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COMPANY ANNOUNCEMENT
11 MARCH 2025

A$200 MILLION INSTITUTIONAL PLACEMENT TO EXPAND US SHIPBUILDING CAPABILITY

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Key highlights

- Austal announces institutional placement to raise up to A$200 million to fund expansion of Mobile, Alabama Shipyard
- Net proceeds will be used to partly fund the FA2 infrastructure expansion project that will enable delivery of current and future pipeline of large steel vessels in the USA
- Funding mix for FA2 positions Austal strongly as it enters a period of growth and execution
- Positive outlook for the business with a record order book of A$14.2 billion (including options). Finalisation of the proposed Strategic Shipbuilding Agreement with the Commonwealth is expected to further increase Austal's order book
- Austal also reconfirms its EBIT guidance for FY25 of not less than A$80 million

Overview

Austal Limited (ASX:ASB) (**Austal**) announces that it is undertaking an equity raising by way of a non-underwritten $200 million institutional placement (**Placement**) of new fully paid ordinary shares in Austal and a non-underwritten Share Purchase Plan (**SPP**) for eligible Austal shareholders of up to a maximum of $20 million (the Placement and SPP together, the **Equity Raising**).

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Equity Raising to fund expansion of steel shipbuilding infrastructure in Mobile, Alabama USA

Net proceeds raised by the Equity Raising will contribute to Austal's funding of the Final Assembly 2 (**FA2**) infrastructure expansion project at its Mobile, Alabama shipyard, a highly strategic site for the US Navy.

Construction of FA2 recently commenced and comprises a new assembly building, waterfront improvements and a new ship lift system, which will enable the delivery of current and future pipeline of large steel vessels for the US Navy and US Coast Guard.

Total capital investment in FA2 is estimated to be US$300 million, to be phased over FY25 – FY27, and will be funded through a combination of net proceeds from the Equity Raising, and new debt facilities.

As previously announced, Austal has received a letter of support from an Australian Government financing agency for an amount that is approximately 50% of the financing required for the FA2 project for a period of up to 10 years (subject to final terms).

FA2 is expected to be operational in FY26 and completed in FY27. The funding mix for FA2 ensures Austal maintains a prudent capital structure with enhanced financial flexibility as the Company enters into a growth and execution phase.

Austal Chief Executive Officer Patrick Gregg said: "Austal has continued to successfully execute on its strategy and has grown strongly to become a leading player in the naval industrial complex in the US and Australia, with a highly strategic footprint across the US and Asia Pacific. With a record A$14.2bn order book, Austal has a strong and long pipeline of work and further ongoing opportunities including the SSA."

"This announced raise will ensure that Austal is appropriately funded for FA2, which once complete, will facilitate the delivery of large steel vessels in the current pipeline for the US Navy and ensure Mobile continues to be well placed to execute on future opportunities."

Outlook

Austal reconfirms its EBIT guidance for FY25 of not less than A$80 million.

With a record order book of A$14.2 billion (including options), an expected increase in orders through the proposed Strategic Shipbuilding Agreement with the Australian government as early as 2H FY25 and an increased volume of work in Asia, Austal is well positioned for future growth.

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Placement

The Placement will comprise the issue of up to approximately 52.6 million new fully paid ordinary shares (**New Shares**) to be issued at a price of A$3.80 per New Share (**Placement Price**), representing a:

- 15.6% discount to Austal's closing share price of A$4.50 on 10 March 2025; and
- 5.5% discount to Austal's 30-day VWAP to 10 March 2025 of A$4.02

New Shares will be issued under the Placement pursuant to Austal's existing ASX Listing Rule 7.1 placement capacity.

Austal's largest shareholder, Tattarang, is supporting the proposed placement up to its full pro rata allocation. The company will also appoint an agreed Non-executive Director nominated by Tattarang to the board in due course.

Investors should refer to the presentation lodged by Austal on the ASX today for further information. The presentation contains important information including key risks of investing in Austal and foreign selling restrictions with respect to the Placement.

Austal will hold an analyst and investor conference call today, at 7:30am AWST / 10:30am AEDT to discuss the Equity Raising.

Conference call details:

Date:	Tuesday, 11 March 2025
Time:	11:15am Perth time (AWST) / 2:15pm Sydney time (AEDT)
Conference ID:	10046007
Pre-registration Link:	https://s1.c-conf.com/diamondpass/10046007-5d8hfr.html

Share Purchase Plan

In addition to the Placement, Austal will offer eligible Austal shareholders, being shareholders who had a registered address in Australia or New Zealand on Austal's register at 5:00pm AWST / 8:00pm AEDT on 10 March 2025, the opportunity to apply for up to $30,000 of New Shares

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under the SPP at the Placement Price and free of any brokerage, commissions or transaction costs. The SPP will be capped at a maximum of $20 million.

New Shares issued under the Placement and the SPP will rank equally with existing Austal Shares from the date of issue.

Further details of the SPP will be set out in the SPP Offer Booklet, which will be released to the ASX and made available to eligible shareholders in Australia and New Zealand on or around 18 March 2025, at which time the SPP will be open to eligible shareholders. The SPP is expected to be open for 2 weeks, however, Austal may close the SPP early in the event that the SPP is fully subscribed.

In the event of excess demand, Austal retains the right to scale back applications at its absolute discretion, having regard to the size of each applicant's shareholding at the time that allocations are determined.

John Rothwell sell down

In conjunction with the Placement, Austro Pty Ltd (an entity associated with John Rothwell) (**Austro**) will be conducting a non-underwritten Sell down of approximately A$50 million subject to the Placement being fully subscribed (**Sell down**).[1]

The first A$200 million of equity raised will go to Austal for the purposes of the Placement. If the Placement of $200 million is achieved, allocations of shares beyond the $200 million Placement will be used to facilitate the proposed Sell down by Austro.

No further shares held by Austro in Austal will be sold at any time in the 6 months following allotment of the Sell down (the moratorium).

J.P. Morgan Securities Australia Limited (**J.P. Morgan**) and Euroz Hartleys Limited (**Euroz Hartleys**) have been appointed as Joint Lead Managers to, and will provide settlement support for, the Placement

Euroz Hartleys has been appointed as the Lead Manager to, and will provide settlement support for, the Sell down.

Austal and Austro are engaging in the joint activities outlined in this announcement relating to the Placement and Sell down and have entered into a Joint Activities Agreement that reflects this position

[1] Jointly engaging in respect of the concurrent transactions will aim to help meet Austal's funding needs and John Rothwell's desire to reduce his Austal shareholding in a way that seeks to provide certainty to existing shareholders and potential investors, as well as seeks to increase the free float and liquidity of Austal shares generally

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Timetable

Event	Date
Record date for SPP (5:00pm AWST / 8:00pm AEDT)	Monday, 10 March 2025
Trading halt, Announcement of Placement, SPP and Sell down	Tuesday, 11 March 2025
Placement and Sell down bookbuild	Tuesday, 11 March 2025
Announcement of Placement and Sell down completion	On or before Thursday, 13 March 2025
Trading halt lifted	On or before Thursday, 13 March 2025
Settlement of New Shares issued under the Placement and settlement of the Sell down	Monday, 17 March 2025
Allotment and normal trading of New Shares issued under the Placement	Tuesday, 18 March 2025
Despatch of SPP information booklet and open of SPP offer	Tuesday, 18 March 2025
Expected SPP offer closing date (5:00pm AWST / 8:00pm AEDT)	Tuesday, 1 April 2025
Issue and allotment of New Shares under the SPP	Tuesday, 8 April 2025

Normal trading of New Shares under the SPP	Wednesday, 9 April 2025
Despatch of holding statements	Wednesday, 9 April 2025

These dates are indicative only and are subject to change without notice. All times and dates refer to times and dates in Sydney, Australia unless otherwise stated. Subject to the requirements of the Corporations Act, the ASX Listing Rules and any other applicable laws, Austal reserves the right to amend the timetable, including extending the SPP offer period or accepting late applications (either generally or in particular cases) without notice.

Important Notices

This announcement should be read subject to the disclaimer in the investor presentation released by Austal to the ASX today (as if references in that disclaimer to "this presentation" were to "this announcement").The information contained in this announcement does not constitute investment or financial product advice (nor taxation, accounting or legal advice), is not a recommendation to acquire Austal shares and is not intended to be used or relied upon as the basis for making any investment decision. The information in this announcement does not contain all the information necessary to fully evaluate an investment in Austal. It should be read in conjunction with the other materials lodged with ASX in relation to the Equity Raising (including the investor presentation and the key risks set out therein), and Austal's other periodic and continuous disclosure announcements. This announcement has been prepared without taking into account the investment objectives, financial situation or needs of any individuals. Before making any investment decisions, prospective investors should consider the appropriateness of the information having regard to their own investment objectives, financial situation and needs and should seek legal, accounting and taxation advice appropriate to their jurisdiction. Austal is not licensed to provide investment or financial product advice in respect of Austal shares. Cooling off rights do not apply to the acquisition of Austal shares pursuant to the Placement or SPP.

All dollar amounts in this announcement are in Australian dollars unless otherwise indicated.

Forward Looking Statements

This announcement contains certain forward-looking statements. These forward-looking statements are based on Austal's expectations and beliefs concerning future events. Forward-looking statements are necessarily subject to risks, uncertainties and other factors, many of which are outside the control of Austal, which could cause actual results to differ materially from such statements.

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Forward-looking statements are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance. Actual results, performance or achievements may differ materially from those expressed or implied in such statements and any projections and assumptions on which these statements are based. These statements may assume the success of Austal's business strategies. The success of any of those strategies will be realised in the period for which the forward-looking statement may have been prepared or otherwise. Readers are strongly cautioned not to place undue reliance on forward-looking statements. Austal makes no undertaking to subsequently update or revise the forward-looking statements made in this announcement, to reflect the circumstances or events after the date of this announcement.

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This announcement was authorised for release to the ASX by the Board of Directors.

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Media Contact:

Cameron Morse
+61 433 886 871
cameron.morse@fticonsulting.com

About Austal:

Austal is Australia's global shipbuilder and defence prime contractor designing, constructing and sustaining some of the world's most advanced commercial and defence vessels.

In its 35 years of operations, Austal has built more than 350 vessels for 122 commercial and defence operators in 59 countries.

Austal is Australia's largest defence exporter and first ASX-listed shipbuilder. The Company has industry-leading shipyards in Australia, the United States of America, Philippines and Vietnam, and service centres worldwide.

Austal delivers iconic monohull, catamaran and trimaran commercial and defence vessel platforms.

Although the Company's roots are in aluminium shipbuilding – it is the world's largest aluminium shipbuilder – Austal builds conventional and autonomous ships in both steel and aluminium, as well as a range of other bespoke maritime build programs such submarine modules.

Austal was the first, and remains one of only two, foreign-owned prime contractors designing, constructing and sustaining ships for the US Navy.

Austal Limited ACN 009 250 266
100 Clarence Beach Road
Henderson, Western Australia 6166