CIMIC

ASX / Media Release

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15 NOVEMBER 2021 **UPDATE ON VENTIA IPO**

CIMIC Group refers to the attached supplementary prospectus for the initial public offering (**IPO**) of ordinary shares in Ventia Services Group Limited (**Ventia**) and the listing of Ventia on the Australian Securities Exchange (**ASX**) and New Zealand Stock Exchange (**NZX**).

CIMIC advises that the IPO will proceed at a final offer price of $1.70 per share. The IPO values 100% of Ventia shares at approximately $1.45 billion and provides it with a public market platform to enable further growth.

The IPO offer size will be $438 million, representing 30% of Ventia's share capital, comprising 26% issuance of new shares and 4% sell down by Ventia's existing major shareholders (2% each). The proceeds will be used to optimise Ventia's capital structure and reduce its debt. It will result in a 30% free float for Ventia on the ASX and NZX.

The IPO will result in cash proceeds for CIMIC of approximately $30 million after costs[1] and an expected statutory pre-tax gain of approximately $60 million[2] including the diluting impact of the issuance of new shares.

On completion of the IPO, CIMIC will retain a 32.8% stake in Ventia, which is subject to a voluntary escrow period[3]. The IPO price notionally values CIMIC's retained stake at approximately $500 million. Notwithstanding, CIMIC's retained stake will continue to be held in its financial accounts at historic, pre-IPO cost.

Pre-IPO, Ventia's contribution to CIMIC's revenue and net profit after tax (**NPAT**) were not material due to Ventia's acquisition and integration of Broadspectrum and its debt level. Post-IPO, Ventia will be positioned to benefit from the full integration of Broadspectrum and a lower level of debt, increasing its contribution to CIMIC's revenue and NPAT.

CIMIC confirms its guidance for NPAT of $400 million to $430 million for the 2021 financial year, subject to market conditions and excluding any one-off items such as the Ventia IPO outlined above.

ENDS

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[1] Includes a primary raise of $374 million to repay debt at Ventia.
[2] Sale price less cost of 14.3% stake as held in CIMIC's accounts less other transaction and IPO costs.
[3] The period ending at 4.15pm on the date on which Ventia releases its financial results for the period ending 31 December 2022.

Important notice

This document does not contain or constitute an offer or invitation to purchase or subscribe for, or any offer to buy, any shares in Ventia in the United States or in any other jurisdiction where such offer or sale would be unlawful, and should not be relied on in connection with any decision to purchase or subscribe for any such shares.

The shares have not been and will not be registered under the US Securities Act of 1933 (the Securities Act), or with any securities regulatory authority of any state or other jurisdiction of the United States, and may not be offered, sold, resold, pledged, delivered, distributed or transferred, directly or indirectly, into or within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the United States. No public offering of the Shares is being made in the United States.

A prospectus in relation to the IPO has been lodged with ASIC, and any person wishing to acquire Ventia shares should consider the prospectus, as supplemented by the attached supplementary prospectus dated 15 November 2021 (collectively, the prospectus) and must use the application form in or accompanying the prospectus. Application forms will only be made available with the prospectus after the expiry of the exposure period (referred to above).

The provision of this announcement is not, and should not be considered as, financial product advice. The information in this announcement is general information only, and does not take into account your individual objectives, taxation position, financial situation or needs. If you are unsure of your position, please contact your accountant, tax advisor, stockbroker or other professional advisor.

This announcement contains certain "forward-looking statements". Forward-looking statements are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance.

CIMIC Group, together with its related bodies corporate (other than Ventia), shareholders and affiliates and each of their respective officers, directors, employees, partners, consultants, contractors, affiliates, agents and advisers (each a **CIMIC Party**) have not authorised, permitted or caused the issue or lodgement, submission, dispatch or provision of the prospectus, and do not make or purport to make any statement in the prospectus, and there is no statement in the prospectus which is based on any statement made by a CIMIC Party. To the maximum extent permitted by law, each CIMIC Party expressly disclaims any and all liabilities (including, without limitation, any liability arising out of fault or negligence for any direct, indirect, consequential or contingent loss or damage) in respect of, and makes no representations or warranties (express or implied) regarding, and takes no responsibility for, and has not independently verified, any part of the prospectus or the IPO and makes no representation or warranty as to the currency, accuracy, reliability, completeness or fairness of the prospectus. The CIMIC Parties make no recommendations as to whether any person should participate in the IPO nor do they make any representations or warranties to any person concerning the IPO, and they further expressly disclaim that they are in a fiduciary relationship with any recipient of the prospectus.

CIMIC Group (ASX:CIM) is an engineering-led construction, mining, services and public private partnerships leader working across the lifecycle of assets, infrastructure and resources projects. CIMIC Group comprises our construction businesses CPB Contractors, Leighton Asia and Broad, our mining and mineral processing companies Thiess (joint control) and Sedgman, our services specialist UGL and our public private partnerships arm Pacific Partnerships – all supported by our in-house engineering consultancy EIC Activities. Our mission is to generate sustainable shareholder returns by delivering innovative and competitive solutions for clients and safe, fulfilling careers for our people. With a history since 1899, and around 31,000 people in 20 countries, we strive to be known for our principles of Integrity, Accountability, Innovation and Delivery, underpinned by Safety. CIMIC is a member of the S&P/ASX 200 index, the Dow Jones Sustainability Australia Index and FTSE4Good.

SUPPLEMENTARY PROSPECTUS

Supplementary prospectus dated 15 November 2021 to be read together with the Prospectus dated 26 October 2021 issued by Ventia Services Group Limited ABN 53 603 253 541 and Ventia SaleCo Limited ACN 654 078 878 offering fully paid ordinary shares in Ventia.

Joint Lead Managers

Barrenjoey | J.P.Morgan | MACQUARIE

This document is a supplementary prospectus. It supplements a prospectus dated 26 October 2021 issued by Ventia Services Group Limited ABN 53 603 253 541 (**Ventia**) and Ventia SaleCo Limited ACN 654 078 878 (**SaleCo**) offering fully paid ordinary shares in Ventia (**Prospectus**).

This supplementary prospectus must be read together with the Prospectus.

A term with a defined meaning in the Prospectus has the same meaning in this supplementary prospectus, and information in the Important Notices and Disclaimer Section of the Prospectus applies to this supplementary prospectus to the extent relevant.

The supplementary prospectus does not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful 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 Shares, in any jurisdiction outside Australia and New Zealand.

The distribution of the supplementary prospectus outside Australia and New Zealand (including electronically) may be restricted by law and persons who come into possession of the supplementary prospectus outside Australia and New Zealand should seek advice and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. For details of selling restrictions that apply to the Shares in certain jurisdictions outside of Australia and New Zealand, please refer to Section 9 of the Prospectus.

This supplementary prospectus may not be distributed to, or relied upon by, persons in the United States, unless accompanied by the US Institutional Offering Memorandum as part of the Institutional Offer. The Shares being offered pursuant to this Prospectus have not been, and will not be, registered under the US Securities Act or any securities laws of any state or other jurisdiction in the United States and may not be offered or sold in the United States except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act and any other applicable securities laws of any state or other jurisdiction of the United States.

The Offer is not being extended to any investor outside of Australia and New Zealand, other than to certain Institutional Investors as part of the Institutional Offer. Please refer to Section 9 of the Prospectus for more detail on selling restrictions that apply to the Offer and the sale of Shares in jurisdictions outside of Australia and New Zealand

1.1. Final Price

The Prospectus stated that the Final Price may be set below, within or above the Indicative Price Range.

The Final Price has now been set at $1.70 per Share, which is below the Indicative Price Range of $2.75 – $3.15 per Share.

The institutional bookbuild process to be held over 15-16 November 2021 will not determine the Final Price, but will be used to determine the allocation of Shares under the Institutional Offer and the overall size of the Institutional Offer, relative to the other components of the Offer.

1.2. Number of Shares to be issued by Ventia

The total number of Shares to be issued in the Offer by Ventia has been fixed at 219.9 million Shares, to raise $374 million.

The amount to be raised by Ventia, net of costs of the Offer (which will be approximately $351.1 million, being $374 million raised, net of costs of the Offer of approximately $23 million), will remain consistent with the amount of $351.1 million stated in the Prospectus (which assumed the Final Price was at the midpoint of the Indicative Price Range). However, the total number of Shares to be issued is greater than stated in the Prospectus (which stated that 126.0 – 143.2 million Shares would be issued).

1.3. Number of Shares to be sold in the Offer

The total number of Shares to be sold by SaleCo in the Offer will be 37.6 million Shares, to raise sale proceeds of $64 million.

The total number of Shares to be sold and the amount of sale proceeds to be raised is less than stated in the Prospectus (which stated that 220.9 million Shares would be sold to raise sale proceeds of $607 – $696 million, assuming no Over-allocation, or that 255.6 million Shares would be sold to raise sale proceeds of $703 – $805 million, assuming maximum Over-allocation).

There will be no Over-allocation and no Market Stabilisation Activities.

1.4. Holdings of Existing Shareholders on Completion

The Existing Shareholders will each hold 32.8% of the Shares on issue following Completion of the Offer (or 280.4 million Shares each).

This is greater than stated in the Prospectus (which stated that the Existing Shareholders would each hold 22.3% – 24.5% of the Shares following Completion of the Offer and any exercise of the Over-allocation Option, depending on whether or not the Over-allocation Option was exercised, or 171.4 – 188.7 million Shares, at the midpoint of the Indicative Price Range).

All of Existing Shareholders' retained Shares will still be subject to voluntary escrow arrangements as described in Section 9.8.2 of the Prospectus.

1.5. Underwriting

The Offer Management Agreement has been amended to provide for underwriting of the Offer at the Final Price (subject to conditions precedent and termination events set out in the Offer Management Agreement).

1.6. Financial Information

There are no material changes to the financial information in Section 4 of the Prospectus. The only changes relate to the statutory income statement and statutory cash flows in CY2021F and the pro forma consolidated balance sheet due to lower Offer costs and the revised size of the Offer. There are also changes to the statutory financial metrics reflecting the changes to the statutory income statement and statutory cash flows. There are no changes to the pro forma historical and pro forma forecast financial information, and there is no impact on the pro forma consolidated indebtedness.

1.7. Gateway Motorway project

The Prospectus stated in Section 9.9.2 that Ventia was aware of the potential for claims to arise against Ventia group companies in relation to the Gateway Motorway project and that Ventia believed that a third party claim against Visionstream Australia or GMS could be served in the near-term, since Court orders in that litigation required all third party claims by the defendants (including the head design and construction contractor) to be filed in mid-November 2021. Visionstream Australia and GMS have now each been served with claims, as detailed in the attached changes to the Prospectus.

1.8. Consequential changes to the Prospectus

Appendix 1 sets out consequential changes to the Prospectus.

1.9. Important dates

The Key Offer Dates on page 6 of the Prospectus remain the same. Those dates are indicative only and may change without notice.

1.10. Applications

An Applicant wishing to apply for Shares should still use the Application Form for Shares included in the Prospectus.

1.11. Statement of Directors

This supplementary prospectus has been authorised by each Director and each SaleCo Director. Each Director and SaleCo Director has consented to its lodgement with ASIC and its issue and has not withdrawn that consent. The Directors have made enquiries and nothing has come to their attention to suggest that Ventia is not continuing to earn profit from continuing operations up to the date of this supplementary prospectus.

APPENDIX 1. CONSEQUENTIAL CHANGES TO THE PROSPECTUS

1. Key Offer Statistics

The following updated information replaces the Key Offer Statistics tables at pages 6 and 7 and in Section 1.7.1 of the Prospectus:

Key Offer Statistics[1]

Final Price	$1.70 per Share
Total proceeds under the Offer	$438 million
Proceeds of the Offer raised by the issue of Shares in the Company	$374 million
Proceeds of the Offer paid to Existing Shareholders	$64 million
Total number of Shares available under the Offer	257.5 million Shares
Total number of New Shares to be issued under the Offer	219.9 million Shares
Total number of Existing Shares to be sold under the Offer	37.6 million Shares
Number of Shares to be held by Existing Shareholders at Completion	560.7 million Shares
Total number of Shares on issue at Completion[2]	855.5 million Shares
Market capitalisation based on the total number of Shares on issue at Completion and the Final Price	$1,454 million
Pro forma historical net debt as at 30 June 2021[3]	$722 million
Enterprise value based on the Final Price[4]	$2,176 million
Enterprise value / Pro Forma forecast CY2021 EBITA[5]	9.5x
Enterprise value / Pro Forma forecast CY2022 EBITA[5]	7.9x
Market capitalisation / Pro Forma forecast CY2021 NPATA[5]	10.4x
Market capitalisation / Pro Forma forecast CY2022 NPATA[5]	8.5x
Market capitalisation / Pro Forma forecast CY2021 NPAT[5]	11.8x
Market capitalisation / Pro Forma forecast CY2022 NPAT[5]	9.4x
Implied forecast dividend yield for CY2022[6]	8.9%

1. The Key Offer Statistics contain Forecast Financial Information, which is prepared on the basis of the general and specific assumptions set out in Sections 4.9.1 and 4.9.2 and should be read in conjunction with the discussion of the Pro Forma Historical Financial Information and the Pro Forma Forecast Financial Information in Sections 4.8 and 4.9, including the sensitivities set out in Section 4.10 and the risk factors set out in Section 5. The above table contains non-IFRS financial measures, which are discussed in Section 4.2.8.
2. Includes 37.2 million EIP Shares, which will be reclassified as Shares by Completion as discussed in Section 6.3.4.1.
3. Pro forma historical net debt is the indebtedness of Ventia as of 30 June 2021 (plus lease liabilities, less estimated cash and cash equivalents), adjusted for the repayment of the Existing Banking Facilities, anticipated drawings under the New Banking Facilities and receipt of the net proceeds of the Offer upon Completion, as if these actions took place as at 30 June 2021 (refer Section 4.7.2 for further details).
4. Enterprise value is calculated as the sum of the market capitalisation of Ventia (based on the total number of Shares on issue at Completion and the Final Price) and pro forma historical net debt.
5. Refer to Section 4.2.8 for an explanation of EBITA and NPATA. Refer to footnote 1 regarding Forecast Financial Information.
6. Calculated as the implied dividend per Share based on a 75% dividend payout ratio on forecast CY2022 NPATA divided by the Final Price. The payment of a dividend by the Company is at the discretion of the Directors and will be a function of a number of factors the Directors may consider relevant. No assurances can be given by any person, including the Directors, about the payment of any dividend or the level of franking on any such dividend. For more details on the Company's dividend policy, see Section 4.12.

2. Chairman's letter – page 10 of the Prospectus

The following paragraph replaces the ninth paragraph of the Chairman's letter:

> We have historically generated, and are forecasting, strong free cash flow supporting our initial forecast dividend yield of 8.9%[7].

The following paragraphs replace the twelfth, thirteenth and fourteenth paragraphs of the Chairman's letter:

> Through the Offer, Ventia and SaleCo are seeking to raise $438 million through the issue and sale of 257.5 million Shares at the Final Price.
>
> Ventia is seeking proceeds of $374 million through the issue of approximately 219.9 million Shares. SaleCo is seeking proceeds of $64 million through the sale of approximately 37.6 million Shares, currently owned by the Existing Shareholders, Apollo and CIMIC, at the Final Price.
>
> Following Completion of the Offer, the Existing Shareholders will each hold 32.8% of the Shares on issue (or a total of 65.5% of such Shares).

3. Section 1.9 'Who are the Existing Shareholders and what will their interest in Ventia be following the Offer?'

The following replaces the text in Section 1.9 'Who are the Existing Shareholders and what will their interest in Ventia be following the Offer?':

> The following table represents the Existing Shareholders' interests in Shares on Completion:

Existing Shareholders interest in Ventia on Completion	
CIMIC	32.8%
Apollo	32.8%
Total interest	**65.5%**

4. Section 1.9 What significant benefits and interests are payable to Directors and other persons connected with Ventia or the Offer and what significant interests do they hold?

The following table replaces the table in Section 1.9 'What significant benefits and interests are payable to Directors and other persons connected with Ventia or the Offer and what significant interests do they hold?', and the bullet point which precedes the table:

- The following table represents the Directors' respective interests in Shares on Completion:

Directors' respective interest in Ventia on Completion	
David Moffatt	1.2%
Total Directors' interest	**1.2%**

7. Calculated as the implied dividend per Share based on a 75% dividend payout ratio on forecast CY2022 NPATA divided by the Final Price. The payment of a dividend by the Company is at the discretion of the Directors and will be a function of a number of factors the Directors may consider relevant. No assurances can be given by any person, including the Directors, about the payment of any dividend or the level of franking on any such dividend. For more details on the Company's dividend policy, see Section 4.12.

5. Section 1.10 'What is the Offer?'

The following replaces the text in Section 1.10 'What is the Offer?':

- The Offer is an initial public offering of 219.9 million Shares for issue by the Company and 37.6 million Shares for sale by SaleCo.
- Following Completion of the Offer, the Existing Shareholders will hold 65.5 % of the Shares on issue. The Shares offered under this Prospectus will represent 30.1% of the Shares on issue following the Offer.
- All Shares will be issued and sold at the Final Price.

6. Section 1.10 'What are the Market Stabilisation Activities?' and 'What would be the impact of any Market Stabilisation Activities on the Shareholding of the Existing Shareholders?'

The questions, answers and Section references in Section 1.10 'What are the Market Stabilisation Activities?' and 'What would be the impact of any Market Stabilisation Activities on the Shareholding of the Existing Shareholders?' are deleted.

7. Section 1.10 'Is the Offer underwritten?'

The following replaces the text in Section 1.10 'Is the Offer underwritten?':

> Yes. The Offer is underwritten (subject to conditions precedent and termination events set out in the Offer Management Agreement).

8. Section 4 Financial Information

The following table replaces Table 22 in Section 4:

Table 22: Summary statutory historical consolidated statements of profit or loss for CY2018 to CY2020 and summary statutory forecast consolidated statements of profit or loss for CY2021F to CY2022F

	Statutory Historical			Statutory Forecast	
$ millions	CY2018	CY2019	CY2020	CY2021F	CY2022F
Services revenue	**2,233.2**	**2,255.5**	**3,223.2**	**4,501.3**	**4,942.6**
Other income	(0.0)	0.8	0.7	0.4	–
Total revenue	**2,233.2**	**2,256.2**	**3,223.9**	**4,501.7**	**4,942.6**
Total operating expenses	(2,038.0)	(2,026.1)	(2,961.2)	(4,207.6)	(4,539.9)
Share of profits in joint venture entities	8.4	5.6	3.1	5.4	2.9
EBITDA	**203.6**	**235.8**	**265.8**	**299.5**	**405.5**
Depreciation	(12.9)	(45.5)	(79.4)	(104.8)	(105.4)
Amortisation	(18.8)	(22.6)	(59.6)	(81.0)	(56.1)
EBIT	**171.8**	**167.6**	**126.8**	**113.7**	**244.0**
Net finance costs	(74.7)	(79.3)	(92.4)	(142.2)	(30.0)
Profit/(loss) before tax	**97.1**	**88.3**	**34.4**	**(28.5)**	**214.0**
Tax expense	(27.0)	(26.2)	(10.3)	19.0	(64.2)
Net profit/(loss) from continuing operations	**70.1**	**62.1**	**24.1**	**(9.4)**	**149.8**
Profit after tax from discontinued operations	–	–	3.9	24.6	–
NPAT	**70.1**	**62.1**	**28.0**	**15.2**	**149.8**

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The following table replaces Table 24 in Section 4:

Table 24: Pro forma adjustments to the statutory consolidated historical and forecast statements of profit or loss for CY2018 to CY2022F

		Historical			Forecast	
$ millions	Note	CY2018	CY2019	CY2020	CY2021F	CY2022F
Statutory NPAT		**70.1**	**62.1**	**28.0**	**15.2**	**149.8**
Broadspectrum Pro Forma Adjustments	1	(32.8)	(30.5)	(9.7)	(24.7)	–
Broadspectrum transaction and integration costs	2	–	6.0	49.9	67.2	3.1
Amortisation	3	–	–	24.0	26.4	5.8
Offer-related costs	4	–	–	–	7.4	–
Listed public company costs	5	(8.7)	(8.7)	(8.7)	(7.3)	–
Ventia shareholder fee	6	3.4	3.5	3.0	2.6	–
Remuneration changes	7	(2.2)	(4.6)	(8.2)	(3.5)	–
AASB 16 Leases	8	(1.3)	–	–	–	–
Total operating expense adjustments (pre-tax)		**(41.7)**	**(34.3)**	**50.4**	**68.2**	**8.9**
Interest expense adjustments	9	74.3	73.8	73.1	112.0	(0.8)
Income tax adjustments	10	(24.1)	(19.6)	(45.5)	(71.9)	(2.4)
Total adjustments		**8.5**	**19.9**	**78.0**	**108.2**	**5.7**
Pro forma NPAT		**78.6**	**82.0**	**106.0**	**123.4**	**155.5**
Amortisation of acquired intangibles (after tax)		21.4	19.5	13.4	16.4	16.3
Pro forma NPATA		**100.0**	**101.5**	**119.5**	**139.8**	**171.8**

Notes:

1. Includes NPAT from Broadspectrum. Refer to Section 4.2 for further information.
2. Excludes transaction and integration costs relating to the acquisition of Broadspectrum and the sale of APP.
3. Excludes Ventia accelerated amortisation relating to software and brand that will not be used by Ventia post-integration of the Broadspectrum acquisition.
4. Excludes Offer-related costs which are expected to be expensed. Assumes a primary raising by the Company of $374 million and secondary raising by SaleCo of $64 million.
5. Includes Ventia's estimate of incremental costs that it will incur as a listed company.
6. Excludes Ventia's current shareholder fee structure which will not be in place following Completion of the Offer.
7. Excludes the existing executive incentive plan and includes Ventia's new share-based payment plan which will be implemented upon Completion.
8. Includes the impact of AASB 16 *Leases* (which was adopted by Ventia and Broadspectrum on 1 January 2019) as if this standard had been adopted from 1 January 2018 (refer to Section 4.2.5).
9. Includes interest expense on the New Banking Facilities as though they had been in place from 1 January 2018 and excludes the repayment of the existing debt facilities (and close-out of associated hedges), including the removal of the existing amortisation and write-off of borrowing costs associated with the existing debt facilities.
10. Application of a pro forma tax rate of 30%, which is the Australian corporate tax rate and is reflective of Ventia's anticipated tax rate following Completion.

The following table replaces Table 29 in Section 4:

Table 29: Key historical and forecast pro forma and statutory financial metrics for CY2018 to CY2022F

	Historical			Forecast	
	CY2018	CY2019	CY2020	CY2021F	CY2022F
Pro forma					
Total revenue growth	N/A	1.0%	(4.4%)	(2.0%)	9.8%
EBITDA growth	N/A	(0.7%)	0.9%	3.2%	11.7%
EBITDA Margin	7.4%	7.3%	7.7%	8.1%	8.3%
EBITA growth	N/A	1.3%	14.9%	14.4%	20.1%
EBITA Margin	3.6%	3.6%	4.4%	5.1%	5.6%
EBIT growth	N/A	3.4%	23.6%	13.6%	22.5%
EBIT Margin	3.0%	3.1%	4.0%	4.6%	5.1%
NPAT growth	N/A	4.3%	29.3%	16.4%	26.0%
NPATA growth	N/A	1.5%	17.7%	17.0%	22.9%
Operating Cash Flow Conversion	87.5%	82.4%	87.0%	84.7%	91.4%
Statutory					
Total revenue growth	N/A	1.0%	42.9%	39.6%	9.8%
EBITDA growth	N/A	15.8%	12.7%	12.7%	35.4%
EBITDA Margin	9.1%	10.5%	8.2%	6.7%	8.2%
EBIT growth	N/A	(2.4%)	(24.4%)	(10.4%)	114.7%
EBIT Margin	7.7%	7.4%	3.9%	2.5%	4.9%
NPAT growth	N/A	(11.4%)	(54.9%)	(46.0%)	888.8%
Operating Cash Flow Conversion				75.5%	91.4%

The following table replaces Table 31 in Section 4:

Table 31: Summary pro forma historical and forecast consolidated statements of cash flows for CY2018 to CY2022F

		Pro Forma Historical			Pro Forma Forecast		Statutory Forecast	
$ millions	Note	CY2018	CY2019	CY2020	CY2021F	CY2022F	CY2021F	CY2022F
EBITDA		354.1	351.5	354.5	365.8	408.6	299.5	405.5
Non-cash share-based payments		7.5	7.5	7.5	7.5	7.5	4.0	7.5
Changes in Net Working Capital		(51.8)	(69.3)	(53.6)	(63.6)	(42.5)	(77.5)	(42.5)
Operating Cash Flow		**309.8**	**289.7**	**308.4**	**309.7**	**373.7**	**226.0**	**370.6**
Lease payments	1	(88.8)	(82.1)	(80.8)	(78.0)	(78.0)	(78.0)	(78.0)
Maintenance Capital Expenditure		(21.2)	(15.6)	(15.1)	(30.3)	(33.6)	(30.3)	(33.6)
Growth Capital Expenditure		(21.3)	(45.0)	(14.9)	(11.3)	(7.4)	(11.3)	(7.4)
Proceeds from asset sale	2	–	–	–	–	–	91.1	–
Cash flow before financing and tax		**178.4**	**146.9**	**197.6**	**190.1**	**254.7**	**197.5**	**251.6**
Interest paid	3				(22.6)	(21.0)	(77.6)	(21.0)
Tax paid					(45.4)	(56.8)	(23.9)	(56.8)
Dividends to Shareholders in H1CY2021	4				–	–	(38.5)	–
Repayment of existing debt	5				–	–	(1,450.9)	–
New Banking Facilities	6				–	–	743.4	–
Issue of New Shares					–	–	373.8	–
Offer-related costs	7				–	–	(10.6)	–
Net cash flows before dividends to New Shareholders					**122.1**	**176.9**	**(286.9)**	**173.8**

Notes:

1. Comprises principal and interest payments in respect of leased assets accounted for under AASB 16 *Leases*.
2. Relates to proceeds from the sale of APP in CY2021F.
3. Pro forma interest paid is based on the New Banking Facilities, while Statutory Financial Information includes the costs of the existing debt facilities prior to Completion and the New Banking Facilities from Completion.
4. Relates to dividends paid to Ventia's existing shareholders in H1CY2021.
5. Reflects the repayment of the existing debt facilities (and close-out of associated hedges).
6. Reflects drawdown of the New Banking Facilities net of costs incurred with the establishment of the New Banking Facilities.
7. Comprises capitalised portion of costs associated with the Offer (the expensed portion of these costs is included in EBITDA).

APPENDIX 1. CONSEQUENTIAL CHANGES TO THE PROSPECTUS

The following table replaces Table 35 in Section 4:

Table 35: Pro forma adjustments to the statutory forecast consolidated statements of cash flows for CY2021F to CY2022F

		Forecast	
$ millions	Note	CY2021F	CY2022F
Statutory net cash flow before dividends to New Shareholders		**(286.9)**	**173.8**
Discontinued operations	1	(92.2)	–
Tax paid	2	(21.5)	–
Net interest payments	3	55.1	–
Broadspectrum transaction and integration costs	4	67.2	3.1
Net Working Capital	5	15.0	–
Offer-related costs	6	18.1	–
Listed public company costs and director fees	7	(7.3)	–
Ventia shareholder fee	8	2.6	–
Dividends to Shareholders in H1CY2021	9	38.5	–
Refinance of the existing debt facilities with the New Banking Facilities	10	707.5	–
Proceeds from issue of shares		(373.8)	–
Other		(0.2)	–
Pro forma net cash flow before dividends to New Shareholders		**122.1**	**176.9**

Notes:
1. Excludes proceeds from the sale of APP and cash flows from APP in CY2021F.
2. Excludes statutory tax paid and includes pro forma tax paid.
3. Excludes net interest payments under the existing debt facilities and includes net interest payments under the New Banking Facilities.
4. Excludes transaction and integration costs relating to the acquisition of Broadspectrum and the sale of APP.
5. Excludes a cash outflow relating to non-recurring workers' compensation as a result of the Broadspectrum acquisition.
6. Excludes Offer-related costs.
7. Includes Ventia's estimate of incremental costs it will incur as a public company.
8. Excludes Ventia's current shareholder fee structure which will not be in place following Completion of the Offer.
9. Excludes dividends paid to existing Shareholders.
10. Excludes repayment of the existing debt facilities (and associated hedges) and includes drawdown of the New Banking Facilities (net of costs).

The following table replaces Table 37 in Section 4:

Table 37: Pro forma Historical Consolidated Statement of Financial Position as at 30 June 2021

$ millions	Note	Statutory Historical 30 June 2021	Recognition of NZ tax losses	Before Completion of the Offer	Offer proceeds net of Offer Costs	Net impact of refinancing	Employee Incentive Plan	Pro forma reflecting Completion of the Offer
Cash and cash equivalents	1	459.2	–	459.2	351.1	(657.1)	–	153.2
Trade and other receivables	2	745.4	–	745.4	–	(7.6)	–	737.8
Current tax asset	3	1.7	–	1.7	–	(1.7)	–	–
Inventories		29.9	–	29.9	–	–	–	29.9
Derivative assets	4	3.5	–	3.5	–	(3.5)	–	–
Current assets		**1,239.7**	**–**	**1,239.7**	**351.1**	**(669.9)**	**–**	**921.0**
Trade and other receivables		8.5	–	8.5	–	–	–	8.5
Derivative assets	4	0.9	–	0.9	–	(0.9)	–	–
Investments		5.0	–	5.0	–	–	–	5.0
Deferred tax assets	5	213.0	3.0	216.0	6.8	11.2	–	233.9
Right-of-use assets		124.0	–	124.0	–	–	–	124.0
Property, plant and equipment		167.2	–	167.2	–	–	–	167.2
Intangibles		164.3	–	164.3	–	–	–	164.3
Goodwill		1,093.0	–	1,093.0	–	–	–	1,093.0
Non-current assets		**1,775.9**	**3.0**	**1,778.9**	**6.8**	**10.3**	**–**	**1,795.9**
TOTAL ASSETS		**3,015.6**	**3.0**	**3,018.6**	**357.9**	**(659.6)**	**–**	**2,716.9**
Trade and other payables		885.7	–	885.7	–	–	–	885.7
Derivative liabilities	4	12.4	–	12.4	–	(12.4)	–	–
Provisions		258.5	–	258.5	–	–	–	258.5
Lease liabilities		47.0	–	47.0	–	–	–	47.0
Current tax liability	3	21.6	(7.5)	14.1	–	(2.9)	–	11.1
Current liabilities		**1,225.1**	**(7.5)**	**1,217.6**	**–**	**(15.3)**	**–**	**1,202.3**
Trade and other payables		31.0	–	31.0	–	–	–	31.0
Provisions		280.2	–	280.2	–	–	–	280.2
Derivative liabilities	4	74.0	–	74.0	–	(74.0)	–	–
Lease liabilities		78.1	–	78.1	–	–	–	78.1
Borrowings	6	1,284.6	–	1,284.6	–	(541.3)	–	743.4
Non-current liabilities		**1,748.0**	**–**	**1,748.0**	**–**	**(615.3)**	**–**	**1,132.7**
TOTAL LIABILITIES		**2,973.1**	**(7.5)**	**2,965.6**	**–**	**(630.6)**	**–**	**2,335.0**
Share capital	7	2.7	–	2.7	363.1	–	–	365.8
Reserves	8	(4.4)	–	(4.4)	–	8.1	(3.3)	0.4
Retained earnings	9	44.2	10.5	54.7	(5.2)	(37.1)	3.3	15.6
TOTAL EQUITY		**42.5**	**10.5**	**53.0**	**357.9**	**(29.0)**	**–**	**381.9**

Notes:

1. Includes net cash raised pursuant to the Offer, drawings under the New Banking Facilities and repayment of the existing debt facilities (and close-out of associated hedges) as a result of the refinancing.
2. Includes the write-off of existing capitalised borrowing costs.
3. Includes the recognition of New Zealand tax losses, the tax impact associated with the write-off of existing capitalised borrowing costs and the tax impact associated with the close-out of existing hedges.
4. Includes the close-out of hedges associated with existing debt facilities.
5. Includes the recognition of New Zealand tax losses, the tax effect of the costs associated with the Offer and the tax impact associated with the write-off of existing capitalised borrowing costs.
6. Includes the repayment of existing debt facilities, write-off of existing capitalised borrowings costs and the capitalisation and amortisation of refinancing costs associated with the New Banking Facilities upon Completion (refer to Section 4.7.4). All proceeds from the New Banking Facilities are non-current liabilities.
7. Includes the issue of New Shares under the Offer offset by the costs after income tax related to the issue of New Shares.
8. Includes the impact on reserves of the close-out of hedges associated with existing debt facilities and the unwind of the existing executive incentive plan.
9. Includes the recognition of New Zealand tax losses, impact of transaction costs relating to the Offer that are required to be expensed, the write-off of capitalised borrowing costs associated with the existing debt facilities, the close-out of associated hedges, and the unwind of the existing executive incentive plan.

The following table replaces Table 55 in Section 4:

Table 55: Group forecast consolidated statements of profit or loss for CY2021F and CY2022F

	Historical/Forecast			Change		Change (%)	
$ millions	CY2020	CY2021F	CY2022F	CY2021F	CY2022F	CY2021F	CY2022F
Pro Forma							
Total revenue	4,591.9	4,501.7	4,942.6	(90.1)	440.8	(2.0%)	9.8%
EBITDA	354.5	365.8	408.6	11.3	42.8	3.2%	11.7%
EBITDA Margin	7.7%	8.1%	8.3%	40bps	14bps	NM	NM
Depreciation	(116.1)	(104.8)	(105.4)	11.3	(0.5)	(9.7%)	0.5%
Amortisation of software	(37.4)	(31.0)	(27.1)	6.4	4.0	(17.1%)	(12.8%)
EBITA	201.0	229.9	276.2	28.9	46.3	14.4%	20.1%
EBITA Margin	4.4%	5.1%	5.6%	73bps	48bps	NM	NM
NPAT	106.0	123.4	155.5	17.4	32.1	16.4%	26.0%
NPATA	119.5	139.8	171.8	20.3	32.0	17.0%	22.9%
Statutory							
Total revenue	3,223.9	4,501.7	4,942.6	1,277.8	440.8	39.6%	9.8%
EBITDA	265.8	299.5	405.5	33.7	106.0	12.7%	35.4%
EBITDA Margin	8.2%	6.7%	8.2%	(159bps)	155bps	NM	NM
Depreciation	(79.4)	(104.8)	(105.4)	(25.4)	(0.5)	32.0%	0.5%
Amortisation	(59.6)	(81.0)	(56.1)	(21.4)	24.8	35.9%	(30.7%)
EBIT	126.8	113.7	244.0	(13.1)	130.4	(10.4%)	114.7%
EBIT Margin	3.9%	2.5%	4.9%	(141bps)	241bps	NM	NM
NPAT	28.0	15.2	149.8	(12.9)	134.7	(46.0%)	888.8%

The following table replaces Table 61 in Section 4:

Table 61: Group pro forma forecast consolidated cash flows for CY2021F and CY2022F

	Historical/Forecast			Change		Change (%)	
$ millions	CY2020	CY2021F	CY2022F	CY2021F	CY2022F	CY2021F	CY2022F
Pro Forma							
EBITDA	354.5	365.8	408.6	11.2	42.8	3.2%	11.7%
Non-cash share-based payments	7.5	7.5	7.5	–	–	–	–
Changes in Net Working Capital	(53.6)	(63.6)	(42.5)	(10.0)	21.2	18.6%	(33.3%)
Operating Cash Flow	**308.4**	**309.7**	**373.7**	**1.3**	**64.0**	**0.4%**	**20.7%**
Lease payments	(80.8)	(78.0)	(78.0)	2.9	(0.0)	(3.6%)	0.0%
Maintenance Capital Expenditure	(15.1)	(30.3)	(33.6)	(15.2)	(3.3)	100.5%	10.8%
Growth Capital Expenditure	(14.9)	(11.3)	(7.4)	3.6	3.9	(24.1%)	(34.4%)
Cash flow before financing and tax	**197.6**	**190.1**	**254.7**	**(7.5)**	**64.6**	**(3.8%)**	**34.0%**
Statutory							
EBITDA		299.5	405.5	N/A	106.0	N/A	35.4%
Non-cash share-based payments		4.0	7.5	N/A	3.5	N/A	87.5%
Changes in Net Working Capital		(77.5)	(42.5)	N/A	35.0	N/A	(45.2%)
Operating Cash Flow		**226.0**	**370.6**	**N/A**	**144.5**	**N/A**	**63.9%**
Lease payments		(78.0)	(78.0)	N/A	(0.0)	N/A	0.0%
Maintenance Capital Expenditure		(30.3)	(33.6)	N/A	(3.3)	N/A	10.8%
Growth Capital Expenditure		(11.3)	(7.4)	N/A	3.9	N/A	(34.4%)
Proceeds from asset sale		91.1	–	N/A	(91.1)	N/A	(100.0%)
Cash flow before financing and tax		**197.5**	**251.6**	**N/A**	**54.0**	**N/A**	**27.3%**

9. Section 5.2.12 Contractual and general litigation risk

The following paragraph replaces the third paragraph of Section 5.2.12:

> Claims have been made against Ventia group companies in relation to the Gateway Motorway project on 12 November 2021. These claims have arisen in connection with Visionstream Australia's involvement in the design and construction of aspects of the motorway upgrade and allegations of defects in those works, as well as maintenance performed by the Gateway Motorway Services Pty Limited (**GMS**, a 50/50 joint venture company owned by Ventia Pty Limited and Lendlease Building Pty Limited) and allegations that the maintenance was defective. Ventia's understanding of the quantum of these claims based on other parties' allegations contained in third party claims against the head design, construction and maintenance contractors are in the order of $64 million against Visionstream Australia, and $168 million (for alleged maintenance defects) and $162 million (for claimed lane occupancy fees) against GMS. It is not currently possible for Ventia to estimate its potential liability in respect of these matters until they have been properly particularised through ongoing proceedings and the impact of contractual liability caps and any applicable insurance has been considered, which may not cover the amounts claimed. For additional information on the Gateway Motorway project claims, refer to Section 9.9.2. Action against a Ventia group company in connection with these matters could result in costly multi-party litigation or further claims against Ventia group companies. In addition, Ventia's financial performance and financial condition may be adversely affected if the claim against the relevant company is ultimately successful or partially successful to a material degree or if the costs of any subsequent litigation are material. Furthermore, any litigation may have a material impact on Ventia's reputation and its standing within the industry.

10. Section 6.3.2.5 Directors' shareholdings

The following table replaces the table in Section 6.3.2.5:

	Immediately prior to Completion		Shares committed to be acquired in the Offer[1]	On Completion[1]	
Directors	EIP Shares[2]	% Shares	Shares	Shares	%
David Moffatt	9,962,179	1.6%	0	9,962,179	1.2%
Total	**9,962,179**	**1.6%**	**0**	**9,962,179**	**1.2%**

Notes:

1 Represents Shares committed to be applied for by Directors (or entities associated by those Directors) under the Offer at the Final Price. Directors may apply proceeds to be received by them for services in relation to the Offer as described in Section 6.3.2.2 in subscription for Shares under the Offer at the Final Price. Directors remain free to apply for additional Shares under the Offer at the Final Price. Shares acquired by Directors (or entities associated with those Directors) under the Offer at the Final Price will not be subject to the escrow arrangements in Section 9.8.2. Final Directors' shareholdings will be notified to the ASX following Admission.

2 David Moffatt's EIP Shares will be reclassified as Shares by Completion. These shares were issued under EIP 1 and are held by David Moffatt, the Plan Trustee for Moffatt Management Pty Ltd as trustee for The Moffatt Superannuation Fund and The Institute of Citizenship and Civil Society Pty Limited (**ICCS**) as trustee for The Moffatt Family Trust. On Completion David will hold an interest-free limited recourse loan from a Ventia Group company of approximately $2,407,935 in respect of 2,714,146 of its Shares (refer to Section 6.3.4.1). Shares held by the Plan Trustee for these entities on Completion will be subject to the escrow arrangements described in Section 9.8.2.

11. Section 6.3.4.1 Legacy incentive plans – EIP 1 and EIP 2

The third paragraph of Section 6.3.4.1 is replaced with the following:

> By Completion, all of the EIP Shares will be reclassified as fully paid Shares and are expected to comprise approximately 4.4% of all Shares on issue following Completion.

12. Section 7.1 The Offer

Section 7.1 The Offer is replaced with the following:

> This Prospectus relates to an initial public offering of 257,500,818 Shares to raise $438 million, at the Final Price of $1.70 per Share.
>
> The Offer will consist of:
>
> - 219.9 million New Shares offered by the Company; and
> - 37.6 million Existing Shares offered by SaleCo.
>
> The total number of Shares on issue at Completion of the Offer is expected to be 855,484,445 Shares and all Shares will rank equally with each other. The Shares offered under this Prospectus will represent 30.1% of the Shares on issue on Completion of the Offer. Following Completion of the Offer, the Existing Shareholders will hold 65.5% of the Shares on issue.
>
> Successful Applicants under the Offer will pay the Final Price per Share.
>
> The Offer is made on the terms and is subject to the conditions set out in this Prospectus.

13. Section 7.1.3 Sources and uses of funds

The following table and preceding sentence replace the table and preceding sentence in Section 7.1.3 Sources and uses of funds:

The proceeds of the Offer will be applied as set out in the table below.

Sources of funds	$ millions
Cash proceeds received from the sale of Existing Shares by SaleCo (received by SaleCo)	64
Cash proceeds received from issue of New Shares by the Company (received by the Company)	374
Total sources of funds	**438**

Uses of funds	$ millions
Purchase of Existing Shareholders' interest in Company	64
Costs of the Offer	23
Repayment of debt	351
Total uses of funds	**438**

14. Section 7.1.4 Shareholding structure of the Company

The following table and preceding sentence replace the table and preceding sentence in Section 7.1.4 Shareholding structure of the Company:

Details of the ownership of Shares immediately prior to the Offer and the ownership of Shares as expected at Completion are set out below.

Table 64: Shareholding structure

Shareholder	Shares held immediately prior to Completion (shares)	Shares held immediately prior to Completion (%)	Shares held immediately following Completion (shares)	Shares held immediately following Completion (%)
CIMIC	299,184,023	47.1%	280,366,971	32.8%
Apollo	299,184,023	47.1%	280,366,971	32.8%
David Moffatt	9,962,179	1.6%	9,962,179	1.2%
Dean Banks	9,000,000	1.4%	9,000,000	1.1%
Stuart Hooper	2,310,363	0.4%	2,310,363	0.3%
Other management	15,977,143	2.5%	15,977,143	1.9%
New IPO investors	–	–	257,500,818	30.1%
Total	**635,617,731**	**100.0%**	**855,484,445**	**100.0%**

15. Section 7.1.5 Control implications of the Offer

Replace the second paragraph of Section 7.1.5 Control implications of the Offer with the following:

65.5% of the Shares on issue after Completion of the Offer will be held by the Existing Shareholders.

16. Section 7.2 Terms and conditions of the Offer, 'What is the consideration payable for each security being offered?'

Change the first paragraph of the text against this question to read as follows:

Successful applicants under the Offer will pay the Final Price, which is $1.70 per Share.

17. Section 7.2 Terms and conditions of the Offer, 'What are the cash proceeds to be raised?'

Change the text against this question to read as follows:

> $438 million is expected to be raised under the Offer.

18. Section 7.2 Terms and conditions of the Offer, 'Is the Offer underwritten?'

Change the text against this question to read as follows:

> Yes. The Offer is underwritten (subject to conditions precedent and termination events set out in the Offer Management Agreement).

19. Section 7.4.2 Institutional Offer process and the Indicative Price Range

Change the heading of this section by deleting the words "and the Indicative Price Range" and change the text to read as follows:

> The Institutional Offer will be conducted using a bookbuild process managed by the Joint Lead Managers.
>
> Full details of how to participate, including bidding instructions, will be provided to eligible participants by the Joint Lead Managers.
>
> Participants can only bid into the bookbuild for Shares through the Joint Lead Managers. Participants must bid at the Final Price per Share.
>
> The Institutional Offer will open on 15 November 2021 and close on 16 November 2021. The Company, SaleCo and the Joint Lead Managers reserve the right to vary the times and dates of the Offer, including to close the Offer early, extend the closing date of the Offer or accept late Applications or bids, either generally or in particular cases, without notification.
>
> Bids in the Institutional Offer may be amended or withdrawn at any time up to the close of the Institutional Offer. Any bid not withdrawn at the close of the Institutional Offer is an irrevocable offer by the relevant bidder to apply or procure Applications for the Shares bid for (or such lesser number as may be allocated) at the Final Price, on the terms and conditions set out in this Prospectus and the US Institutional Offering Memorandum (including, in each case, any supplementary or replacement document), as applicable, and in accordance with any bidding instructions provided by the Joint Lead Managers to participants.
>
> Bids can be accepted or rejected in whole or in part without further notice to the bidder. Acceptance of a bid will give rise to a binding contract on allocation of Shares to successful bidders conditional on Settlement and the quotation of Shares on the ASX or the NZX (as applicable).
>
> Details of the arrangements for notification and settlement of allocations applying to participants in the Institutional Offer will be provided to participants in the bookbuild process.

20. Section 7.4.3 Final Price

Change the text of this Section to read as follows:

> Applicants under the Broker Firm Offer, the Employee Offer, the Priority Offer and the CIMIC Group Limited Shareholder Offer will pay the Final Price per Share, which is $1.70 per Share.
>
> They may apply in Australian dollars or New Zealand dollars. The Final Price is an Australian dollar amount. If you apply for a New Zealand dollar amount of Shares, the Joint Lead Managers will convert the Australian dollar Final Price to New Zealand dollars at the applicable exchange rate published by the RBA on its website at 7.00pm Sydney time on the closing date of the bookbuild which is expected to be 16 November 2021. In this case, you will be taken to have applied for the New Zealand dollar amount of Shares applied for. Any New Zealand dollar amount applied for in excess of the New Zealand dollar amount of Shares issued will be refunded in full (without interest). Shares will be allocated to the NZX Main Board and held on the New Zealand share register if payment under the Retail Offer has been made in New Zealand dollars.

21. Section 7.4.4 Allocation policy under Institutional Offer

Change the text of this Section to read as follows:

The allocation of Shares among bidders in the Institutional Offer will be determined by the Joint Lead Managers in agreement with the Company and SaleCo. The Company and SaleCo will exercise their rights in this regard (and other rights and discretions that they have under the Offer Management Agreement) at the direction of the Selling Shareholders (refer to Section 9.8.4).

Bids under the Institutional Offer must be at the Final Price to receive an allocation.

The allocation policy will be influenced by, but not constrained by, factors including:

- the number of Shares bid for by particular bidders and indications of demand provided by them at different prices prior to the setting of the Final Price;
- the timing of receipt of bids; and
- any other factors that the Company, SaleCo and the Joint Lead Managers consider appropriate, in their absolute discretion.

22. Section 7.4.5 Cornerstone Commitments

Change the text of this Section to read as follows:

Ventia has received a commitment from one or more funds advised by Capital Research Global Investors to subscribe for 49,613,193 million Shares (5.8% of Shares on issue at Completion) at the Final Price.

23. Section 7.6 Over-allocation Option and Market Stabilisation Activities

Delete this Section without renumbering subsequent Sections.

24. Section 7.9.3 Conditional and deferred settlement trading and selling Shares on-market

Delete the final paragraph of this Section relating to Market Stabilisation Activities.

25. Section 9.3 Sale of Shares by SaleCo

Change the text of this Section to read as follows:

As part of the Offer, the Selling Shareholders intend to sell some of their Existing Shares through SaleCo. SaleCo has been established to facilitate this sale. The Selling Shareholders have executed Option Deeds with SaleCo under which they irrevocably offer to sell up to 18,817,052 million Existing Shares each (or a total of up to 37,634,104 million Existing Shares) to SaleCo, free from encumbrances and third party rights, and conditional upon listing of Ventia on the ASX and the NZX and commencement of quotation of Shares on the ASX and the NZX (on a conditional and deferred settlement basis). Any sales of Shares under these Option Deeds are required to occur on the Completion Date. In total, Existing Shares amounting to 4.4% of the Shares which will be on issue following Completion of the Offer are expected to be sold through SaleCo under these arrangements.

The Existing Shares that SaleCo acquires from the Selling Shareholders will be transferred to successful Applicants at the Final Price. The price payable by SaleCo for these Existing Shares is the Final Price. Ventia will also issue Shares to successful Applicants under the Offer at the Final Price.

SaleCo is a special purpose vehicle, which has no material assets, liabilities or operations other than its interests in and obligations under the Offer Management Agreement and the Option Deeds described above. The sole shareholder of SaleCo is Fremac Nominees Pty Ltd (ACN 001 430 913), and the Directors are Robert Cotterill, Kevin Crowe, Ignacio Segura and David Moffatt.

Ventia has agreed to provide such resources and support as are necessary to enable SaleCo to discharge its functions in relation to the Offer and has indemnified SaleCo and the SaleCo Directors for any loss which SaleCo and the SaleCo Directors may incur in relation to the Offer.

26. Section 9.6 Offer Management Agreement

The following paragraphs replace the first paragraph of Section 9.6 Offer Management Agreement:

> The Offer is being managed and underwritten by the Joint Lead Managers pursuant to the Offer Management Agreement between Ventia, SaleCo and the Joint Lead Managers (**Offer Management Agreement**).
>
> The Joint Lead Managers have agreed to:
>
> - arrange and manage the Offer; and
> - underwrite the Offer.

The following paragraph replaces the first paragraph of Section 9.6.1 Fees and Costs:

> Ventia has agreed to pay the Joint Lead Managers, a selling and management fee equal to 0.4% of the gross proceeds of the Offer and an underwriting fee equal to 1.6% of the gross proceeds of the Offer. In addition, an incentive fee of up to 1.0% of the gross proceeds of the Offer may also be payable to the Joint Lead Managers at the absolute discretion of Ventia and SaleCo.

The following "market fall" and "unable to issue and transfer" paragraphs replace the equivalent paragraphs in Section 9.6.4 Termination and the following new "withdrawal right" paragraph is included in that Section:

- (**market fall**) at any time the S&P/ASX 200 Index falls to a level that is 87.5% or less of the level as at the close of trading on 12 November 2021 and remains at or below that level at the close of trading on 2 consecutive Business Days or on the Business Day prior to the Settlement Date;
- (**unable to issue or transfer**) Ventia is prevented from allotting and issuing the New Shares or the Offer Shares, or SaleCo is prevented from transferring the Sale Shares, within the time required by the Offer timetable, the Offer Documents, the ASX Listing Rules, or by any other applicable laws, an order of a court of competent jurisdiction or a governmental authority;
- (**withdrawal right**) Ventia and SaleCo offer a withdrawal right consistent with section 724 of the Corporations Act.

27. Section 9.8.2 Voluntary Escrow Arrangements

The following paragraph replaces the second paragraph of Section 9.8.2 Voluntary Escrow Arrangements:

> In aggregate, 597,983,626 Shares will be the subject of these Escrow Arrangements, representing approximately 69.9% of the total Shares on issue immediately following Completion of the Offer. A table setting out the Escrowed Shareholders, the Shares they are expected to hold following Completion of the Offer and the percentage of the total Shares on issue following Completion of the Offer subject to voluntary escrow is set out below:

The following table replaces the table in Section 9.8.2 Voluntary Escrow Arrangements:

Shareholder	Shares held on Completion of the Offer (#)[1]	% of total issued Shares on Completion of the Offer subject to voluntary escrow[1]	End of Escrow Period
AIF VIII Singapore Pte Ltd[2]	280,366,971	32.8%	The period ending at 4.15pm on the date on which the Company releases its financial results for the period ending 31 December 2022.
CIMIC Group Limited	280,366,971	32.8%	
Ventia Services Group EIP Pty Ltd	34,730,693	4.1%	
Four individual current and former senior executives of Ventia (not being the CEO or CFO)	1,000,000	0.1%	
	1,085,658	0.1%	
	173,333	0.0%	
	260,000	0.0%	

1. Excludes any Shares that may be acquired for cash in the Offer. Any Shares acquired for cash in the Offer will not be subject to escrow.
2. AIF VIII Asia Intermediate, LLC., AIF VIII Asia-Pacific Investments Pte. Ltd and AIF VIII Euro Holdings, L.P. (each a **Controller** and together, the **Controllers**) are also parties to the voluntary escrow deed entered into by AIF VIII Singapore Pte Ltd and are subject to the same escrow restrictions in respect of the securities, substantial economic interest or other interests in the Escrowed Shares in which a Controller has a direct or indirect interest and each intermediate entity through which that interest occurs (**Controller Interests**).

28. Section 9.9.2 Gateway Motorway project

The following paragraphs replaces the paragraphs in Section 9.9.2 Gateway Motorway project:

Claims have been made by Queensland Motorways Pty Limited (**QML**) in the Supreme Court of Queensland (the **Court**) against various parties, including the head design, construction and maintenance contractors of the Gateway Motorway project, CPB Contractors Pty Limited and Acciona Infrastructure Projects Australia Pty Ltd (**D&C Contractor**) in relation to alleged defects in the motorway upgrade project.

Two companies in which Ventia has an interest, Visionstream Australia and Gateway Motorway Services Pty Limited (**GMS**), provided services to the D&C Contractor in connection with the project. Both contracts were entered into in 2013 prior to Ventia's acquisition of its interests in Visionstream Australia and GMS.

Claims were made against Visionstream Australia and GMS on 12 November 2021 in circumstances where the Court in the existing proceedings had ordered that all third party claims by the defendants (including the D&C Contractor) were to be filed in mid-November 2021. Ventia had anticipated that these claims would be made in the near-term, as disclosed in the original Prospectus.

Beyond confirming that the third party claims that were anticipated have been filed and served against Visionstream Australia, there is no change to the position in relation to Visionstream Australia as disclosed in the original Prospectus. However, now that the third party claims in relation to GMS have been filed and served, further information is now available in relation to the quantum of the claims against GMS.

a. GMS

GMS is a 50/50 joint venture company which is owned by Ventia Pty Limited and Lendlease Building Pty Limited.

GMS provided maintenance services to the Gateway Motorway project. In defending the claims brought against it by QML, the D&C Contractor has joined GMS to the proceedings, alleging that the maintenance services provided by GMS were defective.

The claims made by QML against the D&C Contractor and subsequently the claims that the D&C Contractor is now making against GMS are in the order of $168 million (for alleged maintenance defects) and $162 million (for claimed lane occupancy fees).

The claims made against GMS depend upon a finding of liability against the D&C Contractor and/or a determination as to whether any of that liability is attributable to GMS. While the D&C Contractor is yet to file its defence to QML's current claims, Court documents indicate the D&C Contractor will defend the claims.

Ventia understands that GMS intends to defend the claims vigorously. The effect of contractual liability caps and any applicable insurance cover will also need to be considered.

Ventia will always consider its reputation in any commercial litigation in responding to such claims, however, the shareholders have not guaranteed GMS's obligations in relation to the Gateway Motorway project maintenance contract, and GMS has net assets of less than $5 million. GMS has only one contract (with QML), with revenue expectations of less than $40 million and expected NPAT contribution of less than $4 million over the remaining 20 month term of the contract.

b. Visionstream Australia

Visionstream Australia is a wholly owned subsidiary of Ventia.

As disclosed in the original Prospectus, Visionstream Australia was involved in design and construction aspects of the project. The works performed by Visionstream Australia relate to intelligent transport signage, electrical works and light poles, with a subcontract value of $38 million.

In defending the claims brought against it by QML, the D&C Contractor has joined Visionstream Australia to the proceedings alleging that there were defects in the work performed by Visionstream Australia.

The claims made by QML against the D&C Contractor and subsequently the claims that the D&C Contractor is now making against Visionstream Australia are in the order of $64 million, as foreshadowed in the original Prospectus.

The claims made against Visionstream Australia depend upon a finding of liability against the D&C Contractor and/or a determination as to whether any of that liability is attributable to Visionstream Australia. While the D&C Contractor is yet to file its defence to QML's current claims, Court documents indicate the D&C Contractor will defend the claims.

Visionstream Australia will dispute the claims and intends to defend the claims vigorously. The effect of contractual liability caps and any applicable insurance cover will also need to be considered.

Other parties to the existing proceedings may also allege they have suffered loss arising from the same or similar defects and may issue proceedings in their own right.

Action against a Ventia group company in connection with these matters could result in costly multi-party litigation or further claims against Ventia group companies. In addition, Ventia's financial performance and financial condition may be adversely affected if the claim against the relevant company is ultimately successful or partially successful to a material degree or if the costs of any subsequent litigation are material. Furthermore, any litigation may have a material impact on Ventia's reputation and its standing within the industry.

29. Section 9.14 Regulatory relief

Delete the final paragraph of each of Section 9.14.1 and Section 9.14.2 (relating to relief obtained for Market Stabilisation Activities).

30. Section 9.19 Transaction costs

Change the text of this Section to read as follows:

The costs of the Offer are expected to be approximately $23 million (including advisory, legal, accounting, tax and duty, listing and administrative fees, the Joint Lead Managers' offer management fees, Prospectus design and printing, advertising, marketing, Share Registry and other expenses). These costs have been, or will be, borne by Ventia from available funds.

31. Appendix C – Glossary

The defined term 'Final Price' is replaced as follows:

Term	Meaning
Final Price	$1.70 per Share

The defined terms 'Indicative Price Range'. 'Market Stabilisation Activities', 'Over-allocation', 'Over-allocation Option', 'Over-allotment Shares', Stabilisation Manager' and 'Stabilisation Period' are deleted.

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Co-Managers

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Share registry

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Offer Website

www.ventiaipo.com

Company website

www.ventia.com