the discretion of AUB and/or the Underwriter. Each of AUB and the Underwriter and each of their respective Extended Parties disclaim any duty or liability (including for negligence) in respect of that determination and the exercise or otherwise of that discretion, to the maximum extent permitted by law. The Underwriter may rely on information provided by or on behalf of institutional investors in connection with managing, conducting and underwriting the Placement without having independently verified that information and the Underwriter does not assume responsibility for the fairness, currency, accuracy, reliability or completeness of that information.

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This Presentation may not be released to U.S. wire services or distributed in the United States. This Presentation does not constitute an offer to sell, or a solicitation of an offer to buy, any securities in the United States or any other jurisdiction. The New Shares have not been, and will not be, registered under the U.S. Securities Act of 1933 (the **U.S. Securities Act**) or the securities laws of any state or other jurisdiction of the United States. Accordingly, the New Shares may not be offered or sold, directly or indirectly, in the United States except in transactions exempt from, or not subject to, the registration requirements of the U.S. Securities Act and any applicable securities laws of any state or other jurisdiction of the United States. The distribution of this Presentation in the United States and elsewhere outside Australia may be restricted by law. Persons who come into possession of this Presentation should observe any such restrictions as any non-compliance could contravene applicable securities laws. Please refer to "International Offer Restrictions" in Appendix C of this Presentation for more information.

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The Underwriter has not, nor have any of its Extended Parties nor the advisors to AUB, authorised, permitted or caused the issue, lodgement, submission, dispatch or provision of this Presentation and do not make or purport to make any statement in this Presentation and there is no statement in this Presentation that is based on any statement by any of those parties.

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The Underwriter, together with its affiliates, is a full service financial institution engaged in various activities, which may include trading, financing, financial advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services including for which they have received or may receive customary fees and expenses or other transaction consideration. In the course of these activities, the Underwriter and its affiliates may at any time for their own account and for the accounts of their clients make or hold investments in equity securities or other financial products of AUB or its affiliates, and receive customary fees and expenses or other transaction consideration in respect of such activities.

The Underwriter is the underwriter of the Placement. The Underwriter is acting for and providing services to AUB in relation to the Placement and will not be acting for or providing services to AUB shareholders or creditors. The Underwriter has been engaged solely as an independent contractor and is acting solely in a contractual relationship on an arm's length basis with AUB. The engagement of the Underwriter by AUB is not intended to create any agency or other relationship between the Underwriter and AUB's shareholders or creditors.

The Underwriter, in conjunction with its affiliates, is acting in the capacity as such in relation to the Placement and will receive fees and expenses for acting in this capacity. The Underwriter and/or its affiliates are or may in the future be lenders to AUB or its affiliates.

In connection with the Placement, one or more institutional investors may elect to acquire an economic interest in the New Shares (**Economic Interest**), instead of subscribing for or acquiring the legal or beneficial interest in those securities. The Underwriter (or its affiliates) may, for its own account, write derivative transactions with those investors relating to the New Shares to provide the Economic Interest, or otherwise acquire New Shares in AUB in connection with the writing of those derivative transactions in the Placement and/or the secondary market. As a result of those transactions, the Underwriter (or its affiliates) may be allocated, subscribe for or acquire New Shares or securities of AUB in the Placement and/or the secondary market, including to hedge those derivative transactions, as well as hold long or short positions in those securities. These transactions may, together with other securities in AUB acquired by the Underwriter or its affiliates in connection with their ordinary course sales and trading, principal investing and other activities, result in the Underwriter or its affiliates disclosing a substantial holding and earning fees.

The information in the Presentation remains subject to change without notice. AUB and the Underwriter reserve the right to withdraw or vary the timetable for the Offer without notice.

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DISCLAIMER

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To the maximum extent permitted by law, you agree to release and indemnify the Underwriter and its Extended Parties from and against all claims, actions, damages, remedies or other matters, whether in tort, contract or under law or otherwise, arising from or which may arise from or in connection with the provision of, or any purported reliance on, this Presentation and you covenant that no claim or allegations will be made against the Underwriter or its Extended Parties in relation to this Presentation.

The distribution of this Presentation in jurisdictions outside Australia may be restricted by law and you should observe such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities law. Please refer to Appendix C of this Presentation ("International Offer Restrictions") for more information. By accepting this Presentation, you represent and warrant that you are entitled to receive such a presentation in accordance with such restrictions and agree to be bound by the limitations contain therein.

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Overview



EXECUTIVE SUMMARY



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Acquisition of Pacific Indemnity	- AUB to acquire a 70% equity stake in leading Australian specialist underwriting agency Pacific Indemnity - Highly complementary acquisition for AUB, continuing AUB's strategy to address capability gaps through acquisition including in the area of specialty underwriting agencies. Pacific Indemnity: - Is an underwriting agency specialising in professional risks, with AUD 177mn in FY23 GWP - Achieves strong revenue growth and operating leverage, supported by its experienced management and underwriting team - Adds scale to AUB's specialty agency business, and enhances and diversifies capabilities in financial lines - Acquisition values Pacific Indemnity at an Enterprise Value of AUD 192mn, representing an EV / FY23 EBIT multiple of 13.0x - Upfront consideration for AUB's 70% stake is AUD 105mn to be paid on completion, with the balance payable 18 months post completion - Deferred consideration is payable on a sliding scale based on Pacific Indemnity's performance and is estimated to be AUD 35mn¹ - Remaining 30% stake to be held by existing shareholders which includes founder and key staff - The transaction is expected to complete on 1 July 2024 - Alignment between AUB and current management team, given contingent consideration payable and retention of minority stake
Operational update	- AUB is delivering strong core business performance, with sustained GWP growth, revenue growth and profit improvement across the business - As a result of favourable trading momentum, on 7 May 2024, AUB forecasted FY24 UNPAT to be towards the top end of the previously announced outlook range of AUD 161.0mn – AUD 171.0mn² - AUB maintains an active acquisition pipeline and continues to assess opportunities to add scale and capabilities to the Group
Equity raising	- AUB is launching a fully underwritten AUD 200mn Institutional Placement. Further to the Placement, AUB will consider making an offer to eligible shareholders under a share purchase plan (SPP). Further details will be provided to the market should AUB decide to make such an offer. In light of the Placement, any such SPP offer if made would be for no more than approximately AUD 25mn worth of new AUB shares³ - Proceeds to be used to fund the acquisition of Pacific Indemnity with excess funds raised to ensure AUB is well positioned to capitalise on its attractive and value accretive M&A pipeline - AUB expects leverage of <1.75x and Cash & Undrawn Debt of ~AUD 400mn by 30 June 2024, pro-forma for this raising and the Pacific Indemnity acquisition - The AUD 200mn Placement and deployment of AUD 105mn for the acquisition of Pacific Indemnity are expected to be EPS neutral before synergies⁴. AUB expects EPS accretion once the balance of the Placement is deployed on its FY25 M&A pipeline

Acquisition of Pacific Indemnity



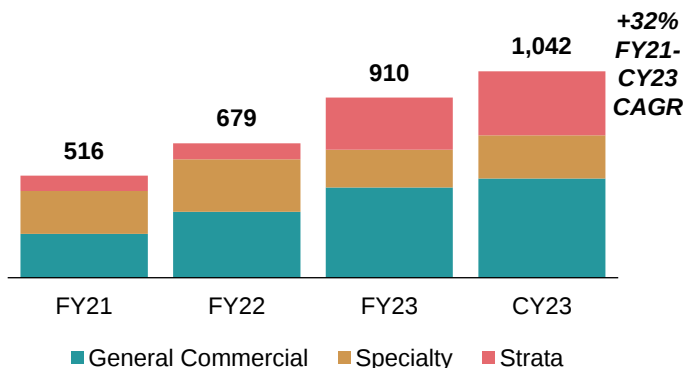
AUB UNDERWRITING AGENCIES



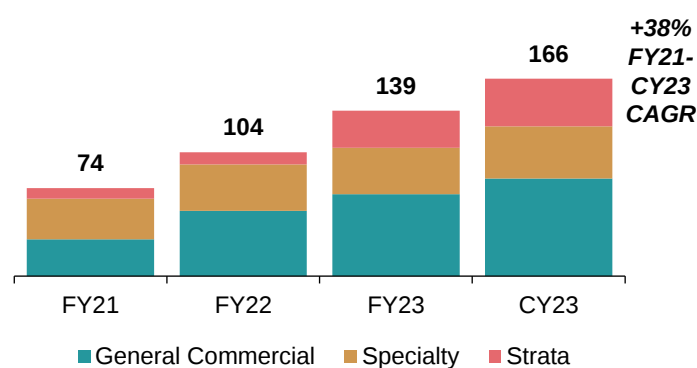
Execution of AUB's Agency strategy is well ahead of plan

- Strong growth, with FY21-CY23 CAGR of 32% (GWP), 38% (Revenue), and 54% (EBIT)
- Successful acquisitions have built Agency scale as follows:
 - General Commercial agencies – acquisition of 360 Underwriting in 2020, and
 - Strata agencies – acquisition of Strata Unit Underwriters in 2022
- \$1bn premium target achieved in CY23, with significant further scope to grow
- All 12 targeted binders recently renewed by Tysers including 60% increase in capacity
- Consistent with AUB's strategy to enhance capabilities in financial lines specialty agencies through acquisition

Agency GWP (\$mn)



Agency Revenue (\$mn)



Earning driver priorities

Underwriting Agencies (Australia)

M&A	Medium
Consolidation / Specialisation	Medium
New Business Growth	High
Improved Commercial Arrangements	Medium
Premium Rate Cycle Benefit	Medium
Cost Reduction	Low
Technology	Medium

PACIFIC INDEMNITY STRATEGIC RATIONALE



Overview of Pacific Indemnity

Underwriting agency established in 2015 with operations across Australia, specialising in Professional Indemnity, Directors and Officers Liability and General Liability insurance products

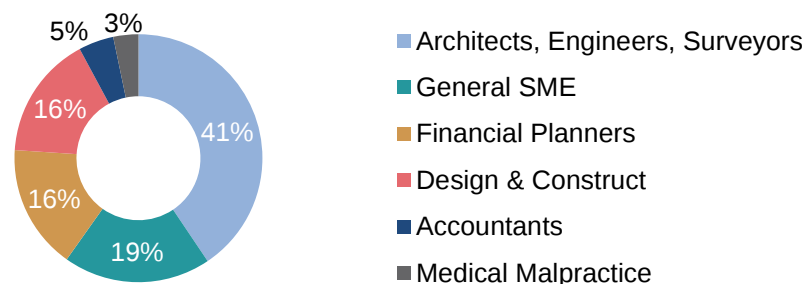
High quality highly regarded management team with strong track record in writing quality risks

Broad Professional Indemnity binders with Lloyd's and local insurance carriers

Longstanding relationships with AUB senior management and brokers

Track record of earnings growth and attractive margins

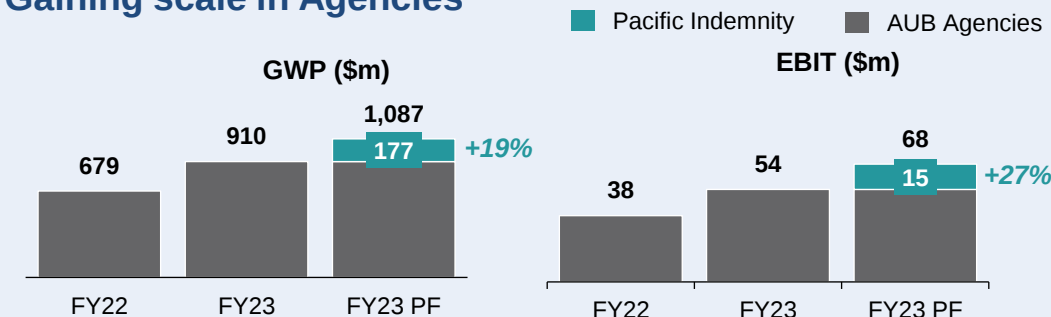
Diversified portfolio across Professional Indemnity¹



Opportunities for future growth

- Leverage Pacific Indemnity's management team to expand AUB's Specialty Financial Lines capabilities
- AUB brokers accessing Pacific Indemnity's professional risk expertise
- Pacific Indemnity capitalising on AUB Group's skills and capabilities

Gaining scale in Agencies²



Enhancing AUB's existing Agencies offerings

General Commercial



Specialty



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FY24 Earnings Guidance

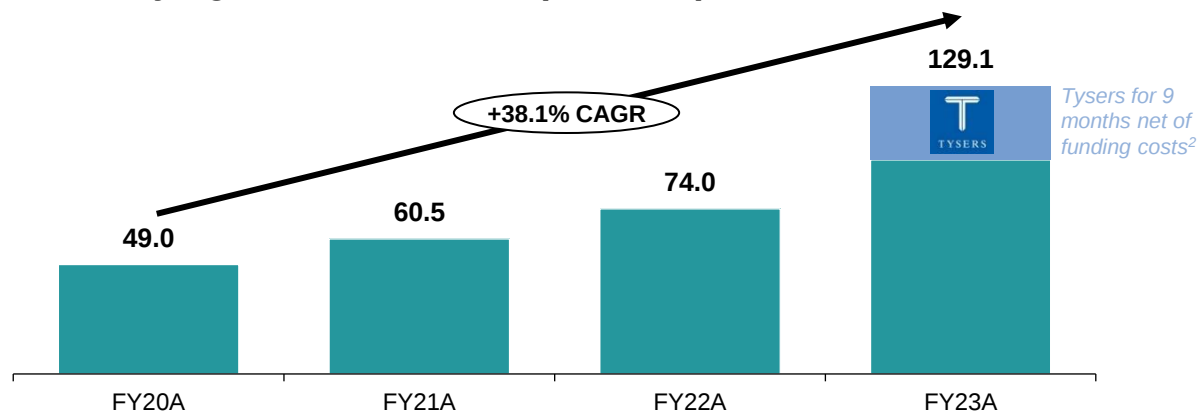


FY24 EARNINGS GUIDANCE

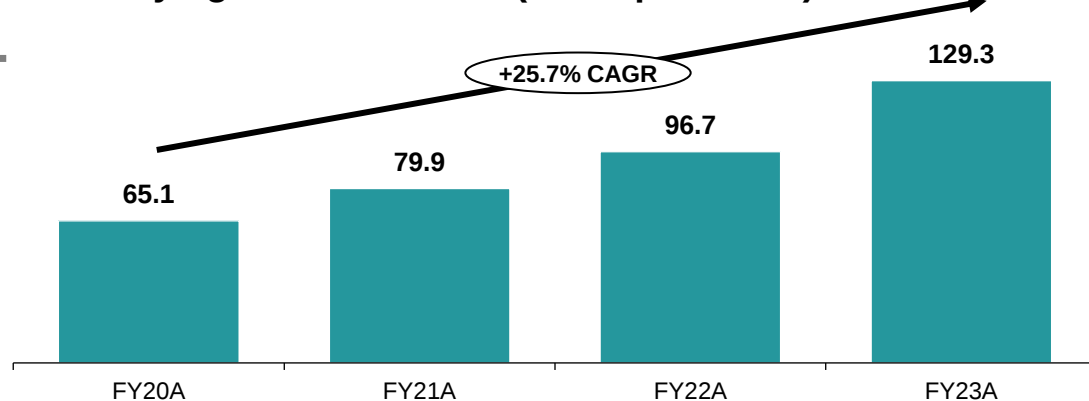
UNPAT guidance recently upgraded towards the top end of AUD 161mn – AUD 171mn



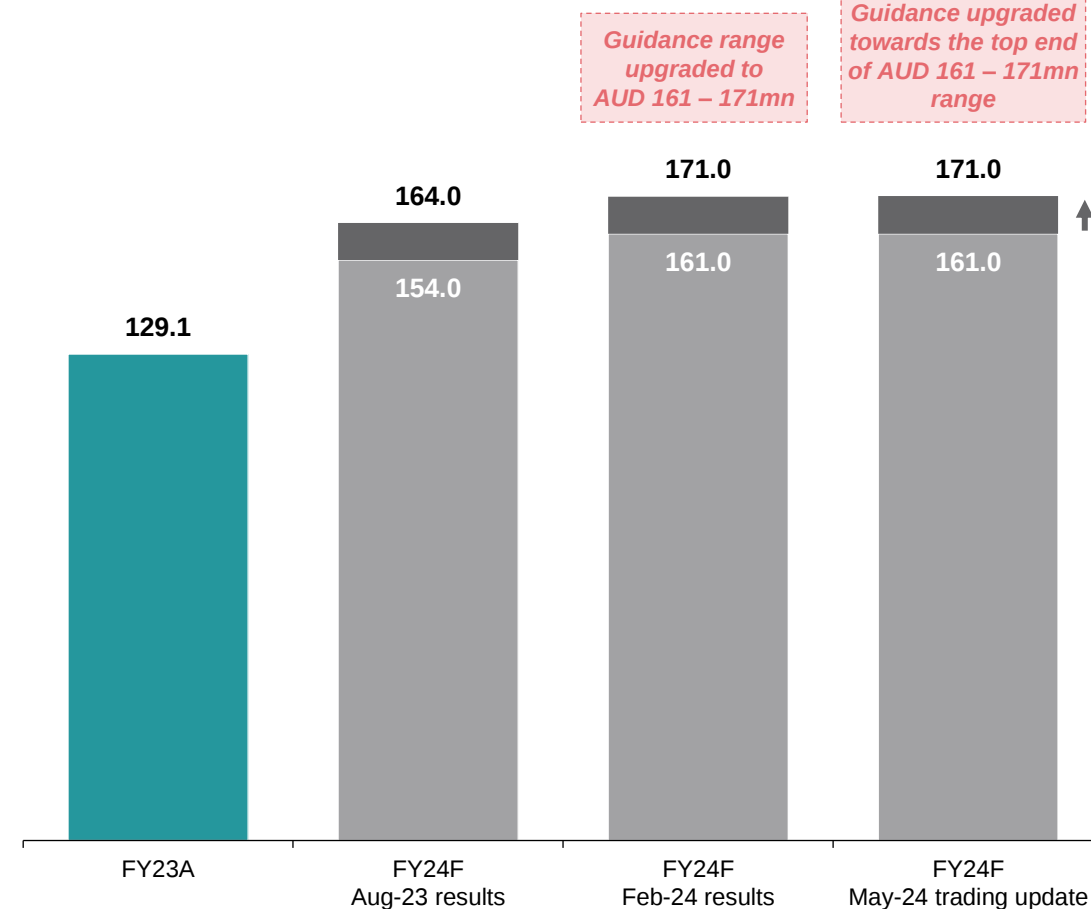
Underlying NPAT¹ over time (AUD mn)



Underlying EPS³ over time (cents per share)



FY24 Underlying NPAT¹ guidance evolution



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Equity raising overview

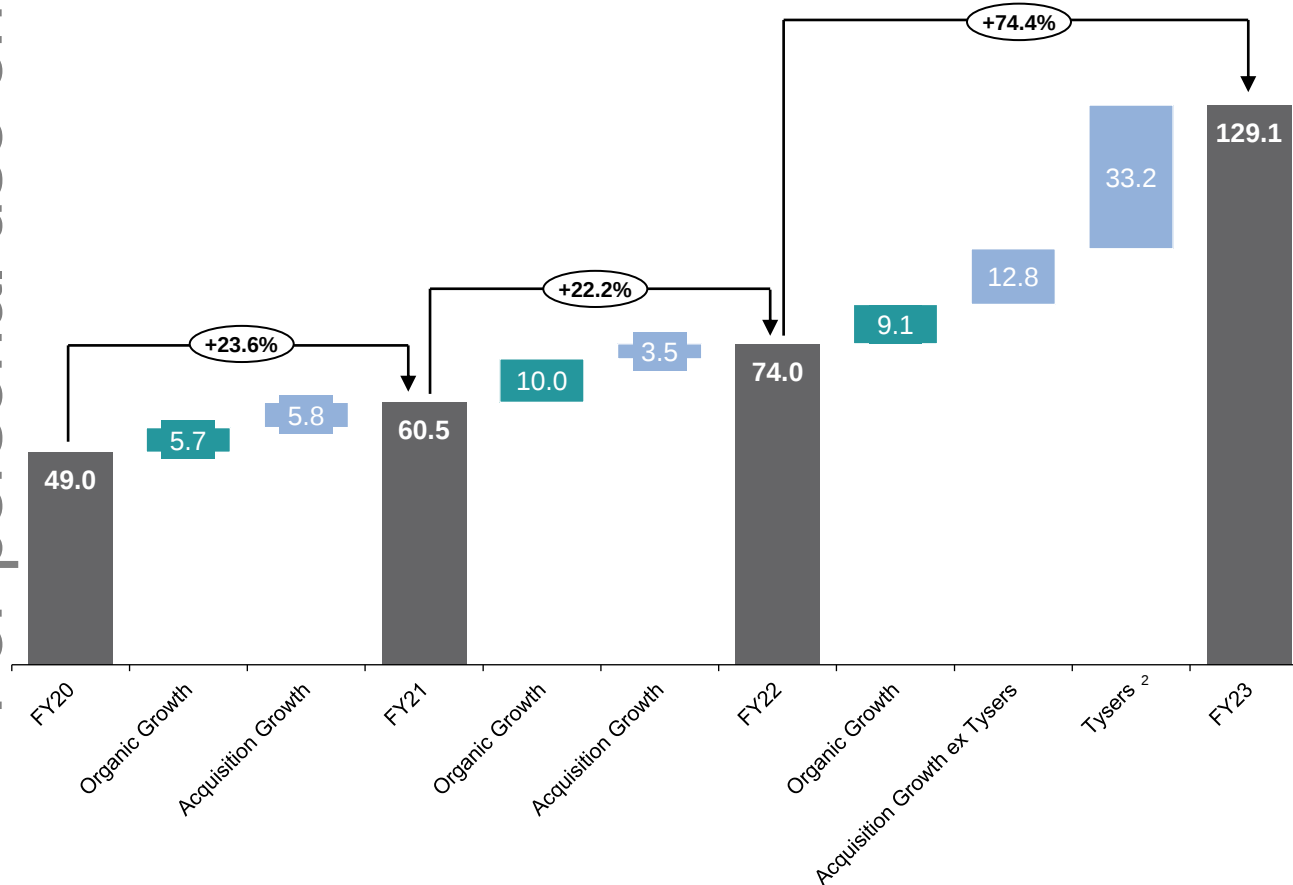


ACQUISITION GROWTH STRATEGY

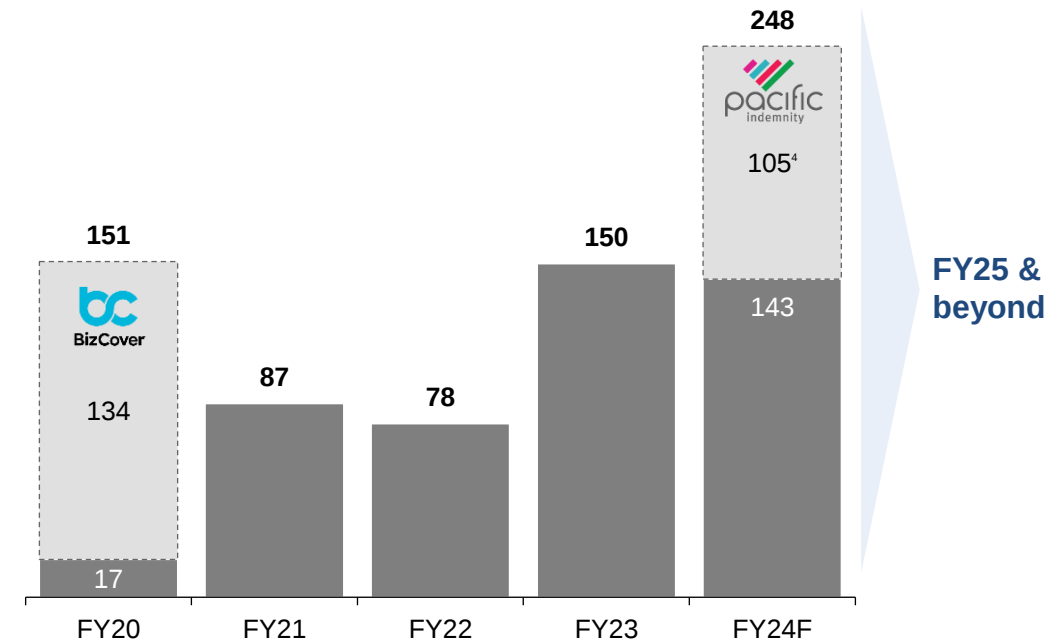
Capital to support a strong M&A pipeline



Underlying NPAT¹ over time (AUD mn)



Value of M&A spend (excl. Tysers)³ (AUD mn)



Ongoing strategy to execute on strategically aligned acquisitions, with a robust FY25 M&A pipeline

1. Underlying NPAT is used by management and the board to assess operational performance and excludes non-operational items, such as profits and losses on sale of equity interests, fair value adjustments to carrying values on ownership changes, changes to estimates or payments of deferred contingent consideration amounts, impairment adjustments and amortisation of intangible assets. Excludes JobKeeper receipts and Health & Rehab (sold) from all periods.
 2. Reflects 9 month contribution post-acquisition, net of funding costs. Net funding costs include the year-on-year change in corporate interest income and interest expense, with corporate debt fully repaid in 1Q23 prior to the Tysers acquisition on 1 Oct'22. FY23 includes the draw-down of debt to fund Tysers on 30 Sep'22, attracting an interest rate of BBSY + 4.5% for the 9 months to 30 Jun'23. Includes arrangement and unused facility fees.
 3. Gross Acquisitions including step-ups and earnout. Excludes Tysers and disposals.
 4. Pacific Indemnity acquisition announced in FY24, however due to complete on 1 July 2024 (FY25).

EQUITY RAISING

Use of proceeds



Source of Funds

Fully underwritten institutional placement	AUD 200m
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Total source of funds	AUD 200m
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Use of Funds

Pacific Indemnity upfront consideration	AUD 105m
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Cash to support M&A pipeline and cost of equity raising	AUD 95m
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Total use of funds	AUD 200m
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Raising AUD 200m allows AUB to pursue its strategic priorities and maintain balance sheet flexibility to:

- *Fund the acquisition of Pacific Indemnity*
- *Support the execution of AUB's accretive and strategic M&A pipeline*

By June'24

(pro forma for equity raising and Pacific Indemnity acquisition)

<1.75x
Leverage Ratio

- Leverage ratio anticipated to reduce to <1.75x (Net Debt / EBITDA¹)
- Cash and debt headroom ~\$400mn

**AUD
~400mn**
Cash & Undrawn Debt
(AUB Group Ltd)

EQUITY RAISING

Overview



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Offer structure and size	- Fully underwritten institutional placement ("Placement") of new fully paid ordinary shares to raise AUD 200mn 7.3mn shares to be issued under the Placement representing ~6.7% of issued share capital under AUB's existing placement capacity under ASX listing rule 7.1
Offer Price	Offer Price of AUD 27.50 per share, represents a: 6.7% discount to the last close price of AUD 29.46 per share on 21 May 2024 9.3% discount to the 5 day volume weighted average trading price of AUD 30.31 per share on 21 May 2024
Use of proceeds	- AUD 105mn upfront consideration for the Pacific Indemnity acquisition that is payable on completion of the acquisition - Remaining cash to be used to fund AUB's accretive and strategic M&A pipeline and equity raising costs
Ranking	New fully paid ordinary shares ("New Shares") will rank equally with existing AUB shares on issue
Underwriting	Macquarie Capital (Australia) Limited ("Macquarie") is acting as Underwriter, Lead Manager and Bookrunner to the Placement
Share purchase plan	Further to the placement, AUB will consider making an offer to eligible shareholders under a share purchase plan ("SPP"). Further details will be provided to the market should AUB decide to make such an offer. In light of the placement, any such SPP offer if made would be for no more than approximately AUD 25mn worth of new AUB shares¹

EQUITY RAISING TIMETABLE



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Event	Date
Institutional placement	
Trading halt and announcement of the Offer	Wednesday, 22 May 2024
Institutional Placement opens	Wednesday, 22 May 2024
Institutional Placement closes	Thursday, 23 May 2024
Announcement of results of Institutional Placement	Thursday, 23 May 2024
Trading halt lifted and shares recommence trading	Thursday, 23 May 2024
Settlement of New Shares issued under the Placement	Monday, 27 May 2024
Allotment of New Shares issued under the Placement	Tuesday, 28 May 2024

Appendix A – Key Risks

SUMMARY OF KEY RISKS



This section discusses some of the key risks associated with any investment in AUB, together with the risks relating to participation in the Placement (the **Offer**), which may affect the value of AUB shares. The risks set out below are not listed in order of importance and do not constitute an exhaustive list of all risks involved with an investment in AUB. Before investing in AUB, you should be aware that an investment in AUB has a number of risks, some of which are specific to AUB and some of which relate to listed securities generally, and many of which are beyond the control of AUB. Before investing in AUB shares, you should consider whether this investment is suitable for you. Potential investors should review publicly available information on AUB (such as that available on the website of AUB and ASX, including previous AUB ASX announcements and periodic disclosures), carefully consider their personal circumstances and consult their stockbroker, solicitor, accountant or other professional adviser before making an investment decision.

STRATEGIC RISKS

Business model of acquiring and holding equity in operating business

An important part of AUB's business model and its growth strategy is to acquire and hold equity in insurance broking and underwriting agency businesses. Key considerations include the following.

The likely future performance of the business being acquired and the extent to which the business will fit strategically within the AUB Group. While AUB ordinarily has veto rights on most decisions concerning AUB group members, it may not have the capacity to implement its decisions in all cases.

Risks resulting from this model include:

- disputes regarding the acquisition of a business, including the amount and timing of any deferred consideration;
- deficiencies in due diligence by AUB;
- competition for opportunities;
- potential unknown or contingent liabilities;
- compliance integration of newly acquired entities;
- reliance on partners (including, in certain cases, management who hold an equity stake within the operating businesses) who may not perform satisfactorily or with whom the relationship may break down, which may lead to issues with decision-making;
- No assurance that the anticipated benefits and synergies expected to result from all or some of the integrations of these acquisitions will be realized. The ability to realise these benefits will depend in part upon whether the acquired businesses can be integrated in an efficient and effective manner; and
- insufficient funding to capitalise on opportunities.

AUB has entered into put option arrangements (or similar) with other shareholders in a number of AUB network firms that upon vesting will entitle the shareholders to require AUB to buy their shares.

SUMMARY OF KEY RISKS



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STRATEGIC RISKS

Increased competition or market change	An increase in competition or deterioration in the competitive positioning of AUB may have an adverse impact on AUB network members and could potentially result in a reduction in gross written premium placed through AUB network members due to a loss of market share; a reduction in fees and commissions; and/or a reduction in margins which may adversely impact the revenue and earnings of AUB network members. Increased competition from new entrants and existing market participants, including increased commoditisation of business insurance products, may have an adverse impact on partner network and AUB earnings. If there are changes in the remuneration model for, or the use of, insurance brokers, underwriting agencies, or risk services businesses, this may adversely impact AUB's earnings and/or financial position and performance. In addition, increased competition, or a change in the market structure for premium funding may also adversely impact upon the premium funding business in which AUB has an equity interest, ultimately potentially adversely impacting AUB's earnings. AUB in some cases acts as agent of the insurers. Insurers may choose to reduce their reliance on insurance brokers and underwriting agencies, including through an increase in their direct web-based distribution models. Continued consolidation in the general insurance industry may result in a more limited product set and/or greater pricing power for insurers which may result in downwards pressure on commissions and fees. AUB's ability to offset these pressures will depend on its ability to provide value-added services such as risk management and consulting services to its clients.
Environmental, social and governance (ESG) risks and expectations	Evolving community attitudes towards, and increasing regulation and disclosure in relation to, ESG issues may impact the operation of AUB's business. Some of the areas of focus for AUB are diversity and inclusion, modern slavery, ethical sourcing, native title, energy, general employment practice, and strategies in relation to climate change. Increased expectations, and in particular the failure to meet those expectations, with respect to ESG may impact on the profitability or value of AUB's business, restrict AUB's ability to attract financing or investment, result in heightened compliance costs associated with meeting prevailing regulatory and disclosure standards, or adversely impact on the reputation of AUB including with its network partners, stakeholders and employees, any of which may have an adverse effect on AUB's business, financial position and prospects.
Damage to the brand	AUB's success is heavily reliant on its reputation and branding. Maintaining the strength of the AUB and Tysers brands is critical to retaining and expanding the AUB network, solidifying AUB's business relationships and successfully implementing its business strategy. The promotion and enhancement of the AUB and Tysers brands will also depend, in part, on its success in continuing to provide a high quality customer experience to those AUB network partners that rely on AUB for the provision of support services. Issues or events which place the reputation of AUB and/or Tysers at risk may impact on AUB's future growth and profitability, for example, by impacting AUB's ability to attract and retain brokers or by causing the loss of brokers. Any factors that diminish the reputation or branding of AUB and/or Tysers could impede its ability to compete successfully and future business plans and performance.

SUMMARY OF KEY RISKS



This section discusses some of the key risks associated with any investment in AUB, together with the risks relating to participation in the Placement (the **Offer**), which may affect the value of AUB shares. The risks set out below are not listed in order of importance and do not constitute an exhaustive list of all risks involved with an investment in AUB. Before investing in AUB, you should be aware that an investment in AUB has a number of risks, some of which are specific to AUB and some of which relate to listed securities generally, and many of which are beyond the control of AUB. Before investing in AUB shares, you should consider whether this investment is suitable for you. Potential investors should review publicly available information on AUB (such as that available on the website of AUB and ASX, including previous AUB ASX announcements and periodic disclosures), carefully consider their personal circumstances and consult their stockbroker, solicitor, accountant or other professional adviser before making an investment decision.

FINANCIAL RISKS

Market risk	The operating and financial performance of AUB is influenced by a variety of general economic and business conditions, including levels of consumer spending, inflation, interest rates and exchange rates, supply and demand, industrial disruption, access to capital markets and government fiscal, monetary and regulatory policies. Changes in general economic conditions may result from many factors including government policy, international economic conditions, significant acts of terrorism, hostilities or war (including in connection with Ukraine and the Middle East), natural disasters and pandemics (including the continuation or escalation of the COVID-19 pandemic). A prolonged deterioration in general economic conditions, including inflation, an increase in interest rates or commodity prices or a decrease in consumer and business demand, could be expected to have an adverse impact on AUB's operating and financial performance and financial position. The nature and consequences of any such factors are difficult to predict and there can be no guarantee that AUB could respond effectively. Any such event and/or the effectiveness of AUB's response could adversely affect AUB's financial performance, financial position, capital resources and prospects, as well as its share price. The ability to secure financing, or financing on acceptable terms, may be affected by volatility in the financial markets, globally or within a particular geographic region, industry or economic sector. An inability to obtain debt financing, or increase in the costs of obtaining, financing on acceptable terms could adversely impact AUB's financial position and performance. AUB is exposed to movements in interest rates through its debt facility.
Fraud and conduct risk	AUB has in place policies and procedures implemented in relation to the risk of fraud. However, particularly in relation to businesses where AUB does not control the day-to-day operations, there is a risk that funds of the business or of those held on behalf of clients may be the subject of fraudulent behaviour. Any such fraudulent behaviour would likely have an adverse impact on AUB's financial position, performance and reputation
Reduction of gross written premium in the market	AUB derives most of its revenue as a result of sales of general insurance products either as agent of the customer through its broker network or as agent of the insurer through its underwriting agency business. A substantial portion of the broker revenue relates to the proportion of the premium payable by the customer. AUB's revenues could be adversely affected if any reduction in sales volumes or premium prices resulted in a reduction in the overall level of insurance premium paid by insurance customers (known as "gross written premium") declined globally. Gross written premium is influenced by factors including pricing decisions by insurers and the level of demand for general insurance products. Any softening in local and global economic conditions is likely to lead to a softening in the level of gross written premium.

SUMMARY OF KEY RISKS



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FINANCIAL RISKS

Foreign exchange	The acquisition of Tysers has increased AUB's exposure to fluctuations in the value of international currencies, including the United States dollar and the British pound. AUB consolidates results of overseas businesses into AUB Group results and the performance of overseas businesses in Australian dollars when reported in AUB Group financial statements may vary due to the movement of foreign exchange rates, subject to any currency hedging arrangements AUB has in place. This could have an adverse effect on AUB's financial performance.
Tax changes	Any changes to the taxation of shares (including the taxation of dividends) and the taxation of companies (including the existing rate of company income tax) may adversely impact on AUB shareholder returns, as may a change to the tax payable by AUB shareholders in general. Any other changes to Australian or global tax law and practice that impact AUB, or the insurance industry generally, could also have an adverse effect on AUB shareholder returns.
Investment impairment	AUB's balance sheet includes a significant level of investments and intangible assets recognised as a result of its various acquisitions. Investments and intangible assets must be regularly tested for impairment. Impairment results from a decrease in value indicated by a permanent decline in profits below the level that supports the value of the investment or asset. In the event that any of AUB's investments or intangible assets are found to be impaired to a level below their carrying value, AUB would need to write down the value of the intangible asset. This will result in the recognition of an impairment expense which may adversely impact AUB's financial position and performance.
Changes to accounting standards	Changes to Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act could affect AUB's reported results of operations in any given period or AUB's financial condition from time to time.

SUMMARY OF KEY RISKS



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LEGAL AND REGULATORY RISKS

Regulatory Risk

AUB operates in a highly regulated environment which has been and continues to be subject to regulatory review and change. Failure to act in accordance with regulation, licences, industry standards and codes, internal policies and procedures and principles of good governance could result in regulatory or legal action, licences being suspended or withdrawn, significant fines, penalties, other costs, reputation damage and/or reduced investor confidence. This, in turn, may adversely impact AUB's reputational, financial performance and position.

AUB may be exposed to violations of financial crime laws including fraud, anti-bribery and corruption, sanctions and anti-money laundering and terrorism financing. The acquisition of Tysers has further exposed AUB to the risk of operating in some jurisdictions which can be higher risk for breach of such financial crime laws. A breach of financial crime laws or other applicable laws or regulatory requirements could lead to enforcement action by regulators, and/or significant fines and/or other penalties, litigation, as well as the risk of reputational damage. This, in turn, may adversely impact AUB's reputational, financial performance and position. To minimise the risk of non-compliance with regulatory obligations, AUB may be required to make additional investments into people, frameworks, systems and monitoring to minimise the risk of non-compliance in the future.

Regulatory changes may also impact AUB and/or its operating entities through costly and burdensome regulation and may have consequences which cannot be foreseen. Additionally, compliance with these regulatory obligations may require considerable investment into the establishment of compliance systems and the monitoring and maintenance of such systems to minimise the risk of non-compliance in the future.

AUB also faces the risk of failing to identify or appropriately respond to changes in the regulatory environment or of damaging AUB's standing with its regulators as a result of AUB not meeting regulatory expectations.

Litigation risk

AUB and its subsidiaries may be subject to litigation, class action or other prosecutions or proceedings, claims or disputes in the course of its business in each of the jurisdictions in which they operate from time to time. Given the nature of their insurance broking businesses, AUB subsidiaries are and can be occasionally named as co-defendants in proceedings alongside insurers. If any of AUB's subsidiaries were to be found liable in any such proceedings, this could result in a requirement to pay damages, fines, compensation and/or other penalties, as well as the risk of reputational damage. This, in turn, may adversely impact AUB's reputation, financial performance and position.

SUMMARY OF KEY RISKS



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OPERATIONAL RISKS

Loss of capacity for underwriting agencies	Unexpected loss of underwriter capacity, whereby an underwriter fails to renew a binder or withdraws capacity for strategic reasons (such as exiting lines of business or a specific country exit) is likely to result in significant loss of income. Further risk may be as a result of an underwriter withdrawing capacity due to uneconomic underwriting results. This would severely constrain the ability of underwriting agencies to write new business and restrict them from renewing existing business. Any such scenario would have an adverse impact on the financial performance of AUB's underwriting business.
Technology and Cyber Security Risk	AUB's information technology systems (including those provided by third party technology vendors) are vulnerable to service interruptions, degradation, damage or interruption from a number of sources, including natural disasters, power losses, computer systems failures, hardware and software defects or malfunctions, hardware and software updates, distributed denial-of-service, internet and telecommunications or data network failures, operator negligence, improper operation by or supervision of employees, physical and electronic losses of data and similar events, computer viruses, other malware or other cyber-attacks, penetration by hackers seeking to disrupt operations or misappropriate information, break-ins, sabotage, intentional acts of vandalism and other breaches of security. Any damage or interruption to, or reduction in speed or functionality of, AUB's information systems or those provided by third party technology vendors could significantly curtail, directly and indirectly, AUB's ability to conduct its business and generate revenue and could result in significant costs being incurred, for example to rebuild systems, respond to regulatory inquiries or actions, pay damages, or take other remedial steps with respect to third parties.
Loss or misuse of personal and confidential information	AUB's operations rely on the secure processing, transmission and storage of confidential, proprietary and other information in its computer systems and networks. AUB's facilities and systems, as well as the facilities and systems utilised by AUB network partners, may be vulnerable to privacy and security incidents, security attacks and breaches, acts of vandalism or theft, computer viruses or other malware, hardware and software defects or malfunctions, hardware and software updates, distributed denial-of-service or other cybersecurity risks, misplaced or lost data, programming and/or human errors or other similar events. Any security breach involving the misappropriation, loss or other unauthorised disclosure or use of confidential information, including financial data, commercially sensitive information, or other proprietary data, whether by AUB or a third party, could have a material adverse effect on AUB's business, reputation, financial condition, cash flows, or operations. The occurrence of any of these events could result in interruptions, delays, the loss or corruption of data, cessations in the availability of systems, potential liability and regulatory action or liability under privacy and security laws, all of which could have a material adverse effect on AUB's financial position, operations and harm AUB's business reputation.

SUMMARY OF KEY RISKS



This section discusses some of the key risks associated with any investment in AUB, together with the risks relating to participation in the Placement (the **Offer**), which may affect the value of AUB shares. The risks set out below are not listed in order of importance and do not constitute an exhaustive list of all risks involved with an investment in AUB. Before investing in AUB, you should be aware that an investment in AUB has a number of risks, some of which are specific to AUB and some of which relate to listed securities generally, and many of which are beyond the control of AUB. Before investing in AUB shares, you should consider whether this investment is suitable for you. Potential investors should review publicly available information on AUB (such as that available on the website of AUB and ASX, including previous AUB ASX announcements and periodic disclosures), carefully consider their personal circumstances and consult their stockbroker, solicitor, accountant or other professional adviser before making an investment decision.

OPERATIONAL RISKS

Loss of key staff and/or challenges attracting new staff	A loss of key personnel by AUB may lead to material business interruption and loss of key customer or partner relationships. AUB also relies on the need to be able to attract staff with the right experience and expertise to assist AUB with successful execution of its strategic priorities and growth plans. Particularly given the presently competitive labour market, there can be no certainty that AUB will be able to retain and attract the people it desires. Skilled/key personnel may include key persons noted on Binder Authorities, Responsible Managers as noted on Australian Financial Services Licences ('AFSLs'), incumbents in key roles or individuals who hold business critical knowledge.
Third party risk	AUB utilises third party suppliers to bring external expertise and support to the business. Insufficient or uncommercial contractual arrangements may impact the Group's ability to maintain efficiency and ensure third parties meet their obligations. The risks associated with engaging third parties include reputational damage, operational disruption, and risks to AUB's compliance with laws and regulations.
Loss of AUB network partners	AUB's financial results substantially depend on the business generated by AUB's network members, and therefore if members were to leave the network, AUB's revenues and profit would likely be reduced. While there are significant barriers to member firms leaving the network, including, in most cases, AUB's right to pre-empt a sale of other shareholders' equity and restrictions on a former network member competing with the AUB member network, nevertheless network firms may leave.
Reliance on strategic partners	AUB depends on relationships with strategic partners such as insurers and premium funders. The loss of any of these relationships could adversely affect AUB's business by reducing the range of products and services AUB can offer with respect to both the insurance brokerage and underwriting agency businesses. This could result in lower revenue.

SUMMARY OF KEY RISKS



EQUITY RAISING RISKS

Underwriting risk

AUB has entered into an underwriting agreement with Macquarie Capital (Australia) Limited (**MCAL**) (the underwriter) pursuant to which the underwriter has agreed to underwrite the Placement (**Underwriting Agreement**), subject to those terms and conditions of the Underwriting Agreement. If certain conditions are not satisfied or if certain termination events occur, the underwriter may terminate the Underwriting Agreement. Those termination events are summarised in Appendix B of this Presentation. Termination of the Underwriting Agreement would have an adverse impact on the amount of proceeds raised under the Placement. Termination of the Underwriting Agreement could materially adversely affect AUB's business, cash flow, financial condition and results of operations.

As disclosed today, further to the Placement, AUB will consider making an offer to eligible shareholders under a share purchase plan (**SPP**). Further details will be provided to the market should AUB decide to make such an offer. In light of the Placement, any such SPP offer (if made) would be for no more than approximately AUD 25mn worth of new AUB shares. If AUB decides to undertake a SPP, it will not be underwritten. Accordingly, there is no certainty that AUB will raise a minimum amount of capital under such SPP offer (if made).

Market generally

The price of AUB securities on the ASX may rise or fall due to numerous factors including:

- Australian and international general economic conditions, including inflation rates, the level of economic activity, interest rates, commodity prices and currency exchange rates;
- changes in Australian and foreign government laws and regulation (including fiscal and monetary policies);
- geopolitical instability, international hostilities and acts of terrorism in Australia and around the world;
- investor perceptions in the local and global markets for listed stocks; and
- changes in the supply and demand of securities.

AUB securities may trade below the offer price and no assurances can be given that AUB's market performance will not be materially adversely affected by any such market fluctuations or factors. No member of AUB, nor any of their directors nor any other person guarantees AUB's market performance.

Dilution

Existing shareholders who do not participate in the Placement or any SPP (if made) will have their percentage shareholding in AUB diluted. A participating shareholder may also be diluted even though it participates in the Placement or any SPP (if made), depending on the number of New Shares allocated to them. Investors may also have their investment diluted by future capital raisings by AUB. AUB may issue new securities in the future (including, without limitation, to finance acquisitions, contractually payable amounts or pay down debt) which may, under certain circumstances, dilute the value of an investor's interest.

Appendix B – Summary of Underwriting Agreement

SUMMARY OF UNDERWRITING AGREEMENT



AUB has entered into an underwriting agreement with Macquarie in respect of the Placement dated 22 May 2024 (**Underwriting Agreement**), pursuant to which Macquarie has agreed to fully underwrite the Placement on the terms and conditions of the Underwriting Agreement. The Underwriting Agreement contains customary conditions precedent, representations, warranties, undertakings and indemnities in favour of the Underwriter.

Macquarie may terminate its obligations under the Underwriting Agreement on the occurrence of certain events without cost or liability at any time before 4.00pm on the settlement date for the Placement (expected to be 27 May 2024). Those events include (but are not limited to) where:

- ASIC issues, or threatens to issue, proceedings in relation to the Placement, or commences a formal investigation or hearing in relation to the Placement (or announces its intention to do so) and such application, proceedings, investigation become public or if made public, are not withdrawn within specified timeframes;
- ASX announces that existing AUB shares will be delisted, removed from quotation, withdrawn from admission to trading status or suspended from quotation;
- ASX notifies AUB or Macquarie that unconditional approval (or approval conditional only on customary conditions which are acceptable to the Underwriter, acting reasonably) will not be granted to the official quotation of all of the Placement Shares on ASX or if granted, the approval is subsequently withdrawn, qualified (other than by customary conditions) or withheld;
- AUB withdraws the Placement;
- there are certain delays to the timetable for the Placement, other than with the written consent of Macquarie;
- AUB does not provide a confirmatory certificate to Macquarie by the time specified under the Underwriting Agreement;
- any written materials that are presented to applicants or any other offer documents in connection with the Placement (**Placement Materials**) contain statements which are untrue, inaccurate or become misleading or deceptive or likely to mislead or deceive (including by omission), in each case in a manner which that is materially adverse from the perspective of an applicant, or the Placement Materials omit any information they are required to contain;
- an obligation arises on AUB to give ASX a notice in accordance with section 708A(9) of the Corporations Act;
- AUB (or any member of the AUB Group that represents in excess 2.5% of the consolidated assets or earnings of the AUB Group) is or becomes insolvent;
- an AUB director or the Chief Financial Officer of AUB is charged with an indictable offence, any regulatory body commences any public action against an AUB director (or announces its intention to do so) or a director of AUB is disqualified from managing a corporation;
- AUB or any of its related bodies corporate engage in any fraudulent conduct or activity whether or not in connection with the Placement, or a director or the Chief Financial Officer of AUB is charged in relation to any fraudulent conduct or activity whether or not in connection with the Placement;
- there is an event or occurrence, including any statute, order, rule, regulation, directive or request of any governmental agency which makes it illegal for Macquarie to satisfy an obligation under the Underwriting Agreement, or to market, promote, underwrite or settle the Placement;

SUMMARY OF UNDERWRITING AGREEMENT



- AUB is prevented from allotting and issuing the Placement Shares under the ASX Listing Rules, applicable laws, an order of a court of competent jurisdiction or a governmental agency;
- a change in the Chief Executive Officer, the Chief Financial Officer or Chairperson of AUB occurs or is announced by AUB; and
- AUB alters its capital structure without the consent of Macquarie, other than where permitted within certain exceptions.

In addition, Macquarie may terminate its obligations under the Underwriting Agreement on the occurrence of any of the following events during the same period as above, provided that it has reasonable grounds to believe, and does believe, that the event: (a) has had, or is likely to have, a materially adverse effect on the success, marketing or settlement of, the Placement, or the willingness of investors to subscribe for or settle New Shares to be issued under the Placement; or (b) has given or could reasonably be expected to give rise to or result in a contravention by, or a liability of, Macquarie or its affiliates under any applicable law:

- AUB fails to perform or observe any of its obligations under the Underwriting Agreement (including, for the avoidance of doubt undertakings), or any representation or warranty given by AUB in the Underwriting Agreement proves to be, has been, or becomes untrue, misleading, deceptive or incorrect;
- any response in the Due Diligence Questionnaire or any other information supplied by or on behalf of AUB to Macquarie for the purposes of the Placement or the Placement Materials, is or becomes false, misleading or deceptive, or is or becomes likely to mislead or deceive (including, in each case, by omission);
- a confirmatory certificate provided by AUB to Macquarie under the Underwriting Agreement when given is untrue, incorrect or misleading or deceptive (including by omission);
- 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 the Reserve Bank of Australia, or any Commonwealth or State authority (including ASIC), adopts or announces a proposal to adopt a new policy (other than a law, regulation, or policy which has been announced prior to the date of the Underwriting Agreement) any of which does or is likely to prohibit or regulate the Placement;
- a contravention by AUB of the Corporations Act, its Constitution, any of the ASX Listing Rules, any other applicable law or regulation (as amended or varied) or order or request made by or on behalf of ASIC, ASX or any governmental agency;
- a change in the board of directors in AUB (other than the Chief Executive Officer of AUB or Chairperson of AUB);
- hostilities not existing at the date of this Presentation commence or there is an outbreak or a major escalation of hostilities (in each case, whether war is declared or not) occurs, involving one or more of Australia, New Zealand, the United Kingdom, the United States, Japan, any member state of the European Union, the People's Republic of China, Hong Kong, Israel, Iran or any member state of the North Atlantic Treaty Organization, or any of those countries declare or escalate a national emergency, or a significant terrorist attack is perpetrated in any of those countries, or chemical, nuclear or biological weapons of any sort are used in connection with the Ukraine conflict, or the military of any member state of the North Atlantic Treaty Organization becomes directly involved in the Ukraine conflict;
- a general moratorium on commercial banking activities in Australia, New Zealand, Hong Kong, the United States of America or the United Kingdom is declared by the relevant central banking authority in those countries, or there is a material disruption in commercial banking or security settlement or clearance services in any of those countries;

SUMMARY OF UNDERWRITING AGREEMENT



- a suspension or material limitation in trading in shares generally on ASX, HKEX, LSE or NYSE for at least 1 day on which that exchange is open for trading; and
- any adverse change or disruption to the existing financial markets, political or economic conditions of Australia, Hong Kong, the European Union, the United States of America, the United Kingdom or the international financial markets.

Termination of the Underwriting Agreement by Macquarie will discharge Macquarie's obligations in respect of the period prior to termination and discharge AUB's obligation to pay Macquarie any fees, costs, charges or expenses which have not accrued as at termination, but the termination of its obligations will not limit or prevent the exercise of any other rights or remedies which any of the parties may otherwise have.

For details of the fees payable to Macquarie, refer to the Appendix 3B released to the ASX on the date of this Presentation.

AUB also gives certain representations, warranties and undertakings to Macquarie and an indemnity in favour of Macquarie and its affiliates subject to certain carve-outs.

Appendix C – International Offer Restrictions

INTERNATIONAL OFFER RESTRICTIONS



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.

Bermuda

No offer or invitation to subscribe for New Shares may be made to the public in Bermuda or in any manner that would constitute engaging in business in or from within Bermuda. In addition, no invitation is being made to persons resident in Bermuda for exchange control purposes to subscribe for New Shares.

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.

INTERNATIONAL OFFER RESTRICTIONS



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.*

Cayman Islands

No offer or invitation to subscribe for New Shares may be made to the public in the Cayman Islands or in any manner that would constitute carrying on business in the Cayman Islands.

European Union (excluding Austria)

This document has not been, and will not be, registered with or approved by any securities regulator in the European Union. Accordingly, this document may not be made available, nor may the New Shares be offered for sale, in the European Union except in circumstances that do not require a prospectus under Article 1(4) of Regulation (EU) 2017/1129 of the European Parliament and the Council of the European Union (the "Prospectus Regulation").

In accordance with Article 1(4)(a) of the Prospectus Regulation, an offer of New Shares in the European Union is limited to persons who are "qualified investors" (as defined in Article 2(e) of the Prospectus Regulation).

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"). Accordingly, this document may not be distributed, and the New Shares may 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).

INTERNATIONAL OFFER RESTRICTIONS



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INTERNATIONAL OFFER RESTRICTIONS



United Kingdom

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- "qualified institutional buyers" (as defined in Rule 144A under the US Securities Act); and
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