



GUD Holdings Limited

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19 November 2020

Manager
Company Announcements
ASX Limited
Level 4
20 Bridge Street
SYDNEY NSW 2000

Dear Sir

INVESTOR PRESENTATION FOR ACQUISITION OF ACAD DIVISION FROM AMA GROUP LIMITED

Attached is a copy of an investor presentation in relation to the above acquisition.

Approved for release by the Company Secretary.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Malcolm G Tyler', with a long horizontal flourish extending to the right.

Malcolm G Tyler
Company Secretary

Direct: +61 3 9243 3380
Email: malcolmt@gud.com.au

Enc

Acquisition of ACAD and equity raising

19 November 2020



GUD
HOLDINGS
LIMITED

Graeme Whickman
Managing Director

Martin Fraser
Chief Financial Officer



Important notices and disclaimer

GUD HOLDINGS LIMITED

This investor presentation ('**Presentation**') is dated 19 November 2020 and has been prepared by GUD Holdings Limited (ACN 004 400 891) ('**GUD**' or the '**Company**'). By attending an investor presentation or briefing, or accepting, accessing or reviewing this Presentation, you acknowledge and agree to the terms set out below.

This Presentation has been prepared in relation to:

- GUD's acquisition of the Automotive Components and Accessories Division Group ('**ACAD**') from AMA Group Limited (ACN 113 883 560) ('**AMA**') (the '**Acquisition**');
• an underwritten placement of new fully paid ordinary shares in GUD ('**New Shares**') to institutional investors and certain existing institutional shareholders under section 708A of the *Corporations Act 2001* (Cth) ('**Corporations Act**') as modified by ASIC Corporations (Disregarding Technical Relief) Instrument 2016/73 ('**Placement**');
• a non-underwritten offer of New Shares to eligible GUD shareholders in Australia and New Zealand under a share purchase plan in accordance with ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547 ('**SPP**'),

(the Placement and the SPP together, the '**Offer**').

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Disclaimer

Macquarie Capital (Australia) Limited ABN 79 123 199 548 is acting as lead manager and underwriter ('**Lead Manager**') to the Placement. A summary of the key terms of the underwriting agreement between GUD and the Lead Manager is provided in Appendix C.

To the maximum extent permitted by law, GUD and the Lead Manager and their respective related bodies corporate and affiliates, and their respective officers, directors, employees, representatives, agents, consultants, and advisers: (i) disclaim all responsibility and liability (including, without limitation, any liability arising from fault, negligence or negligent misstatement) for any loss arising from this Presentation or reliance on anything contained in or omitted from it or otherwise arising in connection with this Presentation; (ii) disclaim any obligations or undertaking to release any updates or revision to the information in this Presentation to reflect any change in expectations or assumptions; and (iii) do not make any representation or warranty, express or implied, as to the accuracy, reliability, completeness of the information in this Presentation or that this Presentation contains all material information about GUD or that a prospective investor or purchaser may require in evaluating a possible investment in GUD or acquisition of shares in GUD, or likelihood of fulfilment of any forward-looking statement or any event or results expressed or implied in any forward-looking statement.

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Executive summary

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Transaction overview	- GUD Holdings Ltd ('GUD') has agreed to acquire AMA Group's Automotive Components and Accessories Division excluding FluidDrive ('ACAD') for an enterprise value of \$70.0 million¹ - For the avoidance of doubt, in addition to excluding FluidDrive, the businesses which GUD are acquiring do not include other businesses in AMA Group's Automotive Parts & Accessory Solutions ('APAS') division (e.g. ACM Parts) - Acquisition is expected to complete prior to 31 December 2020
Overview of ACAD	- ACAD manufactures and distributes a range of automotive products across Australia and New Zealand (ANZ) including light and heavy vehicle accessory, protection and enhancement products, pickup truck and commercial vehicle storage solutions, automotive electrical and 4WD accessories - Recorded revenue of \$77.3 million and \$5.8 million of EBITA in FY20A^{2,3} - ACAD forecast to achieve revenue of \$83.4 million and \$9.2 million of EBITA in FY21F³, assuming a continued recovery throughout H2 from COVID-19 interrupted demand
Strategic rationale	- Highly complementary to GUD's automotive business, provides strategic diversification (across customer channels and products), and increased exposure to fast-growing vehicle segments - Portfolio of market leading brands in their respective categories - Attractive financial impact with an implied EV / FY21F EBITA³ acquisition multiple of 7.6x, pre synergies
Transaction funding	- Fully underwritten institutional placement to raise approximately \$55 million (the 'Placement') (representing 5.1 million shares⁴ at a fully underwritten floor price of \$10.75 per share, with final issue price determined via a bookbuild) - Non-underwritten share purchase plan ('SPP') seeking to raise approximately \$15 million (together with the Placement, the 'Equity Raising') - Up to \$20 million of debt to be drawn down from existing debt facilities (SPP proceeds may be used in lieu of acquisition debt)
Financial impact	- GUD expects the acquisition to be mid single-digit pro forma FY21F EPSA accretive, pre synergies⁵ - Pro forma leverage⁶ of 1.8x (i.e. after the impact of the acquisition and associated Equity Raising) - Conservative pro forma leverage to provide capacity for further investment

Notes: 1. Subject to customary purchase price adjustments (e.g. make good, long service leave) and capex adjustments. Potential for acquisition consideration to adjust up or down by \$2.1 million as a result of outperformance / underperformance vs. FY21F revenue. 2. Adjusted to reflect full year contribution from Fully Equipped (acquired January 2020). 3. EBITA pro forma adjusted to remove Job Keeper payments (including expected payments). EBITA presented on a pre AASB 16 basis, before amortisation of identifiable intangibles recognised as a result of the acquisition. Refer to page 14 for further details on FY21F assumptions and page 26 for details on the risks relating to "reliance on information provided" and "analysis of acquisition opportunity". 4. Number of shares issued based on a fully underwritten floor price of \$10.75 per new share and may change based on the final price determined following the bookbuild. 5. As if ACAD had been acquired on 1 July 2020. On a pre AASB 16 basis, before amortisation of identifiable intangibles recognised as a result of the acquisition. 6. Pro forma net debt (as at 30 June 2020) / pro forma FY20A underlying EBITDA (pre AASB 16).

1. Acquisition of ACAD

ACAD overview

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Overview

- The ACAD¹ business includes a portfolio of brands which manufacture and distribute the following automotive products:
 - Light and heavy vehicle accessory, protection and enhancement products
 - Pickup truck and commercial vehicle storage solutions
 - Automotive electrical and 4WD accessories
- ACAD operates 10 principal locations across ANZ, including four manufacturing sites
 - Locations in Queensland, Victoria, Western Australia and New Zealand
- Recorded revenue of \$77.3 million and \$5.8 million of EBITA in FY20A^{2,3}
- ACAD forecast to achieve revenue of \$83.4 million and \$9.2 million of EBITA in FY21F³, assuming 2H recovery from COVID-19 interrupted demand

Product lines and brands

Product lines	Overview	Brands
East Coast Bullbars (‘ECB’)	Manufacturer of alloy bullbars in Australia	 
CSM Service Bodies (‘CSM’)	Manufacturer of storage solutions for vehicles, primarily commercial fleets, in Australia	
Automotive Electrical & 4WD Accessories (‘AE4A’)	Distributor of a range of automotive related products in Australia	   
Uneek 4x4 Off Road Accessories (‘UNE’)	Manufacturer of 4WD equipment and other steel products in Australia	 
Fully Equipped (‘FE’)	Leading New Zealand manufacturer and distributor of canopies, liners and aftermarket accessories	

Notes: 1. ACAD represents the current name under AMA Group ownership and is subject to change under GUD ownership. 2. Adjusted to reflect full year contribution from Fully Equipped (acquired January 2020). 3. EBITA pro forma adjusted to remove Job Keeper payments (including expected payments). EBITA presented on a pre AASB 16 basis, before amortisation of identifiable intangibles recognised as a result of the acquisition. Refer to page 14 for further details on FY21F assumptions and page 26 for details on the risks relating to “reliance on information provided” and “analysis of acquisition opportunity”.

Strategic rationale

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1	Customer channel and product diversification	- Expanded channels including OEMs, fleets, car dealerships and specialist independent 4WD resellers, enhancing customer base diversification - Entry into the fast-growing product category of 4WD accessories - ACAD products are aimed at vehicle segments based on style and functionality and are agnostic to engine type - ACAD supplier base reduces international dependencies
2	Exposure to fast growing vehicle segments	- Product portfolio indexed to pick-up trucks, and sport-utility vehicles which represent the fastest growing vehicle segments - Product applicable to both new and used vehicles and portfolio is well-aligned with the vehicle fleet in Australia - Broadens GUD's commercial vehicle product offering
3	Portfolio of market leading brands	- Market leading brand portfolio including ECB, Custom Alloy, CSM Service Bodies, KT, Uneek 4x4, Barden Fabrications and Fully Equipped - Many brands are market leaders in their respective categories, established over decades of trading - Each brand has a reputation for innovation, quality and durability - Offers dual brand strategy in electrical accessories and power management
4	Extensive operational footprint across ANZ and addition of manufacturing capabilities	- Multiple sites across key population centres in Australia (east and west coast) and New Zealand (north and south islands) - ACAD's manufacturing capabilities further diversifies GUD's portfolio - Combined footprint provides support for incremental growth
5	Upside potential and attractive financial impact	- Near- to medium-term opportunities arising from domestic tourism, used car volumes and government stimulus as a result of COVID-19 - Provides platform for further 4WD accessory acquisitions - Initial sales in FY21 have been solid - Mid single digit EPSA accretive before synergies with an acquisition multiple consistent with prior large GUD acquisitions¹

Note: 1. As if ACAD had been acquired on 1 July 2020. On a pre AASB 16 basis, before amortisation of identifiable intangibles recognised as a result of the acquisition.

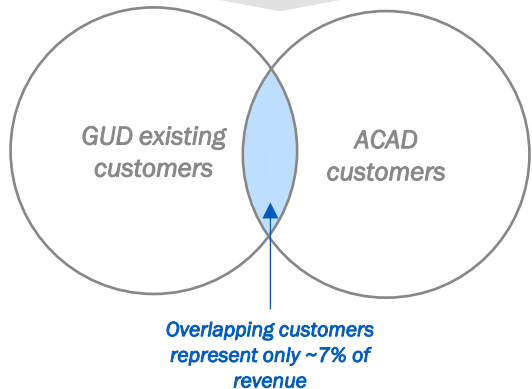
1 Enhances GUD's diversification

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ACAD improves GUD's customer and channel diversification, enhances 4WD-related product range and increases exposure to engine-agnostic vehicle segments

Customer and channel diversification

- Expands exposure to OEMs, fleets, car dealerships and specialist independent 4WD reseller channels



4WD exposure and products

- ACAD leveraged to dynamic and fast-growing 4WD category across a range of brands



Ueek 4x4 steel bullbar



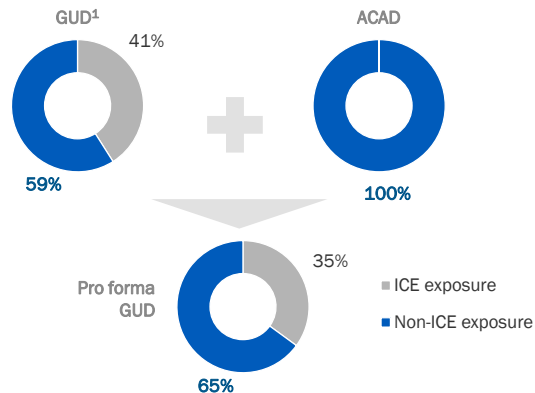
ECB alloy bullbar



Fully Equipped canopy

Engine agnostic vehicle segments

- ACAD product range suitable for both internal combustion engine ('ICE') and other engine types (e.g. electrical)



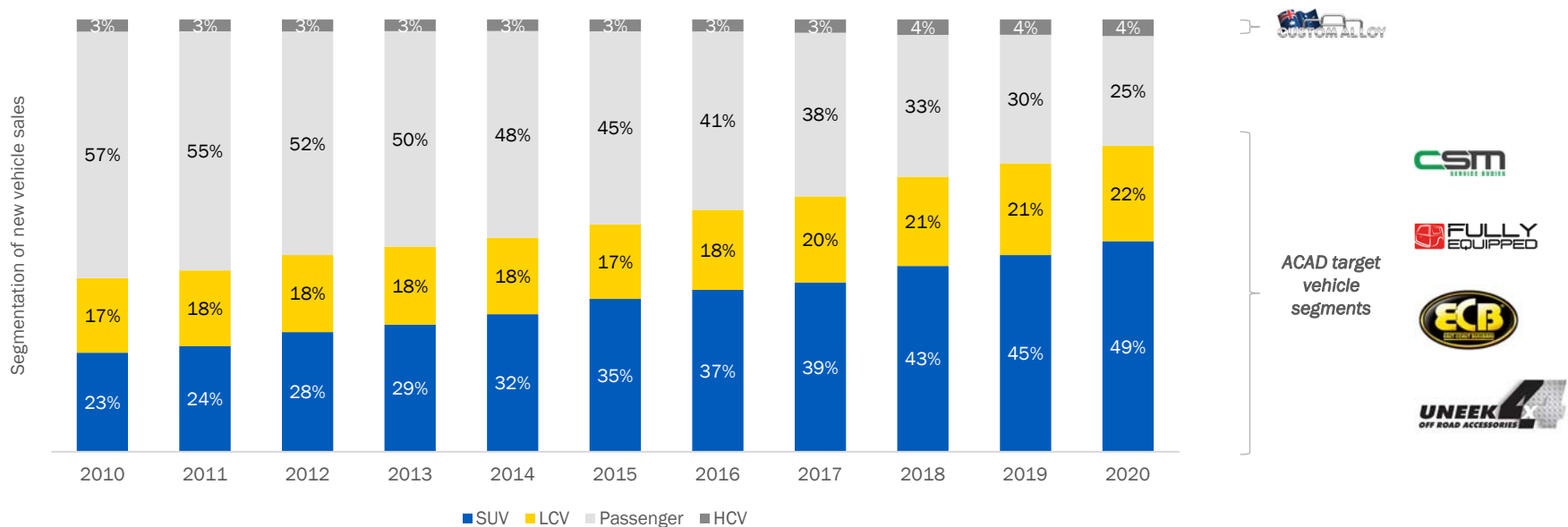
Note: 1. Based on GUD's FY20A Automotive revenue.

② Exposure to fast growing vehicle segments

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ACAD's product portfolio focused on the fastest growing vehicle segments

SUVs & LCVs are the fastest growing vehicle segments^{1,2}



Note: 1. Australian Automotive and Intelligence Report (September 2020 year to date). 2. "SUV" denotes sports utility vehicle, "LCV" denotes light commercial vehicle and "HCV" denotes heavy commercial vehicle.

3 Portfolio of market leading brands

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ACAD comprises a portfolio of market leading brands, each market leaders within their respective categories, established over decades of trading

Product line	East Coast Bullbars	Uneek 4x4 Off Road Accessories	CSM Service Bodies	Automotive Electrical & 4WD Accessories	Fully Equipped
Overview	Manufacturer of alloy bullbars and nudgebars in Australia, with products catering to a range of vehicles including 4WDs, pick-up trucks and passenger vehicles	Designer, manufacturer and fabricator of 4WD equipment in Australia, including off-road accessories such as bullbars, rock sliders, rear bars, tyre swing outs, roof racks and other steel products	Builder of storage solutions for vehicles, primarily commercial fleets. Its flagship product is the CSM Full Body Service Body, which is a fully enclosed ute canopy.	Wholesale distributor across Australia, supplying a range of automotive related products under several brands	Leading New Zealand manufacturer and distributor of aftermarket accessories for fleet, trade, off-road and city drivers
HQ location	Clontarf, Brisbane	Carrum Downs / Baywater, Melbourne	Woodbridge, Brisbane and Warwick	Ormeau, Brisbane	Hamilton, New Zealand
Core brands (established, where applicable)	 (1971)  (1996)	 (2013)  (1983)	 (2002)	 (1994)  (2007 ²)  (2008)	 (1995)

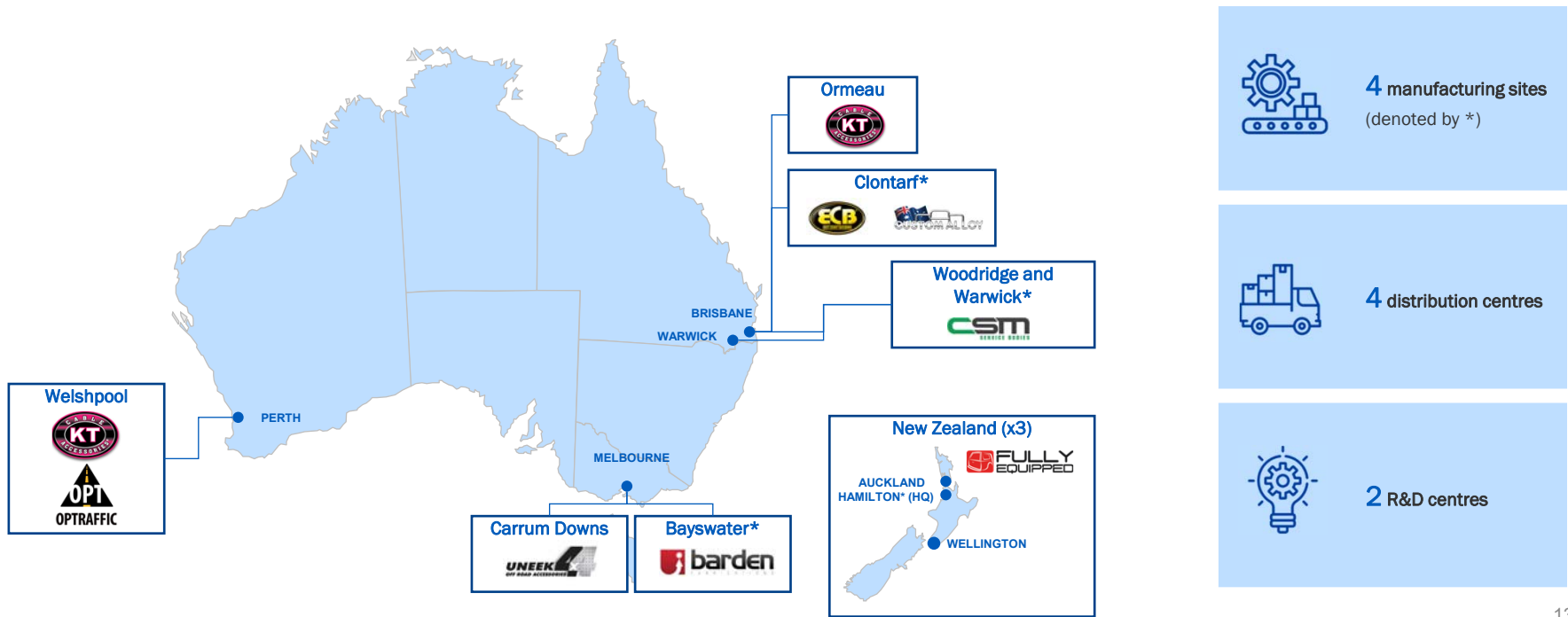
Note: 1. ACAD represents the current name under AMA Group ownership and is subject to change under GUD ownership. AMA Group's Automotive Component & Accessories Division also includes FluidDrive, which is outside the transaction perimeter. 2. Date when brand was registered.

4 Extensive operational footprint across ANZ

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Footprint consists of 10 principal locations¹, with manufacturing, distribution and R&D capabilities

Operational footprint



Note: 1. Some principal locations include a combination of manufacturing, distribution and R&D capabilities.

5 Strong financial performance with upside potential

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ACAD FY20A performance

- FY20A trading was partially impacted by restrictions associated with COVID-19 (e.g. economic, mobility, reduced vehicle supply, government-imposed restrictions)
 - ACAD received Job Keeper wage subsidies

ACAD FY21 forecast¹

- Year to date sales have been solid
- Forecast assumes a continued recovery throughout H2 from COVID-19 interrupted demand

Key transaction metrics

- GUD expects the acquisition to be mid single-digit pro forma FY21F EPSA accretive, pre synergies²
- Implied EV / FY21F EBITA acquisition multiple of 7.6x³, pre synergies

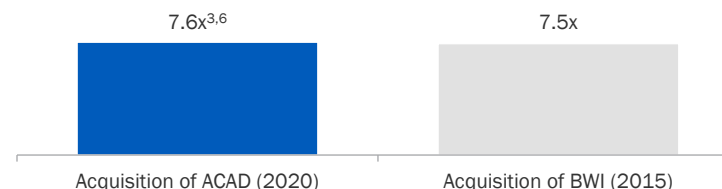
Upside potential

- ACAD has the potential to be a beneficiary of near- to medium-term opportunities arising from domestic tourism, used car volumes and government stimulus as a result of COVID-19
- ACAD provides GUD with a platform for further 4WD accessory acquisitions
 - Australian market characterised by many innovative, reputable and/or niche providers of 4WD accessories

ACAD's financial profile (\$m)

June year end	Normalised, pro forma FY20A ^{4,5}		Pro forma FY21F ⁵	
	Post AASB 16	Pre AASB 16	Post AASB 16	Pre AASB 16
Revenue	77.3	77.3	83.4	83.4
EBITDA (excl. Job Keeper)	9.8	7.3	13.9	11.3
Margin %	12.6%	9.5%	16.7%	13.5%
EBITA (excl. Job Keeper)	6.1	5.8	9.9	9.2
Margin %	7.9%	7.5%	11.9%	11.1%
Job Keeper excluded above	(1.5)	(1.5)	(1.6)	(1.6)

Attractive acquisition multiple (on an EV / FY21F EBITA basis)



Note: 1. Refer to page 26 for details on the risks relating to "reliance on information provided" and "analysis of acquisition opportunity". 2. As if ACAD had been acquired on 1 July 2020. On a pre AASB 16 basis and before amortisation of identifiable intangibles recognised as a result of the acquisition. 3. EBITA pro forma adjusted to remove Job Keeper payments (including expected payments). EBITA presented on a pre AASB 16 basis, before amortisation of identifiable intangibles recognised as a result of the acquisition. 4. Adjusted to reflect full year contribution from Fully Equipped (acquired January 2020). 5. EBITA pro forma adjusted to remove Job Keeper payments (including expected payments). EBITA presented before amortisation of identifiable intangibles recognised as a result of the acquisition. Refer to page 26 for details on the risks relating to "reliance on information provided" and "analysis of acquisition opportunity". 6. Illustratively, expected cash acquisition payment of \$65.5m (refer to page 18 for further details) implies an EV / FY21F EBITA of ~7.1x.

2. Trading update

Trading update

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First quarter trading (i.e. 3 months to September)

- In late-October, GUD noted at its 2020 AGM that Group sales in the first quarter grew approximately 14% over the prior year¹
 - Automotive sales in the first quarter grew approximately 16% over the prior year
 - Davey sales in the first quarter grew approximately 10% over the prior year

October trading

- Group sales during the month of October continued at levels solidly above the prior comparable period
- As GUD noted at its 2020 AGM, given the potentially temporary nature of the drivers of growth, and the uncertainty from the economic ramifications of government stimulus efforts, coupled with the uncertain public health situation, year-to-date sales performance cannot be extrapolated over the remainder of the financial year

Outlook

- While GUD notes the year-to-date sales performance highlights the potential to deliver a solid first half, the uncertainties due to the nature of the COVID-19 situation make it inappropriate to provide half year or full year earnings guidance

M&A momentum

- GUD continues to consider and explore a range of acquisition opportunities in-line with its previously stated disciplined strategy
- Following the acquisition and Equity Raising, GUD's balance sheet is expected to be well-positioned for further logical bolt-on acquisitions

3. Terms and funding

Acquisition terms and funding

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Key acquisition terms

Purchase price	- Expected purchase price of \$70.0 million. After expected customary purchase price adjustments (e.g. make good, long service leave) and capex adjustments, GUD expects a cash acquisition payment of \$65.5m. - Potential for purchase consideration to adjust up or down by \$2.1 million as a result of outperformance / underperformance vs. FY21F revenue - GUD estimates that it will invest approximately \$6.7 million of capex between FY21F and FY23F, in addition to the cash acquisition payment
Equity raising	- Fully underwritten Placement to raise approximately \$55 million (representing 5.1 million shares¹ at a fully underwritten floor price of \$10.75 per share, with final issue price determined via a bookbuild) - Non-underwritten SPP of up to \$30,000 per eligible shareholder seeking to raise approximately \$15 million
Debt	Up to \$20 million of debt to be drawn down from existing debt facilities (SPP proceeds may be used in lieu of acquisition debt)
Timing	Acquisition expected to complete prior to 31 December 2020
Conditions	Completion of the acquisition is conditional on GUD receiving the proceeds of the underwritten Placement and certain other conditions being finalisation of a pre-completion restructure, no material adverse change having occurred in respect of the target entities, payment of an earn-out in respect of an historical transaction and New Zealand Overseas Investment Office ('OIO') direction

Sources	
Placement to institutional investors	55.0
Acquisition debt (SPP proceeds may be used in lieu of acquisition debt)	20.0
Total	75.0

Uses	
Cash acquisition payment (net of expected adjustments)	65.5
Costs associated with the transaction (and capital raising)	2.8
Estimated capex between FY21F and FY23F	6.7
Total	75.0

Note: 1. Number of Placement Shares issued based on a fully underwritten floor price of \$10.75 per new share and may change based on the final price determined following the bookbuild.

Offer details

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Equity Raising size and structure	- Approximately \$70 million Equity Raising, including - Fully underwritten Placement to raise approximately \$55 million - Non-underwritten SPP to raise approximately \$15 million¹
Placement	- Fully underwritten Placement to raise approximately \$55 million at an underwritten floor price of \$10.75 per new share ('Placement Shares') with final price determined via a bookbuild ('Placement Price') - The underwritten floor price represents: 9.1% discount to the last traded price of \$11.83 on 18 November 2020 11.2% discount to the 5-day VWAP² of \$12.10 based on the last trading day of 18 November 2020 - Approximately 5.1 million Placement Shares to be issued, representing 5.9% of GUD's existing shares on issue³
Share Purchase Plan ('SPP')	- A non-underwritten SPP of up to \$30,000 per eligible shareholder will be offered following the Placement - The SPP will seek to raise approximately \$15 million¹ - SPP issue price at lower of Placement Price and a 2.5% discount to the 5 trading day VWAP up to and including the date the SPP is scheduled to close (expected to be 15 December 2020) - Eligible shareholders are those who are registered on the record date of 18 November 2020 (7.00pm, Sydney time) with a registered address in Australia or New Zealand
Allocation	It is intended that eligible institutional shareholders who bid for their 'pro-rata' share of Placement Shares will be allocated their full bid, on a best endeavours basis⁴
Ranking	Both Placement Shares and shares issued under the SPP will rank equally with existing GUD shares from their date of issue
Underwriting	- Placement is fully underwritten by Macquarie Capital (Australia) Limited - The SPP is not underwritten

Note: 1. Full details of the SPP are contained in the SPP offer booklet, which will be sent to eligible shareholders in due course. GUD may decide to accept applications (in whole or in part) that result in the SPP raising more or less than this amount in its absolute discretion. 2. Volume weighted average price. 3. Number of Placement Shares issued based on a fully underwritten floor price of \$10.75 per new share and may change based on the final price determined following the bookbuild. 4. For this purpose, an eligible institutional shareholders 'pro-rata' share of Placement Shares will be estimated by reference to GUD's latest available beneficial register which shows a historical holding at 11 November 2020 and which is not necessarily fully up to date. No verification or reconciliation of holdings as shown in the historical beneficial register will be undertaken and accordingly, unlike in a rights issue, this may not truly reflect the participating shareholder's actual 'pro-rata' share. Nothing in this Presentation gives a Shareholder a right or entitlement to participate in the Placement and GUD has no obligations to reconcile assumed holdings (e.g. for recent trading or swap positions) when determining a shareholders 'pro-rata' share. Institutional shareholders who do not reside in Australia or other eligible jurisdictions will not be able to participate in the Placement. See Appendix B for the eligible jurisdiction and selling restrictions relevant to these jurisdictions. GUD and the Underwriter disclaim any duty or liability (including for negligence) in respect of the determination of a shareholder's 'pro-rata' share of Placement Shares. Eligible institutional shareholders who bid in excess of their 'pro-rata' share of Placement Shares as determined by GUD and the Underwriter are expected to be allocated a minimum of their 'pro-rata' share on a best endeavours basis as set out in footnote 4 above, and any excess may be subject to scale back.

Indicative offer timetable

GUD HOLDINGS LIMITED

Event	Date ¹
Record date for the SPP	7:00pm (Sydney time), Wednesday, 18 November 2020
Trading halt and announcement of Equity Raising	Thursday, 19 November 2020
Placement bookbuild	Thursday, 19 November 2020
Announcement of outcome of Placement	Friday, 20 November 2020
Trading halt lifted – trading resumes on ASX	Friday, 20 November 2020
Settlement of Placement Shares	Tuesday, 24 November 2020
Allotment and normal trading of Placement Shares	Wednesday, 25 November 2020
SPP offer opens and SPP offer booklet dispatched	Wednesday, 25 November 2020
SPP offer closes	Tuesday, 15 December 2020
Announcement of results of SPP	Friday, 18 December 2020
SPP allotment date	Tuesday, 22 December 2020
Normal trading of SPP Shares	Wednesday, 23 December 2020
Despatch of holding statements	Wednesday, 23 December 2020

Note: 1. The above timetable is indicative only and subject to change without notice. All times are Sydney time.

Pro forma financial information

GUD HOLDINGS LIMITED

Pro forma balance sheet

As at 30 June 2020	GUD FY20A reported	FY20 year end dividend	Impact of Acquisition and Placement	Pro forma balance sheet
Current assets				
Cash and cash equivalents	30.0	(7.9)	6.7	28.9
Trade and other receivables	114.5	-	8.6	123.1
Inventories	108.2	-	9.4	117.5
Other current assets	7.8	-	3.1	10.9
Total current assets	260.4	(7.9)	27.8	280.3
Non current assets				
Goodwill and intangibles	283.6	-	49.1	332.7
Property, plant and equipment	16.5	-	5.0	21.5
Right of use assets	77.2	-	20.4	97.6
Other non-current assets	5.8	-	7.0	12.9
Total non current assets	383.2	-	81.4	464.6
Total assets	643.6	(7.9)	109.2	745.0
Current liabilities				
Trade and other payables	65.1	-	7.4	72.5
Lease liabilities	10.1	-	0.3	10.3
Other current liabilities	21.8	-	1.9	23.6
Total current liabilities	96.9	-	9.5	106.5
Non current liabilities				
Borrowings	172.1	-	20.0	192.1
Lease liabilities	69.9	-	20.1	90.0
Other non-current liabilities	29.8	-	7.4	37.2
Total non current liabilities	271.9	-	47.5	319.3
Total liabilities	368.8	-	57.0	425.8
Net assets	274.8	(7.9)	52.2	319.1
Share capital	112.9	2.5	53.4	168.9
Reserves	11.0	-	-	11.0
Retained earnings	150.9	(10.4)	(1.2)	139.3
Total equity	274.8	(7.9)	52.2	319.1

Commentary

- Pro forma balance sheet shows the impact of the transaction and the Placement on the 30 June 2020 GUD balance sheet
- The following adjustments have been made:
 - Cash, retained earnings and share capital have been adjusted to reflect the impact of the August 2020 dividend and Dividend Reinvestment Plan ('DRP')
 - Issued capital and cash have been adjusted to reflect the impact of the fully underwritten Placement (net of equity raising costs)
 - Cash has been adjusted to reflect the expected cash acquisition payment of \$65.5 million
 - The difference between the cash acquisition payment of \$65.5 million and the acquired net operating assets of \$16.4 million of ACAD has been allocated to Goodwill. Upon completion, a formal purchase price allocation exercise will be performed.
 - Cash and borrowings have been adjusted to reflect the additional drawdown of \$20.0 million
- Excludes any potential impact of the SPP
- Pro forma debt metrics at 30 June 2020:
 - Net debt of \$163m¹
 - Leverage² of 1.8x
- Following the acquisition and Equity Raising, GUD's balance sheet is expected to be well-positioned for further logical bolt-on acquisitions

Note: 1. Net debt excludes lease liabilities. 2. Pro forma net debt / pro forma FY20A underlying EBITDA (pre AASB 16).

A. Risks

A. Risks – Introduction and operational risks

GUD HOLDINGS LIMITED

Introduction

GUD is subject to a variety of risk factors. Some of these are specific to its business activities, while others are of a more general nature. Individually, or in combination, these risk factors may affect the future operating and financial performance of GUD, its investment returns and the value of an investment in shares in GUD.

The risks listed below are not an exhaustive list of risks associated with an investment in GUD, either now or in the future, and this information should be considered in conjunction with all other information in this Presentation. Many of the risks described below are outside the control of GUD, its Directors and management. There is no guarantee that GUD will achieve its stated objectives or that any forward looking statements or forecasts will eventuate.

This section discusses the key risks attaching to an investment in shares in GUD, which may affect the future operating and financial performance of GUD and the value of GUD shares (before and after the proposed acquisition of ACAD). Before investing in GUD shares, you should consider whether this investment is suitable for you having regard to publicly available information (including this Presentation), your personal circumstances and following consultation with financial or other professional advisers. Additional risks and uncertainties that GUD is unaware of, or that it currently considers to be immaterial, may also become important factors that adversely affect GUD's operating and financial performance. Many of the risks highlighted elsewhere in this Appendix A are likely to be heightened due to the current and potential future impacts of COVID-19.

The operational risks set out below in relation to the GUD business will also apply to the GUD group post-acquisition ('Combined Group').

Operational risks

COVID-19

The COVID-19 pandemic has impacted GUD's business and its financial performance. To date, the main impacts have been in relation to reduced customer demand and increased supply chain and cyber security risks. The COVID-19 pandemic and related actions taken in response to it by the Australian and New Zealand governments, including lockdowns, border controls and travel restrictions and the effect of the pandemic on the economy more broadly may continue to have an adverse impact on GUD's financial performance. The longer-term impacts of COVID-19 on economic or industry conditions and customer preferences are uncertain and may adversely impact GUD's future financial performance.

Brand names may diminish in reputation and value

Brand names are crucial assets to each of the businesses within GUD and the success of GUD is heavily reliant on its reputation and branding. Unforeseen issues or events which place GUD's reputation at risk may impact on its future growth and profitability. The reputation and value associated with these brand names could be adversely impacted by a number of factors, including failure to provide customers with the quality of product and service standards they expect, disputes or litigation with third parties such as employees, suppliers or customers, or adverse media coverage.

Movements in the Australian Dollar / US Dollar (A\$/US\$) exchange rate

GUD purchases a significant proportion of product from international suppliers. These purchases, as well as associated freight charges, are typically denominated in US Dollars. Movements in the A\$/US\$ exchange rate may impact the cost of product sourcing for GUD, potentially impacting sales volumes and margins.

While GUD engages in hedging activities to mitigate some of this exposure to foreign exchange rate movements from time to time, movements in exchange rates may still impact GUD's financial performance.

A. Risks – Operational risks

Operational risks (cont.)

Reduction in consumer spending

General levels of consumer sentiment and consumer spending in GUD's regions of operation may impact operational and financial performance. Consumer spending and sentiment can, in turn, be influenced by several factors, including the level of general economic growth, employment, population and income growth, interest and inflation rates. A significant or sustained decline in consumer spending may materially impact the performance of GUD.

Supply chain risks

As a distributor of products, GUD is particularly dependent on the continuing operation of its supply chain, and is dependent on suppliers and freight providers to ensure the delivery of products to its customers in full and on time. Supply chain disruption resulting in the delayed or non-delivery of products may have a significant impact on the performance of GUD.

Relationship with suppliers

GUD relies on numerous key suppliers in Australia, China and other Asian countries. Any loss of these key suppliers may have an adverse effect on GUD's sales and/or terms of trade. In addition, any change in GUD's relationship with its suppliers, or in terms of trade, could have an adverse impact on GUD's prospects.

Material increases in suppliers' production costs could lead to higher costs and therefore impact GUD's margins, or require GUD to source products from other locations. In this event, existing gross margins may not be able to be maintained.

In addition, any delays in lead times on orders from suppliers could impact GUD's sales.

Faulty or defective products

GUD may face risks associated with faulty or defective products. Breaches of its obligations may reduce customers' confidence in GUD's products, result in product recalls or expose GUD to product liability claims. Any such outcomes may have a significant adverse impact on GUD's financial performance and reputation.

Work health and safety

There may be a workplace incident or accident that results in serious injury that may result in a fine imposed by a regulatory authority, an interruption to business operations, or a worker's compensation claim, a work health and safety claim or a damages claim against GUD. Such claims or events may not be covered by GUD's insurance or may exceed GUD's insured limits. They may also adversely impact GUD's reputation. Any such occurrences could therefore adversely impact GUD's operations and profitability.

Direct sourcing and 'home brand' risk

As a distributor of products, GUD may also be exposed to the risk of its customers sourcing product directly from manufacturers, particularly in relation to product ranges where there is a low degree of product differentiation (e.g. automotive filters). This may lead to decline in the sales volume of GUD and may represent a threat to GUD's operational and financial performance.

A. Risks – Operational risks

Operational risks (cont.)

Reduced access to retail shelf space

Product sales may be adversely impacted if the retail shelf space available to GUD to display its products in customers' stores is reduced.

Competition from other distributors

The markets in which GUD's businesses operate are competitive, and GUD is likely to face intense competition from a number of other distributors, which may represent a threat to GUD's operating and financial performance.

Changes in technology

GUD is exposed to the risk of disruptive technologies such as autonomous vehicles and digital disruption, which may impact its market and product segments and could adversely affect its future financial performance and profitability.

Reliance on key personnel

GUD's growth and profitability may be limited by the loss of key senior management personnel, the inability to attract new suitably qualified personnel or by increased compensation costs associated with attracting and retaining key personnel.

Specific risks relating to the existing businesses of GUD

GUD has a diverse mix of operating businesses which expose the company to a broad range of industry sectors. The operating businesses may be influenced by general economic and share market conditions as described below. Additionally, the demand for GUD's heating and cooling appliances, water pumps, water conservation products and pool and spa products is subject to variation due to climatic conditions in Australasia (its key geographic market).

Current and future funding requirements

GUD's ability to service its debt, and refinance expiring debt on acceptable terms, will depend on its future performance and cash flows, which in turn will be affected by various factors, some of which are outside of GUD's control (such as changes in interest and foreign exchange rates, and general economic conditions). Any inability to secure sufficient debt funding (including to refinance on acceptable terms) from time to time or to service its debt may have a material adverse effect on GUD's financial performance and prospects. In particular, to the extent that additional equity or debt funding is not available from time to time on acceptable terms, or at all, GUD may not be able to take advantage of acquisition and other growth opportunities, develop new ideas or respond to competitive pressures.

Information technology and cyber security

GUD is exposed to the risk of information technology failures and cyber-security breaches, which may adversely impact its business continuity or result in the loss of sensitive data (including customer and employee data). Such failures and breaches may give rise to third party claims and may materially adversely impact GUD's financial performance and reputation.

A. Risks – Acquisition risks

Acquisition risks

Completion risk

Completion of the acquisition is conditional on GUD receiving the proceeds of the underwritten Placement and certain other conditions being finalisation of a pre-completion restructure, no material adverse change having occurred in respect of the target entities, payment of an earn-out in respect of an historical transaction and New Zealand OIO direction. There is risk that the ACAD acquisition does not complete, including if it is terminated prior to completion for non-satisfaction of a condition precedent. If the acquisition does not complete, GUD may decide to invest the Equity Raising proceeds, use the Equity Raising proceeds for another acquisition (or acquisitions), or return the Equity Raising proceeds to its shareholders via a share buy-back or similar mechanism. If the Equity Raising proceeds are not used to fund the acquisition, there is no assurance that GUD will be able to use the Equity Raising proceeds to generate an equivalent return to that anticipated from the ACAD acquisition, or at all.

Reliance on information provided

GUD undertook a due diligence process in respect of ACAD, which relied in part on the review of financial and other information provided by the vendors of ACAD. Despite taking reasonable efforts, GUD has not been able to verify the accuracy, reliability or completeness of all the information which was provided to it against independent data. Similarly, GUD has prepared (and made assumptions in the preparation of) the financial information relating to ACAD on a stand-alone basis and also to the Combined Group included in this Presentation in reliance on limited financial information and other information provided by the vendors of ACAD. GUD is unable to verify the accuracy or completeness of all of that information. If any of the data or information provided to and relied upon by GUD in its due diligence process and its preparation of this Presentation proves to be incomplete, incorrect, inaccurate or misleading, there is a risk that the actual financial position and performance of ACAD and the Combined Group may be materially different to the financial position and performance expected by GUD and reflected in this Presentation. Investors should also note that there is no assurance that the due diligence conducted was conclusive and that all material issues and risks in respect of the acquisition have been identified. Therefore, there is a risk that unforeseen issues and risks may arise, which may also have a material impact on GUD.

Financial capacity of, and recourse to, the seller

Following the acquisition of ACAD, there can be no guarantee as to the ongoing financial capacity of the seller of ACAD. In these circumstances, if a warranty or other claim was made under the share purchase agreement in respect of the acquisition of ACAD, there is a risk that funds may not be available to meet that claim. Any inability to recover amounts claimed could materially adversely affect GUD's financial position and performance. Further, if GUD were to take legal action to enforce a claim against the seller, there is a risk that the enforcement process is protracted, costly and diverts management's time and attention away from running the GUD business, each of which could materially adversely impact GUD's financial position and performance.

Analysis of acquisition opportunity

GUD has undertaken financial, business and other analyses of ACAD, including its internal management forecasts and projections in order to determine its attractiveness to GUD and whether to pursue the acquisition. The share purchase agreement for the acquisition contains a 'rise and fall' purchase price adjustment mechanism, which is based on FY21 sales, however there remains a risk that ACAD's sales and general business performance do not reflect GUD's analysis. It is also possible that such analyses, and the best estimate assumptions made by GUD, draws conclusions and forecasts that are inaccurate or which are not realised in due course. To the extent that the actual results achieved by ACAD are different than those indicated by GUD's analysis, there is a risk that the profitability and future earnings of the operations of the Combined Group may be materially different from the profitability and earnings expected as reflected in this Presentation.

A. Risks – Acquisition risks

Acquisition risks (cont.)

Integration risk

The acquisition involves the integration of the ACAD business, which has previously operated independently to GUD. GUD has identified, through its due diligence enquiries, that certain of ACAD's systems and processes, in particular ACAD's information technology, cyber-security and health and safety systems and processes are not reflective of GUD's usual standards. Accordingly, the integration exercise is expected to require GUD to make an amount of capital expenditure, including to upgrade some of ACAD's manufacturing equipment and health and safety systems and processes in order to align them with GUD's existing systems and processes. GUD also intends to upgrade ACAD's information technology, data protection and cyber security systems as part of the integration process. GUD has made arrangements with the seller to enable GUD to commence these upgrades, particularly upgrades to safety equipment, prior to completion of the acquisition. As a result, there is a risk that the integration of ACAD may be more complex than currently anticipated, encounter unexpected challenges or issues, take longer than expected, cost more than expected and divert management attention from running the existing GUD business. While GUD has undertaken analysis in relation to the benefits of the ACAD acquisition, they remain GUD's estimates that are expected to be available and there is a risk that they do not materialise or that they cost more than expected. A failure to fully integrate the operations of ACAD or a delay to the integration process, including as a result of a cultural misalignment between GUD and ACAD staff or the loss of certain key members of the ACAD staff, could impose extra costs on GUD and this may affect GUD's operating and financial performance. Further, the integration of ACAD's accounting functions may lead to revisions, which may impact on the Combined Group's reported financial results.

Historical liability

If the acquisition of ACAD completes, GUD may become directly or indirectly liable for any liabilities that ACAD has incurred in the past, including as part of ACAD's historical acquisition activities, which were not identified during its due diligence or which are greater than expected, and for which the market standard protection (in the form of representations and warranties and indemnities) negotiated by GUD prior to its agreement to acquire ACAD turns out to be inadequate in the circumstances. Historical liabilities may include those arising out of inadequacies in ACAD's information technology, data protection and cyber-security systems and processes, and those parts of the ACAD business that require upgrade or additional investment (such as its manufacturing equipment). Such liability may adversely affect the financial performance or position of GUD post-acquisition.

Change of control risk

As the acquisition of ACAD will result in a change in control of ACAD, there could be adverse consequences for GUD. For example, contracts to which ACAD is a party, including property leases, may be subject to review or termination in the event of a change of control of ACAD.

Acquisition accounting

In accounting for the acquisition in the pro-forma combined balance sheet, GUD has not performed an assessment of all of the assets, liabilities and contingent liabilities of ACAD. GUD will undertake a formal fair value assessment of all of the assets, liabilities and contingent liabilities of ACAD post-acquisition, which may give rise to a materially different fair value allocation to that used for purposes of the pro-forma financial information set out in this Presentation. Such a scenario will result in a reallocation of the fair value of assets and liabilities acquired to or from goodwill and also an increase or decrease in depreciation and amortisation charges in the Combined Group's income statement (and a respective increase or decrease in net profit after tax).

A. Risks – General risks

General risks

Economic factors

Changes in the economic climate in which GUD operates may adversely impact its financial performance. The majority of GUD's operations are located in, or service, the Australian and New Zealand markets.

Changes in economic factors in these regions, such as economic growth, employment levels, interest and inflation rates, foreign exchange rates, consumer sentiment and spending, market volatility, global commodity prices, labour costs, transportation costs, commodity costs and the availability and cost of credit could adversely impact the financial and/or operational performance of GUD or the value of GUD shares.

The operational and financial performance and position of GUD, GUD's share price, and GUD's ability to pay dividends, may be adversely affected by a worsening of general economic conditions in Australia, New Zealand as well as other international market conditions and related factors. It is also possible that new risks might emerge as a result of Australian, New Zealand or global markets experiencing extreme stress, or existing risks, 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. For example, the COVID-19 pandemic has resulted in significant market falls and volatility both in Australia, New Zealand and other countries, including in the prices of equity securities. There continues to exist considerable uncertainty as to the further impact of COVID-19 on the Australian, New Zealand and global economy and share markets including in relation to governmental action, work stoppages, lockdowns, quarantines, travel restrictions and the impact on the economy and share markets. Any of these events and resulting fluctuations may materially adversely impact the market price of GUD's shares and GUD's ability to pay dividends.

Market prices

The market price of GUD shares will fluctuate due to various factors, many of which are non-specific to GUD, including recommendations by brokers and analysts, Australian and international general economic conditions, inflation rates, interest rates, changes in government, fiscal, monetary and regulatory policies, global geo-political events and hostilities and acts of terrorism, and investor perceptions. In the future, these factors may cause GUD shares to trade at a lower price, and no assurance can be given that the New Shares will trade at or above the Offer Price. None of GUD, its directors or any other person guarantees the performance of the New Shares.

Liquidity

There can be no guarantee of an active market for GUD shares or that the price of GUD shares will increase. There may be relatively few potential buyers or sellers of GUD shares on the ASX at any time. This may increase the volatility of the market price of GUD shares. It may also affect the prevailing market price at which shareholders are able to sell their GUD shares.

Interest rates

While GUD takes reasonable steps to protect itself through the use of hedges, rising interest rates may nonetheless adversely impact GUD's interest payments on its floating rate borrowings, which may adversely impact the performance of GUD's business.

A. Risks – General risks

GUD HOLDINGS LIMITED

General risks (cont.)

Changes to government, monetary or fiscal policy or regulatory regimes

Changes to key government policies or regulatory regimes affecting the businesses of GUD, including those in the area of industrial relations, may affect the operational and financial performance of GUD.

Taxation changes

There is the potential for changes to taxation laws and changes in the way taxation laws are interpreted. Any change to the current tax rates imposed on GUD is likely to affect returns to GUD's shareholders.

An interpretation of taxation laws by the relevant tax authority that is contrary to GUD's view of those laws may increase the amount of tax to be paid or cause changes in the carrying value of tax assets in GUD's financial statements. In addition, any change in tax rules and tax arrangements could have an adverse effect on the level of dividend franking and shareholder returns.

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

Changes to accounting policies and valuations

Changes in accounting policies, arising from recently issued or amended accounting standards by the Australian Accounting Standards Board may affect the reported earnings of GUD and its financial position from time to time.

Additionally, GUD maintains internal views on the valuation of its business and these estimates are considered when assessing the accounting carrying value of assets on its balance sheet. Periodic revaluations (which consider both internal and external factors) may result in a reduction of valuations which could lead to some of its assets being impaired.

Dividends

The payment of dividends on GUD shares is dependent on a range of factors including its profitability, the availability of cash and capital requirements of the business. Any future dividend levels will be determined by the GUD Board having regard to its operating results and financial position at the relevant time. There is no guarantee that any dividend will be paid by GUD or, if paid, that the dividend will be paid on previous levels. The level to which GUD is able to frank dividends declared is subject to a large number of factors in addition to those outlined above for dividends. While under its dividend policy GUD aims to frank dividends to the maximum extent possible there is no guarantee that any dividend will be franked, or franked at previous levels.

B. International offer restrictions

B. International offer restrictions

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

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.

B. International offer restrictions (cont.)

GUD HOLDINGS LIMITED

New Zealand

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

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

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).

B. International offer restrictions (cont.)

GUD HOLDINGS LIMITED

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 "institutional investor" (as defined in the SFA) or (ii) an "accredited investor" (as defined in the SFA). If you are not an investor falling within one of these categories, 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).

B. International offer restrictions (cont.)

GUD HOLDINGS LIMITED

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). 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.

C. Underwriting agreement summary

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GUD HOLDINGS LIMITED

Macquarie Capital (Australia) Limited (**Lead Manager**) is acting as sole bookrunner, lead manager and underwriter of the Placement. GUD has entered into an underwriting agreement with the Lead Manager in respect of the Placement (**Underwriting Agreement**).

The Underwriting Agreement contains representations and warranties and indemnities in favour of the Lead Manager.

The Lead Manager may, in certain circumstances, terminate its obligations under the Underwriting Agreement on the occurrence of certain termination events including where:

GUD withdraws or indicates that it does not intend to proceed with the Placement or withdraws a document forming part of the Offer Documents (being the ASX announcement in respect of the Equity Raising, this Presentation, a cleansing notice issued in respect of the Placement, confirmation of allocation and registration forms in respect of the Placement, correspondence with institutional investors in respect of the Placement and all public information in respect of the GUD Group and the Placement);

- at any time the S&P/ASX 200 Index falls to a level that is 87.5% or less of the level as at the close of trading on the trading day immediately prior to the date of this agreement or closes at that level on the business day before the date shares are allotted under the Placement;
- an event specified in the Underwriting Agreement is delayed by more than 1 business day without the prior written consent of the Lead Manager;
- the trading halt ends before the expiry of the relevant period referred to in the timetable set out in the Underwriting Agreement without the prior written consent of the Lead Manager;
- GUD gives to ASX a defective written notice, within the meaning of section 708A(10) of the Corporations Act, or a corrective statement is issued or is required to be issued in accordance with section 708A(9) of the Corporations Act (other than as a result of a new circumstance arising);
- a statement contained in any Offer Document is or becomes misleading or deceptive or likely to mislead or deceive or a matter required to be included is omitted from the Offer Documents;
- GUD engages in conduct that is misleading or deceptive or which is likely to mislead or deceive in connection with the Placement;
- any certificate which is required to be furnished by GUD under the Underwriting Agreement is not furnished when required or is untrue, incorrect or misleading;
- a director of GUD is charged with an indictable offence, any government agency commences public proceedings against GUD or any director of GUD or announces an intention to do so, or any director of GUD is disqualified from managing a corporation;
- ASX withdraws, revokes or amends any waivers of the ASX listing rules which are necessary in relation to the Offer Documents or to enable GUD to make the Placement;

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- any party to the share purchase agreement in respect of the acquisition of ACAD does or becomes entitled to terminate the agreement or the agreement does not or becomes incapable of completing, or there is a breach of a representation or warranty or other obligation under the agreement that is likely, in the Lead Manager's opinion, to have a material adverse effect on GUD, the GUD group or the acquisition;
- ASIC issues proceedings or commences any inquiry or investigation in relation to the Placement;
- there is an event or occurrence, including any statute, order, rule, regulation, directive or request (including one compliance with which is in accordance with the general practice of persons to whom the directive or request is addressed) of any government agency, which makes it illegal for the Lead Manager to satisfy a material obligation under the Underwriting Agreement or to market, promote or settle the Placement;
- ASX makes any official statement to any person, or indicates to GUD or the Lead Manager that GUD will cease to be admitted to the official list of ASX or the existing shares in GUD will be suspended from trading or quotation or will cease to be quoted on the ASX, or that quotation of all of the new shares under the Placement will not be granted by ASX or such approval has not been given before the close of business on the last date on which the new shares under the Placement may be allotted or such suspension from quotation occurs, or is given but subsequently withdrawn or qualified; or
- GUD is or will be prevented from conducting or completing the Placement by or in accordance with the ASX Listing Rules, ASIC, ASX, any applicable laws or an order of a court of competent jurisdiction, or otherwise is or will become unable or unwilling to do any of these things or a third party applies to a court of competent jurisdiction seeking orders to prevent, or which will have the effect of preventing any of these things.

In addition, the following termination events will depend on whether the event has, or is likely to have, a material adverse effect on the financial condition, position or prospects of GUD, the success or outcome of the Placement, the ability of the Lead Manager to market or promote or settle the Placement the market price of the offer shares on the ASX or is likely to give rise, to a liability of the Lead Manager:

- GUD fails to perform any of its obligations under the Underwriting Agreement;
- a warranty contained in the Underwriting Agreement on the part of GUD is untrue or incorrect when made or taken to be made, or becomes untrue or incorrect;
- GUD or any member of the GUD group contravenes the Corporations Act, its constitution, the ASX listing rules, any applicable laws or a requirement, order or request made by or on behalf of ASIC, ASX or any other government agency;
- any Offer Document or any aspect of the Placement does not comply with the Corporations Act, the ASX listing rules or any other applicable laws;
- a new circumstance arises or becomes known which, if known at the time of the issue of the Offer Documents or the cleansing notice issued in respect of the Placement would have been required to be included in the Offer Documents or the cleansing notice;

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GUD HOLDINGS LIMITED

- any adverse change, or development or event involving a prospective change, in the condition, financial or otherwise, or in the assets, liabilities, earnings, business, operations, management, profits, losses or prospects of GUD, or any member of the GUD group or their underlying investments occurs;
- any estimate or expression of opinion, belief, expectation or intention, or statement relating to future matters in any Offer Document is or becomes incapable of being met or, in the reasonable opinion of the Lead Manager, unlikely to be met in the projected timeframe;
- any information supplied by or on behalf of GUD to the Lead Manager for the purposes of the due diligence investigations on the Equity Raising, the Offer Documents or the acquisition, is misleading or deceptive;
- a change to the Managing Director of GUD, the Chief Financial Officer of GUD or the board of directors of GUD occurs;
- hostilities not presently existing commence (whether war has been declared or not) or a major escalation in existing hostilities occurs (whether war has been declared or not) involving any one or more of Australia, New Zealand, the United States of America, the United Kingdom, any member state of the European Union, the People's Republic of China, Hong Kong or Singapore or a terrorist act is perpetrated on any of those countries;
- a member of the GUD group breaches or defaults under any provision, undertaking, covenant or ratio of a material debt or financing arrangement or any related documentation to which it is a party, which is not promptly waived by the relevant financier(s), or any event of default which gives the lender or financier the right to accelerate or require payment of the debt or financing or similar material event occurs under or in respect of such debt documentation which is not promptly waived by the relevant financier(s);
- a member of the GUD group becomes insolvent or there is an act or omission that may result in a GUD group member becoming insolvent;
- there is introduced or there is a public announcement of a proposal to introduce, into the Parliament of Australia or any State or Territory of Australia a new law, or the Reserve Bank of Australia, or any Commonwealth or State or Territory authority, adopts or announces a proposal to adopt a new policy (other than a law or policy which has been announced before the date of the Underwriting Agreement) any of which does or in the reasonable opinion of the Lead Manager is likely to prohibit or adversely affect or regulate the Placement, capital issues or stock markets or the Lead Manager's ability to promote or market the Placement or enforce contracts to issue or allot the offer shares, or adversely affect the taxation treatment of the offer shares; or

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GUD HOLDINGS LIMITED

- any of the following occurs:
 - a general moratorium on commercial banking activities in Australia, the United States or the United Kingdom is declared by the relevant central banking authority in any of those countries, or there is a material disruption in commercial banking or security settlement or clearance services in any of those countries;
 - trading in all securities quoted or listed on ASX, the London Stock Exchange or the New York Stock Exchange is suspended or limited in a material respect for more than one day on which that exchange is open for trading;in either case, the effect of which is such as to make it, in the reasonable judgment of the Lead Manager, impractical to promote the Placement (or any component of the Placement) or to enforce contracts to issue the offer shares;
- there is any adverse change or disruption to the political conditions or financial markets of Australia, New Zealand, the United States of America, any member state of the European Union, the United Kingdom, the People's Republic of China, Hong Kong or Singapore or elsewhere or any change or development involving a prospective adverse change in any of those conditions or markets.

If the Lead Manger terminates its obligations under the Underwriting Agreement, the Lead Manager will not be obliged to perform any of its obligations that remain to be performed. Termination of the Underwriting Agreement could have an adverse impact on the amount of proceeds raised under the Placement. In these circumstances, GUD would need to utilise alternative funding options to achieve its objectives as described in this Presentation.