

Retail Entitlement Offer

Details of a fully underwritten 1 for 3.52 non-renounceable pro rata retail entitlement offer of ordinary shares in CSG Limited at an offer price of A\$0.185 per new share

Last date for acceptance and payment: 5:00pm (AEST) on Thursday 6 September 2018

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This is an important document which is accompanied by an Entitlement and Acceptance Form and both should be read in their entirety. Please call your professional adviser or the CSG Offer Information Line if you have any queries

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Corporate Directory

Issuer

CSG Limited
ABN 64 123 989 631
Level 1, 357 Collins Street
Melbourne VIC 3000

Registry

Computershare Investor Services Pty Limited
452 Johnston Street
Abbotsford VIC 3067

Website

www.csg.com.au



Business Technology Made Easy

23 August 2018

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Dear Shareholder

CSG Limited Accelerated Non-Renounceable Pro Rata Entitlement Offer

On behalf of CSG Limited ('**CSG**'), I am pleased to invite you to participate in a 1 for 3.52 accelerated non-renounceable pro rata entitlement offer of fully paid ordinary shares in CSG ('**New Shares**') at an offer price of \$0.185 per New Share ('**Entitlement Offer**').

On Tuesday 21 August 2018, CSG announced its intention to raise approximately \$18.0 million through the Entitlement Offer, of which approximately \$12.3 million will be raised through the institutional component of the Entitlement Offer ('**Institutional Entitlement Offer**') and approximately \$5.7 million will be raised through the retail component of the Entitlement Offer ('**Retail Entitlement Offer**'). This Retail Offer Booklet relates to the Retail Entitlement Offer.

The Entitlement Offer will be fully underwritten by two of CSG's major shareholders, Caledonia (Private) Investments Pty Ltd and TDM Asset Management Pty Ltd ('**Underwriters**'). Each Underwriter will also be taking up its entitlement to New Shares under the Institutional Entitlement Offer in full. Ord Minnett Limited ('**Ord Minnett**') is acting as sole lead manager to the Entitlement Offer.

CSG intends to use the net proceeds of the Entitlement Offer to pay down its existing debt facility and fund acquisition earn-out payments, restructuring costs and general working capital requirements.

The Retail Entitlement Offer entitles CSG's retail shareholders with a registered address in Australia or New Zealand ('**Eligible Retail Shareholders**') to subscribe for 1 New Share for every 3.52 fully paid ordinary shares in CSG ('**CSG Shares**') held at 7.00pm (AEST) on the Record Date of Thursday 23 August 2018 ('**Entitlement**'). The offer price of \$0.185 per New Share is the same price paid under the Institutional Entitlement Offer, and represents a discount of approximately 24.5% to the closing price of CSG Shares on Monday 20 August 2018 (being the last trading day before the equity raising was announced).

You will find enclosed in this Retail Offer Booklet details on how to participate in the Retail Entitlement Offer, if you choose to do so. This Retail Offer Booklet also includes a timetable of key dates, important legal information, and a copy of the Investor Presentation that was released to the ASX on Tuesday 21 August 2018 providing further information on CSG, the Entitlement Offer and key risks for you to consider.

In addition, your personalised Entitlement and Acceptance Form which details your Entitlement accompanies this Retail Offer Booklet.

If you are an Eligible Retail Shareholder, you can choose one of the following options:

- take up all of your Entitlement;
- take up part of your Entitlement; or
- do nothing and allow your Entitlement to lapse.

Eligible Retail Shareholders who take up all of their Entitlement may also apply for New Shares in excess of their Entitlement. Allocation of New Shares in excess of your Entitlement is at CSG's discretion and scale-back may apply.

The Retail Entitlement Offer is not renounceable and therefore your Entitlement will not be tradeable on the ASX or otherwise. This means that Eligible Retail Shareholders who do not take up their Entitlement will not receive any value for those entitlements and their proportionate economic interest in CSG will be diluted.

The Retail Entitlement Offer is not open to CSG's retail shareholders with a registered address outside Australia or New Zealand ('**Ineligible Retail Shareholders**'). However, with the approval of ASIC, CSG has appointed Ord Minnett as nominee for the purposes of section 615 of the Corporations Act in respect of Ineligible Retail Shareholders, and will issue to Ord Minnett the rights to acquire those New Shares that Ineligible Retail Shareholders would have otherwise been entitled to apply for under the Retail Entitlement Offer and Ord Minnett will offer those rights to Institutional Investors who participate in the shortfall bookbuild in respect of the Institutional Entitlement Offer. Ineligible Retail Shareholders should note that none of CSG, Ord Minnett or the Underwriters are acting as their agent for the purposes of the Retail Entitlement Offer, and there is no guarantee that Ineligible Retail Shareholders will receive any proceeds from Ord Minnett under section 615 of the Corporations Act.

The Retail Entitlement Offer closes at 5.00pm (AEST) on Thursday 6 September 2018.

To participate in the Retail Entitlement Offer, you must apply for New Shares on or before this date, otherwise your Entitlement will lapse.

Further details on how to submit your application are set out in this Retail Offer Booklet. If you have any questions in respect of the Retail Entitlement Offer, please call the CSG Offer Information Line on 1300 850 505 (local call cost from within Australia) or +61 3 9415 4000 (from outside Australia) at any time between 8.30am and 5.00pm (AEST) Monday to Friday. Alternatively, consult your stockbroker, accountant or other independent professional adviser.

On behalf of the board of CSG, I encourage you to consider this investment opportunity and thank you for your continued support of CSG.

Mark Bayliss
Executive Chairman
CSG Limited

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The letter is not a prospectus and does not form part of any offer, invitation or recommendation in respect of securities, or an offer, invitation or recommendation to sell, or a solicitation of an offer to buy, securities in the United States or in any other jurisdiction in which, or to any person to whom, such an offer would be illegal. The distribution of this letter outside Australia and New Zealand may be restricted by law. Persons who come into possession of information in this letter who are not in Australia or New Zealand should seek independent advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

2 Summary of Offer and Key Dates

2.1 Summary of Entitlement Offer

| | |
|---|--|
| Offer Ratio | 1 New Share for every 3.52 existing CSG Shares |
| Offer Price | \$0.185 per New Share |
| Number of New Shares to be issued under Retail Entitlement Offer | Approximately 31.0 million |
| Number of New Shares to be issued under Institutional Entitlement Offer | Approximately 66.3 million |
| Total number of New Shares to be issued under Entitlement Offer | Approximately 97.3 million |
| Gross Proceeds of Retail Entitlement Offer | Approximately \$5.7 million |
| Gross Proceeds of Institutional Entitlement Offer | Approximately \$12.3 million |
| Total Gross Proceeds of Entitlement Offer | Approximately \$18.0 million |

2.2 Key Entitlement Offer Dates

| | |
|--|-------------------------------------|
| Announcement of the Entitlement Offer | Tuesday 21 August 2018 |
| Record Date for determining Entitlement to subscribe for New Shares under Retail Entitlement Offer | 7:00pm on Thursday 23 August 2018 |
| Institutional Entitlement Offer settlement date | Monday 27 August 2018 |
| New Shares issued under Institutional Entitlement Offer allotted and commence trading on ASX on a normal settlement basis | Tuesday 28 August 2018 |
| Retail Entitlement Offer opens | Tuesday 28 August 2018 |
| Retail Entitlement Offer closes | 5:00pm on Thursday 6 September 2018 |
| Results of Retail Entitlement Offer announced | Tuesday 11 September 2018 |
| Retail Entitlement Offer settlement date | Thursday 13 September 2018 |
| New Shares issued under Retail Entitlement Offer allotted and expected to commence trading on ASX on a normal settlement basis | Friday 14 September 2018 |
| Despatch of holding statements for New Shares issued under Retail Entitlement Offer | Monday 17 September 2018 |

Subject to the Corporations Act, ASX Listing Rules and other applicable laws, CSG reserves the right to vary the times and dates of the Entitlement Offer, including extending the Entitlement Offer or accepting late applications, either generally or in particular cases, without notice. You cannot, in most circumstances, withdraw your application once it has been accepted.

All times and dates refer to AEST.

Enquiries

If you have any questions, please call the CSG Offer Information Line on 1300 850 505 (local call cost from within Australia) or +61 3 9415 4000 (from outside Australia) at any time between 8.30am and 5.00pm (AEST) Monday to Friday during the offer period. Alternatively, consult your stockbroker, accountant or other independent professional adviser.

You may also download a copy of your Entitlement and Acceptance Form from www.csg.com.au by following the link. To use this facility you will need internet access and your Holder Identification Number or Securityholder Reference Number to pass the security features on the website.

3.1 Please read carefully this Retail Offer Booklet, which includes the Chairman's Letter, Important Information and Investor Presentation previously made available by CSG

The 1 for 3.52 accelerated non-renounceable pro rata entitlement offer ('**Entitlement Offer**') to subscribe for ordinary shares of CSG Limited (CSG) ('**New Shares**') is being made under section 708AA of the *Corporations Act 2001* (Cth) ('**Corporations Act**') as notionally modified by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84 ('**ASIC Instrument**'), which allows pro rata rights issues to be offered by providing certain confirmations to the market without the need for a prospectus.

Before accepting your entitlement of New Shares ('**Entitlement**'), you should carefully read and understand the publicly available information relating to CSG and the Entitlement Offer, including the attached materials, CSG's annual reports and other announcements that have been made available at www.csg.com.au or www.asx.com.au.

3.2 Consider the Entitlement Offer in light of your particular investment objectives and circumstances

If you have any queries or are uncertain about any aspect of the Entitlement Offer, consult with your stockbroker, accountant or other independent professional adviser.

Please ensure that you review carefully the 'Key Risks' section of the attached Investor Presentation.

3.3 Overview of the Retail Entitlement Offer

Under the Entitlement Offer, Eligible Retail Shareholders (as defined in section 4) are entitled to apply for 1 New Share at a price of A\$0.185 per New Share ('**Offer Price**') for every 3.52 CSG Shares held at the Record Date subject to the terms of the Entitlement Offer ('**Retail Entitlement Offer**'). This is called your Entitlement. The ratio and price under the Retail Entitlement Offer are equal to the ratio and price for the issue of New Shares under the Institutional Entitlement Offer (being the offer of Entitlements to certain institutional investors who are Shareholders at the Record Date).

Eligible Retail Shareholders who take up all of their Entitlement may also apply for New Shares in excess of their Entitlement ('**Additional New Shares**'). Note that New Shares in excess of Entitlements will only be allocated to Eligible Retail Shareholders if, and to the extent that CSG so determines, in its absolute discretion, having regard to circumstances as at the time of the close of the Retail Entitlement Offer.

The total number of Additional New Shares available for subscription by the Eligible Retail Shareholders will be limited to the number of New Shares that are not taken up by Eligible Retail Shareholders under the Retail Entitlement Offer and the number of New Shares that would have been offered to Ineligible Retail Shareholders if they had been entitled to participate in the Retail Entitlement Offer. CSG may apply any scale-back in its absolute discretion.

Your Entitlement is set out in the accompanying personalised Entitlement and Acceptance Form that accompanies this Retail Offer Booklet which has been sent to each Eligible Retail Shareholder. Where fractions arise in the calculation of Entitlements, they will be rounded up to the next whole number of New Shares.

3.4 Your options

If you are an Eligible Retail Shareholder you may choose one of the following options:

- (a) take up all of your Entitlement (see section 3.6);
- (b) take up part of your Entitlement (see section 3.7); or
- (c) do nothing and allow your Entitlement to lapse (see section 3.8).

Eligible Retail Shareholders who take up all of their Entitlement may also apply for Additional New Shares in excess of their Entitlement.

3.5 Complete the accompanying Entitlement and Acceptance Form

If you are an Eligible Retail Shareholder and you decide to participate in the Retail Entitlement Offer, you may do so by completing and returning the Entitlement and Acceptance Form and attaching payment by following the instructions set out on the Entitlement and Acceptance Form (see below for more details).

Alternatively, you may participate by making payment via BPAY¹ in accordance with the instructions set out on the personalised Entitlement and Acceptance Form (which includes the biller code and your unique customer reference number).

If you take no action you will not be allocated any New Shares and your Entitlement will lapse. Your Entitlement to participate in the Retail Entitlement Offer is non-renounceable and will not be tradeable or otherwise transferable. Shareholders who do not take up their Entitlements in full will not receive any payment or value for those Entitlements they do not take up and will have their proportionate economic interest in CSG diluted.

If you are an Eligible Retail Shareholder and you take up and pay for all or part of your Entitlement before the close of the Retail Entitlement Offer at 5.00pm (AEST) on Thursday 6 September 2018, you will be allotted your New Shares on Friday 14 September 2018. Note that CSG reserves the right to change dates in relation to the Entitlement Offer. If you apply for Additional New Shares then, subject to CSG's absolute discretion to scale-back your application for Additional New Shares (in whole or part), you will be issued these on Friday 14 September 2018. CSG's decision on the number of New Shares to be allocated to you will be final.

CSG also reserves the right (in its absolute discretion) to reduce the number of New Shares allocated to Eligible Retail Shareholders, or persons claiming to be Eligible Retail Shareholders, if their claims prove to be overstated or otherwise incorrect or if they fail to provide information to substantiate their claims.

3.6 Acceptance of the Retail Entitlement Offer in full

The method of acceptance of the Retail Entitlement Offer will depend on your method of payment being:

- (a) by cheque, bank draft or money order; or
- (b) by BPAY.

To participate in the Retail Entitlement Offer, your payment must be received by no later than the close of the Retail Entitlement Offer, at 5.00pm (AEST) on Thursday 6 September 2018.

¹ ®Registered to BPAY Pty Ltd ABN 69 079 137 518

By returning a completed Entitlement and Acceptance Form and attaching payment, or making a payment by BPAY, you will have deemed to have represented that you are an Eligible Retail Shareholder (as defined in section 4).

CSG reserves the right to reject any application that it believes comes from a person who is not an Eligible Retail Shareholder.

(a) Payment by cheque, bank draft or money order

For payment by cheque, bank draft or money order, you should complete your personalised Entitlement and Acceptance Form in accordance with the instructions on the form and return it accompanied by a cheque, bank draft or money order in Australian currency for the amount of your application monies, payable to "CSG Limited" and crossed "Not Negotiable."

Your cheque, bank draft or money order must be:

- (i) for an amount equal to \$0.185 multiplied by the number of New Shares (including Additional New Shares) that you are applying for; and
- (ii) in Australian currency drawn on an Australian branch of a financial institution.

You should ensure that sufficient funds are held in relevant account(s) to cover the application monies. If the amount of your cheque for application monies (or the amount for which the cheque clears in time for allocation) is insufficient to pay in full for the number of New Shares (including Additional New Shares) you have applied for in your Entitlement and Acceptance Form, you will be taken to have applied for such lower number of whole New Shares (including Additional New Shares) as your cleared application monies will pay for (and to have specified that number of New Shares (including Additional New Shares) on your Entitlement and Acceptance Form). Alternatively, your application will not be accepted.

Any application monies received for more than your final allocation of New Shares (including Additional New Shares) (only where the amount is A\$1.00 or greater) will be refunded as soon as practicable following allotment of New Shares. No interest will be paid to applicants on any application monies received or refunded.

Cash payments will not be accepted. Receipts for payment will not be issued.

Shareholders who make payment via cheque, bank draft or money order should mail their completed personalised Entitlement and Acceptance Form together with application monies to:

Computershare Investor Services Pty Limited

GPO Box 505

MELBOURNE VIC 3001

You do not have to pay any brokerage or other transaction costs to subscribe for New Shares.

(b) Payment by BPAY

For payment by BPAY, please follow the instructions on the personalised Entitlement and Acceptance Form (which includes the biller code and your unique customer reference number). You can only make a payment via BPAY if you are the holder of an account with an Australian financial institution that supports BPAY transactions.

Please note that should you choose to pay by BPAY:

- (i) you do not need to submit the personalised Entitlement and Acceptance Form but are taken to make each of the statements and representations on that form; and
- (ii) if you subscribe for less than your Entitlement or do not pay for your full Entitlement, you are taken to have taken up your Entitlement in respect of such whole number of New Shares which is covered in full by your application monies.

It is your responsibility to ensure that your BPAY payment is received by the Registry by no later than 5.00pm (AEST) on Thursday 6 September 2018. You should be aware that your financial institution may implement earlier cut-off times with regards to electronic payment, and you should therefore take this into consideration when making payment.

Please make sure to use the specific biller code and unique customer reference number on your Entitlement and Acceptance Form. If you received more than one personalised Entitlement and Acceptance Form, you will need to complete individual BPAY transactions using the customer reference number specific to each individual personalised Entitlement and Acceptance Form that you receive. If you inadvertently use the same customer reference number for more than one of your Entitlements, you will be deemed to have applied for only your Entitlement to which that customer reference number applies and any excess amount will be refunded.

Any application monies received for more than your final allocation of New Shares (including Additional New Shares) (only where the amount is A\$1.00 or greater) will be refunded as soon as practicable following the allotment of New Shares. No interest will be paid to Applicants on any application monies received or refunded.

3.7 Partial acceptance of Retail Entitlement Offer

If you wish to take up part of your Entitlement, complete the Entitlement and Acceptance Form for the number of New Shares you wish to apply for, and follow the other steps outlined in section 3.6.

3.8 If you wish to do nothing and allow your Entitlement to lapse

If you do not wish to take up your Entitlement you can simply do nothing.

If you have not completed your personalised Entitlement and Acceptance Form and it has not been received by the Registry at the address above, or alternatively you have not made a payment through BPAY, by 5.00pm (AEST) on the Retail Entitlement Offer close date of Thursday 6 September 2018, you will be deemed to have allowed your Entitlement to lapse.

3.9 Nominees

The Retail Entitlement Offer is only being made to Eligible Retail Shareholders. CSG is not required to determine whether or not any registered holder is acting as a nominee or the identity or residence of any beneficial owners of existing shares in CSG. Where any holder is acting as a nominee for a foreign person, that holder, in dealing with its beneficiary, will need to assess whether indirect participation by the beneficiary in the Retail Entitlement Offer is compliant with all applicable foreign laws. Any person in the United States or any person that is or is acting for the account or benefit of a U.S. Person with a holding through a nominee may not participate in the Retail Entitlement Offer and the nominee must not take up any Entitlement or send any materials into the United States or to any person it

knows to be a U.S. Person. CSG does not express any opinion on the application of any foreign laws to the Retail Entitlement Offer.

3.10 When will I receive my New Shares?

It is currently expected that the New Shares will be issued and will commence trading on ASX on a normal settlement basis on Friday 14 September 2018 and that confirmation of that issue of the New Shares will be despatched on Monday 17 September 2018.

It is the responsibility of each applicant applying for New Shares to confirm their holding before trading in those New Shares. Any person who sells New Shares before receiving confirmation of their holding in the form of their confirmation statement will do so at their own risk.

CSG and the Registry disclaim all liability, whether in negligence or otherwise, to any person who trades in New Shares before receiving their confirmation statement.

To avoid postal delay in receiving your confirmation statement, we recommend you check your holding online at www.investorcentre.com. To use this facility, you will need internet access and your Holder Identification Number or Securityholder Reference Number to pass the security features on the website.

3.11 Brokerage and stamp duty

No brokerage fee is payable by Eligible Retail Shareholders who accept their Entitlement, and no stamp duty will be payable by Eligible Retail Shareholders who subscribe for New Shares under the Entitlement Offer.

This Retail Offer Booklet and the accompanying information (together the '**Information**') have been prepared by CSG. No party other than CSG has authorised or caused the issue of this Information, or takes responsibility for, or makes any statements, representations or undertakings in this Information. CSG, the Underwriters and each of their respective affiliates, officers, employees agents and advisors, to the maximum extent permitted by law, expressly disclaim all liabilities, including, without limitation, liability for negligence in respect of, make no representations regarding, and take no responsibility for, any part of the Information and make no representation or warranty, express or implied, as to the currency, accuracy, reliability or completeness of information in this document. No person other than CSG is authorised to give any information or make any representation in connection with the Entitlement Offer which is not contained in the Information. Any information or representation not so contained may not be relied upon as being authorised by CSG or any person associated with it in connection with the Entitlement Offer.

You should read this Information carefully and in its entirety before deciding to invest in New Shares. In particular, you should consider the risk factors outlined in the attached Investor Presentation, any of which could affect the operating and financial performance of CSG or the value of an investment in CSG.

Past performance information given in this Information is provided for illustrative purposes only and should not be relied upon as (and is not) an indication of future performance.

The Underwriters have not authorised, permitted or caused the issue, lodgement, submission, dispatch or provision of this Retail Offer Booklet and do not make or purport to make any statement in this Retail Offer Booklet and there is no statement in this Retail Offer Booklet which is based on any statement by the Underwriters.

4.1 Not investment advice

The Entitlement Offer to which this Information relates is being made in reliance on section 708AA of the Corporations Act as notionally modified by the ASIC Instrument.

The Information is not a prospectus, product disclosure statement or disclosure document under the Corporations Act and has not been lodged with the Australian Securities and Investments Commission ('**ASIC**'). It is also not financial product advice and has been prepared without taking into account your investment objectives, financial circumstances or particular needs. CSG is not licensed to provide financial product advice in respect of the New Shares.

The Information does not purport to contain all the information that you may require to evaluate a possible application for New Shares and does not take into account the investment objectives, financial situation or needs of you or any particular investor. This Retail Offer Booklet should be read in conjunction with CSG's other periodic statements and continuous disclosure announcements lodged with ASX. You should conduct your own independent review, investigation and analysis of CSG Shares, and should obtain any professional advice you require to evaluate the merits and risks of an investment in CSG before making any investment decision based on your investment objectives.

You should consider the 'Key Risks' section of the attached Investor Presentation.

4.2 Eligible Retail Shareholders

Eligible Retail Shareholders means a Shareholder who:

- (a) as at the Record Date, has a registered address in Australia or New Zealand or, if an Institutional Investor, a jurisdiction to which the Institutional Entitlement Offer is extended;

- (b) is not in the United States or a U.S. Person or a person acting for the account or benefit of a U.S. Person;
- (c) is not an Ineligible Institutional Shareholder; and
- (d) is not an Eligible Institutional Shareholder, or is an Eligible Institutional Shareholder who has not lodged a valid application under the Institutional Entitlement Offer and whom CSG and the Underwriters have agreed may participate in the Retail Entitlement Offer.

4.3 Ineligible Retail Shareholders

CSG has decided that it is unreasonable to make offers under the Retail Entitlement Offer to Shareholders who have a registered address outside Australia or New Zealand, having regard to the number of such Shareholders in those places, the number and value of the New Shares that they would be offered to such Shareholders, and the cost of complying with the relevant legal and regulatory requirements in those places. Accordingly, the Retail Entitlement Offer is only available to Eligible Retail Shareholders.

The following arrangements will apply in respect of Ineligible Retail Shareholders:

- (a) ASIC has approved the appointment of Ord Minnett Limited ('**Ord Minnett**') by CSG for the purposes of section 615 of the Corporations Act in respect of Ineligible Retail Shareholders.
- (b) CSG will issue to Ord Minnett the rights to acquire the New Shares that would otherwise have been issued to Ineligible Retail Shareholders under the Retail Entitlement Offer ('**Ineligible Retail Shareholder Rights**').
- (c) Ord Minnett will offer those rights to Institutional Investors who participate in the shortfall bookbuild in respect of the Institutional Entitlement Offer.
- (d) As the Entitlement Offer is non-renounceable, it is not expected that Ord Minnett will raise any proceeds from the offer of Ineligible Retail Shareholder Rights as described in paragraph 4.3(c) above. However should Ord Minnett raise any proceeds from the offer of Ineligible Retail Shareholder Rights, it will transfer those proceeds, net of expenses, to the Registry which will distribute to each Ineligible Retail Shareholder their proportion of such net proceeds.

Ineligible Retail Shareholders should note that none of CSG, Ord Minnett or the Underwriters are acting as their agent for the purposes of the Retail Entitlement Offer, and there is no guarantee that Ineligible Retail Shareholders will receive any proceeds from Ord Minnett under section 615 of the Corporations Act.

4.4 Additional New Shares

Eligible Retail Shareholders may also apply for Additional New Shares in excess of their Entitlement. Any Additional New Shares will only be allocated to Eligible Retail Shareholders if and to the extent that CSG so determines, in its absolute discretion, having regard to circumstances as at the time of the close of the Retail Entitlement Offer. The total number of Additional New Shares available for subscription by the Eligible Retail Shareholders will be limited to the number of New Shares that are not taken up by Eligible Retail Shareholders under the Retail Entitlement Offer and the number of New Shares that would have been offered to Ineligible Retail Shareholders if they had been entitled to participate in the Retail Entitlement Offer. CSG may apply any scale-back in its absolute discretion.

If you apply for Additional New Shares then, subject to CSG's absolute discretion to scale-back your application for Additional New Shares (in whole or part), you will be issued these

on Friday 14 September 2018. CSG's decision on the number of New Shares to be allocated to you will be final.

4.5 No Cooling-off rights

Cooling-off rights do not apply to an investment in New Shares. You cannot, in most circumstances, withdraw your application once it has been accepted.

4.6 No Entitlements trading

Entitlements are non-renounceable and will not be tradeable on the ASX or otherwise.

4.7 Ranking of New Shares

All New Shares will be fully paid and rank equally with all other CSG Shares on issue.

4.8 Capital Structure following Entitlement Offer

Subject to the rounding up of fractional entitlements (see section 4.17), the capital structure of CSG following the issue of New Shares under the Entitlement Offer is expected to be as follows:

| | |
|---|-------------|
| CSG Shares on issue as at 5:00pm on Monday 20 August 2018 (the last trading day before the announcement of the Entitlement Offer) | 342,608,057 |
| Approximate number of New Shares issued under the Entitlement Offer | 97,297,298 |
| Approximate total number of CSG Shares on issue after Entitlement Offer | 439,905,355 |

4.9 Risks

There are a number of risks associated with an investment in CSG. You should carefully review the 'Key Risks' section of the attached Investor Presentation before deciding whether or not to take up all or part of your Entitlement.

4.10 Offer jurisdictions

This Information is being sent to all Shareholders as at 7.00pm (AEST) on Thursday 23 August 2018 with an address on the share register in Australia or New Zealand.

This Information does not constitute an offer of securities in any jurisdiction in which it would be unlawful. This Information has not been, and will not be, approved by or lodged with ASIC or its equivalent regulatory bodies in New Zealand, the United States of America or any other jurisdiction. It has been made available for information purposes only and does not constitute: (i) in respect of Australia, a prospectus, short form prospectus, profile statement or offer information statement as those terms are defined in the Corporations Act; (ii) in respect of New Zealand, an investment statement or prospectus under New Zealand law; or (iii) in respect of the United States, a prospectus under the United States Securities Act of 1933 (as amended).

This Retail Offer Booklet does not form part of any offer, invitation or recommendation in respect of securities, or an offer, invitation or recommendation to sell, or a solicitation of an offer to buy, securities in the United States or in any other jurisdiction in which such an offer would be illegal, or to any person to whom, such an offer would be illegal. The New Shares have not been approved or disapproved by the United States Securities and Exchange Commission or by any state securities commission or regulatory authority in the United States, nor have any of the foregoing authorities or any Australian or New Zealand

securities commission or other regulatory authority passed on the accuracy or adequacy of this Retail Offer Booklet.

The distribution of this Retail Offer Booklet outside Australia and New Zealand may be restricted by law. Persons who come into possession of information in this Retail Offer Booklet who are not in Australia or New Zealand should seek independent advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

4.11 Lead Manager

Ord Minnett is acting as sole lead manager to the Entitlement Offer, and will receive a management fee equal to 2.5% of the gross proceeds raised by CSG under the Entitlement Offer.

4.12 Underwriting

The Entitlement Offer is fully underwritten. The obligations of each Underwriter under the underwriting agreement are several (rather than joint and several), and the Underwriters must underwrite the Entitlement Offer in their respective proportions, namely:

- (a) in respect of Caledonia (Private) Investments Pty Ltd, 82%; and
- (b) in respect of TDM Asset Management Pty Ltd ('TDM'), 18%.

The underwriting agreement between CSG and the Underwriters is on customary terms for an underwriting agreement, including:

- (a) a number of conditions precedent, including CSG having obtained all ASIC approvals necessary to conduct the Entitlement Offer and CSG complying with the timetable in respect of the Entitlement Offer;
- (b) a number of events giving the Underwriters the right to terminate, including:
 - (i) market-related termination events, such as a fall of 10% or more in the S&P/ASX All Ordinaries index; and
 - (ii) CSG-specific termination events, such as a material adverse change in the financial position or performance, shareholders' equity, profits, losses, results, condition, operations or prospects of CSG.

Further, the Underwriters are not required to underwrite the Offer to the extent that doing so would result in a contravention of the takeover provisions of the Corporations Act, though noting the exception in 611(10) of the Corporations Act (as modified by ASIC) should enable the Underwriters to underwrite the full Entitlement Offer;

- (c) an underwriting fee equal to 1% of the gross proceeds raised by CSG under the Entitlement Offer (excluding the proceeds raised from the Underwriters taking up their entitlements to New Shares under the Institutional Entitlement Offer);
- (d) an indemnity from CSG in favour of the Underwriters and others for losses they incur in connection with the Entitlement Offer; and
- (e) an obligation on each Underwriter to take up their entitlements to New Shares under the Institutional Entitlement Offer in full.

4.13 Related party transaction

Tom Cowan, a director of CSG, is also a director of and has an interest in TDM, one of the Underwriters to the Entitlement Offer. Accordingly, the underwriting fee payable to TDM

under the underwriting agreement referred to in section 4.12 is likely to constitute a related party transaction for the purposes of Chapter 2E of the Corporations Act.

The board of CSG considers that the terms of the underwriting agreement would be reasonable in the circumstances if CSG and TDM were dealing at arms' length (or indeed less favourable to the related party). Accordingly, CSG has entered into the underwriting agreement in reliance on section 210 of the Corporations Act.

4.14 Governing law

This Information, the Entitlement Offer and the contracts formed on return of the Entitlement and Acceptance Form are governed by the laws applicable in Victoria, Australia. Each Shareholder who applies for New Shares submits to the jurisdiction of the courts of Victoria, Australia.

4.15 Future performance

This Information may contain certain forward -looking statements. The words "anticipate", "believe", "expect", "project", "forecast", "estimate", "likely", "intend", "should", "could", "may", "target", "plan" and other similar expressions are intended to identify forward-looking statements. Indications of, and guidance on, future earnings and financial position and performance are also forward-looking statements. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of CSG, which may cause actual results to differ materially from those expressed or implied in such statements. There can be no assurance that actual outcomes will not differ materially from these statements. You should have regard to the 'Key Risks' section of the attached Investor Presentation.

4.16 Taxation

Taxation implications will vary depending upon the individual circumstances of Eligible Shareholders. You should obtain your own independent professional advice before deciding whether to invest in New Shares.

4.17 Rounding of Entitlements

Where fractions arise in the calculation of Entitlements, they will be rounded up to the nearest whole number of New Shares.

4.18 Financial Data

All dollar values in this Retail Offer Booklet are in Australian dollars (A\$).

4.19 Privacy

CSG collects information about each applicant provided on an Entitlement and Acceptance Form for the purposes of processing the application and, if the application is successful, to administer the applicant's shareholding in CSG.

By submitting an Entitlement and Acceptance Form, you will be providing personal information to CSG (directly or through the Registry). CSG will collect, hold and use that information to assess your application. CSG will collect your personal information to process and administer your shareholding in CSG and to provide related services to you. CSG may disclose your personal information for purposes related to your shareholding in CSG, including to the Registry, CSG's related bodies corporate, agents, contractors and third party service providers, including mailing houses and professional advisers, and to ASX and regulatory bodies. You can obtain access to personal information that CSG holds about you. To make a request for access to your personal information held by (or on behalf of) CSG, please contact CSG through the Registry.

4.20 Enquiries

If you have any questions, you may call the CSG Offer Information Line on 1300 850 505 (local call cost from within Australia) or +61 3 9415 4000 (from outside Australia) at any time between 8.30am and 5.00pm (AEST) Monday to Friday during the offer period.

As the investment objectives, tax position and financial situation of Shareholders can differ, CSG recommends that Shareholders obtain professional financial and tax advice specific to their circumstances prior to deciding whether to take up the Entitlements. CSG, its officers and advisers do not accept any responsibility or liability for any taxation implications for shareholders arising in connection with the completion of the Entitlement Offer.

4.21 Website

The website of CSG can be located at: www.csg.com.au.

4.22 Glossary

The table below sets out definitions of certain terms that are not defined elsewhere in this Retail Offer Booklet.

| | |
|---|--|
| 'Institutional Investor', 'Eligible Institutional Shareholder' and 'Ineligible Institutional Shareholder' | The categorisation of a Shareholder as an 'Institutional Investor', 'Eligible Institutional Shareholder' or an 'Ineligible Institutional Shareholder' will be determined by CSG in its absolute discretion (but having regard to the Corporations Act (and any applicable ASIC instruments), the ASX Listing Rules and the terms of the underwriting agreement between CSG and the Underwriters) |
| Ineligible Retail Shareholder | means a Shareholder who is not an Eligible Retail Shareholder |
| Registry | means Computershare Investor Services Pty Limited |
| Shareholder | means holders of CSG Shares at the Record Date |
| Underwriters | means Caledonia (Private) Investments Pty Ltd and TDM Asset Management Pty Ltd |
| U.S. Person | is as defined in Regulation S promulgated under the U.S. Securities Act of 1933 (as amended) |

Schedule 1 – Investor Presentation

Refer attached.

21 August 2018

ASX Announcement

CSG achieves revised guidance and repositions business to underpin future growth

CSG Limited (ASX: CSV) today announced its financial results for the 12 months ended 30 June 2018 (FY18), that saw the Company achieve its revised guidance, delivering revenue of \$225.7 million and underlying EBITDA of \$10.0 million.

Commenting on the FY18 results, CSG Managing Director & CEO Julie-Ann Kerin said: "CSG faced substantial headwinds in the enterprise segment in FY18 that led to the disappointing result. The Board and management reacted decisively and has repositioned the business for a return to growth in FY19. Cost-out initiatives expected to generate \$5 million in FY19 have quickly been implemented. Incremental initiatives to deliver an additional \$2.7 million of cost savings in FY19 are also underway."

"We are already starting to see the benefits of a simplified business model with three clear operating segments. In particular, our Technology business has been the stand-out performer, with High Value technology subscription seats up close to 40% to 22,326 and total Technology revenue now representing approximately 15% of Group revenue."

FY18 financial performance (vs FY17)

- Revenue down 8% to \$225.7 million
- Statutory Net Loss After Tax of \$150.1 million (FY17 statutory net loss of \$43.7 million) reflecting a non-cash impairment charge of \$116.1 million, provisions relating to the Enterprise Solutions business of \$39.3 million, non-cash LTIP of \$0.4 million and non-recurring costs of \$5.3 million
- Underlying earnings reflect the performance of the business and exclude the above non-cash impairment, provisions, non-cash LTIP and non-recurring costs:
 - Underlying EBITDA down 67% to \$10.0 million – achieved revised guidance
 - Underlying NPAT¹ down 88% to \$2.3 million
- Cash balance at 30 June 2018 of \$14.2 million (including restricted cash of \$8.0 million) and corporate borrowings of \$48.3 million.

FY18 business performance

During FY18, CSG continued to successfully execute on its Technology as a Subscription strategy in Australia and New Zealand, with total Technology revenue up 42% to \$42.8 million. High Value technology subscription seats grew by close to 40% organically to 22,326 with an average Monthly Recurring Revenue of approximately \$95 per seat. The growth in High Value seats reflects a more focused sales effort, increased marketing and improved digital targeting.

FY18 was a challenging year with print equipment sales lower than expected, primarily within the enterprise segment in Australia and production print in New Zealand, with revenue \$8.5 million lower than FY17. Print equipment sales in the SME segment were also lower than expected due to changes to CSG's salesforce and sales incentive programs to accelerate growth in the Technology business. Revenue was also impacted by lower display sales relative to FY17 with revenue being recognised at the time of installation.

¹ Before customer contract amortisation of \$3.8 million (adjusted for tax).



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The Company also continued to deliver high quality customer service, evidenced by a strong in-field NPS² score of 72 across the SME segment.

Strategic review sets turnaround initiatives for FY19

As announced to the market on 9 February 2018, the Board appointed Morgan Stanley to assist in reviewing strategic options to maximise value for CSG's shareholders. As part of this process, CSG reviewed the performance of its enterprise segment and decided to cease investment in this segment.

To simplify CSG's business model and to return the business to growth, the Company is re-aligning the SME segment to a product-led, go-to-market model with three distinct operating businesses – Technology, Print & Display, and Finance.

The Technology business will have a clear focus on the SME segment, continuing to cross-sell Technology as a Subscription bundles to the Company's existing customer base. The key sales drivers within the Print & Display business will be the print-only sales force, incentivised to add new customers while maintaining the existing customer base and working with key partners to drive new customer acquisitions. Within Finance, the key focus will be on growing the lease book through new customers and equipment sales.

In addition, a major restructure of the Australian and New Zealand businesses within sales, service and operations, is being undertaken. The Company is also undertaking cost-out initiatives to simplify its operational structure and distribution costs, and continue realising cost synergies through the integration of recent acquisitions. Together, these restructure and cost-out initiatives will result in one-off restructuring charges of approximately \$2.5 million (majority have been expensed in FY18) and approximately \$7.7 million of cost savings in FY19 (annualised cost savings of approximately \$10.0 million to be realised in FY20).

The Company also expects a \$10 million improvement in working capital in FY19 due to the carrying of lower inventory given a reduction in equipment and toner-in-field.

Well placed to return to growth in FY19

Mark Bayliss, Executive Director & Chairman, said: "I am encouraged by the early results of FY19, with the benefits from the major business repositioning already starting to flow through. With the new streamlined structure now in place and the business focusing on its key strengths, the path forward is clear for CSG to deliver increased services and engagement with its customers, and increased returns for shareholders."

For FY19, CSG is forecasting Underlying EBITDA in the range of \$17 million to \$20 million.

Fully underwritten equity raising strengthens the balance sheet and supports the Company's reinvigorated growth strategy

To recapitalise the balance sheet and support CSG's reinvigorated growth strategy, the Company today announced a fully underwritten 1 for 3.52 pro rata accelerated non-renounceable entitlement offer (Entitlement Offer) to raise \$18.0 million at an offer price of \$0.185 per new share (Offer Price). The Offer Price represents a:

- 24.5% discount to the closing price of CSG ordinary shares on the last day of trading before the announcement of the Entitlement Offer, being \$0.245; and

² Net Promoter Score (NPS) is a method of measuring customer loyalty. To calculate NPS, customers are categorised as "Promoters", "Passives" or "Detractors" based on how likely they would be to recommend CSG to a friend or colleague. The percentage of Detractors is then subtracted from the percentage of Promoters.



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- 20.2% discount to the Theoretical Ex-Rights Price³ of \$0.232 reflecting the Entitlement Offer.

The Entitlement Offer has been fully underwritten by CSG's two largest shareholders, together holding approximately 36% of issued capital – Caledonia and TDM Asset Management.

Net proceeds of approximately \$17.0 million will be used to repay corporate debt (\$10.0 million), pay acquisition earn-outs (\$2.0 million), cover restructuring costs to exit the Enterprise Solutions business (\$2.0 million to \$2.5 million) and for working capital (\$3.0 million).

The Entitlement Offer consists of:

- An accelerated institutional component (Institutional Entitlement Offer) to be conducted over Tuesday, 21 August 2018 and Wednesday, 22 August 2018. Any entitlements not taken up under the Institutional Entitlement Offer and entitlements of ineligible shareholders will be offered to new and existing eligible institutional investors in a bookbuild process managed by Ord Minnett as Lead Manager. CSG's ordinary shares will remain in trading halt while the Institutional Entitlement Offer is undertaken; and
- A retail component that will open to eligible retail shareholders on Tuesday, 28 August 2018 and close on Thursday, 6 September 2018 (Retail Entitlement Offer). Retail shareholders will also have the opportunity to apply for additional shares in excess of their pro-rata entitlement. Any entitlements not taken up under the Retail Entitlement Offer will be placed to the underwriters, but allocations to oversubscribing retail shareholders will be made in priority to the allocation of any shortfall to the underwriters.

The Entitlement Offer is open to existing eligible CSG shareholders on the register as at 7.00pm (AEST) on the Record Date of Thursday, 23 August 2018.

Entitlements cannot be traded on the ASX or transferred. Eligible shareholders who do not take up their entitlement under the Entitlement Offer in full or in part, will not receive any value in respect of those entitlements not taken up.

Further Information

Further details in relation to the Entitlement Offer are set out in the Investor Presentation also lodged with ASX today. The Investor Presentation contains important information including key risks and foreign selling restrictions with respect to the Entitlement Offer.

For further information regarding the Retail Entitlement Offer, please contact the Offer Information Line on 1300 850 505 (local call cost within Australia) or +61 3 9415 4000 (from outside Australia) at any time between 8.30am and 5.00pm (AEST) Monday to Friday.

³ The Theoretical Ex-Rights Price ('TERP') is the theoretical price at which CSG shares should trade immediately after the ex-date of the Entitlement Offer. TERP is a theoretical calculation only and the actual price at which CSG shares will trade on the ASX immediately after the ex-date for the Entitlement Offer will depend on many factors and may not be equal to the TERP. TERP is calculated by reference to the closing price of CSG shares as traded on the ASX of \$0.245 on Monday, 20 August 2018, being the last trading day prior to the announcement of the Entitlement Offer.



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Equity raising indicative timetable

| Event | Date (2018) |
|--|---|
| Announcement and trading halt | Tuesday, 21 August |
| Institutional Entitlement Offer and bookbuild | Tuesday, 21 August to Wednesday, 22 August |
| CSG shares re-commence trading | Thursday, 23 August |
| Record Date for the Entitlement Offer (7.00pm AEST) | Thursday, 23 August |
| Settlement of Institutional Entitlement Offer | Monday, 27 August |
| Retail Entitlement Offer opens | Tuesday, 28 August |
| Issue and normal trading of new shares issued under the Institutional Entitlement Offer | Tuesday, 28 August |
| Retail Entitlement Offer closes (5.00pm AEST) – last date for receipt of applications | Thursday, 6 September |
| Settlement of Retail Entitlement Offer | Thursday, 13 September |
| Issue and normal trading of new shares issued under the Retail Entitlement Offer | Friday, 14 September |

The above timetable is indicative only and is subject to change without notice. All times and dates in this presentation refer to Australian Eastern Standard Time (AEST). The timetable above is subject to change without notice and CSG reserves the right to amend any or all of these date and times, subject to the Corporations Act, ASX Listing Rules and other applicable laws.

END

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FY18 RESULTS AND FULLY UNDERWRITTEN CAPITAL RAISING

21 AUGUST 2018

Presented by

Mark Bayliss, Executive Director & Chairman
Julie-Ann Kerin, Managing Director & Chief Executive Officer
Gary Brown, Chief Financial Officer

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Any forecasts and other forward-looking statements set out in this material are based on information available to CSG Limited as at the date of this presentation, and a number of estimates, projections, assumptions and pro forma adjustments that are subject to known and unknown business, economic and competitive uncertainties, risks and contingencies (including the risks described in this presentation), with respect to future business decisions, which are subject to change and in many cases are outside the control of CSG Limited and may involve significant elements of subjective judgment and assumptions as to future events which may or may not be correct. Any forecasts contained in this presentation may vary from actual financial results, and these variations may be material. Similarly, statements about market and industry trends, which are based on interpretations of current market conditions, should be treated with caution. Accordingly, neither CSG Limited nor its Associated Persons make any representation, guarantee or assurance that the forecast performance in any forecasts or any forward-looking statement, express or implied, in this presentation will be achieved. Except as required by law or regulation (including the ASX Listing Rules), CSG Limited does not undertake to provide any additional or supplementary information or to revise the material to reflect any new information, change in circumstances, future events or results that arise after release of this presentation.

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Caledonia (Private) Investments Pty Ltd and TDM Asset Management Pty Ltd (‘Underwriters’) have agreed to underwrite the equity raising as described in the Offer. Ord Minnett Limited (Lead Manager) will act as Lead Manager and book runner for the raising. Neither the Underwriters or the Lead Manager, nor any of their respective affiliates or related bodies corporate, nor any of their respective directors, officers, partners, employees, advisers or agents, have authorised, permitted or caused the issue, submission, dispatch or provision of this presentation and, except to the extent referred to in this presentation, none of them makes or purports to make any statement referred to in this presentation and there is no statement in this presentation which is based on any statement by any of them.

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(ii) to the maximum extent permitted by law, CSG Limited, the Underwriters and the Lead Manager, and each of their respective affiliates and related bodies corporate, and their respective directors, officers, partners, employees, advisers and agents make no representation or warranty, express or implied, as to the currency, accuracy, reliability or completeness of information in this presentation and, with regards to each Underwriter and the Lead Manager, it and its affiliates and related bodies corporate, and their respective directors, officers, partners, employees, advisers and agents, take no responsibility for any part of this presentation.

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Executive Summary

Decisive action taken to address challenges in the enterprise technology segment and return CSG to sustainable, long-term earnings growth

FY18 Results

- Achieved revised guidance with revenue of \$225.7m, Underlying EBITDA¹ of \$10.0m and Statutory Net Loss After Tax of \$150.1m
 - Revenue down due to lower than expected print equipment sales, primarily within the enterprise segment in Australia and production print in New Zealand
- Closing cash balance of \$14.2m (including restricted cash of \$8.0m) and \$48.3m of corporate debt
- Lease receivables closed at \$242.2m down 9% relative to pcg due to lower equipment sales however ROE remains > 50%
- Continued strong growth in Technology with 22,326 High Value technology subscription seats (up ~40% relative to pcg) with a Monthly Recurring Revenue of ~\$95 per seat per month

Strategic initiatives underpinning FY19 earnings growth

- Restructured the business from segment focussed (SME and Enterprise) to solution focussed, creating three operating businesses - Technology, Print & Display and Finance
- Implementation of a major restructure with total cost savings of ~\$7.7m expected in FY19 (\$10.0m annualised savings to be realised by FY20)
- Ceased investment in the enterprise technology segment to focus on the core business in the SME segment
- Appointed Mark Bayliss as Executive Director & Chairman in June 2018
- Refined marketing strategy, sales incentives and business application platform to deliver customer growth in the SME segment
- Focus on releasing working capital with a target reduction of \$10.0m in inventory in FY19 through tighter integration with key suppliers

Recapitalisation of the business via an equity raising

- CSG intends to raise \$18.0m of new equity through a 1 for 3.52 pro rata accelerated non-renounceable entitlement offer
- The Entitlement Offer is fully underwritten by CSG's two largest substantial shareholders, Caledonia and TDM Asset Management who together own ~36% of issued capital as at the date of this presentation
- Net proceeds of ~\$17.0m will be used to repay corporate debt (\$10.0m), payment of acquisition earn-outs (\$2.0m), restructuring costs in relation to Enterprise Solutions business (\$2.0 to \$2.5m) and for working capital (\$3.0m)

1. After adding back a non-cash impairment charge of \$116.1m, provisions relating to the Enterprise Solutions business of \$39.3m, non-cash LTIP of \$0.4m, non-recurring items of \$5.3m.

CSG - Business Technology Made Easy.

FY18 RESULTS SUMMARY

Revised guidance achieved, with Underlying EBITDA¹ of \$10.0m

Profit & Loss

| \$m | FY18 | FY17 | |
|-----------------------------------|---------|--------|---------|
| Revenue | 225.7 | 244.5 | ▼ (8%) |
| Underlying EBITDA ¹ | 10.0 | 30.3 | ▼ (67%) |
| Impairment of intangibles | (116.1) | (55.0) | |
| Provisions - Enterprise Solutions | (39.3) | - | |
| Non-cash LTIP | (0.4) | (2.0) | |
| Non-recurring costs ² | (5.3) | (5.8) | |
| EBITDA | (151.0) | (32.6) | |
| Depreciation & amortisation | (6.7) | (6.9) | |
| Net interest (expense) | (3.8) | (2.7) | |
| Profit before tax | (161.5) | (42.1) | |
| Income tax | 11.4 | (1.6) | |
| Statutory net loss after tax | (150.1) | (43.7) | |
| Underlying NPAT ³ | 2.3 | 19.4 | ▼ (88%) |

Commentary

- Revenue decline of 8% (pcp)
 - Primarily driven by lower print equipment sales in the enterprise segment in Australia and lower print production sales in New Zealand - total impact of ~\$8.5m relative to pcp
 - Lower print sales in the SME segment driven by changes to the sales force and sales incentive programs to accelerate growth in the technology business
 - Lower display sales relative to FY17 as rollouts are recognised at the time of installation.
 - Total technology revenue up ~42% on pcp to \$42.8m in FY18
- Underlying EBITDA of \$10.0m (67% decline relative to pcp) reflected lower revenue and additional investment in enterprise technology segment in FY18 of ~\$6.0m
- Costs excluded from Underlying EBITDA are:
 - Non-cash impairment charge of \$116.1m relating to the carrying value of intangibles (goodwill and customer contracts) associated with print assets in Australia and New Zealand;
 - \$39.3m of provisions relating to CSG exiting the Enterprise Solutions business (cash impact of approximately \$8.0m in FY19);
 - Non-cash LTIP of \$0.4m; and
 - \$5.3m of non-recurring costs².
- D&A includes \$3.8m of customer contract amortisation (\$3.8m in FY17)

1. Before a non-cash impairment charge of \$116.1m, provisions relating to the Enterprise Solutions business of \$39.3m (including \$2.5m of restructuring charges), non-cash LTIP of \$0.4m and non-recurring items of ~\$5.3m.

2. Includes ~\$2.2m of one-off costs relating to digital display implementation overrun, ~\$1.7m of one-off acquisition and legal costs and ~\$1.4m of restructuring charges and related costs.

3. After adding back a non-cash impairment charge of \$116.1m, provisions relating to the Enterprise Solutions business of \$39.3m (including \$2.5m of restructuring charges), non-cash LTIP of \$0.4m, non-recurring items of \$5.3m and before customer contract amortisation of \$3.8m (adjusted for tax).

FY18 cash flow was impacted by a number of non-recurring items

Cash Flow

| | FY18 \$m | FY17 \$m |
|--|--------------|---------------|
| Underlying EBITDA | 10.0 | 30.3 |
| Cash impact of non-recurring items | (7.4) | (6.7) |
| Net movement in lease book working capital | 11.1 | (0.0) |
| Change in working capital | (10.0) | (14.9) |
| Net interest and tax paid | (5.3) | (6.1) |
| Operating cash flows² | (1.6) | 2.6 |
| Capex | (5.4) | (6.5) |
| Payments for businesses | (3.7) | (3.6) |
| Investing cash flows | (9.1) | (10.2) |
| Shareholder distributions | - | (21.1) |
| Movement in debt | 5.0 | 34.6 |
| Financing cash flows | 5.0 | 13.5 |
| Other | (0.5) | - |
| Net movement in cash | (6.1) | 5.9 |
| Opening cash | 20.3 | 14.5 |
| Closing cash | 14.2 | 20.3 |

Commentary

- Nil cash flow conversion¹ of Underlying EBITDA to ungeared pre-tax cash flow in FY18 - (22%) in 2H FY18
- Cash impact of non-recurring items of ~\$7.4m include restructuring and related one-off costs of ~\$2.5m, costs relating to digital display implementation overrun costs of ~\$2.2m, ~\$1.7m of one-off acquisition & legal costs and cash impact of provisions relating to the Enterprise Solutions business of ~\$0.9m
- Net change in working capital of (\$10.0m) comprises a ~\$7.0m improvement in inventory (post obsolescence provisions) with the balance largely relating to a one-off reduction in payables due to shortening of terms with key suppliers and various other provision movements
- FY19 forecast cashflow is expected to benefit from a release of working capital of approximately \$10.0m in inventory through tighter integration with key suppliers in the supply chain

1. Cash flow conversion calculated as adjusted pre-tax operating cash flow / underlying EBITDA. Adjusted pre-tax operating cash flow calculated as reported operating cash flow adjusted for tax paid, net interest paid, non-recurring cash items and change in lease receivables.

2. Operating cash flows includes borrowings associated with lease receivables

Balance Sheet

Balance Sheet

| | Jun 18 \$m | Jun 17 \$m |
|-------------------------------------|---------------|---------------|
| ASSETS | | |
| Cash | 14.2 | 20.3 |
| Receivables | 38.1 | 35.8 |
| Lease receivables | 242.2 | 266.3 |
| Inventory | 48.7 | 65.8 |
| Goodwill & intangibles | 58.2 | 175.9 |
| Other | 13.2 | 13.8 |
| Total Assets | 414.6 | 577.8 |
| LIABILITIES | | |
| Trade & other payables ¹ | 62.6 | 56.2 |
| Corporate borrowings | 48.3 | 43.0 |
| Deferred consideration | 5.4 | 12.6 |
| Lease receivable debt | 213.0 | 225.4 |
| Other | 2.9 | 12.4 |
| Total Liabilities | 332.2 | 349.5 |
| EQUITY | | |
| Contributed equity | 213.4 | 205.7 |
| Retained earnings & reserves | (145.9) | 7.9 |
| Minority Interest | 14.9 | 14.7 |
| Total Equity | 82.4 | 228.3 |

1. Includes provisions.

Commentary

- Cash balance of \$14.2m (\$8.0m is restricted cash related to CSG's finance business)
- Corporate debt of \$48.3m
- Goodwill & intangibles balance of \$58.2m reflects the non-cash impairment of \$116.1m relating to the carrying value of intangibles (goodwill and customer contracts) associated with print assets in Australia and New Zealand
- Decrease in lease receivables to \$242.2m (\$255.3m at 31 December 2017), reflecting lower print equipment sales
- In line with CSG's strategic decision to cease further investment in the enterprise technology segment, key one-off balance sheet impacts as at 30 June 2018 are as follows:
 - Reduction in Receivables by \$11.6m
 - Reduction in Inventory by \$8.6m
 - Reduction in Lease Receivables by \$3.2m
 - Increase in Payables & Accruals by \$8.6m
 - Increase in Provisions by \$4.6m
- Remaining deferred consideration includes CodeBlue, PrintSync and pcMedia Technologies

Technology revenue up 42% on pcp

Technology - Summary financials

| Revenue (A\$m) | FY18 | FY17 | Variance |
|---------------------------------|-------------|-------------|--------------|
| Technology equipment | 12.7 | 9.2 | 37.7% |
| Technology subscription | 21.7 | 17.2 | 26.2% |
| Technology other | 8.4 | 3.7 | 123.6% |
| Total Technology revenue | 42.8 | 30.2 | 41.8% |

Products & Services



Equipment revenue

- Laptops, screens, headsets, interactive display solutions

Subscription revenue

- Cloud telephony, software subscriptions, support desk



Target customers

| Segment | Historic | FY19 onwards |
|------------|---|---|
| SME |  +  |  No change |
| Enterprise |  +  | Exit |

Technology - FY18 performance

- CSG's innovative Technology as a Subscription model continues to gain momentum
 - 22,326 High value technology subscription seats¹ (~40% pcp growth) as at 30 June 2018 with an average Monthly Recurring Revenue of ~\$95 per seat per month
 - 26,451 Low value technology subscription seats² (~134% pcp growth) as at 30 June 2018 with an average Monthly Recurring Revenue of less than \$5 per seat per month
- Increased focus on High value technology subscription seat growth with a more focussed sales effort, increased marketing and improved digital targeting.

Technology - FY19 focus

- Practice driven dedicated technology business focussed on the SME segment - momentum for Technology as a Subscription is building
- Continue cross-selling Technology as a Subscription bundles to CSG's existing customers within the SME segment - total addressable opportunity of ~300,000 seats

CSG's new operating structure with a dedicated Print & Display sales force will drive sales uplift in FY19

Print & Display - Summary financials

| Revenue (A\$m) | FY18 | FY17 | Variance |
|--|--------------|--------------|----------------|
| Print equipment | 62.3 | 78.0 | (20.2%) |
| Display equipment | 9.2 | 15.9 | (42.2%) |
| Print service | 75.5 | 82.5 | (8.5%) |
| Other print & display | 8.6 | 8.8 | (1.9%) |
| Total Print & Display revenue | 155.5 | 185.2 | (16.0%) |

Products & Services




Equipment revenue

- Multifunction print devices
- Digital display devices

Service revenue

- Mono & colour prints
- Servicing & maintenance
- Conferencing solutions and subscriptions

Target customers

| Segment | Historic | FY19 onwards |
|------------|---|---|
| SME |  |  |
| Enterprise |  | Not actively targeting Australia |

Print & Display - FY18 performance

- Lower print equipment sales in enterprise segment in Australia and production print in New Zealand with a combined impact ~\$8.5m relative to pcg
- Lower print sales in the SME segment driven by changes to the sales force and sales incentive programs to accelerate growth in the technology business - impact of ~\$6.0m relative to pcg
- Lower display sales relative to FY17 with revenue now only being recognised as devices are installed
- Service revenue decline in line with expectations, driven by reduced print volumes in production print and enterprise NZ
- Continued to deliver high quality customer service with a strong in-field NPS¹ score of 72

Print & Display - FY19 focus

- Print & Display only sales force who are incentivised to add new customers while maintaining existing customer base
- Re-structure print business in New Zealand to improve profitability
- Work with key partners to drive new customer acquisition
- Convert display pipeline and recognise revenue as devices are installed

High quality and stable lease receivables book with ~57% underlying ROE in FY18¹

Finance - Summary financials




| KPIs | FY18 ¹ | FY17 | Variance |
|---------------------------|-------------------|--------|----------|
| Finance revenue | 26.4 | 26.8 | (1.5%) |
| Closing receivables (\$m) | 242.2 | 266.3 | (9.0%) |
| Underlying PBT | 10 | 10.8 | (7.4%) |
| Underlying ROE | 56.8% | 45.1% | 26.0% |
| Bad debt | <0.50% | <0.50% | - |

Products & Services



- In-house equipment financing for Print & Display and Technology businesses

Target customers

| Segment | Historic | ► | FY19 onwards |
|-------------|---|---|------------------------------|
| Australia |  Primarily print |  | Print & Display + Technology |
| New Zealand |  Primarily print |  | Print & Display + Technology |

Finance - FY18 performance

- Lower receivables balance due to lower than expected enterprise print equipment sales
- Finance Solutions continues to convert a high proportion of customers to CSG finance products
- Diversified industry and geographical exposure resulting in underlying bad debts as a percentage of average lease receivables of less than 0.50% in FY18, excluding the impact of provisions relating to the Enterprise Solutions
- Residual value as a proportion of average lease receivables in FY18 is less than 1.50%
- Existing facilities in Australia and New Zealand have approximately ~\$60.0m of additional capacity and both facilities have maturity dates in April 2021

Finance - FY19 focus

- Automate finance approval process
- Focus on acquisition of new customers and equipment sales in both the print and technology business

CSG - Business Technology Made Easy.

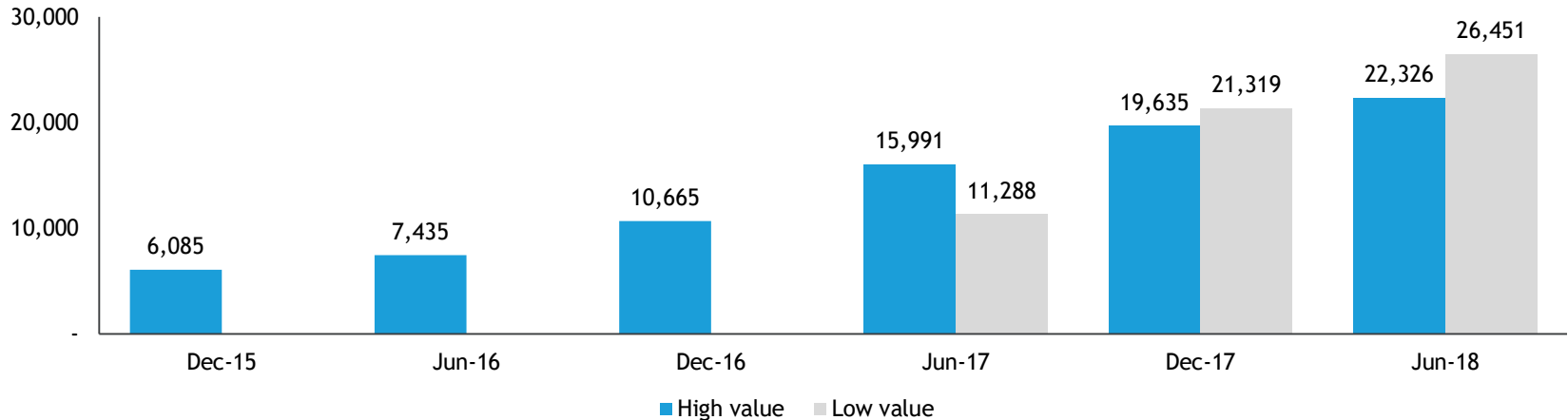
REPOSITIONED FOR SUSTAINABLE LONG-TERM GROWTH

Strategic Initiatives Underpinning FY19 Earnings Growth

| | | Status |
|--|--|----------|
| Simplified operating structure with product-led salesforce | ▪ Restructured CSG to create three focussed operating businesses - Technology, Print & Display and Finance | Complete |
| | ▪ CSG to cease further investment in the enterprise technology segment | Complete |
| | ▪ Implementation of a major restructure across the business within sales, service and operations. A majority of the cost savings initiatives were implemented in June and July 2018 with total cost savings of ~\$7.7m expected in FY19 and ~\$2.5m in one-off restructuring charges provided for in FY18 - \$5.0m achieved year-to-date | Underway |
| | ▪ Complete development and rollout of next generation salesforce.com platform which automates the sales lead to delivery process | Underway |
| | ▪ Drive technology cross sales through integrated digital marketing campaigns and a 'single view' of the customer approach. Implement commission plans to reward cross-sell between operating businesses | Underway |
| New experienced senior appointments | ▪ Appointed Mark Bayliss as Executive Director & Chairman in June 2018. Mark has extensive senior executive experience in a variety of roles across both the listed and private landscape, and across a variety of industries including eCommerce, media, FMCG, retail and advertising industries globally | Complete |
| | ▪ Appointed a new country head in New Zealand whose focus will be on driving sales and increasing efficiencies in this region | Complete |
| | ▪ Appointed four experienced sales business heads to run Print & Digital and Technology in both Australia and New Zealand | Complete |
| | ▪ Appointed Kerrie-Anne Hutchins as Company Secretary and General Counsel | Complete |
| Razor sharp focus on Working Capital | ▪ Continue to drive down working capital through a reduction in inventory by approximately \$10.0m in FY19. This will be achieved through a reduction in main units and the implementation of a revised approach to managing toner-in-field through a tighter integration with key suppliers | Underway |

Momentum in Technology within the SME segment continues to build, growing High value seats by ~40% in FY18

- 22,326 High value technology subscription seats¹ (~40% organic growth on pc²) and 26,451 Low value technology subscription seats² (~134% organic growth on pc²) as at 30 June 2018
- In FY18, High value and Low value seats had an average Monthly Recurring Revenue of ~\$95 and < \$5 per seat per month, respectively



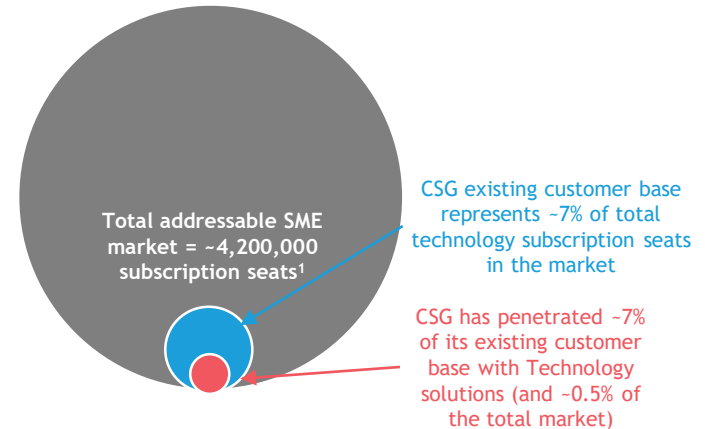
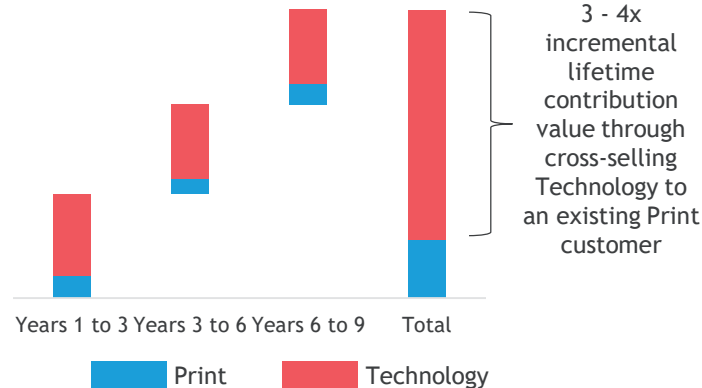
1. High value technology subscription seats refers to IT managed services seats incorporating multiple licences per seat relating to cloud communications, Microsoft Office, storage and other services.
2. Low value technology subscription seats refers to IT managed services seats with a single licence per seat e.g. Microsoft Office.

CSG's Long-Term Growth Strategy is Underpinned by a Technology Cross-Sell Opportunity

CSG's business model opens up the potential to generate significant uplift in customer lifetime value from the cross-sell of technology subscription products to existing print customers. CSG has only penetrated approximately 7% of its existing customer base, with a potential to increase penetration by 10x, before tapping into new, non-CSG customers.

The customer lifetime value from Technology as a Subscription is expected to deliver an additional 3 - 4 times of value compared with a print only customer at similar contribution margin¹

It is estimated that CSG currently has <0.5% of the total addressable SME market² for technology subscription seats in ANZ. Additionally, the Company has only penetrated ~7% of its existing customer base with technology solutions



1. Assumes typical Business Solutions customer with 20 seats and 2 Print Multi Function Devices (MFDs). Assumes customer refreshes 1 MFD at year 3 and 6 and that Technology hardware is refreshed every 3 years. Customer lifetime period does not take into account improved retention through adding Technology services.
2. Based on Dun & Bradstreet data extrapolated for New Zealand. Data represents Small to Medium Enterprises within relevant verticals with a range of 5 to 99 seats per customer.

CSG has undertaken the necessary steps to reposition the business and is now focussed on executing on its strategic priorities

FY19 priorities

- Complete major restructure initiatives to deliver \$7.7m of cost savings in FY19
 - Cost-out initiatives implemented in June and July 2018 will deliver ~\$5.0m of the identified savings
- Reduction in inventory by \$10.0m through a reduction in main units and a revised approach to managing toner-in-field and building tighter links with key suppliers
- Drive revenue growth in Technology
 - Established Technology-only sales force with a practice driven approach
 - Continue executing on focussed growth strategy of cross-selling Technology as a Subscription products into CSG's existing customer base of ~300,000 seats (current penetration of only ~7%)
- Incentivise Print-only force to add new customers while maintaining existing customer base
- Focus on closing opportunities in Display pipeline - revenue to be recognised as screens are installed - current installed base of ~4,000 devices
- New country head in NZ focused on improving profitability in the region
- Drive growth in the finance book by driving equipment sales and improve efficiency within the book by automating approval processes
- Complete development and rollout of next generation salesforce.com platform which will deliver an automated process from sales lead to delivery

Positive outlooks see return to growth in FY19

YTD performance

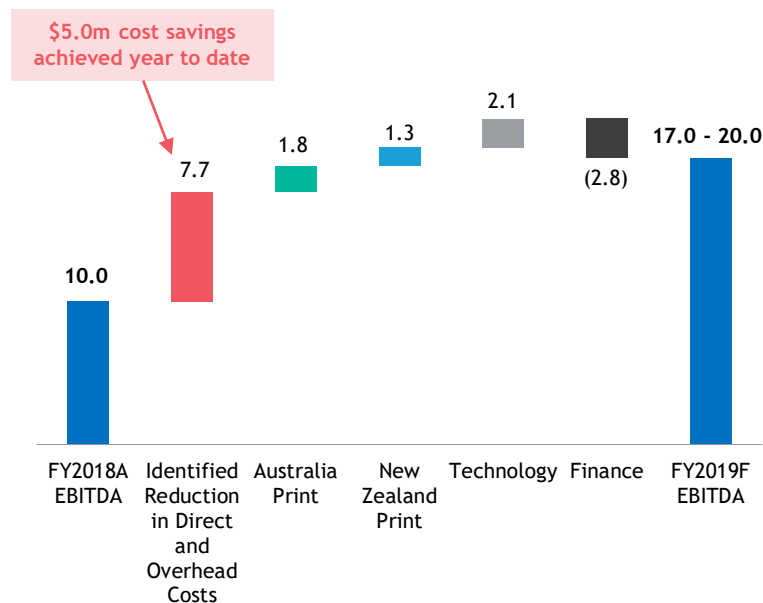
- CSG earnings are weighted to the second half of the financial year, however early indications are positive with July performance on plan
- Continuing to execute on Technology strategy, adding ~500 new High Value technology subscription seats in July 2018
- Discussions with Canon and Konica Minolta underway to better integrate supply chains

Guiding for growth in FY19

- For the FY19 period, CSG is forecasting underlying EBITDA in the range of \$17.0m to \$20.0m

The FY19 Underlying EBITDA guidance will be achieved through the cost-out program and growth in Technology and Print & Display

Underlying EBITDA Bridge (A\$m)¹ FY18 Actuals to FY19F

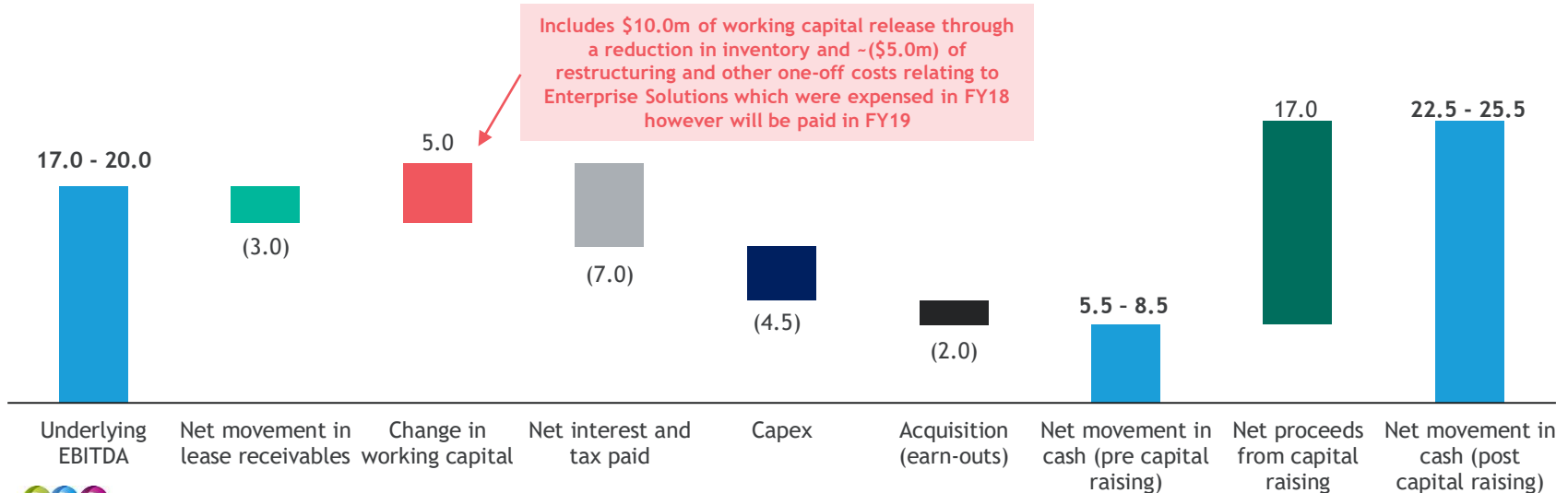


Commentary

- 1 Identified Reduction in Direct and Overhead Costs**
Significant reduction in costs driven by reduction in labour primarily due to cessation of investment in the enterprise technology segment along with reduction in distribution costs, motor vehicle costs and integration of recent acquisitions - \$5.0m already achieved in June and July 2018
- 2 Australia Print & Display**
Incremental print and display sales.
- 3 New Zealand Print & Display**
Revenue for New Zealand assumed flat for FY19. Change in product mix resulting in \$1.2m of additional margin from print equipment sales
- 4 Technology**
Continued growth of Technology annuity subscription revenue as a result of high value seat growth
- 5 Finance**
Impacted by higher cost of funding as a result of APS120 Regulatory requirements.

CSG is forecast to generate net cash flow in the range of \$22.5m - \$25.5m in FY19, after the cash impact of provisions and non-recurring items expensed in FY18 and net proceeds from the capital raising of \$17.0m

Forecast Cash Flow (A\$m)¹
FY19F



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FULLY UNDERWRITTEN ENTITLEMENT OFFER TO SUPPORT RETURN TO GROWTH

Equity Raising Summary

Offer size, structure & ranking

- Fully underwritten 1 for 3.52 pro rata accelerated non-renounceable entitlement offer (**Entitlement Offer**) to raise \$18.0m
- Approximately 97.3m new fully paid ordinary shares in CSG (**New Shares**) to be issued under the Entitlement Offer (representing ~28% of current issued capital)
- New shares will rank equally with existing ordinary shares in CSG from their time of issue

Offer price

- Offer price of \$0.185 per New Share (**Offer Price**), which represents a:
 - 20.2% discount to TERP¹
 - 24.5% discount to the last traded price of \$0.245 on 20 August 2018

Use of proceeds

- Net proceeds (after transaction costs) from the equity raising of approximately \$17.0m will be used as follows:
 - Repayment of corporate debt by \$10.0m
 - Finalisation of acquisition earn-out payments of \$2.0m
 - Restructuring costs in relation to Enterprise Solutions business of \$2.0 to \$2.5m
 - Working capital of \$3.0m
- Impact of the offer on the Company's pro forma balance sheet as at 30 June 2018: Corporate debt will be reduced to \$38.3m and the pro forma cash balance will increase to \$21.2m (of which \$8.0m is restricted)

1. The Theoretical Ex-Rights Price ('TERP') is the theoretical price at which CSG shares should trade immediately after the ex-date of the Entitlement Offer. TERP is a theoretical calculation only and the actual price at which CSG shares will trade on the ASX immediately after the ex-date for the Entitlement Offer will depend on many factors and may not be equal to the TERP. TERP is calculated by reference to the closing price of CSG shares as traded on the ASX of \$0.245 on Monday, 20 August 2018, being the last trading day prior to the announcement of the Entitlement Offer.

Equity Raising Summary

Institutional entitlement offer

- The institutional component of the Entitlement Offer (**Institutional Entitlement Offer**) will be conducted over Tuesday, 21 August 2018 and Wednesday, 22 August 2018
- Entitlements not taken up under the Institutional Entitlement Offer and entitlements of ineligible shareholders will be offered to new and existing eligible institutional investors in a bookbuild process managed by Ord Minnett, acting as a Lead Manager. Any shortfall will be placed to the Underwriters and any sub-underwriters

Retail entitlement offer

- The retail component of the Entitlement Offer (**Retail Entitlement Offer**) will open to eligible retail shareholders of CSG on Tuesday, 28 August and close on Thursday, 6 September 2018.
- Entitlements not taken up under the Retail Entitlement Offer will be placed to the Underwriters and any sub-underwriters

Record date

- The Entitlement Offer is open to existing eligible CSG shareholders on the register as at 7.00pm (AEST) on the Record Date of Thursday, 23 August 2018

Advisers and Underwriters

- Ord Minnett Limited is acting as Lead Manager to the Entitlement Offer
- The Entitlement Offer is fully underwritten by CSG's two largest substantial shareholders. As at the date of this presentation, Caledonia holds ~28.8% of the issued capital and TDM Asset Management owns ~7.3% of the issued capital. Tom Cowan is a Director of CSG Limited. He is also a Director of and has an interest in TDM Asset Management. The underwriting is subject to customary terms including termination events.

Equity Raising Indicative Timeline

| Event | Date (2018) |
|---|--|
| Announcement and trading halt | Tuesday, 21 August |
| Institutional Entitlement Offer and bookbuild | Tuesday, 21 August to Wednesday, 22 August |
| CSG shares re-commence trading | Thursday, 23 August |
| Record Date for the Entitlement Offer (7.00pm AEST) | Thursday, 23 August |
| Settlement of Institutional Entitlement Offer | Monday, 27 August |
| Retail Entitlement Offer opens | Tuesday, 28 August |
| Issue and normal trading of new shares issued under the Institutional Entitlement Offer | Tuesday, 28 August |
| Retail Entitlement Offer closes (5.00pm AEST) - last date for receipt of applications | Thursday, 6 September |
| Settlement of Retail Entitlement Offer | Thursday, 13 September |
| Issue and normal trading of new shares issued under the Retail Entitlement Offer | Friday, 14 September |

NOTE: All times and dates in this presentation refer to Australian Eastern Standard Time (AEST). The timetable above is subject to change without notice. CSG Limited reserves the right to amend any or all of these dates and times, subject to the Corporations Act, the ASX Listing Rules and other applicable laws.

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EQUITY RAISING KEY RISKS & FOREIGN SELLING RESTRICTIONS

Key Terms of the Underwriting Agreement

Underwriting agreement

The Entitlement Offer is fully underwritten. The obligations of each Underwriter under the underwriting agreement are several (rather than joint and several) and each Underwriter must underwrite the Entitlement Offer in their respective proportions, namely:

- in respect of Caledonia, 82%; and
- in respect of TDM Asset Management, 18%.

The underwriting agreement between CSG and the Underwriters is on customary terms for an underwriting agreement, including:

- a) a number of conditions precedent, including CSG having obtained all ASIC approvals necessary to conduct the Entitlement Offer and CSG complying with the timetable in respect of the Entitlement Offer;
- b) a number of events giving the Underwriters the right to terminate, including:
 - i. market-related termination events, such as a fall of 10% or more in the S&P/ASX All Ordinaries index; and
 - ii. CSG-specific termination events, such as a material adverse change in the financial position or performance, shareholders' equity, profits, losses, results, condition, operations or prospects of CSG.

Further, the Underwriters are not required to underwrite the Offer to the extent that doing so would result in a contravention of the takeover provisions of the Corporations Act, though noting the exception in 611(10) of the Corporations Act (as modified by ASIC) should enable the Underwriters to underwrite the full Entitlement Offer.

- c) an underwriting fee equal to 1% of the gross proceeds raised by CSG under the Entitlement Offer (excluding the proceeds raised from the Underwriters taking up their entitlements to New Shares under the Institutional Entitlement Offer);
- d) an indemnity from CSG in favour of the Underwriters and others for losses they incur in connection with the Entitlement Offer; and
- e) an obligation on each Underwriter to take up their entitlements to New Shares under the Institutional Entitlement Offer in full

Related party transaction

Tom Cowan, a director of CSG, is also a director of and has an interest in TDM Asset Management Pty Ltd (**TDM**), one of the Underwriters to the Offer. Accordingly, the underwriting fee payable to TDM under the underwriting agreement is likely to constitute a related party transaction for the purposes of Chapter 2E of the Corporations Act. The board of CSG considers that the terms of the underwriting agreement would be reasonable in the circumstances if CSG and TDM were dealing at arms' length (or indeed less favourable to the related party). Accordingly, CSG has entered into the underwriting agreement in reliance on section 210 of the Corporations Act.

Key Risks

Competition risks

There are a number of organisations which compete both directly and indirectly with CSG in the print and business technology solutions sectors. Whilst CSG is the largest independent supplier of print and technology solutions in Australia, some of its competitors may have or may develop competitive advantages over CSG and may be larger on an international or regional basis and have greater access to capital or other resources. The market share of CSG's competitors may increase or decrease as a result of various factors such as securing major new contracts, developing new technologies and adopting pricing strategies specifically designed to gain market share. These competitive actions may reduce the prices that CSG is able to charge for its products and services, or reduce CSG's activity levels, both of which would negatively impact the financial performance of CSG and could materially affect CSG's financial performance or cash flows.

Financial position of customers

CSG has a large number of customers. In the event that any of those customers were unable to pay amounts owing to CSG (or having to significantly delay such payment) or otherwise become insolvent, such failure to pay would have an impact on the financial position of CSG.

Strategic relationships

CSG has developed a number of strategic relationships with third parties, and there is a risk that a change in such relationships (including, for example, the counter-party seeking to terminate the relevant agreement) will require CSG to seek alternative alliances, or to operate independently in certain future transactions. The result of this could adversely affect CSG's future operational or financial performance.

Reliance on key personnel

CSG is reliant on retaining and attracting quality senior executives and other employees. The responsibility of overseeing day-to-day operations and the management of CSG is concentrated amongst the Executive Director & Chairman, the Managing Director & Chief Executive Officer and a small number of key employees. Some of those employees have been instrumental in the operation of CSG and its relationships with third parties, and the loss of the services of any of those key employees (for any reason whatsoever) or the inability to attract new qualified personnel, could adversely affect CSG's operations. There can be no guarantee that key personnel will remain with CSG in the future.

Key Risks

Business interruption

The core technologies, systems and operations that CSG uses could be exposed to damage or interruption from system failures, computer viruses, cyber-attacks, power or telecommunication providers' failure, fire, natural disasters, terrorist acts, war, or human error. These events may cause one or more of CSG's core technologies, systems or operations to become unavailable. Any interruptions to these operations would impact CSG's ability to operate and could result in business interruption, the loss of customers and/or revenue, damaged reputation and weakening of competitive position and could therefore adversely affect CSG's operating and financial performance.

CSG has adopted policies and procedures in relation to business interruption, which seek to set out strategies for avoiding and minimising interruption and restoring business to normal. However, the existence of such policies and procedures does not guarantee that interruption and loss to CSG will not occur. Furthermore, while CSG maintains policies of insurance in respect of insurable risks, and for amounts that it considers reasonable, there can be no certainty that such losses will be able to be claimed under or covered by the relevant insurance policies.

Technology and innovation

As CSG operates in the technology industry, it relies in certain respects on the continued development of marketable technologies. There is a risk that the rate of such advancements will slow, which may negatively affect CSG's profitability. Alternatively, there is a risk that a general technological development will involve costs which are disproportionate to previous generation technologies. In the event that CSG seeks to adopt or sell such technologies, its financial performance may be adversely affected. In addition, an inability to optimise the full value of innovation opportunities in services, products, processes and commercial solutions may impact CSG's future growth.

Capital and operating costs

CSG's future financial performance is dependent, to a certain extent, on the level of capital expenditure that is required to maintain its assets. Any significant unforeseen increase in the capital and operating costs associated with CSG's operations would impact its future cash flow and profitability.

Customer risks

CSG's products and services are subject to changes in customers' preferences and practices, and therefore market share and pricing competitiveness may vary depending on the popularity of CSG's products and services.

Key Risks

Financing risks

There are a number of factors which may impact CSG's ability to secure new, or renew its current, debt facilities, some of which are outside of the control of CSG, its Directors and its employees. CSG has agreed a variation of its existing debt facilities with its financiers, subject to final documentation.

In addition to CSG's main financier, there is also a risk that CSG may not be able to renew its other existing debt facilities on terms which are equal to more favourable than those which currently apply. An inability of CSG to renew all of its debt facilities as required, or the inability to renew them on no less favourable terms, may affect CSG's financial performance and position in the future. Whilst it is not currently anticipated, should CSG be unable to satisfy the conditions of draw down under its debt facilities, CSG will need to source funding from alternative sources, including equity. CSG provides equipment rental and lease products in Australia and New Zealand. This business is sensitive to the availability and cost of funding, and should there be any future disruptions in the credit markets or changes in the procurement of credit, there could be a reduction in the availability of funding or an increase in the cost of funding, which could adversely affect the future financial performance or position of CSG.

Litigation

CSG may become the subject of litigation associated with contractual disputes, personal injury, intellectual property disputes, customer claims, employee claims, taxation and regulatory claims. Any successful claim against CSG may adversely impact its future financial performance or position as well as its reputation and brand.

Geographical and foreign exchange risk

CSG's revenue and earnings are derived from its Australian and New Zealand operations. Currently, CSG's earnings are denominated in either Australian dollars or New Zealand dollars, whilst its expenses are predominantly denominated in Australian dollars, New Zealand dollars, and U.S. dollars. An investment in CSG will therefore include exposure to economic and currency fluctuations in these countries and these currency denominations.

Acquisition related risks

In the future, CSG may acquire or make strategic investments in complementary businesses, or enter into strategic relationships with third parties in order to enhance its business. Any future acquisitions or new relationships may require CSG to obtain additional equity or debt financing, resulting in additional dilution of ownership for shareholders, increased leverage and potentially higher debt obligations compared to equity.

Key Risks

General economic conditions

Adverse changes in economic conditions including economic growth rates, interest rates, employment levels, consumer demand, consumer and business sentiment, market volatility, exchange rates, inflation rates, government policies, international economic conditions and employment rates amongst others are outside of CSG's control, and have the potential to have an adverse impact on the future operational and financial performance of CSG.

Regulatory and tax risks

CSG is exposed to any changes in the regulatory conditions under which it operates in Australia and New Zealand. Such regulatory changes can include, but are not limited to, changes in tax laws and policies; accounting laws, policies, standards and practices; laws and regulations that may impact upon the operations and business practices of CSG and its management (including, for example, new finance or regulatory requirements in Australia or New Zealand which could impact on CSG's finance, rental and leasing business). In particular, CSG operates in a highly regulated environment. This is the case especially for CSG's finance business. Moving forward, to comply with regulatory requirements, CSG's management understands the capital adequacy requirements for industry participants will increase. While management has a number of strategies in place to deal with this requirement, it may be that the cost of doing so may be greater than anticipated or require new facilities or other financing transactions to be entered into. Any change in the current rate of company income tax in Australia and New Zealand may impact upon the financial performance and cash flows, ability to pay dividends and CSG's share price which in turn could impact shareholder returns. Any changes to the current rates of income tax applicable to individuals and trusts may also impact shareholder returns.

Share price movements

There are risks associated with any investment in a listed company on the ASX. The value of shares may rise above or below the current share price, depending on the operational and financial performance of CSG and a number of external factors over which CSG, its Directors nor its employees have any control. These external factors include economic conditions in Australia, New Zealand and overseas which may impact equity capital markets; changing investor sentiment in Australia, New Zealand and overseas share markets; changes in fiscal, monetary, regulatory or other government policies and developments and general conditions in the markets in which CSG proposes to operate and which may impact on the future value and pricing of CSG shares.

Key Risks

Liquidity and realisation risk

There may be few or many potential buyers or sellers of CSG Limited shares on the ASX at any given time. This may affect the volatility of the market price of CSG's shares, and may affect the prevailing market price at which shareholders are able to sell their CSG shares, which may be more or less than the implied share price.

Major shareholder risk

CSG currently has a number of substantial shareholders on its share register. There is a risk that these shareholders or other larger shareholders may sell their shares at a future date. This could cause the price of CSG shares to decline.

Safety

The installation and maintenance of print, display and technology devices poses a safety risk to installers. There is a risk that CSG's installed devices could pose a risk to community safety in the event the structure is improperly installed or maintained or is tampered with. Any claim relating to installer or community safety or injury could materially affect CSG's reputation, as well as its businesses, operating and financial performance.

Asset impairment

Under Australian accounting standards, intangible assets that have an indefinite useful life, are not subject to amortisation and are reviewed annually for impairment whenever events or changes in circumstances indicate that the carrying amount of an individual asset may not be recoverable. Changes to the carrying amounts of CSG's assets could have an adverse impact on the reported financial performance of CSG in the period that any impairment provision is recorded could increase volatility of reported earnings in cases where there is further impairment or a reversal of impairment provisions that were recorded in previous periods.

Foreign Selling Restrictions

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