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# Prospectus

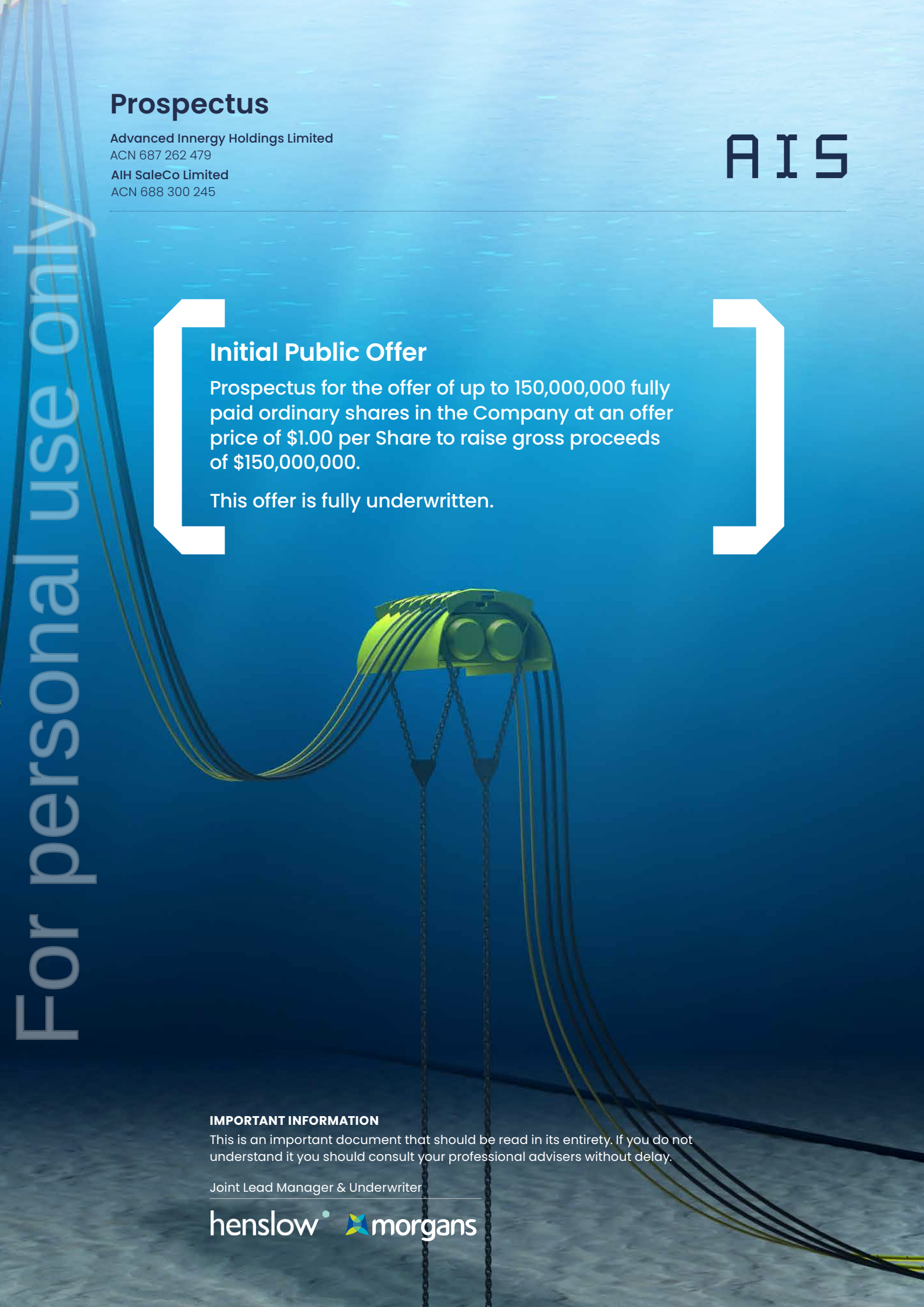
**Advanced Innergy Holdings Limited**
ACN 687 262 479
**AIH SaleCo Limited**
ACN 688 300 245

AIS

## Initial Public Offer

Prospectus for the offer of up to 150,000,000 fully paid ordinary shares in the Company at an offer price of $1.00 per Share to raise gross proceeds of $150,000,000.

This offer is fully underwritten.



**IMPORTANT INFORMATION**
This is an important document that should be read in its entirety. If you do not understand it you should consult your professional advisers without delay.

Joint Lead Manager & Underwriter

henslow morgans

# Important information

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This is an important document which should be read in its entirety before making any investment decision. You should obtain independent advice if you have any questions about any of the matters contained in this Prospectus.

## Offer

This Prospectus contains an invitation to acquire Shares. The Prospectus is issued in accordance with Chapter 6D of the Corporations Act by the Company and AIH SaleCo to support the initial public offering of the Company.

## Lodgement and listing

This Prospectus is dated 22 September 2025 (**Prospectus Date**) and a copy has been lodged with the Australian Securities and Investments Commission (**ASIC**).

The Company will apply to ASX Limited (**ASX**) within seven days after the Prospectus Date for admission of the Company to the official list of ASX and quotation of its Shares on ASX.

Neither ASIC nor ASX takes any responsibility for the content of this Prospectus or for the merits of the investment to which this Prospectus relates.

## Expiry Date

This Prospectus expires on 21 October 2026 (**Expiry Date**). No Shares will be allotted, issued, transferred or sold on the basis of this Prospectus after the Expiry Date.

## Note to Applicants

No person is authorised to provide any information, or to make any representation, about the Company, AIH SaleCo or the Offer that is not contained in this Prospectus. Potential investors should only rely on the information contained in this Prospectus. Any information or representation which is not contained in the Prospectus may not be relied on as having been authorised by the Company, AIH SaleCo or any other person in connection with the Offer. Except as required by law and only to the extent so required, neither the Company, AIH SaleCo nor any person associated with the Company, AIH SaleCo or the Offer guarantees or warrants the future performance of the Company, the return on an investment made under the Prospectus, the repayment of capital or the payment of dividends on the Shares.

The information in this Prospectus is not investment or financial product advice and has been prepared as general information only, without taking into account your investment objectives, financial situation or particular needs. Neither the Company nor AIH SaleCo are licensed to provide financial product advice in relation to Shares or any other financial products.

It is important that you read this Prospectus carefully and in its entirety before deciding whether to invest in the Company. In particular, you should consider the assumptions underlying the Pro Forma Historical Financial Information and the Forecast Financial Information (see Section 4) and the risk factors that could affect the business, financial condition and financial performance of the Company (see Section 5). You should carefully consider these risks in light of your personal circumstances (including financial and tax issues) and seek professional guidance from your stockbroker, solicitor, accountant or other independent professional adviser before deciding whether to invest in the Shares. No cooling off regime (whether provided for by law or otherwise) applies in respect of the acquisition of Shares under this Prospectus. This means that, in most circumstances, you cannot withdraw your application once it has been accepted.

No person named in this Prospectus, nor any other person, guarantees the performance of the Company or the repayment of capital or any return on investment made under this Prospectus.

## Statements of past performance

This Prospectus includes information regarding the past performance of the Company. Investors should be aware that past performance is not indicative of future performance.

## Financial information presentation

Section 4 sets out in detail the financial information referred to in this Prospectus. The basis of preparation of that information is set out in Section 4 and Appendix A.

Investors should note that certain financial data included in this Prospectus is not recognised under the Australian Accounting Standards and is classified as 'non-IFRS financial information' under ASIC Regulatory Guide 230 'Disclosing non-IFRS financial information' (**RG 230**). The Company considers that this non-IFRS information provides useful information to users in measuring the financial performance and condition of the Group. The non-IFRS financial measures do not have standardised meanings under the Australian Accounting Standards and therefore may not be comparable to similarly titled measures presented by other entities, nor should they be interpreted as an alternative to other financial measures determined in accordance with the Australian Accounting Standards. Investors are cautioned therefore not to place undue reliance on any non-IFRS financial information and ratios included in this Prospectus.

All financial amounts contained in this Prospectus are expressed in Australian dollars and rounded to the nearest thousand dollars unless otherwise stated. Any discrepancies between totals and sums of components in tables contained in this Prospectus may be due to rounding.

## Forward-looking statements and statements from third parties

This Prospectus contains forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'expects', 'intends' and other similar words that involve risks and uncertainties. The Forecast Financial Information is an example of forward-looking statements.

Any forward-looking statements are subject to various risk factors that could cause the Company's actual results to differ materially from the results expressed or anticipated in these statements. Such statements are not guarantees of future performance and involve known and unknown

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risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, AIH SaleCo and their respective directors and management.

Forward-looking statements should therefore be read in conjunction with, and are qualified by reference to, the discussion of the Historical Financial Information and the Forecast Financial Information in Section 4, specific assumptions and general assumptions as set out in Section 4.8 the sensitivities as set out in Section 4.9 and other information in this Prospectus and the risk factors as set out in Section 5.

The Company and AIH SaleCo cannot and do not give any assurances that the results, performance or achievements expressed or implied by the forward-looking statements contained in the Prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements. The Company and AIH SaleCo have no intention of updating or revising forward-looking statements, or publishing prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information, contained in this Prospectus, except where required by law.

## Industry and third party market data

This Prospectus, including the industry overview in Section 2, uses statistics, market data and third party estimates and other information (including industry forecasts and projections). Section 2 has been prepared by Frost & Sullivan.

The Company and AIH SaleCo have obtained portions of information included in this Prospectus from databases and research prepared by third parties. Certain information contained in the Prospectus has been extracted by the Company and AIH SaleCo from these sources and are based on the Company's and AIH SaleCo's analysis of such information. None of the authors of the information referred to in this paragraph have authorised or approved the publication of the Prospectus.

The market and industry data in Section 2 has not been independently prepared or verified by the Company and neither the Company nor AIH SaleCo can assure you as to its accuracy or the accuracy of the underlying assumptions used to estimate such data. Industry assumptions, estimates and forecasts involve risk and uncertainties and are subject to change based on various factors, including those described in the risk factors set out in Section 5. There is no assurance that any of the third party estimates or projections contained in this Prospectus will be achieved.

Market data and statistics are inherently subject to a range of limitations and possible errors, including errors in data collection and the possibility that relevant data has been omitted. As a result, this data is subject to uncertainty and not necessarily reflective of actual market conditions.

## Foreign jurisdictions

This Prospectus does not constitute an offer or invitation to apply for Shares in any place in which, or to any person to whom, it would be unlawful to make such an offer or invitation. No action has been taken to register or qualify the Shares or the Offer or to otherwise permit a public offering of the Shares in any jurisdiction outside Australia.

The distribution of this Prospectus outside Australia may be restricted by law and persons who come into possession of this Prospectus outside Australia should obtain advice and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

This Prospectus may not be distributed or relied on by persons in the United States or to or for the account or benefit of US Persons (as defined in Regulation S under the US Securities Act, as amended). The Shares have not been, and will not be, registered under the US Securities Act or the securities laws of any state of the United States, and may not be offered or sold in the United States, except in a transaction exempt from, or not subject to, registration under the US Securities Act and applicable US state securities laws.

### 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 (**SFO**). Accordingly, this document may not be distributed, and Shares may 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 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 Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors. No person allotted 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* (**FMC Act**).

The 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;

# Important information continued

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

### Singapore

This document and any other materials relating to the 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 Shares, may not be issued, circulated or distributed, nor may the 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 13 of the Securities and Futures Act 2001 of Singapore (**SFA**) or another exemption under the SFA.

This document has been given to you on the basis that you are an 'institutional investor' or an 'accredited investor' (as such terms are defined in the SFA). If you are not such an investor, 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 Shares being subsequently offered for sale to any other party in Singapore. On-sale restrictions in Singapore may be applicable to investors who acquire Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

### United Kingdom

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

The 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 UK Prospectus Regulation. 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 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 (**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.

### Disclaimer

None of the Company, AIH SaleCo nor any other person in connection with the Offer warrants or guarantees the future performance of the Company, or any return on any investment made under this Prospectus.

No person is authorised to give any information or to make any representation in connection with the Offer described in this Prospectus which is not contained in this Prospectus. Any information not so contained may not be relied on as having been authorised by the Company, AIH SaleCo or any other person in connection with the Offer. You should rely only on information in this Prospectus.

As set out in Section 7, it is expected that the Shares will be quoted on ASX. The Company, AIH SaleCo and the Share Registry disclaim all liability, whether in negligence or otherwise, to persons who trade Shares before receiving their holding statement.

This disclaimer does not purport to disclaim any warranty or liability which cannot be disclaimed by law.

### Exposure Period

The Corporations Act prohibits the Company and AIH SaleCo from processing Applications in the seven days after this Prospectus is lodged with ASIC (**Exposure Period**). The Exposure Period may be extended by ASIC by up to a further seven days.

The purpose of the Exposure Period is to enable this Prospectus to be examined by market participants prior to the raising of funds. However, in accordance with the 'no-action' position announced by ASIC in media release MR25-06 on 10 June 2025, and despite the prohibition outlined above in the Corporations Act regarding the Exposure Period, if ASIC confirms that the 'no-action' position applies to the Company in respect of this Prospectus, Applications received during the Exposure Period may be processed during that time.

During the Offer Period, this Prospectus will be made generally available to Australian residents at the Offer website, www.aihipo.com.au.

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## Obtaining a copy of this Prospectus

Applications for Shares may be made on the appropriate Application Form included in, or accompanying, this Prospectus in its paper copy form, or in its electronic form which must be downloaded in its entirety from www.aihipo.com.au. By making an Application, you declare that you were given access to the Prospectus, together with an Application Form. The Corporations Act prohibits any person from passing the Application Form on to another person unless it is included in, or accompanied by, this Prospectus in its paper copy form or the complete and unaltered electronic version of this Prospectus.

The Offer under this Prospectus in electronic form is available to persons receiving an electronic version of this Prospectus within Australia. The Company and AIH SaleCo are entitled to refuse an application for Shares under this Prospectus if either believes the Applicant received the Offer in electronic form outside Australia in non-compliance with the laws of the relevant foreign jurisdictions.

Any person accessing the electronic version of this Prospectus for the purpose of making an investment in the Company must only access this Prospectus from within Australia, or any jurisdiction outside Australia where the distribution of the electronic version of this Prospectus is not restricted by law.

Shares to which this Prospectus relates will only be issued or transferred on receipt of an Application Form issued together with the Prospectus.

During the Offer Period any person who is not in the United States, not a US Person and is not acting for the account or benefit of any US Person may obtain a paper copy of this Prospectus by contacting the Company.

## Privacy

By completing an Application Form, you are providing personal information to the Company, AIH SaleCo and the Share Registry, which is contracted by the Company to manage Applications. The Company, AIH SaleCo and the Share Registry on their behalf, collect, hold and use that personal information to process your Application, service your needs as a Shareholder, provide facilities and services that you request and carry out appropriate administration.

Once you become a Shareholder, the Corporations Act and Australian taxation legislation require information about you (including your name, address and details of the Shares you hold) to be included in the Company's public share register. The information must continue to be included in the Company's public share register even if you cease to be a Shareholder.

If you do not provide all the information requested, your Application Form may not be able to be processed. The Company, AIH SaleCo and the Share Registry on their behalf, may disclose your personal information for purposes related to your investment to their agents and service providers including those listed below or as otherwise authorised under the Privacy Act:

- the Share Registry for ongoing administration of the Company's public share register;
- printers and other companies for the purposes of preparation and distribution of documents and for handling mail;
- the Company, AIH SaleCo and their advisers in order to assess your Application;
- market research companies for the purpose of analysing the Company's Shareholder base; and
- legal and accounting firms, auditors, management consultants and other advisers for the purpose of administering and advising on the Shares and for associated actions.

You may request access to your personal information held by, or on behalf of, the Company. You can request access to your personal information or obtain further information about the Company's privacy practices by contacting the Company or its Share Registry. The Company aims to ensure that the personal information it retains about you is accurate, complete and up-to-date. To assist with this, please contact the Company or the Share Registry if any of the details you have provided change.

In accordance with the requirements of the Corporations Act, information on the Company's share register will be accessible by members of the public. The information contained in the Company's share register must remain there even if that person ceases to be a Shareholder. Information contained in the Company's share register is also used to facilitate dividend payments and corporate communications (including the Company's financial results, annual reports and other information that the Company may wish to communicate to its Shareholders) and compliance by the Company with legal and regulatory requirements.

An Applicant has a right to gain access to the information that the Company and the Share Registry hold about that person, subject to certain exemptions under law. A fee may be charged for access. Access requests must be made in writing or by telephone call to the Company's registered office or the Share Registry's office, details of which are disclosed in the Corporate Directory on the inside back cover of this Prospectus.

## Photographs and diagrams

Photographs and diagrams used in this Prospectus are for illustration only and should not be interpreted to mean that any person shown in them endorses this Prospectus or its contents or that the assets shown in them are owned by the Company. Diagrams used in this Prospectus are illustrative only and may not be drawn to scale. Unless otherwise stated, all data contained in charts, graphs and tables is based on information available at the Prospectus Date.

Photographs in this Prospectus may be used under licence. The downloading, republication, retransmission, reproduction or other use of those photographs other than in this Prospectus is prohibited.

# Important information continued

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## Applications

By lodging an Application Form, you declare that you were given access to the entire Prospectus, together with an Application Form. The Company and AIH SaleCo will not accept a completed Application Form if they have reason to believe that an Application Form lodged by an Applicant was not accompanied by, or included in, the Prospectus or if it has reason to believe that the Application Form has been altered or tampered with in any way.

Detailed instructions on completing the Application Forms can be found on the back of the Application Forms. The acceptance of an Application Form and the allocation of Shares are at the sole and absolute discretion of the Company and AIH SaleCo.

## No guarantee

The Shares to be issued and sold under this Prospectus carry no guarantee with respect to payment of dividends, returns of capital or the market value of those Shares.

## Company website

Any references to documents included on the Company's website at https://www.aisltd.com/ or the Offer website at www.aihipo.com.au offer are provided for convenience only, and none of the documents or other information available on either website is incorporated by reference into this Prospectus.

## Currency

References in this Prospectus to currency are to Australian dollars unless otherwise indicated.

## Glossary

Certain terms and abbreviations in this Prospectus have defined meanings that are explained in the Glossary to this Prospectus. Defined terms are generally identifiable by the use of an upper case first letter.

## Investigating Accountant's Report on the Financial Information and financial services guide

The provider of the Investigating Accountant's Report on the Financial Information is required to provide Australian retail investors with a financial services guide in relation to its independent review under the Corporations Act. The Investigating Accountant's Report and accompanying financial services guide are provided in Section 8.

**This document is important and should be read in its entirety.**



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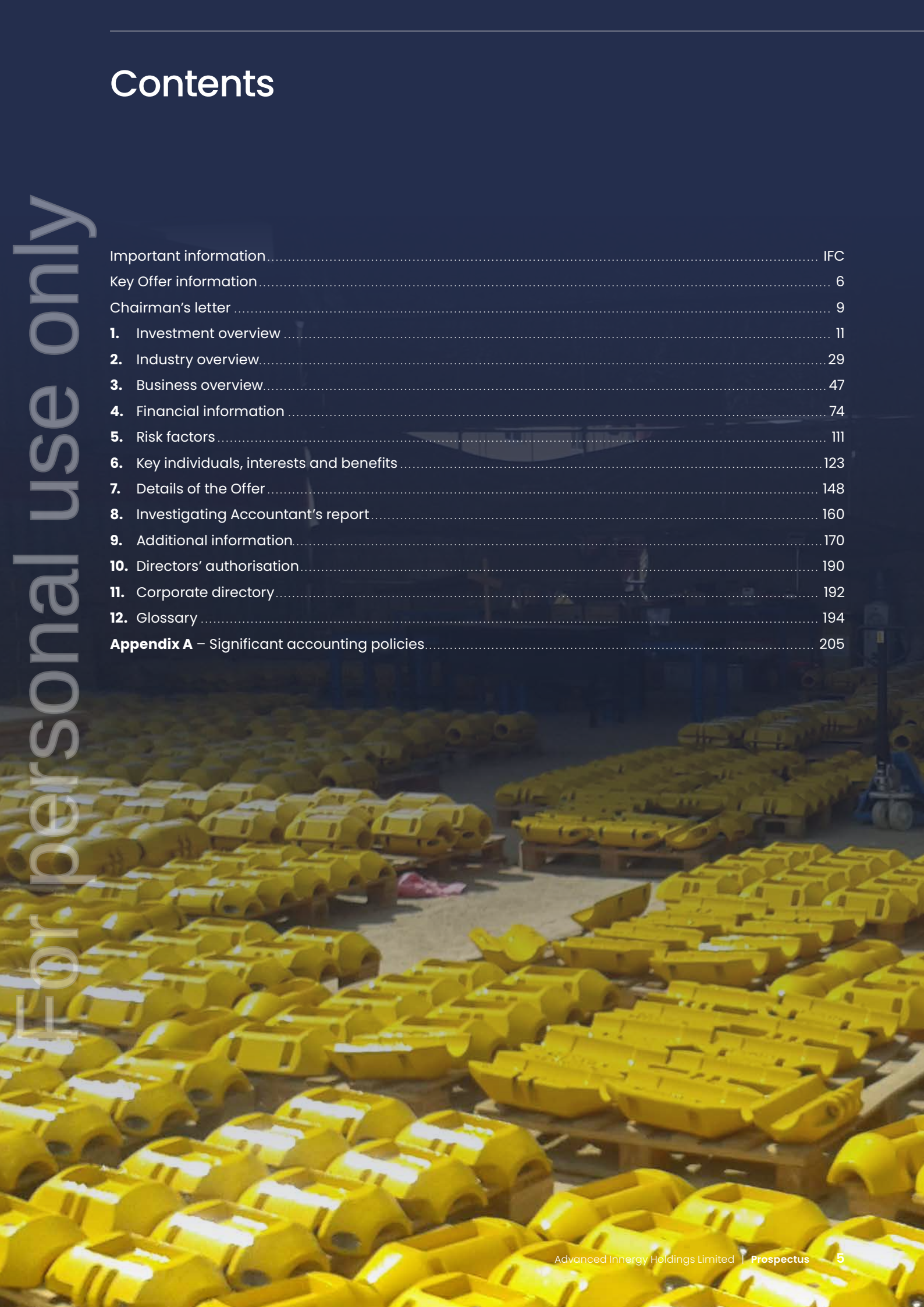

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# Key Offer information

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| Important dates | |
|---|---|
| Prospectus Date | 22 September 2025 |
| Opening Date of Offer | 22 September 2025 |
| Closing Date of Offer | 1 October 2025 |
| Restructure | 14 October 2025 |
| Settlement | 20 October 2025 |
| Allotment and transfer of Shares | 21 October 2025 |
| Expected dispatch of holding statements | 22 October 2025 |
| Shares expected to begin trading on ASX (on a normal settlement basis) | 30 October 2025 |

## Dates may change

The above dates other than the Prospectus Date are subject to change and are indicative only. The Company and AIH SaleCo reserve the right to vary the dates and times of the Offer, including to close the Offer early, extend the Offer or accept late Applications, without notifying any recipient of this Prospectus or any Applicants. Applicants are encouraged to submit their Applications as early as possible.

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| Key Offer metrics | |
|---|---|
| Offer Price per Share | $1.00 |
| Total number of New Shares to be issued under the Offer | 90,000,000 |
| Total number of Sale Shares to be sold under the Offer | 60,000,000 |
| Total number of Shares held by Existing Owners after Completion of the Offer[1] | 272,343,593 |
| Total number of Shares on issue on Completion of the Offer[2] | 422,343,593 |
| Market capitalisation at the Offer Price[3] | $422.3 million |
| Pro forma net cash/(debt) | $(29.1) million |
| Enterprise value[4] | $451.5 million |
| Pro forma forecast EBITDA FY25[5] | $56.4 million |
| Pro forma forecast NPAT FY25[5] | $24.5 million |
| Pro forma forecast EBITDA FY26[5] | $62.3 million |
| Pro forma forecast NPAT FY26[5] | $28.9 million |
| Enterprise value to pro forma forecast FY25 EBITDA (times) | 8.0x |
| Offer Price to pro forma forecast FY25 NPAT per Share (times) | 17.3x |
| Enterprise value to pro forma forecast FY26 EBITDA (times) | 7.2x |
| Offer Price to pro forma forecast FY26 NPAT per Share (times) | 14.6x |
| Expected Free Float on Listing | 38.6% |

**Notes:**

1. Includes 259,249,827 Shares held by or to be issued to certain Existing Owners which will be subject to escrow arrangements for various periods as described in Section 7.7. This does not include Performance Rights issued on Completion of the Offer.
2. This does not include the Performance Rights or the Employee Shares issued on Completion of the Offer.
3. Calculated as the total number of Shares on issue following the Offer multiplied by the Offer Price. Shares may not trade at the Offer Price after Listing.
4. Enterprise value calculated as the market capitalisation of the Company at the Offer Price minus pro forma net cash/(debt) of $(29.1) million calculated as forecast Net Debt at 31 September 2025 of $(119.1) million plus Offer proceeds of $90 million.
5. The Forecast Financial Information is based on the assumptions and accounting policies set out in Section 4 and Appendix A and is subject to the risk factors set out in Section 5. There is no guarantee that the forecasts will be achieved. Certain financial information in this Prospectus is described as pro forma for the reasons set out in Section 4. Forecasts have been included in this Prospectus for the period ending 30 September 2026.

## How to invest

Applications for Shares can only be made by completing and lodging an Application Form included in or accompanying this Prospectus. Instructions on how to apply are set out on the back of the Application Form. Applications must be for at least 2,000 Shares equating to $2,000.




**global materials science group that designs, engineers, manufactures and installs mission critical insulation, buoyancy, cable protection and fire protection systems for the world's most demanding energy and industrial applications**

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# Chairman's letter

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22 September 2025

**Dear Investor,**

On behalf of the Board, I am pleased to invite you to become a shareholder in Advanced Innergy Holdings Limited (**AIH**). Over the past three decades, the Group has evolved from a single site fire protection specialist into a vertically integrated global materials science group that designs, engineers, manufactures and installs mission critical insulation, buoyancy, cable protection and fire protection systems for the world's most demanding energy and industrial applications.

Today, the Group operates 20 manufacturing, testing and service facilities across 13 countries and employs approximately 800 people, of whom approximately 80% are engineers and production specialists. Our solutions draw on more than 180 granted and pending patents and more than 93 type approvals, providing high barriers to entry and long-term incumbency with blue chip clients. Approximately 70% of revenue is generated from repeat work and long-term relationships, reflecting the trust we have earned by delivering safely and on time in some of the world's harshest environments. Growth has been underpinned by a broad portfolio of protected intellectual property and deep expertise in polymer chemistry, composite engineering and large scale project execution.

AIH continues to deliver strong financial performance. The Group recorded pro forma revenue of A$263 million and EBITDA of A$36.4 million for the year ended 30 September 2024. For the year ending 30 September 2025, we are forecasting pro forma revenue of A$334.2 million and EBITDA of A$56.4 million and for the year ending 30 September 2026, we are forecasting revenue of A$387.9 million and EBITDA of A$62.3 million[1].

The Group's market position is underpinned by significant technical and capital investment. A new entrant would need to replicate 181 active and pending patents, secure 93 type approvals (each requiring 12-18 months and costing up to A$2 million each), and invest in substantial specialised test infrastructure, including jet fire furnaces, cryogenic spill rigs, 600-bar pressure vessels and one of Europe's largest electric battery testing sites. These assets enable rapid certification and create a capital and regulatory moat that is difficult for competitors to cross, helping the Group sustain attractive margins and continue to generate repeat revenue.

AIH generates revenue across seven specialised product groups: subsea insulation, subsea ancillaries, fire protection materials and jackets, offshore wind cable protection, marine flotation, water intake risers, and battery safety materials and testing. These products serve traditional, transition and emerging energy sectors, collectively addressing markets estimated at A$6.5 billion in 2024[2]. Growth is supported by resilient demand in established markets and long-term structural tailwinds. Subsea solutions are benefiting from a forecast 24% increase in upstream oil and gas capital expenditure to 2050, driven by deepwater exploration and life-extension projects[3]. Offshore wind capacity is expected to triple over the next six years, with the potential addressable market to quadruple by 2030[4]. Battery protection materials are growing strongly, supported by rising electric vehicle adoption and stricter fire safety requirements. In parallel, demand for fire protection systems across offshore platforms, floating production vessels and hydrogen storage facilities continues to increase in response to tightening regulation and operational safety standards. AIH's growth strategy is to build on these converging trends by deepening its technology base and expanding its global footprint, both organically and through targeted acquisitions.

To capitalise on these opportunities and to facilitate a partial selldown by existing shareholders, AIH is seeking to list on the ASX through an initial public offering (**IPO**) to raise gross proceeds of A$150 million. AIH intends to issue 90 million fully paid ordinary shares (**New Shares**) at the offer price of $1.00 per New Share (**Offer Price**), alongside the sale of 60 million fully paid ordinary shares (**Sale Shares**) held by certain existing owners of the Company at the Offer Price. Proceeds from the issue of the New Shares will fund future targeted acquisitions and will enable the partial selldown by existing shareholders. The IPO is expected to broaden access to capital, enhance visibility and establish a liquid market for AIH Shares. The Offer is fully underwritten and is expected to result in a free float of approximately 38.6% of issued capital. Further details of the Offer are set out in Section 7 of the Prospectus.

1. Please refer to Section 4 for further details of the forecast.
2. Refer to Section 2.5.
3. Refer to Section 2.2.1.
4. Refer to Section 2.2.3.

# Chairman's letter continued

The Group is led by an experienced management team with a strong record in international expansion, innovation and operational delivery. The Board comprises executive and independent directors with deep expertise in engineering, finance, governance and global operations.

As with any business, risks remain, including in relation to manufacturing and production, cyber security, competition, safety, supply chain disruption, a downturn in oil and gas exploration or prices, having operations and revenues/costs in foreign jurisdiction, costs and availability of key inputs, launch and adoption of new and existing products, potential acquisitions, failure to realise benefits from research and development costs, manufacturing defects and product liabilities risks, product quality risk and regulations, protection of intellectual property and growth. Section 5 outlines these and other material risks and forward-looking statements in this Prospectus should be considered in that context.

With a diversified portfolio, extensive protected intellectual property and a clear strategy to grow both organically and through targeted acquisitions, the Board believes AIH is well placed to create long-term value for Shareholders while helping customers meet their safety, efficiency and decarbonisation goals.

Please read this Prospectus carefully and in its entirety before deciding to invest in the Company. On behalf of the Board, I look forward to welcoming you as a Shareholder.



**Russell Ward**
Chairman

Advanced Innergy Holdings Limited

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# 1.
# Investment overview



# 1. Investment overview

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## 1.1 Business overview

| Topic | Summary | For more information |
|---|---|---|
| **Who is AIH?** | AIH is a global leader in materials science technology for the protection of critical infrastructure. It develops, manufactures and installs high performance solutions used in hazardous and highly regulated environments. Its products are trusted across mission critical energy, emerging technology, defence, transport, marine and industrial applications.<br><br>AIH holds 181 granted and pending patents and over 93 active type approvals globally. The Group operates across 13 countries and employs approximately 800 staff. | Section 3.1 |
| **When was AIH established?** | AIH was originally founded in 1993 by Simon Shepherd, as Alderley Materials. The Group developed passive fire protection materials based on phenolic chemistry, a technology that still underpins a portion of the Group's product portfolio.<br><br>The Group has since grown from a single site, single chemistry fire protection business into a vertically integrated, diversified group with 16 operational sites across the globe.<br><br>Growth has been delivered through continuous investment in research and development, organic market expansion, and targeted acquisitions that have broadened both the product offering and manufacturing footprint. | Section 3.2 |
| **What are the objectives of AIH?** | AIH has established a multi decade track record of organic growth, complemented by strategic acquisitions, including the recent acquisition of Ovun that have enhanced its technical capabilities, expanded its market reach, and diversified its product offering. The Company is now focused on strengthening its competitive advantages and driving growth across its core strategic pillars, both organically and by acquisition. These include growing sales and profits by developing products that support energy transition (particularly in offshore wind, liquified natural gas (**LNG**), and lithium-ion battery protection); investing in product development to uphold its reputation for cutting edge performance and innovation; delivering a complete supply and apply service across a broad product range; generating repeat business through best in class service; and supporting this growth by maintaining sales to the traditional hydrocarbon market throughout the transition period, for as long as demand persists. In parallel, the Company will also continue its inorganic growth strategy by pursuing already identified acquisition opportunities as articulated in Section 3.7.3. | Section 3.9 |
| **How does the Group operate?** | AIH operates a vertically integrated model, owning the full value chain from chemical formulation and in house testing through to manufacturing and installation. The Group operates 20 sites globally, including production facilities and regional engineering hubs in key energy markets.<br><br>AIH typically contracts under long term master service agreements (**MSAs**) and framework agreements with Tier 1 EPC contractors and energy companies, providing revenue visibility and repeat business. | Section 3.6.4 |

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| Topic | Summary | For more information |
|---|---|---|
| **What is the Offer?** | The Offer is an initial public offering of approximately 150 million Shares, comprising 90 million New Shares to be issued by the Company and the sale of approximately 60 million Existing Shares by AIH SaleCo. The Offer is expected to raise approximately $150 million. The funds raised from the issue of the New Shares will be retained by the Company and the funds raised from the sale of the Sale Shares by AIH SaleCo will be transferred by AIH SaleCo to the relevant Existing Owners. | Section 7.1 |
| **Is the Offer conditional?** | Completion of the Offer is conditional on the Restructure completing and ASX approving AIH's application for Listing.<br>If ASX does not approve AIH's application within three months after the date of the Prospectus (or any longer period permitted by law), the Offer will be withdrawn and all Application Monies received will be refunded without interest as soon as practicable in accordance with the requirements of the Corporations Act. | Section 7.10 |
| **Why is the Offer being conducted?** | The Offer is being conducted to:<br>• allow Existing Owners to realise part of their investment through the selldown;<br>• provide the Company with funding to accelerate its inorganic growth strategy by pursuing already identified acquisition opportunities that fit its criteria of providing additional geographic access, provide new or enhanced technologies, allow for immediate margin accretion or synergy and are a cultural and operational fit; and<br>• provide the Company with enhanced access to public markets to support future growth, creating the ability for the Company's Shares to be traded and enabling the company to offer listed scrip as consideration for future acquisitions. | Section 7.5 |

## 1.2 Key features of the Group's business model

| Topic | Summary | For more information |
|---|---|---|
| **What does the Group do?** | AIH is a global leader in advanced materials science, specialising in the development, design, engineering, manufacture and installation of mission critical products that protect lives and high-value infrastructure in some of the world's most highly regulated, safety critical environments.<br>The business designs, formulates, tests, manufactures, and installs high-performance systems for insulation, passive fire protection, water intake risers, buoyancy and ballast, impact resistance, friction and overbending protection. It also provides advanced battery safety testing services and materials. While AIH is rooted in traditional markets such as oil and gas, it is now also making significant inroads into energy transition and renewables sectors with approximately 50% of revenues generated from energy transition markets in FY24. The Group is well placed in offshore wind and battery protection, primarily for electric vehicle (**EV**) battery protection, where its market share is growing and new opportunities continue to emerge. | Section 3.1 |

# 1. Investment overview continued

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| Topic | Summary | For more information |
|---|---|---|
| **What does the Group do?** continued | AIH's business model is underpinned by deep expertise in materials science and strong in house design and engineering capabilities. Over three decades of research and development have enabled mastery of a broad suite of proprietary chemistries across phenolics, silicones, epoxies, polyurethanes, composites and rubbers. This has enabled the Group to develop new products and expand into new markets while maintaining a focus on mission critical applications.<br><br>AIH operates across the following product segments:<br><br>• Subsea Insulation: thermal insulation solutions that mitigate wax and hydrate buildup in deep water energy production equipment;<br><br>• Subsea Ancillaries: non-metallic products that protect subsea cables and pipes from friction, impact and overbending, and reduce topside load and tension on production subsea umbilicals risers and flowlines (**SURF**);<br><br>• Fire Protection & Insulation: passive fire protection materials and intumescent coatings, engineered products including fire and blast panels, jackets for offshore platforms, underdecks, floating production storage and offloading (**FPSOs**), industrial and nuclear facilities;<br><br>• Offshore Wind: cable protection systems used in offshore wind farms that protect undersea cables from friction, impact and overbending;<br><br>• Battery Protection: lightweight intumescent, ablative and foam products for protection from fire or thermal runaway as well as safety testing services for Lithium-ion batteries and casings;<br><br>• Marine: flotation and buoyancy products as well as floating and vessel fenders for the protection of ports and vessels and for aquaculture operations; and<br><br>• Water Intake Risers: systems for pumping seawater from depth to improve equipment efficiency on FPSOs and reduce carbon footprint. | Section 3.1 |
| **How does the Group generate its revenue?** | AIH generates revenue from the sale, installation and servicing of its proprietary materials and engineered products. Approximately 70% of revenue is recurring and derived from MSAs, framework agreements and repeat projects, with the balance from competitively tendered contracts. | Section 3.5 |

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| Topic | Summary | For more information |
|---|---|---|
| **What industry sectors does the Group operate in?** | AIH operates across multiple global sectors, including:<br>• hydrocarbons (e.g. subsea and topside oil and gas);<br>• transition energy (e.g. offshore and floating wind or LNG storage and processing);<br>• batteries and energy storage systems;<br>• hydropower<br>• seismic<br>• aquaculture<br>• transport (e.g. automotive, rail, air);<br>• mining;<br>• construction/HVAC;<br>• communications;<br>• ports, harbours and other marine and naval applications;<br>• nuclear energy; and<br>• industrial applications and process safety.<br>The Group has diversified into lower carbon emission sectors over the past decade and is particularly focused on increasing exposure to fast growing energy storage and offshore wind applications. | Section 2.1 |
| **What are the key drivers of the industry sectors in which the Group operates?** | AIH is supported by several structural growth drivers:<br>• growing focus on energy security, which is reinforcing long term investment in critical energy infrastructure;<br>• increased safety and certification requirements for mission critical infrastructure;<br>• ongoing investment in capital expenditure for traditional hydrocarbons;<br>• growth in LNG as a transition fuel;<br>• the global shift toward electrification of transport and renewable energy generation;<br>• mass adoption of battery storage systems;<br>• rising investment in asset life extension programs; and<br>• cost economics of reducing downtime in critical infrastructure systems. | Section 2.2 |

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<table>
<tr><th>Topic</th><th>Summary</th><th>For more information</th></tr>
<tr><td>Who are the major industry participants in each Group division?</td><td>While AIH competes with different suppliers across its product lines it does not have a single global competitor with comparable depth of technical expertise, breadth of product offering or global geographic reach. AIH believes it is a top three global provider in its core segments: Subsea insulation, subsea ancillaries, fire protection & insulation and offshore wind.<br><br><table><tr><th>Product Groups[5]</th><th>Leading Competitors</th></tr><tr><td>Subsea Insulation</td><td>AIH, CRC Evans, Specialty Application Services (SAS), Technip FMC, Vipo</td></tr><tr><td>Subsea Ancillaries</td><td>AIMS Composites, AIH, Balmoral, EXSTO, Matrix Composites & Engineering, Tekmar Energy</td></tr><tr><td>Offshore wind products</td><td>AIH, Balmoral, First Subsea, Tekmar Energy</td></tr><tr><td>Battery protection materials and testing</td><td>Materials: 3M, AIH, Alkegen, Aspen Aerogels, Elmelin, Graco, Henkel, Interpon (Akzo Nobel), JIOS Aerogel, Morgan Advanced Materials, PPG, Saint-Gobain, Sika<br><br>Testing: AIH, MIRA, UTAC, WMG</td></tr><tr><td>Fire protection & insulation</td><td>AIH, Alkegen, Armacell, Aspen Aerogels, Bilco, Darchem Engineering, Insulcon Technical, Knauf Insulation, Prometheus, Rockwool, SIPA, Siltherm</td></tr><tr><td>Water Intake Risers</td><td>AIH, ContiTech, EMSTEC, Trelleborg</td></tr><tr><td>Marine & Leisure Products</td><td>AIH, Floatex, OCEAN 3, Resinex, Trelleborg, VEOS</td></tr></table></td><td>Section 2.4</td></tr>
<tr><td>Which geographic markets does the Group operate in?</td><td>AIH operates across 20 sites in 13 countries, including the UK (operational headquarters), USA, Brazil, Norway, France, UAE, South Korea, Malaysia, Canada, Angola, Kazakhstan, Bulgaria and Portugal. These locations support business development, engineering, manufacturing, testing and in field installation service.</td><td>Section 3.4</td></tr>
<tr><td>Who are the Group's clients in each of its business segments?</td><td>AIH's client base includes blue chip global energy companies, Tier 1 EPC contractors and original equipment manufacturers (OEMs). Its top 5 customers contributed approximately 42% of FY24 revenue, with each having traded with AIH for at least five consecutive years.</td><td>Section 3.5.1</td></tr>
<tr><td>What are the Group's key growth opportunities?</td><td>AIH is focused on five key growth areas: expanding into transition energy markets such as offshore wind and LNG, scaling battery protection solutions for EVs and grid storage, monetising brownfield asset upgrades through rapid insulation technologies, driving margin expansion via automation and local manufacturing, and growing market share in hydrocarbons by continuing to offer high performance, specialised products.</td><td>Section 3.7</td></tr>
</table>

5. Refer to Section 2.4.3.

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## 1.3 Key Strengths

| Topic | Summary | For more information |
|---|---|---|
| **Vertically integrated operating model** | AIH is one of the few companies globally in its industries that owns and controls every step of the value chain, from base material formulation through to testing, manufacturing, and installation. This enables superior quality control, margin capture, faster certification, and improved IP protection. AIH's ability to test and qualify materials in house allows new products to be delivered in 6-9 months versus 12-18 months for competitors reliant on third party labs. | Section 3.4.2 |
| **Certified and defensible IP portfolio** | AIH holds 181 granted and pending patents and 93 type approvals. Each type approval can take 12-18 months and cost up to $2 million to obtain. Once approved, the material is written into the energy companies' global design standard, and competitors would need to replicate the full testing protocol to be considered. This creates significant regulatory and commercial barriers to entry. Materials embedded in project specifications provide AIH with contractual incumbency and a high win rate on repeat business. | Section 3.3 |
| **Track record of performance in mission critical environments** | AIH materials have been deployed in harsh, safety critical settings including the North Sea's hottest oilfield, ultra deepwater oil development in the Gulf of Mexico, significant LNG installations in the arctic circle, one of Africa's first net-zero offshore developments as well as multi continent offshore wind developments. Its solutions have track records of unimpaired performance spanning decades. | Section 3.6.4 |
| **Diversified global operations and client base** | AIH operates 20 sites across 13 countries and services projects on five continents. It has exposure across multiple commodity cycles and end markets, and a long standing global client base of energy majors, EPCs, and OEMs. This strategic footprint improves competitiveness in regional tenders and reduces currency and logistics risks. | Section 3.6.3 |
| **Embedded customer relationships and revenue visibility** | Approximately 70% of Group revenue is recurring, underpinned by long term MSAs, framework agreements, and repeat project work. AIH's top 5 customers, which contributed 42% revenue in FY24 have each traded with the Group for at least five consecutive years, with strong customer retention across all regions and segments. | Section 3.5.3 |

# 1. Investment overview continued

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## 1.4 Financial information

| Topic | Summary | For more information |
|---|---|---|
| **What is AIH's pro forma historical and forecast financial performance?** | The following table summarises the Group's consolidated pro forma financial information. It enables investors to consider the underlying financial performance of the Group. | Section 4 |

| $'000 | FY22 | FY23 | FY24 | FY25F | FY26F |
|---|---|---|---|---|---|
| Revenue | 216,838 | 236,766 | 289,254 | 334,218 | 387,894 |
| Gross profit | 58,722 | 75,092 | 94,800 | 123,554 | 138,812 |
| EBITDA | 16,592 | 28,760 | 39,306 | 56,436 | 62,331 |
| EBIT | 5,445 | 15,928 | 25,173 | 41,487 | 45,371 |
| NPBT | 906 | 10,245 | 17,126 | 31,176 | 36,087 |
| NPAT | (781) | 7,114 | 10,993 | 24,459 | 28,871 |

| | | |
|---|---|---|
| **What is AIH's dividend policy?** | The payment of any dividends by the Company is at the complete discretion of the Directors subject to legal requirements. In determining whether to declare future dividends, the Directors will have regard to the Group's earnings, overall financial condition and future capital requirements. It is expected that all future dividends will be franked to the extent of available franking credits. | Section 4.11 |

## 1.5 Summary of key risks

The business, assets and operations of the Group are subject to certain risk factors that have the potential to influence operating and financial performance in the future. These risks can impact on the value of an investment in Shares.

The Board aims to manage these risks by carefully planning its activities and implementing mitigating risk control measures. Some risks are unforeseen and so the extent to which these risks can be effectively managed is somewhat limited.

Set out below are some key specific risks to which the Company is exposed. Further specific and general risks associated with an investment in the Group are outlined in Section 5.3.

| Topic | Summary | For more information |
|---|---|---|
| **Manufacturing and production risks** | The Group manufactures a majority of its products at sites in Gloucester and Skelmersdale (UK). These sites produce the largest amount of goods (by volume and by value). All sites are exposed to the risk of natural disasters and operational or human error which may result in manufacturing delays or disruptions. Examples of risks to manufacturing and production include major equipment failure, damage or operational issues with product manufacturing infrastructure and any other event which may cause long-term loss of access to utilities. Any manufacturing delay or disruption has the potential to adversely impact supply of products to customers, which could affect contractual obligations. While the Group maintains what it considers to be an appropriate level of stock to meet any minor manufacturing delays, a major manufacturing delay is likely to impact on the Group's revenue and overall financial performance. | Section 5.2.1 |

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| Topic | Summary | For more information |
|---|---|---|
| **Cyber security** | The Group may be adversely affected by malicious third party applications that interfere with, or exploit, security flaws of its computer or operating systems. Breaches of security, such as cyber attacks, could also render the Group's information technology infrastructure and software platforms unavailable. If the Group's efforts to combat these malicious applications are unsuccessful, its reputation may be impacted, which may result in an adverse effect on its operations and financial position. | Section 5.2.2 |
| **Competition risk** | While the Group currently has expertise delivering high-quality and tailored solutions, the level of competition could increase. There is no assurance that competitors will not succeed in developing more effective or economic solutions than the solutions developed by the Company which would render the Group's solutions uncompetitive.<br>The Group faces the risk that:<br>(a) existing competitors could increase their market share through aggressive sales and marketing campaigns, product research and development or price discounting;<br>(b) existing and new competitors, who may have significantly more resources, develop new or superior solutions or improve existing solutions to compete with the Group;<br>(c) the Group may fail to increase adoption and usage of its solutions or introduce new solutions;<br>(d) the Group may fail to anticipate and respond to changing opportunities, technology or customer requirements as quickly as its competitors;<br>(e) the Group's competitors may enhance their solution offering to improve their competitive positioning relative to the Group; and<br>(f) customers who purchase the Group's solutions today may, as they continue to grow, decide to invest in or develop their own solutions, rather than purchasing them from the Group.<br>If any of these risks arise, the Group may compete less effectively and the Group's market share and ability to secure existing or new business could be reduced, which would have an adverse impact on the Group operating and financial performance. | Section 5.2.3 |
| **Safety risks** | The Group's operations involve risks to both personnel and property, and there is a risk that industrial accidents may occur, which could give rise to liability for the Group. The Group has a strong commitment to safety, however there can be no guarantee that such an accident will not occur. In the event of a serious accident, for example resulting in a fatality or significant damage to property, substantial claims may be brought against the client and/or the Group, or the client may terminate their contractual arrangement with the Group. Such an accident could impact on the Group's reputation, growth prospects and financial performance. | Section 5.2.4 |

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| Topic | Summary | For more information |
|---|---|---|
| **Supply chain disruption risk** | The Group's solutions are comprised of products and materials sourced from third parties. Securing underlying products and materials may be impacted by factors outside of the Group's control or by the nature in which the Company contracts with suppliers which tends to be on a purchase order basis in line with market practice. Additionally, the Group's estimated cost of components may also vary due to availability of products, resources, materials or any variables that may impact on the cost of components or elements in its solutions.<br><br>The delivery of components may be delayed, or a specific supplier may not be able to deliver at all, which may lead to a longer sales cycle or may force the Group to shift to another supplier. Supply disruptions may adversely affect the Group's operating and financial performance. Prolonged disruptions without another third party supplier or manufacturer could have a material adverse effect on the Group's ability to meet existing customer demand, have delay related consequences on specific projects and impact the Group's ability to continue to grow its business. | Section 5.2.5 |
| **Downturn in oil and gas exploration as a consequence of lower prices** | The Group's revenues and earnings are to a large extent dependent on the level of oil and gas exploration and production activities as well as prices of these commodities. Any significant or extended decline in the level of exploration and production activity or oil and gas prices will adversely impact the Company's operating and financial performance. Activity levels in the oil and gas industry and prices can be cyclical and sensitive to a number of factors beyond the Group's control. In addition, the Group may not be able to predict the timing, extent or duration of the activity or price cycles in the industry. | Section 5.2.6 |
| **Global and jurisdiction risk** | The Group has operations in the UK, Brazil, Canada, France, Kazakhstan, Malaysia, UAE, Norway and the United States, conducts projects in various other jurisdictions and has its corporate and head office functions in the UK. As at the date of the Prospectus, the Group derives revenue from operations in foreign countries. As a result, the Group is exposed to fluctuations in currency exchange rates particularly in USD, EUR and BRL as compared to GBP, which are managed by way of hedging at present. These fluctuations in currency, exchange rates, the introduction of foreign exchange controls which restrict or prohibit repatriation of funds, and technology export and import restrictions, tariffs, prohibitions or delays may adversely impact the Group's operating and financial performance. The sale of products in foreign jurisdictions also exposes the Group to national trade laws, regulatory rules and regulations (where applicable) and failure to comply with any applicable law or regulatory requirement could result in penalties and enforcement action which may adversely impact the Group's financial position. | Section 5.2.7 |
| **Cost and availability of key inputs** | The cost and availability of key inputs such as skilled labour and critical raw materials will influence the Group's production capacity and profitability. Further, a shortage of these inputs may adversely affect the Group's output capability and its financial performance.<br><br>The Group generally charges clients on a fixed cost basis. Accordingly, there is a risk that if the actual costs of production of a particular product exceed the budgeted costs of production, the Group's forecast revenues and profits may be adversely affected. | Section 5.2.8 |

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| Topic | Summary | For more information |
|---|---|---|
| **Launch and adoption of new and existing products** | The development, release or adoption of new products and in new energy markets may take longer than expected, involve additional costs and/or delay new revenue streams. New third party technologies could prove more effective and be developed in less time and with less costs than the Group's new products. There is also risk that the Group's new products may not be well received or adopted by its customers for reasons including pricing or lack of strong features that resonates with customers.<br><br>In particular, the Group's business strategy assumes the adoption of its existing products and the successful launch and adoption of new products. If adoption of the Group's existing products or the development and launch of new products is delayed or if they are not successfully marketed or adopted by customers, this could cause additional costs and/or delays in the timing for the Group to recognise revenues and could materially impact the Group's ability to achieve its business strategy. If significant further expenditure is required, the Group may also need further funding to develop and launch these or other new products. | Section 5.2.9 |
| **Potential acquisitions** | As part of its business strategy, the Group may make acquisitions of or significant investments in complementary companies, products or technologies. Any such future transactions would be accompanied by the risks commonly encountered in making acquisitions of companies, products and technologies, including integration risks with people, cultures and products and services, failure of the target businesses, products or services to meet expectations, forecasts or warranties, disputes with sellers, changes in relevant markets, delays and costs overruns. | Section 5.2.10 |
| **Failure to realise benefits from research and development costs** | Developing technology is expensive and the investment in the development of these product offerings often involves an extended period of time to achieve a return on investment, especially for new markets. An important element of the Group's business strategy is to continue to make investments in innovation and related product opportunities. The Group believes that it must continue to dedicate resources to the Group's innovation efforts to develop technology product offerings in order to maintain the Group's competitive position. The Group may not, however, receive significant revenues from these investments for several years, or may not realise such benefits at all. | Section 5.2.11 |
| **Manufacturing defects and product liability risk** | The Group may be subject to product liability claims if a defect in a product sold or supplied by the Group results in, or is alleged to have resulted in, personal injury or property damage. The Group's business model relies on third party suppliers to supply certain product components and, in some cases, also relies on third party manufacturers to manufacture the Group's products. Although the Group has policies and procedures in place to ensure its products are of a certain standard, there can be no assurance that manufacturing defects will not arise in the Group's products or that key components provided by third party suppliers may be defective. | Section 5.2.12 |

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| Topic | Summary | For more information |
|---|---|---|
| **Manufacturing defects and product liability risk** continued | Product defects could expose the Group to product liability claims or litigation which may result in the revocation of certifications or approvals for certain products and or monetary damages being awarded against the Group.<br><br>In addition, a product defect may expose the Group to financial liability, decrease demand for its products or damage the Group's reputation, brands or its relationships. If any of those events were to occur, they may adversely impact the Group's operating and financial performance. | Section 5.2.12 |
| **Product quality risk and regulations** | The Group's manufactured products must meet certain quality standards and comply with applicable laws and regulations. Failure by the Group, or its suppliers, to continuously comply with relevant standards and laws, or failure to take satisfactory action in response to products that do not adhere to these standards and requirements may result in returned products, reputational damage and enforcement actions which may have a material adverse impact on its financial position. | Section 5.2.13 |
| **Protection of IP** | The value of the Group's products is dependent on its ability to effectively identify, protect, defend, and in certain circumstances keep secret, its IP, including products, business processes and know-how, copyrights, patents, trade secrets and trade marks. There is a risk that the Group may be unable to detect all unauthorised uses of its IP rights and its protective actions IP may not be adequate or enforceable and therefore may not prevent the misappropriation of its IP and proprietary information. Breach of the Group's IP may require the commencement of legal action, which could be costly, time consuming and potentially difficult to enforce in certain jurisdictions and may ultimately prove unfavourable to the Group.<br><br>Effective IP protection may not be available or feasible in every country in which the Group's products and services could be distributed. Also, the Group's efforts to protect its proprietary rights may not be sufficient or effective.<br><br>While the Group has obtained a number of patents for its product components, it otherwise largely relies on trade secrets and the confidentiality and IP protections in its contracts with employees and third parties to protect its IP rather than formal legal mechanisms to protect its IP. Despite the Group's efforts, this may be insufficient to protect the Group's IP. The secrecy of this information could be compromised by outside parties or by employees or others engaged by the Group.<br><br>The Group's registered or unregistered IP (including its patents or trade marks) may be deemed invalid or unenforceable. It is also possible the Group may not be able to protect some of its innovations and technology. Further to this, the Group may not have adequate patent or copyright or trade mark protection for certain innovations and technology that later turn out to be important.<br><br>The Group's failure to protect its IP rights could have an adverse impact on its operations and financial performance. | Section 5.2.14 |

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| Topic | Summary | For more information |
|---|---|---|
| **Growth** | There is a risk that the Group may not successfully manage its future growth or maintain or grow the volume of its projects and its project pipeline. Growth may also be negatively impacted through circumstances beyond the Group's control, including a decline in investment in the civil and infrastructure, energy, mining and resources, oil and gas, defence and hydrogen sectors locally and/or globally. | Section 5.2.15 |
| **Other key risks** | A number of other key risks are included in Section 5, including other commercial, operational and general risks. | Section 5 |

## 1.6 Directors, proposed Directors and key management

| Topic | Summary | For more information |
|---|---|---|
| **Who are the Directors and proposed Directors?** | The Directors are:<br>• Russell Ward;<br>• Andrew Bennion;<br>• Simon Shepherd;<br>• Sir Robert Ben Wallace KCB PC;<br>• Abigail Cheadle; and<br>• Julian Babarczy. | Sections 6.1 |
| **Who are the key management of AIH?** | • Andrew Bennion;<br>• Simon Shepherd;<br>• Andrew King; and<br>• John Drury. | Sections 6.1 and 6.2 |

# 1. Investment overview continued

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## 1.7 Interests, benefits and related party transactions

| Topic | Summary | For more information |
|---|---|---|
| **Who are the Existing Owners and Directors and what will be their interest in the Company at Completion of the Offer?** | On Completion of the Offer, the Shareholdings of Existing Owners and Directors will be as follows: | Sections 6.5, 6.6 and 6.7 |

| | Shares[6] | | Performance Rights[7] | |
|---|---|---|---|---|
| Shareholder[8] | Number | % | Number | % fully diluted[9] |
| Andrew Bennion | 30,922,264 | 7.3% | 506,401 | 7.4% |
| Simon Shepherd | 193,443,110 | 45.8% | 251,060 | 45.7% |
| Andrew King | 10,177,542 | 2.4% | 240,374 | 2.5% |
| John Drury | 9,753,463 | 2.3% | 237,501 | 2.4% |
| Other Existing Shareholders | 26,012,387 | 6.2% | 229,961 | 6.2% |
| Other Directors | 2,034,827 | 0.5% | – | 0.5% |
| New Shareholders under the Offer | 150,000,000 | 35.5% | – | 35.4% |
| **Total Shares on Issue** | **422,343,593** | **100.0** | **1,462,116** | **100.0** |

| | | | |
|---|---|---|---|
| **What benefits and interests are payable to Directors and other persons connected with the Company or the Offer, and what interest will that have on Completion of the Offer?** | Key People | Interest or benefit | For more information |
| | Non-Executive Directors | Directors' fees payments | Section 6.5.2 |
| | Executive Directors and other senior management | Fixed remuneration<br>STI<br>Performance Rights under the AIH Equity Plan | Sections 6.5.1 and 6.6 |
| | Other advisers and service providers | Fees for services | Section 6.4 |

Sections 6.3, 6.4 and 6.5

6. This assumes the completion of the Restructure and does not include the Employee Shares issued on Completion of the Offer.
7. This is the number of unvested Performance Rights which will be issued to certain executives under the LTI Plan as described in Sections 6.6 and 6.7.2. The actual number of unvested Performance Rights which will vest for the relevant executives will depend on whether and the extent to which, the vesting conditions attaching to those Performance Rights, are satisfied or they otherwise vest.
8. Including any associates and controlled entities of the Shareholder.
9. This column excludes any impact from the Employee Shares issued on Completion of the Offer. The Employee Shares will be offered to employees of the Group under the AIH Equity Plan as described in Section 6.7.4. As noted in Section 6.7.4, up to a maximum of 5 million Shares may be issued however the actual number of Shares to be issued is unknown as it depends on employee participation in the Employee Equity Offer.

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| Topic | Summary | For more information |
|---|---|---|
| **Are there any related party transactions?** | SADE Properties Ltd (**SADE**), a company under the control of Andrew Bennion, Simon Shepherd and another Existing Owner, is a landlord of the Group for one of its operating sites. The lease is on arm's length terms, the Group pays market rent to SADE and an independent valuer is engaged to assess the rent payable. In the last financial year, the Group paid £369,334 in rent and service charges to SADE.<br><br>In 2024, AIH entered into an interest accruing loan agreement with the trustees of The Shepherd Family Settlement 2015 (an entity associated with Simon Shepherd) in connection with the management led buy out and exit of Growth Capital Partners LLP from AIH. As at 30 April 2025, the balance outstanding on the loan was £309,167.26. The loan will be repaid in full from the proceeds of the Offer received by the trustees of The Shepherd Family Settlement 2015 who is participating in the selldown. | Section 6.8 |
| **Will any Shareholder have a voting power of 20% or more?** | Entities associated with Simon Shepherd will in aggregate control or have influence over approximately 45.8% of the Shares[10] on issue. | Section 7.8 |
| **What Share escrow arrangements are in place?** | Certain Existing Owners who are involved in the continuing management of the Group (**Escrowed Shareholders**) have agreed to hold their remaining Shares after Listing under escrow agreements (**Escrow Arrangements**). Under the Escrow Arrangements, the Escrowed Shareholders have undertaken not to dispose of any interest in or to grant any security over:<br><br>• 50% of the Shares held by them in aggregate from Listing until 30 September 2026; and<br><br>• the remaining 50% of the Shares held by them in aggregate from Listing until 30 September 2027.<br><br>In total, 259,249,827 Shares held by Escrowed Shareholders will be subject to the Escrow Arrangements. | Section 7.7 |
| **What is the Restructure?** | In connection with the Listing, the Group will undertake the Restructure where the Company will become the ultimate holding company of the Group.<br><br>The Offer is conditional on the Restructure completing. | Section 9.3 |

10. Excluding any Performance Rights held by Simon Shepherd.

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## 1.8 Summary of the Offer

| Topic | Summary | For more information |
|---|---|---|
| **Who is the issuer of this Prospectus?** | Advanced Innergy Holdings Limited ACN 687 262 479.<br>AIH SaleCo Limited ACN 688 300 245. | Important Information |
| **Who is AIH SaleCo?** | AIH SaleCo is a special purpose vehicle established to enable certain Existing Owners to sell part or all of their Shares in the Company under the Offer. | Section 9.4 |
| **What is the Offer?** | The Offer contained in this Prospectus is an invitation to apply for 90,000,000 New Shares offered for issue by the Company and 60,000,000 Sale Shares offered for sale by AIH SaleCo (**Offer**).<br>All Shares issued under this Prospectus will, from the time they are issued, rank equally with all Existing Shares.<br>The Offer is to be conducted in Australia, New Zealand, the United Kingdom, Singapore and Hong Kong. | Section 7.1 |
| **What are the key Offer statistics?** | Offer Price per Share: $1.00<br>Market capitalisation at the Offer Price: $422.3 million<br>Pro forma net cash/(debt): $(29.1) million<br>Enterprise value[11]: $451.5 million<br>Pro Forma Forecast EBITDA FY25: $56.4 million<br>Pro Forma Forecast NPAT FY25: $24.5 million<br>Pro Forma Forecast EBITDA FY26: $62.3 million<br>Pro Forma Forecast NPAT FY26: $28.9 million<br>Enterprise value to Pro Forma Forecast EBITDA FY25 (times): 8.0x<br>Offer Price to Pro Forma Forecast NPAT FY25 per Share (times)[12]: 17.3x<br>Enterprise value to Pro Forma Forecast EBITDA FY26 (times): 7.2x<br>Offer Price to Pro Forma Forecast NPAT FY26 per Share (times)[13]: 14.6x<br>Expected Free Float on Listing: 38.6% | Key Offer Information |

11. Enterprise value has been determined as Pro Forma Forecast EBITDA FY25 multiplied by the Enterprise value to Pro Forma Forecast EBITDA FY25 (8.0x).
12. Offer Price to Pro Forma Forecast NPAT FY25 per Share (times) has been determined by dividing the Offer Price per Share by the earnings per share calculated from the Pro Forma Forecast NPAT FY25.
13. Offer Price to Pro Forma Forecast NPAT FY25 and FY 26 per Share (times) has been determined by dividing the Offer Price per Share by the earnings per share calculated from the Pro Forma Forecast NPAT FY25 and FY26 respectively.

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| Topic | Summary | For more information |
|---|---|---|
| **How is the Offer structured?** | The Offer comprises:<br>• the Broker Firm Offer, which is open to persons who have received a firm allocation from their Broker and who have a registered address in Australia;<br>• the Chairman's List Offer, which is open to selected investors in Australia, New Zealand, the United Kingdom, Singapore and Hong Kong who have received an invitation under the Chairman's List Offer; and<br>• the Institutional Offer, which consists of an offer to certain Institutional Investors in Australia and certain other eligible foreign jurisdictions. | Section 7.2 |
| **What is the allocation policy?** | The allocation of Shares between the Broker Firm Offer, the Chairman's List Offer and Institutional Offer will be determined by the Joint Lead Managers with the agreement of the Company.<br>The Company and the Joint Lead Managers reserve the right to reject any Application or to allocate a lesser number of Shares than that applied. | Sections 7.11.5, 7.12.5, 7.13.2 |
| **What is the expected free float?** | 38.6% | Section 7.2 |
| **How will the proceeds of the Offer be used?** | The Offer is expected to raise $150 million. The proceeds from the Offer will be used as follows:<br>• $78.8 million for M&A strategy, of which $33.2 million will be used for the repayment of debt funding used for the Ovun acquisition[14] (representing 52.5% of the Offer proceeds);<br>• $60 million for partial Existing Owner selldown, of which $32.8 million is for the redesignation and payment of preferred equity in AIH UK[15] (representing 21.9% of the Offer proceeds); and<br>• $11.2 million for transaction costs associated with the IPO (representing 7.5% of the Offer proceeds).<br>The proceeds of the Offer received by AIH SaleCo in respect of the Sale Shares will be transferred by AIH SaleCo to the relevant Existing Owners. | Sections 7.2 and 7.5 |
| **Will the Shares be listed?** | The Company will apply to the ASX within 7 days after the Prospectus Date for admission to the official list of the ASX and quotation of Shares under the code 'AIH'.<br>Completion of the Offer is conditional on the Restructure completing and ASX approving the Company's Listing application. If approval is not given within three months after the application is made (or any longer period permitted by law), the Offer will be withdrawn and all Application Monies received will be refunded without interest as soon as practicable in accordance with the requirements of the Corporations Act. | Sections 7.10 and 7.17.1 |

14. Refer to Section 3.7.3 for the Company' acquisition strategy.
15. The redesignation and repayment of preferred equity through the selldown relates to the 2024 management led buy out of Growth Capital Partners from the Group. As part of the buy out, certain preferred ordinary shares were issued to certain Existing Owners to partially fund the buy out. As part of the Restructure, these preferred equity shares are to be redesignated to ordinary shares immediately prior to Listing. Further information regarding the Restructure is outlined in Section 9.3.

# 1. Investment overview continued

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| Topic | Summary | For more information |
|---|---|---|
| **Who are the Joint Lead Managers?** | The Joint Lead Managers are Henslow and Morgans. | |
| **Is the Offer underwritten?** | The Offer will be fully underwritten by Henslow and Morgans. | |
| **Is there any brokerage, commission or stamp duty payable by Applicants?** | No brokerage, commission or stamp duty is payable by Applicants under the Offer. | Section 7.10 |
| **What are the tax implications of investing in the Shares?** | An overview of the Australian tax treatment for Australian tax resident investors is included in Section 9.9. The tax consequences of any investment in the Shares will depend on an investor's particular circumstances. Applicants should obtain their own tax advice prior to deciding whether to invest. | Section 9.9 |
| **When will I receive confirmation that my Application has been successful?** | It is expected that holding statements will be dispatched by standard post on or around 22 October 2025. | Section 7.10 |
| **How can I apply?** | You may apply for Shares by completing a valid Application Form (included in or accompanying this Prospectus).<br>To the extent permissible by law, an Application by an Applicant under the Offer is irrevocable. | Sections 7.11.2 and 7.12.2 |
| **Can the Offer be withdrawn?** | The Company and AIH SaleCo reserve the right not to proceed with the Offer at any time before the issue or transfer of Shares to successful Applicants.<br>If the Offer does not proceed, your Application Monies will be refunded without interest as soon as practicable. | Section 7.15 |
| **Where can I find more information?** | If you require assistance to complete the Application Form, require additional copies of this Prospectus or have any questions in relation to the Offer, please call the AIH Information Line on 1300 737 760 (toll free within Australia) or +61 2 9290 9600 (from outside Australia) between 8.15am and 5.30pm (Melbourne time) Monday to Friday.<br>If you are unclear in relation to any matter or are uncertain as to whether obtaining Shares is a suitable investment for you, you should seek professional advice from your solicitor, stock broker, accountant, tax advisor or other independent and qualified professional advisor before deciding whether or not to invest. | Section 7.10 |

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# 2. Industry overview



# 2. Industry overview

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FROST & SULLIVAN

## 2.1 Introduction

This report describes the global market opportunity for mission-critical protection solutions for strategic energy and industrial infrastructure for AIH.

The Company is active in the following product segments:

- **Subsea Insulation:** Thermal insulation solutions for deep water energy equipment;
- **Subsea Ancillaries:** Buoyancy systems to reduce topside load and tension on production subsea, umbilicals, risers and flowlines (**SURF**) and moulded products to protect and support equipment;
- **Fire Protection and Insulation:** Fire protection products (fire panels, intumescent coatings and jackets) for underdecks, equipment on offshore platforms and FPSOs, hydrogen storage, industrial sites, defence and nuclear facilities;
- **Offshore Wind Applications:** Cable protection systems for offshore wind farms;
- **Battery Protection Materials and Testing:** Battery fire protection materials and safety testing for EV batteries and casings;
- **Marine Applications:** Buoys and fenders for marine applications; and
- **Water Intake Risers:** Risers to pump seawater cooling on FPSOs.

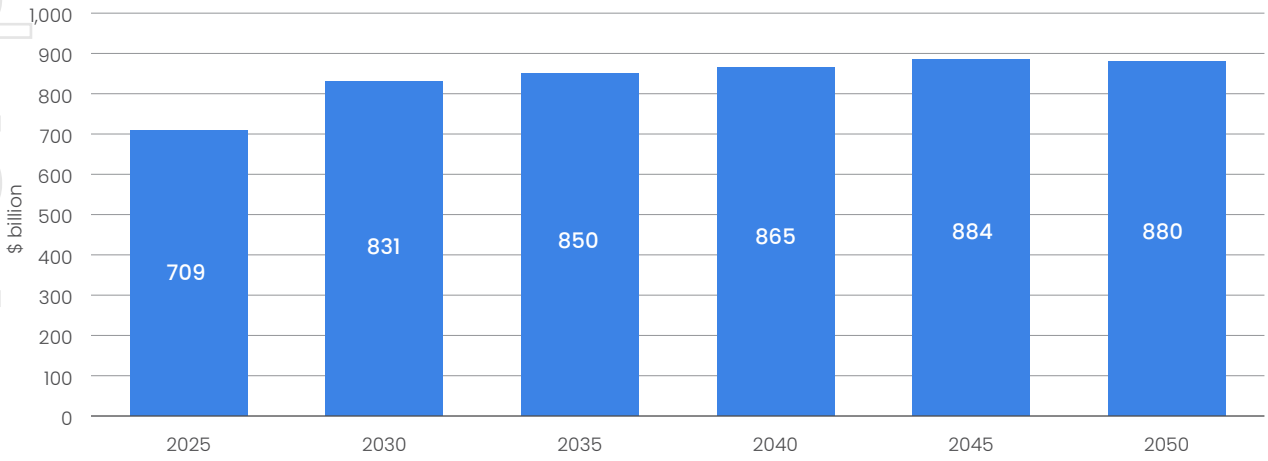
## 2.2 End-market Opportunity Drivers

The factors driving demand in each of AIH's target end-markets are the following.

### 2.2.1 Offshore Oil and Gas

Global energy demand continues to rise despite transition efforts, with OPEC's World Oil Outlook projecting a 24% increase by 2050.[16] Oil investment requirements to 2050 are expected to total $27.84 trillion,[17] with upstream investment needs accounting for $22.72 trillion, or around $840 billion per year.[18]

*Figure 1: Annual Upstream Oil Investment Requirements, Global, 2025 to 2050*




Source: World Oil Outlook 2050, Organization of the Petroleum Exporting Countries (OPEC), 2024

16. World Oil Outlook 2050, Organization of the Petroleum Exporting Countries (OPEC), 2024.
17. All currency refers to AUD unless stated otherwise. The exchange rate used is 1GBP=2.09AUD and 1USD=1.6AUD.
18. Ibid.

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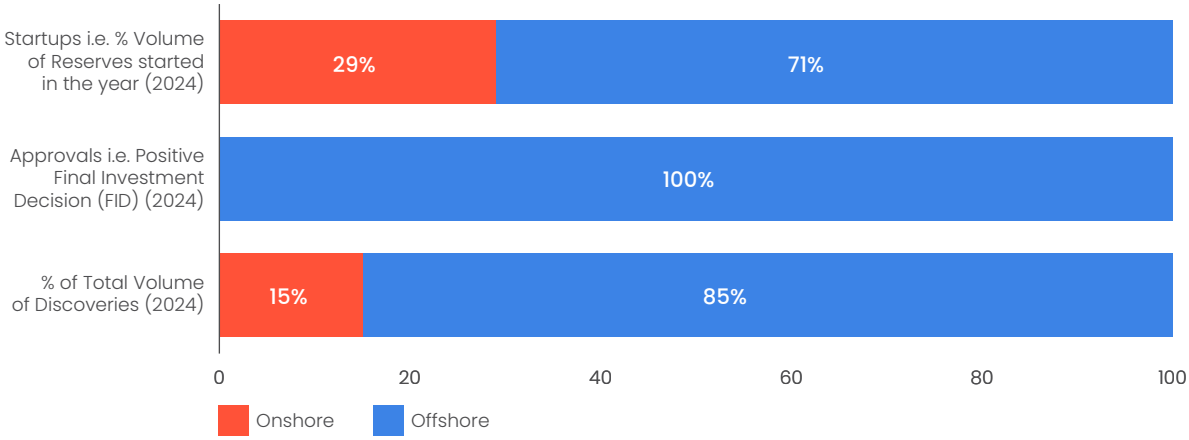
The economics of offshore development have improved dramatically in recent years. Between 2014 and 2020, the offshore shelf and deepwater sectors experienced a cost reduction of around 35%.[19] This improvement has made previously marginal fields economically viable, particularly in the Gulf of Mexico, Brazil's pre-salt formations, and West African developments.[20]

In addition, technological advancements have been instrumental in this transformation, with subsea processing systems reducing surface facility requirements and digital twin technology enabling AI driven predictive maintenance that reduces operational costs.

Offshore oil extraction delivered 28.4 million barrels per day (**bpd**) in 2024, accounting for almost one-third of global production.[21] Similarly, offshore gas yielded approximately 115 billion cubic feet daily (**Bcfd**), making up around 30% of the world's supply.[22]

*Figure 2: Onshore vs Offshore Volume Split for Discoveries, Approvals, and Startups, Global, 2024*




Source: Oil and gas extraction moves offshore in 2024, Global Oil and Gas Extraction Tracker (GOGET), Global Energy Monitor, March 2025

### 2.2.2 Gas/LNG

Natural gas continues to strengthen its position as a transition fuel, offering approximately 50% lower carbon dioxide (**$CO_2$**) emissions compared to coal when burned.[23] This environmental advantage, combined with energy security concerns, has driven global LNG demand growth.

Global demand for LNG is projected to increase by around 60% by 2040.[24] Over 170 million tonnes of new LNG supply is expected to be available by 2030.[25] The Russia-Ukraine conflict has fundamentally reshaped global gas trade flows, with European imports of Russian pipeline gas falling drastically. In response, EU LNG import capacity has grown by 31% since the beginning of 2022[26] as countries seek to diversify their supply sources.

19. Shale project economics still reign supreme as cost of new oil production rises further, Rystad Energy, Oct 2024, https://www.rystadenergy.com/news/upstream-breakeven-shale-oil-inflation, accessed 21 May 2025.
20. African Plate, ScienceDirect, https://www.sciencedirect.com/topics/earth-and-planetary-sciences/african-plate, accessed 09 Jun 2025.
21. Review: Offshore opportunities in an evolving global energy landscape, April 2025, https://www.rystadenergy.com/insights/review-offshore-opportunities-in-an-evolving-global-energy-landscape, accessed 21 May 2025.
22. Ibid.
23. Is natural gas really the bridge fuel the world needs?, UNEP, Jan 2023, https://www.unep.org/news-and-stories/story/natural-gas-really-bridge-fuel-world-needs, accessed 21 May 2025.
24. Shell LNG Outlook 2025.
25. Ibid.
26. European LNG Tracker, Institute for Energy Economics & Financial Analysis (IEEFA), Feb 2025, https://ieefa.org/european-lng-tracker, accessed 21 May 2025.

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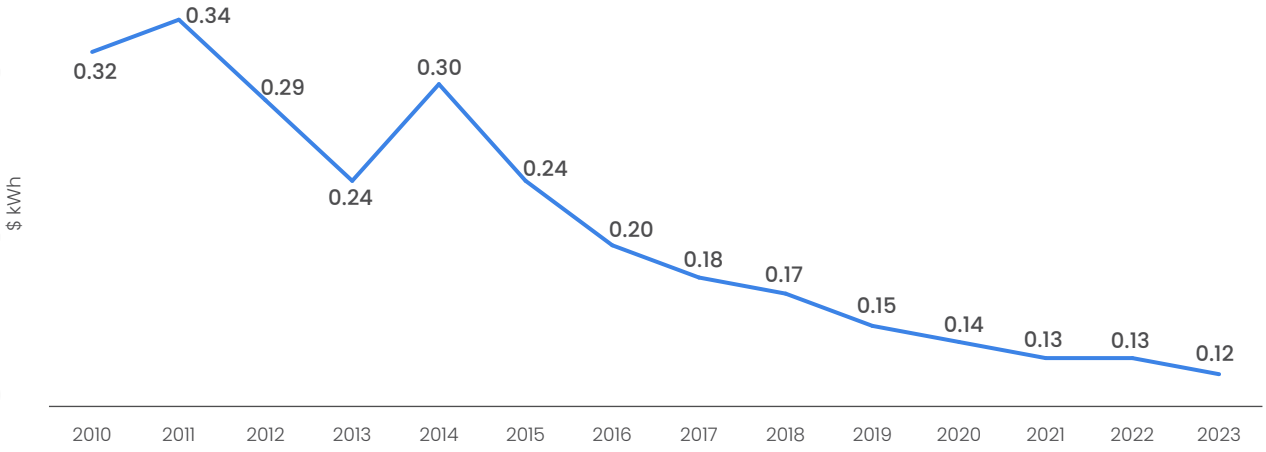
### 2.2.3 Offshore Wind

Offshore wind power has become a core component of the energy transition plan for several countries and regions globally. This is driven by:

- the advantages of more consistent wind speeds in deepwater to generate high energy output;
- elimination of common onshore wind concerns such as visual and noise pollution; and
- technological innovations in turbines and platform designs enabling wind farms in deepwater.[27]

Globally, the levelised cost of electricity (**LCOE**) for offshore wind has dropped dramatically, making it more cost-competitive than before.

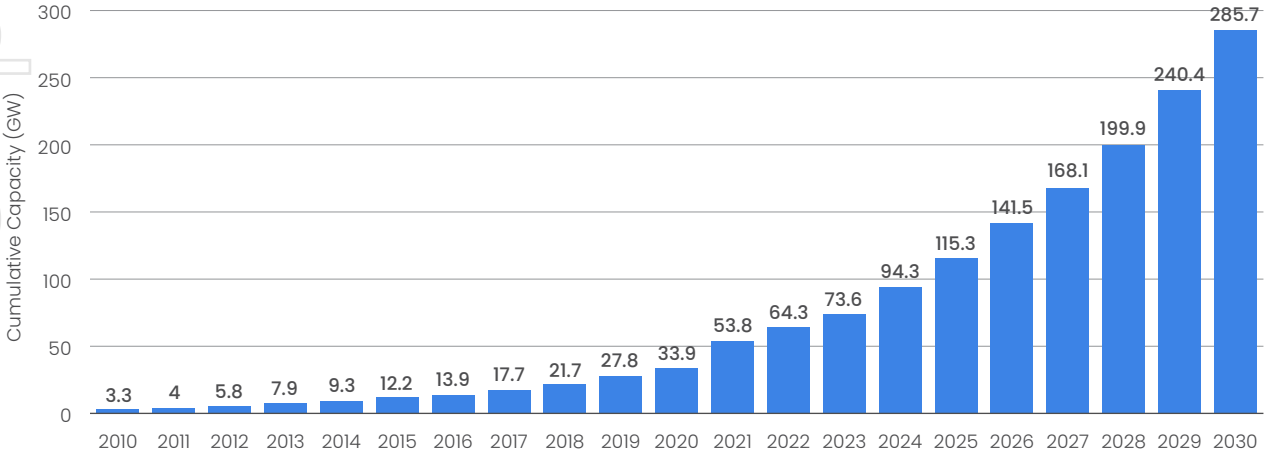
*Figure 3: Global LCOE, Offshore Wind, 2010 to 2023*




Source: Renewable power generation costs in 2023, International Renewable Energy Agency (**IRENA**), Sep 2024

In 2023, 6,326 MW of offshore wind energy were deployed globally. This took total installed capacity to 68,258 MW from 319 operating projects and over 13,096 operating offshore wind turbines.[28]

*Figure 4: Offshore Wind: Cumulative Capacity Forecast (Main Case), Global, 2010 to 2030*




Source: Renewable Energy Progress Tracker, Oct 2024, https://www.iea.org/data-and-statistics/data-tools/renewable-energy-progress-tracker

Main case refers to the scenario that reflects the current trajectory of renewable energy deployment, based on existing policies and market conditions.

27. Wind Power Growth Opportunities, Frost & Sullivan, Nov 2023.
28. Offshore Wind Market Report: 2024; National Renewable Energy Laboratory (NREL); https://www.nrel.gov/docs/fy24osti/90525.pdf, accessed 18 May 2025.

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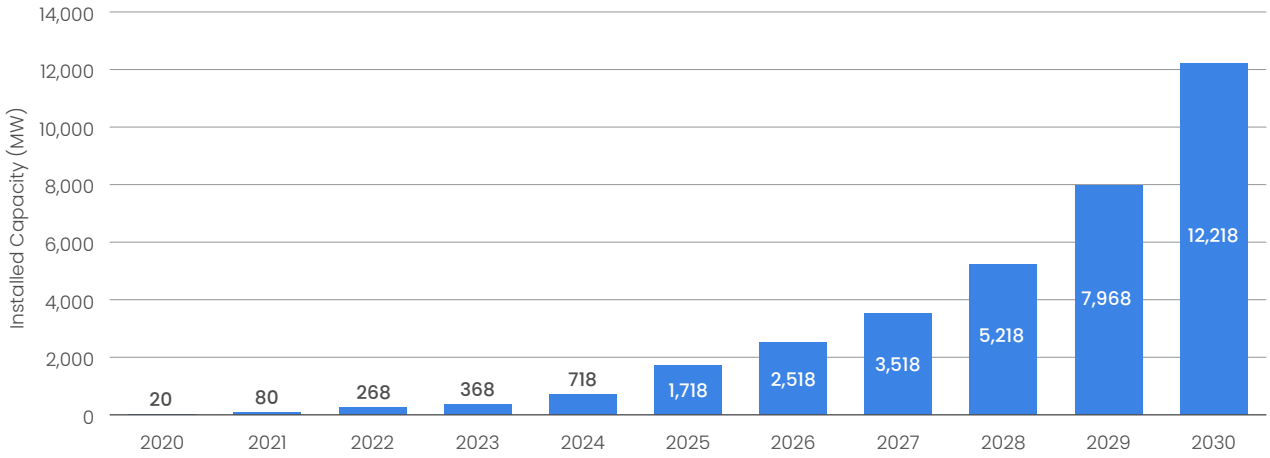
Within the total offshore wind sector, floating wind is seeing a surge in uptake.[29] Floating offshore wind technology involves mounting wind turbines on buoyant platforms anchored to the seafloor, rather than on fixed foundations. Unlike traditional offshore turbines, this design allows installation in deeper waters where fixed structures are impractical. As a result, it enables access to stronger and more consistent wind resources found further offshore.

The floating offshore wind market is poised for significant growth, and is projected to reach 12.22 GW by 2030.[30]

*Figure 5: Floating Offshore Wind: Installed Capacity Forecast, Global, 2020-2030*




Source: Global Floating Offshore Wind Growth Opportunities, Frost & Sullivan, August 2023

Europe is leading in technology and deployment, East Asia is rapidly scaling up capacity, and North America is emerging as a key market.[31]

### 2.2.4 Industrials

In the industrial sectors, a number of factors are driving demand for expenditure on various industrial equipment, including:

- gas turbines increasingly deployed as flexible generation assets to support renewable integration;
- distributed generation trends support uptake of smaller turbines;
- grid reliability concerns are driving robust backup power investment in power generators for commercial and industrial sites;
- data centre proliferation (driven by the surge in hyperscale demand and AI-driven workload) creates significant demand for generator backup to meet Tier III/IV reliability standards;
- the global edge computing buildout is expanding the generator market into new applications;
- natural disaster frequency and severity have heightened residential demand for whole-home standby generator;
- remote operations in mining, oil and gas, and telecommunications increasingly rely on hybrid power solutions combining generators with renewable sources;
- decarbonisation imperatives are transforming industrial heating processes, with electric furnace technology gaining market share as manufacturers pursue emissions reduction targets;

29. Global Floating Offshore Wind Growth Opportunities, Frost & Sullivan, Aug 2023.
30. Ibid.
31. Ibid.

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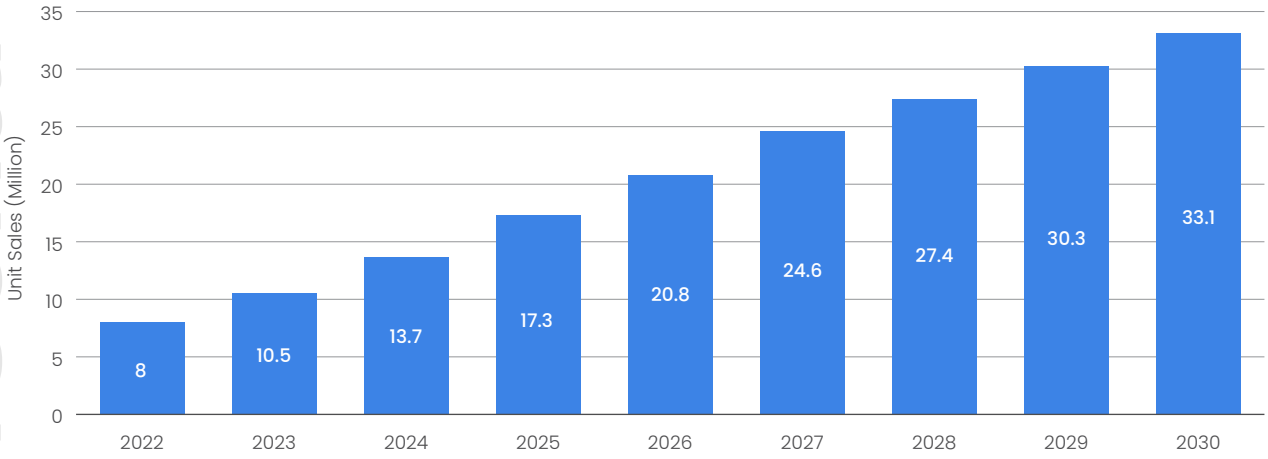
- high temperature heat pumps are penetrating industrial segments previously dominated by fossil fuel heating;
- water scarcity concerns are driving water management infrastructure investment, with irrigation, municipal, and industrial water reuse applications expanding for pumps;
- chemical processing increasingly requires corrosion resistant and seal-less pump designs; and
- oil and gas production still generates substantial demand for specialised pumps, with subsea and high pressure applications representing premium market segments.[32]

### 2.2.5 Batteries

The surge in EV demand requires rapid scaling of battery production to meet the global need for energy storage solutions. Innovations in battery chemistry and improved production processes will be crucial in reducing costs, increasing energy density, and expanding production capabilities.[33]

*Figure 6: Battery Electric Vehicle – Light Vehicles Forecast, Global, 2022 to 2030*




Source: Automotive Production Trends and Insights, Global, 2025–2030, Frost & Sullivan, Jan 2025

Average lithium-ion battery pack prices continue to decline to the point that in some instances, they are now below the critical $160/kWh threshold, widely considered the parity point with internal combustion engine vehicles.[34]

### 2.2.6 Nuclear

Nuclear power's role in the global energy mix is being re-evaluated as countries prioritise both energy security and decarbonisation goals. Currently providing approximately 10% of global electricity[35] with zero direct $CO_2$ emissions, nuclear offers reliability advantages with average capacity factors[36] of around 92%, which is significantly higher than coal (42.36%), natural gas (59.9%), wind (34.3%) or solar (23.4%).[37]

32. Frost & Sullivan analysis.
33. Automotive Production Trends and Insights, Global, 2025–2030, Frost & Sullivan, Jan 2025.
34. Where are EV battery prices headed in 2025 and beyond?, S&P Global, Jan 2025, https://www.spglobal.com/automotive-insights/en/blogs/2025/01/where-are-ev-battery-prices-headed-in-2025-and-beyond, accessed 21 May 2025.
35. Nuclear Power, IEA, Jul 2023, https://www.iea.org/energy-system/electricity/nuclear-power, accessed 21 May 2025.
36. Average capacity factor is the ratio of a power plant's actual electricity output over a specific period to its maximum possible output if it ran at full capacity continuously. A high capacity factor means the plant is generating electricity more frequently, while a low capacity factor means it is operating for a smaller portion of the time.
37. What is Generation Capacity?, US Department of Energy, Mar 2025, https://www.energy.gov/ne/articles/what-generation-capacity, accessed 09 Jun 2025.

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World nuclear capacity is projected to increase by 2.5 times the 2023 capacity (371.5 GW) by 2050 (950 GW) (in the high case scenario) or by 40% to 514 GW in the low case projection.[38] This is underpinned by the fact that around 30 newcomer countries are considering or moving forward with plans to introduce nuclear power into their energy mix.[39]

### 2.2.7 Defence

In response to heightened geopolitical tensions and active conflicts, global military expenditure reached $4,348 billion in 2024, an increase of 9.4% in real terms over 2023 (the steepest year-on-year rise since at least the end of the cold war and the tenth year of consecutive rises).[40] Of the 32 NATO members, 18 spent at least 2% of GDP on their militaries, up from 11 in 2023.[41] Overall, over 100 countries around the world raised their military spending in 2024.[42]

As a result, supply chain resilience has emerged as a strategic priority, with defence contractors investing in supply chain diversification and manufacturing capacity expansion.

### 2.2.8 Hydrogen

Hydrogen has emerged as a key component of decarbonisation strategies, with 60 governments having adopted hydrogen strategies.[43]

Production economics continue to improve. Industrial applications are advancing rapidly, with the steel industry moving from hydrogen pilot projects to industrial scale implementations. Ammonia production is transitioning to green hydrogen feedstock with several commercial scale projects announced globally. Transportation applications are expanding beyond light vehicles to heavy duty segments where battery electrification faces challenges, particularly in long-haul trucking and maritime shipping. Hydrogen refuelling infrastructure is also growing.[44]

### 2.2.9 Marine and Leisure

Global trade volume expansion is driving significant port infrastructure investment. Commercial ship orderbooks are growing. Wealth expansion among ultra high net worth individuals continues to drive luxury yacht demand. Government maritime security prioritisation is driving increased investment, with coastal nations expanding their search and rescue (**SAR**) fleets to address both humanitarian needs, extreme weather incident response, and territorial monitoring requirements.[45]

## 2.3 Market Need and Addressable Market Estimates

### 2.3.1 Subsea Insulation

As offshore oil and gas exploration ventures into increasingly deep waters, pipeline and subsea systems have grown longer and more complex. The extended transport distances cause significant temperature drops in the flowing hydrocarbons, creating conditions that favour hydrate crystallisation. These ice-like formations accumulate within the pipeline walls, progressively restricting flow and diminishing throughput efficiency. If undetected, hydrate deposits continue to grow until they completely obstruct subsea equipment, potentially causing catastrophic operational failures and massive financial consequences for the industry.[46] Thermal insulation of critical subsea equipment such as manifolds, trees, jumpers, and connectors can help reduce the risk of blockage and safety risk.

38. Energy, Electricity and Nuclear Power Estimates for the Period up to 2050, International Atomic Energy Agency (IAEA), Sep 2024.
39. Ibid.
40. Unprecedented rise in global military expenditure as European and Middle East spending surges, Stockholm International Peace Research Institute (SIPRI), Apr 2025, https://www.sipri.org/media/press-release/2025/unprecedented-rise-global-military-expenditure-european-and-middle-east-spending-surges, accessed 21 May 2025.
41. Ibid.
42. Ibid.
43. Hydrogen, IEA, Feb 2025, https://www.iea.org/energy-system/low-emission-fuels/hydrogen, accessed 21 May 2025.
44. Top 10 Growth Opportunities in Hydrogen, 2024, Frost & Sullivan, Dec 2023.
45. Frost & Sullivan analysis.
46. Hydrate Blockage in Subsea Oil/Gas Pipelines: Characterization, Detection, and Engineering Solutions, Y. Meng, B. Han, J. Wang et al., Engineering, Elsevier, Dec 2024.

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Rystad Energy projects total global spending between 2024 and 2027 on subsea systems (production and processing systems such as SURF, trees, wellheads, manifolds and other components) is likely to exceed $67.2 billion, growing at a 10% compound annual growth rate (**CAGR**) from 2024 to 2027. Deepwater developments are expected to account for 45% of the market from 2024 to 2028 and ultra deepwater projects, 35%.[47] Global SURF installations were estimated to total 3,500 kilometres in 2024, with a projected CAGR in this installation rate of 15% from 2024 to 2028.[48]

As the table below outlines, the total addressable market (**TAM**) for AIH in the subsea insulation market is estimated at $164 million per year.

*Table 1: Estimation of Annual TAM, Subsea Insulation Market, Global*

| | |
|---|---|
| **AIH subsea insulation typical project value** | **$5.85 million per manifold or $972,000 per tree**[49] |
| **Base case demand outlook for subsea tree units from 2024 to 2028** | 1,410 units[50] |
| **Addressable tree units per year** | 169 units[51] |
| **Addressable Subsea Insulation Market per year** | **$164 million** |

Sources: Various; as cited

### 2.3.2 Subsea Ancillaries

Distributed buoyancy modules serve as critical load management systems that strategically reduce the weight burden on topside facilities and minimise tension forces throughout production SURF infrastructure, thereby preventing structural fatigue and extending operational life.

Jumper modules provide essential connectivity solutions by offering buoyancy support for steel risers, flexible risers, umbilicals, and power cables during their transition between subsea equipment and surface facilities, ensuring proper alignment and reducing mechanical stress at critical connection points.

Modular buoyancy systems are indispensable during offshore installation operations, as they provide controlled lift assistance that enables precise positioning of heavy subsea equipment, they reduce the load on installation vessels, and allow for safer deployment of complex subsea architectures in challenging deepwater environments where traditional lifting methods would be insufficient or prohibitively expensive.

Bend stiffeners provide crucial protection at cable and umbilical termination points by creating a gradual transition zone that prevents excessive bending and stress concentration, which could otherwise lead to fatigue failure and compromised structural integrity in dynamic subsea environments.

Bend restrictors serve as mechanical safeguards that limit the minimum bend radius of flexible risers, umbilicals, and cables to within their design specifications, preventing over bending that could cause internal damage, reduce service life, or result in catastrophic failure under operational loads and environmental forces.

Impact resistance moulded products offer specialised protective solutions for subsea applications through their superior chemical resistance, durability, and ability to be custom formed around complex geometries, providing essential shielding for sensitive components against corrosive seawater, mechanical abrasion, and impact damage while maintaining flexibility and performance in harsh deepwater conditions where traditional protective materials would degrade or fail.

47. Subsea splurge: Global spending to exceed $42 billion by 2027, Rystad Energy, 13 August 2024, https://www.rystadenergy.com/news/subsea-spending, accessed 18 May 2025.
48. Ibid.
49. Management estimate.
50. Global Subsea Tree Tracker 2024, Westwood Global Energy Group, Dec 2024, https://www.westwoodenergy.com/news/infographics/global-subsea-tree-tracker-2024, accessed 04 Jun 2025.
51. Management estimate based on c.40% of trees are non-insulated for water injection and c.20% of wells are below 80°C, and are usually insulated with PU.

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As the table below outlines, the TAM for AIH in the subsea ancillaries market is estimated at $305 million per year.

*Table 2: Estimation of Annual TAM, Subsea Ancillaries Market, Global*

| | |
|---|---|
| **AIH buoyancy products typical project value** | **$6.3 million mid-depth; $14.6 million deep; $23 million ultradeep**[52] |
| **EPC contract award for floating production units (2024: 11; 2025: 18) – average per year** | 15[53] |
| **Estimated numbers of floating product units per year excluding shallow** | 10.5[54] |
| **Addressable Subsea Buoyancy Products Market per year** | **$165 million** |
| **AIH moulded products typical project value** | $397,000 per tree[55] |
| **Base-case demand outlook for subsea tree units from 2024 to 2028** | 1,410 units[56] |
| **Addressable Subsea Moulded Products Market per year** | **$140 million** |

Sources: Various; as cited

### 2.3.3 Offshore Wind Products

Around 83% of insurance claims cost in offshore wind is related to subsea cable failures.[57] Against this background, cable protection systems (**CPS**), thermal insulation, and grout seals for offshore wind operations provide essential safeguarding against mechanical damage, thermal cycling, and water ingress that could compromise electrical transmission and structural integrity of subsea power cables connecting turbines to substations. For floating wind turbines specifically, the challenges intensify dramatically due to constant motion and dynamic loading, requiring specialised fenders to absorb impact forces during platform interactions, dynamic cables engineered to withstand continuous flexing and tension variations, and chain support buoys that maintain proper catenary[58] geometry while reducing fatigue on mooring systems. The integration of strategically positioned ballasts ensures optimal platform stability and cable configuration, while bend stiffeners and bend restrictors become even more critical in floating applications where they must accommodate the complex motion patterns of the turbine platform while preventing cable damage from excessive bending, torsion, and dynamic loading cycles that could lead to electrical failures, environmental contamination, or complete system shutdown in these remote and challenging marine environments.

52. Management estimate.
53. Offshore Energy Data Dashboard, Westwood Global Energy Group, May 2025, https://www.westwoodenergy.com/news/infographics/offshore-energy-data-dashboard, accessed 04 Jun 2025.
54. Management estimate.
55. Management estimate.
56. Global Subsea Tree Tracker 2024, Westwood Global Energy Group, Dec 2024, https://www.westwoodenergy.com/news/infographics/global-subsea-tree-tracker-2024, accessed 04 Jun 2025.
57. Lloyd Warwick, quoted by DNV in 80% of insurance claims in offshore wind are related to subsea cable failures, DNV, https://www.dnv.com/article/80-percent-of-insurance-claims-in-offshore-wind-are-related-to-subsea-cable-failures-how-can-the-industry-manage-these-risks/, accessed 22 May 2025.
58. Refers to the curve formed by a freely hanging cable under its own weight when supported only at its ends.

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As the table below outlines, the TAM for AIH in the offshore wind products market is estimated at $95 million per year.

*Table 3: Estimation of Annual TAM, Offshore Wind Products Market, Global*

| | |
|---|---|
| **AIH cable protection system typical project value** | **$41,800 per entry point, two entry points per turbine; ~75 turbines per project;[59] equating to $6.3 million per project** |
| **Additional products per project (HVDC thermal insulation, grout seals, fenders for transportation vessels)** | $1.6 million[60] |
| **Total typical AIH project value** | $7.9 million |
| **Number of offshore wind farm projects put into operation in 2024 excluding China** | 12[61] |
| **Addressable Offshore Wind Products Market per year** | **$95 million** |

Sources: Various; as cited

### 2.3.4 Battery Protection Materials and Testing

Despite the fact that EV battery fires occur at a significantly lower rate than internal combustion engine vehicles, EV battery fires present unique challenges including thermal runaway propagation, toxic gas emissions, and reignition potential that can persist for days after initial suppression.

Protection materials such as intumescent coatings, protective sheet materials, and thermal insulation foams represent the frontline defence against catastrophic battery pack fires by providing passive fire protection that activates automatically without external intervention or power sources. Intumescent coatings expand when exposed to heat to form insulating char layers that slow fire spread and reduce heat transfer between battery cells, while specialised sheet materials create physical barriers that contain flames and toxic gases within designated zones. Thermal insulation foam strategically placed in battery module cavities serves the dual purpose of controlling fire propagation pathways and managing gas flow during thermal runaway events, preventing the domino effect where one failing cell triggers cascading failures throughout the entire battery pack, thereby providing crucial time for occupant evacuation and emergency response while minimising property damage and environmental impact.

EV battery validation and abuse testing are critical for ensuring safety and reliability under extreme conditions, as these comprehensive test protocols simulate real world scenarios including mechanical impacts, thermal abuse, electrical overcharging, and penetration damage to identify potential failure modes and thermal runaway triggers before vehicles reach consumers. Cycling testing provides essential data on battery degradation patterns, capacity retention, and performance consistency over thousands of charge-discharge cycles, enabling manufacturers to predict lifespan, optimise battery management systems, and establish safety margins that prevent dangerous conditions from developing as batteries age, while also validating that safety systems remain effective throughout the battery's operational life.

59. Management estimate.
60. Management estimate.
61. Global Offshore Wind Report 2024, World Forum Offshore Wind.

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As the table below outlines, the TAM for AIH in the battery protection market is estimated at $4,759 million per year.

*Table 4: Estimation of Annual TAM, Battery Protection Market, Global*

| | |
|---|---|
| **AIH material value per BEV** | **$522.5**[62] |
| **Average annual BEV Sales globally, 2024-28, excluding China** | 9.108 million[63] |
| **Addressable Battery Protection Materials Market per year** | **$4,759 million** |

Sources: Various; as cited

### 2.3.5 Fire Protection and Insulation

Fire protection and insulation products serve critical safety and operational roles across high-risk environments. For topside[64] offshore oil platform protection, syntactic and phenolic foams provide essential fire resistance and structural integrity under extreme conditions, as these lightweight yet durable materials maintain their protective properties when exposed to hydrocarbon fires and harsh marine environments.

Prefabricated blast walls offer crucial containment during potential explosions, protecting personnel and critical equipment while minimising downtime.

Intumescent coatings expand when heated to form an insulating char layer that shields structural steel from fire damage, preserving the platform's structural integrity during emergency situations.

Bespoke removable jackets for industrial equipment represent a versatile solution that addresses multiple protection needs simultaneously – thermal insulation maintains process temperatures and prevents energy loss, passive fire protection safeguards against fire spread, acoustic protection reduces noise pollution for worker safety and environmental compliance, winterisation prevents freezing in harsh climates, and cryogenic spill protection prevents catastrophic material degradation when exposed to extremely low temperatures.

In nuclear facilities, electrical raceway fire barrier systems are indispensable for maintaining critical safety systems during fire emergencies, as these specialised barriers protect power and control cables that operate essential safety equipment, ensuring that emergency shutdown systems, cooling pumps, and monitoring equipment remain operational when needed most, thereby preventing potential nuclear incidents that could have catastrophic consequences for public safety and the environment.

62. Management estimate.
63. Automotive Production Trends and Insights, Global, 2025–2030, Frost & Sullivan.
64. Topside refers to machinery, facilities, and structures situated on the upper portion of an offshore oil platform, above the waterline and splash zone.

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As the table below outlines, the TAM for AIH in the fire protection and insulation market is estimated at $368 million per year.

*Table 5: Estimation of Annual TAM, Fire Protection and Insulation Products Market, Global*

| | |
|---|---|
| **AIH typical project value** | **Topside oil and gas and LNG; 'MS400/MS200' AIH typical platform project value: $2.09 million; 'C50' & 'C20' for platform: $1.57 million; C50 & C20 AIH for FPSO: $2.6 million**[65] |
| **EPC contract award for floating production units (2024: 11; 2025: 18) – average per year** | 15[66] |
| **2025 forecast for new fixed platforms** | 90[67] |
| **Addressable Fire Protection and Insulation Products Market per year** | **$368 million** |

Sources: Various; as cited

### 2.3.6 Marine and Leisure Products

Mooring buoys provide secure, reliable anchoring points for luxury yachts and commercial workboats, eliminating the need for vessels to drop anchor directly onto sensitive seabed environments while offering superior holding power in challenging weather conditions, thereby protecting both the vessel and marine ecosystems while reducing crew workload and operational costs. These buoys are particularly crucial for temporary anchorage in areas where permanent docking facilities are unavailable or impractical.

Sprayed and cast fenders serve as critical protective barriers that absorb impact energy during vessel berthing and mooring operations, preventing costly damage to hull surfaces, dock structures, and neighbouring vessels. For luxury yachts, these fenders preserve pristine gel coat finishes and expensive hull materials, while for commercial workboats they ensure operational continuity by preventing structural damage that could result in costly repairs and vessel downtime. In harbours, strategically placed fender systems protect port infrastructure from repeated vessel impacts, reducing maintenance costs and extending the lifespan of docking facilities while accommodating vessels of varying sizes and configurations, ultimately supporting safe and efficient maritime operations that are vital to both recreational boating and commercial shipping industries.

As the table below outlines, the TAM for AIH in the marine and leisure products market is estimated at $689 million per year.

*Table 6: Estimation of Annual TAM, Marine and Leisure Products Market, Global*

| | |
|---|---|
| **Global marine mooring buoys market per year** | **$389 million**[68] |
| **Global foam fenders market for marine applications per year** | $300 million[69] |
| **Addressable Marine and Leisure Products Market per year** | **$689 million** |

Sources: Various; as cited

65. Management estimate.
66. Offshore Energy Data Dashboard, Westwood Global Energy Group, May 2025, https://www.westwoodenergy.com/news/infographics/offshore-energy-data-dashboard, accessed 04 Jun 2025.
67. Ibid.
68. Frost & Sullivan estimate.
69. Frost & Sullivan estimate.

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### 2.3.7 Water Intake Risers

Water intake risers are critical systems for maintaining operational integrity and safety aboard FPSOs operating in deepwater environments, where reliable seawater cooling is essential for the continuous operation of power generation equipment, process systems, and safety critical machinery. These sophisticated systems utilise high density polyethylene (**HDPE**) pipes that provide excellent corrosion resistance and flexibility to withstand the dynamic forces encountered in deepwater applications, while rubber hoses accommodate vessel movement and thermal expansion without compromising system integrity. The integrated strainer components prevent marine debris, sediment, and biological matter from entering cooling circuits, protecting expensive equipment from fouling and damage that could lead to catastrophic system failures in remote offshore locations where immediate repairs are challenging and costly. The riser seat provides secure anchoring and proper positioning of the intake system relative to the vessel hull, while polyurethane (**PU**) tapers ensure smooth transitions between different pipe sections, minimising turbulence and pressure losses that could reduce cooling efficiency.

Given that FPSOs operate continuously for years in harsh marine environments far from shore based support, the reliability of water intake risers is paramount –any failure in seawater cooling could result in equipment overheating, production shutdowns, safety incidents, and potential environmental consequences, making these systems indispensable for maintaining the operational availability and safety of offshore oil and gas production facilities.

By drawing cold seawater from below the FPSO to cool topside equipment, water intake risers can result in reduction of power consumption on FPSOs by around 8-9%.[70]

As the table below outlines, the TAM for AIH in the water intake market is estimated at $78 million per year.

*Table 7: Estimation of Annual TAM, Water Intake Risers Market, Global*

| | |
|---|---|
| **AIH typical value per project** | **$5.2 million**[71] |
| **EPC contract award for floating production units (2024: 11; 2025: 18) – average per year** | 15[72] |
| **Addressable Water Intake Risers Market per year** | **$78 million** |

Sources: Various; as cited

70. Seawater intake risers may help reduce carbon dioxide emissions on FPSOs, Offshore, Campbell, Mercan and Simpson, Dec 2023 https://www.offshore-mag.com/business-briefs/equipment-engineering/article/14301812/2h-offshore-seawater-intake-risers-may-help-reduce-carbon-dioxide-emissions-on-fpsos, accessed 20 May 2025.
71. Management estimate.
72. Offshore Energy Data Dashboard, Westwood Global Energy Group, May 2025, https://www.westwoodenergy.com/news/infographics/offshore-energy-data-dashboard, accessed 04 Jun 2025.

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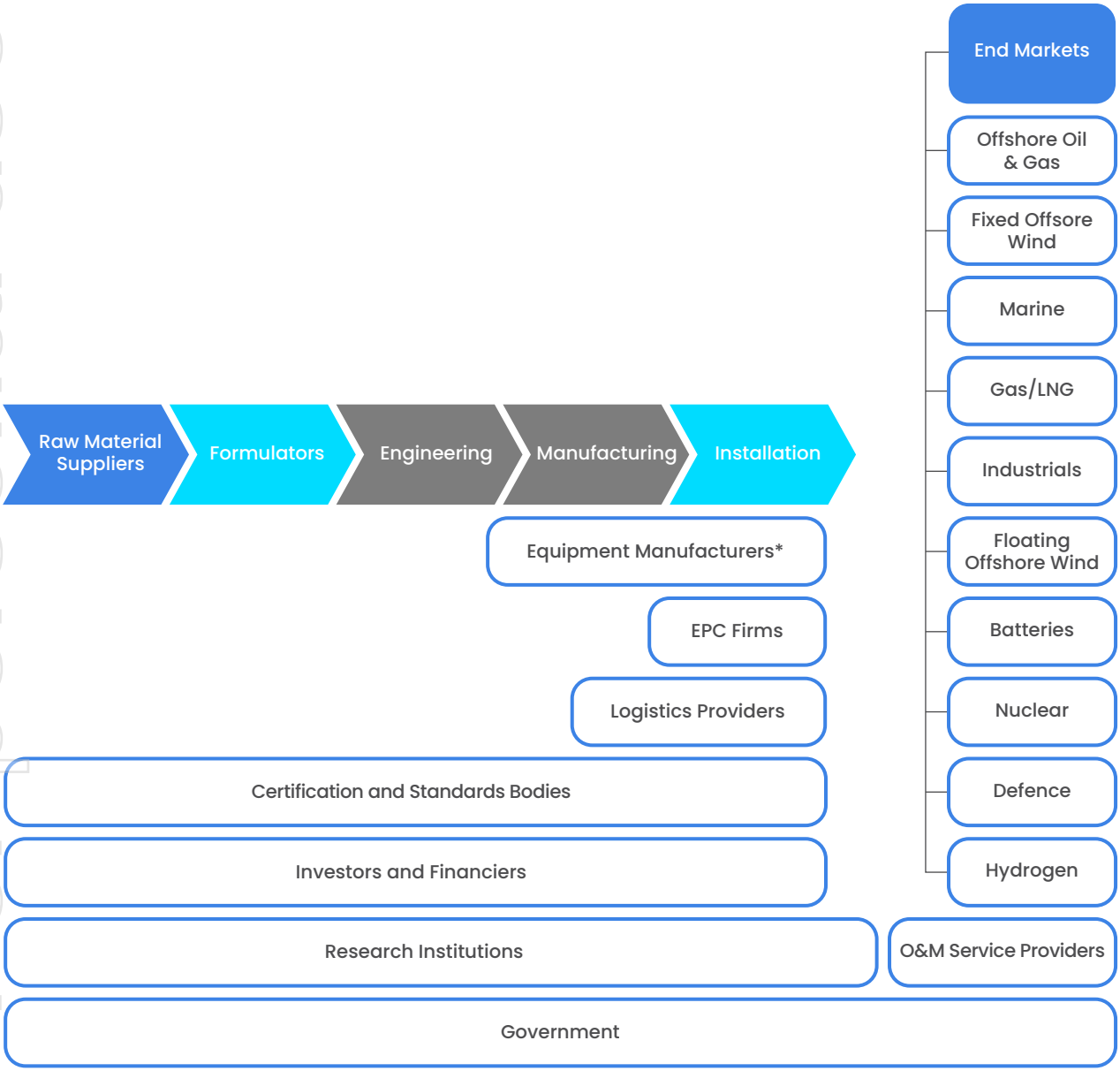
## 2.4 Competitive Landscape

### 2.4.1 Industry Structure

The figure below outlines the industry stakeholders who are part of the ecosystem serving the end markets that form AIH's client base.

*Figure 7: Industry Structure*




Source: Frost & Sullivan

* Equipment Manufacturers include manufacturers of wind turbines, floating platforms, mooring systems, clamps, pipework, process equipment, subsea cable, batteries, marine vessels, etc.

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### 2.4.2 Competitive Factors

The key factors providing competitive advantage in each market include the following:

*Table 8: Competitive Factors by Market, Global, 2025*

| Markets | Competitive Factors |
|---|---|
| Subsea Insulation | **Technical Performance:** Solutions rated for extreme depths and temperature differentials. Superior thermal performance with lower thickness requirements.<br>**Material Innovation:** Diverse chemistry portfolio delivers advantages in customising solutions for specific operating conditions. R&D investment in hybrid materials supports improved performance over traditional single-polymer systems.<br>**Track Record:** Credentials and time in the market delivering innovative solutions for challenging deepwater projects.<br>**Reliability and Responsiveness:** Reliability, adaptability, and flexibility of sales, project, and technical support teams.<br>**Testing Capabilities:** Pressure and temperature testing facilities that simulate real world deepwater conditions, providing verified performance data crucial for customer confidence. |
| Subsea Ancillaries | **Engineering Capabilities:** Capabilities in computational fluid dynamics for buoyancy optimisation.<br>**Material Performance:** Use of syntactic foam formulations to achieve desired strength-to-weight ratios.<br>**Manufacturing Scale:** Scale and flexibility for customised designs.<br>**On-time Delivery:** Ability to deliver on time and to specification.<br>**System Integration:** Providing integrated solutions combining buoyancy, protection, and insulation, reducing installation complexity and improving reliability. |
| Offshore Wind Products | **System Longevity:** Field proven solutions and newer designs with longer service intervals.<br>**Installation Efficiency:** Cable protection systems with more efficient installation processes, reducing vessel time requirements compared to traditional systems.<br>**Adaptability:** Solutions that accommodate wider cable diameter ranges, providing flexibility for evolving turbine designs.<br>**Wear Resistance:** Polymer formulations demonstrating superior abrasion resistance in high current environments.<br>**Design Versatility:** Modular approach allows for easier adaptation to different seabed conditions and installation methods compared to more rigid systems. |

# 2. Industry overview continued

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| Markets | Competitive Factors |
|---|---|
| Battery Protection Materials and Testing | **Testing Comprehensiveness:** Extensive testing facilities, including more specialised thermal runaway containment testing.<br>**Material Innovation:** Composite barriers that show superior thermal isolation during thermal runaway compared to traditional solutions.<br>**Scalability:** Facilities for testing larger battery assemblies and more comprehensive material performance data.<br>**Regulatory Understanding:** Integration of testing protocols with emerging standards for diverse battery applications.<br>**Cross-Industry Applications:** Expertise from other fire critical markets to develop more robust battery protection solutions than specialised automotive competitors. |
| Fire Protection and Insulation | **Certification Portfolio:** Comprehensive certification across major standards (International Maritime Organization (**IMO**), Underwriters Laboratories (**UL**), American Petroleum Institute (**API**)), delivering competitive advantage in regulated markets.<br>**Response Time:** Intumescent coatings with faster reaction times to heat exposure (providing faster protection) compared to competitors.<br>**Durability:** Fire protection systems with superior weathering and corrosion resistance for offshore environments.<br>**Lightweight Solutions:** Lightweight composite fire panels that reduce structural load requirements while maintaining fire rating performance. |
| Marine & Leisure Products | **Environmental Durability:** Superior ultraviolet (**UV**) resistance and impact performance in harsh marine environments. Finite element analysis for structural performance. Long term creep resistance.<br>**Customisation Capability:** Design flexibility for specialised applications compared to more standardized approaches.<br>**Colour Stability:** Polymer formulations that maintain better visibility characteristics over extended deployment periods.<br>**Installation Support:** Comprehensive installation services, instead of equipment supply only.<br>**Integrated Electronics:** Incorporating monitoring systems within buoyancy products, providing additional value beyond mechanical performance. |
| Water Intake Risers | **Thermal Performance:** Superior insulation for maintaining optimal water temperature from deep cold water sources.<br>**Biofouling Resistance:** Polymer formulations demonstrate better resistance to marine growth, reducing maintenance requirements.<br>**System Integration:** Comprehensive solutions including filtration components, as opposed to focus only on riser structures.<br>**Flow Optimisation:** Internal design features to optimise water flow dynamics, reducing pumping power requirements.<br>**Composite Construction:** Advanced composite manufacturing techniques resulting in lighter, stronger riser systems than traditional materials. |

Source: Frost & Sullivan

The market is characterised by high barriers due to technical specifications, product testing, scale to deliver large projects, and a strong track record expected by customers.

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**AIH – Competitive Differentiators:** Through a combination of technological innovation, strategic diversification, and global expansion, AIH has strengthened its competitive advantage to drive growth in a range of attractive market opportunities. The Company's substantial investment in research and development and its considerable number of patented solutions underscores its role as a leader in advanced insulation, passive fire protection, and subsea technologies.

AIH's strategic diversification is reflected in its expansion into emerging sectors such as offshore wind and automotive industries. The acquisition of CRP Subsea significantly broadened its product portfolio and accelerated its entry into the renewable energy market.

Further strengthening its market position, AIH completed a management buyout in August 2024, transitioning to a fully management owned entity. This move provided greater strategic autonomy to pursue growth initiatives, including product range expansion and acquisitions.

Collectively, these differentiators – robust innovation, strategic diversification, global coverage, and experienced leadership – position AIH as a strong high performance solutions provider in its industry, poised for sustained growth and competitive advantage.

### 2.4.3 Leading Competitors

The table below highlights key competitors in each of the markets that AIH operates in.

*Table 9: Key Competitors by Market, Global, 2025*

| Markets | Leading Competitors |
|---|---|
| **Subsea Insulation** | AIH, CRC Evans, Specialty Application Services (SAS), Technip FMC, Vipo |
| **Subsea Ancillaries** | AIMS Composites, AIH, Balmoral, EXSTO, Matrix Composites & Engineering, Tekmar Energy |
| **Offshore wind products** | AIH, Balmoral, First Subsea, Tekmar Energy |
| **Battery protection materials and testing** | Materials: 3M, AIH, Alkegen, Aspen Aerogels, Elmelin, Graco, Henkel, Interpon (Akzo Nobel), JIOS Aerogel, Morgan Advanced Materials, PPG, Saint-Gobain, Sika<br>Testing: AIH, MIRA, UTAC, WMG |
| **Fire protection & insulation** | AIH, Alkegen, Armacell, Aspen Aerogels, Bilco, Darchem Engineering, Insulcon Technical, Knauf Insulation, Prometheus, Rockwool, SIPA, Siltherm |
| **Water Intake Risers** | AIH, ContiTech, EMSTEC, Trelleborg |
| **Marine & Leisure Products** | AIH, Floatex, OCEAN 3, Resinex, Trelleborg, VEOS |

Source: Company websites, Frost & Sullivan

**Note:** Not an exhaustive list.

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## 2.5 Summary

The specialised products that AIH offers are positioned in rapidly expanding markets driven by multiple converging trends. The subsea insulation and ancillary equipment sectors are benefiting from increased deepwater exploration activities and the push toward more complex offshore energy projects, where thermal management and equipment protection become increasingly critical. The offshore wind sector represents particularly compelling growth potential, with massive global infrastructure buildout creating substantial demand for cable protection systems. A similar high growth trajectory is forecast for battery protection materials, experiencing heightened demand driven by stringent safety regulations and the rapid expansion of EV adoption, where fire safety concerns are prompting increasingly rigorous material specifications and testing requirements. Fire protection applications across offshore platforms, FPSOs, and emerging hydrogen storage facilities reflect both regulatory tightening and the industry's focus on operational safety in harsh environments.

The estimated TAM across all addressable markets for AIH is outlined below:

*Table 10: Estimated TAM Across All Addressable Markets, Global*

| Total Addressable Market | 2024 ($ million) | Cumulative over next 4 years ($ million) |
|---|---|---|
| Subsea Insulation | 164 | 658 |
| Subsea Ancillaries | 305 | 1,218 |
| Fire Protection & Insulation product | 368 | 1,473 |
| Offshore Wind | 95 | 572 |
| EV Battery Materials | 4,759 | 19,036 |
| Marine & Leisure | 689 | 2,755 |
| Water Intake Risers | 78 | 312 |
| **Total Addressable Market per year** | **6,458** | **26,024** |

Source: Frost & Sullivan analysis

The market outlook remains strong across all segments, supported by diversified end markets spanning traditional energy, renewable infrastructure, marine transportation, and emerging technologies.

## 2.6 Disclosure

This is an independent report prepared by Frost & Sullivan. Save for the preparation of this report and services rendered in connection with this report for which normal professional fees will be received, Frost & Sullivan has no interest in AIH and no interest in the outcome of any fundraising. Payment of these fees to Frost & Sullivan is not contingent on the outcome of any fundraising. Frost & Sullivan has not and will not receive any other benefits (including any commissions) and there are no factors which may reasonably be assumed to have influenced the contents of this report nor which may be assumed to have provided bias or influence. Frost & Sullivan consents to the inclusion of this report in the Prospectus in the form and context in which it is included. As at the date of this report, this consent has not been withdrawn. Frost & Sullivan does not hold a dealer's licence or financial services licence. This report does not constitute advice in respect of fundraising.

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# 3. Business overview



# 3. Business overview

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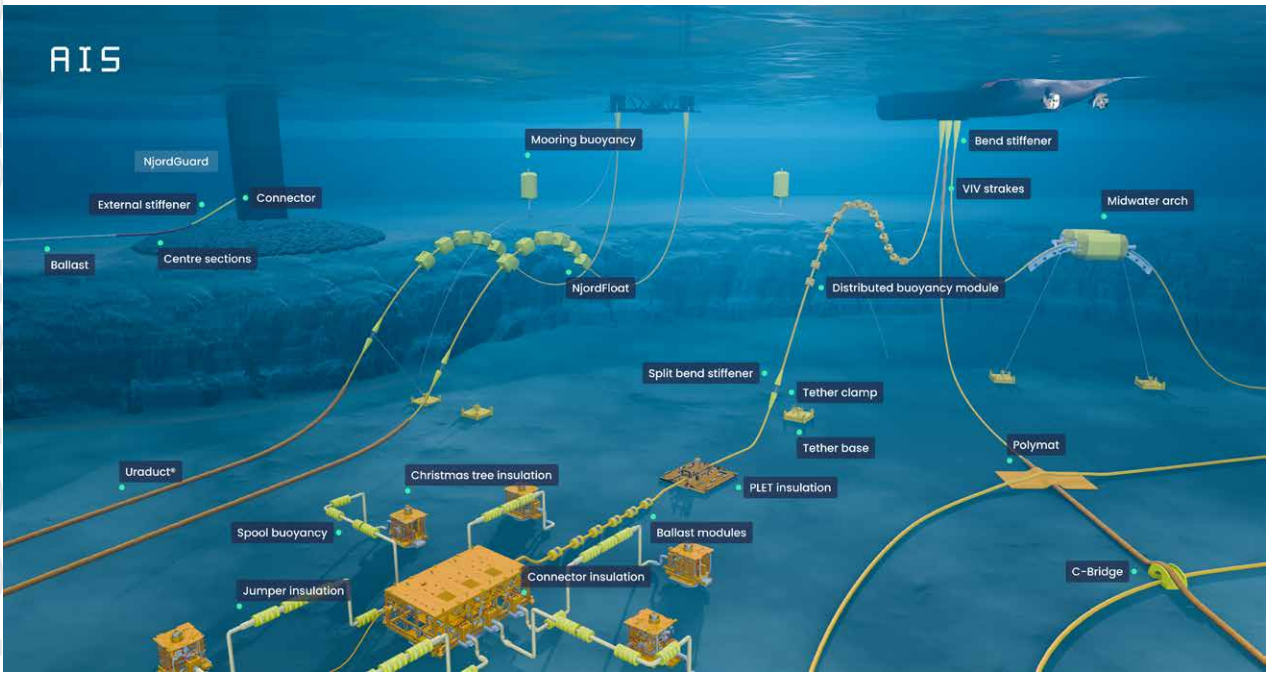
## 3.1 Introduction to AIH

AIH is an award winning leader in advanced materials science, specialising in the development, design, engineering, manufacture, and installation of mission critical products that protect lives and high value infrastructure in some of the world's most highly regulated, safety critical environments.

Founded in 1993, AIH has grown from a niche UK fire protection business into a diversified global group of companies, forecasting pro forma revenue of A$387.9 million in FY26 from a wide range of product offerings. Growth has been delivered through a combination of organic market growth and targeted acquisitions, which have broadened both the product offering and manufacturing footprint.




The AIH business model is underpinned by deep expertise in material science and strong in house design and engineering capabilities. Over three decades of research and development have produced a diverse portfolio of proprietary products utilising a range of chemistries, including phenolics, silicones, epoxies, polyurethanes, composites and rubbers, which have supported the Group's expansion into new markets.

The Group employs approximately 800 people across 13 countries, with 80% in direct engineering and production roles. AIH has a well established culture focused on safety, talent acquisition and development, and technical capability. Its operations span 20 manufacturing, testing, and service facilities across the UK, North and South America, Europe, the Middle East, and Asia Pacific, supported by sales and project offices located in other key energy hubs.

AIH holds an extensive intellectual property (**IP**) portfolio comprising 181 active and pending patents and 93 type approvals, each of which typically requires an investment of up to A$2 million and 12-18 months to secure. This portfolio creates significant technical, proprietary, and financial barriers to entry for competitors.

## 3.2 AIH history and milestones

AIH has evolved from a single site, single chemistry insulation and fire protection start up into a diversified global materials science business serving the advanced energy, industrial, and emerging technology markets. Its growth has been underpinned by continuous investment in research and development, a customer centric product strategy, selective acquisitions, and geographic expansion.

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*Table 3.1: AIH history overview*

| Year | Milestone |
|---|---|
| 1993 | • Alderley Materials formed by Simon Shepherd, establishing the phenolic based passive fire protection technology that continues to underpin AIH's fire protection and subsea insulation product portfolio. |
| 2007 | • Advanced Insulation incorporated as the operating entity that would later form AIH. |
| 2008 | • Management buyout of Alderley Materials, securing proprietary IP and manufacturing capabilities for energy market solutions. |
| 2009 | • Launch of first silicone based subsea insulation product; technology which has since also been adapted for use in fire protection and insulation materials.<br>• First international expansion with UAE subsidiary established, positioning the Group in a major oil and gas hub and creating a manufacturing facility for fire protection and insulation jackets. |
| 2011 | • Corporate head office relocated to Gloucester, UK.<br>• US office opened in Houston, providing scalable domestic manufacturing and access to North American markets. |
| 2012 | • Awarded the Queen's Award for Enterprise. |
| 2013 | • Subsidiaries opened in Brazil and South Korea enabling access to the local markets and creating local manufacturing facilities. |
| 2014 | • Acquisition of Manuplas, expanding into buoyancy, flotation, and impact protection systems for the subsea, marine and leisure markets.<br>• Second Gloucester manufacturing facility commissioned.<br>• External investment received from Growth Capital Partners. |
| 2015 | • Acquisition of Covertherm, expanding manufacturing capacity for into insulation jackets.<br>• Subsidiaries opened in Canada, Angola, and Kazakhstan. |
| 2017 | • Second US facility opened in Louisiana.<br>• Malaysian subsidiary established.<br>• Awarded a third Queen's Award for Enterprise and received four Make UK awards. |
| 2019 | • Launch of first intumescent fire protection coating which became a springboard for the development of battery protection materials.<br>• Acquisition of CTherm epoxy based subsea insulation technology, broadening product suite into flexible fire protection and high temperature syntactics. |
| 2020 | • Acquisition of Bardot Group (France), providing entry into offshore wind market and access to specialist polymer solutions as well as water intake riser technology. |
| 2021 | • New £8 million, 65,000 ft² advanced manufacturing facility commissioned in Gloucester, doubling capacity and enabling automation of production of large scale composite parts. |
| 2022 | • Acquisition of CRP Subsea, further enhancing capability in deep water buoyancy and cable protection systems. |
| 2023 | • Awarded the King's Award for Enterprise and Export Award at the Make UK awards. |
| 2024 | • Management led buyout completed, facilitating the exit of Growth Capital Partners.<br>• Acquisition of GAP Plastics, enhancing injection moulding capabilities. |
| 2025 | • Acquisition of CAPSE site in Aberdare, one of the largest battery testing facilities in Europe, further expanding AIH's testing capabilities.<br>• Acquisition of Ovun, a leading Norwegian provider of integrated, high-tech polymer-based products and solutions, expanding AIH's geographical reach and product capability. |

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## 3.3 Technologies, products and IP

### 3.3.1 Overview of AIH key product groups

**Subsea Ancillaries**

#### Buoyancy, floats and ballast

Leading buoyancy solutions for offshore and marine environments which provide support for subsea pipes, umbilicals, and cables, including modular buoyancy solutions for mooring, structure installation and for use as marker buoys. The units are built for harsh subsea conditions, designed to last for the life of the field. The portfolio ranges from ultra-deepwater high uplift solutions to simple surface buoys and they are optimised for both short-term operations and long-term field use. Applications include riser buoyancy, hose flotation, flexible pipes, drill risers, flowlines, installation, flexible cables, umbilicals, and ROVs.

*Figure 8 – Buoyancy Module*



#### Bend and Fatigue Protection

Subsea bend and fatigue protection solutions that prevent damage and failure at critical connection points. AIH has one of the largest ranges of subsea cable protection products in the market. Utilising one of the world's largest polyurethane pumps, the products offer protection against dynamic fatigue and over-bending in harsh subsea environments. Applications include flexible pipelines, umbilicals, flowlines, and cables. AIH has over 1,000 miles of bend stiffeners and 500 miles of bend restrictors currently in service globally.

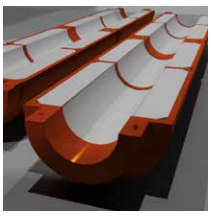
*Figure 9 – Cable Protection*



#### Impact and Abrasion Protection

Market leading solutions that protect against impact and abrasion in harsh subsea environments. Advanced manufacturing capability, utilising three state-of-the-art semi-automatic PU moulding presses to create the product. Applications areas include subsea cables, umbilicals, flexible and rigid pipes, hoses and bundled products This product has a strong track record of 30+ years with hundreds of miles of impact and abrasion protection system in service.

*Figure 10 – Cable Protection*



**Subsea Insulation**

Global leading supplier of the world's most thermally efficient subsea thermal insulation solution for complex subsea structures, which prevents hydrate plugs and wax buildup in subsea structures. AIH has in house development, design, manufacturing, and global application capability. Products offered as pack-in-place, pour-in-place solutions or pre-cast engineered components, often alongside other subsea ancillary products. Typical applications include subsea liquid hydrocarbon production systems such as christmas trees, valves, manifolds, metering systems, pipeline end terminations, flanges, jumpers, and tie-in spools.

*Figure 11 – Subsea Insulation*



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## Fire Protection and Insulation

### Materials

Lightweight composite syntactic foam and intumescent materials provide passive fire protection (jet and hydrocarbon fire), insulation, cryogenic, acoustic, and blast protection. Developed in house to customer specifications and supplied as pour-in-place, pre-cast panels, half shells, or engineered components, often alongside fire protection jackets. Typical applications include production risers, clamps, vessels, process pipework, underdecks, bulkheads, spill trays, concrete structures at risk of spalling, distributed control system rooms, and refuge areas.

*Figure 12 – Fire protection material*



### Jackets

Flexible fire protection and thermal insulation jackets provide passive fire protection (jet and hydrocarbon fire), heat conservation, leak detection, and cryogenic spill, acoustic, and blast protection. Available as standard products or custom-designed to customer specifications and manufactured in various global locations. Often supplied alongside fire protection materials for areas requiring regular access for maintenance or inspection. Typical applications include vessels, pipes, flanges, valves, exhausts, cable trays, structural steel, and critical process control equipment.

*Figure 13 – Flexible Jackets*



## Offshore Wind

Cable protection system designed and developed to protect offshore wind farm power cables from over-bending, abrasion and impact in the aggressive subsea environment. Can be installed, removed and reused without remote operated vehicles or diver intervention. Typical applications include both monopile and J-tube fixed offshore wind applications as well as dynamic applications where cables move relative to the seabed.

*Figure 14 – Bend Stiffener*



## Marine

Lightweight, durable and low maintenance floating and vessel fenders for protection of ports, harbours, commercial and luxury vessels. Supplied as standard product or designed to customer specification, manufactured in house and are available in various configurations. Typical applications include ports and harbours, luxury yacht tenders, wind farm support vessels, high speed interceptor vessels, lifeboats, search and rescue vessels as well as offshore installations. he recent acquisition of Ovun has added additional capability in regard to Seismic buoys and buoyancy for aquaculture.

*Figure 15 – Fenders*



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**Water Intake Risers**

Water intake risers pump cold seawater from depths of up to 800 metres to provide cooling to essential equipment installed on offshore floating production units. Water from depth is colder than surface water, making process cooling more efficient and therefore reducing the carbon footprint of the installation. Particularly effective in deepwater tropical locations, the primary market for large offshore production units. Typical applications include floating production, storage and offloading, and floating liquified natural gas units.

*Figure 16 – Water Intake Riser*



**Battery Protection**

### Testing

In house lithium-ion battery testing service that replicates the challenging and potentially destructive conditions that batteries are subjected to during their lifecycle. The service includes battery assessment and consultancy services, destructive and non-destructive testing of cells, modules and high voltage battery packs as well as a full suite of battery abuse testing to assess the safety and durability of batteries under extreme conditions. Advanced testing facilities and cutting edge equipment are used to simulate a wide range of climatic conditions.

*Figure 17 – Battery testing rig*



### Materials

Lightweight intumescent, ablative and foam materials and products that shield battery components and enclosures from the effects of fire or thermal runaway. These include in house developed cell dividers, fireproof coatings, rebound protection and thermal barrier materials. Significant diversification opportunity supported by an investment made in state-of-the-art new manufacturing capabilities and recent acquisition of CAPSE Ltd (now Advanced Innergy Testing Ltd). Typical applications include battery cells (cylindrical, pouch or prismatic), battery modules, busbars or cooling plates.

*Figure 18 – Battery protection material*



## 3.3.2 Core chemistries

AIH's product portfolio is underpinned by a core set of non-metallic, polymer-based chemistries, including phenolics, silicones, epoxy resins, polyurethanes, rubbers, and composites, which are formulated, tested, and optimised in house to meet the mechanical, thermal, and fire performance requirements of the end markets they serve.

Through ongoing investment in research and development, supported by a dedicated technical team, on site mixing capabilities, pilot scale reactors, and a proprietary fire testing laboratory, AIH tailors its chemistries to the specific temperature, pressure, and regulatory requirements of each customer project. This capability enables consistent performance across a range of demanding operating environments, from LNG terminals to high energy battery packs.

### Composites

AIH's composite materials integrate fibre reinforcements, primarily glass fibre reinforced plastics and syntactic foams, across its core chemistries to deliver materials with high specific strength, buoyancy, and thermal or acoustic damping properties. These materials are used in lightweight composite panels and intumescent syntactic foams that provide multi hazard protection (fire, blast, cryogenic spill) for topside and subsea infrastructure. Glass fibre reinforced jacket systems also offer reusable, tool less access to maintenance critical equipment. The same composite tool sets underpin AIH's subsea buoyancy and offshore wind cable protection solutions, where weight reduction delivers installation cost savings for EPC contractors and end customers.

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### Phenolics

Phenolic syntactic foams offer low density, excellent fire, smoke and toxicity performance, and stable mechanical strength down to -40°C. AIH formulates these materials for use in its ContraTherm® subsea thermal insulation systems, as well as in ContraFlame® passive fire protection products deployed on risers, valves, and under deck structures. The same phenolic chemistry underlies lightweight intumescent layers used in products designed to withstand jet and hydrocarbon fire exposure.

### Silicones

Silicone elastomers are primarily used in subsea insulation and battery protection applications. Their high thermal stability, flexibility, and electrical insulation make them ideal for managing extreme conditions and preventing thermal runaway in battery systems. These properties also support secondary applications such as offshore cable protection, where water repellence is beneficial.

### Epoxy resins

Epoxy syntactic compounds provide high compressive strength and ultra-low water absorption; AIH uses them for deep water buoyancy modules that survive 3,000 metres of hydrostatic pressure.

### Polyurethanes

Tough, abrasion and impact resistant polyurethane systems are predominantly used in the subsea ancillary product group, including Uraduct® abrasion resistant cable protection, bend stiffeners and restrictors, and 'Vortex Induced Vibration' (**VIV**) suppression strakes. These components are engineered to withstand cyclic loading, impact, and prolonged seawater immersion. AIH operates one of the world's largest dedicated polyurethane pump, capable of moulding components of up to eight tonnes, enabling the production of single-piece parts that reduce installation time and minimise fatigue on critical joints.

### Rubbers

Special formulations of nitrile and chlorosulphonated rubbers provide resilience and chemical resistance for sealing systems, compliant tether clamps, and flexible fendering used in ports, offshore platforms and marine vessels. In battery protection lines, rubber based rebound layers absorb impact energy while maintaining dielectric isolation between cells.

## 3.3.3 Product performance attributes

AIH's products are engineered for deployment in environments where physical conditions are extreme, access is constrained, and unplanned downtime can result in significant financial, safety, environmental and operational consequences. Whether installed thousands of metres below sea level on a subsea wellhead, affixed to the underside of an LNG process module in the Arctic, or integrated into a lithium-ion battery pack in an electric vehicle assembly facility, AIH materials are designed to perform reliably under sustained exposure to high temperatures, extreme pressures, corrosive agents and mechanical vibration.

In these applications, failure can halt production, trigger environmental penalties, and jeopardise compliance with power or fuel supply agreements, many of which contain liquidated damages provisions amounting to potentially millions of dollars per day. To mitigate these risks, AIH designs its products to:

- tolerate a broad operating temperature range;
- minimise weight and density, reducing topside loading constraints and enabling faster subsea handling during narrow weather dependent lifting windows;
- withstand prolonged exposure to hydrocarbon and jet fires, maintaining structural integrity long enough for automated fire suppression systems to activate and personnel to evacuate safely; and
- enable rapid, low complexity installation, often without the need for hot work or specialist tools, thereby reducing site time and minimising costs associated with vessel hire, assembly line interruptions, or project delays.

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### 3.3.4 Intellectual property (IP)

AIH protects the outputs of its materials science research and development through a layered IP strategy that combines registered rights, such as patents, trademarks, and design registrations with unregistered proprietary assets, including confidential formulations, application know-how, and large-scale test data. This comprehensive IP approach safeguards competitive advantage and supports long term commercial sustainability across AIH's product portfolio.

As at the date of this Prospectus, the Group held over 181 granted and pending patents. AIH also maintained more than 93 third party type approvals and over 40 registered trademarks across key jurisdictions, including the UK, European Union, North America, the Middle East, and Asia Pacific. These rights collectively support every major revenue line and create material barriers to entry for both existing and potential competitors.

#### Patents

AIH's patents cover a wide range of innovations, including core material chemistries, composite layup techniques, proprietary manufacturing processes, and installation tooling. Key patent families include:

*Table 3.6: Patent family overview*

| Patent family | Priority year | Status/Jurisdiction | Commercial application |
|---|---|---|---|
| **Phenolic syntactic foam with intumescent microspheres** | 2012 | Granted UK, US, EU – pending in Brazil, Malaysia | 'ContraFlame®' subsea insulation and MS series fire protection panels |
| **Silicone phenolic laminate for battery pack thermal runaway containment** | 2020 | Granted UK, EU, pending US and China | 'C Series' battery protection range |
| **Single piece high capacity polyurethane moulding process** | 2019 | Granted UK, US, pending Norway, Australia | 'Uraduct®'cable protection sleeves and distributed buoyancy modules |

#### Trade marks

AIH holds more than 40 registered word and figurative trademarks that protect brand equity across its product portfolio. These include long standing marks such as 'ContraTherm®', 'ContraFlame®', 'Manuplas®', and 'Uraduct®'. Most registrations extend to 2030 or beyond, with automatic 10 year renewal rights available.

#### Confidential know how and software

AIH's competitive advantage is underpinned by more than three decades of accumulated process know-how in polymer formulation, mould design and field application.

Formulation libraries: A dedicated R&D team maintains proprietary libraries of phenolic, silicone, epoxy, polyurethane, and syntactic foam formulations. These can be rapidly adapted to meet project specific requirements. For example, an in house variant of 'ContraFlame®' was developed and qualified for a specific project in under six months.

Tooling and application methods: AIH has developed proprietary modular mould systems and the associated 'primer-and-substrate' surface preparation techniques that allow complex geometries (e.g. Christmas trees) to be insulated on site. AIH applies a similar combination of coating technologies and application techniques to its 'dynamic bend stiffeners', enabling reliable bonding of polyurethane to support steel structures. This approach ensures performance under millions of fatigue load cycles in demanding subsea environments.

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Global equipment fleet: AIH operates a fleet of approximately 40 custom-built polymer injection rigs, a large fleet of two component mixers globally, with two typically deployed per active site. These rigs are built to AIH specifications and are essential for high volume subsea insulation field work. AIH also operates a deep water test facility used to validate product performance under simulated offshore installation conditions. Together, these assets represent a significant sunk cost barrier for potential entrants.

Engineering and software analysis: AIH maintains advanced in house modelling capabilities across multiple sites, using industry standard software to perform thermal, flow, global riser and finite element analysis (**FEA**). These tools are used to simulate complex operating environments, optimise material and product design, and validate performance for project-specific conditions.

### Third party certifications and type approvals

A Type approval is a form of product certification that verifies the design, manufacturing and performance of a product. It's particularly important for equipment used in harsh or hazardous environments, such as offshore oil and gas platforms or subsea installations. The process typically involves a design review, prototype testing and verification of production controls.

Type approval demonstrates that a product meets the necessary requirements for safety, reliability, and performance. Type approvals are assessed by third party risk management and engineering consultants such as Lloyd's Register, DNV, American Bureau of Shipping (**ABS**) and Bureau Veritas. AIH will typically qualify with Lloyd's Register, after which other certifying authorities review the work and issue their own type approvals.

The verification of design, manufacturing and performance can be very time consuming, some type approvals taking up to two years and therefore costly. They act as a barrier to entry and a deterrent to potential competitors because of the cost, engineering capability required and timescale.

Type approvals serve the following key functions:

- demonstrate mandatory compliance – operators cannot obtain insurance coverage or regulator sign off for offshore, LNG, or battery assets without proof that installed materials conform to the relevant fire, thermal, or mechanical standards;
- require significant time and capital investment – certification programs typically take 12-18 months and can cost up to $2 million per product variant or approval, including witnessed testing and formal engineering review;
- lock in customer specifications – once a product (e.g. 'ContraFlame®' panel) is embedded in an EPC contractor's master specification, alternative suppliers must replicate the entire certification program to be considered for substitution, ensuring AIH remains the incumbent supplier for repeat orders; and
- enable multi-jurisdictional deployment – type approvals issued by leading international bodies allow a single AIH product to be deployed across multiple jurisdictions and continents without the need for retesting, accelerating adoption and procurement.

## 3.3.5 Testing and simulation capabilities

AIH's competitive advantage is underpinned by an integrated R&D to field validation platform that combines formulation chemistry, numerical modelling, and full scale physical testing, capabilities that are difficult to replicate. This vertical integration enables AIH to advance a concept from laboratory sample to certified product in a matter of months rather than years, accelerating customer project timelines and supporting the rapid generation of protectable intellectual property.

The Group employs a multidisciplinary team of approximately 60 scientists and engineers which represents around 8% of global headcount. The dedicated R&D team operate from the Gloucester Technology Centre in the UK and three satellite engineering offices in France, the UAE, and Malaysia. The team is structured across polymer chemistry, composite engineering, fire and cryogenic testing, and battery safety and new energy applications.

These in house facilities eliminate the need for outsourced testing and were cited by Technip Energies as the reason AIH was selected for all fire critical modules on the Arctic LNG-2 project. AIH also maintains continuous test records dating back to 2011, forming a proprietary dataset that reduces qualification timeframes when seeking new endorsements from Lloyd's Register, ABS, or DNV.

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The recent acquisition of CAPSE Ltd (now Advanced Innergy Testing Ltd) in Aberdare, has significantly expanded AIH's capacity in battery and new energy testing. The site now houses AIH's lithium-ion abuse testing program, which includes crush, nail penetration, overcharge, and thermal runaway scenarios developed in consultation with Tier-1 OEMs. Testing is conducted in a purpose-built chamber capable of simulating environmental conditions from -40°C to +80°C.

By eliminating reliance on external laboratories, AIH gains flexibility in test scheduling and the ability to rapidly reformulate materials when performance parameters fall outside specification. These capabilities also allow AIH to generate the full scale, third party ready datasets required for type approval submissions to classification bodies such as DNV, Lloyd's Register, and ABS.

### 3.3.6 Specialist plant and equipment

AIH's plant and equipment strategy focusses on acquiring highly specialised machinery that enables in house testing and certification. AIH strategically co-locates R&D infrastructure with production lines, enabling rapid product iteration, testing, and certification under one roof. The core advantage of owning the specialist equipment needed to test and certify their products is the speed at which AIH can bring new products to market.

Examples of key specialist plant and equipment include:

- the fire test furnace and the adjoining cryogenic-spill rig at Gloucester. These rigs allow AIH to generate the full scale data packages that DNV and Lloyd's Register demand, without needing to utilise costly and slow external laboratories;
- the single-shot polyurethane pump, with a capacity of two tonnes per minute, which is used for producing bend stiffeners and, occasionally, other one-off specialised mouldings as single, seam-free components;
- two fully instrumented pressure vessels rated up to 600 bar (equivalent to roughly 6000 metre water depth), that are large enough to fit a fully finished buoyancy module inside to test long term performance;
- the newly acquired battery test facility that allows abuse testing including crush, nail-penetration and over-charge. The facility also tests the long term performance of batteries by cycling batteries under climate controlled conditions rated from -40°C to 80 °C. Up to 500,000 individual cells can be tested simultaneously;
- six continuous syntactic composite blending machines (**Respecta**), which provide capacity and flexibility to run multiple projects in parallel;
- injection moulding systems, supporting high-volume and complex part production with consistent quality and efficiency; and
- following recent acquisition of Ovun, the company now has access to rotor moulding capability which should have a material impact to production cost of buoyancy modules.

## 3.4 Geographic footprint and operating model

### 3.4.1 Global operations

AIH has established a global operational footprint that mirrors the geographic distribution of its end customers, including the world's largest energy companies. The Group has built a product and service network that spans all major energy hubs, enabling it to support large scale projects across multiple regions and time zones.

By locating manufacturing and service facilities close to key customer sites, AIH is able to shorten production lead times, build direct customer relationships, and better navigate regional requirements such as currency, logistics, and supply chain risks. This localised presence also supports compliance with local regulations, such as the US 'Jones Act' and Brazil's 'ANP regulations', while maintaining consistent formulations and quality assurance standards overseen by the Group's UK headquarters.

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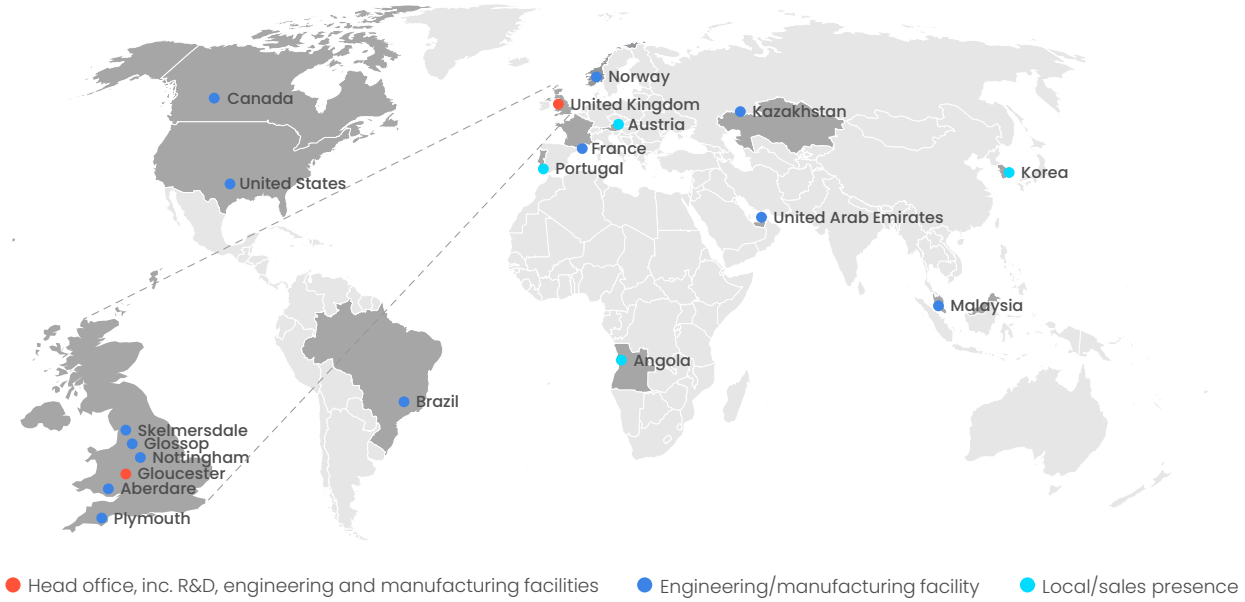
*Figure 3.3: Map illustrating AIH's global operations*




## United Kingdom (headquarters)

The UK serves as AIH's operational headquarters and core manufacturing hub, with six sites supporting corporate, R&D, and production functions:

- Gloucester – home to corporate headquarters, the Group's R&D laboratories, and full-scale fire and cryogenic test rigs that enables rapid product certification. Gloucester is also the primary site for the production and global distribution of phenolic syntactic materials and panels and subsea insulation systems;
- Skelmersdale – manufacturing site for large scale buoyancy modules and cable protection systems for deepwater oil and gas, and offshore wind applications;
- Plymouth – focused on marine fendering systems and surface floatation solutions;
- Nottingham – specialises in removable fire and thermal insulation jackets used in the fabric maintenance of oil, gas, LNG and petrochemical facilities and in general industrial applications;
- Aberdare – newly acquired battery testing facility, carrying out lithium-ion battery abuse testing and fire propagation trials to support AIH's expanding battery protection materials portfolio as well as providing testing services to external customers including Jaguar Land Rover, Ford, and Fortescue Zero; and
- Glossop – injection moulding centre.

## EMEA

- France – project management and engineering, is the AIH hydrodynamic engineering centre (for water intake risers and offshore wind projects). Test facility for subsea insulation cover;
- Portugal – sales presence;
- Bulgaria – sales presence;
- Norway – established as a result of Ovun acquisition, three production facilities and one sales office across Norway;
- Dubai – facility manufacturing removable fire protection jackets for LNG and downstream energy assets in the Middle East. Global centre of excellence for fire protection jackets;
- Kazakhstan – Local jacket manufacturing facility supporting brownfield projects and regional content requirements; and
- Angola – local presence to enable AIH to carry out energy service works in the jurisdiction.

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### Americas

- Louisiana (USA) – subsea insulation installation centre located near the Gulf of Mexico;
- Canada – joint venture facility manufacturing removable fire protection and insulation jackets; and
- Brazil – manufacturing and field service hub for fire protection jackets, subsea insulation systems, and regional project delivery. PU capability is currently being developed to enable local supply of PU ancillaries.

### Asia Pacific

- Malaysia – local engineering centre supporting regional bid delivery and project support. Also provides field service centre for subsea insulation and sales presence; and
- South Korea – sales presence.

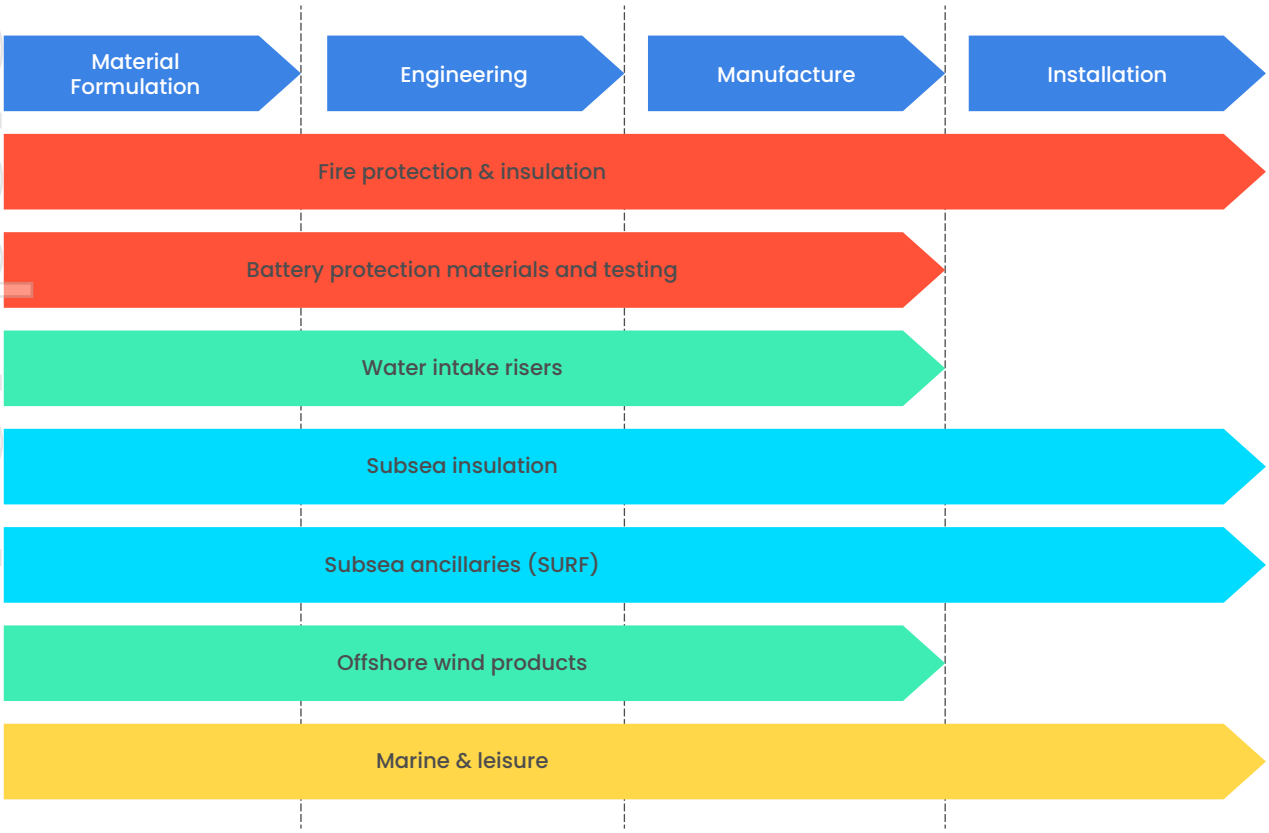
## 3.4.2 Vertically integrated operating model

AIH is unique in that it that owns and controls every stage of the value chain, from base chemical input and formulation, through testing and certification, engineering and manufacturing, to installation and application. This vertical integration allows AIH to maintain control over quality, reduce reliance on third parties, and capture margin that would otherwise be lost to external material suppliers or product applicators on the back end.

The integrated model also positions AIH favourably in tender processes, as it enables cost efficiency at the material formulation stage.

In addition, by retaining control over application and installation, AIH ensures its products are applied correctly and in line with required specifications. This provides further competitive advantage and allows AIH to incorporate higher margin, service-based work into the overall contract structure.

*Figure 3.4: Vertically integrated operating model by product group*



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### 3.4.3 Supply chain

AIH's vertically integrated model is supported by a resilient, multi-tier, and multi-source global supply chain designed to balance cost efficiency, material quality, and geographic diversification.

The vast majority of raw materials are available from multiple sources and are ordered as required against long term (annual or quarterly) fixed price agreements. Multiple suppliers ensure competitive pricing.

The majority of AIH revenue is engineered to order and so minimal finished products are held on stock. The only finished stock items held are low value and fast-moving items. All stock is held the relevant manufacturing units.

AIH mitigates the impact of commodity price exposure by one or a combination of the following measures:

- managing price validities on bids to match fixed term pricing. Cost increases can then be passed on;
- projects are engineered to order, and materials are ordered as soon as possible from receiving the order commitment to fix raw material prices;
- the majority of raw materials are purchased against long term supply agreements; and
- multi-year contracts include escalation clauses based upon raw material indices to protect against raw material price increases.

Revenue and costs in foreign currency are hedged either internally through the AIH internal hedges or through external forward exchange contracts.

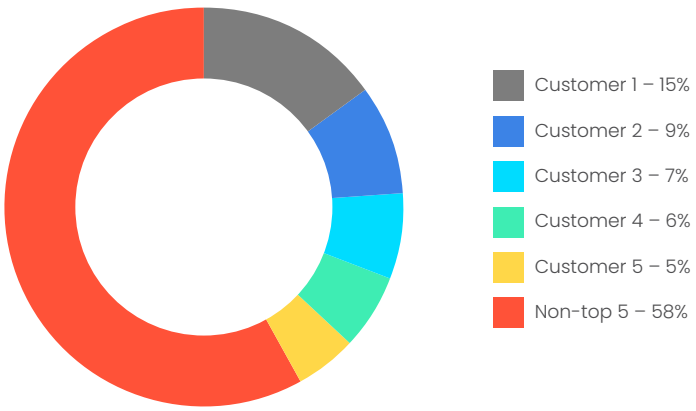
## 3.5 Customers, contracts and revenue visibility

### 3.5.1 Customers

AIH supplies a diverse portfolio of engineered products and services to a global base of blue chip energy companies, EPC contractors, and Tier 2 OEMs. The Group has built long standing customer relationships, several extending over multiple decades, underpinned by a consistent track record of performance, product reliability in terms of lifespan and cost, and technical problem solving on complex, project specific challenges.

The strength of these customer relationships and account management is reflected in the level of repeat business, with a substantial portion of AIH's current orderbook and pipeline attributable to existing clients.

*Figure 3.5: Top 5 Customers across FY22 – FY24*



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### 3.5.2 Customer procurement models and AIH tendering processes

AIH typically operates as a Tier 2 supplier, contracting directly with the EPC contractor responsible for delivering the project to the end customer, usually being a global energy company. While AIH does not usually hold the primary contract, it engages actively across all levels of the procurement chain, including Tier 1 contractors, engineering consultants, and the energy companies themselves, all of whom play a role in specification and procurement decisions. AIH frequently collaborates with energy companies to develop products for specific projects or use cases that they are struggling with – building a strong track record of delivering outcomes that ultimately influence procurement decisions.

There is visibility on energy projects several years in advance. AIH monitors these projects globally and tracks their progress through each stage, providing strong visibility on the pipeline of opportunities well ahead of any final purchase order. During the design phase of the project, AIH aims to have its products specified in the project design before pricing is negotiated.

This benefits the energy companies as they receive AIH's premium service and technical expertise, and guarantees AIH is used by the successful contractor, significantly improving its negotiating position. Pricing is agreed on a job-by-job basis and AIH is vigilant to ensure that all costs are recharged to customers including unexpected delays and overruns and financial costs such as performance bonds.

#### AIH tendering principles and process

While a significant share of revenue is generated through long term agreements and repeat business, a meaningful portion is still competitively tendered. Most tenders AIH responds to are for field specific scopes. These typically require upfront engineering input and a detailed calculation of materials. Each submission is costed from scratch, with contingencies included to manage risks such as currency movement. A margin is then applied in line with company policy.

Pricing outcomes are reviewed against internal records of previous tenders to ensure competitiveness. Tender packages usually include a detailed technical proposal, project schedules, product data sheets, and, for larger contracts, supporting design documents and execution plans.

### 3.5.3 Contract and revenue profile

AIH has maintained a predictable and consistent revenue profile, with approximately 70% of revenue being recurring on average over the past five years. The customer base has remained stable throughout this period, with the top 10 and top 20 customers contributing consistently to total revenue, highlighting a strong level of repeat business.

AIH typically categorises revenue into two main groups:

- nonrecurring revenue from competitively tendered contracts; and
- recurring revenue generated through framework agreements, MSAs, repeat scopes, and run rate revenue.

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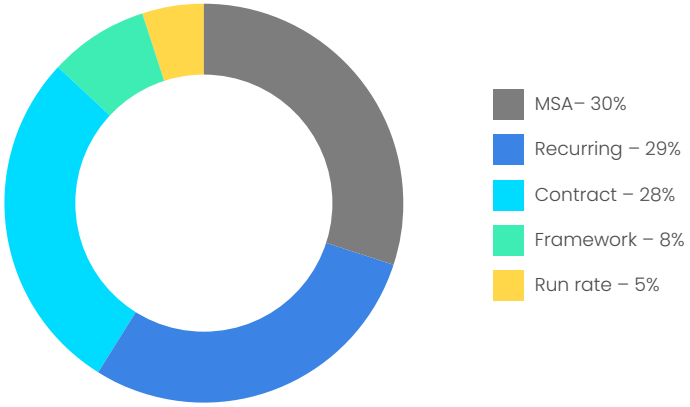
*Table 3.8: Revenue categorisation*

| Category | Description | Example |
|---|---|---|
| **Contract** | Competitively tendered projects | Subsea riser buoyancy for EPC contractor |
| **Framework** | Work generated under long term framework agreements | Offshore wind cable protection with Orsted |
| **MSA** | Work generated under master service agreements | Subsea thermal insulation with OneSubsea |
| **Repeat** | Recurring work driven by AIH's technical capability and specification incumbency | Battery protection systems for Jaguar Land Rover |
| **Run Rate** | Predictable, low value transactional work | Local jackets business for HVAC |

*FY24 Revenue by type*

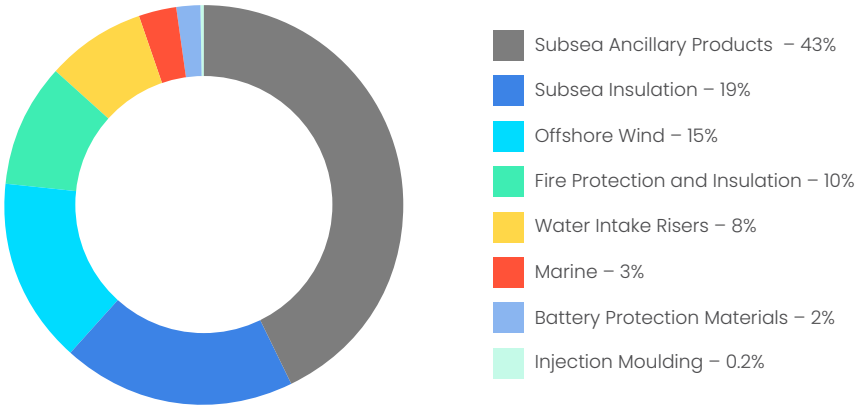



### 3.5.4 Order book and pipeline

#### Order Book

AIH typically maintains an order book covering approximately 6 to 9 months of forward revenue. As at the 22 August 2025, AIH holds an order book of A$212 million providing clear visibility over upcoming revenue and working capital requirements. The current order book also enables AIH to adequately plan for and manage capacity in key manufacturing plants.

*Orderbook by Product Group (as at 22/08/2025)*



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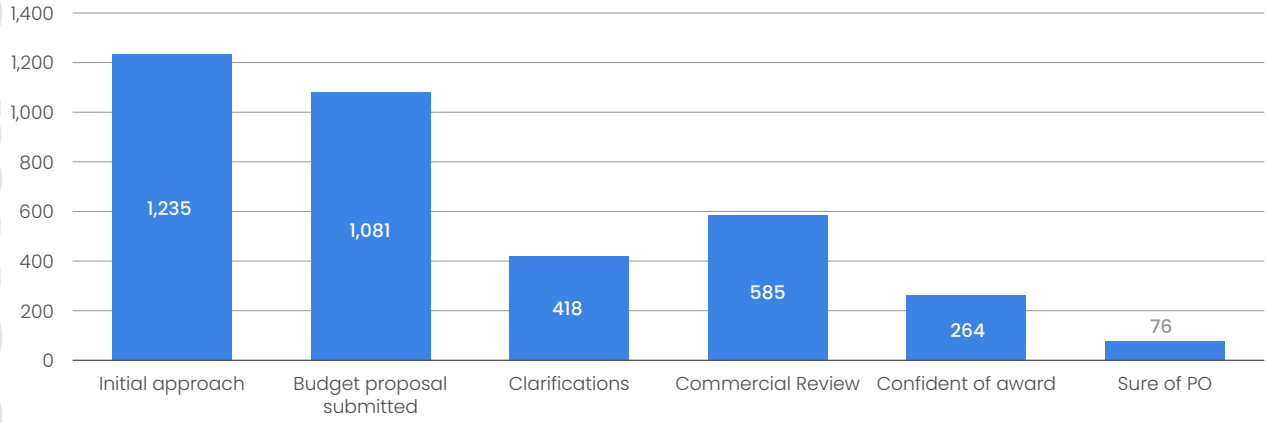
## Pipeline

The blend of evergreen MSAs, framework agreements and a deep bid funnel underpinned by specification level influence provides multi-year visibility that is atypical for a specialty materials business. AIH tracks energy and infrastructure projects globally from initial technical engagement through to final negotiation. Opportunities are managed through a structured four stage customer relationship management (**CRM**) funnel, which includes qualification, engagement, pricing, and negotiation.

The current pipeline includes over A$1.2 billion in early stage opportunities that are under development or evaluation and are expected to convert to revenue in the medium term. Additionally, approximately A$2.4 billion of opportunities have been submitted at fixed prices and are currently progressing toward commercial award, representing up to three years revenue potential.

*Figure 3.6: Pipeline analysis by CRM*

*Pipeline A$m (as at 22/08/2025)*




### 3.5.5 Project and client case studies

**Chevron – Ballymore project**

#### Project Overview

- Location: Gulf of Mexico
- Scope: Advanced subsea insulation systems and pipeline stability solutions
- AIH deliverables: Subsea ancillary hardware including 140 'Rotating Buoyancy Modules' (**RBMs**) and 208 'Integral Buoyancy Modules' (**IBMs**), and thermal insulation across the 'OneSubsea SPS' and 'Subsea 7 SURF' scopes using 'ContraTherm® B85 and C85'
- Value: ~$22 million revenue generated on the project

#### AIH's unique value proposition

- Partnered with Chevron to co-develop two subsea technology firsts: 'Rotating Buoyancy Modules' and 'ContraTherm® B85 insulation';
- Delivered integrated SPS and SURF scopes across three fabrication sites demonstrating their ability to deliver complex solutions at scale, globally; and
- Enabled live sensor monitoring through embedded motion sensors on RBMs.

#### Why it's important to the relationship

- Positioned AIH as an innovation partner, not just a supplier;
- First deployment of two new technologies now gaining global traction; and
- Strengthened long-term relationship with Chevron, including catalogue listing under 'OneSubsea's' framework.

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**Woodside – Scarborough Gas Field**

### Project Overview

- Location: Offshore Western Australia
- Scope: Subsea ancillary hardware, thermal insulation systems, and fire protection
- AIH deliverables: Dynamic bend stiffeners, distributed buoyancy modules, clamp solutions (Type 2 and Type 7), 'Uraduct®' cable protection, 'ContraFlame® C20, C50 HHF and MS200'
- Value: c. $15 million revenue generated across five customer packages

### AIH's unique value proposition

- Multi-client execution across five key suppliers with distinct engineering requirements;
- Combination of subsea hardware and advanced thermal insulation systems;
- Bespoke engineering, including forged bend stiffeners and thick-walled 'Uraduct®' using existing tooling; and
- Second largest Type 7 clamp deployment with Woodside.

### Why it's important to the relationship

- Strengthens AIH's position with Woodside and global contractors including NOV, Oceaneering, and McDermott;
- Demonstrates AIH's ability to align technical solutions across multiple scopes and timelines; and
- Supports future work by reinforcing AIH's reputation for reliability on complex, large-scale energy projects.

**Baker Hughes – Baobab deepwater project**

### Project Overview

- Location: Offshore Côte d'Ivoire
- Scope: Subsea ancillary solutions for flexible risers and flowlines
- AIH deliverables: Uraduct®, bend restrictors, bend stiffeners, distributed buoyancy modules and clamp solutions (including 'Type 7' clamps)
- Value: ~$3 million revenue generated on the project

### AIH's unique value proposition

- Single supplier for all ancillary products, simplifying project management;
- Integration across the full scope enabled holistic design and technical alignment; and
- Agile support and direct access to AIH engineering and delivery teams.

### Why it's important to the relationship

- Reinforces AIH as a trusted, full-scope subsea ancillary partner;
- Strengthens relationship with Baker Hughes through successful delivery and performance; and
- Serves as a strategic reference project to support future growth and regional expansion.

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## 3.6 Competitive strengths

AIH's accelerated growth into a leading global materials science company can be attributed to several key competitive strengths that differentiate it from its peers, as set out below.

### 3.6.1 Certified intellectual property portfolio

AIH holds a portfolio of 93 active type approvals and product certifications issued by DNV, Lloyd's Register, ABS, and other recognised bodies.

These certifications are critical to market access. Energy companies and their insurers require documentary proof of compliance prior to commissioning projects, making the presence of valid type approvals a prerequisite to the project proceeding.

AIH's ownership of its test infrastructure allows it to run qualification and variant tests continuously, eliminating the external lab queue that slows most competitors. In practice, this enables AIH to offer a newly tuned formulation 6 to 9 months ahead of its competitors. Once approved, materials are written into the global design standards of energy companies; competing suppliers must replicate the full test program before submitting a compliant bid.

### 3.6.2 Vertically integrated model

AIH formulates its own resins, certifies products on in house test rigs, manufactures through automated lines and deploys its own crews for offshore installation. This full value chain ownership delivers four key advantages:

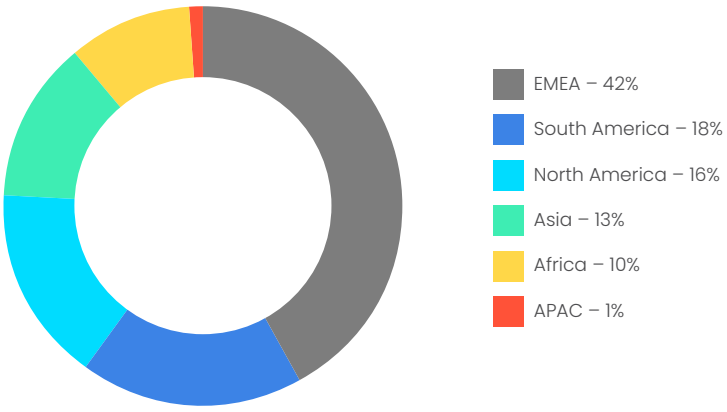
- cost: internal test rigs and automation strip 4-5% from gross cost versus a make or buy model;
- speed: the concept to certification cycle compresses from the industry norm of 18 months to as little as nine, enabling greater speed to market;
- pricing leverage: schedule certainty accounts for 40-50% of EPC bid evaluation scoring; AIH routinely wins on delivery assurance and low lifetime cost rather than headline unit price; and
- IP security: in house formulation and testing protect AIH's proprietary data, avoiding leakage through third party moulders or labs.

### 3.6.3 Diversified and global operations

AIH operates across 20 locations in the UK, North America, EMEA, and Asia Pacific, allowing it to meet local regulatory requirements while aligning closely with the production schedules of EPC contractors or end customer.

This geographical footprint complements a balanced end market mix, with approximately 50% of current revenue derived from transition energy and battery applications, reducing exposure to individual commodity cycles or geographic regions. Customers benefit from shorter lead times and in time zone technical support, while AIH benefits from a natural hedge against regional demand swings and logistics disruption.

*FY24 Revenue by Region*



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### 3.6.4 Track record of products in mission critical markets

AIH has a decades long track record of performance in some of the world's most demanding environments, from thermal insulation systems used in the hottest ever producing North Sea oil field, which have maintained performance for over 20 years, through to subsea buoyancy and cable protection products that operate in rough sea conditions.

In markets where unplanned downtime can cost millions of dollars per day, reliability is critical. AIH's products have decades long track record, underpinned by its technical capability, reinforcing customer confidence and supporting a recurring revenue base that accounts for approximately 70% of annual revenue.

### 3.6.5 High barriers to entry

The above competitive strengths provide high barriers to entry across AIH's markets, driven by a combination of regulatory, technical, capital, and relationship based factors. A new entrant seeking to compete directly with AIH would require:

- a patent portfolio or viable workarounds to AIH's 181 active and pending patents;
- purpose-built testing and manufacturing infrastructure, including fire furnaces, cryogenic spill rigs, and high-pressure test vessels;
- the time and capital to secure over 93 type approvals, many requiring 12-18 months and up to $2 million dollars of investment;
- a proven record of product certification and technical capability, sufficient to satisfy insurers, regulators, and energy companies;
- the ability to meet increasingly stringent certification and regulatory requirements;
- global operational reach, including region-specific manufacturing and logistics capability; and
- a consistent track record of safety, reliability, and on-time delivery.

AIH also benefits from contractual incumbency through integration into global owner specifications and long-term master service agreements. Its products are often specified and are carried through from project to project, reinforcing AIH's long-term integration into global specifications. Each time an asset is inspected, these specifications are revalidated, reinforcing AIH's embedded position. Together, these technical, capital and contractual advantages underpin AIH's market leadership and support its ability to scale efficiently and generate repeat business with key customers.

## 3.7 Growth strategy

### 3.7.1 Strategy overview

From its origins as a single chemistry, single product business, AIH has evolved into a diversified global group that is forecast to generate approximately A$334.2 million in revenue in FY25. The Group has delivered multi decade organic growth, further accelerated through targeted acquisitions that have expanded its technical capabilities, product portfolio, and market reach.

AIH is focused on strengthening its competitive advantage and driving growth across core strategic pillars:

- grow sales and profit by developing products aligned to the energy transition, with a focus on offshore wind, LNG, and lithium-ion battery protection;
- invest in product development and maintain a reputation for cutting edge performance and innovation;
- provide a complete supply and apply solution across a broad product range;
- generate repeat business through best-in-class service; and
- maintain a presence in oil and gas markets for as long as demand remains.

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### 3.7.2 Organic growth strategy

#### Deepen exposure to transition energy infrastructure

AIH has strategically diversified into energy transition markets, with a shift in revenue mix from liquid hydrocarbons toward LNG, offshore wind, and other emerging sectors. AIH will continue to pursue growth in this area by capitalising on the significant upstream capital investment required to meet rising energy demand, by targeting customers that value AIH's technical differentiation and by adapting its technologies for adjacent use cases in hydrogen, nuclear, and new offshore applications.

A key focus area is the rapidly growing offshore wind market, where the Group already has a product portfolio and is increasing sales activity and market awareness of its technical capabilities. AIH is a global leader in the supply of fixed offshore wind cable protection systems, ranking in the top three providers globally depending on the metric. Of particular interest is the upcoming opportunity in floating offshore wind, where AIH is especially well positioned, having installed product on the vast majority of offshore wind demonstrator projects to date. These opportunities are sizeable, potentially up to $50 million per project, with revenue potential estimated at 5 times that of fixed offshore wind on a per turbine basis.

#### Scale battery materials solutions for increasingly electrified world

The widespread adoption of EVs and grid scale battery storage is driving the development of new safety standards for thermal runaway containment. Many of these standards are still evolving. AIH's acquisition of the CAPSE battery testing facility enables the Group to pair accredited abuse testing capabilities with its proprietary materials, positioning it as a preferred supplier to OEMs seeking compliant, high performance battery protection.

AIH is currently working with multiple OEMs on product development and testing programs. Management estimates that securing a battery program with a single major OEM, to supply its protection materials, could generate over A$100 million in annual revenue with programs lasting seven years. AIH has recently been technically specified with an international car manufacturer on an EV platform that is set to generate material revenue in the next 3-7 years. With the capital investment in the plant necessary to deliver additional material contracts and operating team in place, AIH is well positioned to see additional growth in this segment in the coming years.

#### Monetise the brownfield life extension cycle

Many energy assets are now operating beyond their original design life, creating demand for retrofit insulation and fire protection solutions during planned shutdowns. AIH's rapid cure phenolic chemistries and portable injection technology enable high specification upgrades within short outage windows, converting what would typically be capex projects into multiyear, service based revenue streams less exposed to commodity cycles.

#### Drive margin expansion through smart automation and process enhancements

AIH is continually reviewing opportunities to drive cost efficiencies, either through strategic investment in manufacturing enhancements or process improvements that ultimately support margin expansion. Current initiatives include sourcing more cost-effective base materials, such as PU and increasing local manufacturing in markets like Brazil for less technical products, where end demand is strong and product costs are lower.

#### Increase market share in traditional hydrocarbon markets

Despite the global energy transition, oil is expected to remain a material component of the energy mix. AIH will continue to grow market share in oil and gas by:

- expanding its product portfolio to cover all temperature and pressure conditions;
- focusing on extreme insulation requirements, where premium pricing is achievable;
- establishing operations near key customers; and
- developing market specific strategies for targeted regional growth.

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### 3.7.3 Acquisitions

AIH has an established track record of undertaking accretive acquisitions that accelerate or complement its existing operations. The Group's objective is to bolt on specialist capabilities or geographic presence that integrate seamlessly into its vertically integrated platform and deliver synergies within 12 months of completion.

The discipline is evident in a decade long track record of small-to-mid-sized deals that have added new chemistries, high value machinery and regional manufacturing bases without diluting margin or culture.

AIH evaluates acquisition opportunities against five core criteria:

- Technology or certification gap – does the target offer proprietary IP, process know-how, type approvals, or a product range not currently within the Group's portfolio, or the potential to scale through AIH's global sales network?
- Geographic capacity – does the target enable expansion into a currently underserved market, providing shorter lead times, local regulatory compliance or proximity to new energy hubs?
- Technology integration – can existing AIH technologies be incorporated into the target to expand product reach or unlock cross-selling opportunities?
- Market consolidation – will the acquisition improve AIH's competitive position by increasing market share, scale or capacity, and enhancing seller power in a fragmented segment?
- Margin accretion or synergy – does the target have the potential to meet or exceed AIH's margin profile immediately or following operational synergies?
- Cultural and operational fit – does the target align with AIH's safety culture, quality standards, and commitment to technical development? Can it adopt AIH systems and processes at speed?

Illustrative outcomes from past transactions include:

- Manuplas – provided marine fendering IP, enabling AIH to expand into naval and port infrastructure markets and diversify revenue beyond energy;
- Covertherm – provided UK based manufacturing capability for fire protection and insulation jackets;
- Bardot – added polymer cable protection expertise and a continental European engineering base, enhancing AIH's local content offering for North Sea and mediterranean offshore wind tenders;
- CRP subsea – accelerated AIH's penetration into the buoyancy and offshore wind markets. Delivered critical infrastructure in terms of high volume pumps and large tests vessels further enhancing barriers to entry. Integration delivered multi-million synergy savings in year 1;
- GAP Plastics – added injection moulding capability, vertically integrating a previously outsourced capability reducing cost. Gives the ability to improve VIV and piggyback clamp products; and
- CAPSE Ltd – battery test centre accredited battery abuse testing infrastructure to support AIH's growing battery safety product line.

#### Recent acquisition – Ovun case study

AIH has recently completed the acquisition of Ovun, a Norwegian based provider of integrated, high-tech polymer based products and solutions. Ovun has several complimentary characteristics that fit AIH's established acquisition criteria;

- **Geographic expansion** – Oven provides an established presence in the key energy market hub of Norway, providing access to a historically parochial Norwegian market and customers who typically purchase from other Norwegian companies;
- **Technology Integration** – Ovun has specific capability in rotor moulding which is a highly complementary technology that AIH will be able to integrate into its existing operations to generate cost synergies in the production of buoyancy solutions;

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- **Technology Gap** – Ovun has buoyancy products for aquaculture which are currently only sold in Norway – AIH sees the potential to cross-sell these products to existing AIH sales networks in the UK and in South America. Ovun also has deep capability in electronics and sensors for buoys which can be leveraged for potential defence applications in existing AIH subsea products;
- **Margin Accretion and Synergy** – Ovun has strong gross margin of c. 40% and comparable EBITDA margin which is growing as they leverage their overheads. AIH expects this to continue to expand as it realises additional synergies across the group; and
- **Cultural and Operational fit** – Ovun has an established professional management team that has overseen strong topline growth and expansion of operational margins, with a culture that aligns closely to that of AIH.

Refer to Section 4 for a detailed overview of Ovun's financials and the pro forma impact of its acquisition by AIH.

### Acquisition pipeline

AIH continually screens for acquisition targets that align with its strategic filters. Management maintains an active pipeline of identified opportunities, which is reviewed and discussed regularly at both executive and board levels.

Acquisition Opportunities[73]:

- USA Business – Access to new product range, USA focus with polyurethane capability and a hedge against Trump-era policies. Local US manufacturing capability ready for the restart of US offshore wind projects (e.g. Empire Wind). Ability to incorporate AIH technology into the target.

### Market consolidation opportunities

AIH has identified several opportunities for market consolidation across its key product groups, with management continually reviewing the potential for acquisitions and assessing the opportunities against their key criteria.

| Product Group | Consolidation Opportunity |
|---|---|
| Subsea Insulation | A European business, with rubber based subsea insulation and range of fire protection products |
| Subsea Ancillaries | Only a handful of competitors for deep water buoyancy, typically catering to specific parts of the market<br>For other ancillary products, two European businesses identified – one specialising in bend stiffeners plus extension of PU products into automotive, the other with nylon technology and looking to grow ancillaries |
| Offshore Wind | Only three competitors outside China in this segment, all three are UK based |
| Marine | Two European businesses – one specialising in syntactic buoys for mostly shallow water, the other specialising in rubber fendering systems |
| Flexible insulation and fire jackets | This is typically a more fragmented global business with local competitors – several APAC opportunities for consolidation |

73. These are indicative opportunities that are being considered by AIH. These opportunities are incomplete and uncertain and would be subject to customary due diligence and negotiation of terms and transaction documents.

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## 3.8 Responsible Business Practices

AIH recognises the importance of responsible business practices across all aspects of its global operations. With a workforce of around 800 employees across 13 countries and operations worldwide, the Group integrates sustainability, being environmental, social and governance (**ESG**) matters, into its decision making and operating model.

AIH's sustainability framework 'Advancing Impact and Sustainability' comprises five core areas: sustainability in product design, quality, health, safety, and environmental (**QHSE**) systems, our people, our value chain, and decarbonisation.

### 3.8.1 Sustainability in product design

The Group's materials are designed for industries in energy transition: they insulate LNG facilities that displace coal, lighten offshore structures, protect EV battery packs and extend the life of energy assets so that carbon intensive new builds are deferred.

Several of AIH's core products directly support improved sustainability impact on the end of operations:

- thermal efficiency – AIH phenolic insulation panels deliver up to 30% lower heat loss coefficients than steel or concrete alternatives, potentially reducing boil off of LNG and reducing compressor power;
- installation efficiency – AIH integrated buoyancy modules are quicker to install offshore than traditional clamped alternatives, significantly reducing offshore vessel time a key contributor to emissions during construction;
- asset life extension – AIH's products allow upgrades that can extend offshore platform life by 10 to 15 years. According to the international energy agency, asset life extension is a key lever for near term emissions mitigation;
- battery safety – AIH's products enable safer, lighter battery packs, supporting OEM targets for vehicle range and mass, both of which are essential to improving lifecycle performance; and
- water intake risers – these systems reduce the carbon footprint of offshore hydrocarbon and LNG facilities by allowing for the pumping of seawater from depth which is much cooler than surface water. This means that process cooling is more efficient and equipment on the vessel can be smaller thereby reduces the facility's carbon footprint.

### 3.8.2 QHSE

AIH has QHSE systems in place across main manufacturing sites. These systems are certified under internationally recognised ISO management standards: ISO 9001 (Quality Management), ISO 14001 (Environmental Management) and ISO 45001 (Occupational Health and Safety). These certifications demonstrate AIH's compliance with legal obligations and industry best practice in health, safety, and environmental risk management. The certifications are conducted and awarded by Lloyds LRQA and by BSI.

AIH's head of QHSE is responsible for overseeing all QHSE matters across the Group and reports directly to the CEO.

#### Occupational Health & Safety

A suite of policies covers key areas and responsibilities regarding OH&S that include communication, consultation and involvement, control of contractors, emergency preparedness and response, site safety procedure, occupational health policy, permit to work policy, risk identification and control, travel policies, and work equipment policies.

Under the QHSE Integrated Management System, comprehensive risk assessments are systematically carried out, taking into account the specific job function, individual employee role, and the destination country of travel. This approach ensures that all potential risks associated with each assignment and location are thoroughly evaluated, enabling the implementation of effective control measures to safeguard employee health, safety, and well-being.

The 'Think Safe, Act Safe, Be Safe' initiative seeks to maintain a strong health and safety culture and focuses on reducing key risks, continually improving health and safety competencies, and sharing and celebrating key safety information.

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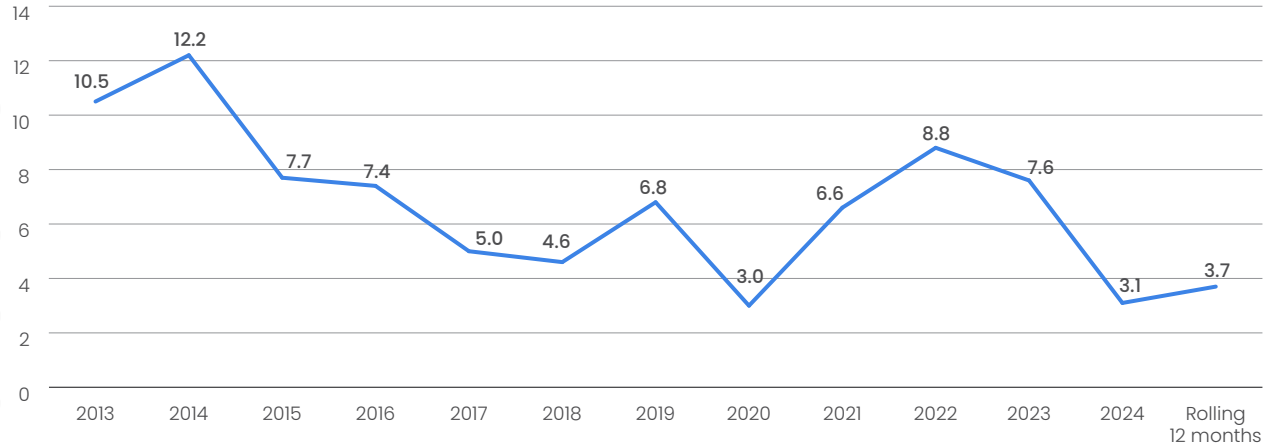
*Figure 3.8: Total Recordable Incident Rate – Number of accidents per hours worked (by 1-million-man hours)*




## Environmental management

Resource and materials use is closely controlled by AIH through its integrated management system.

The Group's approach to waste management comprises:

- exclusive use of licensed waste contractors and management companies that handle all waste. AIH conducts due diligence on these contractors, including company-led audits;
- records are kept of registered waste carriers, disposal site permits, waste transfer notes, signed safe disposal certificates;
- AIH tracks volume of hazardous and non-hazardous waste from all sites and can catalyse certain hazardous waste streams to make them inert; and
- project teams track all materials and products in transit to client sites and the Group's waste management and segregation procedure provides for responsibilities relating to waste management on these sites.

The Group's use of water is largely for domestic purposes. Where water is used in operational environments, such as for 'clean downs', all wastewater is captured in intermediate bulk containers and handled and treated by specialists. The Group is required to report on volume of water used in Dubai and Brazil, in line with local regulation, and where required, the Group holds the relevant trade effluent licences.

## Chemicals Management

The handling of chemicals is governed by AIH's ISO-certified integrated management system, with all activities conducted in adherence to COSHH and REACH, the leading UK and European standards for chemical management respectively. AIH employs chemists with subject matter expertise to support its R&D department (see Section 3.3). Product delivery and quality are integral components of AIH's 'supply and apply' business model.

It is Company policy to not handle substances of very high concern. Controls are in place for carcinogenic, mutagenic, or reprotoxic (**CMR**) substances that are presently used in product development, however there is a focus on removing CMR substances from products entirely, having already developed CMR-free products.

Critically, tracking of all products wherever they are across the globe and application of AIH products is always directly managed by AIH team (i.e. not sub-contracted or client-applied). All hazardous chemicals, once applied and released to the client, are inert.

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### 3.8.3 Our People

The Chief Corporate Services Officer is responsible for overseeing labour rights and people management and reports to the CEO. A range of policies provides a foundation for fair and equitable treatment of its employees.

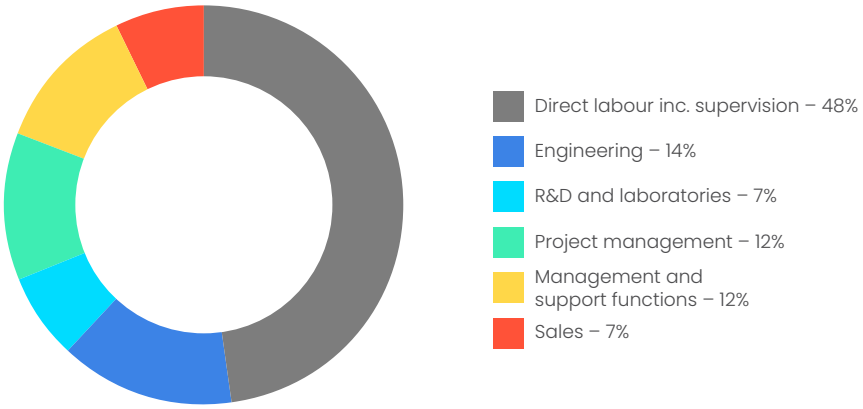
AIH employs around 800 staff across 13 countries, with approximately 80% of the workforce engaged in direct labour and 20% in overhead or administrative roles. The Group places a strong emphasis on workforce quality and retention. Over 20% of employees are degree qualified, of which 25% hold postgraduate or higher degrees.

AIH is committed to long term talent development and inclusion. Approximately 40% of staff have more than five years of tenure, and the Group has implemented a range of initiatives to address sector wide skills shortages. These include:

- apprenticeship programmes;
- graduate programmes; and
- talent development pathways, including leadership development programme, or sponsorship for professional qualifications or postgraduate education (e.g. over 10 employees have been supported through MBA programs).

There is a focus on internal promotion and there are annual reviews for professional roles whilst the site application teams benefit from a buddy system and a continuous reviewing process due to nature of the work.

*Figure 3.12: Employees by business function*



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### 3.8.4 Our Value Chain

#### Supply chain management

The Group supply chain manager, reporting to the director of operations, oversees procurement for the whole Company. AIH has set clear standards and expectations of its supplier base, which are codified in Group policies including 'Anti-Slavery and Human Trafficking', 'Procurement', 'Sanctions', and 'Supply Chain Management' (**SCM**).

The SCM policy clarifies that all suppliers engaged by the Company are assessed to ensure they can provide goods or services that conform to the Company's commitment to ISO 9001, ISO 14001, ISO 45001 and to enable the Company meet legal and client requirements and specifications.

The Group has a proactive suppler management strategy. This includes frequent engagement with suppliers, reviews of key strategic suppliers every 6 months against an internally designed scorecard, and continuous monitoring for controversies/issues that could result in cost implications for AIH. Each operating site controls its own approved vendors list, which is ultimately overseen by the Group SCM.

Of note, AIH, where viable and in conformance with its policies, seeks to engage local suppliers to each operating site.

Detail of AIH's approach to customer engagement can be found in Section 3.5.

### 3.8.5 Decarbonisation

AIH commenced its investment programme into decarbonising its operations more than a decade ago. During which time it has invested in energy efficient equipment and infrastructure, deployed change management practice to improve operational behaviours and installed solar panels on top of three of its sites.

AIH is required to comply with the Energy Savings Opportunity Scheme (**ESOS**) scheme, an EU Directive that is a UK statutory requirement. Operations in the UK entered ESOS Phase 3, which required it to carry out an audit of all locations to identify energy saving measures.

Subsequently, AIH has implemented a Group-wide environmental sustainability and carbon management policy. As part of these efforts, an energy and emissions monitoring system was established, commencing at the AIH head office and rolled out to all UK locations. Measures taken included assessments to reduce the electrical baseload. This included the introduction of out-of-hours shutdown procedures and investigation into energy consumption during these periods. Additionally, air compressor management and efficiency improvements were identified through targeted monitoring, alongside the implementation of shutdown procedures outside of regular working hours.

In the UK, electricity (scope 2 emissions) comprises AIH's largest emissions source. In response to this the Group is converting all its energy contracts to green energy tariffs.

AIH advanced its Group-wide approach to energy and emissions monitoring in 2025. In doing so, this will enable the Group to design the next phase in a credible decarbonisation plan.

## 3.9 Insurance

AIH maintains comprehensive insurance policies across the Group, which are managed by Tier 1 insurance broker Marsh and continuously reviewed to ensure that coverage is adequate and appropriate to shield the business from the risks, noting that not all risks are insurable. A summary of the Group's insurance policies is set out below:

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*Table 3.10: AIH insurance policies*

| Policy/Cover | Geographic scope | Description |
|---|---|---|
| **Property damage and business interruption – Master** | UK Plans – DIC/DIL protection for Brazil, UAE, USA, Frace and Khazakstan | Covers damage to buildings, plant, stock, and computers from insured perils and reimburses lost gross profit for up to 18 months during business restoration. |
| **Local property wraps** | Country specific policies where locally admitted coverage is mandatory | Mirrors master wording to satisfy in country regulations; any shortfall is covered by the UK master via DIC/DIL clauses. |
| **Employers liability/workers compensation** | UK (plus statutory coverage in other jurisdictions) | Covers medical costs, lost wages, and legal defence where employees are injured or fall ill in the course of employment. |
| **Public and products liability** | Worldwide sales and project sites | Covers third party injury or property damage claims linked to AIH operations or products, including post installation exposures. |
| **Contract works/plant** | Global project sites | Covers loss or damage to AIH materials during installation, as well as plant and equipment (owned or hired) including testing and commissioning. |
| **Management liability (D&O, EPL, Crime)** | Global | Protects directors and officers from claims alleging wrongful acts; includes cover for employment practices and employee fraud or third party crime. |
| **Marine cargo** | Door-to-door movement of raw materials and finished modules | Covers goods in transit by sea, air, or land, including during loading/unloading. Includes protection for high value break bulk shipments. |
| **Product guarantee/recall** | Global automotive and industrial customers | Covers the costs of recalling, repairing, or replacing products (e.g. battery laminates) that fail to meet contract performance guarantees or are recalled for safety reasons. |
| **Computers/ electronic equipment** | UK static and portable devices | Covers accidental damage, theft, and data reinstatement for portable and static IT equipment used in design and production. |
| **Motor fleet (UK and USA)** | UK and USA | Covers third party liability and comprehensive vehicle damage for fleet used in logistics and field service operations. |
| **Accident and travel** | All travelling staff (UK, France, Portugal) | Provides accident benefits and emergency travel related cover, including evacuation, medical costs, and trip cancellations. |
| **Trade credit** | Global coverage (with some additional conditions or restrictions for certain countries) | Global trade credit policy covering for non-payment of receivables due to 'Insolvency', 'Protracted default', 'Political Risk' and 'Third Country Risk'. |

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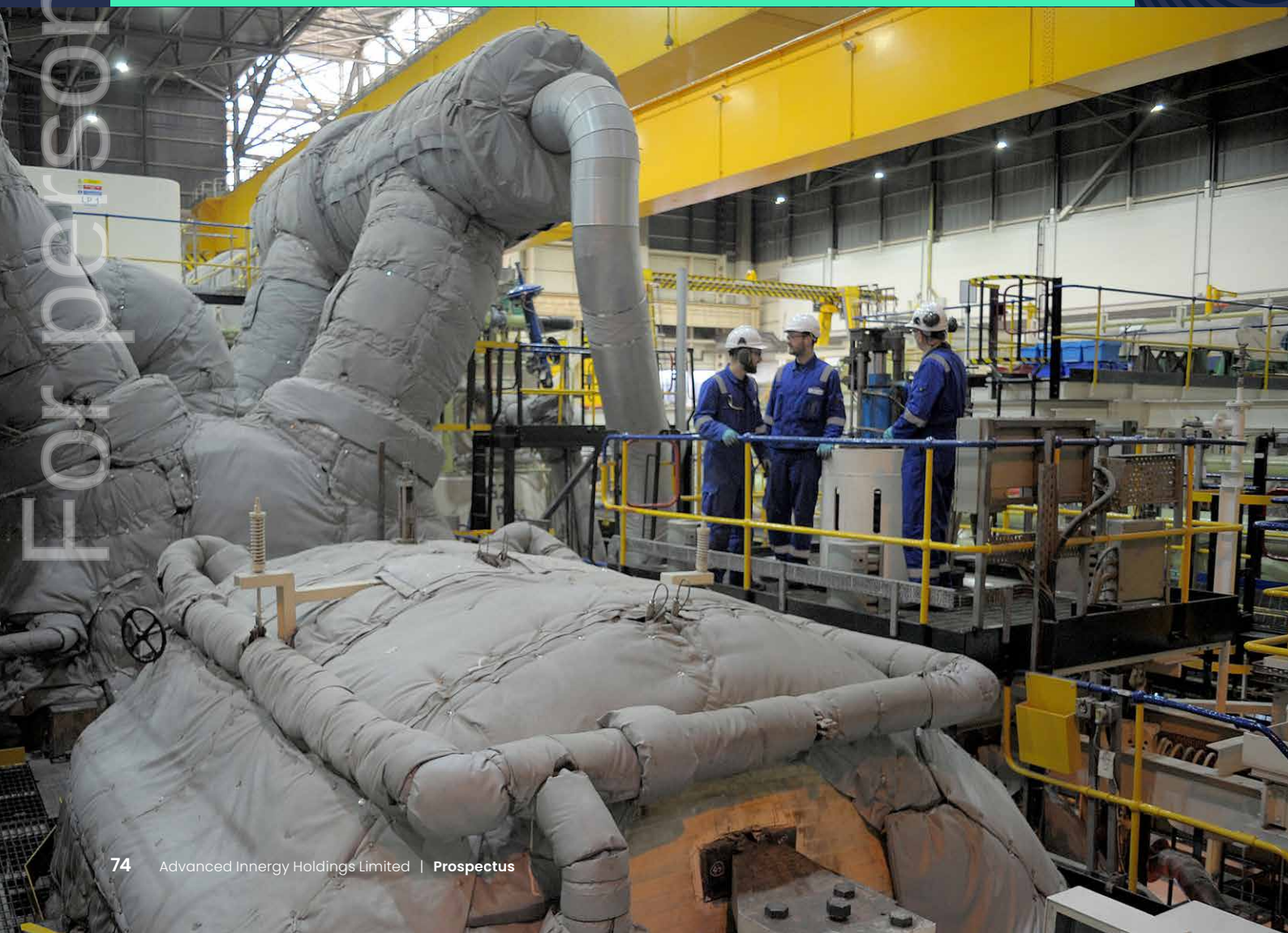
# 4. Financial information



# 4. Financial information

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## 4.1 Introduction

The financial information of the Group contained in this Section 4 includes the following (collectively, the **Financial Information**).

- Historical Financial Information, being the financial information for the financial years ended 30 September 2022 ("FY22"), 30 September 2023 ("FY23"), 30 September 2024 ("FY24") and the six months ended 31 March 2025 ("FY25H1") with the six months ended 31 March 2024 ("FY24H1"); and
- Forecast Financial Information, being the financial information for the twelve months ending 30 September 2025 ("FY25F") and the twelve months ending 30 September 2026 ("FY26F").
- Investors should note that the Group's financial reporting period ends on 30 September (and first half of a financial year ends on 31 March) and not 30 June (and 31 December). AIH UK, being a UK entity, has had a 30 September reporting period end since 2014.

An overview of the relevant Financial Information items is shown in Table 1.

*Table 1: Financial Information*

| | Statutory Financial Information | Pro Forma Financial Information |
|---|---|---|
| Historical Financial Information | **Statutory Historical Financial Information** comprises the following:<br>• Statutory consolidated historical income statements for FY22, FY23 and FY24 and FY25H1 with FY24H1 comparative information (**Statutory Historical Income Statements**);<br>• Statutory consolidated historical statement of cash flows for FY22, FY23, FY24 and FY25H1 with FY24H1 comparative information (**Statutory Historical Cash Flows**); and<br>• Statutory consolidated historical statement of financial position as at 31 March 2025 (**Statutory Historical Statement of Financial Position**). | **Pro Forma Historical Financial Information** comprises the following:<br>• Pro Forma consolidated historical income statements for FY22, FY23, FY24 and FY25H1 with FY24H1 comparative information (**Pro Forma Historical Income Statements**), together with a reconciliation to the Statutory Historical Income Statements;<br>• Pro Forma historical cash flows for FY22, FY23, FY24 and FY25H1 with FY24H1 comparative information (**Pro Forma Historical Cash Flows**), together with a reconciliation to the Statutory Historical Cash Flows; and<br>• Pro Forma consolidated historical statement of financial position as at 31 March 2025 (**Pro Forma Historical Statement of Financial Position**). |
| Forecast Financial Information | **Statutory Forecast Financial Information** comprises the following:<br>• Statutory consolidated forecast income statement for FY25F and FY26F (**Statutory Forecast Income Statements**); and<br>• Statutory consolidated forecast cash flows for FY25F and FY26F (**Statutory Forecast Cash Flows**). | **Pro Forma Forecast Financial Information** comprises the following:<br>• Pro Forma consolidated forecast income statement for FY25F and FY26F (**Pro Forma Forecast Income Statements**); and<br>• Pro Forma consolidated forecast cash flows for FY25F and FY26F (**Pro Forma Forecast Cash Flows**). |

The historical acquisitions completed below by the Group have been included in the Statutory Historical Financial Information since the effective date of each acquisition as set out below. The Pro Forma Historical Financial Information assumes the following historical acquisitions had occurred on 1 October 2021.

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Details of the acquisitions are set out below:

(a) **CRP Subsea Holdings Limited** – On 10 November 2022, the Group acquired 100% of the issued share capital of CRP Subsea Holdings Limited, obtaining control of that company on the same date. The principal activity is to act as an intermediate holding company for CRP Subsea Limited.

(b) **CRP Subsea Limited** – On 10 November 2022, the Group gained control of the entity through the acquisition of CRP Subsea Holdings Limited. CRP Subsea Limited's principal activity is the design and manufacture of subsea buoyancy and cable protection solutions for a wide variety of offshore markets. CRP Subsea Holdings Limited was acquired to enable the Group to accelerate its plans to develop the offshore wind market and to provide consolidation opportunities in its manufacturing footprint.

CRP Subsea Limited recorded revenue of $76.7 million and a net loss after tax of $3.768 million for the 12 months ended 30 September 2022.

(c) **Ovun Holding AS** – On 12 September 2025, the Group completed its acquisition of 100% of the issued share capital of Ovun Holding AS, obtaining control of that company on the same date. The principal activity is to act as an intermediate holding company for Ovun AS.

(d) **Ovun AS** – On 12 September 2025, the Group gained control of the entity through the acquisition of Ovun Holding AS. Ovun AS' principal activity is the manufacture of sustainable, high-tech moulded and cast solutions for offshore and underwater industries, with a focus on plastic recycling and circular economy principles.

The Ovun Group recorded revenue of $29.9 million and a net profit after tax of $1.4 million for the 12 months ended 31 December 2024.

Investors should note, that in preparing the Pro Forma Historical Financial Information included in this Prospectus, pro forma adjustments have been made to the Statutory Historical Income Statements to reflect the acquisitions of CRP Subsea Holdings Limited, CRP Subsea Limited, Ovun Holding AS and Ovun AS.

Other acquisitions from 1 October 2021 include:

(e) **GAP Plastics**, acquired on 14 August 2024, recorded revenue of $2.8 million and a net loss after tax of $0.037 million for the 12 months ended 31 October 2023. The impact of this acquisition is recorded in the Statutory Historical Financial Information at its effective date.

(f) **CAPSE Ltd**, acquired on 1 April 2025, recorded revenue of $5.4 million and a net loss after tax of $2.3 million for the 12 months ended 31 July 2024, noting that this acquisition was made solely for the assets owned with no orders or employees acquired. The impact of this acquisition is not recorded in the Statutory Financial Information as its acquisition date falls after 31 March 2025.

Refer to Section 3.7 for additional information relating to the Group's growth strategy.

Also summarised in this Section 4 are:

(a) the basis of preparation and presentation of the Historical Financial Information (refer to Section 4.2(b)) and Forecast Financial Information (refer to Section 4.2(c));

(b) information regarding reporting segments (refer to Section 4.2(d));

(c) information regarding certain non-IFRS financial measures and other measures (refer to Section 4.2(e));

(d) Pro Forma Historical Income Statements and Pro Forma Forecast Income Statements (refer to Section 4.3(b)) including a summary of pro forma adjustments to the Statutory Historical Income Statements and Statutory Forecast Income Statements and reconciliations of the Pro Forma Historical Income Statements and Pro Forma Forecast Income Statements to the Statutory Historical Income Statements and Statutory Forecast Income Statements, respectively;

(e) summary of key operating and financial metrics (refer to Section 4.4);

(f) details of the Group's historical and forecast cash flow statements (refer to Section 4.5);

(g) details of the Group's statutory and pro forma historical financial position, and pro forma financial position at the assumed Completion date (refer to Section 4.6);

(h) information regarding indebtedness, banking facilities, and other contractual commitments (refer to Section 4.6(b), Section 4.6(c) and Section 4.6(d));

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(i) management's discussion and analysis of the Pro Forma Historical Financial Information (refer to Section 4.7) and the Pro Forma Forecast Financial Information (refer to Section 4.8);

(j) the Directors' general and specific assumptions underlying the Forecast Financial Information (refer to Section 4.8(a) and Section 4.8(b));

(k) an analysis of the key sensitivities of the Pro Forma Forecast Financial Information to changes in key assumptions (refer to Section 4.9);

(l) qualitative disclosures about the Group's financial risk management framework (refer to Section 4.10);

(m) a summary of the Group's proposed dividend policy (refer to Section 4.11); and

(n) information regarding significant accounting policies and key judgements and estimates (refer to Appendix A).

The information in Section 4 should also be read in conjunction with the risk factors set out in Section 5 and the other information contained in this Prospectus.

All amounts disclosed in Section 4 are presented in Australian Dollars (AUD or $) and, unless otherwise noted, are rounded to the nearest $100,000. Some numerical figures included in this Prospectus have been subject to rounding adjustments. Any differences between totals and sums of components in figures or tables contained in this Prospectus may be due to rounding. Amounts translated from foreign currencies have been converted at the average exchange rate over the relevant period (for the income statement and statement of cash flows) and at the exchange rate at the reporting period date (for statement of financial position items).

The Historical Financial Information presented in this Prospectus has been reviewed by Grant Thornton Corporate Finance Pty Ltd (**Grant Thornton**, or **Investigating Accountant**) in accordance with the Australian Standard on Assurance Engagements ASAE 3450 'Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information' (ASAE 3450), as stated in its Independent Limited Assurance Report on the Historical Financial Information. Investors should note the scope and limitations of the Independent Limited Assurance Report on the Historical Financial Information (refer to Section 8).

The Forecast Financial Information presented in this Prospectus is unaudited and has been reviewed by Grant Thornton in accordance with ASAE 3450, as stated in its Independent Limited Assurance Report on the Forecast Financial Information. Investors should note the scope and limitations of the Independent Limited Assurance Report on the Forecast Financial Information (refer to Section 8).

## 4.2 Basis of preparation and presentation of the Financial Information

### (a) Overview

The Directors are responsible for the preparation and presentation of the Financial Information.

The Financial Information in this Prospectus is intended to present potential investors with information to assist them in understanding the historical financial performance, cash flows and financial position of the Group, together with the forecast financial performance and cash flows for FY25F and FY26F.

The Financial Information has been prepared and presented in accordance with the recognition and measurement principles of UK-adopted International Accounting Standards. The Financial Information is presented in an abbreviated form and does not include all the presentation and disclosures, statements and comparative information as required by IFRS and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the Corporations Act.

The Pro Forma Historical Information has been prepared solely for inclusion in this Prospectus and does not reflect the actual results and cash flows of the Group for the periods indicated. The Group believes that it provides useful information as it permits investors to examine what it considers to be the underlying financial performance and cash flows of the business and is presented on a consistent basis with the Pro Forma Forecast Financial Information.

In addition to the Financial Information, this Section describes certain non-IFRS measures included in the Pro Forma Historical Information and Pro Forma Forecast Financial Information that are used to manage and report on the Group's business. These financial measures are not defined or recognised in IFRS and are detailed under 4.2(e).

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## (b) Basis of Preparation of the Historical Financial Information

The Statutory Historical Financial Information used in the preparation of the Pro Forma Historical Financial Information has been extracted from the Group's audited general purpose financial statements for FY22, FY23, FY24 and reviewed interim financial statements for FY25H1. The FY22, FY23 and FY24 financial statements were audited by RSM UK Audit LLP in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. The audit opinion issued to the Directors for FY22, FY23 and FY24 and the review opinion issued to the Directors for FY25H1 was unmodified.

The Pro Forma Historical Financial Information has been prepared solely for the purpose of this Prospectus.

The Pro Forma Historical Income Statements have been derived from the Statutory Historical Income Statements and adjusted to reflect the inclusion of the financial results of the following:

(i) CRP Subsea Limited as if acquired from an acquisition date of 1 October 2021;

(ii) Ovun Group as if acquired from an acquisition date of 1 October 2021;

(iii) the exclusion of transaction costs, gain on bargain purchase and intangible asset impairment related to the acquisition of CRP Subsea Limited;

(iv) the exclusion of management fees paid to the Group's previous investor and the exclusion of the impact of refinancing the business on exit of the Group's previous investor in FY24 and associated periods;

(v) the inclusion of exceptional costs recorded below the Group's EBITDA line which should form part of EBITDA and are driven by management's classification for reporting purposes;

(vi) the exclusion of bad debts raised in association with projects ceased due to political instability and sanctions in Russia;

(vii) the exclusion of once-off listing costs;

(viii) the adjustments to realign the benefit of the settlement of the R&D tax enquiry with the relevant historical periods;

(ix) the exclusion of interest expense in FY26F related to funding the acquisition of Ovun;

(x) the inclusion of costs associated with being a public company; and

(xi) the tax effect of the pro forma adjustments.

The Pro Forma Historical Cash Flows have been derived from the Statutory Historical Cash Flows and adjusted to reflect the cash flows of the following:

(xii) the exclusion of the net cashflows arising from funding the acquisition of CRP Subsea Limited;

(xiii) the inclusion of Ovun Group as if acquired from an acquisition date of 1 October 2021;the exclusion of interest expense related to funding the acquisition of Ovun;

(xiv) the impact of the capital raise;

(xv) the repayment of the external funding obtained for the purchase of Ovun using the offer proceeds; and

(xvi) transaction costs associated with the listing of the Group.

Section 4.3(c) sets out the pro forma adjustments made to the Statutory Historical Income Statements and a reconciliation of the statutory historical earnings before interest, tax, depreciation and amortisation (**EBITDA**) and net profit after tax (**NPAT**) to the pro forma historical EBITDA and NPAT.

Section 4.5 includes the pro forma adjustments made to the statutory historical net cash flow before dividends and a reconciliation of the statutory historical net cash flow before dividends to the pro forma historical net cash flow before dividends.

The Pro Forma Historical Statement of Financial Position is derived from the Statutory Historical Statement of Financial Position and adjusted to reflect the impact of the Offer and the Pro Forma Adjustments set out in Section 4.6.

The Group's accounting policies have been consistently applied in preparing Historical Financial Information for each of the periods presented and are set out in Appendix A.

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The Pro Forma Historical Financial Information is provided for illustrative purposes only and is not represented as being necessarily indicative of the future financial position of the Group. Investors should note that past results are not a guarantee of future performance.

## (c) Basis of Preparation of the Forecast Financial Information

The Forecast Financial Information has been prepared solely for inclusion in this Prospectus. The Forecast Financial Information is presented on both a statutory and pro forma basis for FY25F and FY26F. The basis of preparation and presentation of the Forecast Financial Information is consistent with the basis of preparation and presentation of the Pro Forma Historical Financial Information.

The Forecast Financial Information has been prepared by the Group with due care and attention, based on an assessment of current market, economic and operating conditions and on the Directors' general and specific assumptions regarding future events and actions set out in Section 4.8.

The disclosure of these best estimate assumptions is intended to assist investors in assessing the reasonableness and likelihood of the assumptions occurring and the potential effect on the Forecast Financial Information if, and to the extent that, any such assumption does not occur. The disclosure of the assumptions is not intended to be a representation that the assumptions will occur. Accordingly, investors are cautioned not to place undue reliance on the Forecast Financial Information.

The Directors consider the general and specific best estimate assumptions, when taken as a whole, to be reasonable at the time of preparing this Prospectus. Investors should be aware that the timing of actual events and the magnitude of their impact might differ from that assumed in preparing the Forecast Financial Information and that this may have a material positive or negative effect on the Group's actual financial performance, cash flows or financial position. In addition, the assumptions on which the Forecast Financial Information is based are by their very nature subject to uncertainties and contingencies, many of which will be outside the control of the Group, the Directors and management, and are not reliably predictable. Accordingly, none of the Group, the Directors or management or any other person can give investors any assurance that the outcomes disclosed in the Forecast Financial Information will arise. Events and outcomes might differ in amount and timing from the assumptions, with a material consequential impact on the Forecast Financial Information.

The Statutory Forecast Financial Information represents the Group's forecast of the financial performance and cash flows that it expects to report in its consolidated general purpose statutory financial statements for FY25F and FY26F. This assumes Completion of the Offer.

The Pro Forma Forecast Financial Information has been derived from the Statutory Forecast Financial Information, with pro forma adjustments to reflect the:

(i) exclusion of Offer costs forecast to be expensed in the statutory results in FY25F. Offer costs have not been removed from the FY25F pro forma forecast cash flows on the basis that gross proceeds of the Offer are included in the FY25F pro forma cash flows to reflect the use of funds from the Offer for future acquisitions;

(ii) inclusion of ongoing listing costs;

(iii) the inclusion of exceptional costs recorded below the Group's EBITDA line which should form part of EBITDA; and

(iv) the relevant tax effect of each pro forma adjustment.

Section 4.3(c) includes a reconciliation of statutory forecast EBITDA and NPAT to the pro forma forecast EBITDA and NPAT for FY25F and FY26F. Section 4.5 includes a reconciliation of statutory forecast net cash flows to the pro forma forecast net cash flow before dividends for FY25F and FY26F.

The Forecast Financial Information should be read in conjunction with the general and specific best estimate assumptions set out in Section 4.8, the sensitivity analysis described in Section 4.9, the risk factors described in Section 4.10, the Significant Accounting Policies set out in Appendix A and other information in this Prospectus. The Group does not intend to update or revise the Forecast Financial Information or other forward-looking statements or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus, except where required by law or regulation or ASX continuous disclosure obligations.

Due to its nature, the Forecast Financial Information does not purport to represent the Group's actual financial performance or cash flows for the respective periods.

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## (d) Segment Information

The Group has five significant operating segments as outlined in Section 1.2:

(i) **Subsea Ancillaries (SA)** specialises in advanced subsea protection and buoyancy solutions. These solutions include buoyancy, floats and ballast, bend and fatigue protection and impact and abrasion protection solutions.

(ii) **Subsea Insulation (SI)** specialises in high performance thermally efficient subsea insulation solutions. AIS provides comprehensive expertise in development, design, manufacturing, and global applications. Its products include pour-in-place solutions and pre-cast engineered components, often integrated with other subsea ancillary equipment to enhance functionality and efficiency.

(iii) **Fire Protection & Insulation (FP&I)** comprises specialised materials and jackets. Materials comprise lightweight composite syntactic foam and intumescent materials, providing passive fire protection (jet and hydrocarbon fire), insulation, cryogenic, acoustic, and blast protection. Jackets provide passive fire protection (jet and hydrocarbon fire), heat conservation, leak detection, and cryogenic spill, acoustic and blast protection in both flexible fire protection and thermal insulation jackets.

(iv) **Offshore Wind (OW)** specialises in cable protection systems, engineered to safeguard offshore wind farm power cables from over bending, abrasion, and impact, ensuring durability and reliability in harsh subsea conditions.

(v) **Ovun Group:** specialises in the design and manufacture of buoyancy and moulded plastic products for marine and offshore industries, specifically rotational and polyurethane moulding, electronics development, and plastic recycling with key industries supplied including seismic, oil & gas, renewables, navigation & marine safety and aquaculture.

(vi) **Other** segments include:

(A) Battery Protection Materials and Testing: Materials include lightweight intumescent, ablative and foam materials and products that shield battery components and enclosures from the effects of fire or thermal runaway. In house Lithium-ion battery testing services are provided to simulate the rigorous and potentially damaging conditions batteries face throughout their lifecycle, ensuring durability and reliability in real world application.

(B) Marine and Leisure Products: Products include lightweight, durable and low maintenance floating and vessel fenders for protection of ports, harbours, commercial and luxury vessels, with these products supplied as a standard product or designed to meet customer specification.

(C) Water Intake Risers: that pump cold seawater to cool down essential equipment and prevent overheating in offshore floating production units. The management discussion and analysis set out in Sections 4.7 and 4.8 contains references to these segments.

## (e) Explanation of Non-IFRS Financial Measures

The Group uses certain measures to manage and report on its business that are not recognised under IFRS. These measures are collectively referred to in this Section 4 and under RG 230 published by ASIC as 'non-IFRS financial measures'.

Although the Group believes that these measures provide useful information to users in measuring the financial performance and condition of the business, they should be considered as supplements to the income statement measures that have been presented in accordance with IFRS and not as a replacement for them. As these non-IFRS financial measures are not based on IFRS, they do not have standard definitions and the way the Group calculates these measures may differ from similarly titled measures by other entities. Investors and readers of this Prospectus should therefore not place undue reliance on these non-IFRS financial measures.

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The key non-IFRS financial measures that are referred to in this Prospectus are outlined below.

(i) Income statement

(A) Gross profit represents revenue, net of costs of goods sold or services performed.

(B) EBITDA is earnings before interest on borrowings, interest on lease liabilities, income tax expense, depreciation and amortisation.

(C) EBIT is earnings before interest on borrowings, interest on lease liabilities and income tax expense.

(D) EBIT(A) is earnings before interest on borrowings, interest on lease liabilities, income tax expense and amortisation of acquired intangibles.

(E) NPAT(A) is the net profit after tax before amortisation of acquired intangibles.

(ii) Cash flow statement

(A) Working capital is the sum of trade and other receivables, contract assets and other assets, less trade and other payables, contract liabilities, accrued expenses, current provisions and tax payments.

(B) Capital expenditure is primarily related to investment in property, plant and equipment, capitalised development costs and business acquisitions.

(iii) Indebtedness information

(A) Net cash represents cash and cash equivalents and, term deposits, net of borrowings and lease liabilities.

(B) Gross debt is the interest-bearing borrowings of the Group including bank debt and interest-bearing lease liabilities.

(iv) Financial metrics

(A) Revenue growth represents the period-on-period growth in revenue.

(B) Gross profit % is gross profit divided by total revenue and expressed as a percentage.

(C) EBITDA growth is the change in EBITDA in the current period compared to the prior corresponding period and expressed as a percentage.

(D) EBITDA margin is EBITDA divided by total revenue and expressed as a percentage.

(E) EBIT(A) margin is the EBIT(A) divided by total revenue and expressed as a percentage.

(F) NPAT(A) margin is the NPAT(A) divided by total revenue and expressed as a percentage.

## (f) Exchange Rates

Tables presented in this Section have been converted to Australian Dollars (AUD) utilising the exchange rates presented below.

| GBP/AUD | Average Rate | Period end Rate |
|---|---|---|
| FY22 | 1.833 | 1.714 |
| FY23 | 1.787 | 1.893 |
| FY24H1 | 1.918 | 1.934 |
| FY24 | 1.921 | 1.932 |
| FY25H1 | 1.985 | 2.068 |
| FY25F | 2.025 | 2.025 |
| FY26F | 2.065 | 2.065 |

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## 4.3 Historical and forecast income statements

### (a) Statutory Historical Income Statements and Statutory Forecast Income Statements

The Group's Statutory Historical Income Statements and Statutory Forecast Income Statements are shown in Table 2. The reported figures exclude the impact of pro forma adjustments detailed in Section 4.2(b).

Reconciliations of the Statutory Historical Income Statements and Statutory Forecast Income Statements to the Pro Forma Historical Income Statements and Pro Forma Forecast Income Statement are provided in Section 4.3(c).

*Table 2: Statutory Historical and Forecast Income Statements*

| A$'000 | Note | FY22 | FY23 | FY24 | FY25F | FY26F |
|---|---|---|---|---|---|---|
| Revenue | 1 | 115,414 | 198,875 | 262,825 | 299,549 | 387,894 |
| Cost of sales | 2 | (78,199) | (136,151) | (179,649) | (191,339) | (249,082) |
| **Gross profit** | | **37,215** | **62,723** | **83,176** | **108,209** | **138,812** |
| Staff Costs | 3 | (11,663) | (19,586) | (25,459) | (32,379) | (43,864) |
| Professional & office | 4 | (6,802) | (15,316) | (17,787) | (19,566) | (29,014) |
| Other expenses | | (1,165) | (2,397) | (3,095) | (2,825) | (4,301) |
| Other income | | 56 | 97 | 786 | 153 | – |
| **EBITDA** | | **17,641** | **25,520** | **37,621** | **53,593** | **61,633** |
| Depreciation/Amortisation | 5 | (6,013) | (20,596) | (12,747) | (14,720) | (16,960) |
| Gain on bargain purchase | 6 | – | 25,773 | – | – | – |
| Exceptional costs | | (2,748) | (4,167) | (6,678) | (2,119) | – |
| FX Gain/(Loss) | | (384) | 839 | 265 | 111 | – |
| **EBIT** | | **8,496** | **27,368** | **18,461** | **36,865** | **44,673** |
| Total Interest | 7 | (6,296) | (8,478) | (5,685) | (9,973) | (11,037) |
| **NPBT** | | **2,201** | **18,890** | **12,776** | **26,892** | **33,636** |
| Corporation Tax | 8 | (1,177) | (1,176) | (5,139) | (4,827) | (7,443) |
| **NPAT** | | **1,023** | **17,714** | **7,637** | **22,065** | **26,194** |

**Notes:**

1. Revenue is primarily generated through the manufacturing and installation of specialised products and services. These transactions are conducted under service agreements, long-term contracts, or on a purchase order basis. In addition to service-based income, revenue is also derived from the sale of products designed to meet the specific needs of various industries.
2. Cost of sales are comprised costs directly associated with the progression of long-term projects and sale of goods including labour costs, materials and consumables, plant and equipment costs and travel costs. These expenses are typically correlated to revenue.
3. Staff costs relate to the Group's management and administration staff, including salaries, superannuation, bonuses and on costs, as well as general administration expenses including insurance, licences fees and recruitment.
4. Professional and office expenses include costs related to legal, accounting and consulting services. The category also includes rent (where leases do not meet accounting treatment under IFRS16: Leases), office equipment and property outgoings costs.
5. Depreciation and amortisation expense – fixed assets are depreciated over their useful life and right of use assets are depreciated over the term of the lease. Depreciation increases in line with the capital expansion of the operations.
6. The 'gain on bargain purchase' in FY23 relates to the acquisition of CRP (as defined below); the acquisition resulting in its recognition in the Income Statement of $25.773m.
7. Net interest costs relate to interest charges associated with bank loans, hire purchase liabilities and the finance component of property leases.
8. Income tax expense represents the aggregate tax position including both current and deferred tax expense. Where appropriate, deferred tax assets and deferred tax liabilities are shown netted off in line with accounting standards.

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Table 3 represents the Group's Statutory Historical Income Statements for FY24H1 and FY25H1.

*Table 3: Statutory Historical Income Statement: FY24H1 and FY25H1*

| A$'000 | Note | FY24H1 | FY25H1 |
|---|---|---|---|
| Revenue | 1 | 123,433 | 155,810 |
| Cost of sales | 1 | (81,985) | (104,300) |
| **Gross profit** | | **41,447** | **51,510** |
| Staff Costs | 1 | (13,033) | (15,427) |
| Professional & office | 1 | (8,340) | (9,050) |
| Other expenses | | (1,053) | (841) |
| Other income | | 145 | 137 |
| **EBITDA** | | **19,166** | **26,330** |
| Depreciation/Amortisation | 1 | (6,676) | (6,673) |
| Exceptional costs | | (669) | (1,240) |
| FX Gain/(Loss) | | (719) | 135 |
| **EBIT** | | **11,102** | **18,551** |
| Total Interest | 1 | (4,857) | (5,421) |
| **NPBT** | | **6,245** | **13,130** |
| Corporation Tax | 1 | (2,451) | (3,380) |
| **NPAT** | | **3,794** | **9,750** |

**Note:**

1. Refer to the notes pertaining to the equivalent line items in Section 4.3(a).

## (b) Pro Forma Historical Income Statements and Pro Forma Forecast Income Statements

The Group's Pro Forma Historical Income Statements for FY22, FY23 and FY24 and the Pro Forma Forecast Income Statements for FY25F and FY26F are shown in the table below.

Reconciliations of the Statutory Historical Income Statements and Statutory Forecast Income Statements to the Pro Forma Historical Income Statements and Pro Forma Forecast Income Statements are provided in Section 4.3(c).

# 4. Financial information continued

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*Table 4: Pro Forma Historical Income Statements and Pro Forma Historical Forecast Income Statements*

| A$'000 | Note | FY22 | FY23 | FY24 | FY25F | FY26F |
|---|---|---|---|---|---|---|
| Revenue | 1 | 216,838 | 236,766 | 289,254 | 334,218 | 387,894 |
| Cost of sales | 1 | (158,116) | (161,674) | (194,455) | (210,664) | (249,082) |
| **Gross profit** | | **58,722** | **75,092** | **94,800** | **123,554** | **138,812** |
| Staff Costs | 1 | (24,356) | (23,715) | (30,689) | (39,098) | (43,864) |
| Professional & office | 1 | (13,646) | (19,000) | (21,760) | (23,526) | (28,316) |
| Other expenses | | (4,227) | (3,780) | (3,844) | (4,651) | (4,301) |
| Other income | | 98 | 165 | 800 | 156 | – |
| **EBITDA** | | **16,592** | **28,760** | **39,306** | **56,436** | **62,331** |
| Depreciation/Amortisation | 1 | (10,920) | (13,827) | (14,399) | (15,542) | (16,960) |
| FX Gain/(Loss) | | (227) | 994 | 266 | 594 | – |
| **EBIT** | | **5,445** | **15,928** | **25,173** | **41,487** | **45,371** |
| Total Interest | 1 | (4,539) | (5,683) | (8,047) | (10,312) | (9,284) |
| **NPBT** | | **906** | **10,245** | **17,126** | **31,176** | **36,087** |
| Corporation Tax | 1 | (1,686) | (3,131) | (6,133) | (6,717) | (7,216) |
| **NPAT** | | **(781)** | **7,114** | **10,993** | **24,459** | **28,871** |

**Notes:**

1. Refer to the notes pertaining to the equivalent line items in Section 4.3(a).
2. The following table presents the breakdown between AIH and the pro forma impact of the acquired Ovun entity for FY25F and FY26F.

| A$'000 | FY25F Base | FY25F Ovun | FY25F | FY26F Base | FY26F Ovun | FY26F |
|---|---|---|---|---|---|---|
| Revenue | 299,549 | 34,669 | 334,218 | 351,110 | 36,784 | 387,894 |
| Cost of sales | (191,339) | (19,324) | (210,664) | (228,374) | (20,707) | (249,082) |
| **Gross profit** | **108,209** | **15,345** | **123,554** | **122,736** | **16,077** | **138,812** |
| Staff Costs | (32,861) | (6,237) | (39,098) | (37,583) | (6,281) | (43,864) |
| Professional & office | (21,486) | (2,040) | (23,526) | (23,993) | (4,322) | (28,316) |
| Other expenses | (3,139) | (1,512) | (4,651) | (4,301) | - | (4,301) |
| Other income | 153 | 3 | 156 | - | - | - |
| **EBITDA** | **50,877** | **5,559** | **56,436** | **56,858** | **5,473** | **62,331** |
| Depreciation/Amortisation | (14,720) | (822) | (15,542) | (15,767) | (1,193) | (16,960) |
| FX Gain/Loss | 594 | - | 594 | - | - | - |
| **EBIT** | **36,750** | **4,737** | **41,487** | **41,091** | **4,280** | **45,371** |
| Total Interest | (9,973) | (338) | (10,312) | (9,284) | - | (9,284) |
| **NPBT** | **26,777** | **4,399** | **31,176** | **31,807** | **4,280** | **36,087** |
| Corporation Tax | (5,972) | (745) | (6,717) | (6,267) | (948) | (7,216) |
| **NPAT** | **20,805** | **3,654** | **24,459** | **25,540** | **3,332** | **28,871** |

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Table 5 below represents the Group's Pro Forma Historical Income Statements for FY24H1 and FY25H1.

*Table 5: Pro Forma Historical Income Statements: FY24H1 and FY25H1*

| A$'000 | Note | FY24H1 | FY25H1 |
|---|---|---|---|
| Revenue | 1 | 135,704 | 173,189 |
| Cost of sales | 1 | (89,214) | (113,815) |
| **Gross profit** | | **46,491** | **59,374** |
| Staff Costs | 1 | (15,689) | (18,931) |
| Professional & office | 1 | (10,459) | (11,546) |
| Other expenses | | (1,586) | (1,379) |
| Other income | | 156 | 139 |
| **EBITDA** | | **18,913** | **27,656** |
| Depreciation/Amortisation | 1 | (7,628) | (6,985) |
| Exceptional costs | | 1 | (0) |
| FX Gain/(Loss) | | (718) | 134 |
| **EBIT** | | **10,569** | **20,805** |
| Total Interest | 1 | (5,274) | (5,475) |
| **NPBT** | | **5,294** | **15,330** |
| Corporation Tax | 1 | (2,788) | (4,037) |
| **NPAT** | | **2,506** | **11,293** |

**Note:**

1. Refer to the notes pertaining to the equivalent line items in Section 4.3(a).

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## (c) Summary of Pro Forma Adjustments in the Pro Forma Income Statement

An overview of the pro forma adjustments including a reconciliation of the statutory historical EBITDA and NPAT to pro forma historical EBITDA and NPAT for FY22, FY23, FY24 and statutory forecast EBITDA and NPAT to pro forma forecast EBITDA and NPAT for FY25F and FY26F is shown in table 6 below.

*Table 6: Summary of Pro Forma Adjustments*

| A$'000 | Note | FY22A | FY23A | FY24A | FY25F | FY26F |
|---|---|---|---|---|---|---|
| **Reported EBITDA** | | **17,641** | **25,520** | **37,621** | **53,593** | **61,633** |
| CRP pre-acquisition EBITDA | 1 | (828) | 2,039 | – | – | – |
| GCP Management Fee | 2 | 138 | 124 | 123 | – | – |
| Reallocation of exceptional costs | 3 | (1,217) | (980) | (333) | (683) | – |
| Public company costs | 4 | (1,680) | (1,688) | (1,871) | (2,033) | – |
| Listing costs | 5 | – | – | – | – | 698 |
| Ovun pre-acquisition EBITDA | 6 | 2,537 | 3,746 | 3,765 | 5,559 | – |
| **Total EBITDA pro formas** | | **(1,049)** | **3,241** | **1,685** | **2,843** | **698** |
| **Pro forma EBITDA** | | **16,592** | **28,760** | **39,306** | **56,436** | **62,331** |
| **Reported NPAT** | | **1,023** | **17,714** | **7,637** | **22,065** | **26,194** |
| CRP pre-acquisition D&A, interest and tax | 1 | (3,767) | (719) | – | – | – |
| Acquisition costs | 7 | 513 | 2,413 | 252 | 355 | – |
| CRP acquisition – Gain on bargain purchase | 7 | – | (25,773) | – | – | – |
| CRP acquisition – Impairment of intangible assets | 7 | – | 9,173 | – | – | – |
| Restructure and refinance impact | 2 | 4,661 | 4,327 | 3,080 | 846 | – |
| Ceased Russia Projects | 8 | – | 575 | 1,443 | – | – |
| Reallocation of exceptional costs | 3 | 1,217 | 980 | 333 | 683 | – |
| Professional Fees | 5 | – | – | – | 717 | – |
| Ovun pre-acquisition D&A, interest and tax | 6 | (2,822) | (3,213) | (3,040) | (1,906) | – |
| R&D tax settlement | 9 | 353 | (311) | – | (1,173) | 840 |
| Interest expense – Loan repayments | 10 | – | – | – | – | 1,753 |
| Tax effect of pro forma adjustments | 11 | (908) | (1,294) | (396) | 29 | (613) |
| **Total NPAT pro formas** | | **(754)** | **(13,841)** | **1,671** | **(449)** | **1,980** |
| **Add: Total EBITDA pro formas** | | **(1,049)** | **3,241** | **1,685** | **2,843** | **698** |
| **Pro forma NPAT** | | **(781)** | **7,114** | **10,993** | **24,459** | **28,871** |

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**Notes:**

1. The Group acquired CRP Subsea Holdings Limited and CRP Subsea Limited (collectively CRP), a specialist provider of buoyancy solutions in offshore and marine environments and manufacturer of offshore wind products on 10 November 2022. These adjustments include the consolidated profit and loss balance for the period 1 October 2021 to 10 November 2022, to include the results of CRP for all historical periods as if owned by the Group for comparability on a pro forma consolidated basis.
2. Exclusion of management fees paid to Group's previous investor and costs associated with the exit of the previous investor, resulting in the subsequent refinancing of the Group, have been removed from earnings.
3. Inclusion of exceptional costs recorded below the Group's EBITDA line which should form part of EBITDA.
4. Inclusion of costs associated with being a public company based on management estimates.
5. Exclusion of once-off listing costs.
6. The Group acquired Ovun Holdings and Ovun AS (collectively **Ovun**), a manufacturer of sustainable, high-tech moulded and cast solutions for offshore and underwater industries on 12 September 2025. These adjustments include the consolidated profit and loss balances for the periods 1 October 2021 to 12 September 2025, to include the results for all historical periods as if owned by the Group for comparability on a pro forma consolidated basis.
7. Exclusion of transaction costs, gain on bargain purchase and intangible asset impairment recorded in relation to the acquisitions of CRP and Ovun.
8. Exclusion of bad debts raised in association with projects ceased due to political instability and sanctions in Russia.
9. Adjustments to realign the benefit of the settlement of the R&D tax enquiry with the relevant historical periods.
10. Exclusion of interest expense in FY26F related to funding the acquisition of Ovun.
11. Tax effect of the pro forma adjustments.

Table 7 below represents an overview of the pro forma adjustments including a reconciliation of the statutory historical EBITDA and NPAT to pro forma historical EBITDA and NPAT for FY24H1 and for FY25H1:

*Table 7: Summary of Pro Forma Adjustments*

| A$'000 | Note | FY24H1 | FY25H1 |
|---|---|---|---|
| **Reported EBITDA** | | **19,166** | **26,330** |
| GCP Management Fee | 1 | 72 | – |
| Reallocation of exceptional costs | 2 | (446) | (539) |
| Public company costs | 3 | (934) | (996) |
| Ovun pre-acquisition EBITDA | 6 | 1,056 | 2,861 |
| **Total EBITDA pro formas** | | **(252)** | **1,326** |
| **Pro forma EBITDA** | | **18,913** | **27,656** |
| **Reported NPAT** | | **3,794** | **9,750** |
| Acquisition costs | 4 | 149 | 41 |
| Restructure and refinance impact | 1 | 75 | 625 |
| Reallocation of exceptional costs | 2 | 446 | 539 |
| Professional Fees | 5 | – | 35 |
| Ovun pre-acquisition D&A, interest and tax | 6 | (1,865) | (1,097) |
| Tax effect of pro forma adjustments | 7 | 160 | 74 |
| **Total NPAT pro formas** | | **(1,035)** | **217** |
| **Add: Total EBITDA pro formas** | | **(252)** | **1,326** |
| **Pro forma NPAT** | | **2,506** | **11,293** |

**Notes:**

1. Exclusion of management fees paid to Group's previous investor and costs associated with the exit of the previous investor, resulting in the subsequent refinancing of the Group, have been removed from earnings.
2. Inclusion of exceptional costs recorded below the Group's EBITDA line which should form part of EBITDA.
3. Inclusion of costs associated with being a public company.
4. Exclusion of costs related to the acquisitions of CRP and Ovun.
5. Exclusion of once-off listing costs.
6. Inclusion of consolidated profit and loss balances for the interim periods to reflect the ownership of Ovun as if owned by the Group for comparability on a pro forma consolidated basis.
7. Tax effect of the pro forma adjustments.

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## 4.4 Key operating and financial metrics

Table 8 and 9 below summarise the pro forma historical key operating and financial metrics for FY22, FY23, FY24, FY25F and FY26F.

Gross profit, EBITDA, EBIT(A), NPAT and NPAT(A) metrics shown below are non-IFRS measures derived from the Statutory Historical Income Statements, Statutory Forecast Income Statement, Pro Forma Historical Income Statements and Pro Forma Forecast Income Statement.

*Table 8: Statutory metrics*

| Statutory | FY22 | FY23 | FY24 | FY25F | FY26F |
|---|---|---|---|---|---|
| Revenue ($'000) | 115,414 | 198,875 | 262,825 | 299,549 | 387,894 |
| Gross Profit ($'000) | 37,215 | 62,723 | 83,176 | 108,209 | 138,812 |
| Gross Profit margin | 32.2% | 31.5% | 31.6% | 36.1% | 35.8% |
| EBITDA ($'000) | 17,641 | 25,520 | 37,621 | 53,593 | 61,633 |
| EBITDA margin | 15.3% | 12.8% | 14.3% | 17.9% | 15.9% |
| EBIT(A) ($'000) | 8,496 | 28,565 | 19,163 | 36,893 | 44,673 |
| EBIT(A) margin | 7.4% | 14.4% | 7.3% | 12.3% | 11.5% |
| NPAT ($'000) | 1,023 | 17,714 | 7,637 | 22,065 | 26,194 |
| NPAT margin | 0.9% | 8.9% | 2.9% | 7.4% | 6.8% |
| NPAT(A) ($'000) | 1,023 | 18,911 | 8,338 | 22,092 | 26,194 |
| NPAT(A) margin | 0.9% | 9.5% | 3.2% | 7.4% | 6.8% |
| Revenue growth | – | 72.3% | 32.2% | 14.0% | 29.5% |
| Gross Profit growth | – | 68.5% | 32.6% | 30.1% | 28.3% |
| EBITDA growth | – | 44.7% | 47.4% | 42.5% | 15.0% |
| EBIT(A) growth | – | 236.2% | (32.9%) | 92.5% | 21.1% |
| NPAT growth | – | 1631.1% | (56.9%) | 188.9% | 18.7% |
| NPAT(A) growth | – | 1748.1% | (55.9%) | 164.9% | 18.6% |

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*Table 9: Pro Forma metrics*

| Pro Forma | FY22 | FY23 | FY24 | FY25F | FY26F |
|---|---|---|---|---|---|
| Revenue ($'000) | 216,838 | 236,766 | 289,254 | 334,218 | 387,894 |
| Gross Profit ($'000) | 58,722 | 75,092 | 94,800 | 123,554 | 138,812 |
| Gross Profit margin | 27.1% | 31.7% | 32.8% | 37.0% | 35.8% |
| EBITDA ($'000) | 16,592 | 28,760 | 39,306 | 56,436 | 62,331 |
| EBITDA margin | 7.7% | 12.1% | 13.6% | 16.9% | 16.1% |
| EBIT(A) ($'000) | 5,445 | 17,125 | 25,875 | 41,515 | 45,371 |
| EBIT(A) margin | 2.5% | 7.2% | 8.9% | 12.4% | 11.7% |
| NPAT ($'000) | (781) | 7,114 | 10,993 | 24,459 | 28,871 |
| NPAT margin | (0.4%) | 3.0% | 3.8% | 7.3% | 7.4% |
| NPAT(A) ($'000) | (1,133) | 8,621 | 11,695 | 24,487 | 28,871 |
| NPAT(A) margin | (0.5%) | 3.6% | 4.0% | 7.3% | 7.4% |
| Revenue growth | – | 9.2% | 22.2% | 15.5% | 16.1% |
| Gross Profit growth | – | 27.9% | 26.2% | 30.3% | 12.3% |
| EBITDA growth | – | 73.3% | 36.7% | 43.6% | 10.4% |
| EBIT(A) growth | – | 214.5% | 51.1% | 60.4% | 9.3% |
| NPAT growth | – | (1011.4%) | 54.5% | 122.5% | 18.0% |
| NPAT(A) growth | – | (860.7%) | 35.6% | 109.4% | 17.9% |

Table 10 below sets out the Group's pro forma revenue performance for FY22, FY23, FY24, FY25F and FY26F by segment.

*Table 10: Pro Forma Revenue by Segment*

| A$'000 | FY22 | FY23 | FY24 | FY25F | FY26F |
|---|---|---|---|---|---|
| Subsea Insulation | 40,731 | 44,438 | 71,127 | 66,825 | 53,523 |
| Subsea Ancillaries | 76,207 | 103,114 | 111,078 | 128,740 | 152,544 |
| Fire Protection & Insulation | 42,654 | 28,583 | 40,850 | 52,032 | 53,058 |
| Offshore Wind | 22,824 | 20,900 | 19,299 | 41,638 | 42,459 |
| Other | 9,697 | 12,958 | 20,471 | 10,313 | 49,527 |
| Ovun | 24,724 | 26,773 | 26,429 | 34,669 | 36,784 |
| **Total Revenue** | **216,838** | **236,766** | **289,254** | **334,218** | **387,895** |

Refer to the management discussion and analysis in Section 4.7 and Section 4.8 for a description of the factors impacting the historical and forecast financial performance of the Group.

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## 4.5 Historical and forecast cash flows

Table 11 below sets out a summary of the Group's Statutory Historical Cash Flows for FY22, FY23 and FY24 and Statutory Forecast Cash Flows for FY25F and FY26F.

*Table 11: Statutory Historical Cash Flows and Statutory Forecast Cash Flows*

| A$'000 | Notes | FY22 | FY23 | FY24 | FY25F | FY26F |
|---|---|---|---|---|---|---|
| **Cash flows from operating activities** | | | | | | |
| Operating profit for the year | 1 | 8,880 | 756 | 18,196 | 36,754 | 44,673 |
| Adjustments for: | | | | | | |
| Non-cash items | | 5,987 | 20,791 | 12,665 | 14,719 | 16,961 |
| Taxation paid | | (442) | (1,511) | (1,869) | (1,821) | (5,081) |
| Share of loss in joint ventures | | – | (54) | (53) | – | – |
| Changes in working capital | | (7,880) | 2,787 | (6,467) | (12,409) | 1,984 |
| Increase/(decrease) in deferred consideration | | – | 5,062 | – | (340) | (1,379) |
| **Net cash generated by operating activities** | | **6,546** | **27,832** | **22,472** | **36,903** | **57,158** |
| **Cash flows from investing activities** | | | | | | |
| Payments for acquisitions of subsidiaries | | – | (6,351) | – | (35,679) | – |
| Payments for PP&E | | (2,868) | (1,857) | (9,444) | (7,928) | (7,876) |
| Payments for intangible assets | | (3,695) | (3,149) | (5,432) | (3,483) | (3,073) |
| Proceeds from disposal of PP&E | | 38 | 41 | 11 | – | – |
| Proceeds from sales of intangible assets | | – | 35 | 446 | – | – |
| Interest received | | 7 | 1 | 1 | – | – |
| **Net cash used in investing activities** | | **(6,518)** | **(11,280)** | **(14,418)** | **(47,090)** | **(10,948)** |
| **Cash flows from financing activities** | | | | | | |
| Proceeds from issue of shares | | – | 15 | 3 | – | – |
| Increase/(decrease) in finance leases | | (3,527) | (3,262) | (94) | 841 | (6,467) |
| Interest paid | | (2,565) | (1,313) | (6,248) | (8,350) | (9,505) |
| Increase/(decrease) in bank loans | | (217) | 1,215 | 61,869 | 21,030 | (18,585) |
| Capital contribution | | – | (4,655) | – | – | – |
| Repayment of loan notes | | (1,375) | – | (49,464) | – | – |
| Dividends paid | | (117) | (148) | (149) | (1,469) | (0) |
| **Net cash used in financing activities** | | **(7,799)** | **(8,148)** | **5,917** | **12,052** | **(34,556)** |
| **Net cash flows** | | **(7,772)** | **8,404** | **13,972** | **1,865** | **11,653** |
| Cash at the beginning of the period | | 4,026 | (4,481) | 3,745 | 18,002 | 19,867 |
| Gain on cash foreign exchange | | (735) | (179) | 285 | – | – |
| **Closing cash** | | **(4,481)** | **3,745** | **18,002** | **19,867** | **31,520** |

**Note:**

1. The following table presents the reconciliation of operating profit for the year as presented in Table 11 above to the EBITDA presented in Table 2 in Section 4.3(a).

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| A$'000 | FY22 | FY23 | FY24 | FY25 | FY26 |
|---|---|---|---|---|---|
| **Statutory EBITDA** | **17,641** | **25,520** | **37,621** | **53,593** | **61,633** |
| Depreciation/Amortisation | (6,013) | (20,596) | (12,747) | (14,720) | (16,960) |
| Exceptional costs | (2,748) | (4,167) | (6,678) | (2,119) | – |
| **Operating profit per Cash Flow** | **8,880** | **756** | **18,196** | **36,754** | **44,673** |

Table 12 below sets out a summary of the Group's Statutory Historical Cash Flows for FY24H1 and FY25H1:

*Table 12: Statutory Historical Interim Cash Flows*

| A$'000 | FY24H1 | FY25H1 |
|---|---|---|
| **Cash flows from operating activities** | | |
| Operating profit for the year | 10,889 | 18,490 |
| Adjustments for: | | |
| Non-cash items | 6,575 | 6,680 |
| Taxation paid | (209) | (1,807) |
| Share of loss in joint ventures | (56) | (53) |
| Changes in working capital | (10,349) | (19,840) |
| **Net cash generated by operating activities** | **6,851** | **3,469** |
| **Cash flows from investing activities** | | |
| Payments for PP&E | (2,004) | (415) |
| Payments for intangible assets | (1,591) | (1,662) |
| Proceeds from disposal of PP&E | 193 | 57 |
| Interest received | 0 | 45 |
| **Net cash used in investing activities** | **(3,402)** | **(1,976)** |
| **Cash flows from financing activities** | | |
| Net movement of finance leases | (2,339) | (3,347) |
| Interest paid | (3,506) | (4,807) |
| Net movement in bank loans | (1,360) | (3,682) |
| Dividends paid | (80) | (74) |
| **Net cash used in financing activities** | **(7,285)** | **(11,909)** |
| **Net cash flows** | **(3,836)** | **(10,416)** |
| Cash at the beginning of the period | 4,139 | 18,001 |
| Gain on cash foreign exchange | 69 | (88) |
| **Closing cash** | **372** | **7,498** |

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Table 13 below sets out a summary of the Group's Pro Forma Historical Cash Flows for FY22, FY23 and FY24 and Pro Forma Forecast Cash Flows for FY25F and FY26F.

*Table 13: Pro Forma Historical Cash Flows and Pro Forma Forecast Cash Flows:*

| A$'000 | FY22 | FY23 | FY24 | FY25F | FY26F |
|---|---|---|---|---|---|
| **Operating profit** | **9,778** | **11,277** | **20,878** | **36,754** | **44,673** |
| Non-cash items | 8,286 | 13,644 | 13,945 | 14,719 | 16,961 |
| Taxation paid | (801) | (1,974) | (2,676) | (1,821) | (5,081) |
| Net changes in assets and liabilities | (8,562) | 8,560 | (6,571) | (12,409) | 1,984 |
| **Cash Flows from Operating Activities** | **8,701** | **31,507** | **25,576** | **37,243** | **58,537** |
| Capital expenditure | (6,851) | (4,537) | (14,165) | (11,411) | (10,948) |
| Payments for acquisitions of subsidiaries | – | – | – | (3,139) | – |
| Deferred consideration | – | – | – | (340) | (1,379) |
| **Cash Flows from Investing Activities** | **(6,851)** | **(4,537)** | **(14,165)** | **(14,889)** | **(12,327)** |
| Increase/(decrease) in bank loans | 405 | (663) | 59,744 | (11,510) | (51,767) |
| Increase/(decrease) in lease liability | (3,359) | (3,270) | (260) | 841 | (6,467) |
| Repayment of loan notes | (1,375) | – | (49,464) | – | – |
| Interest paid | (3,203) | (2,062) | (6,710) | (8,350) | (7,752) |
| Dividends paid | (117) | (148) | (149) | (1,469) | (0) |
| Proceeds from issue of shares | – | 15 | 3 | – | – |
| Offer proceeds | – | – | – | – | 90,000 |
| Offer costs | – | – | – | – | (11,178) |
| **Cash Flow from Financing Activities** | **(7,648)** | **(10,784)** | **3,163** | **(20,488)** | **12,836** |
| **Net Cash Flows** | **(5,798)** | **16,186** | **14,574** | **1,865** | **59,046** |

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Table 14 below sets out the pro forma adjustments to the Statutory Historical Cash Flows as well as the Statutory Forecast Cash Flows to reflect the full year impact of the operating structure that will be in place following Completion of the Offer and to eliminate certain non-recurring items.

*Table 14: Summary of Pro Forma Adjustments*

| A$'000 | Note | FY22A | FY23A | FY24A | FY25F | FY26F |
|---|---|---|---|---|---|---|
| **Statutory Net Cash Flows** | | **(7,772)** | **8,404** | **13,972** | **1,865** | **11,653** |
| Add: Net cashflows – CRP | 1 | – | 6,351 | – | – | – |
| Add: Net cashflows – Ovun | 2 | 1,973 | 1,431 | 602 | – | – |
| Add: Interest expense | 3 | – | – | – | – | 1,753 |
| Add: Offer proceeds | 4 | – | – | – | – | 90,000 |
| Less: Repayment of funding – Ovun acquisition | 5 | – | – | – | – | (33,182) |
| Less: Offer costs | 6 | – | – | – | – | (11,178) |
| **Pro forma Net Cash Flows** | | **(5,798)** | **16,186** | **14,574** | **1,865** | **59,046** |

**Notes:**

1. Exclusion of net cashflows arising from funding the acquisition of CRP.
2. The inclusion of net cashflows arising from the acquisition of Ovun as if acquired from an acquisition date of 1 October 2021 and the exclusion of cashflows associated with the purchase of Ovun and the funding of the purchase of Ovun.
3. Exclusion of interest expense related to loans taken to finance the purchase of Ovun.
4. Offer proceeds represent the cash inflow on completion of the Offer, in terms of which c. $90m is assumed to be raised in respect of 90,000,000 Shares issued at $1.00 per Share.
5. The repayment of the external funding obtained for the purchase of Ovun using the offer proceeds.
6. Offer costs represent expenses associated and paid on completion of the Offer (including costs relating to the sell down of existing shares), estimated to be $11.2m.

## 4.6 Statutory and pro forma historical consolidated statement of financial position

Table 15 below sets out the Statutory Historical Statement of Financial Position and the pro forma adjustments that have been made to present the Pro Forma Historical Statement of Financial Position of the Group at 31 March 2025.

These adjustments reflect the impact of the Offer and transaction costs as if they had occurred on 31 March 2025.

The Pro Forma Historical Statement of Financial Position is therefore provided for illustrative purposes only and is not necessarily representative of the Group's view on its future financial position.

Further information on the sources and uses of funds of the Offer is contained in Section 1.8.

# 4. Financial information continued

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*Table 15: Pro Forma Historical Statement of Financial Position*

| | | Notes | | | | | |
|---|---|---|---|---|---|---|---|
| | Statutory | 1 | 2 | 3 | 4 | 5 | Pro Forma |
| $'000 | 31-Mar-25 | Restructure | Ovun Acquisition | Capital raise | Funding repayment | Offer costs | 31-Mar-25 |
| **Current assets** | | | | | | | |
| Bank | 21,791 | – | 9,075 | 90,000 | (33,182) | (11,178) | 76,505 |
| Inventories | 22,091 | – | 7,730 | – | – | – | 29,821 |
| Trade and other receivables | 76,745 | – | | – | – | – | 76,745 |
| Recoverable on Contract | 36,495 | – | 4,851 | – | – | – | 41,347 |
| Corporation tax | 3,036 | – | – | – | – | – | 3,036 |
| **Total current assets** | **160,158** | **–** | **21,656** | **90,000** | **(33,182)** | **(11,178)** | **227,454** |
| **Non-current assets** | | | | | | | |
| Intangible assets | 102,856 | – | 27,033 | – | – | – | 129,889 |
| Property, plant and equipment | 83,484 | – | 2,083 | – | – | – | 85,566 |
| Deferred tax assets | – | – | 475 | – | – | 1,845 | 2,320 |
| **Total non-current assets** | **186,340** | **–** | **29,590** | **–** | **–** | **1,845** | **217,775** |
| **Total assets** | **346,498** | **–** | **51,246** | **90,000** | **(33,182)** | **(9,333)** | **445,229** |
| **Current liabilities** | | | | | | | |
| Trade and other payables | (64,390) | – | (9,606) | – | – | – | (73,996) |
| Payment on Account | (27,262) | – | – | – | – | – | (27,262) |
| Borrowings | (21,209) | – | – | – | – | – | (21,209) |
| Lease liability | (4,682) | – | (598) | – | – | – | (5,279) |
| **Total current liabilities** | **(117,543)** | **–** | **(10,204)** | **–** | **–** | **–** | **(127,747)** |
| **Non-current liabilities** | | | | | | | |
| Borrowings | (71,429) | – | (41,042) | – | 33,182 | – | (79,288) |
| Lease liability | (20,568) | – | – | – | – | – | (20,568) |
| Deferred tax | (3,375) | – | – | – | – | – | (3,375) |
| **Total non-current liabilities** | **(95,372)** | **–** | **(41,042)** | **–** | **33,182** | **–** | **(103,232)** |
| **Total liabilities** | **(212,915)** | **–** | **(51,246)** | **–** | **33,182** | **–** | **(230,979)** |
| **Net assets** | **133,583** | **–** | **0** | **90,000** | **–** | **(9,333)** | **214,250** |
| **Shareholder's equity** | | | | | | | |
| Shareholder's capital – Ordinary | 10,668 | 8,429 | – | 90,000 | – | (4,085) | 105,012 |
| Shareholder's capital – Preference | 8,429 | (8,429) | – | – | – | – | – |
| Unrealised Translation Losses | 2,014 | – | – | – | – | – | 2,014 |
| Retained earnings | 114,568 | – | – | – | – | (5,249) | 109,320 |
| **Total shareholder's equity** | **135,679** | **–** | **–** | **90,000** | **–** | **(9,333)** | **216,345** |
| Non-controlling interest | (2,096) | – | – | – | – | – | (2,096) |
| **Total equity** | **133,583** | **–** | **–** | **90,000** | **–** | **(9,333)** | **214,250** |

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**Notes:**

1. 19,409,681 preferred ordinary shares with a value of c.$8.4 million are assumed to be converted to ordinary shares as part of a restructure that will occur prior to the Completion of the Offer.
2. Reflects the locked box acquisition balance sheet of Ovun as at 30 April 2025. The consideration payable for the acquisition of c.$33.2 million will be funded by external borrowings. Included in the Intangible assets balance of c.$27 million is Goodwill of c.$26.4 million that has been recognised in relation to the acquisition for purposes of the pro forma balance sheet.
3. The Completion of the Offer, in terms of which c. $90,000,000 is assumed to be raised in respect of 90,000,000 Shares issued at $1.00 per Share.
4. The repayment of the external funding obtained for the purchase of Ovun using the Offer proceeds.
5. Expenses associated with the Completion of the Offer (including costs relating to the sell down of existing Shares) are estimated to be c. $11.2m. Of these costs, $4.09 million will be capitalised (relating to the issue of new Shares) and $5.3 million will be expensed (relating to the transfer of existing Shares and Listing expenses). The Offer costs are expected to result in the recognition of a deferred tax asset of $1.85 million.
6. The Group expects to undertake share-based payments. No impact is included in the pro forma balance sheet, as this would be contained within retained earnings, as permitted by IFRS.

## (a) Liquidity and capital resources

The Group's principal sources of liquidity are cash generated from operations, cash on hand and committed debt facilities.

The Group's main uses of cash are to fund its operations, working capital, capital expenditure, business acquisitions, interest payments, principal repayments and payment of tax and dividends. The Group may also use cash to fund bullet repayments, where appropriate. The Group expects that it will have sufficient cash flow from operations to meet its business needs during the forecast period and will have sufficient working capital to carry out its stated objectives.

The Group's ability to generate sufficient cash from operations depends on its future performance which, to a certain extent, is subject to a number of factors beyond its control, including general economic, financial and competitive outcomes.

## (b) Indebtedness

Table 16 below sets out the indebtedness of the Group as at 31 March 2025, before and having adjusted for the pro forma impact of the Offer.

*Table 16: Indebtedness of the Group at 31 March 2025*

| | | Notes | | | | |
|---|---|---|---|---|---|---|
| | Statutory | 1 | 2 | 3 | 4 | Pro Forma |
| $'000 | 31-Mar-25 | Ovun Acquisition | Capital raise | Funding repayment | Offer costs | 31-Mar-25 |
| **Loans and borrowings** | | | | | | |
| Facility A | 38,555 | 41,042 | – | (33,182) | – | 46,414 |
| Facility B | 42,390 | – | – | – | – | 42,390 |
| Revolving credit facility | 12,924 | – | – | – | – | 12,924 |
| Finance Leases Liabilities | 9,729 | 597 | – | – | – | 10,326 |
| **Gross total indebtedness** | **103,598** | **41,639** | **–** | **(33,182)** | **–** | **112,055** |
| Cash and cash equivalents | (21,791) | (9,075) | (90,000) | 33,182 | 11,178 | (76,505) |
| **Net total indebtedness (excluding lease liabilities)** | **81,807** | **32,564** | **(90,000)** | **–** | **11,178** | **35,550** |
| Lease Liabilities (AASB 16) | 15,521 | – | – | – | – | 15,521 |
| **Net total indebtedness (including lease liabilities)** | **97,328** | **32,564** | **(90,000)** | **–** | **11,178** | **51,071** |

* Based on the management accounts at 30 June 2025, Net total indebtedness approximates $92.5 million.

**Note:**

1. Lease liabilities recognised under AASB 16 Leases are excluded from loans and borrowings.

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### (c) Summary Banking Facilities

As at the date of this Prospectus, the Group has the following financing facilities (Financing Facilities).

*Table 17: Financing Facilities*

| £'000 | Facility A commit-ment | Facility B commit-ment | RCF commit-ment | Facility A drawn | Facility B drawn | RCF drawn | L/C facility commit-ment | L/C facility drawn | Total Facility | Total drawn[1] |
|---|---|---|---|---|---|---|---|---|---|---|
| Barclays | 10,250 | 10,250 | 4,000 | 9,322 | 10,250 | 2,500 | 10,000 | 4,474 | 34,500 | 26,546 |
| HSBC | 10,250 | 10,250 | 4,000 | 9,322 | 10,250 | 2,500 | 12,000[2] | 8,089 | 36,500 | 30,161 |
| **Total** | **20,500** | **20,500** | **8,000** | **18,645** | **20,500** | **5,000** | **22,000** | **12,563** | **71,000** | **56,708** |

Notes:

1. Total drawn as at 28 August 2025.
2. Provided under two separate facility agreements (as further detailed in section 9.5.2).

* RCF = Revolving facility commitment.

In addition to the above, the Group is also subject to several reporting covenants based on actual to budget negative variance undertaking, including total net leverage and cash flow cover. The Group is currently in compliance with its financial and reporting covenants and expects to remain in compliance with them.

The Financing Facilities are secured by fixed and floating charges over all the present and future assets of certain members of the Group (as further detailed in section 9.5.2).

### (d) Other Contractual Commitment

There is no significant capital expenditure contracted for at 31 March 2025 which has not been recognised as a liability.

There are no other contractual commitments or off-balance sheet arrangements.

## 4.7 Management discussion and analysis of Pro Forma Historical Financial Information

The management discussion and analysis set out below contains reference to the Group's segments as described in Section 4.2(d) and is on a pro forma basis.

### (a) Key factors impacting historical financial performance

Set out below is a discussion of the key factors which affected the Group's financial performance in FY22, FY23 and FY24, which the Directors expect may continue to impact performance of the Group in the future.

The discussion in this Section focuses on Pro Forma Historical Financial Information. Investors should note that, in preparing the Pro Forma Historical Income Statements and the Pro Forma Historical Cash Flows, pro forma adjustments have been made to reflect the acquisition of CRP and Ovun undertaken by the Group on 10 November 2022 and 12 September 2025 respectively (see Section 4.1), as if such acquisitions had been made at the start of the Historical Financial Information period being 1 October 2021.

The discussion of these general factors is intended to provide a brief summary only and does not detail all the factors that affected the Group's historical operating and financial performance, nor everything which may impact its operations and financial performance in the future.

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### (i) Revenue

The Group generates revenue primarily through the development, manufacture, supply and application of specialised materials and systems for the energy, industrial, automotive, chemical and marine sectors.

The Group's core offerings include fire retardant coatings, sub-sea insulation materials, sub-sea cable protection systems and buoyancy products. These products are tailored for use across renewable, transitional and non-renewable energy markets.

Revenue is recognised both at a point in time—typically on delivery of goods—and over time, particularly for long-term contracts involving design, manufacture and installation services.

Long term contract revenue in CRP is recognised using the output method based on actual production of products in line with the milestones of the agreement. The remainder of the Group recognises long-term contract revenue using the input method, where revenue is recognised based on the proportion of costs incurred to date relative to the total estimated costs of the project

Revenue growth is driven by a combination of strategic market positioning, product innovation and expanding global demand for energy infrastructure solutions. This growth is underpinned by the Group's focus on high margin contracts, improved procurement efficiencies and the unwinding of legacy contracts.

Additionally, the Group's ongoing investment in research and development enables the rollout of new products tailored to both renewable and non-renewable energy markets, aligning with global energy transition trends. Expansion into new geographic markets and sectors, such as automotive and offshore renewables, further supports sustained revenue growth.

Revenue growth has also been achieved through strategic acquisitions made by the Group, the most recent of which relates to Ovun, a Norwegian based group specialising in the design and manufacture of buoyancy and moulded plastic products for marine and offshore industries, specifically rotational and polyurethane moulding, electronics development, and plastic recycling. The acquisition of Ovun allows for the Company to gain both greater geographic access and serves as an entry point for new sectors such as aquaculture, while also being complimentary to pre-existing product ranges creating valuable opportunities for cross-market integration and enhanced cross-selling potential.

### (ii) Cost of sales

Cost of sales are incurred primarily through the direct costs associated with delivering its project-based solutions, including raw materials, production labour, subcontractor services, travel costs and logistics.

These costs are closely tied to the Group's contract activity, which is predominantly long-term and bespoke in nature. In FY24, cost of sales increased to $194.5 million (up from $161.7 million in FY23), reflecting a higher volume of project deliveries.

Cost of sales are managed to increase operational efficiency and improve contracting terms, with the completion of lower margin legacy projects helping to partially offset these increases and support margin improvement.

These costs generally move with revenue over time. In any given period, the amount and mix of operating expenses depends on the type of services delivered.

Labour costs generally fluctuate with the level of services revenue, noting that different segments attract varying labour costs. For example, Subsea Insulation has a higher labour component given the installation component whereas Subsea Ancillaries have a much higher component of material costs relative to labour.

### (iii) Operating expenses

The Group's operating expenses include costs of the management, sales and administration staff. Operating expenses also include a range of overhead and support costs such as administrative staff wages, research and development expenditure not capitalised, foreign exchange losses, bad debt provisions and general overheads including IT, legal, and professional services.

Operating expenses are directly incurred in the delivery of service to clients. These costs generally move in line with headcount and business acquisitions.

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### (iv) Depreciation and amortisation expense

Depreciation and amortisation expenses are a non-cash expense incurred as part of the Group's ongoing investment in infrastructure, equipment and product development.

Depreciation arises from the Group's tangible fixed assets, including manufacturing facilities, plant and machinery and right-of-use assets under lease arrangements.

Amortisation relates primarily to capitalised development costs and other intangible assets, reflecting the Group's commitment to innovation and new product development. These non-cash charges are a normal part of the Group's cost base and are influenced by the scale of capital investment, asset lifecycle and the timing of new product launches.

Impairment reviews are conducted regularly to assess whether any assets are no longer expected to generate future economic benefits. Following the CRP acquisition, the Group undertook a comprehensive review of all intangible assets across the Group to remove or consolidate any common new product developments. This resulted in a once off impairment of $9.1 million in FY23 (against which a pro forma adjustment is applied).

## (b) Pro Forma Historical Income Statements (FY22 to FY24)

*Table 18: Pro Forma Historical Income Statements*

| | | | | FY23 Change | | FY24 Change | |
|---|---|---|---|---|---|---|---|
| A$'000 | FY22 | FY23 | FY24 | $'000 | % | $'000 | % |
| Revenue | 216,838 | 236,766 | 289,254 | 19,929 | 9% | 52,488 | 22% |
| Cost of sales | (158,116) | (161,674) | (194,455) | (3,558) | 2% | (32,780) | 20% |
| **Gross profit** | **58,722** | **75,092** | **94,800** | **16,370** | **28%** | **19,708** | **26%** |
| Staff Costs | (24,356) | (23,715) | (30,689) | 640 | (3%) | (6,974) | 29% |
| Professional & office | (13,646) | (19,000) | (21,760) | (5,354) | 39% | (2,760) | 15% |
| Other expenses | (4,227) | (3,780) | (3,844) | 446 | (11%) | (64) | 2% |
| Other income | 98 | 165 | 800 | 66 | 67% | 635 | 386% |
| **EBITDA** | **16,592** | **28,760** | **39,306** | **12,169** | **73%** | **10,545** | **37%** |
| Depreciation/Amortisation | (10,920) | (13,827) | (14,399) | (2,907) | 27% | (572) | 4% |
| FX Gain/(Loss) | (227) | 994 | 266 | 1,221 | (537%) | (728) | (73%) |
| **EBIT** | **5,445** | **15,928** | **25,173** | **10,483** | **193%** | **9,245** | **58%** |
| Total Interest | (4,539) | (5,683) | (8,047) | (1,144) | 25% | (2,364) | 42% |
| **NPBT** | **906** | **10,245** | **17,126** | **9,339** | **1,031%** | **6,881** | **67%** |
| Corporation Tax | (1,686) | (3,131) | (6,133) | (1,444) | 86% | (3,002) | 96% |
| **NPAT** | **(781)** | **7,114** | **10,993** | **7,895** | **(1,011%)** | **3,879** | **55%** |

### (i) Pro forma

The Group's pro forma EBITDA increased by $22.7 million from FY22 to FY24. There were several factors that contributed to this, including:

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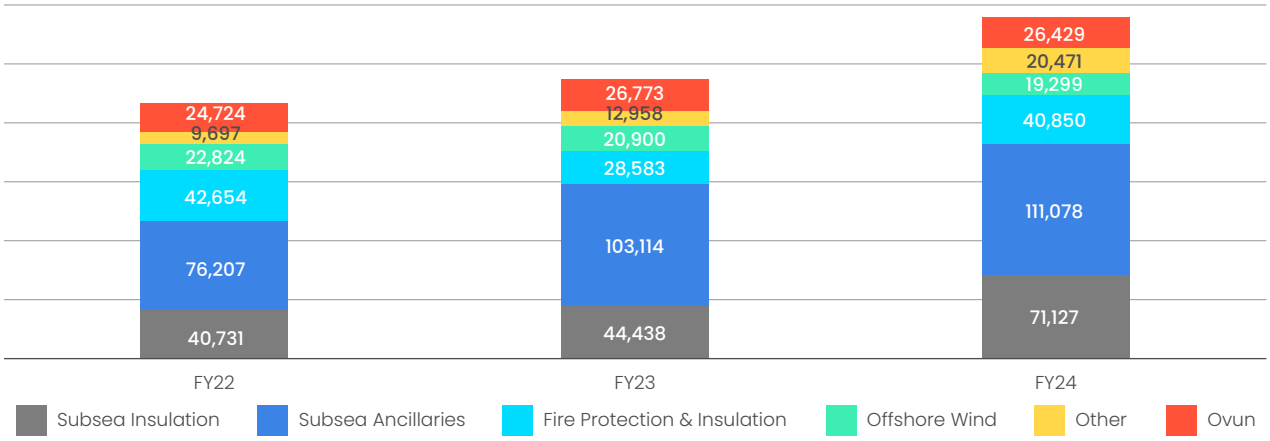
*(A) Revenue growth across business segments*

*Figure A: Revenue growth across business segments*

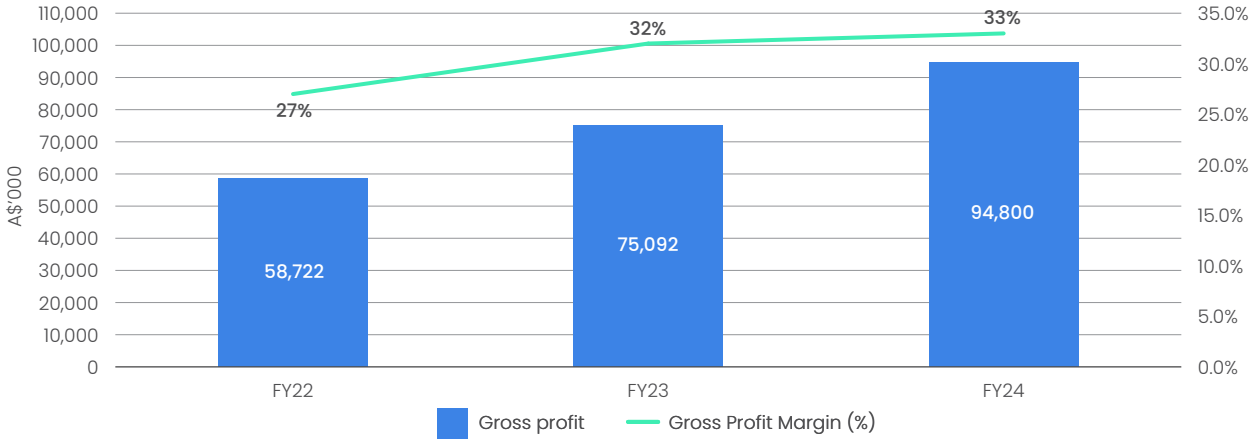



Significant revenue growth in the historical period is attributable to substantial segment growth from the Subsea Ancillaries and Subsea Insulation segments, which collectively grew to account for approximately 62% of total revenue in FY24. Growth in these Subsea Ancilliaries is supported by the Group reaching a wider customer base following the acquisition of CRP in FY22, with growth in Subsea Insulation driven by an increase in sanctioned projects driven by changes in global energy security demands.

Fire Protection & Insulation (FP&I) recorded a decrease in revenue in FY23 of $14.1 million as a large Russian based project was ceased following the outbreak of conflict in the region. FP&I revenue rebounded in FY24 following the signing of two large US based contracts.

*(B) Improving gross profit margin*

*Figure B: Gross Profit and Gross Profit Margin*




Gross profit margin strengthened significantly from FY22 to FY23 following the delivery of low margin projects inherited on acquisition of CRP together with favourable underlying product line mix.

Gains in gross profit margins were held in FY24, as the Group replaced lower margin legacy projects in CRP with higher margin work and implemented efficiencies in the manufacturing process.

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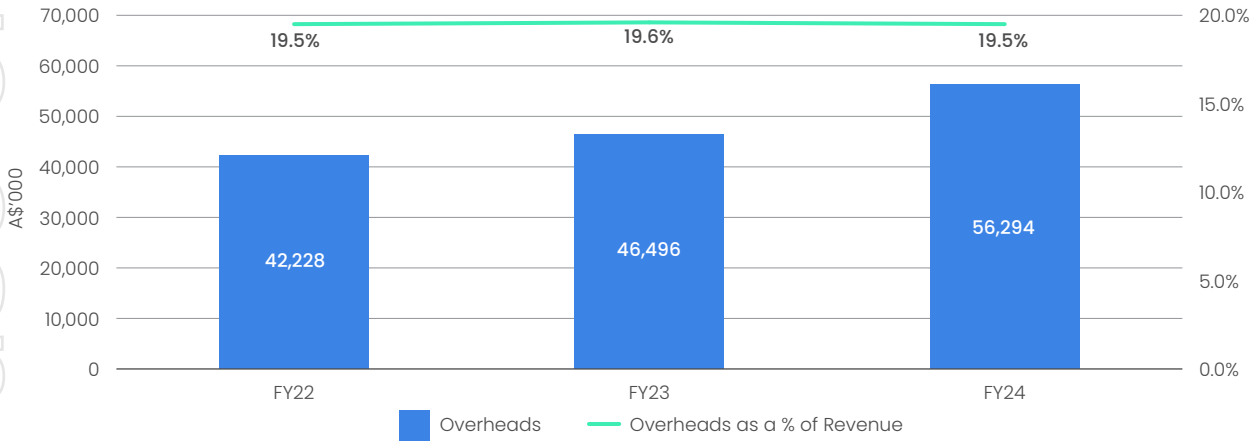
*(C) Stable operating cost base*

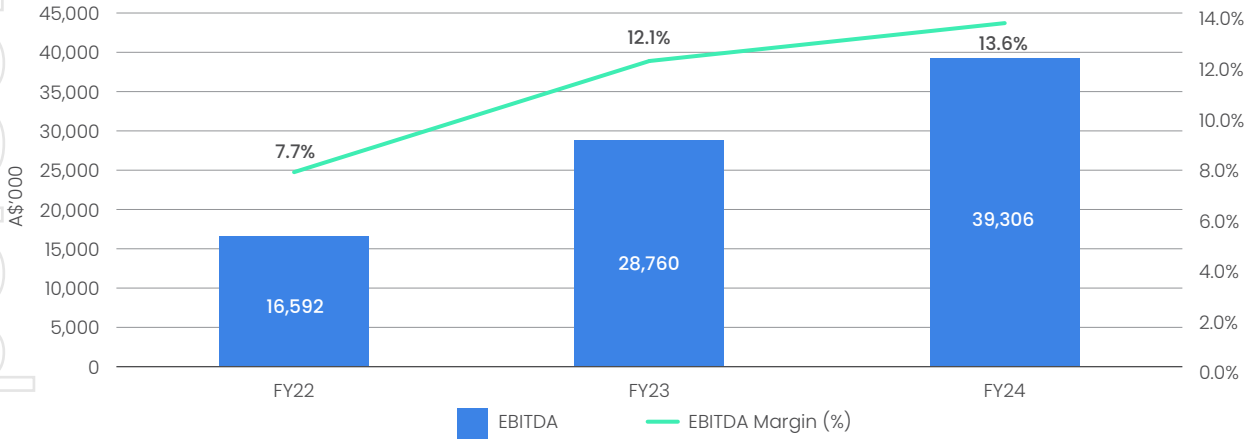
*Figure C: Operating costs and % of Revenue*




The Group has capitalised on economies of scale, sustaining a stable operating cost base that allows for the delivery of additional project work without a proportional rise in overhead expenses.

*(D) Growing EBITDA margin*

*Figure D: EBITDA and EBITDA margin*




Following the strengthening of gross profit margins and operating cost base management, EBITDA has increased by $22.7 million from FY22 to FY24, with gross profit margins improving from 27% to 33% over the same period.

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## (c) Pro Forma Historical Cash Flows (FY22 to FY24)

*Table 19: Pro Forma Historical Cash Flows*

| | | | | FY22 – FY23 Change | | FY23 – FY24 Change | |
|---|---|---|---|---|---|---|---|
| **A$'000** | **FY22** | **FY23** | **FY24** | **$'000** | **%** | **$'000** | **%** |
| **Operating profit** | 9,778 | 11,277 | 20,878 | 1,500 | 15% | 9,601 | 85% |
| Non-cash items | 8,286 | 13,644 | 13,945 | 5,358 | 65% | 301 | 2% |
| Taxation paid | (801) | (1,974) | (2,676) | (1,173) | 147% | (702) | 36% |
| Net changes in assets and liabilities | (8,562) | 8,560 | (6,571) | 17,122 | -200% | (15,131) | -177% |
| **Cash Flows from Operating Activities** | **8,701** | **31,507** | **25,576** | **22,806** | **262%** | **(5,931)** | **-19%** |
| Capital expenditure | (6,851) | (4,537) | (14,165) | 2,314 | -34% | (9,628) | 212% |
| **Cash Flows from Investing Activities** | **(6,851)** | **(4,537)** | **(14,165)** | **2,314** | **-34%** | **(9,628)** | **212%** |
| Increase/(decrease) in bank loans | 405 | (663) | 59,744 | (1,069) | 264% | 60,408 | -9105% |
| Increase/(decrease) in lease liability | (3,359) | (3,270) | (260) | 89 | -3% | 3,010 | -92% |
| Repayment of loan notes | (1,375) | - | (49,464) | 1,375 | -100% | (49,464) | 100% |
| Interest paid | (3,203) | (2,062) | (6,710) | 1,141 | -36% | (4,648) | 225% |
| Dividends paid | (117) | (148) | (149) | (31) | 27% | (1) | 1% |
| Proceeds from issue of shares | - | 15 | 3 | 15 | 1% | (12) | -81% |
| **Cash Flow from Financing Activities** | **(7,648)** | **(10,784)** | **3,163** | **(3,136)** | **41%** | **13,947** | **129%** |
| **Net Cash Flows** | **(5,798)** | **16,186** | **14,574** | **21,984** | **379%** | **(1,612)** | **-10%** |

### (i) Pro Forma Historical Cash Flows

The Group's pro forma operating cash flow increased by $22.8 million to $31.5 million in FY23 and decreased by $5.93 million to $25.6 million in FY24.

The increase is primarily due to the acquisition of CRP and the growth in operations given the size of the acquired business, with the Group consolidating product lines, streamlining manufacturing and completing the delivery of low margin legacy CRP projects.

The decrease in FY24 is reflective of an increased investment in working capital, driven by the timing of projects in the financial year.

An increase in capital expenditure from $4.5 million in FY23 to $14.2 million in FY24 is reflective of additional growth capital expenditure in FY24 related to the purchase of plant and machinery to support delivery of work in the EV markets and investment in additional battery testing equipment (over and above the CAPSE acquisition). Typically, maintenance capital expenditure approximates $3 million annually.

Net cash flows increased by $21.9 million to $16.2 million in FY23 following the growth in operating cash flows with a decrease in capex of $2.3 million. Movements in net cash flows to FY24 are impacted by the exit of GCP Capital Partners from the Group, with refinancing activities undertaken to support this exit.

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## 4.8 Management discussion and analysis of the Pro Forma Forecast Financial Information

The Forecast Financial Information has been prepared in accordance with the Significant Accounting Policies adopted by the Group, which are consistent with IFRS and are disclosed in Appendix A. The Forecast Financial Information is based on various general and specific assumptions concerning future events, including those set out below.

The Forecast Financial Information for FY25F and FY26F has had regard to the performance of the business up to the date of this Prospectus.

The assumptions below are set out in summary only and do not represent all factors that may impact the Group's forecast financial performance. This information is intended to assist investors in assessing the reasonableness and likelihood of the assumptions occurring but is not intended to be a representation that the assumptions will occur.

In preparing the Forecast Financial Information, the Directors have undertaken an analysis of historical performance and applied assumptions to forecast future performance for FY25F and FY26F. The Directors believe that the assumptions, when taken as a whole, are reasonable at the time of preparing this Prospectus, including each of the general and specific assumptions set out in this Section. However, the actual results are likely to vary from the forecast and any variation may be materially negative or positive. The assumptions on which the Forecast Financial Information is based are by their nature subject to significant uncertainties and contingencies, many of which are outside the control of the Group and the Directors and are not readily predictable.

Accordingly, no assurance is given that the Forecast Financial Information or any prospective statement included in this Prospectus will be achieved. Events and outcomes might differ in amount and timing from the assumptions, with a material negative or positive impact on the Forecast Financial Information. The assumptions set out below should be read in conjunction with the sensitivity analysis set out in Section 4.9, the risk factors set out in Section 4.10 and the Independent Limited Assurance Report set out in Section 8.

The management discussion and analysis set out below contains references to the Group's segments as described in Section 4.2(d).

### (a) General assumptions

The Directors have adopted the following general assumptions in preparing the Forecast Financial Information:

(i) there is no material change in the competitive and operating environments in which the Group operates;

(ii) there is no change in IFRS that would have a material impact on the Group's accounting policies, financial reporting or disclosure requirements;

(iii) there is no significant deviation from current market expectations of the broader economic conditions including exchange rates relevant to the Group's operations under which the Group and its key clients operate;

(iv) there are no material changes in the legislative regimes (including taxation) and regulatory environment in which the Group and its clients operate;

(v) there are no material losses of customers or contracts beyond those incorporated in the forecasts;

(vi) there are no material industrial actions or other disturbances, environmental costs or legal claims;

(vii) there is no material amendment to or termination of any material agreement relating to the Group's business other than as disclosed in this Prospectus;

(viii) there are no significant disruptions to the continuity of the Group's operations and there are no other material changes in the Group's business;

(ix) no material acquisitions or divestments are completed (with the exception of Ovun);

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(x) there are no material changes or delays in scheduled work programs from planned schedules;

(xi) there are no material changes to the Group's corporate and funding structure other than as set out in, or contemplated by, this Prospectus;

(xii) there is no loss of key management personnel and the Group will maintain the ability to recruit and retain required personnel;

(xiii) there is no material litigation that will arise or be settled to the benefit or detriment of the Group;

(xiv) there are no material contingent liabilities that will arise or be realised to the detriment of the Group;

(xv) the Offer proceeds in accordance with the key dates set out in Section 7.4 of this Prospectus; and

(xvi) none of the risks set out in Section 4.10 occur; or if they do, none of them has a material adverse impact on the Group's operations.

## (b) Specific assumptions

The Forecast Financial Information is based on various assumptions, of which the key assumptions are set out below. The assumptions below are a summary only and do not represent all factors that will affect the Group's forecast financial performance. This information is intended to assist investors in assessing the reasonableness and likelihood of the assumptions occurring and is not intended to be a representation that the assumptions will occur. It should be read in conjunction with the basis of preparation of the Forecast Financial Information set out in Section 4.2(c), the general assumptions set out in this Section, the risk factors set out in Section 4.10, the Significant Accounting Policies set out in Appendix A and other information contained in this Prospectus.

*Table 20: Pro forma income statement analysis: FY24, FY25F and FY26F*

| | | | | FY25 Change | | FY26F Change | |
|---|---|---|---|---|---|---|---|
| **A$'000** | **FY24** | **FY25F** | **FY26F** | **$'000** | **%** | **$'000** | **%** |
| Revenue | 289,254 | 334,218 | 387,894 | 44,964 | 16% | 53,676 | 16% |
| Cost of sales | (194,455) | (210,664) | (249,082) | (16,209) | 8% | (38,418) | 18% |
| **Gross profit** | **94,800** | **123,554** | **138,812** | **28,754** | **30%** | **15,258** | **12%** |
| Staff Costs | (30,689) | (39,098) | (43,864) | (8,408) | 27% | (4,767) | 12% |
| Professional & office | (21,760) | (23,526) | (28,316) | (1,766) | 8% | (4,790) | 20% |
| Other expenses | (3,844) | (4,651) | (4,301) | (806) | 21% | 349 | -8% |
| Other income | 800 | 156 | – | (644) | -80% | (156) | -100% |
| **EBITDA** | **39,306** | **56,436** | **62,331** | **17,130** | **44%** | **5,895** | **10%** |
| Depreciation/Amortisation | (14,399) | (15,542) | (16,960) | (1,143) | 8% | (1,417) | 9% |
| FX Gain/(Loss) | 266 | 594 | – | 327 | 123% | (594) | -100% |
| **EBIT** | **25,173** | **41,487** | **45,371** | **16,314** | **65%** | **3,884** | **9%** |
| Total Interest | (8,047) | (10,312) | (9,284) | (2,264) | 28% | 1,027 | -10% |
| **NPBT** | **17,126** | **31,176** | **36,087** | **14,050** | **82%** | **4,911** | **16%** |
| Corporation Tax | (6,133) | (6,717) | (7,216) | (584) | 10% | (499) | 7% |
| **NPAT** | **10,993** | **24,459** | **28,871** | **13,466** | **122%** | **4,413** | **18%** |

The Group is a project-based business and as such does not experience seasonality in relation to revenue trends. As such, when analysed in any period, the revenue trends of the Group in a particular period is dependent on the timing of projects and underlying mix of product line revenue.

The Group has prepared its Forecast Financial Information based on the specific assumptions outlined below:

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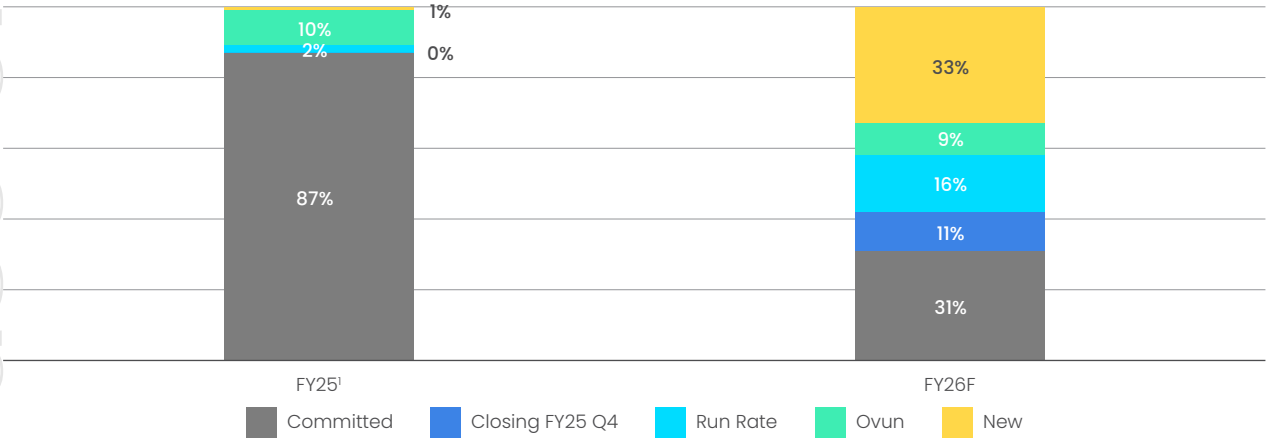
## (i) Revenue

*Figure E: Revenue by forecast category (%)*




**Note:**

1. FY25F forecast category is displayed in respect of the forecast financial information included in FY25F which relates to 3 months for 1 July 2025 to 30 September 2025.

### (ii) The Group's pro forma revenue is forecast to increase by $44.96 million or 16% from FY24 to FY25F, and by $53.68 million or 16% from FY25F to FY26F. This is based on the following revenue assumptions detailed below.

A strong pipeline of committed (existing) revenue, closing FY25 Q4 revenue (comprising projects expected to close between 1 July 2025 and 30 September 2025), run rate revenue and new revenue. When forecasting, revenue is categorised as follows:

- **Committed revenue:** revenue is considered committed when it relates to current contracts or purchase orders for customers under existing agreements. The remaining 3 months forecast for FY25F forecast includes 87% of forecast revenue classified as committed, while the FY26F forecast has 31% of revenue classified as committed, reflective of the length of contracts which are typically 6 to 12 months.
- **Closing FY25 Q4 revenue:** represents revenue from projects that are not yet contracted but for which management has a high degree of confidence of winning given the advanced stage of negotiation with customers. These projects are expected to be won during the quarter ending 30 September 2025.
- **Run rate revenue:** represents anticipated revenue based on current trading conditions with customers, mainly relating to Jackets in Fire Protection & Insulation, Marine/Leisure products and Battery Materials & Testing which have shorter turnaround times. Run rate revenue is forecast with reference to historical and recent trends.
- **New revenue:** represents the total of a probability weighted pipeline for new projects. Projects with an expected start date early in the forecast period require a probability weighting of greater than 75% for inclusion in the forecast, while those falling later in the forecast period require a weighting of greater than 50%. All probability weightings are based on management's historical experience.
- **Ovun revenue:** represents revenue attributable to the most recent acquisition which is expected to complete on 12 September 2025. Forecast revenue for Ovun in FY26F is conservatively forecast at 9%.

Committed, closing FY25 Q4 and run rate revenue accounts for approximately 90% of FY25F revenue for the forecast 3 months of 1 July 2025 to 30 September 2025, decreasing to 58% for the forecast 12 months ending 30 September 2026.

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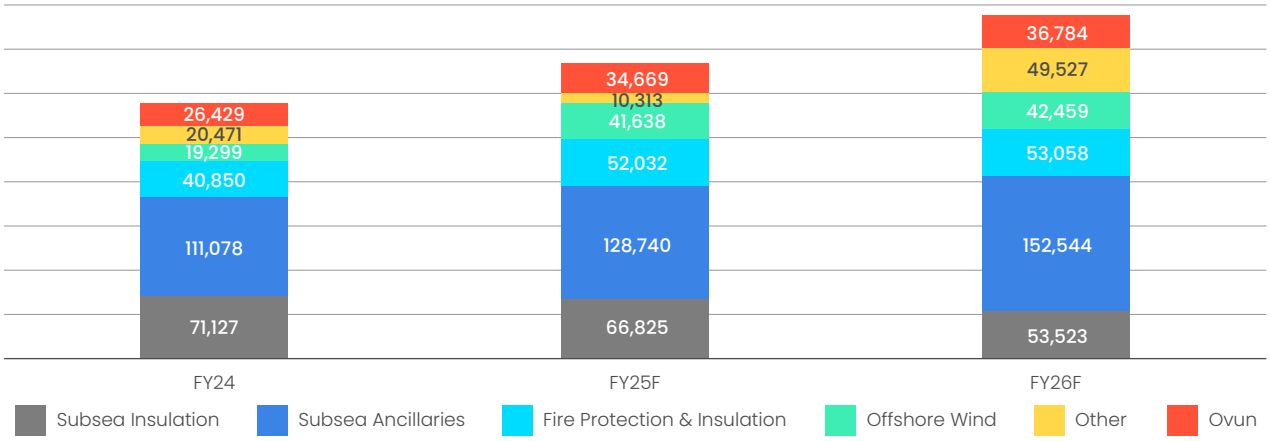
*(A) Revenue trends by segment*

*Figure F: Revenue growth across segments*

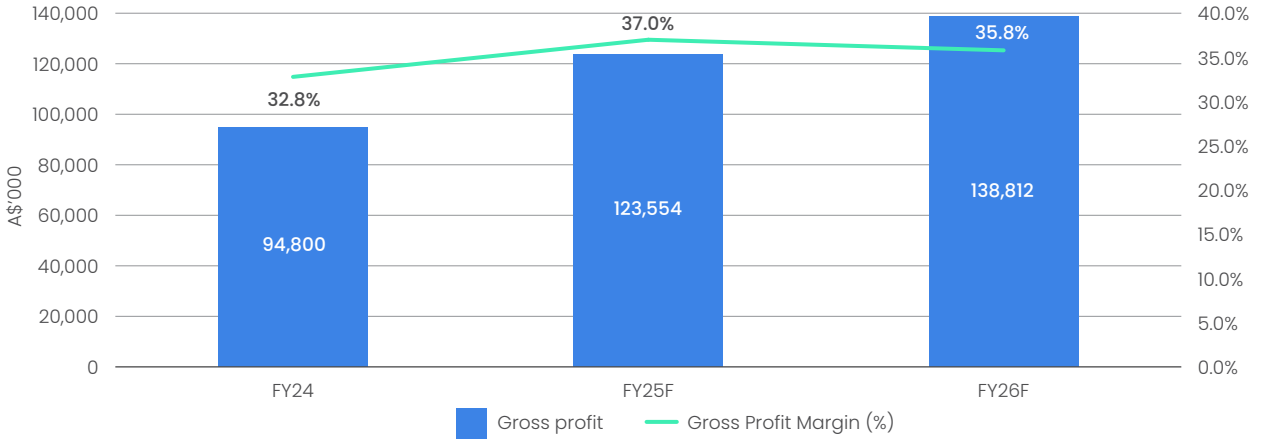



Revenue is forecast to grow by 16% from FY24 to FY25F, underpinned by strong growth arising predominantly from Subsea Ancillaries, Offshore Wind and FP&I, the majority of which is categorised as committed for the last quarter of FY25F.

Revenue is forecast to grow by 16% from FY25F to FY26F, driven by large existing projects and new projects expected to be delivered in the Subsea Ancillaries segment, together with significant growth in Other segments. Other segment growth is driven predominantly by existing Water Intake Riser work, the Battery Material and Testing segment (which is expected to grow following the acquisition of the assets of an EV testing facility), together with organic growth in Marine following increased demand in the segment.

## (iii) Gross profit

*Figure G: Gross profit and Gross profit margin*




The Group's gross profit is forecast to increase by $28.8 million from FY24 to FY25F and by $15.3 million from FY25F to FY26F. A portion of the increase in FY25F gross profit is driven by higher margins recorded following the completion of key projects during the period. Due to the conservative approach taken when estimating project costs, actual margins often improve on project completion, with these variations typically reflected only at the final stages of delivery.

FY26F gross margins are forecast to increase in line with assumed revenue growth, with forecast gross profit margin based primarily on the assumed revenue mix of products within each of the Group's segments. In forecasting gross profit margin, reference is made to current margins being achieved on individual underlying projects and estimates for new projects based on bids and detailed costings.

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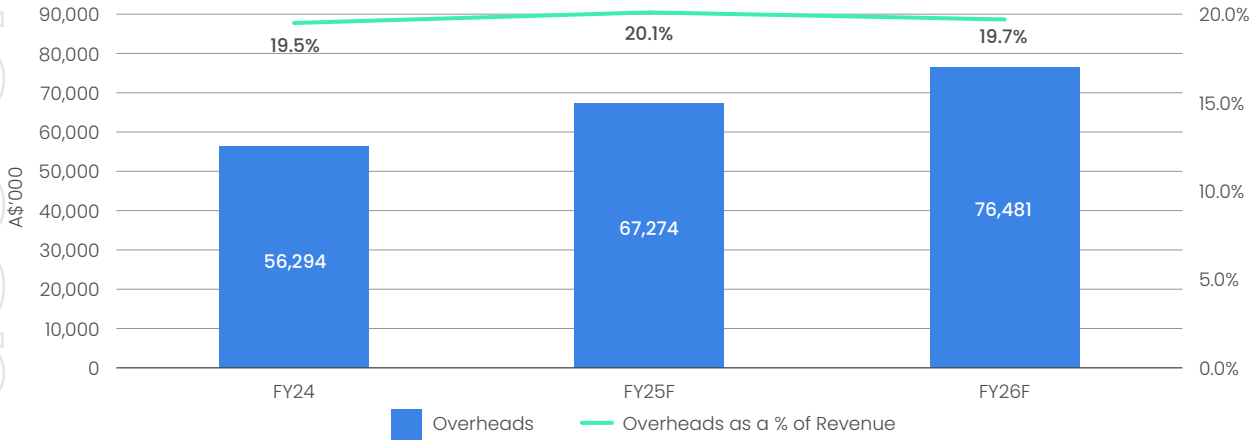
### (iv) Operating expenses

*Figure H: Operating expenses and % of Revenue*




Operating costs are forecast to increase by $10.98 million from FY24 to FY25F and by $9.2 million from FY25F to FY26F to support forecast revenue growth. The resultant percentage of revenue reveals a marginal increase from FY24 to FY25F, with the lowered FY26F percentage reflective of the Group being well positioned to support the delivery of projects.

### (v) Depreciation and amortisation

Forecast depreciation is based on the following:

(A) depreciation schedules for existing property, plant and equipment;

(B) depreciation of right-of-use assets in accordance with IFRS 16 Leases; and

(C) depreciation for any planned capital expenditure.

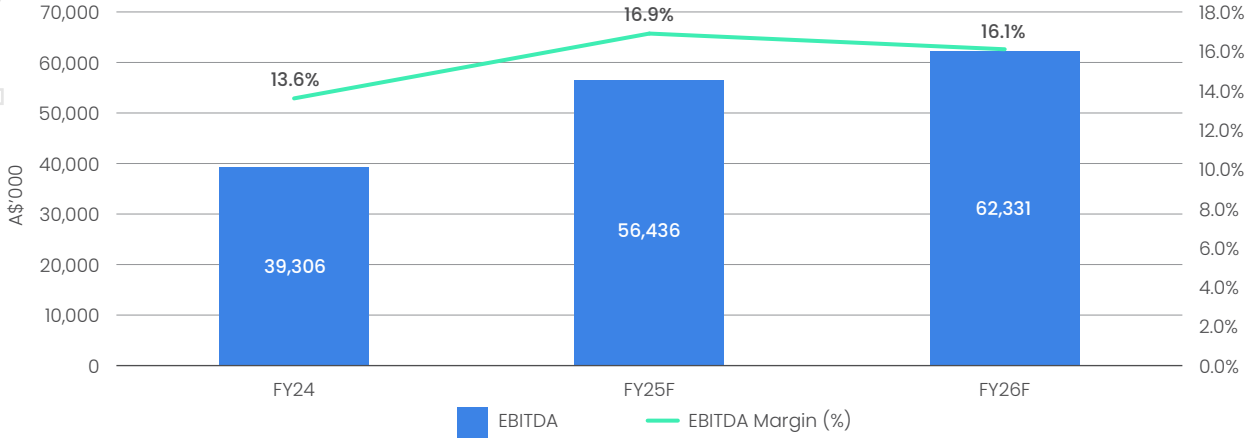
Forecast amortisation is based on amortisation schedules for existing intangible assets including capitalised development costs.

### (vi) Pro forma EBITDA

Pro Forma EBITDA is forecast to increase by $17.1 million in FY25F due to the factors described above, with improving gross profit margins and stable operating cost base.

Pro Forma EBITDA is forecast to increase by $5.9 million in FY26F, with a lower gross profit margin assumed (based on underlying project mix and size of projects expected to be delivered) and a marginally lower operating cost base relative to forecast revenue.

*Figure I: EBITDA and EBITDA margin*



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## (c) Pro Forma Forecast Cash Flows

Table 21 below shows the forecast consolidated cash flow statements for FY25F and FY26F.

*Table 21: Pro Forma cash flow analysis: FY24, FY25F and FY26F*

| | | | | FY24 – FY25F Change | | FY25F – FY26F Change | |
|---|---|---|---|---|---|---|---|
| A$'000 | FY24 | FY25F | FY26F | $'000 | % | $'000 | % |
| **Operating profit** | **20,878** | **36,754** | **44,673** | **15,876** | **76%** | **7,919** | **22%** |
| Non-cash items | 13,945 | 14,719 | 16,961 | 774 | 6% | 2,242 | 15% |
| Taxation paid | (2,676) | (1,821) | (5,081) | 855 | -32% | (3,260) | 179% |
| Net changes in assets and liabilities | (6,571) | (12,409) | 1,984 | (5,838) | 89% | 14,393 | -116% |
| **Cash Flows from Operating Activities** | **25,576** | **37,243** | **58,537** | **11,667** | **46%** | **21,294** | **57%** |
| Capital expenditure | (14,165) | (11,411) | (10,948) | 2,755 | -19% | 462 | -4% |
| Payments for acquisitions of subsidiaries | – | (3,139) | – | (3,139) | -100% | 3,139 | -100% |
| Deferred consideration | – | (340) | (1,379) | (340) | -100% | (1,039) | 306% |
| **Cash Flows from Investing Activities** | **(14,165)** | **(14,889)** | **(12,327)** | **(724)** | **5%** | **2,562** | **-17%** |
| Increase/(decrease) in bank loans | 59,744 | (11,510) | (51,767) | (71,255) | -119% | (40,256) | 350% |
| Increase/(decrease) in lease liability | (260) | 841 | (6,467) | 1,102 | -423% | (7,308) | -869% |
| Repayment of loan notes | (49,464) | – | – | 49,464 | -100% | – | 0% |
| Interest paid | (6,710) | (8,350) | (7,752) | (1,640) | 24% | 598 | -7% |
| Dividends paid | (149) | (1,469) | (0) | (1,320) | 887% | 1,469 | -100% |
| Proceeds from issue of shares | 3 | – | – | (3) | -100% | – | 0% |
| Offer proceeds | – | – | 90,000 | – | 0% | 90,000 | 100% |
| Offer costs | – | – | (11,178) | – | 0% | (11,178) | 100% |
| **Cash Flow from Financing Activities** | **3,163** | **(20,488)** | **12,836** | **(23,651)** | **-748%** | **33,324** | **-163%** |
| **Net Cash Flows** | **14,574** | **1,865** | **59,046** | **(12,709)** | **-87%** | **57,181** | **3066%** |

### (i) Pro Forma Forecast Cash Flows

Operating cash flow is forecast to increase from $25.6 million to $37.2 million in FY25F and to $58.5 million in FY26F. This is primarily attributed to the increase in pro forma operating profit of $15.9 million in FY25F and $7.9 million in FY26F, with the residual movement mainly attributed to movements in working capital. As a percentage of total revenue, changes in net working capital were 2.3% in FY24 and are forecast to be 3.7% and 0.5% in FY25F and FY26F respectively. Given the project driven nature of the Group, net working capital fluctuates monthly depending on the underlying customer mix of projects and anticipated contractual milestones.

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*Capital Expenditure*

Forecast capital expenditure reflects the following assumptions:

(A) maintenance capital expenditure is based on capital investments expected to be required to replenish or replace existing property, plant and equipment; and

(B) growth capital expenditure is based on capital investments expected to be required to support new contracts won as well as other identified opportunities.

Research and development expenditure of approximately $5.2 million is incurred annually to ensure continued growth of the business and that products remain competitive in the market. Typically, maintenance capital expenditure of approximately $3.1 million is recorded annually, with the excess spend representative of growth capital expenditure. In FY24, most of the plant and machinery capital expenditure was growth in nature as it related to acquisitions to support growth in the EV market and additional battery testing equipment, resulting in higher capital expenditure in this financial year. FY25F and FY26F capital expenditure cash flows are forecast in line with a more sustained level of ongoing capital expenditure following the heightened investment in FY24.

## 4.9 Sensitivity analysis

The Forecast Financial Information is based on a number of estimates and assumptions that are subject to business, economic and competitive uncertainties, many of which are beyond the control of the Group, its Directors and management and dependent on assumptions with respect to future business developments, which are subject to change.

Investors should be aware that future events cannot be predicted with certainty and as a result, deviations from the figures forecast in this Prospectus are to be expected. To assist investors in assessing the impact of these assumptions on the FY26F forecast, set out in Table 21 below is a summary of the sensitivity of certain Forecast Financial Information to changes in several key variables. Given the level of existing revenue as a proportion of FY25F forecast pro forma revenue, and the amount of time between the Prospectus date and 30 September 2025, the Directors have chosen to present the sensitivity report with respect to the FY26F forecast only.

The changes in the key variables as set out in the sensitivity analysis are not intended to be indicative of the complete range of valuations that may be experienced. For the purposes of the analysis below, the effect of the changes in key assumptions on the FY26F pro forma EBITDA of $63.2m is presented. The potential changes in the FY26F pro forma EBITDA are for the forecast results for the 12 months ending 30 September 2026.

The sensitivity analysis is intended as a guide only and variations on actual performance could exceed the ranges shown.

Care should be taken in interpreting these sensitivities. The estimated impact of the changes in each of the variables has been calculated in isolation from changes in other variables, in order to illustrate the likely impact on the forecast. In practice, changes in variables may offset each other or be additive and it is likely that the Group's management would respond to any adverse change in one variable by seeking to minimise the net effect on the Group's EBITDA. The effect of movements in some variables may be non-linear, such that the effect of a movement of 10% in a variable may not be simply 10 times the effect of a movement of 1% in the variable.

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*Table 22: Sensitivity analysis*

| | | Revenue A$'000 | | Revenue % | | EBITDA Δ A$'000 | | EBITDA Δ % | |
|---|---|---|---|---|---|---|---|---|---|
| **Sensitivity** | **Variance** | **+** | **-** | **+** | **-** | **+** | **-** | **+** | **-** |
| Project delays (Revenue) | +/-2% | 7,758 | (7,758) | 2.0% | -2.0% | 2,776 | (2,776) | 4.5% | -4.5% |
| Increase to COS (GP%) | +/-1% | – | – | 0.0% | 0.0% | (2,491) | 2,491 | -4.0% | 4.0% |
| Change of product mix | +/-5% | 553 | (553) | 0.1% | -0.1% | 581 | (581) | 0.9% | -0.9% |
| Currency movement | +/-2% | 7,758 | (7,758) | 2.0% | -2.0% | 1,247 | (1,247) | 2.0% | -2.0% |

In quantifying the sensitivity to the underlying change of product mix, a change of 5% in revenue is assumed away from/towards the highest forecast GP margin segment (i.e. Subsea Insulation) and allocated to/from the lowest forecast GP margin (Offshore Wind).

## 4.10 Financial risk management framework

The Group's business activities expose it to several financial risks including market risk (interest rate risk), liquidity risk and credit risk.

The Group manages financial risk through Board approved policies and procedures. These specify the responsibility of the Board and senior management regarding the management of financial risk. Financial risk is managed by the Group's subsidiary management teams under the direction of the Board. The subsidiaries manage risk exposures primarily through delegated authority limits and defined measures. Exposure to any of these financial risks are monitored and reported to the subsidiary directors.

The Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

### (a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial asset or financial liability will change as a result of changes in market interest rates. The Group is exposed to interest rate risk as it borrows at floating interest rates and adverse movements in floating interest rates will increase the cost of floating rate debt. The Group's exposure to market interest rates relates primarily to its long-term debt. All interest rate exposures are identified, quantified, monitored and managed centrally by the Group's corporate services team.

### (b) Liquidity risk

Liquidity risk is the risk that the Group will not have sufficient funds to meet its financial commitments as and when they fall due.

Liquidity risk management involves maintaining available funding and ensuring the consolidated entity has access to an adequate amount of committed credit facilities. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of term loans, short term debt funding and finance leases.

The corporate services team manages liquidity risk through weekly cash flow forecasting and analysis. The Group expects to have a £55 million five-year term loan facility at Completion of the Offer and pro forma cash on hand of $76.5 million as at 31 March 2025, which will be available to fund working capital and expansion requirements.

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### (c) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group.

The Group is exposed to counterparty credit risk arising from its operating activities (primarily customer receivables) and financing activities, including deposits with banks and financial institutions and other financial instruments. The maximum exposure to credit risk arising from potential default of the counterparty is equal to the carrying amount of the financial assets.

Credit risks related to balances with banks and financial institutions are managed by the Group's finance team in accordance with approved policies. Outstanding customer balances are insured with Atradius Credit Insurance.

### (d) Foreign exchange risk

The Group deals in multiple currencies which can give rise to foreign exchange risk related to adverse movements in the exchange rate of the transaction currency relative to the functional currency prior to the completion of the transaction. The Group manages exposures by matching sales and purchases of foreign currency where possible and the net exposure may be hedged by the use of forward exchange contracts.

## 4.11 Dividend policy

The extent, timing and payment of any dividends in the future will be determined by the Board based on a number of factors, including general business environment, future earnings and the financial performance and position of the Group.

Any future determination as to the payment of dividends by the Group will be at the sole discretion of the Board and will depend on the availability of distributable earnings and operating results and financial condition of the Group, future capital requirements and general business and other factors considered relevant by the Board. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by the Group.

Please read the Financial Information in conjunction with the assumptions underlying its preparation as set out in Section 1.4 and Section 7 and the risk factors set out in Section 5 concerning dividends.

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# 5.
# Risk factors



# 5. Risk factors

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## 5.1 Introduction

This Section 5 describes the potential risks associated with the operations of the Group and the risks associated with an investment in the Shares. It does not purport to list every risk that may be associated with an investment in the Shares now or in the future. The occurrence of, or consequences of, some of the risks described in this Section 5 are partially or completely outside of the control of the Group, its Directors and its management.

The selection of risks is based on the assessment of a combination of the probability of the risk occurring, the ability to mitigate the risk and the impact of the risk, if it did occur. That assessment is based on the knowledge of the Group as at the date of this Prospectus, but there is no guarantee or assurance that the importance of different risks will not change or that other risks will not emerge.

There can be no guarantee that the Group will deliver on its business strategy, or that the forecasts or any forward-looking statement contained in this Prospectus will be achieved or realised. Investors should note that past performance is not a reliable indicator of future performance.

The Directors strongly recommend potential investors consider the risk factors described below, together with information contained elsewhere in this Prospectus, before deciding whether to apply for Shares and to seek professional guidance from their solicitor, stockbroker, accountant or other independent and qualified professional adviser before deciding whether to apply for Shares pursuant to this Prospectus.

## 5.2 Specific risks of an investment in the Group

### 5.2.1 Manufacturing and production risks

The Group manufactures a majority of its products at the following sites: UK – Gloucester and Skelmersdale. These sites produce the largest amount of goods (by volume and by value). All sites are exposed to the risk of natural disasters and operational or human error which may result in manufacturing delays or disruptions. Examples of risks to manufacturing and production include major equipment failure, damage or operational issues with product manufacturing infrastructure, fire, flood and any other event which may cause long-term loss of access to utilities. Any manufacturing delay or disruption has the potential to adversely impact supply of products to customers, which could affect contractual obligations. A major manufacturing delay is likely to impact on the Group's revenue and overall financial performance.

### 5.2.2 Cyber security

The Group may be adversely affected by third party applications or other things that interfere with, or exploit, security flaws of its computer or operating systems. Breaches of security, such as cyber-attacks by hackers, could also render the Group's information technology infrastructure and software platforms unavailable. If the Group's efforts to combat these malicious applications are unsuccessful, its ability to operate, reputation and brand name may be impacted, which may result in an adverse effect on its operations and financial position.

### 5.2.3 Competition risk

While the Group currently has expertise delivering high-quality and tailored solutions, the level of competition could increase. There is no assurance that competitors will not succeed in developing solutions more effective or economic than the solutions developed by the Group which would render the Group's solutions uncompetitive.

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The Group faces the risk that:

(a) existing competitors could increase their market share through aggressive sales and marketing campaigns, product research and development or price discounting;

(b) existing and new competitors, who may have significantly more resources, develop new or superior solutions or improve existing solutions to compete with the Group;

(c) the Group may fail to increase adoption and usage of its solutions or introduce new solutions;

(d) the Group may fail to anticipate and respond to changing opportunities, technology or customer requirements as quickly as its competitors;

(e) the Group's patents may expire or be lawfully or unlawfully exploited by third parties;

(f) the Group's competitors may enhance their solution offering to improve their competitive positioning relative to the Group; and

(g) customers who purchase the Group's solutions today may, as they continue to grow, decide to invest in or develop their own solutions, rather than purchasing them from the Group.

If any of these risks arise, the Group may compete less effectively and the Group's market share and ability to secure existing or new business could be reduced, which would have an adverse impact on the Group's operating and financial performance.

### 5.2.4 Safety risks

The Group's operations involve risks to both personnel and property, and there is a risk that industrial accidents may occur in the course of the Group's activities, which could give rise to liability for the Group or cause delays. The Group has a strong commitment to safety, however there can be no guarantee that such an accident will not occur. In the event of a serious accident, for example resulting in a fatality or significant damage to property, substantial claims may be brought against the client and/or the Group, or the client may terminate their contractual arrangement with the Group. Such an accident could impact upon the Group's reputation, growth prospects and financial performance.

### 5.2.5 Supply chain disruption risk

The Group's solutions are comprised of products and materials sourced from third parties. The ability to secure underlying products and materials to use in the manufacture of the Group's solutions may be impacted by factors outside of the Group's control or by the nature in which the Group contracts with suppliers. The Group's estimated cost of components may vary due to availability of products, resources, materials or any variables that may impact on the cost of components or elements in its solutions.

The delivery of components may be delayed, or a specific supplier may not be able to deliver at all, which may lead to a longer sales cycle or may force the Group to shift to another supplier. A disruption to supply of these products may adversely affect the Group's operating and financial performance. If the disruptions were prolonged and another third party supplier or manufacturer could not be sourced, this could have a material adverse effect on the Group's ability to meet existing customer demand, have delay related consequences on specific projects and impact the Group's ability to continue to grow its business.

### 5.2.6 Downturn in oil and gas exploration as a consequence of lower prices

The Group's revenues and earnings are dependent on the level of oil and gas exploration and production activities and prices of these commodities. Any significant or extended decline in the level of exploration and production activity or oil and gas prices will adversely impact the Group's operating and financial performance. The level of activity in the oil and gas industry and prices can be cyclical and sensitive to a number of factors beyond the control of the Group. In addition, the Group may not be able to predict the timing, extent or duration of the activity or price cycles in the industry.

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### 5.2.7 Global and jurisdiction risk

The Group has operations in the UK, Brazil, Canada, France, Kazakhstan, Malaysia, UAE, **Norway** and the United States, conducts projects in various other jurisdictions and has its corporate and head office functions in the UK. As at the Prospectus Date, the Group derives revenue from operations in foreign countries. As a result, the Group is exposed to fluctuations in currency exchange rates particularly in AUD, USD, EUR and BRL as compared to GBP. Fluctuations in currency, exchange rates, the introduction of foreign exchange controls which restrict or prohibit repatriation of funds and reports in AUD, export and import restrictions, tariffs, prohibitions or delays may adversely impact the Group's operating and financial performance. The sale of products in foreign jurisdictions also exposes the Group to national trade laws, regulatory rules and regulations (where applicable) and failure to comply with any applicable law or regulatory requirement could result in penalties and enforcement action which may adversely impact the Group's.

### 5.2.8 Cost and availability of key inputs

The cost and availability of key inputs such as skilled labour and critical raw materials will influence the Group's production capacity and profitability. In the event that the cost of such inputs increases, the profitability of the Group may be adversely affected. Further, if there is a shortage of these inputs, the output capability of the Group, and the financial performance of the Group, may be adversely affected.

The Group generally charges clients on a fixed cost basis. Accordingly, there is a risk that if the actual costs of production of a particular product exceed the budgeted costs of production, the Group's forecast revenues and profits may be adversely affected.

### 5.2.9 Launch and adoption of new and existing products

The development and release of new products and in new markets, or the adoption of these new products may take longer than expected, may involve additional costs and/or may delay new revenue streams. New third party technologies could prove more effective and be developed in less time and with less costs than the Group's new products. There is also risk that the Group's new products may not be well received or adopted by its customers for reasons including the new products not being well priced when compared to competing products or the new products lack a strong feature that resonates with customers.

In particular, the business strategy of the Group assumes the adoption of the Group's existing products and the successful launch and adoption of new products. If for any reason the adoption of the Group's existing products or the development and launch of new products is delayed or these products are not successfully marketed or adopted by the Group's customers or new customers, then this could cause additional costs and/or delays in the timing for the Group to recognise revenues and could materially impact the Group's ability to achieve its business strategy. If significant further expenditure is required, the Group may also need further funding to develop and launch these or other new products.

### 5.2.10 Potential acquisitions

As part of its business strategy, the Group may make acquisitions of or significant investments in complementary companies, products or technologies. Any such future transactions would be accompanied by the risks commonly encountered in making acquisitions of companies, products and technologies, including integration risks with people, cultures and products and services, failure of the target businesses, products or services to meet expectations, forecasts or warranties, disputes with sellers, changes in relevant markets, delays and costs overruns and the presence of previously not identified issues or liabilities.

### 5.2.11 Failure to realise benefits from research and development costs

Developing technology is expensive and the investment in the development of these product offerings often involves an extended period of time to achieve a return on investment, especially for new markets. An important element of the Group's business strategy is to continue to make investments in innovation and related product opportunities. The Group believes that it must continue to dedicate resources to the Group's innovation efforts to develop technology product offerings in order to maintain the Group's competitive position. The Group may not, however, receive significant revenues from these investments for several years, or may not realise such benefits at all.

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### 5.2.12 Manufacturing defects and product liability risk

The Group may be subject to product liability claims if a defect in a product sold or supplied by the Group results in, or is alleged to have resulted in, personal injury or property damage. The Group's business model relies on third party suppliers to supply certain product components and also relies on third party manufacturers to manufacture the Group's products. Although the Group has policies and procedures in place to ensure its products are of a certain standard, there can be no assurance that manufacturing defects will not arise in the Group's products or that key components provided by third party suppliers may be defective.

Product defects could expose the Group to product liability claims or litigation which may result in the revocation of certifications or approvals for certain products and or monetary damages being awarded against the Group.

In addition, a product defect may expose the Group to financial liability, decrease demand for its products or damage the Group's reputation, brands or its relationships. If any of those events were to occur, they may adversely impact the Group's operating and financial performance.

### 5.2.13 Product quality risk and regulations

The Group's manufactured products must meet certain quality standards and comply with applicable laws and regulations. Failure by the Group, or its suppliers, to continuously comply with relevant standards and laws, or failure to take satisfactory action in response to products that do not adhere to these standards and requirements may result in returned products, reputational damage and enforcement actions which may have a material adverse impact on its financial position.

### 5.2.14 Protection of intellectual property (IP)

The value of the Group's products is dependent on its ability to effectively identify, protect, defend, and in certain circumstances keep secret, its IP, including products, business processes and know-how, copyrights, patents, trade secrets and trade marks. There is a risk that the Group may be unable to detect the unauthorised use of its IP rights in all instances. Further, actions the Group takes to protect its IP may not be adequate or enforceable and therefore may not prevent the misappropriation of its IP and proprietary information. Breach of the Group's IP may result in the need for it to commence legal action, such as infringement or administrative proceedings, which could be costly, time consuming and potentially difficult to enforce in certain jurisdictions and may ultimately prove unfavourable to the Group.

Effective IP protection may not be available or feasible in every country in which the Group's products and services could be distributed. Also, the efforts the Group has taken to protect its proprietary rights may not be sufficient or effective.

While the Group has obtained a number of patents for its product components, it otherwise largely relies on trade secrets and the confidentiality and IP protections in its contracts with employees and third parties to protect its IP rather than formal legal mechanisms to protect its IP. There is always the possibility, despite the Group's efforts, that the confidentiality and IP protections the Group implements will be insufficient to protect the Group's IP. The secrecy of this information could be compromised by outside parties or by employees or others engaged by the Group.

There is always the possibility that the Group's registered or unregistered IP (including its patents or trade marks) may be deemed invalid or unenforceable. It is also possible the Group may not be able to protect some of its innovations and technology. Further to this, the Group may not have adequate patent or copyright protection for certain innovations and technology that later turn out to be important.

While the Group has a substantial portfolio of registered IP, it also has a number of unregistered trade marks. While the Group has certain common law rights regarding these trade marks in certain jurisdictions, if the trade marks are not registered or there is a subsequent challenge to a trade mark registration or the Group is otherwise unable to register the trade marks, it may have an effect on the business and financial performance of the Group as rebranding costs may be incurred. Any failure by the Group to protect its IP may have an adverse impact on its ability to compete, its operations and its financial performance, position and prospects.

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### 5.2.15 Growth

There is a risk that the Group may be unable to manage its future growth successfully. There is also no guarantee the Group will be successful in maintaining or growing the volume of its projects and its project pipeline. Growth may also be negatively impacted through circumstances beyond the Group's control, including a decline in investment in the civil and infrastructure, energy, mining and resources, oil and gas, defence and hydrogen sectors locally and/or globally.

### 5.2.16 Cyclical nature of business

A significant number of the Group's clients are involved in the renewables and oil and gas industries. The level of business and economic activity and profitability in these sectors is cyclical and sensitive to a number of factors outside of the Group's control. The Group is not able to predict the timing, extent or duration of these activity cycles which may affect the financial performance and/or financial position of the Group.

### 5.2.17 Reliance on key personnel

The Group's management and key personnel are responsible for overseeing the day-to-day operations of the Group. The Group is aware of the need to have sufficient management to properly supervise the Group's business and operations. However, there is a risk that the Group may not be able to secure personnel with the relevant experience at the appropriate time and costs which may impact on the Group's existing operations and/or its future growth prospects, which may adversely affect the financial performance and financial position of the Group.

### 5.2.18 Reliance on key client relationships

The Group has established and will continue to establish important client relationships. The loss of one or more key clients, particularly clients who contract under an MSA, is likely to adversely affect the operating results of the Group.

Deterioration in key client relationships can result in a loss of market share, while the early termination of contracts can result in less than the full value of contracts being realised.

### 5.2.19 Key contract risk

A material amount of the Group's revenue is derived from a number of MSAs, contracts or framework agreements with attaching purchase orders with certain clients which have been in place for a number of years. There is a risk that any one or more of those MSAs may be terminated, delayed or incur unforeseen costs which may not be recoverable. Any variation to scope and timing, delay or termination of the Group's MSAs may materially impact on the Group's financial position. The Group may also become subject to warranty claims, claims for defects or other claims or liquidated damages which may expose it to re-performance of its contractual obligations or additional costs, which would negatively impact the Group's financial position.

### 5.2.20 Operating risk

The current and future operations of the Group may be affected by various factors, including equipment failure, information technology system failures, unanticipated and/or undetected quality problems or departures from specifications, costs arising from unforeseen claims and events not covered by insurance, defects as a result of faulty design or manufacture, improperly carried out maintenance, service, plant and equipment constraints, the failure of external suppliers and/or subcontractors, project delays, scheduled maintenance shutdowns and/or potential disruptions to operations resulting from industrial accidents, industrial disputes, supply chain issues or natural disasters. While the Group endeavours to take appropriate action to mitigate these operational risks and, in some circumstances, insures against them, the Group cannot control the risks its clients are exposed to and cannot completely remove all possible risks relating to its own business. A disruption to the operations of the Group or its clients may have an adverse impact on the financial performance and/or financial position of the Group.

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### 5.2.21 Contracting risk

The contracting arrangements of the Group, which are often on the counterparty's standard terms, are subject to a number of risks, which are customary for the industries in which the Group operates. Such contracts often include liability periods for work performed by the Group, an obligation on the Group to pay liquidated damages for late delivery/performance, extensive indemnities provided by the Group and in certain cases, exclusivity restraints on the Group. Under most of the Group's contracts the client has the power to unilaterally suspend or terminate the contract (including for convenience) by giving written notice. The suspension or early termination of contracts may result in the Group incurring additional costs or being unable to realise the full value of the contract, which is likely to adversely affect the growth prospects, operating results and financial performance of the Group. The Group is also subject to pricing risk in respect of its current and future contracts. If the initial estimate of costs undertaken by the Group in tendering for projects is understated or if the Group's costs increase by a margin greater than that accounted for in the pricing of the contracts, then this may adversely affect the Group's financial performance and/or financial position. Noting that a number of contracts are on counterparty terms and consequently differ across the Group, there is a risk of internal contract mismanagement that results in an inadvertent breach of certain contract terms. Such a breach could have a material impact on the financial performance of the Group including from loss of a customer or a claim or dispute being brought against the Group.

### 5.2.22 Concentration of shareholding

Following Completion of the Offer, entities associated with Simon Shepherd will hold 45.8% of all Shares[74].

Accordingly, Simon Shepherd will continue to be in a position to exert significant influence over the outcome of matters relating to the Group. Although the interests of the Group, Simon Shepherd and other Shareholders are likely to be aligned in most cases, there may be instances where their respective interests diverge. The sale of Shares in the future by Simon Shepherd or his associated entities, other Executive Directors and/or certain employees, or the perception that such sales might occur, could adversely affect the market price of the Shares. Any future material change in the shareholdings of Simon Shepherd or his associated entities and Andrew Bennion and certain employees after the Prospectus Date may have change of control consequences in respect of the Group's contracting arrangements.

Also, the concentration of ownership may affect the liquidity of the market for Shares on ASX.

### 5.2.23 Country/region specific risks in new and/or unfamiliar markets

The Group has operations in a number of overseas jurisdictions and is exposed to a range of different legal and regulatory regimes, including in new jurisdictions in which the Group is expanding its operations. As a result, it is subject to the risks associated with doing business in regions that may have political, legal and economic instability or less sophisticated legal and regulatory systems and frameworks, including:

(a) unexpected changes in, or inconsistent application of, applicable foreign laws and regulatory requirements;

(b) less sophisticated technology standards;

(c) difficulties engaging local resources; and

(d) potential for political upheaval or civil unrest.

As the Group increases its operations in existing regions or enters newer regions there is a risk that the Group fails to understand the laws, regulations and business customs of these regions. This gives rise to risks relating to labour practices, foreign ownership restrictions, tax regulation, difficulty in enforcing contracts, changes to or uncertainty in the relevant legal and regulatory regimes and other issues in foreign jurisdictions in which the Group may operate. This could interrupt or adversely affect parts of the Group's business and may have an adverse effect on the Group's operations and financial performance.

### 5.2.24 Foreign exchange risk related to the Offer

The proceeds of the Offer will be received in Australian dollars, while the Group's functional currency is GBP. The Group is not currently hedging against exchange rate fluctuations and consequently will be at the risk of any adverse movement in the GBP-Australian Dollar exchange rate between the pricing and closing of the Offer.

74. Excluding any Performance Rights held by Simon Shepherd.

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### 5.2.25 Regulatory issues and government regulation

The Group's operations are subject to laws, regulatory restrictions and certain government directives, recommendations and guidelines relating to, among other things, occupational safety, laboratory practice, the use and handling of hazardous materials, prevention of mental and physical illness and injury, cyber protection (including privacy) and environmental, social and governance (ESG) issues. There can be no assurance that future legislation will not impose further government regulation, which could impact adversely on the assets, operations and, ultimately, the financial performance of the Group and its Shares. In addition, there is a commercial risk that legal or regulatory action may be taken against the Group in relation to these matters.

Products derived from the Group's R&D may be subject to numerous government regulatory approvals and controls throughout the world. Apart from those territories where regulatory approval has been granted, these will affect both the timing and the cost of bringing the Group's products to the market. Delays or failures in obtaining regulatory approval for a product would be likely to have an adverse effect on the value of the Group and have a consequent impact on the financial performance of the Group.

### 5.2.26 Contractual disputes and litigation

The Group has no current involvement in any material contractual disputes or litigation matters with third parties including, but not limited to, customers, business partners, employees, shareholders or suppliers. However, there is a risk that the Group may in the future have disputes with its clients or other third parties (including payment disputes) and that this may have an adverse impact on the Group's growth prospects, operating results and financial performance.

### 5.2.27 Third party injury or commercial operations interruption

While delivering its services and products, the Group's employees or contractors could potentially cause harm to individuals, as well as cause damage or disruption to the business operations of third parties which may not be covered by insurance and that may have a material adverse impact on the Group's financial performance and financial position.

### 5.2.28 Quality of work and delivery of services

An important part of the Group's business is its ability to add value to its clients by delivering high quality services and products in a consistent and timely manner. However, there is no guarantee that all of the Group's services and products will always meet its client's expectations as to quality and timing.

### 5.2.29 Climate risk

The Group is exposed to clients and industries that may have both positive and negative impacts from climate change. Impacts may include a material decrease for the products which the Group sells and reduced access to capital and financing due to the links to the oil and gas industries. These impacts may have a material adverse effect on the financial condition and results of the business and may adversely affect the Group's reputation.

The Group's core traditional market is in the subsea oil and gas market, which the Group acknowledges as having longer term risks.

### 5.2.30 Failure to attract new customers

The success of the Group's business relies on its ability to attract new business from existing customers and attract new customers. The capacity to attract new customers and attract new business from existing customers will be dependent on many factors including the capability, cost effectiveness, customer support and value compared to competing products. If customers do not continue to use the Group's products and increase their usage over time and if new customers do not choose to use the Group's products, the growth in the Group's revenue may slow, or the Group's revenue may decline, which will have an adverse impact on the Group's operating and financial performance.

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### 5.2.31 Large and highly skilled workforce

The Group employs a large and highly skilled workforce. The Group's service quality is dependent on its ability to attract, develop, motivate and retain appropriately skilled and qualified personnel and on the Group's ability to provide sufficient training and oversight to its employees to achieve consistent service standards.

### 5.2.32 Product liability insurance

The Group's business exposes it to potential product liability risks that are inherent in the research and development, manufacturing, marketing and use of its products. It will be necessary for the Group to secure sufficient levels of insurance to cover various product liability risks in the course of maintaining its business. However, there can be no assurance that adequate or necessary insurance coverage will be available at an acceptable cost or in sufficient amounts, if at all, or that product liability or other claims would not materially and adversely affect the business or financial condition of the Group.

### 5.2.33 Insurance risk

While the Group currently has in place what it reasonably believes to be sufficient levels of insurance to cover general and product liability, directors' and officers' liability and workers compensation claims, there is a possibility that events may arise which are not covered or adequately covered by the Group's insurance policies. In the event of a successful claim being made against the Group, this may adversely impact the Group's reputation, result in payment of excesses incurred in defending claims, result in payment of any amount of liability that exceeds available insurance coverage and may increase future insurance premiums. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business and financial position and reputation of the Group. The Group may be unable to obtain appropriate insurance cover for all relevant matters, particularly given the Group's operations in overseas countries may be considered by insurers to present additional risk, depending upon political and litigious circumstances in the country in question.

### 5.2.34 Reputation

The Group's ability to maintain its reputation is critical to its ongoing financial performance. The Group's reputation could be impacted if it does not maintain high standards for service and product quality or if it fails to comply with regulations or accepted practices. Furthermore, the actions of external entities (i.e. clients, contractors, subcontractors, technical service providers or material suppliers), have the potential to negatively impact the Group's reputation. Any consequential negative publicity may reduce the demand for the Group's services and products.

### 5.2.35 Additional requirements for capital

The Group's capital requirements depend on numerous factors. Depending on the Group's ability to generate income from its operations, the Group may require further financing in addition to amounts raised under this Prospectus. Any additional equity financing may be dilutive to Shareholders and debt financing (if available) may involve restrictions on future financing and operating activities. If the Group is unable to obtain additional financing as needed, or unable to obtain it on acceptable terms (whether or not due to the Group's circumstances or external market conditions or both), it may be required to reduce the scope of its operations and there may be an effect on the Group's financial performance and growth. This could have a material adverse effect on the Group's activities and the value of the Shares.

### 5.2.36 Counterparty risk

The delay or failure of the Group's clients or other parties to agreements to which the Group is a party to pay any debts or other obligations they have to the Group when due and payable, whether as a result of insolvency or for other reasons, may have a material adverse impact on the Group's future financial performance, cash flows and financial position. The Group maintains provisions for bad and doubtful debts where appropriate, the adequacy of which is regularly reviewed. In the event that these provisions are inadequate there may be an adverse impact on the Group's future financial performance and position.

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### 5.2.37 Joint venture risk

The Group has a number of joint ventures with third parties in a number of jurisdictions. The Group considers the contracting terms of the joint ventures to be customary including the imposition of certain restraints. The Group's equity interest in these joint ventures varies from minority stakes to holding 75% of the issued capital in the relevant joint venture entity. There are innate risks in participating in joint ventures. The Group's joint venture partners may have economic or other business interests or goals that are inconsistent with the Group's and may take actions contrary to the objectives or interests of the Group. There is also the risk that joint venture partners may become bankrupt, default on or fail to fulfil their obligations as required or expected, impacting the performance of the joint venture and adversely affecting the Group or its interests in the joint venture.

### 5.2.39 Industrial relations and employee risks

A portion of the Group's employees are members of various labour unions. As a result, the Group is exposed to labour disputes and strikes, increased operational costs, regulatory compliance and periodic contract negotiations.

### 5.2.39 Security of tenure

Key manufacturing sites are operated on land and buildings leased from third parties. Each lease requires the relevant Group counterparty to comply with various obligations including the payment of rent and other monies due. In the event of default by the relevant Group counterparty under a lease, the landlord may terminate the lease if the default is not remedied. There is also no guarantee that leases will be renewed at the end of their term. Termination or expiry (particularly of key center sites) could have an adverse effect on the Group's profitability.

### 5.2.40 Time and cost overruns

Any failure by the Group to properly assess and manage project risks, or a failure to promptly monitor costs, may result in cost overruns which may cause a project to be less profitable than expected or even result in the Group making a loss on that particular project. Such circumstances may also expose the Group to payment disputes with its clients. In making an estimate of the time commitment and costings of a particular project, the Group needs to take into account factors that impact on time and cost including productivity rates, availability and cost of raw materials, equipment and labour. If such assessments are incorrect or inadequate and the Group is unable to recover consequential cost increases, this may have an adverse impact on the Group's financial performance and position. The Group is also exposed to input costs through its operations, such as the cost of fuel and energy sources, equipment and personnel. To the extent that these costs cannot be passed on to clients in a timely manner, or at all, the Group's financial performance could be adversely affected.

## 5.3 General Risks

### 5.3.1 Economic conditions

General economic conditions, introduction of tax reform, new legislation, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Group's activities, as well as on its ability to fund its activities.

Deterioration in the general economic conditions, including factors that impact negatively on disposable income of consumers, could affect client expenditure, including on the demand for the Company's products and services which may adversely affect the Group's profitability.

### 5.3.2 Market conditions

Share market conditions may affect the value of the Group's quoted securities regardless of the Group's operating performance. Share market conditions are affected by many factors such as:

(a) general economic outlook;

(b) introduction of tax reform or other new legislation;

(c) interest rates, inflation rates, exchange rates and commodity prices;

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(d) changes in investor sentiment toward particular market sectors;

(e) the demand for, and supply of, capital; and

(f) terrorism or other hostilities.

The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and industrial stocks in particular. Neither the Company, AIH SaleCo nor the Directors warrant the future performance of the Group or any return on an investment in the Company and give no assurance that the price of the Shares will increase following quotation on the ASX, even if the Group's earnings meet or exceed forecasts.

### 5.3.3 Trading in shares may not be liquid

There is currently no public market through which the Shares may be sold. There can be no guarantee that an active market in the Shares will develop or that the price of the Shares will increase following Official Quotation. There may be relatively few potential buyers or sellers of the Shares on the ASX at any time. This may increase the volatility of the market price of the Shares.

### 5.3.4 Escrowed Shareholders' holdings

Following the Listing there will be 259,249,827 Escrowed Shares (which represents approximately 61.4% of the total Shares on issue at Completion), which will also impact on liquidity. The Escrowed Shareholders will be subject to the escrow arrangements in relation to all of their Shares as described in Section 7.7. The absence of any sale of Escrowed Shares by the Escrowed Shareholders during the applicable periods may cause, or at least contribute to, limited liquidity in the market for the Shares. This could affect the prevailing market price at which Shareholders are able to sell their Shares.

Following the end of the Escrow Periods, the Escrowed Shares are likely to be able to be freely traded on the ASX. A significant sale by the Escrowed Shareholders (individually or collectively), or the perception that such sales have occurred or might occur, could significantly reduce the price of Shares.

### 5.3.5 Access to equity and debt funding

The Group's capital requirements depend on numerous factors. Depending on the Group's ability to generate income from its operations, the Group may require further funding in addition to amounts raised under the Offer. Volatility in the financial markets could have a material adverse effect on the Company's ability to raise capital to fund its business operations or future acquisitions. The Group's ability to raise additional funds will be subject to, among other things, factors beyond the control of the Group and its Directors, including cyclical factors affecting the economy and share markets generally.

In addition, any deterioration in global financial markets could impact risk appetite among lending institutions which may impact the Group's ability to enter into any new loan facilities or replace existing facilities. The Directors can give no assurance that future funds can be raised by the Company on favourable terms, if at all.

If the Group is unable to obtain additional funding as needed, or is unable to do so on acceptable terms, it may be required to reduce the scope of its operations and scale back its programs as the case may be.

### 5.3.6 Shareholder dilution

In the future, the Group may elect to engage in various types of capital raising, including the issue of Shares or other securities. While the Group will be subject to the constraints of the ASX Listing Rules regarding the percentage of its capital that it is able to issue within a 12-month period without Shareholder approval (other than where exceptions apply), Shareholders at the time may be diluted as a result of such capital raising if they do not participate pro rata.

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### 5.3.7 Operational factors

While the Group implements measures and procedures to manage operational risk, the Group's profitability will continue to be subject to a variety of strategic and business decisions and operational risks (arising from inadequate or failed internal processes, people and systems, or external events) including:

(a) fraud and other dishonest activities;

(b) workplace safety;

(c) compliance and regulatory risk;

(d) business continuity and crisis management;

(e) key person and personnel risk;

(f) information systems integrity; and

(g) outsourcing risk.

### 5.3.8 Taxation changes

There is the potential for major changes to the tax laws and tariffs in the various jurisdictions in which the Group operates. Any change to the current rates of taxes imposed on the Group is likely to affect returns to Shareholders.

The Group obtains external expert advice on the application of the tax laws to its operations. However, an interpretation of taxation laws by the relevant tax authority or by the Courts that is contrary to the Group's view of those laws or the advice that it has received may increase the amount of tax to be paid and may lead to the imposition of penalties and a liability to pay interest. In addition, an investment in Shares involves tax considerations which may differ for each Shareholder. Each investor is encouraged to obtain professional tax advice in connection with any investment in the Company.

### 5.3.9 Accounting Standards

Australian Accounting Standards are set by the AASB and are outside the control of the Group. There is also a risk that interpretations of existing Australian Accounting Standards, including those relating to the measurement and recognition of key income statement and balance sheet items, such as revenue and receivables, may differ. Changes to Australian Accounting Standards issued by the AASB or changes to the commonly held views on the application of those standards could materially adversely affect the financial performance and position reported in the Group's consolidated financial statements.

### 5.3.10 Dividends may not be fully franked

There is no guarantee that the Company will have sufficient franking credits in the future to fully frank dividends. There is also a risk that the franking system may be subject to legislative review and/or reform. The value and availability of franking credits to a Shareholder will depend on their particular taxation and financial circumstances. Shareholders should be aware that the ability to use franking credits, as a tax offset or to claim a refund after the end of the income year will depend on the individual tax position of each Shareholder and should seek their own taxation advice in relation to any potential tax offset or refund claim which they may be entitled to in any particular financial year.

### 5.3.11 Force majeure events

Events may occur within or outside Australia that could impact on the Australian economy, the global economy, the operations of the Group, the price of the Shares and the Company's ability to pay dividends. The events include but are not limited to acts of terrorism, an outbreak of war or other international hostilities, fires, floods, earthquakes, labour strikes, civil wars, natural disasters, outbreaks of disease or other natural or manmade events or occurrences that could have an adverse effect on the demand for the Group's services and its ability to conduct its business. The Group has only a limited ability to insure against some of these risks.

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# 6.

# Key individuals, interests and benefits



# 6. Key individuals, interests and benefits

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## 6.1 Board of Directors

The Directors of the Company bring to the Board a variety of skills and experience, including industry and business knowledge, financial management and corporate governance experience. The Board comprises:



### Russell Ward

**Independent Chair and Non-Executive Director**

Russell Ward is a dynamic, results oriented leader with extensive global experience across industrial, manufacturing, and high value capital equipment sectors. He has held various leadership roles, including non-executive chairman and chief executive officer across multiple companies, optimising businesses, driving growth, leading acquisitions, and successful exits. He is known for his expertise in strategy development, business diversification, and energy transition strategies, with a proven track record of optimising business structures for long term success.

Russell holds a Bachelor of Arts in Business and Finance from De Montfort University and is a Fellow of the UK Institute of Directors. Russell is currently a non-executive chair of Shorterm Group Ltd, Nucore Group Ltd and Futraheat Ltd. Russell is also an Honorary Fellow of De Montfort University.

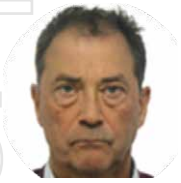


### Andrew Bennion

**Chief Executive Officer (CEO) and Executive Director**

Andrew Bennion is a qualified chemical engineer with extensive experience in senior management in the energy and chemical industries. He has been the CEO of AIH since its formation in 2008 through a management buyout he led alongside Simon Shepherd. He has overseen the Group's growth from $6 million to the current $320 million creating a diversified group with market leading technologies and capabilities. Prior to AIH, he was the CFO of Alderley plc, a global supplier of packaged plant to the oil and gas industry. Andrew holds a Bachelor of Engineering (Chemical) from Birmingham University, an MBA from Henley Management College and a Diploma in Company Direction from the UK Institute of Directors. Andrew is a Member of the Institute of Chemical Engineers and Fellow of the UK Institute of Directors.

Andrew is a non-executive director of the Energy Industries Council, one of the world's largest energy trade associations and a director of SADE Properties Ltd and Provost Holdings Ltd.



### Simon Shepherd

**Chief Technology Officer (CTO) and Executive Director**

Simon Shepherd is a highly accomplished CTO with international experience in the energy industry. Prior to forming the Group, he held a variety of senior roles at Alderley plc, a global supplier of packaged plant to the oil and gas industry, including sales manager, managing director, and assistant to the chief executive. Now Simon oversees the development of new products and acts as a technical expert both within the Group and with customers. He led the management buyout that resulted in the formation of the Group in 2008, alongside Andrew Bennion, playing a key role in shaping the Group's strategic direction and driving its continued growth. Simon holds a Bachelor of Science in Biochemistry from the University of Reading.

Simon is currently a director of DS Farming Ltd, Sativa Ltd and SADE Properties Ltd.

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### Sir Robert Ben Wallace

**Independent Non-Executive Director**

Sir Robert Ben Wallace KCB PC (Ben) is a non-executive board member, bringing extensive leadership experience in strategy and global partnerships. As the former UK Defence Secretary (2019–2023), he played a key role in shaping national security policy, strengthening NATO alliances, and overseeing critical global defence initiatives. Before Defence Secretary, Ben served as the UK Security Minister covering Counter Terrorism, Counter espionage, Economic and Organised Crime. Ben previously served as Overseas Director in the Security & Intelligence Division at QinetiQ, where he oversaw global defence partnerships, intelligence strategy, and security innovation. His strategic insights and governance expertise support the Group in driving innovation and growth across international markets.

Ben attended the Royal Military Academy Sandhurst. Ben is currently a director of Glennfiddich Consulting Ltd and a partner in BOKA Capital.



### Abigail Cheadle

**Independent Non-Executive Director**

Abigail Cheadle is a non-executive director, with experience on nine ASX listed companies, including two chair roles and leadership of seven audit and risk committees. She has demonstrated expertise in steering governance, strategic growth (both organic and through acquisitions) and transformation initiatives globally within sectors such as energy, infrastructure, technology, consumer products and financial services.

As a Chartered Accountant with a Bachelor of Business from the Queensland University of Technology, Abigail built an executive career spanning Russia, Jordan, Asia, and Australia. Abigail established practices for Deloitte and EY, led complex restructurings, sovereign debt reconciliations and turnaround mandates for governments and multinational organisations, including the IMF, World Bank, and ADB. A significant achievement includes growing BFI Finance in the 2000's, a listed finance company in Indonesia, from a market capitalisation of USD29 million to USD400 million over five years. Abigail is also a Graduate of the Singapore Institute of Directors.

Abigail is currently the chair and non-executive director of Shriro Holdings Ltd (ASX:SHR), non-executive director and audit and risk committee chair of LGI Limited (ASX:LGI) and non-executive director and compliance, audit and risk committee chair of Reef Casino Trust (ASX:RCT).

Abigail was a director of Booktopia Group Ltd (**Booktopia**) resigning in October 2023. Booktopia entered voluntary administration in July 2024 and was undergoing a strategic restructure and operating under 'safe harbour' provisions.

Abigail was a non-executive director of SurfSitch Group Ltd when it entered into administration in August 2017. Abigail dissented from the resolution to appoint administrators as she believe the company remained solvent. This position was supported by creditors later being paid in full.

Approximately seven months following Abigail's resignation as a non-executive director, Completeplace Holdings Pty Ltd had a controller appointed in January 2017. Associated entities of that company were also liquidated in May 2016 as part of a broader group restructure.

There have never been any findings of misconduct, negligence, or breach of duty in relation to any of the above matters. Abigail has not been subject to any adverse commentary in any administrator reports, nor involved in any related litigation.

# 6. Key individuals, interests and benefits continued

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### Julian Babarczy

**Independent Non-Executive Director**

Julian Babarczy is an experienced financial industry professional and non-executive director with over 25 years experience. Julian was a key member of one of Australia's largest actively managed and most successful hedge funds, Regal Partners. Julian was a key member of the investment and leadership team at Regal and was instrumental in growing funds under management from around $40 million when he joined to greater than $2.5 billion on his retirement.

Julian brings a unique set of skills to the Company, as well as a depth of experience investing in and funding high growth companies.

Julian is currently the chair of Perpetual Resources Limited (ASX:PEC), chair of DataWorks Group Limited (ASX:DWG), non-executive director of Lincoln Minerals Limited (ASX:LML) and non-executive director of ASX and TSX-listed OreZone Gold Corp.

Julian holds a Graduate Diploma of Mineral Exploration Geosciences from Curtin University, a Bachelor of Business from Monash University and has completed the Chartered Financial Analyst (CFA Institute) exams.

Julian was a director of Australian Industrial Minerals Limited (**AIML**) and was the nominee director of the company's largest shareholder. AIML was placed into administration in 2019 due to unexpected cost overruns and the largest shareholder deciding not to invest further capital. All employee and tax liabilities were fully funded when AIML was placed into administration and its only material creditor, who was a secured lender, has since taken control of the company's main asset.

## 6.2 Senior management team

Set out below are details regarding the senior management team of the Company.



### Andrew Bennion

**Chief Executive Officer**

See Section 6.1.



### Andrew King

**Chief Financial Officer**

Group CFO Andrew 'Andy' King is a highly commercial senior business professional and Chartered Management Accountant (ACMA) with extensive experience in both domestic and overseas operations. Strong in treasury and working capital management, MI and IT systems development, cost control, business integration and restructuring, strategic planning, budgeting and forecasting. During his career he has held senior leadership roles in a broad spectrum of business sectors and types and has worked with venture capital and private equity investors, delivering significant returns.

Andy also holds a MBA in Business from the University of Birmingham and is a Member of the Charted Institute of Management Accountants.

Andy is currently a director of AMK Associates Ltd.

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**Simon Shepherd**

**Chief Technology Officer**

See Section 6.1.



**John Drury**

**Chief Commercial Officer (CCO)**

John Drury is an accomplished leader in the subsea and offshore energy industries with over 20 years of experience. Formerly the Global Business Group Director at Trelleborg and Managing Director of CRP Subsea, he played a pivotal role in driving business growth, innovation, and operational excellence. Now the CCO of the Group, his expertise lies in technical sales, strategic leadership, and fostering partnerships to deliver cutting edge solutions for the energy sector.

John holds a Bachelor of Science in Industrial Design from Brunel University London.

## 6.3 Interests and Benefits

This Section 6.3 and Sections 6.4 to 6.6.4 below set out the nature and extent of the interests and fees of certain persons involved in the Offer.

Other than as set out in this Prospectus, no:

(a) Director or proposed Director of the Company or AIH SaleCo;

(b) person named in this Prospectus and who has performed a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;

(c) promoter of the Company; or

(d) underwriter to the Offer or financial services licensee named in this Prospectus as a financial services licensee involved in the Offer,

holds at the time of lodgement of the Prospectus with ASIC, or has held in the two years preceding lodgement of this Prospectus with ASIC, any interest in:

(e) the formation or promotion of the Company; or

(f) property acquired or proposed to be acquired by the Company in connection with its formation or promotion, or in connection with the Offer; or

(g) the Offer,

and no amount (whether in cash, Shares or otherwise) has been paid or agreed to be paid, nor has any benefit been given or agreed to be given to any such persons for services in connection with the formation or promotion of the Company or the Offer or to any Director or proposed Director or AIH SaleCo Director or proposed AIH SaleCo Director to induce them to become, or qualify as, a Director or AIH SaleCo Director.

# 6. Key individuals, interests and benefits continued

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## 6.4 Interests of Advisers

The Company has engaged the following professional advisers in relation to the Offer:

(a) Henslow and Morgans have acted as the Joint Lead Managers and Underwriters to the Offer. Please refer to Section 9.5.1 for a summary of the fees payable to them;

(b) Henslow has also acted as financial and corporate adviser to the Group in connection with the Listing. The Company has paid, or agreed to pay, a monthly retainer of $20,000 since December 2024 until the Completion of the Offer and a success fee of 2% of the proceeds of the Offer on Completion of the Offer to Henslow;

(c) MinterEllison has acted as Australian legal adviser to the Company and AIH SaleCo in relation to the Offer. The Company has paid, or agreed to pay, up to $918,000 (excluding disbursements and GST) for these services up until the Prospectus Date. Further amounts may be paid to MinterEllison in accordance with its normal time based rates;

(d) Grant Thornton Corporate Finance Pty Ltd has acted as Investigating Accountant and has performed financial and accounting due diligence services and prepared the Investigating Accountant's Report in Section 8. The Company has paid, or agreed to pay, up to $502,000 (excluding disbursements and GST) for these services up until the Prospectus Date. Further amounts may be paid to the Investigating Accountant in accordance with its normal time based rates; and

(e) Grant Thornton Australia Limited and Grant Thornton UK Advisory & Tax LLP have acted as tax advisers (**Tax Advisers**) and have performed tax due diligence services in relation to the offer, and other tax advisory services in this regard. The Company has paid, or agreed to pay, up to $403,000 (excluding disbursements and GST) for these services up until the Prospectus Date. Further amounts may be paid to Tax Advisers in accordance with its normal time based rates.

The Company will pay these amounts, and other expenses of the Offer, out of funds raised under the Offer or cash otherwise available to the Company (or one of its subsidiaries). Further information on the use of proceeds and payment of expenses of the Offer is set out in Section 7.5.

## 6.5 Directors' interests and remuneration

### 6.5.1 Executive Directors' remuneration

A Group Member has entered into an executive services agreement with each of Andrew Bennion and Simon Shepherd in respect of their employment as, respectively, Chief Executive Officer and Chief Technology Officer of the Company. Refer to Section 6.6.2 for further details.

### 6.5.2 Non-Executive Directors' remuneration

Under the Constitution, the total amount of fees paid to all Directors for their services (excluding for these purposes, the salary of an Executive Director) must not exceed in aggregate $750,000 per annum in any financial year. Any change to this aggregate annual sum needs to be approved by Shareholders in general meeting. The ASX Listing Rules require that the remuneration of Executive Directors must not include a commission on, or a percentage of, operating revenue.

Annual Directors' fees currently agreed to be paid by the Company to a Non-Executive Director are $100,000 per annum plus additional amounts up to $15,000 if the Director is appointed to chair any Board sub-committees for the Company. The Chair will be paid $200,000 per annum.

Annual directors' fees are inclusive of superannuation or similar pension arrangements of countries other than Australia and will be reviewed on an annual basis. Any increases must be within the overall fee pool limit, unless this limit is increased with Shareholder approval.

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Shares, options, rights and other share-based payments may be provided to Non-Executive Directors as part of their remuneration according to the rules of any share plan that has or may be introduced and adopted by the Company, subject to the ASX Listing Rules and requirements of the Corporations Act. The value of any such Shares, options, rights and other share-based payments will not be included in the aggregate maximum amount.

Directors may also be reimbursed for all reasonable travelling and other expenses properly incurred by them in attending Board meetings or any meetings of committees of Directors, in attending any general meetings of the Company and in connection with the Company's business.

Directors may be paid additional or special remuneration if they, with the approval of the Board, perform any extra services or make special exertions for the benefit of the Company.

### 6.5.3 Deeds of access, insurance and indemnity for Directors

The Company has entered into or will enter into deeds of access, indemnity and insurance with each Director containing rights of access to the books, Board papers and other documents of the Company, both while the Director is a director of the Company and for a seven year period after the Director ceases to be an officer of a body corporate in the Group. After a Director has ceased to hold office that Director may only access the records of the Company for the purposes of a legal proceeding or investigation to which the Director is subject or is a party, or proposes in good faith to bring, or for any other purpose in respect of which the Company gives its written consent.

Under the Constitution and to the extent permitted by law, the Company has agreed to indemnify all Directors and officers, past and present, against certain liabilities. The indemnity provided for under each deed of indemnity, access and insurance operates from the date of appointment as a Director and ends seven years after the date on which a Director has ceased to be an officer of a body corporate in the Group. The Company indemnifies each Director against any and all liabilities (other than for legal costs) incurred by that Director as an officer of a body corporate in the Group and any and all reasonable legal costs incurred by a Director in defending an action for a liability incurred or allegedly incurred by a Director as an officer of a body corporate in the Group, in each case to the maximum extent permitted by law.

The indemnities given by the Company under each deed of indemnity, access and insurance do not apply to any liabilities or legal costs incurred by a Director as an officer of a body corporate in the Group that have arisen from conduct by the Director that was deliberately dishonest or deliberately fraudulent or not in good faith.

If a Director is entitled to be indemnified under the deed of indemnity, access and insurance, the Company will pay the relevant amount to discharge the liability or legal cost. It is not necessary for a Director to make any payment before enforcing their rights under the deed of indemnity, access and insurance.

In certain cases, the deed of indemnity, access and insurance allows for the Company to make advance payments to an indemnified Director for an amount owing in respect of legal costs covered by the deed before the outcome of the action is known.

Under the Constitution, the Company may arrange and maintain directors' and officers' insurance for its Directors and officers to the extent permitted by law. Under the deed of indemnity, access and insurance, the Company must, for each Director, maintain and pay the premium on insurance during the Director's period of office and for a period of seven years after the Director ceases to hold office. The directors' and officers' insurance policy must be for an amount and on terms and conditions as are appropriate and available in the market for a reasonably prudent company in the Company's circumstances acting fairly.

### 6.5.4 Directors' interests in Shares

Directors are not required under the Constitution to hold any Shares. The Directors (and/or trusts, companies, superannuation funds or and other entities with which they are associated (**associates**)) are entitled to apply for Shares under the Offer. Figure 6.1 sets out the Directors' (and their associates') direct and indirect interests in Shares.

# 6. Key individuals, interests and benefits continued

*Figure 6.1: Directors' (and their associates') shareholdings*

| | Securities held at date of Prospectus | | | | Securities held on Completion of the Offer | | | |
|---|---|---|---|---|---|---|---|---|
| Director[75] | Shares[76] | Performance Rights | % undiluted | % fully diluted | Shares[77] | Performance Rights[78] | % undiluted | % fully diluted[79] |
| Russell Ward | 2,780,327 | – | – | 0.8 | 2,034,827 | – | 0.5 | 0.5 |
| Andrew Bennion | 42,562,264 | – | – | 12.8 | 30,922,264 | 506,401 | 7.3 | 7.4 |
| Simon Shepherd | 226,964,420 | – | – | 68.3 | 193,443,110 | 251,060 | 45.8 | 45.7 |
| Ben Wallace | – | – | – | – | – | – | – | – |
| Abigail Cheadle | – | – | – | – | – | – | – | – |
| Julian Babarczy | – | – | – | – | – | – | – | – |

The table above does not include any Shares the Directors may acquire under the Offer.

Directors' security holdings will be notified to the ASX on Listing in ASX Appendix 3Xs.

A number of the Directors and senior management have elected to participate in the selldown component of the Offer. Figure 6.2 sets out the number of Sale Shares to be sold by each Director and, collectively, senior management.

*Figure 6.2: Sale Shares sold by Directors and senior management*

| Sellers[80] | Sale Shares[81] | Proceeds to be received on Completion of the Offer |
|---|---|---|
| Russell Ward | 745,500 | 745,500 |
| Andrew Bennion | 11,640,000 | 11,640,000 |
| Simon Shepherd | 33,521,310 | 33,521,310 |
| Other senior management | 11,857,879 | 11,857,879 |
| Other Existing Owners | 2,235,311 | 2,235,311 |

75. Including any associates and controlled entities of the Director.
76. The number of Shares noted in this column assumes the various existing share classes in the capital of AIH UK (including the preferred ordinary shares) have been redesignated into a single class of ordinary shares and that, once redesignated, the shares have been subdivided so that the capital structure of AIH UK aligns with the Company's capital structure prior to the issue of New Shares.
77. This assumes the completion of the Restructure and does not include the Employee Shares issued on Completion of the Offer.
78. This is the number of unvested Performance Rights which will be issued to certain executive Directors under the LTI Plan as described in Sections 6.6 and 6.7.2. The actual number of unvested Performance Rights which will vest for the relevant executive Directors will depend on whether and the extent to which, the vesting conditions attaching to those Performance Rights, are satisfied or otherwise vest.
79. This column excludes any impact from the Employee Shares issued on Completion of the Offer. The Employee Shares will be offered to employees of the Group under the AIH Equity Plan as described in Section 6.7.4. As noted in Section 6.7.4, up to a maximum of 5 million Shares may be issued however the actual number of Shares to be issued is unknown as it depends on employee participation in the Employee Equity Offer.
80. Including any associates and controlled entities of the Seller.
81. The number of Shares noted in this column assumes the various existing share classes in the capital of AIH UK (including the preferred ordinary shares) have been redesignated into a single class of ordinary shares and that, once redesignated, the shares have been subdivided so that the capital structure of AIH UK aligns with the Company's capital structure prior to the issue of New Shares.

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## 6.6 Management interests and remuneration

### 6.6.1 Remuneration policy

The Company seeks to align executive remuneration with Shareholder interests by:

- offering levels of fixed and variable pay sufficient to attract and retain individuals with the skills and experience to execute the Company's business strategy;
- granting a material proportion of remuneration as a share based payment to align the interests of executives and Shareholders; and
- ensuring incentive remuneration is contingent on outcomes that grow and protect Shareholder value.

### 6.6.2 Chief Executive Officer executive services agreement

A Group Member has entered into an executive services agreement with Andrew Bennion to govern their employment as Chief Executive Officer (**CEO**) of the Company. Key provisions of the executive services agreement are as follows:

- the CEO will receive an annual base salary of £327,000 (plus employer pension contributions of 8.5% of base salary) and subject to annual review;
- subject to the Company and the CEO's performance, he is entitled to receive a cash payment of up to a maximum of 75% of his base salary for the relevant year (£245,250 for FY25);
- the CEO will be entitled to receive Performance Rights under the AIH Equity Plan with an allocation value equal to a maximum of 75% of his base salary at the start of the grant year (£245,250 for the initial grant). Based on the Offer Price[82], this equates to 506,401 Performance Rights. The vesting of those Performance Rights will be contingent on meeting certain vesting conditions;
- the CEO will receive a £10,500 per annum car allowance, private family medical insurance, life insurance and income protection insurance;
- either party may terminate the executive services agreement at any time by giving 9 months' notice to the other party;
- the Company may terminate the CEO's employment immediately without notice in the case of (among other things) serious misconduct or serious or persistent breaches of the material provisions of the executive services agreement;
- during and after the CEO's engagement, the CEO must not divulge, use (or attempt to use) or appropriate for his own use or for the use of others, except as the Company may authorise or direct in writing, any confidential information of the Company (**Confidential Information**) obtained by the CEO during his employment by the Company. The CEO must take all reasonable steps to prevent and protect the unauthorised use or disclosure of Confidential Information and must immediately notify the Company if he suspects Confidential Information has been improperly used or disclosed;
- the CEO assigns to the Company all existing and future intellectual property rights in all inventions, models, designs, drawings, plans, software, reports, proposals and other materials created or generated by the CEO (whether alone or with the Company or other employees or contractors of the Company) for use by the Company;

82. Assuming a GBP/AUD exchange rate of £1.00/$2.065.

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- the agreement includes post-employment restraints that apply for 12 months from the termination of the CEO's employment and to prevent him from, in any capacity:
  - engaging in, participating in, assisting with or otherwise be directly or indirectly involved, engaged, concerned or interested in a business, activity or operation that is the same as, substantially similar to, or competitive with any business, or any material part of a business, conducted by the Company;
  - soliciting, enticing away, interfering with or endeavouring to solicit, entice away or interfere with any person who was or is a contractor to or employee of the Company and with whom the CEO had direct dealings in the 12 month period prior to the cessation of his employment; and

  within anywhere in the world in which the Company undertakes or is planning to undertake a significant business operation as at the date of cessation of the CEO's employment;
- the agreement provides for 25 days annual leave per annum, as well as other customary leave entitlements; and
- the agreement also includes other customary provisions for an agreement of this nature.

### 6.6.3 Chief Financial Officer executive services agreement

A Group Member has entered into an executive services agreement with Andrew King to govern his employment as Chief Financial Officer (**CFO**). Key provisions of the contract of employment are materially similar to the terms of the CEO's employment agreement summarised in Section 6.6.2, except the CFO will receive an annual base salary of £211,600 (plus employer pension contributions of 8.5% of base salary) and subject to annual review. The CFO will also be eligible to a:

- short term incentive under which he will be entitled to receive a cash payment of up to 55% of his base salary for the relevant year depending on the performance of the Company and his performance (£116,380 for FY25); and
- long term incentive under which he will be entitled to receive Performance Rights under the AIH Equity Plan with an allocation value equal to a maximum of 55% of his base salary at the start of the grant year (£116,380 for the initial grant). Based on the Offer Price[83], this equates to 240,374 Performance Rights. The vesting of those Performance Rights will be contingent on meeting certain vesting conditions.

### 6.6.4 Chief Technology Officer executive services agreement

A Group Member has entered into an executive services agreement with Simon Shepherd to govern his employment as Chief Technology Officer (**CTO**). Key provisions of the contract of employment are materially similar to the terms of the CEO's employment agreement summarised in Section 6.6.2, except the CTO will receive an annual base salary of £221,700 (plus employer pension contributions of 8.5% of base salary) and subject to annual review. The CTO will also be eligible to a:

- short term incentive under which he will be entitled to receive a cash payment of up to 55% of his base salary for the relevant year depending on the performance of the Company and his performance (£121,935 for FY25); and
- long term incentive under which he will be entitled to receive Performance Rights under the AIH Equity Plan with an allocation value equal to a maximum of 55% of his base salary at the start of the grant year (£121,935 the initial grant). Based on the Offer Price[84], this equates to 251,060 Performance Rights. The vesting of those Performance Rights will be contingent on meeting certain vesting conditions.

83. Assuming a GBP/AUD exchange rate of £1.00/$2.065.
84. Assuming a GBP/AUD exchange rate of £1.00/$2.065.

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### 6.6.5 Chief Commercial Officer executive services agreement

A Group Member has entered into an executive services agreement with John Drury to govern his employment as Chief Commercial Officer (**CCO**). Key provisions of the contract of employment are materially similar to the terms of the CEO's employment agreement summarised in Section 6.6.2, except the CCO will receive an annual base salary of £209,130 (plus employer pension contributions of 8.5% of base salary) and subject to annual review. The CCO will also be eligible for a:

- short term incentive under which he will be entitled to receive a cash payment of up to 55% of his base salary for the relevant year depending on the performance of the Company and his performance (£115,021.50 for FY25); and
- long term incentive under which he will be entitled to receive Performance Rights under the AIH Equity Plan with an allocation value equal to a maximum of 55% of his base salary at the start of the grant year (£115,021.50 for the initial grant). Based on the Offer Price[85], this equates to 237,501 Performance Rights. The vesting of those Performance Rights will be contingent on meeting certain vesting conditions.

## 6.7 Employee incentive arrangements

The Board believes that the adoption of an employee incentive arrangement as part of the Company's overall remuneration framework is critical to the development of a high performance culture within the Company. Accordingly, to assist in the attraction, motivation and retention of management and employees, the Board has established various incentive arrangements that will apply on Listing as set out in this Section 6.7.

### 6.7.1 Short term incentive arrangements

Senior management are eligible to participate in the Company's short term incentive plan (**STI Plan**). The key terms of the STI Plan are described below:

| Term | Description |
|---|---|
| **Eligibility** | The CEO, CFO, CTO, CCO, CCSO and other individuals the Board determines to be eligible. |
| **Opportunity** | Participants in the STI Plan have a maximum opportunity that is set as a percentage of their base salary. Actual STI payments in any given year may be at or below maximum depending on the achievement of financial and non-financial criteria as set by the Board each year in accordance with the terms of the STI Plan. See Section 6.6 for details on current opportunities. |
| **Performance Period** | 1 year |
| **Award assessment and payment** | Award assessment and payments under the STI Plan are made after the release of full year financial results to the ASX. The STI award will be made in cash, with the first payment under this plan to occur in October 2026.<br>The Board assesses the performance of the CEO and the CEO assesses the performance of senior management. |

85. Assuming a GDP/AUD exchange rate of £1.00/$2.065.

# 6. Key individuals, interests and benefits continued

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| Term | Description |
|---|---|
| **Performance conditions** | Outcomes under the STI Plan for FY26 require performance against financial measures (60%) and non-financial measures (40%), which are:<br>• 60% 'Operating EBITDA' based on audited results – tracks profitable growth creation;<br>• 10% Safety ('Lost Time Injury Frequency') – reflects the importance of protecting the skilled and tenured employee base who manufacture and deliver AIH products; and<br>• 30% 'Strategic/Individual KPIs' – determined annually by the Nomination and Remuneration Committee, representing outcomes required for the successful implementation of the Group's growth strategy. |
| **Termination of employment** | STI awards are forfeited for 'bad leavers'. Employees who are 'good leavers' may receive a pro rata award at the discretion of the Board. |
| **Discretion** | All payments under the STI Plan are determined by the Nomination and Remuneration Committee and the Board in their absolute discretion. In exercising their discretion, the Nomination and Remuneration Committee and the Board may take into account such matters as they consider appropriate, including the financial and non-financial measures outlined in the STI Plan, the recommendations of the CEO (for other employees) and other factors relevant to the business. |
| **Malus** | The Nomination and Remuneration Committee and the Board retain the right to exercise discretion to forfeit some or all entitlement to STI payments if the employee has not remained in service, a financial restatement is required, results were obtained with excessive risk taking, in cases of employee misconduct, or if in the Board's opinion, the award of an STI payment would not be appropriate having regard for the circumstances. |
| **Change of control** | The Board has the discretion to determine payment in the event of certain changes in control. While outcomes would be expected to be pro-rata with performance and service, the level of payment will be subject to overriding Board discretion exercisable with regard for the facts and circumstances of the relevant change in control. |

Further information regarding participation of senior management is set out in Section 6.6.

### 6.7.2 Long term incentive arrangements

Senior management are eligible for long term incentive (**LTI**) opportunities in the form of Performance Rights granted under the AIH Equity Plan.

Annual grants of Performance Rights under the AIH Equity Plan provide an incentive for sustained and capital efficient long term earnings improvement and growth in shareholder returns. Performance Rights align growth in Shareholder wealth with Share price increases and dividends.

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The key terms of the LTI Plan are described below:

| Term | Description |
|---|---|
| **Eligibility** | The CEO, CFO, CTO, CCO, CCSO and other individuals the Board determines to be eligible. |
| **Opportunity** | Participants in the LTI Plan have a maximum opportunity that is equal to a percentage of their base salary. See Section 6.6 for details on current opportunities for senior management. |
| **Award frequency and timing** | Initial grant: Performance Rights will be issued prior to Completion of the Offer.<br>FY26 onwards: Grants will be made annually following the Annual General Meeting. |
| **Types of securities to be issued** | Performance Rights |
| **Allocation price** | Initial grant: Offer Price<br>Subsequent grants: the number of Performance Rights to be granted will be the maximum opportunity value divided by the 20 trading day VWAP starting on the day after the release of results. |
| **Performance and vesting Periods** | Initial grant: from Listing Date until 30 September 2028.<br>Subsequent grants: 3 years from the 1 October preceding the grant date to 30 September 3 years later. Shares will vest following the release of Company results after the end of the performance period. |
| **Exercise period** | The Performance Rights will be automatically exercised into Shares as soon as practicable after vesting but in any event no later than 30 days after vesting. |
| **Exercise price** | Nil |
| **Performance conditions** | Vesting under the LTI Plan require performance against two measures:<br>• Tranche 1: 67% 'Earnings Per Share CAGR'; and<br>• Tranche 2: 33% 'Absolute Total Shareholder Return' based on a 20 trading day VWAP up to and including the start and end date of the performance period respectively. For the initial grant only, the start price is the Offer Price.<br>More details are provided on the performance measures and scale are below. |
| **Distributions and dividend entitlements** | Performance Rights that vest will entitle the participant to receive one Share plus an additional number of Shares equal in value to the value of distributions that would have been received over the period from grant to exercise on a reinvested basis. No dividend value will accrue in respect of Performance Rights that do not vest. |
| **Other terms** | Other terms are aligned to those described in Section 6.7.3. |

Further information regarding participation of senior management in the LTI Plan is set out in Section 6.6.

No loans will be made in conjunction with this or subsequent offers.

Details of the securities issued under the initial offer will be published in the FY25 annual report.

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### 6.7.3 AIH Equity Plan

The Company has established an employee equity incentive plan (**AIH Equity Plan**) that will:

(a) align the interests of Eligible Persons with those of Shareholders;

(b) provide equity to attract, retain, reward and motivate Eligible Persons in the interests of the Group; and

(c) promote the long term success of the Company and the creation of Shareholder value by offering Eligible Persons an opportunity to share in the long term success by acquiring an equity interest in the Company.

Under the AIH Equity Plan, eligible participants may be granted equity securities (either as part of their LTI or another component of remuneration), and those securities may be subject to vesting conditions specified at the time of offer.

The key terms of the AIH Equity Plan are described below:

| Element | Description |
|---|---|
| **Eligibility criteria** | An employee of the Group or a non-executive director or other person determined by the Board as eligible to participate in the plan (**Eligible Person**). |
| **Offers** | The Board may make offers to Eligible Persons at its discretion. The Board has the discretion to set the terms and conditions on which it will offer Equity Securities under the AIH Equity Plan, including the vesting conditions and waiver of the terms and conditions.<br>The Board will specify any vesting conditions in the offer to the participant. Vesting conditions may include conditions relating to continuous employment, performance of the participant or the Company or the occurrence of specific events. |
| **Types of Security able to be issued** | The Company may grant share rights, options, Performance Rights, share appreciation rights (**SARs**) and/or restricted shares that are together defined as **Equity Securities**. Equity Securities except for Shares will not be quoted on the ASX. |
| **Share issues** | The Company will apply for official quotation of any Shares issued under the plan, in accordance with the ASX Listing Rules and having regard for any disposal restrictions in place under the AIH Equity Plan.<br>Shares allocated to participants under the AIH Equity Plan may be issued by the Company or purchased on or off market by the Company or its nominee. The Company may initially issue Shares to a trustee for the trustee to later transfer the Shares to participants if it establishes a trust for this purpose.<br>Shares allocated on exercise of a Performance Right carry the same rights and entitlements as other issued Shares, including dividend and voting rights. |
| **Vesting and performance conditions** | An Equity Security will vest and become exercisable to the extent the applicable performance, service or other vesting conditions specified at the time of the grant are satisfied. |
| **Exercise** | The terms of the offer will provide that exercise may occur automatically or on direction of the participant before the expiry of the Equity Security. On exercise of Equity Securities, the Company will deliver to the participant the relevant number of Shares or the Board may determine in its absolute discretion to make a cash payment equal to the value of Shares that would otherwise be delivered.<br>The Board will determine the exercise price (if any) for each grant. |

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| Element | Description |
|---|---|
| **Dividends and voting rights** | Equity Securities other than Shares do not carry voting rights or rights to receive dividends. However, payments of dividend equivalents or an equivalent number of Shares may be made in connection with awards other than Shares. |
| **Cessation of employment** | Where a participant holding Equity Securities ceases to be an employee of the Group, the participant may continue to hold those Equity Securities unless or until the Board determines to lapse, vest, reduce the exercise period or remove restrictions from the securities. |
| **Reorganisation events** | Where a reorganisation (including a consolidation, subdivision, reduction or return) of the issued capital of the Company occurs, the number of Shares to be delivered to each participant in respect of each Equity Security (or amount payable for the Shares) will be adjusted or reorganised in a manner determined by the Board to minimise or eliminate any material advantage or disadvantage to the participant. |
| **Change of control** | The Board has the discretion to determine the treatment of unvested Equity Securities in the event of certain changes in control. While vesting would be expected to be pro-rata with performance and service, the level of vesting will be subject to overriding board discretion exercisable with regard for the facts and circumstances of the relevant change in control.<br><br>All vested Performance Rights, options or SARs will be automatically exercised on a change in control. Unvested Equity Securities will lapse unless the Board determines to exercise its discretion to vest all or a portion of the equity securities. |
| **Malus and Clawback** | The Board may determine the treatment of unvested or unexercised Equity Securities rights in the event of financial misstatement, fraud, malfeasance, or receipt of an inappropriate benefit, including lapsing the securities in full or requiring repayment of dividends or the proceeds of sale of Shares in full. |
| **Restrictions** | Without the prior approval of the Board, or unless required by law, Equity Securities issued under the plan may not be sold, transferred, encumbered or otherwise dealt with.<br><br>A participant may not enter into any arrangement for the purpose of hedging or otherwise affecting their economic exposure to their Equity Securities. |
| **Amendments** | To the extent permitted by the ASX Listing Rules, the Board retains the discretion to vary the terms and conditions of the AIH Equity Plan, including to ensure compliance with other jurisdictions where offers may be made under the plan.<br><br>This also includes varying the number of Equity Securities to which a participant is entitled on a reorganisation of capital of the Company, including reconstructions, corporate actions, rights issues, bonus issues and other capital reconstructions. |
| **Limit of securities issued** | The maximum number of Shares to be issued under the scheme for the next three years is 21,117,180, which is 5% of the Shares on issue at the Completion of the Offer. |

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| Element | Description |
|---|---|
| Board discretion | The Board has absolute and unfettered discretion in exercising any power or discretion concerning the Plan.<br><br>Subject to relevant laws and ASX Listing Rules, the Board may exercise its absolute discretion, in circumstances where the Board considers it to be in the best interests of the Company to vary or waive some or all terms and conditions of Equity Securities granted to an Eligible Person and in the event of doing so will disclose the extent to which any terms and conditions have been varied. Without limiting the circumstances, this may include bringing forward the date on which Equity Securities may be exercised or no longer restricted, changing the way in which the performance conditions are to be measured, extending the vesting period, and extending the exercise period, among others. |
| Other terms | The AIH Equity Plan also contains customary and usual terms having regard for Australian law on dealing with administration, variation, suspension and termination of the plan. |

### 6.7.4 Employee Equity Offer

Employees of the Group will be invited to apply for, in aggregate, 5 million Shares at the Offer Price under the AIH Equity Plan separately from this Prospectus (**Employee Equity Offer**). This offer is being made to employees of the Group in certain jurisdictions to help align all employees to the goals of the Group for the benefit of all stakeholders.

Although the number of Employee Shares is capped at 5 million Shares, the actual number of Shares to be issued under the Employee Equity Offer is unknown as it depends on the level of participation by employees in the Employee Equity Offer. Any Employee Shares subscribed for under the Employee Equity Offer will be issued concurrently with the Completion of the Offer.

## 6.8 Other contractual arrangements with Directors and related party transactions

### Related party transactions

SADE Properties Ltd (**SADE**), a company under the control of Andrew Bennion, Simon Shepherd and another Existing Owner, is a landlord of the Group. The lease is on arm's length terms, the Group pays market rent to SADE and an independent valuer is engaged to assess the rent payable. In the last financial year, the Group paid £369,334 in rent and service changes to SADE.

### Other interests

Abigail Cheadle, Julian Babarczy, Andrew Bennion and Simon Shepherd, are the directors of AIH SaleCo. Andrew Bennion is the sole shareholder of AIH SaleCo. AIH SaleCo has only recently been incorporated to offer the Sale Shares under this Prospectus and has no other functions or business. AIH SaleCo has only nominal assets and as a result has been given an indemnity by the Company as noted in Section 9.4.

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## 6.9 Corporate Governance

This Section explains how the Board intends to oversee the management of the Group's business.

The Board is responsible for the overall corporate governance of the Group. The Board monitors the operational and financial position and performance of the Group and oversees its business strategy, including approving the strategic goals of the Group and considering and approving its annual business plan and the associated budget.

The Board is committed to maximising performance, generating appropriate level of Shareholder value and financial return and sustaining the growth and success of the Group. In conducting the Group's business with these objectives, the Board seeks to ensure that the Group is properly managed to protect and enhance Shareholder interests and that the Group, its Directors, officers and personnel operate in an appropriate environment of corporate governance. Accordingly, the Board have developed and adopted a framework of corporate governance policies and practices, risk management practices and internal controls that it believes appropriate for the Group's businesses.

The main policies and practices adopted by the Company, which will take effect from Listing, are summarised below. In addition, many governance elements are contained in the Constitution. Details of the Company's key policies and the charters for the Board and each of its committees will be available from Listing at the Company's website.

### 6.9.1 ASX Corporate Governance Council's Corporate Governance Principles and Recommendations

In order to promote investor confidence and to assist companies to meet stakeholder expectations, the ASX Corporate Governance Council has developed and released Corporate Governance Principles and Recommendations, which are in their fourth edition (**ASX Recommendations**) for Australian listed entities. The ASX Recommendations are not mandatory or prescriptive and the Board is entitled not to adopt a particular recommendation if it considers it inappropriate in the context of the business. However, under the ASX Listing Rules, the Company will be required to provide a corporate governance statement in its annual report (or by reference in its annual report to the URL of the page on its website where the statement can be viewed), disclosing the extent to which it has followed the ASX Recommendations in the relevant reporting period. Where the Company does not follow an ASX Recommendation for any part of a reporting period, it must identify the relevant recommendation that has not been followed and provide its reasons for not doing so and what (if any) alternative governance practices it adopted in lieu of the recommendation.

Except as set out below, the Board does not anticipate that it will depart from the recommendations of the ASX Corporate Governance Council from the Listing Date. However it may do so in the future if it considers such a departure would be reasonable.

## 6.10 Board Appointment and Composition

The Board comprises Russell Ward, Andrew Bennion, Simon Shepherd, Ben Wallace, Abigail Cheadle and Julian Babarczy.

The disclosures and comments made below are based on the Board composition being as noted above from the Listing Date.

Detailed biographies of the Board members are provided in Section 6.1.

The ASX Recommendations state that there should ideally be a majority of independent Directors on the Board and that the chairperson position be held by an independent Director. The Directors have reserved absolute discretion to determine the appropriate composition of the Board from time to time.

The Board Charter sets out guidelines for the purpose of determining independence of Directors and has adopted a definition of independence that is based on that set out in the ASX Recommendations. The Board considers an independent Director to be one who is independent of the Company's management and who is free of any business or other relationship that could materially interfere with, or could reasonably be perceived to materially interfere with, the independent exercise of their unfettered and independent judgment. The Board reviews the independence of each Director in light of interests disclosed to the Board from time-to-time.

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The Board considers that Russell Ward, Ben Wallace, Abigail Cheadle and Julian Babarczy will be independent Directors for the purpose of the ASX Recommendations as each is free from any interest, position, association or relationship that could materially interfere with, or reasonably be perceived to materially interfere with, the independent exercise of their judgement.

Andrew Bennion and Simon Shepherd are currently not considered by the Board to be independent as they are both Executive Director and substantial shareholders of the Company.

Accordingly, the Board will consist of 4 independent Directors. The Board considers that each of the Non-Executive Directors brings an objective and independent judgment to the Board's deliberations and that each of the Non-Executive Directors makes a valuable contribution to the Company through the skills they bring to the Board and their understanding of the Company's business.

## 6.11 Board Charter

The Board has adopted a written charter to clarify the roles and responsibilities of the Board members which will take effect from the Listing Date. The charter sets out:

(a) the Board composition;

(b) the Board's role and responsibilities;

(c) the relationship and interaction between the Board and senior management; and

(d) the authority delegated by the Board to management and Board committees.

The Board must have a minimum of 3 and a maximum of 7 Directors. At the end of every annual general meeting, at least one of the Directors must retire and a Director must retire at the end of the third annual general meeting after the Director's appointment, even if it means that more than one-third of Directors retire at an annual general meeting. Any Directors appointed to fill a casual vacancy or as an addition to the Board must also retire at the next annual general meeting after their appointment, but is eligible for election.

The composition of the Board is to be determined in accordance with the following principles:

(a) a majority of independent Directors:

(b) the Directors should have an appropriate range of skills, experience and expertise to allow them to understand and competently deal with current and emerging business issues; and

(c) the Directors must be capable of effectively reviewing and challenging the performance of senior management and exercising independent judgment.

The role of the Board is to act in the best interests of the Company as a whole and is accountable to Shareholders for the overall direction, management and corporate governance of the Company.

The Board seeks to discharge its responsibilities in a variety of ways, including by:

(a) overseeing the Group, including providing leadership and setting its strategic objectives, control and accountability systems;

(b) appointing the Chairperson of the Board;

(c) appointing and removing the Chief Executive Officer;

(d) monitoring the performance of the Chief Executive Officer;

(e) where appropriate, ratifying the appointment and removal of senior executives and company secretary;

(f) ratifying other senior executive appointments, organisational changes and senior management remuneration policies and practices and ensuring that the remuneration policies are aligned with the Company's purpose, values, strategic objectives and systems of risk management;

(g) approving succession plans for senior management;

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(h) monitoring senior executives' performance and implementation of strategy, instilling of the Company's values and performance generally, and ensuring appropriate resources are available;

(i) reporting to Shareholders;

(j) providing strategic advice to senior management;

(k) approving management's corporate strategy and performance objectives;

(l) determining and financing of dividend payments;

(m) approving and monitoring operating budgets, the progress of major capital expenditure, capital management, acquisitions and divestitures;

(n) approving and monitoring operating budgets, corporate, financial and other reporting systems, including external audit, and overseeing their integrity;

(o) reviewing and ratifying systems of risk management, accountability, internal compliance and control, and legal compliance to ensure appropriate compliance frameworks and controls are in place;

(p) reviewing and overseeing the implementation of the code of conduct for directors, senior executives and all other employees;

(q) approving the charters of the various Board committees;

(r) monitoring and ensuring compliance with all legal and regulatory requirements and ethical standards and policies;

(s) establishing protocols in relation to non-independent Directors of the Board and the development, adoption and monitoring compliance with an environmental, social and governance policy;

(t) monitoring and ensuring compliance with best practice corporate governance requirements;

(u) overseeing the Company's process for making timely and balanced disclosure of all material information concerning the Company that a reasonable person would expect to have a material effect on the price or value of Shares;

(v) satisfying itself that an appropriate framework exists for relevant information to be reported by management to the Board; and

(w) challenging management and holding it to account.

In carrying out its responsibilities and functions, the Board may delegate any of its powers to a Board committee, or sub-committee, a director or other person, subject to ultimate responsibility residing with the Directors. The Board has established a Nomination and Remuneration Committee and Audit, Risk and Compliance Committee, each of which has a separate charter outlining its terms of reference. The Board has also adopted a number of policies including in relation to fraud and corruption, market disclosure and Shareholder communication.

The Board has procedures to allow Directors, in the furtherance of their duties, to seek independent professional advice at the Company's expense.

Responsibility for the day-to-day management and administration of the Group is delegated by the Board to the Chief Executive Officer and the executive team. The Board ensures that the Chief Executive Officer and executive team are appropriately qualified and experienced to discharge their responsibilities. The Board has in place procedures to assess the performance of the Chief Executive Officer and executive team against measurable and qualitative indicators as decided by the Board. The performance of the Board will also be annually reviewed by the Nomination and Remuneration Committee.

# 6. Key individuals, interests and benefits continued

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## 6.12 Board Committees

The Board may from time-to-time establish committees to assist in the discharge of its responsibilities. The Board has established an Audit, Risk and Compliance Committee, Nomination and Remuneration Committee.

### 6.12.1 Audit, Risk and Compliance Committee

Under its charter the Audit, Risk and Compliance Committee should comprise at least three Directors, all being Non-Executive Directors who are financially literate (and at least one of whom is a financial expert) and a majority of independent Directors. All members of this committee must be able to read and understand financial statements and at least one member must be a qualified accountant or other financial professional with experience of financial and accounting matters.

Abigail Cheadle, Russell Ward and Julian Babarczy will be members of the Audit, Risk and Compliance Committee. Abigail Cheadle will act as chairperson of the committee. The terms of their appointment are at the discretion of the Board and vacancies may be filled as they arise.

The Audit, Risk and Compliance Committee may invite other persons it regards as appropriate to attend meetings of the Audit, Risk and Compliance Committee.

The Audit, Risk and Compliance Committee was established by the Board to:

(a) help the Board achieve its objective in relation to:
    (i) financial reporting;
    (ii) the application of accounting policies;
    (iii) overseeing external and internal audit;
    (iv) legal and regulatory compliance; and
    (v) internal control and risk management systems;
(b) maintain and improve the quality, credibility and objectivity of the financial accountability process (including financial reporting on a consolidated basis);
(c) promote a culture of compliance;
(d) ensure effective communication between the Board and senior financial and compliance management;
(e) ensure effective internal and external audit functions (as appropriate) and communication between the Board and the external and internal auditors (as appropriate); and
(f) ensure compliance strategies and the compliance function are effective.

The Audit, Risk and Compliance Committee is directly responsible for a number of functions, including:

(a) assessing the appropriateness and application of the Group's accounting policies and principles and any changes to them, so that they accord with the applicable financial reporting framework;
(b) obtaining an independent judgement from the external auditor about:
    (i) the acceptability and appropriateness of accounting policies and principles put forward by management; and
    (ii) the clarity of current or proposed financial disclosure practices as put forward by management;
(c) assessing any significant estimates or judgements in the financial reports (including those in any consolidated financial statements) by;
    (i) querying management as to how they were made; and
    (ii) querying external auditors as to how they concluded that those estimates were reasonable;
(d) reviewing compliance with all related party disclosures required (where applicable) by accounting standards and the Corporations Act;

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(e) assessing information from internal and external auditors (as appropriate) that may affect the quality of financial reports (for example, actual and potential material audit adjustments, financial report disclosures, non-compliance with laws and regulations, and internal control issues);

(f) reviewing any half-yearly and annual financial reports (including those prepared on a consolidated basis) with management, advisers and the internal and external auditors (as appropriate) to assess (among other things):

  (i) the compliance of accounts with accounting standards and the Corporations Act; and

  (ii) the nature and impact of any changes in accounting policies during the applicable period;

(g) discussing any draft audit opinion letter with the external auditors before it is finalised;

(h) receiving any management letter from the external auditors;

(i) recommending for adoption by the Board interim and final financial reports and the annual report;

(j) reviewing documents and reports to regulators and recommending to the Board their approval or amendment;

(k) following up on any matter raised by the Board regarding financial reports, audit opinions and management letters;

(l) approving and recommending to the Board for acceptance, the terms of engagement with the external auditor at the beginning of each year;

(m) regularly reviewing with the external auditor:

  (i) the scope of the external audit;

  (ii) identified risk areas; and

  (iii) any other agreed procedures;

(n) overseeing the creation, implementation and maintenance of the risk management system and internal control framework;

(o) reviewing the effectiveness of the Company's implementation of its risk management system and internal controls on an ongoing basis;

(p) making recommendations to the Board in relation to changes to the risk appetite set by the Board;

(q) developing an understanding of the overall business environment, relevant laws, regulations and codes of particular significance to the Company and the Company programs in place to provide reasonable assurance of compliance;

(r) reviewing reports on insurance coverage and claims trends; and

(s) providing oversight of the Group's national quality, health, safety and environmental and social performance.

The charter for the Audit, Risk and Compliance Committee also sets out the Company's commitment to assessing and prioritising areas of greatest potential financial risks and reporting to the Board on the adequacy of financial risk management. The Company will review its financial risk management procedures to ensure that it complies with its legal obligations, including assisting the Chief Executive Officer or the Chief Financial Officer to provide the required declaration under section 295A of the Corporations Act and ASX Corporate Governance Principles.

Under its charter the Audit, Risk and Compliance Committee is responsible for approving and recommending to the Board for adoption, policies and procedures for appointing or removing an external auditor and regularly reviewing with the external auditor the scope of the external audit, identified risk areas and other agreed procedures. The Audit, Risk and Compliance Committee is responsible for recommending to the Board for approval the types of non-audit services that the external auditor may provide without impairing or appearing to impair the external auditor's independence.

# 6. Key individuals, interests and benefits continued

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The Board authorises the Audit, Risk and Compliance Committee to seek any information it considers necessary to fulfil its responsibilities. The Audit, Risk and Compliance Committee has access to:

(a) management to seek explanations and information from management; and

(b) internal and external auditors to seek explanations and information from them, without management being present.

The Audit, Risk and Compliance Committee may seek professional advice from employees of the Group and from appropriate external advisers, at the Company's cost.

### 6.12.2 Nomination and Remuneration Committee

Under its charter, the Nomination and Remuneration Committee should comprise of at least three Directors, a majority of whom should be independent Directors. However, the Group recognises that this may not always be practicable given the size of the Board and the circumstances of the Group and the nature of the Group's business. Accordingly, the Board has absolute discretion to determine the appropriate size and composition of the Nomination and Remuneration Committee from time to time.

The chairperson of this committee must be an independent Director.

Julian Babarczy, Abigail Cheadle and Russell Ward will be members of the Nomination and Remuneration Committee. Julian Babarczy will act as chairperson of this committee.

The objective of the committee is to help the Board fulfil its statutory, fiduciary and regulatory responsibilities and achieve its objectives to ensure that the Company:

(a) has a Board of an effective composition, size and commitment to adequately discharge its responsibilities and duties;

(b) has coherent remuneration policies and practices to attract and retain executives and directors who can reasonably be expected to create value for Shareholders;

(c) observes those remuneration policies and practices; and

(d) fairly and responsibly rewards executives having regard to the performance of the Group, the performance of the executives and the general external pay environment.

The Nomination and Remuneration Committee is also responsible for:

(a) identifying and recommending to the Board, nominees for membership of the Board and the Chief Executive Officer;

(b) annually evaluating the performance of the Board, both collectively and individually;

(c) reviewing, approving and recommending to the Board for adoption executive remuneration and incentive policies and practices;

(d) reviewing the remuneration of Non-Executive Directors for serving on the Board and any committee (both individually and in total); and

(e) reviewing any insurance premiums or indemnities for the benefit of directors and officers.

The Nomination and Remuneration Committee will regularly report to the Board about committee activities, issues and related recommendations that require Board attention or approval.

The Nomination and Remuneration Committee may seek professional advice from employees of the Group and from appropriate external advisers, at the Company's cost.

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## 6.13 Company policies

### 6.13.1 Diversity policy

The Company values a diverse workforce and is committed to developing measurable objectives of diversity and inclusion in its workplace subject to applicable equal opportunity laws and associated policies. The Company has implemented a diversity policy, with meritocracy the guiding principle, which is overseen by the Board and which aligns the Company's management systems with the commitment to develop a culture that values and achieves diversity in its workforce and on the Board.

In its annual report, the Company will disclose its objectives for achieving diversity and progress towards the policy's goals and will also disclose the proportion of women in the whole organisation, women in senior positions and women on the Board.

### 6.13.2 Market disclosure policy

Once listed on the ASX, the Company will be required to comply with the continuous disclosure obligations of the ASX Listing Rules and the Corporations Act. Subject to the exceptions in the ASX Listing Rules, the Company will be required to disclose any information to the ASX that is not generally available and which a reasonable person would expect to have a material effect on the price or value of the Shares.

The Company is committed to observing its continuous disclosure obligations under the ASX Listing Rules and the Corporations Act. The Company has adopted a market disclosure policy to take effect from Listing which establishes procedures that are aimed at ensuring the Company fulfils its obligations in relation to the timely disclosure of material price sensitive information. The Chief Executive Officer, in consultation with the Board, will review the market disclosure policy periodically to ensure that it is operating effectively and determine whether any changes are required.

Under the policy, the Board will be responsible for monitoring compliance with the market disclosure policy. The Chief Executive Officer, Chief Financial Officer, company secretary and any other persons nominated by the Board from time to time have the responsibility for managing the Company's compliance with its continuous disclosure obligations. The disclosure officer will be responsible for the disclosure of material information to the ASX and ASIC and must maintain a procedural methodology for disclosure and record keeping. Any items of materiality that require disclosure require the approval of the Chairperson of the Board prior to release.

In addition to being provided to the ASX, continuous disclosure announcements will also be available on the Company's website at https://www.aisltd.com/.

### 6.13.3 Shareholder communications policy

The Board's aim is to provide Shareholders with sufficient information to assess the performance of the Company and to inform them of major developments affecting the affairs of the Company relevant to Shareholders in accordance with all applicable laws. The Company has adopted a shareholders communications policy to take effect from Listing which aims to promote effective communication with its Shareholders and encourage effective participation at general meetings of the Company.

Information will be communicated to Shareholders through the lodgement of all relevant financial and other information with ASX and publishing information on the Company's website.

In particular, the Company's website will contain information about it, including media releases, key policies and the terms of reference of its Board committees. All relevant announcements made to the market and any other relevant information will be posted on the Company's website as soon as they have been released to ASX.

# 6. Key individuals, interests and benefits continued

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### 6.13.4 Securities trading policy

The Company has adopted a securities trading policy which will apply to the Company and its Directors, officers, employees, including those persons having authority and responsibility for planning, directing and controlling the activities of the Company, whether directly or indirectly (i.e. key management personnel) and associates of the Company's Directors, officers and employees (**Associates**).

The policy is intended to explain the types of conduct in relation to dealings in Shares that are prohibited under the Corporations Act and establish procedures in relation to Directors, officers, employees, key management personnel or Associates dealing in Shares.

The securities trading policy defines certain 'trading windows' during which trading in Shares by Directors, officers and certain key management personnel is permitted. Those trading windows are currently defined as during the one month period beginning at the close of trading on the day after the dates on which:

(a) the Company announces its half-yearly results to the ASX;

(b) the Company announces its full year results to the ASX;

(c) the Company holds its annual general meeting (assuming an update of the full year's results is given at the meeting); and

(d) any additional periods determined by the Board from time to time.

In all instances, buying or selling of Shares is not permitted at any time by any person who possesses price-sensitive information. A copy of this securities trading policy will be available on the Company's website.

### 6.13.5 Code of conduct for Directors and senior executives

The Company has been committed to maintaining the highest ethical standards in the conduct of its business activities. The Board recognises the need to observe the highest standards of corporate practice and business conduct. Accordingly, the Board has adopted a formal code of conduct, to take effect from Listing, to be followed by Directors, management and senior executives.

The key aspects of this code are to:

(a) articulate the high standards of honesty, integrity and ethical and law-abiding behaviour expected of Directors and senior executives;

(b) encourage the observance of those standards to protect and promote the interests of Shareholders and other stakeholders (including employees, clients, service providers and creditors);

(c) guide Directors and senior executives as to the practices thought necessary to maintain confidence in the Company's integrity; and

(d) set out the responsibility and accountability of Directors and senior executives to report and investigate any reported violations of this code or unethical or unlawful behaviour.

### 6.13.6 Anti-bribery policy

Any bribery or corruption committed against or by the Company is a major concern to the Company. The Company requires all officers and employees at all times to act honestly and with integrity and to safeguard the Company resources for which they are responsible. The Company is also committed to protecting all revenue, expenditure and assets from any attempt to gain illegal financial or other benefits. Accordingly, the Board has adopted an anti-bribery policy.

The anti-bribery policy applies to all permanent and temporary employees of the Company (including any of its intermediaries, subsidiaries or associated companies) and any individual or corporate entity associated with the company who performs functions in relation to, or for and on behalf of, the Company.

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The purpose of the policy is to protect the assets and reputation the Company by:

(a) ensuring compliance with anti-bribery laws, rules and regulations (within any jurisdiction in which the Group may carry out its business or in which its business may be connected);

(b) enabling employees and associated persons to understand the risks associated with bribery and to encourage them to be vigilant and effectively recognise, prevent and report any wrongdoing;

(c) providing suitable and secure reporting and communication channels and ensuring that any reported information is properly and effectively dealt with;

(d) creating and maintaining a rigorous and effective framework for dealing with any suspected instances of bribery or corruption; and

(e) reinforcing the requirement for all directors, employees and associated persons of the Company to prevent, detect and report any suspected bribery or corruption and encourage the reporting of any instance of bribery or corruption.

### 6.13.7 Whistleblower policy

The Company is committed to a culture of corporate compliance and high ethical behaviour. Accordingly, the Company has adopted a whistleblower policy which sets out information about the types of conduct that should be reported, the type of disclosures that qualify for protection, the protections available to whistleblowers, the procedures for reporting conduct, how the Company will investigate disclosures and support whistleblowers and protect them from detriment and how the Company will ensure fair treatment of employees who are the subject of or are mentioned in disclosures. Officers and employees of the Group, individuals who are an associate of a Group Member and individuals who supply goods or services to Group or employees of a supplier are 'eligible whistleblowers' and will be protected by the policy and the protections under the Corporations Act and the *Taxation Administration Act 1953* (Cth) for whistleblowers. Additional public interest disclosure policies have also been adopted for certain jurisdictions to comply with the laws of those jurisdictions.

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# 7. Details of the Offer



# 7. Details of the Offer

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## 7.1 The Offer

This Prospectus relates to an initial public offering of Shares at an offer price of $1.00 per Share (**Offer Price**). The Offer contained in this Prospectus is an invitation to apply for 90,000,000 New Shares offered by the Company and 60,000,000 Sale Shares offered by AIH SaleCo (the **Offer**). The funds raised from the issue of the New Shares will be retained by the Company and the funds raised from the sale of the Sale Shares by AIH SaleCo will be transferred to the relevant Existing Owners.

The total number of Shares on issue at Completion of the Offer will be 422,343,593[86] and all Shares will rank equally in all respects with the Shares currently on issue. A summary of the rights attaching to the Shares is set out in Section 9.12.

The Offer is made on the terms, and is subject to the conditions, set out in this Prospectus.

## 7.2 AIH SaleCo structure

Certain Existing Owners have irrevocably offered to sell a portion of their Shares (i.e. in aggregate the Sale Shares) to AIH SaleCo free from encumbrances and third party rights and have undertaken to deliver those Sale Shares to or as directed by AIH SaleCo on Completion of the Offer and subject only to:

(a) payment of the consideration due to them; and

(b) the receipt by AIH SaleCo of proper instruments of transfer of and any documents of title to the Sale Shares.

The gross proceeds of the sale of the Sale Shares by AIH SaleCo is expected to be $60,000,000.

## 7.3 Structure of the Offer

The Offer is comprised of:

- the Broker Firm Offer, is open to persons who have received a firm allocation from their Broker and who have a registered address in Australia;
- the Chairman's List Offer, which is open to selected investors in Australia who have received an invitation under the Chairman's List Offer; and
- the Institutional Offer, which consists of an offer to certain Institutional Investors in Australia and certain other eligible foreign jurisdictions.

No general public offer of Shares will be made under the Offer. The allocation of Shares between the Broker Firm Offer, Chairman's List Offer and Institutional Offer, will be determined by agreement between the Company and the Joint Lead Managers.

86. This does not include the Employee Shares issued on Completion of the Offer. Refer to Section 6.7.4 for further information.

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## 7.4 Important Dates

| | |
|---|---|
| Prospectus Date | 22 September 2025 |
| Opening Date of Offer | 22 September 2025 |
| Closing Date of Offer | 1 October 2025 |
| Restructure | 14 October 2025 |
| Settlement | 20 October 2025 |
| Transfer and allotment | 21 October 2025 |
| Expected dispatch of holding statements | 22 October 2025 |
| Shares expected to begin trading on ASX (on a normal settlement basis) | 30 October 2025 |

The above dates other than the Prospectus Date are subject to change and are indicative only. The Company and AIH SaleCo reserve the right to vary the dates and times of the Offer, including to close the Offer early, extend the Offer or accept late Applications, without notifying any recipient of this Prospectus or any Applicants. Applicants are encouraged to submit their Applications as early as possible.

## 7.5 Purpose of the Offer and use of funds

The purpose of the Offer is to:

(a) allow Existing Owners to realise part of their investment through the selldown;

(b) provide the Company with funding to accelerate its inorganic growth strategy by pursuing acquisition opportunities that fit its criteria of providing additional geographic access, provide new or enhanced technologies, allow for immediate margin accretion or synergy and are a cultural and operational fit; and

(c) provide the Company with enhanced access to public markets to support future growth, creating the ability for the Company's Shares to be traded and enabling the company to offer listed scrip as consideration for future acquisitions.

The proceeds of the Offer will be applied as follows::

(a) $78.8 million for M&A strategy, of which $33.2 million will be used for the repayment of debt funding used for the Ovun acquisition[87] (representing 52.5% of the Offer proceeds);

(b) $60 million for partial Existing Owner selldown, of which $32.8 million is for the redesignation and payment of preferred equity in AIH UK[88] (representing 21.9% of the Offer proceeds); and

(c) $11.2 million for transaction costs associated with the IPO (representing 7.5% of the Offer proceeds).

The Offer is fully underwritten.

87. Refer to Section 3.7.3 for the Company' acquisition strategy.
88. The redesignation and repayment of preferred equity through the selldown relates to the 2024 management led buy out of Growth Capital Partners from the Group. As part of the buy out, certain preferred ordinary shares were issued to certain Existing Owners to partially fund the buy out. As part of the Restructure, these preferred equity shares are to be redesignated to ordinary shares immediately prior to Listing. Further information regarding the Restructure is outlined in Section 9.3.

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## 7.6 Shareholding Structure

Details of the ownership of Shares on Completion of the Offer are set out in Figure 7.3.

*Figure 7.3: Details of ownership of Shares on Completion of the Offer*

| | On Completion of the Offer | | | |
|---|---|---|---|---|
| Shareholder[89] | Shares[90] | % | Performance Rights[91] | % fully diluted[92] |
| Andrew Bennion | 30,922,264 | 7.3% | 506,401 | 7.4% |
| Simon Shepherd | 193,443,110 | 45.8% | 251,060 | 45.7% |
| Other Existing Owners | 45,943,392 | 10.9% | 704,655 | 11.0% |
| Other Directors | 2,034,827 | 0.5% | – | 0.5% |
| New Shareholders | 150,000,000 | 35.5% | – | 35.4% |
| **Total Securities on Issue** | **422,343,593** | **100.0%** | **1,462,116** | **100.0%** |

Details of the Shares that will be subject to escrow arrangements are set out in Section 7.7.

## 7.7 Escrow arrangements

Certain Existing Owners who are involved in the continuing management of the Group (**Escrowed Shareholders**) have agreed to hold their remaining Shares after Listing under escrow agreements (**Escrow Arrangements**). Under the Escrow Arrangements, the Escrowed Shareholders have undertaken not to dispose of any interest in or to grant any security over:

(a) 50% of the Shares held by them in aggregate from Listing until 30 September 2026; and

(b) the remaining 50% of the Shares held by them in aggregate from Listing until 30 September 2027,

(the **Escrow Periods**).

The purpose of the Escrow Arrangements is to align the interests of the Escrowed Shareholders with those of new Shareholders and to promote an orderly market for the Shares by preventing any further selldown of Escrowed Shares by the Escrowed Shareholders during the relevant Escrow Periods.

In total, 259,249,827 Shares held by Escrowed Shareholders will be subject to the Escrow Arrangements.

During the Escrow Periods, the Escrowed Shareholders may 'deal' with their existing Escrowed Shares if the dealing arises in connection with, among other things:

(a) acceptance of a bona fide takeover bid for all of the Shares on issue made under Chapter 6 of the Corporations Act, provided the holders of at least 50% of the non-escrowed Shares have accepted the takeover offer and the restricted Shares continue to be restricted if the relevant bid does not become unconditional or does not otherwise proceed;

(b) the transfer or cancellation of Shares as part of a compromise or scheme of arrangement relating to the Company under Part 5.1 of the Corporations Act, provided that the restricted Shares continue to be restricted if the relevant scheme does not take effect;

89. Including any associates and controlled entities of the Shareholder.
90. This assumes the completion of the Restructure and does not include the Employee Shares issued on Completion of the Offer.
91. This is the number of unvested Performance Rights which will be issued to certain executives under the LTI Plan as described in Sections 6.6 and 6.7.2. The actual number of unvested Performance Rights which will vest for the relevant executives will depend on whether and the extent to which, the vesting conditions attaching to those Performance Rights, are satisfied or otherwise vest.
92. This column excludes any impact from the Employee Shares issued on Completion of the Offer. The Employee Shares will be offered to employees of the Group under the AIH Equity Plan as described in Section 6.7.4. As noted in Section 6.7.4, up to a maximum of 5 million Shares may be issued however the actual number of Shares to be issued is unknown as it depends on employee participation in the Employee Equity Offer.

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(c) a disposal of, but not the creation of a security interest in, some of all of the Escrowed Shares, in circumstances where:

(i) the disposal does not involve any change in the beneficial ownership of the Escrowed Shares; and

(ii) the transferee, each of its controllers and the Company also enters into an escrow arrangement with the Company in respect of those securities on substantially the same terms as the Escrow Arrangements for the remainder of the Escrow Period in respect of the relevant Escrowed Shares;

(d) an equal access buy back or capital return or reduction made in accordance with the Corporations Act;

(e) the death or incapacity of the relevant Existing Shareholder; or

(f) a dealing required by applicable law (including an order of a Court of competent jurisdiction).

For the purposes of the escrow arrangements, 'dealing' is broadly defined and means to directly or indirectly:

(a) dispose of, or agree or offer to dispose of, a restricted security or any legal, beneficial or economic interest in that restricted security;

(b) create, or agree to create, any security interest in a restricted security or any legal, beneficial or economic interest in that restricted security;

(c) enter into any option which, if exercised, enables or requires the relevant security holder to sell, assign, transfer or otherwise dispose of that restricted security; or

(d) do, or omit to do, any act if the act or omission would have the effect of transferring effective ownership or control of that restricted security or any legal, beneficial or economic interest in that restricted security,

but does not include or restrict the exercise of any voting rights for the restricted securities.

## 7.8 Control implications of the Offer

Following Completion, Simon Shepherd (through associated entities) will have an interest in approximately 45.8% of the Shares on issue. See Section 5 for the risks associated with the Existing Owners exerting material influence over AIH.

Refer also to the table in Section 1.7 for expected shareholdings on Completion of the Offer.

## 7.9 Potential effect of the Offer on the future of the Company

The Directors believe that, on Completion of the Offer, the Company will have sufficient funds available from the cash proceeds of the Offer to fulfil the purposes of the Offer and meet the Company's stated business objectives.

## 7.10 Key terms and conditions of the Offer

The key terms and conditions of the Offer are summarised below.

| | |
|---|---|
| **What is the type of security being offered?** | Shares, being fully paid ordinary shares in the capital of the Company. |
| **What are the rights and liabilities attached to the security being offered?** | A description of the Shares, including the rights and liabilities attaching to them, is set out in Section 9.12. |

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| | |
|---|---|
| **What is the consideration payable for each Share being offered?** | The Offer Price is $1.00 per Share. |
| **What are some key conditions of the Offer?** | The Offer is conditional on the Restructure completing and the Listing. |
| **What is the Offer Period?** | The key dates, including details of the Offer Period, are set out in Section 7.4 and in the Key Offer Information Section. |
| **How much is to be raised under the Offer?** | Up to $150 million will be raised under the Offer. |
| **Is the Offer underwritten?** | The Offer is fully underwritten. |
| **What is the minimum and maximum Application size under the Offers?** | The minimum Application under the Offers is 2,000 Shares and in multiples of 500 Shares thereafter, as directed by the Applicant's Broker.<br>The Company and AIH SaleCo reserve the right to reject any Application or to allocate a lesser number of Shares than applied.<br>There is no maximum number or value of Shares that may be applied for under the Offers. |
| **What is the allocation policy?** | The allocation of Shares under the Offers will be determined by agreement between the Company and the Joint Lead Managers.<br>For further information on the Offers see Sections 7.2, 7.11.5 and 7.12.5. |
| **Will the Shares be listed?** | The Company will apply to the ASX for admission to the Official List and quotation of its Shares on the ASX under the code 'AIH'.<br>Completion of the Offer is conditional on, among other things, the ASX approving the application. If approval is not given within three months after the application is made (or any longer period permitted by law), the Offer will be withdrawn and all Application Monies received will be refunded without interest as soon as practicable in accordance with the requirements of the Corporations Act. |
| **When are the Shares expected to commence trading?** | Details are provided in Section 7.4. |
| **When will I receive confirmation that my Application has been successful?** | It is expected that initial holding statements will be dispatched by standard post on or around 22 October 2025. |

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| | |
|---|---|
| **Are there any escrow arrangements?** | Yes. Details are provided in Section 7.7. |
| **Is there brokerage, commission or stamp duty considerations?** | No brokerage, commission or stamp duty is payable by Applicants on acquisition of Shares under the Offer. |
| **Are there any tax considerations?** | Yes. Please refer to Section 9.9 for general tax advice and note that it is recommended that all potential investors consult their own independent tax advisers regarding the income tax, capital gains tax, stamp duty and GST consequences of acquiring, owning and disposing of Shares, having regard to their specific circumstances. |
| **What should you do with any enquiries?** | All enquiries in relation to this Prospectus should be directed to the AIH Information Line on 1300 737 760 (toll free within Australia) or +61 2 9290 9600 (from outside Australia) between 8.15am and 5.30pm (Melbourne time) Monday to Friday.<br><br>If you require assistance to complete the Application Form, require additional copies of this Prospectus, have any questions in relation to the Offer or you are uncertain as to whether obtaining Shares is a suitable investment for you, you should seek professional advice from your stockbroker, solicitor, accountant, tax adviser financial adviser or other independent professional adviser before deciding whether to invest. |

## 7.11 Broker Firm Offer

### 7.11.1 Who can apply?

The Broker Firm Offer is open to Australian and New Zealand resident retail and sophisticated non-institutional clients of Brokers who have a registered address in Australia or New Zealand respectively and who have received an invitation from a Broker to acquire Shares under this Prospectus, and who are not in the United States. If you have been offered a firm allocation by a Broker, you will be treated as an Applicant under the Broker Firm Offer in respect of that allocation. You should contact your Broker to determine whether they may allocate Shares to you under the Broker Firm Offer.

### 7.11.2 How to apply?

Applications for Shares may only be made on an Application Form attached to or accompanying this Prospectus which may be downloaded in its entirety from www.aihipo.com.au. If you are an investor applying under the Broker Firm Offer, you should complete and lodge your Application Form with the Broker from whom you received your firm allocation. Application Forms must be completed in accordance with the instructions given to you by your Broker and the instructions set out on the Application Form.

By making an Application, you declare that you were given access to this Prospectus (and any supplementary or replacement Prospectus), together with an Application Form. The Corporations Act prohibits any person from passing an Application Form to another person unless it is attached to, or accompanied by, a hard copy of this Prospectus or the complete and unaltered electronic version of this Prospectus.

Applications under the Broker Firm Offer must be for a minimum of $2,000 worth of Shares and in multiples of $500 worth of Shares thereafter (rounded down to the nearest whole Share based on the Offer Price). There is no maximum value of Shares that may be applied for under the Broker Firm Offer. However, the Company, AIH SaleCo and the Joint Lead Managers reserve the right to aggregate any Applications which they believe may be multiple Applications from the same person or reject or scale back any Applications (or aggregation of Applications) in the Broker Firm Offer which are for more than $250,000. The Company and AIH SaleCo may determine a person to be eligible to participate in the Broker Firm Offer, and may amend or waive the Broker Firm Offer Application procedures or requirements, in its discretion in compliance with applicable laws.

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Applicants under the Broker Firm Offer must lodge their Application Form and Application Monies with the relevant Broker in accordance with the relevant Broker's directions in order to receive their firm allocation. Applicants under the Broker Firm Offer must not send their Broker Firm Offer Application Forms to the Share Registry. The Broker Firm Offer opens on 22 September 2025 and is expected to close at 5.00pm (Melbourne time) on 1 October 2025.

The Company, AIH SaleCo and the Joint Lead Managers may elect to extend the Offer (or any part of it) or accept late Applications either generally or in particular cases without further notice. The Offer (or any part of it) may be closed at any earlier date and time, without further notice (subject to the ASX Listing Rules and the Corporations Act). Your Broker may also impose an earlier closing date. Applicants are therefore encouraged to submit their Applications as early as possible. Please contact your Broker for instructions.

### 7.11.3 How to pay?

Applicants under the Broker Firm Offer must pay their application amounts to their broker in accordance with instructions provided by their broker.

### 7.11.4 Acceptance of Applications

An Application in the Broker Firm Offer is an offer by an Applicant to the Company and AIH SaleCo to apply for the Australian dollar amount of Shares specified in the Application Form at the Offer Price on the terms and conditions set out in this Prospectus (including any supplementary or replacement prospectus) and the Application Form. To the extent permitted by law, an Application by an Applicant under the Offer may not be varied and is irrevocable.

An Application may be accepted in respect of the full number of Shares specified on the Application Form or any lesser amount, without further notice to the Applicant. Acceptance of an Application will give rise to a binding contract on allocation of Shares to successful Applicants conditional on the quotation of Shares on the ASX.

### 7.11.5 Broker Firm Offer allocation policy

Shares that are allocated to Brokers for allocation to their eligible Australian and New Zealand resident clients will be issued to the Applicants nominated by those Brokers (subject to the right of the Company, AIH SaleCo and the Joint Lead Managers to reject, aggregate or scale back Applications).

It will be a matter for each Broker (and not the Company, AIH SaleCo or the Joint Lead Managers) to determine how they allocate Shares among their eligible retail clients.

## 7.12 Chairman's List Offer

### 7.12.1 Who can apply?

The Chairman's List Offer is open to investors who have received an invitation to participate in the Chairman's List Offer from AIH and AIH SaleCo.

### 7.12.2 How to apply?

If you have received an invitation to participate in the Chairman's List Offer from AIH and AIH SaleCo and Application Form, you will be separately advised of the application procedures under the Chairman's List Offer.

To apply to participate in the Chairman's List Offer, Applicants must complete the Application Form in accordance with the instructions provided on the Application Form.

The Chairman's List Offer is expected to close at 5.00pm (Melbourne time) on the Closing Date of the Offer.

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### 7.12.3 How to pay?

Applicants under the Chairman's List Offer must pay their Application Monies in accordance with the instructions received from AIH and AIH SaleCo.

### 7.12.4 Acceptance of Applications

An Application in the Chairman's List Offer is an offer by an Applicant to AIH and AIH SaleCo to apply for Shares in the amount specified on the Application Form at the Offer Price on the terms and conditions set out in this Prospectus (including any supplementary or replacement prospectus). To the extent permitted by law, an Application by an Applicant under the Offer is irrevocable. Acceptance of an Application will give rise to a binding contract on allocation of Shares to successful Applicants conditional on the quotation of Shares on ASX and commencement of unconditional trading.

### 7.12.5 Chairman's List allocation policy

AIH and AIH SaleCo have sole discretion to determine the allocation of Shares to Applicants under the Chairman's List Offer and may reject an Application or allocate fewer Shares than applied for. Applicants are not entitled to a minimum number of Shares under the Chairman's List Offer.

## 7.13 Institutional Offer

### 7.13.1 Invitations to bid

The Institutional Offer consisted of an invitation to certain Institutional Investors in Australia and certain other jurisdictions to bid for an allocation of Shares. The Joint Lead Managers separately advised Institutional Investors of the Application procedures for the Institutional Offer.

### 7.13.2 Allocation policy under the Institutional Offer

The allocation of Shares among Applicants in the Institutional Offer was determined by agreement between the Joint Lead Managers and the Company. The Joint Lead Managers and the Company had absolute discretion regarding the basis of allocation of Shares among Institutional Investors.

Participants in the Institutional Offer have been advised of their allocation of Shares, if any, by the Joint Lead Managers.

The allocation policy was influenced, but not constrained, by the following factors:

(a) the number of Shares bid for by particular Applicants;

(b) the likelihood that particular Applicants will be long term Shareholders;

(c) the Company's desire for an informed and active trading market following Listing;

(d) the size and type of funds under management of particular Applicants;

(e) the investment style of particular Applicants;

(f) the timeliness of the bid by particular Applicants;

(g) the Company's desire to establish a wider spread of institutional Shareholders;

(h) the anticipated level of demand under the Broker Firm Offer, Chairman's List Offer and the Institutional Offer; and

(i) any other factors that the Company and the Joint Lead Managers considered appropriate.

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## 7.14 Acknowledgements of Applicants

By submitting an Application, each Applicant under the Offer acknowledges and agrees as follows:

(a) that the Applicant personally received a printed or electronic copy of this Prospectus (and any supplementary or replacement Prospectus) including or accompanied by the Application Form and read each document in full;

(b) that the Applicant has received and completed their Application Form in accordance with this Prospectus and the instructions on the Application Form;

(c) that all details provided and statements in their Application Form are complete and accurate and not misleading (including by omission);

(d) declared that the Applicant(s), if a natural person, is/are over 18 years of age;

(e) that, after the Company, AIH SaleCo or a Joint Lead Manager receives an Application Form, it may not be withdrawn;

(f) that it has applied for the number of Shares (or equivalent dollar amount) shown on the front of the Application Form;

(g) to being allocated and issued or transferred the number of Shares applied (or a lower number allocated in a way described in this Prospectus), or no Shares at all;

(h) to become a member of the Company and to be bound by the terms of the Constitution and the terms and conditions of the Offer;

(i) that the Company, AIH SaleCo, the Joint Lead Managers and their respective officers or agents, are authorised to do anything on behalf of the Applicant(s) necessary for Shares to be allocated to the Applicant(s), including to act on instructions received by the Registry on using the contact details in the Application Form;

(j) that, in some circumstances, the Company may not pay dividends, or that any dividends paid may not be franked;

(k) that the information contained in this Prospectus (or any supplementary or replacement Prospectus) is not financial product advice or a recommendation that Shares are suitable for the Applicant(s), given the investment objectives, financial situation or particular needs (including financial and taxation issues) of the Applicant(s);

(l) that the Applicant(s) is/are a resident of Australia (except as applicable to the Institutional Offer, Broker Firm Offer and Chairman's List Offer), or otherwise satisfies the requirements in Section 7;

(m) that the Offer may be withdrawn by the Company or AIH SaleCo and/or may otherwise not proceed in the circumstances described in this Prospectus;

(n) that if either the Restructure or the Listing do not occur for any reason, the Offer will not proceed.

(o) by submitting an Application, each Applicant in the Offer will be taken to have represented, warranted and agreed as follows:

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(p) it understands that the Shares have not been, and will not be, registered under the US Shares Act or the Shares laws or of any state of the United States and may not be offered, sold or resold, pledged or transferred in the United States or to US Persons, except in accordance with the US Securities Act regulation requirements or in a transaction exempt from, or not subject to, registration under the US Securities Act and any other applicable state securities laws;

(q) it is not in the United States or a US Person;

(r) it has not sent and will not send this Prospectus or any other material relating to the Offer to any person in the United States;

(s) it is purchasing the Shares in an offshore transaction meeting the requirements of Regulation S; and

(t) it will not offer or sell the Shares in the United States or in any other jurisdiction outside Australia except in transactions exempt from, or not subject to, registration requirements of the US Securities Act and in compliance with all applicable laws in the jurisdiction in which Shares are offered and sold.

## 7.15 Discretion regarding the Offer

The Company and AIH SaleCo may withdraw the Offer at any time before settlement and the issue or transfer of Shares to successful Applicants. If the Offer, or any part of it, does not proceed, all relevant Application Monies will be refunded (without interest).

The Company and AIH SaleCo also reserve the right to close the Offer or any part of it early, extend the Offer or any part of it, accept late Applications either generally or in particular cases, reject any Application, or allocate to any Applicant fewer Shares than they have applied.

## 7.16 Restrictions on distribution

No action has been taken to register or qualify this Prospectus, the Shares or the Offer or otherwise to permit a public offering of the Shares in any jurisdiction outside Australia.

This Prospectus does not constitute an offer or invitation for issue or sale of Shares in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or invitation or issue under this Prospectus.

This Prospectus may not be released or distributed in the United States or elsewhere outside Australia, unless it has attached to it the selling restrictions applicable in the jurisdictions outside Australia and may only be distributed to persons to whom the Chairman's List Offer may lawfully be made in accordance with the laws of any applicable jurisdiction.

The Shares have not been, and will not be, registered under the US Securities Act or the securities laws of any state or other jurisdiction of the United States and may not be offered or sold, directly or indirectly, in the United States.

Each Applicant under the Offer will be taken to have represented, warranted and agreed as follows:

(a) it understands that the Shares have not been, and will not be, registered under the US Securities Act or the securities laws of any state of the United States and may not be offered, sold or resold in the United States;

(b) it is not in the United States;

(c) it has not and will not send this Prospectus or any other material relating to the Offer to any person in the United States; and

(d) it will not offer or sell the Shares in the United States or in any other jurisdiction outside Australia.

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## 7.17 ASX Listing, registers and holding statements

### 7.17.1 Application to the ASX for Listing and Quotation of Shares

The Company will apply within seven days of the Prospectus Date for admission to the Official List of the ASX and quotation of the Shares on the ASX. The Group's ASX code will be 'AIH'.

The ASX takes no responsibility for this Prospectus or the investment to which it relates. The fact that the ASX may admit the Company to the Official List is not to be taken as an indication of the merits of the Company or the Shares offered for subscription.

If the Company does not make such an application within seven days after the date of this Prospectus, or if permission is not granted for the Official Quotation of Shares on the ASX within three months after the Prospectus Date (or any later date permitted by law), all Application Monies received by the Company will be refunded (without interest) as soon as practicable in accordance with the requirements of the Corporations Act.

The Company will be required to comply with the ASX Listing Rules, subject to certain conditions (including any waivers obtained by the Company from time-to-time).

### 7.17.2 CHESS and issuer-sponsored holdings

The Company will apply to participate in the ASX's Clearing House Electronic Sub-register System (**CHESS**) and will comply with ASX Listing Rules and ASX Settlement Operating Rules. CHESS is an electronic transfer and settlement system for transactions in securities quoted on the ASX under which transfers are effected in an electronic form.

When the Shares become approved financial products (defined in the ASX Settlement Operating Rules), holdings will be registered in one of two sub-registers, an electronic CHESS sub-register or an issuer-sponsored sub-register. For all successful Applicants, the Shares of a Shareholder who is a participant in CHESS or a Shareholder sponsored by a participant in CHESS will be registered on the CHESS sub-register. All other Shares will be registered on the issuer-sponsored sub-register.

Following Completion, Shareholders will be sent a holding statement that sets out the number of Shares that have been allocated to them. This statement will also provide details of a Shareholder's Holder Identification Number (**HIN**) for CHESS holders or, where applicable, the Shareholder Reference Number (**SRN**) of issuer-sponsored holders. Shareholders will subsequently receive statements showing any changes to their Shareholding. Certificates will not be issued.

Shareholders will receive subsequent statements at the end of each month if there has been a change to their holding on the register and as otherwise required under ASX Listing Rules and the Corporations Act. Additional statements may be requested at any other time either directly through the Shareholder's sponsoring Broker in the case of a holding on the CHESS sub-register or through the Share Registry in the case of a holding on the issuer-sponsored sub-register. The Share Registry may charge a fee for these additional statements.

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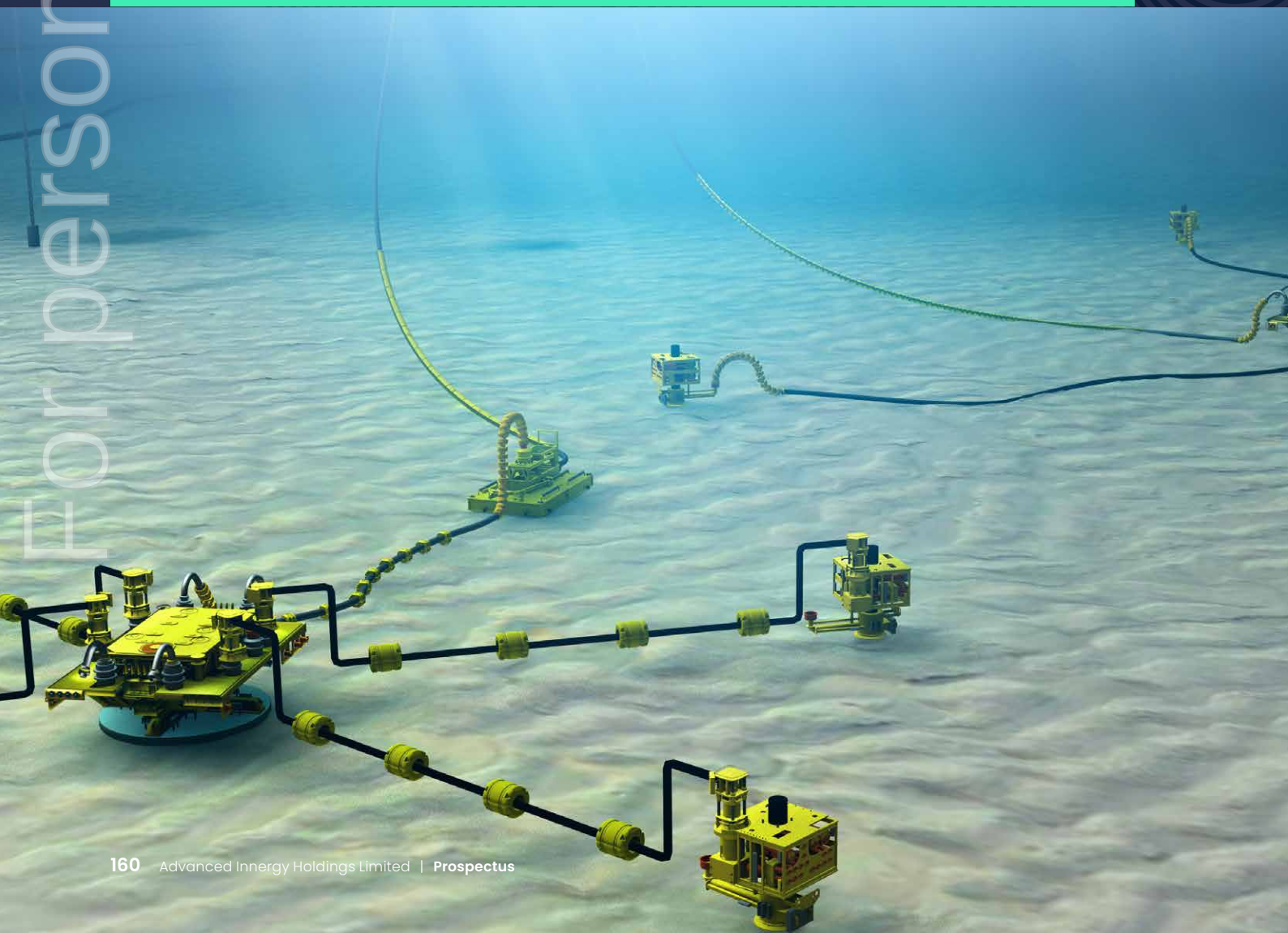
# 8. Investigating Accountant's report



# 8. Investigating Accountant's report

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Grant Thornton

The Board of Directors
Advanced Innergy Holdings Limited ACN 687 262 479
Level 8
210 George Street
Sydney, NSW 2000

**Grant Thornton Corporate Finance Pty Ltd**
Level 22
Collins Square, Tower 5
727 Collins Street
Melbourne VIC 3008

The Board of Directors
AIH SaleCo Limited ACN 688 300 245
Level 8
210 George Street
Sydney, NSW 2000

22 September 2025

Dear Directors

**INDEPENDENT LIMITED ASSURANCE REPORT AND FINANCIAL SERVICES GUIDE**

**Introduction**

This report has been prepared at the request of the directors of Advanced Innergy Holdings Limited ("AIH") and its controlled entities (with AIH, "the Group") and AIH SaleCo Limited ("SaleCo") for inclusion in the Prospectus dated on or around 22 September 2025 (the "Prospectus") in respect of the initial public offering of fully paid ordinary shares in AIH ("the Offer") and admission to the Australian Securities Exchange.

Grant Thornton Corporate Finance Pty Ltd ("Grant Thornton Corporate Finance") holds an Australian Financial Services Licence (AFS Licence Number 247140). This report is both an Independent Limited Assurance Report, the scope of which is set out below, and a Financial Services Guide, as attached at **Appendix A**.

Expressions defined in the Prospectus have the same meaning in this report, unless otherwise specified.

**Scope**

Grant Thornton Corporate Finance has been engaged by the Directors to perform a limited assurance engagement in relation to the following statutory historical, pro forma historical and statutory forecast and pro forma forecast consolidated financial information of the Group included in Section 4 of the Prospectus:



Grant Thornton Corporate Finance Pty Ltd ABN 59 003 265 987 ACN 003 265 987 (holder of Australian Financial Services Licence No. 247140), a subsidiary or related entity of Grant Thornton Australia Limited ABN 41 127 556 389 ACN 127 556 389. 'Grant Thornton' refers to the brand under which the Grant Thornton member firms provide assurance, tax and advisory services to their clients and/or refers to one or more member firms, as the context requires. Grant Thornton Australia Limited is a member firm of Grant Thornton International Ltd (GTIL). GTIL and the member firms are not a worldwide partnership. GTIL and each member firm is a separate legal entity. Services are delivered by the member firms. GTIL does not provide services to clients. GTIL and its member firms are not agents of, and do not obligate one another and are not liable for one another's acts or omissions. In the Australian context only, the use of the term 'Grant Thornton' may refer to Grant Thornton Australia Limited ABN 41 127 556 389 ACN 127 556 389 and its Australian subsidiaries and related entities. Liability limited by a scheme approved under Professional Standards Legislation.

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***Statutory Consolidated Historical Financial Information***

- The consolidated historical statement of profit and loss and other comprehensive income for the year ended 30 September 2022 ("FY22"), year ended 30 September 2023 ("FY23"), year ended 30 September 2024 ("FY24") and the six months ended 31 March 2025 ("FY25H1") with the six months ended 31 March 2024 comparative information ("FY24H1") which are included in Section 4.3 of the Prospectus;
- The consolidated historical statement of cash flows for FY22, FY23, FY24 and FY25H1 with FY24H1 comparative information which are included in Section 4.5 of the Prospectus and
- The consolidated historical statement of financial position as at 31 March 2025 which is included in Section 4.6 of the Prospectus;

(together the "Statutory Consolidated Historical Financial Information").

***Pro Forma Consolidated Historical Financial Information***

- The pro forma consolidated historical statement of profit or loss and other comprehensive income for FY22, FY23, FY24 and FY25H1 with FY24H1 comparative information which are included in Section 4.3 of the Prospectus together with a reconciliation to the Statutory Consolidated Financial Information which is included in Section 4.3 of the Prospectus;
- The pro forma consolidated historical statement of cash flows for FY22, FY23, FY24 and FY25H1 with FY24H1 comparative information which are included in Section 4.5 of the Prospectus together with a reconciliation to the Statutory Consolidated Financial Information which is included in Section 4.5 of the Prospectus; and
- The pro forma consolidated historical statement of financial position as at 31 March 2025 and the pro forma adjustments applied as at that date which is included in Section 4.6 of the Prospectus.

(together the "Pro Forma Consolidated Historical Financial Information"),

(Collectively the Statutory Consolidated Historical Financial Information and Pro Forma Consolidated Historical Financial Information is referred to as the "Historical Financial Information").

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

The Historical Financial Information has been prepared for inclusion in the Prospectus and has been derived from the audited financial statements of AIH for FY22, FY23 and FY24 and the reviewed financial statements of AIH for the six months ended 31 March 2025. The consolidated financial statements of AIH were audited and reviewed by RSM UK Audit LLP in accordance with International Standards on Auditing (UK) (ISAs UK) and applicable law. The audit opinions and review conclusion issued to the Directors in respect of FY22, FY23, FY24 and FY25H1 were unmodified.

As described in Section 4.2 of the Prospectus the stated basis of preparation is the recognition and measurement principles of UK-adopted International Accounting Standards and the Group's adopted accounting policies.

The Pro Forma Consolidated Historical Financial Information has been derived from the Statutory Consolidated Historical Financial Information after adjusting for the effects of the pro forma adjustments described in Section 4.3, 4.5 and 4.6 of the Prospectus (the "Pro Forma Adjustments"). The stated basis of preparation is the recognition and measurement principles of UK-adopted International Accounting Standards and the Group's adopted accounting policies applied to the Pro Forma Adjustments as if those events or transactions had occurred as at the date of the Statutory Consolidated Historical Financial Information. Due to its nature, the Pro Forma Consolidated Historical Financial Information does not represent the Group's actual or prospective financial position, financial performance or cash flows.



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***Statutory Consolidated Forecast Financial Information***

- the Statutory consolidated forecast statement of profit and loss and other comprehensive income for the twelve months ending 30 September 2025 ("FY25F") and the twelve months ending 30 September 2026 ("FY26F") which is included in Section 4.3 of the Prospectus;
- the statutory consolidated forecast statement of cash flows for FY25F and FY26F which is included in Section 4.5 of the Prospectus;

(together the "Statutory Consolidated Forecast Financial Information").

***Pro Forma Consolidated Forecast Financial Information***

- The pro forma consolidated statement of profit and loss and other comprehensive income for FY25F and FY26F which is included in Section 4.3 of the Prospectus;
- the pro forma forecast consolidated statement of cash flows for FY25F and FY26F which is included in Section 4.5 of the Prospectus;

(together the "Pro forma Consolidated Forecast Financial Information").

(the Statutory Consolidated Forecast Financial Information and the Pro forma Consolidated Forecast Financial Information together form the "Forecast Financial Information")

The Directors' best estimate assumptions underlying the Forecast Financial Information are described in Section 4.2(c) and Section 4.8 of the Prospectus. The stated basis of preparation used in the preparation of the Forecast Financial Information is the recognition and measurement principles of UK-adopted International Accounting Standards and the Group's adopted accounting policies.

The Forecast Financial Information has been prepared by management and adopted by the Directors in order to provide prospective investors with a guide to the potential financial performance of the Group for FY25F and FY26F. There is a considerable degree of subjective judgement involved in preparing forecasts since they relate to events and transactions that have not yet occurred and may not occur. Actual results are likely to be different from the Forecast Financial Information since anticipated events or transactions frequently do not occur as expected and the variations may be material.

The Directors' best estimate assumptions on which the Forecast Financial Information is based relate to future events and/or transactions that management expect to occur and actions that management expect to take, and are also subject to uncertainties and contingencies, which are often outside the control of the Group. Evidence may be available to support the assumptions on which the Forecast Financial Information is based, however such evidence is generally future orientated and therefore speculative in nature. We are therefore not in a position to express a reasonable assurance conclusion on those best estimate assumptions, and accordingly, provide a lesser level of assurance on the reasonableness of the Directors' best estimate assumptions. We do not express any opinion on the achievability of the results. The limited assurance conclusion expressed in this report has been formed on the above basis.

Prospective investors should be aware of the material risks and uncertainties relating to an investment in the Group, which are detailed in Section 5 of the Prospectus, and the inherent uncertainty relating to the prospective financial information. Accordingly prospective investors should have regard to the investment risks set out in Section 5 of the Prospectus and sensitivities set out in Section 4.9 of the Prospectus. The sensitivity analysis set out in Section 4.9 of the Prospectus demonstrates the impacts on the Forecast Financial Information of changes in key assumptions. The Forecast Financial Information is therefore only indicative of the financial performance which may be achievable. We express no opinion as to whether the Forecast Financial Information will be achieved.

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**Directors' Responsibility**

The Directors are responsible for:

- the preparation and presentation of the Statutory Historical Financial Information and Pro Forma Historical Financial Information including the selection and determination of the pro forma adjustments made to the Statutory Historical Financial Information and included in the Pro Forma Historical Financial Information;
- the preparation of the Forecast Financial Information, including the best estimate assumptions underlying the Forecast Financial Information and the selection and determination of the pro forma adjustments made to the Statutory Forecast Financial Information and included in the Pro Forma Forecast Financial Information; and
- the information contained within the Prospectus.

This responsibility includes for the operation of such internal controls as the Directors determine are necessary to enable the preparation of the Statutory Historical Financial Information, Pro Forma Historical Financial Information and Forecast Financial Information that are free from material misstatement, whether due to fraud or error.

**Our Responsibility**

Our responsibility is to express a limited assurance conclusion on the Statutory Consolidated Historical Financial Information, Pro Forma Consolidated Historical Financial Information, Statutory Consolidated Forecast Financial Information and Pro Forma Consolidated Forecast Financial information, based on the procedures performed and evidence we have obtained. We have conducted our engagement in accordance with the Standard on Assurance Engagements ASAE 3450: "Assurance Engagements involving Corporate Fundraisings and/ or Prospective Financial Information".

A limited assurance engagement consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A limited assurance engagement is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain reasonable assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly we will not express an audit opinion.

Our engagement did not involve updating or re-issuing any previously issued audit or review report of the Group used as a source of the financial information.

We have performed the following procedures as we, in our professional judgement, considered reasonable in the circumstances.

***Statutory Consolidated Historical Financial Information and Pro Forma Consolidated Historical Financial Information***

- consideration of work papers, accounting records and other documents, including those dealing with the extraction of the Statutory Consolidated Historical Financial Information from the audited financial statements of the Group covering FY22, FY23 and FY24 and the reviewed financial statements of the Group for FY25H1;
- consideration of the appropriateness of the pro forma adjustments described in Section 4.3, 4.5 and 4.6 of the Prospectus;
- enquiry of the Directors, management and others in relation to the Statutory Consolidated Historical Financial Information and Pro Forma Consolidated Historical Financial Information;
- analytical procedures applied to the Statutory Consolidated Historical Financial Information and Pro Forma Consolidated Historical Financial Information;
- a review of the work papers, accounting records and other documents of the Group and its auditors; and

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- a review of the consistency of the application of the stated basis of preparation and adopted accounting policies as described in the Prospectus used in the preparation of the Statutory Consolidated Historical Financial Information and Pro Forma Consolidated Historical Financial Information.

***Forecast Financial Information***

- enquiries, including discussions with management and Directors of the factors considered in determining the assumptions used in the preparation of the Forecast Financial Information;
- analytical and other review procedures we considered necessary including examination, on a test basis, of evidence supporting the assumptions, amounts and other disclosures in the Forecast Financial Information;
- review of the accounting policies adopted and used in the preparation of the Forecast Financial Information; and
- consideration of the pro forma adjustments applied to the Statutory Forecast Financial Information in preparing the Pro Forma Forecast Financial Information.

Our limited assurance engagement has not been carried out in accordance with auditing or other standards and practices generally accepted in any jurisdiction outside of Australia and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

We have assumed, and relied on representations from certain members of management of the Group, that all material information concerning the prospects and proposed operations of the Group has been disclosed to us and that the information provided to us for the purpose of our work is true, complete and accurate in all respects. We have no reason to believe that those representations are false.

**Conclusion**

***Statutory Consolidated Historical Financial Information and Pro Forma Consolidated Historical Financial Information***

Based on our limited assurance engagement, which is not an audit, nothing has come to our attention that causes us to believe that the Statutory Consolidated Historical Financial Information and Pro forma Consolidated Historical Financial Information is not presented fairly, in all material respects, in accordance with the stated basis of preparation and the pro forma adjustments as described in Section 4.3, 4.5 and 4.6 of the Prospectus.

***Statutory Consolidated Forecast Financial Information***

Based on our limited assurance engagement, which is not an audit, nothing has come to our attention that causes us to believe that:

i. the Directors' best estimate assumptions used in the preparation of the Statutory Consolidated Forecast Financial Information do not provide reasonable grounds for the Statutory Consolidated Forecast Financial Information;

ii. in all material respects, the Statutory Consolidated Forecast Financial Information:

   a. is not prepared on the basis of the Directors' best estimate assumptions as described in Section 4.2(c) and Section 4.8 of the Prospectus;

   b. is not presented fairly in accordance with the stated basis of preparation, being the accounting policies adopted and used by the Group and the recognition and measurement principles in conformity with Australian Accounting Standards; and

iii. the Statutory Consolidated Forecast Financial Information itself is unreasonable.

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***Pro Forma Consolidated Forecast Financial Information***

Based on our limited assurance engagement, which is not an audit, nothing has come to our attention that causes us to believe that:

i. the Directors' best estimate assumptions used in the preparation of the Pro Forma Consolidated Forecast Financial Information do not provide reasonable grounds for the Pro Forma Consolidated Forecast Financial Information;

ii. in all material respects, the Pro Forma Consolidated Forecast Financial Information:

   a. is not prepared on the basis of the Directors' best estimate assumptions as described in Section 4.2(c) and Section 4.8 of the Prospectus;

   b. is not presented fairly in accordance with the stated basis of preparation, being the accounting policies adopted and used by the Group and the recognition and measurement principles in conformity with Australian Accounting Standards, applied to the Statutory Consolidated Forecast Financial Information and the Pro Forma Adjustments as if those adjustments had occurred prior to 31 March 2025; and

iii. the Pro Forma Consolidated Forecast Financial Information itself is unreasonable.

**Restriction on Use**

Without modifying our conclusion, we draw your attention to Section 4.1 and Section 8 of the Prospectus which describes the purpose of the Financial Information, being for inclusion in the Prospectus. As a result, this Independent Limited Assurance Report may not be suitable for another purpose.

**Consent**

Grant Thornton Corporate Finance consents to the inclusion of this Independent Limited Assurance Report in the Prospectus in the form and context in which it is included.

**Liability**

The liability of Grant Thornton Corporate Finance is limited to the inclusion of this report in the Prospectus. Grant Thornton Corporate Finance makes no representation regarding, and has no liability, for any other statements or other material in, or omissions from the Prospectus.

**Independence or Disclosure of Interest**

Grant Thornton Corporate Finance does not have any pecuniary interests that could reasonably be regarded as being capable of affecting its ability to give an unbiased conclusion in this matter. Grant Thornton Corporate Finance will receive a professional fee for the preparation of this Independent Limited Assurance Report.

Yours faithfully,

GRANT THORNTON CORPORATE FINANCE PTY LTD



Peter Thornely
Director



Tamaryn Goldin
Director

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# Appendix A (Financial Services Guide)

This Financial Services Guide is dated 7July 2025.

## 1 About us

Grant Thornton Corporate Finance Pty Ltd (ABN 59 003 265 987, Australian Financial Services Licence no 247140) (Grant Thornton Corporate Finance) has been engaged by Advanced Innergy Holdings Limited ("AIH" or "the Group") and AIH SaleCo Limited ("SaleCo") to provide a report in the form of an Independent Limited Assurance Report (the "Report") for inclusion in a Prospectus dated on or about 22 September 2025 (the "Prospectus") relating to the offer of fully paid ordinary shares in the Group (the "Offer") and admission to the Australian Securities Exchange. You have not engaged us directly but have been provided with a copy of the Report as a retail client because of your connection to the matters set out in the Report.

## 2 This Financial Services Guide

This Financial Services Guide (FSG) is designed to assist retail clients in their use of any general financial product advice contained in the Report. This FSG contains information about Grant Thornton Corporate Finance generally, the financial services we are licensed to provide, the remuneration we may receive in connection with the preparation of the Report, and how complaints against us will be dealt with.

## 3 Financial services we are licensed to provide

Our Australian financial services licence allows us to provide a broad range of services, including providing financial product advice in relation to various financial products such as securities and superannuation products and deal in a financial product by applying for, acquiring, varying or disposing of a financial product on behalf of another person in respect of securities and superannuation products.

## 4 General financial product advice

The Report contains only general financial product advice. It was prepared without taking into account your personal objectives, financial situation or needs. You should consider your own objectives, financial situation and needs when assessing the suitability of the Report to your situation. You may wish to obtain personal financial product advice from the holder of an Australian Financial Services Licence to assist you in this assessment.

Grant Thornton Corporate Finance does not accept instructions from retail clients. Grant Thornton Corporate Finance provides no financial services directly to retail clients and receives no remuneration from retail clients for financial services. Grant Thornton Corporate Finance does not provide any personal financial product advice directly to retail investors nor does it provide market-related advice directly to retail investors.

## 5 Fees, commissions and other benefits we may receive

Grant Thornton Corporate Finance charges fees to produce reports, including the Report. These fees are negotiated and agreed with the entity which engages Grant Thornton Corporate Finance to provide a report. Fees are charged on an hourly basis or as a fixed amount depending on the terms of the agreement with the person who engages us. In the preparation of this Report, Grant Thornton Corporate Finance will receive from the Group a fee of $502,000 (excluding GST and time costs), which is based on commercial rates plus reimbursement of out-of-pocket expenses.

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Partners, Directors, employees or associates of Grant Thornton Corporate Finance, or its related bodies corporate, may receive dividends, salary or wages from Grant Thornton Australia Ltd.

None of those persons or entities receive non-monetary benefits in respect of, or that is attributable to, the provision of the services described in this FSG.

## 6 Referrals

Grant Thornton Corporate Finance - including its Partners, Directors, employees, associates and related bodies corporate - does not pay commissions or provide any other benefits to any person for referring customers to us in connection with the reports that we are licensed to provide.

## 7 Associations with issuers of financial products

Grant Thornton Corporate Finance and its Partners, Directors, employees or associates and related bodies corporate may from time to time have associations or relationships with the issuers of financial products. For example, Grant Thornton Australia Ltd may be the auditor of, or provide financial services to the issuer of a financial product and Grant Thornton Corporate Finance may provide financial services to the issuer of a financial product in the ordinary course of its business.

In the context of the Report, Grant Thornton Corporate Finance considers that there are no such associations or relationships which influence in any way the services described in this FSG.

## 8 Independence

Grant Thornton Corporate Finance is required to be independent of AIH and AIH SaleCo Limited in order to provide this Report. The following information in relation to the independence of Grant Thornton Corporate Finance is stated below.

*"Grant Thornton Corporate Finance and its related entities do not have at the date of this Report, and have not had within the previous two years, any shareholding in or other relationship with AIH Limited (and associated entities) and AIH SaleCo Limited that could reasonably be regarded as capable of affecting its ability to provide an unbiased opinion in relation to the Offer.*

*Grant Thornton Corporate Finance has no involvement with, or interest in the outcome of the Offer, other than the preparation of this Report.*

*Grant Thornton Corporate Finance will receive a fee based on commercial rates for the preparation of this Report. This fee is not contingent on the outcome of the Offer. Grant Thornton Corporate Finance's out of pocket expenses in relation to the preparation of the Report will be reimbursed. Grant Thornton Corporate Finance will receive no other benefit for the preparation of this Report.*

## 9 Complaints

Grant Thornton Corporate Finance has an internal complaint handling mechanism and is a member of the Australian Financial Complaints Authority (AFCA) (membership no. 11800). All complaints must be in writing and addressed to the Head of Corporate Finance at Grant Thornton Corporate Finance. We will endeavour to resolve all complaints within 30 days of receiving the complaint. If the complaint has not been satisfactorily dealt with, the complaint can be referred to AFCA who can be contacted at:

**Australian Financial Complaints Authority**

GPO Box 3
Melbourne, VIC 3001
Telephone: 1800 931 678 (free call)

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Email: info@afca.org.au

Grant Thornton Corporate Finance is only responsible for the Report and FSG. Grant Thornton Corporate Finance will not respond in any way that might involve any provision of financial product advice to any retail investor.

## 10 Compensation arrangements

Grant Thornton Corporate Finance has professional indemnity insurance cover under its professional indemnity insurance policy. This policy meets the compensation arrangement requirements of section 912B of the Corporations Act, 2001.

## 11 Contact Details

Grant Thornton Corporate Finance can be contacted by sending a letter to the following address:

Head of Corporate Finance

Grant Thornton Corporate Finance Pty Ltd

Level 26 Grosvenor Place, 225 George Street

Sydney, NSW, 2000

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# 9. Additional information



# 9. Additional information

## 9.1 Registration

The Company was incorporated in Victoria, Australia on 18 June 2025 as a public company limited by shares.

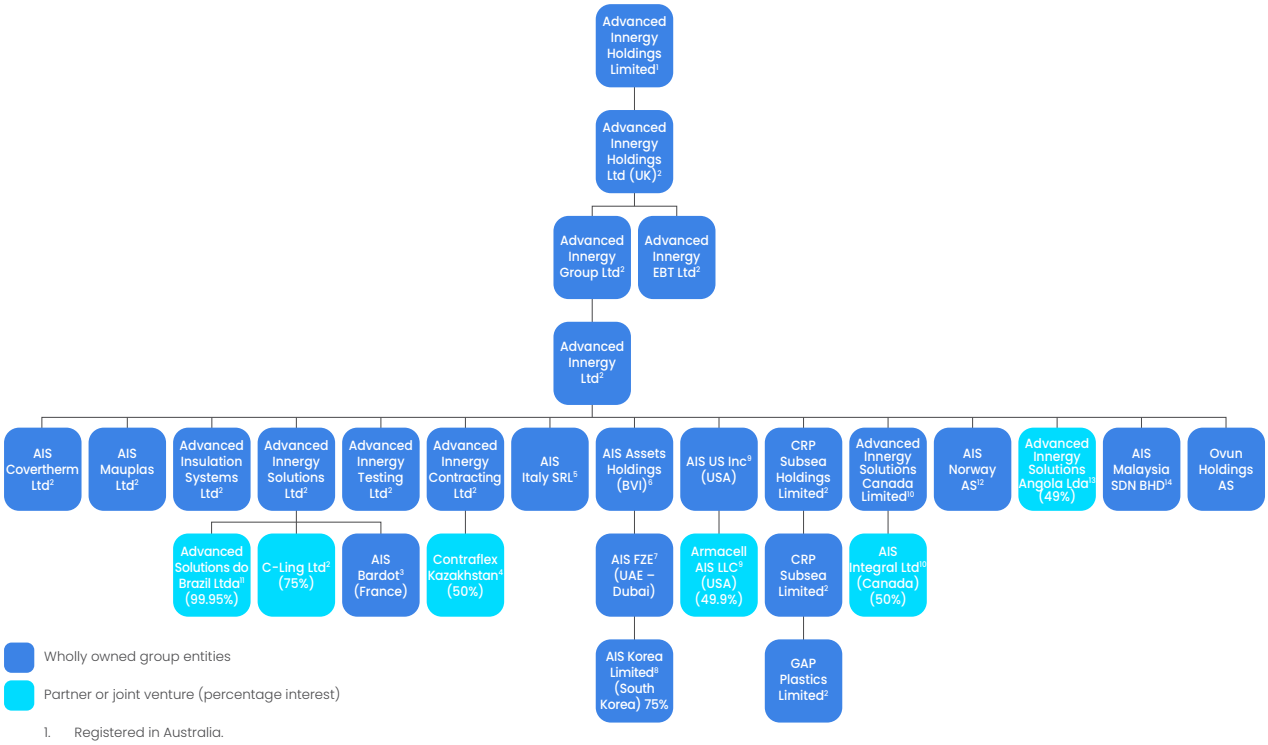
## 9.2 Tax status and financial year

The Company expects to be taxed in Australia as a public company. The financial year of the Company will end on 30 September annually.

## 9.3 Corporate structure and Restructure

The following diagram shows the corporate structure of the Group on Completion of the Offer.

*Figure 9.1: Group structure*




1. Registered in Australia.
2. Registered in England/Wales.
3. Registered in France.
4. Registered in Kazakhstan.
5. Registered in Italy.
6. Registered in the British Virgin Islands.
7. Registered in UAE.
8. Registered in South Korea.
9. Registered in the United States of America.
10. Registered in Canada.
11. Registered in Brazil.
12. Registered in Norway.
13. Registered in Angola.
14. Registered in Malaysia.

As at the date of this Prospectus, the current parent company of the Group is AIH UK, being a company incorporated under the laws of England and Wales and a UK resident company. AIH UK has multiple classes of share capital, consisting of A1, A2 and B ordinary shares and A, B and C preferred ordinary shares.

Prior to Listing, the various share classes in AIH UK will be redesignated (or collapsed) to form a single class of ordinary shares and those ordinary shares will be exchanged for Shares, with the Company becoming the ultimate holding company of the Group (**Restructure**).

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More particularly, the Restructure will involve the following steps:

(a) the various classes of shares in the capital of AIH UK will be redesignated into a single class of ordinary shares. This will involve a subdivision of A1, A2 and B ordinary shares, bonus issue of these share classes and a simple redesignation of those share classes to an equivalent number of ordinary shares;

(b) A, B and C preferred ordinary shares will also be redesignated to ordinary shares, however this will involve a preliminary step of reducing the nominal value and subdividing the A, B and C preferred ordinary shares;

(c) the bonus issue and subdivisions will align the capital structure of AIH UK with the Company's capital structure prior to the issue of new Shares under this Prospectus; and

(c) the Company will then acquire 100% of the ordinary shares in AIH UK from the existing shareholders in exchange for newly issued Shares on a 1 for 1 basis.

Various amendments will be made to the AIH UK constitutional documents to facilitate the above steps.

As at the date of this Prospectus, the Restructure has not been completed and will occur shortly prior to settlement of the proceeds of the Offer under this Prospectus and the Group having a reasonable belief that the Listing will proceed.

## 9.4 AIH SaleCo and Sale Shares

AIH SaleCo has been established so that the Existing Owners can sell a portion of their Shares (i.e. in aggregate the Sale Shares) and realise that part of their investment in the Company. Each relevant Existing Owner has entered into an irrevocable offer deed (**Irrevocable Offer Deed**) in favour of AIH SaleCo under which they irrevocably offer until 31 December 2025 to sell their respective Sale Shares to AIH SaleCo (or as it directs) free from encumbrances and third party rights and to deliver the Sale Shares to (or as directed by) AIH SaleCo. The total number of Sale Shares is 60,000,000.

The Sale Shares which AIH SaleCo agrees to acquire from the relevant Existing Owners on its acceptance of each Irrevocable Offer Deed will be transferred to successful Applicants allocated Sale Shares under the Offer. The price payable for the Sale Shares will be the Offer Price.

AIH SaleCo has no material assets, liabilities or operations other than its interest under the Irrevocable Offer Deed and the SaleCo Indemnity Deed (under which the Company indemnifies AIH SaleCo and its directors against any loss or liability that they may suffer or incur as a result of the Offer). The directors of AIH SaleCo are Abigail Cheadle, Julian Babarczy, Andrew Bennion and Simon Shepherd. The sole shareholder of AIH SaleCo is Andrew Bennion. The Company has agreed to provide such resources and support as are necessary to enable AIH SaleCo to discharge its functions in relation to the Offer and under the SaleCo Indemnity Deed has agreed to pay AIH SaleCo's costs in respect of the Offer.

## 9.5 Material contracts

The Directors do not consider that there are any contracts which are significant or material to the Company other than those disclosed in this Prospectus.

Summaries of material contracts set out in this Prospectus, do not purport to be complete and are qualified by the text of the contracts themselves.

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### 9.5.1 Underwriting Agreement

The Offer is fully underwritten by the Joint Lead Managers under an agreement dated on or about the date of the Prospectus between the Joint Lead Managers, the Company, AIH SaleCo and AIH UK (**Guarantor**) (**Underwriting Agreement**). The Joint Lead Managers have agreed to manage and underwrite the Offer in accordance with the terms of the Underwriting Agreement.

For the purposes of this Section 9.5.1, 'Offer Documents' means the documents issued or published by or on behalf of the Company and SaleCo in respect of or relating to the Offer including:

(a) the pathfinder Prospectus and any document which supplements or replaces the pathfinder Prospectus (including any addendum to the pathfinder Prospectus);

(b) the Prospectus, any application form and any supplementary prospectus;

(c) any bookbuild confirmation letter, broker firm confirmation letter and a confirmation of allocation and registration form (**CARD Form**);

(d) any cover email sent by or on behalf of the Company or SaleCo to eligible institutional investors outside of Australia in connection with the Institutional Offer and bookbuild;

(e) the marketing roadshow presentation; and

(f) any public announcement issued by the Company or SaleCo in connection with the Offer used or made after the Prospectus lodgement date and up to and including the date the Company commences trading on the ASX.

For the purposes of this Section 9.5.1, all capitalised terms have the same meaning as given in the Underwriting Agreement.

#### Fees and expenses

On the Settlement Date and subject to the provisions of the Underwriting Agreement, the Company and SaleCo must pay to the Joint Lead Managers:

- a selling and management fee of 0.75% of the Offer proceeds; and
- an underwriting fee of 2.25% of the Offer proceeds.

The Joint Lead Managers' fees will be payable as a deduction from the total Offer proceeds.

In addition to the fees described above, the Company and SaleCo have agreed to reimburse the Joint Lead Managers for certain agreed costs and expenses incurred by the Joint Lead Managers in relation to the Offer. Any amounts due and payable by the Company to a Joint Lead Manager for more than 30 days after the date of the invoice will incur interest.

#### Termination events not subject to materiality

A Joint Lead Manager may, at any time after the date of the Underwriting Agreement until or on the settlement date (**Completion**) (or such other time as specified in such event), terminate the Underwriting Agreement without cost or liability by notice to the Company, AIH SaleCo and the Guarantor and the other Joint Lead Manager if any of the following events occurs or has occurred at any time before Completion:

(a) (**disclosures in Prospectus and Pathfinder**) the Prospectus does not comply with the Corporations Act or a statement included in the Prospectus or the Pathfinder is or becomes misleading or deceptive or likely to mislead or deceive, or there is an omission from the Prospectus or any Supplementary Prospectus of material required to be included in it (including, without limitation, having regard to the provisions of Part 6D.2 of the Corporations Act, the ASX Listing Rules or any other applicable law or regulation);

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(b) (**Supplementary Prospectus**) the Company and AIH SaleCo:

(i) issue or, in the reasonable opinion of that Lead Manager are required to issue, a Supplementary Prospectus because of the operation of section 719(1) of the Corporations Act; or

(ii) lodge a Supplementary Prospectus with ASIC in a form and substance that has not been approved by that Joint Lead Manager in circumstances required by clause 7.6 of the Underwriting Agreement;

(c) (**market fall**) at any time the S&P/ASX 200 Index falls to a level that is 88.15% or less of the level as at the close of trading on the date of this agreement and closes at or below that level on:

(i) at least 2 consecutive Business Days prior to the Settlement Date; or

(ii) the Business Day immediately prior to the Settlement Date;

(d) (**Share Sale Deeds**) any of the Share Sale Deeds (being the Irrevocable Offer Deeds) are:

(i) terminated or rescinded, or otherwise cease to have effect; or

(ii) in any material respect, altered or amended, breached or failed to be complied with without the prior written consent of the Joint Lead Managers;

(e) (**Restriction Agreements**) any of the Restriction Agreements are withdrawn, varied, terminated, rescinded, altered or amended, breached or are failed to be complied with without the prior written consent of the Joint Lead Managers;

(f) (**Restructure Agreement**) the Restructure Agreement is withdrawn, varied, terminated, rescinded, altered or amended, breached or failed to be complied, or otherwise ceases to have effect without the prior written consent of the Joint Lead Managers, with or a Restructure Condition is not satisfied by the time required for its satisfaction;

(g) (**fraud**) any of the Company, the Guarantor, AIH SaleCo or any of their directors or officers (as those terms are defined in the Corporations Act), engage or have engaged, or have been alleged by a Governmental Agency to have engaged, in any fraudulent conduct or activity whether or not in connection with the Offer;

(h) (**listing and quotation**) approval is refused or not granted, or approval is granted subject to conditions that are not customary in that Joint Lead Manager's opinion (acting reasonably), to:

(i) the Company's admission to the official list of ASX on or before the Settlement Date; or

(ii) the quotation of the Shares on ASX or for the Shares to be traded through CHESS on or before the Trading Date,

or if granted, the approval is subsequently withdrawn, qualified (other than by customary conditions in the reasonable opinion of that Joint Lead Manager) or withheld;

(i) (**notifications**) any of the following notifications are made in respect of the Offer or an Offer Document:

(i) ASIC issues an order (including an interim order) under section 739 of the Corporations Act and any such inquiry or hearing is not withdrawn within 2 Business Days or if it is made within 2 Business Days of the Settlement Date it has not been withdrawn by the Business Day before the Settlement Date;

(ii) ASIC holds, or gives written notice that it will hold, a hearing under section 739(2) of the Corporations Act;

(iii) an application is made by ASIC for an order under Part 9.5 of the Corporations Act in relation to the Offer or an Offer Document or ASIC commences any investigation or hearing under Part 3 of the ASIC Act in relation to the Offer or an Offer Document, and any such application, inquiry or hearing is not withdrawn within 2 Business Days or if it is made within 2 Business Days of the Settlement Date it has not been withdrawn by the Business Day before the Settlement Date;

(iv) any person who has previously consented to the inclusion of its name in the Prospectus (other than that Joint Lead Manager) withdraws that consent; or

(v) any person gives a notice under section 730 of the Corporations Act in relation to the Prospectus (other than that Joint Lead Manager, co-lead manager or co-manager);

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(j) (**certificate**) the Company, the Guarantor or AIH SaleCo does not provide the Closing Certificate as and when required by this agreement;

(k) (**Material Contract**) if any of the obligations of the relevant parties under a Material Contract are not capable of being performed in accordance with their terms (in the reasonable opinion of the terminating Joint Lead Manager) or if all or any part of a Material Contract:

(i) is terminated, withdrawn, rescinded, avoided or repudiated;

(ii) is altered, amended or varied without the consent of the Lead Managers (such consent to be unreasonably withheld or delayed);

(iii) is breached, or there is a failure by a party to comply which in either case is not waived;

(iv) ceases to have effect, otherwise than in accordance with its terms; or

(v) is or becomes void, voidable, illegal, invalid or unenforceable (other than by reason only of a party waiving any of its rights);

(l) (**withdrawal**) the Company or AIH SaleCo withdraws the Prospectus, any Supplementary Prospectus or all or any part of the Offer, or indicates that it does not intend to proceed with the Offer or any part of the Offer;

(m) (**Timetable**) an event specified in the Timetable up to and including the Settlement Date is delayed by more than 2 Business Days (other than in accordance with the underwriting);

(n) (**unable to issue or transfer Offer Shares**) the Company is prevented from issuing, or AIH SaleCo is prevented from transferring, the Offer Shares, by applicable laws, an order of a court of competent jurisdiction or a Governmental Agency, within the time required by the Timetable (as varied in accordance with the underwriting agreement), the Prospectus, the ASX Listing Rules, any ASX Waivers, the Corporations Act;

(o) (**repayment of application moneys**) any circumstance arises after lodgement of the Prospectus with ASIC that results in the Company either repaying the money received from applicants or offering applicants an opportunity to withdraw their applications for Offer Shares and be repaid their application moneys;

(p) (**force majeure**) there is an event or occurrence, including any statute, order, rule, regulation, directive or request of any Governmental Agency which makes it illegal for a Joint Lead Manager to satisfy a material obligation of this agreement, or to market, promote or settle the Offer;

(q) (**change to Company**) the Company or the Guarantor:

(i) alters the issued capital of a Group Member (other than pursuant to the Restructure or as otherwise expressly disclosed in the Prospectus lodged with ASIC on the Lodgement Date or expressly contemplated by this agreement); or

(ii) disposes or attempts to dispose of a substantial part of the business or property of the Group,

without the prior written approval of the Joint Lead Managers;

(r) (**insolvency events**) any Group Member or AIH SaleCo is or becomes Insolvent, or there is an act or omission which is reasonably likely to result in a Group Member or AIH SaleCo becoming Insolvent;

(s) (**regulatory approvals**) a regulatory body withdraws, revokes or amends any regulatory approvals required for the Company, the Guarantor or AIH SaleCo to perform its obligations under this agreement such that the Company, the Guarantor or AIH SaleCo are rendered unable to perform their respective obligations under this agreement;

(t) (**change in management**) any Key Person or director of the Company or AIH SaleCo vacates his or her office (or announces an intention to do so);

(u) (**prosecution**) any of the following occurs:

(i) a director or proposed director of the Company or AIH SaleCo is charged with an indictable offence;

(ii) any Governmental Authority commences any public action against the Company, the Guarantor, any other Group Member or AIH SaleCo or any of their respective directors in their capacity as a director of that entity, or announces that it intends to do so; or

(iii) any director of the Company or AIH SaleCo is disqualified from managing a corporation under Part 2D.6 of the Corporations Act.

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### Termination events subject to materiality

A Joint Lead Manager may, at any time after the date of the Underwriting Agreement until Completion (or such other time as specified in such event), terminate the Underwriting Agreement without cost or liability by notice to the Company, AIH SaleCo and the Guarantor and the other Joint Lead Manager if any of the following events occurs or has occurred at any time before Completion, and if a Joint Lead Manager has reasonable grounds to believe that the events below:

(a) has, or is likely to have, a materially adverse effect on:

  (i) the success, settlement, outcome or marketing of the Offer;

  (ii) the ability of the Joint Lead Managers to market, promote or settle the Offer;

  (iii) the willingness of investors to subscribe for shares under the Offer; or

  (iv) the likely price at which Shares will trade on ASX; or

(b) will, or is likely to, give rise to a liability of the Joint Lead Manager or its affiliates under, or a contravention by the Joint Lead Manager or its affiliates of, any applicable law.

These events include:

(a) (**compliance with law**) any of the Offer Documents or any aspect of the Offer does not comply with the Corporations Act, the ASX Listing Rules, or any other applicable law or regulation;

(b) (**new circumstances**) there occurs a new circumstance that arises after the Prospectus is lodged, that would have been required to be included in the Prospectus if it had arisen before lodgement;

(c) (**forecasts**) there are not, or there ceases to be, reasonable grounds (in the opinion of that Joint Lead Manager (acting reasonably)) for any forecast, expression of opinion, belief, intention, expectation, statement or estimate in the Prospectus or Pathfinder which relate to a future matter or any forecast, expression of opinion, belief, intention, expectation, statement or estimate in the Prospectus or Pathfinder which relate to a future matter is, in the opinion of that Joint Lead Manager (acting reasonably), unlikely to be met in the projected timeframe (including in each case financial forecasts);

(d) (**misleading certificate**) a statement in the Closing Certificate is false, misleading, inaccurate or untrue or incorrect;

(e) (**constitution**) the Company varies any term of its constitution (other than as contemplated by the Prospectus) without the prior written consent of the Joint Lead Managers (acting reasonably) or the Company does not comply with its constitution;

(f) (**disclosures in Public Information and other Offer Documents**) a statement in any of the Public Information or Offer Documents (other than the Prospectus or Pathfinder) is or becomes false, misleading or deceptive or is likely to mislead or deceive, or there is an omission from the Public Information or Offer Documents (other than the Prospectus or Pathfinder) of material required by the Corporations Act or any other applicable law to be included;

(g) (**disclosures in the Due Diligence Report**) the Due Diligence Report is, or becomes, false, misleading or deceptive, including by way of omission;

(h) (**information supplied**) any information supplied (including any information supplied prior to the date of this agreement) by or on behalf of a Group Member to the Lead Managers in connection with the Group or the Offer is, or is found to be, false, misleading or deceptive or likely to mislead or deceive (including by omission);

(i) (**legal proceedings**) either of the following occurs:

  (i) the commencement of legal proceedings against the Company, the Guarantor, any other Group Member or AIH SaleCo or against any director of any of them in that capacity; or

  (ii) a Governmental Agency withdraws, revokes or amends in an adverse manner any Authorisation necessary to the conduct of the Group's business.

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(j) (**adverse change**) an event occurs which is, or is likely to give rise to:

(i) an adverse change in the assets, liabilities, financial position or performance, profits, losses or prospects of the Company, AIH SaleCo or the Group (taken as a whole) from those disclosed in the Prospectus lodged with ASIC on the Lodgement Date; or

(ii) an adverse change in the nature of the business conducted by the Group as disclosed in the Prospectus lodged with ASIC on the Lodgement Date;

(k) (**debt facilities**) other than as expressly disclosed in the Pathfinder and the Prospectus lodged with ASIC on the Lodgement Date, there occurs an event of default, a review event which gives a lender or financier the right to accelerate or require repayment of the debt of financing, or any similar event, under or with respect to any such debt facility agreement;

(l) (**breach of laws**) there is a contravention by the Company or AIH SaleCo or any entity in the Group of the Corporations Act, the *Competition and Consumer Act 2010* (Cth), the ASIC Act, its constitution, the ASX Listing Rules or any other applicable law or regulation;

(m) (**representations and warranties**) a representation, warranty, undertaking or obligation contained in this agreement on the part of the Company, the Guarantor or AIH SaleCo is breached, becomes not true or correct or is not performed;

(n) (**breach**) the Company, the Guarantor or AIH SaleCo defaults on one or more of its undertakings or obligations under this agreement;

(o) (**Encumbrances**) other than as expressly disclosed in the Pathfinder and the Prospectus lodged with ASIC on the Lodgement Date, a Group Member charges or agrees to charge or creates any Encumbrance (other than a Permitted Encumbrance) over, the whole, or a substantial part of its business or property;

(p) (**change of law**) 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 authority, including ASIC, adopts or announces a proposal to adopt a new policy (other than a law or policy which has been announced before the date of this agreement) which directly or indirectly affects the Company, the Guarantor, AIH SaleCo or the Offer;

(q) (**hostilities**) in respect of any one or more of Australia, New Zealand, the United States, the United Kingdom, the People's Republic of China, the Hong Kong Special Administrative Region, Singapore or any member state of the European Union:

(i) hostilities not presently existing involving any of the above countries commence (whether war is declared or not);

(ii) a major escalation in existing hostilities involving any of the above countries occurs (whether war is declared or not);

(iii) a declaration is made of a national emergency or there is a major escalation of a national emergency involving any of the above countries; or

(iv) a major terrorist act is perpetrated in any of the above countries;

(r) (**hostilities involving Ukraine and India**) in respect of the conflicts involving Ukraine and India that are ongoing as at the date of this agreement:

(i) chemical, nuclear or biological weapons of any sort are used; or

(ii) the military of any member state of the North Atlantic Treaty Organisation becomes directly involved;

(s) (**hostilities involving Israel and Iran**) in respect of the conflicts involving Ukraine, India, Israel and Iran that are ongoing as at the date of this agreement chemical, nuclear or biological weapons of any sort are used; and

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(t) (**disruption in financial markets**) any of the following occurs:

(i) a general moratorium on commercial banking activities in Australia, New Zealand, the Hong Kong Special Administrative Region, Singapore, the United States, the United Kingdom or any member state of the European Union (**Specified Jurisdictions**) 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;

(ii) any adverse effect on the financial markets in a Specified Jurisdiction or in foreign exchange rates or any development involving a prospective change in political, financial or economic conditions in any of those countries; or

(iii) trading in all securities quoted or listed on ASX, the London Stock Exchange, the New York Stock Exchange, NASDAQ or the Hong Kong Stock Exchange is suspended for at least 1 day on which that exchange is open for trading.

### Representations, warranties and conditions precedents

The Underwriting Agreement contains certain standard representations, warranties and undertakings by the Company, AIH SaleCo and the Guarantor to the Joint Lead Managers (as well as common conditions precedent, including due diligence, lodgement of the Prospectus, relevant Escrowed Shareholders entering into the restriction agreements, entering into Restructure documentation and ASIC, ASX and other regulatory approvals). Further undertakings include a moratorium on certain customary actions from the date of the Underwriting Agreement until 120 days after Completion.

### Indemnity

Subject to certain customary exclusions (including after being finally judicially determined to have primarily resulted from the gross negligence, wilful misconduct, recklessness or fraud of an indemnified party), the Company and AIH SaleCo unconditionally and irrevocably agree to keep the Joint Lead Managers and certain affiliated parties indemnified from Losses related directly or indirectly to the Offer, the Offer Documents or the Underwriting Agreement.

## 9.5.2 Banking Facilities

### Description of the Senior Facilities

Certain members of the Group[93] have senior debt financing facilities in place with Barclays Bank plc and HSBC UK Bank plc pursuant to a Senior Facilities Agreement dated 8 August 2024 (as amended and restated by a Facilities Agreement Amendment and Restatement and Intercreditor Agreement Amendment Agreement dated 12 September 2025) (**SFA**). The facilities under the SFA consist of the following:

| Type of facility | Facility limit | Borrowers | Purpose | Term/repayment terms |
|---|---|---|---|---|
| GBP amortising term loan facility | £26,144,750 | Advanced Innergy Group Ltd | Refinancing pre-existing indebtedness of the Group arising in connection with: (i) certain asset-based lending facilities and certain trade loan and standby letter of credit facilities previously made available to certain members of the Group by Praetura Commercial Finance Limited and Santander UK plc, respectively; and (ii) shares and certain secured loan notes issued by AIH UK and Advanced Innergy Group Ltd in favour of certain ex-shareholders of the Group.<br><br>Payment of the purchase price in connection with the Ovun acquisition. | 8 August 2029<br><br>Interest payable at the end of each 1, 3 or 6 month period, as selected by the borrower (or in 3 monthly intervals where the interest period is longer than 3 months).<br><br>Principal repayable in half-yearly instalments in accordance with the amortisation schedule set out in the SFA. |

93. For the purposes of this section, 'Group' is defined under the SFA as AIH UK and each of its subsidiaries and does not capture the Company.

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| Type of facility | Facility limit | Borrowers | Purpose | Term/repayment terms |
|---|---|---|---|---|
| GBP bullet repayment term loan facility | £28,000,000 | Advanced Innergy Group Ltd | As above. | 8 August 2029<br>Interest payable at the end of each 1, 3 or 6 month period, as selected by the borrower (or in 3 monthly intervals where the interest period is longer than 3 months). Principal is repayable on the termination date. |
| Multicurrency revolving credit facility | £12,000,000 | Advanced Innergy Group, Advanced Innergy Solutions Ltd and Advanced Innergy Ltd | General corporate and/or working capital purposes of the Group. | 8 August 2029<br>Principal and interest repayable at the end of each 1, 3 or 6 month period, as selected by the relevant borrower (or in 3 monthly intervals where the interest period is longer than 3 months), with the option to rollover into a new loan. |

Interest on each loan under the SFA is calculated as the margin applicable to each facility (which is subject to a variable 'ratchet' based on the Group's current level of total net leverage) and the applicable reference rate (determined by reference to an appropriate central bank rate).

### Prepayment under the SFA

(a) (**Voluntary prepayment and voluntary cancellation**) the borrowers may voluntarily prepay and voluntarily cancel the whole or any part of a loan or facility (as applicable) under the SFA in a minimum amount of £250,000 on giving the requisite notice to the agent (being Barclays Bank plc).

(b) (**Mandatory prepayment**) the borrowers must prepay loans under the SFA in the following amounts throughout the term of the facilities:

(i) cash proceeds of any recovery claim against a vendor in relation to a permitted acquisition exceeding £1,000,000 in any financial year;

(ii) disposal proceeds in connection with certain sale, lease, licence, transfer, loan or other disposal arrangements exceeding £1,000,000 in any financial year;

(iii) cash proceeds of certain insurance claims exceeding £1,000,000 in any financial year; and

(iv) a percentage (determined by reference to the Group's current level of total net leverage) of cash proceeds of the flotation of any part of the share capital of AIH on a recognised investment exchange, where such flotation does not result in a change of control (**Qualifying Flotation**) (see paragraph (c) below). In respect of the listing of the Company on the ASX, this includes an amount equal to £15,000,000.

(c) (**Cancellation**) the commitments of each lender under the facilities are immediately cancelled, and all outstanding loans (together with accrued interest and all other amounts) are immediately due and payable on the occurrence of:

(i) a change of control of AIH;

(ii) the sale of all or substantially all of the assets of the Group; or

(iii) any flotation (excluding a Qualifying Flotation or the listing of the Company on the ASX).

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### Financial Covenants under the SFA

Under the SFA, AIH must ensure that the Group's total net leverage does not exceed the ratio set out in the SFA in respect of each relevant period. The ratio ranges from 2.50:1 to 3.00:1 depending on the relevant period. The Group's total net leverage is calculated as the ratio of the Group's total net debt to adjusted EBITDA and is tested quarterly.

If AIH UK fails to meet the required level of total net leverage at the end of the applicable period, it has the right to effectively cure the event of default that would otherwise occur by procuring new shareholder equity injections (treated as a reduction in total net debt) in a sufficient amount so as to ensure that the financial covenant would be complied with if tested again.

### Representations, warranties and undertakings under the SFA

Each borrower and each guarantor (refer below) makes certain customary representations and warranties under the SFA. Certain representations and warranties are subject to a material adverse effect qualification.

The SFA also contains a comprehensive set of customary undertakings which are given by each borrower and guarantor and, in certain cases, AIH UK (as the parent) on behalf of each other member of the Group. Relevant undertakings are subject to specified permitted activities and certain undertakings are also subject to a material adverse effect qualification.

### Events of Default under the SFA

The SFA contains typical events of default for a financing of this nature, including, but not limited to, non-payment (subject to a 3 business day grace period where a failure to make payment is due to administrative or technical error or a disruption event), failure to meet financial covenants (subject to equity cure rights), failure to comply with other obligations (subject to a 15 business day grace period), misrepresentation (subject to a 15 business day grace period), cross default, insolvency and insolvency proceedings, unlawfulness and invalidity, cessation of business, litigation (subject to a material adverse effect qualification). The agent has a right to accelerate the debt under the SFA, and cancel the lenders' commitments, while an event of default is continuing.

### Guarantee and security

The obligations of each 'Obligor' (being each borrower and each guarantor) under the finance documents (which definition includes any hedging agreements entered into by an Obligor from time to time) are jointly and severally guaranteed by the following Group companies:

| | |
|---|---|
| AIH UK | Advanced Innergy Contracting Ltd<br>(Company No. 06700049) |
| Advanced Innergy Group Ltd<br>(Company No. 08848797) | Advanced Insulation Systems Ltd<br>(Company No. 06630421) |
| Advanced Innergy Ltd<br>(Company No. 06416439) | Advanced Innergy Solutions Ltd<br>(Company No. 02405903) |
| AIS Covertherm Ltd<br>(Company No. 06830762) | CRP Subsea Holdings Limited<br>(Company No. 13089870) |
| AIS Manuplas Ltd<br>(Company No. 08821357) | CRP Subsea Limited<br>(Company No. 01369166) |
| AIS US, Inc.<br>(Registration number 0802074447, Texas) | |

Each guarantor listed above that is incorporated in England and Wales also grants a fixed and floating charge over its assets as security for its (and each other Obligor's) obligations under the finance documents pursuant to a debenture dated 8 August 2024 and a supplemental debenture dated 16 September 2025.

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### Description of L/C Facilities

In addition to the senior debt financing facilities provided under the SFA, AIH UK has in place the following uncommitted guarantee and standby letter of credit facilities (together, the **L/C Facilities**):

(a) a £10,000,000 Guarantee/Standby Letter of Credit Facility provided by HSBC UK Bank plc;

(b) a £10,000,000 Bonds, Guarantees and/or Indemnities Facility provided by Barclays Bank PLC for general corporate purposes, in support of the Borrower's obligations as an exporter domestically and/or internationally; and

(c) a £2,000,000 Guarantee/Standby Letter of Credit Facility provided by HSBC UK Bank plc.

These L/C Facilities are documented by way of short form facility letter, are subject to the relevant lender's standard terms and conditions. AIH UK's obligations under the L/C Facilities are guaranteed by, and it and each other guarantor's obligations are secured by, the guarantees and the fixed and floating charges (respectively) granted in connection with the SFA (as described above).

## 9.6 ASIC relief

ASIC has granted certain relief from, and modifications to, section 1020B of the Corporations Act to avoid any breach of the short selling restrictions in the Corporations Act as a result of an Offer of Sale Shares under this Prospectus.

## 9.7 Litigation and claims

As at the Prospectus Date, so far as the Directors are aware, there are no claims or legal proceedings to which the Company or its subsidiaries are a party that are likely to have a material adverse impact on the business or its future financial position and the Company is not aware of any such legal proceedings that are pending or threatened.

## 9.8 Consents to be named and disclaimers of responsibility

Each of the parties referred to below (each a Consenting Party), to the maximum extent permitted by law, expressly disclaims all liabilities in respect of, makes no representations regarding and takes no responsibility for any statements in or omissions from this Prospectus, other than the reference to its name in the form and context in which it is named and a statement or report included in this Prospectus with its consent as specified below.

Written consents to the issue of this Prospectus have been given and, at the time of lodgement of this Prospectus with ASIC, have not been withdrawn by the following parties:

(a) Henslow has given its written consent to be named in this Prospectus as Joint Lead Manager, Underwriter and financial and corporate adviser in relation to the Offer in the form and context in which it is named;

(b) Morgans has given its written consent to be named in this Prospectus as Joint Lead Manager and an Underwriter in relation to the Offer in the form and context in which it is named;

(c) MinterEllison has given its written consent to be named in this Prospectus as Australian legal adviser to the Company and AIH SaleCo in relation to the Offer in the form and context in which it is named;

(d) Grant Thornton Corporate Finance Pty Ltd has given its written consent to be named in this Prospectus as Investigating Accountant to the Company in relation to the Financial Information in the form and context in which it is named and has given and not withdrawn its consent to the inclusion in this Prospectus of its Investigating Accountant's Report and financial services guide in the form and context in which they are included;

(e) RSM UK Audit LLP has given its written consent to be named in this Prospectus as the Company's auditor;

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(f) Grant Thornton Australia Limited and Grant Thornton UK Advisory & Tax LLP have each given their written consent to be named in this Prospectus as the Company's tax advisers; and

(g) Frost & Sullivan has given and not withdrawn its consent to the inclusion in its report contained in Section 2 of this Prospectus regarding the industry overview.

No entity or person referred to in this Section 9.8 has made any statement that is included in this Prospectus or any statement on which a statement made in this Prospectus is based, except as stated above. Each of the persons and entities referred to in this Section 9.8 has not authorised or caused the issue of this Prospectus and does not make any offer of Shares.

## 9.9 Taxation considerations

The following taxation comments are based on the tax and duty laws in Australia in force as at the date of this Prospectus, and do not constitute financial product advice as defined in the Act or tax advice. Neither the Company nor any of its officers or employees, not its advisers, accepts any liability or responsibility in this regard and recommends that you seek and rely on your own professional advice in connection with the Offer.

Outlined below is a general summary of the key Australian income tax consequences for Australian resident individuals, trusts, companies and complying superannuation entities who hold their Shares on capital account for Australian income tax purposes. These comments do not apply to non-resident investors, investors that hold their Shares on revenue account or as trading stock, or investors who are exempt from Australian income tax or are subject to the Taxation of Financial Arrangements regime in Division 230 of the *Income Tax Assessment Act 1997* (Cth) depending on which elections they have made.

Shareholders should be aware that the actual Australian tax and stamp duty implications may differ from those summarised, depending on the individual circumstances of each Shareholder.

### 9.9.1 Dividends

#### (a) Australian tax resident individuals and complying superannuation entities

Australian tax resident individual and complying superannuation entity Shareholders who receive dividends paid by the Company should be required to include the dividend and any attached franking credits in their assessable income.

Subject to the comments in Section 9.9.2 below, such investors should be entitled to a tax offset equal to the franking credit attached to the dividend. The tax offset can be applied to reduce the tax payable on the investor's taxable income. Where the tax offset exceeds the tax payable on the investor's taxable income, the investor should be entitled to a tax refund equal to the excess.

#### (b) Australian tax resident trusts and partnerships

Australian tax residents who are trustees (other than trustees of complying superannuation entities), or Australian tax resident partnership Shareholders who receive dividends paid by the Company should be required to include the dividend and any attached franking credits in determining the net income of the trust or partnership. The relevant beneficiary of the trust or partner may be entitled to a share of the tax offset equal to the beneficiary's or partner's share of the net income of the trust or partnership.

#### (c) Australian tax resident corporations

Australian tax resident corporate investor Shareholders who receive dividends paid by the Company should be required to include both the dividend and any attached franking credits in their assessable income.

Subject to the comments in Section 9.9.2 below, such investors should be entitled to entitled to a tax offset up to the amount of the franking credit attached to the dividend.

An Australian tax resident corporate investor should also be entitled to a credit in its own franking account equal to the franking credits attached to the dividend received. This may allow the corporate investor to pass on the franking credits to its investor(s) on the subsequent payment of franked dividends.

Excess franking credits received by corporate investors will not give rise to a refund entitlement for a company, but can be converted into carry forward tax losses.

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### 9.9.2 Shares held at risk

The benefit of franking credits can be denied where an investor is not a 'qualified person'. In this case, the investor will not be required to include the amount of the franking credits in their assessable income or net income and will not be entitled to a tax offset.

Broadly, to be a 'qualified person', two tests must be satisfied, being the 'holding period rule' and the 'related payment rule'.

Under the holding period rule, an investor is required to hold Shares in the Company 'at risk' for at least 45 days continuously (the period of which is measured as the period commencing the day after the shares were acquired and ending on the 45th day after the Shares become ex-dividend) in order to qualify for the benefit of the franking credits. However, a Shareholder should be taken to satisfy the holding period rule if they are an individual, have total franking tax offsets for the relevant income year of $5,000 or less and satisfy certain other requirements.

Under the related payment rule, a different testing period applies where the investor has made, or is under an obligation to make, a related payment in relation to the dividend. The related payment rule requires the investor to have held the Shares 'at risk' for the continuous 45 day period as above, but within the period commencing on the 45th day before, and ending on the 45th day after the day the Shares become ex-dividend.

Shareholders may wish to seek professional tax advice regarding the application of the 'qualified person' provisions to their particular circumstances.

There are specific integrity rules that prevent taxpayers from obtaining a tax benefit from additional franking credits where dividends are received as a result of 'dividend washing' or certain other arrangements. Shareholders should consider the impact of these rules given their own personal circumstances.

### 9.9.3 Disposal of Shares

Most Australian tax resident investors will be subject to Australia capital gains tax (CGT) on the disposal of their Shares. Some investors may hold their Shares on revenue account, as trading stock, or be subject to the 'Taxation of Financial Arrangements' regime. Those investors should seek their own independent professional advice in respect of the consequences of a disposal of Shares.

An investor will recognise a capital gain on the disposal of Shares where the capital proceeds received on disposal exceeds the cost base of the Shares. The cost base of the shares is broadly the amount paid to acquire the shares plus any qualifying incidental costs such as certain transaction or holding costs.

An investor will recognise a capital loss on the disposal of Shares where the capital proceeds on disposal are less than the reduced cost base of the Shares.

Discount CGT treatment may be available to reduce the capital gain realised by the Shareholder on the sale if the Shares had been held for at least 12 months prior to the sale. In this case, the Shareholders may, after offsetting capital losses of the Shareholder, be able to discount the resulting capital gain by one half in the case of an individual or trust, or by one third in the case of a complying superannuation entity. Companies are not entitled to discount CGT treatment.

Any capital gain or capital loss realised by a Shareholder in respect of the Shares should be aggregated with any other capital gains or capital losses that the Shareholder may have in that year, less any available net capital losses from prior income years, discounts or reductions, to determine the Shareholder's net capital gain or net capital loss for that year.

A net capital gain is included in the Shareholder's assessable income. A net capital loss can only be offset against capital gains. Net capital losses may be carried forward and offset against future taxable capital gains, subject to satisfying certain rules relating to the recoupment of carried forward losses.

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### 9.9.4 Tax File Number (TFN) and Australian Business Number (ABN)

Resident investors, may, if they choose, notify the Company of their TFN, ABN or a relevant exemption from withholding tax with respect to dividends. In the event that the Company is not so notified, tax will automatically be deducted at the highest marginal rate, in addition to where relevant, the Medicare levy from dividends.

Resident investors may be able to claim a tax credit in respect of any tax withheld on dividends in their tax returns. An investor is not required to quote their TFN to the Company.

An investor who holds Shares as part of an enterprise may quote its Australian Business Number instead of its TFN.

### 9.9.5 Stamp duty

Shareholders should not be liable to stamp duty in Australia in respect of the acquisition of Shares under the Offer.

Investors should seek their own tax advice as to the impact of stamp duty in their own particular circumstances.

### 9.9.6 Goods and Services Tax (GST)

Shareholders should not be liable to GST in Australia in respect of the acquisition of Shares under the Offer.

Investors should seek their own tax advice on the impact of GST in their own particular circumstances.

## 9.10 Governing law

This Prospectus and the contracts that arise from the acceptance of the Applications and bids under this Prospectus are governed by the law applicable in Victoria and each Applicant under this Prospectus submits to the exclusive jurisdiction of the Courts of Victoria.

## 9.11 Foreign selling restrictions

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

### 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 (**SFO**). Accordingly, this document may not be distributed, and Shares may 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 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 Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors. No person allotted 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.

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## 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* (**FMC Act**).

The 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.

## Singapore

This document and any other materials relating to the 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 Shares, may not be issued, circulated or distributed, nor may the 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 13 of the Securities and Futures Act 2001 of Singapore (**SFA**) or another exemption under the SFA.

This document has been given to you on the basis that you are an 'institutional investor' or an 'accredited investor' (as such terms are defined in the SFA). If you are not such an investor, 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 Shares being subsequently offered for sale to any other party in Singapore. On-sale restrictions in Singapore may be applicable to investors who acquire Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

## United Kingdom

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

The 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 UK Prospectus Regulation. 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 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 (**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.

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## 9.12 Summary of rights and liabilities attaching to the Shares and other material provisions of the Constitution

### 9.12.1 Introduction

The rights and liabilities attaching to ownership of Shares arise from a combination of the Constitution, statute, the ASX Listing Rules and general law.

A summary of the significant rights, liabilities and obligations attaching to the Shares and a description of other material provisions of the Constitution are set out below. This summary is not exhaustive nor does it constitute a definitive statement of the rights and liabilities of Shareholders. The summary assumes that the Company is admitted to the Official List of ASX.

### 9.12.2 Voting at a general meeting

At a general meeting of the Company, subject to any rights or restrictions attaching to any class of Shares, every Shareholder present in person or by proxy, representative or attorney has one vote on a show of hands and, on a poll, one vote for each fully paid Share held.

While the Company is listed, a resolution put to the vote at a meeting of Shareholders must be decided on a poll (and not a show of hand) if, among other circumstances:

(a) the notice of the meeting set out an intention to propose the resolution and stated the resolution; or

(b) a poll is demanded.

### 9.12.3 Meetings of members

The Company may hold a meeting of its Shareholders:

(a) at one or more physical venues;

(b) at one or more physical venues and using virtual meeting technology;

(c) using virtual meeting technology only, unless it is an annual general meeting; or

(d) in any other manner permitted by the Corporations Act.

Each Shareholder is entitled to receive notice of, attend and vote at, general meetings of the Company and to receive all notices, accounts and other documents required to be sent to Shareholders under the Constitution, the Corporations Act and the ASX Listing Rules.

### 9.12.4 Dividends

The Board may resolve to pay dividends to Shareholders and fix the amount of the dividend, the time for determining entitlements to the dividend and the timing and method of payment. For further information in respect of the Company's proposed dividend policy, see Section 4.11.

### 9.12.5 Transfer of Shares

Subject to the Constitution, Shares may be transferred by a proper transfer effected in accordance with the ASX Settlement Operating Rules, by a written instrument of transfer which complies with the Constitution or by any other method permitted by the Corporations Act, the ASX Listing Rules or the ASX Settlement Operating Rules.

The Board may refuse to register a transfer of Shares where permitted to do so under the Corporations Act, the ASX Listing Rules or the ASX Settlement Operating Rules. The Board must refuse to register a transfer of Shares when required to by the Corporations Act, the ASX Listing Rules or the ASX Settlement Operating Rules.

### 9.12.6 Issue of further shares

Subject to the Corporations Act, the ASX Listing Rules and the ASX Settlement Operating Rules and any rights and restrictions attached to a class of shares, the Company may issue, or grant options in respect of, or otherwise dispose of further shares on such terms and conditions as the Directors resolve.

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### 9.12.7 Winding up

Without prejudice to the rights of the holders of shares issued on special terms and conditions, if the Company is wound up, the liquidator may, with the sanction of a special resolution of the Company, divide among the Shareholders in kind all or any of the Company's assets and for that purpose, determine how it will carry out the division between the different classes of shareholders, but may not require a shareholder to accept any shares or other securities in respect of which there is any liability.

### 9.12.8 Non-marketable parcels

Subject to the Corporations Act, the ASX Listing Rules and the ASX Settlement Operating Rules, the Company may sell the Shares of a Shareholder who holds less than a marketable parcel of Shares (unless the Shareholder has notified the Company in writing before a specified date that they wish to retain their Shares).

### 9.12.9 Share buy-backs

Subject to the Corporations Act, the ASX Listing Rules and the ASX Settlement Operating Rules, the Company may buy back Shares on terms and at times determined by the Board.

### 9.12.10 Variation of class rights

Subject to the Corporations Act and the terms of issue of a class of shares, the rights attaching to any class of shares in the Company may be varied or cancelled:

(a) with the consent in writing of the holders of three-quarters of the issued shares included in that class; or

(b) by a special resolution passed at a separate meeting of the holders of those shares.

In either case, in accordance with the Corporations Act, the holders of not less than 25% of the votes in the class of shares, the rights of which have been varied or cancelled, may apply to a Court of competent jurisdiction to exercise its discretion to set aside such variation or cancellation.

### 9.12.11 Dividend reinvestment plan

The Directors may, on any terms and at their discretion, establish a dividend reinvestment plan (under which any member may elect that the dividends payable by the Company be reinvested by acquiring by way of issue or transfer Shares or other securities).

### 9.12.12 Directors – appointment and rotation

Under the Constitution, the minimum number of Directors that may comprise the Board is 3 and the maximum is 7. Directors are elected at annual general meetings of the Company. Retirement will occur on a rotational basis so that no Director (excluding any managing director) holds office without re-election beyond the third annual general meeting following the meeting at which the Director was last elected. The Directors may also appoint a Director to fill a casual vacancy on the Board or in addition to the existing Directors, who will then hold office until the next annual general meeting of the Company.

### 9.12.13 Directors – voting

Questions arising at a meeting of the Board will be decided by a majority of votes of the Directors present at the meeting and entitled to vote on the matter.

### 9.12.14 Directors – remuneration

The Directors, other than an Executive Director, will be paid by way of fees for services up to the maximum aggregate sum of $750,000 per annum or such other amount as may be approved by the Company in general meeting. The initial remuneration of the Directors is set out in Sections 6.5.1 and 6.5.2. Shares, options, rights and other share-based payments may be provided to Non-Executive Directors and the value of any such Shares, options, rights and other share-based payments will not be included in the aggregate maximum. The Constitution also makes provision for the Company to pay all reasonable expenses of Directors in attending meetings and carrying on their duties.

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### 9.12.15 Indemnities

The Company, to the extent permitted by law, indemnifies each Director against any liability incurred by that person as a director or officer of the Company or its subsidiaries, and reasonable legal costs incurred by that person in defending an action for a liability of that person. The Company, to the extent permitted by law, may make a payment (whether by way of an advance, loan or otherwise) to a Director in respect of legal costs incurred by that person in defending an action for a liability of that person.

The Company, to the extent permitted by law, may pay, or agree to pay, a premium for a contract insuring any Director or officer against any liability incurred by that person as an officer of the Company or its subsidiaries and legal costs incurred by that person in defending an action for a liability of that person.

### 9.12.16 Inspection of records

Except as otherwise required by the Corporations Act, the Directors may determine whether and to what extent, and at what times and places and under what conditions, the financial records and other documents of the Company or any of them will be open for inspection by Shareholders other than Directors.

A Shareholder other than a Director does not have the right to inspect any financial records or other documents of the Company unless the Shareholder is authorised to do so by a Court order or a resolution of the Directors.

### 9.12.17 Amendment

The Constitution may be amended only by special resolution passed by at least three-quarters of the votes cast by Shareholders present (in person or by proxy) and entitled to vote on the resolution at a general meeting of the Company. While the Company is listed it must give at least 28 days written notice of a general meeting of the Company.

## 9.13 Expenses of the Offer

The table below sets out the estimated total expenses of the Offer (excluding GST).

| Item of expenditure | Amount ($) |
|---|---|
| ASX fees | $450,672.20 |
| Professional advisers' fees | $9,599,680.90 |
| Miscellaneous | $1,128,134.86 |
| **TOTAL** | **$11,178,487.96** |

## 9.14 Continuous Disclosure Obligations

Following admission of the Company to the Official List, the Company will be a 'disclosing entity' (as defined in section 111AC of the Corporations Act) and, as such, will be subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company will be required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Company's securities, unless an exception applies.

Price sensitive information will be publicly released on the ASX before it is disclosed to Shareholders and market participants. Distribution of other information to Shareholders and market participants will also be managed through disclosure to the ASX. In addition, the Company will post this information on its website after the ASX confirms an announcement has been made, with the aim of making the information readily accessible to the widest audience.

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## 9.15 Electronic Prospectus

If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the Application Form. If you have not, please contact the Company and the Company will send you, for free, either a hard copy or a further electronic copy of this Prospectus or both. Alternatively, you may obtain a copy of this Prospectus from the Prospectus website at www.aihipo.com.au.

The Company and AIH SaleCo reserve the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

## 9.16 Privacy Statement

If you complete an Application Form, you will be providing personal information to the Company and AIH SaleCo. The Company collects, holds and will use that information to assess your application, service your needs as a Shareholder and to facilitate distribution payments and corporate communications to you as a Shareholder.

The information may also be used from and disclosed to persons inspecting the register, including bidders for your securities in the context of takeovers, regulatory bodies including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the share registry.

You can access, correct and update the personal information that we hold about you. If you wish to do so, please contact the Share Registry at the relevant contact number set out in this Prospectus.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the Privacy Act (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules. You should note that if you do not provide the information required on the application for Shares, the Company and AIH SaleCo may not be able to accept or process your application.

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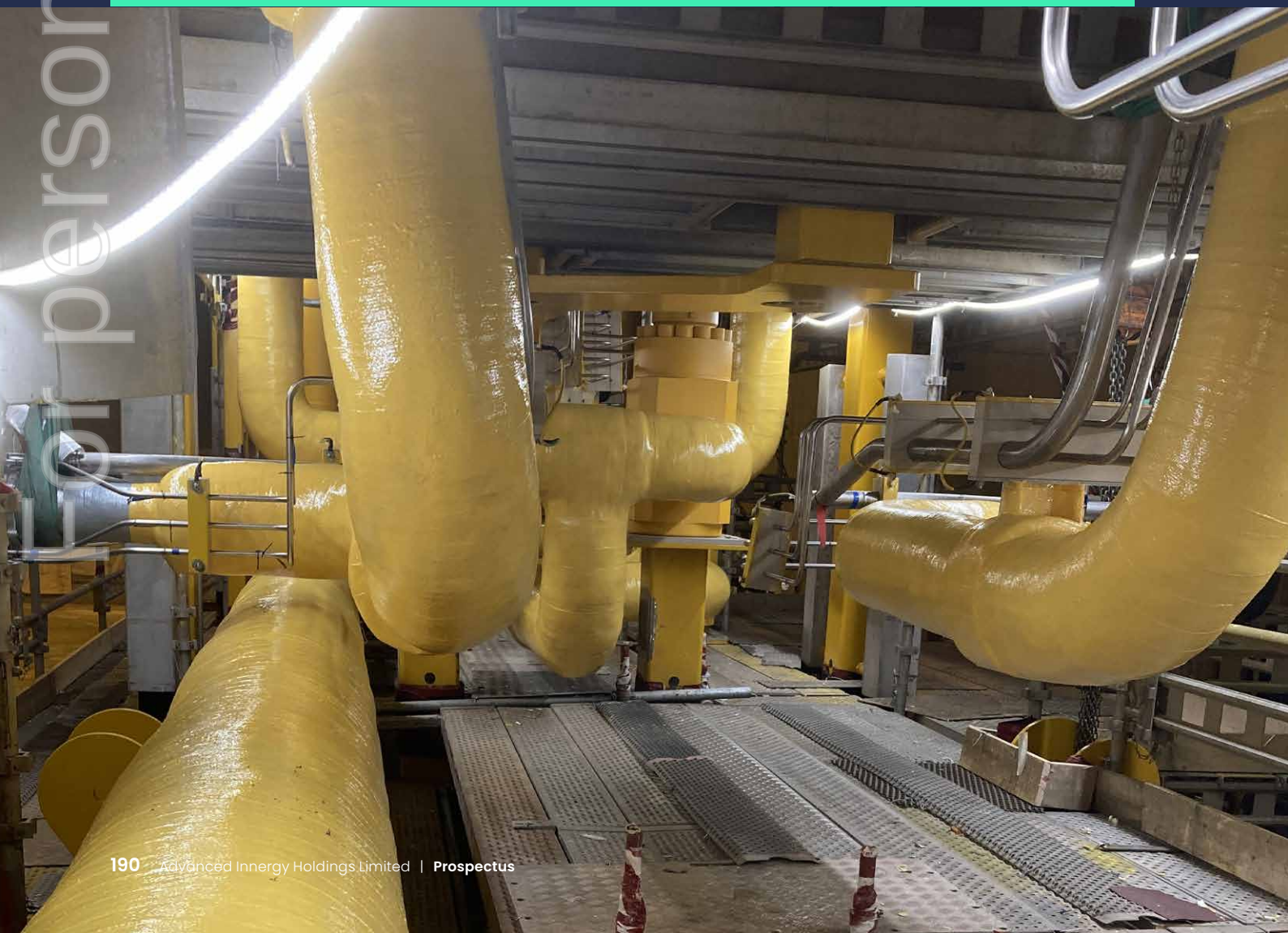
# 10. Directors' authorisation



# 10. Directors' authorisation

(a) This Prospectus is issued by the Company and AIH SaleCo and its issue has been authorised by each Director and each AIH SaleCo Director.

(b) Each Director and each AIH SaleCo Director has consented to the lodgement of this Prospectus with the ASIC and has not withdrawn that consent.

(c) The Directors have made enquiries and nothing has come to their attention to suggest that the Company is not continuing to earn profit from continuing operations up to the date of this Prospectus.

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# 11. Corporate directory



# 11. Corporate directory

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## Company

Level 8, 210 George Street
Sydney NSW 2000

## AIH SaleCo

Level 8, 210 George Street
Sydney NSW 2000

## Joint Lead Managers and Underwriters

### Henslow Pty Ltd

Level 7, 333 Collins Street
Melbourne VIC 3000

### Morgans Corporate Limited

Level 29, Riverside Centre, 123 Eagle Street
Brisbane QLD 4000

## Australian Legal Advisor

### MinterEllison

Collins Arch, Level 20
447 Collins Street
Melbourne VIC 3000

## Investigating Accountant

### Grant Thornton Corporate Finance Pty Ltd

Collins Square, Tower 5
Level 22, 727 Collins Street
Melbourne VIC 3008

## Auditor

### RSM UK Audit LLP

2nd Floor, 1 The Square
Temple Quay
Bristol BS1 6DG, UK

## Share Registry

### Boardroom Pty Limited

Level 8, 210 George Street
Sydney NSW 2000

## Information Line

| | |
|---|---|
| Within Australia: | 1300 737 760 |
| Outside of Australia: | +61 2 9290 9600 |
| Hours of operation: | 8.15am to 5.30pm (Melbourne time), Monday to Friday |

## Company Website

https://www.aisltd.com/

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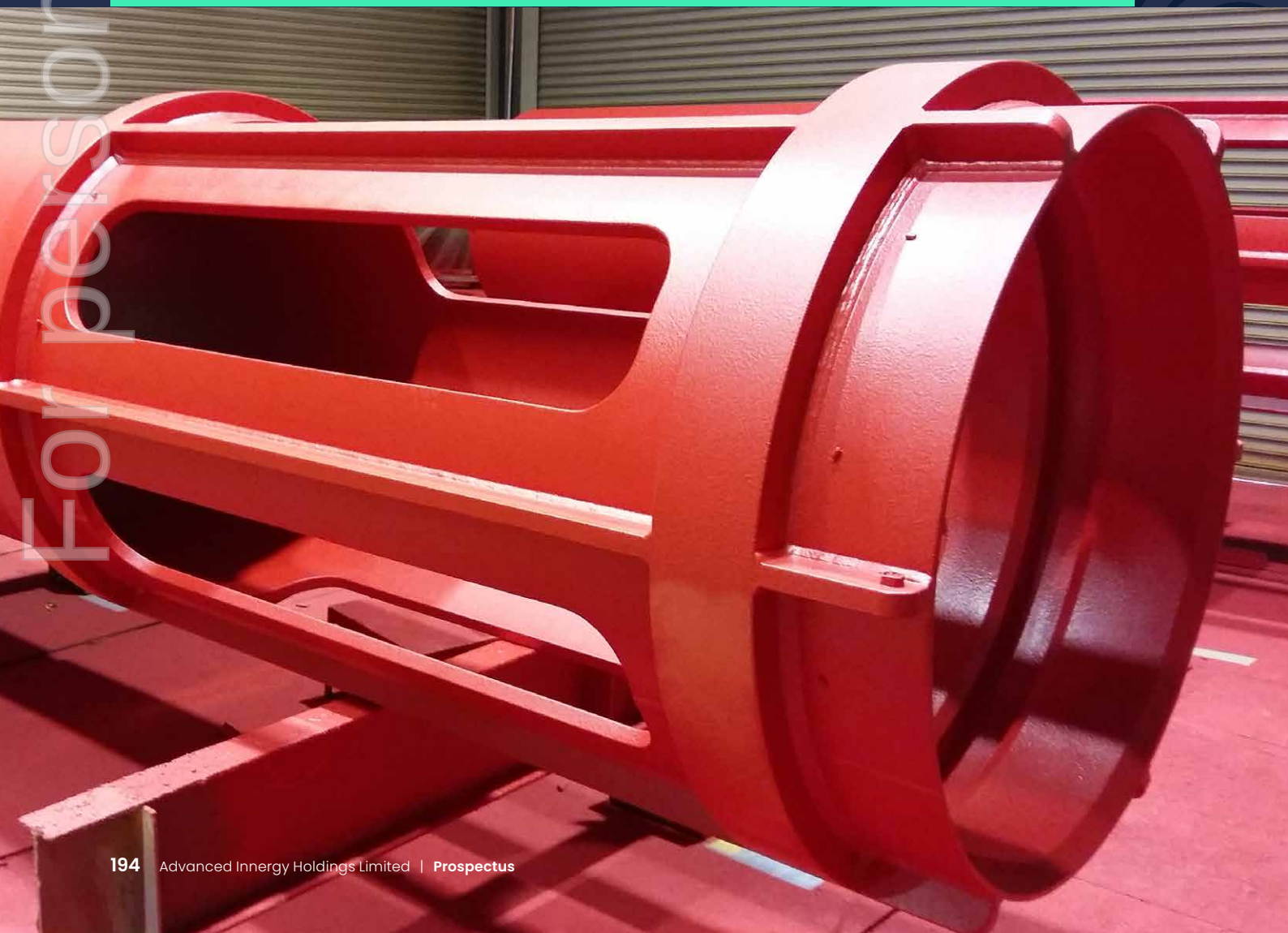
# 12. Glossary



# 12. Glossary

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Where the following terms are used in this Prospectus they have the following meanings:

| Term | Meaning |
|---|---|
| **H1** or **H2** | means the first half or the second half respectively of a financial year ending 30 September. For example, FY25H1 means the 6 months ended 31 March 2025. |
| **$** or **A$** or **AUD** | means Australian dollars. |
| **AAS** | means Australian Accounting Standards. |
| **AASB** | means Australian Accounting Standards Board. |
| **ABN** | means Australian Business Number. |
| **ABS** | means the American Bureau of Shipping. |
| **AIH Equity Plan** | means the equity incentive plan described in Section 6.7.3. |
| **AIH SaleCo** | means AIH SaleCo Limited ACN 688 300 245. |
| **AIH SaleCo Director** | means a director of AIH SaleCo. |
| **AIH UK** | means Advanced Innergy Holdings Ltd (Company No. 08848899) and its subsidiaries (as applicable). |
| **ANP** | means the National Agency of Petroleum, Natural Gas and Biofuels in Brazil. |
| **API** | means American Petroleum Institute. |
| **Applicant(s)** | means a person who submits an Application. |
| **Application(s)** | means an application made to acquire Shares offered under this Prospectus. |
| **Application Form** | means the application form included in or accompanying this Prospectus (including the electronic form) relating to the Offer. |
| **Application Monies** | means the Offer Price multiplied by the number of Shares applied for. |
| **ASIC** | means Australian Securities and Investments Commission. |
| **ASX** | means ASX Limited ACN 008 624 691 or the Australian Securities Exchange, a financial market operated by it, as the context requires. |
| **ASX Listing Rules** | means the listing rules of ASX. |
| **ASX Recommendations** | means the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations. |
| **ASX Settlement Operating Rules** | means the operating rules of ASX Settlement Pty Limited ACN 008 504 532. |

# 12. Glossary continued

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| Term | Meaning |
|---|---|
| **Australian Accounting Standards** | means Australian Accounting Standards and other authoritative pronouncements issued by the AASB. |
| **Audit, Risk and Compliance Committee** | means the audit, risk and compliance committee established by the Board. |
| **Bardot** | means AIS Bardot (Company registration number: 888 568 425 00027). |
| **bpd** | means barrels per day. |
| **Bcfd** | means billion cubic feet daily. |
| **Board** or **Board of Directors** | means the board of Directors of the Company. |
| **BRL** | means the Brazilian Real. |
| **Broker Firm Offer** | means the component of the Offer under which investors who have received an invitation can apply for Shares, as discussed in Section 7.11. |
| **CAGR** | means compound annual growth rate. |
| **CAPSE Ltd** | means Advanced Innergy Testing Ltd (Company No. 04941158). |
| **CCSO** | means the chief corporate services officer. |
| **CGT** | means capital gains tax imposed in Australia. |
| **Chairman** | means the Chairman of the Board of Directors. |
| **Chairman's List Offer** | has the meaning given in Section 7.12.1. |
| **CHESS** | means Clearing House Electronic Sub-register System, operated in accordance with the Corporations Act. |
| **Chief Commercial Officer** or **CCO** | means John Drury. |
| **Chief Executive Officer** or **CEO** | means Andrew Bennion. |
| **Chief Financial Officer** or **CFO** | means Andrew King. |
| **Chief Technology Officer** or **CTO** | means Simon Shepherd. |

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| Term | Meaning |
|---|---|
| **Closing Date** | means the date by which Applications must be lodged for the Offer, being 16 July 2025. This date may be varied by the Company without prior notice. |
| **CMR** | means carcinogenic, mutagenic, or reprotoxic substances. |
| **$CO_2$** | means carbon dioxide. |
| **Company** or **AIH** | means Advanced Innergy Holdings Limited ACN 687 262 479 as at Completion of the Offer. |
| **Completion of the Offer** or **Completion** | means the completion of the Offer, being the date on which Shares are issued and transferred to successful Applicants in accordance with the terms of the Offer. |
| **Constitution** | means the constitution of the Company. |
| **Control** | has the meaning given in section 50AA of the Corporations Act. |
| **Corporations Act** | means the *Corporations Act 2001* (Cth). |
| **Corporate Directory** | means the Corporate Directory at the back of this Prospectus. |
| **COSHH** | means the UK Control of Substances Hazardous to Health Regulations. |
| **Covertherm** | means AIS Covertherm Ltd (Company No. 06830762). |
| **CPS** | means cable protection systems. |
| **CRP Subsea** | means CRP Subsea Limited (Company No. 01369166). |
| **CRM** | means customer relationship management. |
| **Director** | means a director of Company. |
| **DIC/DIL** | means 'Difference in Conditions' and 'Difference in Limits'. |
| **EBIT** | means earnings before interest and tax. |
| **EBITDA** | means earnings before interest, tax, depreciation and amortisation. |
| **Eligible Persons** | has the meaning given in Section 6.7.3. |
| **EMEA** | means Europe, the Middle East and Africa. |
| **Employee Equity Offer** | means the offer to employees of the Group described in Section 6.7.4. |
| **Employee Shares** | means the Shares issued to employees under the Employee Equity Offer, which is capped at 5 million Shares. |
| **Equity Securities** | means the equity security in section 6.7.3 |

# 12. Glossary continued

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| Term | Meaning |
|---|---|
| ERP | means enterprise resource planning. |
| EPC | means engineering, procurement and construction. |
| Escrow Arrangements | means has the meaning set out in Section 7.7. |
| Escrow Periods | means the applicable periods for which Escrowed Shares are subject to the escrow restrictions as summarised in Section 7.7. |
| Escrowed Shares | means the Shares subject to escrow restrictions which are summarised in Section 7.7. |
| Escrowed Shareholder(s) | means a Shareholder whose Shares are subject to the escrow restrictions which are summarised in Section 7.7. |
| ESG | means environmental, social and governance. |
| ESOS | means the UK Energy Savings Opportunity Scheme. |
| EU | means the European Union. |
| EUR | means the Euro. |
| EV | means electric vehicle. |
| Executive Director | means an executive Director. |
| Existing Owners | means the holders or beneficial owners of Shares shortly prior to the issue or transfer of Shares to successful Applicants. |
| Existing Shares | means the 303,207,997 Shares proposed to be issued to the Existing Owners shortly prior to the issue or transfer of Shares to successful Applicants. |
| Expiry Date | means 21 October 2026. |
| Exposure Period | means the period of 7 days after the date of lodgement of this Prospectus, which period may be extended by ASIC by not more than 7 days under section 727(3) of the Corporations Act. |
| FEA | means finite element analysis. |
| Financial Information | has the meaning set out in Section 4.1. |
| Forecast Financial Information | means the Statutory Forecast Financial Information and the Pro Forma Forecast Financial Information. |
| FPSO | means floating production storage and offloading. |
| Frost & Sullivan | mean Frost and Sullivan Australia Pty Limited ACN 096 869 108. |

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| Term | Meaning |
|---|---|
| **FY** | means financial year or year ended or ending 30 September.<br>For example, FY24 is the financial year ended 30 September 2024. |
| **GAP Plastics** | means GAP Plastics Limited (Company No. 05592264). |
| **GBP** | means Great British Pound. |
| **GDP** | means gross domestic product. |
| **Grant Thornton** | means Grant Thornton Corporate Finance Pty Limited ACN 003 265 987. |
| **Group** | means the Company (if applicable), AIH UK and its subsidiaries. |
| **Group Member** | means an entity within the Group. |
| **GST** | means goods and services or similar tax imposed in Australia. |
| **Guarantor** | means the guarantor described in Section 9.5.1. |
| **GW** | means gigawatt. |
| **HDPE** | means high density polyethylene. |
| **HIN** | means a Shareholder's Holder Identification Number. |
| **Henslow** | means Henslow Pty Ltd ACN 605 393 137. |
| **Historical Financial Information** | means the Statutory Historical Financial Information and Pro Forma Historical Financial Information. |
| **HNW** | means high net wealth. |
| **IBM** | means Integral Buoyancy Module. |
| **IFRS** | means International Financial Reporting Standards. |
| **IMO** | means International Maritime Organization. |
| **Institutional Investor** | means investors who are:<br>• in Australia who is a 'wholesale client' for the purposes of Section 761G of the Corporations Act and who is either a 'sophisticated investor' under section 708(8) of the Corporations Act or a 'professional investor' under section 708(11) of the Corporations Act; or<br>• institutional investors in certain other jurisdictions, as agreed by the Company and the Joint Lead Managers to whom offers of Shares may lawfully be made without the need for a lodged or registered prospectus or other form of disclosure document or filing with, or approval by, any government agency (except one with which the Company is willing in its discretion to comply),<br>provided that in each case such investors are not in the United States. |

# 12. Glossary continued

For personal use only

| Term | Meaning |
|---|---|
| **Institutional Offer** | means the invitation to bid for Shares made to Institutional Investors under or in accordance with this Prospectus to acquire Shares as described in Section 7.13. |
| **Investigating Accountant** | means Grant Thornton Corporate Finance Pty Ltd. |
| **Investigating Accountant's Report** | means the report prepared by the Investigating Accountant set out in Section 8. |
| **IP** | means intellectual property. |
| **IPO** | means initial public offering. |
| **Irrevocable Offer Deed** | means an irrevocable offer deed between an Existing Owner and AIH SaleCo as described in Section 9.4. |
| **IRENA** | means International Renewable Energy Agency. |
| **ISO** | means International Organisation for Standardisation. |
| **JV** | means joint venture. |
| **kWh** | means kilowatt-hour. |
| **Joint Lead Managers** | means Henslow and Morgans. |
| **LCOE** | means levelised cost of electricity. |
| **Listing** | means admission of the Company to the official list of ASX and quotation of the Shares on the ASX. |
| **Listing Date** | means the date on which the Company is admitted to the Official List of ASX and quotation of the Shares commences. |
| **LNG** | means liquified natural gas. |
| **LTI** | means long term incentive. |
| **LTI Plan** | means the LTI plan described in Section 6.7.2. |
| **Manuplas** | means AIS Manuplas Ltd (Company No. 08821357). |
| **Morgans** | means Morgans Corporate Limited ACN 010 539 607. |
| **MSA** | means master service agreement. |
| **msw** | means metre sea water. |
| **MW** | means megawatt. |

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| Term | Meaning |
|---|---|
| **NATO** | means North Atlantic Treaty Organisation. |
| **Nomination and Remuneration Committee** | means the nomination and remuneration committee established by the Board. |
| **NPAT** | means net profit after tax. |
| **NPATA** | means net profit after tax adjusted. |
| **New Shares** | means the new Shares to be issued by the Company under the Offer. |
| **Non-Executive Director** | means a non-executive Director. |
| **OEM** | means original equipment manufacturer. |
| **Offer** | means an offer of Shares under this Prospectus and includes the Broker Firm Offer, the Chairman's List Offer and Institutional Offer. |
| **Offer Period** | means the period from 22 September 2025 until the Closing Date. |
| **Offer Price** | means $1.00 per Share. |
| **Official List** | means the official list of ASX. |
| **Official Quotation** | means official quotation by ASX in accordance with the ASX Listing Rules. |
| **OH&S** | means occupational health and safety. |
| **OPEC's World Oil Outlook** | means Organization of the Petroleum Exporting Countries. |
| **Performance Rights** | means performance rights issued under the AIH Equity Plan. |
| **Privacy Act** | means the *Privacy Act 1988* (Cth). |
| **Pro Forma Adjustments** | means the adjustments made to the Statutory Historical Financial Information as set out in Section 4.2(b). |
| **Pro Forma Forecast Financial Information** | means the Pro forma Forecast Income Statement and the Pro forma Forecast Cash Flows. |
| **Pro Forma Forecast Income Statements** | means the pro forma consolidated forecast statement of profit or loss and other comprehensive income for FY25F and FY26F. |
| **Pro Forma Forecast Cash Flows** | means the pro forma consolidated forecast statement of cash flows for FY25F and FY26F. |

# 12. Glossary continued

For personal use only

| Term | Meaning |
|---|---|
| **Pro Forma Historical Statement of Financial Position** | means the pro forma historical consolidated statement of financial position as at 31 March 2025. |
| **Pro Forma Historical Cash Flows** | means the pro forma historical consolidated statements of cash flows for FY22, FY23, FY24 and FY25H1 with FY24H1 comparative information. |
| **Pro Forma Historical Financial Information** | means the Pro forma Historical Income Statements, the Pro forma Historical Statement of Financial Position and the Pro forma Historical Cash Flows. |
| **Pro Forma Historical Income Statements** | means the pro forma historical consolidated statements of profit or loss and other comprehensive income for FY22, FY23, FY24 and FY25H1 with FY24H1 comparative information. |
| **Prospectus** | means this document (including the electronic form of this Prospectus) and any supplementary or replacement Prospectus in relation to this document. |
| **Prospectus Date** | means the date of this Prospectus, being 22 September 2025. |
| **PU** | means polyurethane. |
| **QHSE** | means quality, health, safety, and environmental. |
| **Qualifying Flotation** | has the meaning set out in Section 9.5.2. |
| **R&D** | means research and development. |
| **RBM** | means Rotating Buoyancy Modules. |
| **REACH** | means the UK Registration, Evaluation, Authorisation and Restriction of Chemicals Regulations. |
| **Respecta** | means the continuous syntactic composite blending machines described in Section 3.3.6. |
| **Restructure** | means the restructure described in Section 9.3. |
| **RG 230** | means ASIC Regulatory Guide 230 'Disclosing non-IFRS financial information'. |
| **ROV** | means remotely operated vehicle. |
| **SADE** | means SADE Properties Ltd. |
| **Sale Shares** | means the Shares offered for sale by AIH SaleCo under this Prospectus. |
| **SaleCo Indemnity Deed** | means the indemnity deed dated on or about the date of this Prospectus between the Company and AIH SaleCo as described in Section 9.4. |
| **SAR** | has the meaning set out in Section 2.2.9. |

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| Term | Meaning |
|---|---|
| **SCM** | means supply chain management. |
| **Section** | means a section of this Prospectus. |
| **SFA** | has the meaning set out in Section 9.5.2. |
| **Share** | means a fully paid ordinary share in the capital of the Company. |
| **Shareholder** | means a holder of at least one Share. |
| **Share Registry** | means Boardroom Pty Limited. |
| **SPS** | means subsea production system. |
| **SRN** | means a Shareholder Reference Number. |
| **Statutory Forecast Financial Information** | means the Statutory Forecast Income Statement and the Statutory Forecast Cash Flows. |
| **Statutory Forecast Income Statement** | means the forecast consolidated statement of profit or loss and other comprehensive income for FY25F and FY26F. |
| **Statutory Forecast Cash Flows** | means the statutory forecast consolidated statement of cash flows for FY25F and FY26F. |
| **Statutory Historical Statement of Financial Position** | means the historical consolidated statement of financial position as at 31 March 2025. |
| **Statutory Historical Cash Flows** | means the historical consolidated statements of cash flows for FY22, FY23, FY24 and FY25H1 with FY24H1 comparative information. |
| **Statutory Historical Financial Information** | means the Statutory Historical Income Statements, the Statutory Historical Cash Flows and the Statutory Historical Statement of Financial Position. |
| **Statutory Historical Income Statements** | means the historical consolidated statements of profit or loss and other comprehensive income for FY22, FY23 and FY24 and FY25H1 with FY24H1 comparative information. |
| **STI** | means short term incentive. |
| **STI Plan** | means the STI plan described in Section 6.7.1. |
| **TAM** | means total addressable market. |
| **Tax Advisers** | means Grant Thornton Australia Limited and Grant Thornton UK Advisory & Tax LLP. |
| **TFN** | means Tax File Number. |
| **UK** or **United Kingdom** | means the United Kingdom of Great Britain and Northern Ireland. |

# 12. Glossary continued

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| Term | Meaning |
|---|---|
| **UL** | means Underwriters Laboratories. |
| **Underwriters** | means Henslow and Morgans. |
| **Underwriting Agreements** | means the agreement described in Section 9.5.1. |
| **US** or **USA** or **United States** | means the United States of America. |
| **USD** | means United States dollar. |
| **US Securities Act** | means the US Securities Act of 1933. |
| **UV** | means ultraviolet. |
| **VIV** | means Vortex Induced Vibration. |

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# APPENDIX A – Significant accounting policies



# Appendix A – Significant accounting policies

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## Basis of preparation

The financial reporting framework that has been applied in the preparation of the consolidated financial statements is UK-adopted International Accounting Standards. The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards, including FRS101 'Reduced Disclosure Framework' (United Kingdom Generally Accepted Accounting Practice).

The consolidated financial statements have been prepared under the historical cost convention. The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

## Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

## Basis of consolidation

The consolidated Financial Statements incorporate the financial statements of the Parent Company and entities controlled by the Company (its subsidiaries) as at 30 September 2024. Control is achieved when the Company:

- has the power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date when such control ceases. The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies. All intra-group balances, transactions, unrealised gains and losses resulting from intragroup transactions and dividends are eliminated in full.

Non-controlling interests in subsidiaries are identified separately from the Group's equity therein. Those interests of non-controlling shareholders that are present ownership interests entitling their holders to a proportionate share of net assets upon liquidation may initially be measured at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement is made on an acquisition by-acquisition basis. Other non-controlling interests are initially measured at fair value. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity.

## New or amended Accounting Standards and Interpretations adopted

The Group has adopted the new or amended Accounting Standards and Interpretations issued by the International Accounting Standards Board ('IASB') that are mandatory for the current reporting period.

Any new or amended accounting standards or interpretations not yet mandatory have not been early adopted.

The following Accounting Standards and Interpretations are most relevant to the Group.

There are no new amended Accounting Standards or Interpretations that are not yet mandatory and not been early adopted by the Group which are expected to have a material impact on the financial statements.

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## Foreign currency translation

### Foreign currency transactions

Foreign currency transactions are translated into the functional currency of the respective Group entity using the exchange rates prevailing at the dates of the transactions (spot exchange), or where a transaction has been hedged, the hedged rate. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Non-monetary items are not retranslated at year-end and are measured at historical cost (translated using the exchange rates at the transaction date), except for non-monetary items measured at fair value which are translated using the exchange rates at the date when fair value was determined. Where a gain or loss on a non-monetary item is recognised in other comprehensive income the foreign exchange component of that gain or loss is also recognised in other comprehensive income.

### Foreign operations

In the Group's financial statements, all assets, liabilities and transactions of Group entities with a functional currency other than Sterling (£) are translated into Sterling (£) upon consolidation. The functional currency of the entities in the Group has remained unchanged during the reporting period.

On consolidation, assets and liabilities have been translated into Sterling(£) at the closing rate at the reporting date. Goodwill and fair value adjustments arising on the acquisition of a foreign entity have been treated as assets and liabilities of the foreign entity and translated into Sterling (£) at the closing rate. Income and expenses have been translated into Sterling(£) at the average rate over the reporting period. Exchange differences are charged or credited to other comprehensive income and recognised in the currency translation reserve in equity. On disposal of a foreign operation, the related cumulative translation differences recognised in equity are reclassified to profit or loss and are recognised as part of the gain or loss on disposal.

## Revenue recognition

Revenue is recognised at an amount that reflects the consideration to which the Group is expected to be entitled in exchange for transferring goods or services to a customer. For each arrangement with a customer, the Group: identifies whether the arrangement meets the definition of a contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each performance obligation to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts or any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Whenever applicable, the Group applies the variable consideration allocation exception to recognise revenue for variable amount related to a distinct service that forms part of a single performance obligation.

### IFRS Type 3 – Overtime, input method

The Group enters into long term contracts with customers that are typically treated as a single performance obligation to cover the design, manufacture and installation of the Group's products. A percentage-based cost of completion approach is applied as revenue is recognised over time. Warranty costs are identified as separate performance obligations only in the very rare circumstances that the warranty term varies significantly from the prevailing standard within the industry.

# Appendix A – Significant accounting policies continued

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### IFRS Type 3 – Overtime, output method

Revenue is recognised when the Group has despatched goods in accordance with its obligations under the terms of sale and title of the goods has been transferred to the buyer.

Revenue recognition is conducted using the output method. Revenue is recognised on the basis of the stage of completion whereby it is probable that the Group will obtain the financial benefits related to the assignment, and when a reliable calculation can be made. Anticipated losses are expensed immediately.

The Group's trade receivables are all related to the value of revenue receivable from contracts with customers.

The Group has taken the following practical expedients from IFRS 15:

- The Group need not adjust the promised amount of consideration for the effects of a significant financing component if the expectation is that, at contract inception, the period between when the Group transfers a promised service to a customer and when the customer pays for that service will be one year or less; and
- The Group has recognised incremental costs of obtaining a contract as an expense when incurred if the amortisation period for the asset that would have otherwise been recognised would be one year or less. When it is probable that total contract costs **will** exceed total contract turnover, the expected loss is recognised as an expense immediately.

### IFRS Type 1 – Point in time

A sale of goods is recognised when the Group has transferred to the buyer the significant risk and rewards of ownership, generally when the customer has taken undisputed delivery of the goods.

## Property, plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Such cost includes the cost of replacing component parts of the property, plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of property, plant and equipment are required to be replaced at intervals, the Group derecognises the replaced part and recognises the new part with its own associated useful life and depreciation. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the income statement as incurred. Gains and losses on disposals are determined by comparing the proceeds with carrying amount and are recognised within administrative expenses in the income statement.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

| Long-term leasehold property | Over the remaining period of the lease |
|---|---|
| Plant and machinery | 4-10 years |
| Motor vehicles | 4-10 years |
| Fixture and fittings | 2-10 years |
| Other equipment | 4 years |
| Freehold buildings | 20-50 years |

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Group. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss. Any revaluation surplus reserve relating to the item disposed of is transferred directly to retained profits.

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## Right-of-use assets

A right-of-use asset is recognised at commencement of the lease and initially measured at the amount of the lease liability, plus any incremental costs of obtaining the lease and any lease payments made at or before the leased asset is available for use by the group.

The right-of-use asset is subsequently measured at cost less accumulated depreciation and any accumulated impairment losses. Depreciation is charged on a straight-line basis over the shorter of the length of the lease or the useful life of the underlying asset.

## Intangible assets

Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is reflected in the income statement in the year in which the expenditure is incurred.

### Research and development

Research costs are expensed in the period in which they are incurred. Development costs are capitalised when it is probable that the project will be a success considering its commercial and technical feasibility; the Group is able to use or sell the asset; the Group has sufficient resources; and intent to complete the development and its costs can be measured reliably. Capitalised development costs are amortised on a straight-line basis over the period of their expected benefit, being their finite life of between 4 and 15 years where the amortisation is charged to administrative expenses.

### Goodwill

Goodwill represents the future economic benefits arising from a business combination that are not individually identified and separately recognised. Goodwill is carried at cost less accumulated impairment losses.

### Goodwill impairment testing

The recoverable amount is determined based on a value in use calculation which uses cash flow projections based on financial budgets approved by the directors covering a three-year period, and a discount rate of 10%.

The cash flow projections have assumed a blended 2% growth rate which is believed to be lower than the projected long-term average growth rate for the sector. The directors believe that any reasonably possible change in the key assumptions on which recoverable amount is based would not cause the aggregate carrying value to exceed the aggregate recoverable amount.

### Trade and other receivables

Trade receivables are initially measured at their transaction price. Group and other debtors are initially measured at fair value plus transaction costs. Debtors are held to collect the contractual cash flows which are solely payments of principal and interest. Therefore, these debtors are subsequently measured at amortised cost using the effective interest rate method.

An impairment loss is recognised for the expected credit losses on financial assets when there is an increased probability that the counterparty will be unable to settle an instrument's contractual cash flows on the contractual due dates, a reduction in the amounts expected to be recovered, or both.

# Appendix A – Significant accounting policies continued

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The probability of default and expected amounts recoverable are assessed using reasonable and supportable past and forward-looking information that is available without undue cost or effort. The expected credit loss is a probability-weighted amount determined from a range of outcomes and takes into account the time value of money.

For trade receivables, expected credit losses are measured by applying an expected loss rate to the gross carrying amount. The expected loss rate comprises the risk of a default occurring and the expected cash flows on default based on the aging of the debtor. The risk of a default occurring always takes into consideration all possible default events over the expected life of those debtors ("the lifetime expected credit losses"). Different provision rates and periods are used based on groupings of historic credit loss experience by product type, customer type and location.

Default is defined by management as probable non-payments of asset balances.

## Contract assets

Contract assets are recognised when the Group has transferred goods or services to the customer but where the Group is yet to establish an unconditional right to consideration. Contract assets are treated as financial assets for impairment purposes.

## Inventories

Raw materials and work in progress are stated at the lower of cost measured using the "average cost method" and net realisable value after making due allowance for obsolete and slow-moving inventory.

Cost comprises of direct materials and delivery costs, direct labour, import duties and other taxes, an appropriate proportion of variable and fixed overhead expenditure based on normal operating capacity. Costs of purchased stock are determined after deducting rebates and discounts received or receivable.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

## Contract liabilities

Contract liabilities represent the Group's obligation to transfer goods or services to a customer and are recognised when a customer pays consideration, or when the Group recognises a receivable to reflect its unconditional right to consideration (whichever is earlier) before the Group has transferred the goods or services to the customer.

## Borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

## Leases

At inception, the Group assesses whether a contract is, or contains, a lease within the scope of IFRS

16. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Where a tangible asset is acquired through a lease, the Group recognises a right-of-use asset and a lease liability at the lease commencement date. Right-of-use assets are included within tangible fixed assets, apart from those that meet the definition of investment property.

### Initial measurement of lease liability

The lease liability is initially measured at the present value of the lease payments during the lease term discounted using the interest rate implicit in the lease, or the incremental borrowing rate if the interest rate implicit in the lease cannot be readily determined.

The lease term is the non-cancellable period of the lease plus extension periods that the Group is reasonably certain to exercise and termination periods that the Group is reasonably certain not to exercise.

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Lease payments include fixed payments, less any lease incentives receivable, variable lease payments dependent on an index or a rate (such as those linked to LIBOR) and any residual value guarantees. Variable lease payments are initially measured using the index or rate when the leased asset is available for use. Termination penalties are included in the lease payments if the lease term has been adjusted because the Group reasonably expects to exercise an option to terminate the lease. The exercise price of an option to purchase the leased asset is included in the lease liability when the Group is reasonably certain to exercise that option.

### Subsequent measurement of lease liability

The lease liability is subsequently increased for a constant periodic rate of interest on the remaining balance of the lease liability and reduced for lease payments. Interest on the lease liability is recognised in profit or loss.

Variable lease payments not included in the measurement of the lease liability as they are not dependent on an index or rate, are recognised in profit or loss in the period in which the event or condition that triggers those payments occurs.

### Re-measurement of the lease liability

The lease liability is adjusted for changes arising from the original terms and conditions of the lease that change the lease term, the Group's assessment of its option to purchase the leased asset, the amount expected to be payable under a residual value guarantee and/or changes in lease payments due to a change in an index or rate. The adjustment to the lease liability is recognised when the change takes effect and is adjusted against the right-of-use asset, unless the carrying amount of the right-of-use asset is reduced to £nil, when any further adjustment is recognised in profit or loss.

Adjustments to the lease payments arising from a change in the lease term or the lessee's assessment of its option to purchase the leased asset are discounted using a revised discount rate. The revised discount rate is calculated as the interest rate implicit in the lease for the remainder of the lease term, or if that rate cannot be readily determined, the lessee's incremental borrowing rate at the date of reassessment.

Changes to the amounts expected to be payable under a residual value guarantee and changes to lease payments due to a change in an index or rate are recognised when the change takes effect, and are discounted at the original discount rate unless the change is due to a change in floating interest rates, when the discount rate is revised to reflect the changes in interest rate.

### Lease modifications

A lease modification is a change that was not part of the original terms and conditions of the lease and is accounted for as a separate lease if it increases the scope of the lease by adding the right to use one or more additional assets with a commensurate adjustment to the payments under the lease.

For a lease modification not accounted for as a separate lease, the lease liability is adjusted for the revised lease payments, discounted using a revised discount rate. The revised discount rate use is the interest rate implicit in the lease for the remainder of the lease term, or if that rate cannot be readily determined, the lessee company's incremental borrowing rate at the date of the modification.

Where the lease modification decreases the scope of the lease, the carrying amount of the right-of-use asset is reduced to reflect the partial or full termination of the lease. Any difference between the adjustment to the lease liability and the adjustment to the right-of-use asset is recognised in profit or loss.

For all other lease modifications, the adjustment to the lease liability is recognised as an adjustment to the right-of-use asset.

### Subsequent measurement of the right-of-use asset

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of other tangible fixed assets. The right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

# Appendix A – Significant accounting policies continued

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## Income tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable. Tax is recognised in the statement of comprehensive income, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

## Business combinations

The acquisition method of accounting is used to account for business combinations regardless of whether equity instruments or other assets are acquired.

The consideration transferred is the sum of the acquisition-date fair values of the assets transferred, equity instruments issued or liabilities incurred by the acquirer to former owners of the acquiree and the amount of any non-controlling interest in the acquiree. For each business combination, the non-controlling interest in the acquiree is measured at either fair value or at the proportionate share of the acquiree's identifiable net assets. All acquisition costs are expensed as incurred to profit or loss.

On the acquisition of a business, the consolidated entity assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the consolidated entity's operating or accounting policies and other pertinent conditions in existence at the acquisition-date.

Where the business combination is achieved in stages, the consolidated entity remeasures its previously held equity interest in the acquiree at the acquisition-date fair value and the difference between the fair value and the previous carrying amount is recognised in profit or loss.

Contingent consideration to be transferred by the acquirer is recognised at the acquisition-date fair value. Subsequent changes in the fair value of the contingent consideration classified as an asset or liability is recognised in profit or loss. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity.

The difference between the acquisition-date fair value of assets acquired, liabilities assumed and any non-controlling interest in the acquiree and the fair value of the consideration transferred and the fair value of any pre-existing investment in the acquiree is recognised as goodwill. If the consideration transferred and the pre-existing fair value is less than the fair value of the identifiable net assets acquired, being a bargain purchase to the acquirer, the difference is recognised as a gain directly in profit or loss by the acquirer on the acquisition-date, but only after a reassessment of the identification and measurement of the net assets acquired, the non-controlling interest in the acquiree, if any, the consideration transferred and the acquirer's previously held equity interest in the acquirer.

Business combinations are initially accounted for on a provisional basis. The acquirer retrospectively adjusts the provisional amounts recognised and also recognises additional assets or liabilities during the measurement period, based on new information obtained about the facts and circumstances that existed at the acquisition-date. The measurement period ends on either the earlier of (i) 12 months from the date of the acquisition or (ii) when the acquirer receives all the information possible to determine fair value.

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