



Emeco Holdings Limited

ABN 89 112 188 815

Retail Entitlement Offer

1 for 2.1 accelerated non-renounceable pro-rata entitlement offer of Emeco ordinary shares at an offer price of A\$0.85 per New Share.

The Retail Entitlement Offer closes at 5.00pm (Sydney time) on Tuesday, 15 September 2020.

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

This Offer Booklet requires your immediate attention. It is an important document which is accompanied by a personalised Entitlement and Acceptance Form and both should be read in their entirety. This Offer Booklet is not a prospectus under the *Corporations Act 2001 (Cth)* (**Corporations Act**) and has not been lodged with the Australian Securities & Investments Commission (**ASIC**). If you have any questions, please call your stockbroker, solicitor, accountant, financial adviser or other professional adviser or contact the Emeco Shareholder Information Line on 1300 402 422 (within Australia) or +61 1300 402 422 (outside Australia) from 8.30am to 5.30pm (Sydney time) Monday to Friday.

IMPORTANT NOTICE

Defined terms used in these important notices have the meaning given in this Offer Booklet.

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES.

This Offer Booklet relates to the Retail Entitlement Offer which is part of the Entitlement Offer by Emeco of New Shares to raise approximately A\$149 million. The Entitlement Offer is being made in Australia pursuant to section 708AA of the Corporations Act 2001 (Cth) (**Corporations Act**) (as modified by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84, which allows entitlement offers to be made to investors without a prospectus).

As this offer is not being made under a prospectus, investment statement or product disclosure statement, it is important for Eligible Retail Shareholders to read carefully and understand this Offer Booklet and the information about Emeco and the Entitlement Offer that is publicly available. In particular, please refer to the materials in this Offer Booklet (including the Investor Presentation and ASX Announcement in Section 5), Emeco's annual reports and other announcements made available by Emeco at www.emecogroup.com (including Emeco's 2020 full year financial results and the 2020 Annual Report which was released to the ASX on 27 July 2020) and announcements which may be made by Emeco after publication of this Offer Booklet.

Future performance and forward looking statements

This Offer Booklet contains certain "forward looking statements", including but not limited to projections and guidance on the future performance of Emeco and the outcome and effects of the Entitlement Offer. Forward looking statements can generally be identified by the use of forward looking words such as "**expect**", "**anticipate**", "**likely**", "**intend**", "**propose**", "**should**", "**could**", "**may**", "**predict**", "**plan**", "**will**", "**believe**", "**forecast**", "**estimate**", "**target**", "**outlook**", "**guidance**", "**potential**", and other similar expressions within the meaning of securities laws of applicable jurisdictions.

The forward looking statements contained in this Offer Booklet 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, its Directors and management, and may involve significant elements of subjective judgement and assumptions as to future events which may or may not be correct. Refer to the "Risk factors" section of the Emeco Investor Presentation included in Section 5 of this Offer Booklet for a summary of certain general and Emeco specific risk factors that may affect Emeco. There can be no assurance that actual outcomes will not differ materially from these forward looking statements. A number of important factors could cause actual results or performance to differ materially from the forward looking statements, including the risk factors included in the Emeco Investor Presentation included in Section 5 of this Offer Booklet. Investors should consider the forward looking statements contained in this Offer Booklet in light of those disclosures. The forward looking statements are based on information available to Emeco as at the date of this Offer Booklet.

Except as required by law or regulation (including the ASX Listing Rules), Emeco accepts no obligation to provide any additional or updated information whether as a result of new information, future events or results or otherwise. Indications of, and guidance or outlook on, future earnings or financial position or performance are also forward looking statements.

Past performance

Investors should note that past performance, including the past share price performance of Emeco and the pro forma historical information in the ASX announcements included in Section 5 of this Offer Booklet, is given for illustrative purposes only and cannot be relied upon as an indicator of (and provides no guidance as to) future Emeco performance including future share price

performance. The pro forma historical information is not represented as being indicative of Emeco's views on its future financial condition and/or performance.

Jurisdictions

This Offer Booklet, the ASX announcements and the Entitlement and Acceptance Form, do not constitute an offer to sell, or a solicitation of an offer to buy, any securities in the United States. Neither this Offer Booklet nor the Entitlement and Acceptance Form may be distributed or released in the United States. Neither the entitlements to purchase New Shares pursuant to the offer described in this Offer Booklet nor the New Shares have been, or will be, registered under the US Securities Act of 1933, as amended (**US Securities Act**) or the securities laws of any state or other jurisdiction of the United States. The Entitlements may not be issued to, purchased by, or taken up or exercised by, and the New Shares may not be offered or sold to, persons in the United States or persons who are acting for the account or benefit of a person in the United States. Neither the Entitlements nor the New Shares may be offered, sold or resold in the United States or to persons acting for the account or benefit of a person in the United States except in a transaction exempt from, or not subject to, the registration requirements of the US Securities Act and the applicable securities laws of any state or other jurisdiction in the United States. The Entitlements and the New Shares in the Entitlement Offer will be sold only in "offshore transactions" (as defined in Rule 902(h) under the US Securities Act) in reliance on Regulation S under the U.S. Securities Act.

References to "you" and "your Entitlement"

In this Offer Booklet, references to "you" are references to Eligible Retail Shareholders (as defined in Section 6.1) and references to "your Entitlement" (or "your Entitlement and Acceptance Form") are references to the Entitlement (or Entitlement and Acceptance Form) of Eligible Retail Shareholders.

Taxation

Each Eligible Retail Shareholder's tax position is different. Therefore, Eligible Retail Shareholders are urged to seek their own independent tax advice regarding the specific tax consequences of the Retail Entitlement Offer, including the application and effect of income tax and other tax laws to their own personal circumstances.

A summary of the general Australian income tax, stamp duty and GST consequences for Eligible Retail Shareholders who accept the Retail Entitlement Offer is set out in Section 4 (Australian Tax Considerations). However, Eligible Retail Shareholders should not rely on the summary in Section 4 in substitution for specific advice on their own affairs from a registered tax agent.

Times and dates

Times and dates in this Offer Booklet are indicative only and may be subject to change. All times and dates refer to Sydney time. Refer to the "Key Dates" section of this Offer Booklet for more details.

Currency

Unless otherwise stated, all dollar values in this Offer Booklet are in Australian dollars (A\$ or AUD).

Trading in New Shares

Emeco will have no responsibility and disclaims all liability (to the maximum extent permitted by law) to persons who trade New Shares they believe will be issued to them before they receive their holding statements (whether on the basis of confirmation of the allocation provided by Emeco or the Emeco Share Registry or failure to maintain your updated details on the Emeco Share Registry or otherwise) or who otherwise trade or purport to trade New Shares in error or which they do not hold or are not entitled to.

If you are in any doubt as to these matters you should first consult with your stockbroker, solicitor, accountant, financial adviser or other professional adviser.

Refer to Section 6 for details.

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KEY DATES FOR THE RETAIL ENTITLEMENT OFFER

Event	Date
Announcement of the Entitlement Offer	Monday, 24 August 2020
Record Date for eligibility for the Entitlement Offer	7.00pm (Sydney time) Wednesday, 26 August 2020
Offer Booklet despatched to Shareholders and available on the Offer website at https://events.miraqle.com/EHL-offer	Monday, 31 August 2020
Retail Entitlement Offer opens	Monday, 31 August 2020
Issue of New Shares under the Institutional Entitlement Offer	Wednesday, 2 September 2020
Last day to extend the Retail Entitlement Offer	Thursday, 10 September 2020
Retail Entitlement Offer closes ¹ (Closing Date)	5.00pm (Sydney time) Tuesday, 15 September 2020
Results of Retail Entitlement Offer announced	Friday, 18 September 2020
Issue of New Shares under the Retail Entitlement Offer	Tuesday, 22 September 2020
New Shares issued under the Retail Entitlement Offer commence trading on ASX on a normal settlement basis	Wednesday, 23 September 2020
Dispatch of holding statements in respect of New Shares under the Retail Entitlement Offer	Thursday, 24 September 2020

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 Retail Entitlement Offer, to accept late applications under the Retail Entitlement Offer (either generally or in particular cases) and to withdraw the Retail Entitlement Offer without prior notice. Any extension of the Retail Entitlement Offer Closing Date will have a consequential effect on the issue date of New Shares.

The commencement of quotation of New Shares is subject to confirmation from ASX.

Cooling off rights do not apply to an investment in New Shares. You cannot withdraw your application once it has been accepted. Eligible Retail Shareholders wishing to participate in the Retail Entitlement Offer are encouraged to submit their Entitlement and Acceptance Form as soon as possible after the Retail Entitlement Offer opens to ensure their application is received by the Emeco Share Registry in time.

Enquiries

If you have any questions, please contact the Emeco Shareholder Information Line on 1300 402 422 (within Australia) or +61 1300 402 422 (outside Australia) from 8.30am to 5.30pm (Sydney time), Monday to Friday. If you have any further questions, you should contact your stockbroker, solicitor, accountant, financial adviser or other professional adviser.

¹ Eligible Retail Shareholders who wish to take up all or a part of their Entitlement must complete and return their personalised Entitlement and Acceptance Form with the requisite accompanying payment (**Application Monies**) OR pay their Application Monies via BPAY by following the instructions set out on the personalised Entitlement and Acceptance Form, so that they are received by the Emeco Share Registry by no later than 5.00pm (Sydney time) on Tuesday, 15 September 2020. Eligible Retail Shareholders should refer to Section 2 for options available to them in respect of their Entitlement.

LETTER FROM EMECO'S CHAIRMAN

31 August 2020

Dear Shareholder,

As a valued shareholder of Emeco, I am pleased to invite you to participate in an underwritten 1 for 2.1 accelerated non-renounceable pro-rata entitlement offer of new ordinary shares in Emeco (**New Shares**) at an offer price of A\$0.85 per New Share (**Offer Price**) to raise gross proceeds of A\$149 million (**Entitlement Offer**).

Equity raising, debt reduction and extension

Emeco has recently implemented a comprehensive package of capital structure initiatives to strengthen Emeco's balance sheet, provide additional flexibility and support future growth. These initiatives eliminate Emeco's 2022 refinancing task, enabling it to fully focus on running the business and continue its evolution to becoming a leading mining services solutions provider.

Emeco will use the net proceeds from the Entitlement Offer to repay US\$142 million of Emeco's existing US\$322 million Secured Notes maturing March 2022.

As part of privately negotiated transactions, Emeco has obtained binding pre-commitments from individual major noteholders (including Black Diamond) to exchange US\$180 million of Emeco's Secured Notes for US\$180 million of new notes (A\$250m equivalent) due March 2024. The new notes will have the same coupon as the Secured Notes (9.25% per annum) and will continue to be fully hedged.

Emeco intends to completely pay off the balance of its Secured Notes with the net proceeds from the equity raising and cash on hand.

Repaying the Secured Notes enables Emeco to exercise its option to extend its revolving credit facility maturity to September 2023, which it intends to do.

The key highlights of the transactions include:

- Significantly reduces Emeco's gross debt and net leverage ratio to 0.9x², strengthening Emeco's balance sheet to provide flexibility and support future growth
- Emeco will retain significant pro forma available liquidity of ~A\$153 million
- Reduces interest cost by A\$19 million per annum³
- Remaining notes maturity extended to 2024, eliminating 2022 refinancing task, and can be refinanced at any time before maturity

Entitlement Offer

On 24 August 2020, Emeco announced its intention to raise approximately A\$149 million through an underwritten, accelerated non-renounceable pro-rata Entitlement Offer at an Offer Price of A\$0.85 per New Share. Under the Entitlement Offer, eligible shareholders are entitled to acquire 1 New Share for every 2.1 existing Emeco ordinary shares held on the record date at 7.00pm (Sydney time) on Wednesday 26 August 2020 (**Record Date**) (**Entitlement**).

All shares offered under the Entitlement Offer will be issued at a price of A\$0.85 per New Share, which represents a 12.8% discount to the theoretical ex-rights price (**TERP**) of A\$0.98⁴

² Net Debt / Operating EBITDA (before the impact of AASB16 Leases). Net debt and operating financial metrics are non-IFRS measures. Refer to the Statutory to Operating reconciliations in Appendix E of the Investor Presentation included at Section 5

³ Assumed interest saving of USD\$142 million notes at 9.86% effective interest fully hedged at 0.7293 (does not include any savings on RCF interest).

⁴ The theoretical ex-rights price (**TERP**) is the theoretical price at which Emeco shares should trade 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 traded price of \$1.035 per share on 21 August 2020, being the last trading day prior to the announcement of the Entitlement Offer.

New Shares issued through the Entitlement Offer will rank equally with existing Emeco ordinary shares on issue.

The Entitlement Offer is managed and underwritten by Goldman Sachs Australia Pty Ltd and Macquarie Capital (Australia) Ltd (the **Underwriters**).

The institutional component of the Entitlement Offer (**Institutional Entitlement Offer**), which completed on Tuesday 25 August 2020, raised a total of approximately A\$111 million through the issue of approximately 131 million New Shares at A\$0.85 per new share and was strongly supported by existing eligible institutional shareholders, who took up approximately 94% of their entitlements.

This Offer Booklet relates to the retail component of the Entitlement Offer (**Retail Entitlement Offer**) and Entitlements allotted under it, and contains important information about the Entitlement Offer and Emeco's business.

Under the Retail Entitlement Offer, eligible retail shareholders have the opportunity to invest at the same price as the institutional investors who participated in the Institutional Entitlement Offer. The number of New Shares for which you are entitled to subscribe under the Retail Entitlement Offer (**Entitlement**) is set out in your personalised Entitlement and Acceptance Form. It is important that you determine whether to take up in whole or part, or do nothing in respect of, your Entitlement (see Section 2).

Entitlements under the Entitlement Offer are non-renounceable and will not be tradeable on the ASX or otherwise transferable. If you do not take up your Entitlement in full, you will not receive any value in respect of that part of the Entitlement that you do not take up.

The Retail Entitlement Offer closes at 5.00pm (Sydney time) on Tuesday 15 September 2020.

If you would like to exercise your Entitlement to increase your shareholding in Emeco, you will need to complete and return your personalised Entitlement and Acceptance Form together with the requisite accompanying payment (**Application Monies**), or alternatively pay your Application Monies using BPAY® so that they are received by the Emeco Share Registry by 5.00pm (Sydney time) on Tuesday 15 September 2020.

Please carefully read this Offer Booklet in its entirety and consult your stockbroker, solicitor, accountant, financial adviser or other professional adviser before making your investment decision. In particular, you should read and consider the "Risk factors" section of the Emeco Investor Presentation included in Section 5 of this Offer Booklet which contains a summary of some of the key risks associated with an investment in Emeco.

If you have any questions in respect of the Entitlement Offer, please call the Emeco Shareholder Information Line on 1300 402 422 (within Australia) or +61 1300 402 422 (outside Australia) from 8.30am to 5.30pm (Sydney time) Monday to Friday.

On behalf of the Board and management team of Emeco, I invite you to consider this investment opportunity and thank you for your ongoing support.

Yours faithfully,



Peter Richards
Chairman
EMECO HOLDINGS LIMITED

1. IS THIS OFFER BOOKLET RELEVANT TO YOU?

This Offer Booklet is relevant to you if you are an Eligible Retail Shareholder (as defined below).

In this Offer Booklet, references to "you" are references to Eligible Retail Shareholders and references to "your Entitlement" (or "your Entitlement and Acceptance Form") are references to the Entitlement (or Entitlement and Acceptance Form) of Eligible Retail Shareholders.

Eligible Retail Shareholders are those persons who:

- are registered as a holder of Emeco shares as at the Record Date, being 7.00pm (Sydney time) Wednesday, 26 August 2020;
- have a registered address on the Emeco share register that is in Australia or New Zealand, or are a Shareholder that Emeco has otherwise determined is eligible to participate;
- are not in the United States and are not acting for the account or benefit of a person in the United States (to the extent such person holds Emeco ordinary shares for the account or benefit of such person in the United States);
- were not invited to participate in the Institutional Entitlement Offer and were not treated as an Ineligible Institutional Shareholder; and
- are eligible under all applicable securities laws to receive an offer under the Entitlement Offer.

Ineligible Institutional Shareholders are those institutional shareholders on the Record Date with a registered address outside of Australia and New Zealand (or any other jurisdiction that Emeco and the Underwriters agree) to whom the Entitlement Offer will not be extended in accordance with ASX Listing Rule 7.7.1(a).

2. SUMMARY OF OPTIONS AVAILABLE TO YOU

If you are an Eligible Retail Shareholder you may take either of the following actions:

1. take up all of your Entitlement;
2. take up part of your Entitlement and let the remainder lapse; or
3. do nothing and let all of your Entitlement lapse.

If you are a shareholder that is not an Eligible Retail Shareholder, you are an **Ineligible Retail Shareholder**. Refer to section 3.9 for more detail on Ineligible Retail Shareholders.

Options available to you	Key considerations
1. Take up all of your Entitlement	<p>If you wish to take up all of your Entitlement, you may elect to purchase all of the New Shares specified in your personalised Entitlement and Acceptance Form at the Offer Price (see Section 3.5 for instructions on how to take up your Entitlement).</p> <p>The New Shares will rank equally in all respects with existing Emeco ordinary shares.</p> <p>The Entitlement Offer closes at 5.00pm (Sydney time) on Tuesday, 15 September 2020.</p> <p>Eligible shareholders are not able to apply for New Shares in excess of their Entitlement.</p>

<p>2. Take up part of your Entitlement</p>	<p>If you wish to take up only part of your Entitlement, you may elect to purchase a lesser number of New Shares than the number of New Shares specified in your personalised Entitlement and Acceptance Form at the Offer Price (see Section 3.5 for instructions on how to take up your Entitlement).</p> <p>The New Shares will rank equally in all respects with existing Emeco ordinary shares.</p> <p>If you only take up part of your Entitlement, the remaining portion of your Entitlement will lapse and you will receive no benefit. Lapsed Entitlements will be subscribed for by the Underwriters or any sub-underwriters.</p> <p>The Entitlement Offer closes at 5.00pm (Sydney time) on Tuesday, 15 September 2020.</p>
<p>3. Do nothing and let all of your Entitlement lapse</p>	<p>If you do nothing with respect to all of your Entitlement, your whole Entitlement will lapse and you will receive no benefit. These Entitlements will be subscribed for by the Underwriters or any sub-underwriters.</p> <p>By allowing your Entitlement to lapse, you will forgo any exposure to increases or decreases in the value of the New Shares had you taken up your Entitlement. You will not receive any value for your Entitlement and, although you will continue to own the same number of Shares, your percentage shareholding in Emeco will be diluted.</p>

3. HOW TO APPLY

3.1 Overview of the Entitlement Offer

Eligible Retail Shareholders are being offered the opportunity to purchase 1 New Share for every 2.1 existing Emeco ordinary shares held as at the Record Date of 7.00pm (Sydney time) Wednesday, 26 August 2020, at the Offer Price of A\$0.85 per New Share.

You have a number of decisions to make in respect of your Entitlement. You should read this Offer Booklet carefully before making any decisions in relation to your Entitlement.

The Entitlement Offer is underwritten by the Underwriters on the terms and conditions set out in the Underwriting Agreement (see Section 6.12 for more details). Further details about the Entitlement Offer are set out below.

3.2 The Retail Entitlement Offer

Under the Retail Entitlement Offer, Eligible Retail Shareholders are invited to apply for 1 New Share for every 2.1 existing Emeco ordinary shares held as at the Record Date at the Offer Price of A\$0.85 per New Share.

The Retail Entitlement Offer opens at 9.00am (Sydney time) on Monday, 31 August 2020 and will close at 5.00pm (Sydney time) on Tuesday, 15 September 2020.

3.3 Your Entitlement

Your Entitlement is set out on the accompanying personalised Entitlement and Acceptance Form and has been calculated as 1 New Share for every 2.1 existing Emeco ordinary shares you held as at the Record Date. If the result is not a whole number, your Entitlement will be rounded up to the nearest whole number of New Shares.

If you have more than one registered holding of Shares, you will be sent more than one personalised Entitlement and Acceptance Form and you will have a separate Entitlement for each separate holding.

New Shares issued under the Entitlement Offer will be fully paid and rank equally in all respects with existing Emeco ordinary shares.

See Sections 6.1 and 6.11 for information on restrictions on participation.

3.4 Consider the Entitlement Offer carefully in light of your particular investment objectives and circumstances

The Entitlement Offer is being made pursuant to provisions of the Corporations Act which allow entitlement offers to be made without a prospectus. This Offer Booklet 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 and the Entitlement Offer made publicly available, prior to deciding whether to take up all or part of your Entitlement or do nothing in respect of your Entitlement. In particular, please refer to this Offer Booklet, the ASX announcements in respect of the Entitlement Offer that were released by Emeco on Monday, 24 August 2020, Emeco's 2020 full year financial results that were released to the ASX on 27 July 2020, the 2020 Annual Report released to the ASX on 27 July 2020, and other announcements made available at www.emecogroup.com (including announcements which may be made by Emeco after publication of this Offer Booklet).

Please consult with your stockbroker, solicitor, accountant, financial adviser or other professional adviser if you have any queries or are uncertain about any aspect of the Entitlement Offer. You should also refer to the "Risk factors" section of the Emeco Investor Presentation included in Section 5 of this Offer Booklet.

3.5 Options available to you

If you are an Eligible Retail Shareholder, you may take either of the following actions:

1. take up all of your Entitlement;
2. take up part of your Entitlement and let the remainder lapse; or
3. do nothing and let all of your Entitlement lapse.

Eligible Retail Shareholders who do not participate fully in the Entitlement Offer will have their percentage holding in Emeco diluted. Eligible Retail Shareholders who participate in the Entitlement Offer will not see their percentage holding in Emeco diluted if they take up all of their Entitlement.

If you wish to take up all of your Entitlement

If you wish to take up all of your Entitlement, please either:

1. complete and return the personalised Entitlement and Acceptance Form with the requisite Application Monies for all of the New Shares in your Entitlement; or
2. pay your Application Monies for all of the New Shares in your Entitlement via BPAY® by following the instructions set out on the personalised Entitlement and Acceptance Form,

so that they are received by the Emeco Share Registry by no later than 5.00pm (Sydney time) on Tuesday, 15 September 2020.

If you take up and pay for all your Entitlement before the close of the Retail Entitlement Offer, it is expected that you will be issued New Shares on Tuesday, 22 September 2020. Emeco's decision on the number of New Shares to be issued to you will be final.

Emeco also reserves the right (in its absolute discretion) to reduce the number of New Shares issued to Eligible Retail Shareholders or persons claiming to be Eligible Retail Shareholders, if Emeco believes their claimed Entitlements to be overstated or if they or their nominees fail to provide information to substantiate their claims to Emeco's satisfaction (see Section 6.4).

Eligible Retail Shareholders are not able to apply for New Shares in excess of their Entitlement.

If you wish to take up part of your Entitlement

If you wish to take up only part of your Entitlement, please either:

1. complete and return the personalised Entitlement and Acceptance Form with the requisite Application Monies for the number of New Shares in your Entitlement that you wish to subscribe for; or
2. pay your Application Monies for the relevant number of New Shares via BPAY® by following the instructions set out on the personalised Entitlement and Acceptance Form,

so that they are received by the Emeco Share Registry by no later than 5.00pm (Sydney time) on Tuesday, 15 September 2020.

If you take up and pay for part of your Entitlement before the close of the Retail Entitlement Offer, it is expected that you will be issued New Shares on Tuesday, 22 September 2020. Emeco's decision on the number of New Shares to be issued to you will be final.

If you do not take up all of your Entitlement, the relevant part of your Entitlement that you do not take up will lapse and you will receive no benefit. Lapsed Entitlements will be subscribed for by the Underwriters or any sub-underwriters.

Emeco also reserves the right (in its absolute discretion) to reduce the number of New Shares issued to Eligible Retail Shareholders or persons claiming to be Eligible Retail Shareholders, if Emeco believes their claimed Entitlements to be overstated or if they or their nominees fail to provide information to substantiate their claims to Emeco's satisfaction (see Section 6.8).

Eligible Retail Shareholders are not able to apply for New Shares in excess of their Entitlement.

If you wish to let all or part of your Entitlement lapse

If you do nothing with respect to your Entitlement, your Entitlement will lapse and you will receive no benefit. Lapsed Entitlements will be subscribed for by the Underwriters or any sub-underwriters.

By allowing your Entitlement to lapse, you will forgo any exposure to increases or decreases in the value of the New Shares had you taken up your Entitlement. Although you will continue to own the same number of Shares, your percentage shareholding in Emeco will be diluted.

3.6 Payment

You can pay in the following ways:

1. by BPAY®; or
2. by cheque.

Cash payments will not be accepted. Receipts for payment will not be issued.

Emeco will treat you as applying for as many New Shares as your payment will pay for in full.

Any Application Monies received for more than your final allocation of New Shares will be refunded as soon as practicable after the close of the Retail Entitlement Offer (except for where the amount is less than A\$1.00 in which case it will be donated to a charity chosen by Emeco). No interest will be paid to applicants on any Application Monies received or refunded.

Payment by BPAY®

For payment by BPAY®, please follow the instructions on the personalised Entitlement and Acceptance Form. You can only make payment via BPAY® if you are the holder of an account with an Australian financial institution that supports BPAY® transactions.

If you are paying by BPAY®, please make sure you use the specific Biller Code and your unique Customer Reference Number (**CRN**) on your personalised Entitlement and Acceptance Form. If you have multiple holdings and consequently receive more than one personalised Entitlement and Acceptance Form, when taking up your Entitlement in respect of one of those holdings only use the CRN specific to that holding. If you do not use the correct CRN specific to that holding your application will not be recognised as valid.

Please note that should you choose to pay by BPAY®:

1. you do not need to submit your personalised Entitlement and Acceptance Form but are taken to make the declarations, representations and warranties on that Entitlement and Acceptance Form and in Section 3.8; and
2. if you do not pay for your full Entitlement, you are deemed to have taken up your Entitlement in respect of such whole number of New Shares which is covered in full by your Application Monies.

It is your responsibility to ensure that your BPAY® payment is received by the Emeco Share Registry by no later than 5.00pm (Sydney time) on Tuesday, 15 September 2020. You should be aware that your financial institution may implement earlier cut-off times with regard to electronic payment, and you should therefore take this into consideration in the timing of when you make your payment.

Payment by cheque

For payment by cheque, you should complete your personalised Entitlement and Acceptance Form in accordance with the instructions on the form and return it accompanied by a cheque in Australian currency for the amount of the Application Monies, payable to "Emeco Holdings Limited" and crossed "Not Negotiable".

Your cheque must be:

1. for an amount equal to A\$0.85 multiplied by the number of New Shares that you are applying for; and
2. in Australian currency drawn on an Australian branch of a financial institution.

You should ensure that sufficient funds are held in relevant account(s) to cover the Application Monies as your cheque will be processed on the day of receipt. If the amount of your cheque for Application Monies (or the amount for which the cheque clears in time for allocation) is insufficient to pay in full for the number of New Shares you have applied for in your personalised Entitlement and Acceptance Form, you will be taken to have applied for such lower whole number of New Shares as your cleared Application Monies will pay for (and to have specified that number of New Shares on your personalised Entitlement and Acceptance Form). Alternatively, your application will not be accepted.

Your personalised Entitlement and Acceptance Form is available to download online via the offer website <https://events.miracle.com/EHL-offer>. You will be required to verify your holding details to access the offer website.

3.7 Mail

To participate in the Retail Entitlement Offer, your payment must be received by no later than the close of the Retail Entitlement Offer, being 5.00pm (Sydney time) on Tuesday, 15 September 2020. If you make payment via cheque you should mail your completed personalised Entitlement and Acceptance Form together with Application Monies to:

Mailing Address

Emeco Retail Entitlement Offer
C/- Link Market Services Limited
GPO Box 3560
Sydney South NSW 2001

Personalised Entitlement and Acceptance Forms and Application Monies will not be accepted at Emeco's registered or corporate offices or other offices of the Emeco Share Registry.

Please note that due to safety precautions implemented by the Emeco Share Registry in response to the COVID-19 pandemic, hand delivery of completed Entitlement and Acceptance Forms and Application Monies will not be accepted.

3.8 Representations by acceptance

By completing and returning your personalised Entitlement and Acceptance Form or making a payment by BPAY®, you will be deemed to have represented to Emeco that you:

- did not receive an invitation to participate in the Institutional Entitlement Offer either directly or through a nominee, are not an Ineligible Retail Shareholder and are otherwise eligible to participate in the Retail Entitlement Offer;
- acknowledge that you have read and understand this Offer Booklet and your personalised Entitlement and Acceptance Form in their entirety;
- agree to be bound by the terms of the Retail Entitlement Offer, the provisions of this Offer Booklet and Emeco 's constitution;
- authorise Emeco to register you as the holder(s) of the New Shares allotted to you;
- declare that all details and statements in the personalised Entitlement and Acceptance Form are complete and accurate;
- declare that you are over 18 years of age and have full legal capacity and power to perform all of your rights and obligations under the personalised Entitlement and Acceptance Form;
- acknowledge that once Emeco receives your personalised Entitlement and Acceptance Form or any payment of Application Monies via BPAY®, you may not withdraw your application or any funds provided, except as allowed by law;
- agree to apply for and be issued up to the number of New Shares specified in the personalised Entitlement and Acceptance Form, or for which you have submitted payment of any Application Monies via BPAY®, at the Offer Price per New Share;
- authorise Emeco, the Underwriters, the Emeco Share Registry and their respective officers or agents to do anything on your behalf necessary for New Shares to be issued to you, including to act on instructions of the Emeco Share Registry upon using the contact details set out in your personalised Entitlement and Acceptance Form;
- acknowledge and agree that:
 - eligibility of investors for the purposes of the Retail Entitlement Offer is determined by reference to a number of matters, including legal and regulatory requirements, logistical and registry constraints and the discretion of Emeco and/or the Underwriters;
 - each of Emeco and the Underwriters, and each of their respective affiliates, disclaim any duty or liability (including for negligence) in respect of any determination of eligibility of investors and the exercise or otherwise of any discretion, to the maximum extent permitted by law;

- declare that you were the registered holder(s) at the Record Date of the existing Emeco ordinary shares indicated on your personalised Entitlement and Acceptance Form as being held by you on the Record Date;
- acknowledge that the information contained in this Offer Booklet and your personalised Entitlement and Acceptance Form is not investment advice nor a recommendation that New Shares are suitable for you given your investment objectives, financial situation or particular needs;
- acknowledge that this Offer Booklet is not a prospectus, does not contain all of the information that you may require in order to assess an investment in Emeco and is given in the context of Emeco 's past and ongoing continuous disclosure announcements to ASX;
- acknowledge the statement of risks in the "Risk factors" section of the Emeco Investor Presentation included in Section 5 of this Offer Booklet and that investments in Emeco are subject to risk;
- acknowledge that none of Emeco, the Underwriters, or their respective related bodies corporate and affiliates and their respective directors, officers, partners, employees, representatives, agents, consultants or advisers, guarantees the performance of Emeco, nor do they guarantee the repayment of capital;
- agree to provide (and direct your nominee or custodian to provide) any requested substantiation of your eligibility to participate in the Retail Entitlement Offer and of your holding of shares on the Record Date;
- authorise Emeco to correct any errors in your personalised Entitlement and Acceptance Form or other form provided by you;
- are an Eligible Retail Shareholder and that the law of any place does not prohibit you from being given this Offer Booklet and the personalised Entitlement and Acceptance Form, nor does it prohibit you from making an application for New Shares and that you are otherwise eligible to participate in the Retail Entitlement Offer;
- are not in the United States and you are not acting for the account or benefit of a person in the United States (to the extent such person holds Emeco ordinary shares for the account or benefit of such person in the United States);
- understand and acknowledge that neither the Entitlements nor New Shares have been, or will be, registered under the U.S. Securities Act or the securities laws of any state or other jurisdiction in the United States. Notwithstanding the foregoing, the Entitlements may not be purchased, taken up or exercised by persons in the United States or by persons who are acting for the account or benefit of a person in the United States. Neither the Entitlements nor the New Shares may be offered, sold or resold in the United States except in a transaction exempt from, or not subject to, the registration requirements of the U.S. Securities Act and the applicable securities laws of any state or other jurisdiction in the United States;
- are subscribing for or purchasing an Entitlement or New Shares in an 'offshore transaction' (as defined in Rule 902(h) under the US Securities Act) in reliance on Regulation S under the U.S. Securities Act;
- have not and will not send this Offer Booklet, the Entitlement and Acceptance Form or any other materials relating to the Entitlement Offer to any person in the United States or any other country outside Australia or New Zealand; and
- if acting as a nominee or custodian, each beneficial holder on whose behalf you are submitting the Entitlement and Acceptance Form is resident in Australia or New Zealand, or is otherwise an Eligible Institutional Shareholder, and is not in the United States and is not acting for the account or benefit of a person in the United States, and you have not sent this Offer Booklet, the Entitlement and Acceptance Form or any information relating to the Entitlement Offer to any such person.

3.9 Entitlements of Ineligible Retail Shareholders

In compliance with Listing Rule 7.7.1 and section 708AA (including section 9A) of the Corporations Act, Emeco has determined that it is unreasonable to extend the Retail Entitlement Offer to Ineligible Retail Shareholders because of the small number of such Shareholders, the number and value of Shares that they hold and the cost of complying with the applicable regulations in jurisdictions outside of Australia and New Zealand, but it reserves its right to do so (subject to compliance with relevant laws).

Entitlements of Ineligible Retail Shareholders will be subscribed for by the Underwriters or sub-underwriters.

3.10 Brokerage and stamp duty

No brokerage fee is payable by Eligible Retail Shareholders who accept their Entitlement. No stamp duty is payable for subscribing for New Shares under the Retail Entitlement Offer.

3.11 Lost or replacement Entitlement and Acceptance Form

If you have not received or you have lost your personalised Entitlement and Acceptance Form you may either:

- download a new form through the Offer website at <https://events.miraql.com/EHL-offer>; or
- contact the Emeco Shareholder Information Line on 1300 402 422 (within Australia) or +61 1300 402 422 (outside Australia) between 8.30am and 5.30pm (Sydney time), Monday to Friday to request a new or replacement form.

3.12 Enquiries

If you have any questions regarding your personalised Entitlement and Acceptance Form or how to take up your Entitlement, please contact the Emeco Shareholder Information Line on 1300 402 422 (within Australia) or +61 1300 402 422 (outside Australia) between 8.30am and 5.30pm (Sydney time), Monday to Friday. If you have any further questions, you should contact your stockbroker, solicitor, accountant, financial adviser or other professional adviser.

4. AUSTRALIAN TAX CONSIDERATIONS

4.1 Introduction

This is a general summary of the Australian taxation consequences of the Retail Entitlement Offer for Eligible Retail Shareholders that hold their New Shares on capital account and are Australian tax residents for Australian income tax purposes. The category of shareholders considered in this summary are limited to individuals, and complying superannuation entities.

This summary does not apply to Eligible Retail Shareholders who:

- are not Australian tax residents for Australian income tax purposes;
- hold their New Shares on revenue account or as trading stock (which will generally be the case if you are a bank, insurance company or carry on a business of share trading);
- acquired their New Shares in respect of which their Entitlements are issued under an employee share scheme or when New Shares are acquired pursuant to an employee share scheme;
- may be subject to special tax rules such as insurance companies, partnerships, exempt taxpayers, trusts (except where expressly stated) or temporary residents;
- are subject to the 'Taxation of Financial Arrangements' provisions in Division 230 of the *Income Tax Assessment Act 1997 (Cth)*; or

- are subject to the Investment Manager Regime in Sub-Division 842-I of the *Income Tax Assessment Act 1997 (Cth)* or the tax law of countries other than Australia in relation to their New Shares.

This summary is based upon Australian taxation law and administrative practice in effect as at the date of this Offer Booklet and is not intended to be a comprehensive analysis of the taxation laws of Australia. Emeco does not undertake to update this summary for any changes in the Australian tax law after the date of this Offer Booklet.

The information contained in this summary is of a general nature and does not consider any specific facts or circumstances that may apply to an Eligible Retail Shareholder. As the tax consequences to Eligible Retail Shareholders of accepting the Entitlement Offer will depend on each Eligible Retail Shareholder's circumstances, all Eligible Retail Shareholders are advised to seek independent professional advice regarding the Australian and foreign tax consequences of accepting the Entitlement Offer according to their own circumstances.

Emeco, nor any of its officers, employees or advisers accept any liability or responsibility for any incorrect statement concerning taxation in this Offer Booklet.

4.2 Tax consequences of Entitlements

1. Issue of Entitlements

The issue of Entitlements to Australian tax resident shareholders should not in and of itself result in any amount being included in assessable income of an Eligible Retail Shareholder.

2. Exercise of Entitlements

The exercise of Entitlements by Australian tax resident shareholders should not in itself result in any amount being included in the assessable income of an Eligible Retail Shareholder.

For Australian capital gains tax (**CGT**) purposes, the New Shares will be treated as having been acquired on the date the Eligible Retail Shareholder exercised their Entitlements to buy the New Shares (i.e. the date the Shareholder returned their completed Entitlement and Acceptance Form). Each of the New Shares will constitute a separate asset for CGT purposes.

The cost base of each New Share will generally be equal to the cost of acquiring that New Share (i.e. the Offer Price payable for each New Share), plus any incidental costs of acquisition (for example, professional advisor fees, transfer costs and stamp duty) for the Eligible Retail Shareholder. The reduced cost base of each New Share is determined in a similar manner although, some differences in the calculation of reduced cost base do exist depending on the Eligible Retail Shareholder's individual circumstances.

3. Lapse of Entitlement

If an Eligible Retail Shareholder does not accept all or part of their Entitlement in accordance with the instructions set out above, then the relevant portion of that Entitlement will lapse. There should be no taxation implications for an Eligible Retail Shareholder from the lapse of the Entitlement.

4.3 Tax in respect of Dividends on New Shares

Any future dividends or other distributions made in respect of New Shares will be subject to the same income taxation treatment as dividends or other distributions made on Existing Shares held in the same circumstances.

Dividends on the New Shares will generally be frankable.

Generally, provided an Eligible Retail Shareholder is a "qualified person" and the ATO does not make a determination under the dividend streaming rules to deny the benefit of the franking credits to the Eligible Retail Shareholder, the Eligible Retail Shareholder:

- should include the amount of the dividend as well as an amount equal to the franking credits attached to the dividend in their assessable income in the income year in which they receive the dividend; and
- should qualify for a tax offset equal to the franking credits attached to the dividend, which can be applied against their income tax liability for the relevant income year.

An Eligible Retail Shareholder should be a “qualified person” if the “holding period rule” and the “related payments rule” are satisfied. Generally:

- to satisfy the “holding period rule”, an Eligible Retail Shareholder must have held their New Shares “at risk” for a continuous period of at least 45 days (excluding the day of disposal) within a period beginning on the day after the day on which they are acquired and ending on the 45th day after they become ex-dividend. To be held “at risk”, an Eligible Retail Shareholder must retain 30% or more of the risks and benefits associated with holding their New Shares. Where an Eligible Retail Shareholder undertakes risk management strategies in relation to their New Shares (e.g. by the use of limited recourse loans, options or other derivatives), the Eligible Retail Shareholder’s ability to satisfy the “at risk” requirement of the “holding period rule” may be affected; and
- under the “related payments rule”, an Eligible Retail Shareholder who is obliged to make a “related payment” (essentially a payment passing on the benefit of the dividend) in respect of a dividend must hold the New Shares “at risk” for at least 45 days (not including the days of acquisition and disposal) within each period beginning 45 days before, and ending 45 days after, they become ex-dividend.

An Eligible Retail Shareholder, who is an individual, is automatically treated as a “qualified person” for these purposes if the total amount of the tax offsets in respect of all franked amounts to which the Shareholder is entitled in an income year does not exceed \$5,000. This is referred to as the “small shareholder rule”. However, an Eligible Retail Shareholder will not be a “qualified person” under the small shareholder rule if “related payments” have been made, or will be made, in respect of such amounts.

Certain Eligible Retail Shareholders may be eligible for a refund for excess franking offsets where their marginal rate of tax is less than 30%.

4.4 Disposal of New Shares

The disposal of a New Share by an Eligible Retail Shareholder will be a CGT event for Australian income tax purposes. The following tax consequences are expected to arise for Eligible Retail Shareholders in the event of a disposal of their New Shares:

- a capital gain will arise if the capital proceeds received by the Eligible Retail Shareholder from the disposal of their New Shares exceed the cost base of the New Shares; or
- a capital loss will arise if the capital proceeds received by the Eligible Retail Shareholder from the disposal of their New Shares are less than the reduced cost base of the New Shares.

Any resulting capital losses may only be offset against capital gains made by the Eligible Retail Shareholder in the same income year or future income years. Capital losses cannot be offset against other forms of assessable income.

If an Eligible Retail Shareholder is an individual, complying superannuation entity or trust and has held their New Shares for at least 12 months or more before the disposal of their New Shares (not including the date of acquisition or the date of disposal) the Eligible Retail Shareholder may be entitled to apply a CGT discount against the net capital gain made on the disposal of the New Shares.

The date of acquisition for the New Share is the date the Eligible Retail Shareholder accepts the Offer.

The CGT Discount is:

- one-half if the Eligible Retail Shareholder is an Australian tax resident individual or trustee: meaning only 50% of the net capital gain (without any allowance for indexation) will be included in assessable income; or
- one-third if the Eligible Retail Shareholder is a trustee of a complying superannuation entity: meaning only two-thirds of the net capital gain (without any allowance for indexation) will be included in assessable income.

The CGT Discount is not available to Eligible Retail Shareholders that are companies.

Where the Eligible Retail Shareholder is the trustee of a trust that has held the New Shares for more than 12 months before disposal, the CGT discount may flow through to the beneficiaries of the trust if those beneficiaries are not companies. Eligible Retail Shareholders, who are trustees, should seek specific advice regarding the tax consequences of distributions to beneficiaries who may qualify for a "CGT discount".

If an Eligible Retail Shareholder makes a discount capital gain, any carried forward capital losses will be applied to reduce the undiscounted capital gain before the relevant CGT discount is applied. The resulting amount is then included in the Eligible Retail Shareholder's net capital gain for the income year and included in assessable income.

4.5 Provision of Tax File Number (TFN) or Australian Business Number (ABN)

The *Taxation Administration Act 1953 (Cth)* imposes withholding tax at the highest marginal rate (currently 45% plus Medicare Levy of 2%) on the payment of distributions on certain types of investments such as the unfranked part (if any) of dividends. However, where an Eligible Retail Shareholder has provided Emeco with their TFN or, in certain circumstances, their ABN, or has notified Emeco that they are exempt from providing this information, Emeco is not required to withhold any amount on account of tax from payments. A Shareholder is not required to provide their TFN or ABN to Emeco.

If an Eligible Retail Shareholder has quoted their TFN, ABN or an exemption from quoting their TFN exists, this quotation or exemption will also apply in respect to any New Shares acquired by that Eligible Retail Shareholder.

4.6 Goods and Services Tax (GST) and Stamp Duty

GST and stamp duty should not generally be payable in relation to the issue or receipt of New Shares.

Eligible Retail Shareholders may however be restricted in their ability to claim input tax credits in relation to costs incurred in relation to their acquisition of the New Shares (such as costs relating to professional advice obtained by shareholders regarding the Entitlement). This will depend on each Eligible Retail Shareholder's particular circumstances and as such this should be reviewed by each Eligible Retail Shareholder, and professional advice should be sought where necessary, prior to making any claim.

5. ASX ANNOUNCEMENT & INVESTOR PRESENTATION

24 August 2020

ASX: EHL ('EMECO' OR 'THE COMPANY')

Not for distribution to US newswire services or distribution in the United States

Equity raising, debt reduction and extension

- **Emeco is today announcing a comprehensive package of capital structure initiatives which will enable Emeco to fully focus on the evolution of its business**
 - **A\$149 million underwritten accelerated pro-rata, non-renounceable entitlement offer**
 - **Repayment of 44% of Emeco's March 2022 Secured Notes, reducing Emeco's secured notes outstanding from A\$442 million to A\$250 million and saving A\$19 million of cash interest p.a.¹**
 - **Remaining notes maturity extended to 2024, eliminating 2022 refinancing task**
 - **Revolving credit facility to be extended to FY24**
- **The initiatives will significantly reduce Emeco's gross debt and net leverage ratio to 0.9x², strengthening Emeco's balance sheet to provide flexibility and support future growth**
- **Emeco will retain significant pro forma available liquidity of ~A\$153 million**
- **Emeco's FY21 outlook remains consistent with FY20 full year presentation commentary**

Emeco is pleased to announce a comprehensive package of capital structure initiatives, which will strengthen Emeco's balance sheet, provide flexibility and support future growth, as well as eliminating the Company's 2022 refinancing task and enabling it to fully focus on the evolution of its business.

The package includes the repayment of US\$142 million of Emeco's March 2022 Secured Notes and the extension of Emeco's remaining March 2022 Secured Notes and Emeco's revolving credit facility to FY24. To support the repayment of the March 2022 Secured Notes, Emeco is conducting an underwritten accelerated pro-rata, non-renounceable entitlement offer to raise approximately A\$149 million (**Entitlement Offer**). The initiatives will reduce gross debt, saving A\$19 million of cash interest per annum¹, and reduces Emeco's leverage ratio to 0.9x².

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

² Net Debt / Operating EBITDA (before the impact of AASB16 Leases).

Emeco Managing Director and CEO, Mr Ian Testrow, commented: “The package of initiatives we are announcing today will set Emeco up for future success, particularly in an uncertain global macroeconomic environment impacted by COVID-19. Reducing our gross debt and eliminating our 2022 refinancing task means that we can fully focus on running the business and continue our evolution to becoming a leading mining services solutions provider.

“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.”

EXTENSION OF SECURED NOTES TO MARCH 2024

As part of privately negotiated transactions, Emeco has obtained binding pre-commitments from individual major noteholders (including Black Diamond) to exchange US\$180 million of existing notes due March 2022 for US\$180 million of new notes (A\$250 million equivalent³) 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.

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. The repayment will reduce cash interest costs by ~A\$19 million p.a.¹ and reduces Emeco’s leverage ratio to 0.9x⁴.

For further information about Emeco’s pro forma capital structure, please see the investor presentation lodged with ASX today.

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\$153 million.

EQUITY RAISING OVERVIEW

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 7:00pm (Sydney time) on Wednesday, 26 August 2020 (**Record Date**).

All shares offered under the Entitlement Offer will be issued at a price of \$0.85 per New Share, which represents a:

- 12.8% discount to the TERP⁵ of \$0.98; and
- 17.9% discount to the last traded price of \$1.035 on Friday 21 August 2020.

Approximately 175.5 million new Emeco shares will be issued under the Entitlement Offer. Each New Share issued under the Entitlement Offer will rank equally with existing Emeco shares on issue. Emeco will, upon issue of the New Shares under the Entitlement Offer, seek quotation of the New Shares on the ASX.

³ Assumed USD\$180m notes fully hedged to maturity at 31 March 2024 at an assumed rate of 0.72.

⁴ Pro Forma Net Debt / FY20A EBITDA (before the impact of AASB16 Leases).

⁵ 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 traded price of \$1.035 on Friday 21 August 2020.

Eligible institutional shareholders will be invited to participate in the accelerated institutional component of the Entitlement Offer (**Institutional Entitlement Offer**), which is being conducted today, Monday 24 August 2020. The retail component of the Entitlement Offer (Retail Entitlement Offer) will be open to eligible retail shareholders with a registered address in Australia or New Zealand from Monday 31 August 2020 to Tuesday 15 September 2020. An offer booklet in respect of the Retail Entitlement Offer is expected to be mailed to eligible retail shareholders on Monday 31 August 2020.

The Entitlement Offer is non-renounceable and entitlements will not be tradeable or otherwise transferrable.

Major shareholder Black Diamond has committed to take up its pro-rata entitlement in the equity raising and is 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.⁶

OFFER TIMETABLE

An indicative timetable of key dates in relation to the Entitlement Offer is set out below. All dates and times are references to Sydney, Australia.

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.

⁶ 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 the investor presentation released to ASX today for further information about Black Diamond's sub-underwriting arrangements.

FURTHER INFORMATION

Further details of the Entitlement Offer are set out in the investor presentation also provided to the ASX today. The investor presentation contains important information including key risks and foreign selling restrictions with respect to the Entitlement Offer.

A conference call will be held at 11.00am AEST, Monday 24 August 2020. Dial in details below.

Toll free number:	1800 123 296
Toll and international number:	+61 2 8038 5221
Conference ID:	8667996

If you have any questions in relation to the Entitlement Offer, please contact the Emeco Entitlement Offer Information Line on 1800 689 300 (within Australia) or +61 1800 689 300 (outside of Australia) between 8:30am and 5:00pm (Sydney time) Monday to Friday. For other questions, you should consult your broker, solicitor, accountant, financial adviser, or other professional adviser.

Goldman Sachs Australia Pty Ltd and Macquarie Capital (Australia) Limited are acting as Joint Lead Managers and Underwriters of the Offer (the **Underwriters**) and Hogan Lovells is acting as legal adviser to Emeco.

– END –

Investor enquiries

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This announcement was authorised to be provided to the ASX by Penny Young, Company Secretary of Emeco Holdings Limited. All dollar amounts are in Australian dollars unless otherwise indicated.

Disclaimer

This announcement has been prepared for publication in Australia and may not be released or distributed in the United States. This announcement does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States or any other jurisdiction. Any securities described in this announcement have not been, and will not be, registered under the US Securities Act of 1933 and 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.

This announcement 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 announcement 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 announcement for a summary of certain general and Emeco specific risk factors that may affect Emeco.

There can be no assurance that actual outcomes will not differ materially from these forward-looking statements. A number of important factors could cause actual results or performance to differ materially from the forward looking statements, including the risk factors set out in this announcement. Investors should consider the forward looking statements contained in this announcement in light of those disclosures and not place reliance on such statements. The forward looking statements are based on information available to Emeco as at the date of this announcement. To the maximum extent permitted by law, Emeco and its directors, officers, employees, advisers, agents and intermediaries disclaim any obligation or undertaking to release any updates or revisions to the information to reflect any change in expectations or assumptions.

Except as required by law or regulation (including the ASX Listing Rules), Emeco undertakes no obligation to provide any additional or updated information whether as a result of new information, future events or results or otherwise. Indications of, and guidance or outlook on, future earnings or financial position or performance are also forward looking statements.

Emeco Holdings Limited Equity raising, debt reduction and extension

24 August 2020



IMPORTANT NOTICES AND DISCLAIMERS

This investor presentation ("Presentation") has been prepared by Emeco Holdings Limited (ACN 112 188 815) ("Emeco" or "Company"). This Presentation has been prepared in connection with the underwritten accelerated non-renounceable pro-rata entitlement offer ("Offer") of new Emeco ordinary shares ("New Shares"). The Offer is being conducted under section 708AA of the Corporations Act 2001 (Cth) ("Corporations Act") as modified by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84.

Summary information

This Presentation contains summary information about the current activities of Emeco and its subsidiaries ("Emeco Group") as at the date of this Presentation. The information in this Presentation is of a general nature and does not purport to be complete. This Presentation does not purport to contain all the information that an investor should consider when making an investment decision nor does it contain all the information which would be required in a disclosure document or prospectus prepared in accordance with the requirements of the Corporations Act. It should be read in conjunction with Emeco's other periodic and continuous disclosure announcements lodged with the Australian Securities Exchange, which are available at www.asx.com.au. To the maximum extent permitted by law, Emeco, the Underwriters (defined below), and their respective affiliates' and related bodies corporates', officers, employees, partners, agents and advisers make no representation or warranty (express or implied) as to the currency, accuracy, reliability or completeness of the information in this Presentation and disclaim all responsibility and liability for the information (including without limitation, liability for negligence).

Not an offer

This Presentation is for information purposes only and is not a prospectus, disclosure document, product disclosure statement or other offering document under Australian law or any other law (and will not be lodged with the Australian Securities and Investments Commission ("ASIC")). The Presentation is not and should not be considered an offer or an invitation to acquire entitlements or New Shares or any other financial products. The Offer will be made on the basis of the information to be contained in the offer booklet to be prepared for eligible shareholders in Australia and New Zealand ("Offer Booklet"), and made available following its lodgement with ASX. Any eligible shareholder in Australia and New Zealand who wishes to participate in the Entitlement Offer should consider the Offer Booklet before deciding whether to participate in the Offer. Anyone who wishes to apply for New Shares under the Entitlement Offer will need to apply in accordance with the instructions contained in the Offer Booklet and the accompanying entitlement and acceptance form. This Presentation may not be released or distributed in the United States. In particular, this Presentation does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States or in any other jurisdiction in which such an offer would be illegal. The New Shares have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act") or the securities laws of any state or other jurisdiction of the United States. Accordingly, the New Shares may not be offered or sold, directly or indirectly, in the United States, unless they have been registered under the U.S. Securities Act (which Emeco has no obligation to do or procure), or are offered and sold in a transaction exempt from, or not subject to, the registration requirements of the U.S. Securities Act and any other applicable state securities laws.

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This Presentation does not constitute financial product or investment advice (nor tax, accounting or legal advice) nor is it a recommendation to acquire entitlements or New Shares and does not and will not form any part of any contract for the acquisition of entitlements or New Shares. This Presentation has been prepared without taking into account the objectives, financial 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 situation and needs and seek appropriate advice, including financial, legal and taxation advice appropriate to their jurisdiction. Emeco is not licensed to provide financial product advice in respect of Emeco's shares. Cooling off rights do not apply to the acquisition of New Shares.

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.

Past performance

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.



IMPORTANT NOTICES AND DISCLAIMERS (CONTINUED)

Future performance

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.

There can be no assurance that actual outcomes will not differ materially from these forward-looking statements. A number of important factors could cause actual results or performance to differ materially from the forward looking statements, including the risk factors set out in this Presentation. Investors should consider the forward looking statements contained in this Presentation in light of those disclosures and not place reliance on such statements. The forward looking statements are based on information available to Emeco as at the date of this Presentation. To the maximum extent permitted by law, Emeco and its directors, officers, employees, advisers, agents and intermediaries disclaim any obligation or undertaking to release any updates or revisions to the information to reflect any change in expectations or assumptions.

Except as required by law or regulation (including the ASX Listing Rules), Emeco undertakes no obligation to provide any additional or updated information whether as a result of new information, future events or results or otherwise. Indications of, and guidance or outlook on, future earnings or financial position or performance are also forward looking statements.

Effect of rounding

A number of figures, amounts, percentages, estimates, calculations of value and fractions in this Presentation are subject to the effect of rounding. Accordingly, the actual calculation of these figures may differ from the figures set out in this Presentation.

Investment risk

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

Neither Goldman Sachs Australia Pty Ltd nor Macquarie Capital (Australia) Limited, who are acting as Joint Lead Managers and Underwriters of the Offer (the "Underwriters"), nor Emeco's respective advisors, nor any of their respective affiliates, related bodies corporate, directors, officers, partners, employees and agents, has authorised, permitted or caused the issue or lodgement, submission, dispatch or provision of this Presentation and there is no statement in this Presentation which is based on any statement made by any of them or by any of their affiliates, officers or employees. To the maximum extent permitted by law, the Underwriter, Emeco's advisors and each of its their respective affiliates, related bodies corporate, directors, officers, partners, employees and agents expressly disclaim all liabilities in respect of, and make no representations regarding, and take no responsibility for, any part of this Presentation other than references to their name and make no representation or warranty as to the currency, accuracy, reliability or completeness of this Presentation, nor do they make any recommendation as to whether any potential investor should participate in the offer of New Shares (as defined in this Presentation) referred to in this Presentation.

The Underwriters and each of their related bodies corporate comprise full service securities firms engaged in securities trading and brokerage activities as well as providing financial and financial advisory services, investment banking, research, asset management services and other commercial products and services to a wide range of companies and individuals (which may include Emeco and its related bodies corporate) including for which they have received or may receive customary fees and expenses or other transaction consideration. In the ordinary course of these activities, the Underwriters and each of their related bodies corporate may at any time provide such services, including financing or lending services, to Emeco or its related bodies corporate, hold long or short positions, and may trade or otherwise effect transactions, for their own account or the accounts of its customers, in debt or equity securities or senior loans of Emeco, any of its related parties or any third party that may be involved in the Offer, and receive customary fees and expenses or other transaction consideration in respect of such activities. An affiliate of Goldman Sachs Australia Pty Ltd is a lender to Emeco or its related bodies corporate under certain loan facilities, and affiliates of Goldman Sachs Australia Pty Ltd may have derivative exposure to entities within the Emeco group. Further, neither the Underwriters, nor Emeco, nor any of their respective affiliates, related bodies corporate, directors, officers, partners, employees, advisers and agents accepts any fiduciary obligations to or relationship with any investor or potential investor in connection with the offer of New Shares or otherwise. Determination of eligibility of investors for the purposes of the Offer is determined by reference to a number of matters, including legal requirements and the discretion of Emeco and the Underwriters. Emeco and the Underwriters disclaim any liability in respect of the exercise or otherwise of that discretion, to the maximum extent permitted by law.



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Comprehensive capital structure solution



COMPREHENSIVE CAPITAL STRUCTURE SOLUTION

<p>New March 2024 notes</p>	<ul style="list-style-type: none"> — 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
<p>Equity raising</p>	<ul style="list-style-type: none"> — 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: <ul style="list-style-type: none"> — 12.8% discount to TERP¹ 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 Offer²
<p>Repayment of March 2022 notes</p>	<ul style="list-style-type: none"> — 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
<p>Extended revolving credit facility</p>	<ul style="list-style-type: none"> — 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

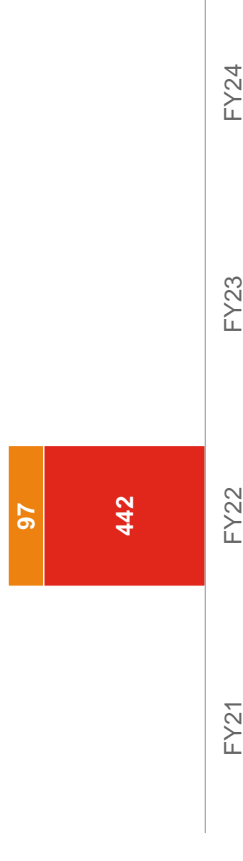
Note 1: The theoretical ex-rights price ("TERP") is the theoretical price at which Emeco shares should trade at immediately after the ex-date for the Entitlement Offer. The TERP is a theoretical calculation only and the actual price at which Emeco shares trade immediately after the ex-date for the Entitlement 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).

TRANSACTION RATIONALE

Gross debt reduced and remaining maturity extended

- ✓ Significantly reduces Secured Notes outstanding from A\$442m¹ to A\$250m²
- ✓ Cash interest will reduce by ~A\$19m p.a³
- ✓ Remaining Secured Notes and RCF extended to FY24, addressing March 2022 refinancing task
- ✓ Pro forma leverage reduced to 0.9x⁴
- ✓ 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



■ Secured Notes ■ Revolving credit facility (drawn) □ Revolving credit facility (undrawn)

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



■ Secured Notes ■ Revolving credit facility (drawn) □ Revolving credit facility (undrawn)

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	<ul style="list-style-type: none"> — 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	<ul style="list-style-type: none"> — Offer price of \$0.85 per New Share, represents a: <ul style="list-style-type: none"> — 12.8% discount to TERP¹ of \$0.98; and — 17.9% discount to the last traded price of \$1.035 on Friday 21 August 2020
Use of proceeds	<ul style="list-style-type: none"> — The net proceeds raised from the Entitlement Offer will be used by Emeco to repay 2022 Secured Notes
Timing	<ul style="list-style-type: none"> — 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	<ul style="list-style-type: none"> — New Shares issued under the Entitlement Offer will rank equally with existing shares on issue
Offer management	<ul style="list-style-type: none"> — Goldman Sachs Australia Pty Ltd and Macquarie Capital (Australia) Ltd are Joint Lead Managers, Underwriters and Bookrunners
Major shareholder participation	<ul style="list-style-type: none"> — 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 Offer²

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.




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Our focus for the future



CONTINUING TO ACHIEVE OUR OBJECTIVES

Objective	Achievement
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 
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
Continue to diversify commodity / customer mix	<p style="text-align: center;">These comprehensive capital structure initiatives enable Emeco to fully focus on the evolution of the business</p>
Increase service levels and win long-tenured projects	
Generate strong cash flow supporting shareholder returns	

PREVIOUSLY ANNOUNCED

TODAY'S FOCUS

STRATEGY UNCHANGED

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).



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

<p>Our goals</p>	<ul style="list-style-type: none"> — 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
<p>What we are doing to achieve them</p>	<ul style="list-style-type: none"> — 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

Appendix A: Risk factors

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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 announcements 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 restrict 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:

- the market price and availability for new equipment of a like kind;
- wear and tear on the equipment relative to its age and the performance of preventive maintenance;
- the time of year that it is sold;
- the supply of used equipment on the market;
- the existence and capacities of different sales outlets;
- the age of the equipment at the time it is sold;
- the age of major component life in the equipment;
- the equipment model and its market acceptability;
- worldwide and domestic demand for used equipment; and
- 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:

- prolonged heavy rainfall or cyclone;
- geological instability, including strong seismic activity, landslides, mudslides;
- rockfalls, cave-ins, or conditions that threaten to result in such an event;
- accidents or unsafe conditions;
- issues with mine ventilation;
- equipment breakdowns;
- industrial relations issues;
- scarcity of materials and equipment; and
- 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 operators 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 Pt 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.



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:

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

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

Emeco



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.

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Appendix C: International offer restrictions



INTERNATIONAL OFFER RESTRICTIONS

This document does not constitute an offer of new ordinary shares ("New Shares") of the Company in any jurisdiction in which it would be unlawful. In particular, this document may not be distributed to any person, and the New Shares may not be offered or sold in 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 accepted 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.

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	-	-	28	(4)	97	-	153

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

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Appendix E: FY20 statutory to operating financial reconciliations



RECONCILIATIONS

FY20 operating¹ 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:

- 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	FY20	AASB 16	FY20 AASB16
	Operating	Operating	Adjustment	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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6. IMPORTANT INFORMATION

This Offer Booklet (including the ASX announcements in Section 5) and enclosed personalised Entitlement and Acceptance Form (**Information**) have been prepared by Emeco.

This Information is dated Monday, 31 August 2020 (other than the Emeco Investor Presentation and the Entitlement Offer Announcement, published on the ASX website on Monday, 24 August 2020) and is also available to you on the offer website. This Information remains subject to change without notice and Emeco is not responsible for updating this Information.

There may be additional announcements made by Emeco after the date of this Offer Booklet and throughout the period that the Entitlement Offer is open that may be relevant to your consideration of whether to take up, or do nothing in respect of, all or part of your Entitlement. Therefore, it is prudent that you check whether any further announcements have been made by Emeco (by visiting the ASX website at www.asx.com.au, or Emeco's website at www.emecogroup.com) before submitting your application to take up all or part of your Entitlement or deciding to do nothing in respect of your Entitlement.

No party other than Emeco has authorised or caused the issue of this Information, or takes any responsibility for, or makes, any statements, representations or undertakings in this Information.

This Information is important and requires your immediate attention

You should read this Information carefully and in its entirety before deciding how to deal with your Entitlement. In particular, you should consider the risk factors outlined in the "Risk factors" section of the Emeco Investor Presentation included in Section 5 of this Offer Booklet, any of which could affect the operating and financial performance of Emeco or the value of an investment in Emeco.

You should consult your stockbroker, solicitor, accountant, financial adviser or other professional adviser to evaluate whether or not to participate in the Entitlement Offer.

6.1 Eligible Retail Shareholders

This Information contains an offer of New Shares to Eligible Retail Shareholders in Australia and has been prepared in accordance with section 708AA of the Corporations Act as notionally modified by ASIC.

Eligible Retail Shareholders are those persons who:

- are registered as a holder of Shares as at the Record Date, being 7.00pm (Sydney time) on Wednesday, 26 August 2020;
- have a registered address on the Emeco share register in Australia or New Zealand, or are a Shareholder that Emeco has otherwise decided is entitled to participate;
- are not in the United States and are not acting for the account or benefit of a person in the United States (to the extent such person holds Emeco ordinary shares for the account or benefit of such person in the United States);
- were not invited to participate in the Institutional Entitlement Offer and were not treated as an Ineligible Institutional Shareholder; and
- are eligible under all applicable securities laws to receive an offer under the Entitlement Offer.

Shareholders who are not Eligible Retail Shareholders are Ineligible Retail Shareholders. Emeco reserves the right to determine whether a shareholder is an Eligible Retail Shareholder or an Ineligible Retail Shareholder.

By returning a completed personalised Entitlement and Acceptance Form or making a payment by BPAY®, you will be taken to have represented and warranted that you satisfy each of the criteria listed above to be an Eligible Retail Shareholder. Nominees, trustees or custodians are therefore advised to seek independent professional advice as to how to proceed.

6.2 Ranking of New Shares

New Shares issued under the Entitlement Offer will be fully paid and rank equally in all respects with existing Emeco ordinary shares. The rights and liabilities attaching to the New Shares are set out in Emeco's constitution, a copy of which is available at www.emecogroup.com.

6.3 Risks

The Emeco Investor Presentation details important factors and risks that could affect the financial and operating performance of Emeco. You should refer to the "Risk factors" section of the Investor Presentation released to ASX on Monday, 24 August 2020 which is included in Section 5 of this Offer Booklet. You should consider these factors in light of your personal circumstances, including financial and taxation issues, before making a decision in relation to your Entitlement.

6.4 Reconciliation, Top-Up Shares and the rights of Emeco and the Underwriters

The Entitlement Offer is a complex process and in some instances investors may believe that they own more Emeco shares than they ultimately did as at the Record Date or are otherwise entitled to more New Shares than initially offered to them. In addition, the number of New Shares that are offered may need to increase to take account of the rounding referred to in Section 6.6. These matters may result in a need for reconciliation. If reconciliation is required, it is possible that Emeco may need to issue additional New Shares (**Top-Up Shares**) to ensure that the relevant investors receive their appropriate allocation of New Shares. The price at which these Top-Up Shares would be issued is not known.

Emeco also reserves the right to reduce the size of an Entitlement or number of New Shares allocated to eligible shareholders, or persons claiming to be eligible shareholders or other applicable investors, if Emeco believes in its complete discretion that their claims are overstated or if they or their nominees fail to provide information requested to substantiate their claims. In that case, Emeco may, in its discretion, choose not to issue any, or to issue a lesser number of, New Shares to the relevant shareholder or require the relevant shareholder to transfer excess New Shares to the Underwriters at the Offer Price per New Share. If necessary, the relevant shareholder may need to transfer existing Emeco ordinary shares held by them or to purchase additional Shares on-market to meet this obligation. The relevant shareholder will bear any and all losses caused by subscribing for New Shares in excess of their Entitlement and any actions they are required to take in this regard.

By applying under the Entitlement Offer, those doing so irrevocably acknowledge and agree to do the above as required by Emeco in its absolute discretion. Those applying acknowledge that there is no time limit on the ability of Emeco or the Underwriters to require any of the actions set out above.

6.5 No cooling off rights

Cooling off rights do not apply to an investment in New Shares. You cannot withdraw your application once it has been accepted.

6.6 Rounding off Entitlements

Where fractions arise in the calculation of an Entitlement, they will be rounded up to the nearest whole number of New Shares.

6.7 Quotation and trading of New Shares

Emeco will apply for quotation of the New Shares on ASX in accordance with the ASX Listing Rule requirements. If ASX does not grant quotation of the New Shares, Emeco will repay all Application Monies (without interest). It is expected that trading on the ASX of New Shares to be issued under the Retail Entitlement Offer will commence at 10.00am (Sydney time) on Wednesday, 23 September 2020 on a normal settlement basis. Application Monies will be held by Emeco on trust for applicants until the New Shares are allotted. No interest will be paid on Application Monies.

It is the responsibility of applicants to determine the number of New Shares allotted and issued to them prior to trading in the New Shares. Emeco will have no responsibility and disclaims all liability (to the maximum extent permitted by law) to persons who trade New Shares they believe will be issued to them before they receive their holding statements, (whether on the basis of confirmation of the allocation provided by Emeco or failure to maintain their updated details on the Emeco Share Registry or otherwise), or who otherwise trade or purport to trade New Shares in error or which they do not hold or are not entitled to.

If you are in any doubt as to these matters, you should first consult with your stockbroker, solicitor, accountant, financial adviser or other professional adviser.

6.8 Notice to nominees and custodian

If Emeco believes you may hold Shares as a nominee or custodian you will have received, or will shortly receive, a letter in respect of the Retail Entitlement Offer. Nominees and custodians should consider carefully the contents of that letter.

Persons acting as nominees for other persons must not take up Entitlements on behalf of, or send any documents related to the Entitlement Offer to, any person in the United States or any person that is acting for the account or benefit of a person in the United States. Persons in the United States and persons acting for the account or benefit of persons in the United States will not be able to take up or exercise Entitlements and will receive no value for any such Entitlements held.

Emeco is not required to determine whether or not any registered holder or investor is acting as a nominee or custodian or the identity or residence of any beneficial owners of Shares or Entitlements. Where any person is acting as a nominee or custodian for a foreign person, that person, in dealing with its beneficiary, will need to assess whether indirect participation in the Entitlement Offer by the beneficiary complies with applicable foreign laws. Emeco is not able to advise on foreign laws.

6.9 Not investment advice

This Offer Booklet is not a prospectus, product disclosure statement or other form of disclosure document under the Corporations Act and has not been lodged with ASIC. It is also not financial product advice and has been prepared without taking into account your investment objectives, financial circumstances or particular needs. Emeco is not licensed to provide financial product advice in respect of the New Shares. This Information does not purport to contain all the information that you may require to evaluate a possible application for New Shares, nor does it purport to contain all the information which would be required in a prospectus prepared in accordance with the requirements of the Corporations Act. It should be read in conjunction with Emeco's other periodic statements and continuous disclosure announcements lodged with ASX, copies of which are available at www.emecogroup.com.

Before deciding whether to apply for New Shares, you should consider whether they are a suitable investment for you in light of your own investment objectives and financial circumstances and having regard to the merits or risks involved. If, after reading the Information, you have any questions about the Entitlement Offer, you should contact your stockbroker, solicitor, accountant, financial adviser or other professional adviser or call the Emeco Shareholder Information Line on 1300 402 422 (within Australia) or +61 1300 402 422 (outside Australia) between 8.30am and 5.30pm (Sydney time), Monday to Friday.

Nominees and custodians may not distribute any part of this Offer Booklet in the United States or in any other country outside Australia except:

- Australian nominees may send this Offer Booklet and related offer documents to beneficial shareholders who are professional or institutional shareholders in other countries (other than the United States) listed in, and to the extent permitted under, the "International Offer Restrictions" set out in Appendix C of the Emeco Investor Presentation included in Section 5 of this Offer Booklet; and
- to beneficial shareholders in other countries (other than the United States) where Emeco may determine it is lawful and practical to make the Entitlement Offer.

6.10 Information availability

If you are in Australia you can obtain a copy of this Offer Booklet during the Entitlement Offer by:

- calling the Emeco Shareholder Information Line on 1300 402 422 (within Australia) or +61 1300 402 422 (outside Australia) between 8.30am and 5.30pm (Sydney time), Monday to Friday; or
- downloading an electronic copy from the Emeco Offer website at <https://events.miraql.com/EHL-offer>.

A replacement Entitlement and Acceptance Form can also be requested by calling the Emeco Shareholder Information Line or downloaded from the Emeco Offer website.

If you access the electronic version of this Offer Booklet, you should ensure that you download and read the entire Offer Booklet. The electronic version of this Offer Booklet on the ASX website will not include your personalised Entitlement and Acceptance Form.

6.11 Foreign jurisdictions

This Information has been prepared to comply with the requirements of the securities laws of Australia. To the extent that you hold Shares or Entitlements on behalf of another person resident outside Australia, it is your responsibility to ensure that any participation (including for your own account or when you hold Shares or Entitlements beneficially for another person) complies with all applicable foreign laws and that each beneficial owner on whose behalf you are submitting the personalised Entitlement and Acceptance Form is not in the United States and not acting for the account or benefit of a person in the United States.

This Offer Booklet does not constitute an offer in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer. No action has been taken to register or qualify the Entitlement Offer, the Entitlements or the New Shares, or otherwise permit the public offering of the New Shares, in any jurisdiction other than Australia.

The distribution of this Information (including an electronic copy) outside Australia may be restricted by law. If you come into possession of this Information, you should observe such restrictions and should seek your own advice on such restrictions. See the foreign selling restrictions set out in "Appendix C: International Offer Restrictions" of the Emeco Investor Presentation included in Section 5 of this Offer Booklet for more information.

Any non-compliance with these restrictions may contravene applicable securities laws.

New Zealand

The New Shares are not being offered to the public within New Zealand other than to existing shareholders of Emeco 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 (New Zealand).

This document has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority under the *Financial Markets Conduct Act 2013*. This document is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

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 and 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.

6.12 Underwriting of the Entitlement Offer

Emeco has entered into an underwriting agreement (**Underwriting Agreement**) with the Underwriters who have agreed, subject to the satisfaction of certain conditions precedent, to underwrite the Entitlement Offer. As is customary with these types of arrangements:

1. the obligation to underwrite is subject to the satisfaction of certain conditions precedent, including the delivery of certain due diligence materials;
2. Emeco has agreed, subject to certain carve-outs, to indemnify the Underwriters and its affiliates and their respective directors, officers, and employees against all costs, claims, damages, liabilities or other losses or expenses of any kind it may suffer or incur in connection with the Entitlement Offer; and
3. Emeco and the Underwriters have given certain representations, warranties and undertakings in connection with (among other things) the Entitlement Offer.

The Underwriters may (in certain circumstances, having regard to the materiality of the relevant event), terminate the Underwriting Agreement and be released from their obligations under it on the occurrence of certain events, including (but not limited to) where:

- any of the offer document (including this Retail Offer Booklet, the Investor Presentation and all ASX announcements made in connection with the Entitlement Offer) 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 required to issue a notice in accordance with section 708AA(12) (as notionally inserted by ASIC Instrument 2016/84) due to a circumstance that would be a material adverse effect;
- 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;
- Emeco or any of its subsidiaries 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 by or in accordance with the ASX listing rules, ASIC or other applicable law;
- ASIC takes certain regulatory action in respect of Emeco or the Entitlement Offer or a governmental agency commences any public action against Emeco or its directors in their capacity as directors of Emeco;
- there is a material adverse change in the assets, liabilities, financial position or performance, profits, losses or prospects of Emeco and its subsidiaries;
- 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 Underwriters 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 Underwriters have reasonable grounds to believe that the event:

- has or could be reasonably expected to have a material adverse effect on the success, settlement or marketing of the Entitlement Offer or on the ability of the Underwriters to market or promote or settle the Entitlement Offer; or
- will, or is likely to, give rise to a liability of the Underwriters under, or a contravention by the Underwriters or its affiliates of, or the Underwriters or its affiliates being involved in a contravention of, any applicable law.

The Underwriters will be paid, in relation to the Entitlement Offer:

- an underwriting fee of 1.85% of the gross proceeds of the Entitlement Offer; and
- a selling fee of 0.35% of the gross proceeds of the Entitlement Offer.

The Underwriters will also be reimbursed for certain expenses.

Neither the Underwriters nor any of its related bodies corporate and affiliates, nor any of its directors, officers, partners, employees, representatives or agents have authorised or caused the issue of this Information and they do not take any responsibility for this Information or any action taken by you on the basis of such information. To the maximum extent permitted by law, the Underwriters and its related bodies corporate and affiliates and its directors, officers, partners, employees, representatives or agents exclude and disclaim all liability for any expenses, losses, damages or costs incurred by you as a result of your participation in the Entitlement Offer and this Information being inaccurate or incomplete in any way for any reason, whether by negligence or otherwise. Neither the Underwriters nor any of its related bodies corporate and affiliates, nor any of its directors, officers, partners, employees, representatives or agents make any recommendations as to whether you or your related parties should participate in the Entitlement Offer, nor do they make any representations or warranties to you concerning the Entitlement Offer or any such information, and you represent, warrant and agree that you have not relied on any statements made by the Underwriters or any of its related bodies corporate and affiliates or any of its directors, officers, partners, employees, representatives or agents in relation to the New Shares or the Entitlement Offer generally.

6.13 Sub-Underwriting Arrangements – Black Diamond Capital Management LLC

The Underwriters and Black Diamond Capital Management LLC (**Black Diamond**) have entered into a sub-underwriting agreement pursuant to which Black Diamond has agreed to subscribe up to 16,321,544 New Shares offered pursuant to the Institutional Entitlement Offer and Retail Entitlement Offer. 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 Entitlement Offer or Retail Entitlement Offer 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 would have an impact on the trading price of Emeco shares.

Black Diamond will not be paid any fees under the sub-underwriting agreement.

If the FIRB Condition is satisfied and Black Diamond may proceed with sub-underwriting the Entitlement Offer, Black Diamond's sub-underwriting commitment is capped so that any increase in its voting power in Emeco's shares as a result of taking up its entitlements and sub-underwriting the Entitlement Offer will not exceed 3% (as permitted under the exemption contained in section 611 item 9 of the Corporations Act). While the total number of Emeco shares that Black Diamond may ultimately acquire under its sub-underwriting commitment will depend on the extent to which eligible shareholders take up their entitlements under the Entitlement Offer, the maximum potential increase in Black Diamond's shareholding and voting power in Emeco is 3%, being an increase from its current 23.43% to 26.43%.

6.14 Governing law

This Information, the Entitlement Offer and the contracts formed on acceptance of the Entitlement and Acceptance Forms are governed by the laws applicable in Western Australia. Each applicant for New Shares submits to the non-exclusive jurisdiction of the courts of Western Australia.

6.15 Disclaimer or representations

No person is authorised to give any information, or to make any representation, in connection with the Entitlement Offer that is not contained in this Information.

Any information or representation that is not in this Information may not be relied on as having been authorised by Emeco, or its related bodies corporate, in connection with the Entitlement Offer. Except as required by law, and only to the extent so required, none of Emeco, nor any other person, warrants or guarantees the future performance of Emeco or any return on any investment made pursuant to this Information or its content.

6.16 Withdrawal of the Entitlement Offer

Emeco reserves the right to withdraw all or part of the Entitlement Offer and this Information at any time, subject to applicable laws, in which case Emeco will refund Application Monies in relation to New Shares not already issued in accordance with the Corporations Act and without payment of interest. In circumstances where allotment under the Institutional Entitlement Offer has occurred, Emeco may only be able to withdraw the Entitlement Offer with respect to New Shares to be issued under the Retail Entitlement Offer.

To the fullest extent permitted by law, you agree that any Application Monies paid by you to Emeco will not entitle you to receive any interest and that any interest earned in respect of Application Monies will belong to Emeco.

6.17 Privacy

As a shareholder, Emeco and the Emeco Share Registry have already collected certain personal information from you. If you apply for New Shares, Emeco and the Emeco Share Registry may update that personal information or collect additional personal information about you. Such information may be used to assess your acceptance of the New Shares, service your needs as a shareholder, provide facilities and services that you request and carry out appropriate administration.

To do that, Emeco and the Emeco Share Registry may disclose your personal information for purposes related to your shareholdings to their agents, contractors or third party service providers to whom they outsource services, in order to assess your application for New Shares and for ongoing administration of the register, or to printers and mailing houses for the purposes of preparation of the distribution of shareholder information and for handling of mail, or as otherwise permitted under the *Privacy Act 1988 (Cth)*.

If you do not provide us with your personal information we may not be able to process your application. In most cases you can gain access to your personal information held by (or on behalf of) Emeco or the Emeco Share Registry. We aim to ensure that the personal information we retain about you is accurate, complete and up to date. To assist us with this, please contact us if any of the details you have provided change. If you have concerns about the completeness or accuracy of the information we have about you, we will take steps to correct it. You can request access to your personal information by telephoning or writing to Emeco through the Emeco Share Registry as follows:

Link Market Services Limited
Level 12
680 George Street
Sydney NSW 2000
Ph: +61 1800 502 355 (free call within Australia)

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CORPORATE DIRECTORY

Emeco Shareholder Information Line

Within Australia: 1300 402 422

Outside Australia: +61 1300 402 422

Open between 8.30am to 5.30pm (Sydney time) Monday to Friday during the Retail Entitlement Offer period.

Emeco offer website

<https://events.miraqle.com/EHL-offer>

Issuer

Emeco Holdings Limited

ABN 89 112 188 815

Level 3

71 Walters Drive

Osborne Park WA 6017

www.emecogroup.com

Share Registry

Link Market Services Limited

ABN 54 083 214 537

Level 12, 680 George Street

Sydney NSW 2000

www.linkmarketservices.com.au

Australian Legal Counsel

Hogan Lovells

20 Martin Place

Sydney NSW 2000

Joint Lead Manager and Underwriter

Goldman Sachs Australia Pty Ltd

Governor Phillip Tower

1 Farrer Place

Sydney NSW 2000

Macquarie Group Limited

50 Martin Place

Sydney NSW 2000





Emeco Holdings Limited
 ABN 89 112 188 815

All Registry communications to:
 Link Market Services Limited
 Locked Bag A14
 Sydney South NSW 1235 Australia
 Telephone: 1300 402 422
 From outside Australia: +61 1300 402 422
 ASX Code: EHL
 Website: www.linkmarketservices.com.au

SRN/HIN/Application Number:
Entitlement Number:
Number of Eligible Shares held as at the Record Date, 7:00pm (Sydney time) on 26 August 2020:
Entitlement to New Shares (on 1 New Share for 2.1 existing shares basis):
Amount payable on full acceptance at A\$0.85 per New Share:

Offer Closes 5:00 pm (Sydney time): 15 September 2020

ENTITLEMENT AND ACCEPTANCE FORM

As an Eligible Retail Shareholder you are entitled to acquire 1 New Share for every 2.1 existing Emeco shares that you hold on the Record Date, at an offer price of A\$0.85 per New Share (your "Entitlement"). This is an important document and requires your immediate attention. If you do not understand it or you are in doubt as how to deal with it, you should contact your accountant, stockbroker, solicitor or other professional adviser. Unless otherwise defined, capitalized terms in this form have the meaning set out in the Offer Booklet.

IMPORTANT: The Offer is being made under the Offer Booklet dated 31 August 2020. The Offer Booklet contains information about investing in the New Shares. Before applying for New Shares, you should carefully read the Offer Booklet. This Entitlement and Acceptance Form should be read in conjunction with the Offer Booklet.

If you do not have a paper copy of the Offer Booklet, you can obtain a paper copy at no charge, by calling the Emeco Shareholder Information Line on 1300 402 422 (within Australia) or +61 1300 402 422 (from outside Australia).

PAYMENT OPTIONS

If you wish to take up all or part of your entitlement, you have two payment options detailed below.

OPTION 1: PAYING BY BPAY®
 If paying by BPAY®, refer to the instructions overleaf. **You do NOT need to return the Acceptance Slip below if you elect to make payment by BPAY®.** Payment must be received via BPAY® before 5:00 pm (Sydney time) on 15 September 2020. You should check the processing cut off-time for BPAY® transactions with your bank, credit union or building society to ensure your payment will be received by the Registry in time. By paying by BPAY® you will be deemed to have completed an Acceptance Slip for the number of Shares subject of your payment.

OPTION 2: PAYING BY CHEQUE, BANK DRAFT OR MONEY ORDER
 If paying by cheque, bank draft or money order, complete and return the Acceptance Slip below with your Application Monies. No signature is required on the Acceptance Slip. The Acceptance Slip with your Application Monies must be received by the Registry before 5:00 pm (Sydney time) on 15 September 2020.



Billers Code: 328484
Ref:

Telephone & Internet Banking – BPAY®
 Contact your bank or financial institution to make this payment from your cheque, savings, debit or transaction account. More info: www.bpay.com.au
 ® Registered to BPAY Pty Ltd ABN 69 079 137 518

See overleaf for details and further instructions on how to complete and lodge this Entitlement and Acceptance Form.

THIS IS A PERSONALISED FORM FOR THE SOLE USE OF THE SHAREHOLDER AND HOLDING RECORDED ABOVE.



Emeco Holdings Limited
 ABN 89 112 188 815

Acceptance slip - Please detach and enclose with payment

SRN/HIN/Application Number:
Entitlement Number:



A Number of New Shares accepted (being not more than your Entitlement shown above)

B Payment amount (Multiply the number in section A by A\$0.85)

A\$

C PLEASE INSERT CHEQUE, BANK DRAFT OR MONEY ORDER DETAILS – Cheques, bank drafts or money orders must be drawn on an Australian branch of a financial institution in Australian currency, made payable to "EMECO HOLDINGS LIMITED" and crossed "Not Negotiable".

Drawer	Cheque Number	BSB Number	Account Number	Amount of Cheque
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	A\$ <input type="text"/>

D CONTACT DETAILS – Telephone number Telephone number – after hours Contact name

() <input type="text"/>	() <input type="text"/>	<input type="text"/>
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EMECO HOLDINGS LIMITED

The Entitlement Offer to which this Entitlement and Acceptance Form relates is not being made to investors located or resident outside of Australia and New Zealand. In particular the Entitlement Offer is not being made to any person in the U.S. or to a U.S. person. The Offer Booklet and Entitlement and Acceptance Form do not constitute an offer or invitation to acquire New Shares in any place in which, or to any person to whom, it would be unlawful to make such an offer or invitation.

ACCEPTANCE OF ENTITLEMENT OFFER

By either returning the Entitlement and Acceptance Form with payment to the Registry, or making payment received by BPAY®:

- you represent and warrant that you are an Eligible Retail Shareholder, that you have read and understood the Offer Booklet and that you acknowledge the matters, and make the warranties and representations contained in section 3.8 of the Offer Booklet; and
- you provide authorisation to be registered as the holder of New Shares acquired by you and agree to be bound by the Constitution of Emeco Holdings Limited.

HOW TO APPLY FOR NEW SHARES

1. IF PAYING BY BPAY® (AVAILABLE TO SHAREHOLDERS WITH AN AUSTRALIAN BANK ACCOUNT ONLY)

If you elect to make payment using BPAY® you must contact your bank or financial institution to make this payment from your cheque, savings, debit or transaction account. For more information on paying by BPAY®: www.bpay.com.au

Work out the total amount payable by you. To calculate the total amount, multiply the number of New Shares you wish to apply for by A\$0.85.

Refer overleaf for the Biller Code and Reference Number. The Reference Number is used to identify your holding. If you have multiple holdings you will have multiple Reference Numbers. You must use the Reference Number shown on each personalised Entitlement and Acceptance Form when paying for any New Shares that you wish to apply for in respect of that holding.

2. IF PAYING BY CHEQUE, BANK DRAFT OR MONEY ORDER

Complete all relevant sections of the Entitlement and Acceptance Form USING BLOCK LETTERS. These instructions are cross referenced to each section of the Entitlement and Acceptance Form.

A. Acceptance of New Shares

Enter into section A the number of New Shares you wish to apply for. The number of New Shares must be equal to or less than your Entitlement, which is set out overleaf.

B. Payment Amount

Enter into section B the total amount payable by you. To calculate the total amount multiply the number in Section A by A\$0.85.

C. Cheque, bank draft or money order details

Enter your cheque, bank draft or money order details in section C. Cheques, bank drafts or money orders must be drawn on an Australian branch of a financial institution in Australian currency, made payable to "EMECO HOLDINGS LIMITED" and crossed "Not Negotiable". Please ensure sufficient cleared funds are held in your account, as your cheque will be banked as soon as it is received. If you provide a cheque or money order for the incorrect amount, Emeco Holdings Limited may treat you as applying for as many New Shares as your cheque, bank draft or money order will pay for.

D. Contact details

Enter your contact telephone number where we may contact you regarding your acceptance of New Shares, if necessary.

3. HOW TO LODGE YOUR ENTITLEMENT AND ACCEPTANCE FORM

A reply paid envelope is enclosed for your use. No postage stamp is required if it is posted in Australia. Alternatively, if you have lost the reply paid envelope, or you have obtained the Offer Booklet electronically, your completed Acceptance Slip with the payment for New Shares may be mailed to the postal address set out below. **If paying by BPAY® you do not need to complete or return the Acceptance Slip.** You should check the processing cut off-time for BPAY® transactions with your bank, credit union or building society to ensure your payment will be received by the Registry by the close of the offer.

Mailing Address

Emeco Retail Entitlement Offer
C/- Link Market Services Limited
GPO Box 3560
Sydney NSW 2001

Make sure you send your Acceptance Slip and Application Monies allowing enough time for mail delivery, so Link Market Services Limited receives them no later than 5:00 pm (Sydney time) on 15 September 2020. Please ensure sufficient cleared funds are held in your account, as your cheque will be banked as soon as it is received. Emeco Holdings Limited reserves the right not to process any Acceptance Slips and cheques received after the Closing Date.

If you require further information on how to complete this Entitlement and Acceptance Form, please contact the Emeco Shareholder Information Line on 1300 402 422 (within Australia) or +61 1300 402 422 (from outside Australia) between 8:30am and 5:30pm (Sydney time) Monday to Friday.