Emeco Holdings Limited
Equity raising, debt reduction and extension

24 August 2020

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Financial data

All dollar values are in Australian dollars ("A$") and references to financial year (FY) relate to Emeco's year end which is 30 June. Financial data related to the historical pro forma financial position of Emeco is presented as at 30 June 2020. The pro forma financial information provided in this Presentation is for illustrative purposes only and is not represented as being indicative of Emeco's (or anyone else's) views on Emeco's future financial position and/ or performance. The pro forma financial information is based on the audited financial information of Emeco for the year ended 30 June 2020. The pro forma financial information has been prepared by Emeco in accordance with the measurement and recognition requirements, but not the disclosure requirements, of applicable accounting standards and other mandatory requirements in Australia. Refer to the "Basis of preparation of Financial Information" section of this Presentation for further detail.

The recipient should note that this document contains pro-forma financial information and does not purport to be in compliance with Article 11 of Regulation S-X of the rules and regulations of the U.S. Securities and Exchange Commission. The financial information also includes non-GAAP measures within the meaning of Regulation G under the U.S. Securities Exchange Act of 1934 and non-IFRS measures, which have been included because Emeco believes it provides users with additional relevant information. The non-IFRS/non-GAAP financial information does not have a standardised meaning prescribed by IFRS 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 IFRS. Investors are cautioned, therefore, not to place undue reliance on any non-IFRS/non-GAAP financial information and ratios included in this document.

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Past performance information given in this Presentation is given for illustrative purposes only and should not be relied upon as (and is not) an indication of future performance.

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This Presentation contains certain “forward looking statements”. Forward looking statements can generally be identified by the use of forward looking words such as, “expect”, “anticipate”, “likely”, “intend”, “should”, “could”, “may”, “predict”, “plan”, “propose”, “will”, “believe”, “forecast”, “estimate”, “target”, “outlook”, “guidance” and other similar expressions within the meaning of securities laws of applicable jurisdictions and include, but are not limited to, indications of, or guidance or outlook on, future earnings or financial position or performance of Emeco the outcome and effects of the Offer and the use of proceeds. The forward looking statements contained in this Presentation are not guarantees or predictions of future performance and involve known and unknown risks and uncertainties and other factors, many of which are beyond the control of Emeco, and may involve significant elements of subjective judgement and assumptions as to future events which may or may not be correct. Refer to the risks section of this Presentation for a summary of certain general and Emeco specific risk factors that may affect Emeco.

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An investment in Emeco’s shares is subject to investment and other known and unknown risks, some of which are beyond the control of Emeco including possible loss of income and principal invested. Emeco does not guarantee any particular rate of return or the performance of Emeco, nor does it guarantee the repayment of capital from Emeco or any particular tax treatment. In considering an investment in Emeco’s shares, investors should have regard to (amongst other things) the risks outlined in this Presentation.

Swap agreements

In connection with the Institutional Entitlement Offer, one or more 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 shares. The Underwriters (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 shares in the issuer in connection with the writing of such derivative transactions in the bookbuild and/or the secondary market. As a result of such transactions, the Underwriters (or its affiliates) may be allocated, subscribe for or acquire New Shares or shares of the issuer in the bookbuild and/or the secondary market, including to hedge those derivative transactions, as well as hold long or short positions in such shares. These transactions may, together with other shares in the issuer acquired by the Underwriters or its affiliates in connection with its ordinary course sales and trading, principal investing and other activities, result in the Underwriters or its affiliates disclosing a substantial holding and earning fees.

Disclaimer

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Comprehensive capital structure solution

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COMPREHENSIVE CAPITAL STRUCTURE SOLUTION

New March 2024 notes	— As part of privately negotiated transactions, Emeco has obtained binding pre-commitments from individual major noteholders (including Black Diamond) to exchange US$180m of existing notes due March 2022 for US$180m of new notes (A$250m equivalent) due March 2024 — The new notes will have the same coupon as the existing notes (9.25% per annum) and will continue to be fully hedged
Equity raising	— Emeco is raising A$149m via an underwritten accelerated pro-rata, non-renounceable entitlement offer — Offer price of $0.85 per New Share, represents a: — 12.8% discount to TERP[1] of $0.98; and — 17.9% discount to the last traded price of $1.035 on Friday 21 August 2020 — Black Diamond has committed to take up its pro-rata entitlement in the equity raising and is sub-underwriting institutional and retail shortfall on a first priority basis for a total additional commitment representing up to 3% of shares on issue post the Offer[2]
Repayment of March 2022 notes	— Emeco intends to completely pay off the balance of its existing notes due March 2022 with the net proceeds from the equity raise and cash on hand — Repayment will reduce cash interest costs by ~A$19m p.a.[3]
Extended revolving credit facility	— Repaying existing 2022 notes enables Emeco to exercise its option to extend revolving credit facility ("RCF") maturity to September 2023, which it intends to do — After the transaction, Emeco will have total available liquidity of A$153m

Note 1: The theoretical ex-rights price ("TERP") is the theoretical price at which Emeco shares should trade at immediately after the ex-date for the Entitlement Offer. The TERP is a theoretical calculation only and the actual price at which Emeco shares trade immediately after the ex-date for the Entitlement Offer will depend on many factors and may not equal the TERP. TERP is calculated by reference to Emeco's last closing price of $1.035 on 21 August 2020. 2. Black Diamond's shareholding after the transaction will be a maximum of 26.43% of Emeco's shares on issue. 3. Assumed interest saving of USD$142m notes at 9.86% effective interest rate fully hedged at 0.7293 (does not include any savings on RCF interest).

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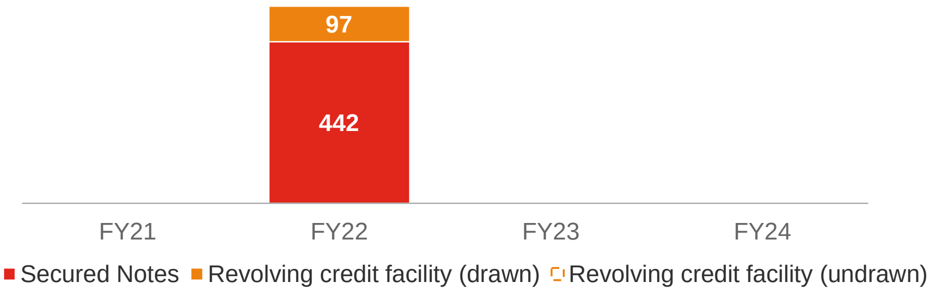
TRANSACTION RATIONALE

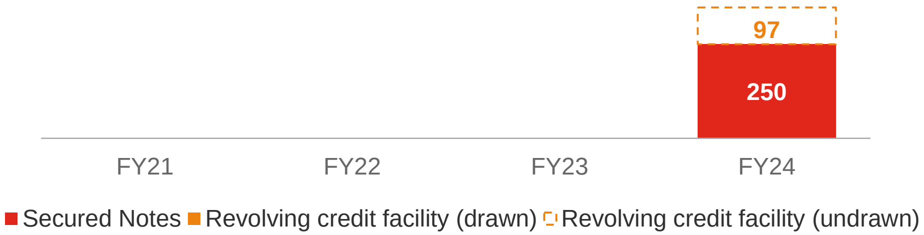
Gross debt reduced and remaining maturity extended

- ✓ Significantly reduces Secured Notes outstanding from A$442m[1] to A$250m[2]
- ✓ Cash interest will reduce by ~A$19m p.a[3]
- ✓ Remaining Secured Notes and RCF extended to FY24, addressing March 2022 refinancing task
- ✓ Pro forma leverage reduced to 0.9x[4]
- ✓ Strengthened balance sheet enhances Emeco's flexibility to optimise its capital structure and support future growth
- ✓ Emeco will retain significant pro forma available liquidity of ~A$153m

Debt maturity profile (current) (A$m)[1]



Debt maturity profile (after the transaction) (A$m)[2]



Note 1. USD$322m notes have been converted at effective hedge rate of 0.7293 2. Assumed USD$180m notes fully hedged to maturity at 31 March 2024 at an assumed rate of 0.72. Assumes option to extend RCF facility to September 2023 is exercised. The following transactions are assumed in the change in debt maturity profile: raising of A$147m net of costs in relation to this Offer, repurchase of USD$142m at a hedged rate of 0.7293, extension of maturity of USD$180m of notes to March 2024 at an assumed hedge rate of 0.72, repayment of A$97m RCF and extension of maturity to September 2023. 3. Assumed interest saving of USD$142m notes at 9.86% effective interest rate fully hedged at 0.7293 (does not include any savings on RCF interest). 4. Net debt / Operating EBITDA, before the impact of AASB16 Leases.

PRO FORMA CAPITALISATION TABLE

Significantly reduced gross debt with remaining notes maturity extended to 2024, eliminating 2022 refinancing task and ensuring a sustainable long-term capital structure

	30-Jun-2020	Net equity raising proceeds	New 2024 Secured Notes	Note repurchase	Hedge closeout	RCF repayment	Pro forma
Notes (Mar-22 maturity)	469	-	(262)	(207)	-	-	-
Notes (Mar-24 maturity)	-	-	262	-	-	-	262
RCF	97	-	-	-	-	(97)	-
Leases (pre-AASB 16)	18	-	-	-	-	-	18
Gross debt	**584**	**-**	**-**	**(207)**	**-**	**(97)**	**279**
Cash	198	147	(4)	(217)	28	(97)	56
Hedge Derivative	28	-	-	-	(28)	-	-
Net debt	**358**	**(147)**	**4**	**10**	**-**	**-**	**224**
Net debt / FY20A EBITDA (pre-AASB 16)	**1.5x**						**0.9x**
Net debt / FY20A EBITDA (post-AASB 16)	**1.6x**						**1.1x**
Cash	198	147	(4)	(217)	28	(97)	56
Undrawn RCF	-	-	-	-	-	97	97
Total liquidity	**198**	**147**	**(4)**	**(217)**	**28**	**-**	**153**

Note: Refer to the Basis of Preparation section of this document for a summary of the pro forma adjustments included in the pro forma capitalisation table. The table above assumes the transaction occurred at 30 June 2020 with the USD notes converted at the 30 June closing rate of 0.6863. The AUD equivalent of the March 2024 notes is expected to be approximately A$250m once hedging is implemented on the outstanding USD$180m 2024 notes at an assumed exchange rate of 0.72.

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Equity raising

EQUITY RAISING OVERVIEW

Offer size and structure	— Underwritten pro-rata accelerated non-renounceable entitlement offer to existing shareholders to raise up to approximately A$149m ("Entitlement Offer") — Under the Entitlement Offer, eligible shareholders are invited to subscribe for one new Emeco share ("New Shares") for every 2.10 existing Emeco shares held as at the Record Date — Approximately 175.5 million new Emeco shares to be issued — The Entitlement Offer is non-renounceable and entitlements will not be tradeable or otherwise transferable
Offer pricing	— Offer price of $0.85 per New Share, represents a: — 12.8% discount to TERP[1] of $0.98; and — 17.9% discount to the last traded price of $1.035 on Friday 21 August 2020
Use of proceeds	— The net proceeds raised from the Entitlement Offer will be used by Emeco to repay 2022 Secured Notes
Timing	— Institutional entitlement offer to be conducted on Monday 24 August 2020 — Retail entitlement offer to open on Monday 31 August 2020 and close at 5:00pm Tuesday 15 September 2020
Ranking	— New Shares issued under the Entitlement Offer will rank equally with existing shares on issue
Offer management	— Goldman Sachs Australia Pty Ltd and Macquarie Capital (Australia) Ltd are Joint Lead Managers, Underwriters and Bookrunners
Major shareholder participation	— Black Diamond has committed to take up its pro-rata entitlement in the equity raising and is sub-underwriting institutional and retail shortfall on a first priority basis for a total additional commitment representing up to 3% of shares on issue post the Offer[2]

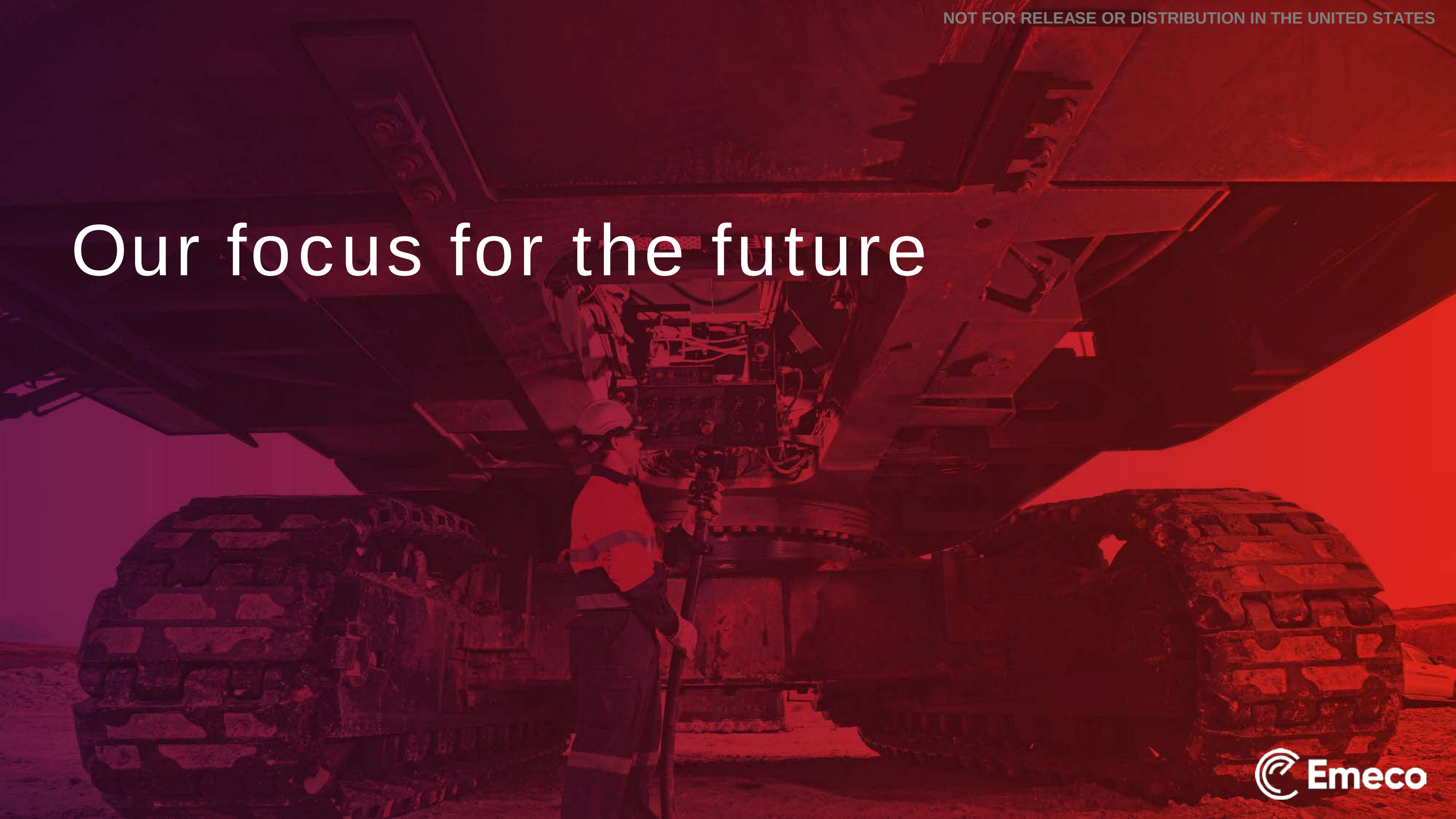
Note 1: The theoretical ex-rights price ("TERP") is the theoretical price at which Emeco shares should trade at immediately after the ex-date for the Entitlement Offer. The TERP is a theoretical calculation only and the actual price at which Emeco shares trade immediately after the ex-date for the Entitlement Offer will depend on many factors and may not equal the TERP. TERP is calculated by reference to Emeco's last closing price of $1.035 on 21 August 2020. 2. Black Diamond's shareholding after the transaction will be a maximum of 26.43% of Emeco's shares on issue. Black Diamond will not receive a sub-underwriting fee. See Appendix B for further information on Black Diamond's sub-underwriting arrangements.

EQUITY RAISING TIMETABLE

Event	Date (Sydney time)
Trading halt and announcement of Entitlement Offer Institutional Entitlement Offer opens	Monday, 24 August 2020
Institutional Entitlement Offer closes	Monday, 24 August 2020
Trading halt lifted and trading resumes on an “ex-entitlement” basis	Tuesday, 25 August 2020
Record Date for determining Eligible Shareholders under the Entitlement Offer	7:00pm Wednesday, 26 August 2020
Retail Entitlement Offer opens and Retail Offer Booklet despatched	Monday, 31 August 2020
Settlement of New Shares issued under the Institutional Entitlement Offer	Tuesday, 1 September 2020
Allotment and normal trading of New Shares issued under the Institutional Entitlement Offer	Wednesday, 2 September 2020
Retail Entitlement Offer closes	5.00pm Tuesday, 15 September 2020
Settlement of Retail Entitlement Offer	Monday, 21 September 2020
Allotment of New Shares issued under the Retail Entitlement Offer	Tuesday, 22 September 2020
Retail Offer Shares commence trading on ASX (normal basis)	Wednesday, 23 September 2020
Despatch of holding statements and normal trading of New Shares issued under Retail Entitlement Offer	Thursday, 24 September 2020

Note: The timetable above is indicative only and may be subject to change. Emeco reserves the right to amend any or all of these dates and times without notice, subject to the Corporations Act, the ASX Listing Rules and other applicable laws. In particular, Emeco reserves the right to extend the closing date of the Entitlement Offer, to accept late applications under the Entitlement Offer (either generally or in particular cases) and to withdraw the Entitlement Offer without prior notice. Any extension of the closing date will have a consequential effect on the issue date of New Shares.

Our focus for the future



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CONTINUING TO ACHIEVE OUR OBJECTIVES

	Objective	Achievement	
PREVIOUSLY ANNOUNCED	Strong growth in earnings	FY20 Operating EBITDA[1] ▲15%	✓
	Increased workshops activity	FY20 workshops activity[2] ▲43%	✓
	Strong free cash flow generation	FY20 free cash flow of A$71.2m	✓
	Strong ROC above WACC[3]	FY20 return on capital of 21.0%	✓
	FY20 leverage[4] target of 1.5x	Achieved 1.46x leverage[4]	✓
	Increased commodity diversification	Hard-rock commodity revenue ▲103%[5]	✓
	Widened value proposition and diversification	Expanded into underground through acquisition of Pit N Portal PNP	✓
TODAY'S FOCUS	**Significantly reduced gross debt**	**Equity raise and repayment of 44% of Secured Notes, saving A$19m of interest p.a.[6]**	✓
	Sustainable long-term capital structure	**Remaining notes maturity extended to 2024, eliminating 2022 refinancing task**	✓
	Sufficient liquidity to support business	**Total liquidity of A$153m including revolving credit facility to be extended to FY24**	✓

STRATEGY UNCHANGED

- Continue to diversify commodity / customer mix
- Increase service levels and win long-tenured projects
- Generate strong cash flow supporting shareholder returns

These comprehensive capital structure initiatives enable Emeco to fully focus on the evolution of the business

Notes: 1. Refer to Statutory to Operating reconciliations in Appendix E. 2. Total Workshops segment revenue including inter-segment revenues. 3. Weighted average cost of capital. 4. Net debt / Operating EBITDA, before the impact of AASB16 Leases. 5. Non-coal revenue. Annualised Q4 FY20 compared to FY19 6. Assumed interest saving of USD$142m notes at 9.86% effective interest rate fully hedged at 0.7293 (does not include any savings on RCF interest).

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OUTLOOK

FY21 outlook remains consistent with FY20 full year presentation commentary

What we are seeing in the market	— Market conditions remain consistent with the information provided in our full year results presentation — COVID-19 has not significantly impacted operations, we have implemented procedures to minimise the risk of infection and isolation infrastructure is in place to contain any outbreaks — Lower coal prices and off hires due to COVID-19 in 4Q20 has impacted the Eastern Region business, however, bidding activity is strong as customers look for more cost effective, less capital intensive solutions. We are confident of redeploying Eastern Region fleet into new projects over FY21 with a focus on longer tenured, fully maintained contracts — Significant demand in Western Region. Emeco well placed to build on the momentum created in FY20 in both gold and iron ore — Pit N Portal continuing strong performance and bidding numerous underground projects and is likely to provide existing and new customers surface mining solutions in FY21 — Mincor underground project expected to commence in the first half of FY21, early works are underway — Equipment market remains tight, placing Emeco well to service demand — High levels of demand for our Workshops services
Financial outlook	— Financial outlook remains in-line with the information provided in the FY20 results presentation — Eastern Region remains stable and consistent with previous outlook. Eastern Region EBITDA expected to be down by 10-20% in FY21 — Strong demand in gold and iron ore supporting earnings growth in the Western Region of approximately 15%, with a weighting to 2H21 — Western Region operating EBITDA margins to increase significantly in FY21 as the proportion of double-shift projects increases — Continued growth in earnings in Pit N Portal underground of up to 15% on annualised FY20 earnings with further growth projects expected in FY22 — Strong free cash flow in FY21 — No cash tax expected for several years ✓ **Following this transaction, cash interest cost will be reduced by A$19m p.a.[1]**

Note 1. Assumed interest saving of USD$142m notes at 9.86% effective interest rate fully hedged at 0.7293 (does not include any savings on RCF interest).

STRATEGY

In FY21 we will continue to diversify our commodity and customer mix, increase our service levels and win long term projects, which will provide a platform for growth in FY22

Our goals	— Continue to be the lowest cost, highest quality provider of mining equipment — Redeploy off-hired fleet into new long tenured, fully maintained opportunities — Expanding Pit N Portal's customer base to include open cut operations whilst continuing to grow its underground business — Improve quality, cost effectiveness and efficiency through continuous improvement projects and implementing technology based systems and processes — To further increase the resilience of the business by continuing to grow customer, revenue and commodity diversification while further building earnings generated from our non-rental services offering — Generate strong cash flow to drive sustained shareholder value
What we are doing to achieve them	— Further invest in EOS, both in terms of implementation to new sites and development of the technology — Investing in technology and systems to facilitate growth and the widening of our value proposition, for example optimising our use of asset management software (AMT), upgrading our safety software (STEMS), and improving our ERP — Transition Eastern Region fleet into new projects over FY21, with a focus on projects with greater tenure and providing a fully maintained service to enter FY22 with a stronger, more resilient business — Replicate Pit N Portal's business model into open cut projects, providing a diverse range of mining customers with a complete underground and open cut solution — Continue to grow strong Workshops activity levels, focusing on internal works to support the Rental fleet and grow the retail business by leveraging the combination with Pit N Portal's underground rebuild capability and growing revenue in the Eastern Region — Increase the proportion of components rebuilt through Force ✓ **Reduce our gross debt and remove refinancing task in FY22 by extending our debt maturity profile to FY24**

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Appendix A: Risk factors

RISK FACTORS

1. INTRODUCTION

1.1 Introduction

Investors should be aware that there are risks associated with an investment in Emeco.

Some of the principal factors which may, either individually or in combination, affect the future operating performance of Emeco are set out below. Some are specific to an investment in Emeco and the New Shares and others are of a more general nature.

The summary of risks below is not exhaustive. This Presentation does not take into account the personal circumstances, financial position or investment requirements of any particular person. Additional risks and uncertainties that Emeco is unaware of, or that it currently considers to be immaterial, may also become important factors that adversely affect the future performance of Emeco and the New Shares. In particular, investors should note that the unprecedented uncertainties and risks created by the COVID-19 pandemic could materially change Emeco's risk profile at any point after the date of this Presentation and adversely impact the financial position and prospects of Emeco in the future.

The Entitlement Offer is being made pursuant to provisions of the Corporations Act which allow entitlement offers to be made without a prospectus. This Presentation does not contain all of the information which may be required in order to make an informed decision regarding an application for New Shares offered under the Entitlement Offer. As a result, it is important for you to carefully read and understand the information on Emeco made publicly available, prior to accepting all or part of your Entitlement. In particular, please refer to this Presentation, Emeco's full year and annual reports (including Emeco's most recent full year FY20 results announcement lodged with the ASX on 27 July 2020, its 2019 Annual Report lodged with the ASX on 15 October 2019) and other announcements lodged with ASX (including announcements which may be made by Emeco after publication of this Presentation). You should have regard to your own investment objectives and financial circumstances and should seek professional guidance from your stockbroker, solicitor, accountant or other professional adviser before deciding whether or not to invest.

1.2 Impact of COVID-19

Actual or threatened public health epidemics or outbreaks, such as COVID-19, could have a material adverse effect on Emeco's business and its financial position and performance. The COVID-19 pandemic is having a material adverse effect on the global economy and the regional economies in which Emeco operates. The extent to which this affects Emeco's operations in the future is highly uncertain and cannot be predicted with confidence, and will depend on, amongst other things, the length and severity of the pandemic, the development of vaccines and treatments and Government responses to it, both in Australia and internationally. To the extent the COVID-19 pandemic adversely affects Emeco's business and results of operations, it may also have the effect of heightening the materiality of the other risks described in this "Risk factors" section.

2. BUSINESS RISKS

2.1 Access to and supply of used and new equipment

In order to generate revenue and earnings, the Company requires access to new and used earthmoving equipment and parts.

If the Company is unable in the future to secure adequate supplies of the required number of machines at appropriate prices or if the quality of the available machines is not acceptable, the Company's operational and financial performance may be adversely affected.

The Company's ability to source new replacement equipment is dependent on relationships and contracts with dealers for original equipment manufacturers ("OEMs"), as well as its ability to access the used market through brokers. The Company's relationship with OEM dealers, such as Caterpillar, Komatsu, Sandvik and Hitachi, are influenced by the volumes of machines and parts it purchases and the level of industry demand. The Company has access to a global broker network of which it participates both as a procurer and seller of equipment. This network provides the Company with the ability to access low-hour, used equipment at comparable prices when required. The Company also sources equipment parts from both OEM and non-OEM providers to extend the useful life of its equipment, particularly when increased demand or pricing makes it difficult to source new or used equipment.

The Company could be adversely impacted by any incidents affecting the ability of these manufacturers to produce and deliver mining equipment, including casualty events affecting production facilities, work stoppages or strikes, financial difficulties of its suppliers, transport disruptions, or other events or circumstances. It may be difficult to locate alternative manufacturers in the event of any disruptions which could have a material adverse impact on the Company's revenue.

Any change in the Company's relationships with these OEMs or brokers may result in a shortage of equipment and parts which would constrict the Company's ability to enter new contracts or fulfil existing contracts and adversely impact future earnings and financial performance.

2.2 Loss of key management personnel and ability to attract and retain skilled workers

The Company's ability to remain productive, profitable and competitive and to implement planned growth initiatives depends on the continued employment and performance of senior executives and other key members of management. The Company's performance also depends on its ability to attract and retain skilled workers with the relevant industry and technical experience.

If any one of these individuals resigns or becomes unable to continue in his or her present role and is not adequately replaced in a timely manner, business operations and the ability to implement the Company's strategies could be materially disrupted. The loss of a number of key personnel or inability to attract additional personnel may have an adverse impact on the financial and operating performance of the Company.

There can be no assurance that the Company will be able to attract and retain skilled and experienced employees and, should it lose any of its key management personnel or fail to attract qualified personnel, its business may be harmed and its operational and financial performance could be adversely affected.

2.3 Fleet age and maintenance expenditure risk

Earthmoving equipment age is determined by the hours it has been utilised as opposed to the period of time since manufactured. In periods of high utilisation, equipment ages at a faster rate bringing forward any major components and replacement at end of life. Given the nature of the Company's operations, its fleet will age over time. As its fleet of rental equipment ages, the cost of maintaining such equipment, if not replaced within a certain period of time, may increase. Determining the optimal age of fleet equipment is subjective and requires estimates by management with asset management expertise. The Company has made estimates regarding the relationship between the age of its fleet rental equipment, the maintenance and repair costs, and the market value of used equipment.

Future operating and financial performance could be adversely affected because maintenance and repair costs may be higher than estimated, it must be undertaken earlier than anticipated, or if there is a significant operational failure requiring unplanned maintenance expenditure. Future operating and financial performance could be adversely affected because market values of used equipment may fluctuate and are generally lower as a piece of equipment ages. In addition, the cost of the new equipment used in its fleet may increase, and therefore the Company may spend more on replacement equipment. Any such cost increases could materially and adversely impact the operating and financial performance of the Company.

These risks may be heightened to the extent that the ageing of its fleet accelerates. The ageing of the Company's fleet could accelerate if it needed to continue to constrain capital expenditure on replacement equipment instead choosing to replace components to extend the useful life because of challenging market conditions and lower than historical rates of utilisation. Financing constraints may inhibit the ability of the Company to undertake all of the maintenance capital expenditure that it might like to implement.

RISK FACTORS (CONTINUED)

2.4 Information systems risks

The Company relies on computer, information, and communications technology and related systems in order to properly operate the administrative and compliance aspects of its business. From time to time, the Company experiences occasional system interruptions and delays.

The Company has processes in place to respond to system interruptions and delays. However, in the event it is unable to regularly deploy software and hardware, effectively upgrade its systems and network infrastructure, and take other steps to maintain or improve the efficiency and efficacy of its systems, the operation of such systems could be interrupted or result in the loss or corruption of data. In addition, the Company's computer systems are subject to the risks of unauthorised access, computer hackers, computer viruses, malicious code, organized cyber-attacks and other security problems and system disruptions, including possible unauthorised access to the Company's and its customers' proprietary or classified information.

The Company relies on industry-accepted security measures and technology to securely maintain all confidential and proprietary information on its information systems. The Company has devoted, and will continue to devote, significant resources to the security of its computer systems, however they may still be vulnerable to these threats.

A user who circumvents security measures could misappropriate confidential or proprietary information or cause interruptions or malfunctions in operations. As a result, the Company may be required to expend significant resources to protect against the threat of these system disruptions and security breaches or to alleviate problems caused by these disruptions and breaches. Any of these events could damage the Company's reputation and have a generally material adverse effect on its operating and financial performance.

2.5 Residual value risk

The market value of any given piece of rental equipment could be less than its depreciated value at the time it is sold. The market value of used rental equipment depends on several factors, including:

a) the market price and availability for new equipment of a like kind;

b) wear and tear on the equipment relative to its age and the performance of preventive maintenance;

c) the time of year that it is sold;

d) the supply of used equipment on the market;

e) the existence and capacities of different sales outlets;

f) the age of the equipment at the time it is sold;

g) the age of major component life in the equipment;

h) the equipment model and its market acceptability;

i) worldwide and domestic demand for used equipment; and

j) general economic conditions.

The Company includes in revenue from continuing operations the difference between the sale price and the depreciated or impaired value of an item of equipment sold. Changes in assumptions regarding depreciation could change the Company's depreciation expense, as well as the gain or loss realised upon disposal of equipment. Sales of the Company's used rental equipment at prices that fall significantly below projections or in lesser quantities than anticipated will have a negative impact on the future revenue, earnings and cash flows.

These risks may be heightened if the Company needs to sell equipment to better align the size of the fleet with utilisation rates because of challenging market conditions and lower than historical rates of utilisation. The Company reported $9.9 million of proceeds in FY20 from the sale of equipment ($23.4 million FY19). This was classified as other income.

2.6 Consolidation of customers and suppliers

Consolidation in the industries of the Company's customers or suppliers may reduce its bargaining power with those customers or suppliers and lead to the Company transacting on less advantageous financial and commercial terms with those customers or suppliers.

It may also lead to the loss of such customers, which would adversely affect the Company's operational and financial performance.

2.7 Mine site interruptions

Mining operations are vulnerable to the risk of interruption as a result of a variety of factors, which may be beyond the control of the Company, including the following:

a) prolonged heavy rainfall or cyclone;

b) geological instability, including strong seismic activity, landslides, mudslides;

c) rockfalls, cave-ins, or conditions that threaten to result in such an event;

d) accidents or unsafe conditions;

e) issues with mine ventilation;

f) equipment breakdowns;

g) industrial relations issues;

h) scarcity of materials and equipment; and

i) COVID-19 pandemic and associated Government restrictions.

Interruptions to a customer's mining operations would limit the Company's revenue to any agreed fixed monthly charges. In addition, delays to the commencement of projects for which the Company has been contracted to provide rental equipment or maintenance services may occur as a result of the factors listed above or other factors beyond the control of the Company, such as the mining customer underestimating the lead time required to commence operations.

Interruptions to existing operations or delays in commencing operations experienced by customers may result in lost revenue and, in some circumstances, result in the Company incurring additional costs, which may have a material adverse effect on the Company's future financial performance

RISK FACTORS (CONTINUED)

2.8 Workplace safety

The maintenance of mining equipment involves risks and dangers to the personnel involved, including the risk of personal injury and, in exceptional circumstances, loss of life associated with operating heavy machinery. Mining customers seeking rental solutions demand mining equipment to be in excellent operating condition and to have market leading safety features installed.

It is possible that there may be accidents in the future in the operation of the mining equipment the Company supplies, which could result in a deterioration of its safety record. The Company's ability to supply safe rental equipment and onsite maintenance services to customers and to keep its employees safe is fundamental to the Company's business in a number of respects, including:

a) the Company's safety record is a key criterion that mining customers use when evaluating tenders for mining equipment rental and maintenance services, since mining customers must ensure their operations adhere to the highest safety standards; and

b) safety incidents may result in operations at the affected site being suspended while the incident is being investigated.

As a consequence, if the Company fails to supply equipment in excellent operating condition, conducts its onsite maintenance services in a safe manner or if accidents occur that are beyond its control, the Company may fail to win new contracts for equipment rental or maintenance services, fail to have existing contracts renewed, have existing contracts terminated or face increased competition if customers compare the Company's safety to its competitors.

Any of these consequences could have a material adverse effect on the Company's operating and financial performance.

2.9 Environmental risks

Environmental management and compliance is an important part of the business of the Company's customers. The Company works with its customers to ensure that its equipment and maintenance services operate in alignment with their onsite policies, management systems and procedures.

The Company's actions or failures to act may result in the mining customers for which it performs services incurring environmental liability, regulatory penalties, or having licenses suspended, cancelled or subjected to additional conditions. Some of the Company's customer contracts contain indemnities under which it is obliged to compensate the customer for certain losses resulting from environmental incidents for which the Company is responsible.

As a result, environmental incidents may result in the Company incurring substantial obligations to compensate its customers which could have a material adverse effect on the Company's operational and financial performance.

2.10 Market conditions

Demand for the Company's mining equipment rental services depends in significant part upon the level of earth moving activities conducted by its customers, which are mining companies or contract miners, in the movement of overburden and mined resource.

Due to the geographic and commodity mix of the Company's customers, revenues are indirectly exposed to the prices of gold, thermal and metallurgical coal, oil sands, iron ore and copper. In FY20 Emeco's revenue was comprised of 39% from metallurgical coal mining customers, 22% from iron ore mining customers, 19% from thermal coal mining customers, 17% from gold mining customers, with the remaining 3% to civil and other customers. In Q4 FY2020 (Including revenue with Pit N Portal), Emeco's revenue was comprised of 33% from metallurgical coal mining customers, 25% from gold mining customers, 23% from iron ore mining customers, 16% from thermal coal mining customers, with the remaining 3% to civil and other customers.

Activity levels and results of operations are dependent on the production levels at the mines where equipment is used and the volume of earth moved under the relevant mine plans. Customers' mining activities and the volume of earth moved by them, either temporarily or long term, is influenced by many factors, including the global demand for commodities, current and expected commodity prices, general economic conditions, and the application and impact of the local and international regulatory environment. The length and severity of the COVID-19 pandemic will have a direct impact on a number of these factors.

If these drivers of earthmoving volumes are negatively impacted, this may lead to a decrease in the demand for the Company's equipment and the rental rates that the Company can charge of earthmoving volumes.

2.11 Competition

There are two levels of competition that the Company experiences in the industry. The first is for the supply of equipment and if a customer would prefer to purchase equipment as opposed to rent equipment from a provider. The second level occurs when the customer has decided to pursue a rental solution as the Company operates in a highly competitive industry. There are a number of competitors, including contract miners and other earthmoving equipment rental suppliers, that currently provide services similar to those provided by the Company. These competitors may have significant additional capital, financial and other resources compared to the Company, impacting its ability to compete as successfully in the future as it has in the past. OEMs also compete directly with the Company.

The Company generally competes on the basis of, among other things, reliability, price, service offerings and the age, mix and relative attractiveness of its rental equipment fleet. There can be no assurance that customers will agree to renew expiring contracts on terms acceptable to the Company or at all.

2.12 Contractual risks

The Company's revenue is dependent on winning new contracts and the Company operates in an increasingly competitive market. It is difficult to predict whether and when new contracts will be awarded due to multiple factors influencing how customers evaluate potential service providers, such as rental rates, fleet quality, maintenance and safety standards, experience, reputation, customer relationships, financial strength, and ability to provide mining equipment rental services in a timely, safe, and cost-efficient manner.

Consequently, the Company is subject to the risk of losing new awards to competitors which will adversely impact its business, results of operations and financial position.

Operational and financial performance including cash flows may fluctuate from quarter to quarter depending on the timing and size of new contract awards.

Additionally, increased competition and softer market conditions have limited the Company's negotiating power with customers on contract terms where even if the Company is successful in obtaining new contracts and awards, the new contracts may increasingly deviate from the standard terms that the Company seeks to obtain.

Additionally, a significant portion of the Company's revenues are subject to short term contracts with varying terms and substantially all of customer contracts permit the customer to terminate the contract on short notice and without compensation for lost revenue. The term of the Company's customer contracts typically ranges from two to 36 months and also has some life of mine contracts. The early termination of a contract by one or more of the Company's customers could have a material adverse effect on its business, results of operations and financial condition. If several of the Company's customers were to terminate their relationship with us or fail to renew an expiring contract, the Company's revenues and profits would be significantly adversely affected.

Emeco also enters into contracts with its suppliers for the provision of mining equipment. A number of these contracts may be terminated for convenience by the supplier. There is a risk that suppliers may default on their obligations under contracts entered into with Emeco or terminate those supply arrangements and this may result in non-performance or delays in the provision of equipment to Emeco.

Furthermore, certain of the Company's material contracts with both customers and suppliers contain provisions which allow a counterparty to terminate the contract as a result of the implementation of the restructure or otherwise for convenience.

The Company has sought the support of all counterparties to material contracts that contain provisions of this sort. Negotiations with these counterparties are ongoing however, to date, no counterparties have indicated that they will terminate such contracts as a result of implementation of the restructure.

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RISK FACTORS (CONTINUED)

2.13 Indebtedness

The Company's gross debt position as at 30 June 2020 is approximately $441 million of senior secured notes ("Notes") and approximately $18 million of leases (pre AASB 16 Leases impact). The Company had drawn $97 million of the revolving loan facility and utilised ~$2 million in bank guarantee commitments under a $100 million revolving loan facility. The $97 million was drawn due to global bank liquidity concerns at the start of COVID-19, and at 30 June 2020 is held in an "at call" deposit account with a leading Australian bank. This drawdown was for 6 months and the Company intends to repay it at the end of this period in October. As discussed in this Presentation, some of these Notes will be effectively extended through being exchanged for new notes with a maturity of March 2024 and some will be repaid using proceeds from the Entitlement Offer and other cash, however this level of total potential indebtedness has important consequences for the Company and its Shareholders, including the following:

a) requiring the Company to dedicate a material portion of its cash flow from operations to meet principal and interest payments thereby reducing the availability of cash flow to fund working capital, capital expenditures, acquisitions and other general corporate purposes;

b) increasing the Company's vulnerability to adverse general economic or industry conditions, commodity prices and exchange rate fluctuations;

c) subjecting the Company to a number of covenants and ongoing obligations which reduce its flexibility in planning for, or reacting to, changes in the Company's businesses or industry; and

d) placing the Company at a competitive disadvantage compared to its competitors that have less debt or are not subject to similar negative covenants.

2.14 Debt servicing and refinancing risk

Emeco's Notes need to be fully repaid, extended or refinanced on or before March 2022. The Company's $100 million revolving loan facility will need to be fully repaid, extended or refinanced by September 2021. Emeco has a 2 year option to extend its revolving loan facility at its option, when the Emeco Notes are repaid, extended, refinanced or otherwise replaced with notes with a maturity date beyond early March 2024. As discussed in this Presentation, Emeco has negotiated with certain major noteholders to exchange some of the Notes with new notes with a maturity date of 31 March 2024. The remaining notes will be repaid using proceeds from the Entitlement Offer and other cash. The $100 million revolving loan facility will be extended until September 2023.

The ability of the Company to repay or extend the remaining Notes and the revolving loan facility will ultimately be contingent on mining and exploration market activity, commodity prices, AU$/US$ exchange rate outcomes, achievement of integration plans and forecast synergies, the ability of the Company to source additional funds through debt and equity markets and capital market risks at the time of refinancing.

If market conditions deteriorate significantly against current projections a shortfall is likely.

Accordingly, in these circumstances there would be significant uncertainty as to the Company's ability to fully repay, refinance or extend the outstanding Notes and the revolving loan facility at their respective maturity dates and therefore the Company's ability to continue as a going concern.

As such, the Company would need to consider alternative financing arrangements prior to the maturity of those debt facilities, which may include refinancing or extending existing facilities, securing new facilities on acceptable terms or securing alternative funding (including potentially through raising additional shareholder equity which may result in existing shareholders being diluted). There is no guarantee that alternative financing arrangements would in these particular circumstances be successful.

2.15 Registration of Security Interests

Under Australian law, businesses that rent or lease equipment to customers, such as the Company does, can lose legal title to that equipment in certain circumstances where the customer who has rented that equipment becomes insolvent or goes into administration ("**Insolvency Event**"), and the owner of the equipment hasn't registered a security interest with respect to that equipment prior to that Insolvency Event. Additionally, registrations of security interests can be ineffective if the details provided in the registration do not satisfy legal requirements. While the Company has systems in place that are designed to ensure that effective registrations are made in a timely way, there is a risk that the Company may lose title to equipment that it would otherwise have title to, and the Company may be adversely affected as a result.

2.16 Insurance Risks

Although insurance is maintained for ownership and rental of equipment within ranges of coverage consistent with industry practice, no assurance can be given that such insurance will be available in the future on commercially reasonable terms or that any cover will be adequate and available to cover any or all claims. Insurance of all of the risks associated with equipment rental or maintenance services is not always available and, where available, the costs can be prohibitive. Furthermore the Company's insurance does not cover its fleet while it is rented at a customer's site and, in such circumstances, the Company is reliant on the customer's insurance policies or credit quality to compensate it in the event of a loss. If the Company incurs uninsured losses or liabilities, its operating and financial performance may be adversely affected.

2.17 Regulatory risks

Changes in legislative and administrative regimes, taxation laws, interest rates, other legal and government policies, including in relation to environment laws and climate change in Australia and internationally and the COVID-19 pandemic may have an adverse effect on the assets, operations and ultimately the financial performance of the Company and the market price of Shares.

2.18 Acquisition and Divestment Risk

Emeco may pursue acquisitions of new assets or businesses as opportunities arise that meet its investment criteria and if funding is available on acceptable terms. If such acquisitions are pursued, Emeco will be subject to the risks associated with integrating new businesses, including systems integration, policy and compliance alignment and general management reporting. No assurances can be given that such acquisitions will be integrated successfully into the Emeco business without substantial delays, costs or other problems being experienced, or generate an expected rate of return.

Emeco may also pursue opportunities to divest existing assets or businesses. If such divestments are undertaken no assurances can be given that the price paid to Emeco by a purchaser of such assets would be an accurate reflection of any future market value of such assets had Emeco retained ownership of such assets. The COVID-19 pandemic may also cause material changes or delays in planned or potential divestments of assets of businesses by Emeco, which may impact Emeco's financial performance.

2.19 Claims, liability and litigation

The Company may have disputes with counterparties in respect of major contracts, or may be exposed to customer or environmental, occupational health and safety or other claims. The Company may incur costs in defending or making payments to settle any such claims, which may not be adequately covered by insurance or at all. Such payments may have an adverse impact on the Company's profitability or financial position.

RISK FACTORS (CONTINUED)

2.20 Foreign exchange risks

The majority of the Company's debt is denominated in U.S. dollars. Although steps may be undertaken to manage currency risk (for example via hedging strategies), adverse movements in the Australian dollar against the US dollar may have an adverse impact on the Company and result in an increase in the Company's debt in Australian dollar terms. For example, a weakening of the Australian dollar as compared to the U.S. dollar would have the effect of increasing the Australian dollar value of the U.S. dollar denominated debt. Combined with other factors, this could lead to a deterioration in the Company's operating and financial performance.

The Company is also exposed to foreign currency risk on equipment purchases, which are primarily denominated in U.S. dollars. The Company does not hedge its translated foreign currency exchange rate exposure in relation to operations.

The Company's investments in its subsidiaries and their earnings are also not hedged as these currency positions are considered long term in nature.

Fluctuations in foreign currency exchange rates may also make period to period comparisons of results of operations difficult.

3. RISKS ASSOCIATED WITH THE ENTITLEMENT OFFER AND SHARE OWNERSHIP

3.1 Risks associated with an investment in Shares

There are general risks associated with investments in equity capital such as Emeco's shares. The trading price of Emeco shares may fluctuate with movements in equity capital markets in Australia and internationally. This may result in the market price for the New Shares being less or more than the price under the Entitlement Offer. Generally applicable factors that may affect the market price of shares include:

- general movements in Australian and international stock markets;
- investor sentiment;
- Australian and international economic conditions and outlook;
- the length and severity of the COVID-19 pandemic;
- changes in interest rate and the rate of inflation;
- changes in government legislation and policies, in particular taxation laws;
- announcement of new technologies;
- geo-political instability, including international hostilities and acts of terrorism;
- demand for and supply of Emeco securities;
- announcements and results of competitors;
- analyst reports; and
- future issues of Emeco securities.

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

The operational and financial performance and position of Emeco and Emeco's share price may be adversely affected by a worsening of general economic conditions in Australia, as well as international market conditions and related factors. It is also possible that new risks might emerge as a result of Australian or global markets experiencing extreme stress or existing risk, and may manifest themselves in ways that are not currently foreseeable. The equity markets have in the past and may in the future be subject to significant volatility.

3.2 Sell-down by Emeco's substantial shareholders

There is a risk that Emeco's substantial shareholders (including directors) may seek to sell down their shareholdings in Emeco. A significant sale of shares, or a perception that a sell-down may occur, could adversely affect the price of Emeco's shares.

3.3 Economic risk and external market factors

Various factors including political movements, stock market trends, changing customer preferences, interest rates, inflation levels, commodity prices, foreign exchange rates, industrial disruption, environmental impacts, international competition, taxation changes, legislative or regulatory changes and the length and severity of the COVID-19 pandemic, may have an adverse impact on the Company's operating costs, profit margins and Share price. These factors are beyond the control of the Company and it cannot, to any degree of certainty, predict how they will impact on the Company.

Prolonged deterioration in general economic conditions (including a deterioration caused by the COVID-19 pandemic) could potentially have an adverse impact on the Company and its operations and may adversely impact the trading price of Emeco's shares.

3.4 Change in accounting or financial reporting standards

Changes in accounting or financial reporting standards may adversely impact the reported financial performance of the Emeco Group.

3.5 Force Majeure Risk

Events may occur within or outside the markets in which the Emeco Group operates that could adversely impact upon the global and Australian economies, the financial condition and financial performance of the Emeco Group and the trading price of Emeco's shares. These events include acts of terrorism, outbreaks of international hostilities, fires, pandemics, floods, earthquakes, labour strikes, civil wars, natural disasters, outbreaks of disease, and other man-made or natural events or occurrences.

3.6 Negative publicity

The Emeco Group will be subject to the risk that negative publicity relating to it or its officers, whether true or not, may affect stakeholder perceptions of the Emeco Group's past actions and future prospects. Being listed on the ASX means that the Emeco Group will be subject to risks relating to market expectations for its business and financial and operating performance. If the Emeco Group does not manage these expectations in an effective manner, it could give rise to loss of investor confidence in its business and management and may adversely impact the trading price of Emeco shares.

3.7 Changes in taxation laws

Variation in the taxation laws affecting the Emeco Group's operations could materially affect financial performance and may adversely impact the trading price of Emeco's shares. The interpretation of these laws could also change, leading to a change in the taxation treatment of investments or activities.

3.8 Credit rating risk

Credit ratings are subject to revision, suspension or withdrawal at any time by the assigning rating agency. Rating agencies may also revise or replace entirely the methodology applied to derive credit ratings. No assurances can be given that a credit rating will remain for any period of time or that a credit rating will not be lowered or withdrawn entirely by the rating agency if in its judgement circumstances in the future so warrant, or if a different methodology is applied to derive that credit rating.

Any downgrade to Emeco's credit rating could impact Emeco's ability to obtain financing, increase its future financing costs, impact its ability to access capital markets and/or have an adverse effect on the market price of Emeco's shares.

RISK FACTORS (CONTINUED)

3.9 Underwriting risk

The Underwriting Agreement relating to the Entitlement Offer sets out various events, the occurrence of which will entitle the Underwriters to terminate the Underwriting Agreement. Accordingly, there is a risk that the Underwriters may terminate their obligations under the Underwriting Agreement if any such events occur. These events include where:

- any of the offer documents (including this Investor Presentation and all ASX announcements made in connection with the Equity Raising) omit certain material required by the Corporations Act, contain a statement which is misleading or deceptive, or the cleansing notice lodged by Emeco in respect of the Entitlement Offer is “defective” within the meaning of the Corporations Act;
- Emeco is in breach of or, otherwise not in compliance with, or any event of default or review event is triggered under, the terms of any existing debt facility or other financial accommodation;
- the S&P/ASX 200 Index stands at a level that is 87.5% or less of the level of the index as at the close of trading on the trading day before the date of the Underwriting Agreement at any time on or before the institutional settlement date;
- any member of the Emeco Group becomes insolvent;
- there are certain delays in the timetable for the Entitlement Offer without the Underwriters’ consent;
- Emeco ceases to be admitted to the official list of ASX or its ordinary shares are suspended from trading or quotation;
- Emeco withdraws the Entitlement Offer or is otherwise unable to proceed with the Entitlement Offer in accordance with the ASX listing rules, ASIC or other applicable law;
- ASIC takes certain regulatory action in respect of the Company or the Offer or a governmental agency commences any public action against Emeco or its directors in its capacity as director of Emeco;
- Emeco is required to issue a notice in accordance with section 708AA(12) of the Corporations Act due to a circumstance that would be a material adverse effect;
- there is a material adverse change in the assets, liabilities, financial position or performance, profits, losses or prospects of the Emeco Group;
- the disclosures provided by Emeco to the Underwriters in relation to the due diligence process for the Entitlement Offer is or becomes misleading or deceptive; and
- a general moratorium on commercial banking activities in Australia, the United Kingdom or the United States is declared by the relevant central banking authority in those countries, or there is a disruption in commercial banking or security settlement or clearance services in any of those countries, or trading in all securities quoted or listed on ASX, New York Stock Exchange or London Stock Exchange is suspended or limited in a material respect for an entire trading day or any other material adverse change or disruption to the political or economic conditions or financial markets of Australia, the United Kingdom or the United States of America or any change or development involving a prospective adverse change in national or international political, financial or economic conditions in any of those countries.

The ability of the Underwriter to terminate the Underwriting Agreement in respect of some events (including breach of the Underwriting Agreement by Emeco, market disruption, hostilities or regulatory action) will depend (amongst other things) on whether the event has or is likely to have a material adverse effect on the success or settlement of the Entitlement Offer, the price at which New Shares may trade on the ASX or could reasonably be expected to give rise to a contravention by, or liability for, an Underwriter under applicable law.

If the Underwriting Agreement is terminated for any reason, then Emeco may not receive the full amount of the proceeds expected under the Entitlement Offer, its financial position may change and it may need to take other steps to raise debt or equity capital in order to fund the repayment of a significant portion of its 2022 Secured Notes.

3.10 Risks associated with not taking up your rights under the Entitlement Offer

If you do not take up all of your entitlements to acquire New Shares under the Entitlement Offer, your percentage shareholding in Emeco will be diluted by not participating to the full extent in the Entitlement Offer. As the Entitlement Offer is non-renounceable, you will not receive any value for entitlements you do not take up.

Appendix B: Further information on Black Diamond’s sub-underwriting arrangement

Emeco

FURTHER INFORMATION ON BLACK DIAMOND'S SUB-UNDERWRITING ARRANGEMENT

In order to take up additional shares in Emeco in excess of its pro-rata entitlement pursuant to its sub-underwriting commitments, Black Diamond requires Foreign Investment Review Board approval ("**FIRB Condition**").

If there is a shortfall under the Institutional or Retail Entitlement Offers and the FIRB Condition has not been satisfied at that time, Black Diamond has committed to acquiring an economic exposure to additional shares that it would otherwise acquire pursuant to its sub-underwriting commitment ("**Black Diamond Shortfall Shares**") by entering into a total return swap ("**TRS**") with an affiliate of Goldman Sachs Australia Pty Ltd (together "**Goldman Sachs**").

That TRS would give Black Diamond the right to elect physical settlement subject to satisfaction of the FIRB Condition.

Under the TRS, Goldman Sachs would subscribe for the Black Diamond Shortfall Shares to hedge its exposure and may also hold short or long positions and trade in Emeco shares (including as a hedge to the TRS). These transactions, together with other Emeco shares acquired by Goldman Sachs in connection with its ordinary course sales and trading, principal investing and other activities, may result in Goldman Sachs disclosing a substantial holding.

The entry into the TRS and associated hedging activities may result in Goldman Sachs making profits, earning fees and undertaking trading activity to manage or avoid losses.

If the FIRB Condition is not satisfied, this may result in the TRS being closed out or terminated, and a sale by Goldman Sachs of any shares in Emeco that it holds which could have an impact on the trading price of Emeco shares.

Appendix C: International offer restrictions

Emeco

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 the Offer, in any country outside Australia except to the extent permitted below.

Canada (British Columbia, Ontario and Quebec provinces)

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

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

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

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

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

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

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

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

European Union

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

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

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

New Zealand

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

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

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

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

INTERNATIONAL OFFER RESTRICTIONS (CONTINUED)

Norway

This document has not been approved by, or registered with, any Norwegian securities regulator under the Norwegian Securities Trading Act of 29 June 2007 no. 75. Accordingly, this document shall not be deemed to constitute an offer to the public in Norway within the meaning of the Norwegian Securities Trading Act. The New Shares may not be offered or sold, directly or indirectly, in Norway except to "professional clients" (as defined in the Norwegian Securities Trading Act).

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.

Switzerland

The New Shares may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange or on any other stock exchange or regulated trading facility in Switzerland. Neither this document nor any other offering or marketing material relating to the New Shares constitutes a prospectus or a similar notice, as such terms are understood under art. 35 of the Swiss Financial Services Act or the listing rules of any stock exchange or regulated trading facility in Switzerland.

Neither this document nor any other offering or marketing material relating to the New Shares may be publicly distributed or otherwise made publicly available in Switzerland. The New Shares will only be offered to investors who qualify as "professional clients" (as defined in the Swiss Financial Services Act). This document is personal to the recipient and not for general circulation in Switzerland.

No offering or marketing material relating to the New Shares has been, nor will be, filed with or approved by any Swiss regulatory authority or authorised review body. In particular, this document will not be filed with, and the offer of New Shares will not be supervised by, the Swiss Financial Market Supervisory Authority (FINMA).

United Arab Emirates

This document does not constitute a public offer of securities in the United Arab Emirates and the New Shares may not be offered or sold, directly or indirectly, to the public in the UAE. Neither this document nor the New Shares have been approved by the Securities and Commodities Authority ("SCA") or any other authority in the UAE.

This document may be distributed in the UAE only to "qualified investors" (as defined in the SCA Board of Directors' Chairman Decision No. 37 RM of 2019, as amended) and may not be provided to any person other than the original recipient. No marketing of the New Shares has been, or will be, made from within the UAE other than in compliance with the laws of the UAE and no subscription for any securities may be consummated within the UAE.

No offer or invitation to subscribe for New Shares is valid, or permitted from any person, in the Abu Dhabi Global Market or the Dubai International Financial Centre.

United Kingdom

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

The New Shares may not be offered or sold in the United Kingdom by means of this document or any other document, except in circumstances that do not require the publication of a prospectus under section 86(1) of the FSMA. This document is issued on a confidential basis in the United Kingdom to "qualified investors" (within the meaning of Article 2(e) of the Prospectus Regulation (2017/1129/EU), replacing section 86(7) of the FSMA). This document may not be distributed or reproduced, in whole or in part, nor may its contents be disclosed by recipients, to any other person in the United Kingdom.

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

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

United States

This document does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. The New Shares have not been, and will not be, registered under the US Securities Act of 1933 or the securities laws of any state or other jurisdiction of the United States. Accordingly, the New Shares may not be offered or sold in the United States except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act and applicable US state securities laws.

The New Shares will only be offered and sold in the United States to:

- "qualified institutional buyers" (as defined in Rule 144A under the US Securities Act); and
- dealers or other professional fiduciaries organized or incorporated in the United States that are acting for a discretionary or similar account (other than an estate or trust) held for the benefit or account of persons that are not US persons and for which they exercise investment discretion, within the meaning of Rule 902(k)(2)(i) of Regulation S under the US Securities Act.

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Appendix D: Key financial information and basis of preparation

BASIS OF PREPARATION

Basis of preparation

The basis of preparation in compiling the group's pro forma statement of financial position and leverage information post Entitlement Offer and debt extension disclosed on slides 6 and 30 of this presentation is set out below:

- The pro forma historical financial information has been prepared in accordance with the recognition and measurement principles described in Australian Accounting Standards (including Australian Accounting Interpretations). The accounting policies used in preparation of the pro forma historical financial information are materially consistent with those set out in the Emeco annual financial report for the year ended 30 June 2020.
- The pro forma historical financial information is presented in an abbreviated form and does not contain all the disclosures required by Australian Accounting Standards in an annual financial report prepared in accordance with the Corporations Act.
- The financial information contained in this presentation also includes non accounting standard measures which are not in accordance with Australian Accounting Standards. These non accounting standard measures include Operating EBITDA, free cashflow, return on capital, gross debt and net debt. A reconciliation of certain measures are presented in Appendix E: Statutory to operating financial reconciliations.
- The pro forma historical financial information has been derived from Emeco's audited Financial Report for the year ended 30 June 2020.
- Emeco's complete Financial Report for the year ended 30 June 2020 is available from Emeco's website www.emecogroup.com, or ASX's website www.asx.com.au.
- The pro forma historical financial information illustrates the financial position of the group as if the Entitlement Offer and debt extension was effective as at 30 June 2020 for the purposes of the statement of financial position and leverage information.

Pro forma adjustments

The 30 June 2020 statement of financial position has been adjusted to reflect the following pro forma adjustments as though they had occurred at 30 June 2020:

1. Reflect the impact of the Entitlement Offer of A$149m net of costs related to Offer of A$3m.
2. Repurchase of US$142m at an exchange rate of 0.6863 (30 June 2020 spot rate) and write-off of related borrowing costs of A$4m. Repayment of A$217m includes call premium costs of A$10m.
3. Close out of US$322m of cross currency interest rate swaps at 30 June 2020 with a net cash impact of A$28m.
4. Extend the maturity of US$180m of the secured notes to 31 March 2024 at the 30 June 2020 spot rate of 0.6863 and payment of A$4m in costs related to the March 2024 notes.
5. Repayment of revolving credit facility (RCF) of A$97m.
6. Tax implication for accounting purposes of the above pro forma adjustments.
7. Gross debt, net debt and leverage have been both pre and post the impact of AASB 16 Leases (for comparative purposes). Post-AASB 16 Leases figures have been adjusted by increasing gross and net debt by A$45m and increasing operating EBITDA by A$8m.

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KEY FINANCIAL INFORMATION

Pro forma statement of financial position

A$m	30-Jun-20	Equity raising (1)	Note repurchase (2)	Hedge close out (3)	Maturity extension (4)	RCF repayment (5)	Tax effect (6)	Pro forma post-Offer
Cash	198	147	(217)	28	(4)	(97)	-	56
Derivatives	39	-	-	(39)	-	-	-	-
Other assets	852	-	-	-	-	-	5	856
Total assets	**1,088**	**147**	**(217)**	**(11)**	**(4)**	**(97)**	**5**	**912**
Notes (Mar-22 maturity)	469	-	(207)	-	(262)	-	-	-
Notes (Mar-24 maturity)	-	-	-	-	262	-	-	262
RCF	97	-	-	-	-	(97)	-	-
Leases	63	-	-	-	-	-	-	63
Borrowing costs	(9)	-	4	-	(4)	-	-	(9)
Derivatives	11	-	-	(11)	-	-	-	-
Other liabilities	100	-	-	-	-	-	-	100
Total liabilities	**731**	**-**	**(203)**	**(11)**	**(4)**	**(97)**	**-**	**417**
Equity	**357**	**147**	**(14)**	**-**	**-**	**-**	**5**	**495**

Selected leverage and liquidity information

A$m (unless otherwise stated)	30-Jun-20	Equity raising (1)	Note repurchase (2)	Hedge close out (3)	Maturity extension (4)	RCF repayment (5)	Tax effect (6)	Pro forma post-Offer
Gross debt	629	-	(207)	-	-	(97)	-	325
Gross debt (pre-AASB 16)[7]	584	-	(207)	-	-	(97)	-	280
Net debt (including derivatives)	403	(147)	10	-	4	-	-	269
Net Debt (incl. derivatives)(pre-AASB 16)[7]	358	(147)	10	-	4	-	-	224
FY20 Operating EBITDA (post-AASB 16)	254							254
FY20 Operating EBITDA (pre-AASB 16)	246							246
Net debt / FY20A EBITDA (post-AASB 16)	1.59x							1.06x
Net debt / FY20A EBITDA (pre-AASB 16)	1.46x							0.91x
Cash	198	147	(217)	28	(4)	(97)	-	56
Undrawn RCF	-	-	-	-	-	97	-	97
Total liquidity	**198**							**153**

Note: Refer to the Basis of Preparation section of this document for a summary of the pro forma adjustments.

Appendix E: FY20 statutory to operating financial reconciliations

RECONCILIATIONS

FY20 operating[1] earnings reconciliation

$Am	NPAT	EBIT	EBITDA
Statutory Result	**66.1**	**105.3**	**234.1**
Ineffective hedge (gain)	(2.1)	-	-
Income tax benefit	(10.9)	-	-
Tangible asset impairment	13.8	13.8	-
Impairment of investments	0.5	0.5	0.5
Long term incentive expense	14.3	14.3	14.3
Restructuring expense	2.0	2.0	2.0
Acquisition and project costs	3.5	3.5	3.5
Impact of AASB 16 leases	0.2	(1.3)	(8.3)
Operating result	**87.5**	**138.2**	**246.1**
Impact of AASB 16 leases	(0.2)	1.3	8.3
Operating result post AASB 16	**87.3**	**139.5**	**254.4**
Notional tax at 30%	(26.2)		
Tax adjusted Operating NPAT	**61.1**		

Notes:

1. Operating financial metrics are non-IFRS measures, before the impact of the transition to AASB16 Leases

FY20 cash flow reconciliation

$Am	Operating	AASB 16 inclusive
Operating EBITDA	**246.1**	**254.4**
Working Capital	(19.8)	(19.8)
Net sustaining capex	(110.3)	(110.3)
Component inventory	1.4	1.4
Financing costs	(46.1)	(47.6)
Free cash flow	**71.2**	**78.0**
Financing activities	93.4	86.6
Financing cash flows	**93.4**	**86.6**
Capital raising - net of costs	63.2	63.2
Investing activities [a]	(57.4)	(57.4)
Investing cashflows	**5.8**	**5.8**
Non-operating costs	(8.6)	(8.6)
Non-recurring items	**(8.6)**	**(8.6)**
Net cash movement	**161.9**	**161.9**

AASB16 IMPACT

AASB16 Leases net debt and leverage reconciliation

	FY19 Operating	FY20 Operating	AASB 16 Adjustment	FY20 AASB16 Operating
Gross debt				
Hedged Notes	441.7	441.7	-	441.7
Revolving credit facility	-	97.0	-	97.0
Leases	21.9	62.6	-	62.6
Total Debt	**463.6**	**601.2**	**-**	**601.2**
Cash	(36.2)	(198.2)	-	(198.2)
Less: AASB 16 Leases	-	(44.5)	44.5	-
Net Debt	**427.4**	**358.6**	**44.5**	**403.1**
Operating EBITDA	214.0	246.1	8.3	254.4
Leverage	**2.00x**	**1.46x**		**1.58x**

Thank you

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