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This Presentation has been prepared and is issued by BWX Limited ACN 163 488 631 (**BWX or the Company**) and is dated 28 June 2022 in relation to a capital raising comprising:

- a proposed 1 for 10 traditional non-renounceable pro rata entitlement offer of new fully paid ordinary shares in BWX (**New Shares**) to certain eligible shareholders (**Entitlement Offer**) to raise approximately \$9.7 million; and
- a placement of New Shares to institutional and sophisticated investors (**Placement**) within BWX's 15% placement capacity under ASX Listing Rule 7.1 to raise approximately \$13.5 million,

together (**Offer or Capital Raising**).

The Offer is being made without disclosure to investors under section 708AA and 708A of the Corporations Act 2001 (Cth) (**Corporations Act**).

## Summary information

This Presentation contains summary information about the Company, the Offer and its activities current as at 28 June 2022. The information in this Presentation is of a general nature and does not purport to be complete nor does it contain all information which a prospective investor may require in evaluating a possible investment in the Company or that would be required in a prospectus or product disclosure statement prepared in accordance with the requirements of the Corporations Act.

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Statements made in this Presentation are made only as at the date of this Presentation. The information in this Presentation remains subject to change without notice. The Company reserves the right to withdraw the Offer or vary the timetable for the Offer without notice.

## Not an offer

This Presentation is not an offer or invitation to acquire New Shares or any other financial products and is not a prospectus, product disclosure statement or other offering document under Australian law (and will not be lodged with ASIC) or any other law. This Presentation is not complete, is intended only as an outline and has been prepared by and issued by BWX to assist in informing interested parties about the Company and should not be considered as an offer or invitation to subscribe for or purchase any securities in the Company or as an inducement to make an offer or invitation with respect to those securities. No agreement to subscribe for securities in the Company will be entered into on the basis of this Presentation and this Presentation does not and will not form any part of any contract for the acquisition of securities.

## Not financial product advice

This Presentation does not constitute financial product or investment advice or any recommendation to acquire securities in BWX or accounting, legal or tax advice. It has been prepared without taking into account the objectives, financial or tax situation or needs of individuals. Before making an investment decision, prospective investors should consider the appropriateness of the information having regard to their own objectives, financial and tax situation and needs and obtain legal and taxation advice appropriate to their jurisdiction. BWX is not licensed to provide financial product advice in respect of the Offer or any other financial products. Cooling off rights do not apply to the acquisition of New Shares under the Offer.

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## Investment risk

An investment in the New Shares is subject to investment and other known and unknown risks, some of which are beyond the control of BWX including loss of income and principal invested. The Company does not guarantee any particular rate of return or performance or any particular tax treatment. Persons should have regard to the Key Risks outlined in this Presentation.

## Financial data

All dollar values are in Australian dollars (A\$ or AUD) unless otherwise stated. Prospective investors should also be aware that the pro-forma financial information included in this Presentation is for illustrative purposes and does not purport to be in compliance with Article 11 of Regulation S-X of the rules and regulations of the United States Securities and Exchange Commission. Prospective investors should be aware that certain financial data included in this presentation is "non-IFRS financial information" under ASIC Regulatory Guide 230 Disclosing non-IFRS financial information published by ASIC and also "non-GAAP financial measures" within the meaning of Regulation G under the U.S. Securities Exchange Act of 1934. Non-IFRS/non-GAAP measures in this presentation include the pro-forma financial information, EBITDA and EBIT.

While the Company believes that this non-IFRS/non-GAAP financial information provides useful information to users in measuring the financial position and conditions of the Company, the non-IFRS/non-GAAP financial information does not have a standardised meaning prescribed by Australian Accounting Standards and, therefore, may not be comparable to similarly titled measures presented by other entities, nor should it be construed as an alternative to other financial measures determined in accordance with Australian Accounting Standards. Prospective investors are cautioned, therefore, not to place undue reliance on any non-IFRS/non-GAAP financial information and ratios included in this Presentation.

## Effect of rounding

A number of figures, amounts, percentages, estimates and calculations of value in this Presentation are subject to the effects of rounding.

## Past performance

Investors should note that past performance and pro forma financial information given in this Presentation is given for illustrative purposes only and should not be relied on as (and is not) an indication of BWX's views on its future financial performance or condition. Prospective investors should note that past performance, including past share price performance, of BWX cannot be relied on as an indicator of (and provides no guidance as to) future performance including future share price performance.

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This Presentation contains certain "forward-looking statements" that are based on management's beliefs, assumptions and expectations and on information currently available to management. The words "expect", "anticipate", "estimate", "intend", "believe", "guidance", "should", "could", "may", "will", "predict", "plan" and other similar expressions are intended to identify forward-looking statements. Any indications of, and guidance on, future operating performance, earnings, financial position and performance or production are also forward-looking statements. Forward-looking statements, opinions and estimates provided in this Presentation are based on assumptions and contingencies which are subject to change without notice, as are statements about market and industry trends, which are based on interpretations of current market conditions.

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## Disclaimer

The information in this Presentation has been obtained from or based on sources believed by BWx to be reliable.

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You acknowledge and agree that:

- the Underwriter may have an interest in the securities of BWx, including by providing investment banking and debt services to BWx. Further, it may act as market maker or buy or sell securities or associated derivatives of BWx as principal or agent; and
- the Underwriter will receive fees for acting in their capacity as Lead Manager and underwriter to the Placement.

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# Presenters



**Rory Gration**  
Group Chief Executive Officer  
& Managing Director



**Efee Peell**  
Group Chief Financial Officer

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# BWX Trading update



- In the last 6 weeks, a number of key changes have emerged in the marketplace.
- Retail conditions are more challenging with increasing inflation, interest rate increases and a much more cautious consumer.
- When we provided a trading update in May, our plans assumed selling into and holding a certain level of inventory with select wholesalers and retailers in June.
- The challenging market conditions have caused us to change our approach.
- The terms of trade associated with the previously planned sales are no longer in the Company's best interests.
- Sukin continues to perform well with consumers. According to IRI Scan data (grocery, pharmacy) for the quarter to 8 May 2022:
  - In Australia, sales of Sukin across the combined categories of skin care, hair care and body increased by 24% in the quarter to reach its highest dollar value in three years, and outpaced the broader category growth of 5%
  - In the Grocery channel specifically, Sukin sales increased 52% in the quarter for all categories, against the broader category growth of 5%
  - This performance is driven by increased promotional frequency and execution, and strong uptake of new product development
- Given our in-market sales performance remains robust, we have chosen to prioritise the future sustainability of profit margins.
- In the context of above, we believe it is the right thing not to sell at the previously planned levels in June to select wholesalers and retailers.
- This action is expected to provide a stronger and more sustainable base for future profitability through:
  - FY23 price increases.
  - Quicker flow through of our new Clayton manufactured products into market.
  - Reduction in trade spend required in FY23.
  - Ensure more consistent sales and cashflow through the year.
- As we head into an environment where marketplace conditions are more uncertain, we believe a focus on profitability and balance sheet improvement in the short and longer term is the right course of action and will allow BWX to get on with delivering our previously announced strategic plan.

Update on FY22 trading

# Strategic Plan and Guidance

## Strategic Plan

- We remain committed to more consistent, sustainable and reliable earnings. Our focus remains on:
  - Reducing our net debt and improving our balance sheet.
  - Group wide cost out program.
  - Focusing on our core four brands of Sukin, Andalou Naturals, Mineral Fusion and Go-To.
  - Divestment of non-core assets.
  - Inventory reduction of \$20m reversing build up due to transition to new manufacturing facility.
  - Financial discipline across the business.

## FY22 and FY23 guidance

- The above changes are expected to see an improvement in our FY23 performance, with:
  - FY23 forecast revenue (before significant items) expected in the range of \$260m to 270m.
  - FY23 forecast EBITDA (before significant items) expected in the range of \$45m to 49m.
- The above changes will have a short-term negative impact on our profitability for FY22.
  - FY22 forecast revenue (before significant items) expected to be approximately \$206m with FY22 forecast underlying<sup>1</sup> revenue expected to be approximately \$212m.
  - FY22 forecast EBITDA (before significant items) expected to be approximately \$6m to 10m with FY22 forecast underlying<sup>2</sup> EBITDA expected to be approximately \$12m to 16m.
  - FY22 forecast NPAT (before significant items<sup>3</sup>) expected to be a loss of approximately \$10m to 14m with FY22 forecast NPATA<sup>4</sup> (before significant items) expected to be a loss of approximately \$8m to 12m.

1. Excludes Chemist Warehouse cost of equity-linked strategic partnership expense

2. Non-IFRS measure that excludes Chemist Warehouse cost of equity-linked strategic partnership expense

3. Significant items may include impairment expense and other possible material one-off items

4. NPATA is a Non-IFRS measure that is defined as net profit after tax adjusted for the tax effected amortization arising from acquisition related intangible assets

# Impact on Balance Sheet



Impact on Balance Sheet

- The BWX Board is now committed to achieving a Net Debt/EBITDA leverage ratio of less than 1.0x times within 12 months. This is expected to be achieved through:
  - Focusing on strong operating cash flow from earnings through FY23.
  - Normalising working capital and reduced capital expenditure following completion of and transition to the new manufacturing facility.
  - Focusing on strong operating cash flow through further decrease of the \$20m reduction in inventory as disclosed in May 2022 and recalibrating our payables position.
- Additionally, BWX has commenced a strategic review of balance sheet investments, with non-core investments to be de-prioritised or exited.
- Pro-forma net debt as at 30 June 2022 (following net proceeds from capital raising) is expected to be in a range of \$58-62m
- The Board believes it is likely that BWX's intangible assets may be impaired to a level significantly below their carrying value.

Banking covenants

- BWX's lender Commonwealth Bank of Australia (CBA) is supportive of the capital raise.
- CBA has agreed to suspend BWX's financial covenant reporting obligations for the periods ending 30 June 2022 and 30 September 2022.
- BWX will repay \$10m to CBA as permanent debt reduction from the proceeds of the capital raise.



# Capital raising and Board renewal

## Capital raising

- Balance sheet leverage expected to be reduced by A\$23.2m (before costs) through a fully underwritten capital raising comprising:
  - A\$13.5m placement to sophisticated and professional investors (“**Placement**”)
  - A\$9.7m 1 for 10 non-renounceable entitlement offer (“**Entitlement Offer**”) (together with the Placement, the “**Offer**”)
- Approximately 38.6m new fully paid ordinary shares in BWX (“**New Shares**”) to be issued under the Offer
- Offer price of A\$0.60 per New Share (“**Offer Price**”), representing a 48.7% discount to last closing price of A\$1.17 per BWX share as at 23 June 2022, the last trading day before BWX entered a trading halt.
- The Offer proceeds will support business operations and accelerate debt reduction towards more conservative leverage ratios.
- Bell Potter is lead manager and underwriter to the capital raising.

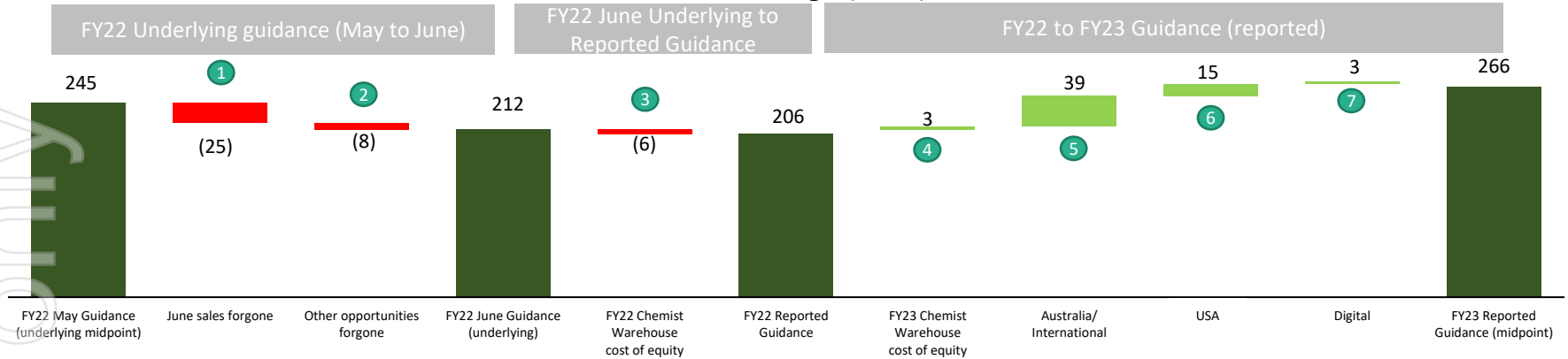
## Board renewal

- The current Non-Executive Directors (NEDs) will work towards an orderly board transition in the interests of BWX’s shareholders up to the Company’s 2022 AGM.
- The BWX board commits to nominate up to 4 new NEDs for shareholder approval at the AGM.
- The BWX board also commits to propose a new incentive plan for key personnel which will also be put to a shareholder vote at the AGM.

# Drivers of FY23 Revenue improvement



## Revenue Bridge (A\$m)\*



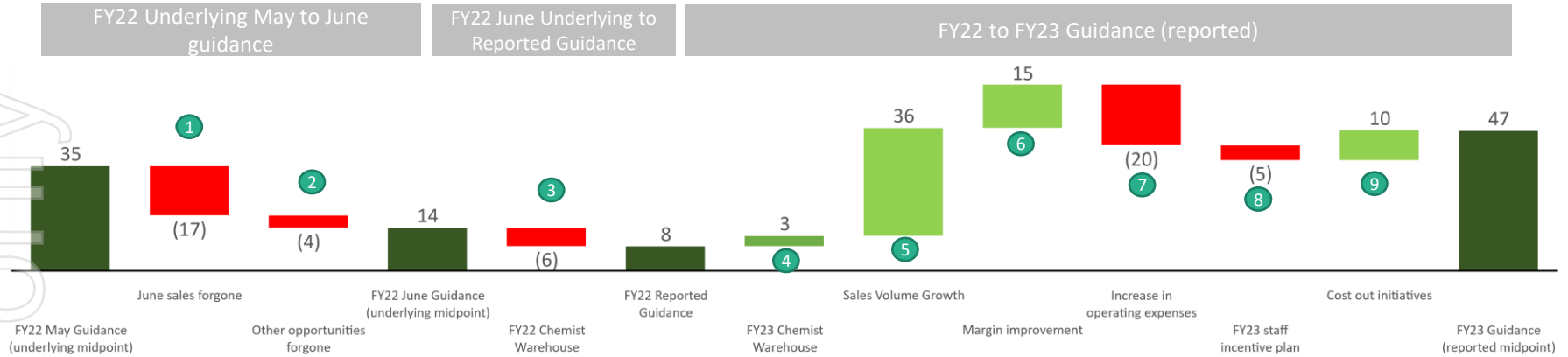
- One off impact of removing planned June sales due to changing market conditions and terms of trade associated with those sales
- Other opportunities missed in June, predominately the shift in timing of Mineral Fusion pipefill for Wholefoods launch
- Subtracting FY22 Chemist Warehouse cost of equity-linked strategic partnership expense to move from underlying to reported revenue in FY22
- Reduced FY23 Chemist Warehouse cost of equity-linked strategic partnership expense vs FY22

- Strong Australia and international performance underpinned by:
  - Additional quarter of Go-To revenue (approximately \$10m) and strong Go-To performance through NPD and distribution gains domestically and internationally
  - Benefits to the Australia business due to the one off impact we are making in FY22 and providing more consistent order and replenishment cycles
  - Continued strong distribution gains of Sukin in the Australian Grocery channel and internationally
- USA revenue underpinned by:
  - Strong distribution gains and rollout of all brands through JC Penney, particularly Mineral Fusion.
  - Further expansion and distribution gains into the Food, Drug and Mass channel
  - FY22 June miss of Mineral Fusion launch into Wholefoods
- Digital (Nourished Life & Flora and Fauna) revenue improvements from increased traffic, conversion and cycling FY22 results

\* Figures are approximate

# Drivers of FY23 EBITDA improvement

## EBITDA Bridge (A\$m)\*



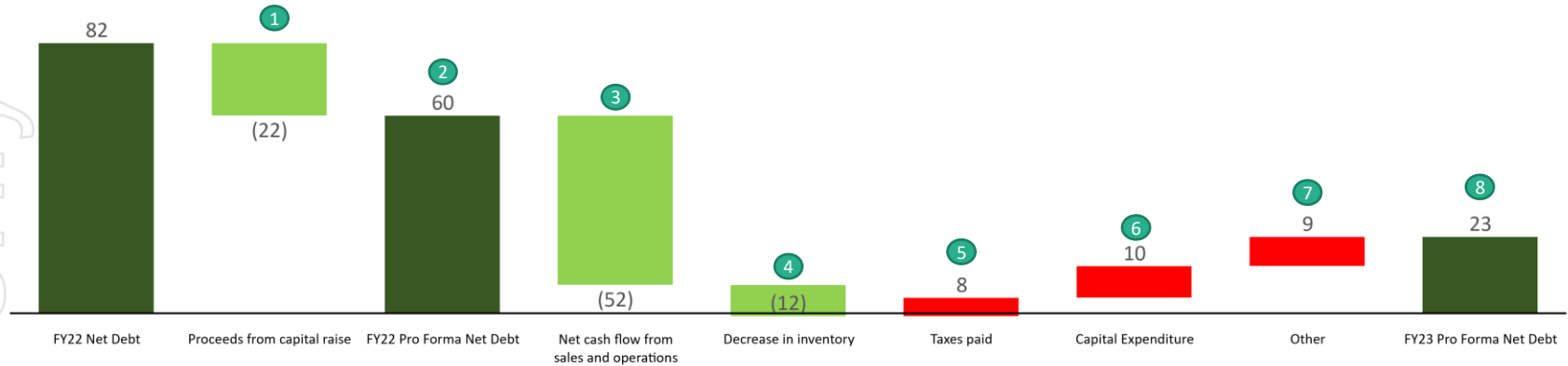
- 1 Margin impact from removing planned June sales due to changing market conditions and terms of trade associated with those sales
- 2 Other opportunities missed in June, predominately the shift in timing of Mineral Fusion pipefill for Wholefoods launch
- 3 Subtracting FY22 Chemist Warehouse cost of equity-linked strategic partnership expense to move from underlying to reported EBITDA in FY22
- 4 Reduced FY23 Chemist Warehouse cost of equity-linked strategic partnership expense vs FY22

- 5 Margin impact of revenue growth per previous page, as well as FY23 benefit of removing one-off June sales impact
- 6 Margin improvement initiatives including price increase, Clayton manufacturing benefits, procurement savings and the Autostore efficiencies
- 7 Total operating expense, predominantly marketing in line with revenue growth
- 8 Staff incentive plan for FY23 (nil in FY22)
- 9 Offset by \$10m in cost out initiatives across the business.

\* Figures are approximate

# Drivers of FY23 Net Debt movement

Net Debt Bridge (A\$m)\*



- 1 Net Proceeds from the capital raising.
- 2 Pro-forma as if net proceeds from capital raised received at 30 June 2022, with \$10m of debt permanently retired.
- 3 Net cash flow from sales and operations is receipts from customers offset by payments made to suppliers and other operating related items (excluding inventory). Please refer to page 10 for drivers of FY23 revenue improvement. This also includes a timing benefit from FY22 Q4 cash receipts.
- 4 Further decrease of the \$20m target reduction as disclosed in May 2022 due to the rundown of inventory post new manufacturing facility (predominately raw materials and components).
- 5 Expected taxes to be paid in FY23.
- 6 Reduced level of Capex following the completion of new manufacturing facility.
- 7 Includes interest paid, repayments of lease and foreign exchange effects, net of other income.
- 8 FY23 Pro Forma Net Debt does not include any proceeds from exit of non-core investments following strategic review. No FY23 Dividends are incorporated in this forecast. Refer Dividends section under Key Risks for further information.

\* Figures are approximate. Assuming the midpoint of FY23 forecast EBITDA range as disclosed on page 7.

# Indicative timetable



Event	Date
Announcement of Placement and Entitlement Offer, lodgement of Appendix 3B and cleansing notice for Entitlement Offer	Before Market Tuesday, 28 June 2022
Entitlement Offer Record Date	Friday, 1 July 2022
Settlement of Placement Shares Lodgement of Appendix 2A for Placement Shares	Friday, 1 July 2022
Entitlement Offer Document dispatched and Entitlement Offer opens	Monday, 4 July 2022
Allotment of Placement Shares	Monday, 4 July 2022
Entitlement Offer closes	5:00pm, Wednesday, 13 July 2022
Announcement of results of Entitlement Offer	Monday, 18 July 2022
Settlement of Entitlement Shares and lodgement of Appendix 2A for Entitlement Shares	Tuesday, 19 July 2022
Allotment of Entitlement Shares	Wednesday, 20 July 2022

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# BWX Overview

# Leading brands with global reach



As a vertically integrated consumer goods business, BWx develops, manufactures, distributes and retails a diverse range of brands and products across three operating segments, united by a clear purpose to create Natural beauty and wellness for the world

4 brands in 28 markets

200+ global retail partners

29,318 retail stores

24,039 online points

## Americas

- Petaluma-based (California) operation
- ~40% group revenue
- ~115 FTE employees



## Australia/International

- Clayton-based (Victoria)
- ~40% group revenue
- ~197 FTE employees



## Digital

- Pureplay e-commerce platforms with 15,000+ SKUs
- ~20% group revenue
- ~58 FTE employees



# The global consumer

Our brands are leaders and in a strong position to thrive off global consumer trends

Consumers of Beauty & Personal Care have evolved and now seek 'Green Beauty', a combination between naturally formulated products, ethically responsible brands/companies and sustainable offerings<sup>2</sup>

**Beauty &  
Personal Care**  
**+5% CAGR**  
2022-2026<sup>1</sup>



Natural Formulations **+8.1%**<sup>3</sup>



Sustainable & Eco-Friendly **+22.2%**



Vegan & Cruelty Free **+33.3%**

**GREEN BEAUTY**  
**+12% CAGR**  
2020-2027<sup>2</sup>



Ethically Sound & Socially Responsible **+14.3%**

<sup>1</sup> Statista, Consumer Market Outlook – Beauty & Personal Care Worldwide, Nov 2021

<sup>2</sup> Brandessence Research, 'Clean Beauty Market Size Share Companies & Trends Report', Feb 2022

<sup>3</sup> NielsenIQ, 2030 Glow-up: The future of clean beauty, Oct 2021. All four growth rates refer to growth versus same time one year ago



# Strategic priorities

Increased focus on two strategic pillars for growth:

 <b>Going Global, Going Mainstream</b>	 <b>Connecting with Consumers</b>	 <b>Getting Clean &amp; Getting Healthy</b>	 <b>Investing in Ourselves</b>
<ul style="list-style-type: none"><li>• Targeted distribution gains in key markets and channels of our core brands</li><li>• Selective investment into sales &amp; marketing to grow brand awareness</li></ul>		<ul style="list-style-type: none"><li>• Disciplined capital allocation</li><li>• Deliver \$5m+ in cost-out initiatives (FY23) and ongoing efficiency program</li><li>• Embed S&amp;OP across all Group functions to enhance oversight</li></ul>	<ul style="list-style-type: none"><li>✓ Purpose-built manufacturing facility for efficiency</li><li>✓ Global capability strengthened</li><li>✓ Purpose &amp; values refreshed</li></ul>



# Our strategic priorities

	FY23 priorities	FY24-FY25 priorities	Longer-term financial goals
Growing Revenue	<ul style="list-style-type: none"> <li>Brand distribution and activation in key regions and channels</li> <li>Marketing ROI</li> </ul>	<ul style="list-style-type: none"> <li>Reap benefits of higher margin product mix, channel mix</li> <li>Reinvest selectively</li> </ul>	<ul style="list-style-type: none"> <li>Continued strong organic top-line revenue growth</li> </ul>
Unlocking Margins	<ul style="list-style-type: none"> <li>Unlock better margin by brand (price review, procurement, supply chain and manufacturing efficiencies)</li> </ul>	<ul style="list-style-type: none"> <li>Continue unlocking margin by brand</li> <li>Reinvest selectively</li> </ul>	<ul style="list-style-type: none"> <li>Group margin: <b>62-64%+</b></li> </ul>
Managing cost base	<ul style="list-style-type: none"> <li>Deliver \$5m+ cost-out initiatives</li> <li>Ongoing efficiency program</li> <li>Strategic review of Digital segment</li> </ul>	<ul style="list-style-type: none"> <li>Ongoing efficiency program</li> <li>Increasing operating leverage</li> </ul>	<ul style="list-style-type: none"> <li>OpEx: <b>~25% of net revenue</b></li> <li>Cash conversion: <b>+70%</b></li> </ul>
Sustainable Earnings	<ul style="list-style-type: none"> <li>Supported by manufacturing capacity and capable leadership globally</li> </ul>	<ul style="list-style-type: none"> <li>Sustain earnings profile</li> </ul>	<ul style="list-style-type: none"> <li>EBITDA margin: <b>+22%</b></li> </ul>
Financial discipline	<ul style="list-style-type: none"> <li>Reduce net debt</li> <li>Net debt/EBITDA leverage: <b>&lt;1.0x</b></li> <li>Normalise inventory and working capital</li> </ul>	<ul style="list-style-type: none"> <li>Strengthen balance sheet</li> <li>Selective capital allocation</li> </ul>	<ul style="list-style-type: none"> <li>Net debt/EBITDA leverage: <b>&lt;1.0x</b></li> </ul>

# Key risks



This section includes details of the key risks attaching to an investment in securities in BWX. These risks may affect the future operating and financial performance of BWX and the value of BWX securities. Before deciding whether to invest in BWX securities, you should consider whether such an investment is suitable for you having regard to publicly available information (including this Presentation), your personal circumstances and following consultation with a financial or other professional adviser. Additional risks and uncertainties that BWX is unaware of, or that it currently considers to be immaterial, may also become important factors that adversely affect BWX's operating and financial performance.

You should note that the occurrence or consequences of many of the risks described in this Section are partially or completely outside the control of BWX, its directors and senior management. Further, you should note that this section focuses on the potential key risks and does not purport to list every risk that BWX may have now or in the future. It is also important to note that there can be no guarantee that BWX will achieve its stated objectives or that any forward looking statements or forecasts contained in this Presentation will be realised or otherwise eventuate. All potential investors should satisfy themselves that they have a sufficient understanding of these matters, including the risks described in this section, and have regard to their own investment objectives, financial circumstances and taxation position.

The risks described in this Section are categorised as follows:

- (1) specific risks of an investment in BWX; and
- (2) general risks and risks associated with the Offer.

## 1. SPECIFIC RISKS OF AN INVESTMENT IN BWX

### COVID-19 Risk

Due to the COVID-19 global pandemic, there are a number of additional risks faced by BWX and its businesses. These include the risk of:

- (a) retail partners of BWX being unable to operate due to lockdown or mandatory quarantine, impacting sales;
- (b) key distributors or retailers of BWX products being impacted by store closures;
- (c) BWX or its manufacturing partners being unable to operate their factories due to lockdown or mandatory quarantine, impacting supply of products;
- (d) BWX and its supply chains being interrupted due to lockdown or mandatory quarantine, impacting supply of products;
- (e) BWX not being able to effectively manage its workforce during any periods of lockdown or mandatory quarantine, impacting on its business strategy;
- (f) customers of BWX ceasing to operate and BWX not being able to collect outstanding receivables or customer materially adjusting trading terms, impacting BWX's net revenue;
- (g) the demand for the higher-end products of BWX ceasing due to lockdown or mandatory quarantine, impacting on the profit margins of the BWX business; and
- (h) a general downturn in the global economy due to the COVID-19 pandemic causing consumers to reduce discretionary purchases, impacting on the overall sales of BWX.

### Business Strategy Execution and Forecasting Risk

BWX's success will depend on its ability to successfully execute its business strategy and achieve its financial forecasts. BWX's future growth, profitability and cash flows depend on the ability of BWX's management to successfully execute its business strategy, which is dependent on a number of factors, including its ability to:

- develop its brands portfolio through new product development and market execution;
- ensure the brands of BWX deliver their promise of natural beauty without reliance on synthetic products while delivering efficacious results at a reasonable price;
- identify and support new and existing brands with the potential to develop into global brands;
- innovate and develop new products that are appealing to consumers;
- continue to expand its distribution channels within existing geographies to increase market presence, brand recognition and sales;
- continue to expand its distribution into direct to consumer channels;
- successfully expand into priority international markets;
- continue to expand its market presence from pharmacy in Australia to grocery and mass market, from the natural channel to the mass market in the USA and to successfully expand the Sukin brand in the mass market in the USA;
- expand margins through sales growth, the development of higher margin products and supply chain integration and efficiency initiatives;
- successfully execute on joint business plans with key customers to grow sales with select business partners;
- extend its brands into the other segments of the beauty and personal care market in which BWX competes; and
- effectively manage capital investments and working capital to improve the generation of cash flow.
- execute its cost-out initiatives and re-basing the cost-base of the Company, reducing sufficient levels of inventory and divesting non-core assets; and
- combat the current market conditions, including interest rate rises, supply-chain disruptions, ongoing COVID issues and other global disruptions.

There can be no assurance that BWX can successfully achieve any or all of the above initiatives or anticipated time frames and therefore achieve its financial forecasts. The failure by BWX to successfully execute its business strategy and achieve its financial forecasts for this current financial year and the following financial year could have a material adverse effect on the Company's business, financial condition and results of operations and therefore share price.

# Key risks



## Competition Risk

The beauty and personal care market is highly competitive, and if BWX's customers and partners are unable to compete effectively, the Company's results may suffer. BWX faces competition from companies throughout the world, including large multinational consumer product companies. Some of these competitors have greater resources than BWX and may be able to respond more effectively to changing business and economic conditions. BWX's products compete with other widely advertised brands. Competition in the beauty and personal care market is based on pricing of products, quality of products and packaging, perceived value and quality of brands, innovation, in-store presence and visibility, promotional activities, advertising, editorials, e-commerce and other activities. BWX cannot predict the timing and scale of its competitors' actions in these areas or whether new competitors will emerge in the beauty and personal care market, including competitors who offer comparable products at more attractive prices. In addition, further technological breakthroughs, new product offerings by competitors, and the strength and success of competitors' marketing programs may impede BWX's growth and the implementation of its business strategy. BWX's ability to compete also depends on the following factors:

- the continued strength of its products and brands;
- ongoing growth and innovation in the skin care and hair care segments;
- the success of BWX's branding, execution and integration strategies;
- the successful management of new products;
- successfully entering new markets and increasing penetration in existing geographies;
- the success of business acquisitions; and
- its ability to protect the Company's intellectual property.

## Partnership Risk

There are risks associated with:

- the shareholders agreement entered into between BWX and its partner 'Go To' (Go To), that governs the partnership relationship between the parties (Partnership) and operations of the Go To business; and
- the licence deed between the Go To business and its founder and brand ambassador for certain intellectual property integral to the Go To business.

The operation of certain provisions, termination or breach of any of the above agreements for any reason could have an adverse affect on the Partnership and BWX's investment in the Go To business.

## Reliance of Key Distributor

A substantial portion of the Partnership's revenue is derived from a major distributor of its products in Australia through a distribution agreement. The loss or impairment of that relationship for any reason, including the closure of that distributors store due to new or ongoing COVID-19 restrictions, a material reduction in prices or deterioration in trading terms would have an adverse affect on the Partnership's financial performance which in turn will affect the value and performance of BWX's investment in Go To.

More generally, there is a risk that the Partnership may fail to retain customers through its key distributor for a number of reasons, including pricing, competition or a failure to meet consumer expectations of its products.

## Partnership Key Woman Risk

The operation of the Partnership's business is reliant on the founder and brand ambassador of Go To. The loss of the founder and brand ambassador due to reduction in brand integrity or disputes with BWX regarding the management of Go To's operations or the creative control or direction of the Partnership, could have a materially adverse impact on Go To and its activities and financial performance, which in turn will affect the value and performance of BWX's investment in this business.

Given the personal brand of founder and brand ambassador and its impact on the promotion and marketing of the Go To business, the termination of the licence deed between the founder and brand ambassador and Go To would have an adverse affect on the financial performance, which in turn would impact on the value and performance of BWX's investment in this business.

## Product Safety and Liability

Product safety or quality failures, actual or perceived, or allegations of product contamination, even when false or unfounded, could tarnish the image of BWX's brands and could cause consumers to choose other products. Allegations of contamination or other adverse commentary on product safety or suitability for use by a particular consumer, even if untrue, may require BWX to recall a product from all of the markets in which the affected product was distributed. Such issues or recalls could negatively affect the Company's profitability and reputation.

If BWX's products are perceived to be defective or unsafe, or if they otherwise fail to meet consumers' expectations, the Company's relationships with consumers could suffer, the appeal of one or more of its brands could be diminished, and the Company could lose sales or become subject to liability claims. In addition, safety or other defects in BWX's competitors' products could reduce consumer demand for the Company's products if consumers view them to be similar. Any of these outcomes could result in a material adverse effect on BWX's business, financial condition and results of operations.

# Key risks



## Counterparty Risk

As a manufacturing and distribution company, BWX is heavily reliant on its main customers, suppliers and strategic partners, including its distribution partners.

In Australia BWX is reliant on its retail partners who are responsible for a majority of the sales and distribution of BWX's products to Australian pharmacies, grocery, mass market and health stores and other retailers. In the US, BWX is reliant on its distribution partners who are responsible for a majority of sales and distribution of BWX's products to health stores and other retailers. These distribution partners each purchase and carry in their store networks a broad variety of BWX's product range. Each of them are large commercial entities with significant bargaining leverage in contractual negotiation. As is customary in the beauty and personal care market, BWX and/or its distributors are a party to each of their pharmacy customers' or grocery customers' standard trading terms which do not contain minimum purchase volumes. Both the US and the Australian businesses of BWX have capacity to undertake direct-to-consumer sales, although success of such sales also relies on freight and logistic providers which have been disrupted due to the global COVID-19 pandemic.

Accordingly if underlying consumer demand for BWX's products diminishes then the distributors and direct customers will reduce the volume of their orders for BWX's products.

BWX's distributors may cause damage to BWX's brand reputation by breaching exclusive distribution agreements. BWX sells its products internationally through agency partners located in export markets. A failure by any of BWX's distributors or agency partners to comply with their commitments could lead to a loss of opportunities for BWX and adversely impact BWX's operating results and financial position.

Inputs for BWX's products consist of raw materials and packaging components and are purchased from various third party suppliers. The loss of multiple suppliers or a significant disruption or interruption in the supply chain could have a material adverse effect on the manufacturing and packaging of BWX's products. Increases in the costs of raw materials or other commodities may adversely affect the Company's profit margins if higher costs cannot be passed on in the form of price increases or unless the Company can achieve further cost efficiencies in its manufacturing and distribution processes.

In addition, failure by BWX's third party suppliers to comply with ethical, social, product, labour and environmental laws, regulations or standards, or their engagement in politically or socially controversial conduct, such as animal testing, could negatively impact their reputations. Any of these failures or behaviours could lead to various adverse consequences, including damage to BWX's reputation, decreased sales and consumer boycotts.

## Customer Risk

BWX and its brands rely heavily on its key retailer relationships and a loss of any one or more of these relationships may have a material adverse impact on the financial performance of BWX.

## Reliance of Key Customer

A substantial portion of BWX's revenue is derived from a small number of customers based in Australia and the US. The loss or impairment of any of these relationships for any reason, a material reduction in prices or deterioration in trading terms would have an adverse affect on BWX's financial performance.

More generally, there is a risk that BWX may fail to retain customers for a number of reasons, including pricing, competition or a failure to meet consumer expectations of its products.

## Reputational Risk

BWX's failure to protect its reputation, or the failure of the Company's partners to protect their reputations, could have a material adverse effect on the image of BWX's brands.

BWX's ability to maintain its reputation is critical to the image and consumer perception of its various brands. BWX's reputation could be jeopardised if it fails to maintain high standards for merchandise quality and integrity or if the Company, or the third parties with whom it does business, do not comply with regulations or accepted practices. Any consequential negative publicity may reduce demand for BWX's products.

Failure to comply with ethical, social, product, labour and environmental standards, or related political considerations, such as animal testing, could also jeopardise BWX's reputation and potentially lead to various adverse consumer actions, including boycotts. Failure to comply with local laws and regulations, to maintain an effective system of internal controls or to provide accurate and timely financial information could also damage BWX's reputation.

BWX depends on the reputations of its third party clients, which can be affected by matters outside of the Company's control. Damage to BWX's reputation or the reputations of its third party clients could have a material adverse effect on BWX's results of operations, financial condition and cash flows, as well as require additional resources to rebuild the Company's reputation.

# Key risks



## Business Disruption

BWX is engaged in manufacturing and distributing beauty and personal care products. As a result, BWX is subject to the risks inherent in such activities, including industrial accidents, environmental events, strikes and other labour disputes, disruptions in supply chain or information systems, loss or impairment of BWX's manufacturing facility, product quality control, safety, licensing requirements and other regulatory issues, as well as natural disasters, pandemics, border disputes, acts of terrorism, and other external factors over which BWX has no control. The loss of, or damage to, the BWX manufacturing facility could have a material adverse effect on BWX's business, results of operations and financial condition.

## New Product Risk

BWX's new products may not be as successful as anticipated, which could have a material adverse effect on BWX's business, financial condition or results of operations. A failure to successfully develop and commercialise these products could lead to loss of opportunities and adversely impact BWX's operating results and financial position. Each new product launch carries risks, as well as the possibility of unexpected consequences, including:

- the advertising, promotional and marketing strategies for new products may be less effective than planned and may fail to effectively reach the targeted consumers;
- product purchases by consumers may not be as high as anticipated;
- the Company may experience product shortages and/or product returns exceeding expectations as a result of new product launches. In addition, retailer space reconfigurations may be impacted by retailer inventory management or changes in retailer pricing or promotional strategies;
- costs may exceed expectations as a result of the continued development and launch of new products, including, for example, advertising, promotional and marketing expenses, sales return expenses or other costs related to launching new products; and
- product pricing strategies for new products may not be accepted by retail customers or their consumers, which may result in sales being less than anticipated.

## Growth Risk

Should the Company's growth accelerate at a higher rate than anticipated, the Company may, through lack of availability of materials or packaging, inability to scale production in a timely manner, lack of suitable labour or other unforeseen circumstances, be unable to supply its products in a timely manner to meet the demand of its customers. Should this occur the Company may risk the loss of either third party manufacturing clients or suffer a reduction in the customer base for its own products. Such events could have an adverse affect on both the reputation of the Company as well as its financial results.

## Customer Credit Risk

A sudden disruption in business conditions or a general economic downturn may adversely affect the financial strength of BWX's retailer customers. A general decline in economic conditions in Australia, the US or any other jurisdiction where BWX distributes its products either currently or in the future, may negatively impact the financial position of BWX's retailer customers. The financial difficulties of a retailer customer could cause BWX to reduce or cease business with that customer. BWX may also decide to assume more credit risk relating to the receivables from that retailer customer. BWX's inability to collect receivables from one or a group of retailer customers could have a material adverse effect on the Company's business, results of operations and financial condition. If a retailer customer were to go into liquidation, BWX could incur additional costs if the Company chooses to purchase the retailer customer's inventory of BWX's products to protect its brand equity.

## Reliance on Key Management

BWX, and each of its businesses, depend substantially on its key management, the loss of whose services might significantly delay or prevent the achievement of its business strategy.

The ability of BWX to retain and attract qualified individuals is also critical to its success. BWX may not be able to attract and retain suitable individuals currently or in the future on acceptable terms, or at all, and the failure to do so may adversely affect BWX's business.

## Access to Equity and Debt Funding

Volatility in the financial markets could have a material adverse effect on BWX's ability to equity or debt fund its business.

BWX's ability to raise additional funds will be subject to, among other things, factors beyond the control of the Company and its Directors, including cyclical factors affecting the economy and share markets generally.

In addition, a deterioration in global financial markets and BWX's financial position could impact the risk appetite among lending institutions which may impact BWX's ability to renew or extend existing loan facilities or enter into new loan facilities or obtain any necessary waivers in relation to financial covenants with BWX's existing lender.

The Directors can give no assurance that future funds can be raised by the Company on favourable terms, if at all.

# Key risks



## **Impairment of Intangibles**

BWX has a substantial amount of intangible assets on its balance sheet relating to goodwill and identifiable intangible assets. It appears likely that impairment testing may result in some or all of BWX's intangible assets being impaired to a level significantly below their carrying value.

## **Possible risk of restatement of financial statements**

There is a risk that BWX's financial statements for prior periods may need to be restated. If there were misstatements, these could have a material adverse effect on BWX's previously reported financial position.

## **Market and Consumer Trends**

Rapid changes in market trends and consumer preferences could adversely affect the Company's financial results.

BWX's continued success depends on its ability to anticipate, gauge and react in a timely and cost effective manner to industry trends and changes in consumer preferences and attitudes toward skin care products. BWX must continually work to develop, produce and market new products and maintain and enhance the recognition of its existing brands, in order to achieve a favourable mix of products. However, BWX cannot predict consumer trends which may change rapidly. Additionally, due to the increasing use of social and digital media by consumers and the speed by which information and opinions are shared, trends may vary more rapidly than in the past. If BWX is unable to anticipate and respond to trends in the market for beauty and personal care products and changing consumer demands, its financial results may suffer.

## **Regulatory and Legislative Risk**

BWX's business is subject to numerous laws and regulations in Australia and overseas. Changes in these laws and regulations, including their interpretation or enforcement, that affect, or will affect, the Company's business or products, including changes in accounting standards, tax laws and regulations, environmental or climate change laws, restrictions or requirements related to product content, labelling and packaging, regulations or accords, trade rules and customs regulations, could adversely affect BWX's financial results.

Regulation is specific to each geographic region. There are many important differences in regards to the suitability of key ingredients for specific markets and this can pose a risk to product registration across different jurisdictions. Animal testing for example is banned for any product being sold in the European Union.

Failure to remain up to date with these various regulatory requirements and any regulatory action or enforcement may adversely affect BWX's financial position.

## **Intellectual Property Infringement**

BWX's commercial success depends at least in part on its ability to operate without infringing, misappropriating or otherwise violating the trade marks, patents, copyrights and other proprietary rights of others. BWX cannot be certain that the conduct of its business does not and will not infringe, misappropriate or otherwise violate such rights. As BWX gains greater visibility and market exposure as a public company, third parties may allege that BWX's products, services or activities infringe, misappropriate or otherwise violate their trade mark, patent, copyright or other proprietary rights in an attempt to gain a competitive advantage. Defending against allegations and litigation could be expensive, take significant time and divert management's attention. BWX may also be required to pay substantial damages or be subject to court orders prohibiting the Company and its customers from selling certain products or engaging in certain activities.

If BWX operates its business in a way which infringes, misappropriates or otherwise violates the trade marks, patents, copyrights and proprietary rights of others, this could have a material adverse impact on the Company's business, financial condition and results of operations.

## **Counterfeit Products**

Third parties may distribute and sell counterfeit versions of BWX's products, which may be inferior in quality and/or pose safety risks for consumers. Consumers could confuse BWX's products with these counterfeit products, which could cause them to refrain from purchasing the Company's brands in the future and in turn could adversely affect sales revenue. The presence of counterfeit versions of BWX's products in the market could also dilute the value of the Company's brands or otherwise have a negative impact on its reputation and business.

BWX believes its trademarks, copyrights, and other intellectual property rights are important to its success and its competitive position. BWX devotes resources to the registration and protection of its intellectual property and, subject to circumstances at the time, intends to pursue any parties involved in the sale of counterfeit products. However, despite these efforts BWX may be unable to prevent all counterfeiting of its products or the infringement of its intellectual property rights. For the reasons outlined above, the counterfeiting of BWX's products may have an adverse impact on BWX's business reputation and financial performance.

# Key risks



## Insurance Coverage

BWx currently has in place what it believes are adequate levels of insurance for property, general and product liability, directors and officer's liability, and worker's compensation to protect BWx from potential losses and liabilities. There is a possibility that events may arise which are not adequately covered by existing insurance policies. In this case the Company may suffer adverse effects to its financial results as well as to the value of its brands. The Company cannot guarantee that its existing insurance will be available or offered in the future. An inability of the Company to secure such cover in the future could restrict the ability of the Company to conduct its business, and this could have a negative impact on the financial results of the Company.

## Risk of Litigation, Claims and Disputes

BWx is and may in the future be subject to litigation, claims and disputes in the course of its business, including competitor disputes, consumer disputes, supplier disputes, employment disputes, contractual disputes, disputes with governmental agencies or authorities or regulators, indemnity claims, and occupational and personal claims. Any such matters could involve prosecution, defence, and settlement costs, and consume management time in the dealing with any such litigation, claims and disputes. In particular, and as previously announced, BWx is subject to a court proceeding initiated by Waterloo Capital Partners LLC in 2018 in the US regarding success fees relating to BWx's acquisitions of the Mineral Fusions and Andalous Minerals businesses. BWx recently received a judgment in its favour in relation to these proceedings but there is a right for the counterparty to appeal this judgment which right expires on 11 July 2022. Despite this right, the proceedings are not considered to be material by BWx. Any material litigation, claims or disputes could have a material and adverse impact on BWx's financial position and performance.

## Climate Change

There has been an increased frequency of natural disasters globally in recent years and it is expected that this trend will continue in the medium to long term.

BWx is exposed to a number of potential climate change related risks which include:

- increases in operating costs of assets due to carbon-pricing policies or other market mechanisms;
- disruption to BWx's access or increase in price of raw materials used in BWx's products as result of climate changes and extreme weather events;
- interruption to operations or supply chains from climate changes and extreme weather events; and
- general economic downturn caused by or impacted by climate change causing consumers to reduce discretionary spending, including consumption of BWx's products.

The occurrence of any of these risks could result in asset impairment, lost revenue, downturn in overall sales and have an adverse impact on the financial position of BWx.

## Price and availability of raw materials

BWx products are composed of certain key raw materials. If the price of these raw materials were to increase materially or raw materials were to become less available due to changes in the natural environment (including climate change) or supply chain issues, it could result in a significant increase to BWx's production costs and adversely affect the business of BWx.

## Unforeseen Expenditure Risk

BWx's future growth is dependent on having adequate capital available to fund its business strategy. BWx expects that the proceeds from this Capital Raising will provide sufficient capital resources to enable BWx to achieve its stated business strategy.

Should BWx require additional funding, there can be no assurance that additional funds will be available on acceptable terms or at all.



# Key risks



## **Information Technology and Protection and Security of Personal Information and Data**

BWX is increasingly dependent on information technology, and if the Company is unable to protect against service interruptions, data corruption, cyber based attacks or network security breaches, BWX's operations could be disrupted.

BWX relies on information technology networks and systems, including the internet, to process, transmit and store electronic and financial information, to manage a variety of business processes and activities such as production management, inventory control, financial management and reporting database management and to comply with regulatory, legal and tax requirements. BWX also depends on information technology infrastructure for digital marketing activities and for electronic communications among personnel, customers and suppliers around the world. These information technology systems, some of which are managed by third parties, may be susceptible to damage, disruptions or shutdowns due to failures during the process of upgrading or replacing software, databases or components, power outages, hardware failures, computer viruses, attacks by computer hackers, telecommunication failures, user errors or other unforeseen events. If BWX's information technology systems suffer severe damage, disruption or shutdown and do not effectively resolve the issues in a timely manner, the Company's product sales, financial condition and results of operations may be materially and adversely affected and the Company may experience delays in reporting financial results.

If BWX is unable to prevent security breaches, it may suffer financial and reputational damage or penalties because of the unauthorised disclosure of confidential information belonging to the Company or to its partners, customers or suppliers. In addition, the disclosure of non public sensitive information could lead to the loss of intellectual property or damage to BWX's reputation.

Allegations of, or actual, unauthorised access or loss of sensitive data or confidential information could occur, resulting in a breach of BWX's obligations under applicable laws or regulations. Consequently, legal or regulatory actions could be initiated against BWX in connection with any such breaches. In addition, the breach could impact customer, partner or supplier trust and satisfaction. Any such allegations or breaches of laws or regulations could have a material and adverse impact on BWX's reputation, financial position or performance.

## **Compliance with Overseas Data Privacy Laws or Regulations**

There is a risk that BWX may breach various local or overseas customer data or privacy laws or regulations, in particular, in relation to the retention of customer data.

The misuse or mishandling of customer data or infringement of applicable local or international data or privacy laws by BWX could lead to administrative action, fines or claims for damages by individuals which could have an adverse impact on BWX's reputation and financial position.

## **Foreign Exchange Rate Fluctuations**

Fluctuations in currency exchange rates may negatively impact BWX's financial position and operating results.

Exchange rate fluctuations may affect the costs that BWX incurs in its operations. The main currency to which BWX is exposed is US dollars. In addition BWX is exposed to the Euro, the British pound and the Canadian dollar. The exchange rates between these currencies and the Australian dollar in recent years have fluctuated significantly and may continue to do so in the future.

A lower Australian dollar may increase the costs of input materials to BWX and a higher Australian dollar may decrease export demand for BWX's products.

## **2. GENERAL RISKS AND OFFER RISKS**

### **Market and an investment in Shares**

The market price of BWX's shares will fluctuate due to various factors, many of which are non-specific to BWX, including the number of potential buyers or sellers of BWX shares on the ASX at any given time, recommendations by brokers and analysts, Australian and international general economic conditions (including as a result of the impacts of COVID-19), inflation rates, interest rates, changes in government, fiscal, monetary and regulatory policies, changes in law, fire, flooding, extreme weather events, natural disasters, global geo-political events and hostilities, acts of terrorism, state of emergency declarations, outbreaks of pandemics, outbreaks of war, and investor perceptions. These factors may cause BWX shares to trade at a lower price than the issue price under the Offer

### **General Economic Conditions**

The trading price of BWX shares may be adversely impacted by various factors, including new or changed governmental measures, new variants of COVID-19, business closures, lockdowns, quarantines, travel and other restrictions and resultant impacts on economies and financial markets. The historic share price performance of BWX provides no guidance as to its future share price performance.

Any deterioration in the domestic and global economy may have a material adverse effect on the performance of BWX's business and BWX's share price. It is possible that new risks might emerge as a result of Australian or global markets experiencing extreme stress, or existing risks, may manifest themselves in ways that are not currently foreseeable. The equity markets have in the past and may in the future be subject to significant volatility.

# Key risks



## Underwriting risk

BWX has entered into an underwriting agreement with Bell Potter Securities Limited ACN 006 390 772 (Underwriter) under which the Underwriter has agreed to fully underwrite the Capital Raising, subject to the terms and conditions of the underwriting agreement (Underwriting Agreement).

The Underwriting Agreement contains customary representations and warranties and indemnities in favour of the Underwriter for an agreement of this nature.

If the Underwriting Agreement is terminated for any reason, BWX may not receive the full amount of the proceeds expected under the Capital Raising, its financial position might change and it might need to take other steps to raise capital, including by raising additional debt.

Capitalised terms in this summary have the meaning given to them in the Underwriting Agreement unless otherwise defined in this Presentation.

The Underwriter may, by notice given to BWX, and without cost or liability, immediately terminate their obligations under the Underwriting Agreement if any of the events below occurs or has occurred at any time before 6.00pm on the Entitlement Offer Settlement Date. The list below is not exhaustive of all of the termination events in the Underwriting Agreement.

Termination events	
Offer documents	<ul style="list-style-type: none"> <li>(i) any Offer Document or Public Information includes content that is misleading or deceptive or likely to mislead or deceive, in either case, in any material respect or omits to state a material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading or deceptive;</li> <li>(ii) any statement of opinion or belief in any Offer Document or Public Information, is not truly and honestly held or there are no reasonable grounds for making any such statement; or</li> <li>(iii) any amendment or update to an Offer Cleansing Statement which is issued or is required under the Corporations Act to be issued is materially adverse from the point of view of an investor.</li> </ul>
New circumstance	an obligation arises on BWX to give ASX a notice in accordance with section 708AA(12) of the Corporations Act or a new circumstance arises or becomes known which, if known at the time of issue of the Investor Presentation, Offer Booklet and Offer Cleansing Statements would have been required to be included in the Investor Presentation, Offer Booklet or the Offer Cleansing Statements.
Market fall	at any time the S&P/ASX 300 Index has fallen to a level that is 10% below the level of the S&P/ASX 300 Index as at the close of trading on the business day prior to the date of the Underwriting Agreement.
Listing	ASX announces that BWX will be removed from the official list or that any Shares will be delisted or suspended from quotation by ASX for any reason (for the avoidance of doubt, excluding a trading halt that may be in place as at the date of the Underwriting Agreement).
Proceedings	<p>any of the following occurs:</p> <ul style="list-style-type: none"> <li>(i) there is an application to, or threat to make an application to, a Governmental Agency (including, without limitation, any court and the Takeovers Panel), for an order, declaration (including, in relation to the Takeovers Panel, of unacceptable circumstances) or other remedy, or a Governmental Agency commences any investigation or hearing or announces its intention to do so, in each case in connection with the Offer (or any part of it) or any agreement entered into in respect of the Offer (or any part of it) which, in the Underwriter's reasonable opinion, has reasonable prospects of success and is likely to have a material adverse effect on the Company or the Offer or on the market price of the Shares; or</li> <li>(ii) proceedings are commenced or there is a public announcement of an intention to commence proceedings before a court or tribunal of competent jurisdiction in Australia seeking an injunction or other order in relation to the Offer, which in the Underwriter's reasonable opinion, has reasonable prospects of success and are likely to have a material adverse effect on BWX or the Offer.</li> </ul>

# Key risks

## Underwriting risk (cont.)

Termination events	
Regulatory action	<p>ASIC:</p> <ul style="list-style-type: none"> <li>(i) makes an application or threatens to make an application for an order under Part 9.5 of the Corporations Act in relation to the Offer;</li> <li>(ii) commences or conveys its intention to commence any investigation or hearing under Part 3 of the <i>Australian Securities and Investments Commissioner Act 2001</i> (Cth) in relation to the Offer; or</li> <li>(iii) otherwise issues or threatens to issue proceedings in relation to the Offer or commences any formal inquiry or investigation into the Offer.</li> </ul>
Quotation	ASX does not, or states that it will not, grant official quotation of all the Offer Shares on an unconditional basis (or on a conditional basis provided such condition would not, in the reasonable opinion of the Underwriter, have a material adverse effect on the Offer) by the relevant settlement date.
Prosecution	<p>any of the following occurs:</p> <ul style="list-style-type: none"> <li>(i) a director or senior manager of BWX is charged with an indictable offence;</li> <li>(ii) any regulatory body commences any public action against a director of BWX in his or her capacity as such or announces that it intends to take any such action; or</li> <li>(iii) any director of BWX is disqualified from managing a corporation under the Corporations Act.</li> </ul>
Timetable	an event specified in the Timetable is delayed by BWX for more than one Business Day without the prior written consent of the Underwriter.
Forecasts	the Offer Documents or any Public Information includes any forecast, expression of opinion, belief, intention or expectation which is not based on reasonable grounds (including having regard to ASIC Regulatory Guide 170) or any other announced forecast or expectation becomes incapable of being met.
Debt Facility Lender Email	BWX or any Group Member breaches, or defaults under, any provision, undertaking, covenant or ratio of a material debt or financing arrangement (including the Debt Facility Agreement) or any related documentation to which that entity is a party which has or is likely to have a material adverse effect on the Group; or an event of default or event which gives a lender or financier the right to accelerate or require repayment of the debt or financing, or other similar material event occurs under or in respect to any such debt or financing arrangement or related documentation; or the Debt Facility Lender Email is withdrawn, rescinded or terminated or, without the prior written consent of the Underwriter.
Illegality	<p>there is an event, occurrence or non-occurrence after the execution of the Underwriting Agreement which makes it illegal or commercially impractical for the Underwriter to satisfy a material obligation under the Underwriting Agreement, or to market, promote or settle the offer of Offer Shares, or that causes the Underwriter to delay satisfying a material obligation under the Underwriting Agreement, including:</p> <ul style="list-style-type: none"> <li>(i) any acts, statute, order, rule, regulation, directive or request of any government or Government Agency, orders of any courts, lockdowns, lock-outs, forced closures, restrictions on mobility, or interruptions or restrictions in transportation which has this impact; or</li> <li>(ii) any acts of God or other natural forces, civil unrest or other civil disturbance, currency restriction, embargo, action or inaction by a Government Agency, or any other event similar to those mentioned in this table.</li> </ul>

# Key risks

## Underwriting risk (cont.)

Termination events	
Change in senior management or directors	a change to the chief executive officer, chief financial officer, or the board of directors of BWX occurs.
Change in brand ambassador	Zoe Foster Blake departs (or gives notice of an intention to depart) the business or changes her role within the business (other than as a transition to Chief Creative Officer).
Fraud	BWX or any of its directors or officers (as that term is defined in the Corporations Act) engage in any fraudulent conduct or activity whether or not in connection with the Offer.
Withdrawal	BWX withdraws the Offer or any part of it.
Certificate	any Certificate which is required to be provided by BWX under the Underwriting Agreement is not provided when required.
Insolvency	BWX or a Group Member is or becomes Insolvent or there is an act or omission which is likely to result in BWX or a Group Member becoming Insolvent.
Unable to issue	BWX is prevented from granting the Entitlements or issuing Offer Shares within the time required by the Timetable or by or in accordance with ASX Listing Rules applicable laws, a Government Agency or an order of a court of competent jurisdiction.
ASIC modifications	ASIC withdraws, revokes or amends any ASIC Modification.
ASX Waiver	ASX withdraws, revokes or amends any ASX Waiver.
Breach*	BWX is in breach of any terms and conditions of the Underwriting Agreement (including for the avoidance of doubt, undertakings) or any representation or warranty by it is or becomes incorrect, untrue or misleading.
Material adverse change*	there is an adverse change or an event occurs which is likely to give rise to an adverse change, in the financial position, results, condition, operations or prospects of BWX or any Group Member other than as disclosed by BWX to the ASX before the date of the Underwriting Agreement or in the Offer Materials.
Obligations*	BWX fails to perform or observe any of its obligations (including, for the avoidance of doubt, undertakings) under the Underwriting Agreement.
Due diligence investigations*	the Due Diligence Committee Sign-Off, Management Sign-Offs or the information provided by or on behalf of BWX to the Underwriter in relation to the Due Diligence Investigations, the Offer Documents or the Offer, is false, misleading or deceptive or likely to mislead or deceive (including by omission).
Change in 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 or Territory authority, adopts or announces a proposal to adopt a new policy (other than a law or policy which has been announced prior to the date of the Underwriting Agreement).

# Key risks

## Underwriting risk (cont.)

Termination events	
Compliance with law*	a contravention by BWX of the Corporations Act, its Constitution, any of the ASX Listing Rules or any other applicable law or regulation (as amended or varied).
Offer*	any aspect of the Offer does not comply with the Corporations Act or the ASX Listing Rules.
Certificate*	any Certificate which is required to be provided by BWX under the Underwriting Agreement is untrue or incorrect.
Banking disruption*	<p>there is:</p> <ul style="list-style-type: none"> <li>(i) a suspension or material limitation in trading in securities generally on ASX, the London Stock Exchange or the New York Stock Exchange (including the occurrence of a Level 3 cross-market trading halt) or a material disruption in commercial banking or securities settlement or clearance services in Australia, New Zealand, the People's Republic of China, the United States of America, Hong Kong, Singapore or the United Kingdom;</li> <li>(ii) any adverse change or disruption to financial, political or economic conditions of Australia, New Zealand, the People's Republic of China, the United States of America, Hong Kong, Singapore or the United Kingdom or any change to the national political, financial or economic conditions of those countries that does not already exist or has not already been announced as at the date of the Underwriting Agreement;</li> <li>(iii) a general moratorium on commercial banking activities in any of the countries referred to in (ii) above declared by the relevant central banking authority in any of those countries, or a material disruption in commercial banking or security settlement or clearance services in any of those countries; or</li> <li>(iv) any event or occurrence, including any statute, order, rule, regulation, directive or request (including one compliance with which is in accordance with the general practice of persons to whom the directive or request is addressed) the effect of which makes it impractical or inadvisable (in the reasonable opinion of the Underwriter) to satisfy an obligation under the Underwriting Agreement, or to market, promote or settle the Offer.</li> </ul>
Hostilities*	hostilities not presently existing commence (whether war has been declared or not) or a major escalation in existing hostilities occurs (whether war has been declared or not) or a major terrorist act is perpetrated involving any one or more of Australia, New Zealand, the United States of America, Hong Kong, United Kingdom, the People's Republic of China, any member state of the European Union or any member of the North Atlantic Treaty Organisation, or a national emergency is declared by any of those countries, or a significant terrorist act is perpetrated anywhere in the world.
Pandemic*	a pandemic, epidemic or large-scale outbreak of a disease (including without limitation SARS, swine or avian flu, H5N1, H7N9, COVID-19 or a related or mutated form of these) not presently existing occurs in respect of which there is a major escalation, including an escalation resulting in a material shut-down of business in any one or more of Australia, New Zealand, the United States of America, Hong Kong, United Kingdom, the People's Republic of China, any member state of the European Union, or any member of the North Atlantic Treaty Organisation.
Public Information*	any Public Information includes a statement which is or becomes misleading or deceptive or likely to mislead or deceive.
Encumbrance*	the Company places an Encumbrance on, or agrees to Encumber, the whole, or substantially part of its business or property.

No event listed with an (\*) in the summary above entitles the Underwriter to exercise its termination right unless the event:

- (i) has or is likely to have a material adverse effect on the financial position or prospects of the Group or the outcome or success of the Offer (or any part of it) or the market price of, or ability to settle the Offer of, any of the Offer Shares; or
- (i) leads (or is, in the Underwriter's reasonable opinion, likely to lead) to a contravention by the Underwriter (or one of its Affiliates) of (or the involvement of the Underwriter in a contravention of) or liability of the Underwriter (or one of its Affiliates) under the Corporations Act or any other applicable law.

# Key risks



## **Dividends**

Any decisions regarding the payment of dividends in respect of BWX's shares is determined at the discretion of BWX's board of directors, having regard to relevant factors, which include BWX's available profits, cashflow, financial condition, operating results, future capital requirements, covenants in relation to financing agreements, as well as economic conditions more broadly. There is no guarantee that a dividend will be paid by BWX in future periods or, if paid, paid at historical levels.

## **Liquidity Risk**

BWX is a listed entity. Therefore the ability to sell BWX shares will be a function of the turnover of the BWX shares at the time of sale. Turnover itself is a function of the size of BWX and also the cumulative investment intentions of all current and possible investors in BWX at any one point in time.

## **Risks of Dilution**

Current shareholders in BWX who do not participate in the Offer will have their percentage shareholding in BWX diluted. Investors may also have their investment diluted by future capital raisings or issues of new equity securities by BWX.

BWX may issue new equity securities in the future to finance acquisitions or pay down debt which may, under certain circumstances, dilute the value of a shareholder's interest in BWX

Final use only

# International Offer Restrictions



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

## **Cayman Islands**

No offer or invitation to subscribe for New Shares may be made to the public in the Cayman Islands or in any manner that would constitute carrying on business in the Cayman Islands.

## **Hong Kong**

**WARNING:** This document has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the "SFO"). Accordingly, this document may not be distributed, and the New 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 New Shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to New Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors. No person allotted New Shares may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

## **New Zealand**

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (the "FMC Act").

The New Shares are not being offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) other than to a person who:

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

## **Norway**

This document has not been approved by, or registered with, any Norwegian securities regulator under the Norwegian Securities Trading Act of 29 June 2007 no. 75. Accordingly, this document shall not be deemed to constitute an offer to the public in Norway within the meaning of the Norwegian Securities Trading Act. The New Shares may not be offered or sold, directly or indirectly, in Norway except to "professional clients" (as defined in the Norwegian Securities Trading Act).

# International Offer Restrictions



## Singapore

This document and any other materials relating to the New Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this document and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of New Shares, may not be issued, circulated or distributed, nor may the New Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part 13 of the Securities and Futures Act 2001 of Singapore (the "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 New Shares being subsequently offered for sale to any other party in Singapore. On-sale restrictions in Singapore may be applicable to investors who acquire New Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

## United Kingdom

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

The New Shares may not be offered or sold in the United Kingdom by means of this document or any other document, except in circumstances that do not require the publication of a prospectus under section 86(1) of the FSMA. This document is issued on a confidential basis in the United Kingdom to "qualified investors" within the meaning of Article 2(e) of the 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 New Shares has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of the FSMA does not apply to the Company.

In the United Kingdom, this document is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 ("FPO"), (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO or (iii) to whom it may otherwise be lawfully communicated (together "relevant persons"). The investment to which this document relates is available only to relevant persons. Any person who is not a relevant person should not act or rely on this document.