



ACQUISITION OF NEXTGEN NETWORKS AND CAPITAL RAISING.

29 JUNE 2016.

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- Vocus' acquisition of Nextgen Networks Group Pty Ltd (**Nextgen Networks**), Skiron Holdco Pty Limited (**NWCS**) and ASC International Group Pty Limited (**ASC**);
- a fully underwritten 1 for 8.90 pro-rata accelerated renounceable entitlement offer of new Vocus ordinary shares (**New Shares**) with retail rights trading (**Entitlement Offer**) to be made under section 708AA of the Corporations Act 2001 (Cth) (Corporations Act) as modified by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84; and
- a placement of New Shares to certain professional and sophisticated investors (**Placement**).

The Entitlement Offer will be made to eligible institutional shareholders of Vocus (**Institutional Entitlement Offer**) and eligible retail shareholders of Vocus (**Retail Entitlement Offer**).

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TRANSACTION HIGHLIGHTS AND STRATEGIC RATIONALE.

SECTION 1.

SUMMARY.



VOCUS TO ACQUIRE NEXTGEN NETWORKS AND TWO DEVELOPMENT PROJECTS FOR ~A\$807 MILLION.

| | |
|----------------------------------|---|
| Transaction details | <ul style="list-style-type: none">Vocus Communications Limited (“Vocus”, ASX:VOC) to acquire Nextgen Networks for A\$700 million and two development projects from the Nextgen Group for upfront consideration of US\$80 million (~A\$107 million). Deferred consideration of up to US\$40 million (~A\$54 million)⁽¹⁾Acquisition of Nextgen Networks at implied transaction multiple of approximately 10.7x FY16F EV / EBITDA on a normalised cash EBITDA⁽²⁾ basis (before synergies) and 7.3x FY16F EV / EBITDA on a normalised cash EBITDA⁽²⁾ basis (including estimated synergies⁽³⁾) |
| Funding | <ul style="list-style-type: none">Acquisition to be funded via:<ul style="list-style-type: none">~A\$452 million pro-rata accelerated institutional, tradeable retail entitlement offer~A\$200 million placement of New SharesBalance to be funded from existing syndicated debt facilities |
| Strategic rationale | <ul style="list-style-type: none">Ownership of domestic backhaul fibre network significantly enhancing Vocus’ fibre infrastructure footprint in AustraliaEnhances control over Vocus’ cost base and expands product offering for corporate, government and wholesale customersStrong strategic fit for Vocus with ~A\$30 million⁽³⁾ of expected cost synergies per annumSignificant benefits from conducting Nextgen and M2 network integrations concurrently |
| Expected financial impact | <ul style="list-style-type: none">High single digit EPS accretion in FY17F on a full year pro-forma basis (including synergies)⁽⁴⁾Pro-forma FY16F Net debt / EBITDA of less than 2.3x on completion⁽⁵⁾ |
| Timing | <ul style="list-style-type: none">The acquisition of Nextgen Networks and North West Cable System (“NWCS”) is expected to complete in approximately 3 months, subject to customary closing conditions, including ACCC approvalThe acquisition of Australia Singapore Cable (“ASC”) is also subject to approvals of Infocomm Development Authority of Singapore (“IDA”) |

(1) US\$80 million upfront consideration for NWCS converted to AUD at FX rate of 0.7466. In addition, subject to the satisfaction of further conditions, there is additional deferred consideration of US\$20 million for NWCS and US\$20 million for ASC – refer to page 13.

(2) Based on Nextgen Networks’ normalised cash EBITDA for the twelve months ending 30 June 2016. Based on 10 months’ actual performance and 2 months’ forecasts and prepared on the basis of management accounts – refer to page 18.

(3) A\$30 million represents the midpoint of estimated annual cost synergy range of A\$28 – 31 million – refer to page 11.

(4) Illustratively assumes twelve month impact of the transaction (including acquisition of Nextgen Networks / NWCS / ASC in addition to equity raising and debt financing) and includes a full year of earnings contributions from Nextgen Networks and NWCS. Anticipated accretion is based on an assumed depreciation and amortisation charge of ~A\$32 million (encompassing Nextgen Networks and NWCS) based on the current book value of those assets and Vocus’s current accounting policies and prior to any amortisation adjustments relating to acquired related intangibles (including those related to M2, Nextgen Networks, NWCS and ASC) and excludes one-off costs. Pro-forma for estimated A\$30 million of annual synergies. Assumes placement shares are issued at the underwritten floor price.

(5) Based on EBITDA for the twelve months ending 30 June 2016. Nextgen Networks’ EBITDA based on 10 months’ actual performance and 2 months’ forecasts and prepared on the basis of management accounts. Vocus’ EBITDA based on 11 months’ actual performance and 1 months’ forecasts and prepared on the basis of management accounts. Net debt is inclusive of finance leases and IRUs.

TRANSACTION HIGHLIGHTS.

1 ~17,000km fibre backhaul network connecting mainland capital cities, and major regional centres

2 Extensive network infrastructure that has taken more than a decade to deploy and represents in excess of A\$1.0 billion of investment⁽¹⁾

3 Increases Vocus on-net buildings from 4,022 to more than 5,000

4 With minimal capex required⁽²⁾, expands on-net NBN point of interconnect (“POI”) coverage from 68 to 112 of 121

5 Significant near term upside from the NWCS development project and potential longer term upside from the ASC development project

6 Transaction expected to be high single digit EPS accretive on a full year pro forma FY17F basis (including synergies)⁽³⁾


(1) Inclusive of investment on Nextgen Networks and NWCS.

(2) Estimated capex spend of A\$11.5 million.

(3) Illustratively assumes twelve month impact of the transaction (including acquisition of Nextgen Networks / NWCS / ASC in addition to equity raising and debt financing) and includes a full year of earnings contributions from Nextgen Networks and NWCS. Anticipated accretion is based on an assumed depreciation and amortisation charge of ~A\$32 million (encompassing Nextgen Networks and NWCS) based on the current book value of those assets and Vocus's current accounting policies and prior to any amortisation adjustments relating to acquired related intangibles (including those related to M2, Nextgen Networks, NWCS and ASC) and excludes one-off costs. Pro-forma for estimated A\$30 million of annual synergies. Assumes placement shares are issued at the underwritten floor price.

STRATEGIC RATIONALE.

THE FINAL PIECE IN VOCUS' INFRASTRUCTURE NETWORK.

| | Access network | Backhaul network | Internet core |
|-------------|-----------------------------|--|---|
| Australia | On-net or purchase from NBN |  | Sea-Me-We 3 Cable (Vocus owns 10%), capacity on Southern Cross Cable, potential ASC |
| New Zealand | Purchase from UFB provider | Owned inter-city fibre optic network | Capacity on Southern Cross Cable |

- ✓ Replicating Nextgen's network is difficult
- ✓ Control of cost base for Vocus

STRATEGIC RATIONALE



(CONT'D).

ESTABLISHMENT OF A FOURTH PILLAR IN AUSTRALIAN TELECOMMUNICATIONS.

Enhanced operating leverage

- Extends control over large proportion of Vocus' cost base, reducing dependence on third party suppliers
- Increasing operating leverage to expected continued growth in data demand

NBN POI opportunity

- Vocus and Nextgen Networks combined provide access to 68 NBN POIs. An additional ~A\$11.5 million capital investment is expected to take coverage to 112 of 121 POIs⁽¹⁾

Further customer diversity

- Well placed to win Federal and State government contracts where both intercapital and metropolitan network coverage is required
- Alternative for clients that seek data security and reliable high-speed connectivity
- Combination of Nextgen Networks' intercity fibre and Vocus metropolitan fibre opens up new wholesale customer opportunities

Enhanced capabilities

- Ability to integrate and unlock value from a combined network utilising Vocus' core capabilities
- Ability to offer customers a fully integrated product suite for their telecommunication requirements

(1) Remaining 9 POIs are deemed uneconomical to build.

SYNERGIES.



ESTIMATED TO DELIVER ~A\$30 MILLION OF ANNUAL COST SYNERGIES.

ESTIMATED COST SYNERGIES

| | Estimated amount | Description |
|------------------------------|------------------------|---|
| Network synergies | A\$6m – A\$7m | <ul style="list-style-type: none"> • Efficiencies and economies of scale throughout after combining Nextgen and Vocus networks • Nextgen 3rd party tail spend to transfer onto Vocus infrastructure |
| Non-network synergies | A\$22m – A\$24m | <ul style="list-style-type: none"> • Consolidation of facilities / premises • Rationalisation of costs |
| TOTAL | A\$28m – A\$31m | |

Cost synergies' realisation

- Cost synergies expected to be fully realised over 3 years
- One-time costs associated with synergies estimated to be ~A\$6 million
- Benefits achieved by running network integration in parallel with M2 integration

POTENTIAL REVENUE SYNERGIES

| | |
|---------------------------------|--|
| New customers | <ul style="list-style-type: none"> • Customers requiring national network coverage • Incremental customers in wholesale attracted by combined metro, interstate and regional coverage • Customers in new sectors, and access to new Government panels representation in South Australia, Western Australia and Northern Territory |
| Cross-sell opportunities | <ul style="list-style-type: none"> • Transmission and switched sales to Vocus customers • Voice, Internet and dark fibre sales to Nextgen customers |
| Bundling | <ul style="list-style-type: none"> • Ability to bundle multiple products to compete with existing vertically vertically integrated providers |

ESTIMATED CAPEX SYNERGIES

- In addition, capex synergy potential of ~A\$8 million per annum

OVERVIEW OF NEXTGEN NETWORKS, NWCS AND ASC.

SECTION 2.

TRANSACTION OVERVIEW.



Entities / Projects being acquired by Vocus



- Purchase price: A\$700 million
- Subject to customary closing conditions, including ACCC approval and certain counterparty consents

NWCS

- US\$80 million (~A\$107 million) upfront payment
- US\$20 million (~A\$27 million) payment conditional on certain customer commitments being reached
 - US\$8 million (~A\$11 million) (currently forecast for March 2017)
 - US\$12 million (~A\$16 million) (currently forecast for March 2018)
- Subject to customary closing conditions, including ACCC approval and certain counterparty consents

ASC

- Nil upfront consideration
- US\$20 million (~A\$27 million) on commencement of construction
- No payment required if Vocus does not proceed with the project⁽¹⁾
- Subject to customary closing conditions, including ACCC approval and also conditional on obtaining IDA approval



Metronode, Nextgen Group's data centre business is not part of the acquisition

Note: Based on assumed AUD/USD exchange rate of 0.7466 as at 24 June 2016.

(1) In the event that Vocus elects not to pursue the project, Vocus will be required to pay the consideration of US\$20 million if it (a) disposes of any interest in ASC or (b) invests, or otherwise participates, in a project involving the building of new submarine cable connecting Singapore and/or Indonesia to Western Australia or the Northern Territory within four years after the completion of its acquisition of ASC.

THE NEXTGEN NETWORK.

NATIONAL FIBRE NETWORK SPANNING OVER 17,000KM.



Note: Map for illustrative purposes only.

(1) Regional Backbone Blackspots Program ("RBBP") was a 2009 Commonwealth initiative to provide competitive wholesale backbone services in regional markets. Nextgen was provided with A\$250 million to design and construct the RBBP network from February 2010 to February 2012.

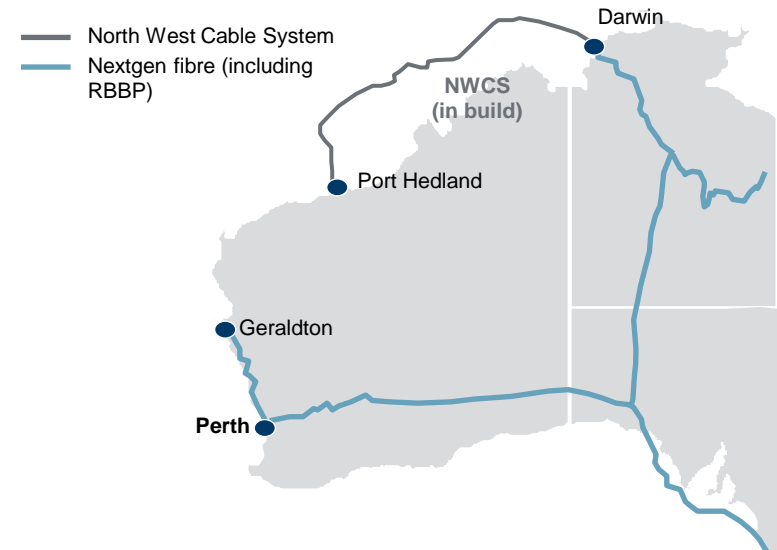
STRAIGHTFORWARD.

NORTH WEST CABLE SYSTEM.

~2,000KM SUBMARINE CABLE FOR MINING AND OFFSHORE OIL AND GAS SECTORS.

PROJECT OVERVIEW

- NWCS is a ~2,000km submarine cable connecting Darwin and Port Hedland to service mining and offshore oil and gas platforms
- Commercial operations expected to commence in late 2016
- Foundation customers secured on long-term IRUs⁽¹⁾
- Total construction costs incurred by completion significantly in excess of the upfront purchase price⁽²⁾
- Opportunities exist for future project expansion contingent on customer commitments



KEY HIGHLIGHTS

- ✓ Expected demand for long-term high speed data services
- ✓ Supported by long-term contracts⁽³⁾
- ✓ One of two telecommunication providers in the region

Note: Map for illustrative purposes only.

(1) Indefeasible Right of Use ("IRU").

(2) Based on assumed completion by October 2016.

(3) Subject to termination events and other conditions.

STRAIGHTFORWARD.

AUSTRALIA SINGAPORE CABLE PROJECT.

PROJECT OVERVIEW

- ASC is a ~4,600km submarine cable system linking Australia to Singapore providing a 100GB/s high speed internet connection from Western Australia to South East Asia
- Vocus and Nextgen announced a non-binding term sheet in November 2015 to each acquire a 50% interest in the ASC project
 - Vocus is now acquiring 100% of the project subject to IDA⁽¹⁾ approval
- Estimated project cost of ~US\$130 million
 - No payment required if Vocus does not proceed with the project⁽²⁾
- Development contingent upon investment case to be underpinned by contracted customer demand



Note: Map for illustrative purposes only.

(1) Infocomm Development Authority of Singapore.

(2) In the event that Vocus elects not to pursue the project, Vocus will be required to pay the consideration of US\$20 million if it (a) disposes of any interest in ASC or (b) invests, or otherwise participates, in a project involving the building of new submarine cable connecting Singapore and/or Indonesia to Western Australia or the Northern Territory within four years after the completion of its acquisition of ASC.

FINANCIALS.

SECTION 3.

NEXTGEN NETWORKS.



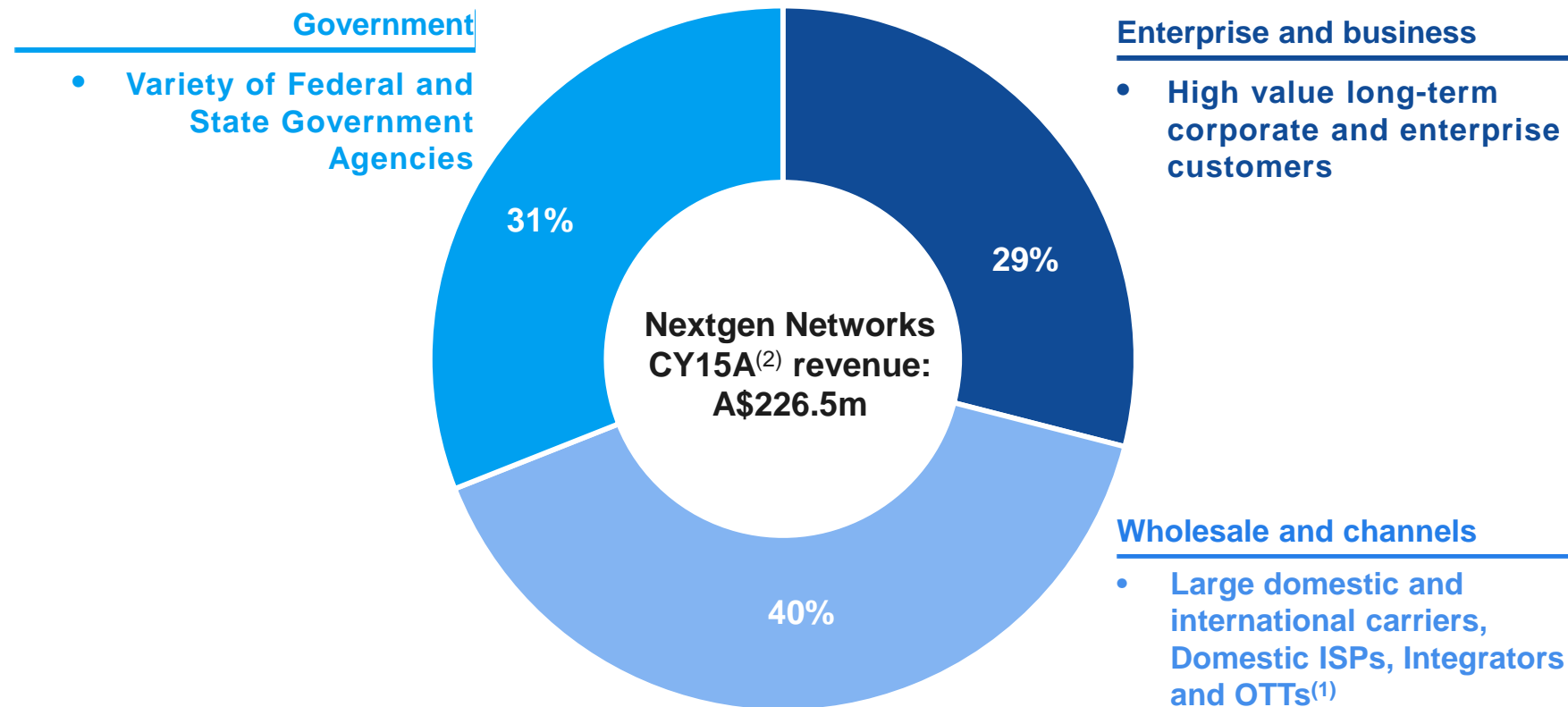
FINANCIALS.

| (A\$m, year ending 31 Dec) | CY15A | Outlook |
|--------------------------------------|-------------|---|
| Revenue | 193 | Flat to low to single digit growth underpinned by government and enterprise customer contracts |
| (+) Deferred revenue ⁽¹⁾ | 33 | Declining, reflecting roll-off of amortisation charges associated with upfront cash payments under historical contracts |
| Reported Revenue | 226 | |
| EBITDA | 92 | |
| (-) Deferred revenue ⁽¹⁾ | (33) | |
| (-) Other adjustments ⁽²⁾ | 3 | |
| Normalised Cash EBITDA | 62 | Mid to high single digit growth, reflecting revenue growth and ongoing operating efficiency programs |
| Capex | (32) | Expected to remain broadly constant (excluding capex synergies) |

(1) *Deferred revenue adjustment: to remove amortised deferred revenue (non-cash) relating to historical contracts where amounts were received upfront that are not expected to recur, subject to any future network expansion.*

(2) *Other adjustments: adjustments for normalised levels of upfront connection revenues and removal of non-recurring items.*

OPERATING SEGMENTS.



(1) Denotes over-the-top provider.

(2) Revenue breakdown of Nextgen's operating segments as a percentage of total revenues for the calendar year 2015.

TRADING UPDATE.

SECTION 4.

TRADING UPDATE.



FY16F TRADING UPDATE.

| | Guidance | Commentary |
|--|-------------------------|---|
| Revenue | A\$820 – A\$835 million | <ul style="list-style-type: none">• Strong organic growth in core business• Divestment of non-core businesses has resulted in:<ul style="list-style-type: none">- Reduction in revenue from sale of ITS division (~A\$18 million)- Reduction in revenue from sale of Aggregato US business (~A\$7 million)• Elimination of deferred mobile commissions revenue (~A\$5 million)• FX impact of NZD revaluation related to CallPlus and Vocus NZ (~A\$8 million)• MTAS⁽²⁾ reduction pass through (~A\$2 million) |
| Underlying EBITDA⁽¹⁾ | A\$213 – A\$218 million | <ul style="list-style-type: none">• Increased investment in sales and marketing in Corporate Wholesale division showing significantly increased order volumes going into FY17F• NBN take share opportunity means we are investing in and marketing to capture market share• Minor impact to EBITDA of divested businesses and NZD currency impact• Q4'FY16 Underlying EBITDA forecast to be in the range of A\$95 – A\$100 million |

(1) Underlying EBITDA excludes gains on total return swaps, early repayment of borrowings, acquisition and integration costs and other gains and losses.

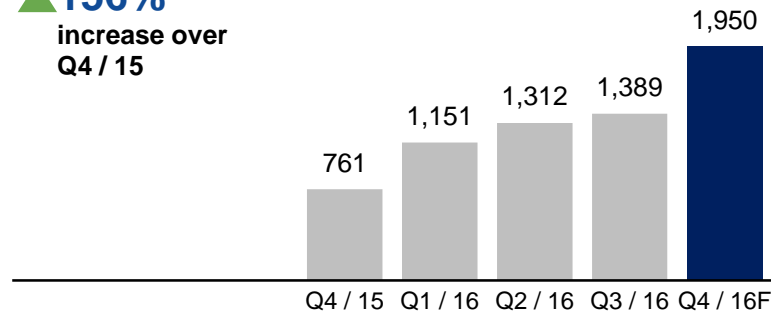
(2) Mobile Terminating Access Service.

CORPORATE.

INVESTMENT IN SALES TEAM EXPANSION DRIVING ORDER VOLUME AND NETWORK UTILISATION.

Corporate / Wholesale New MRR Sales (A\$'000)

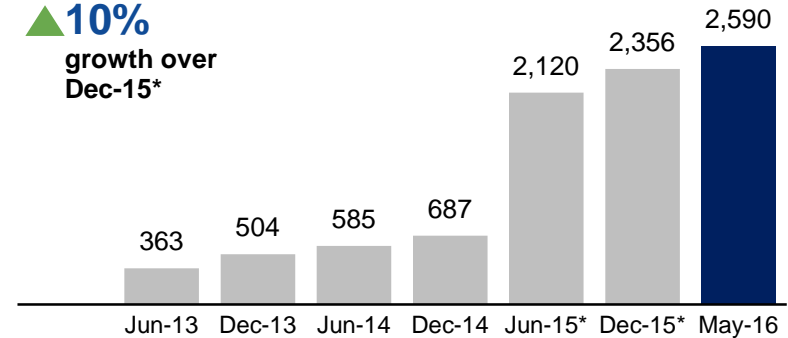
▲156%
increase over
Q4 / 15



New MRR = new monthly recurring revenue sold in that quarter

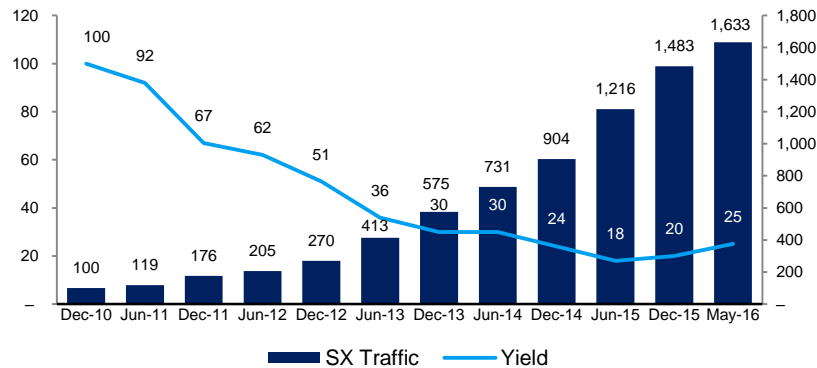
AU fibre network kilometres

▲10%
growth over
Dec-15*



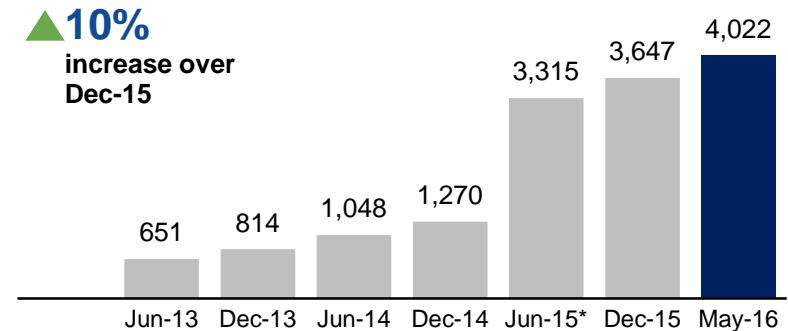
** Amcom fibre km adjusted for Jun-15 and Dec-15 following infrastructure audit post-acquisition*

Vocus SX Traffic and Yield, indexed (Dec-10 = 100)



On-net buildings

▲10%
increase over
Dec-15

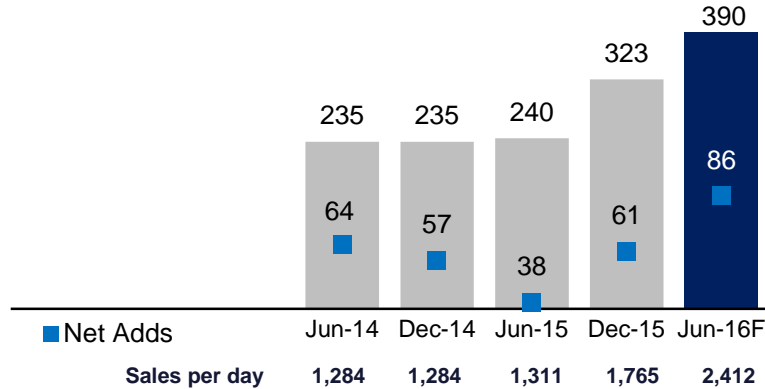


CONSUMER AU/NZ.

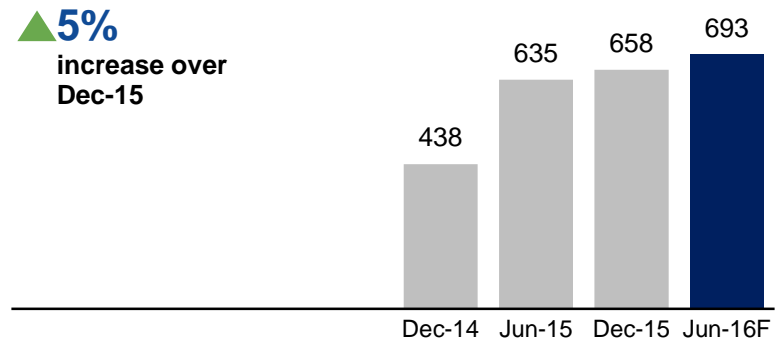


STRONG GROWTH DRIVEN BY INVESTMENT IN SALES AND MARKETING.

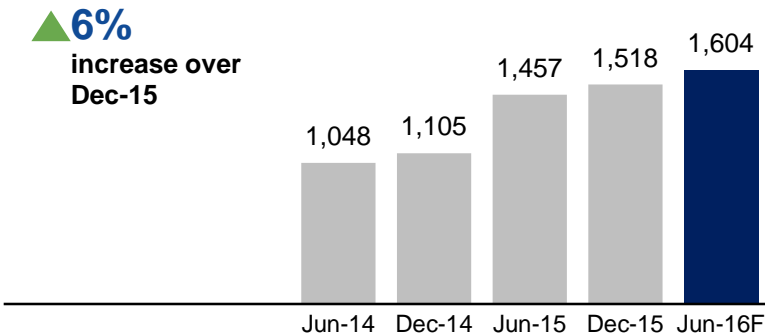
Consumer Gross & Net Adds ('000)



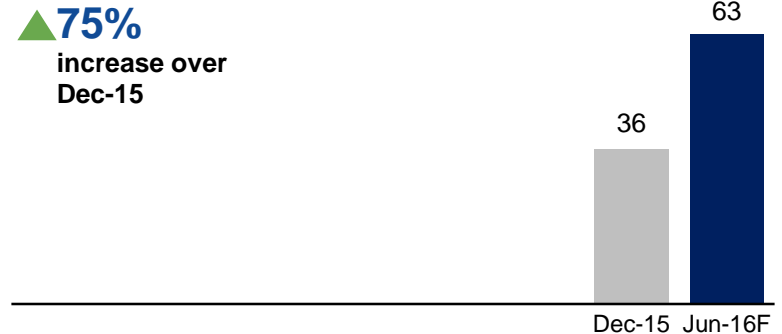
Broadband Services in Operation ('000)



Consumer Services in Operation ('000)



Consumer NBN Services in Operation ('000)



TERMS & FUNDING.

SECTION 5.

SOURCES AND USES.

ACQUISITION TO BE FINANCED VIA NEW EQUITY AND DRAWDOWN FROM EXISTING DEBT FACILITIES.

Purchase price⁽¹⁾

- Total upfront transaction purchase price of A\$807 million
- Total upfront funding requirement of A\$835 million including transaction costs and duties
- Total deferred consideration subject to further conditions of A\$54 million

Funding

- ~A\$452 million pro-rata accelerated institutional, tradeable retail entitlement offer
- ~A\$200 million placement of New Shares
- Balance of funding drawn down under the Group's A\$1.07 billion and NZ\$160 million facilities which were refinanced in May 2016

Timing

- The acquisition of Nextgen Networks and NWCS is expected to complete in approximately 3 months, subject to customary closing conditions, including ACCC approval and certain counterparty consents
- The acquisition of ASC is also conditional on obtaining IDA approval

SOURCES AND USES OF FUNDS

| Sources | A\$m | Uses | A\$m |
|-------------------------------|--------------|---|----------------------|
| Entitlement offer | \$452 | Nextgen Networks | \$700 |
| Placement | \$200 | NWCS Upfront Payment | \$107 ⁽¹⁾ |
| Debt facility drawdown | \$185 | NWCS Deferred Consideration ⁽²⁾ | \$27 ⁽¹⁾ |
| Conditional deferred payments | \$54 | ASC Deferred Consideration ⁽²⁾ | \$27 ⁽¹⁾ |
| | | Transaction fees and other items ⁽³⁾ | \$28 |
| | | Cash to balance sheet | \$2 |
| Total sources | \$891 | Total uses | \$891 |

(1) Based on assumed AUD/USD exchange rate of 0.7466 as at 24 June 2016.

(2) Deferred consideration subject to other conditions as outlined on page 13.

(3) Includes transaction fees and duties.

KEY EQUITY RAISING TERMS.



1-FOR-8.90 ENTITLEMENT OFFER AND SHARE PLACEMENT.

| | |
|--|--|
| Offer structure and size | <ul style="list-style-type: none">• ~A\$652 million fully underwritten equity capital raising comprising:<ul style="list-style-type: none">- ~A\$452 million, 1-for-8.90 accelerated, renounceable entitlement offer with retail rights trading<ul style="list-style-type: none">- Institutional Entitlement Offer expected to raise ~A\$240 million- Retail Entitlement Offer expected to raise ~A\$212 million- Institutional Placement of up to ~26.5 million New Shares to raise ~A\$200 million |
| Entitlement Offer price | <ul style="list-style-type: none">• Fixed price of A\$7.55 per New Share ("Entitlement Offer Price")• 10.4% discount to the theoretical ex-rights price (TERP)⁽¹⁾ of A\$8.42 |
| Institutional Entitlement Offer | <ul style="list-style-type: none">• Institutional Entitlement Offer opens 29 June and closes 30 June• Entitlements not taken up and entitlements of ineligible institutional shareholders will be sold in the institutional shortfall bookbuild to be conducted on 1 July⁽²⁾ |
| Retail Entitlement Offer | <ul style="list-style-type: none">• Retail Entitlement Offer opens 7 July and closes on 18 July• Retail entitlements trading for certain eligible investors available on ASX from 4 – 11 July• Entitlements not taken up and entitlements of ineligible retail shareholders will be sold in the retail shortfall bookbuild to be conducted on 21 July⁽²⁾ |
| Institutional Placement price | <ul style="list-style-type: none">• Variable price, with an underwritten floor price of A\$7.55 per New Share |
| Ranking | <ul style="list-style-type: none">• New Shares will rank equally with existing ordinary shares from their time of issue |
| Record Date | <ul style="list-style-type: none">• 4 July (7:00pm Sydney time) |

(1) The theoretical ex-rights price is the theoretical price at which Vocus shares should trade immediately after the ex-date for the Entitlement Offer. The TERP is a theoretical calculation only and the actual price at which Vocus shares trade immediately after the ex-date for the Entitlement Offer may vary from TERP. TERP is calculated by reference to Vocus' closing price of \$8.52 per share on 28 June 2016, being the last trading day prior to the announcement of the Entitlement Offer. Excludes shares issued under the Placement.

(2) These entitlements will be offered for sale in the relevant shortfall bookbuild and any premium (being any amount paid in respect of the sale of the entitlements) will be paid to non-participating and ineligible shareholders, net of any applicable withholding tax.

INDICATIVE OFFER TIMETABLE.

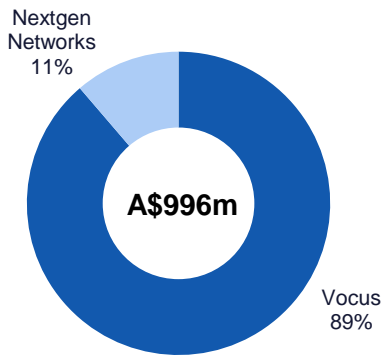


Indicative and subject to change.

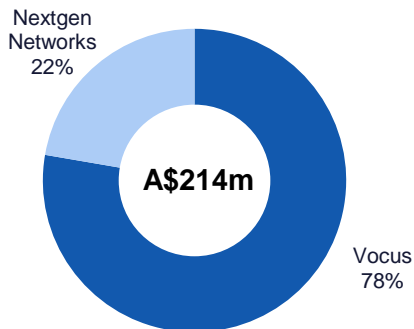
| Event | Date |
|--|-------------------------|
| Trading halt and announcement of acquisition and Entitlement Offer and Placement | Wednesday, 29 June 2016 |
| Institutional Offer opens | Wednesday, 29 June 2016 |
| Institutional Offer closes | Thursday, 30 June 2016 |
| Institutional bookbuild | Friday, 1 July 2016 |
| Vocus shares recommence trading | Monday, 4 July 2016 |
| Retail rights commence trading | Monday, 4 July 2016 |
| Record date (7:00pm Sydney time) | Monday, 4 July 2016 |
| Retail Entitlement Offer opens | Thursday, 7 July 2016 |
| Retail Offer Booklet and Application and Entitlement Forms despatched to Eligible Retail Shareholders | Thursday, 7 July 2016 |
| Settlement of New Shares issued under the Institutional Entitlement Offer and Placement | Friday, 8 July 2016 |
| Allotment and commencement of trading of New Shares issued under the Institutional Entitlement Offer and Placement | Monday, 11 July 2016 |
| Close of retail rights trading | Monday, 11 July 2016 |
| Retail Entitlement Offer closes (5:00pm Sydney time) | Monday, 18 July 2016 |
| Retail bookbuild | Thursday, 21 July 2016 |
| Settlement of New Shares issued under the Retail Entitlement Offer | Wednesday, 27 July 2016 |
| Allotment of New Shares issued under the Retail Entitlement Offer | Thursday, 28 July 2016 |
| Holding statements sent to retail holders | Friday, 29 July 2016 |

KEY PRO FORMA FINANCIALS.

PRO FORMA REVENUE (6 MONTHS ENDING 31 DEC 2015)



PRO FORMA EBITDA (6 MONTHS ENDING 31 DEC 2015)



PRO FORMA BALANCE SHEET AS AT 31 DEC 2015

| A\$m | Vocus (31 Dec 2015) | Adjustments for merger with M2 and refinancing ⁽¹⁾ | Vocus (post M2) | Nextgen Networks | Development projects | Adjustments for proposed acquisition ⁽²⁾ | Pro forma Vocus Group |
|-------------------------------|---------------------|---|-----------------|------------------|----------------------|---|-----------------------|
| Cash | 28 | 99 | 127 | – | – | 2 | 129 |
| PP&E | 408 | 88 | 496 | 696 | 122 | – | 1,315 |
| Intangibles | 759 | 2,739 | 3,499 | 1 | 41 | 132 | 3,673 |
| Other assets | 69 | 187 | 256 | 32 | 4 | – | 292 |
| Total assets | 1,265 | 3,113 | 4,378 | 730 | 167 | 132 | 5,409 |
| Loans and borrowings | 232 | 566 | 798 | – | – | 185 | 983 |
| Other liabilities | 126 | 303 | 429 | 87 | 81 | 54 | 651 |
| Total liabilities | 358 | 869 | 1,227 | 87 | 81 | 239 | 1,634 |
| Net assets | 907 | | 3,151 | | | | 3,775 |
| Net debt⁽³⁾ | 204 | | 671 | | | | 854 |

(1) Adjustments represent the impact of the acquisition of M2 for A\$2.266 billion via Scheme, implemented on 22 February 2016. The value of customer related intangibles, software and brand names arising from a preliminary purchase price allocation has been recognised.

(2) Adjustments represent the proposed acquisition of Nextgen Networks, including deferred consideration and the impact of the Offer and additional borrowings utilised to fund the proposed acquisition.

(3) Net debt as at 31 December 2015 is inclusive of finance leases and IRUs.

APPENDIX A.

GLOSSARY.

GLOSSARY OF TERMS.



| | | | |
|---------------|--|-------------|--------------------------------------|
| A\$ | Australian dollar | IRU | Indefeasible right of use |
| ACCC | Australian Competition and Consumer Commission | ISP | Internet service provider |
| ASC | Australia Singapore Cable | MRR | Monthly recurring revenue |
| Capex | Capital expenditure | MTAS | Mobile Terminating Access Service |
| CY15 | Calendar year ending 31 December 2015 | NBN | National Broadband Network |
| CY16F | Calendar year ending 31 December 2016 | NWCS | North West Cable System |
| EBIT | Earnings before interest and tax | OTT | Over-the-top provider |
| EBITDA | Earnings before interest, tax, depreciation and amortisation | POI | Point of interconnect |
| EPS | Earnings per share | RBBP | Regional Backbone Blackspots Program |
| EV | Enterprise value | TERP | Theoretical ex-rights price |
| FY16F | Financial year ending 30 June 2016 | UFB | Ultra fast broadband |
| FY17F | Financial year ending 30 June 2017 | US\$ | United States dollar |
| IDA | Infocomm Development Authority of Singapore | | |

APPENDIX B.

RISKS.

KEY RISKS.



This section discusses some of the key risks associated with an investment in shares in Vocus. These risks may affect the future operating and financial performance of Vocus and the value of Vocus shares.

The risks set out below are not listed in order of importance and do not necessarily constitute an exhaustive list of all risks involved with an investment in Vocus.

Before investing in Vocus, you should consider whether this investment is suitable for you. Potential investors should consider publicly available information on Vocus (such as that available on the websites of Vocus and ASX), carefully consider their personal circumstances and consult their professional advisers before making an investment decision. Additional risks and uncertainties that Vocus is unaware of, or that it currently considers to be immaterial, may also become important factors that adversely affect Vocus' operating and financial performance.

Nothing in this Presentation is financial product advice and this document has been prepared without taking into account your investment objectives or personal circumstances.

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 Vocus, its directors and senior management. Further, you should note that this section focuses on the potentially key risks and does not purport to list every risk that Vocus may have now or in the future. It is also important to note that there can be no guarantee that Vocus 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.

Cooling off rights do not apply to the acquisition of New Shares.

BUSINESS RISKS.



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|--|---|
| Cash flow risk and liquidity | <p>Vocus' ability to service its debt and other obligations depends on the future performance and cash flow of its business which, to a certain extent, is subject to general economic, financial, competitive, legislative, regulatory and other factors, many of which are beyond its control. Vocus' historical financial results have been, and it is anticipated that Vocus' future financial results will continue to be, subject to fluctuations as a result of these factors. Cash flows can vary and Vocus' business will continue to be subject to fluctuations, and Vocus' business may not generate sufficient cash flow from operations to enable it to satisfy its debt and other obligations. Any inability to secure sufficient debt funding (including to refinance on acceptable terms) or to service its existing and new debt may have a material adverse effect on Vocus' financial performance and prospects.</p> |
| National Broadband Network (Aus) | <p>The Australian Federal Government is rolling out a National Broadband Network (NBN). All telecommunication retail service providers will have equivalent access to acquiring wholesale services on the NBN via the 121 national POIs, which is intended to create a more level competitive playing field in the industry. This new competitive environment may facilitate the entry of new competitors in the relevant market which could have an adverse impact on the future financial performance of Vocus if it is unable to effectively compete against the new competitors. In addition, to move to an NBN service may require customers to disconnect their existing copper or HFC broadband connection and establish a new connection, which could create a risk to customer retention.</p> |
| Network operation risks including cyber attacks | <p>Any material damage or disruption to Vocus' network or services will impair Vocus' ability to provide products and services and result in significant disruption to the business and Vocus' customers.</p> <p>This disruption could arise as a result of events which are beyond Vocus' control, such as network failure, failure of other carrier/supplier equipment networks, improper or negligent operation of Vocus' systems by employees, consultants, unauthorised physical or electrical access, general network failure and/or natural disasters.</p> <p>In addition, Vocus could be adversely impacted by electronic attacks, viruses and other forms of cybercrime, such as attempts by hackers to gain access to or damage Vocus' systems and databases. This could cause failures, faults and billing issues and problems for Vocus' customers.</p> <p>Any damage to Vocus' network operation and/or information technology systems could lead to extended downtime of Vocus' websites or corporate systems, in addition to the potential loss of private company or customer information including credit card information. This could adversely affect Vocus' reputation, operations and financial performance, and result in significant regulatory fines.</p> |
| Third party suppliers | <p>Vocus' ability to provide services and products is highly dependent on securing services, infrastructure and other equipment, as well as network-related and other significant support services from third party suppliers. Some of these third party suppliers are key competitors of Vocus. The business of Vocus would be materially impacted if any of those suppliers were unwilling or unable to provide services as contracted or made a decision to supply services on unfavourable terms. If suppliers failed to supply the services, terminated the contracts connected with the supply of services (or allowed them to expire without renewing them) or changed terms to be less favourable than those currently offered, and Vocus was unable to arrange for the supply of replacement services from another supplier on similar terms, this change might materially impact the financial performance of Vocus.</p> <p>Vocus' ability to provide services and products is also dependent on securing access to services which are currently regulated by the ACCC under Part XIC of the Competition and Consumer Act 2010 (Cth). If the ACCC determines that these services should no longer be regulated, or should be regulated on different terms which are less favourable than current terms, this change might materially impact the financial performance of Vocus.</p> |

BUSINESS RISKS

(CONT'D).

| | |
|------------------------------------|--|
| Technology changes | <p>The information, communication and technology industries are constantly evolving with new technologies and products which could act as substitutes for the products and services offered by Vocus. In addition, the behaviours of consumers of those technologies and products are constantly evolving.</p> <p>There is no guarantee that Vocus can effectively keep up with changes in technological developments and failure to keep pace with changes in technology could result in Vocus finding it increasingly difficult to compete in its chosen target segments. If there are new or improved products that are superior, or perceived by the market to be superior, to those of Vocus then this may adversely impact on Vocus' ability to compete in its chosen market segments. In addition, if there are changes in behaviours of consumers in the use of technologies and products (including continued increased customer demand for data and therefore bandwidth), and Vocus is not able to effectively keep up with such changes in behaviours of consumers, then it could result in Vocus finding it increasingly difficult to compete in its chosen target segments.</p> <p>For example, the increase in the use of cloud services may lead to changes in demand from Vocus' data centres.</p> |
| Security or privacy of data | <p>The protection of customer, employee, third party and company data is critical to Vocus' operations. Vocus has access to a significant amount of customer, employee and third party information, including through its database of customers. The legal and regulatory environment surrounding information security and privacy is increasingly complex and demanding. Customers, employees and third parties such as suppliers also have an expectation that Vocus will adequately protect their personal information. A breach of customer, employee, third party or company data could attract significant media attention, damage Vocus' reputation and customer or supplier relationships and ultimately result in lost sales, penalties or litigation. This could have a material adverse effect on Vocus' future financial performance and position.</p> <p>Both Vocus and M2 have prepared separate data retention implementation plans that have been approved by the Attorney-General. As a result, M2 and Vocus have both been granted an extension to comply with certain of the new obligations until April 2017.</p> |
| Sustainability of growth | <p>The continued strong growth in sales and profitability of Vocus is dependent on a number of factors, including Vocus' ability to win new customers on a profitable basis and to retain and grow revenues from existing customers. This organic growth is conditional on the continued performance of Vocus' various channels to market, the ongoing achievement of sales objectives by Vocus' sales teams and the provision of consistent high quality customer service. If any of these growth factors were negatively impacted and growth was impaired then the financial performance and reputation of Vocus' business would be negatively impacted.</p> |
| Retention of key personnel | <p>Vocus is dependent upon a number of key management personnel and executives to manage the day-to-day requirements of the business. The loss of the services of one or more key management personnel could have an adverse effect on Vocus. Vocus' ability to operate effectively depends in large parts on the efforts of these individuals. Vocus will face competition for qualified personnel, and there can be no assurance that it will be able to attract and retain such personnel.</p> |

BUSINESS RISKS

(CONT'D).

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|---|--|
| <p>Regulatory risk and changes in law (and interpretation)</p> | <p>Vocus operates in increasingly regulated industries with significant penalties for non-compliance with regulations, including fines and undertakings that may include customer redress and restrictions on future marketing of services.</p> <p>Vocus' future growth prospects are heavily reliant on its ability to market its services through its various sales channels. Any regulatory change, event or enforcement action which would restrict those activities could have a material adverse impact on Vocus' growth and future financial performance.</p> <p>Amendments to current laws and regulations governing operations or more stringent implementation of laws and regulations could have an adverse impact on Vocus, including increases in expenses, capital expenditures or costs. The impact of future regulatory and legislative change upon the business of Vocus cannot be predicted.</p> <p>Failure to comply with applicable laws, regulations, agreements and permitting requirements may result in enforcement actions, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring compensation for those suffering loss or damage by reason of the activities and/or civil or criminal fines or penalties.</p> |
| <p>Interest rate risk</p> | <p>Vocus will be subject to the risk of rising interest rates associated with borrowing on a floating rate basis. Vocus seeks to manage all or part of its exposure to adverse fluctuations in floating interest rates through interest rate hedging arrangements, including derivative financial instruments. Such arrangements involve risk, such as the risk that counterparties may fail to honour their obligations under these arrangements, and that such arrangements may not be effective in reducing exposure to movements in interest rates. To the extent that Vocus does not hedge effectively (or at all) against movements in interest rates, such interest rate movements may adversely affect Vocus' results.</p> |
| <p>Energy price risks</p> | <p>Vocus is exposed to commodity price risk associated with the purchase and/or sale of electricity and gas. Prices for electricity and gas fluctuate with demand. Vocus seeks to hedge part of its exposure to adverse fluctuations through the use of over the counter derivatives and contracts via the futures market. To the extent that Vocus does not hedge effectively (or at all) against movements in these commodity prices, such commodity price movements may adversely affect Vocus' results.</p> |
| <p>Energy business licences and authorisations</p> | <p>A member of Vocus holds an Australian Financial Services Licence ("AFSL"), which is necessary for the trading of energy derivatives, and holds other licences and authorisations that are necessary for the Vocus Group to retail electricity and gas in Victoria, New South Wales, South Australia and Queensland. If Vocus fails to comply with the conditions or obligations of the AFSL or any other licence or authorisation, this could result in the suspension or cancellation of the licence or authorisation which could have a material adverse effect on Vocus' business.</p> |
| <p>Integration of recent acquisitions</p> | <p>In addition to the Nextgen Acquisition, Vocus has recently completed substantial acquisitions, including the acquisition of M2. To the extent that Vocus does not complete the integration of M2 and other recent acquisitions in an orderly manner, the full benefits, expected cost savings, efficiencies and benefits from those acquisitions may be achieved only in part, or not at all. This could adversely impact Vocus' financial performance and position, and the future prospects of Vocus.</p> |
| <p>Litigation risk</p> | <p>Disputes or litigation may arise from time to time in the course of the business activities of Vocus. There is a risk that any material or costly dispute or litigation could adversely affect Vocus' reputation, financial performance or share price.</p> |

BUSINESS RISKS

(CONT'D).

| | |
|---|---|
| Accounting standards | The Australian Accounting Standards are set by the Australian Accounting Standards Board (AASB). Changes to accounting standards issued by AASB could materially adversely affect the financial performance and position reported in Vocus' financial statements. |
| Taxation risks | A change to the current taxation regime may affect Vocus and its shareholders. Personal tax liabilities are the responsibility of each individual shareholder. Vocus is not responsible for taxation or penalties incurred by its shareholders. |
| Insurance and force majeure risk | <p>Vocus will carry insurances on its properties with policy specifications and insured limits that Vocus considers are customarily carried for similar businesses. Potential losses arising from events such as floods, earthquakes, terrorism or other similar catastrophic events, which may also include other force majeure events, may be either uninsurable, or, in the judgement of Vocus, not insurable on a financially reasonable basis, or may not be insured at full replacement cost or may be subject to larger excesses.</p> <p>In the event that there are insufficient insurance arrangements in place, Vocus may be exposed to material capital losses, or losses that may impact revenue generation and the financial performance of Vocus.</p> |
| Counterparty risk | A counterparty may fail to meet its contractual obligations resulting in financial loss to Vocus and impacting on Vocus' business relationships and operations. Vocus can provide no guarantee that its counterparties will fulfil these obligations or that Vocus will successfully manage counterparty credit risk. |
| Climate change risk | Vocus may be exposed to a number of potential impacts of climate change over time which could lead to demographic changes, change in consumption patterns and physical risks to property. As a result, the potential impact from climate change, both physical and as a result of new related legislation and regulation, may have an adverse impact on Vocus' operations or financial performance. |
| Foreign exchange risk | Vocus may manage the impact of exchange rate movements on its earnings, payment of supplies, inventory, and balance sheet by entering into hedging transactions, including derivative financial instruments. To the extent Vocus does not hedge effectively (or at all) against movements in the exchange rate of these currencies, such exchange rate movements may adversely affect its earnings and/or balance sheet. |
| Competition | <p>Vocus operates in a competitive business environment and faces competition, including from new competitors entering relevant markets. The existence of such competition may have an adverse impact on Vocus' business.</p> <p>In particular, there is an increased risk of competition as companies compete for market share in the transition to an NBN environment. There is also an increased risk of competition in New Zealand due to the recent merger of Sky TV and Vodafone, which is subject to regulatory approval, and the third mobile operator, 2 degrees, recently entering the fixed broadband market.</p> |
| Seismic activity | There has historically been significant seismic activity across the New Zealand markets in which Vocus operates. It is possible that a future earthquake might cause damage or disruption to Vocus' network and impair its ability to provide its products and services resulting in significant disruption. |

ACQUISITION RISKS.



| | |
|--|--|
| Loss of existing management | Nextgen Group's current CEO and CFO will not be joining Vocus upon acquisition. The loss of senior management personnel from the Nextgen business could have an adverse effect on Vocus and the day-to-day running of the newly acquired businesses during the transitional period while Vocus integrates Nextgen Networks into its group. |
| Completion risks | Completion of the acquisition of Nextgen, NWCS and ASC ("Nextgen Acquisition") is conditional on certain matters, including ACCC approval and IDA approval and receipt of several change of control consents. If any of the conditions are not met, completion of the Nextgen Acquisition may be deferred or not occur. If this occurs, Vocus will need to consider alternative uses for, or ways to return the proceeds of any subscriptions raised from Vocus shareholders under the Entitlement Offer and Placement. Failure to complete the Nextgen Acquisition and/or any action required to be taken to return capital may have a material adverse effect on Vocus' financial performance, financial position and share price. The Nextgen Acquisition agreement may also be terminated if either the Buyer, the Vendor or their group members or the target group members become insolvent, there is a material breach of a title or capacity warranty, or a material adverse change occurs in relation to Nextgen or NWCS. In all circumstances, Vocus may incur significant costs and be exposed to material liabilities. |
| Nextgen Acquisition liability risks | <p>If the Nextgen Acquisition completes, Vocus may become directly or indirectly liable for any liabilities that Nextgen has incurred in the past, which were not identified during its due diligence or which are greater than expected, and for which the market standard protection (in the form of insurance, representations and warranties and indemnities) negotiated by Vocus prior to its agreement to acquire Nextgen turns out to be inadequate in the circumstances. Such liability may adversely affect the financial performance or position of Vocus post-acquisition.</p> <p>From completion Vocus will be exposed to the risks associated with owning and operating Nextgen.</p> |
| Reliance and information provided | <p>Vocus undertook a due diligence process in respect of Nextgen, which relied mostly on the review of financial and other information provided by the vendors of Nextgen. Vocus has not been able to verify the accuracy, reliability or completeness of all the information which was provided to it against independent data. Similarly, Vocus has prepared (and made assumptions in the preparation of) the financial information relating to Nextgen included in this Presentation in reliance on limited financial information and other information provided by the vendors of Nextgen.</p> <p>If any of the data or information provided to and relied upon by Vocus in its due diligence process and its preparation of this Presentation proves to be incomplete, incorrect, inaccurate or misleading, there is a risk that the actual financial position and performance of Nextgen and the Vocus Group may be materially different to the financial position and performance expected by Vocus and reflected in this Presentation. Investors should also note 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. Therefore, there is a risk that unforeseen issues and risks may arise, which may also have a material impact on Vocus.</p> |
| Integration risk | The Nextgen Acquisition involves the integration of businesses and infrastructure that were previously operated independently. There is a risk that the integration of Nextgen may encounter unexpected challenges or issues. These include (but are not limited to) a failure to obtain necessary consents or the integration takes longer than anticipated, it diverts management attention or does not deliver the expected benefits (including synergy benefits) and this may affect Vocus' operating and financial performance. |
| Analysis of Nextgen Acquisition | <p>Vocus has undertaken financial, operational, business and other analysis in respect of Nextgen in order to determine its attractiveness to Vocus and whether to pursue the Nextgen Acquisition.</p> <p>It is possible that the analysis undertaken by Vocus, and the best estimates and assumptions made by Vocus, draws conclusions and forecasts which are inaccurate or which are not realised in due course (whether because of flawed methodology or misinterpretation of economic circumstances).</p> |
| Debt financing risk | Vocus has recently refinanced its senior debt facility (and the senior debt facility of M2 Group) under a combined new senior facility. Vocus has available headroom under the senior facility to draw-down funds to (in part) fund the acquisition. As is customary with leveraged acquisitions, Vocus will consult with its banking syndicate to ascertain the steps required to bring in the Nextgen, NWCS and ASC assets into the security net. There is a risk that the banking syndicate may impose additional conditions on Vocus under that senior facility. |

ACQUISITION RISKS

(CONT'D).

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| <p>Change of control risk</p> | <p>The acquisition of Nextgen may trigger change of control clauses in some material contracts to which Nextgen, NWCS or ASC is a party. Where triggered, the change of control clauses will, in most cases, require Vocus to seek the counterparty's consent in relation to the acquisition of Nextgen. There is a risk that a counterparty may not provide their consent to the acquisition, which may trigger a termination right in favour of that counterparty. If any of the material contracts containing a change of control clause are terminated by the counterparty or renegotiated on less favourable terms, it may have an adverse impact on Vocus' financial performance and prospects.</p> |
| <p>Acquisition accounting risk</p> | <p>In accounting for the Nextgen Acquisition in the pro forma historical combined balance sheet, Vocus has used the 31 December 2015 balance sheets provided through the due diligence process. A fair value assessment of the balance sheet has not been performed for the purposes of the pro forma historical combined balance sheet. Vocus will undertake a formal fair value assessment of all of the assets, liabilities and contingent liabilities of Nextgen post-acquisition, which may give rise to different values to those used for the purposes of the pro forma financial information set out in this Presentation. Such a scenario will result in a reallocation of the fair value of assets and liabilities acquired to or from goodwill and also an increase or decrease in depreciation and amortisation charges in the Vocus Group's income statement (and a respective increase or decrease in net profit after tax).</p> |
| <p>Risk of ACCC imposing conditions</p> | <p>There is a risk that the ACCC will identify competition concerns with the Nextgen Acquisition and require undertakings as a condition of clearance. These undertakings may include structural undertakings, such as the divestment of part of the business of either Vocus or Nextgen or behavioural undertakings, such as a commitment to do or not do a certain act or acts (for example, maintain specified pricing or maintain specified service levels). The effect of these undertakings may have an adverse effect on Vocus' business and financial performance.</p> |
| <p>North West Cable System risk</p> | <p>This is a relatively new project. The project is exposed to a handful of key customers. There is a risk that if one or more of those counterparties choose to terminate their arrangements with the relevant Skiron group entities, that may have an adverse effect on Vocus' business and financial performance. Whilst the project is substantially through its construction phase, the construction is not yet complete and there is a risk of delay or other construction-related risk occurring.</p> |
| <p>ASC Project risk</p> | <p>This project is also a new project. The acquisition of the equity in this project is conditional on Infocomm Development Authority of Singapore (IDA) approval. Approval by the IDA is expected to take a reasonably long period of time. In view of this potentially long time frame, the share acquisition agreement permits the Nextgen and NWCS acquisitions to occur and the ASC acquisition to be deferred. The share acquisition agreement provides that Vocus will accept the economic risk of the ASC project before legal completion. Vocus has endeavoured to mitigate that risk by requiring that the vendors seek the consent or direction of Vocus before undertaking any material decisions or steps in relation to ASC and before incurring any material liabilities. There is a risk that if the IDA approval is not obtained, the economic exposure to ASC (without legal ownership) continues indefinitely (unless the share acquisition agreement is validly terminated). There are also two competing international submarine cable projects that propose to connect Perth to Singapore, the APX-West and Trident Subsea Cable. APX-West is scheduled to be completed in 2018.</p> |
| <p>Risk of selling or transferring retail entitlements under the Entitlement Offer</p> | <p>If an eligible retail shareholder chooses to transfer their entitlements to another person or entity other than on ASX, there is no guarantee that they will receive any value for transferred entitlements.</p> <p>Eligible retail shareholders should also note that if they sell or transfer all or part of their entitlements, then their percentage shareholding in Vocus will be diluted by not participating to the full extent in the Entitlement Offer.</p> |
| <p>Tax consequences of entitlements</p> | <p>The tax consequences from selling entitlements or from doing nothing may be different. Before selling entitlements or choosing to do nothing in respect of entitlements, a Vocus shareholder should seek independent tax advice and may wish to refer to the tax disclosure contained in the Retail Offer Booklet which will provide further information on potential taxation implications for Australian shareholders.</p> |

SHARE AND ENTITLEMENT VOCUS

OFFER RISKS.



Risks associated with an investment in shares

There are general risks associated with investments in equity capital. The trading price of Vocus shares may fluctuate with movements in equity capital markets in Australia and internationally. This may result in the market price for the New Shares being less or more than the offer price. Generally applicable factors which may affect the market price of shares include:

- (i) general movements in Australian and international stock markets;
- (ii) investor sentiment;
- (iii) Australian and international economic conditions and outlook;
- (iv) changes in interest rates and the rate of inflation;
- (v) changes in government legislation and policies, in particular taxation laws;
- (vi) announcement of new technologies; and
- (vii) geo-political instability, including international hostilities and acts of terrorism.

No assurances can be given that the New Shares will trade at or above the offer price. None of Vocus, its directors or any other person guarantees the market performance of the New Shares.

The Australian and global economies continue to experience challenging conditions. Any further deterioration in the Australian or global economies may have an adverse effect on the financial position and performance of Vocus.

Further, the effect of these conditions on Vocus' ability to refinance its debt obligations, and the terms on which any such refinancing can be obtained, is uncertain. If these conditions result in Vocus being unable to refinance its debt obligations, or to do so on reasonable terms, this may have an adverse effect on the financial position and performance of Vocus.

The operational and financial performance and position of Vocus may be adversely affected by the worsening of general economic conditions in Australia, as well as international market conditions and related factors. It is also possible new risks might emerge as a result of markets experiencing extreme stress or existing risks may manifest themselves in ways that are not currently foreseeable.

Underwriting risk

Vocus has entered into an underwriting agreement under which an underwriter has agreed to fully underwrite the Entitlement Offer, subject to the terms and conditions of the underwriting agreement between the parties (the Underwriting Agreement). If certain conditions are not satisfied or certain events occur, the underwriter may terminate the Underwriting Agreement. Termination of the Underwriting Agreement would have an adverse impact on the amount of proceeds raised under the Entitlement Offer and Vocus' sources of funds for the Nextgen Acquisition. If the Underwriting Agreement is terminated, Vocus will not be entitled to terminate the sale and purchase agreement for the Nextgen Acquisition. In these circumstances, Vocus would need to find alternative funding to meet its contractual obligations. Termination of the Underwriting Agreement could materially adversely affect Vocus' business, cash flow, financial condition and results of operations.

The underwriter's obligations to underwrite the Entitlement Offer are conditional on certain matters. These matters include that the sale and purchase agreement for the Nextgen Acquisition has not been terminated, rescinded or varied in any material respect without the underwriter's consent. The Underwriting Agreement sets out various events, the occurrence of which will entitle the underwriter to terminate the Underwriting Agreement, including if:

- (i) Vocus ceases to be admitted to the official list of the ASX or its ordinary shares are suspended from trading or quotation;
- (ii) there are certain delays in the timetable for the Entitlement Offer without the underwriter's consent;

SHARE AND ENTITLEMENT VOCUS



OFFER RISKS (CONT'D).

Underwriting risk (Cont'd)

- (iv) any of the offer information documents (including this Investor Presentation, the ASX transaction announcement and the cleansing statement) omit certain material required by the Corporations Act, or contain a statement that is misleading or deceptive;
- (v) Vocus fails to perform any of its obligations under the Underwriting Agreement;
- (vi) Vocus contravenes its constitution, the Corporations Act or the Listing Rules;
- (vii) Vocus' directors commit certain offences; or
- (viii) there is a material adverse change in the assets, liabilities, financial position or prospects of Vocus or the Group (otherwise than as set out in the offer materials or otherwise disclosed to the ASX prior to the date of the Underwriting Agreement).

In some cases, the ability of the Underwriter to terminate the Underwriting Agreement will depend on whether the event has or is likely to have a materially adverse effect on the success or settlement of the Entitlement Offer, or the ability of the Underwriter to market or settle the Entitlement Offer.

Risk of renouncing retail entitlements under the Entitlement Offer

If a Vocus shareholder is an eligible shareholder, and they do not take up or sell their entitlements under the Entitlement Offer, then their entitlements will be treated as renounced and will be sold on their behalf in the retail bookbuild and any proceeds of sale of their entitlements will be paid to them. However, there is no guarantee that any value will be received for their renounced entitlement through the bookbuild process.

The ability to sell New Shares under the bookbuild and the ability to obtain any premium will be dependent upon various factors, including market conditions. Further, the bookbuild price may not be the highest price available, but will be determined having regard to a number of factors, including having binding and bona fide offers which, in the reasonable opinion of the underwriter, will, if accepted, result in acceptable allocations to clear the entire book.

To the maximum extent permitted by law, Vocus, the underwriter and the respective related bodies corporate, affiliates or the directors, officers, employees or advisers of any of them, will not be liable, including for negligence, for any failure to procure applications under the bookbuild at a price in excess of the offer price. If there is a retail premium achieved on the retail bookbuild, it may be less than, more than, or equal to any premium achieved on the institutional bookbuild. Accordingly, it is possible that retail shareholders who do not take up their entitlements will receive less value than their institutional counterparts, or no value at all.

Eligible shareholders should also note that if they do not take up all of their entitlement, then their percentage shareholding in Vocus will be diluted by not participating to the full extent in the Entitlement Offer.

Risk of selling or transferring retail entitlements under the Entitlement Offer

If a Vocus shareholder is an eligible retail shareholder and does not wish to take up their entitlements, they can sell them on ASX or transfer them to another person or entity other than on ASX during the entitlement trading period.

Prices obtainable for retail entitlements may rise and fall over the entitlement trading period and liquidity may vary. If an eligible retail shareholder sells or transfers their entitlements at one stage in the retail entitlement trading period they may receive a higher or lower price than a shareholder who sells or transfers their entitlements at a different stage in the retail entitlement trading period or through the retail shortfall bookbuild.

There is no guarantee that there will be a viable market during, or on any particular day in, the retail entitlement trading period, on which to sell retail entitlements on ASX. Eligible retail shareholders who wish to sell their entitlements may be unable to do so at an acceptable price, or at all, if insufficient liquidity exists in the market for entitlements.

Other risks

The above risks should not be taken as a complete list of the risks associated with an investment in Vocus. The risks outlined above and other risks not specifically referred to may in the future materially adversely affect the value of Vocus shares and their performance. Accordingly, no assurance or guarantee of future performance or profitability is given by Vocus in respect of Vocus shares.

APPENDIX C.

SELLING RESTRICTIONS.

SELLING RESTRICTIONS.



International Offer Restrictions

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

Canada (British Columbia, Ontario and Quebec provinces)

This document constitutes an offering of Entitlements and New Shares only in the Provinces of British Columbia, Ontario and Quebec (**the Provinces**) and to those persons to whom they may be lawfully distributed in the Provinces, and only by persons permitted to sell such securities. This document is not, and under no circumstances is to be construed as, an advertisement or a public offering of securities in the Provinces. This document may only be distributed in the Provinces to persons that are "accredited investors" within the meaning of NI 45-106 – *Prospectus and Registration Exemptions, of the Canadian Securities Administrators*.

No securities commission or similar authority in the Provinces has reviewed or in any way passed upon this document, the merits of the Entitlements or the New Shares or the offering of such securities and any representation to the contrary is an offence.

No prospectus has been, or will be, filed in the Provinces with respect to the offering of Entitlements or New Shares or the resale of such securities. Any person in the Provinces lawfully participating in the offer will not receive the information, legal rights or protections that would be afforded had a prospectus been filed and receipted by the securities regulator in the applicable Province. Furthermore, any resale of the Entitlements or the New Shares in the Provinces must be made in accordance with applicable Canadian securities laws which may require resales to be made in accordance with exemptions from dealer registration and prospectus requirements.

Vocus as well as its directors and officers may be located outside Canada and, as a result, it may not be possible for purchasers to effect service of process within Canada upon Vocus or its directors or officers. All or a substantial portion of the assets of Vocus and such persons may be located outside Canada and, as a result, it may not be possible to satisfy a judgment against Vocus or such persons in Canada or to enforce a judgment obtained in Canadian courts against Vocus or such persons outside Canada.

Any financial information contained in this document has been prepared in accordance with Australian Accounting Standards and also comply with International Financial Reporting Standards and interpretations issued by the International Accounting Standards Board.

Unless stated otherwise, all dollar amounts contained in this document are in Australian dollars.

Statutory rights of action for damages and rescission

Securities legislation in certain of the Provinces may provide purchasers with, in addition to any other rights they may have at law, rights of rescission or to damages, or both, when an offering memorandum that is delivered to purchasers contains a misrepresentation. These rights and remedies must be exercised within prescribed time limits and are subject to the defences contained in applicable securities legislation. Prospective purchasers should refer to the applicable provisions of the securities legislation of their respective Province for the particulars of these rights or consult with a legal adviser.

The following is a summary of the statutory rights of rescission or to damages, or both, available to purchasers in Ontario. In Ontario, every purchaser of the Entitlements or the New Shares purchased pursuant to this document (other than (a) a "Canadian financial institution" or a "Schedule III bank" (each as defined in NI 45-106), (b) the Business Development Bank of Canada or (c) a subsidiary of any person referred to in (a) or (b) above, if the person owns all the voting securities of the subsidiary, except the voting securities required by law to be owned by the directors of that subsidiary) shall have a statutory right of action for damages and/or rescission against Vocus if this document or any amendment thereto contains a misrepresentation. If a purchaser elects to exercise the right of action for rescission, the purchaser will have no right of action for damages against Vocus. This right of action for rescission or damages is in addition to and without derogation from any other right the purchaser may have at law. In particular, Section 130.1 of the Securities Act (Ontario) provides that, if this document contains a misrepresentation, a purchaser who purchases the Entitlements and the New Shares during the period of distribution shall be deemed to have relied on the misrepresentation if it was a misrepresentation at the time of purchase and has a right of action for damages or, alternatively, may elect to exercise a right of rescission against Vocus, provided that (a) Vocus will not be liable if it proves that the purchaser purchased such securities with knowledge of the misrepresentation; (b) in an action for damages, Vocus is not liable for all or any portion of the damages that Vocus proves does not represent the depreciation in value of such securities as a result of the misrepresentation relied upon; and (c) in no case shall the amount recoverable exceed the price at which such securities were offered.

Section 138 of the *Securities Act* (Ontario) provides that no action shall be commenced to enforce these rights more than (a) in the case of any action for rescission, 180 days after the date of the transaction that gave rise to the cause of action; or (b) in the case of any action, other than an action for rescission, the earlier of (i) 180 days after the purchaser first had knowledge of the fact giving rise to the cause of action or (ii) three years after the date of the transaction that gave rise to the cause of action. These rights are in addition to and not in derogation from any other right the purchaser may have.

SELLING RESTRICTIONS.



Certain Canadian income tax considerations. Prospective purchasers of the Entitlements and the New Shares should consult their own tax adviser with respect to any taxes payable in connection with the acquisition, holding or disposition of such securities as any discussion of taxation related matters in this document is not a comprehensive description and there are a number of substantive Canadian tax compliance requirements for investors in the Provinces.

Language of documents in Canada. Upon receipt of this document, each investor in Canada hereby confirms that it has expressly requested that all documents evidencing or relating in any way to the sale of the New Shares (including for greater certainty any purchase confirmation or any notice) be drawn up in the English language only. *Par la réception de ce document, chaque investisseur canadien confirme par les présentes qu'il a expressément exigé que tous les documents faisant foi ou se rapportant de quelque manière que ce soit à la vente des valeurs mobilières décrites aux présentes (incluant, pour plus de certitude, toute confirmation d'achat ou tout avis) soient rédigés en anglais seulement.*

European Economic Area – Germany, Luxembourg and Netherlands

The information in this document has been prepared on the basis that all offers of Entitlements and New Shares will be made pursuant to an exemption under the Directive 2003/71/EC (**Prospectus Directive**), as amended and implemented in Member States of the European Economic Area (each, a **Relevant Member State**), from the requirement to publish a prospectus for offers of securities.

An offer to the public of Entitlements and New Shares has not been made, and may not be made, in a Relevant Member State except pursuant to one of the following exemptions under the Prospectus Directive as implemented in the Relevant Member State:

- to any legal entity that is authorized or regulated to operate in the financial markets or whose main business is to invest in financial instruments;
- to any legal entity that satisfies two of the following three criteria: (i) balance sheet total of at least €20,000,000; (ii) annual net turnover of at least €40,000,000 and (iii) own funds of at least €2,000,000 (as shown on its last annual unconsolidated or consolidated financial statements);
- to any person or entity who has requested to be treated as a professional client in accordance with the EU Markets in Financial Instruments Directive (Directive 2004/39/EC, MiFID); or
- to any person or entity who is recognised as an eligible counterparty in accordance with Article 24 of the MiFID.

France

This document is not being distributed in the context of a public offering of financial securities (*offre au public de titres financiers*) in France within the meaning of Article L.411-1 of the French Monetary and Financial Code (*Code monétaire et financier*) and Articles 211-1 et seq. of the General Regulation of the French Autorité des marchés financiers (**AMF**). The Entitlements and the New Shares have not been offered or sold and will not be offered or sold, directly or indirectly, to the public in France.

This document and any other offering material relating to the Entitlements and the New Shares have not been, and will not be, submitted to the AMF for approval in France and, accordingly, may not be distributed (directly or indirectly) to the public in France. Such offers, sales and distributions have been and shall only be made in France to qualified investors (*investisseurs qualifiés*) acting for their own account, as defined in and in accordance with Articles L.411-2-II-2, D.411-1, L.533-16, L.533-20, D.533-11, D.533-13, D.744-1, D.754-1 and D.764-1 of the French Monetary and Financial Code and any implementing regulation.

Pursuant to Article 211-3 of the General Regulation of the AMF, investors in France are informed that the Entitlements and the New Shares cannot be distributed (directly or indirectly) to the public by the investors otherwise than in accordance with Articles L.411-1, L.411-2, L.412-1 and L.621-8 to L.621-8-3 of the French Monetary and Financial Code.

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). No action has been taken in Hong Kong to authorise or register this document or to permit the distribution of this document or any documents issued in connection with it. Accordingly, the Entitlements and the New Shares have not been and will not be offered or sold in Hong Kong other than to "professional investors" (as defined in the SFO).

No advertisement, invitation or document relating to the Entitlements and 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 Entitlements and the New Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors (as defined in the SFO and any rules made under that ordinance). No person allotted Entitlements or 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.

SELLING RESTRICTIONS.



Japan

The Entitlements and the New Shares have not been and will not be registered under Article 4, paragraph 1 of the Financial Instruments and Exchange Law of Japan (Law No. 25 of 1948), as amended (the **FIEL**) pursuant to an exemption from the registration requirements applicable to a private placement of securities to Qualified Institutional Investors (as defined in and in accordance with Article 2, paragraph 3 of the FIEL and the regulations promulgated thereunder). Accordingly, the Entitlements and the New Shares may not be offered or sold, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan other than Qualified Institutional Investors. Any Qualified Institutional Investor who acquires Entitlements or New Shares may not resell them to any person in Japan that is not a Qualified Institutional Investor, and acquisition by any such person of Entitlements or New Shares is conditional upon the execution of an agreement to that effect.

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 Entitlements and the New Shares in the entitlement offer are not being offered to the public within New Zealand other than to existing shareholders of Vocus with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the transitional provisions of the FMC Act and the Securities Act (Overseas Companies) Exemption Notice 2013.

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.

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. 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 of 2007.

The Entitlements and the New Shares may not be offered or sold, directly or indirectly, in Norway except to "professional clients" (as defined in Norwegian Securities Regulation of 29 June 2007 no. 876 and including non-professional clients having met the criteria for being deemed to be professional and for which an investment firm has waived the protection as non-professional in accordance with the procedures in this regulation).

Singapore

This document and any other materials relating to the Entitlements and 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 Entitlements and New Shares, may not be issued, circulated or distributed, nor may the Entitlements and 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 XIII of the Securities and Futures Act, Chapter 289 of Singapore (the **SFA**), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

This document has been given to you on the basis that you are (i) an existing holder of Vocus shares, (ii) an "institutional investor" (as defined in the SFA) or (iii) a "relevant person" (as defined in section 275(2) of the SFA). In the event that you are not an investor falling within any of the categories set out above, 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 Entitlements or the New Shares being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire Entitlements or New Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

SELLING RESTRICTIONS.



Sweden

This document has not been, and will not be, registered with or approved by Finansinspektionen (the Swedish Financial Supervisory Authority). Accordingly, this document may not be made available, nor may the Entitlements or the New Shares be offered for sale in Sweden, other than under circumstances that are deemed not to require a prospectus under the Swedish Financial Instruments Trading Act (1991:980) (Sw. lag (1991:980) *om handel med finansiella instrument*). Any offering of Entitlements or New Shares in Sweden is limited to persons who are "qualified investors" (as defined in the Financial Instruments Trading Act). Only such investors may receive this document and they may not distribute it or the information contained in it to any other person.

Switzerland

The Entitlements and the New Shares may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange (**SIX**) or on any other stock exchange or regulated trading facility in Switzerland. This document has been prepared without regard to the disclosure standards for issuance prospectuses under art. 652a or art. 1156 of the Swiss Code of Obligations or the disclosure standards for listing prospectuses under the SIX Listing Rules or the listing rules of any other stock exchange or regulated trading facility in Switzerland. Neither this document nor any other offering or marketing material relating to the Entitlements and the New Shares may be publicly distributed or otherwise made publicly available in Switzerland. These securities will only be offered to regulated financial intermediaries such as banks, securities dealers, insurance institutions and fund management companies as well as institutional investors with professional treasury operations.

Neither this document nor any other offering or marketing material relating to the Entitlements and the New Shares have been or will be filed with or approved by any Swiss regulatory authority. In particular, this document will not be filed with, and the offer of Entitlements and New Shares will not be supervised by, the Swiss Financial Market Supervisory Authority (**FINMA**).

This document is personal to the recipient only and not for general circulation in Switzerland.

United Arab Emirates

Neither this document nor the Entitlements and the New Shares have been approved, disapproved or passed on in any way by the Central Bank of the United Arab Emirates, the Emirates Securities and Commodities Authority or any other governmental authority in the United Arab Emirates, nor has Vocus received authorization or licensing from the Central Bank of the United Arab Emirates, the Emirates Securities and Commodities Authority or any other governmental authority in the United Arab Emirates to market or sell the Entitlements or the New Shares within the United Arab Emirates. No marketing of any financial products or services may be made from within the United Arab Emirates and no subscription to any financial products or services may be consummated within the United Arab Emirates. This document does not constitute and may not be used for the purpose of an offer or invitation. No services relating to the Entitlements or the New Shares, including the receipt of applications and/or the allotment or redemption of such securities, may be rendered within the United Arab Emirates by Vocus.

No offer or invitation to subscribe for Entitlements or New Shares is valid in, or permitted from any person in, the Dubai International Financial Centre.

United Kingdom

Neither the information in 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 Entitlements or the New Shares.

This document is issued on a confidential basis to "qualified investors" (within the meaning of section 86(7) of the FSMA) in the United Kingdom, and these securities may not be offered or sold in the United Kingdom by means of this document, any accompanying letter or any other document, except in circumstances which do not require the publication of a prospectus pursuant to section 86(1) of the FSMA. This document should not be distributed, published 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 Entitlements or 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 Vocus.

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 investments to which this document relates are available only to, and any invitation, offer or agreement to purchase will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this document or any of its contents.

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