



Entitlement Offer

August 2019

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This Presentation has been prepared and is issued by Slater & Gordon Limited ACN 097 297 400 (SGH) and is dated 30 August 2019 in relation to a proposed 1 for 1.05752 pro rata accelerated non-renounceable entitlement offer of new fully paid shares in SGH (**New Shares**) to certain eligible shareholders (**Entitlement Offer**) to raise approximately \$75.6 million. The Entitlement Offer is being made without disclosure to investors under section 708AA of the Corporations Act as modified by ASIC Corporation (Non-Traditional Rights Issues) Instrument 2016/84.

Summary information

This Presentation contains summary information about SGH and its activities current as at the date of this presentation. The information in this Presentation is of a general nature and does not purport to be complete nor does it contain all information which a prospective investor may require in evaluating a possible investment in SGH or that would be required in a prospectus or product disclosure statement prepared in accordance with the requirements of the Corporations Act.

The historical information in this Presentation is, or is based on, information that has been released to ASX. This Presentation should be read in conjunction with SGH's other periodic and continuous disclosure announcements lodged with the ASX, which are available at www.asx.com.au.

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This Presentation is for information purposes only and is not an offer or invitation to subscribe for, acquire or buy any securities in SGH, including the New Shares, or any other financial products in any jurisdiction which, or to any person to whom, it would be unlawful to make such an offer or invitation. This Presentation is not a prospectus, product disclosure statement or other disclosure or offer document under the Corporations Act or any other Australian law, and will not be lodged with ASIC or any other financial service regulator.

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Not financial product advice

This Presentation does not constitute financial product or investment advice or any recommendation to acquire New Shares or accounting, legal or tax advice. It has been prepared without taking into account the objectives, financial or tax situation or needs of individuals. Before making an investment decision, prospective investors should consider the appropriateness of the information having regard to their own objectives, financial and tax situation and needs and obtain legal and taxation advice appropriate to their jurisdiction. SGH is not licensed to provide financial product advice in respect of the New Shares or any other financial products. Cooling off rights do not apply to the acquisition of New Shares under the Entitlement Offer.

Investment risk

An investment in the New Shares is subject to investment and other known and unknown risks, some of which are beyond the control of SGH including loss of income and principal invested. SGH does not guarantee any particular rate of return or performance or any particular tax treatment. You should have regard to the Risk Factors outlined in Appendix A to this Presentation.

Financial data

All dollar values are in Australian dollars (A\$ or AUD) unless otherwise stated. Investors should also be aware that financial data in this Presentation include "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. SGH believes this non-IFRS/non-GAAP financial information provides useful information to users in measuring the financial performance and conditions of SGH. The non-IFRS/non-GAAP financial information do not have a standardised meaning prescribed by Australian Accounting Standards and, therefore, may not be comparable to similarly titled measures presented by other entities, nor should they be construed as an alternative to other financial measures determined in accordance with Australian Accounting Standards. Investors are cautioned, therefore, not to place undue reliance on any non-IFRS/non-GAAP financial information and ratios included in this Presentation.

Effect of rounding

A number of figures, amounts, percentages, estimates and calculations of value in this Presentation are subject to the effect of rounding.

Past performance

Investors should note that past performance and pro forma financial information given in this Presentation is given for illustrative purposes only and should not be relied on as (and is not) an indication of SGH's views on its future financial performance or condition. Investors should note that past performance, including past share price performance, of SGH cannot be relied on as an indicator of (and provides no guidance as to) future performance including future share price performance. The historical information in relation to SGH included in this Presentation is, or is based on, information that has previously been released to the market.

Future performance

This Presentation contains certain "forward-looking statements" that are based on management's beliefs, assumptions and expectations and on information currently available to management. The words "expect", "anticipate", "estimate", "intend", "believe", "guidance", "should", "could", "may", "will", "predict", "plan" and other similar expressions are intended to identify forward-looking statements. Any indications of, and guidance on, future operating performance, earnings, financial position and performance or production are also forward-looking statements. Forward-looking statements, opinions and estimates provided in this Presentation are based on assumptions and contingencies which are subject to change without notice, as are statements about market and industry trends, which are based on interpretations of current market conditions.

Forward-looking statements, including projections, guidance on future operations, earnings, estimates or production targets (if any), are provided as a general guide only and should not be relied on as an indication or guarantee of future performance. This Presentation contains statements that are subject to risk factors associated with SGH's business activities. It is believed that the expectations reflected in these statements are reasonable, but they may be affected by a range of variables which could cause actual results or trends to differ materially, including but not limited to earnings, capital expenditure, cash flow and capital structure risks and general business risks. No representation, warranty or assurance (express or implied) is given or made in relation to any forward-looking statement by any person (including SGH or any of its advisers). In particular, no representation, warranty or assurance (express or implied) is given that the occurrence of the events expressed or implied in any forward-looking statements in this Presentation will actually occur. Actual operations, results, performance, production targets or achievement may vary materially from any projections and forward-looking statements and the assumptions on which those statements are based. Any forward-looking statements in this Presentation speak only as of the date of this Presentation. Subject to any continuing obligations under applicable law or regulation (including the listing rules of ASX), SGH disclaims any obligation or undertaking to provide any updates or revisions to any forward-looking statements in this presentation to reflect any change in expectations in relation to any forward-looking statements or any change in events, conditions or circumstances on which any such statement is based.

Disclaimer

The information in this Presentation has been obtained from or based on sources believed by SGH to be reliable. To the maximum extent permitted by law, SGH and Moelis Australia Advisory Pty Ltd (**Moelis**) (**Underwriter**) and their respective affiliates, officers, employees, agents and advisers do not make any warranty, express or implied, as to the currency, accuracy, reliability or completeness of the information in this Presentation and disclaim all responsibility and liability, including without limitation for negligence or for any expenses, losses, damages or costs incurred by you as a result of the information in this Presentation being inaccurate or incomplete in any way for any reason, whether by negligence or otherwise.

Neither the Underwriter, nor any of its affiliates, related bodies corporate, directors, officers, employees, agents or advisers have authorised, caused or permitted the issue, submission or despatch of this Presentation nor do they make any recommendation as to whether a potential investors should acquire New Shares. None of them makes or purports to make any statement in this Presentation and there is no statement in this Presentation which is based on any statement by them.

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Executive Summary

- SGH is taking action to reduce borrowings and strengthen its balance sheet
- Fully underwritten¹ 1 for 1.05752 accelerated pro rata non-renounceable entitlement offer (“Entitlement Offer”) to raise gross proceeds of approximately \$75.6m at \$1.15 per share
 - Gross proceeds of approximately \$75.6m will be used to repay the existing Syndicated Facility
 - Each of the lenders to the Company under its existing Syndicated Facility has confirmed that they are not electing to take up their existing entitlements but are in turn sub-underwriting the Entitlement Offer in the proportion equivalent to their current debt under the Company’s Syndicated Facility
- Offer price of \$1.15 per new share, representing a 13.5% discount to TERP of \$1.33
- Securities issued under the Entitlement Offer will rank equally with existing SGH shares on issue

| Sources of funds | (\$m) |
|--------------------------|-------------|
| Proceeds from the Offer | 75.6 |
| Existing working capital | 0.9 |
| Total sources | 76.5 |

| Uses of funds | (\$m) |
|---------------------------------|-------------|
| Paydown of Syndicated Facility | 75.6 |
| Costs associated with the Offer | 0.9 |
| Total uses | 76.5 |

¹ Anchorage Capital Group, LLC (“Anchorage”) has agreed to sub-underwrite \$39.6 million of the offer (equivalent to its 52.4% ownership of the debt to be repaid). Anchorage’s ability to acquire shares under this sub-underwriting commitment is reliant upon Foreign Investment Review Board approval being obtained by Anchorage. The Underwriter’s obligation to underwrite the equity raising is subject to customary terms and conditions, including termination rights for the Underwriter in specific circumstances (including for example if Foreign Investment Review Board approval is not obtained by Anchorage on or before 10.00am on 19 September 2019 (being the date of settlement of the Retail Entitlement Offer))

Historical and pro forma historical consolidated balance sheet

| Pro forma Balance Sheet (A\$000s) | June 2019 | Impact of Transaction | June 2019 Pro forma |
|-----------------------------------|----------------|-----------------------|---------------------|
| Assets | | | |
| Cash and cash equivalents | 12,633 | - | 12,633 |
| Receivables | 83,987 | - | 83,987 |
| WIP | 223,655 | - | 223,655 |
| Property, plant and equipment | 6,630 | - | 6,630 |
| Intangible assets | 2,155 | - | 2,155 |
| Other assets | 9,702 | - | 9,702 |
| Total assets | 338,762 | - | 338,762 |
| Liabilities | | | |
| Payables | 58,466 | 905 | 59,371 |
| Borrowings | 158,649 | (74,009) | 84,640 |
| Provisions | 23,594 | - | 23,594 |
| Deferred tax liabilities | 13,901 | - | 13,901 |
| Total liabilities | 254,610 | (73,104) | 181,506 |
| Net Assets | 84,152 | 73,104 | 157,256 |
| Contributed equity | 1,351,533 | 82,124 | 1,433,657 |
| Reserves | 9,933 | (7,422) | 2,511 |
| Accumulated losses | (1,277,314) | (1,598) | (1,278,912) |
| Total Equity | 84,152 | 73,104 | 157,256 |

Impact on capital structure

| Shares | Number (millions) ¹ |
|---|--------------------------------|
| Shares on issue as at 30 August 2019 | 69.5 |
| Shares issued under the Entitlement Offer | 65.7 |
| Number of Shares issued on exercise of the Warrants issued under the Company's syndicated facility agreement | 3.9 ¹ |
| Total number of Shares on issue post Entitlement Offer and issue of Shares on exercise of the Warrants | 139.1 |

¹ New Shares issued under the Warrant issue are approximate numbers only. Actual numbers will be determined on or about the date of Issue of New Shares under the Retail Entitlement Offer

Offer Details

| | |
|--|---|
| Offer structure and size | <ul style="list-style-type: none"> Fully underwritten¹ 1 for 1.05752 pro-rata accelerated non-renounceable entitlement offer to eligible shareholders of SGH to raise total proceeds of approximately \$75.6 million |
| Underwriting arrangements | <ul style="list-style-type: none"> The Entitlement Offer is fully underwritten by Moelis Australia |
| Offer price | <ul style="list-style-type: none"> \$1.15 per New Share, representing: <ul style="list-style-type: none"> 13.5% discount to TERP of \$1.33 23.3% discount to SGH's closing price of \$1.50 on Thursday, 29 August 2019 |
| Institutional and retail components | <ul style="list-style-type: none"> Institutional Entitlement Offer is proposed to be conducted on Friday, 30 August 2019 <ul style="list-style-type: none"> Entitlements not taken up under the Institutional Entitlement Offer will be offered to new and existing eligible institutions at the Offer Price via a shortfall bookbuild on Friday, 30 August 2019 The Retail Entitlement Offer is proposed to open on Thursday, 5 September 2019 and to close on Monday, 16 September 2019 |
| Participation by existing Syndicated Facility Agreement Lenders | <ul style="list-style-type: none"> Each of the lenders to the Company under its existing Syndicated Facility (the "SFA Lenders"), including major shareholder Anchorage Capital Group, LLC ("Anchorage"), has committed to support the Entitlement Offer as follows: <ul style="list-style-type: none"> each SFA Lender has confirmed that they are not electing to take up their existing entitlements under the institutional component of the Entitlement Offer. Those entitlements will be made available to new and existing investors under the Institutional Entitlement Offer and existing investors under the Retail Entitlement Offer (if applicable). The SFA Lenders currently hold an aggregate of approximately 95.0% of the Company's shares on issue each SFA Lender has sub-underwritten the Entitlement Offer in the proportion equivalent to their current debt under the Company's Syndicated Facility the value of the New Shares issued to SFA Lenders under their sub-underwriting commitments plus cash proceeds received under the Entitlement Offer will be used to repay all debts and associated fees under the Syndicated Facility in addition, all warrants previously issued to certain SFA Lenders in connection with the Syndicated Facility will be converted to ordinary shares upon completion of the Entitlement Offer |
| Use of proceeds | <ul style="list-style-type: none"> Proceeds will be used to repay the existing Syndicated Facility |
| Ranking | <ul style="list-style-type: none"> New Shares issued will rank equally in all respects with existing SGH shares on issue |
| Record date | <ul style="list-style-type: none"> 7:00pm, Tuesday, 3 September 2019 |

¹ Subject to the Underwriter's customary terms and conditions, including termination rights for the Underwriter in specific circumstances (including, for example, if Foreign Investment Review Board approval is not obtained by Anchorage on or before 10.00am on 19 September 2019 (being the date of settlement of the Retail Entitlement Offer))

| Event | Date |
|---|---|
| Trading halt and Announcement of Entitlement Offer | Friday, 30 August 2019 |
| Institutional Entitlement Offer opens and closes | Friday, 30 August 2019 |
| Trading recommences on an ex-entitlement basis | Monday, 2 September 2019 |
| Record Date | 7:00pm, Tuesday, 3 September 2019 |
| Dispatch of Retail Offer Booklet and Retail Entitlement Offer opening date | Thursday, 5 September 2019 |
| Settlement of Institutional Entitlement Offer | Monday, 9 September 2019 |
| Issue and ASX quotation of New Shares issued under the Institutional Entitlement Offer | Tuesday, 10 September 2019 |
| Retail Entitlement Offer closing date | Monday, 16 September 2019 |
| Announcement of any shortfall from Retail Entitlement Offer | Before 10:00am, Thursday, 19 September 2019 |
| Settlement of Retail Entitlement Offer | Thursday, 19 September 2019 |
| Issue of New Shares issued under the Retail Entitlement Offer | Friday, 20 September 2019 |
| Trading on a normal basis for New Shares issued under the Retail Entitlement Offer and dispatch of holding statements | Monday, 23 September 2019 |

All dates and times are indicative only and subject to change. Unless otherwise specified, all times and dates refer to Australian Eastern Standard Time (AEST). Any changes to the timetable will be posted on Slater & Gordon's website at www.slaterandgordon.com.au

Appendix A – Risk Factors

All investments carry risk, including loss of some or all of the capital invested and failure of investments to generate a positive return. You should carefully consider whether an investment in SGH shares ("New Shares") is a suitable investment for you. Some of the key risks of investing in SGH include those set out below.

Risks specific to the equity raising

Underwriting risk

SGH has entered into an underwriting agreement with Moelis Australia Advisory Pty Ltd ("Underwriter") for the Entitlement Offer ("Underwriting Agreement"). The Underwriter's obligation to underwrite the equity raising is subject to customary terms and conditions, including termination rights for the Underwriter in specific circumstances (for example if Foreign Investment Review Board approval is not obtained by Anchorage on or before 10.00am on 19 September 2019 (being the date of settlement of the Retail Entitlement Offer)).

If the Underwriter is entitled to, and does, terminate the Underwriting Agreement, SGH may not otherwise be able to raise sufficient equity capital to meet its obligations and commitments in respect of the repayment of the Syndicated Facility and associated fees, and for all of the intended purposes as set out in this investor presentation.

Discount to issue price

No assurances can be given that the New Shares offered under the Entitlement Offer will trade at or above the Offer price. None of SGH, its Board or any of other person guarantees the market performance of the New Shares.

Risks specific to SGH

Conflicts of duties

As an incorporated legal practice, SGH has a duty to the court, first, and then to its clients. Those duties prevail over SGH's duty to shareholders. There may be instances where SGH and its lawyers, in exercising their duties to the court or to the client (or both), act other than in the best interests of shareholders. An example is in settlement negotiations where SGH's duty to its client would be favoured over any short term cash flow or funding needs of SGH's business.

Regulatory environment

SGH is subject to significant regulatory and legal oversight in respect to both the conduct of individual legal practitioners employed by SGH and the areas of law in which SGH practises and operates its business. SGH's business operations could be adversely affected by actions of State, Territory and Commonwealth governments. If a legal practitioner employed by SGH commits unsatisfactory professional conduct or professional misconduct, there is the potential for the relevant regulator to take disciplinary action against the individual, SGH's legal practitioner directors and SGH itself. Changes in government legislation, guidelines and regulations associated with SGH's areas of practice, such as decreases in the maximum amount of legal fees which can be recovered or the amount of damages its clients can claim in particular types of matters, could also adversely affect SGH.

Recoverability of Work-in-Progress

Work in progress ("WIP") represents the value of work that has been undertaken on client matters, that has not yet been billed. The majority of SGH's legal services are provided on a 'No Win- No Fee' basis. In such cases fees are charged only in the event of a successful outcome and given the amount of fees that can be charged to clients are regulated, there is uncertainty around the ultimate recovery of WIP prior to the conclusion of a client's matter. The valuation of WIP in these cases is assessed in accordance with Australian Accounting Standards and is based on a formula involving the stage of progress of the matter and the likelihood of success based on past experience for cases of the relevant type. This exposure is greater in relation to SGH's Project Litigation services as the WIP exposure on a single matter is higher. Although SGH has taken actions to assist in the recoverability of its WIP, such as with its case selection processes and utilisation of litigation funding, and periodically makes provisions for unrecoverable WIP, it is a difficult value to predict and recognise with certainty.

Risks specific to SGH (cont.)

Personnel

SGH depends on the talent and experience of its people. In particular, SGH's growth is reliant on its ability to attract, develop and retain high quality lawyers and other professional fee-earning staff. Should any of its key people or a significant number of the other people leave SGH, particularly to work for a competitor, or the development of its staff be unable to deliver the growth for its service offerings, this may have an adverse effect on SGH. It may be difficult to replace key personnel or to do so in a timely manner or at comparable expense.

Professional liability and uninsured risks

The provision of legal advice by SGH gives rise to the risk of potential liability for negligence or other similar client claims. Any such claims may cause financial and reputational damage to SGH. Although SGH maintains professional liability insurance and a dedicated Professional Standards team to mitigate the financial risk, SGH's profitability may be adversely affected in the event that the insurance does not cover a potential claim, the claim exceeds the coverage available or the deductible on numerous claims in a period is material.

Brand and reputational risk

The reputation and branding of SGH is an important factor in its success. Anything that diminishes SGH's reputation or brand would likely be adverse to SGH's revenue, profitability and growth. The actions of SGH's employees, including breaches of the regulations to which SGH is subject or negligence in the provision of legal advice, may damage the SGH brand.

Competition and growth

SGH operates in a competitive market, competing for its offering of personal injury and/or other legal services. Competitive factors include the quality of advice and service, innovation, reputation and price. SGH's service offerings and marketing may not attract clients to support its growth strategy. These risks may adversely impact SGH's financial performance.

Concentration of ownership

The SFA Lenders currently hold an aggregate of approximately 95.0% of the issued shares in SGH, and immediately following the issue of New Shares under this Entitlement Offer, could hold an aggregate of 97.5% of the issued shares in SGH. Accordingly, the SFA Lenders will continue to be in a position to exert significant influence over the outcome of matters relating to SGH, including the election of Directors and the consideration of material Board decisions. Although the interests of SGH's other shareholders are likely to be consistent in most cases, there may be instances where their respective interests diverge.

Operations and systems

There are a number of key operational risks which arise directly from SGH's operation as a major participant in the Australian legal services industry and associated with its growth strategy, including implementation of strategic and business decisions, technology and cyber security risk, counterparty performance under outsourcing and referral arrangements, business continuity planning, legal risk, data privacy and integrity risk, information management and security, client default risk and external events. SGH's financial performance and position may be adversely impacted by these risks.

Risks specific to SGH (cont.)

Capital and funding management

Funding and management of capital and liquidity remains a key focus following the recapitalisation in December 2017 and associated with the significant WIP asset on SGH's balance sheet. It is difficult for SGH to predict with certainty the timing of settlement and recovery. Additional funds may need to be obtained through capital raisings or cash flow may need to be managed through seeking to negotiate current debt arrangements. These factors may adversely impact SGH's working capital management program.

Value of Shares

In December 2017, SGH completed a recapitalisation via two schemes of arrangement. The recapitalisation resulted in (inter alia) SGH ceasing to own its UK subsidiaries and a significant change to its share capital structure. Also, following the recapitalisation, trading volumes in Shares has been low, with the free float representing a small proportion of issued capital. As a result of these complex changes, there is a risk that the market price for SGH shares does not reflect their true underlying value. Shareholders should make their own assessments of the Company's value and seek professional advice where necessary.

General market risks

ASX market volatility

The market price of SGH's securities will fluctuate due to various factors, many of which are non-specific to SGH, including recommendations by brokers and analysts, Australian and international general economic conditions, inflation rates, interest rates, exchange rates, changes in government, fiscal and monetary and regulatory policies, changes to laws, global investment markets, global geo-political events and hostilities, investor perceptions and other factors that may affect SGH's financial performance and position. In the future, these factors may cause SGH's securities to trade at or below their issue price. Factors such as those mentioned above may also affect the income, expenses and liquidity of SGH. Additionally, the stock market can experience price and volume fluctuations that may be unrelated or disproportionate to the operating performance of SGH.

Liquidity risk

The Company is a listed entity. Therefore the ability to sell Shares will be a function of the turnover of the Shares at the time of sale. Turnover itself is a function of the size of the Company and also the cumulative investment intentions of all current and possible investors in the Company at any point in time.

Economic environment

General economic factors such as interest rates, exchange rates, inflation, business and consumer confidence and general market factors, including those impacted by climate change risks, may have an adverse impact on SGH's earnings or value of its assets.

Litigation

SGH may, in the ordinary course of business, be involved in possible litigation disputes. Any such dispute may be costly and adversely affect the operational and financial results of SGH.

Taxation

Future changes in Australian taxation law, including changes in interpretation or application of the law by the courts or taxation authorities in Australia, may affect the taxation treatment of an investment in New Shares or the holding and disposal of those New Shares. Further, changes in tax law, or changes in the way tax law is expected to be interpreted, in the various jurisdictions in which SGH operates, may impact the future tax assets or liabilities of SGH. In addition, any change in tax rules and tax arrangements could have an adverse effect on the level of dividend franking and shareholder returns.

An investment in New Shares involves tax considerations that differ for each investor. Investors are encouraged to seek professional tax advice in connection with any investment in SGH.

Appendix B – 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.

British Virgin Islands

The New Shares may not be offered in the British Virgin Islands unless the Company or any person offering the New Shares on its behalf is licensed to carry on business in the British Virgin Islands. The Company is not licensed to carry on business in the British Virgin Islands. The securities may be offered to British Virgin Islands business companies from outside the British Virgin Islands without restriction.

Cayman Islands

No offer or invitation to subscribe for New Shares may be made to the public in the Cayman Islands.

European Union

This document has not been, and will not be, registered with or approved by any national 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"). No action has been taken in Hong Kong to authorise or register this document or to permit the distribution of this document or any documents issued in connection with it. Accordingly, the New Shares have not been and will not be offered or sold in Hong Kong other than to "professional investors" (as defined in the SFO and any rules made under that ordinance).

No advertisement, invitation or document relating to the New Shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to New Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors. No person allotted New Shares may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

New Zealand

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

The New Shares are not being offered to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the FMC Act and the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016.

Other than in the entitlement offer, the New Shares may only be offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) to a person who:

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

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 the Company's shares, (ii) an "institutional investor" (as defined in the SFA) or (iii) an "accredited investor" (as defined in 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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Appendix C – Basis of Preparation

Financial Information

The financial information of Slater and Gordon Limited ("SGH") comprises the:

- Consolidated historical statement of financial position as at 30 June 2019 (the "Historical Financial Information");
- Pro forma statement of financial position as at 30 June 2019 after the Entitlement Offer is implemented (the "Pro Forma Historical Financial Information" or "the Pro-Forma Balance Sheet") (Collectively, the "Financial Information").

The directors of SGH are responsible for the preparation and presentation of the Historical Financial Information and the Pro Forma Historical Financial Information, including the basis of preparation, selection and determination of pro forma adjustments made to the Historical Financial Information that is included in the Pro Forma Historical Financial Information.

The Historical Financial Information has been derived from the financial report of SGH for the year ended 30 June 2019, which was audited by Ernst & Young in accordance with Australian Auditing Standards. Ernst & Young issued an unmodified opinion on the financial report.

The Historical Financial Information has been prepared in accordance with the recognition and measurement principles contained in Australian Accounting Standards ("AAS").

The Pro Forma Historical Financial Information has been derived from the Historical Financial Information of SGH, and adjusted for the effects of pro forma adjustments described below.

The Pro Forma Historical Financial Information has been prepared in accordance with the recognition and measurement principles contained in AAS other than that it includes adjustments which have been prepared in a manner consistent with AAS that reflect the impact of certain transactions as if they occurred as at 30 June 2019.

Due to its nature, the Pro Forma Historical Financial Information does not represent SGH's actual or prospective financial position. The Pro Forma Historical Financial Information does not include either any effects of operations or income for the period 1 July 2019 to the date of the Entitlement Offer implementation.

The Financial Information is presented in an abbreviated form, insofar as it does not include all of the presentation and disclosures required by Australian Accounting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the *Corporations Act 2001*.

Accounting policies

The accounting policies used in preparing the Pro Forma Historical Financial Information are consistent with those policies used in preparing the 30 June 2019 financial report as referred in the notes of the 30 June 2019 financial report.

Key assumptions

The following key assumptions have been made in producing the Pro Forma Historical Financial Information:

1. As announced on 30 August 2019, a \$75.6m fully-underwritten accelerated non-renounceable entitlement offer (Entitlement Offer) for 1.0 New Shares per 1.05752 Existing Shares at \$1.15 per New Share will be conducted.
2. The offer price per share is at a 12.5% discount to the theoretical ex-rights price (TERP).
3. The share prices are determined using the closing price on 22 August 2019. There were 69,257,235 ordinary shares on issue as at 30 June 2019.
4. The proceeds of the offer will be used to repay loans and associated fees (including deferred restructuring fees) owing by the Company to the various counterparties the Syndicated Facility Agreement (SFA).

Pro forma adjustments

The following significant pro forma adjustment has been made to produce the Pro Forma Historical Financial Information:

1. All of the proceeds of the offer have been used to repay loans and associated fees (including deferred restructuring fees) owing by the Company to the various counterparties the Syndicated Facility Agreement (SFA).

Going concern

The financial statements have been prepared using the going concern assumption which contemplates the realisation of assets and the settlement of liabilities in the ordinary course of business.