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Acquisition of CMI Operations  
and Equity Raising

**INVESTOR PRESENTATION | 28 November 2023**

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This Presentation has been prepared by IPD Group Ltd (ACN 111 178 351) (**Company** or **IPD**) in connection with the Company's proposed:

- placement of new fully paid ordinary shares in the Company (**New Shares**) to certain institutional and sophisticated investors (**Placement**); and
- pro rata accelerated non-renounceable rights issue of New Shares to be made to:
  - eligible institutional shareholders of the Company (**Institutional Offer**); and
  - eligible retail shareholders of the Company (**Retail Offer**),under section 708AA of the *Corporations Act 2001* (Cth) (**Corporations Act**) as modified by *ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84* and *ASIC Corporations (Disregarding Technical Relief) Instrument 2016/73* (together, the **Rights Issue**).

In this Presentation, the Placement and the Rights Issue are together, the **Equity Raising**. The Equity Raising will be used to partly fund the Company's acquisition of CMI Operations Pty Ltd (**CMI**) (**Acquisition**).

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# Transaction Overview & Trading Update



# Transaction Highlights

## IPD is undertaking the acquisition of CMI Operations

<b>Transaction</b>	<ul style="list-style-type: none"><li>• IPD Group Limited (“<b>IPD</b>”) to acquire CMI Operations Pty Ltd (“<b>CMI</b>”), a <b>leading distributor of electrical cables and manufacturer and distributor of plug brands</b> in Australia, from ASX listed Excelsior Capital Limited (“<b>Excelsior</b>”) (ASX:ECL)</li><li>• Total consideration includes an <b>upfront payment of \$92.1 million</b> and a <b>contingent payment up to a maximum of \$8.9 million</b> (refer to next page for more details)</li></ul>
<b>Rationale</b>	<ul style="list-style-type: none"><li>• CMI is a <b>strategically compelling</b> acquisition in <b>highly complementary sectors</b> that extends <b>IPD’s product suite, increases supplier diversity, strengthens its overall value proposition</b> with existing customers and <b>broadens customer reach</b></li></ul>
<b>Attractive business model</b>	<ul style="list-style-type: none"><li>• <b>Low capital intensity</b> and <b>high cash flow generation</b></li><li>• <b>Solid and growing EBIT margins</b>, increasing from 12.0% in FY21A to 14.9% in FY23A</li><li>• Strong <b>re-occurring revenue</b> streams linked to a regulatory driven plug replacement cycle</li></ul>
<b>Growth</b>	<ul style="list-style-type: none"><li>• CMI has been <b>experiencing significant organic growth</b>, growing at an <b>~18% revenue CAGR</b> between FY21A and FY23A</li><li>• During the same period, <b>EBIT has grown at 31% per annum</b>, demonstrating the <b>benefits of operating leverage</b></li></ul>
<b>Funding</b>	<ul style="list-style-type: none"><li>• Acquisition to be funded with a <b>combination of new debt facilities and a fully underwritten equity raising</b> of approximately \$65 million</li></ul>
<b>Financial impact<sup>1</sup></b>	<ul style="list-style-type: none"><li>• <b>The acquisition results in pro forma FY23A EPS accretion of over 30% (excluding synergies)<sup>2</sup></b></li><li>• <b>Increases IPD’s pro forma FY23A EBIT margin from 10.3% to 11.7%</b></li><li>• <b>Leverage of ~0.9x gross debt<sup>3</sup> / pro forma FY23A EBITDA</b></li></ul>

1. Pro forma FY23A metrics exclude any synergies, incremental costs, or one-off transaction or integration costs

2. Adjusted for the theoretical ex-rights price (“TERP”) which is the theoretical price at which an IPD share should trade at immediately after the ex-date for the Entitlement Offer. Assumes that the maximum contingent payment of \$8.9 million is paid (refer to next page for details)

3. Gross debt is on a pre-AASB16 basis (excluding lease liabilities)

# Transaction Overview

## Transaction summary

- IPD has entered into a conditional agreement to acquire 100% of CMI from Excelsior (“**Acquisition**”)
- Consideration comprises:
  - an upfront payment of \$92.1 million (equivalent to 6x CMI’s FY23A EBIT of ~\$15.5 million); and
  - a contingent payment of \$6 for every dollar by which CMI’s FY24A EBIT result exceeds FY23A EBIT, up to a maximum of \$8.9 million
- Transaction is subject to Excelsior shareholder approval. Excelsior’s directors (representing approximately 50.4% of Excelsior’s issued capital) have confirmed that they intend to vote in favour of the transaction in the absence of a superior proposal and subject to the Independent Expert Report

## Transaction funding

- The Acquisition will be funded through a combination of an equity raising and new debt facilities
- IPD is undertaking a \$65 million fully underwritten equity raising (“**Equity Raising**”) of new fully paid ordinary shares in the Company (“**New Shares**”) which comprises a:
  - ~\$40 million institutional placement (“**Institutional Placement**”); and
  - ~\$25 million, 1 for 13.65 accelerated pro rata non-renounceable entitlement offer (“**Entitlement Offer**”), comprising:
    - an institutional entitlement offer (“**Institutional Entitlement Offer**”); and
    - a retail entitlement offer (“**Retail Entitlement Offer**”).
- IPD will also enter into new debt facilities with total funding capacity of \$40 million, subject to finalising documentation
  - immediately post acquisition, IPD will have drawn ~\$31 million for the acquisition and will have sufficient headroom available to pay up to the maximum contingent payment of \$8.9 million; and
  - following completion of the Acquisition and the Equity Raising, gross debt<sup>1</sup>/EBITDA on a pro-forma FY23A basis will remain conservative at 0.9x

## Financial impact<sup>2</sup>

- Pro forma FY23A impact of the acquisition (excluding synergies):
  - revenue of \$331.4 million and EBIT of \$38.9 million;
  - EPS accretion of over 30%<sup>3</sup> (after allowing for the maximum contingent payment being paid); and
  - EBIT margins increasing from 10.3% to 11.7%
- Revenue synergies expected to be generated from cross-selling opportunities
- Increases supplier diversity

1. Assumes \$40 million debt facility is fully drawn. Gross debt is on a pre-AASB16 basis (excludes lease liabilities)

2. Pro forma FY23A metrics excludes any synergies, incremental costs, or one-off transaction or integration costs

3. EPS accretion calculation has been performed for the financial year ended 30 June 2023 and has been adjusted for TERP resulting from the Equity Raising

# Transaction Overview (continued)

<b>Timing</b>	<ul style="list-style-type: none"><li>• The Acquisition is subject to several customary conditions including approval by shareholders of Excelsior at a shareholder meeting (expected to be conducted in mid-January 2024)</li><li>• Completion is anticipated to occur by February 2024</li></ul>
<b>CMI overview</b>	<ul style="list-style-type: none"><li>• <b>Cable division</b><ul style="list-style-type: none"><li>– supplies electrical cable to major construction, infrastructure and renewables projects nationwide, targeting orders of between \$0.25m – \$10m</li></ul></li><li>• <b>Minto plugs division</b><ul style="list-style-type: none"><li>– market leader in hazardous environments and other safety-focused applications for its best-in-class couplers and receptacle products</li><li>– strong track record of safety and reliability</li></ul></li></ul>
<b>CMI highlights</b>	<ul style="list-style-type: none"><li>• <b>Cables division</b><ul style="list-style-type: none"><li>– portfolio of cable products with a deeply embedded network of industry relationships and unparalleled customer service</li><li>– established supplier relationships with quality manufacturers</li></ul></li><li>• <b>Minto plugs division</b><ul style="list-style-type: none"><li>– products are specialised for hazardous environments, with a proven reputation for product quality</li><li>– regulatory replacement cycle of the installed plug base creates attractive re-occurring revenue profile</li><li>– sophisticated in-house R&amp;D and engineering capability that drives product development</li></ul></li><li>• <b>CMI Group</b><ul style="list-style-type: none"><li>– highly attractive earnings profile with strong cash conversion</li><li>– strong growth opportunities in growing market share, renewables-focused projects and new product development</li><li>– deeply experienced and highly regarded management team</li></ul></li></ul>
<b>Strategic rationale</b>	<ul style="list-style-type: none"><li>• Highly complementary product portfolio</li><li>• Strengthens customer relationships with broader offering</li><li>• Adds engineering and R&amp;D capabilities</li><li>• Diversifies supplier concentration</li><li>• Broadens customer base and provides significant cross-sell opportunities</li><li>• Financially compelling</li><li>• Capitalises on growth opportunities through energy transition and electrification of the economy</li></ul>

## Trading update

- Positive momentum has continued into FY24 and the outlook for IPD's markets remain buoyant
- Tailwinds from the electrification of the economy have had a positive impact
- IPD is expecting a number of significant projects to commence in the second half of the year
- Underlying H1 FY24 guidance<sup>1</sup> of:
  - EBITDA of \$16.0-\$16.5 million (~21% vs H1 FY23)<sup>2</sup>
  - EBIT of \$13.5-\$14.0 million (~20% vs H1 FY23)<sup>2</sup>

1. Excludes one off M&A transaction costs

2. Based on the midpoint of the H1 FY24 guidance range

# CMI Overview

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# CMI Overview

CMI sells a portfolio of electrical cables and Australia’s leading plug brand for hazardous environments

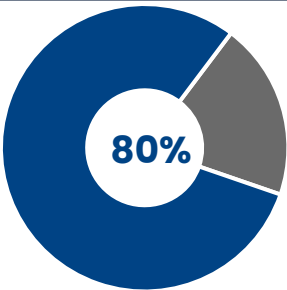
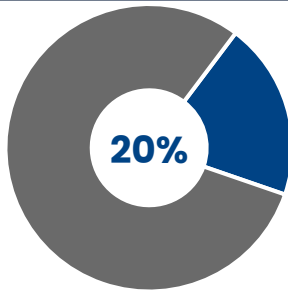
- Established in Sydney in 1991, CMI is a leading distributor of electrical cables and manufacturer and distributor of the “Minto” plug brand
- CMI consists of two core divisions:
  - CMI’s **cable division** supplies electrical cable to major construction, infrastructure and renewables projects nationwide, targeting orders of between \$0.25m - \$10m
  - CMI’s **plug division** “Minto”, is the market leader in hazardous environments and other safety-focused applications for its best-in-class couplers and receptacle products
- Since its establishment, CMI:
  - has grown organically to generate \$104.3 million of revenue in FY23A and \$15.5 million of EBIT
  - has expanded to operate Australia wide, with six warehouses located across four states
  - now employs ~60 people who service ~500 customers annually
- CMI is exposed to growing industries, with end-users in construction, infrastructure, renewables, mining, tunnelling and precious metals

## Key facts

<b>\$104.3m</b> FY23A net sales	<b>18%</b> FY21A – FY23A revenue CAGR
<b>\$17.1m</b> FY23A EBITDA	<b>\$15.5m</b> FY23A EBIT
<b>16.4%</b> FY23A EBITDA margin	<b>14.9%</b> FY23A EBIT margin
<b>27.4%</b> FY23A gross profit margin	<b>~60</b> FTE employees as at June 2023
<b>6</b> Warehouses across 4 states	<b>~500</b> Customers as at June 2023
<b>&lt;1%</b> Warranty rates	<b>nil</b> Lost time incidents since FY20

# Business Structure

CMI operates through two divisions

	Cables	Minto Plugs
FY23A revenue split	<p><i>A leading portfolio of cable brands dedicated to requirements of the entire electrical industry</i></p> 	<p><i>Highly engineered, class-leading products for use in highly regulated hazardous and safety-focused environments</i></p> 
Description	<ul style="list-style-type: none"> <li>Supplies electrical cable to major construction, infrastructure and renewable-focused projects</li> <li>Middle market and national focus targeting orders of between \$0.25m - \$10m</li> </ul>	<ul style="list-style-type: none"> <li>Minto is the market leader in hazardous environments and other safety-focused applications for its couplers and receptacle products</li> <li>Leading track record of safety and reliability</li> <li>Strong re-occurring revenue profile given regulatory refurbish / replacement cycle</li> </ul>
End markets	<ul style="list-style-type: none"> <li>Construction</li> <li>Infrastructure</li> <li>Renewables</li> </ul>	<ul style="list-style-type: none"> <li>Mining</li> <li>Tunnelling</li> <li>Precious metals</li> </ul>
Growth drivers	<ul style="list-style-type: none"> <li>Ongoing electrification of the economy</li> </ul>	<ul style="list-style-type: none"> <li>Underground mining activities</li> <li>Mining electrification</li> <li>Safety regulations</li> <li>Expansion into less hazardous environments</li> </ul>

# CMI Overview – Cables

CMI supplies electrical cables to major construction, infrastructure and renewables projects

## Products



**XLPE**

- Power supply in low and medium voltage applications
- Used in commercial and industrial sub-mains, factories, variable speed drive (VSD) motors and control systems in infrastructure projects

**81%**

FY23A cables revenue



**Aflex**

- Flexible cables for use in applications where tight or difficult access is restrictive or where movement occurs
- Supplied for switchboards, generators, sound & lighting, batteries, variable speed drive motors, submersible pumps and low voltage control systems

**17%**

FY23A cables revenue

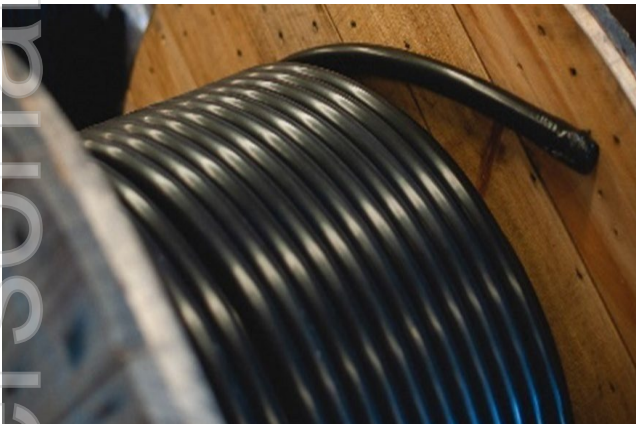


**HARTLAND**

- Leading range of audio, coaxial, control, data, instrumentation, UL approved connecting wire, copper braid, screened & unscreened multicore & multipair cables

**2%**

FY23A cables revenue



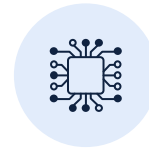
## Applications



**Industrial, infrastructure, renewable and construction sectors**



**Utility infrastructure**

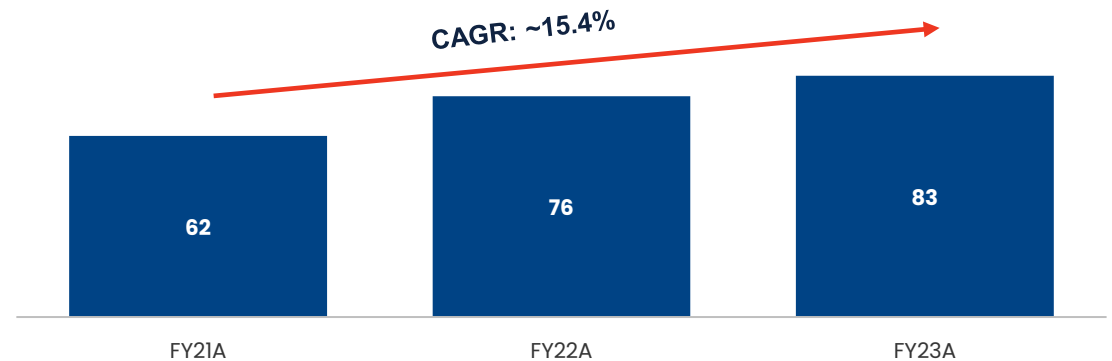


**Technology including batteries and switchboards**



**Rugged environments where fire safety is paramount**

## Revenue profile (\$m)





# CMI Overview – Minto Plugs

Minto plugs are highly engineered products for hazardous and safety-focused environments

## Products



- Market leader when power and safety are required in a complex and extremely hazardous environment
- Minto has a global reputation, with exports to mining installations in Indonesia, Papua New Guinea, and Mongolia
- Manufactured locally in Sydney, the plant operates to international quality standards

**84%**  
FY23A plugs revenue

## Minto 2

- Launched in March 2023
- Electrical plug compliant for use in non-coal underground mining, tunnelling and infrastructure projects, as well as above ground mining applications

**1%**  
FY23A plugs revenue

## Components

- In addition to finished plugs, CMI markets and sells a range of components suited to plug refurbishment, providing re-occurring revenue

**15%**  
FY23A plugs revenue

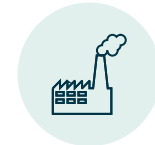


## Applications

### To power on-site equipment



Tunnel boring machinery



Industrial smelters

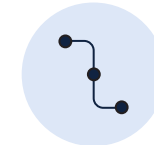


Stackers and reclaimers

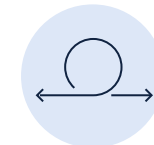


Drag lines

### To extend existing cabling



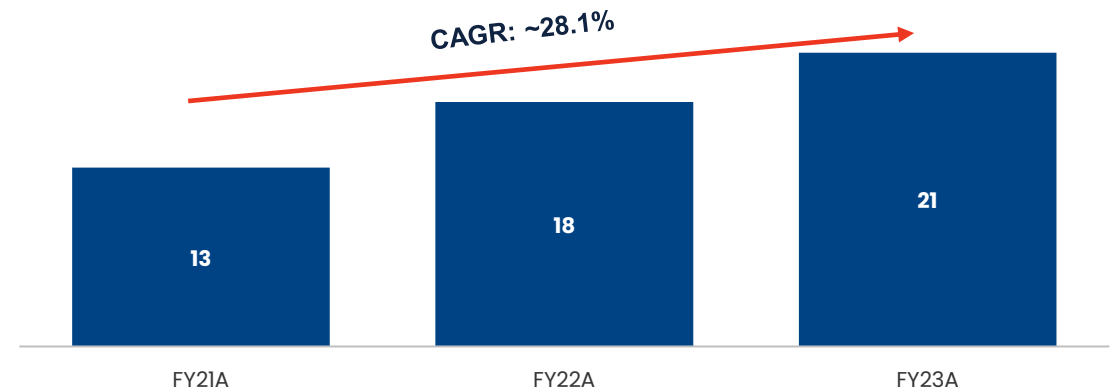
A connector is required when mine walls are lengthened



Approximately 300 meters of cable between connectors

## Revenue profile (\$m)

*Strong re-occurring revenue streams and long-term relationships supporting growth*



# Minto Plugs

Minto is underpinned by strict compliance requirements and a strong R&D and engineering capability

## Minto 1 product lifecycle

Minto 1 products are used in highly regulated hazardous environments requiring strict compliance and ongoing maintenance/replacement

### Install Date

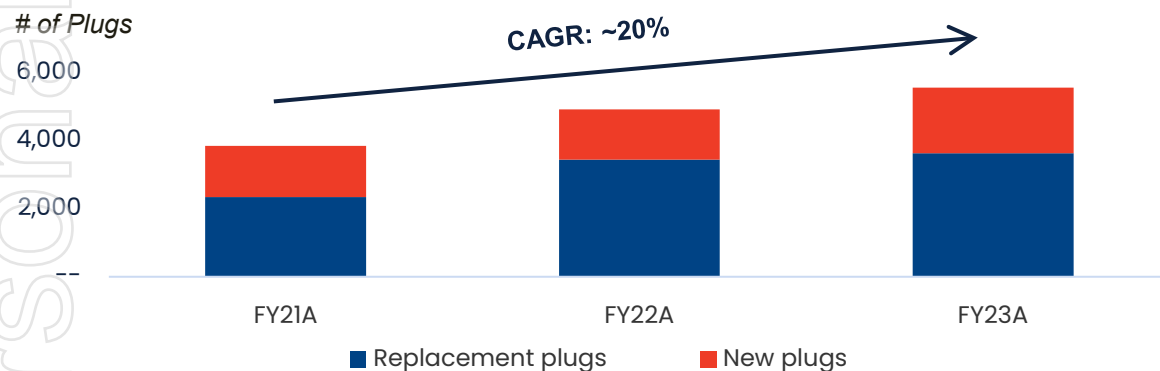
- Plugs installed into underground mines
- Supplier not typically changed over mine life providing CMI with a large installed base

### Years 1 – 3

- Continuous repair / refurbishment due to “wear and tear” – ~15% of total Minto revenue

### Year 3

- Standards typically require plugs to be replaced every ~3 years
- Typically, ~66% of sales volume is from like-for-like replacements – see graph below



## R&D / engineering capabilities

Minto has a strong R&D / engineering capability, supporting ongoing product improvement and development

Team of four specialised engineers

Continuous improvement with 6 – 8 projects active at any one time

Project specific cost / benefit analysis

Strong relationships with end clients resulting in continuous feedback loop

## Example: Minto 2



Electrical plug for non-coal metalliferous mining, tunnelling and infrastructure projects



Designed based on feedback from major plug repair and distributor customers



Marketed at a lower price point relative to Minto 1 for less safety-focused applications

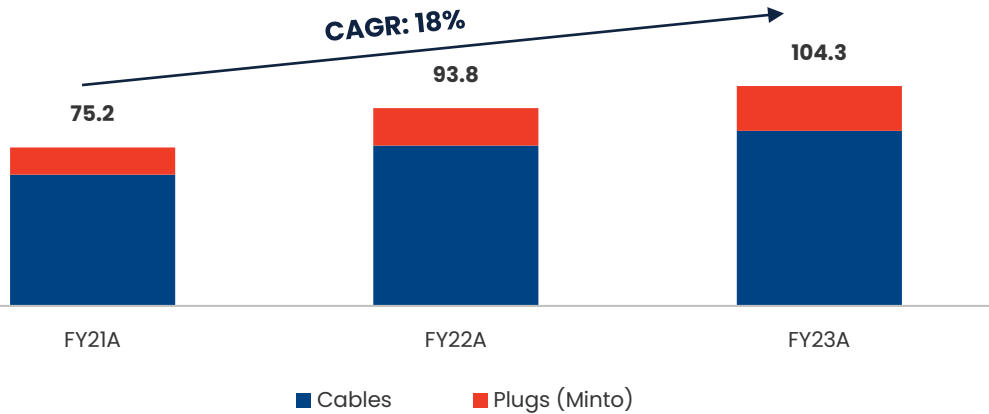


Provides CMI with entry into a large pool of adjacent electrical markets

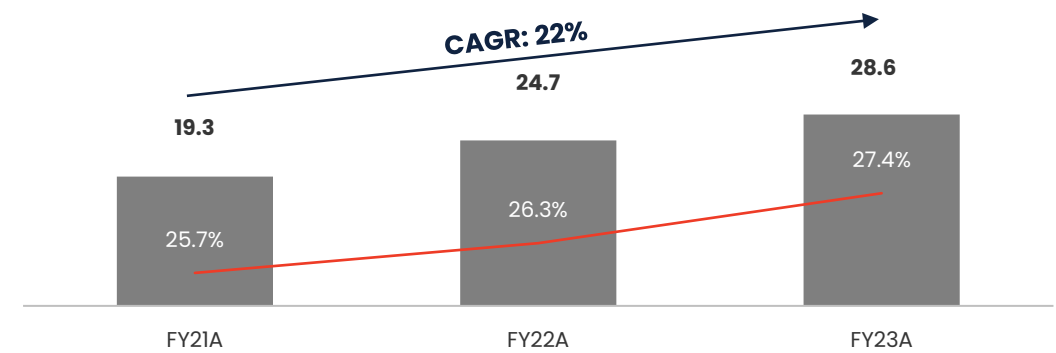
# CMI Overview – Financials

CMI has an attractive financial profile that can self-fund future growth

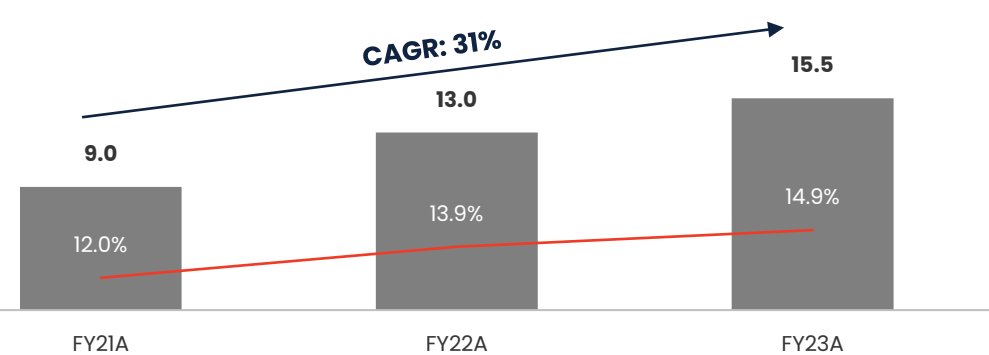
NET SALES (\$M)



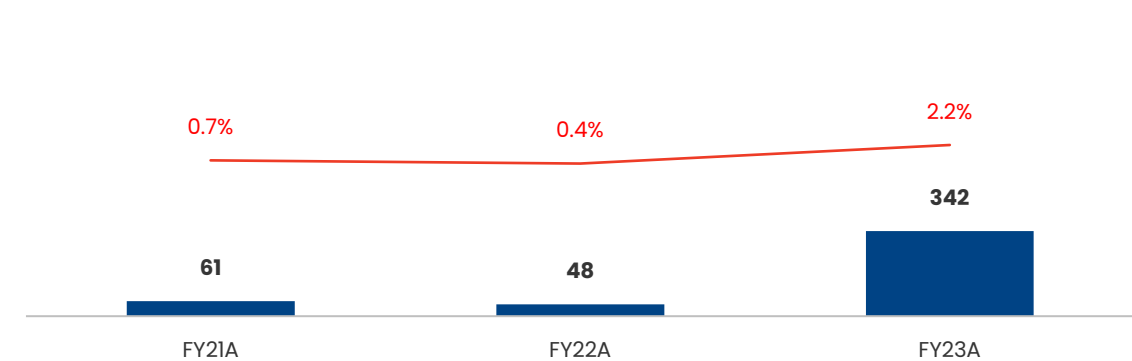
GROSS PROFIT (\$M) AND GROSS PROFIT MARGIN (%)



EBIT (\$M) AND EBIT MARGIN (%)



CAPEX (\$'000) AND CAPEX AS % OF EBIT (%)<sup>1</sup>



1. FY23A includes ~\$226k in relation to relocation expenses

# CMI Growth Opportunities

CMI is well positioned to benefit from favourable industry tailwinds, as well as continue to leverage its capabilities to tap into new geographies and industry sectors

## Cables

1

### Build share in existing markets



Continue to grow market share in the Australian market via relentless focus on customer service

2

### Demand for renewables projects



Focus on growth in the renewable markets by leveraging demand for electrical cables

3

### Electrification and energy transition



Ongoing tailwinds from increases in storage capacity, grid-scale renewables, sustainable electrical solutions and mining electrification

## Minto Plugs

1

### Further penetration in existing and new markets



Growth in existing and adjacent markets (above ground / tunnelling) and new geographies (e.g. Southeast Asia and South Africa)

2

### New product development



Minto 2 allows CMI to enter additional infrastructure sectors and other industrial markets

# Strategic Rationale

The Acquisition is consistent with IPD's strategic priorities and provides significant benefits across its core divisions

1

## Complementary product portfolio

- ✓ Cables are an adjacent offering to IPD's existing product range
- ✓ Minto plugs facilitates entry into new sectors with immediate synergies with IPD's recently acquired Ex Engineering business

2

## Strengthening customer relationships

- ✓ Provides broader suite of products to IPD customers, strengthening IPD's offering
- ✓ Significant overlap between IPD and CMI's largest customers (~85% of CMI's top 40 customers already deal with IPD)

3

## Adds engineering and R&D capabilities

- ✓ CMI's engineering and R&D capabilities will open possibilities to continue developing products across the IPD product range
- ✓ Development of Minto 2 validates value proposition

4

## Diversifies supplier concentration

- ✓ Additional \$100 million+ of revenue generated from new suppliers

5

## Broader customer base and significant cross-sell opportunities

- ✓ Minto expands customer base for IPD's broader product suite
- ✓ IPD currently procure cable from CMI and other suppliers for electrical service-related projects

6

## Financially compelling

- ✓ >30% FY23A EPS pro forma accretion<sup>1</sup>
- ✓ Increased pro forma margins
- ✓ Increased scale of operations



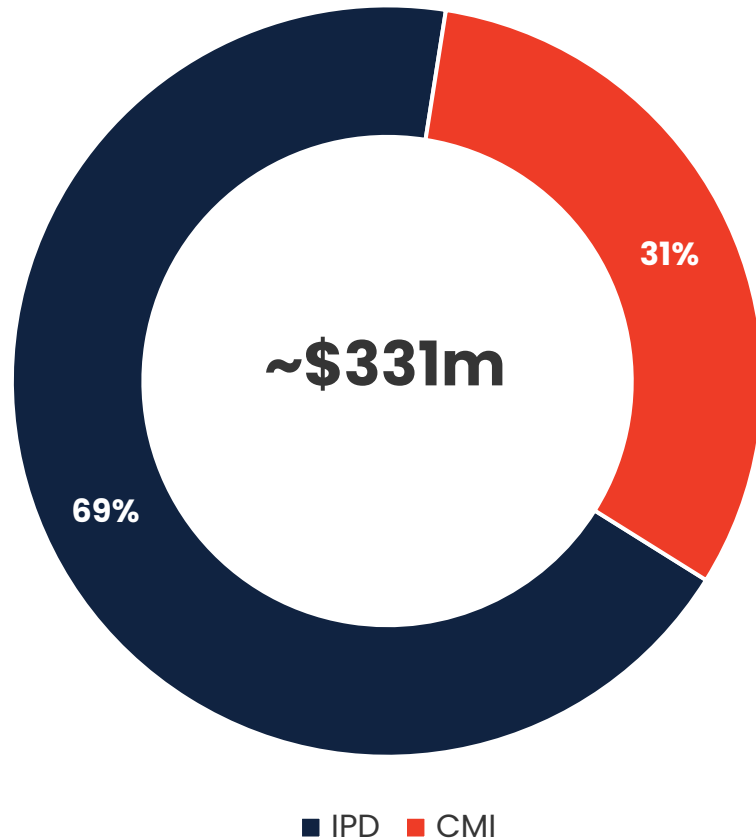
1. EPS accretion calculation has been performed for the financial year ended 30 June 2023 and excludes any synergies, incremental costs, or one-off transaction or integration costs. It has also been adjusted for TERP resulting from the Equity Raising and assumes that the maximum contingent payment of \$8.9 million is paid

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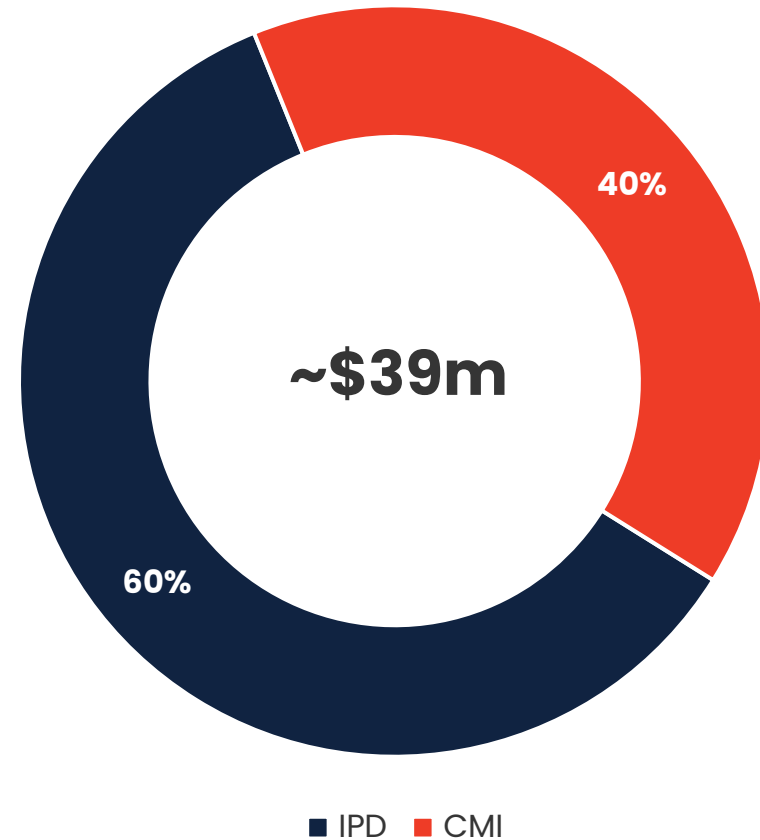
# Pro forma Financials

# Pro forma FY23A Revenue & EBIT

PRO FORMA FY23A REVENUE (\$M)<sup>1</sup>



PRO FORMA FY23A EBIT (\$M)<sup>1</sup>



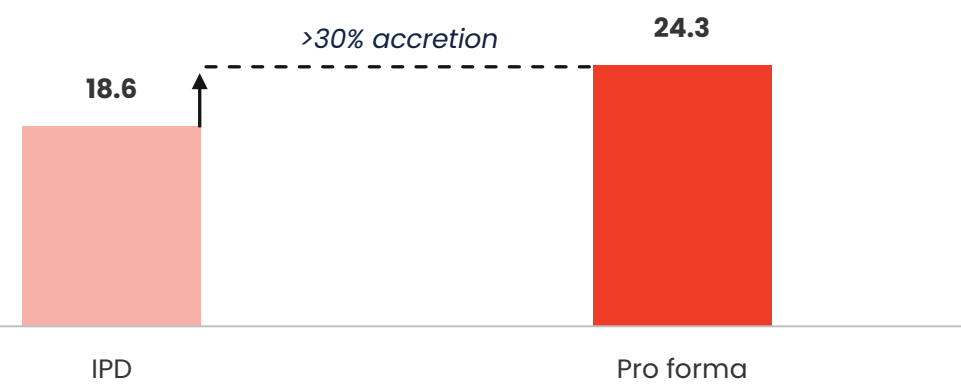
<sup>1</sup> Pro forma FY23A metrics excludes any synergies, incremental costs, or one-off transaction or integration costs

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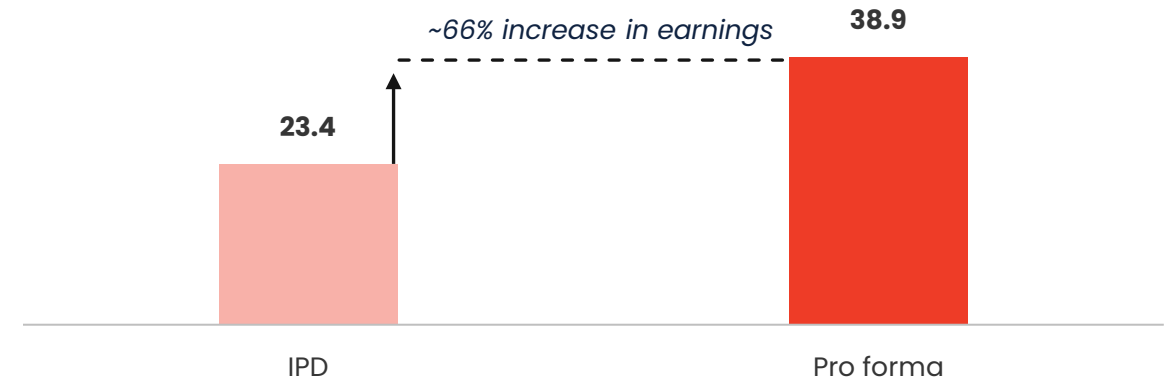
# Pro forma FY23A Financial Metrics



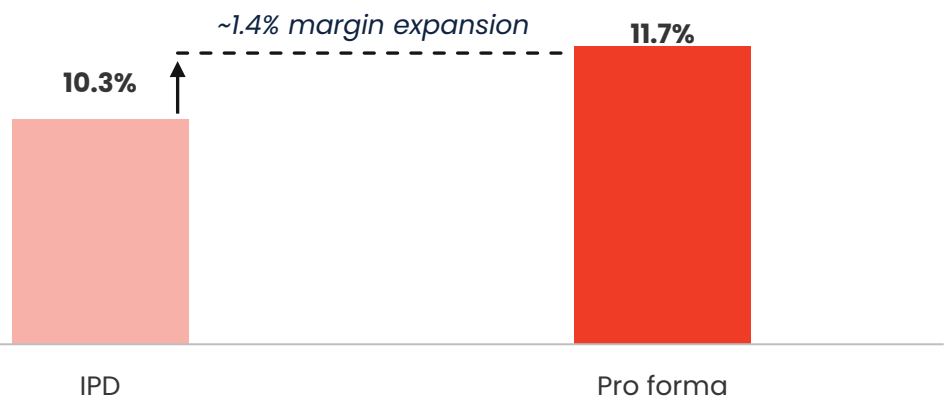
EPS (CENTS)<sup>1,2</sup>



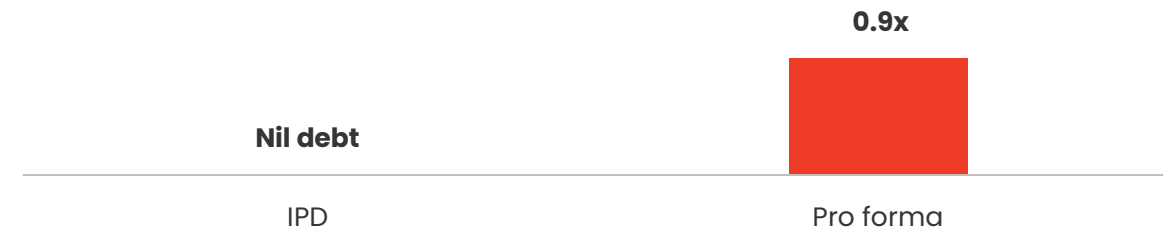
EBIT (\$M)<sup>1</sup>



EBIT MARGIN (%)<sup>1</sup>



GROSS DEBT / EBITDA (X)<sup>1,3</sup>



1. Pro forma FY23A metrics excludes any synergies, incremental costs, or one-off transaction or integration costs  
 2. Adjusted for TERP resulting from the Equity Raising and assumes that the maximum contingent payment of \$8.9 million is paid  
 3. Assumes total facility limit of \$40 million is fully drawn (to cover the maximum contingency payment). Gross debt is on a pre-AASB16 basis (excludes lease liabilities)



# Expected Financial Impact

	Description
<b>Accretion</b>	<ul style="list-style-type: none"> <li>The Acquisition delivers pro forma FY23A EPS accretion of over 30%<sup>1</sup> <ul style="list-style-type: none"> <li>while synergies are expected, they have not been included in EPS accretion calculation</li> </ul> </li> </ul>
<b>Capital structure</b>	<ul style="list-style-type: none"> <li>An increase in gross debt of \$40 million (assuming the maximum contingent payment of \$8.9 million is paid) through a new debt facility provided by Commonwealth Bank of Australia           <ul style="list-style-type: none"> <li>immediately post Acquisition, IPD will have drawn ~\$31 million for the Acquisition and will have sufficient headroom available to pay up to the maximum contingent payment</li> </ul> </li> </ul>
<b>Leverage policy</b>	<ul style="list-style-type: none"> <li>Balanced approach to equity and debt raising will result in gross debt<sup>2,3</sup> / pro forma FY23 EBITDA of ~0.9x</li> <li>The Board has established an ongoing target to maintain net debt<sup>2</sup> / EBITDA at less than 1.0x (on a preceding 12-month basis), up to a maximum of 1.5x</li> </ul>
<b>Dividend policy</b>	<ul style="list-style-type: none"> <li>It is the Board's current intention to maintain a target payout ratio of between 40% and 60% of NPAT</li> <li>Cash conversion of the combined IPD and CMI businesses is expected to be sufficient to meet both leverage and dividend targets</li> </ul>

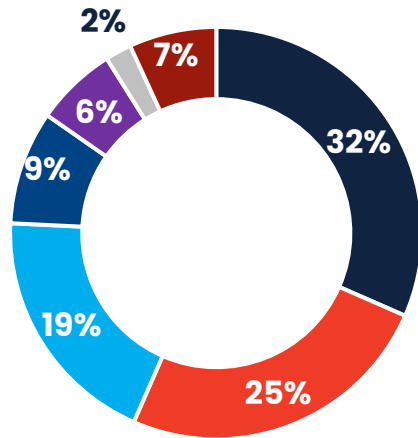
1. EPS accretion calculation has been performed for the financial year ended 30 June 2023 and excludes any synergies, incremental costs, or one-off transaction or integration costs. It has also been adjusted for TERP resulting from the Equity Raising and assumes that the maximum contingent payment of \$8.9 million is paid

2. Debt is on a pre-AASB16 basis (excludes lease liabilities)

3. Assumes total facility limit of \$40 million is fully drawn (to cover the maximum contingency payment)

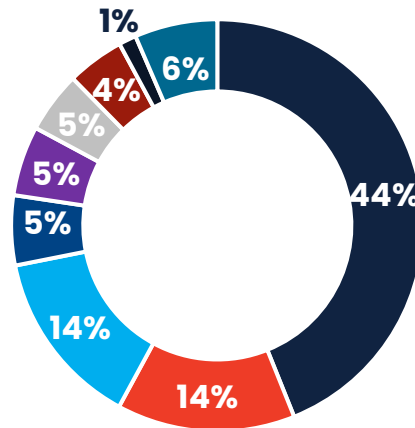
# Revenue Diversity

PRO FORMA FY23A PRODUCT BY REVENUE



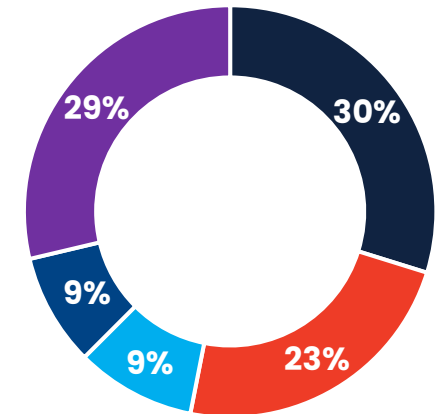
- Power distribution
- Cables
- Industrial motor control
- Automation & industrial communication
- Plugs
- Power monitoring
- Other

PRO FORMA FY23A END CUSTOMER MARKETS



- Commercial construction
- Infrastructure/Industrial
- Resources and mining
- Water & waste water
- Data centres
- Food and beverage
- Power utilities
- Residential construction
- Other

PRO FORMA FY23A SUPPLIER BY REVENUE



- Largest supplier
- Suppliers 2 - 5
- Suppliers 6 - 10
- Suppliers 11 - 20
- Other

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# Transaction Funding & Outlook

# Funding Summary

Acquisition to be funded with a combination of debt and equity

## Acquisition Funding

- Acquisition to be fully funded, including full coverage of the contingent payment and transaction costs
- Fully underwritten Equity Raising of \$65 million
- Credit approved new debt facilities totalling \$40 million
- IPD expects to draw down the full \$40 million facility (assuming the maximum contingent payment is payable), resulting in gross debt<sup>1</sup>/FY23A pro forma EBITDA of~ 0.9x
- Excluding synergies, the Acquisition is over 30% EPS accretive based on FY23A pro forma financials (calculated as though CMI had been owned for the full FY23 period)<sup>2</sup>

## Sources & Uses

Sources	\$m
Equity Raising	\$65.0m
Drawn debt facilities	\$40.0m
<b>Total Sources</b>	<b>\$105.0m</b>

Uses	\$m
Acquisition of CMI	\$92.1m
Contingent payment for CMI	\$8.9m
Transaction costs	\$4.0m
<b>Total Uses</b>	<b>\$105.0m</b>

1. Gross debt is on a pre-AASB16 basis (excludes lease liabilities)

2. EPS accretion calculation has been performed for the financial year ended 30 June 2023 and excludes any synergies, incremental costs, or one-off transaction or integration costs. It has also been adjusted for TERP resulting from the Equity Raising and assumes that the maximum contingent payment of \$8.9 million is paid

# Offer Summary

<b>Offer structure and size</b>	<ul style="list-style-type: none"> <li>The Equity Raising is a fully underwritten institutional placement (“<b>Institutional Placement</b>”) and 1 for 13.65 accelerated non-renounceable entitlement offer (“<b>Entitlement Offer</b>”) to raise gross proceeds of \$65 million</li> <li>Approximately 16.5 million new shares to be issued (approximately 19.0% of current issued capital)</li> </ul>
<b>Offer Price</b>	<ul style="list-style-type: none"> <li>The Equity Raising is priced at \$3.93 per new share (“<b>Offer Price</b>”), representing:             <ul style="list-style-type: none"> <li>– 6.4% discount to the last traded price of \$4.20 on 27 November 2023</li> <li>– 5.0% discount to TERP of \$4.14<sup>1</sup></li> </ul> </li> </ul>
<b>Institutional Entitlement Offer and Institutional Placement</b>	<ul style="list-style-type: none"> <li>Institutional Entitlement Offer to existing institutional shareholders             <ul style="list-style-type: none"> <li>– the Institutional Entitlement Offer will be conducted by a bookbuild process commencing today, 28 November 2023</li> <li>– New Shares equivalent to the number of New Shares not taken up and those that would have been offered to ineligible institutional shareholders (together with New Shares being offered under the Institutional Placement) will be placed into an institutional bookbuild to be conducted on 29 November 2023</li> </ul> </li> </ul>
<b>Retail Entitlement Offer</b>	<ul style="list-style-type: none"> <li>Retail Entitlement Offer to existing eligible retail shareholders             <ul style="list-style-type: none"> <li>– the Retail Entitlement Offer will open on Tuesday, 5 December 2023 and close at 5:00pm (Sydney time) on Thursday, 14 December 2023</li> <li>– Existing retail shareholders will be able to apply for additional shares over their entitlement under a “Top-Up Facility” as part of the Retail Entitlement Offer, subject to scale back policy</li> </ul> </li> </ul>
<b>Ranking</b>	<ul style="list-style-type: none"> <li>All New Shares issued under the Equity Raising will rank equally with existing shares on issue</li> </ul>
<b>Record date</b>	<ul style="list-style-type: none"> <li>7:00pm Sydney time on Thursday, 30 November 2023</li> </ul>
<b>Underwriting</b>	<ul style="list-style-type: none"> <li>The Equity Raising is fully underwritten by Bell Potter</li> </ul>

1. TERP is calculated by reference to IPD’s 5-day VWAP of \$4.18 on 27 November 2023 and includes the New Shares issued under the Equity Raising

# Timetable

	Date <sup>1</sup>
Equity Raising announced and investor presentation lodged on the ASX	Tuesday, 28 November 2023
Institutional Entitlement Offer and Placement opens	Tuesday, 28 November 2023
Placement and Institutional Entitlement Offer bookbuild closes	Wednesday, 29 November 2023
Results of Institutional Entitlement Offer and Placement announced and trading resumes on an ex-entitlement basis	Thursday, 30 November 2023
Record Date for Retail Entitlement Offer (7pm Sydney time)	Thursday, 30 November 2023
Retail Entitlement Offer opens and Retail Offer Booklet despatched	Tuesday, 5 December 2023
Settlement of Institutional Entitlement Offer and Placement	Wednesday, 6 December 2023
Allotment and normal trading of New Shares under the Institutional Entitlement Offer and Placement	Thursday, 7 December 2023
Despatch of holdings statements for New Shares under the Institutional Entitlement Offer and Placement	Friday, 8 December 2023
Retail Entitlement Offer closes (5pm Sydney time)	Thursday, 14 December 2023
Results of Retail Entitlement Offer announced	Tuesday, 19 December 2023
Settlement of Retail Entitlement Offer	Wednesday, 20 December 2023
Allotment of New Shares under the Retail Entitlement Offer	Thursday, 21 December 2023
Normal trading of New Shares issued under the Retail Entitlement Offer	Friday, 22 December 2023
Despatch of holding statements for New Shares under the Retail Entitlement Offer	Wednesday, 27 December 2023

1. These dates are indicative and subject to variation. IPD reserves the right to alter the timetable at its absolute discretion and without notice, subject to ASX Listing Rules and Corporations Act 2001 (Cth) and other applicable laws. All times and dates are in reference to Sydney, Australia time

# Pro forma Balance Sheet – 30 June 2023

	IPD	CMI	Pro forma Adjustments		Merged Pro forma
<i>\$'m'</i>	<i>Jun-23</i>	<i>Jun-23</i>	<i>Acq. Funding<sup>2</sup></i>	<i>Purchase of CMI</i>	<i>Jun-23</i>
Cash	20.8	--	101.0	(101.0)	20.8
Inventory	42.3	23.3	--	--	65.6
Trade Receivables	46.0	23.5	--	--	69.5
Goodwill & Intangible Assets	10.5	8.7	--	58.6	77.8
Right of Use Assets	12.3	--	--	--	12.3
Other	7.8	3.2	--	--	11.0
<b>Total Assets</b>	<b>139.6</b>	<b>58.8</b>	<b>101.0</b>	<b>(42.4)</b>	<b>257.0</b>
Creditors & Other Accruals	40.8	12.5	--	--	53.4
Lease Obligations	13.8	2.7	--	--	16.5
Borrowings	--	--	40.0	--	40.0
Provisions	8.2	1.1	--	--	9.3
Other	3.9	0.1	--	--	4.0
<b>Total Liabilities</b>	<b>66.7</b>	<b>16.4</b>	<b>40.0</b>	<b>--</b>	<b>123.1</b>
<b>Net Assets</b>	<b>72.9</b>	<b>42.4</b>	<b>61.0</b>	<b>(42.4)</b>	<b>133.9</b>

1. Balance sheet presented assuming the maximum contingency payment of \$8.9 million is paid

2. Post payment of ~\$4.0 million in transaction costs

# Trading Update and Outlook

## Earnings guidance

Guidance is based on unaudited management accounts for the first four months of FY24 and management budget for November and December

- Positive momentum has continued into FY24 and the outlook for our markets remain buoyant
- Tailwinds from the electrification of the economy have had a positive impact
- The Company is expecting a number of significant projects to commence in the second half of the year

\$m	H1 FY23 statutory	H2 FY23 statutory	Underlying H1 FY24 guidance <sup>1</sup>	H1 FY23 vs H1 FY24 change (%) <sup>2</sup>
EBITDA	13.4	14.3	16.0 – 16.5	~21%
EBIT	11.5	11.9	13.5 – 14.0	~20%

1. Excludes one off M&A transaction costs

2. Based on the midpoint of the H1 FY24 guidance range



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# Appendices

ipd  
POWER DISTRIBUTION & PROTECTION



ENERGY MANAGEMENT & POWER QUALITY



ipd  
INDUSTRIAL COMMUNICATIONS



SAFETY & WORKSHOP MEDIA SUPPORT



ipd  
INDUSTRIAL & COMMUNICATIONS



ipd  
CHALLENGE PROGRAM



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# Appendix 1: Other additional information

# CMI Management Team

Led by a highly experienced and dedicated management team



**Jim Johnson**  
Chairman

Jim joined CMI as General Manager in 2017. He has over 20 years of experience in the electrical industry, mainly in general management roles



**Zac Zaharia**  
Chief Operating Officer

Zac joined CMI as Chief Operating Officer of the Electrical Division in March 2023. He has worked in the electrical industry for the last two decades, predominately in commercial and general management roles



**Michael Page**  
Chief Engineering Officer

Michael joined CMI as Manager of Engineering and Flameproof Equipment in 2003. He has over 35 years of experience in the electrical industry. Michael is active on the board of the Mine Electrical Safety Association



**Greg Lewis**  
Financial Controller

Greg joined CMI as Financial Controller in 2021. He has over 20 years of experience in the electrical and construction industry as a finance manager



**Brett Wearne**  
National Sales Manager

Brett joined CMI in 2005 and is now the National Sales Manager. He has over 35 years of experience in the electrical industry with prior experience at MM Cables, Bambach Wire and Cables, Powermac Cables and Prysmian Cables

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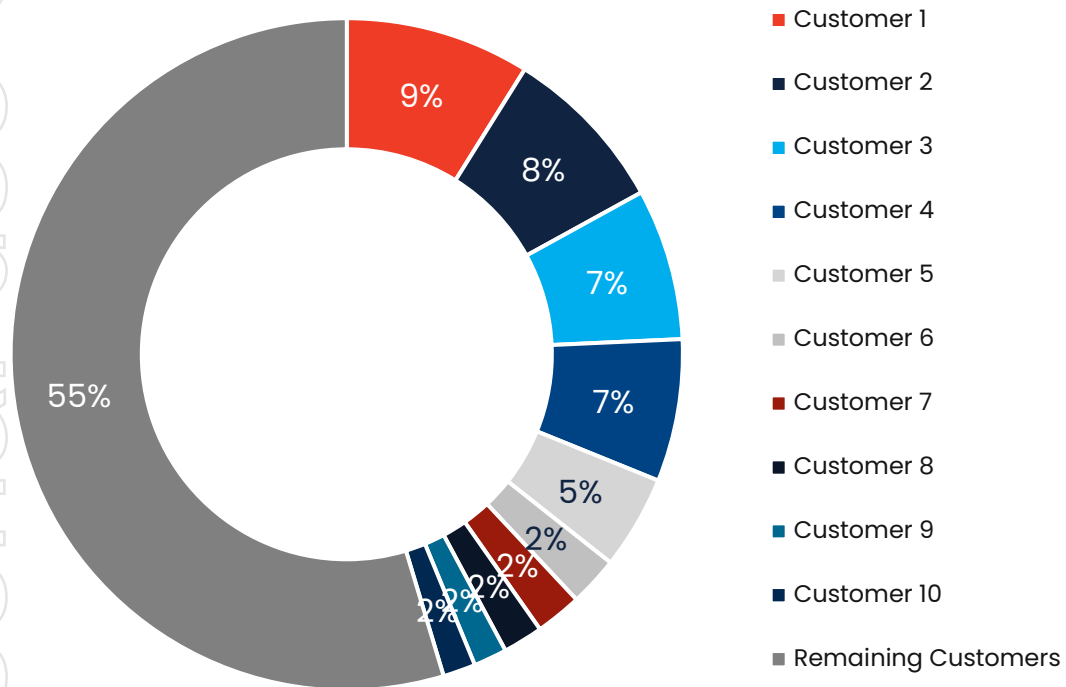
# CMI Customers

CMI has a diverse customer base across cables and plugs, with more than 500 unique customers

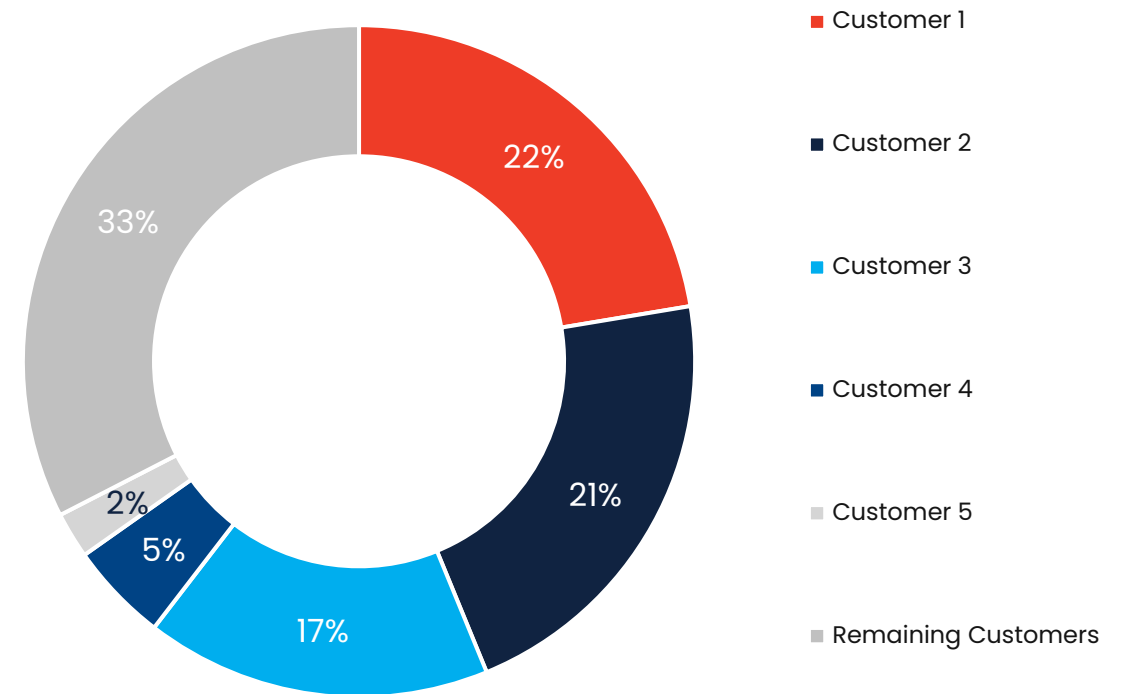
## CABLES

## PLUGS

### Top 10 customer sales mix (FY23A)



### Top 5 customer sales mix (FY23A)



# Case Study: Cables

CMI's cable business represents a significant cross-selling opportunity

## Data centre (Southern Highlands, NSW)

- IPD's Addelec division was engaged to provide a 'turn-key' package of works for the electrical system of a data centre
- The project involved providing a fully operational and commissioned integrated system ready for operation and connection of LV loads
- Project will involve over 5,000 man-hours, and is being undertaken 100% in-house, with no subcontractors engaged
- Of the \$5 million project value, \$600k of the value will be derived from cables, which Addelec purchased from a competitor to CMI, reflecting clear cross-sell opportunities under the combined IPD/CMI business

## Go-forward opportunity

✓ Capture additional project value

✓ Margin expansion

✓ More complete service offering

✓ Enhanced customer appeal

**\$5 million**

**Total project value**



**\$0.6 million**

**Value of the cables**



# Case Study: Plugs

Certain IPD customers require plugs on projects where IPD products are already supplied

✓ **Customer cross over**

- Industrial couplings & connectors are regularly used on substations and fan/pump starters
  - customers of IPD including OEMs and panel builders are required to engage other distributors which sell these products

✓ **Leverage current relationships**

- IPD customers which regularly purchase switchgear, switchboard systems and electrical products are currently using plug products from Minto's competitors
  - cross-selling opportunity to current customer base

✓ **Significant revenue opportunity**

- Through IPD's sales force, utilising embedded relationships IPD will target these customers directly
  - certain customers spend up to \$1.4 million annually on industrial couplings & connectors

**Substation**



**Pump starter**



**11KV unit**



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# Appendix 2: Key Risks



# Key Acquisition Risks

## Analysis of Acquisition opportunity

The Company undertook a due diligence process in respect of the Acquisition, which relied in part on a review of financial, operational, legal and other information provided in respect of CMI. Despite making reasonable efforts as part of its due diligence investigations, the Company has not been able to verify the accuracy, reliability or completeness of all the information which was provided.

If any information provided and relied upon by the Company in its due diligence for the Acquisition and preparation of this Presentation proves to be incorrect, incomplete or misleading, there is a risk that the actual financial position and performance of CMI and the IPD Group may be materially different to the expectations and targets reflected in this Presentation.

That there is no assurance that the due diligence conducted was conclusive, and that all material issues and risks in respect of the Acquisition have been identified and avoided or managed appropriately (for example, because it was not always possible to negotiate indemnities or representations and warranties in respect of CMI to cover all potential risks). Therefore, there is a risk that issues and risks may arise which will also have a material impact on the IPD Group. For example, the Company may later discover liabilities, defects or gaps which were not identified through due diligence or for which there is no contractual protection for the Company. This could adversely affect IPD Group's financial position and performance.

The Company has also undertaken financial, tax, legal, commercial and technical analysis of CMI to determine its attractiveness to the Company and whether to proceed with the Acquisition. It is possible that despite such analysis and the best estimate assumptions made by the Company, the conclusions drawn are inaccurate or are not realised. To the extent that the actual results achieved by the Acquisition are different to those indicated by the Company's analysis, there is a risk that the performance of the Company following the Acquisition may be different (including in a materially adverse way) from what is reflected in this Presentation.

The Company's financial modelling for the Acquisition is based on estimates and assumptions which may turn out to be incorrect or based on circumstances which do not eventuate. These include making subjective assumptions in respect of CMI's performance, the expected synergies, valuation and financing of the transaction. Where possible, assumptions have been derived by reference to CMI's and the Company's historical performance but these may not be an appropriate predictor of future performance. There are risks in interpreting, using and applying key assumptions in deriving the expected returns, including financial modelling miscalculations.

## Completion risks

Completion of the Acquisition is conditional on:

- a) there being no material adverse change in CMI up until completion;
- b) Excelsior shareholders approving the Acquisition for the purpose of Chapter 11 of the ASX Listing Rules; and
- c) the landlords of specified properties occupied by CMI giving consent (or waiving consent) in accordance with those leases as result of the Acquisition. as set out in the share sale and purchase agreement in respect of the Acquisition (**Sale Agreement**).



# Key Acquisition Risks (continued)

## Completion risks (continued)

If the conditions precedent to the Sale Agreement are not satisfied by their due date for satisfaction, completion of the Acquisition may be deferred or may not occur on the current terms or at all. Similarly, if any of the completion deliverables under the Sale Agreement are not delivered, completion of the Acquisition may be deferred or may not occur on the current terms or at all.

If the Acquisition is not completed for any reason, the Company will need to consider alternative uses for proceeds of the Equity Raising, or ways to return the proceeds (net of transaction costs) to shareholders and/or investors.

If completion of the Acquisition is delayed, the Company may incur additional costs and it may take longer than anticipated for the Company to realise the benefits of the Acquisition. Further, a significant delay to completion of the Acquisition may have adverse effects on the underlying business of CMI, including in terms of growth, employee engagement, customer attrition or funding costs.

Any failure to complete, or delay in completing, the Acquisition and/or any action required to be taken to return capital to shareholders and investors who participated in the Equity Raising, may have a material adverse effect on the IPD's Group's financial position and performance and the trading price of the Company's shares.

## Existing contracts and agreements

CMI is a party to certain contractual arrangements containing termination for convenience provisions and change of control provisions that, in the absence of counterparty consent, may be triggered by completion of the Acquisition. There is a risk of each counterparty refusing or imposing onerous or unacceptable conditions on their consent.

Additionally, there is a risk that contractual arrangements could be terminated, lost or impaired, or renewed or replaced on less favourable terms from time to time. Some of these contractual arrangements can be terminated without cause or on short notice periods (depending on the circumstances). Further, some contractual arrangements may be breached or terminated as a result of the Acquisition, or as a result of the proposed funding arrangements for the Acquisition. The breach, termination or non-renewal of material contracts could have adverse consequences for the IPD Group's financial position and performance.

## Historical liabilities

If the Acquisition completes, the Company may become directly or indirectly exposed to liabilities that CMI has incurred or are liable for in respect of its respective prior acts or omissions. This may include legal and regulatory liabilities for which CMI may not be adequately indemnified, or liabilities which were not identified during the Company's due diligence (including in respect of matters of which CMI was not aware) or which are greater than expected, for which insurance may not be available, or for which the Company was unable to negotiate sufficient protection in the Sale Agreement. Product liability, in particular, is such a risk. Such liabilities may adversely affect the IPD Group's financial position and performance post completion if the Acquisition completes.

The Agreement contains a number of representations, warranties and indemnities, however despite the Company's due diligence investigations the warranties and indemnities may not be sufficient to cover the actual liability incurred in connection with any known or unknown liabilities of CMI. As is usual, the warranties and indemnities are also subject to certain financial claims thresholds and other limitations.

Any material unsatisfied warranty or indemnity claims could adversely affect the Company's financial position or performance or operations.

# Key Acquisition Risks (continued)

## Integration and synergies

There is a risk that the success and profitability of the Company following completion of the Acquisition could be adversely affected if CMI is not integrated effectively. The process of integrating operations could, among other things, divert management's attention from the activities of one or more of the businesses, as well as interrupting business momentum, and could result in the loss of key personnel, any of which could have an adverse effect on the IPD Group's financial position and performance.

Possible issues that may arise include:

- a) loss of revenue and customers, including due to:
  - i. product change, including alignment of product features;
  - ii. brand changes and customer perceptions;
  - iii. the IPD Group's ability to meet expected service levels following completion of the Acquisition and integration of CMI into the IPD Group; and
  - iv. perceived impact of change of ownership;
- b) lack of capability and talent to deliver integration;
- c) unanticipated or higher than expected costs, delays or failures relating to integration of businesses, support operations, accounting, other systems or insurance arrangements;
- d) unanticipated or higher than expected costs or extensive delays in planned upgrades, migration, integration and decommissioning of information technology systems and platforms;
- e) failure to derive the expected benefits of the strategic growth initiatives; and
- f) disruption of ongoing operations of other IPD Group businesses.

It is also possible that the Company may be unable to successfully communicate the rationale for the Acquisition to customers, investors, employees or suppliers of the IPD Group. If any of these groups fail to support the Acquisition, or if the Company fails to achieve the targeted synergies of integration, it may impact on the financial position and performance of the IPD Group and the future price of the Company's shares.

The Company will incur substantial additional expenses integrating CMI with the Company's existing operations. The total amount of the indirect integration costs of the Acquisition are difficult to estimate and may be materially different from the Company's estimates

## IPD Group's growth projections

There is a risk that existing CMI customers may elect to terminate their contract with CMI following completion of the Acquisition. Should this be extensive, it could result in the actual strategic growth position of the IPD Group being materially different to the Company's expectations, including the expectations reflected in this Presentation.

## Retention of key members of management or operating personnel

The successful continued operation of CMI's business is dependent on its ability to retain experienced and high-performing key management and operating personnel. The loss of these personnel could have an adverse effect on the Company's financial position and performance. After completion of the Acquisition the Company can provide no assurance regarding the potential loss of any key members of CMI's management or operating personnel.

Given there may be cultural differences between CMI and the Company, there is a risk that these differences, if not carefully managed, may lead to a loss of CMI's employees.

Any inability to retain, attract and motivate key members of management or operating personnel of CMI could adversely impact the Company's financial position and performance.

# Key Acquisition Risks (continued)

## Size of the Acquisition

CMI, if acquired by the Company, will be a significant part of the IPD Group's overall business. The increased relative exposure to the IPD Group's businesses could adversely impact the IPD Group's financial position and performance if CMI does not perform as expected.

## Underwriting risk

The Company has entered into an underwriting agreement under which one underwriter has agreed to fully underwrite the Equity Raising, subject to the terms and conditions of the underwriting agreement. The underwriter's obligation to underwrite the Equity Raising is conditional on certain customary matters, including the Company delivering certain certificates, sign-offs and opinions to the underwriter.

Further, if certain conditions are not satisfied or certain events occur, the underwriter may terminate the underwriting agreement. Termination of the underwriting agreement would have a material adverse impact on the proceeds raised under the Equity Raising. In these circumstances, the Company may need to find alternative ways to help fund the Acquisition. Termination of the underwriting agreement could materially adversely affect the IPD Group's business, cash flow, financial condition and results.

The underwriter's obligations to underwrite the Equity Raising are conditional on certain matters, including that no condition precedent in the Acquisition agreement fails or becomes incapable of being satisfied (unless it has been waived) before 9.00am on each settlement date (as applicable) and that the ASX does not indicate that it will not grant permission for the official quotation of the Company's shares issued under the Equity Raising. The events which may trigger termination of the underwriting agreement include where:

- a) the Acquisition agreement or the finance letter in relation to the debt facility referred to in the presentation above (**Finance Letter**) is terminated, rescinded, repudiated or amended in materially adverse respect or is or becomes void or voidable;
- b) a party to the Acquisition agreement or the Finance Letter is in breach of that document that entitles the other party to terminate, subject to certain exceptions;
- c) ASX announces that the Company will be removed from the official list or that any Company shares will be delisted or suspended from quotation by ASX (other than a trading halt in connection with the Offer);
- d) ASIC commences investigations or applies for certain orders in relation to the Offer or the offer documents;
- e) certain regulatory action is undertaken against the Company in relation to the Offer or the offer documents;
- f) a certificate required to be furnished by the Company under the underwriting agreement is not furnished when required;
- g) the offer documents or any aspect of the Offer does not comply in any material respect with the Corporations Act, ASX Listing Rules or any other applicable law;
- h) the Company alters its capital structure or constitution without the consent of the underwriter;
- i) any Company group member is insolvent or there is an act or omission which is reasonably likely to result in any such Company group member becoming insolvent;
- j) the Company is prevented from issuing the new shares under the Offer within the time required by the ASX Listing Rules, applicable laws, an order of a court of competent jurisdiction or a governmental agency;

# Key Acquisition Risks (continued)

## Underwriting risk (continued)

- k) the Company is unable to proceed with the Offer or withdraws all or any part of the Offer or no longer intends to pursue all or any part of the Offer;
- l) the Company becomes required to give or gives a correcting notice under section 708A(9)(c) or 708AA(10) of the Corporations Act, other than as a result of a new circumstance arising;
- m) ASX approval for official quotation of the new shares to be issued under the Offer is refused or not granted, or if granted, is withdrawn or ASX indicates to the Company or the underwriter that official quotation of the new shares will not be granted;
- n) the S&P/ASX 300 index is:
  - i. at a level that is 10% or more below the level at market close on the business day immediately preceding the date of the underwriting agreement for at least 3 consecutive business days, or on the business day immediately, prior to the institutional settlement date; or
  - ii. at a level that is 10% or more below the level at market close on the business day immediately preceding the date of the underwriting agreement for at least 3 consecutive business days, or on the business day immediately, prior to the retail settlement date.
- o) the majority of Excelsior's board, or the director of Excelsior who is also Excelsior's major shareholder, does not recommend (or changes their recommendation) that shareholders vote in favour of the Acquisition or does not publicly state that each director intends to vote in favour of the Acquisition (in the absence of a superior proposal);
- p) any event set out in the timetable is delayed for more than 2 business days without the prior written consent of the underwriter;
- q) \*the public and other media statements made in relation to the affairs of the Company or the group includes a statement which is or becomes misleading or deceptive or likely to mislead or deceive, or any forecasts, expressions of opinion, intention or expectation which are not based on reasonable grounds;
- r) \*any information supplied by or on behalf of the Company to the underwriter is or becomes misleading or deceptive, including by way of omission;
- s) \*a statement in a certificate given by the Company to the underwriter is untrue, incorrect, incomplete or misleading or deceptive in any material respect (including by omission);
- t) \*a new circumstance arises, or any adverse events or circumstances occur, that would require the Company to make supplementary disclosure in accordance with the Corporations Act;
- u) \*a change in the chairman, board of directors, chief executive officer or chief financial officer of the Company is announced or occurs;
- v) \*any of the Company's directors is charged with an indictable offence, any regulatory body commences any public action against a director of the Company, or any director of the Company is disqualified from managing a corporation;
- w) \*there is an adverse change in, or an event occurs which gives rise to, or is likely to give rise to, an adverse change in the business, assets, liabilities, financial position or performance, profits, losses, results, operations or prospects of the Company group;
- x) \*a new law, regulation or government agency policy is introduced or announced in the Parliament of Australia or any State of Australia (other than a law, regulation or policy which had been announced or generally known prior to the date of the underwriting agreement) which does or is likely to prohibit or restrict the Offer, capital issues or the operation of stock markets or materially adversely affects the Company group;

# Key Acquisition Risks (continued)

## Underwriting risk (continued)

- y) \*a default by the Company in the performance of any of its obligations under the underwriting agreement occurs or a representation or warranty given by the Company under the underwriting agreement is breached or is, or becomes, untrue or incorrect or misleading or deceptive;
- z) \*in specified jurisdictions, there is a material disruption or a general moratorium declared by relevant banking authorities on commercial banking, security settlement or clearance services or there is a suspension in trading in securities generally on the ASX, NYSE or HKG, SGX LSE or there is any adverse change or disruption to the financial, political or economic conditions, currency exchange rates or controls or financial markets in specified jurisdictions;
- aa) \*hostilities not existing at the date of the underwriting agreement commence or a major escalation in existing hostilities occurs involving specified jurisdictions or a major terrorist attack is perpetrated in a specified jurisdiction. In the case of Israel and the Middle East region paragraph (n) above must also apply;
- bb) \*the due diligence committee report or any other information supplied in writing by the Company to the underwriter in relation to the Company group or the Offer is misleading or deceptive (including by omission); and
- cc) \*the Company contravenes the Corporations Act, its constitution, the ASX Listing Rules or other applicable law.

The ability of the underwriter to terminate the underwriting agreement in respect of the events above marked with an \* will depend on whether the event has or is likely to have a material adverse effect on the success, marketing or settlement of the Equity Raising, the value of the Company's shares, or the willingness of investors to subscribe for the Company's shares, or where they may give rise to liability for the underwriter or their respective affiliates.

## Dilution

If eligible shareholders do not participate in the Rights Issue, then their percentage shareholding in the Company will be diluted and they will not be exposed to future increases or decreases in the Company's share price in respect of those New Shares that would have been issued to them had they participated in the Rights Issue.

## Dependence on relationships with key suppliers

ABB Aus, Elsteel Private and Emerson AP are IPD's three largest suppliers, with the sale of their products representing approximately 44%, 8% and 4%, respectively, of FY23 statutory gross revenue. As such, the Company's relationship with each of ABB Aus, Elsteel Private and Emerson AP has a significant impact on the profit generating capability of the Company. There has been a contractual relationship between the Company and each of these suppliers (or their predecessors) for over 18 years. However, the contracts between the parties can generally be terminated by the suppliers unilaterally without cause and without any significant penalty with written notice (the length of which depends on the particular contract). Further the contract with Emerson AP terminates on 30 September 2024 unless the Company and Emerson AP agree to renew it.

If any of these key supplier contracts were terminated or there were any adverse change in the terms of any of them or any of these key suppliers fails to act as expected or in accordance with its contractual obligations, then such events could have a substantial negative impact on the performance and profitability of the Company.

As of the date of this Presentation, the Directors have no expectation that ABB Aus, Elsteel Private or Emerson AP will terminate any of their distribution contracts with the Company.

## Supplier and counterparty factors

The Company has a limited number of suppliers from which it sources its products. There is a risk that the Company may be unable to continue to source products from existing suppliers, and in the future, to source products from new suppliers, at favourable prices, on favourable terms, in a timely manner or in sufficient volume. All current supply and service arrangements are based on commercial terms, and the interruption or termination of these agreements may have a material adverse impact on the Company's financial and operational performance in the future. Many of the Company's agreements are short-term and/or terminable by the supplier for convenience with limited notice. The Company cannot guarantee that its existing arrangements with key suppliers will not be terminated, will be renewed, or will be renewed on terms similar to their current terms. The loss or deterioration of the Company's relationships with these suppliers, an inability to renew contractual arrangements with such parties, or an inability to negotiate agreements with new parties on terms which are not materially less favourable than existing arrangements, may have a material adverse effect on the Company's financial and operational performance.

The Company's suppliers are also subject to various risks which could limit their ability to provide the Company with sufficient, or any, products. Some of these risks include raw material costs, inflation, labour disputes, union activities, boycotts, financial liquidity, product merchantability, safety issues, natural disasters, disruption in exports, trade restrictions, currency fluctuations and general economic and political conditions. In addition, as a consequence of the fact that the Company sources a large proportion of its products and services from foreign providers, the Company is exposed to risks including political instability, increased security requirements for foreign goods, costs and delays in international shipping arrangements, imposition of taxes and other charges as well as restrictions on imports, exchange rate and hedging risks. The Company is also exposed to risks related to labour practices, environmental matters, disruptions to production and ability to supply, and other issues in the foreign jurisdictions where suppliers and service providers operate. Any of these risks, individually or collectively, could materially adversely affect the Company's financial and operational performance.

In addition, there is also a risk that parties with whom the Company has dealings (including, but not limited to, its suppliers) may experience financial or other difficulties which may in turn affect their ability to perform their obligations to the Company.

# Business Risks (continued)

<b>Product liability</b>	<p>Any defects in the products that the Company distributes may harm its workforce, reputation and business. The Company may also be subject to warranty and liability claims for damages related to defects in products it distributes and may not be able to recover these costs from the suppliers or manufacturers.</p> <p>There may also be adverse events reported from the use, misuse or defect of products which could expose the Company to product liability claims or litigation, including if its products cause or contribute (or merely appear to have caused or contributed) to the injury or the death of a person using its products.</p> <p>Product liability claims may result in substantial litigation costs, product recalls or market withdrawals, decreased sales and demand for products the Company distributes and damage to the Company's reputation, regardless of merit or eventual outcome.</p> <p>If the Company were to suffer or be the subject of one or more significant claims in the future, or be required or elect to undertake certain actions in response to these claims (such as a product recall), such claims or actions could adversely impact the Company's operating and financial performance. In particular, any significant product recall or warranty obligation may result in a warranty cost that is borne by the Company, net of insurance and other recoverable costs and, as such, the Company's potential exposure could be material.</p>
<b>Health and safety</b>	<p>IPD's operations involve risks to both personnel and property as they involve the supply and installation of electrical products and working with high voltage electricity, and there is a risk that industrial accidents may occur in the course of IPD's activities, which could give rise to liability for IPD, including under occupational health and safety laws and under general law. In the event of a serious accident, for example resulting in a fatality, or a series of accidents on the same project, substantial claims may be brought against the customer and/or the Company or the customer may terminate its contractual arrangement with the Company.</p> <p>IPD has a strong commitment to safety however there can be no guarantees that such an accident will not occur. A serious accident could impact upon the Company's reputation, growth prospects and financial performance.</p>
<b>Reliance on international supply chains</b>	<p>The Company relies on international logistics supply chains to import the products it distributes. Disruptions in the supply chains (as have occurred during COVID-19) may impact delivery, resulting in delayed or lost revenue, loss of customers and damage to the Company's business reputation.</p>
<b>IT and telecommunications systems</b>	<p>Any material damage or security breach or threat to the Company's IT (including all hardware and software) and telecommunications systems may materially and adversely affect the Company's operation and financial performance. The Company is materially dependent on its systems and telecommunications facilities for the effective day-to-day operation of the Company's business. Notwithstanding this future risk, the Company's systems and telecommunications facilities have been stable, with high levels of availability, and no known outage has resulted in any material impact on the business of the Company.</p>
<b>Inventory management</b>	<p>In order to operate its business successfully, the Company must maintain sufficient inventory and also avoid the accumulation of excess inventory. The Company relies on its data analytics and inventory management system to manage its stock levels relative to forecast stock purchases.</p> <p>If the Company's inventory management system or data analytics fail, or provide inaccurate information, the Company may experience a disruption in supply of specific products, including 'out of stock' issues. This may result in lost sales, increased holding costs, and reputational damage, and may have a material adverse effect on the Company's financial and operational performance.</p>

# Business Risks (continued)

<b>Maintenance of reputation</b>	The reputation and brand of the Company and the products it distributes are important in attracting customers to use these products. Any reputation damage or negative publicity around IPD or its products could adversely impact on the Company's business operations and profitability.
<b>Dependence on market share of major suppliers</b>	If one or more of the Company's suppliers lose significant market share to a competitor, this could have a material adverse effect on the financial prospects and performance of the Company.
<b>Customer concentration</b>	<p>While the Company generally has a broad range of customers located across Australia, it does have a significant concentration of sales in its largest customer, with the sale of its products to this customer representing approximately 10% of FY23 statutory gross revenue. As such, the Company's relationship with this significant customer impacts on the profit generating capability of the Company.</p> <p>There has been a relationship between the Company (or its predecessor) and this customer for over 26 years, however there can be no guarantee that this relationship will continue. Furthermore, the arrangements between the Company and this customer, along with the arrangements between the Company and a majority of its other material customers, have been entered into on a non-exclusive basis, do not contain minimum purchase obligations and can be terminated by the customer for convenience with limited notice. This poses the risk that this customer, and other large customers on similar terms, may reduce its custom from the Company under existing contractual arrangements. Any such reduction or termination of the relationship could have a substantial negative impact on the performance and profitability of the Company.</p>
<b>Operating risks</b>	The Company is, and will continue to be, exposed to a range of operational risks relating to current and future operations. These include equipment failures and other accidents, industrial action or disputes, lease renewals, damage by third parties, floods, fire, major cyclone, earthquake, lightning strike, terrorist attack or other disaster. In the event existing insurance arrangements do not cover an operational issue, this could have a material adverse effect on the operating and financial performance of the Company.
<b>Insurance risks</b>	The Company's business involves hazards and risks that could result in it incurring losses or liabilities that could arise from its operations. If the Company incurs losses or liabilities which are not covered by its insurance policies, the funds available for the Company's business operations and growth will be reduced and the value and/or title to the Company's assets may be at risk.
<b>Reliance on key staff</b>	The Company relies on the contribution of its executive management and its employees. The loss of one or more of the key employees particularly the CEO and CFO could have a material adverse effect on the Company's business, financial position and results of operations. The resulting impact from such an event would depend on the timing and quality of any replacement. Competition for such personnel is intense and there can be no assurance that the Company will be successful in attracting and retaining such personnel.
<b>Litigation</b>	The Company is not currently involved in any material contractual disputes, arbitration or government prosecution matters. Disputes can however arise during the course of business, including disputes involving customers, suppliers, distributors, employment disputes, contractual disputes, indemnity claims, occupational health and safety claims, or criminal or civil proceedings in the course of its business. These disputes may not always be resolved through negotiation with the parties directly and may lead to litigation. While the Company maintains insurance that may cover some losses arising out of disputes and claims, not all claims will be covered by insurance. Accordingly, some claims may have an adverse impact on the Company's reputation and this may have an adverse impact on the Company's growth prospects, operating results and financial performance as well as its ability to win future work.



# Business Risks (continued)

<p><b>Laws, regulation and standards may change</b></p>	<p>IPD is subject to, and must comply with, a variety of laws and regulations in the ordinary course of its business.</p> <p>These laws and regulations include those that relate to fair trading and consumer protection, product safety, employment, property, taxation (including goods and services taxes and stamp duty) and customs and tariffs. Changes to laws and regulations may adversely affect IPD, including by increasing its costs either directly or indirectly (including by increasing the cost to the business of complying with legal requirements). Any such adverse effect may impact the Company's future financial performance. In particular, there is a risk that standards applicable to products distributed by the Company in Australia may be changed and the Company is unable to source replacement products that comply with the changed standards on similar terms or at all. Such changes could impact the normal operations of IPD and reduce its ability to generate revenue which may have an adverse effect on IPD's financial and operational performance in the future.</p>
<p><b>Competition</b></p>	<p>The industry in which the Company is involved is subject to domestic and global competition. The Company faces competition from a number of organisations, some of which may have greater financial, technical and marketing resources. Increased competition could result in margin reductions, under-utilisation of employees, reduced operating margins and loss of market share. Any of these occurrences could adversely affect the Company's business, operating results and financial condition. Whilst the Company will undertake all reasonable due diligence in its business decisions and operations, the Company will have no influence or control over the activities or actions of its competitors, whose activities or actions may, positively or negatively, affect the operating and financial performance of the Company.</p>
<p><b>Inability to meet forecast financial performance</b></p>	<p>The Company has assumed future growth rates for its business based on a number of factors, including historical growth rates, new agreements and growth strategies for the business.</p> <p>The success of the Company's growth strategies is key to the Company's future financial performance. However, there is a risk that the Company's growth strategies are ineffective or are not executed effectively or in accordance with the timetable anticipated. Such execution failure may adversely affect the Company's ability to grow its revenue, and this may adversely affect its financial and operational performance in the future. Investors should not rely on the historical rate of revenue growth as an indication of future performance.</p> <p>If the Company's future growth and operating performance fail to meet investor or analyst expectations, the Company's financial condition and the Share price could be materially adversely affected.</p>
<p><b>Foreign exchange risk</b></p>	<p>The Company's financial reports are prepared in Australian dollars. However, a substantial proportion of the Company's expenditures and liabilities are denominated in Euros and US dollars. Any adverse movements of Euros or US dollars against the Australian dollar as well as other adverse exchange rate fluctuations or volatility, particularly during the period between when an invoice is issued and when payment is made, could have an adverse effect on the Company's future financial performance and position. The Company currently fully hedges against this currency risk. Movements in foreign exchange rates could also impact the value of inventory maintained by the Company</p>
<p><b>Recent acquisition of EX Engineering Pty Ltd ("EX")</b></p>	<p>The Company acquired EX in July 2023. There is a risk that the Company will not successfully integrate <b>EX</b>, or that EX will not result in the revenue or cost synergies expected. If this were to occur, the Company might not receive a return on its investment in EX, and this might impact the Company's future financial performance and/or reputation.</p>

# Business Risks (continued)

## Future acquisitions and business ventures

The Company may, as part of its business strategy, acquire or make significant investments in companies of a similar nature, although no such acquisitions or investments are currently committed. The Board may also decide to establish new business ventures which may prove to be detrimental to the performance of the Company. Any future investment of this nature would be subject to the risks commonly encountered in making acquisitions of companies,

products and technologies, such as integrating cultures and systems of operation, relocation of operations, short-term strain on working capital requirements and achieving the sales and margins anticipated and retaining key staff and customer and supplier relationships. The Company cannot guarantee that there will be no future write-downs of any of its investments. Any material write-downs of any of its investments in the future may have an adverse effect on the Company's future financial performance and position.

## Accessing capital markets

The Company's capital requirements depend on numerous factors, including its strategic initiatives. Depending on the Company's ability to generate income from its operations, the Company may require further financing in addition to amounts raised under the Offer. For example, funding may be needed to undertake acquisitions or investments.

Any additional equity financing will dilute existing shareholdings, and debt financing (if available) may involve restrictions on future financing and operating activities. This may have an effect on the Company's growth strategy. Any inability to obtain additional financing on acceptable terms could have a material adverse effect on the Company's activities and the value of the Shares.

# General Risks

<b>Economic and financial market conditions may deteriorate</b>	<p>The Company is subject to general market conditions and risks inherent to all entities whose securities are publicly listed on a securities exchange. General economic conditions (both domestically and internationally), long-term inflation rates, exchange rate movements, interest rate movements and movements in the general market for ASX and internationally listed securities may adversely affect the market price of shares and the ability of IPD to pay dividends. None of IPD, its directors or any other person guarantees the market performance of the shares or the payment of dividends.</p>
<b>Price of Shares may fluctuate</b>	<p>The Company's shares trade on the ASX. The market price of the Company's shares on the ASX may fluctuate due to various factors, including:</p> <ul style="list-style-type: none"> <li>a) the number of potential buyers or sellers of shares on the ASX at any given time;</li> <li>b) Australian and international general economic conditions (including inflation rates, the level of economic activity, interest rates and currency exchange rates), changes in government policy, changes in regulatory policy, the expressed views of regulators, investor sentiment and general market movements;</li> <li>c) operating results that vary from expectations of securities analysts and investors;</li> <li>d) changes in expectations as to the IPD Group's future financial performance, including financial estimates by securities analysts and investors;</li> <li>e) fluctuations in the domestic and international market for listed stocks;</li> <li>f) changes in fiscal, monetary or regulatory policies, legislation or regulation;</li> <li>g) inclusion in or removal from market indices;</li> <li>h) the nature of the markets in which IPD operates;</li> <li>i) variations in sector performance, which can lead to investors exiting one sector to prefer another;</li> <li>j) initiatives by other sector participants which may lead to investors switching from one stock to another;</li> <li>k) other major Australian and international events such as hostilities and tensions, and acts of terrorism; and</li> <li>l) general operational and business risks.</li> </ul> <p>It is possible that the price of the Company's shares will trade at a market price below the Equity Raising price as a result of these and other factors. It is also 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.</p>
<b>Future issues of debt or other securities by the Company</b>	<p>The Company and members of the IPD Group may, at their absolute discretion, issue additional securities in the future that may rank ahead of, equally with or behind ordinary shares, whether or not secured. Additionally, certain convertible securities which may be issued by the Company and members of the IPD Group in the future may be converted from debt to equity securities. Any issue or conversion of other securities may dilute the relative value of existing ordinary shares and affect your ability to recover any value in a winding up.</p> <p>An investment in the Company's shares confers no right to restrict the Company from raising more debt or issuing other securities (subject to restrictions imposed under the ASX Listing Rules), to require the Company to refrain from certain business changes, or to require the Company to operate within potential certain ratio limits.</p>

# General Risks

## Future issues of debt or other securities by the Company (continued)

An investment in the Company's shares carries no right to participate in any future issue of securities by the Company, other than future pro rata issues if the shareholder is eligible to participate in the pro rata issue under relevant laws.

No prediction can be made as to the effect, if any, such future issues of debt or other issues of securities by an entity in the IPD Group may have on the market price or liquidity of the Company's shares.

## Adverse taxation changes may occur

The Company may be exposed to changes in taxation legislation or interpretation in Australia and any jurisdiction in which it may conduct business in the future. Any change to the current rates of taxes imposed on the Company in those jurisdictions is likely to affect returns to Shareholders. In addition, an interpretation of taxation laws by the relevant tax authority that is contrary to the Company's view of those laws may increase the amount of tax to be paid or cause changes in the carrying value of tax assets in the Company's financial statements. In addition, any change in tax rules and tax arrangements could have an adverse effect on the level of dividend franking and Shareholder returns.

## Australian Accounting Standards may change

Changes to the Australian Accounting Standards (**AAS**) are determined by the Australian Accounting Standards Board (**AASB**) and are not within the control of the Company and its Directors. The AASB may, from time to time, introduce new or refined AAS, which may affect the future measurement and recognition of key income statement and statement of financial position items. There is also a risk that interpretation of existing AAS, including those relating to the measurement and recognition of key income statement or statement of financial position items, may differ. Any changes to AAS or to the interpretation of those standards may have an adverse effect on the reported financial performance and position of the Company.

## Force majeure events may occur

Events may occur within or outside Australia that could impact upon global, Australian, or other local economies relevant to the Company's financial performance, the operations of IPD and the price of the shares. These events include, but are not limited to, acts of terrorism, outbreaks of disease and pandemics (such as COVID-19), international hostilities, fires, floods, earthquakes, labour strikes, civil wars, natural disasters, or other man-made or natural events or occurrences that can have an adverse effect on the demand for IPD's products and services, its ability to conduct business and the Company's credit performance. The Company has only a limited ability to insure against some of these risks.

Refer to Sections 1.2(a) and 1.3(a) for further information on the COVID-19 pandemic and its impact on the economy and financial markets in Australia and globally.

ersonal use only

# Appendix 3: International Offer Restrictions

# International Offer Restrictions

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

## 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 to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the Financial Markets Conduct (Incidental Offers) Exemption Notice 2021.

Other than in the entitlement offer, the New Shares may only be offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) to a person who:

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

## Singapore

This document and any other materials relating to the 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.

# International Offer Restrictions (continued)



## Singapore (continued)

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.

## 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).

## United States

This document does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. The New Shares have not been, and will not be, registered under the US Securities Act of 1933 or the securities laws of any state or other jurisdiction of the United States. The New Shares 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 applicable US state securities laws. Accordingly, the New Shares will be offered and sold in the United States only to dealers or other professional fiduciaries organised in the United States that are acting for a discretionary or similar account held for the benefit or account of non-US persons ("Eligible US Fund Managers") in compliance with Regulation S under the US Securities Act.

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