APOLLO TOURISM & LEISURE LTD
ACN 614 714 742

Replacement Scheme Booklet

for a scheme of arrangement in relation to the proposed acquisition by *thl* Group (Australia) Pty. Ltd., a wholly-owned subsidiary of Tourism Holdings Rentals Limited, a foreign company registered in its original jurisdiction of New Zealand as Tourism Holdings Limited, of all of the ordinary shares in Apollo Tourism & Leisure Ltd not already owned by the *thl* Entities.

VOTE IN FAVOUR

The ATL Directors unanimously recommend that you approve the Scheme by voting in favour of the Scheme Resolution, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of ATL Voting Shareholders.

This is an important document and requires your urgent attention.

If you are in any doubt as to how to deal with this Replacement Scheme Booklet, please consult your legal, financial, taxation or other professional adviser. If, after reading this Replacement Scheme Booklet, you have any questions, please call the ATL Shareholder Information Line on 1300 158 729 (within Australia) or +61 2 9066 4059 (outside Australia) Monday to Friday between 8.30am and 5.30pm (AEDT).

Proxy forms which accompanied the Original Scheme Booklet are no longer valid. If you have previously lodged a proxy form, to ensure that your vote is counted you must lodge a new Proxy Form and submit it by 12.00pm (Brisbane time) on Wednesday, 9 November 2022. Proxies can be lodged online by visiting www.investorvote.com.au.

Please disregard this Replacement Scheme Booklet if you have recently sold all your ATL Shares or no longer hold any ATL Shares.

LEGAL ADVISER TO ATL

Hamilton Locke

FINANCIAL ADVISER TO ATL

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Important Notices

Nature of this booklet

This Replacement Scheme Booklet is important. ATL Voting Shareholders should carefully read this Replacement Scheme Booklet in its entirety before making a decision on how to vote on the Scheme.

This Replacement Scheme Booklet replaces the Original Scheme Booklet.

The purpose of this Replacement Scheme Booklet is to:

- explain the terms of the Scheme, the manner in which the Scheme will be considered and implemented (if all of the conditions to the Scheme are satisfied or (if permitted) waived) and to provide such information as is prescribed or otherwise material for ATL Voting Shareholders when deciding how to vote on the Scheme; and
- provide information to ATL Voting Shareholders about matters which arose after the date of the Original Scheme Booklet on 21 February 2022, including:
  - changes to the Scheme, including the Scheme Consideration and the addition of the Divestment Condition;
  - updates to the Scheme Conditions, including in relation to the status of the ACCC and the Commerce Commission merger clearance applications; and
  - the divestment of certain assets by the ATL Group to Jucy under the Asset Divestment; and
- provide ATL Voting Shareholders with details of the postponed Scheme Meeting, at which ATL Voting Shareholders will have the opportunity to vote on the Scheme Resolution.

This document includes the explanatory statement required by section 412(1) of the Corporations Act in relation to the Scheme.

This Replacement Scheme Booklet is not a disclosure document required by Chapter 6D or Part 7.9 of the Corporations Act. Section 708(17) of the Corporations Act provides that an offer of securities does not require disclosure to investors if it is made under a compromise or arrangement under Part 5.1 of the Corporations Act and approved at a meeting held as a result of an order under section 411(1) or (1A) of the Corporations Act.

If you have sold all your ATL Shares or no longer hold any ATL Shares, please disregard this Replacement Scheme Booklet.

Responsibility for information

ATL has been solely responsible for preparing the ATL Information. The information concerning ATL and the intentions, views and opinions of ATL and the ATL Directors contained in this Replacement Scheme Booklet has been prepared by ATL and is the responsibility of ATL. None of ***thl***, its Related Bodies Corporate or their respective directors, officers, employees or advisers has verified any of the ATL Information, and none of them assumes any responsibility for the accuracy or completeness of any of the ATL information.

thl has been solely responsible for preparing the ***thl*** Information. The information concerning ***thl*** and the intentions, views and opinions of ***thl*** contained in this Replacement Scheme Booklet, has been prepared by ***thl*** and is the responsibility of ***thl***. None of ATL, its Related Bodies Corporate, or their respective directors, officers, employees or advisers has verified any of the ***thl*** Information, and none of them assumes any responsibility for the accuracy or completeness of any of the ***thl*** Information.

The Independent Expert, Grant Thornton Corporate Finance Pty Ltd, has prepared the Replacement Independent Expert's Report and takes responsibility for that report. None of ATL, ***thl*** or their respective Related Bodies Corporate, or any of their respective directors, officers, employees or advisers takes any responsibility for the Replacement Independent Expert's Report. The Replacement Independent Expert's Report is set out in Annexure A.

The Investigating Accountant, BDO Audit Pty Ltd, has prepared the Replacement Independent Limited Assurance Report and takes responsibility for that report. None of ATL, ***thl*** or their respective Related Bodies Corporate, or any of their respective directors, officers, employees or advisers takes any responsibility for the Replacement Independent Limited Assurance Report. The Replacement Independent Limited Assurance Report is contained in Annexure B.

Regulatory information and role of ASIC and ASX

The Original Scheme Booklet was the explanatory statement for the scheme of arrangement between ATL and the Scheme Shareholders for the purposes of section 412(1) of the Corporations Act. It was provided to ASIC in accordance with section 411(2) of the Corporations Act and was then registered by ASIC under section 412(6) of the Corporations Act before being sent to ATL Voting Shareholders on or about 24 February 2022.

This Replacement Scheme Booklet has been prepared to update the Original Scheme Booklet and has been provided to ASIC, ASX and ATL Voting Shareholders.

This document includes the explanatory statement for the Scheme between ATL and the Scheme Shareholders for the purposes of section 412(1) of the Corporations Act. A copy of the Scheme is included in this Replacement Scheme Booklet as Annexure C. The Scheme is different from the form included as Annexure C to the Original Scheme Booklet.

A draft of this Replacement Scheme Booklet has been provided to ASIC in accordance with section 411(2) of the Corporations Act. It was then registered by ASIC under section 412(6) of the Corporations Act before being sent to ATL Voting Shareholders.

ASIC has been requested to provide a statement, in accordance with section 411(17)(b) of the Corporations Act, that it has no objection to the Scheme. ASIC's policy in relation to statements under section 411(17)(b) of the Corporations Act is that it will not provide such a statement until the Second Court Hearing. This is because ASIC will not be in a position to advise the Court until it has had an opportunity to observe the entire process of the Scheme.

If ASIC provides that statement, it will be produced to the Court at the Second Court Hearing. Neither ASIC nor any of its officers takes any responsibility for the contents of this Replacement Scheme Booklet.

A draft of this Replacement Scheme Booklet has also been provided to ASX for its review in accordance with the Listing Rules. Neither ASX nor any of its officers takes any responsibility for the contents of this Replacement Scheme Booklet.

Forward looking statements

This Replacement Scheme Booklet contains both historical and forward looking statements. All statements other than statements of historical fact are, or may be deemed to be, forward looking statements.

All forward looking statements in this Replacement Scheme Booklet reflect views only as at the date of this Replacement Scheme Booklet, and generally may be identified by the use of forward looking words such as "believe", "aim", "expect", "anticipate", "intending", "foreseeing", "likely", "should", "planned", "may", "estimate", "potential", or other similar words. Similarly, statements that describe ATL, ***thl*** or the Merged Group's objectives, plans, goals or expectations are or may be forward looking statements. The statements contained in this Replacement Scheme Booklet about the impact that the Scheme may have on the results of ATL and/or ***thl***'s operations and the advantages and disadvantages anticipated to result from the Scheme are also forward looking statements.

ATL Voting Shareholders should be aware that there are risks (both known and unknown), uncertainties, assumptions and other important factors that could cause the actual conduct, results, performance or achievements of ATL or ***thl*** to be materially different from the future conduct, results, performance or achievements expressed or implied by such statements or that could cause the future conduct, results, performance or achievements to be materially different from historical conduct, results, performance or achievements. These risks, uncertainties, assumptions and other important factors include, among other things, the risks set out in section 10 of this Replacement Scheme Booklet.

None of ATL, ***thl***, or any of their respective Related Bodies Corporate, directors, officers, employees or advisers, or any person named in this Replacement Scheme Booklet with their consent, or otherwise involved in the preparation of this Replacement Scheme Booklet, gives any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward looking statements in this Replacement Scheme Booklet will actually occur.

ATL Voting Shareholders are cautioned about relying on any such forward looking statements. All subsequent written and oral forward-looking statements attributable to ATL, ***thl***, or any of their respective Related Bodies Corporate, directors, officers, employees or advisers or any person acting on their behalf are qualified by this cautionary statement.

The forward looking statements in this Replacement Scheme Booklet reflect views held only as at the date of this Replacement Scheme Booklet. Subject to any continuing obligations under applicable law or the ASX Listing Rules, ATL, ***thl***, their Related Bodies Corporate and their respective directors and officers disclaim any obligation to update any forward looking statements after the date of this Replacement Scheme Booklet, to reflect any change in expectations in relation to those statements or change in events, conditions or circumstances on which a statement is based.

Not investment advice

The information contained in this Replacement Scheme Booklet does not take into account the investment objectives, financial situation or particular needs of any individual ATL Voting Shareholder or any other person. Before making any investment decision in relation to the Scheme, you should consider, with or without the assistance of an independent securities or other adviser, whether that decision is appropriate in light of your particular investment needs, objectives and financial circumstances. Neither ATL nor ***thl*** are licensed to provide financial product advice. No cooling-off period applies to the issue of ***thl*** Consideration Shares to Scheme Shareholders under the Scheme.

Not an offer

This Replacement Scheme Booklet does not constitute or contain an offer to ATL Shareholders, or a solicitation of an offer from ATL Shareholders, in any jurisdiction.

Foreign jurisdictions

The release, publication or distribution of this Replacement Scheme Booklet in jurisdictions other than Australia, New Zealand and the United Kingdom may be restricted by law or regulation in such other jurisdictions. Persons outside Australia, New Zealand or the United Kingdom who come into possession of this Replacement Scheme Booklet should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable laws or regulations. ATL disclaims all liabilities to such persons.

ATL Voting Shareholders who are nominees, trustees or custodians are encouraged to seek independent advice as to how they should proceed.

This Replacement Scheme Booklet has been prepared in accordance with Australian law and the information contained in this Replacement Scheme Booklet may not be the same as that which would have been disclosed if this Replacement Scheme Booklet had been prepared in accordance with the laws and regulations of jurisdictions other than Australia. No action has been taken to register or qualify this Replacement Scheme Booklet or any aspect of the Scheme in any jurisdiction outside Australia.

If you are a Foreign Scheme Shareholder, you will not be entitled to receive ***thl*** Consideration Shares. ***thl*** Consideration Shares that would otherwise be issued to you under the Scheme will be issued to a nominee of ***thl*** to be sold on NZX, with the net sale proceeds to be paid to you.

New Zealand

This Replacement Scheme Booklet is not a New Zealand product disclosure statement or other disclosure document and has not been registered, filed with or approved by any New Zealand Governmental Agency under or in accordance with the Financial Markets Conduct Act 2013 (or any other relevant New Zealand law). In offering ***thl*** Consideration Shares under the Scheme in New Zealand, ***thl*** is relying on the exclusion contained in clause 19 of Schedule 1 to the Financial Markets Conduct Act 2013 and accordingly, this Replacement Scheme Booklet may not contain all the information that a product disclosure statement or other disclosure document is required to contain under New Zealand law. ATL Voting Shareholders resident in New Zealand should seek their own advice and satisfy themselves as to the Australian and New Zealand tax implications of participating in the Scheme.

United Kingdom

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

This Replacement Scheme Booklet does not constitute an offer of transferable securities to the public within the meaning of Regulation (EU) 2017/1129 (**UK Prospectus Regulation**) or the FSMA. Accordingly, this document does not constitute a prospectus for the purposes of the UK Prospectus Regulation or the FSMA.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 FSMA) received in connection with the issue of ***thl*** Consideration Shares or sale of the ATL Shares has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) FSMA does not apply to ATL or ***thl***.

In the United Kingdom, this Replacement Scheme Booklet is being distributed only to, and is directed at, persons (i) who fall within Article 43 (members of certain bodies corporate) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005, or (ii) to whom it may otherwise be lawfully communicated (together "relevant persons"). The investments to which this document relates are available only to, and any invitation, offer or agreement to purchase will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this document.

Important notice associated with Court order

The fact that, under subsection 411(1) of the Corporations Act, the Court has ordered that the Scheme Meeting be convened and has approved this Replacement Scheme Booklet for distribution to the Scheme Shareholders does not mean that the Court:

- has formed any view as to the merits of the proposed Scheme or as to how ATL Voting Shareholders should vote (on this matter, members must reach their own decision); or
- has or will approve the terms of the Scheme; or
- has prepared, or is responsible for the content of, the Replacement Scheme Booklet.

The order of the Court that the Scheme Meeting be convened is not, and should not be treated as, an endorsement by the Court of, or any other expression of opinion by the Court on, the Scheme.

Notice of Postponed Scheme Meeting

A Notice of Postponed Scheme Meeting is set out in Annexure E, which provides ATL Voting Shareholders with details of the Scheme Meeting (previously postponed by order of the Court on 14 April 2022) at which ATL Voting Shareholders will have the opportunity to vote on the Scheme Resolution.

Notice of Second Court Hearing

At the Second Court Hearing, the Court will consider whether to approve the Scheme following the vote at the Scheme Meeting.

Any ATL Shareholder may appear at the Second Court Hearing, which is currently expected to be held at 9.00am (Brisbane time) on Friday, 18 November 2022 at the Supreme Court of Queensland (Brisbane Registry). Information on attending the Second Court Hearing, including the scheduled date of the hearing, will be released on ASX in due course if the Scheme is approved by ATL Voting Shareholders at the Scheme Meeting.

Any ATL Shareholder who wishes to oppose approval of the Scheme at the Second Court Hearing may do so by filing with the Court and serving on ATL a notice of appearance in the prescribed form together with any affidavit that the ATL Shareholder proposes to rely on.

The notice of appearance and affidavit must be served on ATL at its address for service at least one day before the Second Court Hearing. The postal address for service is c/- Hamilton Locke, Level 28, 123 Eagle Street, Brisbane, Queensland 4000 and should be copied to benny.sham@hamiltonlocke.com.au.

An ATL Shareholder seeking to attend the Second Court Hearing should review the Court list (available at www.courts.qld.gov.au/daily-law-lists/daily-law-lists) for details of the hearing and how such hearing can be attended. The Court list is usually available by 6.00pm (Brisbane time) the day before a scheduled hearing.

Any update or change to the date or arrangements for the conduct of the Second Court Hearing will be announced on the ASX (www.asx.com.au) and will also be notified on ATL's website (www.apollotourism.com).

Implied value

Scheme Shareholders will receive their Scheme Consideration as ***thl*** Consideration Shares. Any reference to the implied value of the Scheme Consideration should not be taken as an indication that the implied value is fixed. The implied value of the Scheme Consideration will vary with the market price of ***thl*** Consideration Shares and the NZD:AUD exchange rate.

If you are a Foreign Scheme Shareholder, this also applies to the ***thl*** Consideration Shares which will be issued to a nominee of ***thl*** and sold on NZX by the nominee. Any cash remitted to you from the sale proceeds will depend on the market price of ***thl*** Consideration Shares at the time of sale by ***thl***'s nominee and will be less any applicable taxes, brokerage and other charges incurred by ***thl*** or the nominee in connection with the sale.

Tax implications of the Scheme

If the Scheme becomes Effective and, subject to the Divestment Condition being satisfied, is implemented, there will be tax consequences for Scheme Shareholders which may include tax being payable on any gain on disposal of ATL Shares.

For further detail about the general Australian and certain New Zealand tax consequences of the Scheme, refer to section 11 of this Replacement Scheme Booklet. The tax treatment may vary depending on the nature and characteristics of each ATL Voting Shareholder and their specific circumstances. Accordingly, ATL Voting Shareholders should seek professional tax advice in relation to their particular circumstances.

Privacy

ATL, ***thl*** and their respective registries may need to collect personal information in connection with the Scheme.

The personal information may include the names, contact details and details of holdings of ATL Voting Shareholders, together with contact details of individuals appointed as proxies, attorneys or corporate representatives for the Scheme Meeting. The collection of some of this information is required or authorised by the Corporations Act.

The primary purpose of the collection of personal information is to assist ATL and ***thl*** to conduct the Scheme Meeting and implement the Scheme.

The information may be disclosed to ATL, ***thl***, and their respective Related Bodies Corporate and advisers, print and mail service providers, share registries, securities brokers and any other service provider, whether in Australia or overseas, to the extent necessary to promote and effect the Scheme.

ATL Shareholders who are individuals, and other individuals in respect of whom personal information is collected, have certain rights to access the personal information collected about them. ATL Shareholders may contact the Share Registry if they wish to exercise these rights.

If the information outlined above is not collected, ATL may be hindered in, or prevented from, conducting the Scheme Meeting or implementing the Scheme. ATL Voting Shareholders who appoint an individual as their proxy, attorney or corporate representative to vote at the Scheme Meeting should inform that individual of the matters outlined above.

Right to inspect Share Register

ATL Shareholders have the right to inspect the Share Register which contains the name and address of each ATL Shareholder and certain other prescribed details relating to ATL Shareholders, without charge.

ATL Shareholders also have the right to request a copy of the Share Register upon payment of a fee (if any) up to a prescribed amount.

ATL Shareholders have these rights by virtue of section 173 of the Corporations Act.

Past performance

References to the past financial performance of ATL and ***thl*** are not a reliable indicator of future performance.

External websites

Unless expressly stated otherwise, the content of ATL's website and ***thl***'s website does not form part of this Replacement Scheme Booklet and ATL Voting Shareholders should not rely on any such content.

Defined terms

Capitalised terms used in this Replacement Scheme Booklet (other than in the Annexures which accompany this Replacement Scheme Booklet) are defined in the Glossary in section 13 of this Replacement Scheme Booklet or otherwise in the sections in which they are used.

Section 13 of this Replacement Scheme Booklet also sets out rules of interpretation which apply to this Replacement Scheme Booklet.

Financial amounts

All financial amounts in this Replacement Scheme Booklet in relation to ATL are expressed in Australian currency, unless otherwise stated. All financial amounts in this Replacement Scheme Booklet in relation to ***thl*** and the Merged Group are expressed in New Zealand currency, unless otherwise stated.

Charts and diagrams

Any diagrams, charts, graphs and tables appearing in this Replacement Scheme Booklet are illustrative only and may not be drawn to scale. Unless otherwise stated, all data contained in diagrams, charts, graphs and tables is based on information available at the date of this document.

Rounding

A number of figures, amounts, percentages, prices, estimates, calculations of value and fractions in this Replacement Scheme Booklet are subject to the effect of rounding. Accordingly, the actual calculations may differ from the figures, amounts, percentages, prices, estimates, calculations of value and fractions set out in this Replacement Scheme Booklet due to the effect of rounding.

Time

A reference to time in this Replacement Scheme Booklet is a reference to the time in Brisbane, Australia, unless otherwise indicated.

Date of this Replacement Scheme Booklet

This Replacement Scheme Booklet is dated 26 October 2022.

Key dates and times

EVENT	DATE
Date of the Original Scheme Booklet	Monday, 21 February 2022
Date of this Replacement Scheme Booklet	Wednesday, 26 October 2022
Deadline for receipt by the Share Registry of Proxy Forms, powers of attorney or appointments of corporate representatives for the Scheme Meeting	12.00pm (Brisbane time) on Wednesday, 9 November 2022
Time and date for determining eligibility to vote at the Scheme Meeting (**Voting Entitlement Time**)	7.00pm (AEDT) on Wednesday, 9 November 2022
Scheme Meeting	12.00pm (Brisbane time) on Friday, 11 November 2022
If the Scheme is approved by the Requisite Majority of ATL Voting Shareholders, the indicative timetable for implementing the Scheme is as set out below and ATL will confirm the proposed dates to ASX and on its website (www.apollotourism.com) in due course.	
Second Court Date: Second Court Hearing for approval of the Scheme	9.00am (Brisbane time) on Friday, 18 November 2022
Effective Date The date on which the Scheme becomes Effective and is binding on ATL Voting Shareholders Lodgement by ATL with ASIC of the Court orders approving the Scheme and lodgement of announcement to ASX Last day of trading in ATL Shares on the ASX	Monday, 21 November 2022
Suspension of trading of ATL Shares on ASX	4.00pm (AEDT) on Monday, 21 November 2022
Scheme Record Date: Time and date for determining entitlements to the Scheme Consideration	7.00pm (AEDT) on Wednesday, 23 November 2022
Completion of the Asset Divestment and satisfaction of the Divestment Condition	Wednesday, 30 November 2022 and in any event prior to Scheme implementation
Implementation Date: Issue of Scheme Consideration to Scheme Shareholders	Wednesday, 30 November 2022
Commencement of trading of ***thl*** Consideration Shares on the NZX on a normal settlement basis	Thursday, 1 December 2022
Admission of ***thl*** to the official list of ASX as a foreign exempt listing	Thursday, 1 December 2022
Commencement of trading of ***thl*** Consideration Shares on the ASX on a normal settlement basis	Thursday, 1 December 2022 or as soon as reasonably practicable thereafter

All dates following the date of the Scheme Meeting are indicative only and, among other things, are subject to all necessary approvals from the Court, ASIC, ASX, NZX and any other relevant government agency, and any other conditions to the Scheme having been satisfied or, if applicable, waived. Any changes to the above timetable will be announced on ASX and notified on ATL's website at www.apollotourism.com.

What you should do

Step 1: Read this Replacement Scheme Booklet

This is an important document and requires your immediate attention. It contains information that is material to ATL Voting Shareholders in making a decision on whether or not to vote in favour of the Scheme.

You should read this Replacement Scheme Booklet in its entirety, including the Replacement Independent Expert's Report, before making a decision on how to vote in relation to the Scheme.

If you are in any doubt as to what you should do with this Replacement Scheme Booklet, please consult your legal, financial, tax or other professional adviser. If you have any additional questions about the Scheme or the Replacement Scheme Booklet, please contact the ATL Shareholder Information Line on 1300 158 729 (within Australia) or +61 2 9066 4059 (outside Australia) on Monday to Friday between 8.30am and 5.30pm (AEDT).

Step 2: Vote at the Scheme Meeting

If you are registered as an ATL Voting Shareholder by the Share Registry at the Voting Entitlement Time, which is 7.00pm (AEDT) on Wednesday, 9 November 2022, you will be entitled to vote at the Scheme Meeting.

If you are entitled to vote at the Scheme Meeting, it is very important that you vote. This is because the Scheme must be passed by a majority in number (more than 50%) of ATL Voting Shareholders who are present and voting at the Scheme Meeting, in person or by proxy, attorney or corporate representative, and at least 75% of the votes cast on the Scheme Resolution at the Scheme Meeting.

Proxy forms which accompanied the Original Scheme Booklet are no longer valid. If you have previously lodged a proxy form, to ensure that your vote is counted you must lodge a new Proxy Form and submit it by 12.00pm (Brisbane time) on Wednesday, 9 November 2022. Proxies can be lodged online by visiting www.investorvote.com.au.

The Scheme Meeting will be a hybrid meeting facilitating in person and online participation.

On 14 April 2022, the Court ordered the postponement of the Scheme Meeting originally scheduled for 10.00 am (Brisbane time) on Wednesday, 20 April 2022. Pursuant to an order of the Court made on 26 October 2022, the postponed Scheme Meeting will be held at 12.00pm (Brisbane time) on Friday, 11 November 2022 at Level 29, Riverside Centre, 123 Eagle Street, Brisbane, Queensland 4000 and also via ATL's online meeting platform at https://meetnow.global/MXDSZKR, as set out in the Notice of Postponed Scheme Meeting in Annexure E. ATL Voting Shareholders and their proxies, attorneys and corporate representatives may attend the Scheme Meeting either in person or via ATL's online meeting platform.

To minimise health risks created by the COVID-19 pandemic, ATL strongly encourages ATL Voting Shareholders to consider lodging a directed proxy or attending the meeting virtually, rather than attending the physical meeting in person. ATL Voting Shareholders who are feeling unwell should not attend in person.

You should note that the Scheme is subject to the Scheme Conditions and the Divestment Condition, so the Scheme may not proceed even if the Scheme is approved by ATL Voting Shareholders at the Scheme Meeting.

Please refer to the explanatory notes in the Notice of Postponed Scheme Meeting at Annexure E for a summary of voting procedures for the Scheme Meeting.

Key reasons to vote for and against the Scheme

Reasons to vote in favour of the Scheme

✓	The ATL Directors unanimously recommend that you vote in favour of the Scheme, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of the ATL Voting Shareholders.
✓	The Independent Expert has concluded that the Scheme is fair and reasonable and in the best interests of ATL Voting Shareholders, in the absence of a Superior Proposal.
✓	The Scheme has support from ATL's major shareholder group, the Trouchet Shareholders.
✓	The Scheme Consideration represents an attractive premium to the trading prices of ATL Shares prior to the announcement of the Scheme.
✓	The Proposed Transaction brings two highly complementary businesses together to create a diversified, leading RV travel company across Australia, New Zealand, North America, the United Kingdom and Europe.
✓	The Proposed Transaction is expected to create significant cost synergies not otherwise available to the standalone entities.
✓	The Merged Group is expected to be financially stronger than ATL on a standalone basis. The ATL Directors believe this will likely result in a faster recovery from COVID-19, improved ability to weather any ongoing effects from the pandemic including supply chain disruptions, and capability to take advantage of near term growth opportunities.
✓	The Scheme was considered by ATL Directors to be more favourable than ATL remaining as a standalone entity.
✓	No Superior Proposal has emerged since the announcement of the Scheme.
✓	If the Scheme does not proceed, and no Superior Proposal emerges, the price of ATL Shares may fall in the near-term.
✓	The Merged Group will have an experienced and complementary board and management team with extensive experience and proven track record operating across Australia, New Zealand, the United Kingdom, Europe and North America.
✓	***thl*** will apply to be admitted to the official list of ASX in addition to its existing NZX listing and, if that application is successful, the Scheme becomes Effective and the Divestment Condition is satisfied, Scheme Shareholders will be able to trade their ***thl*** Consideration Shares on the ASX and NZX.
✓	No brokerage will be payable by you for the transfer of your ATL Shares under the Scheme.

Reasons why you might decide to vote in favour of the Scheme are set out in more detail in section 4 of this Replacement Scheme Booklet.

Potential reasons to vote against the Scheme

×	You may believe there is potential for a Superior Proposal to be made in the foreseeable future.
×	You may disagree with the ATL Directors' unanimous recommendation or the Independent Expert's conclusion.
×	You may wish to maintain your current investment profile and exposure to a business with ATL's specific characteristics.
×	The future value of the ***thl*** Consideration Shares after the Scheme is implemented will move with market and investor sentiment and as such is considered uncertain.
×	You may be worried about specific risks associated with ***thl***'s business or the future value of ***thl*** Consideration Shares after the Scheme is implemented.
×	You may disagree with the Asset Divestment.
×	The tax consequences of the Scheme may not suit your current financial situation.
×	The Scheme may be subject to conditions that you consider unacceptable.

Reasons why you might decide not to vote in favour of the Scheme are set out in more detail in section 4 of this Replacement Scheme Booklet.

Contents

Letter from the Chairman of ATL

Dear ATL Shareholder,

On behalf of the ATL Directors, I am pleased to provide you with this Replacement Scheme Booklet that contains information that you will need to consider in relation to the proposed merger of Apollo Tourism & Leisure Ltd (**ATL**) with Tourism Holdings Limited (***thl***), a company listed on New Zealand's Exchange (**NZX**) through ***thl*** Group (Australia) Pty. Ltd. (***thl* Acquirer**), a wholly-owned Subsidiary of ***thl***.

On 10 December 2021, ATL and ***thl*** announced that they had entered into a Scheme Implementation Deed under which ***thl*** Acquirer will acquire all ATL Shares not already owned by the ***thl*** Entities by way of a scheme of arrangement between ATL and its shareholders (**Scheme**).

Your directors believe the merger of ATL and ***thl*** will create a leading global RV group that will be better placed to take advantage of near term growth opportunities and navigate the ongoing uncertainties in tourism, leisure and supply chains caused by the COVID-19 pandemic. We expect the merger will deliver meaningful synergies for both ATL and ***thl*** Shareholders. We also believe that the merger will provide a stronger financial platform to deliver an earnings recovery post-pandemic more quickly than would be possible for ATL stand-alone.

Developments since the issue of the Original Scheme Booklet

Changes to the Scheme Consideration

When the proposed Scheme was announced on 10 December 2021, the consideration payable to Scheme Shareholders was originally 1 ***thl*** Consideration Share in exchange for every 3.680818 ATL Shares held on the Scheme Record Date (except in the case of Foreign Scheme Shareholders where the Scheme Consideration will be provided to a nominee of ***thl***), resulting in Scheme Shareholders owning approximately 25% of ***thl*** Shares on issue upon implementation of the Scheme.

As announced to ASX on 23 September 2022, ***thl*** has agreed to increase the percentage of the Merged Group owned by ATL Shareholders (including ***thl***) by 10% to approximately 27.5%. Based on the capital structure of ATL and ***thl*** as at the Last Practicable Date, after accounting for ***thl***'s existing shareholding in ATL and the ***thl*** Shares issued in connection with ***thl***'s acquisition of 51% of Just go on 4 October 2022, upon implementation of the Scheme the percentage of the Merged Group owned by Scheme Shareholders (which excludes ***thl***) will be approximately 27.0%.[1]

This results in Scheme Shareholders receiving 1 ***thl*** Consideration Share in exchange for every 3.210987 ATL Shares held on the Scheme Record Date, except for Foreign Scheme Shareholders as set out in section 6.6. The change in the merger ratio in favour of Scheme Shareholders resulted from the collective recognition of the increase in the value of ATL's Canadian properties since December 2021, alongside the faster than anticipated recovery of the Australian market from the COVID-19 pandemic and stronger outlook. ATL has a proportionately larger Australian operation than ***thl***.

Divestment to Jucy

Since the release of the Original Scheme Booklet on 21 February 2022, ATL and ***thl*** have continued to work with the ACCC and the Commerce Commission to progress the respective merger clearance applications.

1 ***thl*** holds 898,150 ordinary shares in ATL, representing 0.5% of ATL ordinary shares on issue. Whilst the share of the Merged Group attributable to all ATL shareholders (including ***thl***) under the Scheme as at 23 September 2022 was approximately 27.5%, the share of the Merged Group attributable to ATL Shareholders (excluding thl) was approximately 27.4% and the share of the Merged Group attributable to ***thl*** shareholders was approximately 72.6%. On 4 October 2022, thl acquired the remaining 51% interest of Just go motorhomes in the United Kingdom and as part payment issued 2,941,857 ***thl*** Shares to the vendors (see section 8.18). Based on the capital structure of ATL and ***thl*** at the Last Practicable Date, upon implementation of the Scheme the share of the Merged Group attributable to ATL Shareholders (excluding ***thl***) will be approximately 27.0% and the share of the Merged Group attributable to ***thl*** shareholders will be approximately 73.0% (including the Just go vendors). The merger ratio may be impacted by any further share issuances by ***thl*** after the date of this Replacement Scheme Booklet.

On 1 July 2022, ATL announced to the ASX that while ATL and ***thl*** continue to strongly believe that the proposed merger will not substantially lessen competition in any jurisdiction, recognising the competition concerns raised by the respective competition regulators and with the intent to conclude the clearance processes in a timely manner, ATL and ***thl*** would seek merger clearance on the basis that the certain assets will be divested in Australia and New Zealand (**Asset Divestment**).

Certain entities within the ATL Group, ***thl*** Group and Jucy have entered into the Jucy SPA, pursuant to which it is intended that ATL will, immediately prior to implementation of the Scheme, divest the following assets to wholly owned subsidiaries of car and campervan rental business operator, Jucy:

- 200 4-6 berth motorhomes from ATL's rental fleet in Australia;
- 110 4-6 berth motorhomes from ATL's rental fleet in New Zealand;
- ATL's Star RV motorhome brand (which is currently used only in Australian and New Zealand);
- a proportion of the forward bookings associated with the rental fleet being sold; and
- property leases for rental depots in Perth, Alice Springs, Darwin, Hobart and Auckland.

ATL and ***thl*** have also agreed with Jucy that the Merged Group would:

- supply or procure the supply of, and Jucy would acquire, 40 motorhomes in calendar year 2023 with an option for an additional supply or procurement of 40 motorhomes in calendar year 2024 in each of Australia and New Zealand;
- at the request of Jucy, use best endeavours to introduce Jucy to wholesalers who currently market motorhomes under the Star RV brand and who do not have an existing relationship with Jucy; and
- provide certain transitional services to Jucy.

The key terms of the Jucy SPA and the Asset Divestment are summarised in section 5.16.

It is anticipated that completion of the Jucy SPA will occur on the Implementation Date, immediately prior to implementation of the Scheme (currently scheduled for Wednesday, 30 November 2022).

Conditional approval from ACCC and the Commerce Commission and condition subsequent

thl received conditional approval from the Commerce Commission on 23 September 2022 and from the ACCC on 29 September 2022, to its respective merger clearance applications on the basis of undertakings given by certain entities within the ATL Group and the ***thl*** Group with respect to the Asset Divestment. Further information in relation to these undertakings is set out in section 5.15. On 5 October 2022, the FIRB confirmed that the Commonwealth Government had no objection under the Foreign Acquisitions and Takeovers Act 1975 (Cth) to the proposed merger.

As noted above, completion of the Asset Divestment is a condition to the merger approval from ACCC and the Commerce Commission. Accordingly, ATL and ***thl*** have agreed to amend the Scheme such that completion of the Asset Divestment is a condition subsequent to the Scheme (**Divestment Condition**). If the Divestment Condition is not satisfied by the date 12 Business Days after the Scheme is approved by the Court at the Second Court Hearing, the Scheme would lapse and will not be implemented.

The amended Scheme is included in Annexure C.

Overview of the Scheme

Under the Scheme, all ATL Shareholders (other than the ***thl*** Entities) as at the Scheme Record Date (**Scheme Shareholders**) will be entitled to be issued 1 ***thl*** Consideration Share in exchange for every 3.210987 ATL Shares held by them on the Scheme Record Date (**Scheme Consideration**). Following implementation of the Scheme, and based on the capital structure of ***thl*** and ATL at the Last Practicable Date, Scheme Shareholders will together own approximately 27.0%[2] of ***thl*** Shares on issue, with existing ***thl*** Shareholders owning the remaining approximately 73.0% (except that Foreign Scheme Shareholders will not receive ***thl*** Consideration Shares and will instead receive the net proceeds from

2 After taking into account ***thl***'s existing shareholding in ATL and the ***thl*** Shares issued in connection with ***thl***'s acquisition of 51% of Just go on 4 October 2022. Refer to footnote 1 above.

the sale of the ***thl*** Consideration Shares that would otherwise have been issued to them, as set out in section 6.6).

Any entitlements to a fraction of a ***thl*** Consideration Share arising under the calculation of Scheme Consideration will be rounded to the nearest ***thl*** Consideration Share (and if the fractional entitlement would include one-half of a ***thl*** Consideration Share, the entitlement will be rounded up).

ATL Directors' recommendation

After carefully considering the expected advantages and potential disadvantages of the Scheme, each of the ATL Directors considers the Scheme to be in the best interests of ATL Shareholders (other than the ***thl*** Entities) (**ATL Voting Shareholders**) and recommends that ATL Voting Shareholders vote in favour of the Scheme, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of ATL Voting Shareholders. Subject to these same qualifications, each ATL Director intends to vote, or procure the voting of, any ATL Shares in which he or she has a Relevant Interest in favour of the Scheme. As at the Last Practicable Date, the ATL Directors hold in aggregate a Relevant Interest in approximately 53.73% of all ATL Shares on issue.

If any proposal is received from third parties in the context of a control transaction (or any other transaction), the ATL Directors will carefully consider that proposal to determine whether it is a Superior Proposal in the best interests of ATL Voting Shareholders, taking into account a range of relevant factors. As at the date of this Replacement Scheme Booklet, no Superior Proposal has emerged and the ATL Directors are not aware of any Superior Proposal that is likely to emerge.

Independent Expert

The ATL Directors have also commissioned an Independent Expert, Grant Thornton Corporate Finance Pty Ltd, to prepare the Replacement Independent Expert's Report in relation to the Scheme. The Replacement Independent Expert's Report is an updated version of the report contained in Annexure A of the Original Scheme Booklet.

The Independent Expert has concluded that the Scheme is fair and reasonable and in the best interests of ATL Voting Shareholders, in the absence of a Superior Proposal. The Independent Expert has assessed the fair market value of ATL Shares on a control basis at between A$0.696 and A$0.943 per ATL Share and the fair market value of the Scheme Consideration on a minority basis at between A$0.727 and A$0.923 per ATL Share. The Independent Expert's assessment of the fair market value of the Scheme Consideration on a minority basis falls within the Independent Expert's assessed fair market valuation range of ATL Shares on a control basis, with the mid-point of the Scheme Consideration valuation range above the mid-point of the ATL Shares valuation range.

A copy of the Replacement Independent Expert's Report is contained in Annexure A of this Replacement Scheme Booklet.

Scheme Meeting

Your vote is important. The Scheme can only be implemented if:

- the Scheme Resolution is approved by:
  - a majority in number (more than 50%) of ATL Voting Shareholders who are present and voting, in person or by proxy, attorney or corporate representative, at the Scheme Meeting; and
  - at least 75% of the votes cast on the Scheme Resolution at the Scheme Meeting by ATL Voting Shareholders;
- it is subsequently approved by the Court at the Second Court Hearing; and
- the Divestment Condition is satisfied by the date 12 Business Days after the Scheme is approved by the Court at the Second Court Hearing.

The Scheme Meeting will be a hybrid meeting facilitating in person and online participation.

Letter from the Chairman of ATL (continued)

On 14 April 2022, the Court ordered the postponement of the Scheme Meeting originally scheduled for 10.00 am (Brisbane time) on Wednesday, 20 April 2022. Pursuant to an order of the Court made on 26 October 2022, the postponed Scheme Meeting will be held at 12.00pm (Brisbane time) on Friday, 11 November 2022 at Level 29, Riverside Centre, 123 Eagle Street, Brisbane, Queensland 4000 and also via ATL's online meeting platform at https://meetnow.global/MXDSZKR. You may vote by attending in person or online through ATL's online meeting platform, or by appointing a proxy, attorney or corporate representative to attend the Scheme Meeting to vote on your behalf. Further information on how to vote using each of these methods is contained in the explanatory notes of the Notice of Postponed Scheme Meeting in Annexure E.

Should you wish to appoint a proxy to vote on your behalf, please complete and sign the personalised Proxy Form accompanying this Replacement Scheme Booklet and return it to the Share Registry by no later than 12.00pm (Brisbane time) on Wednesday, 9 November 2022.

Proxy forms which accompanied the Original Scheme Booklet are no longer valid. If you have previously lodged a proxy form, to ensure that your vote is counted you must lodge a new Proxy Form and submit it by 12.00pm (Brisbane time) on Wednesday, 9 November 2022. Proxies can be lodged online by visiting www.investorvote.com.au.

I strongly encourage you to carefully consider all the information set out in this Replacement Scheme Booklet when deciding whether to vote in favour of the Scheme.

If you require any further information in relation to the Scheme, please call the ATL Shareholder Information Line on 1300 158 729 (within Australia) or +61 2 9066 44059 (outside Australia) on Monday to Friday between 8.30am and 5.30pm (AEDT).

On behalf of the ATL Directors, I would like to take this opportunity to thank you in advance for your ongoing support of ATL. The ATL Directors believe that the proposed merger of ATL and ***thl*** through the Scheme makes strong commercial and strategic sense and is in the best interests of ATL Voting Shareholders, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of ATL Voting Shareholders. We encourage you to vote in favour of the Scheme and look forward to your participation in the Scheme Meeting.

Yours sincerely,

Sophie Mitchell

Non-Executive Chairman

Apollo Tourism & Leisure Ltd

Letter from the Chair of *thl*

Dear ATL Shareholders,

On behalf of the ***thl*** Directors and the management team of ***thl***, we are pleased to have collaborated with ATL to deliver this Replacement Scheme Booklet which provides important information in relation to the proposed merger of Apollo Tourism & Leisure Ltd (**ATL**) and Tourism Holdings Limited (***thl***).

Since the proposed merger was first agreed in December 2021, international tourism has begun to recover and positively, both ***thl*** and ATL have stated expectations to be profitable once again,[3] following several years of losses. As a Merged Group, I believe we will be even better positioned to capitalise on the recovery of international tourism over the recovery phase, through the realisation of the substantial cost synergies we see available today, as well as improved fleet efficiency as the fleet is rebuilt.[4]

While we anticipate that the impacts of the COVID-19 pandemic are largely in the past, the proposed merger also positions us to face a longer than expected recovery period, should that eventuate, with greater financial stability than either company would have as a standalone business, due to the ability of the Merged Group to execute on material cost synergies that aren't available to either party without this merger.

The strategic rationale for the proposed merger remains unchanged from that stated in December 2021. We will operate more globally and establish ourselves as a true global commercial RV rental leader with businesses in the United States, Canada, Europe and the United Kingdom, in addition to the Australasian operations, and supported by a strong manufacturing capability and retail vehicle sales in Australia and New Zealand.

It has been encouraging to see that there is a strong cultural fit between both ***thl*** and ATL, and that ATL shares our commitment to being a business that focuses on multiple stakeholder impacts and benefits.

This Replacement Scheme Booklet includes a profile of the Merged Group and ***thl***'s intentions for the Merged Group. On behalf of the board of ***thl***, I encourage you to read this Replacement Scheme Booklet carefully and vote in favour of the Scheme at the Scheme Meeting to be held at 12.00pm (Brisbane time) on Friday, 11 November 2022 at Level 29, Riverside Centre, 123 Eagle Street, Brisbane, Queensland 4000 and also via ATL's online meeting platform at https://meetnow.global/MXDSZKR.

I am excited by the opportunities that lie ahead for the Merged Group and I look forward to welcoming you as a ***thl*** Shareholder following successful implementation of the Scheme.

Yours sincerely,

Cathy Quinn

Chair

Tourism Holdings Limited

3 Refer to thl's NZX market release on 12 October 2022 and ATL's ASX market release on 18 October 2022.

4 Refer to section 9.2 for information on expected synergies available to the Merged Group.

SECTION 1

Overview of the Scheme

1.1 Background

On 10 December 2021, ATL announced that it, ***thl*** and ***thl*** Acquirer had signed a Scheme Implementation Deed under which it is proposed that ***thl***, through its wholly-owned Subsidiary, ***thl*** Acquirer, will acquire all ATL Shares not already owned by it or its Subsidiaries by way of a scheme of arrangement between ATL and Scheme Shareholders. Since then, the Scheme Implementation Deed and Scheme have subsequently been amended to:

(a) extend the End Date (currently 9 December 2022);

(b) include the Divestment Condition as a condition subsequent to the Scheme; and

(c) increase the Scheme Consideration payable to Scheme Shareholders (other than Foreign Scheme Shareholders), from 1 ***thl*** Consideration Share in exchange for every 3.680818 ATL Shares held on the Scheme Record Date, to 1 ***thl*** Consideration Share for every 3.210987 ATL Shares held on the Scheme Record Date.

If the Scheme is approved by the Requisite Majority of ATL Voting Shareholders and the Court, refinancing by ***thl*** and all other Scheme Conditions and the Divestment Condition are satisfied or waived (as applicable), ATL will become a wholly-owned Subsidiary of ***thl***. ***thl*** will apply to be admitted to the official list of ASX as an ASX foreign exempt listing in addition to its existing listing on NZX. If ***thl***'s ASX listing application is successful and subject to the Scheme becoming Effective and the Divestment Condition being satisfied, in addition to being able to be traded on NZX, on the business day following the Implementation Date, the ***thl*** Consideration Shares will be able to be traded on the ASX on the same date (currently expected to be Thursday, 1 December 2022) or as soon as reasonably practicable thereafter.

ATL Voting Shareholders should note that admission of ***thl*** to ASX as an ASX foreign exempt listing is a Scheme Condition, however that condition may be waived if agreed to by ***thl*** and ATL.

If the Scheme is not approved, then the Scheme will not proceed and ATL will continue as a standalone entity listed on the ASX.

1.2 What will you receive?

(a) Scheme Consideration

Under the Scheme, Scheme Shareholders (other than Foreign Scheme Shareholders) will be issued 1 ***thl*** Consideration Share for every 3.210987 ATL Shares held on the Scheme Record Date.

See section 6 of this Replacement Scheme Booklet for a more detailed explanation of the Scheme Consideration.

(b) Foreign Scheme Shareholders

A Scheme Shareholder will be a Foreign Scheme Shareholder if, as at the Scheme Record Date, their address, as shown in the Share Register, is located outside of Australia, New Zealand, the United Kingdom and their respective external territories or any other jurisdictions as may be agreed in writing by ATL and ***thl,*** unless ***thl*** determines that it is lawful and not unduly onerous and not unduly impracticable to issue that Scheme Shareholder with ***thl*** Consideration Shares when the Scheme becomes Effective and it is lawful for that Scheme Shareholder to participate in the Scheme by the law of the relevant place outside Australia, New Zealand, the United Kingdom or any other jurisdictions as may be agreed in writing by ATL and ***thl.***

Foreign Scheme Shareholders will not be entitled to receive ***thl*** Consideration Shares. ***thl*** Consideration Shares that would otherwise be issued to these shareholders under the Scheme will be issued to a nominee of ***thl*** to be sold on NZX, with the net sale proceeds to be paid to the Foreign Scheme Shareholder.

More details on Foreign Scheme Shareholders are set out in section 6.6 of this Scheme Booklet.

1.3 Scheme Conditions

Implementation of the Scheme is subject to a number of Scheme Conditions which must be satisfied or waived (if capable of waiver).

The Scheme Conditions are set out in full in clause 3.1 of the Scheme Implementation Deed. They are summarised in detail in section 5.3 of this Replacement Scheme Booklet.

If a Scheme Condition in the Scheme Implementation Deed is not satisfied or waived (if capable of waiver) by its Relevant Date, or if a circumstance occurs that is reasonably likely to result in a Scheme Condition not being capable of being satisfied, or if the Scheme has not become

Effective by the End Date, then ATL and ***thl*** must consult in good faith with a view to determining whether:

- the Scheme may proceed by way of alternative means or methods;
- to extend the relevant time or date for satisfaction of the Scheme Condition;
- to change the date of the application to be made to the Court for orders under section 411(4)(b) of the Corporations Act approving the Scheme or adjourning that application (as applicable) to another date agreed by the parties;
- to extend the End Date; or
- do all, or any combination of, the above matters.

If ATL and ***thl*** are unable to reach agreement within 10 Business Days of the date on which they both become aware that the Scheme Condition has become incapable of being satisfied (or, if earlier, by the Delivery Time on the Second Court Date), then, unless the Scheme Condition is waived (if capable of waiver):

- if the Scheme Condition is for the benefit of both of ATL and ***thl,*** either of them may terminate the Scheme Implementation Deed;
- if the Scheme Condition is for the sole benefit of ATL, ATL may terminate the Scheme Implementation Deed; or
- if the Scheme Condition is for the sole benefit of ***thl***, ***thl*** may terminate the Scheme Implementation Deed.

1.4 Divestment Condition as a condition subsequent to the Scheme

Implementation of the Scheme is also subject to the Divestment Condition as a condition subsequent to the Scheme, which cannot be waived by the parties. A summary of the Divestment Condition is set out in section 5.5 of this Replacement Scheme Booklet.

If the Divestment Condition is not satisfied by the date 12 Business Days after the Scheme is approved by the Court at the Second Court Hearing, then the Scheme will lapse and will not proceed.

1.5 What is the Independent Expert's conclusion?

The ATL Directors engaged Grant Thornton Corporate Finance Pty Ltd as the Independent Expert to consider, and prepare a replacement report on, whether the Scheme is in the best interests of the ATL Voting Shareholders.

The Independent Expert has concluded that the Scheme is fair and reasonable and that the Scheme is in the best interests of the ATL Voting Shareholders, in the absence of a Superior Proposal.

The Replacement Independent Expert's Report is contained in Annexure A.

1.6 What do the ATL Directors recommend?

For the reasons set out in this Replacement Scheme Booklet, each ATL Director considers the Scheme to be in the best interests of ATL Voting Shareholders and recommends that ATL Voting Shareholders vote in favour of the Scheme, in each case in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of ATL Voting Shareholders. Subject to these same qualifications, each ATL Director intends to vote, or procure the voting of, any ATL Shares in which he or she has a Relevant Interest in favour of the Scheme. As at the Last Practicable Date, the ATL Directors hold in aggregate a Relevant Interest in approximately 53.73% of all ATL Shares on issue.

1.7 Effect of the Scheme

If the Scheme becomes Effective and, subject to satisfaction of the Divestment Condition, is implemented:

- each Scheme Shareholder will receive the Scheme Consideration (except in the case of Foreign Scheme Shareholders where the Scheme Consideration will be provided to a nominee of ***thl***);
- ***thl*** Acquirer will acquire all of the ATL Shares (other than those held by the ***thl*** Entities) and ATL will become a wholly-owned Subsidiary of ***thl***; and
- ATL will be delisted from the ASX.

If the Scheme becomes Effective, it will bind all Scheme Shareholders, regardless of whether they were present at the Scheme Meeting, voted at the Scheme Meeting or voted against the Scheme.

A copy of the Scheme is provided as Annexure C.

1.8 Steps for implementing the Scheme

There are various steps that need to be taken to implement the Scheme, which are described in section 5.2 of this Replacement Scheme Booklet.

1.9 Entitlement to vote

Each ATL Voting Shareholder who is registered on the Share Register as the holder of an ATL Share at the Voting Entitlement Time may vote at the Scheme Meeting.

More details about voting are set out in section 3 of this Replacement Scheme Booklet.

1.10 When will the Scheme Meeting be held?

On 14 April 2022, the Court ordered the postponement of the Scheme Meeting originally scheduled for 10.00 am (Brisbane time) on Wednesday, 20 April 2022. Pursuant to an order of the Court made on 26 October 2022, the postponed Scheme Meeting will be held at 12.00pm (Brisbane time) on Friday, 11 November 2022 at Level 29, Riverside Centre, 123 Eagle Street, Brisbane, Queensland 4000 and also via ATL's online meeting platform at https://meetnow.global/MXDSZKR.

The Scheme Meeting will be a hybrid meeting facilitating in person and online participation.

Further details about the Scheme Meeting are set out in the Notice of Postponed Scheme Meeting contained in Annexure E.

1.11 Exclusivity arrangements

There are various exclusivity arrangements that have been agreed to by ATL in relation to the Scheme in favour of ***thl***, which are summarised in sections 5.7, 5.8 and 5.9 of this Replacement Scheme Booklet.

1.12 Tax considerations

A summary of the general Australian and certain New Zealand taxation implications of the Scheme for Scheme Shareholders is set out in section 11 of this Replacement Scheme Booklet. The information is general in nature and not taxation advice.

Your decision regarding how to vote on the Scheme should be made only after consultation with your financial, legal or other professional adviser based on your own investment objectives, financial situation, taxation position and particular needs.

1.13 Existing Scheme Shareholder instructions

Except to the extent prohibited by law (including for example Tax File Numbers), all binding instructions or notifications given by a Scheme Shareholder to ATL or the Share Registry in relation to ATL Shares (including any email addresses, instructions relating to communications from ATL, whether dividends are to be paid by cheque or into a specific bank account, notices of meetings or other communications from ATL) will, from the Implementation Date, be deemed (except to the extent determined by ***thl*** in its absolute discretion) by reason of the Scheme to be made by each Scheme Shareholder to ***thl*** and will be accepted by ***thl*** in respect of the ***thl*** Shares issued to the Scheme Shareholder, until that instruction or notification is revoked or amended in writing addressed to the ***thl*** Registry.

1.14 What is the current status of the Scheme and next steps?

As described elsewhere in this section, the Scheme must be approved by the Requisite Majority of ATL Voting Shareholders and by the Court and the Scheme Conditions and the Divestment Condition must be satisfied or waived (if capable of waiver).

As at the date of this Replacement Scheme Booklet, ***thl***, ATL and the ATL Directors are not aware of any reasons why the Scheme Conditions or the Divestment Condition will not be satisfied or the Scheme Implementation Deed terminated.

1.15 How to obtain further information

For further information, please contact the ATL Shareholder Information Line on 1300 158 729 (within Australia) or +61 2 9066 4059 (outside Australia) between 8.30am and 5.30pm (AEDT), Monday to Friday. If you are in any doubt about what to do or anything in this Replacement Scheme Booklet, you should consult your legal, financial, taxation or other professional adviser immediately.

SECTION 2

Frequently Asked Questions

This section answers some questions you may have about the Scheme. The information is a basic summary only and is elaborated on in specified areas of this Replacement Scheme Booklet. The information should be read in conjunction with those specified areas.

QUESTION	ANSWER	MORE INFORMATION
General		
Why has this Replacement Scheme Booklet been made available to you?	This Replacement Scheme Booklet has been made available to assist you in deciding how to vote (should you wish to) on the proposed scheme of arrangement, under which ***thl***, through its wholly-owned Subsidiary, ***thl*** Acquirer, will acquire all ATL Shares not already owned by it or its Subsidiaries (**Scheme**). This Replacement Scheme Booklet also provides information to ATL Voting Shareholders about matters which arose after the date of the Original Scheme Booklet on 21 February 2022, including: • changes to the Scheme, including the Scheme Consideration and the addition of the Divestment Condition; • updates to the Scheme Conditions, including in relation to the status of the ACCC and the Commerce Commission merger clearance applications; • the divestment of certain assets by the ATL Group to Jucy under the Asset Divestment; and • provide ATL Voting Shareholders with details of the postponed Scheme Meeting, at which ATL Voting Shareholders will have the opportunity to vote on the Scheme Resolution.	*This Replacement Scheme Booklet*
What are you being asked to consider?	ATL Voting Shareholders are being asked to consider whether the Scheme should be implemented or not, which will involve the approval of the Scheme Resolution.	*Section 1*
What is a scheme of arrangement?	A scheme of arrangement is a statutory procedure under the Corporations Act that is commonly used to enable one company to acquire or merge with another.	*Section 1*
What would be the effect of the Scheme?	If the Scheme is implemented, your ATL Shares will be transferred to ***thl*** Acquirer and in return you will receive 1 ***thl*** Consideration Share for every 3.210987 ATL Shares held on the Scheme Record Date. ATL will become a wholly-owned Subsidiary of ***thl*** and be delisted from the ASX. Following implementation of the Scheme, Scheme Shareholders will together own approximately 27.0%[5] of ***thl*** Shares on issue, with existing ***thl*** Shareholders owning the remaining approximately 73.0% (except that Foreign Scheme Shareholders will not receive ***thl*** Consideration Shares and will instead receive the net proceeds from the sale of the ***thl*** Consideration Shares that would otherwise have been issued to them, as set out in section 6.6). If ***thl***'s ASX listing application is successful and the Scheme becomes Effective and the Divestment Condition is satisfied, the ***thl*** Consideration Shares will, in addition to being able to be traded on NZX on the business day following the Implementation Date, be able to be traded on the ASX on the same date (currently expected to be Thursday, 1 December 2022) or as soon as reasonably practicable thereafter.	*Sections 1 and 6*

5 After taking into account ***thl***'s existing shareholding in ATL and the ***thl*** Shares issued in connection with ***thl***'s acquisition of 51% of Just go on 4 October 2022. Refer to footnote 1 above.

QUESTION	ANSWER	MORE INFORMATION
Are there any conditions that need to be satisfied before the Scheme can proceed?	Certain conditions need to be satisfied (or waived) by the Relevant Date before the Scheme can proceed, including: • (**Voting**) for the Scheme to proceed, the Requisite Majority of ATL Voting Shareholders must vote in favour of the Scheme at the Scheme Meeting; • (**Approvals**) approvals are required from regulatory authorities (such as the Australian Competition and Consumer Commission (**ACCC**), New Zealand Commerce Commission (**Commerce Commission**), Foreign Investment Review Board (**FIRB**), ASX, NZX, NZ Takeovers Panel and ASIC) and the Court; • (**ASX Listing**) ASX approves the admission of ***thl*** to the official list of ASX as an ASX foreign exempt listing; • (**Other Scheme Conditions**) various other conditions must be satisfied or waived by the Relevant Date for the Scheme to proceed, including: – no ATL Prescribed Occurrence occurring; – no ***thl*** Prescribed Occurrence occurring; – ATL Warranties being true and correct in all material respects; – ***thl*** Warranties being true and correct in all material respects; – no ATL Material Adverse Change; – no ***thl*** Material Adverse Change; – no restraining order remaining in effect that prohibits, materially restricts, makes illegal or restrains the completion of the Scheme; – third party consents, approvals or waivers of rights by parties other than ATL under any Material Contracts are obtained; – escrow arrangements are entered into by the Trouchet Shareholders; – the ***thl*** Group entering into an agreement with new or existing financiers and obtaining all necessary approvals in respect of the entry into that agreement, to refinance either its existing debt facilities or the debt facilities of all or part of the Merged Group with effect from the Implementation Date; – all consents, approval, confirmations, agreements or waivers of rights from any financier of the ATL Group are obtained; – the Independent Expert does not change, withdraw or qualify its conclusion in the Replacement Independent Expert's Report; – ***thl*** obtaining confirmation from its insurers that its existing directors and officers insurance policy is extended to include the Scheme; and • (**Divestment Condition**) it is a condition subsequent to the Scheme that the Asset Divestment is completed in accordance with the Jucy SPA by the date 12 Business Days after the Scheme is approved by the Court at the Second Court Hearing. The Scheme Conditions are set out in full in section 5.3 of this Replacement Scheme Booklet and the status of Scheme Conditions is summarised in section 5.4. The Divestment Condition is summarised in section 5.5 of this Replacement Scheme Booklet. If the Scheme Conditions and the Divestment Condition are not satisfied or waived (if capable of waiver) by their Relevant Dates, the Scheme will not proceed. As at the Last Practicable Date, in addition to the Divestment Condition, the following Scheme Conditions remain outstanding other than the following which have been satisfied: • ***thl*** receiving ACCC, Commerce Commission and FIRB approval; • third party consents, approvals or waivers of rights by parties other than ATL under any Material Contracts are obtained; • escrow arrangements are entered into by the Trouchet Shareholders; and • ***thl*** obtaining confirmation from its insurers that its existing directors and officers insurance policy is extended to include the Scheme.	*Sections 5.3, 5.4, 5.5, 9.2 and 12.13*

QUESTION	ANSWER	MORE INFORMATION
Has merger clearance been received from the ACCC and the Commerce Commission?	***thl*** received conditional approval from the Commerce Commission on 23 September 2022 and from the ACCC on 29 September 2022, to its respective merger clearance applications on the basis of undertakings given by certain entities within the ATL Group and the ***thl*** Group with respect to the Asset Divestment. Further information in relation to undertakings is set out in section 5.15.	*Section 5.15*
What is the Asset Divestment and why have ATL and ***thl*** agreed to it?	While ATL and ***thl*** continue to strongly believe that the proposed merger will not substantially lessen competition in any jurisdiction, recognising the competition concerns raised by the respective competition regulators and with the intent to conclude the clearance processes in a timely manner, ATL and ***thl*** have obtained merger clearance on the basis that the certain assets will be divested in Australia and New Zealand (**Asset Divestment**). The Asset Divestment includes the sale of the following assets to wholly owned subsidiaries of Jucy: • 200 4-6 berth motorhomes from ATL's rental fleet in Australia; • 110 4-6 berth motorhomes from ATL's rental fleet in New Zealand; • ATL's Star RV motorhome brand (which is currently used only in Australian and New Zealand); • a proportion of the forward bookings associated with the rental fleet being sold; and • property leases for surplus rental depots in Perth, Alice Springs, Darwin, Hobart and Auckland. ATL and ***thl*** have also agreed with Jucy that the Merged Group would: • supply or procure the supply of, and Jucy would acquire, 40 motorhomes in calendar year 2023 with an option for an additional supply or procurement of 40 motorhomes in calendar year 2024 in each of Australia and New Zealand; • at the request of Jucy, use best endeavours to introduce Jucy to wholesalers who currently market motorhomes under the Star RV brand and who do not have an existing relationship with Jucy; and • provide certain transitional services to Jucy. The key terms of the Jucy SPA and the Asset Divestment are summarised in section 5.16.	*Section 5.16*
When will the Scheme become effective?	The Scheme becomes effective when orders made by the Court under section 411(4)(b) of the Corporations Act are lodged with ASIC (or, following lodgement with ASIC, is taken to have effect on the date of lodgement or such earlier date as the Court determines and specifies in the order). This is called the 'Effective Date'. The Court will not consider granting the order for the Scheme unless the Scheme has been approved by the Requisite Majority of ATL Voting Shareholders and the Scheme Conditions (other than in respect of lodgement of the Court orders with ASIC and approval of the Scheme by the Court) have been satisfied or waived (if capable of waiver) by their Relevant Dates. If the Court does not grant the order for the Scheme by the End Date (which is currently 9 December 2022) or such later date as ATL and ***thl*** mutually agree, or if the Divestment Condition is not satisfied by the date 12 Business Days after the Scheme is approved by the Court at the Second Court Hearing, the Scheme will not proceed.	*Section 5*

QUESTION	ANSWER	MORE INFORMATION
Can I sell my ATL Shares now?	You can sell your ATL Shares on-market on the ASX at any time before 4.00pm (AEDT) on the Effective Date. However, note that the on-market price you receive at the time of sale may not be the same price as the Scheme Consideration you would be entitled to receive under the Scheme (and you may also be required to pay brokerage).	*This Replacement Scheme Booklet*
Can I choose to keep my ATL Shares?	If the Scheme is implemented, you will not be able to keep your ATL Shares. All ATL Shares not already owned by the ***thl*** Entities will be transferred to ***thl*** so that ATL becomes a wholly owned Subsidiary of ***thl.***	*This Replacement Scheme Booklet*
What do the Trouchet Shareholders intend to do?	As at the date of this Replacement Scheme Booklet, the Trouchet Shareholders together hold 99,412,231 ATL Shares (representing 53.40% of the ATL Shares on issue). As set out in section 4.1(c) of this Replacement Scheme Booklet, the Trouchet Shareholders intend to vote all ATL Shares held by them in favour of the Scheme, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of ATL Voting Shareholders. The Trouchet Shareholders remain committed to the long-term value creation opportunities available to the Merged Group and intend to enter into voluntary escrow arrangements for 90% of their ***thl*** Consideration Shares for 12 months and 50% for 24 months from the Implementation Date.	*Section 4.1(c)*
Directors' recommendations and Independent Expert's conclusion		
What do the ATL Directors recommend?	The ATL Directors unanimously recommend that ATL Voting Shareholders vote in favour of the Scheme, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of ATL Voting Shareholders.	*Section 4.1(a)*
Have any Competing Proposals or Superior Proposals emerged?	No Competing Proposal has emerged since the announcement of the Proposed Transaction on 10 December 2021. As at the date of this Replacement Scheme Booklet, neither ATL nor any of ATL's advisers are aware of any Competing Proposal.	*Section 4.1(i)*
What happens if a Competing Proposal or Superior Proposal emerges?	ATL has certain 'exclusivity' obligations (for ***thl***'s benefit) which prevent ATL from soliciting or entertaining Competing Proposals or allowing due diligence to third parties in respect of a Competing Proposal. However, if an unsolicited Competing Proposal emerges and the ATL Directors consider it to be a Superior Proposal, then ATL may entertain that proposal (after making specified disclosures to ***thl***). ***thl*** also has matching rights to make a Counter Proposal to ATL in response to a Superior Proposal. The exclusivity arrangements under the Scheme Implementation Deed are summarised in sections 5.7, 5.8 and 5.9 of this Replacement Scheme Booklet.	*Sections 5.7, 5.8 and 5.9*

QUESTION	ANSWER	MORE INFORMATION
Is a break fee payable by ATL?	Under the Scheme Implementation Deed, ATL and ***thl*** are each liable to pay each other a break fee of A$1,400,000 in certain circumstances. A break fee is not payable by ATL if the Scheme does not proceed merely because ATL Voting Shareholders do not approve the Scheme by the Requisite Majority. Section 5.12 of this Replacement Scheme Booklet sets out additional information on the break fee.	*Section 5.12*
How do the ATL Directors intend to vote in respect of their own ATL Shares?	Each ATL Director intends to cause any ATL Shares in which they have a Relevant Interest to be voted in favour of the Scheme, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of ATL Voting Shareholders. The interests held by the ATL Directors are disclosed in section 12.1 of this Replacement Scheme Booklet. As at the Last Practicable Date, the ATL Directors hold in aggregate a Relevant Interest in approximately 53.73% of all ATL Shares on issue. As at the Last Practicable Date, the following ATL Directors have a Relevant Interest in ATL Shares:	*Sections 4.1(a) and 12.1*

ATL Director	Number of ATL Shares held
Sophie Mitchell	234,504 ATL Shares indirectly held
Robert Baker	130,000 ATL Shares indirectly held
Brett Heading	250,000 ATL Shares indirectly held
Luke Trouchet and Karl Trouchet	99,412,231 ATL Shares indirectly held

ATL Voting Shareholders should have regard to these interests when considering how to vote on the Scheme.

QUESTION	ANSWER	MORE INFORMATION
What is the Independent Expert's opinion?	The Independent Expert has considered the Scheme and concluded that the Scheme is fair and reasonable and in the best interests of ATL Voting Shareholders, in the absence of a Superior Proposal. The Independent Expert has assessed the fair market value of ATL Shares on a control basis at between A$0.696 and A$0.943 per ATL Share and the fair market value of the Scheme Consideration on a minority basis at between A$0.727 and A$0.923 per ATL Share. The Independent Expert's assessment of the fair market value of the Scheme Consideration on a minority basis falls within the Independent Expert's assessed fair market valuation range of ATL Shares on a control basis, with the mid-point of the Scheme Consideration valuation range above the mid-point of the ATL Shares valuation range. The Replacement Independent Expert's Report is contained in Annexure A.	*Section 4.1(b)*

QUESTION	ANSWER	MORE INFORMATION
Why you may consider voting in favour of the Scheme?	There are various reasons why you may consider voting in favour of the Scheme, which are set out in detail in section 4 of this Replacement Scheme Booklet. Some of the key reasons include: • The ATL Directors unanimously recommend that you vote in favour of the Scheme, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of the ATL Voting Shareholders. • The Independent Expert has concluded that the Scheme is fair and reasonable and in the best interests of ATL Voting Shareholders, in the absence of a Superior Proposal. • The Scheme has support from ATL's major shareholder group, the Trouchet Shareholders. • The Scheme Consideration represents an attractive premium to the trading prices of ATL Shares prior to the announcement of the Scheme. • The Proposed Transaction brings two highly complementary businesses together to create a diversified, leading RV travel company across Australia, New Zealand, North America, the United Kingdom and Europe. • The Proposed Transaction is expected to create significant cost synergies not otherwise available to the standalone entities. • The Merged Group is expected to be financially stronger than ATL on a standalone basis. The ATL Directors believe this will likely result in a faster recovery from COVID-19, improved ability to weather any ongoing effects from the pandemic including supply chain disruptions, and capability to take advantage of near term growth opportunities. • The Scheme was considered by ATL Directors to be more favourable than ATL remaining as a standalone entity. • No Superior Proposal has emerged since the announcement of the Scheme. • If the Scheme does not proceed, and no Superior Proposal emerges, the price of ATL Shares may fall in the near-term. • The Merged Group will have an experienced and complementary board and management team with extensive experience and proven track record operating across Australia, New Zealand, the United Kingdom, Europe and North America. • ***thl*** will apply to be admitted to the official list of ASX in addition to its existing NZX listing and, if that application is successful and the Scheme becomes Effective and the Divestment Condition is satisfied, Scheme Shareholders will be able to trade their ***thl*** Consideration Shares on the ASX and NZX. • No brokerage will be payable by you for the transfer of your ATL Shares under the Scheme.	*Section 4.1*

QUESTION	ANSWER	MORE INFORMATION
Why you may consider voting against the Scheme?	The potential reasons you may consider voting against the Scheme are set out in detail in sections 4.2 of this Replacement Scheme Booklet. Some of those reasons include: • You may believe there is potential for a Superior Proposal to be made in the foreseeable future. • You may disagree with the ATL Directors' unanimous recommendation or the Independent Expert's conclusion. • You may wish to maintain your current investment profile and exposure to a business with ATL's specific characteristics. • The future value of the ***thl*** Consideration Shares after the Scheme is implemented will move with market and investor sentiment and as such is considered uncertain. • You may disagree with the Asset Divestment. • You may be worried about specific risks associated with ***thl***'s business or the future value of ***thl*** Consideration Shares after the Scheme is implemented. • The tax consequences of the Scheme may not suit your current financial situation. • The Scheme may be subject to conditions that you consider unacceptable.	*Section 4.2*

QUESTION	ANSWER	MORE INFORMATION
Consideration		
What will Scheme Shareholders receive if the Scheme is implemented?	Scheme Shareholders (other than Foreign Scheme Shareholders and ***thl*** Entities), will receive 1 ***thl*** Consideration Share for every 3.210987 ATL Shares held as at the Scheme Record Date.	*Section 6*
Are Scheme Shareholders being offered a premium and what is the implied value of the Scheme Consideration?	The Scheme Consideration represents an attractive premium to the recent trading prices of ATL Shares prior to the announcement of the Scheme and reflects an implied value of: • A$0.843 based on the closing price of ***thl*** Shares on 9 December 2021 (being the last trading day prior to announcement of the Proposed Transaction) of NZ$2.85 (based on a NZD/AUD exchange rate of NZ$0.9503 as at that date). This is a premium of 52.0% over the closing price of ATL Shares of A$0.555 on the same date; • A$0.838 based on the one-month VWAP of ***thl*** Shares for the period from 10 November 2021 to 9 December 2021 of NZ$2.83 (based on a NZD/AUD exchange rate of NZ$0.9503 as at that date). This is a premium of 36.3% over the one-month VWAP of ATL Shares of A$0.615 over the same period; • A$0.729 based on the closing price of ***thl*** Shares on 22 September 2022 (being the last trading day prior to announcement of Commerce Commission clearance) of NZ$2.65 (based on a NZD/AUD exchange rate of NZ$0.8834 as at that date). This is a premium of 41.6% over the closing price of ATL Shares of A$0.515 on 22 September 2022; and • A$0.737 based on the one-month VWAP of ***thl*** Shares for the period from 23 August 2022 to 22 September 2022 (being the last trading day prior to announcement of Commerce Commission clearance) of NZ$2.68 (based on a NZD/AUD exchange rate of NZ$0.8834 as at that date). This is a premium of 29.9% over the one-month VWAP of ATL Shares of A$0.567 over the same period. The implied value of the Scheme Consideration will vary with the market price of ***thl*** Consideration Shares and the NZD:AUD exchange rate.	*Sections 4.1(d) and 6*
When and how will I receive my Scheme Consideration?	You will receive your Scheme Consideration on the Implementation Date, which is currently expected to be Wednesday, 30 November 2022, provided you are an ATL Shareholder other than the ***thl*** Entities (and listed on the Share Register as such) as at the Scheme Record Date. ***thl*** will issue any ***thl*** Consideration Shares to you by entering your name in ***thl***'s register of members as the holder of those ***thl*** Consideration Shares.	*Section 6*
When can I start trading my *thl* Consideration Shares on the ASX?	***thl*** will retain its primary listing on the NZX and will also take all necessary steps to ensure that the ***thl*** Consideration Shares will, on the business day following the Implementation Date, be able to be traded on NZX. Any ***thl*** Consideration Shares issued to you under the Scheme are expected to also commence trading on ASX on a normal settlement basis from the business day following the Implementation Date, or as soon as reasonably practicable thereafter, subject to ***thl***'s ASX listing application being approved. ATL Voting Shareholders should note that, while the admission of ***thl*** to ASX as an ASX foreign exempt listing is a Scheme Condition, that condition may be waived if agreed to by ***thl*** and ATL.	*Section 5.2(i)*

QUESTION	ANSWER	MORE INFORMATION
How will fractional entitlements be treated?	Any entitlements to a fraction of a ***thl*** Consideration Share arising under the calculation of Scheme Consideration will be rounded to the nearest ***thl*** Consideration Share (and if the fractional entitlement would include one-half of a ***thl*** Consideration Share, the entitlement will be rounded up).	*Section 6.5*
What is a Foreign Scheme Shareholder and how are they treated under the Scheme?	A Foreign Scheme Shareholder is a Scheme Shareholder whose address (as shown in ATL's Share Register on the Scheme Record Date) is located outside of Australia, New Zealand, the United Kingdom or any other jurisdictions mutually agreed by ATL and ***thl***. Under the Scheme, Foreign Scheme Shareholders will not be entitled to receive ***thl*** Consideration Shares. ***thl*** Consideration Shares that would otherwise be issued to these shareholders under the Scheme will be issued to a nominee of ***thl*** to be sold on NZX, with the net sale proceeds to be paid to the Foreign Scheme Shareholder. No assurances are or will be given to Foreign Scheme Shareholders as to the price that will be achieved for the sale of ***thl*** Consideration Shares and the sale of the ***thl*** Consideration Shares will be at the risk of the Foreign Scheme Shareholders.	*Section 6.6*
Will I have to pay brokerage fees?	No brokerage fees will be payable by Scheme Shareholders in relation to the disposal of their ATL Shares to ***thl*** under the Scheme (except in relation to Foreign Scheme Shareholders as set out in Section 6.6).	*Section 4.1(m) and 6.6*

thl and the Merged Group

Who is *thl*?	***thl*** is a global tourism operator headquartered in Auckland, New Zealand, with its shares publicly traded on the NZX since 1986. ***thl*** is the largest provider of commercial RVs for rent in Australia and New Zealand, and the second largest in North America. In New Zealand and Australia, ***thl*** operates under the Maui, Britz and Mighty rental brands, and has a network of RV Super Centre/RV Sales Centre retail and sales branches. ***thl*** also owns Action Manufacturing, a leading motorhome and specialist vehicle manufacturer in New Zealand. Within New Zealand, ***thl*** also operates a number of tourism businesses, being the Discover Waitomo cave tours and rafting experiences group (which includes Waitomo Glowworm Caves, Ruakuri Cave, Aranui Cave and The Legendary Black Water Rafting Co) and the hop-on-hop-off coach transport business Kiwi Experience (currently held for sale). In the USA, ***thl*** owns Road Bear RV Rentals & Sales and El Monte RV Rentals & Sales, and in the UK, ***thl*** owns Just go Motorhomes. Globally, ***thl*** has a rental fleet of over 3,800 vehicles (as at 30 June 2022), and in the past, ***thl***'s rental fleet size has reached as high as 6,400 vehicles.[6]	*Section 8*

6 ***thl***'s global fleet size at 30 June 2019 was 6,413.

QUESTION	ANSWER	MORE INFORMATION
What is the Merged Group?	The Merged Group consists of the combination of ***thl*** and **ATL**, which are two highly complementary businesses that together will create a diversified, leading RV travel company across Australia, New Zealand, North America, the United Kingdom and Europe. The Merged Group will be a significant provider of RVs for rent globally, with a global fleet size of approximately 6,300 vehicles across New Zealand, Australia, USA, Canada, the United Kingdom and Europe.[7] Through its combined scale, the Merged Group will be well positioned to continue to grow globally as international tourism activity increases in the post-COVID recovery period. The Merged Group will have the following operations: • RV rentals • Manufacturing of RVs and other specialist vehicles within New Zealand and of RVs within Australia • RV sales • RV retail accessories • Tourism attractions and activities in New Zealand	*Section 9*
What are *thl*'s intentions for ATL and the Merged Group?	The Merged Group will operate a group of products and brands globally under the ***thl*** endorsing parent brand, and will continue to use ATL's Apollo flagship brand within its Australasian RV business and the CanaDream brand in Canada, while the Star RV brand will be divested as part of the Asset Divestment. The rise in working from home has proven that it is not critical that everyone in the head office and group support functions must be based out of the same office, city and country, and that people can work collaboratively across borders and offices. This provides flexibility in optimising the physical locations of the Merged Group. ***thl*** and ATL's current largely duplicated overhead structures in New Zealand and Australia are expected to enable significant cost synergies not otherwise available to the standalone entities. The Merged Group intends to continue to manufacture in both New Zealand and Australia with the ongoing manufacturing footprint of the Merged Group to be determined in line with the synergy expectations and ongoing needs of the business. Manufacturing in both countries is expected to generate significant freight synergies by enabling the production of the rental fleets to occur in the country that the vehicle will be operating in. No synergies have been included in the parties' quantification of the potential synergies from the merger for the North American and UK/European markets. There are expected to be opportunities to leverage the capabilities and expertise of each business to realise synergies in future. There are no expected changes to ***thl***'s New Zealand tourism businesses.	*Section 9.6*
What are the expected synergies of the Scheme and the expected effects of the Asset Divestment on the Merged Group?	Full run-rate net synergies are estimated at between NZ$23m to NZ$24m per annum at the EBIT level (or NZ$27m to NZ$31m per annum on a pre-tax cash basis). The Asset Divestment will have a negative impact on the performance of the Merged Group. See the Letter from the Chairman of ATL and sections 4.1(f), 5.16 and 9.2 for more details.	*Letter from the Chairman of ATL and sections 4.1(f), 5.16 and 9.2*

7 Refer to footnote 21 for explanation of how fleet size has been calculated.

QUESTION	ANSWER	MORE INFORMATION
Who will be the directors and senior management of the Merged Group?	The Board of the Merged Group will consist of six Non-Executive Directors, one Executive Director and one Managing Director. *Directors* • Cathy Quinn ONZM – Independent Director, Chair • Robert Baker – Independent Director • Debbie Birch – Independent Director • Rob Hamilton – Independent Director • Sophie Mitchell – Independent Director • Luke Trouchet – Executive Director • Grainne Troute – Independent Director • Grant Webster – Managing Director *Senior Management* • Grant Webster – Chief Executive Officer • Nicholas (Nick) Judd – Chief Financial Officer • Luke Trouchet – Executive Director – M&A and Global Transitions The specific Executive structure of the Merged Group, including how duplicate Executive roles between ATL and ***thl*** are to be addressed, are currently under review. Once determined, the remaining Executive structure will be implemented following a transitional period after completion of the Scheme.	*Section 9.5*
Is a break fee payable by ***thl***?	Under the Scheme Implementation Deed, ATL and ***thl*** are each liable to pay each other a break fee of A$1,400,000 in certain circumstances. Section 5.12 of this Replacement Scheme Booklet sets out additional information on the break fee.	*Section 5.12*
What are the key differences between ATL Shares and ***thl*** Shares?	ATL is a public company limited by shares and registered under Australian law. ATL Shares are quoted on the ASX. ***thl*** is incorporated in NZ, under the laws of NZ. ***thl*** Shares are listed on the NZX. If the Scheme is implemented, the rights of Scheme Shareholders in respect of ***thl*** Consideration Shares will be primarily governed by the Companies Act, NZX Listing Rules and the constitution of ***thl***. The Scheme is conditional upon ***thl*** receiving approval from ASX for it to be admitted to the official list of ASX as an ASX foreign exempt listing and the quotation of ***thl*** Shares on ASX, however ***thl*** will retain its primary listing on the NZX. Further details of the rights attaching to ***thl*** Consideration Shares and a comparison of Australian and New Zealand laws relating to ATL and ***thl*** is set out in Annexure F. The comparison set out in Annexure F is not an exhaustive statement of all relevant laws, rules and regulations and is intended as a general guide only. ATL Voting Shareholders should consult with their own legal adviser if they require further information.	*Annexure F*

<table>
<tr><th>QUESTION</th><th>ANSWER</th><th>MORE INFORMATION</th></tr>
<tr><td>Who are the substantial shareholders in thl?</td><td>Based on substantial product holder notices lodged with the NZX or otherwise known to thl as at the Last Practicable Date, thl has the following substantial shareholders who have Relevant Interests in a parcel of 5% or more of the total issued thl Shares:
<table>
<tr><th>Name</th><th>Interest in thl Shares</th><th>% of issued thl Shares</th></tr>
<tr><td>HB Holdings Limited
(a subsidiary of CITIC Capital)[8]</td><td>26,789,440</td><td>17.16%</td></tr>
<tr><td>Wilson Asset Management
International Pty Limited</td><td>13,180,328</td><td>8.44%</td></tr>
</table></td><td>Section 8.6</td></tr>
</table>

Voting at the Scheme Meeting

<table>
<tr><td>What is the Scheme Meeting?</td><td>The Scheme Meeting is the meetings of the ATL Voting Shareholders to vote on whether to approve the Scheme.</td><td>Section 3 and Annexure E</td></tr>
<tr><td>When and where will the Scheme Meeting be held?</td><td>The Scheme Meeting will be a hybrid meeting facilitating in person and online participation.

On 14 April 2022, the Court ordered the postponement of the Scheme Meeting originally scheduled for 10.00am (Brisbane time) on Wednesday, 20 April 2022. Pursuant to an order of the Court made on 26 October 2022, the postponed Scheme Meeting will be held at 12.00pm (Brisbane time) on Friday, 11 November 2022 at Level 29, Riverside Centre, 123 Eagle Street, Brisbane, Queensland 4000 and also via ATL's online meeting platform at https://meetnow.global/MXDSZKR.

Further details about the Scheme Meeting are set out in the Notice of Postponed Scheme Meeting contained in Annexure E.</td><td>Section 3 and Annexure E</td></tr>
<tr><td>What am I being asked to vote on?</td><td>ATL Voting Shareholders, being all ATL Shareholders other than the thl Entities, are being asked to vote in favour of, or against, the Scheme Resolution.

Important details on the matters to be voted on at the Scheme Meeting are set out in the Notice of Postponed Scheme Meeting in Annexure E.</td><td>Section 3 and Annexure E</td></tr>
<tr><td>What majority is required to approve the Scheme?</td><td>For the Scheme to be implemented, it is necessary that the Requisite Majority of ATL Voting Shareholders vote in favour of the Scheme Resolution at the Scheme Meeting.

Approval of the Scheme Resolution requires more than 50% in number of ATL Voting Shareholders present and voting (in person or by proxy, attorney or corporate representative), and at least 75% of the total number of votes cast by ATL Voting Shareholders, to vote in favour of the Scheme Resolution.</td><td>Section 3 and Annexure E</td></tr>
<tr><td>Am I entitled to vote?</td><td>You can vote on the Scheme if you are an ATL Voting Shareholder who is registered on the Share Register as the holder of an ATL Share at the Voting Entitlement Time (which is 7.00pm (AEDT) on Wednesday, 9 November 2022) (excluding thl and its Subsidiaries).</td><td>Section 3 and Annexure E</td></tr>
</table>

8 ***thl*** understands HB Holdings Limited intends to distribute its shareholding in ***thl*** to the underlying individual limited partnerships on the expiration of the CITIC Capital International Tourism Fund.

QUESTION	ANSWER	MORE INFORMATION
Is voting compulsory?	Voting is not compulsory. The voting approval threshold for the Scheme (the 'Requisite Majority') is determined on the basis of ATL Voting Shareholders who are **present and voting** at the Scheme Meeting (in person or by proxy, attorney or corporate representative).	*Section 3 and Annexure E*
How can I vote if I cannot physically attend the Scheme Meeting?	The Scheme Meeting will be held as a hybrid meeting. If you cannot attend the Scheme Meeting in person or via ATL's online meeting platform at https://meetnow.global/MXDSZKR, you may vote by completing and lodging the Proxy Form accompanying this Replacement Scheme Booklet. **Proxy forms which accompanied the Original Scheme Booklet are no longer valid.** If you have previously lodged a proxy form, to ensure that your vote is counted you must lodge a new Proxy Form and submit it by 12.00pm (Brisbane time) on Wednesday, 9 November 2022. Proxies can be lodged online by visiting www.investorvote.com.au. You can also vote by appointing a corporate representative (if you are a corporate shareholder) or an attorney. Further information on how to vote using each of these methods is contained in the explanatory notes of the Notice of Postponed Scheme Meeting in Annexure E. Proxy Forms, powers of attorney or appointments of corporate representatives for the Scheme Meeting are due by 12.00pm (Brisbane time) on Wednesday, 9 November 2022.	*Section 3 and Annexure E*
When will the result of the Scheme Meeting be known?	The results of the Scheme Meeting will be announced to the ASX after the conclusion of the Scheme Meeting. The Scheme will only proceed if the Court also provides its approval and all the other Scheme Conditions and the Divestment Condition are satisfied or waived (if capable of waiver).	
How do I oppose the approval of the Scheme?	If you do not support the Scheme, your options are: • to attend the Scheme Meeting in person, via ATL's online meeting platform or by proxy, attorney or corporate representative, and vote against the Scheme being implemented; and/or • if the Scheme is approved by the other ATL Voting Shareholders by the Requisite Majority despite your vote against the Scheme Resolution, then you may wish to oppose the approval by filing and serving a notice of opposition and any other supporting documents on ATL at least one day before the Second Court Date and attending the Second Court Hearing. The notice of appearance and affidavit must be served on ATL at its address for service at least one day before the Second Court Hearing. The postal address for service is c/- Hamilton Locke, Level 28, 123 Eagle Street, Brisbane, Queensland 4000 and should be copied to benny.sham@hamiltonlocke.com.au.	*Section 3*

QUESTION	ANSWER	MORE INFORMATION
Tax implications		
What are the Australian and New Zealand tax implications of the Scheme for Scheme Shareholders?	A summary of the general Australian and certain New Zealand tax implications for Scheme Shareholders is set out in section 11 of this Replacement Scheme Booklet. Your tax position will depend on your particular circumstances. You are urged to consult your own professional tax adviser as to the specific tax consequences to you of the relevant Scheme, including the applicability and effect of income tax and other tax laws in your particular circumstances.	*Section 11*
Further questions		
Who can I contact if I have further questions in relation to this Replacement Scheme Booklet or the Scheme?	If you have any further questions of a general nature in relation to this Replacement Scheme Booklet, the Scheme or any related matter, then you may call the ATL Shareholder Information Line on 1300 158 729 (within Australia) or +61 2 9066 4059 (outside Australia) on Monday to Friday between 8.30am and 5.30pm (AEDT). For more specific advice relating to your own circumstances, please contact your legal, investment or other professional adviser.	

SECTION 3

How to Vote

3.1 What you should do

You should carefully read this Replacement Scheme Booklet in its entirety before deciding whether to vote in favour of the Scheme.

ATL Voting Shareholders should refer to section 4 of this Replacement Scheme Booklet for further guidance on the reasons to vote for and against the Scheme. However, as noted elsewhere in this document, this Replacement Scheme Booklet does not take into account the investment objectives, financial situation and particular needs of any individual ATL Voting Shareholder.

If you have any questions about this Replacement Scheme Booklet or the Scheme, please contact the ATL Shareholder Information Line on 1300 158 729 (within Australia) or +61 2 9066 4059 (outside Australia) on Monday to Friday between 8.30am and 5.30pm (AEDT).

If you require further advice in relation to the Scheme, contact your financial or other professional adviser.

3.2 Scheme Meeting

The Scheme Meeting will be a hybrid meeting facilitating in person and online participation.

The Scheme Meeting is scheduled to be held at 12.00pm (Brisbane time) on Friday, 11 November 2022 at Level 29, Riverside Centre, 123 Eagle Street, Brisbane, Queensland 4000 and also via ATL's online meeting platform at https://meetnow.global/MXDSZKR.

Further details about the Scheme Meeting are set out in the Notice of Postponed Scheme Meeting contained in Annexure E.

For the Scheme to be implemented, it is necessary that the Requisite Majority of ATL Voting Shareholders vote in favour of the Scheme Resolution at the Scheme Meeting.

You should note that even if the Scheme is approved by the Requisite Majority of ATL Voting Shareholders, it is possible that the Scheme may not proceed to be implemented. This may occur if the Scheme Conditions and the Divestment Condition are not satisfied or waived (if capable of waiver) or the Scheme is not approved at the Second Court Hearing.

3.3 Entitlement to vote

Each ATL Voting Shareholder who is registered on the Share Register as the holder of an ATL Share at the Voting Entitlement Time (which is 7.00pm (AEDT) on Wednesday, 9 November 2022) may vote at the Scheme Meeting, either in person or via ATL's online voting platform or by proxy, attorney or corporate representative.

Each ATL Voting Shareholder will have one vote for each ATL Share they hold. In the case of ATL Shares held by joint holders, only one of the joint shareholders is entitled to vote. If more than one shareholder votes in relation to jointly held ATL Shares, only the vote of the shareholder whose name appears first on the Share Register will be counted.

Details about the permitted methods of voting are set out in section 3.4 and in the Notice of Postponed Scheme Meeting contained in Annexure E.

3.4 How to vote

Voting on the Scheme Resolution will be conducted by way of a poll.

If you are an ATL Voting Shareholder entitled to vote at the Scheme Meeting, you may vote:

(a) **in person or online:** by attending the physical meeting and voting in person or via ATL's online meeting platform;

(b) **by proxy:** by lodging your Proxy Form (in one of the ways set out in the explanatory notes in the Notice of Scheme Meeting) so that it is received by 12.00pm (Brisbane time) on Wednesday, 9 November 2022. Proxy forms which accompanied the Original Scheme Booklet are no longer valid. If you have previously lodged a proxy Form, to ensure that your vote is counted you must lodge a new Proxy Form by 12.00pm (Brisbane time) on Wednesday, 9 November 2022. Proxies can be lodged online by visiting www.investorvote.com.au;

(c) **by attorney:** by appointing an attorney to attend the Scheme Meeting and vote on your behalf, using a duly executed power of attorney so that it is received by 12.00pm (Brisbane time) on Wednesday, 9 November 2022; or

(d) **by corporate representative:** in the case of a body corporate, appointing a body corporate representative to attend the Scheme Meeting and vote on your behalf, using a duly executed certificate of appointment of body corporate representative which, if attending online, is received by 12.00pm (Brisbane time) on Wednesday, 9 November 2022.

Further information on how to vote using each of these methods is contained in the explanatory notes of the Notice of Postponed Scheme Meeting in Annexure E.

SECTION 4

Considerations Relevant to your Vote

4.1 Reasons to vote in favour of the Scheme

This section summarises the reasons why the ATL Directors have determined to unanimously recommend that ATL Voting Shareholders vote in favour of the Scheme, in the absence of a Superior Proposal and provided that the Independent Expert continues to conclude that the Scheme is in the best interests of ATL Voting Shareholders.

(a) Unanimous recommendation

The ATL Directors believe that the Scheme is in the best interests of ATL Voting Shareholders and unanimously recommend that ATL Voting Shareholders vote in favour of the Scheme, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of ATL Voting Shareholders. Subject to these same qualifications, each ATL Director intends to cause any ATL Shares in which they have a Relevant Interest to be voted in favour of the Scheme. As at the Last Practicable Date, the ATL Directors hold in aggregate a Relevant Interest in approximately 53.73% of all ATL Shares on issue.

In arriving at their recommendation, the ATL Directors have considered the advantages and disadvantages of the Scheme, including information contained in the following sections:

- section 4.1 (reasons to vote in favour of the Scheme);
- section 4.2 (potential reasons to vote against the Scheme);
- section 4.3 (other key considerations relevant to voting on the Scheme); and
- sections 10 and 11 (risk factors and taxation implications).

(b) The Independent Expert has concluded that, in the absence of a Superior Proposal, the Scheme is fair and reasonable and in the best interests of ATL Voting Shareholders

The ATL Directors appointed Grant Thornton Corporate Finance Pty Ltd as the Independent Expert to prepare a Replacement Independent Expert's Report providing an opinion as to whether the Scheme is fair and reasonable and in the best interests of ATL Voting Shareholders.

The Independent Expert has assessed the fair market value of ATL Shares on a control basis at between A$0.696 and A$0.943 per ATL Share and the fair market value of the Scheme Consideration on a minority basis at between A$0.727 and A$0.923 per ATL Share. The Independent Expert's assessment of the fair market value of the Scheme Consideration on a minority basis falls within the Independent Expert's assessed fair market valuation range of ATL Shares on a control basis, with the mid-point of the Scheme Consideration valuation range above the mid-point of the ATL Shares valuation range. A copy of the Replacement Independent Expert's Report is included in Annexure A of this Replacement Scheme Booklet. The ATL Directors encourage you to read the Replacement Independent Expert's Report in its entirety before making a decision as to whether to vote in favour or to not vote in favour of the Scheme.

(c) The Scheme has support from ATL's major shareholder group, the Trouchet Shareholders

As at the date of this Replacement Scheme Booklet, the Trouchet Shareholders together hold 99,412,231 ATL Shares (representing 53.40% of the ATL Shares on issue). The Trouchet Shareholders have notified the ATL Board in writing that they intend to vote all ATL Shares held by them in favour of the Scheme, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of ATL Voting Shareholders.

The Trouchet Shareholders remain committed to the long-term value creation opportunities available to the Merged Group and intend to enter into voluntary escrow arrangements for 90% of their ***thl*** Consideration Shares for 12 months and 50% for 24 months from the Implementation Date.

The Trouchet Shareholders have consented to the inclusion of the above statements in this Replacement Scheme Booklet.

(d) The Scheme Consideration represents an attractive premium to the trading prices of ATL Shares prior to the announcement of the Scheme

The Scheme Consideration represents an attractive premium to the trading prices of ATL Shares prior to the announcement of the Scheme and reflects an implied value of:

- A$0.843 based on the closing price of ***thl*** Shares on 9 December 2021 (being the last trading day prior to announcement of the Proposed Transaction) of NZ$2.85 (based on a NZD/AUD exchange rate of NZ$0.9503 as at that date). This is a premium of 52.0% over the closing price of ATL Shares of A$0.555 on the same date;
- A$0.838 based on the one-month VWAP of ***thl*** Shares for the period from 10 November 2021 to 9 December 2021 of NZ$2.83 (based on a NZD/AUD exchange rate of NZ$0.9503 as at that date). This is a premium of 36.3% over the one-month VWAP of ATL Shares of A$0.615 over the same period;
- A$0.729 based on the closing price of ***thl*** Shares on 22 September 2022 (being the last trading day prior to announcement of Commerce Commission clearance) of NZ$2.65 (based on a NZD/AUD exchange rate of NZ$0.8834 as at that date). This is a premium of 41.6% over the closing price of ATL Shares of A$0.515 on 22 September 2022; and
- A$0.737 based on the one-month VWAP of ***thl*** Shares for the period from 23 August 2022 to 22 September 2022 (being the last trading day prior to announcement of Commerce Commission clearance) of NZ$2.68 (based on a NZD/AUD exchange rate of NZ$0.8834 as at that date). This is a premium of 29.9% over the one-month VWAP of ATL Shares of A$0.567 over the same period.

However, it is important to note that the implied value of the Scheme Consideration and the premium will change with movements in the price of ***thl*** Shares and the NZD:AUD exchange rate.

Trading price after the announcement date

Sources: S&P Global, GTCF analysis.
Note: Scheme Consideration assessed based on the closing price of thl shares converted in Australian Dollars using the closing NZ$:A$ FX rate on each day and divided by the Conversion Ratio of 3.210987.

Extract from page 23 of the Replacement Independent Expert's Report in Annexure A.

(e) The Proposed Transaction brings two highly complementary businesses together to create a diversified, leading RV travel company across Australia, New Zealand, North America, the United Kingdom and Europe

The Scheme represents an opportunity for ATL Voting Shareholders to participate in the expected benefits afforded by the enhanced diversification and flexibility of the Merged Group, particularly in the context of the volatile and challenging trading conditions presented by COVID-19 that remain ongoing.

The commercial rationale for combining ATL and ***thl*** is underpinned by:

- increased scale in Australia, New Zealand, North America and the United Kingdom/Europe;
- enhanced brand portfolio and geographic diversification;
- the Merged Group is expected to be financially stronger than ATL on a standalone basis; and
- a due diligence process which identified synergies expected to deliver a steady state EBIT uplift of NZ$23m to NZ$24m per annum or an uplift of NZ$27m to NZ$31m per annum on a pre-tax cash basis.

(f) The Proposed Transaction is expected to create significant cost synergies not otherwise available to the standalone entities

Full run-rate gross synergies identified through the two-way due diligence process undertaken by both ATL and ***thl*** are estimated at between NZ$23m to NZ$24m per annum at the EBIT level (or NZ$27m to NZ$31m per annum on a pre-tax cash basis). Of these gross synergies, 70% and 62% are fixed on an EBIT and pre-tax cash basis, respectively, with the majority of the fixed synergies expected to be realised by the end of FY25. The phasing of variable cost synergies will increase in line with activity returning to pre-COVID levels and are expected to be materially realised by the end of FY25.

The Scheme is subject to the Asset Divestment, which will have a negative impact on the performance of the Merged Group in the manner described in section 9.2.

On 10 December 2021, ATL and ***thl*** announced the merger with synergies estimated at between NZ$17m to NZ$19m per annum at the EBIT level (or NZ$18m to NZ$20m per annum on a cash basis). The key drivers between the current estimated gross synergies and those announced on 10 December 2021 are the impact of inflation on the costs identified as synergies, the identification of a larger quantum of corporate overhead and financing synergies than earlier expectations and the devaluation of the New Zealand Dollar.

Synergies primarily relate to duplication of corporate costs and procurement benefits.

The above estimates do not include any potential synergies relating to the Merged Group's North American or United Kingdom/Europe businesses.

The Merged Group may realise additional synergies that are more difficult to quantify pre-merger relating to the sharing of operational expertise, operating efficiencies and marketing expertise. Examples of some of these potential additional synergies include:

- sharing of each organisation's management and operational expertise in key businesses;
- optimising procurement and logistics across the network which may lower capital and operating costs due to economies of scale, and improved purchasing power; and
- realising marketing synergies through the expanded branded network and customer relationships in key businesses.

Total one-off implementation costs are expected to be between NZ$7.0m and NZ$11.0m with the majority of these to be incurred by the end of FY24.

(g) The Merged Group is expected to be financially stronger than ATL on a standalone basis. The ATL Directors believe this will likely result in a faster recovery from COVID-19, improved ability to weather any ongoing effects from the pandemic including supply chain disruptions, and capability to take advantage of near-term growth opportunities

The combination of increased balance sheet flexibility to manage the re-fleeting process required to take advantage of increased demand post-pandemic with the realisation of merger synergies will likely enable the Merged Group to more quickly return to pre-pandemic earnings levels than ATL would be able to achieve on its own. Given this, the ATL Directors believe the Merged Group should be in a position to consider recommencing payment of dividends more quickly than ATL could on a standalone basis.

The risk of ongoing travel restrictions, impact on consumer sentiment and supply chain disruptions from COVID-19 and their associated impacts on revenue and liquidity will be easier to manage with the improved financial strength created by the merger. The largely fixed nature of the synergies outlined in section 4.1(f) above enhances both businesses' ability to best navigate the recovery and means that significant value is expected to be created regardless of the COVID recovery profile.

The improved financial strength should enable the Merged Group to take advantage of growth opportunities presented in the near term.

(h) The Scheme was considered by ATL Directors to be more favourable than ATL remaining as a standalone entity

In considering and recommending the Scheme, the ATL Directors considered, among other factors:

i. the merits, synergies and strategic rationale of the Scheme. In particular, the ATL Directors expect the synergies will be substantial and can only be accessed as part of the Merged Group;

ii. the outlook, risks and opportunities available to ATL as a standalone entity and the outlook, risks and opportunities available to ATL as part of the Merged Group;

iii. the likelihood, in the ATL Directors' opinion, of the Merged Group being in a position to recommence shareholder dividends sooner than ATL on a standalone basis;

iv. anticipated improved share trading liquidity for Scheme Shareholders as part of the larger Merged Group; and

v. the likelihood of a Superior Proposal for ATL emerging in the future.

After considering all of the above, the ATL Directors decided to recommend the Scheme and are of the view that the Scheme is in the best interests of ATL Voting Shareholders, in the absence of a Superior Proposal and provided that the Independent Expert continues to conclude that the Scheme is in the best interests of ATL Voting Shareholders.

(i) No Superior Proposal has emerged since the announcement of the Scheme

The Scheme Implementation Deed prohibits ATL from soliciting or entertaining a Competing Proposal, other than in certain circumstances. ATL may respond to any bona fide approach by a prospective purchaser where the ATL Directors determine (acting in good faith and after taking advice from ATL's external advisers) that such approach would lead to a Superior Proposal and where failure to do so would be reasonably likely to involve a breach of the duties of the ATL Directors. ATL would be required to notify ***thl*** of its intention to respond to such approach and provide ***thl*** with any confidential information concerning ATL that it intended to provide to the prospective purchaser.

As at the date of this Replacement Scheme Booklet, neither ATL nor any of ATL's advisers are aware of any Competing Proposal and there are no third-party discussions underway with ATL (or its advisers) in relation to a Competing Proposal. ATL will notify ATL Shareholders if a Superior Proposal is received before the Second Court Date.

(j) If the Scheme does not proceed, and no Superior Proposal emerges, the price of ATL Shares may fall in the near-term

Prior to the announcement of the Scheme on 10 December 2021, the closing price of ATL Shares was A$0.555 per share.

If the Scheme is not implemented, and in the absence of a Superior Proposal, the price of ATL Shares on the ASX may fall, including to a price that is significantly below the implied value of the Scheme Consideration of A$0.843 per ATL Share (as referred to in section 4.1(d) above), and below the price at which ATL Shares have traded since the announcement.

(k) The Merged Group will have an experienced and complementary board and management team with extensive experience and proven track record operating across Australia, New Zealand, the United Kingdom, Europe and North America

The Scheme combines two highly experienced and complementary board and senior management teams with extensive experience operating within Australia, New Zealand, the United Kingdom, Europe and North America.

The leadership team of the Merged Group will be well positioned to leverage its extensive tourism knowledge and its in-country experience.

The proposed board of directors of the Merged Group will comprise eight members, with ATL to nominate three directors and ***thl*** to contribute five directors. Luke Trouchet will be one of the ATL nominated directors and it is intended that he will assume a newly created role as Executive Director – M&A and Global Transitions and join the ***thl*** Board. The other ATL Directors to be appointed to the board of directors of the Merged Group are Sophie Mitchell, the current independent Chairman of ATL, and independent non-executive director, Robert Baker.

More information about the intended composition of the proposed board of directors for the Merged Group, and the intentions of the Merged Group following implementation of the Scheme, is set out in section 9 of this Replacement Scheme Booklet.

(l) ***thl*** will apply to be admitted to the official list of ASX in addition to its existing NZX listing and, if that application is successful and the Scheme becomes Effective and the Divestment Condition is satisfied, Scheme Shareholders will be able to trade their *thl* Consideration Shares on the ASX and NZX

The Scheme is conditional upon ***thl*** receiving approval from ASX for it to be admitted to the official list of ASX as an ASX foreign exempt listing and the quotation of ***thl*** Shares on ASX. ***thl*** will retain its primary listing on the NZX and will also use all reasonable endeavours to ensure that the ***thl*** Consideration Shares will, on the business day following the Implementation Date, be able to be traded on NZX.

If the Scheme becomes Effective, and subject to ***thl***'s ASX listing application being approved and the Divestment Condition being satisfied, the ***thl*** Consideration Shares will also be able to be traded on the ASX on the business day following the Implementation Date or as soon as reasonably practicable thereafter.

ATL Voting Shareholders should note that, while the Scheme is conditional on the admission of ***thl*** to ASX as an ASX foreign exempt listing, that condition may be waived if agreed to by ***thl*** and ATL.

(m) No brokerage will be payable by you for the transfer of your ATL Shares under the Scheme

If the Scheme is implemented, Scheme Shareholders will not incur any brokerage on the transfer of ATL Shares to ***thl*** under the Scheme (except for Foreign Scheme Shareholders as set out in section 6.6).

For ATL Voting Shareholders, it is possible that such charges may be incurred if ATL Shares are transferred other than under the Scheme.

4.2 Potential disadvantages of the Scheme

The Independent Expert has concluded that the Scheme is fair and reasonable and in the best interests of ATL Voting Shareholders, in the absence of a Superior Proposal. In the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of ATL Voting Shareholders, the ATL Directors unanimously recommend that ATL Voting Shareholders vote in favour of the Scheme. However, you may hold a different view from, and are not obliged to follow the recommendation of, the ATL Directors and may not agree with the Independent Expert's conclusion.

(a) You may believe that there is potential for a Superior Proposal to be made in the foreseeable future

Since ATL and ***thl*** entered into the Scheme Implementation Deed on 10 December 2021 through to the date of this Replacement Scheme Booklet, no Competing Proposal has emerged. However, ATL Voting Shareholders may consider that a Superior Proposal with a higher consideration for ATL Shares or better long-term prospects for the ATL business could emerge in the foreseeable future. The Scheme becoming Effective and being implemented will mean that Scheme Shareholders will not receive the benefit of any such Superior Proposal.

The Scheme Implementation Deed prohibits ATL from soliciting or entertaining a Competing Proposal, other than in certain circumstances. ATL may respond to any bona fide approach by a prospective purchaser where the ATL Directors determine (acting in good faith and after taking advice from ATL's external advisers) that such approach would lead to a Superior Proposal and where failure to do so would be reasonably likely to involve a breach of the duties of the ATL Directors. ATL would be required to notify ***thl*** of its intention to respond to such approach and provide ***thl*** with any confidential information concerning ATL that it intended to provide to the prospective purchaser.

ATL will notify ATL Shareholders if a Superior Proposal is received before the Second Court Date.

(b) You may disagree with the ATL Directors' unanimous recommendation or the Independent Expert's conclusion

You may disagree with the conclusion of the Independent Expert, who has determined that the Scheme is fair and reasonable and in the best interests of, ATL Voting Shareholders, in the absence of a Superior Proposal.

Similarly, you may disagree with the unanimous recommendation of the ATL Directors to vote in favour of the Scheme, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of ATL Voting Shareholders.

(c) You may wish to maintain your current investment profile and exposure to a business with ATL's specific characteristics

ATL Voting Shareholders may wish to keep their ATL Shares and preserve their investment in an Australian publicly listed company with ATL's specific characteristics. The asset composition and exposure, earnings mix and risk profile of the two companies are different on a standalone basis.

If the Scheme is implemented and a Scheme Shareholder receives ***thl*** Consideration Shares under the Scheme, that person's rights as a shareholder will no longer be governed by the laws of Australia, the ASX Listing Rules (except to the extent to which they may apply to ***thl*** as a foreign exempt listing on ASX) and the ATL Constitution. Instead, that person's rights as a holder of ***thl*** Consideration Shares will be governed by the laws of New Zealand, the NZX Listing Rules, the *Companies Act 1993* (NZ) (**Companies Act**) and the ***thl*** Constitution. Further details of the rights attaching to the ***thl*** Consideration Shares and the key material differences between the applicable company laws, listing rules and other relevant laws can be found in Annexure F.

Implementation of the Scheme may represent a disadvantage if you do not want to change your investment profile. ATL Voting Shareholders should read this Replacement Scheme Booklet carefully to understand the implications of the Scheme and should seek investment, legal or other professional advice in relation to their own circumstances. Further information about the Merged Group can be found at section 9 of this Replacement Scheme Booklet.

(d) The future value of *thl* Consideration Shares after the Scheme is implemented will move with market and investor sentiment and as such is considered uncertain

If the Scheme becomes Effective and, subject to satisfaction of the Divestment Condition, is implemented, Scheme Shareholders (other than Foreign Scheme Shareholders) will receive ***thl*** Consideration Shares. At this point, the trading value of ***thl*** Consideration Shares will depend on the price at which ***thl*** Shares are trading on NZX (and, potentially, ASX). The price of ***thl*** Shares may rise or fall both before and after the Implementation Date depending on market conditions and the financial and operational performance of ***thl*** and, after Implementation, the Merged Group.

(e) You may be worried about specific risks associated with *thl*'s business or the future value of *thl* Consideration Shares after the Scheme is implemented

You should read sections 8 and 9 of this Replacement Scheme Booklet which summarises the business operations and strategy of ***thl*** and the Merged Group, respectively, to understand what additional businesses and assets you will be exposed to if you become a ***thl*** Shareholder on implementation of the Scheme.

Additionally, there are a number of risks specific to the Merged Group, which are described in further detail in section 10 of this Replacement Scheme Booklet and which may affect the value of ***thl*** Consideration Shares.

ATL Voting Shareholders should consider these risks before deciding whether to vote in favour of the Scheme.

(f) You may disagree with the Asset Divestment

thl received conditional approval from the ACCC and Commerce Commission to its respective merger clearance applications on the basis of undertakings given by certain entities within the ATL Group and the ***thl*** Group with respect to the Asset Divestment.

Following completion of the Asset Divestment, Jucy is expected to be one of the largest RV rental operators in both Australia and New Zealand, with a strong base to grow immediately in both countries.

You may consider that the Asset Divestment is unacceptable. However, you should note that the Asset Divestment is a condition subsequent to the Scheme and the Scheme will not be implemented if the Asset Divestment is not completed.

(g) The tax consequences of the Scheme may not suit your current financial situation

Implementation of the Scheme may trigger different or adverse tax consequences for certain Scheme Shareholders. The tax treatment may vary depending on the nature and characteristics of each Scheme Shareholder and their specific circumstances. The tax consequences of the Scheme may not suit an individual Scheme Shareholder's financial position. Scheme Shareholders should seek financial, tax and other professional advice as necessary for their specific circumstances.

You should read the summary of the general Australian and certain New Zealand tax implications of the Scheme outlined in section 11 of this Replacement Scheme Booklet, which is general in nature and consult with your professional tax adviser regarding your particular circumstances.

(h) The Scheme may be subject to conditions that you consider unacceptable

In addition to ATL Voting Shareholder approval and Court approval, the implementation of the Scheme is subject to a number of other Scheme Conditions and the Divestment Condition. If the Scheme Conditions and the Divestment Condition are not satisfied or waived (as applicable), the Scheme will not be implemented and ATL Voting Shareholders will not receive the Scheme Consideration.

The Scheme Conditions and the Divestment Condition are summarised in sections 5.3 and 5.5 of this Replacement Scheme Booklet, respectively. You may consider those conditions to be unacceptable. However, you should note that the Scheme will not be implemented unless those conditions are satisfied or waived.

4.3 Other key considerations in relation to voting on the Scheme

ATL Voting Shareholders should also consider the following additional considerations in determining how to exercise their vote at the Scheme Meeting:

(a) The Scheme may be implemented even if you vote against the Scheme or do not vote at all

Even if you vote against the Scheme or do not vote at all, the Scheme may still be implemented if the Scheme Resolution is approved by the Requisite Majority of ATL Voting Shareholders and the Court and all of the other Scheme Conditions and the Divestment Condition are either satisfied or waived (if capable of waiver). If this occurs:

i. the Scheme will bind all Scheme Shareholders, including those who did not vote on the Scheme Resolution and those who voted against it;

ii. on the Implementation Date, your ATL Shares will be transferred to ***thl*** and you will receive the Scheme Consideration;

iii. ATL will become a wholly-owned Subsidiary of ***thl***; and

iv. ATL will be delisted from the ASX.

(b) Break fees

Under the Scheme Implementation Deed, ATL and ***thl*** are each liable to pay the other party a break fee of A$1,400,000 in certain circumstances. A break fee is not payable by ATL if the Scheme does not proceed merely because ATL Voting Shareholders do not approve the Scheme by the Requisite Majority.

Refer to section 5.12 of this Replacement Scheme Booklet for additional information on the break fee.

(c) Transaction costs

As at the Last Practicable Date, ATL has incurred or expects to incur costs of approximately A$3.7 million (excluding GST and disbursements) in developing the Scheme so that it is capable of being submitted to ATL Voting Shareholders for consideration.

(d) Conditionality of the Scheme

Implementation of the Scheme is subject to the satisfaction or waiver (if capable of waiver) of a number of Scheme Conditions and the Divestment Condition. If the Scheme Conditions and the Divestment Condition are not satisfied or waived (if capable of waiver) by their Relevant Dates, the Scheme will not proceed (in which case ATL Voting Shareholders will not receive the Scheme Consideration).

(e) Implications for ATL Voting Shareholders if the Scheme is not implemented

i. **(No Scheme Consideration)**: If the Scheme is not implemented, each ATL Voting Shareholder will retain their ATL Shares and will not receive any Scheme Consideration.

ii. **(Remain listed):** If the Scheme is not implemented, ATL will remain listed on the ASX. ATL Voting Shareholders will continue to be exposed to the risks and benefits of owning ATL Shares.

iii. **(Share price drop)**: If the Scheme is not implemented, the ATL Share price may trade below its recent trading prices, although it is not possible to predict the ATL Share price movement with any degree of certainty.

(f) Warranties by Scheme Shareholders under the Scheme

The effect of the Scheme is that all Scheme Shareholders, including those who vote against the Scheme and those who do not vote, will be deemed to have warranted to ATL, both in their own right and for the benefit of ***thl,*** that, as at the Implementation Date, their ATL Shares are fully paid and not subject to any of the encumbrances specified in the Scheme. The terms of the warranties are set out in clause 8.4(a) of the Scheme. The Scheme is set out in Annexure C.

You should ensure that these warranties can be given by you prior to, and remain correct as at, the Implementation Date.

SECTION 5

Implementation of the Scheme

5.1 Introduction

The Scheme is a scheme of arrangement under Part 5.1 of the Corporations Act. A scheme of arrangement is commonly used to give effect to the acquisition of one company by another company or the merger of two or more companies.

The key terms of the Scheme, if approved and implemented, will involve:

(a) the acquisition by ***thl***, through its wholly-owned Subsidiary, ***thl*** Acquirer, on the Implementation Date of all ATL Shares; and

(b) the provision of the Scheme Consideration to Scheme Shareholders who hold ATL Shares at the Scheme Record Date other than Foreign Scheme Shareholders (see section 6.6).

This section explains the steps involved in implementing the Scheme (a copy of which is contained in Annexure C).

5.2 Steps in implementing the Scheme

(a) Scheme Implementation Deed

On 10 December 2021, ATL, ***thl*** and ***thl*** Acquirer entered into the Scheme Implementation Deed which sets out the rights and obligations of ATL, ***thl*** and ***thl*** Acquirer in connection with the implementation of the Scheme. The Scheme Implementation Deed was subsequently amended to amongst other things extend the End Date, increase the Scheme Consideration and to add the Divestment Condition.

The key terms of the Scheme Implementation Deed are summarised in section 5 of this Replacement Scheme Booklet.

(b) Deed Poll

On 15 February 2022, ***thl*** and ***thl*** Acquirer executed the Deed Poll in favour of each Scheme Shareholder, pursuant to which ***thl*** and ***thl*** Acquirer agreed to perform their obligations under Scheme and to otherwise comply with the Scheme as if ***thl*** and ***thl*** Acquirer were parties to the Scheme.

The key obligation of ***thl*** under the Scheme is to provide the Scheme Consideration for the benefit of Scheme Shareholder subject to satisfaction or waiver (if capable of waiver) of the Scheme Conditions and the Divestment Condition.

A copy of the Deed Poll is set out in Annexure D.

(c) Scheme Meeting

On 14 April 2022, the Court ordered the postponement of the Scheme Meeting originally scheduled for 10.00am (Brisbane time) on Wednesday, 20 April 2022. Pursuant to an order of the Court made on 26 October 2022, the postponed Scheme Meeting will be held at 12.00pm (Brisbane time) on Friday, 11 November 2022 at Level 29, Riverside Centre, 123 Eagle Street, Brisbane, Queensland 4000 and also via ATL's online meeting platform at https://meetnow.global/MXDSZKR.

Instructions on how to attend and vote at the Scheme Meeting are set out in section 3 of this Replacement Scheme Booklet and in the Notice of Postponed Scheme Meeting in Annexure E.

No endorsement by the Court

The fact that under section 411(1) of the Corporations Act the Court ordered on Friday, 18 February 2022 that a meeting of the **ATL** Voting Shareholders be convened by **ATL** to consider and vote on the Scheme, and that the Court further ordered on Wednesday, 26 October 2022 to set a date and time for the postponed meeting, does not mean that the Court:

- has formed any view as to the merits of the proposed Scheme or as to how ATL Voting Shareholders should vote (on this matter, ATL Voting Shareholders must reach their own decision); and
- has prepared, or is responsible for, the content of this Replacement Scheme Booklet.

Required majority to pass resolutions

For the Scheme to be implemented, it is necessary that the Requisite Majority of ATL Voting Shareholders vote in favour of the Scheme Resolution at the Scheme Meeting.

The results of the Scheme Meeting will be announced to the ASX after conclusion of the Scheme Meeting.

(d) Second Court Hearing

In order to become Effective, the Scheme (with or without modification) must be approved by an order of the Court at the Second Court Hearing in accordance with section 411(4)(b) of the Corporations Act.

Apply for approval

If the Scheme is approved at the Scheme Meeting by the Requisite Majority, ATL intends to apply to the Court for the necessary orders approving the Scheme.

The Court has an overriding discretion whether or not to approve the Scheme under section 411(4)(a)(ii)(A) of the Corporations Act and can, for example, disregard the Headcount Test. ATL reserves the right to apply to the Court at the Second Court Hearing to approve the Scheme even if the Headcount Test is not satisfied.

If the Scheme is approved at the Scheme Meeting by the Requisite Majority, but the Scheme is not subsequently approved by the Court at the Second Court Hearing, then the Scheme will not proceed.

Opposing the Scheme

Each ATL Shareholder has the right to seek leave to appear at Court at the Second Court Hearing and be heard in respect of the Scheme.

The Second Court Hearing is scheduled to be held 9.00am (Brisbane time) on Friday, 18 November 2022 in the Supreme Court of Queensland (Brisbane registry). Information on attending the Second Court Hearing, including the scheduled date of the hearing, will be released on ASX in due course if the Scheme is approved by ATL Voting Shareholders at the Scheme Meeting.

If you want to object to approval of the Scheme by the Court at the Second Court Hearing, you must file with the Court and serve on ATL a notice of appearance in the prescribed form together with any affidavit that you propose to rely on at the hearing.

The notice of appearance and affidavit must be served on ATL at its address for service at least one day before the Second Court Hearing. The postal address for service is c/- Hamilton Locke, Level 28, 123 Eagle Street, Brisbane, Queensland 4000 and should be copied to benny.sham@hamiltonlocke.com.au.

An ATL Shareholder seeking to attend the Second Court Hearing should review the Court list (available at www.courts.qld.gov.au/daily-law-lists/daily-law-lists for details of the hearing and how such hearing can be attended. The Court list is usually available by 6.00pm (Brisbane time) the day before a scheduled hearing.

(e) Scheme Record Date

Determination of entitlement to Scheme Consideration

Scheme Shareholders will be entitled to receive the Scheme Consideration under the Scheme if they are registered as holders of ATL Shares on the Scheme Record Date.

The Scheme Record Date is currently proposed to be 7.00pm (AEDT) on the second Business Day following the Effective Date (or such other Business Day as ***thl*** and ATL agree in writing). The Scheme Record Date will be announced to ASX in due course if the Scheme is approved by the Requisite Majority of ATL Voting Shareholders.

In this Replacement Scheme Booklet, ATL Shareholders (other than ***thl*** and its Subsidiaries) as at the Scheme Record Date are referred to as 'Scheme Shareholders'.

From the Scheme Record Date, the Share Register will close for transfers and all holding statements for ATL Shares and entries on the Share Register on the Scheme Record Date will cease to have any effect other than as evidence of entitlement to the Scheme Consideration (other than in respect of the transfers to ***thl*** under the Scheme and any subsequent transfer by it or its successors in title or by the ***thl*** Entities).

(f) Effective Date

If the Court approves the Scheme at the Second Court Hearing, ATL will (pursuant to section 411(10) of the Corporations Act) lodge with ASIC the office copy of the Court order approving the Scheme. ATL intends to lodge the office copy of the Court order with ASIC on the Effective Date, which is currently expected to be Monday, 21 November 2022.

If the Scheme Conditions are satisfied or waived (if capable of waiver), the Scheme will legally come into effect on the Effective Date.

If the Scheme has not become Effective or the relevant Scheme Conditions have not been satisfied or waived (if capable of waiver) by the End Date (which is currently 9 December 2022), or such later date as ATL and ***thl*** agree in writing, or if the Divestment Condition is not satisfied by the date 12 Business Days after the Scheme is approved by the Court at the Second Court Hearing, the Scheme will lapse and be of no further force or effect.

(g) Satisfaction of Divestment Condition and Implementation Date

The Implementation Date of the Scheme is the date which is five Business Days after the Scheme Record Date or such other date as agreed by ATL and ***thl.*** The Implementation Date is currently proposed to be Wednesday, 30 November 2022.

The Divestment Condition is a condition subsequent to the Scheme and must be satisfied prior to the Scheme being implemented and in any event within 12 Business Days after the date on which the Scheme is approved by the Court at the Second Court Hearing. It is currently anticipated that the Asset Divestment will complete on the Implementation Date, immediately prior to implementation of the Scheme.

If the Scheme becomes Effective and the Divestment Condition is satisfied, on the Implementation Date:

- all ATL Shares held by Scheme Shareholders will be transferred to ***thl*** Acquirer without any further action required by Scheme Shareholders;
- all Scheme Shareholders (other than Foreign Scheme Shareholders) will receive the Scheme Consideration and will have their names entered on the ***thl*** Register as the holder of their ***thl*** Consideration Shares;
- ATL will enter the name of ***thl*** Acquirer in the Share Register in respect of the ATL Shares; and
- ATL will become a wholly-owned Subsidiary of ***thl***.

More information about the provision of the Scheme Consideration on the Implementation Date is set out in section 6.3 of this Replacement Scheme Booklet. For further information about the ***thl*** Consideration Shares to be issued to the Scheme Shareholders, refer to Annexure F.

(h) Suspension and delisting

If the Scheme becomes Effective, ATL will apply to the ASX to suspend trading on the ASX in ATL Shares with effect from the close of trading on the Effective Date.

After the Implementation Date of the Scheme, ATL will apply to the ASX for termination of the official quotation of ATL Shares on the ASX and to have itself removed from the official list of the ASX.

(i) Trading in *thl* Consideration Shares

thl will apply to be admitted to the official list of the ASX as an ASX foreign exempt listing and use all reasonable endeavours to ensure that, subject to the Scheme becoming Effective and the Divestment Condition being satisfied by the date 12 Business Days after the Scheme is approved by the Court at the Second Court Hearing, in addition to being able to be traded on NZX on the business day following the Implementation Date, trading in the ***thl*** Consideration Shares on ASX commences on the same date (currently expected to be Thursday, 1 December 2022) or as soon as reasonably practicable thereafter.

The exact number of ***thl*** Consideration Shares to be issued to each Scheme Shareholder (other than Foreign Scheme Shareholders) will not be known until after the Scheme Record Date and will not be confirmed to each relevant Scheme Shareholder until they receive their holding statements following the Implementation Date. It is the responsibility of each relevant Scheme Shareholder to confirm their holdings of ***thl*** Consideration Shares before they trade them, to avoid the risk of committing to sell more than will be issued to them.

5.3 Scheme Conditions

The Scheme will not proceed unless all the Scheme Conditions are satisfied or waived (if capable of being waived) by the Relevant Date in accordance with the Scheme Implementation Deed or Scheme (as applicable).

Section 1.3 provides a summary of the steps that will take place if a Scheme Condition in the Scheme Implementation Deed is not satisfied or waived by its Relevant Date, or if a circumstance occurs that is reasonably likely to result in a Scheme Condition not being capable of being satisfied, or if the Scheme has not become Effective by the End Date.

The Scheme Conditions are set out in clause 3.1 of the Scheme Implementation Deed and are summarised in the table below.

NO	CONDITION	PARTY ENTITLED TO BENEFIT OF CONDITION
Scheme Conditions		
1.	**Regulatory Approvals** Before the Delivery Time on the Second Court Date, ASIC, ASX, NZ Takeovers Panel and NZX issue or provide such consents, approvals or waivers as are necessary or which ATL and ***thl*** agree are necessary or desirable to implement the Scheme and such consent, approval or other act has not been withdrawn or revoked before the Delivery Time on the Second Court Date.	ATL/***thl***
2.	**ACCC** Before the Delivery Time on the Second Court Date: (a) ***thl*** has received notification from the ACCC that: i. based on the information before it, the ACCC does not propose to intervene in the Proposed Transaction pursuant to section 50 of the *Competition and Consumer Act 2010* (Cth) (**CCA**) (whether or not the notification also states that the ACCC reserves its position if other material information emerges); or ii. based on the information provided to the ACCC and the acceptance by the ACCC of written undertakings (pursuant to section 87B of the CCA) provided or agreed to be provided to the ACCC, the ACCC does not propose to intervene in the Proposed Transaction pursuant to section 50 of the CCA (whether or not the notification also states that the ACCC reserves its position if other material information emerges); (b) the ACCC, or the Australian Competition Tribunal (**Tribunal**) on review of an ACCC decision, has granted authorisation of the Proposed Transaction under Part VII of the CCA either unconditionally or on terms and conditions that are acceptable to ***thl*** and ATL acting reasonably, and no application to the Federal Court of Australia has been made for judicial review of the decision of the ACCC or the Tribunal within the prescribed period; or (c) the Federal Court of Australia declares or makes orders that the Proposed Transaction will not contravene section 50 of the CCA or ***thl*** successfully defends proceedings in the Federal Court of Australia alleging that the Proposed Transaction contravenes section 50 of the CCA (and, in either case, the declaration or decision of the Federal Court of Australia has been finally determined).	ATL/***thl***

NO	CONDITION	PARTY ENTITLED TO BENEFIT OF CONDITION
3.	**Commerce Commission** Before the Delivery Time on the Second Court Date, ***thl*** has received from the Commerce Commission, either unconditionally or on terms and conditions that are acceptable to ***thl*** and ATL acting reasonably: (a) a notice in writing under section 66 of the Commerce Act 1986 (NZ) giving clearance for the Proposed Transaction and no application to the High Court of New Zealand under section 91 of the *Commerce Act 1986* (NZ) has been made for review of the decision of the Commerce Commission within the prescribed period; or (b) in response to ***thl*** filing an informal notification to the Commerce Commission, notice that the Commerce Commission has no objection to, and does not intend to take any action to prevent or oppose, the Proposed Transaction.	ATL/***thl***
4.	**FIRB** Before the Delivery Time on the Second Court Date, either: (a) ***thl*** has received a written notice under FATA from the Treasurer (or his delegate) stating that, or to the effect that, the Commonwealth of Australia does not object to the Proposed Transaction, either without conditions or on terms that are acceptable to ***thl*** and ATL (acting reasonably); or (b) following notice of the Proposed Transaction having been given by ***thl*** to the Treasurer under FATA, the Treasurer ceases to be empowered to make any order under Part 3 of FATA.	ATL/***thl***
5.	**ASX admission** Before the Delivery Time on the Second Court Date, ***thl*** has received approval from ASX for it to be admitted to the official list of ASX as an ASX foreign exempt listing and the quotation of ***thl*** Shares on ASX, subject only to customary conditions, the Scheme becoming Effective and any other conditions acceptable to the parties (each acting reasonably).	ATL/***thl***
6.	**Other governmental authorities** Before the Delivery Time on the Second Court Date, each other relevant Governmental Agency other than ASIC, ASX, NZ Takeovers Panel, NZX, ACCC, Commerce Commission and FIRB (if any) issue or provide such consents, waivers, approvals which both ***thl*** and ATL consider are necessary or desirable to implement the Scheme (noting that if such consents, waivers and/or approvals are subject to conditions those conditions must be acceptable to the parties (each acting reasonably)) and such consent, approval or other act has not been withdrawn or revoked before the Delivery Time on the Second Court Date.	ATL/***thl***
7.	**No ATL Prescribed Occurrence** No ATL Prescribed Occurrence occurs between the date of the Scheme Implementation Deed and the Delivery Time on the Second Court Date.	***thl***
8.	**No *thl* Prescribed Occurrence** No ***thl*** Prescribed Occurrence occurs between the date of the Scheme Implementation Deed and the Delivery Time on the Second Court Date.	ATL
9.	**ATL Warranties** The ATL Warranties being true and correct in all material respects on the date they are given.	***thl***

NO	CONDITION	PARTY ENTITLED TO BENEFIT OF CONDITION
10.	***thl* Warranties** The ***thl*** Warranties being true and correct in all material respects on the date they are given.	ATL
11.	**No ATL Material Adverse Change** No ATL Material Adverse Change occurs between the date of the Scheme Implementation Deed and the Delivery Time on the Second Court Date.	***thl***
12.	**No *thl* Material Adverse Change** No ***thl*** Material Adverse Change occurs between the date of the Scheme Implementation Deed and the Delivery Time on the Second Court Date.	ATL
13.	**No restraining orders** No judgment, order, decree, statute, law, ordinance, rule of regulation, or other temporary restraining order, preliminary or permanent injunction, restraint or prohibition, entered, enacted, promulgated, enforced or issued by any court or other Governmental Agency of competent jurisdiction in Australia or New Zealand remains in effect as at the Delivery Time on the Second Court Date that prohibits, materially restricts, makes illegal or restrains the completion of the Scheme.	ATL/***thl***
14.	**Third party consents – Material Contracts** All consents, approvals or waivers of rights by parties other than ATL under any Material Contracts which are necessary or desirable in the reasonable opinion of ***thl*** are obtained in a form and subject to conditions acceptable to ***thl*** and ATL (acting reasonably), and such consents, approvals or waivers have not been withdrawn, cancelled or revoked before the Delivery Time on the Second Court Date.	***thl***
15.	**Touchet escrow arrangements** Unless it is indicated by the Court when hearing an application for an order under section 411(1) of the Corporations Act directing ATL to convene the Scheme Meeting that such arrangements would mean the Trouchet Shareholders will be a separate class for the purposes of the Scheme, the entry by the Trouchet Shareholders into arrangements with ***thl*** on terms and conditions acceptable to ***thl*** and ATL (acting reasonably) documented in a deed under which: (a) 90% of the ***thl*** Consideration Shares received by them will be escrowed for 12 months after the Implementation Date; and (b) 50% of the ***thl*** Consideration Shares received by them on implementation of the Scheme will be escrowed for 24 months after the Implementation Date.	***thl***
16.	**Independent Expert's Report** The Independent Expert issues the Independent Expert's Report, which concludes that the Scheme is in the best interests of ATL Voting Shareholders and the Independent Expert does not change, withdraw or qualify its conclusion in any written update to its Independent Expert's Report or withdraw the Independent Expert's Report prior to the Delivery Time on the Second Court Date.	ATL/***thl***

NO	CONDITION	PARTY ENTITLED TO BENEFIT OF CONDITION
17.	**Refinancing** The ***thl*** Group entering into an agreement with new or existing financiers, and obtaining all necessary approvals in respect of the entry into that agreement, to refinance either its existing debt facilities or the debt facilities of all or part of the Merged Group on and with effect from the Implementation Date on terms and conditions that are acceptable to ***thl*** and ATL (acting reasonably) (**Refinancing Agreement**), and all conditions to drawdown under the Refinancing Agreement (other than the Scheme becoming Effective) have either been satisfied or waived prior to the Delivery Time on the Second Court Date or ***thl*** and ATL are satisfied (acting reasonably) that any remaining conditions will be satisfied on or prior to the Implementation Date.	ATL/***thl***
18.	**Consent from ATL financiers or refinancing** All consents, approvals, confirmations, agreements or waivers of rights from any financier of the ATL Group (except as agreed in writing between the parties or to the extent arrangements with those financiers are addressed by the terms of the Refinancing Agreement) which are in the opinion of ATL or ***thl*** necessary or desirable in connection with (i) the Proposed Transaction or (ii) the ongoing funding of the Merged Group following the implementation of the Proposed Transaction are obtained in a form and subject to conditions acceptable to ***thl*** and ATL, and such consents, approvals, confirmations or waivers have not been withdrawn, cancelled or revoked nor have any condition to such consents, approvals, confirmations or waivers become incapable of being satisfied before the Delivery Time on the Second Court Date.	ATL/***thl***
19.	**Shareholder approval** The Scheme is approved by ATL Voting Shareholders at the Scheme Meeting by the majorities required under section 411(4)(a)(ii) of the Corporations Act.	ATL/***thl***
20.	**Court approval** The Scheme is approved by the Court in accordance with section 411(4)(b) of the Corporations Act either unconditionally or on conditions that do not impose unduly onerous obligations upon either party (acting reasonably).	ATL/***thl***
21.	**Order lodged with ASIC** An office copy of the Court order approving the Scheme under section 411(4)(b) of the Corporations Act is lodged with ASIC.	ATL/***thl***
22.	**D&O insurance** ***thl*** obtaining, before the Delivery Time on the Second Court Date, confirmation from its insurers that ***thl***'s existing Directors and Officers insurance policy is extended to include the Scheme.	***thl***

5.4 Status of Scheme Conditions

An update on the status of certain Scheme Conditions can be found in sections 9.2 and 12.13 of this Replacement Scheme Booklet. As at the date of this Replacement Scheme Booklet, none of ATL or ***thl*** are aware of any circumstances which would cause any Scheme Conditions not to be satisfied.

A statement about the status of all of the Scheme Conditions will be made at the commencement of the Scheme Meeting.

5.5 Divestment Condition

The Jucy SPA was executed on 22 September 2022. The Divestment Condition is a condition subsequent to the Scheme, meaning that the Scheme will not be implemented unless completion of the Asset Divestment has occurred in accordance with the terms of the Jucy SPA. Completion of the Asset Divestment is scheduled to occur on the Implementation Date (currently expected to be Wednesday, 30 November 2022).

If the Divestment Condition is not satisfied by the date 12 Business Days after the Scheme is approved by the Court, then the Scheme will lapse and will not proceed. The Divestment Condition may not be waived by either party.

The only remaining condition precedent to completion under the Jucy SPA is the Scheme becoming Effective and not having been terminated prior to the Implementation Date. If this condition is not satisfied before 3.00pm (New Zealand time) on 16 December 2022 (or such other date as the Purchasers and Vendors agree in writing), then any party to the Jucy SPA may terminate the Jucy SPA provided it is not in breach for failing to use reasonable commercial endeavours to ensure the condition is satisfied.

5.6 If the Scheme does not proceed

If the Scheme does not proceed, ATL Voting Shareholders will continue to hold ATL Shares and will not receive the Scheme Consideration. In the absence of any Superior Proposal to the Scheme, ATL will continue as a standalone ASX listed entity. ATL may, in addition to the normal risks it faces, be exposed to the additional risks as described in section 10.4 of this Replacement Scheme Booklet.

If the Scheme becomes Effective and trading on ASX in ATL Shares have been suspended, the Scheme does not proceed because the Divestment Condition is not satisfied, then ATL will request ASX to resume trading on ASX in ATL Shares as soon as reasonably practicable.

ATL will be liable to pay certain transaction costs relating to the Scheme regardless of whether the Scheme proceeds. If the Scheme is implemented, additional costs will be incurred. Refer to section 5.12 for details on break fees that may be payable by the parties in certain circumstances where the Scheme does not proceed.

5.7 Exclusivity arrangements and competing proposals

Under the Scheme Implementation Deed, ATL has agreed to certain exclusivity restrictions that are summarised below. ATL agreed to these exclusivity restrictions with ***thl*** after engaging in arms-length negotiations during the course of the preparation of the Scheme Implementation Deed.

Full details of these restrictions are contained in clause 14 of the Scheme Implementation Deed.

These restrictions apply to ATL during the period commencing on the date of the Scheme Implementation Deed and ending on the earliest of:

- the End Date (amended by agreement between ATL and ***thl*** to 9 December 2022);
- the Effective Date of the Scheme; and
- the date the Scheme Implementation Deed is terminated in accordance with its terms.

RESTRICTION	DESCRIPTION
No shop	ATL must not, directly or indirectly: (a) solicit, invite, encourage, continue or initiate any Competing Proposal or any enquiries, negotiations or discussions with any third party in relation to, or that may reasonably be expected to encourage or lead to, an actual, proposed or potential Competing Proposal or which may otherwise lead to the Proposed Transaction not being completed; or (b) solicit, invite, encourage or initiate approaches, enquiries, discussions or proposals with a view to obtaining any offer, proposal or expression of interest from any person in relation to, or which may reasonably be expected to lead to, an actual, proposed or potential Competing Proposal, or communicate any intention to do any of those things.
No talk	ATL must not, directly or indirectly: (a) negotiate or enter into or participate in negotiations or discussions with any person; or (b) communicate any intention to do any of these things, in relation to, or that may reasonably be expected to encourage or lead to, an actual or potential Competing Proposal or any agreement, understanding or arrangement that may be reasonably expected to encourage or lead to a Competing Proposal or which may otherwise lead to the Proposed Transaction not being completed, even if: (c) the Competing Proposal was not directly or indirectly solicited, invited, encouraged or initiated by ATL or any of its Related Bodies Corporate; or (d) that person has publicly announced the Competing Proposal.
No due diligence	ATL must not, directly or indirectly: (a) solicit, invite, initiate, or encourage, or facilitate or permit, any person (other than ***thl***) to undertake due diligence investigations in respect of ATL, its Related Bodies Corporate, or any of their businesses and operations, in connection with such person formulating, developing or finalising, or assisting in the formulation, development or finalisation of, a Competing Proposal; or (b) make available to any person (other than ***thl***) or permit any such person to receive any non-public information relating to ATL, its Related Bodies Corporate, or any of their businesses and operations, in connection with such person formulating, developing or finalising, or assisting in the formulation, development or finalisation of, a Competing Proposal. If ATL proposes that any non-public information be provided to a third party, then: (a) before ATL provides such information, the third party must enter into an acceptable confidentiality deed (which must not contain any cost reimbursement or break fee provisions in favour of the third party); and (b) any non-public information provided to that third party must also be provided to ***thl*** (unless the information has already been provided to ***thl*** or its authorised person).

5.8 Fiduciary exception

The "no talk" and "no due diligence" restrictions set out above are subject to a fiduciary exception. Provided the "no shop" restriction has been complied with, ATL may respond to any genuine Competing Proposal, provided that:

- the Competing Proposal is bona fide and is made by on behalf of a person that the ATL Board considers is of sufficient commercial standing; and
- the ATL Board, acting in good faith determines:
  - where there is a written Competing Proposal, after consultation with its financial advisers, that the Competing Proposal is a Superior Proposal or the steps which the ATL Board proposes to take may reasonably be expected to lead to a Competing Proposal which is a Superior Proposal; and
  - after receiving written legal advice from ATL's external legal advisers experienced in transactions of this nature, that failing to respond to the Competing Proposal would be likely to constitute a breach of its fiduciary or statutory duties; and
  - ATL notifies promptly and in any event within 48 hours ***thl*** of each action or inaction by ATL or the ATL Board.

5.9 Notification and matching right

Under the Scheme Implementation Deed, during the Exclusivity Period, ATL must promptly notify ***thl*** in writing of:

- an approach, inquiry or proposal made by any person to ATL, any of its Related Bodies Corporate or any of their respective authorised persons, to initiate any discussions or negotiations that concern, or that could reasonably be expected to lead to, a Competing Proposal; and
- any request made by any person to ATL, any of its Related Bodies Corporate or any of their respective authorised persons, for any information relating to ATL, its Related Bodies Corporate, or any of their businesses and operations, in connection with such person formulating, developing or finalising, or assisting in the formulation, development or finalisation of a Competing Proposal,

(Competing Proposal Notice).

In summary, the Competing Proposal Notice must be accompanied by material details of the relevant event and ATL must notify ***thl*** in writing as soon as possible after becoming aware of any material developments in relation to a Competing Proposal.

ATL must direct each ATL Director not to change/withdraw its recommendation of the Scheme or approve or recommend entry into any agreement in relation to the Competing Proposal until it has provided ***thl*** with the written notice with the relevant information regarding the Competing Proposal, and either ***thl*** has not announced or provided a Counter Proposal (which ***thl*** has no obligation to do), or ***thl*** has announced a Counter Proposal, before 5 Business Days following receipt of the written notice.

If it is determined by the ATL Board in good faith that, in summary:

- the Counter Proposal would provide an equivalent or superior outcome to ATL Shareholders as a whole compared with the Competing Proposal, then ATL and ***thl*** must use their best endeavours to agree the amendments to the Scheme Implementation Deed that are reasonably necessary to reflect the Counter Proposal and ATL must use its best endeavours to procure that the ATL Directors recommend the Counter Proposal to the ATL Shareholders and not recommend the applicable Competing Proposal; or
- the Counter Proposal would not provide an equivalent or superior outcome to ATL Shareholders as a whole compared with the Competing Proposal,

then ***thl*** may take steps to amend the Counter Proposal to address the reasons given by the ATL Board within a further period of 5 Business Days and if ***thl*** does so to ATL's satisfaction then the Counter Proposal procedures in the Scheme Implementation Deed will apply to treat the new proposal as a Counter Proposal.

The procedural steps to be followed in relation to ATL's response to a Competing Proposal and ***thl***'s right to respond are set out in clauses 14.7 and 14.8 of the Scheme Implementation Deed.

5.10 Termination of the Scheme Implementation Deed

The circumstances in which the Scheme Implementation Deed can be terminated are set out in full in clause 12 of the Scheme Implementation Deed.

Below is a summary of the termination rights of the parties under the Scheme Implementation Deed:

CAUSE FOR TERMINATION	DESCRIPTION OF TERMINATION RIGHT
Termination for material breach, Scheme Conditions and other circumstances	(a) ***thl*** or ATL may, by notice in writing to the other, terminate the Scheme Implementation Deed at any time prior to the Second Court Date: i. if the other party is in material breach of any of its material obligations (other than the breaching of a party's respective representations and warranties) and the other party has failed to remedy that breach within 10 Business Days (or the Delivery Time on the Second Court Date if earlier) of receipt by it of a notice in writing from the terminating party setting out details of the relevant circumstance and requesting the other party to remedy the breach; ii. in accordance with clause 3.8 of the Scheme Implementation Deed as a result of Scheme Conditions not being fulfilled or waived (if capable of waiver); iii. if the Court refuses to make any order directing ATL to convene the Scheme Meeting, provided that both ATL and ***thl*** have met and consulted in good faith and either party does not wish to proceed with the Scheme; or iv. if the Effective Date for the Scheme has not occurred on or before the End Date. (b) ATL may, by notice in writing to ***thl***, terminate the Scheme Implementation Deed at any time prior to the Delivery Time on the Second Court Date if at any time before then each of that number of ATL Directors as constitutes a majority of the ATL Board publicly recommend a Superior Proposal. (c) ***thl*** may, by notice in writing to ATL, terminate the deed at any time prior to the Delivery Time on the Second Court Date if at any time before then any ATL Director: i. does not recommend the Scheme in the manner contemplated by the Scheme Implementation Deed; ii. withdraws or adversely revises or adversely modifies the ATL Director's recommendation of the Scheme (other than the qualifications expressly permitted by clause 5.1 of the Scheme Implementation Deed); or iii. makes a public statement indicating that the ATL Director recommends, endorses or supports a Competing Proposal, other than as a result of the circumstances described in clause 5.2 of the Scheme Implementation Deed, which will not extend to any ATL Director adversely revising or adversely modifying the ATL Director's recommendation of the Proposed Transaction as a result of, or making a public statement indicating that they recommend, endorse or support, a Competing Proposal.

Termination for breach of representations and warranties	(a) ***thl*** may, by notice in writing to ATL, terminate the Scheme Implementation Deed at any time prior to the Delivery Time on the Second Court Date if: i. ATL is in material breach of an ATL Warranty; or ii. ATL is in breach of the ATL Warranty in clause 9.4(h) of the Scheme Implementation Deed, and ATL has failed to remedy that breach within 10 Business Days (or the Delivery Time on the Second Court Date if earlier) of receipt by it of a notice in writing from ***thl*** setting out details of the relevant circumstance and requesting ATL to remedy the breach. (b) ATL may, by notice in writing to ***thl***, terminate the Scheme Implementation Deed at any time prior to the Delivery Time on the Second Court Date if: i. ***thl*** is in material breach of a ***thl*** Warranty; or ii. ***thl*** is in breach of the ***thl*** Warranty in clause 9.1(r) of the Scheme Implementation Deed, and ***thl*** has failed to remedy that breach within 10 Business Days (or the Delivery Time on the Second Court Date if earlier) of receipt by it of a notice in writing from ATL setting out details of the relevant circumstance and requesting ***thl*** to remedy the breach.
Termination if condition subsequent not satisfied	If the Divestment Condition is not satisfied on or before the date 12 Business Days after the Scheme is approved by the Court at the Second Court Hearing, then either party may immediately terminate the Scheme Implementation Deed by giving notice in writing to each other party to the Scheme Implementation Deed, without any liability to any other party by reason of that termination (other than in respect of break fees, if applicable).

5.11 Effect of termination

In the event of termination under the Scheme Implementation Deed, the Scheme Implementation Deed will become void and have no effect, except for the surviving provisions, which include clauses 9.8 (Survival of representations), 9.9 (Survival of indemnities), 12 (Termination), 13 (Break Fees) and 17.3 to 17.15 (inclusive) of the Scheme Implementation Deed. Termination of the Scheme Implementation Deed does not affect any accrued rights of a party in respect of a breach of the Scheme Implementation Deed prior to termination.

5.12 Break fees

Under the Scheme Implementation Deed, ATL and ***thl*** are each liable to pay the other party a break fee of A$1,400,000 in certain circumstances. A break fee is not payable by ATL if the Scheme does not proceed merely because ATL Voting Shareholders do not approve the Scheme by the Requisite Majority.

Clause 13 of the Scheme Implementation Deed sets out additional information on the break fee.

ATL will have to pay ***thl*** the break fee in circumstances where, in summary:

- a Competing Proposal is publicly announced between 10 December 2021 and the End Date, and within 12 months of the public announcement of the Competing Proposal is either completed or the proponent of that Competing Proposal acquires an economic interest in or voting power of at least 50% of ATL Shares and the Competing Proposal is, or becomes, free of any defeating conditions;
- a Competing Proposal is executed;

- there has been a change, adverse modification or withdrawal of recommendation by any of the ATL Directors in relation to the Scheme or any ATL Director does not recommend the Scheme or makes any public statement to that effect, other than as permitted under the Scheme Implementation Deed as a result of:
  - a conflict of interests by an ATL Director, which will not extend to any actions taken in respect of a Competing Proposal;
  - the Independent Expert opining that the Scheme is not in the best interests of ATL Voting Shareholders other than where the reason for that opinion is a Superior Proposal; or
  - in circumstances where ATL is entitled to terminate the Scheme Implementation Deed due to a material breach by ***thl*** of the Scheme Implementation Deed (including in respect of the ***thl*** Warranties);
- ***thl*** terminates the Scheme Implementation Deed due to a material breach by ATL of the Scheme Implementation Deed (including in respect of the ATL Warranties); or
- the Scheme Implementation Deed is terminated because the Divestment Condition is not satisfied and ATL has not complied with its obligations to use reasonable endeavours to negotiate in good faith the Jucy SPA and ancillary agreements and the undertakings with ACCC and the Commerce Commission, and those documents were not executed. As these documents have been executed, this break fee trigger will not be applicable.

thl will have to pay ATL the break free in circumstances where, in summary:

- ATL terminates the Scheme Implementation Deed due to a material breach by ***thl*** of the Scheme Implementation Deed (including in respect of the ***thl*** Warranties);
- the Scheme becomes Effective and the Divestment Condition is satisfied but ***thl*** does not provide the Scheme Consideration in accordance with the terms of the Scheme Implementation Deed (without limiting any rights or obligations of ***thl*** and ***thl*** Acquirer under the Deed Poll); or
- the Scheme Implementation Deed is terminated because the Divestment Condition is not satisfied and ***thl*** has not complied with its obligations to use reasonable endeavours to negotiate in good faith the Jucy SPA and ancillary agreements and the undertakings with ACCC and the Commerce Commission, and those documents were not executed. As these documents have been executed, this break fee trigger will not be applicable.

5.13 Warranties in Scheme Implementation Deed

Under the Scheme Implementation Deed, ATL and ***thl*** each provide a range of representations and warranties to the other in relation to their respective organisations and operations as well as their provision of information to the other in the context of the Proposed Transaction. Clause 9 of the Scheme Implementation Deed contains these warranties and representations.

5.14 Warranties by Scheme Shareholders under the Scheme

The effect of the Scheme is that each Scheme Shareholder, including those who vote against the Scheme and those who do not vote, will be deemed to have warranted to ***thl*** and ***thl*** Acquirer (and to have authorised ATL to warrant to ***thl*** and ***thl*** Acquirer as agent and attorney for the Scheme Shareholder) that, as at the Implementation Date:

- all of its ATL Shares which are transferred to ***thl*** Acquirer under the Scheme:
  - including any rights and entitlements attaching to those ATL Shares, will, at the time of transfer, be free from all mortgages, charges, liens, encumbrances, pledges, security interests (including any "security interests" within the meaning of section 12 of the Personal Property Securities Act 2009 (Cth)) and interests of third parties of any kind, whether legal or otherwise, and restrictions on transfer of any kind; and
  - are fully paid;

- it has full power and capacity to sell and to transfer their ATL Shares (including any rights attaching to those shares) to ***thl*** Acquirer under the Scheme; and
- it has no existing right to be issued any ATL Shares, options exercisable into ATL Shares, ATL convertible notes or any other ATL securities.

The terms of the warranties are set out in clause 8.4(a) of the Scheme. The Scheme is set out in Annexure C.

5.15 ACCC and Commerce Commission undertakings

Entities within the ***thl*** Group and the ATL Group have given an undertaking to each of the ACCC and the Commerce Commission in respect of the Asset Divestment.

The merger approvals received from the ACCC on 29 September 2022 and from the Commerce Commission on 23 September 2022 are conditional upon compliance with each respective undertaking, which include amongst other things, completing the Asset Divestment pursuant to the terms of the Jucy SPA, complying with certain obligations to preserve the assets being divested to Jucy, and appointing and maintaining independent entities to monitor and report on compliance with the undertakings and the progress of the Asset Divestment.

If the undertakings are breached then the ACCC and/or Commerce Commission (as applicable) may enforce the undertakings or the merger clearance may become void.

5.16 Summary of the material terms of the Jucy SPA and related transaction documents

Jucy SPA

On 22 September 2022, Apollo Motorhome Holidays Pty Limited and Apollo Motorhome Holidays Limited (collectively, the Vendors), Star RV Australia Fleet Pty Limited and Star RV New Zealand Fleet Limited (collectively, the Purchasers), Jucy Group (2022) Limited, ***thl*** and ***thl*** Acquirer entered into the Jucy SPA.

The Jucy SPA provides for the sale of the following material assets in Australia and New Zealand:

- 200 4–6 berth motorhomes from ATL's rental fleet in Australia;
- 110 4–6 berth motorhomes from ATL's rental fleet in New Zealand;
- ATL's Star RV motorhome brand (which is currently used only in Australian and New Zealand);
- a proportion of the forward bookings associated with the rental fleet being sold; and
- property leases for rental depots in Perth, Alice Springs, Darwin, Hobart and Auckland.

Purchase price and completion

The purchase price will be the aggregate value of the fleet, subject to certain adjustments. The indicative purchase price is approximately NZ$45 million.

If completion occurs after 30 November 2022 (other than due to either Purchaser being in default under the Jucy SPA) then the Vendors will each pay an economic adjustment payment to the Purchasers in respect of the period from (and including) 1 December 2022 up to (and including) the completion date.

The only remaining condition to completion under the Jucy SPA is the Scheme becoming Effective and not being terminated prior to the Implementation Date. If this condition is not satisfied before 3.00pm (New Zealand time) on 16 December 2022 (or such other date as the Purchasers and Vendors agree in writing), then a party may terminate the Jucy SPA provided it is not in breach for failing to use reasonable commercial endeavours to ensure the condition is satisfied.

Guarantee by Jucy

Jucy Group (2022) Limited, the holding entity within the Jucy group of companies, has guaranteed the obligations of the Purchasers under the Jucy SPA.

Introduction to wholesalers

Prior to Completion, the Vendors have agreed to use their best endeavours at the request of the Purchasers to introduce the Purchasers to any wholesalers who market motorhomes under the Star RV motorhome brand and who do not have an existing relationship with the Purchasers or any of their related companies. The Purchaser will have the right to approve the form and content of any introductions that the Vendors may make.

Indemnities and warranties by the Vendors

The Vendors have provided warranties to the Purchasers in respect of title and capacity, vehicle condition, records, assets, compliance with laws, intellectual property, properties, information and forward bookings.

The Vendors have given indemnities in favour of the relevant Purchaser from and against all liabilities or loss (but excluding consequential loss) incurred by the relevant Purchaser arising from:

(a) any breach, non-performance or non-observance by a Vendor of any obligation under a forward booking or a property lease being divested to Jucy, which is due to be performed;

(b) any claim made by a counterparty under a forward booking arising from events, acts or omissions occurring on or before completion; and

(c) any breach by a Vendor of provisions in the Jucy SPA relating to the forward bookings and the property leases.

The Vendors also indemnify the Purchasers on a dollar-for-dollar basis for expenditure incurred by the Purchasers necessary to ensure that each motorhome in the divested fleet complies with the warranties relating to the condition of vehicles, subject to a right for the Vendors to repair the relevant motorhome.

Termination for default in completion

If completion does not take place on the completion date because either the Vendors or the Purchasers **(Defaulting Party)** have not complied in any material respect with any of their completion obligations, then the non-defaulting party may serve a notice requiring the Defaulting Party to comply with its obligations. If the Defaulting Party does not comply with its obligations within 5 business days after the notice is given, then the non-defaulting party may waive the requirement to fulfil the obligations, sue for specific performance, or terminate the agreement by written notice to the other parties.

Transitional Services Agreement

Apollo Motorhome Holidays Pty Ltd and Apollo Motorhome Holidays Limited (each, a **Service Provider**) and Star RV Australia Fleet Pty Ltd and Star RV New Zealand Fleet Limited (each, a **Recipient**) have entered into Transitional Services Agreements (**TSAs**) for the provision of services in Australia and New Zealand. The following services are to be delivered in accordance with the TSAs:

(a) disposal services: each Service Provider will sell motorhomes on a consignment basis for a 15% wholesale commission for a period of 18 months from completion of the Jucy SPA, provided there are no more than 15 motorhomes on consignment (in each country) at any one point in time;

(b) spare parts and consumables: each Service Provider will use reasonable endeavours to procure the supply of spare parts and consumables to the relevant Recipient, at a 10% margin on cost, for 12 months from completion of the Jucy SPA;

(c) transfer bookings: each Service Provider will provide reasonable assistance to the Recipient to transfer the divested forward bookings to the relevant Recipient; and

(d) fleet training: each Service Provider will provide a training session at each branch relating to maintenance and operation of the divested fleet and use of spare parts relating to the divested fleet, charged at cost, during the 6 week period following completion of the Jucy SPA.

A TSA may be terminated:

(a) by a party if the other party commits a material breach of the TSA, which is not cured within 20 business days of receiving written notice from the non-defaulting party;

(b) by a party if an insolvency event occurs to the other party;

(c) or by mutual agreement.

Vehicle Supply Agreement

Apollo Motorhome Holidays Pty Ltd and Apollo Motorhome Holidays Limited (each, a **Supplier**) and Star RV Australia Fleet Pty Ltd and Star RV New Zealand Fleet Limited (each, a **Purchaser**) have entered into Vehicle Supply Agreements (**VSAs)** for the supply of new or near new motorhomes.

Pursuant to the VSAs, the Suppliers will supply or procure the supply of, and Jucy would acquire, 40 motorhomes in calendar year 2023, with an option for an additional supply or procurement of 40 motorhomes in calendar year 2024, in each of Australia and New Zealand (as applicable). For each vehicle, the relevant Purchaser must pay to the relevant Supplier the retail value of the vehicle (which must take into account whether it is brand new (unused) or near new) less 5%.

Under the VSAs, each Supplier warrants and represents to the relevant Purchaser that the vehicles will meet specifications, be of merchantable quality, comply with safety standards required by law and will not infringe intellectual property rights. However, no warranty is provided by the Suppliers in respect of third party (European) fully built vehicles or chassis or other components (including specialist equipment) used in the vehicles that are not manufactured by the Supplier.
The Suppliers' liability is limited to the repair of the relevant vehicles and liability of the Supplier to the Purchaser shall not in aggregate exceed the invoice price.

A Supplier will be entitled to terminate the VSAs if the relevant Purchaser defaults in payment for any vehicles and the default is not remedied within 20 business days after notice to the Purchaser in writing specifying the default and the Supplier's intention to terminate. A party may terminate the relevant VSA if the other party is affected by an insolvency event, or if the other party has breached a material provision of the VSA and fails to either remedy that breach or deliver a written proposal for the remedy of that breach (and continued to diligently pursue a remedy in accordance with that proposal), within 20 business days of receiving written notice from the non-defaulting party.

SECTION 6

Scheme Consideration

This section provides information regarding the Scheme Consideration which is relevant for ATL Voting Shareholders.

6.1 Overview

When the proposed Scheme was announced on 10 December 2021, the consideration payable to Scheme Shareholders was originally 1 ***thl*** Consideration Share in exchange for every 3.680818 ATL Shares held on the Scheme Record Date (except in the case of Foreign Scheme Shareholders where the Scheme Consideration will be provided to a nominee of ***thl***).

As announced to ASX on 23 September 2022, ***thl*** has agreed to increase the Scheme Consideration such that under the Scheme, all Scheme Shareholders will be issued 1 ***thl*** Consideration Share in exchange for every 3.210987 ATL Shares held on the Scheme Record Date, except as set out in section 6.6.

The change in favour of Scheme Shareholders resulted from the collective recognition of the increase in the value of ATL's Canadian properties since December 2021, alongside the faster than anticipated recovery of the Australian market from the COVID-19 pandemic and stronger outlook. ATL has a proportionately larger Australian operation than ***thl***.

6.2 Value considerations

The Scheme Consideration represents an attractive premium to the trading prices of ATL Shares prior to the announcement of the Scheme and reflects an implied value of:

- A\$0.843 based on the closing price of ***thl*** Shares on 9 December 2021 (being the last trading day prior to announcement of the Proposed Transaction) of NZ\$2.85 (based on a NZD/AUD exchange rate of NZ\$0.9503 as at that date). This is a premium of 52.0% over the closing price of ATL Shares of A\$0.555 on the same date;
- A\$0.838 based on the one-month VWAP of ***thl*** Shares for the period from 10 November 2021 to 9 December 2021 of NZ\$2.83 (based on a NZD/AUD exchange rate of NZ\$0.9503 as at that date). This is a premium of 36.3% over the one-month VWAP of ATL Shares of A\$0.615 over the same period;
- A\$0.729 based on the closing price of ***thl*** Shares on 22 September 2022 (being the last trading day prior to announcement of Commerce Commission clearance) of NZ\$2.65 (based on a NZD/AUD exchange rate of NZ\$0.8834 as at that date). This is a premium of 41.6% over the closing price of ATL Shares of A\$0.515 on 22 September 2022; and
- A\$0.737 based on the one-month VWAP of ***thl*** Shares for the period from 23 August 2022 to 22 September 2022 (being the last trading day prior to announcement of Commerce Commission clearance) of NZ\$2.68 (based on a NZD/AUD exchange rate of NZ\$0.8834 as at that date). This is a premium of 29.9% over the one-month VWAP of ATL Shares of A\$0.567 over the same period.

The Scheme Consideration takes into consideration:

(a) the relative market capitalisations of the two businesses;

(b) the expected synergy realisation available to the Merged Group and how this is generated;

(c) the relative NTA contribution to the Merged Group and the different funding structures;

(d) the relative historical earnings contribution to the Merged Group; and

(e) the level at which the Trouchet Shareholders as 53.4% shareholders of ATL would be supportive of the transaction.

6.3 Entitlement to Scheme Consideration

Scheme Shareholders, being ATL Shareholders (other than ***thl*** Entities) whose names appear on the Share Register as at the Scheme Record Date, will be entitled to receive the Scheme Consideration under the Scheme, except as set out in section 6.6.

The formula to be applied with respect to the ***thl*** Shares to be issued as Scheme Consideration is set out in the Scheme in Annexure D (being 1 ***thl*** Consideration Share in exchange for every 3.210987 ATL Shares held by Scheme Shareholders on the Scheme Record Date). The formula was agreed through negotiations between ATL and ***thl***.

Dealings on or prior to the Scheme Record Date

For the purpose of establishing the persons who are entitled to participate in the Scheme, dealings in ATL Shares will only be recognised if:

(a) in the case of dealings of the type to be effected using CHESS, the transferee is registered in the Share Register as the holder of the relevant ATL Shares on or before the Scheme Record Date; and

(b) in all other cases, registrable transmission applications or transfers in respect of those dealings are received on or before the Scheme Record Date.

ATL will not accept for registration or recognise any transfer or transmission application received after such times or received before such times but not in registrable or actionable form.

Dealings after the Scheme Record Date

For the purpose of determining entitlements to Scheme Consideration, ATL will maintain the Share Register in accordance with the terms of the Scheme and the Share Register in this form will solely determine entitlements to the Scheme Consideration.

As from the Scheme Record Date, each entry current on the Share Register will cease to have effect except in respect of ***thl*** and its Subsidiaries and as evidence of entitlement to the Scheme Consideration in respect of the ATL Shares relating to that entry.

All statements of holding for ATL Shares will cease to have effect from the Scheme Record Date as documents of title in respect of those shares.

6.4 Provision of the Scheme Consideration

thl has entered into the Deed Poll under which ***thl*** covenants in favour of Scheme Shareholders to provide the Scheme Consideration in accordance with the Scheme.

If the Scheme becomes Effective and the Divestment Condition is satisfied, ***thl*** must issue the ***thl*** Consideration Shares to each Scheme Shareholder entitled to receive ***thl*** Consideration Shares under the Scheme and enter their name in ***thl***'s register of members as the holder of those ***thl*** Consideration Shares on the Implementation Date.

6.5 Fractional entitlements

Any entitlements to a fraction of a ***thl*** Consideration Share arising under the calculation of Scheme Consideration will be rounded to the nearest ***thl*** Consideration Share (and if the fractional entitlement would include one-half of a ***thl*** Consideration Shares, the entitlement will be rounded up).

6.6 Foreign Scheme Shareholders

Foreign Scheme Shareholders will participate in the Scheme on the same basis as all other Scheme Shareholders. However, Foreign Scheme Shareholders will not receive the ***thl*** Consideration Shares to which they would otherwise be entitled under the Scheme. Instead, their ***thl*** Consideration Shares will be issued to a nominee of ***thl*** who will sell them on the NZX as soon as reasonably practicable and in any event no more than 15 Business Days after the Implementation Date, at such as price as the nominee determines in good faith.

thl's nominee will then remit the net proceeds of the sale received (after deducting any applicable brokerage fees and other costs, taxes and charges) to ***thl***, and ***thl*** will then remit to each Foreign Scheme Shareholder an amount equal to the proportion of the net proceeds of sale received by ***thl*** to which that Foreign Scheme Shareholder is entitled, in satisfaction of their entitlement to the Scheme Consideration.

No assurances are or will be given to Foreign Scheme Shareholders as to the price that will be achieved for the sale of ***thl*** Consideration Shares and the sale of the ***thl*** Consideration Shares will be at the risk of the Foreign Scheme Shareholders.

Full details of this process are contained in clause 5.2 of the Scheme (which is set out in Annexure C).

6.7 Tax consequences

A summary of the general Australian and certain New Zealand tax implications for Scheme Shareholders is set out in section 11 of this Replacement Scheme Booklet. This summary is not intended to provide specific tax advice in respect of the individual circumstances of any Scheme Shareholders, who should obtain their own independent professional tax advice.

SECTION 7
Information about ATL

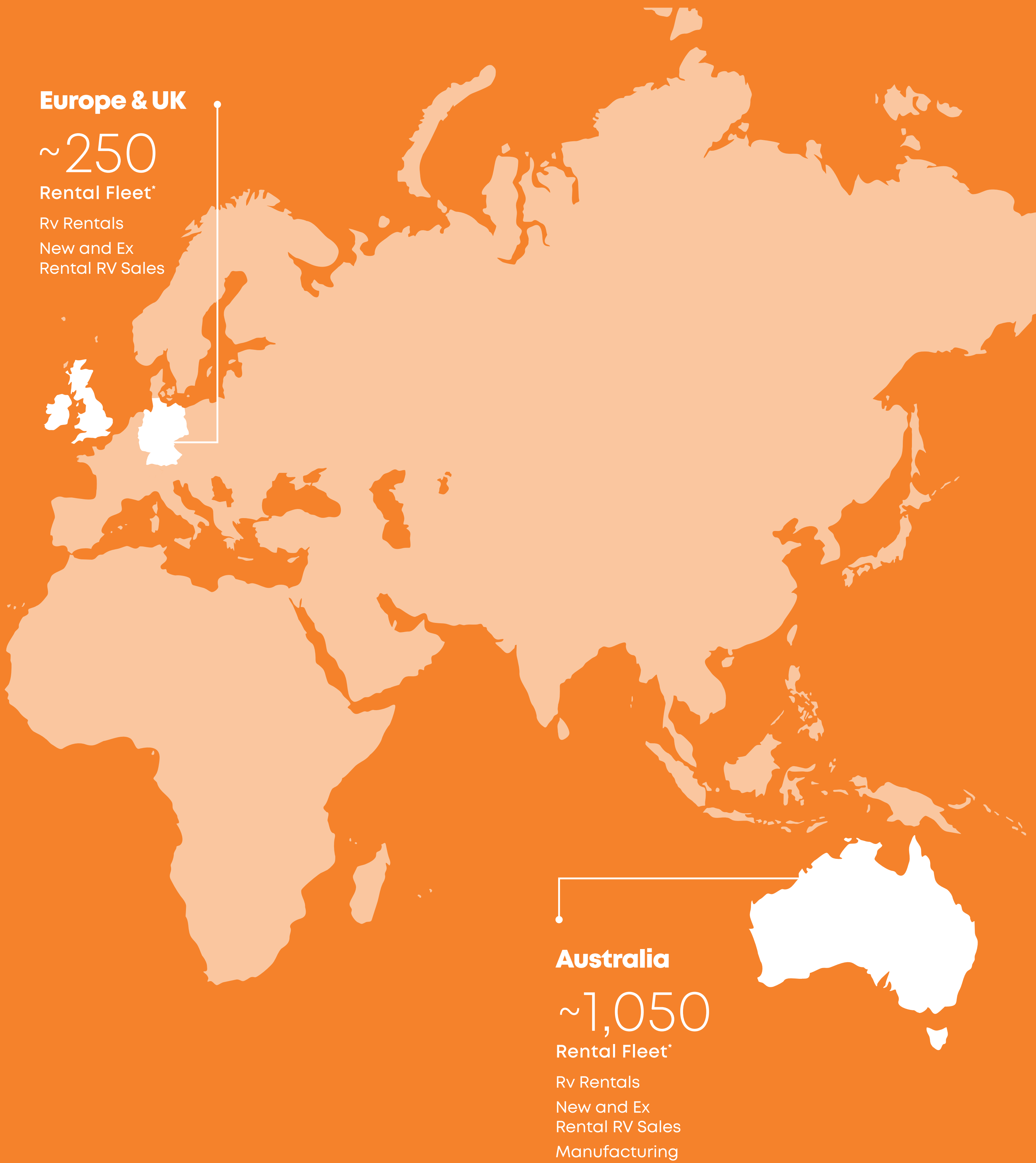
7.1 Responsibility for information

The information set out in this section was prepared by ATL. ATL is responsible for the information contained in this section.

7.2 Group overview

ATL is a multi-national, vertically integrated manufacturer, rental fleet operator, wholesaler and retailer of a broad range of RVs including motorhomes, campervans and caravans. Operating since 1985 through its predecessor entities, it owns a significant fleet of RVs in each of Australia, New Zealand and Canada, and has been growing its operations in the United Kingdom and Europe after entering that jurisdiction in 2018.

At 30 June 2022, ATL managed an RV rental fleet of approximately 2,650 across a range of brands, illustrated on the following page.



* Rental fleet sizes represent fleet sizes as at 30 June 2022.

** North American fleet numbers represent CanaDream's fleet only, as the USA business is in hibernation.


North America**
~850
Rental Fleet*
Rv Rentals
New and Ex
Rental RV Sales
New Zealand
~ 500
Rental Fleet*
Rv Rentals
New and Ex
Rental RV Sales

HISTORY OF APOLLO

Founded in 1985 by Trouchet family

1988
Brisbane head office established

2001
Luke Trouchet and Karl Trouchet appointed as CEO and CFO respectively

2003
First New Zealand branches open

2005
Brisbane factory opens, manufacturing Apollo-owned TALVOR RVs

2006
Hippie Camper brand launches

2008
First United States branch opens

2009
Shareholding in CanaDream in Canada purchased

2013
Exclusive importer and distributor licence of Adria RVs in Australia

2014
Exclusive domestic licence to manufacture or import and distribute Winnebago RVs in Australia

2015
Brisbane Retail Dealership opens

Note: This graphic provides an overview of ATL's history from commencement of operations in 1985 through its predecessor entities to the date of this Scheme Booklet. ATL was incorporated on 8 September 2016 to implement the initial public offering of ATL Shares and admission to the official list of ASX.

2016
Lists on the ASX

2016
Sydney and Melbourne Retail Dealerships open

2017
Acquisition of remaining interests in CanaDream

2017
Acquisition of Kratzmann Caravans and Sydney RV in Australia

2018
Acquisition of George Day Caravans in Australia

2018
Acquisition of CamperCo in the United Kingdom

2017 – 2018
STRONG ACQUISITION GROWTH PHASE

2019
Acquisition of Coromal and Windsor brands and other assets from Fleetwood in Australia

2020
Hibernation of United States operations in response to COVID-19

2021
Brisbane RV Service & Repair Centre opens

Operational Overview

	AUSTRALIA	NEW ZEALAND	CANADA	EUROPE & UK
RV Sales	New and ex-rental RVs distributed via eight owned retail sales centres	New and ex-rental RVs distributed via two operated sites[9] and third party dealers	Ex-rental RVs distributed via five operated sites[9] and third party dealers	Ex-rental RVs distributed via five operated sites[9] and third party dealers
ATL RV rental brands	StarRV, Apollo, Cheapa Campa, Hippie	StarRV, Apollo, Cheapa Campa, Hippie	CanaDream	Bunk, Apollo
Manufacturing/ Fleet sourcing	RVs manufactured by Apollo in its Brisbane manufacturing facility (some shipped to New Zealand for rental fleet), or acquired direct from manufacturers Brisbane manufacturing facility has an estimated potential annual production capacity of ~2,000[10] Exclusive right to import and distribute Adria motorhomes in Australia and New Zealand; exclusive licence and right to manufacture Winnebago in Australia and New Zealand; owns TALVOR, Windsor and Coromal brands[11]		RVs acquired direct from manufacturer or wholesale via intermediaries or dealers	

9 ATL owned and leased sites service both its rental and sales operations in New Zealand, Canada, Europe and the United Kingdom.

10 With current plant and equipment on hand and assuming current product mix and no supply or staffing constraints. ~852 RVs produced for ATL's Rental and Sales operations in FY22. This production figure was impacted by COVID-19 related staff shortages and absenteeism due to sickness, supply chain issues and a cautious ramp up by ATL in the early half of the year in conjunction with the reopening of global tourism and the subsequent demands on ATL's Australian rental fleet.

11 Winnebago, TALVOR and Windsor currently exclusively manufactured in Apollo's Brisbane manufacturing facility, Coromal currently contract manufactured by third party.

Camplify

In February 2017, ATL acquired a 24.95% shareholding in Camplify Co (Australia) Pty Ltd, a peer-to-peer RV and caravan sharing company. ATL participated in an additional capital raising in April 2019 to maintain this 24.95% shareholding.

During FY21, Camplify Co (Australia) Pty Ltd was restructured adding a parent entity, Camplify Holdings Ltd (**Camplify**), and conducted an initial public offer and listing on the ASX. Additional capital was raised, in which ATL did not participate. At the Last Practicable Date, ATL owned 6,895,620 shares or 17.32% of Camplify. These shares are escrowed until June 2023. As at the Last Practicable Date, the price of Camplify shares trading on ASX was A$2.00 per share. For further information on Camplify, please refer to https://www.camplify.com.

COVID-19 Response & Outlook

The COVID-19 pandemic had a fast and pronounced impact on ATL's operations, along with the global tourism industry. Actions taken to reduce the impact of COVID-19 included:

- reduction to factory production and capital expenditure;
- reduction in staff headcount in all regions, reduction to staff hours (relevant to activity) and ~30% temporary pay-cuts for the ATL Board and executive management;
- closure and consolidation of rental locations;
- sale of the entire USA rental fleet and hibernation of the USA operations;
- downsizing of fleets in other regions, and inventory reduction of retail RVs in Australia resulting in a substantial reduction in fleet financing and floor plan debt;
- accessed government sponsored COVID-19 support debt facilities in Australia, Canada and the United Kingdom, and employee support schemes and tax relief where available;
- financing facility and rent deferrals/waivers were obtained where available; and
- focusing RV rental marketing and offers on domestic customers.

These initiatives proved successful, and ATL was able to weather the effects of COVID-19 without the need to raise equity capital. International borders are now open in all of ATL's operating markets and global tourism has entered the post-COVID-19 recovery phase, underpinned by a marked increase in international travel activity in recent months.

The rapid sale of its entire USA fleet and downsizing of fleet in other regions prove the underlying liquidity of ATL's RV assets during a time of extreme uncertainty and the capability of management and the ATL Board to make fast, sensible decisions in relation to capital preservation. Of the approximately A$30.9 million in COVID-19 Government support loans and facilities obtained by ATL, as at the Last Practicable Date a principal balance of A$24.6 million remains outstanding, A$22.7 million of which is expected to be repaid by the end of CY2022.

Pleasingly, most RV sales prices are materially above pre-COVID-19 levels, and ATL continues to experience strong demand for new and used RVs across its Australian retail sales centres. ATL's forward order book for new motorhome sales extends over 12 months at current manufacturing and import rates.

ATL is currently exploring a sale and leaseback arrangement of its owned Canadian properties, which also provide a potential source of liquidity.

ATL believes it is well placed to capitalise on the current rebound in international tourism, noting that:

- forward booking rental revenues are approaching, and in some cases exceeding, pre-COVID levels, noting fleet sizes in all regions are significantly lower than pre-COVID levels;
- confidence to travel will improve as airline/airport capacity limitations and other issues in major flight hubs are resolved and fears surrounding future COVID-19 (or similar) outbreaks lessen;
- RV sales demand continues to remain strong globally;
- supply chain issues impacting new fleet production and RV sales deliveries are expected to reduce in the medium term; and
- challenges attracting and retaining new team members in tight labour markets is expected to ease in the medium term.

7.3 Directors and senior management

This section provides details of the ATL Directors and key management personnel of ATL as at the date of this Replacement Scheme Booklet.

(a) Directors

Sophie Mitchell – Non-Executive Chairman

Sophie Mitchell was appointed to the ATL Board on 8 September 2016.

Sophie is an experienced financial services professional and a former director of Morgans Corporate Limited. She is a non-executive director of Morgans Holdings (Australia) Limited and is also a member of the Queensland Advisory Board for AustralianSuper, and a board member of Myer Family Investments Pty Ltd. She is a former member of the board of the Australia Council for the Arts and the Australian Takeovers Panel.

Current Directorships of ASX listed companies other than ATL	Corporate Travel Management Limited (ASX:CTD)
Recent Former Directorships of ASX listed companies	Silver Chef Limited (ASX:SIV); Flagship Investments Limited (ASX:FSI)
Special Responsibilities	Member of Audit and Risk Committee and Governance and Nomination Committee, and Chair of Remuneration Committee

Robert Baker – Non-Executive Director

Robert Baker was appointed to the ATL Board on 13 January 2020.

Robert was formerly an audit partner of PricewaterhouseCoopers, with experience in the retail, travel and hospitality sectors. He is also Chairman of Goodman Private Wealth Ltd. Robert also has several pro bono Board or Advisory Board roles with organisations in the not-for-profit sector including Chairman of the Audit and Risk Committee of Australian Catholic University Limited.

Current Directorships of ASX listed companies other than ATL	Flight Centre Travel Group Limited (ASX:FLT); RightCrowd Limited (ASX:RCW)
Special Responsibilities	Member of Governance and Nomination Committee and Remuneration Committee, and Chair of Audit and Risk Committee

Brett Heading – Non-Executive Director

Brett Heading was appointed to the ATL Board on 18 November 2019.

Brett is an experienced company director and corporate lawyer with many years of experience in corporate governance, capital raising, mergers and acquisitions.

Special Responsibilities	Member of Audit and Risk Committee and Remuneration Committee, and Chair of Governance and Nomination Committee

Luke Trouchet – CEO and Managing Director

Luke Trouchet was appointed to the ATL Board on 8 September 2016.

Luke was appointed as the Chief Executive Officer and Managing Director of ATL's predecessor entities in 2001 and of ATL in September 2016 (when ATL was incorporated) and since that time has led the organisation through a strong growth period, expanding internationally into NZ, USA, Canada, the United Kingdom and Europe.

Special Responsibilities	Member of Audit and Risk Committee,Remuneration Committee, and Governance and Nomination Committee

Karl Trouchet – Executive Director

Karl Trouchet was appointed to the ATL Board on 8 September 2016.

Karl was appointed as CFO of ATL's predecessor entities in 2001 and of ATL in 2016 (when ATL was incorporated). In November 2019, Karl was appointed Executive Director — Strategy & Special Projects to allow him to focus on executing ATL's growth strategy to become the global RV solution.

Current Directorships of ASX listed companies other than ATL	Camplify Holdings Limited (ASX:CHL)
Special Responsibilities	Member of Audit and Risk Committee,Remuneration Committee, and Governance and Nomination Committee

(b) Company secretary

Tennille Carrier – Company Secretary

Tennille Carrier was appointed as a company secretary of ATL on 30 September 2019.

Tennille Carrier joined ATL in 2014 and has been responsible for providing analytical and modelling support across all areas of the business.

(c) Executive Management

Key members of ATL's executive management team include:

NAME	CURRENT POSITION
Luke Trouchet	CEO and Managing Director
Karl Trouchet	Executive Director
Kelly Shier	Chief Financial Officer
Scott Fahey	Chief Operating Officer

(d) Advisory board

The ATL advisory board members currently comprise:

Brian Gronberg

Brian was a founding partner of CanaDream and retired in early 2019 as President and CEO after 25 years of service. Brian has been instrumental in the success of the CanaDream business. Brian joined the Apollo Advisory Board in February 2019, and will provide advice and strategic direction on vehicle purchasing and RV Sales across the North America operations and other areas of the North American business.

Phil Degenhardt

Phil is an IT practitioner and has worked on a diverse range of IT projects for the construction, manufacturing, finance and tourism industries. He was involved with the Britz Rentals business and was group IT director. He sat on the board of advisors to the private owners of that business which was sold to ***thl*** in 1999. Since then, Phil has pursued private business interests and has a variety of IT and management consulting roles. Phil is currently a director of Platinum Ray Pty Ltd.

If the Scheme is implemented, the ATL advisory board will cease to exist.

7.4 Capital structure

As at the Last Practicable Date, the capital structure of ATL is as set out below:

ATL SECURITY	NUMBER ON ISSUE
ATL Shares	186,150,908

7.5 Substantial shareholders

As at the Last Practicable Date, ATL had the following substantial shareholders:

NAME	INTEREST IN ATL SHARES	% OF ISSUED ATL SHARES
Trouchet Shareholders	99,412,231	53.40%
Mitsubishi UFJ Financial Group, Inc.	14,025,161	7.53%

7.6 Historical financial information

(a) Basis of preparation

This section sets out a summary of historical financial information in relation to ATL for the purposes of this Replacement Scheme Booklet. The financial information has been extracted from the FY22 and FY20 Annual Reports of ATL.

The historical financial information of ATL presented is in an abbreviated form and does not contain all the disclosures, presentation, statements, notes or comparatives that are usually provided in an annual report prepared in accordance with the Corporations Act, AAS and other mandatory professional reporting requirements.

ATL considers that for the purposes of this Replacement Scheme Booklet the historical financial information presented in an abbreviated form is more meaningful to ATL Voting Shareholders. ATL's full financial accounts, including all notes to those accounts and a full description of the accounting policies can be found in ATL's Annual Reports which are available on the ASX Website at www.asx.com.au and ATL's website at www.apollotourism.com.

ATL's financial report for FY22 and FY21 was audited by BDO Audit Pty Ltd. ATL's financial reports for FY20 was audited by ATL's previous auditors. Each of these financial reports were prepared in accordance with the Corporations Act and the Australian Auditing Standards.

(b) Consolidated historical income statements

FOR THE PERIOD ENDED	30 JUNE 2022 $'000	30 JUNE 2021 $'000	30 JUNE 2020 $'000	30 JUNE 2019 $'000
Revenue from contracts with customers	201,310	238,854	242,032	208,355
Rental income	63,523	53,194	124,284	155,394
Other income	1,135	1,303	430	390
Total revenue and other income	**265,968**	**293,351**	**366,746**	**364,139**
Expenses				
Cost of goods sold	(165,456)	(212,664)	(236,946)	(188,357)
Motor vehicle running expenses	(18,347)	(21,845)	(40,256)	(39,904)
Adv, promotions and commissions	(4,779)	(4,102)	(6,408)	(6,577)
Transaction costs related to proposed merger	(1,613)	–	–	–
External acquisition costs	–	–	–	(158)
Employee benefits	(34,727)	(28,208)	(34,592)	(39,836)
Depreciation and amortisation	(22,748)	(27,523)	(41,034)	(26,805)
Rental costs on land and buildings	–	–	–	(9,624)
Share of loss in associates	(1,402)	(524)	(946)	(239)
Impairment expense	–	–	(38,890)	(10,998)
Remeasurement of contingent consideration	–	–	–	1,525
Gain on dilution of associate investment	550	2,189	–	–
Other expenses	(14,789)	(15,441)	(18,716)	(17,990)
Profit/(Loss) before tax and finance costs	2,657	(14,767)	(51,042)	25,176
Finance costs	(9,832)	(10,247)	(18,791)	(17,122)
(Loss) before income tax benefit/(expense)	(7,175)	(25,014)	(69,833)	8,054
Income tax benefit/(expense)	2,516	7,161	8,599	(3,381)
(Loss)/Profit after income tax attributable to the owners of Apollo Tourism & Leisure Ltd	(4,659)	(17,853)	(61,234)	4,673
Other comprehensive income/(loss)				
Items that will be reclassified subsequently to profit or loss				
Foreign currency translation	810	(417)	(900)	3,004
Other comprehensive income/(loss) for the year, net of tax	810	(417)	(900)	3,004
Total comprehensive (loss)/profit for the year attributable to the owners of Apollo Tourism & Leisure Ltd	(3,849)	(18,270)	(62.134)	7,677

	CENTS	CENTS	CENTS	CENTS
Basic and diluted (loss)/profit per share	(2.50)	(9.59)	(32.89)	2.54

(c) Consolidated balance sheet

FOR THE PERIOD ENDED	30 JUNE 2022 $'000	30 JUNE 2021 $'000	30 JUNE 2020 $'000	30 JUNE 2019 $'000
ASSETS				
Current assets				
Cash and cash equivalents	36,392	45,507	23,529	34,549
Trade and other receivables	3,009	3,875	5,280	13,385
Inventories	53,799	53,191	90,387	96,778
Prepayments and other assets	9,573	7,780	8,428	15,182
Total current assets	102,773	110,353	127,624	160,870
Non-current assets				
Investments accounted for using the equity method	2,488	3,252	1,586	2,532
Property, plant and equipment	211,402	209,402	272,628	381,973
Intangibles	23,012	23,280	24,068	36,088
Deferred tax asset	9,603	8,452	2,529	942
Prepayments and other assets	2,046	1,977	2,202	2,077
Total non-current assets	248,551	246,363	303,013	423,612
Total assets	351,324	356,716	430,637	584,482
Current liabilities				
Trade and other payables	17,147	22,324	27,506	33,122
Contract liabilities	10,645	11,016	5,977	4,970
Borrowings	145,354	108,902	142,045	227,757
Income tax payable	297	77	99	1,449
Provisions	5,728	4,589	3,701	3,402
Unearned rental income	24,420	15,836	12,262	27,775
Other liabilities	89	212	624	1,135
Total current liabilities	203,680	162,956	192,214	299,610
Non-current liabilities				
Borrowings	97,726	138,874	164,000	136,686
Deferred tax liability	15,060	15,814	16,583	25,171
Provisions	189	234	360	2,589
Unearned rental income	119	288	450	–
Other liabilities	(23)	128	338	962
Total non-current liabilities	316,751	155,338	181,731	165,408
Net assets	34,573	38,422	56,692	119,464
Equity				
Issued capital	83,709	83,709	83,709	83,709
Reserves	(11,104)	(11,914)	(11,497)	(10,597)
Retained losses	(38,032)	(33,373)	(15,520)	46,352
Total Equity	34,573	38,422	56,692	119,464

(d) Consolidated cash flow

FOR THE PERIOD ENDED	30 JUNE 2022 $'000	30 JUNE 2021 $'000	30 JUNE 2020 $'000	30 JUNE 2019 $'000
Cash flows from operating activities				
Receipts from customers (inclusive of GST)	281,925	225,897	303,775	345,439
Payments to suppliers and employees (inclusive of GST)	(273,500)	(226,259)	(249,289)	(315,199)
Interest paid	(10,427)	(10,875)	(19,425)	(17,122)
Proceeds from sale of rental fleet	32,425	114,382	99,677	65,119
Interest received	83	188	473	349
Income taxes paid/(recovered)	72	871	(1,219)	(3,676)
Net cash from operating activities	30,578	104,204	133,992	74,910
Cash flows from investing activities				
Payments for investments accounted for using the equity method	(100)	–	–	–
Payments for property, plant and equipment	(1,082)	(1,205)	(2,119)	(5,869)
Payments for intangibles	(896)	(603)	(2,237)	(3,436)
Proceeds from disposal of property, plant and equipment	441	147	233	357
Payment for purchase of rental fleet	(30,764)	(21,794)	(20,007)	(102,871)
Payment for business combinations, net of cash acquired	–	–	–	(12,765)
Payments for investments accounted for using the equity method	–	–	–	(1,297)
Net cash used in investing activities	(32,401)	(23,455)	(24,130)	(125,881)
Cash flows from financing activities				
Proceeds from borrowings	179,017	120,318	142,715	287,504
Repayment of borrowings/finance lease principal	(153,834)	(137,659)	(215,930)	(234,106)
Repayment of lease liabilities	(33,508)	(42,012)	(47,750)	–
Dividends paid	–	–	–	(6,159)
Net cash (used in)/provided by financing activities	(8,325)	(59,353)	(120,965)	47,239
Net (decrease)/increase in cash and cash equivalents	(10,148)	21,396	(11,103)	(3,732)
Cash and cash equivalents at the beginning of the financial year	45,507	23,529	34,549	36,637
Effects of exchange rate changes on cash and cash equivalents	1,033	582	83	1,644
Cash and cash equivalents at the end of the financial year	36,392	45,507	23,529	34,549

7.7 Additional information on ATL's debt facilities

The following table details the ATL Group's remaining contractual maturity for its financial instrument liabilities as at 30 June 2022. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid.

	ON DEMAND $'000	LESS THAN 3 MONTHS $'000	3 TO 12 MONTHS $'000	1 TO 5 YEARS $'000	MORE THAN 5 YEARS $'000	REMAINING CONTRACTUAL MATURITIES $'000
Non-derivatives						
Non-interest bearing						
Trade and other payables	–	17,147	–	–	–	17,147
Interest-bearing						
Bank loans	–	202	1,006	4,831	20,580	26,619
Floor plan	35,824	–	–	–	–	35,824
Loans from other financiers	47,706	1,113	6,104	23,210	–	78,133
COVID-19 support loans	–	2,177	23,877	1,374	–	27,438
Lease liability – rental fleet	1,473	2,788	14,609	15,490	–	34,360
Lease liability – land and buildings	–	1,180	5,867	18,147	15,512	40,706
Total non-derivatives	85,003	24,607	51,473	63,052	36,092	260,227

7.8 Material changes in ATL's financial position

To the knowledge of the ATL Directors, the financial position of ATL as at the Last Practicable Date has not materially changed since the financial year ended 30 June 2022, other than:

(a) net cash flows in the ordinary course of trading (including the sale and purchase of RVs);

(b) as a result of generally known market conditions; and

(c) as disclosed elsewhere in this Replacement Scheme Booklet or otherwise disclosed to the ASX by ATL.

7.9 Financial information for the year ending 30 June 2023 (FY23)

The outlook provided with the release of the FY22 results in late August 2022 was that earnings were expected to return to previous levels of historical profitability. Subsequently, on 18 October 2022 ATL released guidance stating that, based on first quarter FY23 performance, it was currently anticipating underlying net profit after tax (on a standalone basis) of over A$20 million in FY23, noting that this guidance did not include the impact of an estimated A$3.1 million in expected merger related transaction costs in FY23.

ATL provided the following commentary in relation to the improved guidance:

(a) Rental revenue exceeded internal targets in Q1 FY23 in every region due to strong yields, with utilisation broadly in line with budget. Higher than expected retail margins also contributed to Australia exceeding expectations for the quarter. The improved outlook also reflects strong forward rental bookings for the upcoming summer season in Australia and New Zealand.

(b) While ATL has enjoyed strong demand and margins in its retail division in recent times, the retail market is expected to normalise to more traditional levels as interest rates rise, the rising cost of living and easing of supply chain pressures begin to have an impact.

Earlier, as part of ATL's FY22 Results Presentation released to ASX on 26 August 2022, ATL advised that on a standalone basis:

(c) gross fleet capital expenditure in FY23 was expected to be approximately A$167 million, subject to OEM vehicle supply;

(d) net fleet capital expenditure in FY23 was expected to be approximately A$87 million; and

(e) gross other capital expenditure in FY23 was expected to be approximately A$3 million.

Refer to the outlook section of ATL's FY22 Results Presentation for further detail and to the Replacement Independent Expert's Report contained in Annexure A for further financial information in relation to ATL.

7.10 Recent ATL Share price performance

ATL Shares are listed on the ASX under the ticker 'ATL'. The closing price of the ATL Shares on the ASX before the ASX announcement relating to the Scheme on 10 December 2021 was A$0.555.

The closing price for ATL Shares on ASX on the Last Practicable Date was A$0.90.

7.11 ATL's dividend policy and history

ATL does not have a specified dividend policy. If the Scheme is implemented, ATL will become a wholly-owned Subsidiary of ***thl*** and form part of the Merged Group. It is for the ***thl*** Board to determine its intentions as to the dividend policy for the Merged Group following implementation of the Scheme.

If the Scheme is not implemented, there is no guarantee that any dividends (whether franked or unfranked) will be paid to ATL Shareholders as this will depend on a number of factors, including the availability of retained earnings and franking credits. Any dividend payment will be determined in the discretion of the ATL Board.

ATL has not paid a dividend since H2 FY19, being for the period of 1 January 2019 and 29 June 2019, due to the impact of COVID-19 on ATL's businesses.

7.12 ATL Directors' intentions for the business of ATL

The Corporations Regulations require a statement by the ATL Directors of their intentions regarding ATL's business and employees.

If the Scheme is implemented, ATL will become a wholly-owned Subsidiary of ***thl*** and form part of the Merged Group. It is for the ***thl*** Board to determine its intentions as to the business of ATL following implementation of the Scheme. The proposed intentions of ***thl*** for the Merged Group are set out in section 9 of this Replacement Scheme Booklet.

If the Scheme is not implemented, the current intentions of the ATL Board are to continue to operate the ATL Group in the ordinary course of business.

7.13 Litigation

ATL is not aware of any material litigation, either in progress or proposed, to which it is a party.

7.14 Further information

ATL is a "disclosing entity" for the purposes of section 111AC(1) of the Corporations Act and is subject to regular reporting and disclosure obligations under the Corporations Act and the ASX Listing Rules. These obligations require ATL to notify the ASX of information about specified matters and events as they arise for the purpose of the ASX making that information available to participants in the market. As a company listed on the ASX, ATL is subject to the ASX Listing Rules, which require (subject to some exceptions) continuous disclosure of any information that ATL has that a reasonable person would expect to have a material effect on the price or value of ATL Shares. ATL is also required to lodge various documents with ASIC and the ASX.

Copies of documents lodged with the ASX is available on ASX's website at www.asx.com.au.

Copies of documents lodged with ASIC by ATL may be obtained from ASIC.

ATL Shareholders may obtain a copy of ATL's 2022 Annual Report (including its audited financial statements in respect of the year ended 30 June 2022) from ASX's website at www.asx.com.au or from ATL's website at www.apollotourism.com.

ATL's announcements to ASX since 30 September 2022 (being the date on which ATL lodged its 2022 Annual Report with the ASX) are as follows:

DATE	ANNOUNCEMENT
5 October 2022	FIRB confirms no objection to merger with ***thl***
18 October 2022	FY23 Guidance Update
18 October 2022	Change in substantial holding from CBA
18 October 2022	Change in substantial holding
19 October 2022	Change in substantial holding from MUFG

SECTION 8

Information about *thl*

8.1 Responsibility for information

The information set out in this section was prepared by ***thl*** and ***thl*** is responsible for the information contained in this section.

8.2 Overview

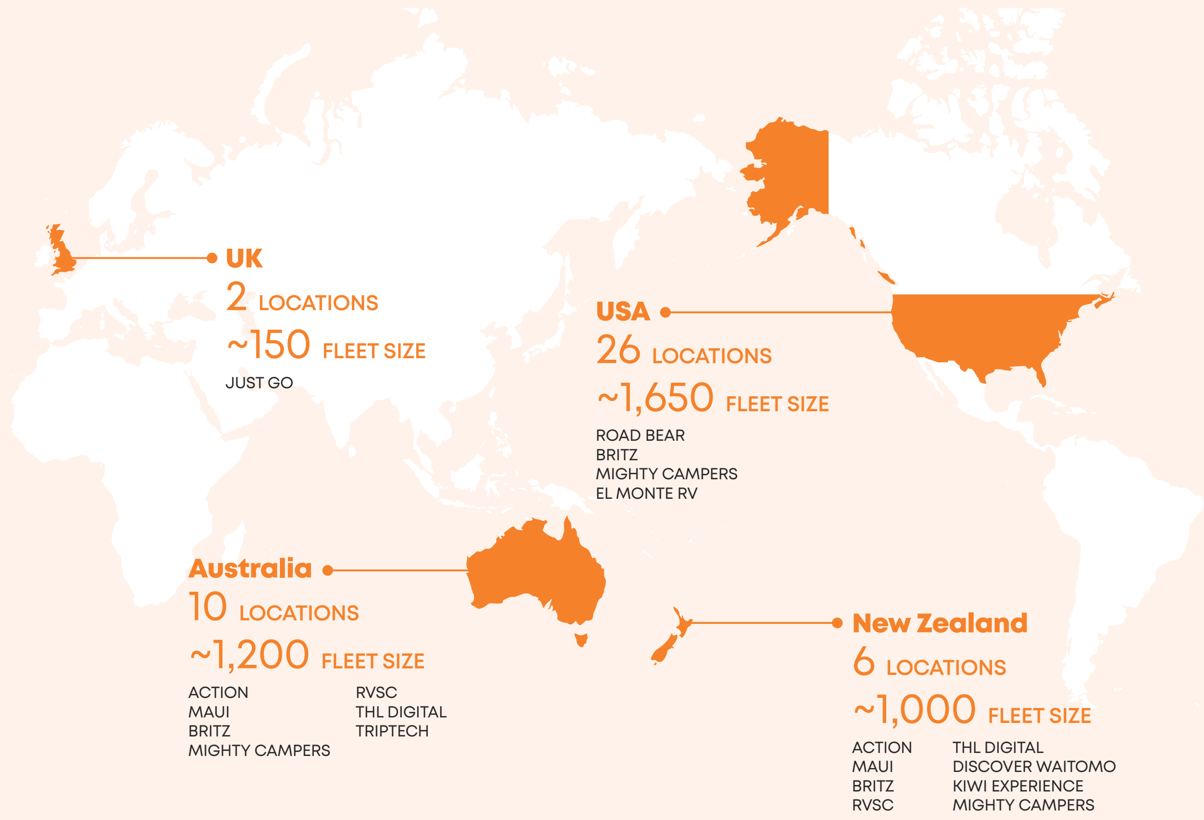
thl is a global tourism operator headquartered in Auckland, New Zealand, with its shares publicly traded on the NZX since 1986. ***thl*** is the largest provider of commercial RVs for rent in Australia and New Zealand, and the second largest in North America.

In New Zealand and Australia, ***thl*** operates under the Maui, Britz and Mighty rental brands, and has a network of RV Super Centre/RV Sales Centre retail and sales branches. ***thl*** also owns Action Manufacturing, a leading motorhome and specialist vehicle manufacturer in New Zealand. With New Zealand, ***thl*** also operates a number of tourism businesses, being the Discover Waitomo cave tours and rafting experiences group (which includes Waitomo Glowworm Caves, Ruakuri Cave, Aranui Cave and The Legendary Black Water Rafting Co) and the hop-on-hop-off coach transport business Kiwi Experience (currently held for sale).

In the USA, ***thl*** owns Road Bear RV Rentals & Sales and El Monte RV Rentals & Sales, and in the UK, ***thl*** owns Just go Motorhomes.

Globally, ***thl*** has a rental fleet of over 3,800 vehicles[12], and in the past, ***thl***'s rental fleet size has reached as high as 6,400 vehicles.[13]

thl's global footprint



12 As at 30 June 2022.

13 ***thl***'s global fleet size at 30 June 2019 was 6,413.

thl operates a 'Build/Buy, Rent, Sell' model within the RV industry, and is fully vertically integrated across those segments in Australasia:

<table>
<tr><th></th><th>NEW ZEALAND</th><th>AUSTRALIA</th><th>USA</th><th>UK</th></tr>
<tr><td>Manufacturing/ fleet sourcing</td><td colspan="2">Manufacturing and assembly facilities for RVs and specialist vehicles located in Auckland (~7,500m^2) and Hamilton (~15,000m^2) in New Zealand and Melbourne in Australia (~2,200m^2)[14]

RVs also acquired direct from manufacturers, and under the flex fleet model ex-rental RVs are imported from Just go in the UK

Designs and manufactures specialist commercial vehicles in New Zealand for a range of public and private customers including New Zealand Police, New Zealand Defence Force and Queensland Ambulance Service.

Manufactures refrigerated truck bodies and trailers in New Zealand for commercial clients.</td><td colspan="2">RVs acquired direct from manufacturers</td></tr>
<tr><td>RV Rental brands</td><td>Brands: Maui, Britz, Mighty</td><td>Brands: Maui, Britz, Mighty</td><td>Brands: Road Bear, El Monte, Britz, Mighty</td><td>Brands: Just go Motorhomes</td></tr>
<tr><td>RV Sales</td><td>New and ex-rental RVs distributed via three operated retail sales centres and a network of third party dealers</td><td>New and ex-rental RVs distributed via two operated retail sales centres and a network of third party dealers</td><td>Ex-rental RVs distributed via five operated retail sales centres and a network of third party dealers</td><td>Ex-rental RVs distributed via two operated retail sales centres</td></tr>
<tr><td>Tourism attractions</td><td>Discover Waitomo glowworm cave tours and black water rafting experience

Kiwi Experience hop-on-hop-off national bus tours (currently held for sale)</td><td></td><td></td><td></td></tr>
</table>

14 *thl* is currently in the process of moving factories in New Zealand. As such, New Zealand capacity reflects expectations as at 1 January 2023..

thl's values

8.3 History

Since the 1980s, ***thl*** has been an iconic company in the New Zealand tourism sector with a diverse range of tourism experience and attraction businesses. ***thl*** has a long history of acquisitions and divestments.

1984
Established as The Helicopter Line, specialising in scenic helicopter flights

1986
Listed on New Zealand Stock Exchange

1988
Entry to motorhome market by acquiring Maui Campervans and Mount Cook Group

1995
Acquired licence to operate guided tours at Waitomo Glowworm Caves and Aranui Cave

1996
Changed name to Tourism Holdings Limited

1999
Acquired Britz Motorhomes and Backpacker Campervans

2003
Acquired The Legendary Blackwater Rafting Company and rights to operate Waitomo Caves

2007
Strategic review resulting in commencement of divestment of non-motorhome tourism businesses (other than Discover Waitomo and Kiwi Experience)

2010
Acquired US-based Road Bear RV Rentals and Sales

2012
Merger of New Zealand manufacturing business with KEA Manufacturing to form Action Manufacturing[1]

Merger of New Zealand rental business with KEA Campers and United Campers

2015
Acquired 49% of Just go motorhomes in the United Kingdom

Launch of Mighway P2P RV rental business

2016
Acquired US-based El Monte RV Rental and Sales

2018
Formed 50:50 Togo Group digital RV joint venture with Thor Industries[2]

2020
Commenced partial exit from Togo Group to refocus on an Australasian digital strategy[2]

2021
Acquired the remaining 50% shareholding in Action Manufacturing

2022
Sold P2P RV rental businesses to Camplify for shareholding in Camplify

Purchased remaining 51% shareholding in Just go motorhomes in the United Kingdom

Sold remaining interest in Togo Group

* *thl* acquired a 50% shareholding.
** Togo Group has recently rebranded as Roadpass.

Becoming an RV centric company

In 2007, ***thl*** commenced a significant strategic realignment to change the asset mix of the ***thl*** Group to become RV centric. Most of ***thl***'s non-RV businesses were sold, other than the Discover Waitomo attractions and Kiwi Experience, both of which are still owned as at the date of this Replacement Scheme Booklet.

In recent years ***thl*** has progressed a global growth strategy, leveraging its core competency of operating high quality RV rental businesses through efficient capital management and allocation, specialised fleet vehicle design and a strong focus on operational logistics and customer needs:

- In 2010, ***thl*** acquired US based Road Bear RV Rentals and Sales, which acted as ***thl***'s entry into the USA market.
- In 2012, and in the aftermath of the impacts of the global financial crisis, ***thl*** led a consolidation of three key operators in the New Zealand RV rental industry by merging with KEA Campers and United Campervans. In the same year, ***thl*** acquired the use of the KEA brand in Australia, and today continues to sell new motorhomes in Australia under the KEA brand, through the RV Sales Centre and a selection of third party dealerships nationwide. Following industry consolidation during 2013 and 2014 the combined New Zealand rental fleet size amongst the three businesses was rationalised and reduced by around 25%, to better match demand and increase return on funds employed.
- In 2016, ***thl*** expanded its presence in the USA market through the acquisition of El Monte RV Rental and Sales.
- In October 2022, ***thl*** acquired the remaining 51% interest in Just go motorhomes in the United Kingdom for £5,355,000 (or approximately NZ$10.7m), making it a wholly owned subsidiary.

RV digital ventures

thl has also invested in and developed several products and businesses in the digital tourism space:

- In 2015, ***thl*** developed Mighway, one of the first peer-to-peer RV rental platforms in New Zealand.
- In 2018, ***thl*** established a 50:50 joint venture Roadpass Digital (formerly Togo Group), with Thor Industries. Roadpass Digital consisted of a collection of digital ventures including the flagship Togo RV owner companion app and the Roadtrippers road trip planner app. Roadpass Digital also continued development of ***thl***'s in-house fleet scheduling, booking and management software, Cosmos, as well as its in-house telematics platform, Insights.
- In March 2020, ***thl*** commenced a partial exit from Roadpass Digital in favour of a digital strategy focusing on Australasia which was more closely aligned with ***thl***'s core RV rentals businesses. The exit included ***thl*** retaining certain rights to the Cosmos and Insights platforms, and a remaining interest in Roadpass Digital.
- In March 2022, ***thl*** sold its remaining interest in Roadpass Digital to Thor Industries for NZ$23M.
- In May 2022, ***thl*** sold mighway and SHAREaCAMPER to Camplify for a purchase price of A$7.37m, with all of the consideration payable in ordinary shares in Camplify.[15]

Non-RV manufacturing

Through its subsidiary Action Manufacturing, ***thl*** currently owns and operates businesses specialising in the manufacturing of bespoke commercial vehicles, as well as refrigerated truck bodies and trailers:

- In 2012, ***thl*** merged its RV manufacturing business with KEA Manufacturing to form the 50/50 joint venture, Action Manufacturing, and took a 50% shareholding. Action Manufacturing manufactures RVs for ***thl***'s New Zealand and Australian rentals businesses, and also designs and manufactures specialist commercial vehicles for a range of public and private sector customers.
- In 2018, ***thl*** acquired Fairfax Industries, a leader in the manufacturing and sale of refrigerated truck bodies and trailers in New Zealand.
- In 2021, ***thl*** acquired the remaining 50% interest in Action Manufacturing, making it a wholly owned entity.

15 ***thl*** has committed to acquire a further 133,008 new ordinary shares in Camplify at A$1.70 per share as part of the capital raising announced by Camplify on 19 October 2022.

- In July 2022, Action Manufacturing acquired Freighter, a specialist manufacturer of heavy-duty semi-trailers, from MaxiTRANS New Zealand, for NZ$2.5M. While ***thl***'s non-RV manufacturing businesses currently comprise a small proportion of its overall business by size, ***thl*** has identified this segment as a growth market and has strong ambitions for the future growth of Action Manufacturing and its subsidiaries.

8.4 Directors and senior management

This section provides details of the ***thl*** Directors and key management personnel of ***thl*** as at the date of this Replacement Scheme Booklet.

(a) Directors:

Cathy Quinn ONZM – Independent Chair

Cathy has been an independent director of ***thl*** since September 2017 and was appointed Chair of ***thl*** in June 2022. Cathy is a former senior corporate partner at MinterEllisonRuddWatts. She served as the firm's Chair for eight years during a period of transformation and growth. Cathy is a Director of Fletcher Building Limited, Fonterra Co-operative Group Limited, Rangatira Limited and is Chair of Fertility Associates. Cathy is also Pro-Chancellor of the University of Auckland. Cathy is a former member of the NZ Securities Commission and Capital Markets Development Taskforce, and was made an Officer of the NZ Order of Merit in 2016 for services to law and women.

Debbie Birch – Independent Director

Debbie has been an independent director of ***thl*** since September 2016, and has been Chair of the Health, Safety and Sustainability Committee since its inception in June 2022. Debbie has held various Director and Trustee positions for the last 12 years and is currently Chair of Taupo Moana Investments Limited and Raukawa ki te Tonga AHC Limited. Debbie is a Board member of Ngati Awa Group Holdings Limited and associated subsidiaries, Te Pūia Tāpapa GP Limited, Eastland Group Limited and associated subsidiaries, a Member of New Zealand Treasury's Capital Markets Advisory Committee and Te Puna Whakaaronui Thought Leaders Group. Debbie has significant financial, commercial and strategic experience gained in Asia, Australia and New Zealand with more than 30 years' working in global capital markets.

Rob Hamilton – Independent Director

Rob has been an independent director of ***thl*** since February 2019, and has been Chair of the Audit and Risk Committee since November 2019. Rob is a respected member of the finance community, with over 30 years' experience in senior executive roles. Rob is currently a director of Westpac New Zealand Limited, NZX Limited and Oceania Healthcare Limited. He was previously Chief Financial Officer at SkyCity Entertainment Group Limited, and Managing Director and the Head of Investment Banking at Jarden (formerly First NZ Capital). Rob has previously been a Board member on the New Zealand Olympic Committee.

Gráinne Troute – Independent Director

Gráinne has been an independent director of ***thl*** since February 2015, and has also been Chair of the Remuneration & Nomination Committee for that period. Gráinne is a Chartered Member of the Institute of Directors and is also a director of Summerset Group Holdings Limited, Investore Property, Duncan Cotterrill, and is Chair of Tourism Industry Aotearoa.

Gráinne is a professional director with many years' experience in senior executive roles. Gráinne was General Manager, Corporate Services at SkyCity Entertainment Group and Managing Director of McDonald's Restaurants (NZ). Gráinne also held senior management roles with Coopers and Lybrand (now PwC) and HR Consultancy Right Management. She has also spent many years as a trustee and Chair in the not-for-profit sector, including having been the Chair of Ronald McDonald House Charities New Zealand for five years.

(b) **Executive Management Team**

NAME	CURRENT POSITION
Grant Webster	Chief Executive Officer
Nicholas Judd	Chief Financial Officer
Catherine Meldrum	Chief Operating Officer – Australia
Matthew Harvey	Chief Operating Officer – New Zealand
Gordon Hewston	Chief Operating Officer – Northern Hemisphere
Ollie Farnsworth	Chief Commercial and Customer Officer
Juhi Shareef	Chief Responsibility Officer
Jo Hilson	Chief Technology Officer
Nick Voss	Deputy Chief Financial Officer

8.5 Capital structure

The capital structure of ***thl*** at the date of this Replacement Scheme Booklet is as set out below:

thl SECURITY	NUMBER ON ISSUE
Ordinary shares	156,080,321
Long-term incentive options under the 2017 Long-term Incentive Scheme	6,598,667
Retention share options under the 2020 Share Retention Scheme	1,212,745
Retention share rights under the 2020 Share Retention Scheme	374,489

Refer to section 8.13 for a detailed description of ***thl***'s various employee incentive plans.

8.6 Substantial shareholders

Based on substantial product holder notices lodged with the NZX or otherwise known to ***thl*** as at the Last Practicable Date, ***thl*** has the following substantial shareholders who have Relevant Interests in a parcel of 5% or more of the total issued ***thl*** Shares:

NAME	INTEREST IN *thl* SHARES	% OF ISSUED *thl* SHARES
HB Holdings Limited (a subsidiary of CITIC Capital)[16]	26,789,440	17.16%
Wilson Asset Management International Pty Limited	13,180,328	8.44%

16 ***thl***'s understands HB Holdings Limited intends to distribute its shareholding in ***thl*** to the underlying individual limited partners on the expiration of the CITIC Capital International Tourism Fund.

8.7 Recent *thl* share price performance

thl ordinary shares have been trading on the NZX since June 1986.

***thl* SHARE PRICE INFORMATION**	**PRICE (NZ$)**
Last recorded price on NZX on the Last Practicable Date	$3.20
Highest closing price in the three months prior to the Last Practicable Date	$3.20 on 21 October 2022
Lowest closing price in the three months prior to the Last Practicable Date	$2.40 on 27 July 2022[17]
Last recorded price on NZX on 9 December 2021, being the last trading day before the public announcement of the Scheme	$2.85
Highest closing price in the three months prior to the announcement of the Scheme	$2.92 on 23 November 2021[18]
Lowest closing price in the three months prior to the announcement of the Scheme	$2.32 on 17 September 2021
Highest closing price in the 12 months prior to the announcement of the Scheme	$2.92 on 23 November 2021[19]
Lowest closing price in the 12 months prior to the announcement of the Scheme	$2.15 on 15 February 2021[20]
12-month volume weighted average price prior to the announcement of the Scheme	$2.49

None of the ***thl*** Share prices referred to above should be taken as an indication of the likely price of ***thl*** Shares following the implementation of the Scheme.

17 ***thl***'s closing share price was NZ$2.40 on 26 July 2022, in addition to 27 July 2022
18 ***thl***'s closing share price was NZ$2.92 on 17 November 2021 and 19 November 2021, in addition to 23 November 2021.
19 ***thl***'s closing share price was NZ$2.92 on 17 November 2021 and 19 November 2021, in addition to 23 November 2021.
20 ***thl***'s closing share price was NZ$2.15 on 12 February 2021, in addition to 15 February 2021.

8.8 *thl's* dividend policy and history

Prior to being suspended due to the impact of the COVID-19 pandemic, ***thl***'s dividend policy targeted a pay-out of between 75% to 90% of net profit after tax. Dividends were normally declared in conjunction with the release of ***thl***'s half year and full year results.

No dividends were paid for the financial years ending 30 June 2020, 30 June 2021 and 30 June 2022 and ***thl***'s dividend policy remains suspended.

As part of its FY22 annual results release on 26 August 2022, ***thl*** stated that it was unlikely to pay a dividend for the financial year ending 30 June 2023.

Refer to section 9.7 for information on the ***thl*** Board's intentions in respect of future dividend policy.

A summary of ***thl***'s recent dividend history is set out below:

thl **DIVIDEND SUMMARY**

	INTERIM DIVIDEND			FINAL DIVIDEND		
YEAR ENDED	RECORD DATE	PAYMENT DATE	CENTS PER SHARE (NZD)	RECORD DATE	PAYMENT DATE	CENTS PER SHARE (NZD)
30 Jun 2022			–			–
30 Jun 2021			–			–
30 Jun 2020			–			–
30 Jun 2019	4 Apr 2019	16 Apr 2019	0.13	2 Oct 2019	11 Oct 2019	0.14
30 Jun 2018	4 Apr 2018	16 Apr 2018	0.13	2 Oct 2018	11 Oct 2018	0.14
30 Jun 2017	3 Apr 2017	13 Apr 2017	0.10	3 Oct 2017	16 Oct 2017	0.11
30 Jun 2016	7 Apr 2016	14 April 2016	0.09	7 Oct 2016	14 Oct 2016	0.10
30 Jun 2015	9 Apr 2015	16 Apr 2015	0.07	8 Oct 2015	15 Oct 2015	0.08
30 Jun 2014	10 Apr 2014	17 Apr 2014	0.05	16 Oct 2014	23 Oct 2014	0.06
30 Jun 2013	15 Mar 2013	22 Mar 2013	0.02	17 Oct 2013	24 Oct 2013	0.02
30 Jun 2012	21 Mar 2012	27 Mar 2012	0.02	19 Oct 2012	19 Oct 2012	0.02
30 Jun 2011			–			–
30 Jun 2010	19 Mar 2010	26 Mar 2010	0.02	22 Oct 2010	29 Oct 2010	0.02
30 Jun 2009			–			–
30 Jun 2008	18 Apr 2008	24 Apr 2008	0.05	17 Oct 2008	24 Oct 2008	0.06
30 Jun 2007	20 Apr 2007	27 Apr 2007	0.05	20 Jul 2007	25 Jul 2007	0.06
30 Jun 2006	21 Apr 2006	28 Apr 2006	0.05	20 Oct 2006	27 Oct 2006	0.06

8.9 *thl* Directors' interests in *thl* securities

DIRECTOR	NUMBER OF ORDINARY SHARES
Cathy Quinn	33,673
Debbie Birch	44,062
Rob Hamilton	52,101
Gráinne Troute	95,833

8.10 *thl* Directors' interests in ATL securities

No ***thl*** director has any interest in ATL securities.

8.11 *thl* Directors' other interests and benefits

(a) Except as provided for in this Replacement Scheme Booklet, the ***thl*** Directors have no interest in the outcome of the Scheme.

(b) Except as otherwise provided in this Replacement Scheme Booklet, no:

i. ***thl*** Director or proposed director of ***thl***;

ii. person named in this Replacement Scheme Booklet as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Replacement Scheme Booklet for or on behalf of ***thl***;

iii. promoter of ***thl*** or the Merged Group,

(together the Interested Persons) holds, or held at any time during the two years before the date of this Replacement Scheme Booklet any interests in:

iv. the formation or promotion of ***thl*** or the Merged Group;

v. property acquired or proposed to be acquired by ***thl*** in connection with the formation or promotion of ***thl*** or the Merged Group or the offer of ***thl*** Consideration Shares under the Scheme; or

vi. the offer of ***thl*** Consideration Shares under the Scheme.

(c) Some ***thl*** Directors have received additional fees for performing additional duties in relation to the Scheme, with the amount of these fees to be subject to the approval of the ***thl*** Board and the overall cap on director fees approved by ***thl*** Shareholders from time to time (with the current cap detailed in section 2.4 of Annexure F). Except as otherwise disclosed in this Replacement Scheme Booklet, ***thl*** has not paid or agreed to pay any fees, or provided or agreed to provide any benefit:

i. to a director or proposed director of ***thl*** to induce them to become or qualify as a director of ***thl***;

ii. for services provided by any Interested Persons in connection with:

- the formation or promotion of ***thl*** or the Merged Group; or
- the offer of ***thl*** Consideration Shares under the Scheme.

(d) In the four months before the date of this Replacement Scheme Booklet and except as otherwise disclosed in this Replacement Scheme Booklet, neither ***thl*** nor any of its Associates has given or offered to give or agreed to give a benefit to another person where the benefit was likely to induce the other person, or an Associate, to vote in favour of the Scheme or dispose of ATL Shares which benefit is not offered to all ATL Voting Shareholders under the Scheme.

(e) ***thl*** has entered into a deed of indemnity, access and insurance with each ***thl*** Director, pursuant to which ***thl*** indemnifies the ***thl*** Director in respect of costs and liabilities relating to certain acts or omissions by the director, in their capacity as a director of ***thl***.

8.12 *thl*'s interests in ATL securities

As at the date of this Replacement Scheme Booklet, the ***thl*** Entities hold a Relevant Interest in 898,150 ATL Shares. The calling of the Scheme Meeting by ATL has been approved by the Court on the basis that the ***thl*** Entities will not be entitled to vote at that meeting (and do not intend to vote at that meeting), given that the ATL Shares held by the ***thl*** Entities are not being acquired through the Scheme and the purpose of the Scheme Meeting will be to provide an opportunity for ATL Voting Shareholders to vote on the Scheme.

During the four months before the date of this Replacement Scheme Booklet, other than pursuant to the Scheme Implementation Deed, the Scheme and the Deed Poll, neither ***thl*** nor any of its Associates has agreed to provide consideration for any ATL Shares under any transaction or agreement.

8.13 *thl*'s employee incentive plans

The ***thl*** Board is supportive of long-term, share-based employee incentive plans, which create alignment between the interests of ***thl*** employees and shareholders and other stakeholders. ***thl*** has a number of employee incentive plans in place:

2017 Long-term Incentive Scheme (the 2017 Scheme)

The 2017 Scheme is designed to align the interests of the Executives with those of the shareholders. Executives are rewarded for long-term increases in shareholder value. Executives are invited to participate in the long-term incentive plan by the Board on an annual basis, and participating Executives are awarded long-term incentive options at the discretion of the Board. The awarding of options is based on a percentage of fixed remuneration, based on a valuation of the options carried out each year by KPMG.

Each option may be converted into one ordinary share in ***thl*** on its exercise. The options vest from the second anniversary of the issue, with one third vesting after the second year, one third after the third year, and the final third after the fourth year. Vesting is also subject to the individual remaining employed by ***thl***.

The exercise price for each option is calculated by reference to the volume weighted average price of ***thl*** Shares during the 20 trading day period prior to the grant date of the option, plus an uplift to reflect ***thl***'s average cost of capital for the first two years from the grant date, less dividends paid during that two-year period.

2020 Share Retention Scheme (the Share Retention Scheme)

The Share Retention Scheme was introduced in 2020 and replaced ***thl***'s normal short-term incentive scheme in 2020 and 2021. The rationale for the implementation of the replacement Share Retention Scheme in respect of those two years was that ongoing uncertainty of trading conditions due to the pandemic meant that no meaningful performance targets could be set. The scheme was to encourage the retention of key employees beyond the normal 12 month period under the ordinary short-term incentive scheme. Additionally, it was to minimise cash expenditure by replacing a cash-based scheme with a share-based scheme, aligning the interests of eligible senior staff with shareholders.

Under the Share Retention Scheme, eligible staff were invited to participate in the scheme, whereby retention share rights are granted to participants to the value of their contractual short-term incentive bonus. Once vested, the share rights are convertible into ordinary shares at a nil exercise price. Half of the issued share rights vest after 12 months, with the remaining 50% vesting after a further 12 months. Vesting of share rights is also subject to the individual remaining employed by ***thl***, as well as ***thl*** achieving a base financial target for the applicable financial year.

Participants in the Executive team were issued retention share rights to the value of 50% of their contractual short-term incentive bonus, and were issued retention share options in respect of the remaining 50%. The vesting period and conditions for retention share options are equivalent to those of retention share rights (i.e. 50% after 12 months and 50% after a further 12 months). The exercise price for each retention share option is fixed and equal to the ***thl*** share price at the time of issue of the retention share option.

8.14 Funding of the Scheme Consideration

The Scheme Consideration is to be paid by the issue of new, fully paid ordinary shares in ***thl*** to Scheme Shareholders other than Foreign Scheme Shareholders.

Foreign Scheme Shareholders will not receive ***thl*** Consideration Shares. Instead, ***thl*** Consideration Shares that would otherwise be issued to these shareholders under the Scheme will be issued to a nominee of ***thl*** to be sold on NZX, with the net sale proceeds to be paid to the Foreign Scheme Shareholder.

More details on Foreign Scheme Shareholders are set out in section 6.6 of this Replacement Scheme Booklet.

8.15 Comparison of Australian and New Zealand laws and summary of rights and liabilities attaching to *thl* Consideration Shares

ATL is a public company limited by shares and registered under Australian law. ATL Shares are quoted on the ASX. ***thl*** is incorporated in NZ, under the laws of NZ. ***thl*** Shares are listed on the NZX. If the Scheme is implemented, the rights of Scheme Shareholders in respect of ***thl*** Consideration Shares will be primarily governed by the Companies Act, NZX Listing Rules and the constitution of ***thl***.

The Scheme is conditional upon ***thl*** receiving approval from ASX for it to be admitted to the official list of ASX as an ASX foreign exempt listing and the quotation of ***thl*** Shares on ASX. ***thl*** will retain its primary listing on the NZX.

The rights and liabilities attaching to ***thl*** Consideration Shares which will be issued to participants in the Scheme as Scheme Consideration will be the same as those attaching to existing ***thl*** Shares (including with respect to voting and dividend entitlements) and will rank equally with all issued fully paid ordinary shares of ***thl*** from the date of their allotment. These rights and liabilities are detailed in the ***thl*** Constitution (a copy of which is available at http://www.*thl*online.com) and are subject to the Companies Act and the NZX Listing Rules.

Further details of the rights attaching to ***thl*** Consideration Shares and a comparison of Australian and New Zealand laws relating to ATL and ***thl*** is set out in Annexure F. The comparison set out in Annexure F is not an exhaustive statement of all relevant laws, rules and regulations and is intended as a general guide only. Scheme Shareholders should consult with their own legal adviser if they require further information.

8.16 Historical financial information

(a) Basis of preparation

This section sets out a summary of the historical financial information in relation to ***thl*** for the purposes of this Replacement Scheme Booklet and has been extracted from the FY22, FY21 and FY20 Integrated Annual Reports.

The historical financial information of ***thl*** presented is in an abbreviated form and does not contain all the disclosures, presentation, statements, notes or comparatives that are usually provided in annual financial statements prepared in accordance with Generally Accepted Accounting Practice (GAAP), New Zealand equivalents to International Financial Reporting Standards (NZ IFRS), International Financial Reporting Standards (IFRS), as applicable for a "for profit" entity and Part 7 of the Financial Markets Conduct Act 2013 and the NZX Main Board Listing Rules.

The consolidated financial statements including the basis of preparation, accounting policies and all notes to the consolidated financial statements are set out in full in ***thl***'s Integrated Annual Report for the years ending 30 June 2022, 30 June 2021, 30 June 2020 and 30 June 2019 and are available on the NZX website at www.nzx.com and ***thl***'s website at www.*thl*online.com. ***thl***'s consolidated financial statements for the years ending 30 June 2022, 30 June 2021, 30 June 2020 and 30 June 2019 were audited by PwC Auckland.

(b) Consolidated historical income statements

NZD	2022	2021	2020	2019
CONSOLIDATED INCOME STATEMENT	**$000**	**$000**	**$000**	**$000**
Sales of services	118,886	130,033	257,437	292,199
Sales of goods	226,864	229,140	143,493	130,805
Total revenue	345,750	359,173	400,930	423,004
Costs of sales	(150,785)	(186,033)	(125,502)	(114,373)
Gross profit	194,965	173,140	275,428	308,631
Administration expenses	(51,369)	(37,861)	(44,212)	(49,469)
Operating expenses	(147,473)	(150,000)	(185,685)	(197,160)
Other income	10,760	6,460	3,080	141
Operating profit/(loss) before financing costs	6,883	(8,261)	48,611	62,143
Finance income	17	41	427	87
Finance expenses	(10,736)	(10,888)	(13,369)	(11,289)
Net finance costs	(10,719)	(10,847)	(12,942)	(11,202)
Share of profit/(loss) from associates	1,105	718	(376)	246
Share of profit/(loss) from joint venture	–	18	(9,151)	(11,294)
Profit/(loss) before tax	(2,731)	(18,372)	26,142	39,893
Income tax	612	3,858	1,214	(10,140)
Profit/(loss) for the year	(2,119)	(14,514)	27,356	29,753
Profit/(loss) is attributable to:				
Non-controlling interests	(637)	(839)	–	–
Equity Holders of the parent	(1,482)	(13,675)	27,356	29,753
Profit/(loss) for the year	(2,119)	(14,514)	27,356	29,753
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME				
(Loss)/profit for the year	(2,119)	(14,514)	27,356	29,753
Other comprehensive losses				
Items that may be reclassified subsequently to profit or loss				
Foreign currency translation reserve movement (net of tax)	14,952	(8,929)	(2,624)	(2,207)
Equity investment reserve movement (net of tax)	(954)	–	–	–
Cash flow hedge reserve movement (net of tax)	3,938	3,078	(2,212)	(3,645)
Other comprehensive losses for the year net of tax	17,936	(5,851)	(4,836)	(5,852)
Total comprehensive (loss)/income for the year attributable to equity holders of the Company	15,817	(20,365)	22,520	23,901
Total comprehensive (loss)/income for the year is attributable to:				
Equity holders of the Company	16,454	(19,526)	22,520	23,901
Non-controlling interests	(637)	(839)	–	–
Total comprehensive (loss)/income for the year	15,817	(20,365)	22,520	23,901

(c) Consolidated historical statement of financial position

NZD	2022	2021	2020	2019
CONSOLIDATED STATEMENT OF FINANCIAL POSITION	**$000**	**$000**	**$000**	**$000**
ASSETS				
Non-current assets				
Property, plant and equipment	311,831	273,072	359,717	407,016
Intangible assets	55,407	51,121	50,267	44,180
Financial asset	5,630	20,835	21,382	–
Derivative financial instruments	453	–	–	–
Investment in joint ventures	–	–	10,224	51,106
Investment in associates	5,966	4,936	4,044	4,319
Advance to joint venture	–	–	125	625
Right-of-use assets	70,766	62,339	69,562	–
Deferred tax assets	–	957	1,656	–
Total non-current assets	450,053	413,260	516,977	507,246
Current assets				
Cash and cash equivalents	38,816	38,087	35,514	8,837
Trade and other receivables	33,082	28,681	28,930	28,964
Inventories	67,290	57,455	68,487	56,219
Advance to joint venture	–	–	530	976
Current tax receivables	6,254	581	3,108	191
Derivative financial instruments	–	–	6	40
Assets classified as held for sale	333	–	–	–
Total current assets	145,775	124,804	136,575	95,227
Total assets	595,828	538,064	653,552	602,473
Equity				
Share capital	278,983	277,792	269,988	217,012
Retained earnings	37,700	42,313	55,815	56,176
Cash flow hedge reserve	321	(3,617)	(6,695)	(4,483)
Other reserves	14,664	(1,030)	5,991	8,312
Non-controlling interests	–	(2,859)	–	–
Total equity	331,668	312,599	325,099	277,017

NZD	2022	2021	2020	2019
CONSOLIDATED STATEMENT OF FINANCIAL POSITION	**$000**	**$000**	**$000**	**$000**
LIABILITIES				
Non-current liabilities				
Interest bearing loans and borrowings	97,298	86,659	163,322	210,980
Derivative financial instruments	45	5,124	9,193	5,798
Deferred income tax liability	16,077	9,989	11,886	22,224
Lease liabilities	72,721	64,479	74,567	–
Total non-current liabilities	186,141	166,251	258,968	239,002
Current liabilities				
Interest bearing loans and borrowings	–	125	–	46
Trade and other payables	31,913	25,263	37,001	47,489
Revenue in advance	26,046	13,087	12,192	25,544
Employee benefits	9,041	8,017	7,214	8,400
Provisions	618	413	–	–
Derivative financial instruments	15	148	110	461
Current tax liabilities	–	3,374	5,664	4,514
Lease liabilities	9,898	8,787	7,304	–
Liabilities classified as held for sale	488	–	–	–
Total current liabilities	78,019	59,214	69,485	86,454
Total liabilities	264,160	225,465	328,453	325,456
Total equity and liabilities	595,828	538,064	653,552	602,473

(d) Consolidated historical statement of cash flows

NZD	2022	2021	2020	2019
CONSOLIDATED STATEMENT OF CASH FLOWS	**$000**	**$000**	**$000**	**$000**
Cash flows from operating activities				
Receipts from customers	128,337	150,534	248,752	298,998
Proceeds from sale of goods	227,289	222,265	143,493	130,805
Proceeds from insurance recoveries	133	1,826	–	–
Interest received	17	41	212	87
Dividend received	807	869	–	–
Payments to suppliers and employees	(199,077)	(159,783)	(193,510)	(224,119)
Purchase of rental assets	(164,465)	(119,922)	(108,790)	(176,075)
Interest paid	(10,471)	(10,878)	(13,584)	(11,134)
Taxation received/(paid)	(4,189)	2,024	(7,484)	(8,361)
Net cash flows from operating activities	(21,619)	86,976	69,089	10,201
Cash flows from investing activities				
Sale of property, plant & equipment	175	110	126	8
Purchase of property, plant & equipment	(2,930)	(1,199)	(4,125)	(3,884)
Sale proceeds from Togo class B shares	23,145	–	–	–
Advance to joint ventures	–	–	(11,945)	(1,500)
Receipt from joint ventures	–	353	1,000	751
Purchase of intangibles	(4,606)	(4,113)	(432)	(407)
Investments in associates and joint ventures	–	–	–	(9,589)
Net cash paid as part of the step acquisition of Outdoria	–	(374)	–	–
Net cash received as part of the step acquisition of AMLP	–	4,631	–	–
Net cash flows used in investing activities	15,784	(592)	(15,376)	(14,621)
Cash flows from financing activities				
Payment for lease liability principal	(9,611)	(7,732)	(6,442)	–
Proceeds from borrowings	89,057	61,853	101,150	164,548
Repayments of borrowings	(76,158)	(136,420)	(153,938)	(166,225)
Dividends paid	–	–	(17,373)	(29,429)
Proceeds from share issue	193	304	49,280	30,798
Net cash flows used in financing activities	3,481	(81,995)	(27,323)	(308)
Net (decrease)/increase in cash and cash equivalents	(2,354)	4,389	26,390	(4,728)
Opening cash and cash equivalents	38,087	35,514	8,837	13,534
Exchange gains/(losses) on cash and cash equivalents	3,083	(1,816)	287	31
Closing cash and cash equivalents	38,816	38,087	35,514	8,837

8.17 *thl*'s debt facilities

thl has a syndicated corporate debt facility with a limit of NZ$258m as at 30 June 2022.

The following table details the maturity dates of tranches of ***thl***'s corporate debt facilities as at 30 June 2022:

MATURITY OF DEBT FACILITIES ($NZ)

June 2023	$50M
June 2024	$208M
Total facilities[21]	**$258M**

As detailed in section 8.19, ***thl***'s net debt as at 30 June 2022 was approximately NZ$58M. Consequently, ***thl*** had access to approximately NZ$200m of available funds on that date.

8.18 Material changes in *thl*'s financial position

As at the date of this Replacement Scheme Booklet, as far as the ***thl*** Directors are aware there have been no material changes in the financial position of ***thl*** since 30 June 2022, other than:

- Net cash flows in the ordinary course of business (including the sale and purchase of RVs);
- On 8 July 2022, Action Manufacturing completed the acquisition of Freighter from MaxiTRANS New Zealand for a purchase price of NZ$2.5m;
- On 4 October 2022, ***thl*** acquired the remaining 51% interest of Just go motorhomes in the United Kingdom for a purchase price of £5,355,000 (or approximately NZ$10.7m). The purchase price was paid through a £1,350,000 cash payment and the issue of 2,941,857 ***thl*** Shares; and
- As disclosed in this Replacement Scheme Booklet or otherwise disclosed to the NZX by ***thl***.

8.19 Financial information for the year ending 30 June 2023 (FY23)

thl's most recent stated guidance on performance in FY23 (released on 12 October 2022) is that it expects net profit after tax (on a standalone basis) to be above NZ$30 million[22]. This guidance includes the impact of an estimated NZ$3.5 million in merger-related transaction costs in FY23.

Earlier guidance provided by ***thl*** in August 2022 was that net profit in FY23 was expected to be between NZ$17.0m and $30.2m, which aligned with the range of analyst forecasts at that time.

The improved outlook was primarily a result of performance in the first quarter of FY23 exceeding earlier expectations and greater certainty on forward rental revenue for the upcoming high season in Australia and New Zealand. Demand and rental yields for the upcoming high season were above prior expectations, with yields (across the financial year to date and summer bookings) up by more than 35% on FY19 levels in New Zealand and up by more than 70% on FY19 levels in Australia.

thl advised that vehicle sales continued to perform well from a margin perspective in all markets. New Zealand and Australia continued to deliver sales margins in line with FY22 performance, and the reduction of sales margins in the USA towards historical levels was occurring at a slower rate than previously guided. ***thl*** observed a decline in retail vehicle demand, in line with deteriorating economic conditions. However, supply chain issues in motorised RVs were noted as expected to continue deeper into 2023, resulting in a continuing shortage of sales stock in the market that was holding up sales margins.

Earlier, as part of ***thl***'s FY22 Investor Presentation released in August 2022, ***thl*** advised that on a standalone basis:

- gross capital expenditure in FY23 was expected to be approximately NZ$270–NZ$300 million, subject to supply availability and delivery timing;
- net capital expenditure in FY23 was expected to be approximately NZ$120 million;
- ***thl***'s global fleet size was expected to grow by 20% in FY23; and
- it was unlikely that a dividend would be declared for FY23.

Please refer to the outlook section of ***thl***'s FY22 Investor Presentation for further detail, and to the Replacement Independent Expert's Report contained in Annexure A for further financial information in relation to ***thl***.

21 Includes USD, GBP and AUD denominated commitments.

22 Rental fleet sizes represent fleet sizes of ***thl*** and Apollo as at 30 June 2022 in each country or continent, less 110 motorhomes in New Zealand and 200 in Australia in relation to the Asset Divestment, rounded to the nearest 100.

8.20 Corporate Governance

thl operates under a set of corporate governance principles designed to ensure that ***thl*** is effectively managed. The ***thl*** Board is committed to the continued development of ***thl***'s corporate governance practices by reviewing and developing its corporate governance policies and monitoring developments to keep abreast of corporate governance best practice. ***thl***'s corporate governance framework includes:

- The ***thl*** Constitution
- The Board Charter and Sub-committee Charters
- Securities Trading Policy
- Code of Ethics
- Market Disclosure Policy
- Board Diversity Policy
- Remuneration Policy

thl's corporate governance policies and charters are available on its website at www.*thl*online.com.

Board skills and expertise

thl's Board is comprised of Directors who have a mix of skills, knowledge, experience and diversity to adequately meet and discharge its responsibilities and to add value to the company through efficient and effective governance and leadership. The current Directors have a varied and balanced mix of skills, including extensive operational experience, knowledge of the tourism industry, as well as extensive experience in capital markets, growth and global transactions. Below is a summary of the key skills and expertise held by the Board, which are considered most relevant to effectively fulfilling the Board's current objectives:

- Corporate governance experience, including publicly listed company experience;
- Global business experience in multi-site operations;
- Tourism industry experience;
- Experience in development and execution of growth strategies;
- Sustained positive people leadership;
- Indigenous community and Iwi engagement;
- Focus on deployment and management of capital for a strong return on funds employed;
- Investment banking, capital markets and M&A transaction experience;
- Legal and regulatory expertise;
- Financial governance and audit oversight;
- Health and safety governance and management experience;
- Treasury and funding expertise; and
- International business leadership and CEO and CFO experience.

Committees

thl has four standing Committees, described below. Each Committee is authorised to deal with matters as set out in its Charter or falling within its mandate. Where the Board has delegated decision-making authority to a Committee, that Committee is entitled to make decisions on such matters, otherwise the Committee is to submit recommendations to the Board for consideration. From time to time, the Board delegates specific matters to the appropriate Committee in order to ensure that a detailed review and analysis is undertaken.

Audit and Risk Committee

The Audit and Risk Committee is comprised solely of Non-Executive Directors of the Board, a majority of whom must be independent Directors. The Chair of the Audit and Risk Committee must not be the Chair of the Board.

The Committee meets a minimum of three times each year. The Audit and Risk Committee has oversight of, and assists the Board to fulfil its responsibilities in, the areas of financial reporting, audit functions, and financial and strategic risk management and control. The Audit and Risk Committee oversees ***thl***'s internal audit work programme based on ***thl***'s risk management framework. An internal audit work plan is developed each year, with internal audit assignments completed by the internal finance function, with external support as required.

Remuneration and Nomination Committee

The Remuneration and Nomination Committee is comprised of at least three Non-Executive Directors of the Board, a majority of whom must be independent Directors. The Committee meets a minimum of two times each year.

The Remuneration and Nomination Committee supports the Board on matters relating to human resources and remuneration. It assesses the role and responsibilities, composition, training and membership requirements and remuneration for the Board, including recommendations for the appointment and removal of Directors.

Market Disclosure Committee

The Market Disclosure Committee is comprised of the Chair of the Board, the Chair of the Audit Committee and any other Director appointed from time to time. The Committee monitors compliance with the ***thl*** Group's Market Disclosure Policy which covers compliance with NZX Listing Rules, the Companies Act, the Financial Markets Conduct Act 2013 and other guidelines issued by the Financial Markets Authority and the NZX. The Committee meets as required outside of normal Board meetings to approve market disclosures.

Health, Safety and Sustainability Committee

The Health, Safety and Sustainability Committee is comprised of at least two Non-Executive Directors of the Board. The Committee supports the Board and management on sustainability policies and practices and employee health, safety and wellbeing matters. The Committee meets a minimum of three times each year, as required.

8.21 ***thl***'s sustainability journey

thl has been on a sustainability journey for several years. In 2018, ***thl*** considered whether the sustainability path that it had been on was right, and whether it should be doing more. A global search was undertaken to identify a standard that could drive ***thl***'s focus in this space, leading to the Future-Fit Business benchmark (**FFB**) being identified and adopted.

The appeal of FFB in particular is that it is a systems approach, with goals that are linked to the United Nations Sustainable Development Goals. It provides the organisation with the ambitious vision of where ***thl*** needs to be. Measuring ***thl***'s performance against the 23 goals to **identify** ***thl***'s position today. The FFB methodology then helps to guide decision making in ***thl***, so that deliberate decisions are made on the pace and areas where ***thl*** can make the largest difference and improvements.

At its core, FFB is both a measurement framework, but also a mindset that has been adopted across the organisation. Further information on ***thl***'s future-fit journey can be found in ***thl***'s FY22 Integrated Annual Report.

Taskforce on Climate-related Financial Disclosures (TCFD)

thl has recently reported on its work to set a science-aligned carbon emissions reduction target for its Scope 1 (direct) and Scope 2 (indirect, energy) emissions using Science Based Targets Initiative (SBTi) methodology). The full report is available in the Climate and Carbon Strategy section of thl's FY22 Integrated Annual Report released on 26 August 2022.

thl has committed to an absolute reduction of Scope 1 and 2 greenhouse gas emissions of 50.4% by FY32 from a restated FY20 baseline, consistent with the aim of limiting global heating to 1.5°C.

As with many other businesses, ***thl***'s Scope 3 emissions dominate its restated baseline footprint, comprising 70% of the total footprint, and primarily relating to the emissions of vehicles once they are sold. ***thl*** has a Future Fleet programme underway which aims to transition its fleet to low and no-emissions vehicles as quickly as feasibly possible. Further information about this programme is available in ***thl***'s FY22 Integrated Annual Report.

In order to adopt a meaningful science-aligned carbon target for Scope 3 emissions, ***thl*** will continue to update its view and approach to Scope 3 greenhouse gas targets as it works with partners in the supply chain to collectively ensure a systematic approach to addressing the issues and identifying solutions.

8.22 No other material information known to ***thl***

Except as disclosed elsewhere in this Replacement Scheme Booklet, so far as ***thl*** is aware, as at the date of this Replacement Scheme Booklet, there is no other information that is:

- material to the making of a decision by an ATL Voting Shareholder whether or not to vote in favour of the Scheme; and
- known to ***thl***, at the date of lodging this Replacement Scheme Booklet with ASIC for registration, which has not previously been disclosed to ATL Voting Shareholders.

8.23 Further information

thl is a "FMC reporting entity" for the purposes of Part 7 the Financial Markets Conduct Act 2013 *(NZ)* and is subject to regular reporting and disclosure obligations under the Act and the NZX Listing Rules. These obligations require ***thl*** to notify the NZX of information about specified matters and events as they arise for the purpose of the NZX making that information available to participants in the market. As a company listed on the NZX, ***thl*** is subject to the NZX Listing Rules, which require (subject to some exceptions) continuous disclosure of any information that ***thl*** has that a reasonable person would expect, if it were generally available to the market, to have a material effect on the price of ***thl*** Shares. ***thl*** is also required to lodge various documents with the New Zealand Companies Office and the NZX.

Copies of documents lodged with the NZX is available on NZX's website at www.nzx.com.

A copy of ***thl***'s 2022 Annual Report (including its audited financial statements in respect of the year ended 30 June 2022) may be obtained from NZX's website or from ***thl***'s website at www.*thl*online.com.

thl's announcements to NZX since 26 August 2022 (being the date on which ***thl*** lodged its 2022 Annual Integrated Report with the NZX) are:

DATE	ANNOUNCEMENT
31 August 2022	Capital Change Notice
6 September 2022	Ongoing Disclosure Notice
16 September 2022	Capital Change Notice
21 September 2022	Ongoing Disclosure Notices - Multiple
22 September 2022	Variation to merger ratio and Scheme Implementation Deed
23 September 2022	***thl*** and ATL enter agreement for proposed divestment to Jucy
23 September 2022	NZCC grants clearance for Apollo merger
23 September 2022	Director nominations
27 September 2022	Resignation of director – Guorong Qian
28 September 2022	***thl*** enters trading halt pending ACCC decision
29 September 2022	ACCC grants clearance for Apollo merger
3 October 2022	Capital Change Notice – Issue of Ordinary Shares
3 October 2022	Notice of 2022 Annual Meeting
5 October 2022	***thl*** acquires remaining 51% interest in Just go motorhomes
5 October 2022	Capital Change Notice – Issue of Ordinary Shares
5 October 2022	FIRB confirms no objection to merger with Apollo
6 October 2022	Ongoing Disclosure Notices – Multiple
12 October 2022	***thl*** lifts FY23 profit guidance
18 October 2022	Capital Change Notice – Issue of Ordinary Shares

SECTION 9

Overview of the Merged Group

9.1 Responsibility for information

The information set out in this section was prepared by ***thl*** and ***thl*** is responsible for the information contained in this section (except to the extent that ATL has provided ***thl*** with information for the purpose of ***thl*** preparing this section, for which ATL takes responsibility).

The Merged Group financial information in section 9.8 has been prepared by both ***thl*** and ATL and is the joint responsibility of both ***thl*** and ATL.

9.2 Overview of the Merged Group

The Merged Group consists of the combination of ***thl*** and ATL, which are two highly complementary businesses that together will create a diversified, leading RV travel company across Australia, New Zealand, North America, the United Kingdom and Europe. The rental operations of the Merged Group will be complemented by ***thl's*** existing New Zealand tourism and manufacturing businesses. A merger between ***thl*** and ATL is expected to deliver significant ongoing cost out synergies and will bring together the combined expertise of two of the leading RV rental operators.

The companies have a strong overlap in overhead structures, particularly in Australia and New Zealand. This creates opportunities for synergies to be realised in areas including procurement, locations and fleet rationalisation, on the basis that the Merged Group will be able to operate a smaller fleet with higher utilisation and less down time, compared to each of ***thl*** and ATL as standalone businesses. Further information on synergy opportunities is detailed in section 9.6.

The Merged Group will have greater diversification, given that each company operates in certain areas that the other does not, and is expected to be a significant provider of RVs for rent globally, with a global fleet size of approximately 6,300 vehicles across New Zealand, Australia, USA, Canada, the United Kingdom and Europe[23]. Through its combined scale, the Merged Group will be well positioned to continue to grow globally as international tourism activity increases in a post-COVID recovery period.

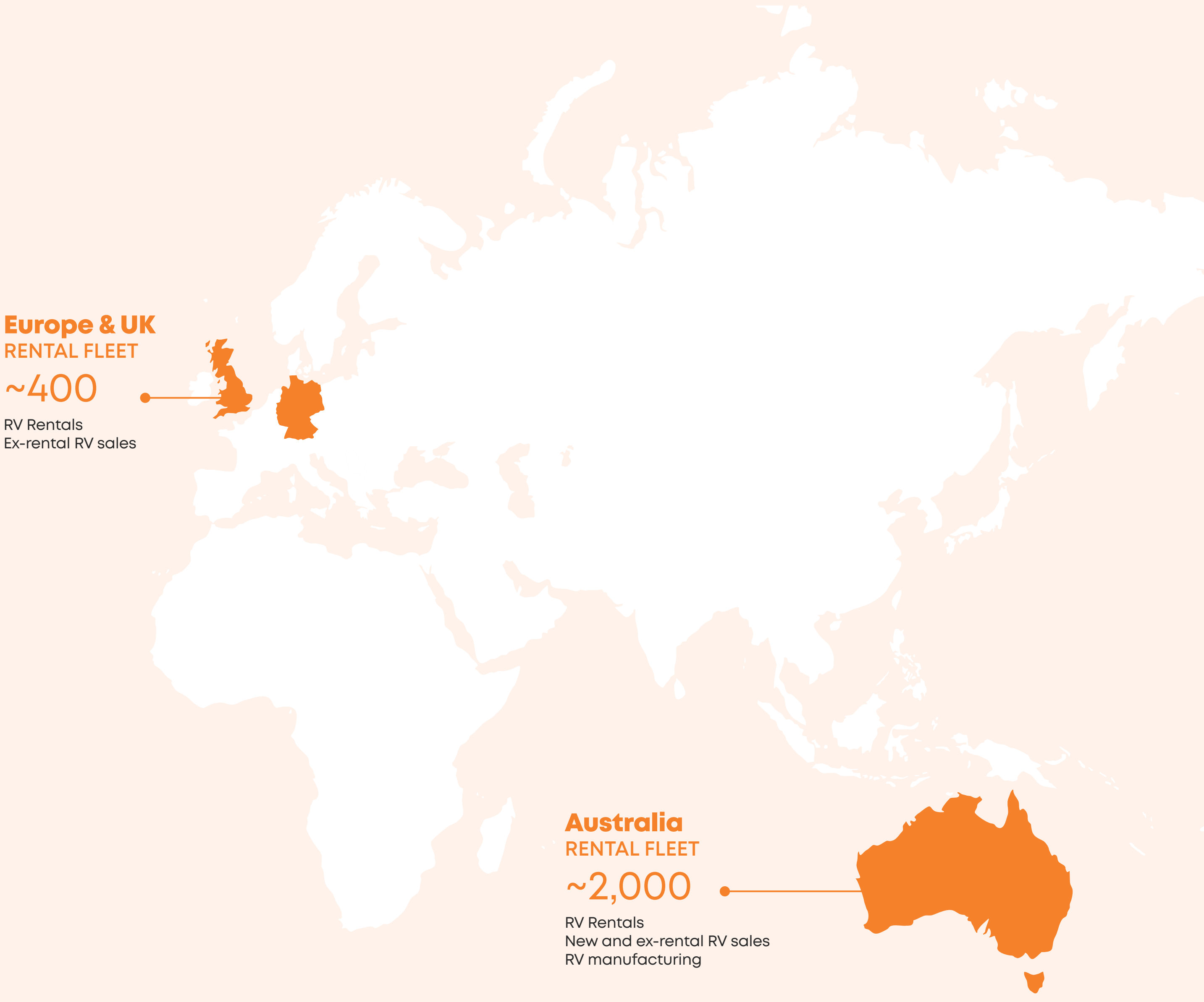
The Merged Group will have the following operations:

- RV rentals
- Manufacturing of RVs and other specialist vehicles in New Zealand and of RVs in Australia
- RV sales
- RV retail accessories
- Tourism attractions and activities in New Zealand

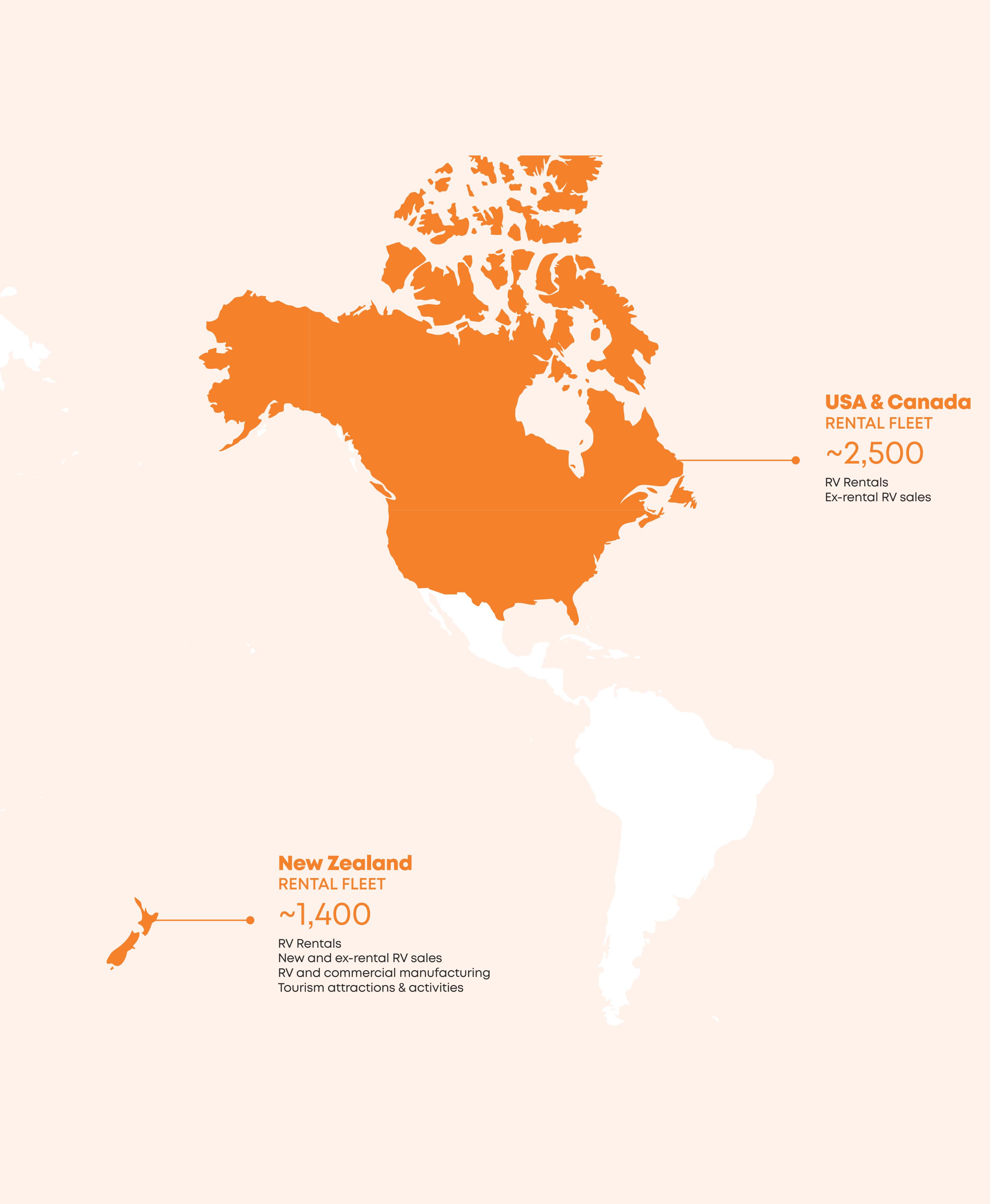
Prior to implementation of the Scheme, ATL will divest certain assets to JUCY as described in sections 4.1(f) and 5.16, including 200 4–6 berth motorhomes from ATL's Australian rental fleet and 110 4–6 berth motorhomes from ATL's New Zealand rental fleet. The divestment of these vehicles are reflected in the global fleet size and footprint of the Merged Group within this section 9.

23 Rental fleet sizes represent fleet sizes of ***thl*** and Apollo as at 30 June 2022 in each country or continent, less 110 motorhomes in New Zealand and 200 in Australia in relation to the Asset Divestment, rounded to the nearest 100.

Global RV Leader – Snapshot of Merged Group



Note: Rental fleet sizes represent fleet sizes of ***thl*** and Apollo as at 30 June 2022 in each country or continent, less 110 motorhomes in New Zealand and 200 in Australia in relation to the Asset Divestment, rounded to the nearest 100. Europe & UK includes ***thl*** fleet from Just go motorhomes, which was a 49% joint venture as at 30 June 2022 and has subsequently become a wholly-owned subsidiary of ***thl***.


USA & Canada
RENTAL FLEET
~2,500
RV Rentals
Ex-rental RV sales
New Zealand
RENTAL FLEET
~1,400
RV Rentals
New and ex-rental RV sales
RV and commercial manufacturing
Tourism attractions & activities

Australian RV business

- *thl* RV Rental
- *thl* RV Sales
- *thl* Manufacturing
- Apollo RV Rental
- Apollo RV Sales
- Apollo Manufacturing

Apollo

TALVOR
ADRIA
apollo
WINNEBAGO
Cheapa Campa
COROMAL
Windsor
HIPPIE

thl

maui
mighty CAMPERS
Britz
RV Super Centre
ACTION

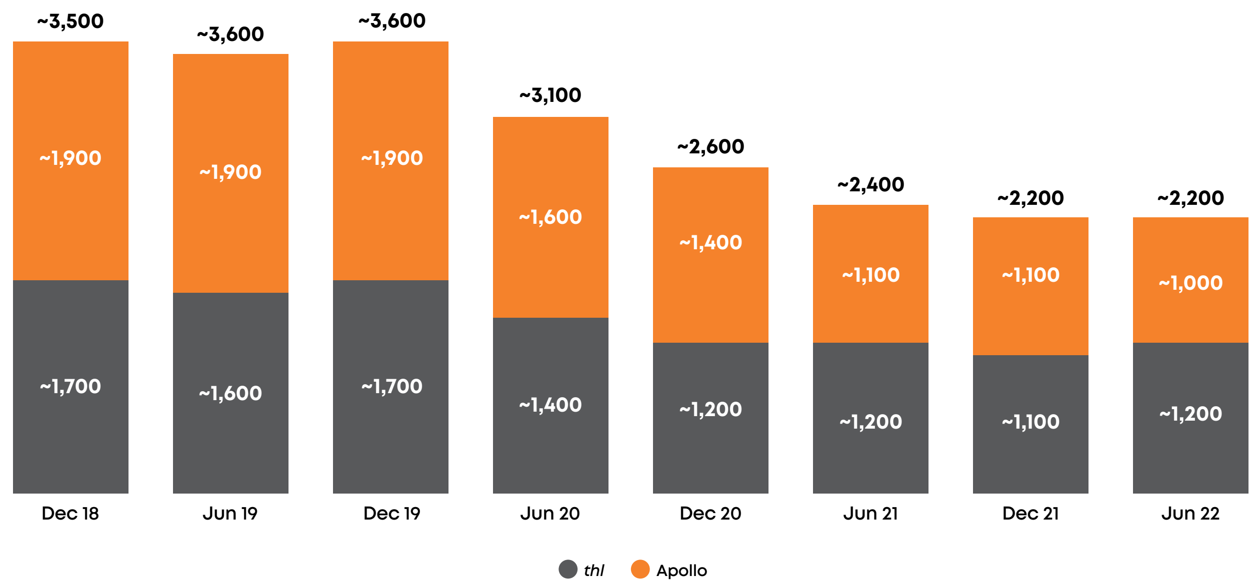
Proposed Apollo divestment

StarRV

Perth, Alice Springs, Darwin and Hobart properties

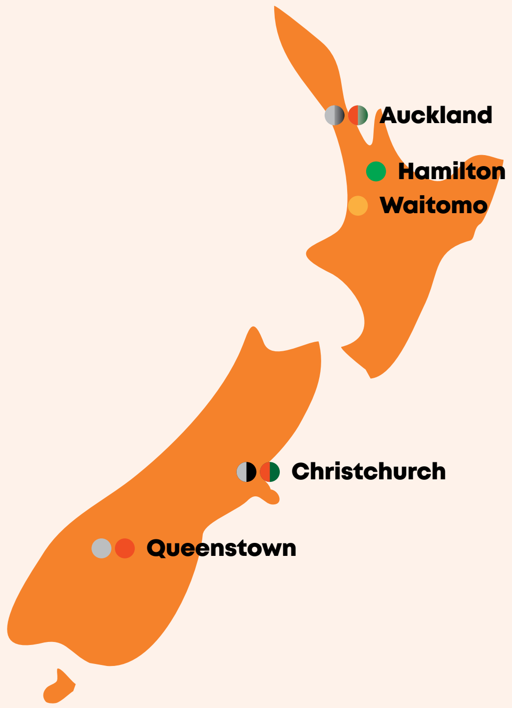
Note: Apollo has the exclusive right to import and distribute Adria in Australia and New Zealand; and the exclusive right to manufacture Winnebago in Australia and New Zealand.

Closing rental fleet size*



* Total closing rental fleet size may differ to the sum of ***thl***'s fleet size and ATL's fleet size due to rounding.

New Zealand RV business



- *thl* RV Rental
- *thl* RV Sales
- *thl* Manufacturing
- *thl* Tourism
- Apollo RV Rental
- Apollo RV Sales

Apollo

TALVOR
ADRIA
apollo
WINNEBAGO
Cheapa Campa
HIPPIE

thl

maui
mighty CAMPERS
Britz
KIWI EXPERIENCE
ACTION
discover Waitomo
RV Super Centre

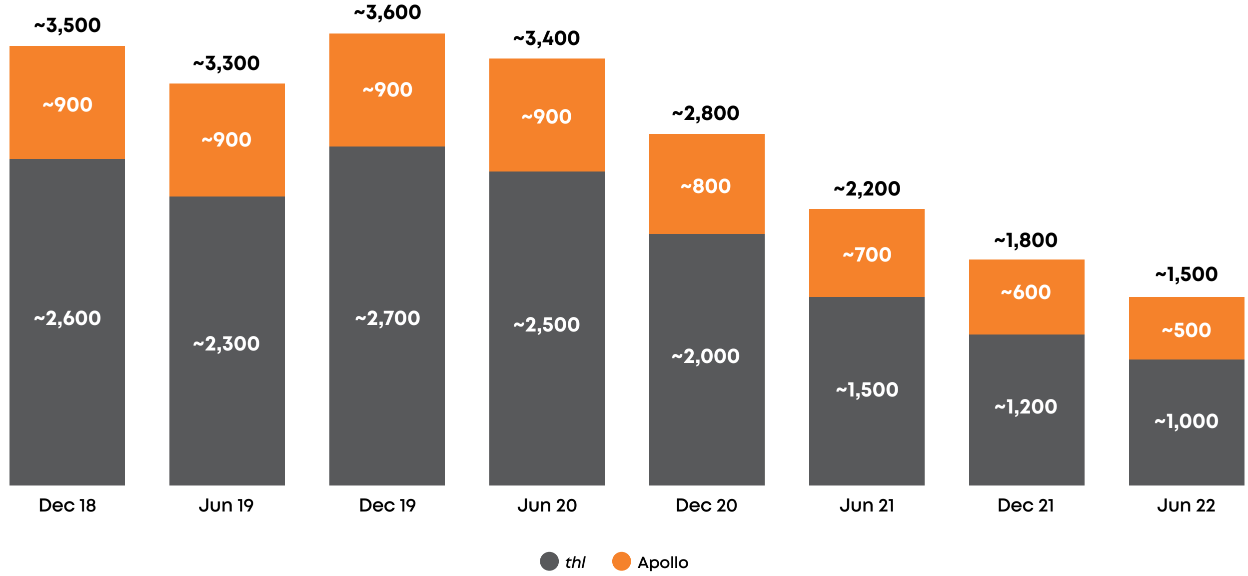
Proposed Apollo divestment

StarRV

Auckland property

Note: Apollo has the exclusive right to import and distribute Adria in Australia and New Zealand; and the exclusive right to manufacture Winnebago in Australia and New Zealand. Action Manufacturing acquired MaxiTRANS NZ in July 2022.

Closing rental fleet size*



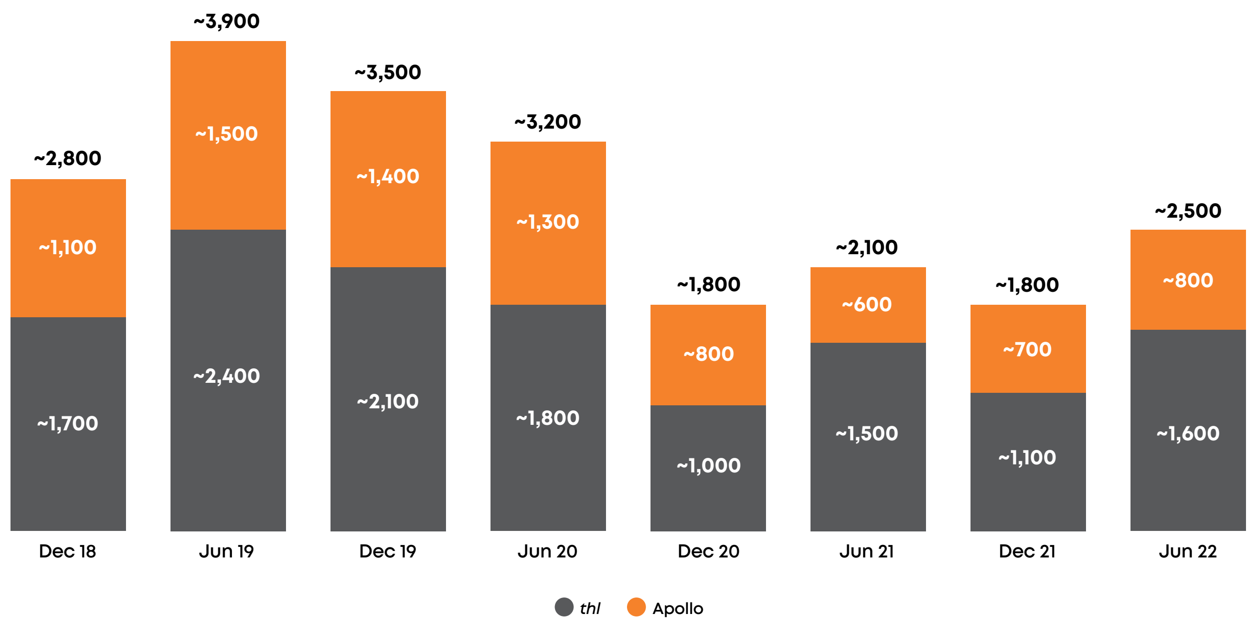
* Total closing rental fleet size may differ to the sum of ***thl***'s fleet size and ATL's fleet size due to rounding.

North American RV business

Apollo	*thl*
CanaDream	Road Bear, Mighty Campers, Britz, El Monte RV

Note: *thl* also has licensees in Reno, Corona, Sacramento, San Diego, Santa Cruz, Ventura / Oxnard, Victorville, Miami, Chicago, Salt Lake City and Denver.

Closing rental fleet size*

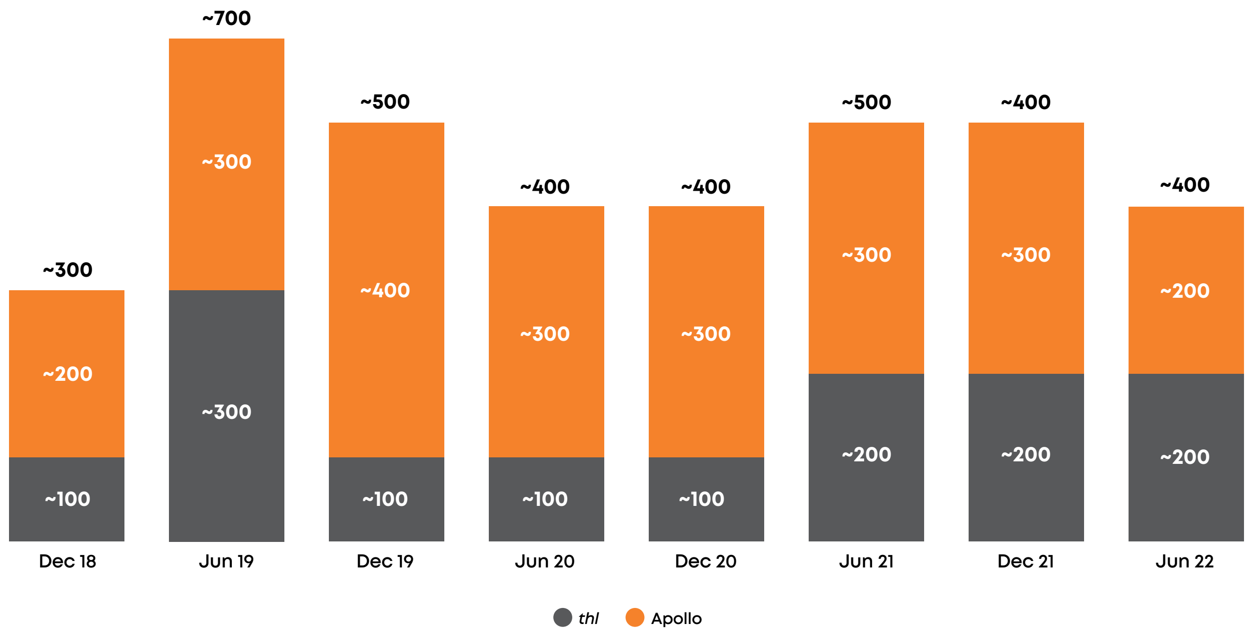


* Total closing rental fleet size may differ to the sum of thl's fleet size and ATL's fleet size due to rounding. ATL liquidated its rental fleet in the USA and hibernated its USA operations between March and June 2020. Closing rental fleet size in June 2020, December 2020 and June 2021 reflect this hibernation.

United Kingdom and European RV business

Apollo | *thl* | Apollo

Closing rental fleet size*



* Total closing rental fleet size may differ to the sum of thl's fleet size and ATL's fleet size due to rounding. ***thl*** owned 49% of Just go motorhomes until October 2022 when it acquired the remaining interest.

Impact of Asset Divestment on Merged Group

thl and ATL have obtained merger clearance approval from the Commerce Commission and ACCC on the basis that the Asset Divestment occurs. The Asset Divestment is currently expected to complete on the Implementation Date, immediately prior to implementation of the Scheme. The Asset Divestment will have a negative impact on the performance of the Merged Group, as the Merged Group's fleet size will reduce by 310 motorhomes in total across New Zealand and Australia.

More specifically, the Asset Divestment will impact hire days and average rental yield as described below. There is also a realisation of profit due to the gain on sale of the motorhomes that are sold above the current book values.

Impact of Divestment		
P&L impact	• Reduction in hire days – smaller fleet base (200 divested motorhomes in Australia and 110 divested motorhomes in New Zealand) • Average rental yield declines – 4-6 berth motorhomes divested have a slightly higher rental rate than the weighted average fleet rental rate (which includes small vehicles) • D&A reduction – smaller fleet base Given the P&L impact of the divestment is highly dependent upon prevailing market conditions1 and external variables outside of the Merged Group's control (such as rental demand), the P&L impact is difficult to precisely quantify with sufficient certainty	Recurring NPAT impact
Cash proceeds/ sales pricing	• One-off cash benefit of ~$16.6m from the sale of the motorhomes at time of divestment (sales proceeds of ~$42.3m less repayment of borrowings of ~$25.3m) • Sales prices are consistent with retail pricing and slightly higher than the weighted average fleet sale price (which includes smaller vehicles) – expected total gain on sale of ~$13.3m	FY23 cash impact

Given the P&L impact of the Asset Divestment is highly dependent upon prevailing market conditions and external variables outside of the Merged Group's control (such as rental demand), the P&L impact is difficult to precisely quantify with sufficient certainty. Prevailing market conditions are likely to also influence other factors such as mix of fleet or length of time vehicles remain on fleet. This in turn influences average rental yields, effective depreciation rates and operating costs, amongst other factors

Synergies – Cost savings

It is expected that there will be material synergies that arise through the combination of the two businesses, which primarily relate to duplication of corporate costs and procurement benefits. As the Merged Group increases manufacturing volumes to deliver on Australasian fleet regrowth plans as tourism recovers, the value of these synergies are expected to become more significant. Bringing together and leveraging each party's existing relationships with suppliers is also expected to mitigate the current effect on each business from supply chain challenges.

In the Original Scheme Booklet, these synergies were expected to deliver a steady-state EBIT uplift of NZ$17m to $19m per annum (or a steady-state pre-tax cash synergy of NZ$18m – NZ$20m). The 'steady-state' synergy assessment is based on the expected cost baselines for each of ***thl***, ATL and the Merged Group in expected normal trading conditions following a post-COVID recovery.

Given the time that has passed from the preparation of the Original Scheme Booklet, a further review of the expected synergies has been undertaken. Based on the revised analysis, these cost-out synergies are now expected to deliver a steady-state EBIT uplift of NZ$23–24m (or a steady-state pre-tax cash synergy of NZ$27–31m):

ESTIMATED STEADY-STATE SYNERGIES PER ANNUM

	EBIT	CASH (PRE-TAX)
February 2022	NZ$17–19m	NZ$18–20m
October 2022	NZ$23–24m	NZ$27–31m

The EBIT synergy range variance relates primarily to the impact of inflation on the costs identified as synergies, the identification of a larger quantum of corporate overhead synergies than earlier expectations and the devaluation of the New Zealand Dollar. The pre-tax cash synergy range variance is further increased by the inclusion of an interest saving synergy that was not previously quantified. The above estimates do not include any potential synergies relating to the Merged Group's North American or United Kingdom/Europe businesses.

The Merged Group has the opportunity to realise synergies in interest savings on ATL debt, given the relatively lower leverage operated by ***thl*** relative to ATL, and the combined scale of the Merged Group. Based on funding rates received from proposed lenders in relation to the Proposed Transaction, it is estimated that there is an additional NZ$3m – NZ$5m of annual recurring interest saving synergies at the steady-state. As an interest saving, this synergy is not included in the steady-state EBIT synergies but is included in the pre-tax cash synergies above.

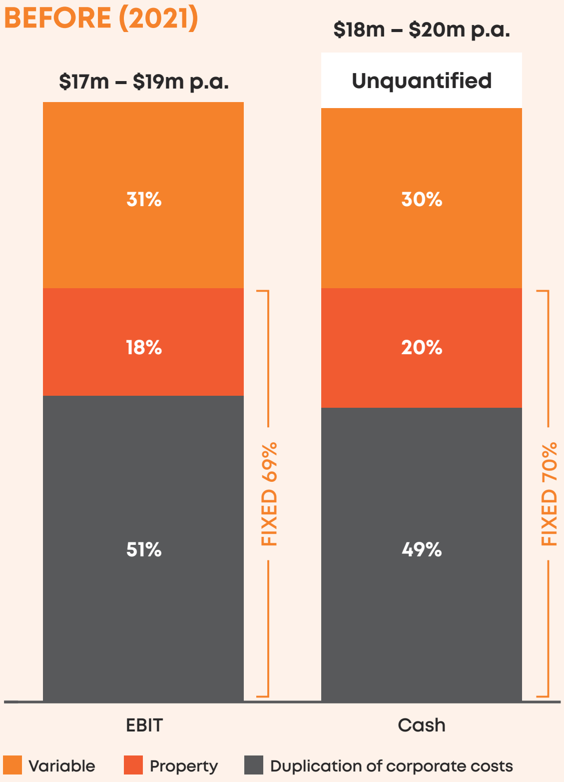
The majority of the fixed cost synergies are expected to be fully realised by the end of FY25, while the phasing of variable cost synergies will increase in line with activity returning to pre-COVID levels and are expected to be materially realised by the end of FY25. Total one-off implementation costs are expected to be NZ$7m to NZ$11m, with the majority of these to be incurred by the end of FY24.

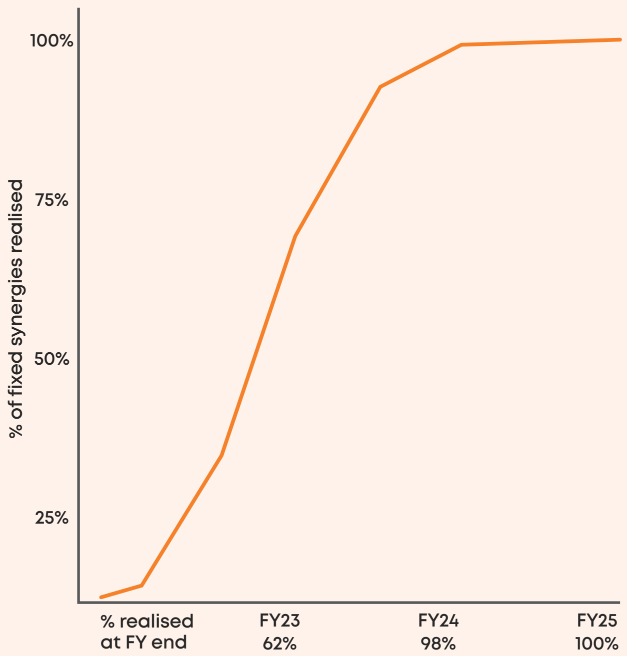
The largely fixed nature of synergies should enhance the Merged Group's ability to best navigate the recovery and significant value is expected to be created regardless of the COVID recovery profile.

Expected cost-out recurring synergies*

Indicative phasing of fixed synergies

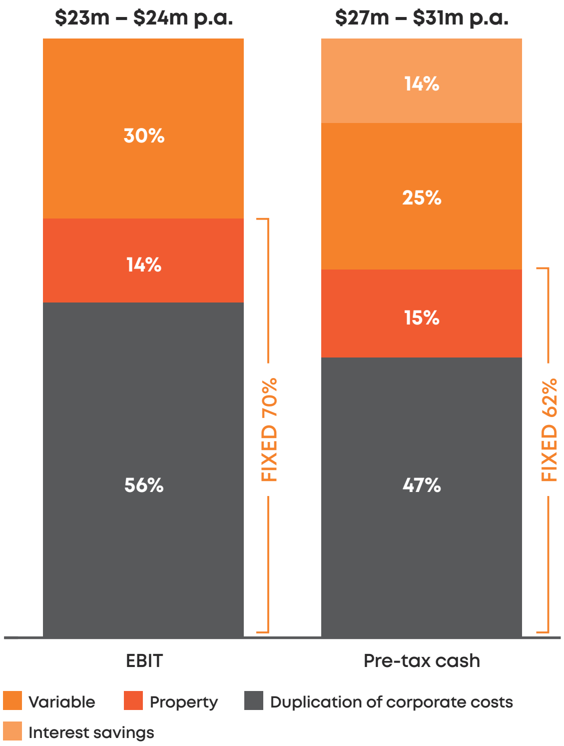
BEFORE (2021)

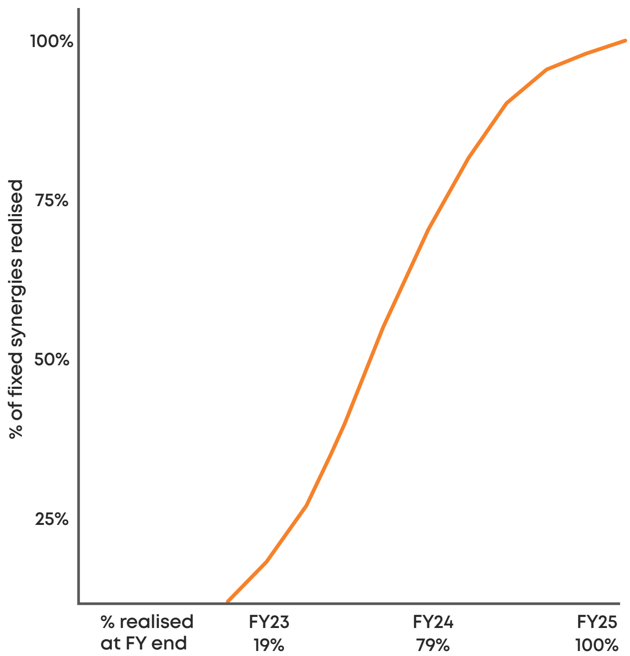




* Percentages based on mid point of synergy range.

NOW (2022)





Synergies – Fleet rationalisation

The Original Scheme Booklet indicated a potential fleet rationalisation opportunity of up to ~1,250 vehicles due to the ability of the Merged Group to service rental operations on a smaller, more optimised fleet base (i.e. enhanced utilisation). This synergy comprised both:

- A one-off reduction in net debt as fleet is permanently removed, including the immediate extraction of up to 300 vehicles from the Merged Group's fleet; and
- An ongoing reduction in annual replacement fleet capex required due to a smaller fleet size.

It is expected that this rationalisation opportunity has already been realised by each company given that there has been a continued selldown of the fleets in New Zealand and Australia throughout 2022 in the ordinary course of business. The Merged Group would therefore no longer seek to immediately extract vehicles from its fleet, given it will start from a lower fleet size relative to that anticipated originally.

However, the Merged Group is expected to be able to realise synergies in servicing rental operations on a more optimised fleet base with enhanced utilisation over the longer term as fleet is rebuilt, relative to the individual fleet rebuild profile of each of ATL and ***thl*** in Australia and New Zealand. This would allow the Merged Group to generate similar revenue on a smaller fleet base by operating with a higher utilisation. It is expected this fleet rationalisation opportunity would commence and increase over to time to be up to 200 vehicles in a steady-state environment. Operating with a smaller fleet on an ongoing basis would deliver both a one-off debt reduction of approximately NZ$25m as well as ongoing cash flow benefits of lower net replacement capital expenditure, given the smaller fleet base. These benefits are expected to be materially achieved by FY25. 150 additional vehicles can be potentially extracted to further operational efficiency improvements in North America, creating a one-off net debt reduction of NZ$18m by FY25.

Current and steady state

	BEFORE (2021)	NOW (2022)
Current fleet reduction: No vehicles extracted from the Merged Group immediately	~300 VEHICLES	~0 VEHICLES
Steady state fleet reduction: Additional vehicles which can be extracted from the Merged Group in a steady state environment	~600 VEHICLES	~200 VEHICLES
One-off debt reduction: Total cash flow impact of the current and steady state fleet reduction	~40m[1] NZD	~25m[1] NZD

Potential upside

	BEFORE (2021)	NOW (2022)
Additional upside fleet reduction: Additional vehicles which can potentially be extracted subject to further operational efficiency improvements in North America[2]	UP TO ~350 VEHICLES OR ~$30m[1] NZD ONE-OFF DEBT REDUCTION	UP TO ~150 VEHICLES OR ~$18m[1] NZD ONE-OFF DEBT REDUCTION
Recurring savings including net capex reduction: Ongoing cashflow benefits of assumed lower net replacement capex resulting from a smaller fleet base	NOT QUANTIFIED	NOT QUANTIFIED

1 Debt reduction per vehicle differs between current and steady state and potential upside due to differences in age of vehicles, mix of vehicles and differences in changes to both purchases and sales.

2 Total fleet size is expected to continue to grow over time as the post-COVID operating environment recovers. Additional upside fleet reduction is relative to steady state fleet size.

Capital structure

thl management consider that by bringing together the distinct capital structures that ***thl*** and ATL operate with presently, the Merged Group will be able to operate with a more balanced capital structure.

Borrowing facilities of the Merged Group

The transaction is subject to refinancing the debt facilities of ***thl*** and/or the Merged Group with new and/or existing financiers with effect from the implementation of the Scheme, and all consents and waivers being obtained from any continuing financiers of ATL. The financing workstream has had to operate in parallel with the ongoing adaptation of the Scheme and developing expectations of the Merged Group's future performance.

The Scheme itself does not create any additional debt (after the impost of transaction related expenses) as the consideration is being paid in equity only, and debt reduction (relative to the combined standalone businesses) is expected to be achieved through fleet rationalisation and the Asset Divestment.

As at the date of this Replacement Scheme Booklet, ***thl*** has substantially progressed new funding arrangements to take effect from the implementation of the Scheme.

The structure includes a confirmed NZ$150 million syndicated corporate debt facility between ***thl***'s current lenders, Westpac and ANZ. Final documentation of this facility is currently being completed. Additionally, the continued funding of the Canadian business has been approved by ATL's Canadian lenders at the current funding levels and is awaiting final confirmation and documentation.

The remainder of the Merged Group's funding requirements will be provided through asset financing, including select existing ATL lenders. In aggregate, the funding available through asset financing facilities is expected to exceed the requirements of the Merged Group in undertaking its intended fleet growth through to the end of FY24. Final documentation has been agreed for a portion of the asset finance facilities and the remainder are awaiting final confirmation and documentation.

The use of corporate debt and asset financing under the proposed arrangements is expected to provide the Merged Group with a mix of funding and access to capital to fund its fleet growth plans, non-fleet capital expenditure and general operating requirements, including working capital increases in businesses such as Action Manufacturing and the Australian manufacturing and retail dealerships, as they increase volumes in line with current forward orders.

Availability of finance is subject to obtaining final approvals, completing necessary documentation and the satisfaction of conditions precedent and completion deliverables in that documentation. ***thl*** continues to expect that the Scheme Conditions relating to refinancing and consent from ATL financiers or refinancing (as detailed in section 5.3) will be satisfied or waived prior to the Delivery Time on the Second Court Date.

9.3 NZX/ASX Dual Listing

thl will apply to be admitted to the official list of ASX as a foreign exempt listing in addition to its existing NZX listing. ***thl*** will use reasonable endeavours to ensure that Scheme Shareholders will be able to trade their ***thl*** Consideration Shares on the ASX by the Implementation Date or as soon as practicable thereafter.

9.4 Capital structure and substantial shareholders

Upon implementation of the Scheme, ***thl*** will issue an additional 57,693,401 ordinary shares in ***thl***.

Capital structure

thl's current capital structure is set out in section 8.5. Based on the capital structures of ***thl*** and ATL as at the Last Practicable Date, it is expected that the capital structure of the Merged Group immediately following the implementation of Scheme will be as follows:

SECURITIES	NUMBER
Ordinary shares	213,773,722
Long-term incentive options	6,598,667
Retention share options	1,212,745
Retention share rights	374,489

Following implementation of the Scheme, and based on the capital structure of ***thl*** and ATL at the Last Practicable Date, Scheme Shareholders will together own approximately 27.0%[24] of ***thl*** Shares on issue, with existing ***thl*** Shareholders owning the remaining approximately 73.0% (except that Foreign Scheme Shareholders will not receive ***thl*** Consideration Shares and will instead receive the net proceeds from the sale of the ***thl*** Consideration Shares that would otherwise have been issued to them, as set out in section 6.6).

Further securities may be issued by ***thl*** in the ordinary course of business between the date of this Replacement Scheme Booklet and implementation of the Scheme, including in respect of ***thl***'s employee share schemes. Refer to section 8.13 of this Replacement Scheme Booklet for further information on ***thl***'s employee share schemes.

Substantial shareholders

Based on the capital structure of ***thl*** and ATL at the Last Practicable Date, and the substantial product holder and substantial shareholder notices lodged with the NZX and ASX respectively, or otherwise known to ***thl*** or ATL as at the Last Practicable Date, immediately following implementation of the Scheme the Merged Group is expected to have the following substantial shareholders who have Relevant Interests in a parcel of 5% or more of the total issued shares in the Merged Group:

NAME	INTEREST IN ***thl*** SHARES	% OF ISSUED ***thl*** SHARES
Trouchet Shareholders	30,960,023 (subject to rounding)	14.48% (subject to rounding)
HB Holdings Limited (a subsidiary of CITIC Capital)[25]	26,789,440	12.53%

9.5 Board and management of the Merged Group

Directors

The Merged Group will be governed by a Board of six Non-Executive Directors, one Executive Director and one Managing Director. It is proposed that three of ATL's current Directors will join the Merged Group Board.

Cathy Quinn ONZM	**Independent Director, Chair**
Robert Baker	**Independent Director**
Debbie Birch	**Independent Director**
Rob Hamilton	**Independent Director**
Sophie Mitchell	**Independent Director**
Luke Trouchet	**Executive Director**
Grainne Troute	**Independent Director**
Grant Webster	**Managing Director**

Director biographies are set out in sections 7.3 and 8.4 of this Replacement Scheme Booklet.

24 After taking into account ***thl***'s existing shareholding in ATL and the ***thl*** Shares issued in connection with ***thl***'s acquisition of 51% of Just go on 4 October 2022. Refer to footnote 1 above.

25 ***thl*** understands HB Holdings Limited intends to distribute its shareholding in ***thl*** to the underlying individual limited partners on the expiration of the CITIC Capital International Tourism Fund.

Executive management

The Merged Group's Executive team will include Grant Webster remaining in the role of Chief Executive Officer, in addition to joining the Board as Managing Director.

Luke Trouchet will also be appointed to the new role of Executive Director – M&A and Global Transitions. In this role, Luke will oversee a number of business projects that are contemplated over the coming years, including transitional projects in relation to chassis procurement, manufacturing, dealerships and technology solutions, as well as exploration of global M&A opportunities.

Nicholas (Nick) Judd will be remaining in the role of Chief Financial Officer of the Merged Group.

The specific Executive structure of the Merged Group, including how duplicate Executive roles between ATL and ***thl*** are to be addressed, are currently under review. Once determined, the remaining Executive structure will be implemented following a transitional period after completion of the Scheme.

9.6 *thl*'s intentions for the business, assets and employees of ATL

The Merged Group will operate a group of products and brands globally under the ***thl*** endorsing parent brand. The Merged Group will continue to use ATL's Apollo flagship brand within its Australasian RV business and the CanaDream brand within the Canadian business, while the Star RV brand will be divested as part of the Asset Divestment.

The rise of working from home has proven that it is not critical that everyone in the head office and group support functions must be based out of the same office, city or country, and that people can work collaboratively across borders and offices. This provides flexibility in the countries from which the Merged Group's head office support functions can be provided as well as optimising the physical locations of the Merged Group. In addition to the arrangements for ATL's executive management team outlined above in section 9.5, ATL's other management and employees are expected to join ***thl***'s management and employees following implementation of the Scheme with the ongoing staffing needs of the Merged Group to be determined in line with the synergy expectations and ongoing needs of the business.

New Zealand and Australian RV business

thl and **ATL**'s current largely duplicated overhead structures in New Zealand and Australia are expected to enable significant cost synergies not otherwise available to the standalone entities. Synergies are expected to be realised in areas including procurement, locations and fleet rationalisation, on the basis that the Merged Group will be able to operate a smaller fleet with higher utilisation and less down time, compared to each of ***thl*** and ATL as standalone businesses. Otherwise, it is not expected that there will be any major changes to the business.

The Merged Group intends to continue to manufacture in both New Zealand and Australia with the ongoing manufacturing footprint of the Merged Group to be determined in line with the synergy expectations and ongoing needs of the business. Manufacturing in both countries is expected to generate significant freight synergies by enabling the production of the rental fleets to occur in the country that the vehicle will be operating in, reducing the need for ***thl*** to ship vehicles to Australia and for ATL to ship vehicles to New Zealand, as is currently necessary.

New Zealand tourism

There are no expected changes to ***thl***'s New Zealand tourism businesses, Discover Waitomo and Kiwi Experience. Following a strategic review of Kiwi Experience earlier in 2022, ***thl*** has decided to operate the business for the 2022/2023 high season while continuing to assess future ownership options including potential joint ventures or partnerships.

North America

thl operates in the USA through Road Bear and El Monte RV, and ATL operates in Canada through CanaDream. There are expected to be opportunities to leverage the expertise and procurement capabilities of each business to realise synergies for North American operations, however none have been included in the parties' quantification of the potential synergies from the merger.

United Kingdom and Europe

thl has recently acquired the remaining interest in its United Kingdom business, Just go motorhomes, which was previously a 49% joint venture. No synergies have been included in the parties' quantification of the potential synergies from the merger for the United Kingdom and European operations, however there are expected to be opportunities to leverage the expertise and procurement capabilities of each business to realise synergies.

Intentions based on current information

The information contained in this section 9.6 and elsewhere in this Replacement Scheme Booklet concerning the intentions of the Merged Group have been formed on the basis of facts and information concerning ATL and the general business environment which are known to ***thl*** as at the date of this Replacement Scheme Booklet.

thl will review and make determinations regarding the matters set out above in light of all such material information, facts and circumstances at the relevant time. Accordingly, it is important to recognise that the statements concerning the intentions of the Merged Group set out in this section 9.6 and elsewhere in this Replacement Scheme Booklet are statements of current intentions only, which may change as new information becomes available or circumstances change.

9.7 Dividend policy

The dividend policy is to be reviewed by the Board of the Merged Group by the time of the FY23 results announcement in August 2023. The current intention of the ***thl*** Board is that dividends will recommence, most likely at a lower payout ratio than was paid prior to the COVID-19 pandemic, once the Merged Group has delivered a full financial year of profit similar to pre-COVID performance and the leverage ratio is at a level where lender consent is no longer required for distributions to shareholders.

The review of the dividend policy will, among other matters, consider:

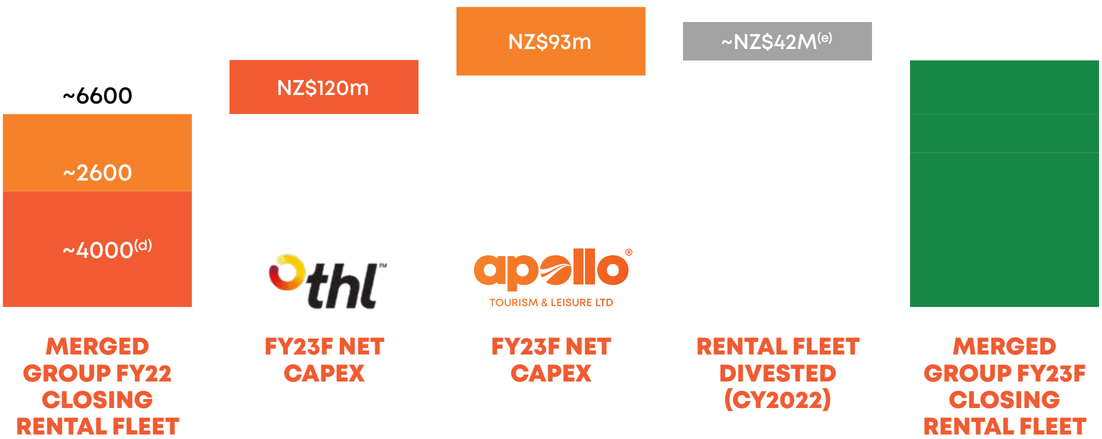
- the equity ratio of the Merged Group;
- the availability of tax imputation and franking credits; and
- the Merged Group's future growth capital requirements, including as it focuses on re-fleeting in the near-medium term to take advantage of expected recovery and other opportunities.

9.8 FY23 outlook

The information below contains a summary of the existing guidance provided by each of ***thl*** and ATL in respect of FY23, and an indication of how the Asset Divestment is likely to impact the financial performance of the Merged Group in FY23.

	FY23 CAPEX	FY23 NPAT
thl™ [a]	• Gross capex ~NZ$270m – $300m • Net capex ~NZ$120m • Fleet expected to grow by ~20% in FY23	• Upgraded NPAT guidance to above NZ$30m, inclusive of estimated one-off transaction costs of NZ$3.5m
apollo® TOURISM & LEISURE LTD [b]	• Gross capex ~NZ$178m • Net capex ~NZ$93m	• Upgraded NPAT guidance to above ~NZ$21.3m, excluding estimated one-off transaction costs of ~NZ$3.3m
Merged Group	• Divestment impact – net capex reduction of ~NZ$42m	• Negative impact of synergy implementation costs and subsequent benefit from synergy realisation • Reduction in revenue, vehicle depreciation and costs for 7 months from divestment impact

Indicative FY22 – FY23 fleet bridge[c]



(a) ***thl*** FY23F capex guidance as per its FY22 results presentation (and includes immaterial non-fleet capex) and FY23F NPAT guidance as per its NZX announcement on 12 October 2022.

(b) Apollo FY23F capex guidance as per its FY22 results presentation (and excludes non-fleet capex of ~NZ$3.3m) and FY23F NPAT guidance as per its ASX announcement on 18 October 2022. Apollo financial information has been currency adjusted at 0.9380 NZD / AUD.

(c) Not to scale.

(d) ***thl*** FY22 closing rental fleet balance of ~4,000 reflects ***thl***'s reported FY22 closing balance of ~3,850 plus Just go fleet (***thl*** acquired the remaining 51% of Just go on 4 October 2022).

(e) Net sales proceeds from the sale of 310 motorhomes in New Zealand and Australia to Jucy.

9.9 Pro forma financial information

(a) Summary of information

The information included in section 9.8 is pro forma financial information for the Merged Group comprising the ***thl*** Group and the ATL Group as at 30 June 2022 to illustrate the impact of transactions relating to the Scheme as if they had occurred on 30 June 2022 from a statement of financial position perspective, and 1 July 2021 from a statement of comprehensive income and statement of cash flows perspective (collectively, **Merged Group Pro Forma Financial Information**).

This Merged Group Pro Forma Financial Information comprises:

(a) Merged Group pro forma historical statement of comprehensive income for the year ended 30 June 2022 (**Merged Group Pro Forma Historical Income Statement**), as set out in table 1;

(b) Merged Group pro forma historical statement of financial position as at 30 June 2022 (**Merged Group Pro Forma Historical Statement of Financial Position**), as set out in table 2; and

(c) Merged Group pro forma historical cash flows for the year ended 30 June 2022 (**Merged Group Pro Forma Historical Cash Flows**), as set out in table 3.

The Merged Group Pro Forma Financial Information has been reviewed by the Investigating Accountant, in accordance with the Australian Standard on Assurance Engagements ASAE 3450 *Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information*, as stated in its Replacement Independent Assurance Report included in Annexure B. ATL Voting Shareholders should note the scope and limitations of the Replacement Independent Limited Assurance Report.

The Merged Group Pro Forma Financial Information is indicative only. ***thl*** has drawn conclusions based on the facts known and other information publicly available as at the date of this Replacement Scheme Booklet. If the facts, circumstances or other information should prove different to that described, the conclusions may change accordingly.

The Merged Group Pro Forma Financial Information should be read in conjunction with the:

- basis of preparation set out in section 9.8(b) below;
- Scheme adjustments described in section 9.8(f) below, which have been made to reflect certain financial impacts of the Scheme;
- accounting policies of ***thl*** and ATL as disclosed in their most recent financial reports;
- risk factors set out in section 10 of this Replacement Scheme Booklet; and
- other information contained in this Replacement Scheme Booklet.

(b) Basis of preparation

The Merged Group Pro Forma Financial Information assumes the acquisition by ***thl*** of 100% of the shares in ATL. The Merged Group Pro Forma Financial Information included in this section is intended to present ATL Voting Shareholders with information to assist them in understanding the pro forma historical financial performance, position and cash flows of the Merged Group. ***thl*** management are responsible for the preparation and presentation of the Merged Group Pro Forma Financial Information.

The Merged Group Pro Forma Financial Information has been prepared on a going concern basis, which assumes continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

The Merged Group Pro Forma Financial Information has been prepared in a manner consistent with the accounting policies and principles applied by ***thl*** in preparing its Annual Report for the year ended 30 June 2022, using the assumptions set out in section 9.9(f), "Notes to the Merged Group Pro Forma Financial Information".

The Merged Group Pro Forma Financial Information presents the combination of the financial statements for ***thl*** for the financial year ended 30 June 2022 (***thl*** **Historical Financial Information**) and the financial statements for ATL for the financial year ended 30 June 2022 (**ATL Historical Financial Information**) after giving effect to the Scheme which is assumed to have occurred on 30 June 2022 from a statement of financial position perspective, and 1 July 2021 from a statement of comprehensive income and statement of cash flows perspective.

The financial statements for ***thl*** for the year ended 30 June 2022 have been audited by PricewaterhouseCoopers and the financial statements for ATL for the year ended 30 June 2022 have been audited by BDO.

The Merged Group Pro Forma Financial Information has been derived from:

- ***thl*** Historical Financial Information for the year ended 30 June 2022;
- ATL Historical Financial Information for the year ended 30 June 2022 as adjusted for reclassifications and presentation currency as detailed in section 9.9(f) below; and
- Adjustments for the effects of pro forma adjustments described in section 9.9(f) below.

The consummation of the Scheme remains subject to the satisfaction of various Scheme Conditions, including approval by ATL Voting Shareholders and the Court, refinancing by ***thl*** and the Divestment Condition. ***thl*** notes that the Scheme has not been consummated, and may never be consummated, including due to reasons outside of ***thl***'s control.

The Merged Group Pro Forma Financial Information is presented for informational purposes only and is not intended to present, or be indicative of, what results from operations or financial position would have been had the events actually occurred on the dates indicated, nor is it meant to be indicative of future results from operations or financial position for any future period or as of any future date. The Merged Group Pro Forma Financial Information does not give effect to the potential impact of current financial conditions, or any anticipated synergies that may result from the implementation of the Scheme and subsequent integration of the two businesses.

The pro forma adjustments are based on current available information and certain assumptions that ***thl*** believes are reasonable. Assumptions underlying the pro forma adjustments are described in the notes, which should be read in conjunction with the Merged Group Pro Forma Financial Information. The actual adjustments to ***thl*** financial statements will depend on a number of factors and additional information that will be available on or after the implementation of the Scheme. Accordingly, the actual adjustments that will appear in the ***thl*** financial statements will differ from these pro forma adjustments, and those differences may be material.

thl conducted an initial review of both parties' financial statements, which comply with IFRS, to identify any material differences in ATL's accounting policies or financial statement presentation that may require alignment or reclassification in order to conform with ***thl*** accounting policies and financial statement presentations. ***thl*** has not identified any material differences in accounting policies that requires an adjustment.

thl prepares its financial statements on the basis of a fiscal year ended 30 June and its presentation currency is New Zealand dollars ("NZ$"). The financial statements of ATL have been prepared on the basis of a fiscal year ended 30 June and ATL's presentation currency is Australian dollars ("A$"). The Merged Group Pro Forma Financial Information is presented in NZ$ and, unless otherwise noted, and is presented to one decimal place. ***thl*** and ATL present numbers in thousands in their historical financial statements. For the purpose of this Replacement Scheme Booklet, numbers have been converted to millions. This may result in rounding differences within the tables presented in this section.

Due to its nature, the Merged Group Pro Forma Financial Information does not represent the Merged Group's actual or prospective financial position, performance, or cash flows.

The Merged Group Pro Forma Financial Information contained in this section 9.8 is presented in an abbreviated form as it does not include all the disclosures, statements or comparative information that are required by New Zealand GAAP applicable to full financial statements or to financial statements prepared in accordance with the applicable rules and regulations of the NZX and the New Zealand Companies Act 1993.

(c) Merged Group Pro Forma Historical Income Statement

The table below sets out the Merged Group pro forma unaudited statement of comprehensive income for the 12 months ended 30 June 2022 which has been prepared to illustrate the impact of giving effect to the Scheme which is assumed to have occurred on 1 July 2021. The information below has been reviewed by the Investigating Accountant as part of of the Replacement Independent Assurance Report set out in Annexure B.

Table 1: Statement of comprehensive income

FOR THE YEAR ENDED 30 JUNE 2022

NZ$M	TOURISM HOLDINGS LIMITED	APOLLO ADJUSTED, TRANSLATED AND RECLASSIFIED	SCHEME ADJUSTMENTS	FLEET DIVESTMENT	JUST GO	PROPERTY SALE	NOTES	MERGED GROUP PRO FORMA CONSOLIDATED PERFORMANCE
Sales of services	118.9	67.7	-	-	8.6	-	[10]	195.2
Sales of goods	226.9	214.6	-	-	2.7	-	[10]	444.2
Total revenue	345.8	282.3	-	-	11.4	-	[10]	639.5
Cost of sales	(150.8)	(176.4)	-	-	(4.9)	-	[10]	(332.1)
Gross profit	195.0	105.9	-	-	6.5	-	[10]	307.4
Administration expense	(51.4)	(15.8)	(6.0)	-	(3.4)	-	[4,10]	(76.6)
Operating expenses	(147.5)	(88.6)	-	-	-	-	[10]	(236.0)
Other income	10.8	1.2	-	13.3	0.0	10.1	[8,9,10]	35.4
Operating profit / (loss) before financing costs	6.9	2.8	(6.0)	13.3	3.0	10.1	[10]	30.1
Finance income	0.0	-	-	-	-	-		0.0
Finance expense	(10.7)	(10.5)	-	-	(0.3)	-		(21.5)
Net finance costs	(10.7)	(10.5)	-	-	(0.3)	-		(21.5)
Share of profit/(loss) from associates	1.1	-	-	-	(1.1)	-		-
Profit/ (loss) before tax	(2.7)	(7.6)	(6.0)	13.3	1.6	10.1		8.6
Income tax benefit / (expense)	0.6	2.7	-	(3.9)	(0.5)	(3.3)		(4.4)
Profit / (loss) for the year	(2.1)	(5.0)	(6.0)	9.4	1.2	6.8		4.2
Profit / (loss) is attributable to:								
Non-controlling interests	(0.6)	-	-	-	-	-		(0.6)
Equity Holders of the parent	(1.5)	(5.0)	(6.0)	9.4	-	6.8		3.7
Profit / (loss) for the year	(2.1)	(5.0)	(6.0)	9.4	-	6.8		3.1
Other comprehensive income / (loss) net of tax								
Foreign currency translation reserve movement and equity investment reserve movement (net of tax)	14.0	0.9	-	-	-	-		14.9
Cash flow hedge reserve movement (net of tax)	3.9	-	-	-	-	-		3.9
Other comprehensive income / (loss) for the year (net of tax)	17.9	0.9	-	-	-	-		18.8
Total comprehensive income / (loss) for the year attributable to equity holders of the Company	15.8	(4.1)	(6.0)	9.4	-	6.8		21.9
Total comprehensive income / (loss) for the year is attributable to								
Non-controlling interests	(0.6)	-	-	-	-	-		(0.6)
Equity Holders of the parent	16.5	(4.1)	(6.0)	9.4	-	6.8		22.5
Total comprehensive income / (loss) for the year	15.8	(4.1)	(6.0)	9.4	1.2	6.8		23.0

(d) Merged Group Pro Forma Historical Statement of Financial Position

The table below sets out the Merged Group pro forma unaudited statement of financial position as at 30 June 2022 which has been prepared to illustrate the impact of giving effect to the Scheme which is assumed to have occurred on 30 June 2022. The information below has been reviewed by the Investigating Accountant as part of the Replacement Independent Assurance Report set out in Annexure B.

Table 2 Statement of financial position

AS AT 30 JUNE 2022

NZ$'M	TOURISM HOLDINGS LIMITED	APOLLO ADJUSTED, TRANSLATED AND RECLASSIFIED	SCHEME ADJUST-MENTS	FLEET DIVEST-MENT	JUST GO	PROPERTY SALE	NOTES	MERGED GROUP PRO FORMA CONSOLIDATED POSITION
ASSETS								
Non-current assets								
Property, plant and equipment	311.8	147.2	-	(29.0)	11.4	(40.4)	[8,9,10]	401.0
Intangible assets (including goodwill)	55.4	25.5	133.7	-	-	-	[3,7]	214.6
Financial asset recognised at fair value through the income statement	5.6	-	-	-	-	-		5.6
Investments accounted for using the equity method	-	2.8						2.8
Derivative financial instruments	0.5	-	-	-	-	-		0.5
Investment in associates	6.0	-	-	-	(6.0)	-	[10]	-
Right-of-use assets – Fleet	-	64.0	-	-	-	-		64.0
Right-of-use assets – Property	70.8	22.9	-	-	-	23.6	[9]	117.3
Deferred tax assets	-	10.6	(7.9)	(2.8)	-	-	[7]	(0.0)
Other non-current assets	-	2.3	-	-	-	-		2.3
Total	450.1	275.2	125.8	(31.7)	5.4	(16.8)		807.9
Current assets								
Cash and cash equivalents	38.8	40.3	(6.0)	16.6	7.7	32.9	[4,10]	130.4
Trade and receivables and other assets	33.1	13.7	(0.4)	-	2.6	-	[6,10]	48.9
Inventories	67.3	59.6	-	-	0.9	-	[10]	127.8
Current tax receivables	6.3	0.3	-	-	0.1	-	[10]	6.7
Assets classified as held for sale	0.3	-	-	-	-	-		0.3
Total current assets	595.8	389.0	119.4	(15.1)	16.8	16.1		1,122.0
Total assets								
EQUITY								
Share capital	279.0	92.7	66.4	-	(6.0)	-	[3,6,10]	432.2
Retained earnings	37.7	(42.1)	36.1	9.4	7.3	6.8	[3,4,6,9,10]	55.2
Cash flow hedge reserve	15.0	(12.3)	12.3	-	-	-	[3]	15.0
Total equity	331.7	38.3	114.8	9.4	1.4	6.8		502.3

AS AT 30 JUNE 2022

NZ$'M	TOURISM HOLDINGS LIMITED	APOLLO ADJUSTED, TRANSLATED AND RECLASSIFIED	SCHEME ADJUST-MENTS	FLEET DIVEST-MENT	JUST GO	PROPERTY SALE	NOTES	MERGED GROUP PRO FORMA CONSOLIDATED POSITION
LIABILITIES								
Non-current liabilities								
Interest bearing loans and borrowings	97.3	55.4	–	(15.7)	1.0	(27.9)	[8,9,10]	110.0
Derivative financial instruments	0.0	–	–	–	–	–		0.0
Deferred income tax liability	16.1	16.7	4.6	1.1	1.9	2.7	[7,10]	43.1
Lease liabilities	72.7	52.9	–	–	–	33.2	[9]	158.7
Other liabilities	–	0.3	–	–	–	–		0.3
Total non-current liabilities	186.1	125.2	4.6	(14.5)	2.8	8.0		312.2
Current liabilities								
Interest bearing loans and borrowings	–	130.7	–	(9.6)	9.5	(1.2)	[8,9]	129.3
Trade and other payables	31.9	19.0	–	–	3.1	–	[10]	54.0
Revenue in advance	26.0	27.0	–	(0.3)	–	–	[8]	52.7
Employee benefits	9.0	–	–	–	–	–		9.0
Provisions	0.6	6.3	–	–	–	–		7.0
Derivative financial instruments	0.0	–	–	–	–	–		0.0
Current tax liabilities	–	0.3	–	–	–	0.6		0.9
Lease liabilities	9.9	30.3	–	–	–	2.0	[9]	42.2
Contract liabilities	–	11.8	–	–	–	–		11.8
Other liabilities	–	0.1	–	–	–	–		0.1
Liabilties classified as held for sale	0.5	–	–	–	–	–		0.5
Total current liabilities	78.0	225.5	–	(10.0)	12.6	1.3		307.5
Total liabilities	264.2	350.7	4.6	**(24.5)**	15.4	9.3		619.7
Total equity and liabilities	**595.8**	**389.0**	**119.4**	**(15.1)**	**16.8**	**16.1**		**1,122.0**

(e) Merged Group pro forma unaudited statement of cash flows

The table below sets out the Merged Group pro forma unaudited statement of cash flows for the 12 months ended 30 June 2022 which has been prepared to illustrate the impact of giving effect to the Scheme which is assumed to have occurred on 1 July 2021. The information below has been reviewed by the Investigating Accountant as part of the Replacement Independent Assurance Report set out in Annexure B.

Table 3 Statement of cash flows

AS AT 30 JUNE 2022

NZ$'M	TOURISM HOLDINGS LIMITED	APOLLO ADJUSTED, TRANSLATED AND RECLASSIFIED	SCHEME ADJUST-MENTS	FLEET DIVEST-MENT	JUST GO	PROPERTY SALE	NOTES	MERGED GROUP PRO FORMA CONSOLIDATED POSITION
Cash flows from operating activities								
Receipts from customers	128.3	300.6	–	(0.3)	21.4	–	[8,10]	449.9
Proceeds from sale of goods	227.3	34.6	–	42.3	(2.5)	–	[8,10]	301.6
Proceeds from insurance recoveries	0.1	–	–	–	–	–		0.1
Interest received	0.0	0.1	–	–	–	–		0.1
Dividend received	0.8	–	–	–	–	–		0.8
Payments to suppliers and employees	(199.1)	(291.6)	(6.0)	–	(8.2)	–	[4,10]	(504.8)
Purchase of rental assets	(164.5)	(32.8)	–	–	–	–		(197.3)
Interest paid	(10.5)	(11.1)	–	–	–	–		(21.6)
Taxation received/(paid)	(4.2)	0.1	–	–	–	–		(4.1)
Net cash flows from / (used in) operating activities	(21.6)	(0.2)	(6.0)	41.9	10.7	–		24.8
Cash flows from investing activities								
Sale of property, plant & equipment	0.2	0.5	–	–	0.3	62.1	[9,10]	63.0
Purchase of rental fleet	–	–	–	–	(4.7)	–	[10]	(4.7)
Purchase of property, plant & equipment	(2.9)	(1.2)	–	–	0.6	–	[10]	(3.5)
Payments for investments accounted for using the equity method	–	(0.1)						(0.1)
Sale proceeds from Togo class B shares	23.1	–	–	–	–	–		23.1
Purchase of intangibles	(4.6)	(1.0)	–	–	–	–		(5.6)
Net cash flows from / (used in) investing activities	15.8	(1.7)	–	–	(3.9)	62.1		72.2

AS AT 30 JUNE 2022

NZ$'M	TOURISM HOLDINGS LIMITED	APOLLO ADJUSTED, TRANSLATED AND RECLASSIFIED	SCHEME ADJUST-MENTS	FLEET DIVEST-MENT	JUST GO	PROPERTY SALE	NOTES	MERGED GROUP PRO FORMA CONSOLIDATED POSITION
Cash flows from financing activities								
Payment for lease liability principal	(9.6)	(35.7)	–	–	–	–		(45.3)
Proceeds from borrowings	89.1	190.8	–	–	–	–		279.9
Repayments of borrowings	(76.2)	(164.0)	–	(25.3)	(5.3)	(29.2)	[8,10]	(299.9)
Proceeds from share issue	0.2	–	–	–	–	–		0.2
Net cash flows from / (used in) financing activities	3.5	(8.9)	–	(25.3)	(5.3)	(29.2)		(65.1)
Net increase in cash and cash equivalents	(2.4)	(10.8)	(6.0)	16.6	1.6	32.9	[9,10]	31.9
Opening cash and cash equivalents	38.1	48.5	n/a	–	6.1	–	[10]	92.7
Exchange (losses)/ gains on cash and cash equivalents	3.1	2.6	n/a	n/a	0.1	n/a	[10]	5.7
Closing cash and cash equivalents	**38.8**	**40.3**	**(6.0)**	**16.6**	**7.7**	**32.9**		**130.4**

(f) Notes to the Merged Group Pro Forma Financial Information

Alignment, reclassification and translation adjustments

Note (1) Conforming accounting policies

thl management performed an initial review of the accounting policies of ATL to determine if any differences in accounting policies require reclassification or adjustment to the Merged Group Pro Forma Financial Information. As a result of that preliminary review, ***thl***'s management did not identify any material differences in accounting policy.

Depreciation rates

thl's management have identified potential differences in the approach for management assessment of depreciation rates applied to fleet vehicles. ***thl***'s management have undertaken an analysis, using the best available information, to assess and quantify the adjustment required to realign ATL's depreciation rates to be consistent with ***thl***'s management assessment. The analysis was performed by quantifying the average difference on gain on sale of similar vehicle types between ***thl*** and ATL, as well as analysing the average age on fleet and book value. A realignment adjustment would give rise to an increased depreciation expense, increased gain on sale of fleet vehicles, and a reduction of the book value of fleet vehicles of the Merged Group Pro Forma Financial Information as at 30 June 2022. However, based on the analysis undertaken, ***thl*** have elected to not adjust the Merged Group Pro Forma Financial Information given the immaterial quantum of the adjustment.

Furthermore, the fair value exercise yet to be completed on the acquired fleet would also likely result in a depreciation rate outcome different from any notional reassessment of the depreciation rates by ***thl*** applying its methodology.

When ***thl*** management completes a final review of ATL's accounting policies, additional differences may be identified that, when conformed, could have a material impact on the Merged Group Pro Forma Financial Information.

Note (2) Foreign currency translation and historical financial information reclassification

Foreign currency translation

Historical financial information and any pro forma adjustments based on ATL and Just go historical financial information have been translated from its presentation currency of $A and UK£ respectively, to be presented in ***thl*** presentation currency of NZ$ using the following exchange rates.

TOURISM HOLDINGS PRESENTATION CURRENCY OF NZ$ USING THE FOLLOWING EXCHANGE RATES

	UK£/NZ$	A$/NZ$
Income statement and cash flows – average rate for the year ended 30 June 2022	0.5114	0.9380
Statement of financial position – from ***thl*** draft financial statements	0.5127	0.9031

Note: Exchange rate expressed as foreign currency per one NZ dollar.

Reclassifications

Certain reclassification adjustments have been made to conform ATL historical financial information presentation to that of ***thl*** as follows:

- ATL includes right of use assets for property leases and fleet within the Property, Plant and Equipment caption. These right of use assets have been presented separately consistent with the presentation adopted by ***thl***.
- ATL includes purchases of new fleet as an investing cash flow whereas ***thl*** classifies this as an operating cash flow. The purchase of new fleet has been presented as an operating cash flow consistent with the presentation adopted by ***thl***.

ATL translated and reclassified

The following tables reflect the impact of the above adjustments and reclassifications on ATL's historical consolidated statement of comprehensive income as presented in the Merged Group Pro Forma Statement of Comprehensive Income.

Statement of comprehensive income

FOR THE YEAR ENDED 30 JUNE 2022

	APOLLO (A$'M)	APOLLO TRANSLATED (NZ$'M)	APOLLO RECLASSIFICATION (NZ$'M)	NOTE	APOLLO ADJUSTED, TRANSLATED AND RECLASSIFIED (NZ$'M)
Sales of services	63.5	67.7	–		67.7
Sales of goods	201.3	214.6	–		214.6
Total revenue	264.8	282.3	–		282.3
Cost of sales	(165.5)	(176.4)	–		(176.4)
Gross profit	99.4	105.9	–		105.9
Administration expense	(14.8)	(15.8)	–		(15.8)
Operating expenses	(83.1)	(88.6)	–		(88.6)
Other income	1.1	1.2	–		1.2
Operating (loss)/profit before financing costs	2.7	2.8	–		2.8
Finance income	–	–	–		0.0
Finance expense	(9.8)	(10.5)	–		(10.5)
Net finance costs	(9.8)	(10.5)	–		(10.5)
Share of profit/(loss) from associates	–	–	–		0.0
Share of profit/(loss) from joint ventures	–	–	–		0.0
Profit/ (loss) before tax	(7.2)	(7.6)	–		(7.6)
Income tax benefit / (expense)	2.5	2.7	–		2.7
Profit / (loss) for the year	(4.7)	(5.0)	–		(5.0)
Profit / (loss) is attributable to:			–		
Equity Holders of the parent	(4.7)	(5.0)	–		(5.0)
Profit /(loss) for the year	(4.7)	(5.0)	–		(5.0)
Other comprehensive income / (loss) net of tax					
Foreign currency translation reserve movement and equity investment reserve movement (net of tax)	0.8	0.9	–		0.9
Other comprehensive income / (loss) for the year (net of tax)	0.8	0.9	–		0.9
Total comprehensive income / (loss) for the year attributable to equity holders of the Company	(3.8)	(4.1)	–		(4.1)
Total comprehensive income / (loss) for the year is attributable to					
Equity Holders of the parent	(3.8)	(4.1)	–		(4.1)
Total comprehensive income / (loss) for the year	(3.8)	(4.1)	–		(4.1)

The following table reflects the impact of the above adjustments and reclassifications on ATL's historicalconsolidated statement of financial position as presented in the Merged Group Pro Forma Statement of Financial Position.

Statement of financial position

AS AT 30 JUNE 2022

	APOLLO (A$'M)	APOLLO TRANSLATED (NZ$'M)	APOLLO RECLASSIFICATION (NZ$'M)	NOTE	APOLLO ADJUSTED, TRANSLATED AND RECLASSIFIED (NZ$'M)
ASSETS					
Non-current assets					
Property, plant and equipment	211.4	234.1	(86.9)	[2]	147.2
Intangible assets (including goodwill)	23.0	25.5	–		25.5
Investments accounted for using the equity method	2.5	2.8	–		2.8
Right-of-use assets – Fleet	–	–	64.0	[2]	64.0
Right-of-use assets – Property	–	–	22.9	[2]	22.9
Deferred tax assets	9.6	10.6	–		10.6
Other non-current assets	2.0	2.3	–		2.3
Total	248.6	275.2	–		275.2
Current assets					
Cash and cash equivalents	36.4	40.3	–		40.3
Trade and receivables and other assets	12.3	13.7	–		13.7
Inventories	53.8	59.6	–		59.6
Current tax receivables	0.2	0.3	–		0.3
Total current assets	102.8	113.8	–		113.8
Total assets	**351.3**	**389.0**	**–**		**389.0**

AS AT 30 JUNE 2022	APOLLO (A$'M)	APOLLO TRANSLATED (NZ$'M)	APOLLO RECLASSIFICATION (NZ$'M)	NOTE	APOLLO ADJUSTED, TRANSLATED AND RECLASSIFIED (NZ$'M)
EQUITY					
Share capital	83.7	92.7	–		92.7
Retained earnings	(38.0)	(42.1)	–		(42.1)
Cash flow hedge reserve	(11.1)	(12.3)	–		(12.3)
Total equity	34.6	38.3	–		38.3
Non-current liabilities					
Interest bearing loans and borrowings	50.0	55.4	–		55.4
Deferred income tax liability	15.1	16.7	–		16.7
Lease liabilities	47.7	52.9	–		52.9
Other liabilities	0.3	0.3	–		0.3
Total non-current liabilities	113.1	125.2	–		125.2
Current liabilities					
Interest bearing loans and borrowings	118.0	130.7	–		130.7
Trade and other payables	17.1	19.0	–		19.0
Revenue in advance	24.4	27.0	–		27.0
Provisions	5.7	6.3	–		6.3
Current tax liabilities	0.3	0.3	–		0.3
Lease liabilities	27.3	30.3	–		30.3
Contract liabilities	10.6	11.8	–		11.8
Other liabilities	0.1	0.1	–		0.1
Total current liabilities	203.7	225.5	–		225.5
Total liabilities	316.8	350.7	–		350.7
Total equity and liabilities	**351.3**	**389.0**	**–**		**389.0**

The following table reflects the impact of the above adjustments and reclassifications on ATL's historical consolidated statement of cash flows as presented in the Merged Group Pro Forma Statement of Cash Flow.

Statement of cash flows

AS AT 30 JUNE 2022

	APOLLO (A$'M)	APOLLO TRANSLATED (NZ$'M)	APOLLO RECLASSIFICATION (NZ$'M)	NOTE	APOLLO ADJUSTED, TRANSLATED AND RECLASSIFIED (NZ$'M)
Cash flows from / (used in) operating activities					
Receipts from customers	281.9	300.6	–		300.6
Proceeds from sale of goods	32.4	34.6	–		34.6
Proceeds from insurance recoveries	0.1	0.1	–		0.1
Interest received	(273.5)	(291.6)	–		(291.6)
Payments to suppliers and employees	–	–	(32.8)	[2]	(32.8)
Purchase of rental assets	(10.4)	(11.1)	–		(11.1)
Interest paid	0.1	0.1	–		0.1
Taxation received/(paid)	30.6	32.6	(32.8)		(0.2)
Net cash flows from / (used in) operating activities	30.6	32.6	(32.8)		(0.2)
Cash flows from investing activities					
Sale of property, plant & equipment	0.4	0.5	–		0.5
Purchase of rental fleet	(30.8)	(32.8)	32.8	[2]	–
Purchase of property, plant & equipment	(1.1)	(1.2)	–		(1.2)
Payments for investments accounted for using the equity method	(0.1)	(0.1)	–		(0.1)
Sale proceeds from Togo class B shares		0.0	–		–
Purchase of intangibles	(0.9)	(1.0)	–		(1.0)
Net cash flows / (used in) investing activities	(32.4)	(34.5)	32.8		(1.7)

AS AT 30 JUNE 2022

	APOLLO (A$'M)	APOLLO TRANSLATED (NZ$'M)	APOLLO RECLASSIFICATION (NZ$'M)	NOTE	APOLLO ADJUSTED, TRANSLATED AND RECLASSIFIED (NZ$'M)
Cash flows from financing activities					
Payment for lease liability principal	(33.5)	(35.7)	–		(35.7)
Proceeds from borrowings	179.0	190.8	–		190.8
Repayments of borrowings	(153.8)	(164.0)	–		(164.0)
Net cash flows used in financing activities	(8.3)	(8.9)	–		(8.9)
Net increase / (decrease) in cash and cash equivalents	(10.1)	(10.8)	–		(10.8)
Opening cash and cash equivalents	45.5	48.5	–		48.5
Exchange (losses)/gains on cash and cash equivalents	1.0	2.6	–		2.6
Adjustment for difference in foreign exchange rates	0.0	1.5			1.5
Closing cash and cash equivalents	**36.4**	**40.3**	**–**		**40.3**

Scheme adjustments

Note (3) Preliminary purchase price accounting

The Scheme is expected to be accounted for as a business combination using the acquisition method of accounting as prescribed in NZ IFRS 3 Business Combinations, under New Zealand GAAP. ***thl*** is expected to be treated as the acquiror for accounting purposes. ***thl*** is expected to record the assets acquired, including identifiable intangible assets, and the liabilities assumed from ATL at their respective estimated fair values at the date of the implementation of the Scheme. Any excess of the purchase price over the net fair value of such assets and liabilities will be recorded as goodwill.

For the purpose of the Merged Group Pro Forma Financial Information, the fair value of ATL's identifiable assets acquired, and liabilities assumed, have been presented on a provisional basis at book value. This assessment has been made on the basis that:

- Following a review by ***thl*** management there is insufficient reliable information, such that any fair value estimates may not be of a high enough quality to include in this Replacement Scheme Booklet;
- There is no impact on the net assets in the Merged Group Pro Forma Financial Information as the fair value allocated to identifiable intangibles, fleet assets and or liabilities assumed will reduce goodwill by an equivalent amount, which means total assets and net assets will be consistent.
- NZ IFRS 3 guidance supports the view that all of the purchase price allocation can be provisional and determined at a later date. The measurement period requirements of NZ IFRS 3 (para 46) provide the acquirer with reasonable time to obtain the information necessary to identify and measure the following as of the acquisition date:
  - the identifiable assets acquired, liabilities assumed and any non-controlling interest in the acquiree;
  - the consideration transferred for the acquiree (or the other amount used in measuring goodwill);
  - in a business combination achieved in stages, the equity interest in the acquiree previously held by the acquirer; and
  - the resulting goodwill or gain on a bargain purchase.

The assets and liabilities shown in the tables above may be impacted when the purchase price accounting is finalised.

Calculation of purchase consideration

The following table summarises the preliminary calculation of the purchase consideration transferred as if the Scheme had been completed on 6 October 2022, based upon the ***thl*** share price and shares to be issued under the Scheme to Scheme Shareholders. The share price and consequently the purchase consideration below is indicative only and may differ from the acquisition date for accounting purposes.

CALCULATION OF THE PURCHASE CONSIDERATION

NZ$'000	30-JUN-22
# Shares in ***thl*** ('000)	156,072
thl share price as at 6 October 2022	2.75
Market capitalisation	429,199
Proportion shares held by Apollo shareholders post merger (%)	27.0%
Number of shares held by Apollo shareholders post merger ('000)	57,725
thl share price as at 6 October 2022	2.75
Preliminary Purchase Consideration (NZ$'m)	158,745

Note (4) Transaction and advisor costs

thl and ATL will collectively incur total transaction and advisor costs of NZ$12.86m. Of these total transaction and advisor costs, approximately NZ$6.84m has been expensed prior to 30 June 2022. The balance of transaction and advisor costs, NZ$6.02m will be incurred and paid in FY23. The costs for the FY23 have been reflected within the Scheme adjustments as an increase in administration expenses in the pro forma unaudited statement of comprehensive income and a reduction in cash and retained earnings in the pro forma unaudited statement of financial position. No adjustment has been made for the transaction and advisor costs incurred prior to 30 June 2022 on the basis that these are reflected in the audited financial statements for both ***thl*** and ATL.

Note (5) One-off items and the impact of COVID pandemic

No adjustments have been made to the statutory reported statement of comprehensive income, statement of financial position or statement of cash flows for one-off and unusual items on the basis that no items were recognised during that period.

No adjustments have been made for the impact of the COVID pandemic, including Government incentives, which has impacted both ***thl*** and ATL. This is on the basis that the quantification of the adjustments may be misleading, and the impact of the pandemic is not limited to one period.

Note (6) ATL Shares held by *thl*

thl acquired shares in ATL in periods prior to 30 June 2022. ***thl*** held approximately 898,150 ATL Shares as at 30 June 2022. This has been reflected in the pro forma unaudited statement of financial position as an adjustment to the 'trade and other receivables' asset and share capital based on the market value of ATL Shares as at 30 June 2022.

Note (7) Carried forward tax losses

Australia

As at 30 June 2022, the ATL tax consolidated group (the "ATL TCG") had carried forward Australian tax losses of approximately A$10.3m.

Generally, entities joining tax consolidated groups can transfer their carried forward tax losses to the head company of the acquiring tax consolidated group, provided that modified versions of the continuity of ownership (**COT**) or business continuity test (**BCT**) are satisfied. Where the ATL TCG is acquired by ***thl***'s multiple entry consolidated group (***thl* MEC Group**), we would expect the COT to be failed at the point the Proposed Transaction occurs. Consequently, the ATL TCG's carried forward Australian tax losses can only be transferred to the ***thl*** MEC Group where the modified BCT is satisfied. The modified BCT broadly requires the entity joining the tax consolidated group, to carry on the same or similar business during the 12 months before joining the tax consolidated group and at the time immediately before the end of the income year in which the loss was made by the joining entity. We note the modified BCT is a complex test, and the Australian Taxation Office (**ATO**) generally applies a strict approach to its application.

Where these carried forward Australian tax losses are successfully transferred to the ***thl*** MEC Group, their utilisation will be subject to the ongoing satisfaction of the COT or BCT by the ***thl*** MEC Group. Further, the utilisation of such tax losses will also be limited by the available fraction attributable to those losses. Broadly, the available fraction for a particular loss bundle is set by reference to the joining entity's market value at the transfer time as a proportion of the group's market value. In addition, the available fraction for transferred losses may be adjusted if, inter alia, the market value of the company to which the losses were most recently transferred is increased as a result of an injection of capital into the group, or a non-arm's length transaction that involves the group.

As the ability to use the balance of carried forward Australian tax losses will depend upon whether these loss utilisation tests will be satisfied (and, if so, the relevant available fraction), there is a risk that the carried forward Australian tax losses may not be available (or practically limited) at a future time for use by ***thl*** MEC Group. No deferred tax asset has been recognised in the Historic pro forma for the Australian tax losses.

New Zealand

As at 30 June 2022, the New Zealand ATL entities had approximately A$1.6m of New Zealand tax losses. Further work will be required to determine whether any of these tax losses will be able to be carried forward and utilised post the Proposed Transaction. No deferred tax asset has been recognised in the Historic pro forma for the New Zealand tax losses.

ATL's tax losses in New Zealand and Australia should be available and sufficient to offset any gains resulting from the Asset Divestment, this is discussed further in "Business acquisitions and disposals" below.

Canada

As at 30 June 2022, the Canadian ATL entities had approximately A$3.1m of Canadian tax losses. Further work will be required to determine whether any of these tax losses will be able to be carried forward and utilised post the Proposed Transaction. No deferred tax asset has been recognised in the Historic pro forma for the Canadian tax losses.

Europe

As at 30 June 2022, the European ATL entities had approximately A$0.1m of tax losses. Further work will be required to determine whether any of these tax losses will be able to be carried forward and utilised post the Proposed Transaction. No deferred tax asset has been recognised in the Historic pro forma for these tax losses.

Summary

ATL recognised the following deferred tax assets in its consolidated financial statements as at 30 June 2022:

- Australian tax losses A$9.4m
- European tax losses A$0.1m

Little or no deferred tax assets were recognised for New Zealand or Canadian tax losses.

Work will be undertaken post the Proposed Transaction to determine what amount (if any) of these tax losses can be carried forward and utilised post the Proposed Transaction. A pro forma adjustment has been made to reduce to nil the tax benefit of these tax losses.

Business acquisitions and disposals

Note (8) Pro forma adjustment for the Asset Divestment to meet ACCC and Commerce Commission undertakings

thl and ATL have received approval from the ACCC and the Commerce Commission that merger clearance will be provided on the basis that the merged entity divests certain assets in each country.

Certain entities within the ATL Group, ***thl*** Group and Jucy have entered into the Jucy SPA, pursuant to which it is intended that ATL will, immediately prior to implementation of the Scheme, divest of certain assets in Australian and New Zealand to wholly owned subsidiaries of Jucy. The net book value of these assets is NZ$29m. ***thl*** expects to realise a gain on sale of these assets of NZ$13.3m. A portion of the proceeds from the sale of these assets will be applied to the repayment of debt held in relation to the divested fleet.

Revenue received in advance for these fleet assets will be transferred to Jucy where the pickup of the vehicle is after the completion date under the Jucy SPA. As at 30 June 2022 this amounted to approximately NZ$0.3m.

The Asset Divestment has been reflected in the pro forma unaudited statement of financial position as an increase in cash and retained earnings, and a reduction in current and non-current 'interest-bearing loans and borrowings', and the 'property, plant and equipment' asset. An adjustment has also been made to 'other income' in the pro forma unaudited statement of comprehensive income to reflect the gain on sale on divestment of these fleet assets.

Forward bookings have been reflected in the pro forma unaudited statement of financial position as a reduction in 'revenue in advance' and cash.

As the divestment to Jucy will occur immediately before the implementation of the Scheme and the resulting change in the shareholding of ATL, ATL's tax losses in New Zealand and Australia should be available and sufficient to offset the taxable gains arising from the Asset Divestment, given those gains will arise prior to the implementation of the Scheme.

If it was determined that the tax losses could not be offset against the taxable gains in New Zealand and/or Australia, the approximate tax liabilities would be NZ$1.6m and A$5.0m respectively.

Property disposal

Note (9) Pro forma adjustment for the sale of property by ATL in Canada

Following the implementation of the Scheme, ATL intends to sell its Canadian properties. These properties are included in ATL's property plant & equipment balance. Pro forma adjustments have been made to reflect the intended sale of this property based on expressions of interest, inclusive of the entries related to the commencement of a proposed new property lease that will be expected upon sale.

The gain on proposed sale of the property gives rise to an estimated tax payable of NZ$0.6m. This assumes that the company's existing tax losses are available to be utilised after the merger transaction occurs. If the existing tax losses were unable to be utilised by the company after the merger proceeds, then further estimated additional tax of up to approximately NZ$2.7m may be payable.

Just go

Note (10) Pro forma adjustment for the purchase of Just go

thl's acquired the remaining 51% of shares in Skewbald Limited, trading as Just go, on 4 October 2022. A pro forma adjustment has been made to reflect the Merged Group inclusive of Just go as if it were a subsidiary company of the Merged Group. ***thl***'s currently reports its investment in Just go as an investment in an associate. The pro forma adjustment includes 100% of Just go's 30 June 2022 financial performance, position and cash flows as if it were a subsidiary company, and reverses the earnings received from associates and the investment in associates. This pro forma adjustment does not include acquisition accounting which has yet to be determined.

(g) Prospective financial information of the Merged Group

thl has given careful consideration as to whether a reasonable basis exists to produce reliable and meaningful forecast financial information for the Merged Group. The ***thl*** Directors have concluded that providing forecast financial information would be misleading. A reasonable basis does not exist for producing forecasts that would be sufficiently meaningful and reliable.

For the reasons stated above this document does not provide forward-looking financial statements.

SECTION 10
Risk Factors

10.1 Overview

This section describes certain key risks associated with the Scheme. It outlines:

(a) risks relating to the Scheme;

(b) specific risks relating to the Merged Group; and

(c) risks to ATL Shareholders if the Scheme does not proceed.

The outline of risks in this section is a summary only and should not be considered exhaustive. This section does not attempt to set out every risk that may be associated with an investment in ATL, ***thl*** or the Merged Group now or in the future. The occurrence or consequences of some of the risks described in this section may be partially or completely outside the control of ATL, ***thl*** or the Merged Group.

10.2 Risks relating to the Scheme

(a) Implied value of Scheme Consideration

Under the terms of the Scheme, ***thl*** will issue ***thl*** Consideration Shares to Scheme Shareholders (other than Foreign Scheme Shareholders) as the Scheme Consideration.

The value that a Scheme Shareholder may realise on the sale of the ***thl*** Consideration Shares issued as the Scheme Consideration will depend on the price at which ***thl*** Shares trade on the ASX and NZX after the Implementation Date.

Some Scheme Shareholders may not wish to continue to hold their ***thl*** Consideration Shares and may sell them on the ASX or NZX soon after the Implementation Date. There is a risk that such sales, or the perception that such sales may occur, may drive down the price of ***thl*** Shares in the short term.

In any event, there is no guarantee regarding the market price of ***thl*** Shares before the Scheme Meeting or after the Implementation Date. Future market prices may be either above or below current or historical market prices. Information about the current trading prices of ***thl*** Shares may be obtained from the NZX.

(b) Completion of the Scheme is subject to various conditions

The implementation of the Scheme is subject to the satisfaction or waiver of the Scheme Conditions (which are summarised in section 5.3 of this Replacement Scheme Booklet) and the Divestment Condition (summarised in section 5.5 of this Replacement Scheme Booklet).

The Scheme will not proceed if the Scheme Conditions (other than the Divestment Condition) are not satisfied or waived (as applicable) before the End Date (which is currently 9 December 2022), or if the Divestment Condition is not satisfied by the date 12 Business Days after the Scheme is approved by the Court at the Second Court Hearing. If certain Scheme Conditions are waived by ***thl*** or ATL (or the both of them), as applicable, it is possible that the Scheme may proceed notwithstanding that those Scheme Conditions have not been satisfied (for example, if the ***thl*** is not admitted to ASX as an ASX foreign exempt listing). The Divestment Condition cannot be waived.

There can be no certainty, nor can ATL or ***thl*** provide any assurance, that these conditions will be satisfied or waived (where capable of waiver), or if satisfied or waived (where capable of waiver), when that will occur. There are also a number of conditions which are outside the control of ATL and ***thl***, including, but not limited to, approval of the Scheme by the Requisite Majority of ATL Voting Shareholders and approval by the Court.

In addition, one of the Scheme Conditions relates to ***thl*** entering into an agreement with new and/or existing financiers to refinance its existing debt facilities or the debt facilities of all or part of the Merged Group, and obtaining all necessary approvals in respect of the entry into any such refinancing. There can be no assurance that refinancing will be able to be achieved or the terms on which that refinancing may be able to be obtained.

A failure to satisfy any of the Scheme Conditions or the Divestment Condition, or a delay in satisfying the Scheme Conditions or Divestment Condition and implementing the Scheme, may adversely affect the market price of ATL Shares.

(c) ATL Material Change and *thl* Material Adverse Change

The Scheme Conditions include that no ATL Material Adverse Change or ***thl*** Material Adverse Change occurring between the date of the Scheme Implementation Deed and the Delivery Time on the Second Court Date.

The definitions of ATL Material Adverse Change and ***thl*** Material Adverse Change are similar but not identical. These definitions are set out in full in section 13.1.

There are different circumstances that may, depending on their effect, trigger or constitute an ATL Material Adverse Change or a ***thl*** Material Adverse Change. While the events referred to in sub-paragraphs (b), (c) and (d) of the definition of ATL Material Adverse Change and subparagraphs (b), (c) and (d) of the definition of ***thl*** Material Adverse Change are qualified by materiality requirements, the definitions do not provide for a quantitative threshold to enliven the trigger of an ATL Material Adverse Change or ***thl*** Material Adverse Change (as applicable). One of the risks of having a qualitative material adverse change clauses (as distinct from a strictly quantitative or monetary threshold clause) is that the clauses may be engaged in a wider range of circumstances and may be subject to argument or interpretation.

ATL Voting Shareholders should note that each of ATL and ***thl*** may interpret different meanings to the elements of the events referred to in sub-paragraphs (b), (c) and (d) of the definition of ATL Material Adverse Change and ***thl*** Material Adverse Change, as applicable, given the absence of specific quantitative thresholds and therefore, ATL may be exposed to a greater risk of litigation and uncertainty than would otherwise be the case if a quantitative thresholds were provided across all of the events specified in the definitions. There is a risk that a dispute may arise between ATL and ***thl*** as to whether or not the "No ATL Material Adverse Change" and/or "No ***thl*** Material Adverse Change" conditions have been satisfied, or in relation to the consequence of the condition not being satisfied, under the Scheme Implementation Deed. This could result in the Scheme not proceeding, the Scheme otherwise being terminated or a transaction being proposed on different terms in accordance with clause 3.8(a) of the Scheme Implementation Deed.

(d) Scheme Implementation Deed may be terminated

Each of ATL and ***thl*** has the right to terminate the Scheme Implementation Deed in certain circumstances as set out in section 5.10 of this Replacement Scheme Booklet. Accordingly, there is no certainty that the Scheme Implementation Deed will not be terminated by either ATL or ***thl*** before the implementation of the Scheme if any of those circumstances occur.

If the Scheme Implementation Deed is terminated, there is no assurance that the ATL Board will be able to find a party willing to pay equivalent or greater consideration for ATL Shares than the consideration to be paid pursuant to the terms of the Scheme Implementation Deed.

(e) Court Approval

There is a risk that the Court may not approve the Scheme, either at all or in the form proposed, or the Court's approval of the Scheme may be delayed. In particular, if there is a material change in circumstances between the Scheme Meeting and the Second Court Date, the Court will take the change into account in deciding whether it should approve the Scheme. If there is a material change of sufficient importance so as to materially alter the Scheme, there is a risk that the Court may not approve the Scheme on the Second Court Date.

(f) Break fees under Scheme Implementation Deed

Either ATL or ***thl*** may be liable to pay a break fee of A$1,400,000 to the other party if the Scheme does not proceed in the circumstances set out in sections 13.3(a) and 13.4(a) of the Scheme Implementation Deed. A break fee is not payable by ATL if the Scheme does not proceed merely because ATL Voting Shareholders do not approve the Scheme by the Requisite Majority. More information about the respective break fees is set out in section 5.12 of this Replacement Scheme Booklet.

(g) Transaction costs may vary

Transaction costs and other costs incurred or expected to be incurred by ATL in relation to the successful implementation of the Proposed Transaction are currently estimated (as at the Last Practicable Date) at approximately A$4.7 million (exclusive of GST and disbursements).

(h) Litigation risk

ATL and/or ***thl*** could face new claims and litigation, in particular brought by third parties in connection with the Scheme, including their respective shareholders, suppliers, competitors and/or regulators of ATL or ***thl***.

(i) Change in risk and investment profile

After implementation of the Scheme, Scheme Shareholders will be exposed to certain additional risks relating to the Merged Group.

While the operations of ATL and ***thl*** are similar in a number of respects, there will be differences between the size, capital structure, infrastructure, business offerings and customers of the Merged Group, including increased exposure in New Zealand, and ATL currently which may give rise to a different investment risk profile. Holding shares in a New Zealand company listed on the NZX (with a foreign exempt listing on ASX) is different to holding shares in an Australian company listed on ASX. A non-exhaustive summary of the key differences between the rights attaching to ***thl*** Consideration Shares and ATL Shares is set out in Annexure F.

(j) Superior Proposal may emerge

The ATL Directors are not currently aware of any Superior Proposal for ATL and note that since ATL and ***thl*** announced the Proposed Transaction, there has ample opportunity for a Competing Proposal which provides a different outcome for ATL Shareholders to emerge. Since the date the Proposed Transaction was announced to ASX, no Competing Proposal has emerged, and the ATL Directors have decided that the Proposed Transaction is in the best interests of ATL Voting Shareholders at the date of this Replacement Scheme Booklet.

It is possible that a Superior Proposal for ATL, which is more attractive for ATL Shareholders than the Scheme, may materialise in the future. ATL has the ability to respond to any bona fide Competing Proposal made by or on behalf of a person that the ATL Board considers is of sufficient commercial standing, is reasonably expected to lead to a Superior Proposal and (subject to receiving legal advice from ATL's external legal advisers) failure to respond to the competing proposal would be likely to constitute a breach of fiduciary or statutory duties of the ATL Board). If ATL receives such a Competing Proposal then ***thl*** may be unwilling to increase its offer under the Scheme which may mean that the Scheme does not proceed.

(k) Tax consequences for Scheme Shareholders

If the Scheme proceeds, there may be tax consequences for Scheme Shareholders. General information on the Australian and certain New Zealand tax consequences of the Scheme is set out in section 11 of this Replacement Scheme Booklet.

(l) Other risks

Additional risks and uncertainties not currently known to ATL or ***thl*** may also have a material adverse effect on the business of ATL, ***thl*** or the Merged Group and the information set out above does not purport to be, nor should it be construed as representing, an exhaustive list of the risks of ATL, ***thl*** or the Merged Group.

10.3 Risks relating to the business of the Merged Group

The following risks are relevant to each of ATL and ***thl*** as standalone entities, unless otherwise identified. Accordingly, they will also be relevant to the Merged Group after implementation of the Scheme.

(a) Integration risk and realisation of synergies

There is a risk that ATL's business and assets are not integrated effectively with ***thl***'s business and assets, that the expected synergies are unable to be realised or implementation costs are greater than anticipated. Any failure to achieve expected synergies (including the consolidation of systems and processes and operational efficiencies) or an increase in implementation costs may impact on the financial performance and position of the Merged Group and the future price of ***thl*** Shares. The integration of ATL and ***thl*** into a Merged Group may encounter unexpected challenges or issues. There is a risk that integration could take longer or cost more than anticipated, or that the expected benefits and synergies of the Scheme may be less than estimated. There is further risk of disruption to the ongoing operation of both businesses, reduced employee productivity or unintended loss of key personnel or expert knowledge arising as a result of the Scheme, particularly through the period between announcement and implementation of the Scheme.

(b) COVID-19

The global tourism industry has begun its recovery following the public health response to COVID-19. Uncertainty remains as to whether tourism activity, especially in the RV sector, will return to pre-COVID levels, and if it does, how long this recovery will take. A new variant of COVID-19 may cause a risk to the Merged Group, particularly if further restrictions on international or domestic travel are imposed.

COVID-19 has also had a substantial impact on macroeconomic conditions. It continues to have an effect on ***thl*** and ATL's businesses by disrupting supply chains for motorhomes and the availability of employees. Any resurgence of COVID-19 may lead to further deterioration of economic conditions, employment markets and/or equity markets and further disruptions to supply chains, which may adversely affect the Merged Group's business and financial performance.

(c) Decline in vehicle sales demand and pricing

In committing to capital expenditure decisions purchase vehicles, ATL and ***thl*** have, and the Merged Group will have, regard to its ability to manage its fleet size by forecasting and managing vehicle sales volumes in each country it operates in. Globally, recent demand for motorhomes has been high. However, we expect that vehicle sales margins have reached their peak as ***thl***'s margins in the USA are already reducing, and that margins in all markets are likely to return to a more normal level over the coming years.

As the purchase of a motorhome is often viewed as a discretionary purchase, a reduction in demand could occur for a number of reasons including negative consumer confidence, higher unemployment rates, recessionary market conditions, higher interest rates, the ability of purchasers to obtain finance on acceptable terms, inflationary pressures, as well as general economic conditions. A reduction in vehicle sales demand may also lead to a reduction in pricing, impacting the quantum of 'embedded equity' (the difference between market value and book value of vehicles in the Merged Group's fleet) and the Merged Group's revenue.

(d) Supply chain/Market conditions

The effects of the COVID-19 pandemic continue to have a significant impact on global supply chains, which in turn has had and continues to have an adverse impact on ATL and ***thl***.

Both ATL and ***thl*** are facing supply chain difficulties. Both ***thl*** and ATL are reliant on a delivery of vehicles that have been ordered for their respective businesses, in order to replenish a proportion of vehicles that have been recently sold. If for whatever reason, the delivery of vehicles does not eventuate, or is delayed, then this will have an impact on the Merged Group's performance as (a) the Merged Group may need to reduce vehicle sales to ensure it maintains an appropriate fleet size, (b) the Merged Group would have a smaller fleet if vehicle sales were continued at the expected pace and (c) the Merged Group may be impacted by an increased cost of purchasing, building and maintaining vehicles which may impact profitability. Future supply shortages may have an adverse effect on the financial performance of the Merged Group.

In addition, there are several expected synergies resulting from ***thl*** and ATL leveraging each other's suppliers to procure inputs at lower costs (e.g. chassis, tyres, brakes, etc.). There is a potential risk that notwithstanding such synergies, the Merged Group will face increasing costs on an aggregate basis, due to supply chain difficulties.

(e) Financial/Debt funding

As noted in section 9.2, it is intended that the Merged Group's funding will be sourced from multiple lenders utilising various facility types, aimed at providing an effective balance of quantum, conditions and cost of funding which recognises the profile of the mobile, saleable assets of the Merged Group, with the expectation that those arrangements, if agreed, would exceed the expected requirements of the Merged Group in undertaking its intended fleet growth through to the end of FY24. Those arrangements have yet to be fully confirmed and remain subject to final documentation with the financiers. There is a risk that the Scheme Conditions relating to (a) refinancing and (b) consent from ATL financiers or refinancing (as detailed in section 5.3) may not be satisfied, in which case the Scheme would not proceed unless the Scheme Conditions are waived by ***thl*** and ATL. There is also a risk that events may materialise between the Second Court Date and implementation of the Scheme that result in the conditions precedent under the proposed financing arrangements not being satisfied, in which case the Merged Group may not have sufficient funds or access to other resources to satisfy all of its obligations. If those financing arrangements are entered into, then the Merged Group's ongoing financial performance will need to be sufficient to allow the Merged Group to continue to meet its obligations under those financing arrangements, including maintaining compliance with applicable covenants, and to allow it to renew, extend or enter into new financing arrangements in respect of any existing financing arrangements as and when they are due to expire. A decrease in the availability of financing facilities could prevent the Merged Group from carrying adequate fleet, which may limit the vehicles it is able to rent and sell, which could in turn have an adverse impact on the Merged Group's financial performance. If the Merged Group was to default on any of its financing arrangements, it may not have sufficient funds or access to other resources to satisfy all of its obligations, which could result in enforcement action being taken by its financiers.

(f) Personnel risk

The Merged Group will be heavily reliant on the skills and services offered by its personnel with the requisite industry and/or technical experience. The dynamic and rapid changes in the Merged Group's industry requires the Merged Group's skilled professionals to keep abreast of changing industry standards and trends to adapt to the changing requirements and business environment. An ongoing risk of the industry that the Merged Group operates within is key employees leaving the business to join competitors or to exit the industry entirely.

As well as a risk of retaining existing staff, the Merged Group may also encounter challenges in recruiting casual and skilled workers including from overseas given current immigration and border controls in New Zealand. This may exacerbate other challenges such as an aging workforce, and a lack of skilled workers with expertise in areas of emerging technologies such as electric or hydrogen powered vehicles.

There is also a risk of not being able to replace employees if they have left the business. In the short to medium term the Merged Group will have less of a need to recruit employees in certain jurisdictions given the operational consolidation that is expected to take place. However, the competitive environment, the Merged Group's ongoing reputation and that of its competitors, and wage rates will be key in ensuring the Merged Group can retain and as necessary, replace employees at all levels. Efforts to retain or attract skilled professionals may result in significant additional expenses, which could adversely affect the Merged Group's profitability.

(g) Occupational health and safety

The Merged Group will have a number of facilities and operations where potentially hazardous tasks are undertaken by employees, such as manufacturing plants, or that involve potentially dangerous environments, such as ***thl***'s caving operations at Waitomo. Workplace accidents may occur for various reasons including as a result of non-compliance with safety rules and regulations. The Merged Group may be liable for injuries that occur to its employees or any other persons under relevant occupational health and safety laws. If the Merged Group was found to be liable under such laws, the penalties could be significant and the Merged Group may also be liable for compensation.

(h) Reputation and social licence to operate

The Merged Group will be reliant on its reputation in respect to all aspects of its business and there is a continuing risk of the Merged Group's good corporate standing and reputation being affected by any negative publicity (for example, due to a safety incident, dispute, regulatory action, public customer complaint or the current lack of long range vehicle options which can reduce greenhouse gas emissions), poor performance (including poor return on investments) and key personnel exiting the business. Also, given that ***thl*** and ATL are currently competitors, there is the potential risk of confusion if the Merged Group does not have a unified vision and mission.

There may also be a risk that the Merged Group may lose its social licence to operate, where communities are unwilling to accept any negative impact of tourism on the local environment.

(i) Growth strategy

There are ongoing risks with the growth of a business which include the costs associated with staffing, third party services, regulation and compliance. While the Merged Group seeks to design and implement an appropriate strategy, it may not always be effective in doing so. The Merged Group's decisions and actions relating to the allocation of capital across assets or reserves, acquisition, maintenance, growth, innovation, development or divestment may impact its financial performance.

There is also a risk that significant management time and attention may be required for the purposes of integrating the businesses of the Merged Group, which may impact on the ability of management to execute growth strategies and may cause a delay in the implementation of the Merged Group's growth strategy. There is also the risk that the integration of the businesses will take management focus away from the general day-to-day needs of each business. This will be particularly so if there is a ramp up in activity with international tourism returning to all countries, increasing the attention required to be given to each business.

The Merged Group may also undertake further acquisitions in the future as one aspect of its growth strategy. Successfully integrating and extracting synergies from acquisitions will be critical to the Merged Group achieving growth through acquisitions.

(j) Contract risk

Some contracts to which ATL is a party may contain 'change of control' or deemed assignment provisions (or equivalent) that could be triggered by implementation of the Scheme (including by entry into the Scheme Implementation Deed), potentially allowing the counterparty to renegotiate or terminate the contract. If a counterparty to any such contract were to terminate or seek to renegotiate the contract this may have an adverse effect on the Merged Group, depending on the relevant contract.

It is a Scheme Condition that all consents, approvals or waivers of rights by parties other than ATL under any Material Contracts which are necessary or desirable in the reasonable opinion of ***thl*** are obtained in a form and subject to conditions acceptable to ***thl*** and ATL (acting reasonably), and such consents, approvals or waivers have not been withdrawn, cancelled or revoked before the Delivery Time on the Second Court Date.

As at the date of this Replacement Scheme Booklet, ATL has undertaken a process to identify the Material Contracts in respect of which consents or waivers may be required as a consequence of the Scheme and has obtained those consents or waivers.

(k) Competitive industry

Products and services targeting RV lifestyle or enthusiast customers are highly fragmented and competitive, with peer-to-peer platforms for RV rentals expanding significantly. New competitors, including global operators and manufacturers of RVs, may offer RV rental products or services or existing competitors could invest in growth or join together to consolidate their positions. It is also possible for new and existing competitors to create new opportunities through digital market disruption, as they have done recently with peer-to-peer RV rentals, and potentially change the manner in which consumers use RV rental services. Increased or improved competition may adversely affect the Merged Group's financial performance and key business. Factors that may impact Merged Group's performance include: new or improved products made available by its new and existing competitors, both in terms of RVs available for rent and RVs available for sale; increased supply of, or consumers switching to, other travel options; the Merged Group's pricing, quality and competitiveness; technological and regulatory change; ability to respond to changing preferences of the Merged Group's customers; and competitiveness and growth of other destinations.

Due to the acquisition of part of the ATL business as contemplated by the Jucy SPA, including the Star RV brand, forward bookings, motorhomes (including a significant number from the ATL 4-6 berth rental fleet, as well as new vehicles in the coming period across Australia and New Zealand) and depots, Jucy is expected to be one of the largest RV rental operators in both Australia and New Zealand, with a strong base to grow immediately in both countries.

(l) Climate-related risks

The Merged Group will be exposed to a broad range of climate-related risks arising from the physical and non-physical impacts of climate change. The impacts of climate change may materially and adversely affect demand for the products offered by the Merged Group.

The Merged Group cannot predict the potential direct physical consequences of climate change on its operations. While those impacts are likely to be geographically specific, these could include increases in the occurrence and intensity of extreme weather events (including bushfires, storms and floods). Any increase in the frequency and severity of weather events could interrupt supply chains, critical infrastructure and workforce productivity, as well as cause direct damage to the Merged Group's fleet and other equipment.

In addition, growing worldwide public concerns over greenhouse gas emissions (**GHG**) and climate change, as well as increasingly strict regulations in this area could materially adversely affect the business of the Merged Group's business, which involves the manufacturing, rental and retail sale of RVs. Nearly all of the RVs manufactured and sold by the Merged Group currently run on fossil fuels and although the Merged Group has a small number of electric RVs on its fleet, these do not currently make up a significant proportion of the fleet due to the lack of long range electric vehicle options for RVs. Government institutions have responded to the issue of climate change in a number of ways, including imposing taxes on GHG emissions and incentivising a progressive shift to renewable energy and by introducing new regulations with increased compliance obligations. These measures may increase the cost of compliance and other operating costs for the Merged Group, especially given the nature of the Merged Group's current fleet. In addition, further regulatory change could have a material adverse effect on results of operations, cash flow, liquidity, business prospects, financial condition as well as shareholder returns.

(m) Road vehicle standards

The Road Vehicle Standards Act 2018 (Cth) (**RVSA**) is a new regulation, effective from 1 July 2021. Manufacturers and importers of RVs have a 24 month transitional period to comply with the new regulation. The main changes are the inclusion of caravans into the federal government approval scheme and for manufacturers to provide evidence of vehicle compliance through conformity of production (**CoP**) audits. A key element of being eligible to obtain compliance under RVSA 2018 is to demonstrate through CoP audits that the Merged Group has adequate control over all stages of design, componentry, and manufacture of the RVs. Failure by the Merged Group to comply with the RVSA will have a negative impact on the Merged Group.

(n) Regulatory matters

The Merged Group will be subject to a variety of laws and regulations in Australia, New Zealand, USA, Canada, Europe, the United Kingdom and more generally around the world. Specifically, the Merged Group is required to comply with laws and regulations that apply to the manufacture of vehicles, motor vehicle dealerships and vehicle hire operators. The Merged Group must comply with laws and regulations which apply to many other businesses, such as employment, taxation, consumer protection, continuous disclosure and intellectual property, as well as laws focused on electronic commerce and the internet. The Merged Group is focused on ensuring compliance with its regulatory obligations and regularly reviews its operations in light of regulatory developments that may impact its business. However, a breach of, or an unfavourable change to, introduction or interpretation of, laws and regulations may have an adverse effect on the ability of the Merged Group to operate all or parts of its business and may cause reputational damage to the Company, which may have a corresponding effect on its share price and/or financial performance. The Company's customers are obliged to be appropriately licensed to drive the Merged Group's RVs. If there was an unfavourable change to any legislation or interpretation of government policy relating to the relevant licensing regimes in any of the jurisdictions in which the Merged Group operates, it could have a negative impact on the financial results of the Merged Group.

The Merged Group will be subject to privacy laws in relevant jurisdictions. These laws regulate the handling of personal information and data collection. Such laws impact the way the Merged Group can collect, use, analyse, transfer and share personal and other information. Any actual or perceived failure by the Merged Group to comply with relevant privacy laws and regulations may result in the imposition of fines or other penalties, client losses, a reduction in existing services, and limitations on the use and development of technology requiring the input of such data.

Changes to the New Zealand Accounting Standards could materially adversely affect the financial performance and position reported in the financial statements of the Merged Group.

Separately, the New Zealand Government has publicly stated an intention to discourage the recovery of inbound tourism volumes to pre-COVID-19 levels in favour of "high-quality visitors, who give back more than they take", who do more than spend money, but also "bring respect, a desire to engage with our communities and leave the environment healthier than they found it"[26]. These aims could serve as an indication that tourism generated by the RV sector is less desirable, or not considered to be high quality. Any additional New Zealand Government regulation or negative sentiment that has a detrimental effect on the RV sector would also likely have a negative effect on the financial performance of the Merged Group.

(o) Insurance coverage

thl currently has what it considers to be adequate levels of insurance (subject to deductibles and limits) for property, travel, RV fleet cover, cyber-security liability, directors and officers liability, marine cargo, third party personal and property liability and worker's compensation, however the deductibles applicable to certain of ***thl***'s fleet insurance policies are substantial. There are other aspects of insurance, e.g. certain elements of business interruption insurance, where ***thl*** has determined that the appropriate approach is to self-insure, so does not carry insurance to cover that risk. As such, ***thl***'s financial performance may be adversely impacted to the extent that liabilities are incurred up to the applicable deductible, and therefore ***thl*** is unable to recover under the applicable insurance policy, or where ***thl*** has decided to self-insure in respect of that risk. Such insurance policies are intended to cover the Merged Group from settlement of any potential liability following completion of the Scheme.

The occurrence of events which are not adequately covered by existing insurance policies (including as a result of high deductibles), or an increase in the cost of insurance to the Merged Group, could restrict the ability of Merged Group to conduct its business which could have a negative impact on the financial results of the Merged Group.

(p) Litigation and claims

The Merged Group will face a risk of litigation (including litigation instigated by regulators) and disputes arising in the ordinary course of its business which has the potential to affect its financial standing or its reputation and to divert the attention of staff from the ordinary business of the Merged Group.

Litigation and disputes may arise from a regulator, by the Merged Group originating proceedings or by a third party originating proceedings, with such events having the potential to affect the value of any investments made as well as the reputation and standing of the Merged Group.

(q) Future earnings and trends

The future earnings of the Merged Group are subject to a number of risk factors including customers' demand for the Merged Group's products and services, competitors' pricing, the ongoing COVID-19 pandemic and the quality of the service offerings provided by the Merged Group. Future earnings will also be affected by expenses incurred by the Merged Group which are subject to staff costs, cost of materials, regulatory and compliance costs as well as other costs such as software and third-party services. Current macroeconomic conditions have caused significant increases in input costs, including the costs of employment, costs of goods and RV running costs. These could have an impact on the Merged Group's financial performance if they cannot be passed onto customers.

The future earnings of the Merged Group may change materially relative to its historical pre-COVID-19 earnings for various reasons, including global tourism activity not returning to pre-COVID-19 levels, changes to the Merged Group's business operations and direction as well as factors beyond its control, such as change in economic direction, trends in tourism (such as the indications tourists may take longer, but less frequent trips), rules and regulations of the relevant jurisdictions and the domestic and international competitive landscape of the industries in which the Merged Group operates its business.

26 Hon. Stuart Nash "Go with Tourism Funding Speech" (5 September 2022).

(r) Relationship with manufacturers

The Merged Group's right to manufacture and sell certain RVs derive exclusively from the rights granted to it under distribution and licence agreements with key suppliers. A failure by the Merged Group to renew any of these agreements, or to renew them on favourable terms, could adversely impact on the Merged Group's financial performance.

(s) Dependence on key suppliers

The Merged Group depends upon arrangements with vehicle manufacturers to source completed RVs and chassis on which the Merged Group can manufacture its own RVs, and other certain key suppliers, to provide the Merged Group with reliable products and services that compare favourably with competing products in terms of price, discounts, quality, performance, innovation, safety and advanced features. Any adverse change in the product price, available discounts, quality, production efficiency, product development efforts, technological advancement, marketplace acceptance, ability to supply, reputation, marketing capabilities or financial condition of its key suppliers or any product recall could have an adverse impact on the financial performance of the Merged Group. The Merged Group will also be reliant in the future on being able to enter into arrangements with manufacturers to acquire long range electric RVs (both in terms of chassis and completed RVs) once these become available in a form that is suitable for widespread use in the Merged Group's business.

(t) Seasonal business

In addition to the ongoing risks related to COVID-19, the Merged Group's business is seasonal in nature and differs by region, with significant variability in revenue, net income and cash flows in different quarters. The Merged Group's financial performance may be impacted by severe weather conditions, political and civil unrest, epidemics/pandemics, terrorism and other circumstances, particularly if they occur during peak travel seasons. If the Merged Group miscalculates the seasonal demand, this would result in higher labour costs as a percentage of sales, lower margins and excess inventory.

(u) Liquidity

Any investment in the Merged Group is subject to the liquidity of ***thl*** Shares on the ASX and NZX and is dependent on market appetite, the size of the shareholding and the price sought for any shares. There is a risk that any ***thl*** Shares owned by a holder of ***thl*** Shares may not able to be sold at a desired price above the current trading prices of ***thl*** Shares.

(v) Inability to pay dividends or make distributions

The payment of dividends (if any) by ***thl*** will be determined by the ***thl*** Board from time to time at its discretion. Due regard is given to relevant factors, which include available profits, cashflow, financial conditions, operating results, future capital requirements, covenants in relation to financing agreements, as well as legislative requirements and economic conditions more broadly. There is no guarantee that a dividend will be paid or, if paid, paid at historical levels.

(w) Equity dilution

thl may undertake offerings of equities in the future. Factors including the increase in the number of fully paid shares issued, the ability of an individual shareholder to participate in the equity offer, the issue price and the possibility of selling such equities may have an adverse effect on the financial position or voting power of any individual shareholder.

(x) Securities market fluctuations

There are various risks associated with investing in any form of business and with investing in listed entities generally. As with any entity listed on the ASX or NZX, the value of ***thl*** Shares is influenced by a variety of factors, including macroeconomic factors and broader social occurrences which are beyond ***thl***'s ability to control or predict. The events relating to the COVID-19 pandemic have previously resulted in significant market falls and volatility including in the prices of securities trading on the ASX and NZX. The value of ***thl*** Shares following implementation of the Scheme will depend upon general share market and economic conditions, which are uncertain and subject to fluctuation, as well as the specific performance of the Merged Group. There is no guarantee of profitability, dividends, return of capital, or the price at which ***thl*** Shares will trade on the ASX and NZX. The past performance of ***thl*** Shares is not necessarily an indication as to future performance as the trading price of shares can go down or up in value.

(y) General economic conditions

The financial performance of the Merged Group and the value of the ***thl*** Shares may fluctuate due to various factors, including movements in the Australian, New Zealand and international capital markets, recommendations by brokers and analysts, interest rates, exchange rates, inflation, Australian and international economic conditions, change in government, fiscal, monetary and regulatory policies, prices of commodities, global geo-political events and hostilities, global health pandemics, acts of terrorism, economic recession, investor perceptions and various other factors which may affect the Merged Group's financial position and earnings. In the future, these factors may affect the Merged Group and may cause the price of ***thl*** Shares to fluctuate and trade below current prices.

In light of recent global macroeconomic events, including high inflation, geo-political hostilities and the impact of the COVID-19 pandemic, the jurisdictions in which the Merged Group will operate may experience an economic recession or downturn of uncertain severity and duration which could impact the Merged Group's operations and the operations of its portfolio companies. These economic disruptions may adversely impact the Merged Group's earnings and assets, as well as the value of the ***thl*** Shares.

(z) Product defects and malfunctions

Specific product failures, defects or recalls or inadequate maintenance could adversely affect the Merged Group's reputation, earnings and revenue. This could occur for a number of reasons including but not limited to breach of third-party maintenance contracts or non-compliance with maintenance and safety rules, policies and legislation. If any claim, recall or issue arising from a product defect or failure is determined adversely and the Merged Group's insurance arrangements or supplier warranties do not cover the liability, there could be an adverse effect on the financial performance of the Merged Group.

(aa) Vehicle type, fuel availability and pricing

Most of the Merged Group's fleet operate on unleaded or diesel fuel, and at this stage there are limited options available for electric RVs, primarily due to their limited range. If viable long range electric RV are developed then there is a risk that the Merged Group's existing fleet could become obsolete or the price at which these can be sold will reduce. Shortages of, or increased pricing for, fuel can have an adverse effect on the RV industry by reducing customer demand, which could have an adverse impact on the Merged Group's financial performance. These conditions may also affect air travel volumes, negatively impacting the size of the Merged Group's target market.

(bb) Technology and cyber-security risks

While the Merged Group will have measures in place to protect its technology, systems and information from unauthorised access, any interruption, cyber-attacks, loss or delay of the Merged Group's internet or communication facilities or transaction processing facilities, loss or corruption of data, failure of backup and restoration procedures or failure of disaster recovery plans may adversely impact the Merged Group's short term financial position and may have a longer term adverse impact on client and supplier satisfaction. Some of the information technology systems operated by the Merged Group are proprietary in nature and maintained by third party suppliers, while other systems are operated under licence. In both cases, the relevant suppliers may be subject to events, such as insolvency or technical failures, leading to temporary or long term loss of services and systems. There is also the risk that suppliers will not further develop, implement or upgrade services and systems as and when required. ***thl*** and ATL have in the past and the Merged Group may in the future be subject to cyber or malware attacks.

(cc) Tax

A change to the current tax regime may affect ATL, ***thl*** or the Merged Group, and Scheme Shareholders.

Any changes to the current rate of company income tax, availability of tax losses or recalculation of the tax cost of assets may impact shareholder returns. In addition, any change in tax rules and tax arrangements could have an adverse effect on the level of dividend franking and shareholder returns. Personal tax liabilities are the responsibility of each individual Scheme Shareholder. ATL, ***thl*** and the Merged Group are not responsible for tax or penalties incurred by Scheme Shareholders.

(dd) Force majeure events

Events may occur within or outside Australia that could impact upon the global or Australian economy, the operations of the Merged Group and the price of the ***thl*** Consideration Shares. These events include but are not limited to acts of terrorism, a global health pandemic such as the current COVID-19 pandemic, an outbreak of international hostilities, fires, floods, earthquakes, labour strikes, civil wars, natural disasters, outbreaks of disease, climate change or other man-made or natural events or occurrences that can have an adverse effect on the demand for the Merged Group's services and its ability to conduct business. The Merged Group has only a limited ability to insure against some of these risks.

(ee) Additional risks and uncertainties

Additional risks and uncertainties not currently known to ATL or ***thl*** may also have a materially adverse effect on the Merged Group and the information set out above does not purport to be, nor should it be construed as representing, an exhaustive list of the risks affecting the Merged Group.

10.4 Risks if the Scheme does not proceed

If the Scheme does not proceed, ATL will continue on a standalone basis and ATL Voting Shareholders will retain their ATL Shares and will not receive any Scheme Consideration. In these circumstances, there is a risk that ATL Shares may trade below their current market price.

ATL Voting Shareholders will also remain exposed to the normal risks inherent in the ATL business if the Scheme and the acquisition of ATL by ***thl*** does not proceed.

As at the Last Practicable Date, ATL has incurred or expects to incur costs of approximately A$3.7 million (excluding GST and disbursements) in developing the Scheme so that it is capable of being submitted to ATL Voting Shareholders for consideration. These costs will be incurred by ATL even if the Scheme is not implemented and are primarily payable to ATL financial, legal, tax and accounting advisers, the Independent Expert, the Investigating Accountant and the Share Registry.

SECTION 11

Taxation Implications

11.1 Australian taxation implications

Scope of comments

This section 11.1 contains a general overview of the Australian income tax (including Capital Gains Tax (**CGT**), Good and Services tax (**GST**) and stamp duty implications for certain Australian and foreign resident Scheme Shareholders on implementation of the Scheme.

The categories of Scheme Shareholders considered in this summary are limited to individuals, companies (other than life insurance companies), trusts and complying superannuation funds that hold their ATL Shares on capital account.

The tax comments outlined in this summary are not applicable to all Scheme Shareholders and do not cover Scheme Shareholders who:

(a) hold their ATL Shares as a revenue asset (i.e. trading entities or entities who acquired their ATL Shares for the purposes of resale at a profit) or as trading stock;

(b) are partnerships or individuals who are partners of such partnerships;

(c) hold their ATL Shares as an asset in a business that is carried on through a permanent establishment in Australia;

(d) acquired their ATL Shares pursuant to an employee share plan;

(e) are under a legal disability;

(f) are exempt from Australian income tax;

(g) are Foreign Scheme Shareholders;

(h) are subject to the taxation of financial arrangements rules in Division 230 of the *Income Tax Assessment Act 1997* (Cth) in relation to gains and losses on their ATL Shares;

(i) are subject to the Investment Manager Regime under Subdivision 842-I of the *Income Tax Assessment Act 1997* (Cth) in respect of their ATL Shares; or

(j) are a significant stakeholder as defined in Section 124-783 of the *Income Tax Assessment Act 1997* (Cth).

This summary is prepared solely for Scheme Shareholders as described and limited above. This summary has been prepared for the purpose of enabling certain Scheme Shareholders to broadly understand certain Australian taxation implications of the proposed Scheme as outlined in this Replacement Scheme Booklet.

This summary is based on the Australian tax law, and the practice of the tax authorities, at the time of issue of this Replacement Scheme Booklet. The Australian tax laws are complex and subject to change periodically as is their interpretation by the courts and the tax authorities. This summary is general in nature and is not intended to be an authoritative or complete statement of the applicable law. This summary does not take into account the tax law of countries other than Australia. The precise implications of ownership or disposal of their ATL Shares will depend upon each Scheme Shareholder's specific circumstances.

These comments should not be a substitute for advice from an appropriate professional adviser having regard to each Scheme Shareholder's individual circumstances. All Scheme Shareholders are strongly advised to obtain and rely only on their own professional advice on the tax implications based on their own specific circumstances.

Australian resident shareholders

This section applies to Scheme Shareholders who are residents of Australia for income tax purposes. Under the Scheme, Scheme Shareholders will dispose of their ATL Shares to ***thl*** in exchange for the Scheme Consideration, comprising 1 ***thl*** Consideration Share for every 3.210987 ATL Shares held.

(a) CGT event on the disposal of ATL Shares to *thl*

The disposal of the ATL Shares to ***thl*** under the Scheme will give rise to CGT event A1 for Scheme Shareholders. The timing of the CGT event for the Scheme Shareholders should be the date the ATL Shares are disposed of, which will occur on the Implementation Date when ***thl*** becomes the registered holder of the shares in ATL.

(b) Calculation of capital gain or capital loss

In the absence of CGT roll-over relief (discussed below), Scheme Shareholders will make a capital gain on the disposal of ATL Shares to the extent that the capital proceeds from the disposal are more than the cost base of those ATL Shares. Conversely, Scheme Shareholders will make a capital loss to the extent that the capital proceeds are less than their reduced cost base of those ATL Shares.

Capital losses can only be offset against capital gains derived in the same income year or later income years but cannot be offset against ordinary income nor carried back to offset net capital gains arising in earlier income years. Specific loss recoupment rules apply to companies which must be satisfied if those carry forward tax losses are to be used in future years. Scheme Shareholders should seek their own tax advice in relation to the operation of these rules.

(c) Capital proceeds received by Scheme Shareholders

The capital proceeds on the disposal of the ATL Shares should be equal to the Scheme Consideration received by the Scheme Shareholders.

Therefore, the capital proceeds should be equal to the market value of the ***thl*** Consideration Shares (or cash in the case of a Foreign Scheme Shareholder) received by the Scheme Shareholders. ***thl*** will determine the relevant market value of the ***thl*** Consideration Shares for the Scheme Shareholders following the implementation of the Scheme and publish this on the ***thl*** and ATL investor websites.

(d) Cost base and reduced cost base of a ATL Share

The cost base of an ATL Share will generally be equal to the cost of acquiring that ATL Share, plus any incidental costs of acquisition and disposal (such as brokerage fees and legal costs). The reduced cost base of an ATL Share is determined in a manner similar to the cost base although some differences in the calculation of reduced cost base do exist depending on the Scheme Shareholder's individual circumstances. The cost base and reduced cost base of each ATL Share will depend on the individual circumstances of each Scheme Shareholder.

(e) CGT scrip-for-scrip roll-over relief

As ***thl*** will become the owner of 100% of the shares in ATL following implementation of the Scheme, Scheme Shareholders who make a capital gain from the disposal of their ATL Shares should generally be eligible to choose CGT scrip-for-scrip roll-over relief.

Broadly, CGT scrip-for-scrip roll-over relief enables Scheme Shareholders to disregard the capital gain they make from the disposal of their ATL Shares under the Scheme.

Scheme Shareholders do not need to inform the ATO or document their choice to claim CGT scrip-for-scrip roll-over relief in any particular way, other than to complete their income tax return in a manner consistent with their choice. The choice must be made by the day in which the Scheme Shareholder lodges their income tax return for the income year in which the Scheme Implementation Date occurs, or within any further time allowed by the Commissioner.

Scheme Shareholders should note that ATL has not and does not intend to apply for a class ruling from the ATO on the applicability of the CGT scrip-for-scrip roll-over relief. Scheme Shareholders should seek independent professional advice to confirm the eligibility for CGT roll-over relief in light of their own specific circumstances.

(f) Consequences for choosing CGT scrip-for-scrip roll-over relief

If a Scheme Shareholder chooses to obtain CGT scrip-for-scrip roll-over relief, the capital gain arising on the disposal of their ATL Shares under the Scheme should be disregarded.

The first element of the cost base for their ***thl*** Consideration Shares is then determined by attributing, on a reasonable basis, the existing cost base of the ATL Shares exchanged under the Scheme. The first element of the reduced cost base is determined similarly.

For the purposes of determining a Scheme Shareholder's future eligibility for the CGT Discount, the acquisition date of the ***thl*** Consideration Shares is taken to be the date when the relevant Scheme Shareholder originally acquired their ATL Shares.

(g) Consequences if CGT scrip for scrip roll-over relief is not available or is not chosen

If a Scheme Shareholder does not qualify for CGT scrip-for-scrip roll-over relief, or the Scheme Shareholder chooses not to obtain CGT scrip-for-scrip roll-over relief, the general CGT treatment outlined at paragraph 11.1(a) will apply.

If a Scheme Shareholder makes a capital loss from the disposal of their ATL Shares, this loss may be used to offset capital gains in the same or subsequent years of income (subject to satisfying certain conditions). The capital loss cannot be offset against ordinary income or carried back to offset net capital gains arising in earlier income years.

The first element of the cost base (and reduced cost base) of the ***thl*** Consideration Shares received by a Scheme Shareholder should be equal to the market value of the ATL Shares it exchanges for the ***thl*** Consideration Shares. In the absence of any contrary indication of the value of the ATL Shares, their market value could be taken to be equal to the market value of the ***thl*** Consideration Shares on the date the ***thl*** Consideration Shares are issued (being the Implementation Date).

The acquisition date of the ***thl*** Consideration Shares for Scheme Shareholders for CGT Discount purposes should be the Implementation Date. This means a Scheme Shareholder will need to hold their ***thl*** Consideration Shares for at least 12 months after that date before the CGT Discount (as described above) may apply on a subsequent disposal of the ***thl*** Consideration Shares.

(h) Ongoing ownership of ***thl*** Shares

Generally, a Scheme Shareholder will be required to include in its assessable income the gross amount of any dividends it receives from ***thl*** (being a New Zealand tax resident company) when those dividends are paid or credited to them. An Australian resident company holding a 10% or greater interest in ***thl*** may qualify to treat the dividend as non-assessable non-exempt income where the relevant requirements are satisfied.

If ***thl*** were to elect into the trans-Tasman imputation regime, the Merged Group should be able to attach available Australian imputation credits, as they arise, to future dividends for the benefit of the post-merger ***thl*** Shareholders that are resident in Australia for tax purposes. In this situation, an Australian franking offset may be available to Australian resident shareholders in relation to the Australian income tax paid by the Merged Group.

On a future disposal of ***thl*** shares, Scheme Shareholders may make a capital gain if the capital proceeds of that disposal are more than the cost base or a capital loss if the capital proceeds of that disposal are less than the reduced cost base. The cost base and acquisition date of the ***thl*** Shares, and eligibility for the CGT discount, are as described earlier.

Any capital gain derived by Australian resident company holding a 10% or greater interest in ***thl*** may be reduced to the extent of the active foreign base asset percentage of ***thl***.

(i) CGT Discount

A CGT discount may apply to Scheme Shareholders that are individuals, complying superannuation funds or trusts, who have held, or are taken to have held, their ATL Shares for at least 12 months (not including the date of acquisition or the date of disposal) at the time of the disposal of their ATL Shares to ***thl*** (**CGT Discount**).

The CGT Discount is:

i. one-half if the Scheme Shareholder is an individual or trustee: meaning only 50% of the capital gain (without any allowance for indexation) will be included in assessable income; and
ii. one-third if the Scheme Shareholder is a trustee of a complying superannuation entity: meaning only two-thirds of the capital gain (without any allowance for indexation) will be included in assessable income.

The CGT Discount is not available to Scheme Shareholders that are companies.

If the Scheme Shareholder makes a discounted capital gain, any current year and/or carried forward capital losses will be applied to reduce the undiscounted capital gain before the relevant CGT discount is applied. The resulting amount is then included in the Scheme Shareholder's net capital gain for the income year and included in assessable income.

The CGT Discount rules relating to trusts are complex. Subject to certain requirements being satisfied, the capital may flow through to the beneficiaries in that trust, who will assess eligibility for the CGT Discount in their own right. Accordingly, we recommend trustees seek their own independent advice on how the CGT Discount applies to them and the trust's beneficiaries.

Foreign tax resident shareholders

For any Scheme Shareholder who:

(a) is not a resident of Australia for Australian income tax purposes; and

(b) does not hold their ATL Shares in carrying on a business through a permanent establishment in Australia,

the disposal of ATL Shares should generally only result in Australian CGT implications if:

(c) that Scheme Shareholder together with its associates held an interest of 10% or more in ATL at the time of disposal or for a 12-month period within 2 years preceding the disposal (referred to as a "non-portfolio interest"); and

(d) more than 50% of the market value of ATL's assets is attributable to direct or indirect interests in "taxable Australian real property" (as defined in the income tax legislation).

ATL has determined that, currently and up to the Implementation Date, less than 50% of the market value of ATL's assets is attributable to direct or indirect interests in "taxable Australian real property". Therefore, non-resident Scheme Shareholders who do not hold their ATL Shares in carrying on a business through a permanent establishment in Australia should not be subject to CGT as a result of the Scheme. CGT scrip-for-scrip rollover relief should not be applicable.

A foreign resident CGT withholding tax of 12.5% applies to transactions involving the acquisition of the legal ownership of an asset that is indirect Australian real property interest. Given that ATL has determined that less than 50% of the market value of ATL's assets are attributable to direct or indirect "taxable Australian real property". On this basis, the foreign resident CGT withholding tax should not apply.

Any foreign resident individual Scheme Shareholder who was previously a resident of Australia and chose to disregard a capital gain or capital loss on ceasing to be an Australian resident will be subject to Australian CGT consequences on disposal of their ATL Shares as set out above, although the CGT Discount should only be available to the extent of the period that the foreign resident individual Scheme Shareholder was an Australian resident.

Foreign Scheme Shareholders should seek independent professional advice in relation to their own particular circumstances, including in respect of taxation in the jurisdiction where they are resident.

GST

Scheme Shareholders should not be liable to Australian GST in respect of a disposal of their ATL Shares, regardless of whether the Scheme Shareholder is registered for GST or not.

Scheme Shareholders may incur GST included in costs (such as adviser fees relating to their participation in the Scheme) that relate to the Scheme. Scheme Shareholders that are registered for GST may be entitled for input tax credits or reduced input tax credits for such costs. This will depend on each Scheme Shareholder's individual circumstances.

Stamp duty

No stamp duty should be payable by Scheme Shareholders in any Australian State or Territory on the acquisition by ***thl*** of their ATL Shares under the Scheme or on receipt by Scheme Shareholders of the ***thl*** Consideration Shares.

11.2 New Zealand tax implications

Scope of comments

This section 11.2 contains a general overview of certain New Zealand income tax and GST implications for New Zealand and foreign Scheme Shareholders who become ***thl*** Shareholders on implementation of the Scheme.

This summary has been prepared solely for the Scheme Shareholders. It has also been prepared solely for purposes of enabling the Scheme Shareholders to broadly understand certain New Zealand tax implications of the proposed Scheme as outlined in this Replacement Scheme Booklet.

This summary is based on the New Zealand tax law, and the practise and publications of the tax authorities, at the time of issue of this Replacement Scheme Booklet. New Zealand tax law is complex and subject to change periodically, as is its interpretation by the courts and the tax authorities. This summary is general in nature and is not intended to be an authoritative or complete statement of the applicable tax law. It does not take into account the tax law of countries other than New Zealand. The precise tax implications of ownership or disposal of the ATL Shares or the ***thl*** Consideration Shares will depend on each Scheme Shareholder's specific facts and circumstances.

These comments are not a substitute for advice from an appropriate professional adviser having regard to each Scheme Shareholder's specific facts and circumstances. All Scheme Shareholders are strongly advised to obtain and rely only on their own professional advice as to the tax implications of the Scheme (and/or of their future shareholding in ***thl***) based on their own specific facts and circumstances.

In addition, this summary is limited to the following New Zealand tax issues:

(a) in relation to the Scheme, the New Zealand tax implications for New Zealand-resident Scheme Shareholders in relation to the exchange of ATL Shares for ***thl*** Consideration Shares; and

(b) in relation to the post-Scheme holding of ***thl*** Shares by Scheme Shareholders, the New Zealand tax implications of receiving ***thl*** dividends and of the disposal of ***thl*** Shares, for both New Zealand-resident ***thl*** Shareholders and non-New Zealand-resident ***thl*** Shareholders (**Foreign *thl* Shareholders**).

New Zealand tax implications for New Zealand-resident Scheme Shareholders in relation to the exchange of ATL Shares for thl Consideration Shares

(a) Income tax

Assuming that the New Zealand-resident Scheme Shareholders are eligible for the exemption for ASX-listed Australian companies under the "foreign investment fund" rules, the disposal of the ATL Shares to ***thl*** under the Scheme should not give rise to any adverse New Zealand income tax implications for the New Zealand-resident Scheme Shareholders to the extent that they hold the ATL Shares on capital account.

ATL Shares should be held by each New Zealand-resident Scheme Shareholder on capital account if they were not acquired for the dominant purpose of disposal, if the New Zealand-resident Scheme Shareholder does not carry on a business of dealing in shares, and/or if the ATL Shares were not acquired and are not exchanged for ***thl*** Consideration Shares in the course of a profit-making undertaking or scheme.

To the extent that the ATL Shares are not held on capital account (i.e., they are held on revenue account) by the New Zealand-resident Scheme Shareholders, an assessable gain or tax-deductible loss should be recognised by the New Zealand-resident Scheme Shareholders on the difference between the cost of the ATL Shares and the fair market value of the ***thl*** Consideration Shares on the Implementation Date.

(b) GST

The exchange of ATL Shares for ***thl*** Consideration Shares should not be subject to GST in New Zealand.

(c) Stamp duty and transfer tax

New Zealand does not impose stamp duty or transfer tax.

New Zealand tax implications of receiving thl dividends and on the disposal of thl Consideration Shares, for both New Zealand-resident thl Shareholders and Foreign thl Shareholders

(a) New Zealand-resident *thl* Shareholders

This section applies to New Zealand-resident Scheme Shareholders who will become ***thl*** Shareholders on implementation of the Scheme.

i. **Dividends received by New Zealand-resident *thl* Shareholders**

Dividends received by New Zealand-resident ***thl*** Shareholders should give rise to assessable income subject to resident withholding tax (RWT), unless the ***thl*** Shareholders hold certificates of exemption from RWT.

RWT will generally give rise to a refundable tax credit. As such, RWT is first applied to satisfy the taxpayer's income tax liability for the income year in which it is withheld and returned to Inland Revenue. Any excess is generally allowed as a refund to the taxpayer.

New Zealand has an imputation regime (which is very similar to the franking regime in Australia), under which income tax paid by a company such as ***thl*** will generally give rise to imputation credits that can be attached to dividends. These imputation credits can be used by the company's New Zealand-resident ***thl*** Shareholders to offset their RWT liabilities (or settle their other income tax liabilities) on a one-for-one basis. For corporate New Zealand-resident ***thl*** Shareholders, excess/unused imputation credits can generally be converted into tax losses and carried forward to future income years (subject to a minimum standard of ultimate shareholder continuity or business continuity being maintained). The maximum ratio at which imputation credits can be attached to a dividend is 28:72 (i.e., $28 of imputation credits for every $72 of ordinary dividends). This is known as a "fully-imputed dividend."

RWT for a given New Zealand-resident ***thl*** Shareholder is generally calculated by multiplying the amount of the gross dividend (i.e., the amount of the ordinary dividend plus the amount of any imputation credits attached to the ordinary dividend) by the shareholder's RWT rate, and subtracting the amount of imputation credits attached to the dividend. If the ***thl*** Shareholder's RWT rate is greater than 28%, the company will be required to return RWT to Inland Revenue, and the shareholder will have a refundable RWT credit (see above). For individuals and trusts that do not hold certificates of exemption, the RWT rate is usually 33%, and RWT is most often required to be withheld on fully-imputed dividends at 5%.

Certain distributions paid by ***thl*** might not be subject to tax as dividends for ***thl*** Shareholders (for example, non-taxable bonus issues and certain returns of capital and capital gains).

ii. Disposal of *thl* Consideration Shares by New Zealand-resident *thl* Shareholders

The future disposal of ***thl*** Consideration Shares, if any, should not give rise to any adverse New Zealand income tax implications for the New Zealand-resident ***thl*** Shareholders to the extent that they hold the ***thl*** Consideration Shares on capital account.

thl Consideration Shares should be held by each New Zealand-resident ***thl*** Shareholder on capital account if they are not acquired for the dominant purpose of disposal, if the New Zealand-resident ***thl*** Shareholder does not carry on a business of dealing in shares, and/or if the ***thl*** Consideration Shares are not acquired and are not disposed of in the course of a profit-making undertaking or scheme.

To the extent that the ***thl*** Consideration Shares are not held on capital account (i.e., they are held on revenue account) by the New Zealand-resident ***thl*** Shareholders, an assessable gain or tax-deductible loss should be recognised by the New Zealand-resident ***thl*** Shareholders on the difference between the fair market value of the ***thl*** Consideration Shares on the Implementation Date, and the fair market value of the consideration received by the ***thl*** Shareholders on the date on which the ***thl*** Consideration Shares are disposed.

The future disposal of the ***thl*** Consideration Shares, if any, should not be subject to GST in New Zealand.

(b) Foreign *thl* Shareholders

This section applies to non-New Zealand-resident Scheme Shareholders who will become Foreign ***thl*** Shareholders on implementation of the Scheme.

i. Dividends received by Foreign *thl* Shareholders

Dividends received by Foreign ***thl*** Shareholders should give rise to assessable income subject to non-resident withholding tax (**NRWT**).

The rate of NRWT on dividends paid by ***thl*** will vary depending on each Foreign ***thl*** Shareholder's specific facts and circumstances.

To the extent that dividends are fully imputed, Foreign ***thl*** Shareholders that have 10%-or-greater direct voting interests in ***thl*** should be subject to NRWT at 0% under domestic tax law. Similarly, if Foreign ***thl*** Shareholders have a post-tax treaty NRWT rate on unimputed dividends of less than 15%, NRWT on fully-imputed dividends should be reduced to 0% under domestic tax law irrespective of their direct voting interests in ***thl***. Where these requirements/tests are not satisfied, ***thl*** should be able to use "supplementary dividends" to reduce the economic NRWT cost to zero.

By contrast, to the extent that dividends are unimputed, NRWT should apply at the post-tax treaty NRWT rate (which will generally range from 5% to 15%, depending on the tax treaty) or at 30% under domestic tax law if there is no applicable tax treaty.

Importantly, New Zealand NRWT may give rise to foreign tax credits in the Foreign ***thl*** Shareholders' countries of residence, which can generally be used to eliminate double tax on dividends paid by ***thl***.

ii. **Disposal of *thl* Consideration Shares by Foreign *thl* Shareholders**

The future disposal of ***thl*** Consideration Shares, if any, should not give rise to any adverse New Zealand income tax implications for the Foreign ***thl*** Shareholders to the extent that they hold the ***thl*** Consideration Shares on capital account.

thl Consideration Shares should be held by each Foreign ***thl*** Shareholder on capital account if they are not acquired for the dominant purpose of disposal, if the Foreign ***thl*** Shareholder does not carry on a business of dealing in shares, and/or if the Foreign ***thl*** Consideration Shares are not acquired and are not disposed of in the course of a profit-making undertaking or scheme.

To the extent that the ***thl*** Consideration Shares are not held on capital account (i.e., they are held on revenue account) by the Foreign ***thl*** Shareholders, an assessable gain or tax-deductible loss should be recognised by the Foreign ***thl*** Shareholders on the difference between the fair market value of the ***thl*** Consideration Shares on the Implementation Date, and the fair market value of the consideration received by the Foreign ***thl*** Shareholders on the date on which the ***thl*** Consideration Shares are disposed.

If a Foreign ***thl*** Shareholder is a resident of a country that has a tax treaty with New Zealand, and that Foreign ***thl*** Shareholder does not hold its ***thl*** Consideration Shares on capital account, New Zealand's right to tax the future disposal of the ***thl*** Consideration Shares may be ceded to the Foreign ***thl*** Shareholder's country of residence if certain terms and conditions are met. This will generally require the ***thl*** Consideration Shares to have been held for a certain period of time (or longer), for the Foreign ***thl*** Shareholder to not have a permanent establishment in New Zealand, and for the Foreign ***thl*** Shareholder to otherwise be eligible for relief under the applicable tax treaty.

The future disposal of ***thl*** Consideration Shares, if any, should not be subject to GST in New Zealand.

SECTION 12

Additional Information

This section sets out additional information required to be disclosed to ATL Voting Shareholders pursuant to the Corporations Act and the Corporations Regulations, together with other information that may be of interest to ATL Voting Shareholders.

12.1 Interests of ATL Directors

(a) Interest of ATL Directors in ATL securities

The following table shows the marketable securities of **ATL** owned by, or on behalf of, each ATL Director, or in which they have a Relevant Interest, as at the Last Practicable Date:

ATL DIRECTOR	NUMBER OF ATL SHARES
Sophie Mitchell	234,504 ATL Shares indirectly held
Robert Baker	130,000 ATL Shares indirectly held
Brett Heading	250,000 ATL Shares indirectly held
Luke Trouchet and Karl Trouchet	99,412,231 ATL Shares indirectly held

As at the Last Practicable Date, the ATL Directors hold in aggregate a Relevant Interest in approximately 53.73% of all ATL Shares on issue.

All ATL Directors intend to vote in favour of the Scheme in respect of all ATL Shares in which they have a Relevant Interest, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of ATL Voting Shareholders.

(b) Dealings of ATL Directors in ATL securities

No ATL Director has acquired or disposed of a Relevant Interest in any ATL Shares in the four-month period ending on the date immediately prior to the date of this Replacement Scheme Booklet.

(c) Interests of ATL Directors in *thl*

As at the date of this Replacement Scheme Booklet, no ATL Director has a Relevant Interest in ***thl*** Shares and no such persons are otherwise entitled to securities in ***thl*** as at the date of this Replacement Scheme Booklet, other than to the extent that an ATL Director may hold ***thl*** Shares as part of a diversified portfolio of shares (such as through independently managed funds or accounts).

12.2 Interests of ATL in *thl* Shares

As at the Last Practicable Date, ATL does not hold any ***thl*** Shares.

12.3 Benefits and agreements

(a) Deeds of indemnity, insurance and access

ATL has entered into deeds of indemnity, insurance and access with the ATL Directors and officers on customary terms.

In addition, ATL pays premiums in respect of a directors' and officers' insurance policy for the benefit of the directors and officers of the ATL Group. ATL may enter into an arrangement to provide insurance coverage for all current directors and officers of the ATL Group for a period of up to seven years from implementation of the Scheme.

(b) Payments in connection with retirement from office

Other than as disclosed in this Replacement Scheme Booklet there is no payment or other benefit that is proposed to be made or given to any ATL Director or secretary or executive officer of ATL (or any of its Related Bodies Corporate) as compensation for the loss of, or as consideration for or in connection with their retirement from, office in ATL or any of its Related Bodies Corporate.

(c) Agreements or arrangements with ATL Directors in connection with, or conditional on, the outcome of the Scheme

There are no agreements or arrangements made between any ATL Director and another person in connection with, or conditional on, the outcome of the Scheme other than as disclosed in this Replacement Scheme Booklet or in their capacity as an ATL Shareholder.

Hamilton Locke Pty Ltd is the legal adviser to ATL and will be paid fees for services in accordance with the terms of its engagement letter with ATL. Non-executive ATL Director Brett Heading is the Chairman of Partners of Hamilton Locke Pty Ltd and may be considered to have an indirect interest in the engagement. The implementation of the Scheme will not have any effect on the fees paid or payable to Hamilton Locke Pty Ltd.

(d) Payments and benefits to ATL Directors, secretaries and executive officers in connection with the Scheme

Other than as disclosed in this Replacement Scheme Booklet, no ATL Director, secretary or executive officer of ATL (or any of its Related Bodies Corporate) has agreed to receive, or is entitled to receive, any payment or benefit from ***thl*** which is conditional on, or is related to, the Scheme, other than in their capacity as an ATL Shareholder.

(e) Interests of ATL Directors in contracts with *thl*

None of the ATL Directors has any interest in any contracts entered into by ***thl***.

12.4 Creditors of ATL

The Scheme, if implemented, is not expected to materially prejudice ATL's ability to pay its creditors as it involves the acquisition of securities in ATL for consideration provided by a third party. No material new liability is expected to be incurred by ATL because of the implementation of the Scheme. ATL has paid and is paying all of its creditors within normal terms and is solvent and trading in an ordinary commercial manner.

12.5 ASIC relief and ASX waivers

No ASX waiver or ASIC relief has been sought for the purposes of the Scheme or the issue of this Replacement Scheme Booklet.

12.6 Disclosures and consents

(a) Consents

The following parties have given and have not withdrawn, before the time of registration of this Replacement Scheme Booklet by ASIC, their written consent to be named in this Replacement Scheme Booklet in the form and context in which they are named:

- Morgans Corporate Limited as financial adviser to ATL;
- Hamilton Locke Pty Ltd as legal adviser to ATL;
- Grant Thornton Corporate Finance Pty Ltd as the Independent Expert;
- BDO Audit Pty Ltd as the Investigating Accountant;
- BDO Audit Pty Ltd as the auditor to ATL;
- Deloitte as tax adviser to ATL;
- The Trouchet Shareholders, as ATL's major shareholder group; and
- Computershare Investor Services Pty Limited as the Share Registry.

Grant Thornton Corporate Finance Pty Ltd has also given and has not withdrawn, before the time of registration of this Replacement Scheme Booklet with ASIC, its written consent to the inclusion of its Replacement Independent Expert's Report in this Replacement Scheme Booklet in the form and context in which it is included and to all references in this Replacement Scheme Booklet to that report in the form and context in which they appear.

BDO Audit Pty Ltd has also given and has not withdrawn, before the time of registration of this Replacement Scheme Booklet with ASIC, its written consent to the inclusion of its Replacement Independent Limited Assurance Report and the information in section 9.8 in this Replacement Scheme Booklet in the form and context in which it is included and to all references in this Replacement Scheme Booklet to that report in the form and context in which they appear.

thl and ***thl*** Acquirer has also given and has not withdrawn, before the time of registration of this Replacement Scheme Booklet with ASIC, their written consent to the inclusion of the ***thl*** Information in the form and context in which it is included and to all references in this Replacement Scheme Booklet to the ***thl*** Information in the form and context in which they appear.

The Trouchet Shareholders has also given and has not withdrawn, before the time of registration of this Replacement Scheme Booklet with ASIC, its written consent to the inclusion of the information in section 4.1(c) in this Replacement Scheme Booklet in the form and context in which it is included and to all references in this Replacement Scheme Booklet to the statements made in that section in the form and context in which they appear.

(b) Disclaimers

None of the persons referred to above has authorised or caused the issue of this Replacement Scheme Booklet and does not make or purport to make any statement in this Replacement Scheme Booklet other than those statements made in the capacity and to the extent the person has provided its consent, as referred to above.

To the maximum extent permitted by law, each person referred to above disclaims all liability in respect of, makes no representation regarding and takes no responsibility for any part of this Replacement Scheme Booklet.

12.7 Privacy and personal information

ATL and ***thl***, their respective share registries and investor relations advisers may collect personal information about you in the process of implementing the Scheme. The personal information may include the names, contact details and details of the security holdings of ATL Voting Shareholders, and the names of individuals appointed by ATL Voting Shareholders as proxies, corporate representatives or attorneys at the Scheme Meeting.

The personal information is collected for the primary purpose of implementing the Scheme. ATL Voting Shareholders who are individuals and the other individuals in respect of whom personal information is collected as outlined above have certain rights to access the personal information collected in relation to them.

Such individuals should contact the Share Registry at 1300 158 729 (within Australia) or +61 2 9066 4059 (outside Australia) in the first instance if they wish to request access to that personal information. ATL Voting Shareholders who appoint an individual as their proxy, corporate representative or attorney to vote at the Scheme Meeting should inform that individual of the matters outlined above.

12.8 Right to inspect and obtain copies of the Share Register

ATL Shareholders have the right to inspect the Share Register which contains the name and address of each ATL Shareholder and certain other prescribed details relating to ATL Shareholders, without charge.

ATL Shareholders also have the right to request a copy of the Share Register upon payment of a fee (if any) up to a prescribed amount.

ATL Shareholders have these rights by virtue of section 173 of the Corporations Act.

12.9 Foreign selling restrictions

Law may restrict the distribution of this Replacement Scheme Booklet outside of Australia, New Zealand or the United Kingdom and persons who come into possession of this Replacement Scheme Booklet should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may contravene applicable securities law. ATL disclaims all liabilities to such persons. ATL Voting Shareholders who are nominees, trustees or custodians are encouraged to seek independent advice as to how they should proceed.

No action has been taken to register or qualify this Scheme Booklet or any aspect of the Scheme in any jurisdiction outside of Australia.

12.10 No unacceptable circumstances

The ATL Directors believe that the Scheme does not involve any circumstances in relation to the affairs of ATL that could reasonably be characterised as constituting "unacceptable circumstances" for the purposes of section 657A of the Corporations Act.

12.11 Interests of advisers

Other than as set out in this Replacement Scheme Booklet, no person named in this Replacement Scheme Booklet as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Replacement Scheme Booklet holds, or held at any time during the last two years before the date of this Replacement Scheme Booklet, any interest in:

(a) the formation or promotion of ATL; or

(b) any property acquired or proposed to be acquired by ATL in connection with its formation or promotion or in connection with the Scheme.

12.12 Fees

ATL will incur external transaction costs in connection with the Scheme. Certain of these costs are conditional on the Scheme proceeding, and if the Scheme is implemented these will effectively be borne by ***thl*** who will have acquired ATL from implementation.

If the Scheme is implemented, the amount of the external fees and expenses expected to be incurred by ATL in connection with the Scheme, including the fees and expenses of financial advisers, lawyers, accountants, and communication consultants, is estimated (as at the Last Practicable Date) at approximately A$4.7 million (excluding GST and disbursements).

As at the Last Practicable Date, ATL has incurred or expects to incur costs of approximately A$3.7 million (excluding GST and disbursements) in developing the Scheme so that it is capable of being submitted to ATL Voting Shareholders for consideration. These costs will be incurred by ATL even if the Scheme is not implemented.

12.13 Status of Scheme Conditions

A summary of the Scheme Conditions is set out in section 5.3 of this Replacement Scheme Booklet. As at the Last Practicable Date, in addition to the Divestment Condition, all Scheme Conditions remain outstanding other than the following which have been satisfied:

- ***thl*** receiving ACCC, Commerce Commission and FIRB approval;
- third party consents, approvals or waivers of rights by parties other than ATL under any Material Contracts are obtained;
- escrow arrangements are entered into by the Trouchet Shareholders; and
- ***thl*** obtaining confirmation from its insurers that its existing directors and officers insurance policy is extended to include the Scheme.

As at the date of this Replacement Scheme Booklet, ***thl***, ATL and the ATL Directors are not aware of any reasons why the Scheme Conditions will not be satisfied or the Scheme Implementation Deed terminated.

12.14 Supplementary information

ATL will issue a supplementary document to this Scheme Booklet if it becomes aware of any of the following between the date of lodgement of this Scheme Booklet for registration by ASIC and the Effective Date:

(a) a material statement in this Replacement Scheme Booklet is materially false or misleading;

(b) a material omission from this Replacement Scheme Booklet;

(c) a significant change affecting a matter included in this Replacement Scheme Booklet; or

(d) a significant new matter has arisen and it would have been required to be included in this Replacement Scheme Booklet if it had arisen before the date of lodgement of this Replacement Scheme Booklet for registration by ASIC.

Depending on the nature and timing of the changed circumstances and subject to obtaining any relevant approvals, ATL may circulate and publish any supplementary document by:

(a) placing an advertisement in a prominently published newspaper which is circulated generally throughout Australia;

(b) posting the supplementary document on ATL's website at www.apollotourism.com; or

(c) making an announcement to ASX,

as ATL, in its absolute discretion, considers appropriate, subject to any approval that may be required from the Court. In particular, where the matter is not materially adverse to ATL Voting Shareholders such circulation and publication may be only by an announcement to ASX.

12.15 Lodgement of Scheme Booklet

The Replacement Scheme Booklet was given to ASIC on 11 October 2022 in accordance with section 411(2)(b) of the Corporations Act. ASIC takes no responsibility for the content of this Replacement Scheme Booklet.

12.16 No other material information

Except as disclosed elsewhere in this Replacement Scheme Booklet, there is no other information that is material to the making of a decision by an ATL Voting Shareholder whether or not to vote in favour of the Scheme (as applicable) which is known to any ATL Director and which has not previously been disclosed to ATL Voting Shareholders at the date of lodging this Replacement Scheme Booklet with ASIC for registration.

SECTION 13

Glossary

13.1 Definitions

The meaning of the terms used in this Replacement Scheme Booklet are set out below:

DEFINED TERM	MEANING
AAS	(a) the accounting standards made by the Australian Accounting Standards Board in accordance with the Corporations Act, and the requirements of that Act relating to the preparation and content of accounts; and (b) generally accepted accounting principles that are consistently applied in Australia, except those inconsistent with the standards or requirements referred to in paragraph (a).
ACCC	Australian Competition and Consumer Commission.
ASIC	Australian Securities and Investments Commission.
Asset Divestment	the divestment of certain assets by ATL expected to be completed on the Implementation Date prior to implementation of the Scheme, as described in the Letter from the Chairman of ATL.
Associate	has the meaning given in Division 2 of Part 1.2 of the Corporations Act, as if subsection 12(1) of the Corporations Act includes a reference to this Replacement Scheme Booklet and ATL was the designated body.
ASX	ASX Limited (ABN 98 008 624 691) or, if the context requires, the financial market known as the Australian Securities Exchange operated by it.
ASX Listing Rules	the official listing rules of ASX.
ATL	Apollo Tourism & Leisure Ltd (ACN 614 714 742).
ATL Board	the board of directors of ATL.
ATL Constitution	the company constitution of ATL.
ATL Director	a director of ATL as at the date of this Replacement Scheme Booklet.
ATL Group	ATL and its Subsidiaries.
ATL Information	the information contained in this Replacement Scheme Booklet other than: (a) the ***thl*** Information; (b) the Replacement Independent Expert's Report; and (c) the Replacement Independent Limited Assurance Report.
ATL Material Adverse Change	a change, event, circumstance or occurrence (singularly or in combination) which results in or has the meaning given in effect of (or which with the lapse of time is reasonably likely to result in or have the effect of): (a) resulting in the average price for ex-rental vehicles sold by the ATL Group during any two calendar month period ending on the last day of a calendar month between the date of the Scheme Implementation Deed and the Second Court Date in any of: (i) Australia; (ii) New Zealand; or (iii) Canada, being: (iv) 15% or more below the average price for ex-rental vehicles sold by the ATL Group in any relevant region (referred to in paragraphs (i) to (iii) above) over the six calendar month period ending on 30 November 2021; or (v) 10% or more below the average price for ex-rental vehicles sold by the ATL Group in all regions (referred to in paragraphs (i) to (iii) above) over the six calendar month period ending on 30 November 2021; (b) materially impacting in an adverse manner on the financial indebtedness or debt arrangements of the ATL Group, including where a demand is made for repayment of any financial indebtedness or the financial indebtedness becomes repayable in advance of its maturity; (c) the business of the ATL Group being unable to be carried on in substantially the same manner as it is carried on at the date of the Scheme Implementation Deed, including as a result of an adverse effect on the status or terms of any licences, permits or authorisations from any Governmental Agency applicable to ATL; or

DEFINED TERM	MEANING
ATL Material Adverse Change (continued)	(d) materially impacting the reputation of the ATL Group, including in relation to its good standing with any Governmental Agency having jurisdiction over the conduct of business of the ATL Group (including any regulatory investigation, legal proceeding or class action), other than an event, circumstance or occurrence: (e) required to be done or procured by ATL under the Scheme Implementation Deed or the Scheme or the transactions contemplated by either; (f) to the extent that: (i) it was fairly disclosed in the due diligence material (or which ought reasonable to have been expected to arise from a matter, event or circumstance which was so disclosed); (ii) it was consented to in writing by ***thl*** (in its absolute discretion); (iii) it was fairly disclosed in documents that were publicly available prior to the date which is 2 Business Days prior to the date of the Scheme Implementation Deed from public filings of ATL with ASX or ASIC; (iv) it results from a change in generally appli-cable accounting standards or principles; (v) it results from a change in any applicable law or policy required by law or general economic, political or regulatory conditions in Australia, New Zealand, Canada or the United Kingdom or that otherwise affects or otherwise has an impact on Australia, New Zealand, Canada or the United Kingdom; or (vi) it results from any acts of war or terrorism, natural disaster or pandemic (including COVID-19), or any escalation of the same, affecting businesses like those operated by ATL generally.
ATL Prescribed Occurrence	the occurrence of any of the following on or after the date of the Scheme Implementation Deed: (a) ATL converts all or any of its shares into a larger or smaller number of shares (see section 254H of the Corporations Act); (b) any member of the ATL Group resolves to reduce its share capital in any way; (c) any member of the ATL Group: (i) enters into a buy-back agreement; or (ii) resolves to approve the terms of a buy-back agreement under subsection 257C(1) or 257D(1) of the Corporations Act; (d) any member of the ATL Group issues securities, or grants a performance right, or an option over its securities, or agrees to make such an issue or grant such a right or an option; (e) any member of the ATL Group issues, or agrees to issue, convertible notes; (f) other than in the ordinary course of business of the ATL Group (as determined by reference to the course of business during the 12 months prior to the date of the Scheme Implementation Deed), any member of the ATL Group disposes, or agrees to dispose, of the whole, or a substantial part, of its business or property where that business or property represents more than 10% of the equity value of the ATL Group; (g) any member of the ATL Group creates or agrees to create, any security interest over the whole, or a substantial part, of its business or property; (h) an insolvency event occurs in relation to any member of the ATL Group; (i) ATL pays, declares, distributes or incurs a liability to make or pay a dividend, bonus or other share of its profits, income, capital or assets by way of dividend or other form of distribution; (j) any member of the ATL Group makes any change to its constitution or convenes a meeting to consider a resolution to change a constitution of any member of the ATL Group;

DEFINED TERM	MEANING
ATL Prescribed Occurrence (continued)	(k) any member of the ATL Group ceases, or threat-ens to cease to, carry on the business conducted as at the date of the Scheme Implementation Deed; (l) any member of the ATL Group (other than a dormant, non-operating member of the ATL Group) being deregistered as a company or being otherwise dissolved; (m) any disposal of shares or securities by a member of the ATL Group in any member of the ATL Group other than to a member of the ATL Group; or (n) any member of the ATL Group directly or indirectly authorises, commits or agrees to take or an-nounces any of the actions referred to in para-graphs (a) to (m) inclusive above insofar as it ap-plies to the member of the ATL Group the subject of such direct or indirect authorisation, commit-ment, agreement or announcement, provided that an ATL Prescribed Occurrence will not include any matter: (o) required to be done or procured by the ATL Group under the Scheme Implementation Deed or the Scheme; (p) required by law or by an order of a court or Governmental Agency; (q) to the extent it is fairly disclosed in filings of ATL with the ASX in the 24 months prior to the date of the Scheme Implementation Deed; (r) to the extent it is fairly disclosed in the due diligence material; or (s) the undertaking of which ***thl*** has previously approved in writing.
ATL Share	a fully paid ordinary share in ATL.
ATL Shareholder	each person who is registered as the holder of an ATL Share in the Share Register from time to time.
ATL Shareholder Information Line	the information telephone line that ATL Voting Shareholders can contact for further information about the Scheme, being 1300 158 729 (within Australia) or +61 2 9066 4059 (outside Australia).
ATL Voting Shareholders	all ATL Shareholders excluding the ***thl*** Entities.
ATL Warranties	the representations and warranties of ATL set out in clause 9.4 of the Scheme Implementation Deed.
ATO	the Australian Taxation Office.
Business Day	a day that is not a Saturday, Sunday or a public holiday or bank holiday in Brisbane, Queensland, Australia or Auckland, New Zealand.
Camplify	Camplify Holdings Limited ACN 647 333 962 (ASX:CHL).
CGT	has the meaning given to that term in section 11.1 of this Replacement Scheme Booklet.
CGT Discount	has the meaning given to that term in section 11.1 of this Replacement Scheme Booklet.
Commerce Commission	New Zealand Commerce Commission.
Companies Act	*the Companies Act 1993* (NZ).

DEFINED TERM	MEANING
Competing Proposal	any offer, proposal or expression of interest, transac-tion or arrangement (including, by way of takeover bid or scheme of arrangement) under which, if ultimately completed substantially in accordance with its terms, a person or two or more persons who are Associates (other than a member of the ***thl*** Group) would directly or indirectly: (a) acquire a Relevant Interest in, or have a right to acquire, a legal, beneficial or economic interest in, or control of, 20% or more of the ATL Shares or of the share capital of any material ATL Group Member; (b) acquire control of ATL, within the meaning of section 50AA of the Corporations Act; (c) acquire, obtain a right to acquire, or otherwise ob-tain an economic interest in, 20% or more by value of the business or property of ATL or any member of the ATL Group (based on the value of the ATL Group's total consolidated assets as at 30 June 2021); (d) acquire or merge with ATL or amalgamate with any member of ATL Group, or acquire a significant shareholding or economic interest in ATL or any member of ATL Group or 20% or more by value of the total assets or business of any member of ATL Group; (e) result in ATL ceasing to be admitted to the official list of ASX or the ATL Shares ceasing to be offi-cially quoted on the market operated by ASX (except in circumstances where such cessation is as a result of the implementation of the Scheme; or (f) require ATL to abandon, or otherwise fail to pro-ceed with, the Proposed Transaction, whether by way of takeover bid, scheme of arrangement, shareholder approved acquisition, capital reduction, share buy-back or repurchase, sale or purchase of assets, joint venture, reverse takeover, dual-listed company structure, recapitalisation, establishment of a new holding entity for ATL or other synthetic merger or any other transaction or arrangement. Each successive material modification or variation of a Competing Proposal will constitute a new Competing Proposal.
Corporations Act	*Corporations Act 2001* (Cth).
Corporations Regulations	*Corporations Regulations 2001* (Cth).
Counter Proposal	a proposal provided by ***thl*** to amend the terms of the Proposed Transaction or prosing another form of transaction under clause 14.8(b) of the Scheme Implementation Deed.
Court	the Supreme Court of Queensland, or any other court of competent jurisdiction under the Corporations Act as the parties may agree in writing.
Deed Poll	the deed poll dated 15 February 2022 executed by ***thl*** and the ***thl*** Acquirer in relation to the Scheme as set out in Annexure D.
Delivery Time	two hours before the commencement of the hearing or, if the commencement of the hearing is adjourned, two hours before the commencement of the adjourned hearing, of the Court to approve the Scheme in accordance with section 411(4)(b) of the Corporations Act.
Divestment Condition	the condition subsequent to the Scheme set out in clause 3.1A of the Scheme Implementation Deed, summarised in section 5.5 of this Replacement Scheme Booklet.
Effective	when used in relation to the Scheme, the coming into effect, under section 411(10) of the Corporations Act, of the order of the Court made under section 411(4)(b) of the Corporations Act in relation to the Scheme.
Effective Date	the date on which the Scheme becomes Effective.
End Date	(a) 9 December 2022; or (b) such other date and time agreed in writing between ***thl*** and ATL.

DEFINED TERM	MEANING
Exclusivity Period	the period commencing on 10 December 2021 and ending on the earliest of: (a) the End Date; (b) the Effective Date; and (c) the date the Scheme Implementation Deed is terminated in accordance with its terms.
FATA	*the Foreign Acquisitions and Takeovers Act 1975* (Cth).
FIRB	Foreign Investment Review Board.
First Court Date	the date the Court first hears the application to order the convening of the Scheme Meeting under section 411(1) of the Corporations Act or, if the application is adjourned or subject to appeal for any reason, the day on which the adjourned application is heard.
First Court Hearing	the Court hearing on the First Court Date.
Foreign Scheme Shareholders	a Scheme Shareholder whose address as shown in the Share Register (as at the Scheme Record Date) is located outside of: (a) Australia and its external territories; (b) New Zealand; (c) the United Kingdom; and (d) any other jurisdictions as may be agreed in writing by ATL and ***thl***, unless ***thl*** determines (in its absolute discretion), that ***thl*** is permitted to allot and issue ***thl*** Consideration Shares to that Scheme Shareholder by the laws of that place either unconditionally or after compliance with conditions that ***thl*** considers are not unduly onerous or impracticable.
Foreign ***thl*** Shareholders	has the meaning given to that term in section 11.2 of this Replacement Scheme Booklet.
Governmental Agency	any government or representative of a government or any governmental, semi-governmental, administrative, fiscal, regulatory or judicial body, department, commission, authority, tribunal, agency, competition authority or entity and includes any minister, ASIC, ASX, FIRB, ACCC, Takeovers Panel, Financial Markets Authority, NZX, Commerce Commission, NZ Takeovers Panel and any regulatory organisation established under statute or any stock exchange.
GST	has the meaning given to that term in section 11.1 of this Replacement Scheme Booklet.
Headcount Test	the requirement under section 411(4)(a)(ii)(A) of the Corporations Act that the resolution to approve the Scheme at the Scheme Meeting is passed by a majority in number of ATL Voting Shareholders present and voting, either in person or by proxy, attorney or corporate representative.
Implementation Date	the fifth Business Day following the Scheme Record Date or such other date as ATL and ***thl*** agree.
Independent Expert	Grant Thornton Corporate Finance Pty Ltd.
Independent Limited Assurance Report	the report of the Investigating Accountant set out in Annexure B.
Investigating Accountant	BDO Audit Pty Ltd.
Jucy	Jucy Group (2022) Limited and, as the context requires, includes its Subsidiaries.
Jucy SPA	the Sale and Purchase Agreement dated 22 September 2022 between entities within the ATL Group as the vendors, ***thl*** and ***thl*** Acquirer as covenantors, and Subsidiaries of Jucy as the purchasers and Jucy as guarantor, relating to the Asset Divestment.
Last Practicable Date	21 October 2022, being the last practicable day before finalising the information in this Replacement Scheme Booklet.
Material Contract	the contracts identified as material contracts as agreed in writing by ATL and ***thl*** on or before the date of the Scheme Implementation Deed.
Merged Group	the ***thl*** Group including the ATL Group following implementation of the Scheme.
Notice of Postponed Scheme Meeting	the Notice of Postponed Scheme Meeting, as set out in Annexure E of this Replacement Scheme Booklet.

DEFINED TERM	MEANING
NRWT	has the meaning given to that term in section 11.2 of this Replacement Scheme Booklet.
NZ Takeovers Panel	the Takeovers Panel established by section 5(1) of the *Takeovers Act 1993* (NZ).
NZX	where the context requires, NZX Limited (Co. No. 1266120) or NZX Regulation Limited (Co. No. 8072017) and, where the context requires, the main board financial market that NZX Limited operates.
NZX Listing Rules	the official listing rules of NZX.
Original Scheme Booklet	the Scheme Booklet dated 21 February 2022 previously distributed to the ATL Voting Shareholders.
Proposed Transaction	(a) the proposed acquisition by ***thl*** of all the shares in ATL not already owned by it through the implementation of, and in accordance with, the Scheme; and (b) all associated transactions and steps contemplated by the Scheme Implementation Deed.
Proxy Form	the proxy form for the Scheme Meeting, which accompanies this Replacement Scheme Booklet.
Related Body Corporate	has the meaning given in the Corporations Act.
Relevant Date	(a) in relation to a Scheme Condition in the Scheme Implementation Deed, the date or time specified in the Scheme Implementation Deed for its satisfaction or, if no date or time is specified, the Delivery Time on the Second Court Date, or such extension of that time and date as agreed between ***thl*** and ATL; and (b) in relation to a Scheme Condition in the Scheme, the date or time specified in the Scheme for its satisfaction (if any).
Relevant Interest	has the meaning given in the Corporations Act.
Replacement Independent Expert's Report	the replacement report of the Independent Expert, as set out in Annexure A.
Replacement Scheme Booklet	this document, as approved by the Court for distribution to the ATL Voting Shareholders in replace-ment of the Original Scheme Booklet (other than the Notice of Scheme Meeting) and includes the annexures to this document.
Requisite Majority	in respect of the Scheme Resolution, approval by: (a) more than 50% in number of ATL Voting Shareholders present and voting; and (b) at least 75% of the total number of votes cast on the Scheme Resolution by ATL Voting Shareholders.
RVs	recreational vehicles.
RWT	has the meaning given to that term in section 11.2 of this Replacement Scheme Booklet.
Scheme	the proposed scheme of arrangement under Part 5.1 of the Corporations Act between ATL and Scheme Shareholders as amended by the parties pursuant to deed of variation to the Scheme Implementation Deed dated 21 September 2022, a copy of which is contained in Annexure C.
Scheme Conditions	the conditions set out in clause 3.1 of the Scheme Implementation Deed, which are summarised in section 5.3 of this Replacement Scheme Booklet.
Scheme Consideration	the consideration to be provided by ***thl*** for the transfer of each ATL Share as at the Scheme Record Date under the Scheme, being for every 3.210987 ATL Shares held by a Scheme Shareholder, 1 ***thl*** Consideration Share.
Scheme Implementation Deed	the Scheme Implementation Deed dated 10 December 2021 between ***thl***, ***thl*** Acquirer and ATL relating to implementation of the Scheme, among other things, as announced to the ASX on 10 December 2021 and as amended by deeds of variation dated 14 April 2022, 28 July 2022 and 21 September 2022.
Scheme Meeting	the meeting of ATL Voting Shareholders ordered by the Court to be convened under section 411(1) of the Corporations Act to consider and vote on the Scheme and includes any meeting convened following any adjournment or postponement of that meeting.
Scheme Record Date	7.00pm (AEDT) on the second Business Day following the Effective Date (or such other Business Day as the parties agree in writing)

DEFINED TERM	MEANING
Scheme Resolution	the resolution to approve the Scheme contained set out in the Notice of Scheme Meeting.
Scheme Shareholder	an ATL Shareholder as at the Scheme Record Date, other than the ***thl*** Entities.
Second Court Date	the first day on which an application made to the Court for an order under section 411(4)(b) of the Corporations Act approving the Scheme is heard or scheduled to be heard or, if the application is adjourned for any reason, the date on which the adjourned application is heard or scheduled to be heard.
Second Court Hearing	the Court hearing on the Second Court Date.
Share Register	the register of shareholders maintained by ATL under section 168(1) of the Corporations Act.
Share Registry	Computershare Investor Services Pty Limited ABN 48 078 279 277.
Subsidiary	has the meaning given to that term in section 46 of the Corporations Act.
Superior Proposal	(a) a bona fide Competing Proposal which in the determination of the ATL Board acting in good faith in order to satisfy what the ATL Board considers to be its fiduciary or statutory duties (after having taken advice from their legal and financial advisers): (b) is reasonably capable of being completed in accordance with its terms, taking into account all financial, regulatory and other aspects of such proposal, including the ability of the proposing party to consummate the transactions contemplated by the Competing Proposal; and (c) would, if completed substantially in accordance with its terms, be reasonably likely to result in a transaction more favourable to ATL Voting Shareholders as a whole than the Proposed Transaction, taking into account all of the terms and conditions of the Competing Proposal, including consideration, conditionality, funding, certainty and timing.
Takeovers Panel	the Takeovers Panel constituted under the *Australian Securities and Investments Commission Act 2001* (Cth).
thl	Tourism Holdings Rentals Limited ARBN 655 142 028, a foreign company registered in its original jurisdiction of New Zealand as Tourism Holdings Limited, and where the context requires, ***thl*** Acquirer in its capacity as the nominated acquirer of the ATL Shares under the Scheme Implementation Deed.
thl Acquirer	***thl*** Group (Australia) Pty. Ltd. ACN 055 966 222.
thl Board	the board of directors of ***thl***, being comprised of, as at the date of this Replacement Scheme Booklet, the individuals listed in section 8 of this Replacement Scheme Booklet.
thl Consideration Share	a ***thl*** Share to be issued under the terms of the Scheme as Scheme Consideration.
thl Constitution	the company constitution of ***thl***.
thl Directors	the directors of ***thl***, being, as at the date of this Replacement Scheme Booklet, the individuals listed in section 8.4(a) of this Replacement Scheme Booklet.
thl Entities	(a) ***thl***; and (b) any other entity that is controlled by ***thl*** that holds ATL Shares.
thl Group	***thl*** and each of its Subsidiaries (excluding, at any time, ATL and its Subsidiaries to the extent that ATL and its Subsidiaries are Subsidiaries of ***thl*** at that time). A reference to a member of the ***thl* Group** or a ***thl* Group Member** is a reference to ***thl*** or any such Subsidiary.
thl Information	the information regarding the ***thl*** Group and the Merged Group provided by ***thl*** to ATL for inclusion in this Scheme Booklet, being: (a) the letter from the Chair of ***thl***; (b) the information contained in sections 8, 9, 10.3 and Annexure F of this Replacement Scheme Booklet (including the information contained in those sections as summarised in section 2 of this Replacement Scheme Booklet), except to the extent it pertains to the ATL Group or ATL's contribution to the information regarding the Merged Group or there is a specific allocation of responsibility for part of any of these sections to ATL or to both ATL and ***thl***.

DEFINED TERM	MEANING
thl Material Adverse Change	a change, event, circumstance or occurrence (singularly or in combination) which results in or has the meaning given in effect of (or which with the lapse of time is reasonably likely to result in or have the effect of): (a) resulting in the average price for ex-rental vehicles sold by the ***thl*** Group during any two calendar month period ending on the last day of a calendar month between the date of the Replacement Scheme Implementation Deed and the Second Court Date in any of: (i) Australia; (ii) New Zealand; or (iii) United States of America, being: (iv) 15% or more below the average price for ex-rental vehicles sold by the ***thl*** Group in any relevant region (referred to in paragraphs (i) to (iii) above) over the six calendar month period ending on 30 November 2021; or (v) 10% or more below the average price for ex-rental vehicles sold by the ***thl*** Group in all regions (referred to in paragraphs (i) to (iii) above) over the six calendar month period ending on 30 November 2021; (c) materially impacting in an adverse manner on the financial indebtedness or debt arrangements of the ***thl*** Group, including where a demand is made for repayment of any financial indebtedness or the financial indebtedness becomes repayable in advance of its maturity; (d) the business of the ***thl*** Group being unable to be carried on in substantially the same manner as it is carried on at the date of the Scheme Implementation Deed, including as a result of an adverse effect on the status or terms of any licences, permits or authorisations from any Governmental Agency applicable to ***thl***; or (e) materially impacting the reputation of the ***thl*** Group, including in relation to its good standing with any Governmental Agency having jurisdiction over the conduct of business of the ***thl*** Group (including any regulatory investigation, legal proceeding or class action),
thl Material Adverse Change (continued)	other than an event, circumstance or occurrence: (f) required to be done or procured by ***thl*** under the Scheme Implementation Deed or the Scheme; (g) to the extent that: (i) it was fairly disclosed in the ***thl*** due diligence material (or which ought reasonable to have been expected to arise from a matter, event or circumstance which was so disclosed); (ii) it was consented to in writing by ATL (in its absolute discretion); (iii) it was fairly disclosed in documents that were publicly available prior to the date which is 2 Business Days prior to the date of the Scheme Implementation Deed from public filings of ***thl*** with the NZX; (iv) it results from a change in generally applicable accounting standards or principles; (v) it results from a change in any applicable law or policy required by law or general economic, political or regulatory conditions in Australia, New Zealand, the United Kingdom or the United States of America or that otherwise affects or otherwise has an impact on Australia, New Zealand, the United Kingdom or the United States of America; or (vi) it results from any acts of war or terrorism, natural disaster or pandemic (including COVID-19), or any escalation of the same, affecting businesses like those operated by the ***thl*** Group generally.

DEFINED TERM	MEANING
thl Prescribed Occurrence	occurrence of any of the following on or after the date of the Scheme Implementation Deed: (a) ***thl*** converts all or any of its shares into a larger or smaller number of shares; (b) ***thl*** resolves to reduce its share capital in any way; (c) ***thl***: (i) enters into a buy-back agreement in relation to its shares; or (ii) resolves to approve the terms of a buy-back agreement in relation to its shares; (d) any member of the ***thl*** Group issues securities, or grants a performance right, or an option over its securities, or agrees to make such an issue or grant such a right or an option other than: (i) under the valid exercise of an option or performance right on issue immediately before the date of the Scheme Implementation Deed; or (ii) an issue or grant of a security or a performance right under an employee incentive scheme in place as the date of the Scheme Implementation Deed, where the occurrence of such issue or grant has been fairly disclosed in the ***thl*** due diligence material; (e) any member of the ***thl*** Group issues, or agrees to issue, convertible notes; (f) other than in the ordinary course of business of the ***thl*** Group (as determined by reference to the course of business during the 12 months prior to the date of the Scheme Implementation Deed), any member of the ***thl*** Group disposes, or agrees to dispose, of the whole, or a substantial part, of its business or property where that business or property represents more than 10% of the equity value of the ***thl*** Group; (g) any member of the ***thl*** Group creates or agrees to create, any security interest over the whole, or a substantial part, of its business or property; (h) an insolvency event occurs in relation to any member of the ***thl*** Group; (i) ***thl*** pays, declares, distributes or incurs a liability to make or pay a dividend, bonus or other share of its profits, income, capital or assets by way of dividend or other form of distribution; (j) any member of the ***thl*** Group makes any change to its constitution or convenes a meeting to consider a resolution to change a constitution of any member of the ***thl*** Group; (k) any member of the ***thl*** Group ceases, or threatens to cease to, carry on the business conducted as at the date of the Scheme Implementation Deed; (l) any member of the ***thl*** Group (other than a dormant, non-operating member of the ***thl*** Group) being deregistered as a company or being otherwise dissolved; (m) any disposal of shares or securities by a member of the ***thl*** Group in any member of the ***thl*** Group other than to a member of the ***thl*** Group; or (n) any member of the ***thl*** Group directly or indirectly authorises, commits or agrees to take or announces any of the actions referred to in paragraphs (a) to (m) inclusive above insofar as it applies to the member of the ***thl*** Group the subject of such direct or indirect authorisation, commitment, agreement or announcement, provided that a ***thl*** Prescribed Occurrence will not include any matter: (o) required to be done or procured by the ***thl*** Group under the Scheme Implementation Deed or the Scheme; (p) required by law or by an order of a court or Governmental Agency; (q) to the extent it is fairly disclosed in filings of ***thl*** with NZX in the 24 months prior to the date of the Scheme Implementation Deed; (r) to the extent it is fairly disclosed in the ***thl*** due diligence material; or (s) the undertaking of which ATL has previously approved in writing.

DEFINED TERM	MEANING
thl Register	the register of shareholders of ***thl*** maintained by or on behalf of ***thl***.
thl Share	a fully paid ordinary share in the capital of ***thl***.
thl Shareholder	each person who is registered in the ***thl*** Register as a holder of ***thl*** Shares.
thl Warranties	the representations and warranties of ***thl*** set out in clause 9.1 of the Scheme Implementation Deed.
Trouchet Shareholders	Barmil Enterprises Pty Ltd as trustee for Lurk Investment Trust, Eastglo Pty Ltd as trustee for the Trouchet Super Fund, KRLG Pty Ltd as trustee for the KL Trust and any other person or entity holding ATL Shares for or on behalf of Luke Trouchet or Karl Trouchet.
Voting Entitlement Time	the date for determining voting eligibility at the Scheme Meeting, being 7.00pm (AEDT) on Wednesday, 9 November 2022.
VWAP	the volume weighted average price.

13.2 Interpretation

In this Replacement Scheme Booklet, unless the context otherwise appears:

(a) words and phrases have the same meaning (if any) given to them in the Corporations Act, unless inconsistent with the meaning given in this section;

(b) words importing a gender include any gender;

(c) words importing the singular include the plural and vice versa;

(d) where a word or phrase is given a particular meaning, other parts of speech and grammatical forms of that word or phrase have corresponding meanings;

(e) an expression importing a natural person includes any company, partnership, joint venture, association, corporation or other body corporate and vice versa;

(f) a reference to a section or annexure is a reference to a section of or an annexure to this Replacement Scheme Booklet as relevant;

(g) a reference to any statute, regulation, proclamation, ordinance or by law includes all statutes, regulations, proclamations, ordinances or by laws amending, varying, consolidating or replacing it and a reference to a statute includes all regulations, proclamations, ordinances and by laws issued under that statute;

(h) headings and bold type are for convenience only and do not affect the interpretation of this Replacement Scheme Booklet;

(i) a reference to time is to the time in Brisbane, Australia, unless otherwise indicated;

(j) a reference to writing includes facsimile transmissions; and

(k) a reference to dollars, $, cents, ¢ and currency is a reference to the lawful currency of the Commonwealth of Australia.

Annexure A

Replacement Independent Expert's Report

Apollo Tourism & Leisure Ltd

Independent Expert's Report and Financial Services Guide

24 October 2022

#6844636v1

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The Directors
Apollo Tourism & Leisure Ltd
698 Nudgee Road
Northgate, QLD 4013

24 October 2022

Dear Directors

Introduction

Apollo Tourism & Leisure Ltd ("Apollo" or "the Company" or "ATL") is a diversified and vertically integrated manufacturer, rental fleet operator, wholesaler and retailer of recreational vehicles ("RVs"), including motorhomes, campervans and caravans. The Company has operations in Australia, New Zealand ("NZ"), Canada and Europe / the UK. It is listed on the Australian Securities Exchange ("ASX") with a market capitalisation of c. A$165 million[1] as at 20 October 2022. As at 30 June 2022, it had an RV rental fleet of 2,613 vehicles.

Similarly, Tourism Holdings Limited ("*thl")* is a vertically integrated global tourism operator engaged in the design, manufacture, sale and rent of motorhomes, campervans, RV accessories and the provision of other tourism related activities. It operates predominantly in NZ, Australia and the United States of America ("US"). *thl* is listed on the NZ Stock Exchange ("NZX") with a market capitalisation of c. NZ$482 million[2] as at 20 October 2022. As at 30 June 2022, it had a RV rental fleet of 3,858 vehicles.

On 10 December 2021, the Company and *thl* jointly announced that they had entered into a binding Scheme Implementation Deed ("SID") under which it was proposed that *thl* will acquire 100% of the issued capital of ATL that it does not already own[3] ("Proposed Merger") by way of scheme of arrangement ("Scheme"). Under the SID the consideration was 1 *thl* share ("*thl* Share") for every 3.680818 Apollo shares ("ATL Shares") ("Original Conversion Ratio"). The Scheme was subject to approval from ATL Shareholders, the Supreme Court of Queensland, and FIRB[4] and clearance from the ACCC[5] and NZCC[6]. The Scheme Booklet was released on the ASX on 21 February 2022 ("Original Scheme Booklet") with a Scheme Meeting for ATL shareholder ("ATL Shareholder" [7]) approval arranged for 20 April 2022.

In early March 2022, the NZCC requested an extension to its statutory timeframe for a decision on the clearance of the Proposed Merger to 14 April 2022. On 31 March 2022, the ACCC agreed to delay its indicative timeline in relation to the application for clearance of the Proposed Merger to 28 April 2022 to allow additional time for ATL and *thl* to provide, and the ACCC to consider, further

[1] Based on a share price of A$0.89 and 186,150,908 ordinary shares outstanding as at 20 October 2022.
[2] Based on a share price of NZ$3.15 and 156,080,321 ordinary shares outstanding as at 20 October 2022.
[3] *thl* currently holds 898,150 ATL Shares being 0.5% of ATL Shares on issue. No new shares will be issued to *thl* in relation to its shareholding in Apollo under the Scheme.
[4] Foreign Investment Review Board ("FIRB").
[5] Australian Competition and Consumer Commission ("ACCC").
[6] New Zealand Commerce Commission ("NZCC").
[7] All ATL shareholders other than *thl* - (*thl* currently holds 898,150 shares in ATL).

information. On 28 April 2022, the ACCC released an announcement stating that it had preliminary concerns that the Proposed Merger would be likely to substantially lessen competition in markets in Australia, and that its final decision was scheduled for 21 July 2022. On the same day, ATL announced that it and *thl* would work closely with the ACCC to address the issues identified by the ACCC.

On 1 July 2022, ATL announced that in conjunction with *thl*, it had commenced discussions with both the NZCC and ACCC to seek merger clearance on the basis that the merged entity ("Merged Group") would divest certain assets in Australia and New Zealand ("Divestment").

NZCC and ACCC clearance in relation to the Proposed Merger was received on 23 September 2022 and 29 September 2022 respectively.

Due to the passage of time and differences in the relative performance of ATL and *thl's* assets, both companies agreed to amend some of the commercial terms of the Scheme to account for the increase in value of ATL's Canadian properties and ATL's proportionally larger Australian operations that have benefitted from a faster than expected COVID-19 recovery. On 23 September 2022, ATL and *thl* jointly announced a Deed of Variation to effect changes to the SID. Under the terms of the Deed of Variation, the consideration will be paid 100% in *thl* Shares based on a conversion ratio ("Conversion Ratio") of 1 *thl* Share for every 3.210987 Apollo Shares ("Scheme Consideration") equivalent to a value per ATL Share of A$0.754 based on the closing share price of *thl* on 23 September 2022 of NZ$2.75[8]. We note that the Conversion Ratio is lower than the ratio of 3.680818 originally agreed under the SID, benefitting ATL Shareholders.

On the same day, the Merged Group also announced that it had entered into a sale and purchase agreement with a subsidiary of Jucy Group (2022) Limited ("Jucy") to sell the following assets ("Divestment Assets") for an indicative[9] purchase price of NZ$45 million ("Jucy SPA"):

- 110 4-6 berth rental motorhomes in New Zealand and 200 4-6 berth rental motorhomes in Australia.
- A proportion of the forward bookings associated with the fleet being divested.
- ATL's Star RV motorhome brand.
- The property leases for ATL rental depots in Auckland, Perth, Alice Springs, Darwin and Hobart.

The divestment is a condition subsequent to the Scheme and ATL and *thl* expect that the sale to Jucy will complete immediately prior to the completion of the Scheme. For further details on the key terms of the Jucy SPA, see section 1.2.

If the Scheme is implemented following the completion of the Divestment Transaction, the following will occur:

[8] Conversion at NZ$:A$ exchange rate of 0.88 as a 28 September 2022 which is used throughout the report unless otherwise stated ("Exchange Rate").
[9] The final price will depend on the exact composition of vehicles sold, which may differ slightly from when the agreement was entered into.

- ATL Shareholders ("ATL Shareholders") will collectively hold c. 27.0%[10] of the shares in the enlarged *thl* (Merged Group) as at the Scheme record date, inclusive of the *thl* shares issued as part of the Just Go Acquisition. This compares with c. 25% interest in the Merged Group before entering into the Deed of Variation.

- Luke Trouchet, the current Managing Director and CEO of ATL, will join *thl*'s Board as Executive Director – M&A and Global Transitions. Existing Apollo Directors Sophie Mitchell and Robert Baker will also join *thl*'s board with the other current *thl* Directors remaining in place. Grant Webster, *thl* CEO, will also join the *thl* Board as Managing Director.

- Following a detailed two-way due diligence process, ATL and *thl* have estimated the following synergies.

  - *Recurring Synergies* – Recurring cost synergies estimated at the EBIT level between NZ$23 million to NZ$24 million and resulting on a pre-tax cash basis recurring synergies between NZ$27 million to NZ$31 million ("Recurring Synergies"). The Recurring Synergies on a pre-tax cash basis include financing synergies between NZ$3 million and NZ$5 million ("Financing Synergies"), which are not reflected at the EBIT level. The Recurring Synergies are expected to be materially realised by the end FY25.

  - *Fleet Rationalisation Synergies* – Expected rental fleet rationalisation synergies of approximately NZ$25 million to be realised by FY25, with the potential opportunity for additional NZ$18 million in synergies for a total of NZ$42 million benefit. Fleet Rationalisation synergies are on the basis that the Merged Group will be able to operate a smaller fleet with higher utilisation and less down time compared to ATL and *thl* acting as standalone businesses.

  The realisation of the Recurring Synergies and Fleet Rationalisation synergies (collectively referred as "Synergies') require one-off implementation costs estimated at between NZ$7 million and NZ$11 million. These Synergies assumptions are based on an updated assessment of the synergy analysis that was included in the Original Scheme Booklet. The updated Synergy estimates are higher than the original estimates due to the impact of inflation, the identification of a larger quantum of corporate overhead synergies and the devaluation of the New Zealand Dollar.

- *thl* is currently listed on the NZX and as part of the Scheme, it will list on the ASX as a foreign exempt listing, which is a condition precedent for the implementation of the Scheme.

- The Merged Group will have pro-forma statutory FY22 revenue of NZ$639.5 million, net assets of NZ$487.8 million and a combined fleet of approximately 6,500 RVs.

The Scheme remains subject to ATL Shareholder approval, refinancing of the debt facilities of the

[10] *thl* holds 898,150 ordinary shares in ATL, representing 0.5% of ATL ordinary shares on issue. Whilst the share of the Merged Group attributable to all ATL shareholders (including *thl*) under the Scheme as at 23 September 2022 was approximately 27.5%, the share of the Merged Group attributable to ATL Shareholders (excluding ***thl***) was approximately 27.4% and the share of the Merged Group attributable to ***thl*** shareholders was approximately 72.6%. On 4 October 2022, *thl* acquired the remaining 51% interest of Just go motorhomes in the United Kingdom and as part payment issued 2,941,857 ***thl*** Shares to the vendors (see section 9.1.4). Based on the capital structure of ATL and *thl* at the Last Practicable Date, upon implementation of the Scheme the share of the Merged Group attributable to ATL Shareholders (excluding *thl*) will be approximately 27.0% and the share of the Merged Group attributable to *thl* shareholders will be approximately 73.0% (including the Just go vendors). The merger ratio may be impacted by any further share issuances by *thl* after the date of the Replacement Scheme Booklet.

Merged Group, approval from the Supreme Court of Queensland and other conditions precedent as discussed in Section 1.

The Scheme contains customary exclusivity provisions including no shop, no talk and no due diligence restrictions and a notification obligation, subject to ATL Directors' fiduciary obligations. The SID also details circumstances under which ATL or *thl* may be required to pay each other a break fee of A$1.4 million if the Scheme is not implemented (refer to Section 1 for further details).

The Directors of ATL ("ATL Directors") unanimously recommend that ATL Shareholders vote in favour of the Scheme in the absence of a superior proposal and subject to an independent expert concluding and continuing to conclude that the Scheme is in the best interests of ATL Shareholders. Subject to the same qualifications, the ATL Directors intend to vote the ATL Shares held or controlled by them in favour of the Scheme.

Entities associated with Luke Trouchet and Karl Trouchet ("Founding Family Shareholders") currently own 53.4% of ATL Shares and intend to vote in favour of the Scheme subject to the aforementioned two qualifications[11]. The Founding Family Shareholders have also agreed to enter into voluntary escrow arrangements in relation to 90% of the *thl* Shares for 12 months and 50% for 24 months as part of the Consideration received under the Scheme[12].

Purpose of the report

The Directors of the Company have requested Grant Thornton Corporate Finance to prepare an Independent Expert's Report ("IER") stating whether the Scheme is in the best interests of the Shareholders of the Company for the purposes of section 411 of the Corporations Act 2001 (Cth) ("Corporations Act").

When preparing this IER, Grant Thornton Corporate Finance has had regard to the Australian Securities Investment Commission's ("ASIC") Regulatory Guide 111 *Contents of expert reports* ("RG 111") and Regulatory Guide 112 *Independence of experts* ("RG 112"). The IER also includes other information and disclosures as required by ASIC.

Summary of opinion

Grant Thornton Corporate Finance has concluded that the Scheme is FAIR AND REASONABLE and hence IN THE BEST INTEREST of ATL Shareholders in the absence of a superior proposal emerging.

In forming our opinion, Grant Thornton Corporate Finance has considered whether the Scheme is fair and reasonable to ATL Shareholders and has had regard to other quantitative and qualitative considerations.

Fairness Assessment

In accordance with the requirements of the ASIC RG 111, in forming our opinion in relation to the fairness of the Scheme, Grant Thornton Corporate Finance has compared the value per ATL Share

[11] In the absence of a superior proposal and subject to an independent expert concluding and continuing to conclude that the Scheme is in the best interests of ATL Shareholders.
[12] From the implementation date of the Scheme.

before the Scheme (on a control basis) to the assessed value of the Scheme Consideration, being shares in *thl* after the Scheme (on a minority basis).

The following table summarises our fairness assessment:

Fairness assessment A$ per share	*Section Reference*	Low	High
ATL Share before the Scheme (on a standalone and control basis)	*8.1*	0.696	0.943
Scheme Consideration	*9.1*	0.727	0.923
Premium/(discount)		**0.032**	**(0.020)**
Premium/(discount) (%)		**4.6%**	**(2.1%)**
FAIRNESS ASSESSMENT		**FAIR**	

Source: GTCF analysis

Our assessment of the fair market value of the Scheme Consideration overlaps with our assessed fair market value of ATL Shares before the Scheme on a control basis. Accordingly, we conclude that the Scheme is **FAIR** to ATL Shareholders**.**

The number of combination of values for which ATL valuation is higher than the Scheme Consideration is relatively limited. While under these circumstances Scheme would not be fair, we are of the opinion it would still be reasonable having regard to the reasonableness considerations set out below, and hence it would remain in the best interest of ATL Shareholders.

ATL Shareholders should be aware that our assessment of the value per ATL Share should not be considered to reflect the price at which ATL Shares may trade if the Scheme is not implemented. If the Scheme is not implemented, and in the absence of a superior proposal, the price of ATL Shares on the ASX may fall in the near term due to the absence of a premium for control currently implied by the Scheme Consideration. Overall, the price at which ATL Shares will ultimately trade depends on a range of factors, including: the liquidity of ATL Shares, the COVID-19 recovery profile, macro-economic conditions, the underlying performance of ATL's business and the supply and demand for ATL Shares.

We have assessed the fair market value of ATL Shares and the Scheme Consideration having regard to the discounted cash flow method ("DCF Method") which we have cross checked with the enterprise value as a multiple of EBIT ("EBIT Multiple Method")[13].

Valuation assessment of ATL

DCF Method

Grant Thornton Corporate Finance has had regard to the cash flow projections up to 30 June 2026 for Apollo and the Merged Group prepared by Apollo and *thl* Management and incorporated by their advisors into a financial model ("Corporate Model"). For the purpose of our valuation assessment Grant Thornton Corporate Finance has taken into consideration Management's forecasts included in the Corporate Model and incorporated them into our valuation model which has been extended by

[13] Calculated as enterprise value divided by EBIT.

three years to 30 June 2029 to allow the businesses to reach a steady state and normalise certain key assumptions ("GT Model").

Whilst we consider the scenarios included in the Corporate Model suitable to be integrated into the GT Model and used for the purpose of our valuation assessment, they present certain limitations in relation to the ability to sensitise the timing and extent of the COVID-19 recovery profile and the timing and quantum of the Synergies. However, we note that the industry's recovery profile adopted in the Corporate Model, under the base case is broadly consistent with investment analysts and the Synergies have been independently reviewed. We have also reflected the risks underlying the projections in our assessment of the discount rate rather than in a scenario analysis and we have extended the discrete forecast period in the model by three years to FY29 to allow us to normalise certain assumptions[14].

The table below sets out a summary of our valuation assessment of ATL Shares before the Scheme based on the DCF Method:

ATL Valuation summary A$'000	Section Reference	Low	High
Enterprise value on a control basis	***8.1***	**285,365**	**329,046**
Investment in Camplify	*8.1.2*	10,085	12,499
Less: Net debt as at 30 June 22	*8.1.3*	(165,982)	(165,982)
Equity value (control basis)		**129,468**	**175,563**
Number of outstanding shares ('000s) (fully diluted)	*8.1.4*	186,151	186,151
Value per share (control basis) (A$ per share)		**0.696**	**0.943**

Sources: ATL Management; GTCF analysis

We have outlined below the key assumptions adopted in our valuation assessment:

- *Rental Division Revenues* – Between FY19 and FY22, Apollo more than halved its fleet size from ~5,600 units at 30 June 2019, to ~2,600 units at 30 June 2022, including selling its entire US fleet as a consequence of putting the US operations into hibernation. We have assumed that Apollo will rebuild its fleet to pre-pandemic levels (FY19) by the end of FY27 in the GT Model (excluding the US operations). The total fleet annual turnover is projected to return to circa 30% by FY29 after spiking to above 40% in FY23 as a result of the Company taking advantage of the relatively higher vehicle sales margin over the short term. This is in line with Apollo's historical trends. A recovery in the average utilisation rate is assumed in line with historical levels which we have maintained into perpetuity.

- *Sale Division Revenues* – The number of ex-rental vehicles sold is a function of the fleet turnover. Apollo was able to achieve sales margins on ex-rental fleet above historical levels during COVID-19 due to increases in the average sales prices resulting from strong demand, and supply constraints. Management has assumed a long-term position that margins return to historical norms which we have maintained in the GT Model.

- *EBIT margins* – They are expected to improve until FY26 in line with the removal of COVID-19 restrictions and the rebuilding of the fleet and associated efficiencies. In the GT Model we have benchmarked the EBIT Margins against ATL's historical financial performance and brokers'

[14] We also note that as a result of the large capital expenditure expected to be incurred by ATL to re-fleet the business, free cash flows to the firm are expected to still be negative in FY26.

forecasts, noting these support our assumed normalised margin of 10.5% in the GT Model after FY26.

- *Capital expenditure for rental and dealership fleet* – The number of new vehicles for the rental fleet is based on the turnover of vehicles sold each year plus the required additions to meet the fleet growth targets. The number of new vehicles for the sales fleet is based on an assumed number of sales per year, which is in line with historical sales volumes. Capital expenditure is partially offset by the cash proceeds from the sale of the ex-rental fleet and new units ("Net Capital expenditure"). Overall, Net Capital expenditure is higher between FY22 and FY26 as Apollo plans to rebuild its fleet, and then progressively normalises to a maintainable level in the terminal year in line with a steady state level of fleet.

- *Discount rate* – We have assessed the discount rate between 9.9% and 10.6% based on the WACC. In the computation of the WACC, we have reflected the risk attached to the COVID-19 ramp-up profile and we also had regard to the discount rate adopted by investment analysts in the industry. While *thl* and ATL are very similar from a business operations point of view, ATL has a higher gearing compared to *thl* which translates into a higher risk profile and may have less financial flexibility when compared to *thl* to withstand a slower than forecasted recovery from COVID-19 or which may impede the rate at which ATL can re-fleet.

- *ATL's standalone cost savings* – We have valued the business on a 100% control basis and accordingly have allowed for certain cost synergies that would be available to a pool of potential purchasers of ATL after one-off implementation costs. These cost synergies, estimated at around A$4 million per annum (on a EBIT basis), are mainly associated with the gradual elimination of duplicate functions and other costs associated with being a listed company (i.e. audit fees, share registry costs, ASX fees and investor relation costs). We note that the synergies adopted in the valuation of ATL before the Scheme are materially lower than the Recurring Synergies expected to be realised by the Merged Group of between A$20 million and A$21 million[15] at the EBIT level. This is because the combination of ATL and *thl* is expected to realise savings which may not be available to a pool of potential purchasers in relation to property rationalisations at branch levels and fleet optimisation. The components of the synergies expected to be realised by the Merged Group which are associated with the elimination of duplicate costs is c. A$12 million[16]. In our estimate, we have also taken into account that it is not reasonable to expect that a pool of potential purchasers will be prepared to pay-away 100% of the expected synergies in the absence of a highly competitive sale process and considering the currently challenging market conditions for the industry.

Cross check – EBIT Multiple

In order to provide a cross check of our valuation conclusions under the DCF methodology, we have also considered the EBIT Multiples of comparable companies and transactions. We have sought to benchmark an implied EBIT Multiple which is reflective of a normalised financial performance for the Company. As such, we have placed greater reliance on the longer-term forecast (i.e. FY24) EBIT Multiples and we have also utilised the FY19 multiples before the outbreak of COVID-19, and have not utilised FY20, FY21 and FY22. Below we set out the multiples implied in our valuation assessment:

[15] NZ$23 million and NZ$24 million converted in A$ at the Exchange Rate
[16] Approximately 56% of the Recurring Synergies at the EBIT level.

ATL - Implied EBIT Multiple A$ million	*Section Reference*	Low	High
Enterprise value (control basis)	***8.1***	**285**	**329**
EBIT			
Underlying EBIT FY19		35	35
Underlying EBIT FY22		4	4
FY23 EBIT Brokers Consensus Estimate		36	36
FY24 EBIT Brokers Consensus Estimate		41	41
Implied EV/EBIT			
EV/Underlying EBIT FY19		8.2x	9.4x
EV/Underlying EBIT FY22		64.9x	74.8x
EV/FY23 EBIT Brokers Consensus Estimate		8.0x	9.2x
EV/FY24 EBIT Brokers Consensus Estimate		7.0x	8.0x

Sources: GTCF analysis

In assessing the implied EBIT Multiple, we have considered listed global RV manufacturers and related businesses and tourism related companies operating in Australia as well as ATL's historical trading multiples. We are of the opinion that the FY24 EBIT Multiple implied in our valuation assessment supports our fairness opinion due to the following:

- It is slightly below the low-end of the range of ATL's rolling NTM EBIT Multiple between 8.0x and 12.0x before the outbreak of COVID-19 (on a minority basis). This seems reasonable considering the current financial position of the Company which includes a net current liability position of A$100.9 million at 30 June 2022, the prevailing uncertain and negative macroeconomic outlook, high uncertainty in relation to the pathway to the recovery from the trough of COVID-19, and the fact that we are using an EBIT forecast almost two years in the future rather than NTM[17].

- It is slightly below the average of the transaction multiples of 9.2x (on a control basis), although the transaction multiples typically represent historical multiples and our multiple is based on a two year forecast earnings (FY24). If we consider ATL's historical FY19 implied multiple, it is substantially in line with the multiples for the transactions.

Based on the above, we consider the FY24 EBIT Multiple implied in our valuation reasonable as it reflects ATL's recovery to pre COVID-19 levels, notwithstanding the uncertainty related to the timing of such a recovery.

Cross check – ATL Quoted Security Prices

Since the announcement of the Scheme on 10 December 2021, significant changes to trading conditions have occurred with domestic and international travel restrictions almost entirely removed and tourism demand rebounding strongly. Despite this, global and domestic economic conditions have deteriorated markedly with inflation at record levels, declining real wages and significantly higher interest rates all putting downward pressure on consumer confidence in recent months.

In this environment, ATL's trading prices have been affected by significant volatility. Following the announcement of the Original Scheme on 10 December 2021, ATL's share price increased from 56

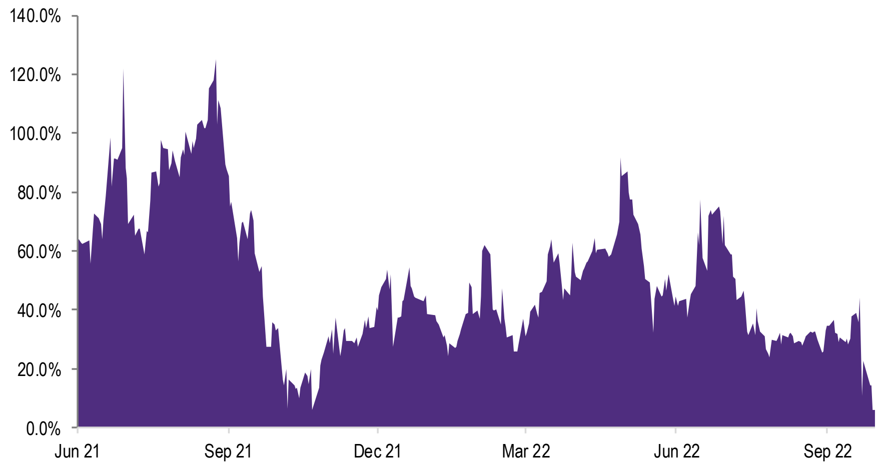
[17] In a growing market, future EBIT multiples are usually lower than actual or NTM multiples.

cents to 70 cents reflecting the positive news in a difficult market. However, in the subsequent months, ATL's share price reached a trough of c. 38 cents on 30 June 2022 as the Omicron variant wave in 2022 resulted in a worsening outlook for the industry and the uncertainty in relation to the ability to complete the merger, due to the issues raised by competition authorities in Australia and NZ, increased.

The share price subsequently recovered following the announcement at the beginning of July that ATL and *thl* were working with the ACCC and NZCC to address the issues identified by them and that ATL and *thl* were proposing to seek merger clearance based on the Divestment. Between 15 July and 21 September, ATL's shares traded between c. 50 and 60 cents, closing at 52 cents on 21 September the day before the announcement of the Deed of Variation and NZCC when it increased by c. 40% to reflect the premium for control and the terms of the Proposed Merger. The above seems to indicate that the trading prices before the announcement at the beginning of July were reflecting a limited possibility of the Scheme to proceed.

In order to gather further insights into the trading prices of ATL since the announcement of the Scheme on 10 December 2021, we have considered the premium for control implied in the trading price of ATL Shares compared with the Scheme Consideration.

Premium (%) of implied Scheme Consideration to ATL trading price since June 2021



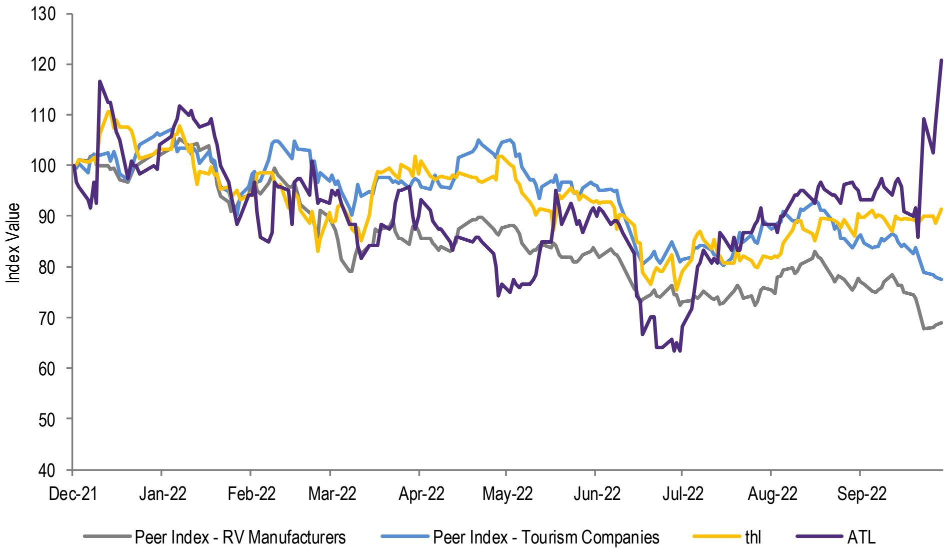
Source: S&P Global, GTCF analysis
Note (1): In calculating the premium (%) of the implied Scheme Consideration to ATL trading prices we have converted thl's historical trading prices into A$ at the daily exchange rate. Following this we divided the daily A$ thl prices by the Conversion Ratio of 3.210987 and took the net difference between ATL and converted thl prices each day to find the historical premium / (discount) to the implied Scheme Consideration.

As set out in the graph above, the premium for control following the announcement on 1 July 2022 that ATL and *thl* were working with the ACCC and NZCC to gain merger clearance based on the Divestment is substantially in line with the high end of the premium for control paid in Australia for successful takeovers between 20% and 40% which supports our fairness assessment.

Furthermore, our valuation assessment of ATL before the Scheme is supported by ATL's trading prices after the announcement of the Deed of Variation and NZCC approval on 23 September, and ACCC approval on 29 September. Since 29 September ATL has traded between 72 cents and 73 cents.

We have also considered how the share prices of the listed Tourism Peers and RV Manufacturers Peers[18] have moved since the time the Scheme was announced on 10 December 2021. On average, the Tourism Peers[19] share prices have reduced 22.5% and the RV Manufacturers have reduced 31.1% lower since 9 December 2021:

Movement in ATL, *thl*, the Tourism Peers and the RV Manufacturers Peers share prices since December 2021



Source: S&P Global, GTCF analysis

Our valuation assessment of ATL before the Scheme has remained substantially unchanged compared with the IER prepared in February 2022 reflecting the control value of the assessment which is subject to less volatility compared with the trading prices of the peers.

Valuation assessment of the Scheme Consideration

DCF Method

The table below sets out a summary of our valuation assessment of the Scheme Consideration on a minority basis after implementation of the Scheme:

[18] The aggregated index for RV Manufacturer Peers includes Thor Industries (Inc.), Winnebago Industries (Inc.), Knaus Tabbert AG, KABE Group AB (publ.), Trigano S.A., Camping World Holdings and Lci Industries.
[19] The aggregated index for Tourism Peers includes Flight Centre Travel Group Ltd, Webjet Ltd, Kelsian Group Ltd, Corporate Travel Management Ltd, Helloworld Travel Ltd, Experience Co Ltd, and Event Hospitality & Entertainment Ltd.

Merged Group valuation summary A$ 000	Section Reference	Low	High
Enterprise value on a control basis	***9.1.1***	**805,067**	**982,569**
Add: ATL holding in Camplify	*9.1.2*	10,085	12,499
Add: THL holding in Camplify	*9.1.2*	5,832	5,832
Add: Cash from Options exercised[1]	*9.1.4*	12,890	12,890
Less: Net debt as at 30 June 22	*9.1.3*	(166,266)	(166,266)
Equity value (control basis)		**667,608**	**847,524**
Number of outstanding shares ('000s) (fully diluted)[2]	*9.1.4*	219,865	219,865
Value per share (control basis) (A$ per share)		**3.036**	**3.855**
Less: Minority discount[3]	*App. E*	23%	23%
Value per share (minority basis) (A$ per share)		**2.336**	**2.965**
Merger Ratio	*1*	0.311	0.311
Value of the Scheme Consideration		**0.727**	**0.923**

Sources: ATL and thl Management; GTCF analysis
Notes: (1) For the Rights and Options considered as exercised, we have included the corresponding cash converted from NZ$ to A$ with the exchange ratio adopted in the Corporate and GT Models. We have also included the cash inflow as a result of the 7,832 thl options exercised on 18 October 2022 (2) The total number of shares of the Merged Group includes 2,941,857 thl Share as a result of the Just Go Acquisition and 6,090,902 shares related to thl Rights and Options considered likely to be exercised; (3) The discount for control premium has been calculated as the inverse of a premium for control of 30%

We have outlined below the key assumptions adopted in our valuation assessment:

- *Synergies* – The Corporate Model reflects the full realisation of the Recurring Synergies by FY25 in the recurring amount of NZ$25 million per year on a pre-tax cash basis. The reflected NZ$25 million amount is the mid-point of the pre-tax cash basis Recurring Synergies range of between NZ$27 million and NZ$31 million after removing the Financing Synergies estimated between NZ$3 million and NZ$5 million, resulting in an adjusted Recurring Synergies range of between NZ$24 million and NZ$26 million ("Adjusted Recurring Synergies"). This is in line with our valuation approach, which relies on the free cash flow to the firm. The majority of the projected Recurring Synergies at an EBIT level (circa 70%[20]) are fixed cost savings and accordingly not dependent on the Merged Group's COVID-19 recovery profile. In addition, the Merged Group is expected to benefit from synergies associated with the Fleet Rationalisation achieved through the elimination of up to c. 200 vehicles in Australia and New Zealand[21] as the Merged Group should be able to benefit from a more optimised fleet base allowing it to increase utilisation (see below comments) and generate similar rental revenues on a smaller fleet base.

- *Rental Division Revenues* – We have assumed the Merged Group fleet reflects both ATL and *thl* returning to pre-COVID-19[22] levels and that it will rebuild the fleet to approximately 10,500 vehicles (combined) by FY29. We note that the rebuild of the fleet is phased across several years due to the ongoing supply chain constraints and the fact that many other operators will also be re-fleeting, and that it will take longer for suppliers to meet forecast RV demand. The fleet turnover is expected to normalise towards 40% by FY27, in line with *thl* historical fleet turnover. The Merged Group turnover rate is projected to be higher than ATL as *thl* turns over its rental fleet faster than ATL and the Merged Group plans to adopt a strategy of higher fleet

20 The sum of synergies associated with duplicate corporate costs and property. 62% on a pre-tax cash basis.
21 Potentially, 150 additional vehicles can be extracted to further operational efficiency improvements in North America, creating a one-off net debt reduction of NZ$18m by FY25. However, the potential additional synergies have not been reflected in the Corporate or GT Models due to their relatively higher underlying uncertainty.
22 Excluding the USA operations.

turnover in North America.

- *Utilisation rate* – The normalised utilisation rate of the Merged Group forecast in FY27 is expected to be slightly above the historical rate achieved by *thl* and ATL on a standalone basis, as a result of the Fleet Rationalisation synergies. We note that both ATL and *thl* Management teams have indicated the potential for the Merged Group to achieve an even higher utilisation rate as a result of further fleet rationalisation opportunities. However, we note these additional synergies have a relatively higher level of uncertainty as they depend on the COVID-19 recovery profile driving the timing of the Merged Group reaching a steady state of operations.

- *EBIT margins* – EBIT margins are expected to improve until FY26 as economic conditions improve and the Synergies are realised. In the GT Model we have benchmarked the EBIT Margins against ATL's and *thl's* historical financial performance plus the Synergies, and broker forecasts, noting these support our assumed normalised margin of 14% in the outer year of the GT Model.

- *Capital Expenditure for rental and dealership fleet* – Between FY23 and FY26, we have relied on Management's assumptions. Beyond FY26, we have increased the average purchase/production price per unit in line with inflation. Further, based on ATL and Management discussion, we have assumed the Merged Group would undertake a normalised level of net capital expenditure by FY29. Regarding capital expenditure for the sale of new vehicles associated with the dealership operations, the adopted assumptions are in line with ATL on a standalone basis, as this specifically relates to ATL.

- *Discount Rate* – We have assessed the discount rate between 9.3% and 10.3% based on the WACC. In our assessment of the WACC, we have reflected the risk attached to achieving the Synergies and ramp up of the COVID-19 recovery profile.

- *Minority discount* – Given the DCF Method produces a control valuation, we have applied a minority discount of 23.1% based on the inverse of a 30% control premium. Refer to Appendix E for further details.

Value of the Scheme Consideration based on thl Quoted Security Prices

In the valuation assessment of the Scheme Consideration, we have also had regard to the trading prices of *thl* on a minority basis after 1 July 2022, when ATL and *thl* announced they had commenced discussions with both the ACCC and NZCC to seek merger clearance on the basis that the Merged Group would divest certain assets. This represented a price catalyst moment and signalled an improved likelihood that the Scheme would be given clearance and proceed. We are of the opinion that it is reasonable to consider *thl*'s trading prices in the assessment of the Scheme Consideration due to the following:

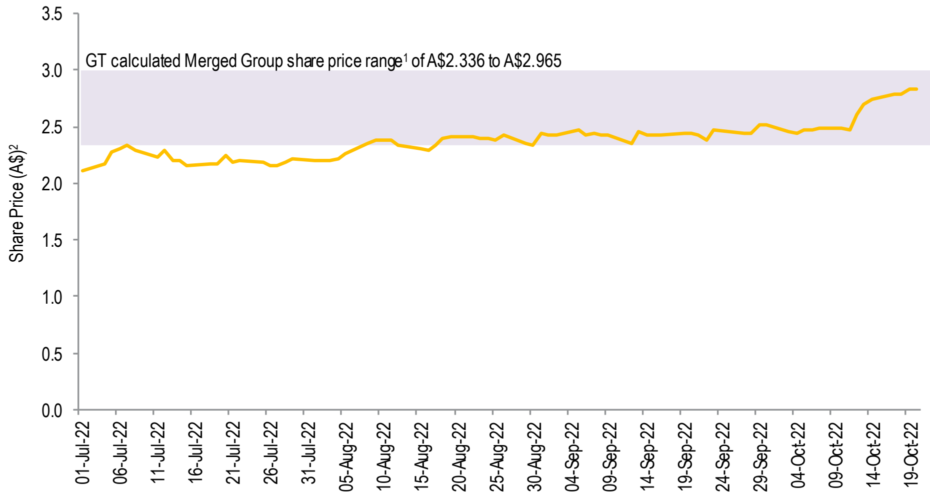
- It reflects the views of investors of the market value of the Merged Group, including realisation of the Synergies, as well as the risk of the Scheme completing. This risk was substantially lessened between 23 September and 29 September when *thl* received NZCC and ACCC clearance and announced the Deed of Variation.

- ATL Shareholders as at the Scheme record date will collectively own c. 27.0% of the Merged Group and no individual ATL Shareholder will hold a significant interest (on a fully diluted basis), except for the Founding Family Shareholders. Accordingly, they will not be able to influence and change the strategic direction of *thl*, which is consistent with the portfolio value reflected in *thl*'s trading price.

- As discussed in section 9, there is liquidity in *thl* trading prices to allow ATL Shareholders to realise in an ordinary manner the *thl* Shares received as consideration at market value if they desire to do so.

The trading prices of *thl* after 1 July 2022 are set out below.

***thl* trading price and GT assessed value range of the Scheme Consideration**



Sources: S&P Global, GTCF analysis.
Note (1): Share price range was calculated on a minority basis.
Note (2): thl trading price was converted in A$ by the exchange rate utilised in the GT Model

thl shares traded substantially in line with the low-end of our assessed value range of the Scheme Consideration on a minority basis, which, in our opinion, reflects some of the completion risks still pending and the risk of realising the expected Synergies.

EBIT Multiple

In order to provide a cross check of our valuation conclusions under the DCF Method, we have also considered the EBIT Multiples of comparable companies and transactions. We have placed greater reliance on the FY24 forecast EBIT Multiples as this is when travel demand is expected to return to more normalised levels. We have also utilised the FY19 multiples before the outbreak of COVID-19. Below we set out the multiples implied in our valuation assessment:

Merged Group - Implied EBIT Multiple A$ million	*Section Reference*	Low	High
Enterprise value (control basis)	***9.1***	**805**	**983**
EBIT			
Underlying EBIT FY19 (sum ATL and THL actual plus synergies)	*9.2*	112	112
FY23 EBIT Brokers (sum of ATL and THL brokers consensus)	*9.2*	68	68
FY24 EBIT Brokers (sum of ATL and THL brokers consensus plus synergies)	*9.2*	120	120
Implied Enterprise value/EBIT			
EV/Underlying EBIT FY19		7.2x	8.8x
EV/FY23 EBIT Brokers		11.8x	14.4x
EV/FY24 EBIT Brokers		6.7x	8.2x

Sources: ATL and thl brokers, GTCF analysis

To compute the implied EBIT Multiple, we have aggregated the standalone ATL and *thl* consensus forecast projections prepared by the brokers covering the two companies plus the midpoint of the Synergies estimated at the EBIT level (refer to section 9.2 for further details).

In our analysis, we have put greater reliance on the FY24 EV/EBIT Multiple as it reflects a more steady state of operations following a COVID-19 recovery. In connection with the implied FY24 EV/EBIT multiple, we note the following:

- It is below the average of the transaction multiples of 9.2x (on a control basis), although the transaction multiples represent historical multiples and our multiple is based on forecast earnings approximately 2 years in the future (FY24). If we consider the Merged Group's historical FY19 implied multiple, it is more closely aligned with the transaction multiples.

- It is below the median FY24 EV/EBIT multiple of Tourism Peers of 12.6x and it is at a premium to the median FY24 EV/EBIT multiple of the RV Manufacturers of 5.4x. The Merged Group's operations are a combination of RV rental operations, manufacturing operations and tourism and accordingly we would expect its multiple to fall between the multiples for the Tourism Peers and RV Manufacturers. Furthermore, we note that most of these companies are significantly larger than the Merged Group, with an average market cap of c. A$2,127 million as at 28 September 2022.

- The trading multiples of the RV Manufacturer Peers and Tourism Peers have trended down since the release of the Original Scheme Booklet in February 2022. This supports our lower implied FY24 EBIT multiple for the Merged Group of between 6.7x and 8.2x compared with 8.0x and 9.5x in the Original Scheme Booklet.

- The Merged Group through *thl* has a significantly larger presence in New Zealand, a country that had some of the strictest COVID-19 restrictions in the world and accordingly falling behind in the pathway to recovery.

- The Merged Group forecast FY24 EBIT in our implied multiple includes approximately A$18 million in Recurring Synergies at the EBIT level (we have only reflected 85% of them). The risk of achieving the Synergies is significantly higher than the earnings from the established businesses.

Having regards to the above, we consider the FY24 EBIT Multiple implied by our valuation assessment as reasonable, since it reflects the material synergies of the Merged Group mitigated by the uncertainty regarding the timing of the post COVID-19 recovery which is key underlying driver of the estimated synergies.

Comparison with previous IER provided in February 2022

This IER is a replacement IER prepared to reflect the terms of the Deed of Variation. Grant Thornton previously issued an IER in February 2022 in relation to the Scheme.

The differences in the values of ATL and of Scheme Consideration between the two IERs reflect the passage of time, the change in the macro-economic environment and the new financial information released to the market by both ATL and *thl*.

The mid-point valuation range of ATL has increased by c. 5% whilst the Scheme Consideration has remained substantially unchanged. ATL's value increase was driven by a faster than anticipated recovery of the Australian market from the COVID-19 pandemic and stronger performance in Canada. This relative performance was also reflected by the parties in an improvement of the merger ratio to the benefits of ATL Shareholders.

Reasonableness Assessment

RG 111 establishes that an offer is reasonable if it is fair. It might also be reasonable if, despite being not fair, there are sufficient reasons for the security holders to accept the offer in the absence of any superior proposal. In assessing the reasonableness of the Scheme, we have considered the following advantages, disadvantages and other factors.

Advantages

Premium for control

A premium for control is applicable when the acquisition of control of a company or business would give rise to benefits such as the ability to realise synergies, access to economies of scale, access to tax benefits and control of the board of ATL Directors of the Company. We note that the Scheme was originally announced on 10 December 2021, and since then some element of the Scheme completing has been factored into ATL's trading prices. This likelihood increased materially between 23 September 2022 and 29 September 2022 following ATL and *thl* entering into the Deed of Variation and upon receiving clearance from both ACCC and NZCC that the Scheme could proceed. In estimating the implied control premium, we have considered three reference points for the share price of ATL and *thl* being the 1-day, 10-day and 1-month VWAPs before the announcement of the Deed of Variation as this represents the date that the likelihood of the Scheme proceeding increased significantly.

Implied control premium A$ per share	1-day VWAP[2]	10-day VWAP[3]	1-month VWAP[4]
ATL share price	0.542	0.572	0.567
Consideration to ATL shareholders[1]	0.753	0.756	0.761
Implied control premium	38.9%	32.2%	34.2%

Sources: S&P Global and GTCF calculations
Note (1): Represents thl's trading prices divided by the Conversion Ratio and converted into Australian Dollars.

Note (2): We have converted thl's 1-day VWAP into Australian dollars using an NZ$:A$ exchange rate of 0.8796 and dividing by the Conversion Ratio.
Note (3): We have converted thl's 10-day VWAP into Australian dollars using an NZ$:A$ exchange rate of 0.8927and dividing by the Conversion Ratio.
Note (4): We have converted thl's 1-month VWAP into Australian dollars using an NZ$:A$ exchange rate of 0.8981 and dividing by the Conversion Ratio.

Based on the above, we have calculated an implied control premium of between 32.1% and 39.0% payable to ATL Shareholders, although the trading prices of ATL prior to the Deed of Variation likely already captured an element of control value given that the Scheme was first announced almost 10 months prior on 10 December 2021.

This premium for control will not be available to ATL Shareholders in the absence of the Scheme or a superior proposal, and we are of the opinion that it is unlikely that ATL's trading price will increase in line with the Scheme Consideration, at least in the short term, based on the current industry conditions and specific circumstances of the business.

Synergies realisation and business combination benefits

The merger is expected to create material Synergies for the Merged Group that are not otherwise available to ATL and *thl* on a standalone basis. The assessment of the Synergies, which also involved both *thl* and ATL engaging separate independent third parties to risk assess them, is summarised below:

- Recurring Synergies at the EBIT level of between NZ$23 million and NZ$24 million per annum. Of the Recurring Synergies, 70% are fixed cost synergies ("Fixed Synergies") relating to the duplication of corporate costs or property, the majority of which are expected to be realised by the end of FY25. The realisation of the balance of the Recurring Synergies ("Variable Synergies") relate to procurement savings on manufacturing, repairs and maintenance costs of Apollo and *thl* motorhomes, and margins on vehicle sales of *thl* vehicles through Apollo's Australian retail channels. These are dependent on market conditions and the pace of the global recovery from COVID-19 and the associated impact on the RV and tourism industry.

- Fleet Rationalisation synergies are expected to generate c. NZ$25 million of net debt[23] benefit by FY25 from a reduction of the future net debt/capital expenditure which is based on the Merged Group being able to achieve a similar revenue level to ATL and *thl* but with a smaller fleet with 200 fewer RVs. Furthermore, ATL and *thl* management has indicated that up to 150 additional vehicles can be potentially extracted to further operational efficiency improvements in North America, creating a one-off net debt reduction of up to NZ$18 million by FY25[24].

- Financing synergies are expected to arise due to Apollo being historically more highly geared relative to *thl*.

One-off implementation costs are estimated at between NZ$7 million to NZ$11 million.

While the timing of the Variable Synergies and Fleet Rationalisation depend on the pace and trajectory of the recovery from COVID-19 the Fixed Synergies and financing synergies are not

[23] Due to a one-off reduction in net capital expenditures.
[24] This potential up lift in Fleet Rationalisation synergies has not been reflected in the Corporate and GT Model due to the relatively higher underlying uncertainty.

dependent on the timing of the COVID recovery with most of those synergies expected to be implemented by the end of FY24 and materially realised by FY25.

Strategic and financial benefits

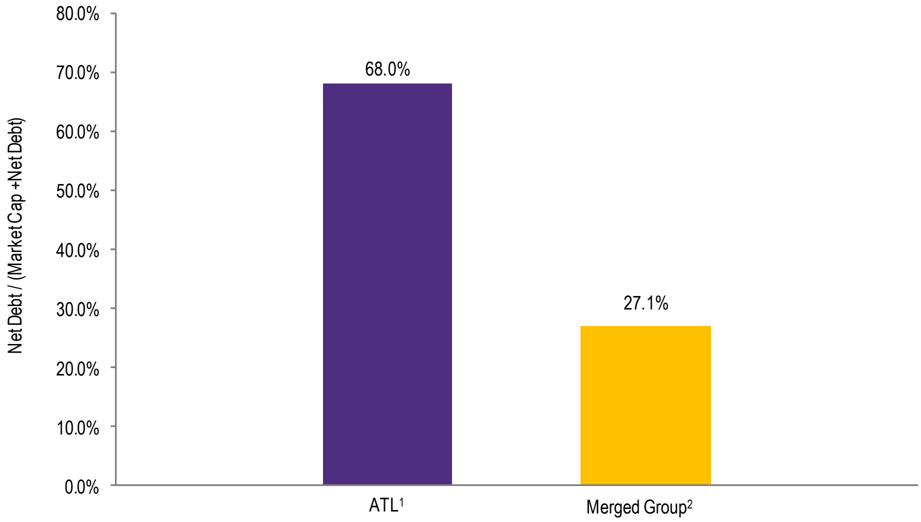
The Scheme will result in the creation of a leading and globally diversified RV travel company that will be in a stronger position to recover from the COVID-19 pandemic and pursue growth opportunities. The removal of the vast majority of travel restrictions globally coupled with strong pent-up demand has resulted in significant growth in travel expenditure. For example, in Australia domestic holiday spend for the quarter ending June 2022 was up 60% compared to the same pre-COVID period in FY19. In addition, in the United States, the gap left in the market due to the withdrawal of two key RV rental companies being Apollo and Best Time RV provides a compelling opportunity for the Merged Group to grow market share that is not available to ATL on a standalone basis due to it discontinuing its United States operations. However, we note that the economic outlook has deteriorated since the announcement of the Scheme on 10 December 2021 which may temper overall travel demand in the short and medium term.

Within this context, the Merged Group will be in a better financial position and have greater balance sheet flexibility than Apollo on a standalone basis, making it more capable of withstanding further economic shocks. In a situation of improving market conditions, the improved financial standing should enable the Merged Group to re-fleet faster enabling the Merged Group to better meet growing consumer demand.

We also note that the gearing level of Apollo before the Scheme was c. 68.0%[25] which is significantly higher than the Merged Group pro-forma gearing of c. 26.1%[26]. In addition, ATL's lending covenants are under pressure as disclosed in its FY22 annual report although temporary waivers from its lenders have been provided for those covenants at risk of being breached. ATL's high gearing levels could make it more challenging for the Company to obtain finance on similar terms to the Merged Group and re-fleet over the coming years. Below we compare ATL and the Merged Group's gearing levels:

[25] Calculated using net debt of c. A$166.0 million as at 30 June 2022 and a market cap of A$78.0 million based on ATL's 1-month VWAP of c. A$0.419 per share prior to the announcement of the Scheme and 186,150,908 ordinary shares outstanding.
[26] Calculated using pro-forma net debt of c. NZ$185 million as at 30 June 2022, *thl*'s VWAP since the announcement of the Scheme of NZ$2.511 per share and c. 219,864,624 ordinary shares outstanding.

Pro-Forma ATL and Merged Group Gearing ratio – As at 30 June 2022



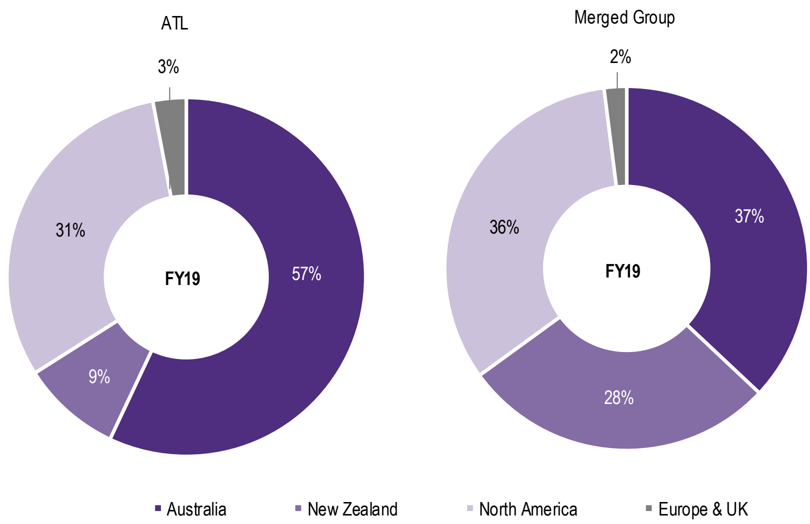
Source: S&P Capital IQ, various company presentations and GTCF analysis
Note (1): ATL's market capitalisation has been calculated as the 1 month VWAP prior to announcement of the Scheme (c. A$0.419) multiplied by 186,150,908 outstanding ordinary shares on issue as at 30 June 2022.
Note (2): GTCF has used thl's 1 month VWAP since the announcement of Scheme (c. NZ$2.511) multiplied by the pro-forma Merged Group number of shares of 219,864,624 to derive the Merged Group's market capitalisation.
Note (3): Net debt for both ATL and Merged Group have been calculated excluding AASB 16 / IFRS 16 liabilities.

Other strategic benefits from the merger are detailed below:

- The Scheme will increase the scale of the Merged Group in Australia, New Zealand, North America and Europe / the UK, which should enhance its cost positioning and provide long-term benefits for shareholders.

- Should the Scheme proceed, ATL Shareholders will re-gain exposure to the United States, the largest RV sector globally, which the Company previously placed into hibernation in FY20 due to COVID-19. Below we present the geographical breakdown of revenues for Apollo and the Merged Group, noting the improved diversification of the Merged Group:

FY19 Revenue Composition by Geography



Source: Proposed merger of Apollo and thl Investor Presentation
Note (1): thl revenue excludes earnings of joint ventures Just go and Togo Group (the latter of which was exited in 2020);
Note (2) Merged Group metrics have been currency converted at an average foreign exchange ("FX") rate of 0.9383 NZ$:A$;
Note (3) Apollo FY19 financials include its US business. The US fleet was sold in FY20 and the business put in hibernation.

- Before the outbreak of COVID-19, *thl* and Apollo generated a strong financial performance with growth in revenue and EBIT. The increased balance sheet flexibility combined with the realisation of the Synergies will likely enable the Merged Group to more quickly return to pre-pandemic earnings levels than ATL would be able to achieve on its own. As a result the Merged Group may be in a position to recommence the payment of dividends faster.

Volatile industry conditions

In Australia and the US, the Reserve Bank of Australia ("RBA") and United States Federal Reserve ("Fed") have increased interest rates by 175 basis points and 295 basis points, respectively, so far this year and they are expected to continue to increase. As a result, there has been a steady increase in the 10-year Government bond yields which are well above their historical averages. At the latest Fed meeting, Jerome Powell clearly stated that interest rates will continue to rise until inflation is under control. This statement came after several weeks in which investors appeared to expect the Fed to have a more cautionary approach to rising rates to avoid a potential deep recession. Since mid-August[27] 2022, the S&P ASX 200 Index ("ASX 200 Index") has declined by c. 8.4% and the S&P 500 Index has declined c. 16.6%. At the same time, the Fed and the RBA are unwinding their holdings of Treasury bonds and the governments are reducing their spending, as a range of pandemic-era support programs are expiring. As a result, the IMF expects US economic activity to slow from 3.5% in the first quarter of 2022 to 0.6% in 2023 and Australian economic growth to slow from 3.8% in 2022 to 2.2% in 2023.

Furthermore, the significant increase in inflation and higher interest rates in 2022 has, overall, eroded discretionary incomes, with inflation far outpacing wage growth. For instance, in Australia,

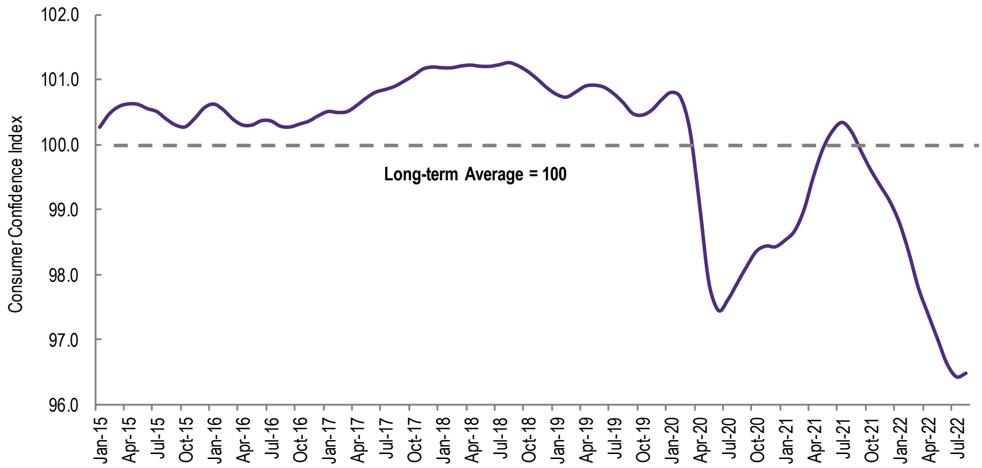
[27] Time period refers to 15 August 2022 to 30 September 2022.

real wages fell 3.5% for the year ending June 2022[28]. Similarly, in the United States real average hourly earnings decreased 2.8% for the year ending August 2022[29] and in New Zealand wage growth was 3.4% for the year ended June 2022, compared to consumer price inflation of 7.3%.

There are also further potential downside risks in the global economy from the Russian war with Ukraine, the ongoing pandemic, possible recurrence of shutdowns in China and, if inflation remains high, central banks around the world will need to keep interest rates higher for a longer period.

There is currently uncertainty on how this macro-environment may impact the financial performance of ATL, its growth ambitions and its financial performance. Due to the discretionary nature of travel and tourism expenditure ATL's customers may seek to curb their travel spend if they continue to witness declining real wages and if the global economic situation worsens. Whilst we note that there has been a strong resurgence in travel spend since the reopening of borders and reduction in travel restrictions, this may subside in the face of higher inflation, falling real wages and lower consumer confidence levels. Below we highlight the reduction in consumer confidence in recent months:

Consumer Confidence Index[30] – average of all OECD countries



Sources: OECD Data: 60 years; GTCF analysis

The Merged Group will have significantly greater ability to face the above challenges compared with ATL on a standalone basis.

Improved liquidity

The market capitalisation of the Merged Group will be significantly higher than Apollo's market capitalisation on a standalone basis and it will be dual listed on the ASX and NZX. This should result in greater analyst coverage and investor awareness. Furthermore, Luke Trouchet and Karl Trouchet, who currently control 53.4% of the ordinary share capital in Apollo, will own c. 14.7% of the shares in

28 Australian Bureau of Statistics - Wage Price Index, Australia, June 2022.
29 United States Bureau of Labor Statistics, Real Earnings Summary, released September 2022.
30 A value greater than 100 is indicative of a boost of the consumer's confidence towards the future economic circumstances and vice versa.

the Merged Group. This should improve liquidity and make the Merged Group more appealing to institutional investors, which could lead to greater diversity of investors on the share register.

Likelihood to receive a premium for control in the future

As previously discussed, we have estimated that ATL Shareholders will receive a premium for control in conjunction with the Scheme. In addition, given the shareholders' structure of the Merged Group, no shareholders will be able to exert a significant influence over the strategic and operational decisions of the Merged Group or block/prevent the Merged Group from receiving a premium for control in the future.

Roll-over relief

Australian resident ATL Shareholders who would otherwise recognise a capital gain on the disposal of their ATL Shares should generally be eligible to choose Capital Gain Tax ("CGT") scrip-for-scrip roll-over relief. Broadly, CGT scrip-for-scrip roll-over relief enables ATL Shareholders to disregard the capital gain they make from the disposal of their ATL Shares under the Scheme.

Disadvantages

Risks in integration of companies

There is a risk that the integration of the two businesses may take longer than expected and the expected synergies may not be realised within the anticipated timeframe, to their full extent or at all. A failure to achieve the Synergies may have an adverse impact on the operations and financial performance and position of the Merged Group and affect the value of the Scheme Consideration for those ATL Shareholders who have decided to retain their investment.

Relative contribution to the Merged Group

If the Scheme is implemented, ATL Shareholders will hold c. 27.0% of the Merged Group. Set out below, we have considered the relative contribution by each company to the Merged Group in relation to certain key metrics and compared with the relative shareholdings.

Relative contribution As at 30 June 2022	ATL A$ m	*thl* [1] A$ m	ATL Contribution	*thl* Contribution
Merger ratio	**-**	**-**	**27.0%**	**73.0%**
FY22				
Revenue	265.9	323.0	45%	55%
Net Assets	34.5	299.2	10%	90%
Fleet Size	2,613	3,858	40%	60%
Market cap prior to Scheme announcement[2]	95.9	365.3	21%	79%

Source: GTCF analysis, Management Information
Note (1): NZ$:A$ exchange rates used for revenue was 0.9340 (average over FY22), for net assets it was 0.9019 (as at 30 June 2022).
Note (2): Market Capitalisation was calculated as at 21 September 2022 and the converted in NZ$ by the exchange rate utilised in the GT Model.

Whilst the revenue and EBIT contributions of ATL and *thl* on a standalone basis are not materially different (ATL contributes 45% of FY22 combined revenues). ATL's book value of net assets is substantially lower driven by its higher gearing levels, which is also the reason for ATL's significantly

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lower market capitalisation. ATL's capital structure as at 30 June 2022 was c. 70.1%[31] debt over enterprise value, much higher than *thl*'s at c. 14.2%[32]. Furthermore, as at 30 June 2022 ATL was in a net current liability deficit of c. A$100.9 million and had received temporary covenant waivers from its lenders.

We also note that both ATL and *thl* were severely impacted by the COVID-19 downturn, with their fleet reducing by c. 54% for ATL and c. 40% for *thl* between FY19 and FY22.

Other factors

Escrowed shares

The Founding Family Shareholders have agreed to enter into an Escrow Deed whereby they will not dispose of at least 90% of their *thl* Shares in the 12-month period following Scheme implementation. Between 12 months and 24 months following the Scheme implementation the number of shares in escrow will reduce to 50% of their *thl* Shares received as consideration.

This will effectively slightly decrease the fair market value of the *thl* Shares received by the Founding Family Shareholders given they are not able to dispose of the majority of them for two years. This value reduction has not been quantified in our valuation assessment of the Merged Group as it refers to the specific circumstances of the Founding Family Shareholders and does not impact other ATL Shareholders.

Furthermore, the trading price of *thl* after Scheme may reflect a potential overhang effect from the expectation that Founding Family Shareholders may seek to sell all or a component of its holding after removal from escrow. Upon completion of the Scheme, the Founding Family Shareholders will control c. 27 million *thl* shares, equivalent to 13%[33] of the outstanding *thl* Shares.

Jucy SPA

As a condition subsequent to the Scheme and in accordance with the merger clearance provided by the NZCC and ACCC, ATL has agreed to dispose of the Divestment Assets to Jucy for a consideration of approximately NZ$45 million, subject to adjustments.

The Divestment Assets are primarily comprised of c. 310 4-6 berth motorhomes in Australia and New Zealand with a retail value of c. NZ$45 million, and the forward bookings associated with the fleet. Accordingly, the consideration under the transaction represents the retail value of the fleet.

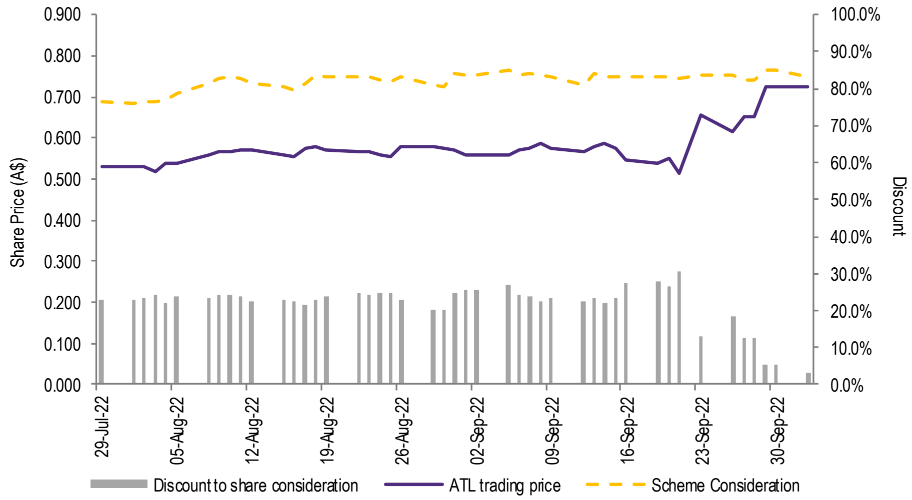
Share price after the announcement

As set out below, following the announcement of the Scheme, the share price of Apollo has traded below the Scheme Consideration, although it has since converged towards the Scheme Consideration (based on *thl*'s trading price) due to the lower risk of the deal not completing following

[31] Calculated as net debt divided by net debt plus market capitalisation. Based on a 30 June 2022 closing share price of A$0.39, 186,150,908 ordinary shares outstanding, and net debt as at 30 June 2022 on a pre-AASB16 / IFRS 16 basis.
[32] Calculated as net debt divided by net debt plus market capitalisation. Based on a 30 June 2022 closing share price of NZ$2.32, 152,060,700 ordinary shares outstanding, and net debt as at 30 June 2022 on a pre-AASB16 / IFRS 16 basis.
[33] Excluding *thl* Rights and Options.

the Deed of Variation and approval from the NZCC and ACCC on 23 September and 29 September respectively.

Trading price after the announcement date



Sources: S&P Global, GTCF analysis.
Note: Scheme Consideration assessed based on the closing price of thl shares converted in Australian Dollars using the closing NZ$:A$ FX rate on each day and divided by the Conversion Ratio of 3.210987.

However, the Scheme remains subject to ATL Shareholder approval, refinancing of the debt facilities of the Merged Group, and approval from the Supreme Court of Queensland and therefore there remains an element of risk of it not completing.

In our view, the fact that ATL's trading price has broadly converged indicates strong support from investors to the Scheme.

Prospects of a superior offer or alternative transaction

While Apollo has agreed not to solicit any competing proposals or to participate in discussions or negotiations in relation to any competing proposals during the exclusivity period, there are no impediments to an alternative proposal being submitted by potentially interested parties. The transaction process should act as a catalyst for potentially interested parties to assess the merits of potential alternative transactions.

Given the complementary nature of the two businesses and the Synergies identified, and the fact that no superior proposal has emerged in the c. 10 months since the Scheme was announced, we are of the opinion that it is unlikely that a superior proposal will emerge. However, if an alternative proposal on better terms was to eventuate, it is expected that this would occur prior to the shareholder meeting convened to consider the Scheme. We note that there will be a significant time-lag between the release of this IER and the Apollo Shareholders meeting to approve the proposed Scheme. In the event that an alternative offer on better terms emerges, shareholders will be entitled to vote against the proposed Scheme or the shareholders meeting could be adjourned.

Dividend policy and dividend entitlement

The current intention of the *thl* Board is that dividends will recommence, most likely at a lower payout

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ratio than was paid prior to the COVID-19 pandemic, once the Merged Group has delivered a full financial year of profit similar to pre-COVID performance and the leverage ratio is at a level where lender consent is no longer required to make distributions. Prior to being suspended due to the impact of the COVID-19 pandemic, *thl*'s dividend policy was a payout ratio of 75% to 90% of NPAT. The review of the dividend policy moving forward will consider, among other matters, the equity ratio of the Merged Group; the availability of tax imputation and franking credits; and the Merged Group's future growth capital requirements, including as it focuses on re-fleeting in the near-medium term to take advantage of expected recovery and other opportunities.

Implications if the Scheme is not implemented

If the Scheme is not implemented, it is the current ATL Directors' intention to continue operating Apollo in line with its objectives. ATL Shareholders who retain their shares would continue to share in any benefits and risks in relation to Apollo's ongoing business. In the absence of the Scheme or an alternative transaction, all other things being equal, the price of ATL shares may fall, at least in the short-term and ATL may be required to seek funding for its short term liabilities and working capital requirements.

We also note that in certain instances under the Scheme, ATL may be required to pay a break fee of A$1.4 million.

Directors' recommendations and intentions

As at the date of this Report, the ATL Directors have recommended that Apollo Shareholders vote in favour of the Scheme in the absence of a superior alternative proposal emerging and subject to the Independent Expert concluding and continuing to conclude that the Scheme is in the best interests of Apollo Shareholders. The ATL Directors also intend to vote the shares they hold or control in favour of the Scheme.

Reasonableness conclusion

Based on the qualitative factors identified above, it is our opinion that the Scheme is **REASONABLE** to Apollo Shareholders.

Overall conclusion

After considering the abovementioned quantitative and qualitative factors, Grant Thornton Corporate Finance has concluded that the Scheme is **FAIR and REASONABLE and hence in the BEST INTERESTS of** Apollo Shareholders in the absence of a superior alternative proposal emerging.

Other matters

Grant Thornton Corporate Finance has prepared a Financial Services Guide ("FSG") in accordance with the Corporations Act. The Financial Services Guide is set out in the following section.

The decision of whether or not to vote in favour of the proposed Scheme is a matter for each ATL Shareholder to decide based on their own views of value of ATL and expectations about future market conditions, ATL's performance, risk profile and investment strategy. If ATL Shareholders are in doubt about the action they should take in relation to the proposed Scheme, they should seek their own professional advice.

Yours faithfully
GRANT THORNTON CORPORATE FINANCE PTY LTD

ANDREA DE CIAN
Director

JANNAYA JAMES
Director

Grant Thornton

24 October 2022

Financial Services Guide

1 Grant Thornton Corporate Finance Pty Ltd

Grant Thornton Corporate Finance carries on a business, and has a registered office, at Level 17, 383 Kent Street, Sydney NSW 2000. Grant Thornton Corporate Finance holds Australian Financial Services Licence No 247140 authorising it to provide financial product advice in relation to securities and superannuation funds to wholesale and retail clients.

Grant Thornton Corporate Finance has been engaged by Apollo to provide general financial product advice in the form of an independent expert's report in relation to the Scheme. This report is included in Apollo's Scheme Booklet.

2 Financial Services Guide

This FSG has been prepared in accordance with the Corporations Act 2001 and provides important information to help retail clients make a decision as to their use of general financial product advice in a report, the services we offer, information about us, our dispute resolution process and how we are remunerated.

3 General financial product advice

In our report, we provide general financial product advice. The advice in a report does not take into account your personal objectives, financial situation or needs.

Grant Thornton Corporate Finance does not accept instructions from retail clients. Grant Thornton Corporate Finance provides no financial services directly to retail clients and receives no remuneration from retail clients for financial services. Grant Thornton Corporate Finance does not provide any personal retail financial product advice directly to retail investors nor does it provide market-related advice directly to retail investors.

4 Remuneration

When providing the Report, Grant Thornton Corporate Finance's client is Apollo. Grant Thornton Corporate Finance receives its remuneration from Apollo. In respect of the Report, Grant Thornton Corporate Finance will receive from Apollo a fee of A$100,000 (plus GST) which is based on commercial rates, plus reimbursement of out-of-pocket expenses for the preparation of the report. Our directors and employees providing financial services receive an annual salary, a performance bonus or profit share depending on their level of seniority.

Except for the fees referred to above, no related body corporate of Grant Thornton Corporate Finance, or any of the directors or employees of Grant Thornton Corporate Finance or any of those related bodies or any associate receives any other remuneration or other benefit attributable to the preparation of and provision of this Report.

5 Independence

Grant Thornton Corporate Finance is required to be independent of Apollo in order to provide this report. The guidelines for independence in the preparation of independent expert's reports are set out in RG 112 *Independence of expert* issued by ASIC. The following information in relation to the independence of Grant Thornton Corporate Finance is stated below.

"Grant Thornton Corporate Finance and its related entities do not have at the date of this report, and have not had within the previous two years, any shareholding in or other relationship with Apollo (and associated entities) that could reasonably be regarded as capable of affecting its ability to provide an unbiased opinion in relation to the Scheme.

Grant Thornton Corporate Finance has no involvement with, or interest in the outcome of the Scheme, other than the preparation of this report. Grant Thornton Corporate Finance will receive a fee based on commercial rates for the preparation of this report. This fee is not contingent on the outcome of the Scheme. Grant Thornton Corporate Finance's out of pocket expenses in relation to the preparation of the report will be reimbursed. Grant Thornton Corporate Finance will receive no other benefit for the preparation of this report.

Grant Thornton Corporate Finance considers itself to be independent in terms of RG 112 "Independence of expert" issued by the ASIC."

6 Complaints process

Grant Thornton Corporate Finance has an internal complaint handling mechanism and is a member of the Australian Financial Complaints Authority. All complaints must be in writing and addressed to the Chief Executive Officer at Grant Thornton Corporate Finance. We will endeavour to resolve all complaints within 30 days of receiving the complaint. If the complaint has not been satisfactorily dealt with, the complaint can be referred to the Australian Financial Complaints Authority which can be contacted at:

Australian Financial Complaints Authority Limited
GPO Box 3
Melbourne, VIC 3001
Telephone: 1800 931 678

Grant Thornton Corporate Finance is only responsible for this Report and FSG. Complaints or questions about the General Meeting should not be directed to Grant Thornton Corporate Finance. Grant Thornton Corporate Finance will not respond in any way that might involve any provision of financial product advice to any retail investor.

Compensation arrangements

Grant Thornton Corporate Finance has professional indemnity insurance cover under its professional indemnity insurance policy. This policy meets the compensation arrangement requirements of section 912B of the Corporations Act, 2001.

Contents

1 Outline of the Scheme and the Divestment

1.1 Other key terms of the Scheme

We have set out below some of the key terms of the SID:

- *Conditions precedent* – the SID includes the following conditions precedent:
  - Approval of the Scheme by ATL Shareholders and by the Court in accordance with Sections 411(4)(a)(ii) and 411(4)(b) of the Corporations Act respectively.
  - Approval from FIRB, ACCC and NZCC (and any other approvals from other governmental agencies which ATL and *thl* consider are necessary or desirable) being obtained prior to the Second Court Date in respect of the Scheme.
  - *thl* is admitted to the ASX as a foreign exempt entity and *thl* Shares are quoted on the ASX.
  - *thl* enters into an arrangement with new or existing financiers to refinance either its existing debt facilities or the debt facilities of the Merged Group and all the conditions for the drawdown are satisfied or waived before the Second Court Date.
  - No ATL or *thl* prescribed occurrences, no ATL or *thl* material adverse changes and the warranties given by ATL and *thl* being true and correct in all material respects.
  - No restraining orders issued by any court or Government Agency of competent jurisdiction in Australia or New Zealand remains in place as at the time of the Second Court Date that prohibits, materially restricts, makes illegal or restrains the completion of the Scheme.
  - All third party consents by parties other than ATL under any material contracts which are necessary in the reasonable opinion of *thl* are obtained in form and subject to conditions acceptable by both *thl* and ATL.
  - The entry by the Trouchet Shareholders into arrangements with *thl* on terms and conditions acceptable to *thl* and ATL under which 90% of *thl* Consideration Shares will be escrowed for 12 months following the implementation date and 50% of *thl* Consideration Shares will be escrowed for 24 months following the implementation date.
  - The Independent Expert report concludes and continues to conclude that the Scheme is fair and reasonable and in the best interests of the ATL Shareholders.
  - Prior to the Second Court Date, *thl* obtains confirmation from its insurers that the existing Directors and Officers insurance policy is extended to include the Scheme.
  - All consents, approval, confirmations, agreements or waivers of rights from any financier of the ATL Group required for the Scheme or funding of the Merged Group are obtained.
- *Break Fee* – A break-fee of A$1.4 million may become payable by either company to one another if the Scheme does not proceed, including but not limited to the following circumstances:

- A competing proposal is announced by a third party before the earlier of the Second Court Date or termination of the SID and within twelve months from its announcement, the third party acquires a relevant interest in more than 50% of either company, in which case ATL will be liable to pay the break fee to *thl*.

- Any ATL Director withdraws or adversely revises or qualifies their voting intention or recommendation to vote in favour of the Scheme during the exclusivity period, except in limited circumstances set out in the SID, in which case ATL will be liable to pay the break fee to *thl.*

- Either company terminates the SID due to a material breach by the other under the terms of the SID.

Others – The SID contains customary exclusivity provisions including no shop and no talk restrictions, restrictions on providing or making available information or access to due diligence (with the no talk and no due diligence restrictions subject to a fiduciary-out), and a matching counterproposal right for *thl* in the event the Directors receive a superior proposal.

1.2 Overview of the Divestment

As part of the ACCC and NZCC clearance process, ATL and *thl* have entered into deeds of undertaking with the NZCC and ACCC in respect of the Divestment. Under the Scheme, the Divestment is a condition subsequent that requires the Divestment to have been completed before the Scheme can be implemented. Subject to the satisfaction of certain conditions, the Divestment will occur immediately prior to the Scheme being implemented on the Implementation Date.

We have set out below some of the key terms of the Jucy SPA:

- ATL and *thl* will sell the Divestment Assets to a subsidiary of Jucy for a consideration of approximately NZ$45 million, subject to certain adjustments. The consideration reflects the retail value of the motorhome fleet being sold.

- If completion occurs after 30 November 2022 (other than due to Jucy being in default under the Jucy SPA) then the Vendors will each pay an economic adjustment payment to Jucy in respect of the period from (and including) 1 December 2022 up to (and including) the completion date.

- Prior to Completion, ATL and *thl* have agreed to use their best endeavours to introduce Jucy to any wholesalers who market motorhomes under the Star RV motorhome brand and who do not have an existing relationship with Jucy. Jucy will have the right to approve the form and content of any introductions that ATL and *thl* may make.

- ATL and *thl* have provided warranties and indemnities to Jucy typical for a transaction of this nature.

- ATL, *thl* and Jucy have entered into vehicle supply agreements under which the Merged Group will supply, and Jucy will purchase, 40 motorhomes in calendar year[34] (“CY”) 2023, with an option for an additional 40 motorhomes in CY24 in each of Australia and New Zealand.

[34] CYXX

We note that if the Scheme does not proceed, the Divestment will no longer occur, and ATL will retain the Divestment Assets.

2 Purpose and scope of the report

2.1 Purpose

Section 411 of the Corporations Act

Section 411 of the Corporations Act 2001 regulates schemes of arrangements between companies and their members. Part 3 of Schedule 8 of the *Corporations Regulations 2001 (Cth)* ("Corporations Regulations") prescribes information to be sent to shareholders and creditors in relation to members' and creditors' schemes of arrangements pursuant to Section 411 of the Corporations Act.

Part 3 of Schedule 8 (s640) of the Corporations Regulations requires an independent expert's report in relation to a scheme to be prepared when a party to that scheme has a shareholding greater than 30% in the company subject to the scheme, or where any of its directors are also directors of the company subject to the scheme. In those circumstances, the independent expert's report must state whether a scheme is in the best interests of shareholders and state reasons for that opinion. Even where there is no requirement for an independent expert's report, documentation for a scheme of arrangement typically includes an independent expert's report.

While there is no legal requirement for an independent expert's report to be prepared in respect of the Scheme, the Directors of ATL have requested Grant Thornton Corporate Finance to prepare an independent expert's report to express an opinion as to whether the Scheme is in the best interests of ATL Shareholders.

2.2 Basis of assessment

In determining whether the Scheme is in the best interests of the Company's members, Grant Thornton Corporate Finance has had regard to relevant Regulatory Guides issued by the ASIC, including RG 111, Regulatory Guide 60 Scheme of arrangement ("RG60") and RG 112. The IER will also include other information and disclosures as required by ASIC. We note that neither the Corporations Act nor the Corporations Regulations define the term "in the best interests of members".

RG 111 establishes certain guidelines in respect of independent expert's reports prepared for the purposes of the Corporations Act. RG111 is framed largely in relation to reports prepared pursuant to Section 640 of the Corporations Act and comments on the meaning of "fair and reasonable" in the context of a takeover offer. RG111 requires an independent expert report prepared for a change of control transaction implemented by way of scheme of arrangement to undertake an analysis substantially the same as for a takeover bid. However, the opinion of the expert should be whether or not the proposed scheme is "in the best interests of the members of the company". If an expert were to conclude that a proposal was "fair and reasonable" if it was in the form of a takeover bid, it would also conclude that the proposed scheme is "in the best interests of the members of the company".

Pursuant to RG111, an offer is "fair" if the value of the offer price or consideration is equal to or greater than the value of the securities that are subject of the offer. A comparison must be made assuming 100% ownership of the target company.

RG111 considers an offer to be "reasonable" if it is fair. An offer may also be reasonable if, despite not being "fair" but after considering other significant factors, shareholders should accept the offer in the absence of any higher bid before the close of the offer.

In our opinion, the most appropriate way to evaluate the fairness of the Scheme is to compare the fair market value of ATL on a control basis before the Scheme with the market value of the Scheme Consideration (i.e. shares in the Merged Group) on a minority basis.

In considering whether the Scheme is in the best interests of ATL Shareholders, we have considered a number of factors, including:

- Whether the Scheme is fair.
- The implications to ATL Shareholders if the Scheme is not implemented.
- Other likely advantages and disadvantages associated with the Scheme.
- Other costs and risks associated with the Scheme that could potentially affect ATL Shareholders.

2.3 Independence

Prior to accepting this engagement, Grant Thornton Corporate Finance (a 100% subsidiary of Grant Thornton Australia Limited) considered its independence with respect to the Scheme with reference to RG 112 issued by ASIC.

Grant Thornton Corporate Finance has no involvement with, or interest in, the outcome of the approval of the Scheme other than that of an independent expert. Grant Thornton Corporate Finance is entitled to receive a fee based on commercial rates and including reimbursement of out-of-pocket expenses for the preparation of this report.

Except for these fees, Grant Thornton Corporate Finance will not be entitled to any other pecuniary or other benefit, whether direct or indirect, in connection with the issuing of this report. The payment of this fee is in no way contingent upon the successful implementation of the Scheme.

In our opinion, Grant Thornton Corporate Finance is independent of ATL and its Directors and all other relevant parties of the Scheme.

Compliance with APES 225 Valuation Services

This report has been prepared in accordance with the requirements of the professional standard APES 225 Valuation Services (“APES 225”) as issued by the Accounting Professional & Ethical Standards Board. In accordance with the requirements of APES 225, we advise that this assignment is a Valuation Engagement as defined by that standard as follows:

“An Engagement or Assignment to perform a Valuation and provide a Valuation Report where the Member is free to employ the Valuation Approaches, Valuation Methods, and Valuation Procedures that a reasonable and informed third party would perform taking into consideration all the specific facts and circumstances of the Engagement or Assignment available to the Member at that time.”

3 Industry overview

ATL and *thl* are both engaged in the design, manufacture, distribution, sale and rental of RVs in Australia, New Zealand, North America and UK/Europe while *thl* also operates in the tourism sector in New Zealand ("the Industry"). However, ATL and *thl*'s exposure to the different industry segments and geographies varies and accordingly below we provide a brief summary of the two company's segment and geographic exposure.

Prior to COVID-19, both companies generated the majority of revenues from renting RVs. Following the onset of COVID-19 between FY20 and FY22 both ATL and *thl* experienced a significant reduction in RV rental revenues due to travel and border restrictions and an increase in revenues from the sale of RVs as both companies reduced their fleet size to meet the lower rental demand levels. Towards the end of FY22 signs of improvement in industry conditions were evident as borders began to reopen and travel restrictions reduced. ATL's manufacturing operations are located in Queensland, Australia where it produces RVs to rent in Australia and New Zealand and for sale through its Apollo RV Sales Centres (located in Australia and New Zealand), and third party dealerships. *thl*'s manufacturing facilities are primarily located in New Zealand[35] and it sells RVs at numerous locations in New Zealand (and two Australian sites), as well as through third party dealerships in both New Zealand and Australia. In North America, both ATL and *thl* rely on third party manufacturers for their rental fleet. Geographically speaking, ATL has historically generated the majority of its revenues from its Australian and North American operations (including the US and Canada), with New Zealand and Europe contributing a smaller proportion of revenues. However, ATL placed its US business in hibernation indefinitely in 2020 due to fallout from COVID-19 with revenues from its North American segment now exclusively generated from its Canadian business. Meanwhile *thl* has historically generated the majority of revenues from its New Zealand and US businesses (unlike ATL, *thl* does not have operations in Canada) with a meaningful contribution from its Australian business and a small exposure to the UK through Just Go.

3.1 Overview of the Global Recreational Vehicle Industry

RVs constitute two main vehicle types, towable and motorised. Towable RVs include caravans and camper trailers and motorised RVs include motorhomes and campervans. Caravans are self-contained vehicles equipped for living in and are towed by a car whereas camper trailers are compact and lightweight trailers equipped for occupancy that are typically smaller than caravans and require some level of set up such as a fold out tent or kitchen. Motorhomes consist of a chassis with a habitation area built on top often with a divide between the cab and the living quarters behind, which contain a living space, bathroom and kitchen facilities. Campervans are normally smaller than motorhomes and there is usually no divide between the cab and living quarters with more basic cooking, washing and sleeping facilities than motorhomes.

The RV industry can be broadly categorised into three separate sub-sectors, being the renting, manufacturing and selling of RVs (both new and ex-rental) as outlined below.

- *Rental of RVs* – The RV rental industry involves the renting of RVs—which combine a means of transportation and temporary living quarters—for travel, recreation and camping purposes to domestic and international tourists, and specifically Free Independent Tourists ("FITs")[36]. The key driver behind the penetration of rental companies in the RV Industry is their use for tourism outside of a tourist's home country or region in which they reside. In addition, RV units are expensive luxury goods and, as

[35] With a limited operation in Victoria, Australia.
[36] Free Independent Tourists are broadly defined as financially independent travellers who are disinterested in mass or group travel. These tourists normally travel as individuals, couples or small groups without a guide or a third party controlled schedule, mode of transport or accommodation.

a result, a large subset of the population may not use an RV enough to justify purchasing one. Therefore, the benefit of rental companies is the ability to attract those customers who are travelling outside of their home region or country or customers who do not use RVs enough to justify the purchase of an RV. RV rentals are also attractive to customers because they allow them to access the latest available products at multiple locations as well as offering safety and delivery services thereby presenting complete rental packages.

- *Manufacturing of RVs* – The RV manufacturing industry relates to the designing, engineering and construction of RVs, both towable and motorised. For all RVs this typically includes research and development and product testing to meet changing consumer preferences. In relation to motorised RVs, the manufacturing of motorhomes consists of a bus or truck chassis purchased from commercial vehicle manufacturers (such as Ford and Mercedes Benz etc.) with a habitation area (designed to serve as self-contained living quarters) manufactured to fit onto the chassis. The manufacturing of campervans involves the purchase of vans from vehicle manufacturers, which are then converted to include a living space with basic sleeping, washing and kitchen facilities. The manufacturing of caravans involves either purchasing or building of a chassis upon which the caravan structure (including walls, floor, ceiling, furniture, cabinetry and electrics) is built. Camper trailers are constructed on a towable trailer and include sleeping, cooking and in some cases washing facilities.

- *Sale of RVs* – The RV sales industry relates to the sale of RVs to consumers and businesses alike and, much like the car market, there exists avenues for the sale of second hand and ex-rental RVs. There has been a global trend in recent years of increasing interest in RV travel. In North America commercial sales of RVs in 2020 accounted to c. 41.2%[37] of RV sales, with revenues expected to grow at a CAGR of c. 9.7% p.a. between 2022 and 2027. In Asia-Pacific RV sales are forecast to grow at an accelerated rate with a CAGR of c. 9% between 2022 and 2027, largely owing to a growing interest in RV usage in China, Japan, India, Australia and New Zealand[38]. Finally, Europe expects a sustained increase in sales in forecast years with an overall expansion of a CAGR of c.11.3% between 2022 and 2027, underpinned by growth in Western Europe[39].

The demand for the different types of RVs varies across geographies and depends on various factors including the environment, traveling distances, weather, infrastructure, demographics and local regulations (amongst others). Accordingly, consumers in different geographies may display preferences for certain types of RVs over others. Towable RVs and motorised RVs represented c. 38% and 62% of global sales revenue respectively in FY22[40]. Motorised RVs are, generally speaking, the more expensive offerings due to the engine, which adds a significant cost to the unit.

As at 31 December 2021, the global RV industry was valued at c. US$49 billion, with expectations for this to increase by a CAGR of c. 6% p.a. to US$71 billion by 2027[41]. The global COVID-19 crisis severely impacted the tourism industry as a result of the closure of international borders and domestic travel restrictions. Furthermore, subsequent waves of infection caused by the loosening of restrictions and new COVID-19 variants has led to the reintroduction of travel restrictions. This loosening and subsequent tightening of restrictions created significant uncertainty for tourists, particularly those planning to travel overseas. In addition, concern over the implications and potential ramifications of catching COVID-19 while traveling internationally has also negatively affected the demand for international travel. This ultimately led to a sharp decline in the rental demand for RVs experienced since the beginning of the pandemic whereas

[37] Mordor Intelligence.
[38] Ibid.
[39] Ibid.
[40] Ibid.
[41] Ibid.

the manufacturing and sale of RVs has been far less affected as consumers have substituted international travel with domestic travel, and due to the self-isolating nature of RV travel compared with other modes of tourism-related transport (such as airplanes and cruise ships).

There are a number of key market factors which affect the RV rental, manufacturing and sales industries (albeit it to varying extents), which are summarised below in a non-exhaustive manner:

- *International and Domestic Tourism* – The tourism industry generally, and specifically the number of domestic and inbound FITs is one of the key value drivers for the RV rental industry. Historically, FITs have represented a growing share of total visitors and this trend is expected to continue once tourism recovers from the pandemic. International tourism has been and continues to be deeply affected by the COVID-19 pandemic, although a strong and steady recovery is currently underway with the sector recovering almost half of the pre-pandemic 2019 levels[42] for the first five months of 2022. At the beginning of the pandemic, measures introduced to control the virus led to a collapse in international travel. While restrictions have since reduced significantly and international travel is recovering, it is still below pre-COVID levels with global airline seat capacity in August 2022 12.1% below August 2019 levels[43]. This is due to some regions still imposing travel restrictions and other factors such as heightened uncertainty and a more challenging travel environment than before COVID-19. We note that the Organisation for Economic Co-operation and Development ("OECD") has identified a number of key priorities needed to facilitate international travel including a restoration in consumer confidence, evolving response measures in regards to COVID-19, strengthening co-operation between countries and a more resilient tourism industry. Barriers to international travel have been substantially reduced over the last few months. For instance, neither Australia nor New Zealand require proof of vaccination or a negative COVID-19 test prior to arrival, although proof of vaccination is still a requirement in the United States. Similarly, Canada is removing all COVID-19 restrictions including vaccinations, testing and isolation requirements from 1 October 2022. However, some restrictions remain, including a requirement for travellers to self-isolate for seven days in New Zealand and five days in Australia if symptoms have passed. Inversely, and largely a function of border closures, domestic tourism globally has seen a large spike over the last two years. Within this growth, increasing popularity of holidays closer to home and a general trend away from mass tourism has supported the Industry. Further, the global shift towards flexible working arrangements has enabled individuals to move towards multiple shorter trips domestically, a trend which is favourable for the RV industry.

- *Global airline capacity* – Airline capacity reflects the planned total seat capacity airlines expect to offer in the upcoming months and can be viewed as a proxy for recovering international and domestic tourism demand. Throughout FY21 total global airline capacity grew to 3.7 billion seats per annum, up c. 15% from 3.2 billion seats in FY20[44]. However, this still represents a c. 36% decline compared to FY19 pre-pandemic figures, highlighting the continued effects of COVID-19 on the RV rental industry. Throughout 2022, capacity continued to recover and for the month of August 2022 was only 12.1% below August 2019 levels, with speculation that pre-pandemic levels will be exceeded in 2024[45]. However, given the higher vaccination rates in the geographies that ATL and *thl* operate in compared to the global average vaccination rate, international tourism is expected to recover faster in these geographies.

- *Consumer confidence* – Consumer confidence is a measure of optimism amongst households regarding their financial situation, the current economic conditions, unemployment and capability of

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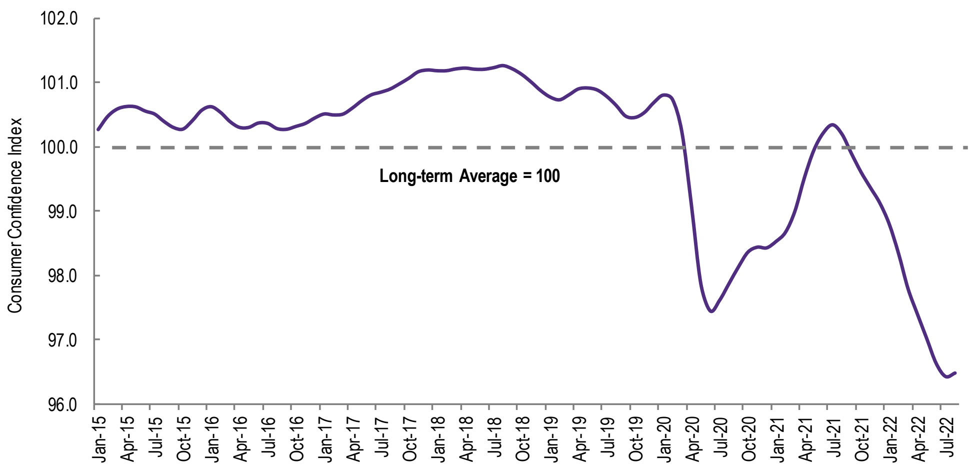
[42] United Nations World Tourism Organisation
[43] Official Aviation Guide – Global Airline Capacity.
[44] Official Aviation Guide – Global Airline Capacity.
[45] International Air Transport Association – Air Passenger Numbers to Recover in 2024, 1 March 2022.

savings. Generally speaking, negative consumer confidence is correlated with a scale back in individual expenditure on discretionary items, including travel and the purchase of RVs. The following graph illustrates the global Consumer Confidence Index ("CCI") for the period between January 2015 to August 2022 amongst the OECD countries:

Consumer Confidence Index[46] – average of all OECD countries



Sources: OECD Data: 60 years; GTCF analysis

As illustrated above, the CCI value remained consistently above 100 for the five years leading up to the January 2020 quarter, after which the COVID-19 pandemic hit and the CCI plunged as a result of the economic uncertainty associated with the pandemic. The strong global response to the pandemic, including significant stimulus measures from governments and central banks globally and the successful development of effective vaccines, resulted in the CCI recovering to pre-pandemic levels by the middle of 2021. However, the strong resurgent demand, low unemployment, ongoing disruptions to supply chains and the Russia/Ukraine war have since led to a sharp rise in inflation requiring central banks to dramatically increase interest rates in an attempt to bring inflation back in line with target levels. Over the last six months, the US Federal Reserve ("Fed") has increased interest rates 300 basis points, and in Australia the RBA has increased interest rates 225 basis points, with expectations of further rate rises in coming months due to the persistently high inflation levels. The large increases in the cost of living and higher interest rates have eroded consumers purchasing power raising fears of a global recession.

- *Discretionary income* – Discretionary income is the amount of an individual's income that is residual for spending, investing or saving after paying taxes and personal necessities (such as food, shelter and clothing). Of note, caravans and motorhomes are non-essential luxury items. Generally speaking, in times of economic uncertainty discretionary income typically falls and consumer activity is scaled back. This is most pertinent in the age bracket of 65 plus who occupy the largest population subset of individuals who rent and purchase RVs. The significant increase in inflation and higher interest rates in 2022 has, overall, eroded discretionary incomes, with inflation far outpacing wage growth. For instance, in Australia, real wages fell 3.5% for the year ending June 2022[47]. Similarly, in the United States real average hourly earnings decreased 2.8% for the year ending August 2022[48] and in New

[46] A value greater than 100 is indicative of a boost of the consumer's confidence towards the future economic circumstances and vice versa.
[47] Australian Bureau of Statistics - Wage Price Index, Australia, June 2022.
[48] United States Bureau of Labor Statistics, Real Earnings Summary, released September 2022.

Zealand wage growth was 3.4% for the year ended June 2022, compared to consumer price inflation of 7.3%.

- *Exchange rates* – Exchange rates play a significant role in the demand for a country's inbound tourism. All else being equal, a depreciating dollar relative to other global currencies increases the cost of outbound travel and creates a more favourable environment for domestic tourism. Generally speaking, the Australian dollar has traded substantially sideways relative to the US dollar over the last 5 years, hovering between 0.7 to 0.8 A$:US$ (excluding COVID-19). Notably however, the Australian dollar depreciated considerably relative to the US dollar throughout the initial COVID-19 pandemic, falling to an 18 year low of 0.52 A$:US$. This has since mostly recovered although has fallen somewhat in recent months due to the higher interest rate environment in the United States relative to Australia.

- *Younger consumers* – Camping and travelling are becoming more popular amongst younger consumers as a part of their recreational activities. It is estimated that millennials, being those born between 1977 and 1995, now account for upwards of two-fifths of the total number of campervan rentals across the world, and steadily growing. Supporting this notion, Thor[49] witnessed an approximate 21.18% increase[50] in the purchase of traveller trailers by millennials during the 2019 – 2020 year.

- *Ageing population* – Australia, New Zealand, the United States, Canada and Europe all have ageing populations and most have increasing life expectancies as a result of improving standards of living and healthcare. Older generations also typically have greater wealth and savings sufficient for the purchase of an RV. These demographic changes are expected to support the growth in manufacturing and sales of RVs in these countries.

3.2 Australia

3.2.1 Australian RV rental industry

Australia ranked 11th out of 185 countries for travel and tourism expenditure in 2019 prior to the impact of COVID-19 with travel and tourism accounting for US$149.1 billion, or c. 10.7% of GDP[51]. The impact of COVID-19 has been severe, and in 2020, travel and tourism expenditure fell 45.4% to US$81.4 billion[52] (accounting for 6.0% of GDP) due to the impact of lockdowns and travel restrictions. The challenging conditions continued in 2021 with travel and tourism expenditure falling a further 6.8% to US$76.5 million (accounting for 4.7% of GDP)[53]. However, following the removal of travel restrictions in 2022, Australian tourism expenditure is rebounding as discussed further below.

In line with the National Plan to transition Australia's National COVID-19 Response ("National Plan"), in 2021 Australia exceeded its 80% double dose vaccination targets for people aged over 16. This has resulted in nearly all restrictions on travel being lifted in recent months. It is no longer a requirement for people entering or leaving Australia to provide evidence of their vaccination status. Similarly, there are no longer any domestic travel restrictions for people travelling within Australia. Self-isolation requirements, however, do remain for the time being with those testing positive for COVID-19 required to isolate for 5

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49 One of the largest manufacturers of RV in the world.
50 Thor Industries 2021 Annual Report.
51 World Travel and Tourism Council - Travel and Tourism Economic Impact 2021.
52 Ibid.
53 World Travel & Tourism Council – Travel and Tourism Economic Impact 2022.

days if symptoms have passed on the fifth day. Longer term, the National Plan is to manage COVID-19 consistent with public health management of other infectious diseases.

3.2.1.1 Domestic tourism

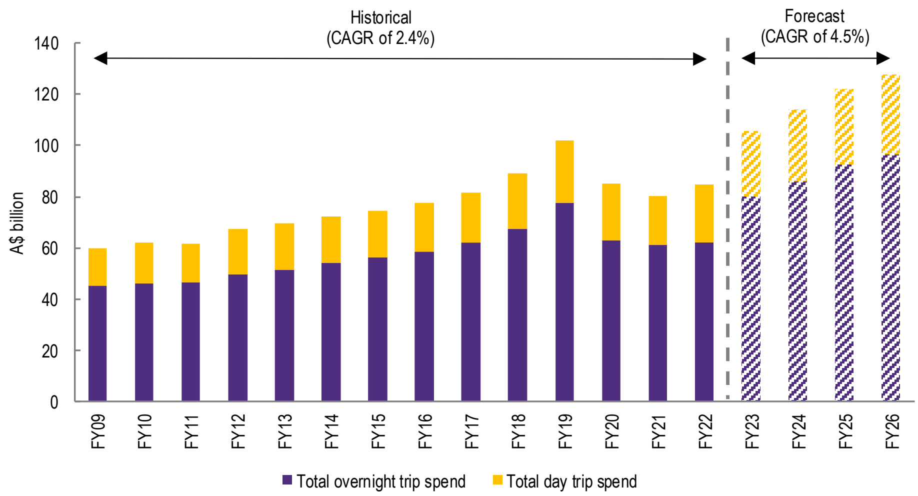
Domestic tourism accounts for the majority of tourism expenditure in Australia, covering both overnight trips and day trips, however its contribution to RV rental revenues is lower than international tourist arrivals.

Notwithstanding the impact of COVID-19, over the last 10 years the Australian domestic tourism industry has performed strongly, with total spend on domestic day and overnight trips[54] growing at a CAGR of c. 5.4% between FY09 and FY19. Furthermore, we note the strong pre-pandemic performance in FY19, when total day trip and overnight trip expenditure grew by circa 14.2%[55] from the prior year.

The most recent published figures for the quarter ending June 2022 show a strong recovery relative to pre-pandemic levels with overnight spend up 29% compared to 2019, although overall overnight trips and the number of nights are slightly lower relative to pre pandemic levels. However, the results also reflect the changing patterns of travel with business travel spend 23% below pre-pandemic levels, and holiday spend c. 60% up on pre-pandemic levels.

In the forecast period, it is expected that domestic day trips and overnight expenditure are starting to grow relative to the FY19-FY20 period, as a result of extended lockdowns in various states and territories that occurred between July and October 2021. However, FY23 revenues are expected to grow by c. 31.7% from FY21 and on track to exceed pre-COVID levels driven by the reopening of state borders, a lower risk of lockdowns and pent-up demand for travel upon the re-opening of state borders. FY24 is also forecasted to increase the all-time pre-COVID level for total expenditure by c. 11.8%. The following graph illustrates the historical trends of both overnight and day trip expenditure in Australia as well as forecast growth:

Australian domestic day trips and overnight trip spend



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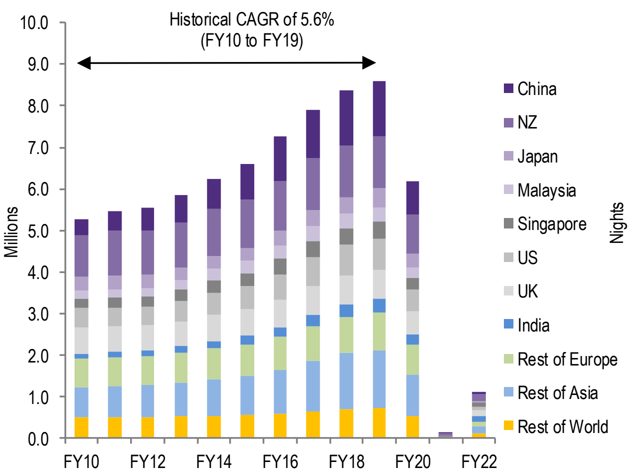
[54] A visitor night is defined as one person staying one night at a place at least 40 kilometres from home.
[55] Tourism Research Australia – National Tourism Forecasts; GTCF analysis.

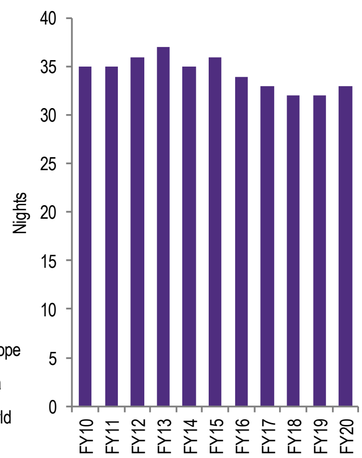
Sources: Tourism Research Australia – National Tourism forecasts released December 2021.
Note (1): Day trips and overnight trips include those for holiday, visiting friends and relatives, business and other purposes.

3.2.1.2 Inbound tourism

Prior to COVID-19, in FY19 inbound tourism represented approximately 24% of total tourism expenditure[56]. Over the ten-year period leading up to FY19, total inbound visitor expenditure grew at a CAGR of c. 5.6%. Prior to the pandemic, a rising number of international tourists supported the RV rental industry's performance, with demand from core tourism targets, such as Europe, the United States and Asia, remaining strong. This was further supported by cheap international airfares due to global airline competition and a weaker Australia dollar relative to other currencies globally.

The number of potential days of RV rental is a function of the number of RV tourists multiplied by the average length of stay. Between FY10 and FY19, the average length of stay trended slightly down, with an average of 35.6 days over the five years between FY10 and FY14, falling to an average of 33.4 days for the five years between FY15 and FY19. The reduction in the average length of stay was across all key countries except for Japan. Below we present the historical growth of international visitor numbers up to FY20 and the average length of stay for all international visitors. We have not included long term forecasts due to the lack of reliable forecasts.





Source: Tourism Research of Australia

Whilst arrivals from all markets have grown between FY10 and FY19, the mix has changed considerably due to the stronger growth of visitors from Asia relative to other regions. Between FY09 and FY19, Asian inbound visitors as a proportion of total inbound visitors increased from 36.7% to 50.2%. Whilst not considered the traditional target market for Australian RV rental companies, Asian consumers represent a growing share of RV rentals and a significant growth opportunity going forward. This growth trend amongst the Asian visitors is illustrated below in the following charts:

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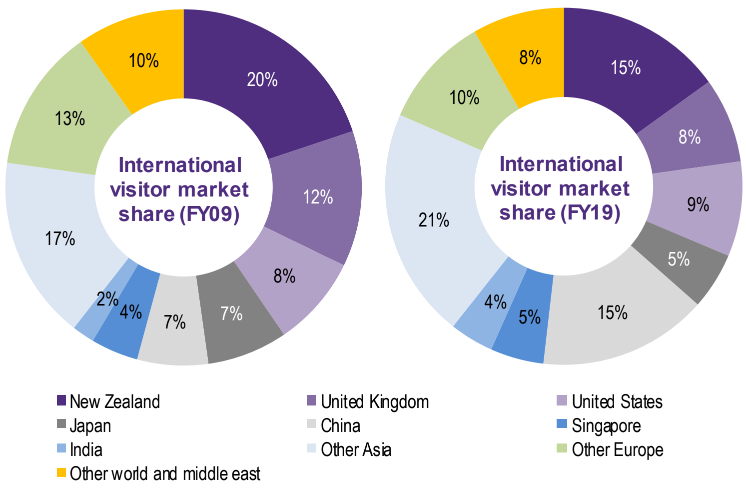
56 Domestic and inbound tourism expenditure consisting of expenditure on domestic day trips and overnight trips by Australians, and inbound visitor spend.

International visitor market share



Sources: Tourism Research Australia – National Tourism Forecasts 2019.

3.2.1.3 Free Independent Tourists

Free Independent Tourist arrivals as a proportion of total visitors are growing and this trend is expected to continue in the future. In particular, more independent and individual travel is trending amongst Chinese visitors driven by younger age groups. For the ten years up to FY19, FITs contributed 50% of total growth in Chinese visitors with a CAGR of 18.8% over the period compared to a CAGR of 14.1% for Chinese visitors overall and 13.7% for organised group tour leisure visitors[57]. This growth of FITs, particularly from the Chinese market, represents a strong growth opportunity for Australian RV rentals.

3.2.2 Australian RV manufacturing industry

Each year in Australia over 20,000 RVs are produced, of which more than half are produced by Australia's largest manufacturer Jayco JV in Victoria. 2021 represented a significant growth year for the industry with 23,931 units produced locally, a 42% rebound from 2020, 12% above pre-pandemic levels and the highest number in over four decades. Towables represent the vast majority of RVs produced and accounted for 95% of total production in 2021[58] with caravans accounting for approximately two-thirds towables[59]. This preference for towables and caravans has remained broadly consistent over the previous decade. Imports are becoming increasingly popular with Australian RV purchasers which is placing additional pressure on domestic producers. However, the number of RVs produced locally has remained relatively unchanged since 2014, imports have more than doubled, from c. 5,000 units in 2014, to over 10,000 units in 2020[60]. In particular, the removal of a 5% tariff on units of a caravan-trailer type under the China-Australia Free Trade ratified in December 2015 has supported import growth in recent years. As a result China accounted for approximately 94% of imported RVs in Australia in 2019[61]. Whilst Chinese manufacturers are typically able to offer a more compelling price point, Australian manufacturers' unique selling propositions include

[57] Tourism Research of Australia: Chinese Free and Independent Travellers – Their Potential for Regional Australia.
[58] Caravan Industry Association of Australia – State of the Industry 2022.
[59] Caravan Industry Association of Australia – State of the Industry 2021.
[60] Ibid.
[61] Caravan Industry Association of Australia – State of the Industry 2020.

greater knowledge of domestic consumer preferences, perceived higher quality product, and in many cases significant research and development knowledge built up over many years of operations.

Moving forward, the industry is forecast to continue expanding over the next five years as Australia's population continues to age, the pace of retirement for the Baby Boomer generation accelerates and as supply chain constraints associated with the pandemic subside. We note that the recent record house price growth in Australia over the last 12 months may also support the Australian manufacturing industry as retirees downsize and unlock significant housing wealth. However, the growing trend towards imports may act to constrain domestic RV production growth.

3.2.3 Australian RV sales industry

RV sales in Australia include new vehicles through RV dealerships and direct from manufacturers, as well as the sale of ex-rental fleet from RV rental companies.

As at 31 January 2021, there were 772,598 combined campervan and caravan registrations in Australia[62]. Over the last 10 year period between 2011 and 2021, campervan and caravan registrations have increased by c. 46.7% and c. 64.6%[63] respectively. Notably, Queensland continues to have the largest fleet of RVs in Australia, with a combined total of c. 192,751 registered vehicles or c. 26% of Australia's total fleet as at 31 December 2020[64]. The majority of the growth however has occurred in NSW, Victoria and Western Australia, with these states constituting to c. 74% of the increase in RV registrations over the last 10 years[65]. Additionally, towable products make up approximately c. 94% of registered RVs in Australia with motorised RVs making up the remaining c. 6%[66].

Domestic overnight trips remain relatively subdued in FY22 due to ongoing lockdowns and travel restrictions. However, they recovered strongly in the quarter ending June 2022 and are forecast to grow c. 21% in FY23 due to the elimination of restrictions[67] around the country, except for self-isolation requirements. Furthermore, overnight spend grew 29% for the quarter ending June 2022 with holiday spend 60% higher than pre-pandemic levels, partly offset by lower business travel spend. Over the last ten years, the average length of stay for domestic overnight trips gradually fell from 3.9 nights in FY10, to 3.5 nights in FY19, but has since recovered to 4.0 nights in FY22[68].

Growth of the RV sales industry is expected to continue in the future driven by a number of factors including the accelerating retirement of the Baby Boomer generation, Australia's ageing population, the recent rapid increase in household wealth driven by record property price growth across the country and ongoing increases to the superannuation guarantee from 10% currently, to 12% by 1 July 2025.

3.3 New Zealand

3.3.1 New Zealand RV rental industry

The New Zealand RV rental industry, prior to COVID-19, was a growing industry due to the overall safety of the country, the natural landscape and suitable infrastructure. Tourism was the largest export industry in the country before COVID-19 and in the year ending 31 March 2020 directly contributed approximately

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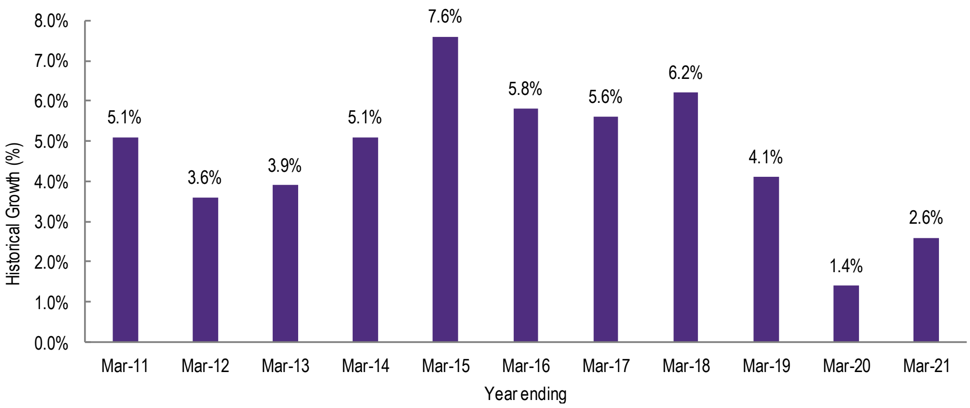
[62] Caravan Industry Association of Australia (BDO) – Caravan and Campervan Data Report 2021.
[63] Ibid.
[64] Caravan Industry Association of Australia (BDO) – Caravan and Campervan Data Report 2020-.
[65] Ibid.
[66] Caravan Industry Association of Australia – State of the Industry 2021.
[67] Tourism Research of Australia – Domestic Tourism Forecasts 2021-22 to 2025-26.
[68] Tourism Research of Australia – National Visitor Survey results June 2022.

NZ$16.4 billion to gross domestic product, or 5.5% of GDP[69]. This subsequently fell to NZ$8.5 billion in the year ending March 2021, a reduction of 47.5%, due to the strict international border restrictions in place at the time. These restrictions have since been eased and from July 2022 travellers are no longer required to quarantine on arrival, test for COVID-19 prior to arrival, or provide proof of vaccination. However, travellers and residents in New Zealand must self-isolate for seven days if they test positive for COVID-19.

3.3.1.1 Domestic tourism

Domestic tourism accounts for the majority of tourism expenditure in New Zealand with c. NZ$23.7 billion, or 60%, being derived from domestic travellers during pre-pandemic FY19[70]. Further, in FY19, 77% of New Zealanders travelled for leisure purposes domestically, culminating in over 45 million domestic trips of which c. 61% were day trips and the remaining c. 39% were overnight trips[71]. Overall, domestic expenditure grew by a CAGR of 4.6% between March 2011 and 2021, illustrative of the steady growth the industry was experiencing prior to COVID-19. The following graph illustrates the historical growth trends in domestic tourism expenditure in New Zealand up to and including March 2021:

New Zealand domestic tourism expenditure growth



Sources: Tourism Satellite Account – Year ended March 2020: Tourism Expenditure by type of tourist; GTCF analysis

3.3.1.2 Inbound tourism

Total inbound visitor spend grew significantly over the ten years prior to COVID-19, at an estimated CAGR of 5.6%. Prior to the pandemic, a weakening New Zealand dollar relative to other currencies and increasing demand from the Asian market largely underpinned industry growth. Further, New Zealand's international tourism is highly seasonal, with the largest proportion of individuals visiting the country in the peak summer period between November and February. Generally speaking, arrivals throughout the summer season are twice that of the winter season (despite a growing snow-sport scene). Below we present historical international visitor arrivals into New Zealand by country and the average length of stay, which has gradually reduced from c. 20 days in 2010, to c. 18.7 days in 2019:

[69] Tourism New Zealand.
[70] Tourism New Zealand – Market Overview.
[71] Ibid.

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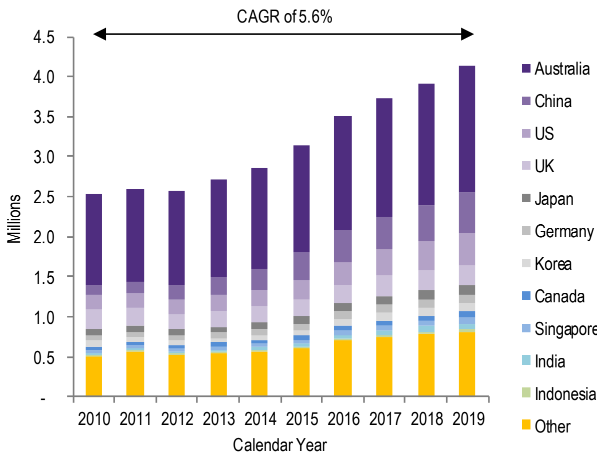
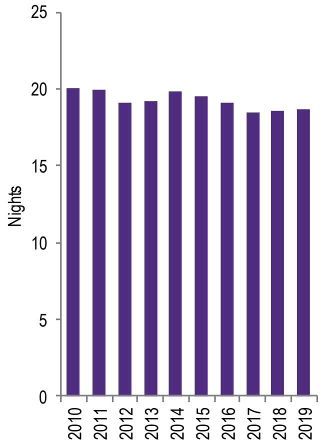
International visitor arrivals in New Zealand



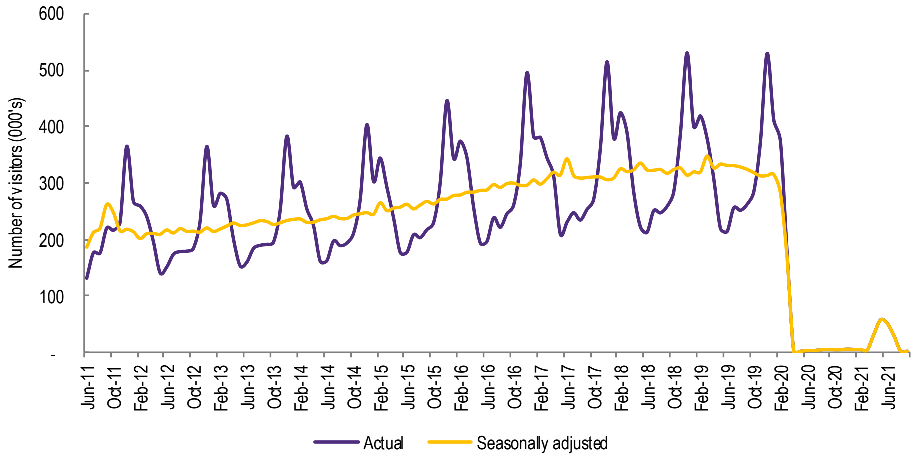
Average length of stay for international visitors in New Zealand



Sources: New Zealand Ministry of Business, Innovation & Employment: New Zealand Tourism Forecasts 2018-2024.

Further, the below chart shows the historical international visitor numbers by month:

Monthly Overseas visitor arrivals June 2011 - 2021



Sources: Stats NZ: Tatauranga Aotearoa; GTCF analysis

As illustrated above, the outbreak of COVID-19 led to a near cessation of international visitors into New Zealand, falling c. 99.6% from January 2020 to April 2020 on a seasonally adjusted basis. The spike in the above graph from March 2021 to July 2021 aligns with the opening of the Trans-Tasman bubble with Australia, however the Delta and Omicron outbreaks have led to complete border closures again.

3.3.2 New Zealand RV manufacturing industry

The New Zealand RV manufacturing industry consists of a number of manufacturers including the country's largest motorhome and specialist vehicle manufacturing company, Action Manufacturing. Other local RV manufacturers include Wenderkreisen and Traillite. Additionally, Jayco is a key player from an import perspective, with the majority of RVs sold in New Zealand being imported from overseas.

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3.3.3 New Zealand RV sales industry

The sale of RVs in New Zealand has followed a similar trajectory to Australia with sales slowing considerably at the start of the pandemic and then accelerating as New Zealanders unable to travel overseas due to border closures invested in RVs and focussed on domestic travel holidays. This led to unprecedented demand for RVs and supply shortages as demand outstripped supply. Demand for RVs is expected to remain strong in the short to medium term due to the ongoing border restrictions. Over the longer term, New Zealand's ageing population, the ongoing retirement of the Baby Boomer generation and increased household wealth is expected to support RV sales into the future.

3.4 United States

3.4.1 US RV rental industry

Tourism in the United States is a key contributor to the economy. Prior to the pandemic, in 2019, it contributed c. US$1.9 trillion to the economy, accounting for approximately 8.6% of GDP. This contribution fell in 2020 to US$1.1 trillion, or 5.3% of GDP[72].

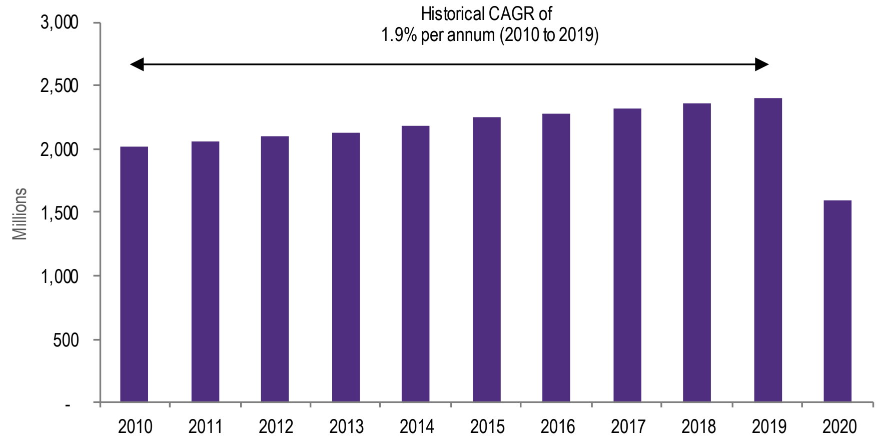
There are currently some restrictions in place for international travellers traveling to the United States related to COVID-19. The most critical; being that tourists need to be fully vaccinated to gain entry to the country.

3.4.1.1 Domestic tourism

Domestic person trips[73] grew at a CAGR of 1.9% between 2010 and 2019 to c. 2.3 billion trips per annum and over the same period domestic travel expenditure increased at a CAGR of 4.7% to c. US$993 billion[74]. In 2019 approximately 73% of domestic travel expenditure was leisure related while 27% was business related[75]. The effects of COVID-19 on the domestic tourism industry were significant with person trips falling 32% and spending falling 35% during the year[76]. Whilst figures for the full year of 2021 are yet to be released as at the date of this report, there are signs the domestic tourism industry is recovering in 2021 with the number of domestic flights only 10% to 15% below pre-pandemic levels as at September 2021 compared to the 70% reduction witnessed in the immediate aftermath of the pandemic[77]. Furthermore, monthly travel spending in October 2021 was 12% below October 2019 levels, which is an improvement over the period immediately following the pandemic. In the graph below we show the historical growth in person trips between 2010 and 2020 in the United States:

72 World Travel and Tourism Council - Travel and Tourism Economic Impact 2021.
73 A person-trip is defined as one person on a trip away from home overnight in paid accommodations, or on a day or overnight trip to places 50 miles or more, one-way, away from home.
74 US Travel Association – Fact Sheet: Travel's Dramatic Losses in 2020.
75 Ibid.
76 Ibid.
77 US Bureau of Transportation – Monthly Transportation Statistics (Seasonally Adjusted).

Historical domestic person trips – United States

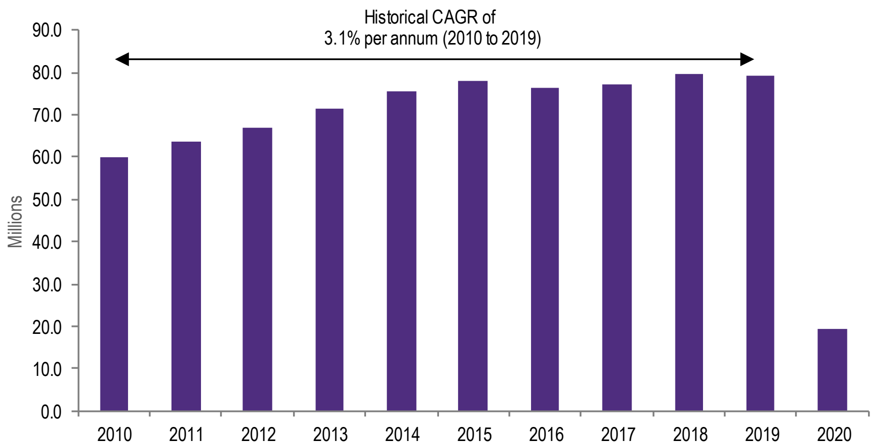


Sources: US Travel Association – Fact Sheet: Travel's Dramatic Losses in 2020; US Travel Association – U.S. Travel and Tourism Overview (2019)

3.4.1.2 Inbound tourism

International visitor arrivals in the United States grew between 2010 and 2019 at a CAGR of 3.1% per annum and expenditure by international arrivals increased at a CAGR of 4.2% over the same period. Much of this growth was achieved between 2010 and 2016, with visitor arrivals relatively stagnant between 2016 and 2019. In 2020, inbound tourism plummeted as borders closed. For the 9 month period ending December 2020, international inbound travel fell 91% compared to the same period in 2019. Similar to domestic flights, international flights are also on a recovery trajectory, however they remain c. 40% to 45% below pre-pandemic levels[78] as at September 2021. We note that on average, inbound tourists spend approximately 18 nights in the country. In the chart below we highlight the historical growth in international visitor arrivals from 2010 to 2020:

International arrivals – United States



Sources: US Travel Association – Fact Sheet: Travel's Dramatic Losses in 2020; US Travel Association – U.S. Travel and Tourism Overview (2019); US Travel Association: Fact Sheet: International Inbound Travel (2020).

[78] US Bureau of Transportation – Monthly Transportation Statistics (Seasonally Adjusted).

The following dynamics are some other key drivers underpinning RV tourism in the United States:

- *Destination cities* – The US specifically is home to numerous destination cities and the overall diversity of the country from state to state lends itself to inbound tourism. Cities such as San Francisco, New York, Los Angeles, Chicago, Boston and Miami regularly appear on social polls as dream holiday locations for tourists globally. Additionally, due to the geographical location of these major destination cities, many individuals will spend a prolonged period of time in the United States to visit as many of them as possible, further bolstering the tourism industry and therefore demand for RV products.

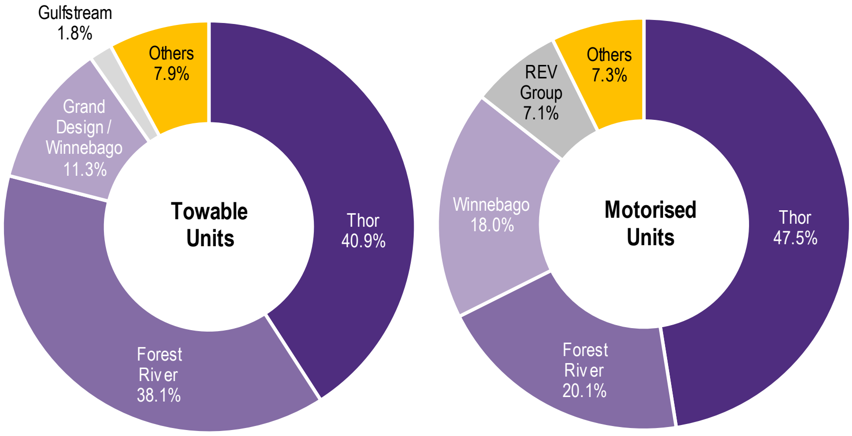
- *National Parks System (NPS)* – The NPS consists of 63 national parks, with 51 diversified across the lower 48 states, 8 in Alaska, 2 in Hawaii and a further 2 in US territories (i.e. US Virgin Islands and American Samoa). Pre-pandemic, the NPS recorded c. 327.5 million visitors in 2019, inclusive of c. 8.0 million overnight stays and approximately 1.0 billion visitation hours[79]. Due to the separation amongst each national park and the general detachment from major cities, travelling and visiting the NPS lends itself well to the usage of RVs and ergo both the renting and purchasing of these vehicles.

Throughout FY21, US RV rentals were impacted less than the Australia and New Zealand ("ANZ") region, largely due to less onerous domestic travel restrictions from COVID-19. Notably however, total yearly revenue has still declined in the US following the significant downturn in international arrivals.

3.4.2 US RV sales industry

The US has the highest sales levels of RVs globally, with 11 million households across the country owning some form of recreational vehicle. At any given time, approximately 1 million individuals live in RVs full time, with the trend of full-time vehicle living steadily increasing over the last decade. RV travel is the preferred camping activity among the camping population in the United States, illustrative of the entrenchment that this recreational activity holds[80].

RV sales for the 6 months ending June 2021 – towable and motorised Units



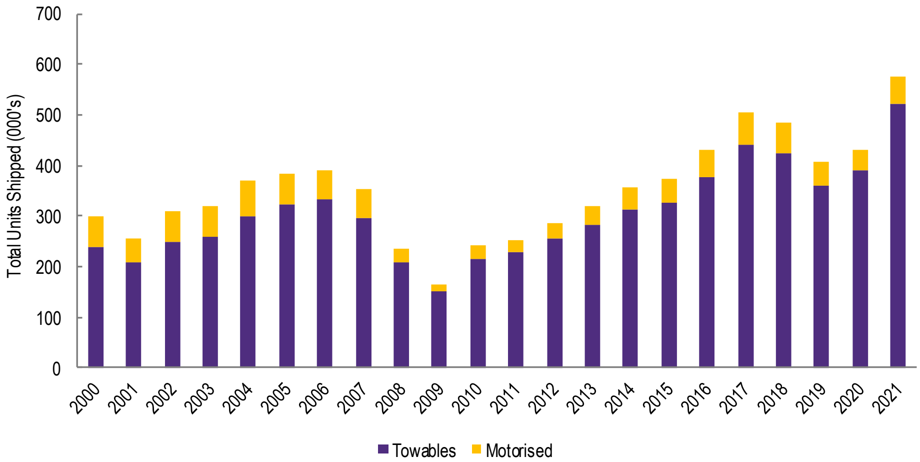
Sources: Statistical Surveys, Inc., US: RV Market Share CYTD through June 30 2021; GTCF analysis.

Notably, the RV industry in the US experienced a considerable boom in units sold in 2021 due to the current record demand being experienced for RVs in part due to the COVID-19 pandemic as well as an

[79] National Park System – Annual visitation highlights.
[80] Mordor Intelligence: Caravan and Motorhome Market – Growth, Trends, COVID-19 Impact, and Forecasts (2022 – 2027).

increasing desire for more nature and outdoor based activities and holidays. Importantly the long-term outlook for the industry is positive with approximately a quarter of RV owners under the age of 35. The RV Industry Association ("RVIA") has disclosed the 2021 sales of RVs to be c. 577,200 shipments, a c. 34.1% year-on-year increase over the 430,412 shipped units throughout 2020. The graph below illustrates the historical trend in both towable and motorised unit sales.

Total calendar year sales – towable and motorised units



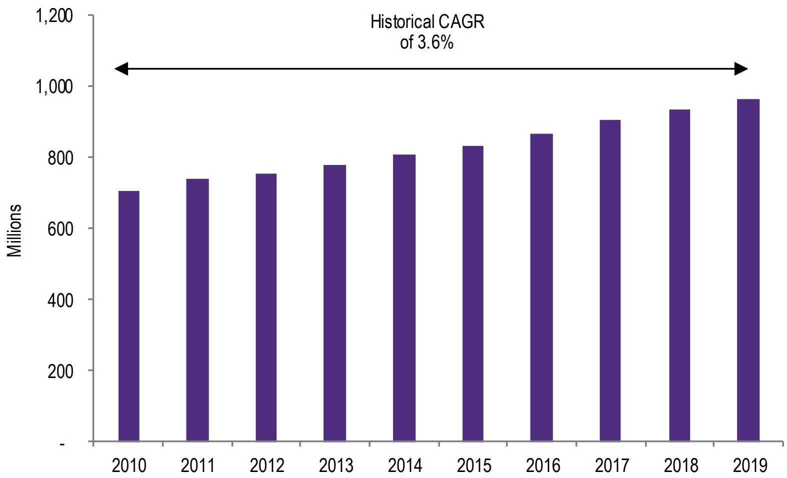
Sources: Recreation Vehicle Industry Association ("RVIA"); GTCF analysis

3.5 Europe

According to the European Caravan Federation ("ECF"), in 2020 c. 235,000 new RVs were registered, an approximate 6.5% increase on the prior corresponding period. Annual RV registrations in Europe are expected to grow at a CAGR of c. 7.1% over the next five years, primarily due to motorised RV registrations growing at c. 9.9% over the same period[81]. Additionally, the nature of European tourism lends itself to visiting multiple countries and iconic destinations in a small period of time as the Schengen zone enables individuals to visit Europe and travel for up to 90 days for tourism and business purposes amongst 26 countries. Accessible travel across multiple borders lends itself to road trip based tourism and as such, supports the RV industry. As illustrated below, inbound arrivals into the EU increased steadily over the 9 months up to 2019 and at its peak, was approaching 1 billion international tourists:

[81] Mordor Intelligence – European Recreational Vehicle Market (Growth, Trends, COVID-19 Impact and Forecasts).

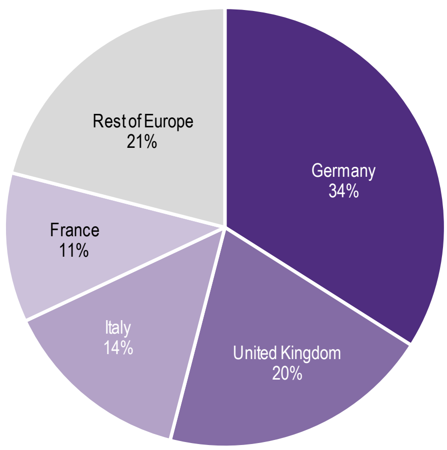
Inbound international arrivals into the EU



Sources: The World Bank; GTCF analysis

The European RV industry is quite similar to the US, with a handful of relatively large players and a large gap to numerous smaller operators. Notable companies include Thor, Swift Group, Knaus Tabbert, KABE group and Trigano SA. From a geographical perspective, Germany is the leading country in Europe in terms of RV based tourism, with over 50.5 million overnight stays on German campsites and a further 15.5 million on caravan sites in 2019 alone[82]. The following graph illustrates the geographic spilt of RV based tourism across Europe:

Geographic breakdown of RV industry in Europe FY21



Sources: Mordor intelligence; GTCF analysis.

[82] Ibid.

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4 Profile of Apollo

4.1 Overview

ATL was established in 1985 and in the last 20 years it has increased its offerings from just rentals of RVs to both manufacturing and sales as well as expanding its presence to other countries, culminating in the Company's listing on the ASX in November 2016. Nowadays, Apollo is a diversified and vertically integrated manufacturer, rental fleet operator, wholesaler and retailer of RVs, including motorhomes, campervans and caravans with its operations structured around three main areas:

- *Renting* – ATL's rental operations offer numerous different types, sizes and brands of RVs for rent, each of which target specific segments. It currently has 24 rental offices around the world and an aggregate fleet size of c. 2,650 RVs as at 30 June 2022. ATL has a c. 17.32% interest in Camplify Holdings Ltd ("CHL") which is a peer-to-peer RV and caravan sharing company listed on the ASX with a market capitalisation of A$82.8 million as at 20 September 2022.

- *Retail/Selling* – ATL sells both new and ex-rental RVs through its own retail centres and selected dealers in Australia and NZ. In other countries, Apollo sells ex-rental vehicles at its rental branches and through selected third-party dealers.

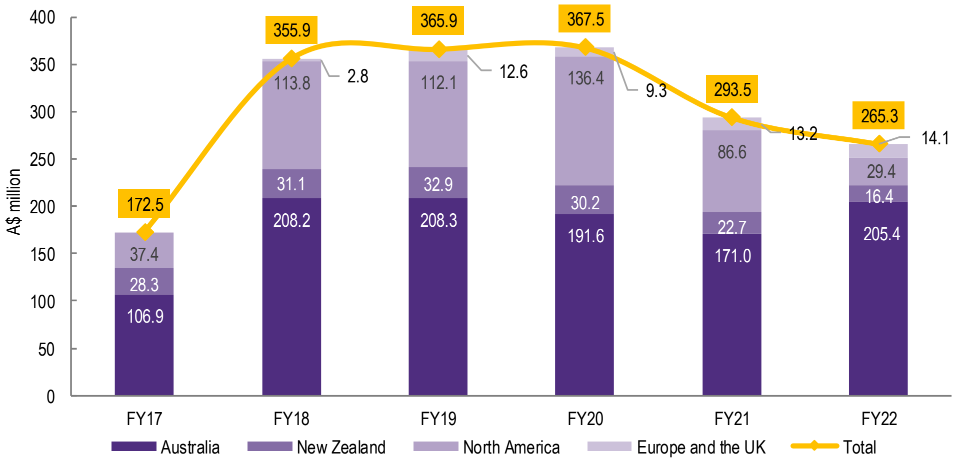
- *Manufacturing* – ATL currently has one manufacturing facility, located in Brisbane[83], that designs and manufactures RVs for both rental fleet and retail sales. ATL's Northern Hemisphere fleet is purchased from various third-party manufacturers.

The Company owns and operates a portfolio of brands in both its rental and retail operations such as Coromal, Talvor and Windsor as well as exclusive licensing agreements to distribute Winnebago and Adria RVs in Australia and New Zealand.

From a geographical perspective, ATL's primary operations are based in Australia, however it also has a strong footprint in Canada and to a lesser extent New Zealand and Europe (Germany, the United Kingdom and Ireland). We have set out below the revenue breakdown by geography.

[83] The NZ manufacturing facility was closed at the beginning of COVID-19 outbreak.

Apollo historical revenue by geography

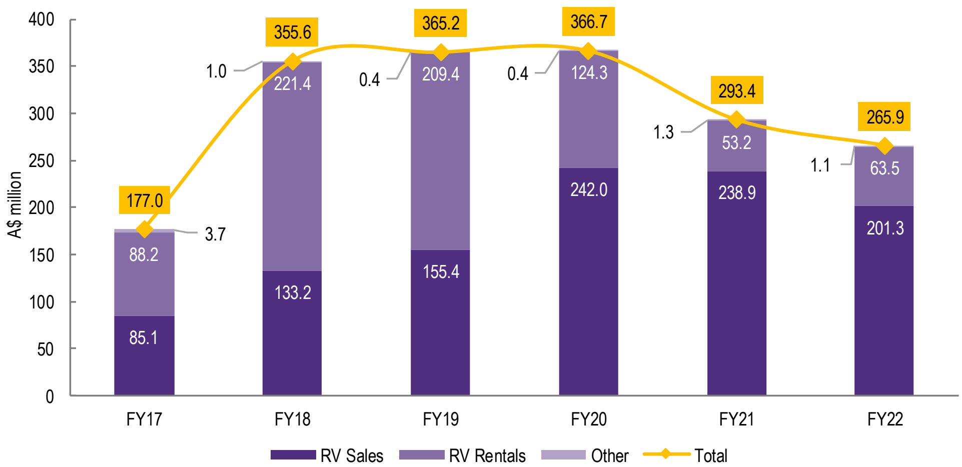


Sources: ATL Annual Reports and presentations

The outbreak of COVID-19 adversely affected the rental business whereas the retail operations have been supported by strong sales of new and ex-rental RVs. In order to right-size the operations following COVID-19, ATL accelerated the sale of their ex-rental RVs in all jurisdictions globally with particular focus in North America where the US business was put in hibernation and all the fleet sold within a short timeframe at the end of FY20. Due to this, ATL's fleet is currently at the lowest level it's been for the last several years, at c. 2,613 RVs globally from the FY19 all time high of c. 5,693[84]. As restrictions have eased and all international borders have reopened in all operating markets, rental demand is increasing and ATL are again seeking to increase their fleet number with $167 million of fleet capital expenditure forecast for FY23.

Further and as set out in the graph below, ATL's revenue mix has materially shifted since FY19 as the business experienced a simultaneous reduction in rental income and increase in retail sales:

Apollo historical revenue mix



Sources: ATL Annual Reports and presentations

[84] ATL FY19, FY21 & FY22 Annual results presentations.

As a result of the outbreak of COVID-19, the Company put in place a series of initiatives to curb further declines in the business' profitability, as summarised below:

- Cost reductions across the operations including a Q4 FY20 reduction in underlying staff costs and operating costs (excluding rent) of A$3.6 million and A$3.4 million respectively compared with Q4 FY19. Global workforce was 328 full time employees ("FTE") lower as at 30 June 2020 compared to the c. 850 FTEs as at 30 June 2019.

- Closure of the NZ manufacturing facility and hibernation of the US business alongside the sale of the fleet, leading to debt reduction of c. A$70 million.

- Various forms of Government support (excluding the US) and fleet financiers in each region providing principal repayment holidays.

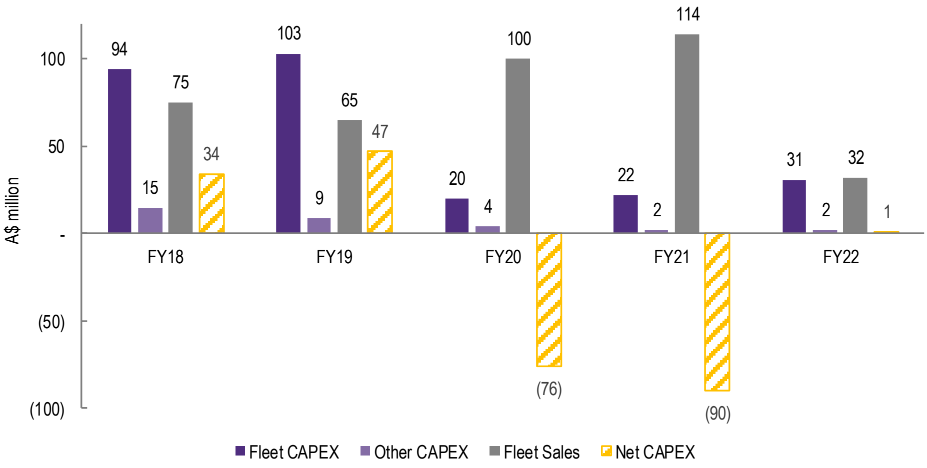
- The Company obtained support loans in Australia via a c. A$15.0 million loan from Export Finance Australia and A$10.0 million loan from the Queensland Government; in Canada via the c. CAD$1.7 million working capital facility from the Royal Bank of Canada as well as a c. CAD$2.0 million term loan from the Canadian Government and the United Kingdom via a c. £1.3 million loan from the UK Government.

Many of the initiatives adopted from ATL's COVID-19 response plan developed in 2020 have continued to remain in place during FY22.

Over the years, the Company has sought to optimise the relationships and net cash inflows/outflows between the investment in its rental fleet and the sale of new and ex-rental RVs. In Australia and NZ, the ex-rental RVs for sale are typically 5 years old and ATL has a history of selling ex-rental RVs at or above book value. Approximately 20% of the rental fleet is replaced each year in Australia and NZ throughout the cycle. In Canada and Europe, Apollo rotates its rental fleet on a shorter timeframe of two to three years due to a large and liquid demand for low mileage RVs, declining utilisation during winter months, and a more difficult environment and climate that leads to increased wear and tear on the vehicles.

The following graph illustrates the capital expenditure incurred by ATL over the course of the previous five financial periods net of the sales of RVs (new and ex-rental):

ATL historical capex & rental fleet sales



Sources: ATL Annual Reports and presentations

As illustrated above, under normal trading conditions in FY18 and FY19, the Company incurred a net capital expenditure between c. A$34 million and c. A$47 million in conjunction with growing the business and entering into new geographical regions. Since the outbreak of COVID-19, ATL's sales of RVs have far exceeded investments for the aforementioned reasons. During FY22 as rental demand was returning, ATL held back fleet sales in most jurisdictions to ensure sufficient fleet numbers remained in response to constraints in new vehicle supply. ATL have forecast $167 million of fleet gross capital expenditure in FY23 to grow fleet numbers to meet forecast demand, subject to supply availability[85].

4.1.1 Borrowings

ATL's key financing arrangements are summarised as followed:

- *Bank loans*: Bank loans include mortgages over the land and buildings that ATL owns in Canada on which the four rental branches operate. Interest rates applicable at 30 June 2022 ranged from c. 4.05% to 5.10% per annum.
- *Floor plan*: Floor plan facilities are maintained to fund the inventory of new RVs and ex-fleet RVs held for sale by ATL at their retail sales outlets. Terms on the floor plan loans are interest only for the first six months and then are interest plus principal of between c. 6.10% to 9.60% per annum.
- *Rental fleet financing*: Each rental fleet unit is individually financed through fleet financing facilities with various financiers in each region. Interest rates applicable at 30 June 2022 ranged from c. 3.64% to 5.46% per annum.

In addition to the funding for capital expenditure, ATL have also received loans from other financiers and COVID-19 Support Loans. As at 30 June 2022, the COVID-19 loans totalled $27.4 million. They include loans of $13.0 million from Export Finance Australia, $10.0 million from the Queensland Government and loans from the Canadian and UK Governments. $26.1 million of the Government support loans are

[85] ATL FY22 Annual results presentation.

forecast to be repaid in FY23, noting that the $10.0 million Queensland Government facility includes an option to seek an extension for a further 12 months.

We have set out below the breakdown of the net debt over the last five years (excluding AASB16 lease liabilities):

ATL Historical Net Debt	Jun-18	Jun-19	Jun-20	Jun-21	Jun-22
A$m	Audited	Audited	Audited	Audited	Audited
Facility Type					
Fleet financing / hire purchases	255.7	296.0	190.0	111.8	112.6
Floor plan	28.1	39.6	31.3	27.5	35.8
Bank loans & overdrafts	16.7	28.8	27.3	29.1	26.9
COVID-19 support loan	-	-	3.6	31.1	27.4
Total borrowings	300.5	364.4	252.2	199.5	202.7
Cash and cash equivalents	(36.6)	(34.5)	(23.5)	(45.5)	(36.4)
Net Debt	263.9	329.9	228.7	154.0	166.3

Sources: ATL Annual Reports and presentations

The substantial cash inflows from increased sales levels led to a material reduction in external debt and as at 30 June 2022, the Company had a total headroom of A$109.2 million on its facilities. ATL is also subject to lending covenants in New Zealand and Canada which have been waived until 30 June 2024 and 30 September 2022 respectively. As at the date of this report, the waiver regarding the Canadian covenants has expired and ATL is compliant regarding those covenants.

4.2 Rental business

ATL's rental operations offer numerous different types, sizes and brands of RVs for rent, each of which target specific segments. Rental revenue is recognised at the time of travel, with revenue from bookings that span more than one month split proportionally. In addition to rental revenue, ATL generates significant ancillary revenue through the sale of additional products such as liability reduction insurance options, additional km packs, gas bottles, camp accessories and telecommunication systems. Rental bookings are sourced either directly via ATL's website or travel intermediaries including retail travel agents, travel wholesalers, inbound operators and travel marketplaces.

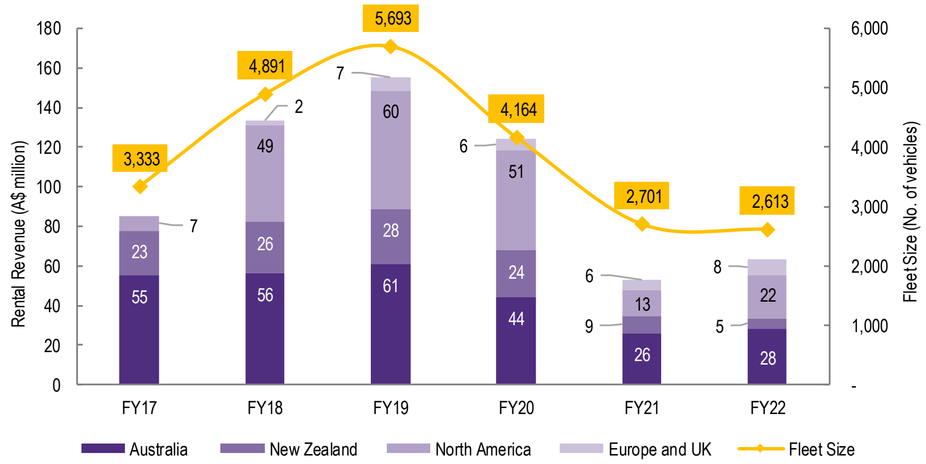
The following table breaks down each of the subsidiaries within their rental segment and the specific demographic / region they target:

ATL Rental Division - Brand portfolio		
Brand	Country	Description
Apollo	Australia & NZ	Apollo, the primary rental brand, holds the largest array of campervans, motorhomes, 4 wheel drives ("4WDs") and cars across 9 Australian and 2 New Zealand Locations.
Bunk Campers	United Kingdom	CamperCo, Operating the Bunk Campers brand, is one of the largest campervan and motorhome hire companies in the UK, with depots being located in Dublin, Belfast, Edinburgh, Glasgow and London Gatwick Airports. ATL purchased CamperCo in FY18 for c. A$11.6 million.
CanaDream	North America	CanaDream is one of the largest RV rental and sales companies in Canada. ATL purchased CanaDream in July 2017 for c. A$28.0 million.
Cheapa Campa	Australia & NZ	Cheapa Campa is an Australian and New Zealand based brand that offers campervan, motorhome and 4WD holidays for budget conscious families. Cheapa Campa was founded by ATL in 2008 and currently is available from 9 Australian and 2 New Zealand locations.
Hippie Camper	Australia & NZ	Hippie Camper is an Australia and New Zealand based brand that offers affordable campervans for younger individuals, with a minimum driving age of 18 years old. Hippie Camper was founded in 2006 by ATL itself and is available from 9 Australian and 2 New Zealand locations.
StarRV	Australia & NZ	StarRV is a luxury RV rental brand that offers the newest version of campervans, caravans and motorhomes that include all of the standard Apollo add-ons as well as the highest level of liability coverage and other additional luxuries. StarRV was founded by ATL and is currently available from 9 Australian and 2 New Zealand locations. As set out later, ATL and thl have agreed to sell the Star RV brand to Jucy Rentals upon completion of the merger. This was proposed and agreed upon to garner the approval of NZCC and ACCC for the merger.

Source: Management & Company Website

As a result of COVID-19 and the associated imposed travel restrictions rental revenue reduced from c. A$209.4 million in FY19 to a low of c. A$53.2 million in FY21. There was a small improvement with rental revenues of $63.5 million in FY22 despite further lockdowns and ongoing restrictions. However, Q4 FY22 performance was very strong as ATL revenues returned to pre-COVID levels (relative to Q4 FY19) despite operating a 45% smaller fleet. Throughout the historical period, ATL's rental fleet has significantly declined, culminating in a five year low for the period ending 30 June 2022 as the US operations were put into hibernation and the fleet around the world right sized to reflect reduced demand. The following graph illustrates the historical evolution of ATL's rental division as well as fluctuations in ATL's total rental fleet since listing in FY17:

ATL's historical rental revenue and fleet size



Sources: ATL Annual Reports and presentations

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Below, we provide a summary of ATL's rental operations by geography:

- *Australia* – The Australian region's rental performance has continued to be hindered by international travel restrictions with rental operations historically heavily skewed towards international tourists. With the international borders closed until February 2022, the Australian rental business has been solely focused on domestic customers. The financial performance was adversely affected by the absence of international arrivals, snap lockdowns, continually changing domestic travel restrictions and uncertainty caused by new variants of COVID-19. As a result, rental revenue fell by 41% from FY20 to FY21 in ATL's largest rental market. With domestic borders reopening in late 2021 and international borders reopening in the second half of FY22, there was year on year growth in rental revenue for Australia of 8% in FY22. This growth was, however, still severely constrained by the border closures and their impact on the peak summer season, together with the uncertainty created by the Omicron variant outbreak. Moving forward, Q4 performance together with forward bookings indicate revenues may return to pre-COVID levels on the back of strong yields and utilisation.

- *New Zealand* – New Zealand is relatively more affected by the lack of international visitors given its small population. Prior to the border closures, international visitors constituted approximately 95% of overall revenue. Rental revenue has declined each year from FY19 with FY22 revenue decreasing by 36% on FY21. This was impacted by a country wide lockdown, the Trans-Tasman bubble being suspended and the international border remaining closed for longer than anticipated, only reopening in July 2022.As a result of the international border reopening, activity is expected to rebound in FY23, particularly over the 2022/2023 summer season.

- *North America* – The US operations were placed into hibernation in late FY20 and remain so with the entire US fleet sold and the associated debt retired. Whilst cash proceeds exceed the debt owed, the Company booked an accounting loss of A$12.5 million. The Canadian fleet also saw accelerated sales in FY20 and FY21, primarily to downsize and meet the depressed levels of rental demand. Following the reopening of international borders to residents from the United States on 9 August 2021 and fully vaccinated travellers from other markets on 7 September 2021, FY22 rental revenue in Canada increased by c. 65% compared to FY21. The timing of the border openings resulted in much of the summer peak season being missed, a number of vehicles were required to be grounded due to a manufacturer gearbox issues and record cold temperatures, and new fleet delays were encountered, constraining the rental rebound. To ensure demand can be met for the 2023 summer peak period, ATL has halted the sales of rental vehicles. These additional retained vehicles will be sold in FY23 to normalise the segment's fleet cycle, subject to manufacturers ability to meet the Company's future planned orders.

- *Europe and the UK* – ATL's Europe and UK rental business was less affected by COVID-19, largely due to the fact that business in Europe and the UK primarily services intra-continental guests and the region experienced lighter travel restrictions relative to the rest of the world. Furthermore, throughout this period a number of operating locations were closed down resulting in a reduction in the overall headcount of ATL's operations within the region, in turn streamlining the business model and creating a more efficient cost base for the future. FY22 rental revenue of $8.3 million was greater than FY19, pre-COVID revenue of $6.8 million.

4.3 Retail business

ATL's retail segment is involved in the sale of both new and ex-rental RVs through its own retail sales centres and selected dealers within Australia and in New Zealand, whereas in the Northern Hemisphere

ATL sells ex-rental RVs through its own rental branches and through selected third-party dealers. ATL offers a wide range of new and used caravans, campervans and motorhomes from leading RV brands Winnebago, Windsor, Adria, Coromal, TALVOR, Nova, Essential, Design RV and Leaderand Leader from ten locations across Australia and New Zealand.

In Australia and NZ, ex-rental RVs are typically sold after 4 to 6 years and the RV lifecycle is associated with the financing. The Company usually funds 100% of the wholesale purchase price with external debt which is amortised over five years. At the end of this period, the debt balance owed is nil but the market value of the vehicle is significantly higher as Apollo adopts a depreciation policy of approximately 11% (c. 9 year useful life). About 20% of the rental fleet is replaced each year in Australia and NZ. In Canada and Europe, Apollo rotates its entire rental fleet every two to three years due to a large and liquid presence for low mileage RVs and the more difficult environment and climate which reduces the useful life of the vehicles. As set out in the table below, there was significant latent value on the balance sheet as at 30 June 2022 due to the difference between the carrying value of the rental fleet and the estimated asset value (which takes into account recent sales prices).

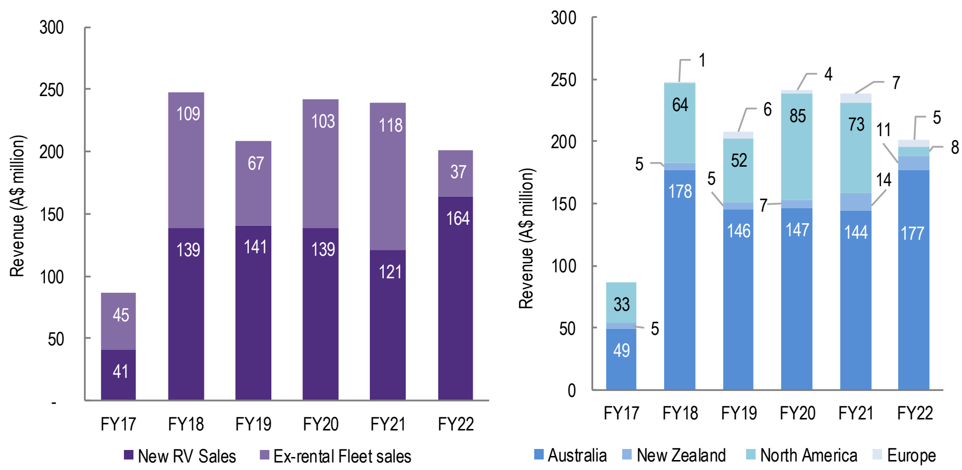
Debt security position - 30 June 2022 A$m	Estimated asset value	Carrying value
Rental Fleet		
Australia	69.3	53.4
New Zealand	43.4	25.7
North America	85.7	61.8
Europe and the UK	13.0	12.8
Total Rental Fleet	**211.4**	**153.7**
Properties		
North America	56.0	36.4
Total Net Property, Plant and Equipment	**56.0**	**36.4**
Total	**267.4**	**190.1**

Sources: ATL 2022 Annual Presentation

RV sales reached record levels in FY20 and FY21 as consumers sought self-drive holidays, domestic and alternative leisure activities. As a result, ATL continued to sell down its global rental fleet to facilitate these heightened levels of demand, downsize the rental fleet to meet forecast demand, generate additional cash flows, reduce fleet holding costs and associated debt, and capitalise on increased margins. However, supply chain issues imposed constraints on new vehicle stock and lockdowns and COVID isolation requirements impacted delivery capacity at the dealerships in FY22. Despite this lower volume, FY22 sales revenue returned to FY19 levels as a result of increased margins being achieved on both new and ex-rental vehicles. The following graph illustrates the historical evolution in ATL's retail division across both new and ex-rental RV sales as well as geography:

![Grant Thornton]

ATL's historical retail sales division revenue – division and geography



Sources: ATL Annual Reports and presentations

Below, we provide a summary of ATL's retail operations in Australia and North America which represent the vast majority of revenues.

- *Australia* – The Australian sub-division's retail sales operations have remained stable throughout COVID-19 largely underpinned by record levels of consumer demand with the increase in total RV sales in FY20 and FY21 supported by ex-rental fleet. With the reopening of international borders, rental demand showed strong growth with forward booking rental revenue on track to pre-COVID levels. The following table breaks down each of Apollo's operating branches within their retail segment and the specific demographic / region the subsidiary targets:

ATL Sales Division - Brand portfolio		
Brand	Country	Description
Apollo RV Sales	Australia & NZ	Apollo RV sales offers a range of new and used RVs from leading global brands such as Winnebago, Windsor, Adria, Coromal, TALVOR, Nova, Fanklin and Leader. Apollo RV Sales operates out of ten different locations across Australia and New Zealand.
George Day Caravans	Australia	George Day Caravans is a dealership situated in Perth that provides one of the largest arrays of new and used caravans, campervans and luxury motorhomes in Western Australia. ATL purchased the business in Aug 2017 for c. A$10.6 million.
Kratzmann	Australia	Kratzmann is a retail dealership that offers a variety of RVs, both new and second hand, across a range of brands out of south-east Queensland. ATL purchased the business in May 2017 for c. A$14.9 million.
Sydney RV	Australia	Sydney RV is one of Australia's largest retail RV wholesalers of both new and used motorhomes and caravans from leading manufacturers. ATL purchased the company in Feb 2017 for c. A$1.8 million.

Source: Management & Company Website

Retail demand for ATL remains strong with a healthy order book of forward orders as a result of domestic and international supply constraints limiting supply and the ability to fulfil orders in FY22.

- *North America* – Retail vehicle sales increased by c. 63.9% in FY20 as a result of the selloff of the US fleet, however this has since decreased year on year. Despite this decrease, overall RV sales in the North American region (now reflecting Canadian sales only) remain strong, with increasing profit margins. FY22 revenue was further impacted by the decision to hold back fleet from sale due to concerns surrounding the availability of new fleet being delivered for the 2022 summer peak following from COVID-19 supply chain disruptions impacting manufacturer supply. Additionally, due to the fact that the North American RV sales are largely covered by major players such as Winnebago, Thor and Forest River, ATL's North American sales have historically been wholly the sale of ex-rental RVs amongst a network of select dealers which is now limited to the Canadian fleet.

4.4 Manufacturing and distribution

ATL is involved in the manufacturing and modification of various RVs, including domestic and imported foreign brands, all of which are managed through exclusive partnership agreements. As a result of these partnership agreements, Australian and New Zealand consumers gain exposure to numerous high profile RV brands, most notably being Adria and Winnebago. ATL also owns the Coromal, Windsor and TALVOR brands.

ATL currently has one manufacturing facility, situated in Brisbane, which designs and manufactures RVs for both domestic rental fleet and domestic retail sales purposes. Both Australian and New Zealand rental fleets are wholly manufactured in Australia, where ATL purchases the RV chassis directly from original equipment manufacturers ("OEMs") and then constructs the living component within their facility. Conversely, ATL's Northern hemisphere fleet is purchased from various third-party manufacturers.

In Australia and NZ, ATL manufactures and imports RVs under the following brands:

- *Talvor* – This brand was formed in 2005 to build RVs for ATL's rental fleet. ATL employs an in-house design team to ensure the brand continues to align with customer needs.

- *Winnebago* – This is one of the most well-known RV brands globally. It is headquartered in Iowa, USA and is one of the largest manufacturers of recreational vehicles worldwide. In 2014 ATL entered into an exclusive licensing agreement with Winnebago in Australia and New Zealand, granting ATL the right to manufacture and assemble Winnebago branded products, as well as the exclusive right to use certain trademarks, distribute, sell and advertise Winnebago branded RVs (both motorised and towable). This agreement was renewed in January 2019 and it currently expires at the end of December 2023.

- *Adria* – ATL was appointed as Adria's exclusive importer of caravans, motorhomes and spare parts in Australia and New Zealand in 2014. The distribution agreement is an exclusive agreement that commenced on 20 March 2014 and expired on 28 February 2022. A new agreement will be finalised once the Scheme is completed. We note that ATL is restricted under the agreement from distributing any other similar products from Europe within Australia and New Zealand without Adria's consent.

- *Windsor & Coromal* – Founded in 1975 and 1977 respectively, Windsor and Coromal are two of Australia's most established caravan brands. ATL purchased the business assets and intellectual property of both brands in March 2019 for a purchase consideration of c. A$1.2 million. As a result of the acquisition, ATL is now the sole manufacturer and distributor of both Windsor and Coromal products in Australia and New Zealand.

ATL's service division provides repairs and maintenance servicing through manufacturer-trained technicians to Apollo's existing RV rental fleet, customers who historically purchased Apollo's RVs, and other third party RV users.

Despite the increased demand, increasing manufacturing supply proved challenging in FY22. This was as a result of chassis supply issues due to global supply chain issues, COVID-19 isolation requirements increasing staff absenteeism and labour market constraints impacting the ability to attract and retain staff.

4.5 Financial Information

4.5.1 Financial Performance

The table below illustrates the Company's audited consolidated statements of comprehensive income for the last four financial years.

Consolidated statements of financial performance	FY19	FY20	FY21	FY22
A$ '000	Audited	Audited	Audited	Audited
Vehicle sales	201,209	235,529	229,596	190,540
Repairs and servicing	3,512	2,953	4,567	6,209
Commissions and royalty	2,647	2,641	3,110	2,782
Other revenue	987	909	1,581	1,779
Revenue from contract with customers	**208,355**	**242,032**	**238,854**	**201,310**
Rental income	155,394	124,284	53,194	63,523
Other Income	390	430	1,303	1,135
Total revenue and other income	**364,139**	**366,746**	**293,351**	**265,968**
Gain on dilution of associate investment	-	-	2,189	550
Revaluation of investment	-	-	-	-
Cost of goods sold	(188,357)	(236,946)	(212,664)	(165,456)
Motor vehicle running expenses	(39,904)	(40,256)	(21,845)	(18,347)
Advertising, promotions and commissions paid	(6,577)	(6,408)	(4,102)	(4,779)
External acquisition costs	(158)	-	-	(1,613)
Employee benefits expense	(39,836)	(34,592)	(28,208)	(34,727)
Share of loss in associates	(239)	(946)	(524)	(1,402)
Rental costs on land and buildings	(9,624)	-	-	-
Remeasurement of contingent consideration	1,525	-	-	-
Impairment expense	(10,998)	(38,890)	-	-
Other expenses	(17,990)	(18,716)	(15,441)	(14,789)
Reported EBITDA	**51,981**	**(10,008)**	**12,756**	**25,405**
EBITDA margin (%)	*14.3%*	*-2.7%*	*4.3%*	*9.6%*
Depreciation and amortisation expense	(26,805)	(41,034)	(27,523)	(22,748)
Reported EBIT	**25,176**	**(51,042)**	**(14,767)**	**2,657**
EBIT margin (%)	*6.9%*	*-13.9%*	*-5.0%*	*1.0%*
Finance costs	(17,122)	(18,791)	(10,247)	(9,832)
Profit/(loss) before taxes	**8,054**	**(69,833)**	**(25,014)**	**(7,175)**
Income tax benefit	(3,381)	8,599	7,161	2,516
Profit/(loss) after taxes	**4,673**	**(61,234)**	**(17,853)**	**(4,659)**
Foreign currency translation	3,004	(900)	(417)	810
Total comprehensive profit/(loss) for the year	**7,677**	**(62,134)**	**(18,270)**	**(3,849)**
KPIs				
Revenue Growth (%)	*2.4%*	*0.7%*	*-20.0%*	*-9.3%*
EBITDA growth (%)	*-32.2%*	*-119.3%*	*227.5%*	*-99.2%*
EBIT Growth (%)	*-47.7%*	*-302.7%*	*71.1%*	*118.0%*
Return on funds employed (%) [1]	*5.6%*	*-15.0%*	*-6.1%*	*1.1%*
Interest coverage ratio (x) [2]	*1.5x*	*-2.7x*	*-1.4x*	*0.3x*

Sources: ATL Annual Reports.
Note (1): Return on funds employed is calculated as EBIT / Average Funds Employed (see section 4.4.2 for more information on Average Funds Employed); Note (2): Interest coverage ratio is calculated as EBIT / Finance Costs (i.e. interest expense)

In relation to the above, we note the following:

- As expected, COVID-19 and its associated lockdowns and travel restrictions have continued to severely impact ATL's rental operations, illustrated by the c. A$73.3 million decline in revenues from FY20 to FY21 with only a small (8%) improvement in FY22 as restrictions continued throughout the majority of FY22. Despite this, and as aforementioned, there has been strong demand globally for new and ex-rental vehicle sales, largely due to consumers embracing domestic, self-drive style holidays.

- ATL received JobKeeper payments from the Federal Government in FY20 and FY21 totalling c. A$2.7 million and c. A$4.4 million respectively. Note, due to consistent retail sales revenues year on year, a number of Australian entities within ATL, which also operate the rental business, became ineligible for the JobKeeper subsidy from October 2020 onwards.

- Employee benefits expenses decreased by c. 29.1% from FY19 to FY21, primarily due a material decline in ATL's FTEs as a result of cost savings following COVID-19. Evidence of this is seen in ATL's global workforce declining by 328 FTEs as at 30 June 2020 compared to the c. 850 FTEs as at 30 June 2019. While employee benefits increased by 23% in FY22, there was only a 6% increase in direct employee benefits with the variance largely driven by a reduction in government grants received.

- FY20 saw ATL's statutory EBITDA turn negative for the first time, primarily due to the recognition of a c. A$38.9 million impairment expense throughout the period and a A$12.5 million book loss being incurred on sale of the US fleet following the US rental operations being placed into hibernation at the end of FY20. ATL returned to a positive EBITDA in FY21 due to improved vehicle sales margins and a reduction in operating expenses identified as part of the COVID-19 initiatives.

- Depreciation expenses have decreased over time. This is due to the decline in Apollo's asset base as a by-product of accelerated ex-rental vehicle sales.

- The Company's finance costs declined significantly from FY20 to FY21, largely due to a material decline in ATL's outstanding debt obligations during this time. There was a minimal change (4% reduction) in finance costs in FY22 due to broadly unchanged debt levels.

- The following illustrates a reconciliation between reported and underlying EBIT for ATL between FY19 and FY22:

Reconciliation between reported and underlying EBIT				
A$m	FY19	FY20	FY21	FY22
Reported EBIT	**25.2**	**(51.0)**	**(14.8)**	**2.7**
Impairment of intangible assets	11.0	12.2		-
Impairment of right-of-use assets, inventory and other PP&E	-	26.7	-	-
Loss on disposal of US rental fleet	-	12.5	-	-
Employee termination as a result of COVID-19	-	0.4	-	-
Provision add-back on CamperCo year two earn-out	(1.5)	-		-
Costs relating to acquisitions, tax adjustments and other amortisation				
- Professionals fees associated with acquisitions	0.2	-		-
- Intangibles amortisation	0.3	0.2		-
- Tax adjustments	0.2	-		-
Share of profit / (loss) in associates	-	0.9		
Impact of adoption of new lease accounting standard AASB 116 Leases	-	0.6		
Share of Coamplify loss	-	-	0.5	1.4
Gain on dilution of Coamplify investment	-	-	(2.2)	(0.5)
Artemis transaction costs	-	-	-	1.6
Birmingham lease benefit FY22/USE lease benefit FY21	-	-	(1.2)	(0.8)
Underlying EBIT	**35.4**	**2.5**	**(17.7)**	**4.4**

Sources: ATL Annual Reports.

- We note the following in relation to the above:
  - Impairment expenses in FY20 constituted numerous different line items, most pertinently being impairment expenses related to goodwill (c. A$6.5 million), brand names (c. A$5.7), PP&E (c. A$3.5 million), inventory (c. A$3.0 million) and right-of-use assets (c. A$20.2 million). These non-cash impairments reflected the considerable and ongoing uncertainty surrounding COVID-19 and the industry's negative short run outlook.
  - Loss on disposal of rental fleet of c. A$12.5 million was a result of ATL's rapid divestment and hibernation of the US operations throughout Q4 FY20 as a result of COVID-19 fears.
  - The provision add-back on CamperCo's year two-earn out was a result of the business not reaching their second earn out incentive hurdle.
  - ATL's shareholding in Camplify was diluted. The dilution resulted in a gain of A$0.5m on the deemed disposal of the foregone shareholding.
  - ATL incurred merger transaction costs of A$1.1 million in FY22.

4.5.2 Financial Position

The table below illustrates the Company's audited consolidated statements of financial position as at 30 June for the last four years.

Consolidated statements of financial position A$ '000	30-Jun-19 Audited	30-Jun-20 Audited	30-Jun-21 Audited	30-Jun-22 Audited
Assets				
Cash and cash equivalents	34,549	23,529	45,507	36,392
Trade and other receivables	13,385	4,926	3,875	3,009
Inventories	96,778	90,387	53,191	53,799
Income tax refund receivable	976	354	-	237
Prepayment and other assets	15,182	8,428	7,780	9,336
Total current assets	**160,870**	**127,624**	**110,353**	**102,773**
Investments accounted for using the equity method	2,532	1,586	3,252	2,488
Property, plant and equipment	381,973	272,628	209,402	211,402
Intangible assets	36,088	24,068	23,280	23,012
Deferred tax assets	942	2,529	8,452	9,603
Prepayment and other assets	2,077	2,202	1,977	2,046
Total non-current assets	**423,612**	**303,013**	**246,363**	**248,551**
Total assets	**584,482**	**430,637**	**356,716**	**351,324**
Liabilities				
Trade and other payables	33,122	27,506	22,324	17,147
Contract liabilities	4,970	5,977	11,016	10,645
Borrowings	227,757	142,045	108,902	145,354
Income tax payable	1,449	99	77	297
Provisions	3,402	3,701	4,589	5,728
Unearned rental income	27,775	12,262	15,836	24,420
Other liabilities	1,135	624	212	89
Total current liabilities	**299,610**	**192,214**	**162,956**	**203,680**
Borrowings	136,686	164,000	138,874	97,726
Deferred tax liability	25,171	16,583	15,814	15,060
Provisions	2,589	360	234	189
Unearned rental income	-	450	288	119
Other non-current liabilities	962	338	128	(23)
Total non-current liabilities	**165,408**	**181,731**	**155,338**	**113,071**
Total liabilities	**465,018**	**373,945**	**318,294**	**316,751**
Net assets	**119,464**	**56,692**	**38,422**	**34,573**
Key performance indicators				
Units on issue at end of period (millions)	*186,151*	*186,151*	*186,151*	*186,152*
Net Funds employed (A$m) [1]	*449,358*	*339,208*	*240,691*	*241,261*
Debt : EBITDA ratio (x) [2]	*6.3x*	*-28.2x*	*15.9x*	*8.1x*
Gearing ratio (%) [3]	*56.4%*	*65.6%*	*56.7%*	*58.8%*

Sources: ATL Annual Reports.
Notes: (1) Net Funds employed is calculated as (total assets – non-interest bearing liabilities – cash on hand);
Note (2): Debt : EBITDA ratio is calculated as net debt / CY EBITDA
Note (3): Gearing ratio is calculated as net debt / total assets

We note the following regarding the Company's financial position:

- Inventories include items like raw materials, work in progress, retail vehicles for sale, used rental vehicles for sale, stock in transit and spare parts. As illustrated, inventories decreased materially by c.

A$37.2 million from FY20 to FY21, largely due to a significant decline in the total stock of used rental vehicles for sale. Inventory levels remained relatively stable in FY22.

- Investments accounted for using the equity method includes ATL's 17.32% interest in Camplify which listed on the ASX on 28 June 2021. The carrying value on the balance sheet of A$2.5 million is materially below the market value. See section 8.1 for our assessment of the market value of ATL's interest in Camplify.

- As displayed, ATL's total property plant and equipment materially decreased in FY21 driven by accelerated ex-rental vehicle sales globally, in particular in North America. The carrying value remained relatively stable in FY22. The following table illustrates the historical breakdown of ATL's total net property, plant and equipment:

ATL Historical Net Property, Plant and Equipment	FY19	FY20	FY21	FY22
A$ '000	Audited	Audited	Audited	Audited
Land and Buildings	37,150	35,972	35,459	36,382
Land and Buildings: Right-of-use assets	-	6,996	5,677	4,685
Plant and equipment	12,660	91,942	66,104	91,854
Motor Vehicles	332,163	109,161	76,652	57,767
Motor Vehicles: Right-of-use assets	-	28,557	25,510	20,714
Total Net Property, Plant and Equipment	**381,973**	**272,628**	**209,402**	**211,402**

Sources: ATL Annual Reports.

- As discussed earlier, the substantial cash inflows from increased sales levels led to a material reduction in external debt in FY21 and a minor reduction in FY22.

- Motor Vehicles debt reduced substantially from FY20 to FY22 due to the increase sell -off of vehicles during the COVID pandemic.

ATL's annual report for the period ending 30 June 2022 was prepared on a going concern basis despite the consolidated entity presenting a net current liability position of A$100.9 million. This outcome is primarily as a result of A$73.3 million of current liabilities related to the rental fleet which are secured against vehicles classified as non-current assets; A$26.0 million of COVID support loans payable in the next 12 months notwithstanding an extension of the repayment terms by 12 months may be requested by ATL; and A$23.7 million of unearned income and A$10.6 million of contract liabilities being held with respect to refundable deposits which are not expected to be refunded. We also note that the Company incurred a loss of c. A$(4.7) million in FY22 as a result of the ongoing economic impacts caused by the COVID-19 pandemic on the business' operations. ATL's ability to continue as a going concern is predicated on management cash flow forecasts illustrating that the Company is expected to be able to pay its debts as and when they fall due and the realisation of the value of its assets and discharge in liabilities alongside the regular course of business. Furthermore, other available options identified within the annual report to meet financing constraints include monetising assets such as the existing equity in the global fleet and real estate holdings with a letter of intent to sell and with leaseback arrangements for the properties having been signed after 30 June 2022. Accordingly, the independent auditor concluded in the FY22 annual report that ATL could continue to be treated on a going concern basis as a result of these conclusions.

4.5.3 Cash Flow Statement

The Company's cash flow statements for the last four financial years are set out below.

Consolidated statements of cash flow	FY19	FY20	FY21	FY22
A$ '000	Audited	Audited	Audited	Audited
Cash flows from operating activities				
Receipts from customers (inclusive of GST)	345,439	303,775	225,897	281,925
Payments to suppliers and employees (inclusive of GST)	(315,199)	(249,289)	(226,259)	(273,500)
Interest paid	(17,122)	(19,425)	(10,875)	(10,427)
Proceeds from sale of rental fleet	65,119	99,677	114,382	32,425
Interest received	349	473	188	83
Income tax paid	(3,676)	(1,219)	871	72
Net cash inflow from operating activities	**74,910**	**133,992**	**104,204**	**30,578**
Cash flows from investing activities				
Payment for business combinations, net of cash acquired	(12,765)	-	-	-
Payments for investments accounted for using the equity methoc	(1,297)	-	-	(100)
Payments for property, plant and equipment	(5,869)	(2,119)	(1,205)	(1,082)
Payments for intangible assets	(3,436)	(2,237)	(603)	(896)
Proceeds from sale of property, plant and equipment	357	233	147	441
Payment for purchase of rental fleet	(102,871)	(20,007)	(21,794)	(30,764)
Net cash outflow from investing activities	**(125,881)**	**(24,130)**	**(23,455)**	**(32,401)**
Cash flow from financing activities				
Proceeds from borrowings	287,504	142,715	120,318	179,017
Repayment of borrowings/finance lease principal	(234,106)	(215,930)	(137,659)	(153,834)
Dividends paid	(6,159)	-	-	-
Repayment of lease liabilities	-	(47,750)	(42,012)	(33,508)
Net cash (outflow) / inflow from financing activities	**47,239**	**(120,965)**	**(59,353)**	**(8,325)**
Net increase / (decrease) in cash and cash equivalents	**(3,732)**	**(11,103)**	**21,396**	**(10,148)**
Cash and cash equivalents at the beginning of the financial year	36,637	34,549	23,529	45,507
Effects of exchange rate changes on cash and cash equivalents	1,644	83	582	1,033
Cash and cash equivalents at year end	**34,549**	**23,529**	**45,507**	**36,392**

Sources: ATL Annual Reports.

We note the following in relation to Apollo's cash flow statements:

- Cash flows from operating activities were reduced in FY22 relative to FY21 due to the hold back of planned fleet sales in the Northern Hemisphere in response to new vehicle supply concerns for the 2022 peak summer rental season.

- In FY19 the Company paid a total dividend of c. A$6.1 million, however afterwards the Company ceased dividend payments as a result of the material uncertainty surrounding the outbreak of COVID-19. There remain no dividends paid, recommended or declared since FY19.

- Capex has trended downwards as ATL's asset base has declined over the recent years. Since its peak, ATL's global fleet has reduced by c. 2,992 vehicles, a simultaneous by-product of depressed demand globally for RV rentals as well as heightened demand for RV purchases. Moving forward, ATL aims to restock their global fleet as international borders open to tourists and the resultant demand for RV rentals increases. The commencement of strategy is evident with an additional A$8.9 million of capex expended in FY22.

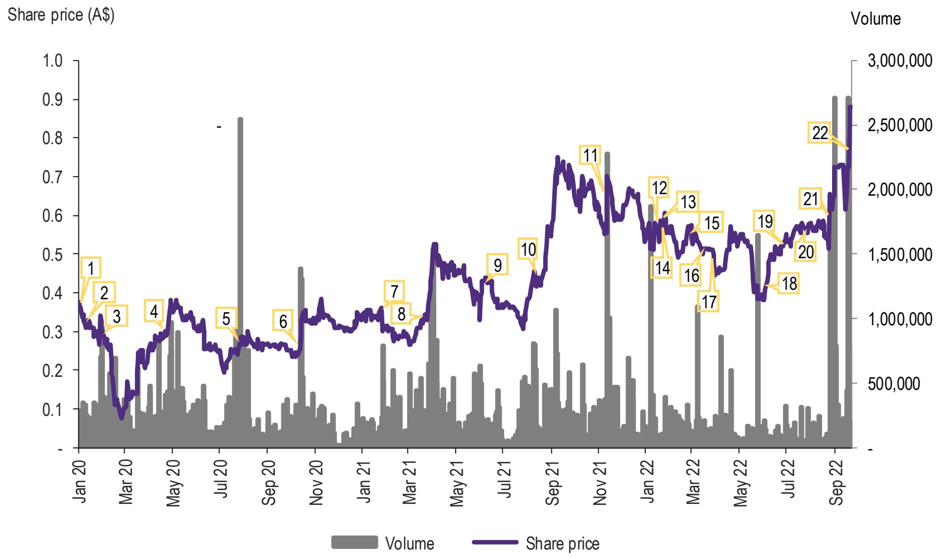
4.6 Share capital structure

As at the date of this report, Apollo has 186,150,908[86] Apollo Shares on issue.

4.6.1 Share price and market analysis

Our analysis of the daily movements in Apollo's trading price and volume for the period from January 2020 to August 2022 is set out below. We note that Apollo's most recent closing share price as at 23 September 2022 was A$0.515.

Historical share price and volume for Apollo *Source: S&P Global, GTCF analysis*



The following table describes the key events which may have impacted the share price and volume movements recently as shown above.

Event	Date	Comments
1	Jan-20	ATL announced a trading update illustrating that despite positive growth in rental revenue and higher RV sales volumes, continued subdued global RV sales and low margins have contributed to a reduced H1FY20 earnings. As per the statement, ATL announced that it expects its H1FY20 statutory net profit after tax to be down c. A$4.2 million from A$14.7 million in H1FY19 to c. A$10.5 million in H1FY20.
2	Feb-20	ATL released its half-yearly report for the period ending 31 December 2019: - Revenues from ordinary activities were reported as A$197.2 million, up 7.4% from the prior corresponding period's A$183.5 million - Profit from ordinary activities was reported as c. A$11.3 million, down 23.5% from the prior corresponding period's A$14.7 million. - Net assets was reported as c. A$130.5 million, up 9.2% from the prior corresponding period's c. A$119.5 million position.
3	Feb-20	In late February and into early March, the ASX decreased by over 30% due to investor panic surrounding the outbreak of COVID-19. This event was felt at all levels of the economy and widespread mandatory isolation in Australia led to the first technical recession in over 30 years. Throughout this period, the Company released two separate trading updates, the first of which (12 March 2020) saw ATL withdraw their FY20 underlying Net Profit

[86] ASX

Event	Date	Comments
		After Tax ("NPAT") guidance and the second of which (16 March 2020) cancelled all future events and RV consumer expos in Australia and North America for the foreseeable future. The latter also commented on the uncertain nature of COVID-19 at the time and declined to provide an outlook on when the situation would improve for the Company.
4	May-20	ATL announced a trading update illustrating the following key points: - ATL is launching an 'on the road again' campaign' within countries that have easing restrictions. This campaign was aimed to inspire domestic travel again amongst consumers. - ATL's liquidity position was being managed through a combination of principal repayment holidays, cost reductions, government support and reduced capital expenditure. - Sale of the US fleet was in progress, and the US rental business would be placed into hibernation until the 2021 season.
5	Aug-20	ATL released its annual results for the period ending 30 June 2020: - Statutory Net Loss after tax of c. A$61.2 million. - Underlying Net Loss after tax of c. A$7.7 million. - Reduction in Q4FY20 revenue of c. 94% on the prior corresponding period. - Non-cash impairment charge of c. A$38.9 million and total loss on sale of US fleet of c. A$12.5 million as a result of the pandemic. - Debt reduction of c. A$114.3 million from c. A$335.6 million at 30 June 2019 to c. A$221.3 million as at 30 June 2020.
6	Oct-20	ATL held its fourth annual general meeting where the CEO provided an overview of the Company's current liquidity position as well as an outlook summary of the future of the business. With regards to ATL's liquidity, as at date of announcement the business held c. A$46.6 million in cash and had numerous loans that it could draw down upon. Alternatively, the outlook summary outlined that ATL is likely to expect a group loss in FY21, however the Company held sufficient liquidity to trade through prolonged periods of subdued demand and would be well positioned post-pandemic to bounce back.
7	Feb-21	ATL released its half-yearly report for the period ending 31 December 2020: - Revenues from ordinary activities were reported as A$160.3 million, down 18.7% from the prior corresponding period's A$197.2 million. - Profit from ordinary activities was reported as c. A$(7.5) million, down 167% from the prior corresponding period's A$11.3 million. - Net assets was reported as c. A$47.5 million, down 63.6% from the prior corresponding period's c. A$130.5 million position.
8	Apr-21	Following months of discussions amongst both the Australian and New Zealand Governments, the Trans-Tasman Bubble opened on the 19th of April. This Bubble refers to an exclusive travel corridor between Australia and New Zealand that would allow residents of the two nations to travel without the need of quarantine for recreational purposes. Given the proportion of international visitors into Australia from New Zealand and vice versa, the opening of the travel bubble was a positive event for each respective country's tourism industry and was likely the driving force behind a marked increase in ATL's share price throughout the period.
9	Jun-21	During late June 2021 NSW entered into a lockdown off the back of the growing COVID-19 Delta strain and Victoria quickly followed (albeit with a couple of weeks lag). As a result, state borders were closed domestically and NSW and Victoria entered into strict isolations for 107 days and 98 days respectively. These closures totally halted domestic and interstate travel and had extreme adverse impacts on the both the state and national economies. Further, these lockdowns led to the closure of the aforementioned Trans-Tasman Bubble with New Zealand.
10	Oct-21	ATL released its annual results for the period ending 30 June 2021: - Revenues from ordinary activities fell by c. 20.0% from c. A$366.7 million in FY20 to c. A$293.3 million in FY21. - Statutory Net Loss after tax of c. A$17.9 million. - Company liquidity was managed through continued fleet sales, cost restructuring and Government support loans. - Group debt reductions of c. A$52.8 million from FY20, lowering funding commitments. During October 2021, lockdown restrictions began to ease as vaccination rates
11	Dec-21	ATL announced that it has entered into a Scheme of Implementation Deed with *thl* which the companies have agreed a proposed merger to establish a leading diversified travel company across the key markets of Australia, New Zealand, North America, the United Kingdom and Europe. The Proposed Transaction is intended to be conducted as an Apollo Scheme of Arrangement under which ATL shareholders will receive 1 fully paid ordinary share in *thl* for every ~3.68 fully paid ordinary shares in ATL held as at the Scheme record date.
12	Feb-22	The Supreme Court of Queensland ordered that a meeting of ATL's shareholders (other than *thl*) be convened to consider, and if thought fit approve, the scheme of arrangement in relation to the proposed merger of ATL and *thl*. Subsequent ASIC registration of the Scheme Booklet in relation to the proposed merger by scheme of arrangement.

Event	Date	Comments
13	Feb-22	Australia announces it will re-open its international borders to fully vaccinated visitors from 21 February 2022 with no quarantine requirements for fully vaccinated travellers.
14	Feb-22	ATL releases its half year results for the period ending 31 December 2021: - Revenue fell c. 11% from H1 FY21 from $160.2 million to $141.6 million for H1 FY22. - Statutory Net Loss after tax reduced to $2.2 million. - Improved EBIT for all regions, except New Zealand, over H1 FY21. - Sales revenue constrained by supply chain issues and rental revenue impacted by ongoing travel restrictions as a result of the outbreak of Delta and Omicron COVID strains.
15	Mar-22	ATL announces extensions with respect to both the NZCC and ACCC process for clearance of the proposed merger.
16	Apr-22	ATL announces that the postponement of the Scheme Meeting and to adjourn the Second Court date, both originally scheduled for April 2022.
17	Apr-22	ACCC releases its statement of issues in which the ACCC identifies its competition concerns with the ATL and *thl* merger. ACCC noted that if considered that the acquisition of ATL will remove *thl*'s closest and largest competitor for motorised RV rentals in Australia. The ACCC also noted that market feedback also indicated that other RV rental suppliers lack the scale to replace the competition lost by ATL being acquired. Further, ACCC had not identified any new entrants or instances of expansion by other RV suppliers likely to provide a strong competitive constraint on a merged business. As such, ACCC had concerns that consumers may end up paying more or receive lower quality and service as a result of the proposed acquisition, with submissions from interested parties called for. The ACCC advised a final decision would be made by 21 July 2022 with the NZCC timeframe for a decision being extended to 30 June 2022.
18	Jul-22	To address the ACCC and NZCC concerns on competition, despite believing that the proposed merger would not substantially lessen competition, ATL announced that together with *thl* they have proposed to divest certain assets if the merger is cleared. The divestment assets include: - A significant portion of ATL's 4 and 6 berth motorhomes, being c. 80% of ATL's 4 and 6 berth motor homes in Australia and c. 72% in New Zealand; - The premium Star RV motorhome brand; - A proportion of forward bookings associated with the fleet to be sold; and - Surplus property leases. Exclusive negotiations with Next Capital commenced in regards to a sale of the divestment assets to Jucy Rentals
19	Jul-22	ATL advises that it has agreed with *thl* to an extension of the final date for satisfaction or waiver of all conditions precedent to the Scheme Implementation Deed to 15 October 2022.
20	Aug-22	ATL releases is annual results for the period ending 30 June 2022: - Statutory Net Loss after tax reduced to $4.7 million, down from a loss of $17.9 million in FY21; - FY22 revenue fell 9% on FY21 to $265.9 million; - Underlying EBIT of $4.4 million; - Strong RV sales and margins, however, constraints with supply and rental revenue impacted by the Delta and Omicron outbreaks; and - Expectation to return to pre-pandemic levels of profitability in FY23.
21	Sept-22	ATL announces they have entered into a Deed of Variation with *thl* to effect the Scheme Implementation Deed. The key variations are: - A change in the merger ratio so that one ordinary *thl* share will be issued for every 3.210987 ATL ordinary shares. This will result in ATL shareholders owning c. 27.4% of *thl* shares as at the Deed of Variation date and excluding ATL shares hold by *thl*; - An extension of the final date to satisfy or waive all conditions precedent to 9 December 2022; and - The inclusion of the divestment of certain assets to Jucy Rentals. Further details on the proposed divestment to Jucy Rentals were also provided and it was announced that NZCC has approved the merger subject to the undertaking to divest assets as agreed with Jucy Rentals.
22	Oct-22	ATL announced a guidance update for the 30 June 2023 financial year. The update outlined the following: - NPAT is anticipated to hit above A$20 million for the FY23 period. - Strong forward rental bookings are expected for the summer season.

Source: ASX announcements, GTCF analysis

The monthly share price performance of ATL since August 2021 and the weekly share price performance of Apollo over the last 16 weeks is summarised below:

Apollo Tourism & Leisure Ltd	Share Price			Average
	High	Low	Close	weekly volume
	$	$	$	000'
Month ended				
Sep 2021	0.590	0.385	0.580	1,475
Oct 2021	0.800	0.585	0.650	1,590
Nov 2021	0.720	0.565	0.595	889
Dec 2021	0.720	0.530	0.625	1,523
Jan 2022	0.670	0.520	0.565	724
Feb 2022	0.605	0.510	0.555	1,167
Mar 2022	0.605	0.485	0.540	739
Apr 2022	0.560	0.410	0.460	745
May 2022	0.575	0.430	0.550	704
Jun 2022	0.555	0.365	0.380	782
Jul 2022	0.560	0.380	0.530	389
Aug 2022	0.595	0.500	0.570	431
Sep 2022	0.740	0.515	0.725	1,657
Week ended				
17 Jun 2022	0.515	0.390	0.400	407
24 Jun 2022	0.435	0.365	0.385	2,022
1 Jul 2022	0.425	0.380	0.410	659
8 Jul 2022	0.510	0.415	0.500	295
15 Jul 2022	0.530	0.480	0.515	301
22 Jul 2022	0.520	0.500	0.520	308
29 Jul 2022	0.560	0.490	0.530	593
5 Aug 2022	0.545	0.500	0.540	251
12 Aug 2022	0.580	0.540	0.570	390
19 Aug 2022	0.595	0.535	0.573	358
26 Aug 2022	0.595	0.550	0.578	569
2 Sep 2022	0.585	0.550	0.560	789
9 Sep 2022	0.615	0.550	0.575	568
16 Sep 2022	0.590	0.545	0.545	164
23 Sep 2022	0.720	0.515	0.655	2,052
30 Sep 2022	0.740	0.610	0.725	4,134

Source: S&P Global, GTCF analysis
Note: The share price analysis is based on 3 October 2022

We have also considered Apollo's recent trading prices for the purpose of our valuation of Apollo. Refer to Section 8.3 for further details and analysis on the trading price of the Company.

4.6.2 Substantial shareholders

We have provided in the below table the ten largest shareholders of Apollo as at August 26 2022:

Top ten shareholders as at August 26 2022		No. of shares	Interest (%)
1	Barmil Enterprises Pty Ltd	98,113,117	52.71%
2	First Sentier Investors (Australia) IM Ltd	15,750,321	8.46%
3	MAM Pty Ltd	3,383,729	1.82%
4	Brazil Farming Pty Ltd	2,359,107	1.27%
5	Keither Charlton	1,793,480	0.96%
6	Madeline Louise Corken	1,793,480	0.96%
7	Bhanga Pty Ltd	1,200,000	0.64%
8	Wilbow Group Equities Pty Ltd	1,155,674	0.62%
9	Geat Incorporated	977,245	0.52%
10	Yap Brothers Property	955,769	0.51%
Top 10 Shareholders total		**127,481,922**	**68.48%**
Remaining shareholders		58,668,986	31.52%
Total ordinary shares outstanding		**186,150,908**	**100.00%**

Source: S&P Capital IQ, GTCF analysis

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5 Profile of Tourism Holdings Limited

5.1 Overview

thl is a global tourism operator headquartered in Auckland, New Zealand, and has been listed on the NZX since 1986. Today, *thl* is a vertically integrated global tourism operator engaged in the design, manufacture, sale and rent of motorhomes, campervans and RV accessories, and other tourism related activities. Through organic growth and strategic acquisitions over a number of years, *thl* has created a vertically integrated business model comprising the following:

- *Renting* – *thl's* rental operations offer numerous different types, sizes and brands of RVs for rent, each of which target specific segments. It currently has 28 rental offices (excluding licenses) around the world and an aggregate fleet size of c. 3,858 RVs[87]. *thl's* rental business operates via well-known brands such as Maui, Britz and Mighty that service Australia and New Zealand as well as Road Bear, El Monte RV and Britz that operate out of the US. The performance of the rental business in FY22 was subdued compared to FY21 given lower rental activity in the US's high season relative to the previous year due to asymmetric international border openings and a 41% reduction in New Zealand rental revenue as result of the spread of the Delta variant, domestic lockdowns in H1, the suspension of the Trans-Tasman travel bubble and the international borders remaining closed, only fully reopening on 31 July 2022.

- *Vehicle Sales and Retail* – FY22 sales revenue of c. NZ$201 million was 10% lower than FY21 driven by a c. 24% reduction in volumes of vehicles sold. However, this was mostly offset by significantly higher margins on vehicles sold across all geographies due to higher prices in the vehicle retail market. This trend is expected to normalise over the next two years as the business starts to sell newer fleet purchased under the higher cost inflation environment. Whilst some of the increased pricing has been partially offset by rising manufacturing costs, the company believes that these sales margins are not sustainable and expects that they will return to historical norms in the future, partly due to an increase in manufacturing costs. *thl* owns the RV Super Centre ("RV Super Centre" or "RVSC") that operates in-store and online in New Zealand and Australia. RVSC offers a range of motorhomes and campervans and is co-located on all *thl* New Zealand rental sites. It also operates in Brisbane and Melbourne in Australia. In addition to the vehicle sale operations, RVSC is also growing a retail accessories sale segment in New Zealand and online.

- *Manufacturing* – Action Manufacturing currently operates across three locations in New Zealand with the team growing rapidly. The manufacturing facilities allow *thl* to design and build motorhomes that are fit for purpose in Australia and NZ but also to design and manufacture custom commercial vehicles for a range of third party public and private customers. It has recently secured a number of new tenders. Action develops and delivers a range of vehicles for St John Ambulance as well as the New Zealand Police and New Zealand Defence Force.

- *Tourism* – *thl* also operates Kiwi Experience and the Discover Waitomo Group. Kiwi experience, which was placed into hibernation in March 2020, has resumed activity in 2022. Following a recent review of Kiwi Experiences ownership and consideration of a potential sale, *thl* has decided to operate Kiwi Experience in the upcoming high season. Future ownership options remain under consideration. The Discover Waitomo Group focuses on tour experiences and includes the Waitomo Glow-worm caves, Ruakuri Cave, Aranui Cave and the Legendary Black Water Rafting Co. The Discover Waitomo Group has continued to operate and throughout FY21 received funding support from the Strategic Tourism

[87] As at 30 June 2022.

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Asset Protection Program (“STAPP”), a government-based tourism protection scheme. Of note, *thl* received NZ$6k funding under STAPP in FY22.

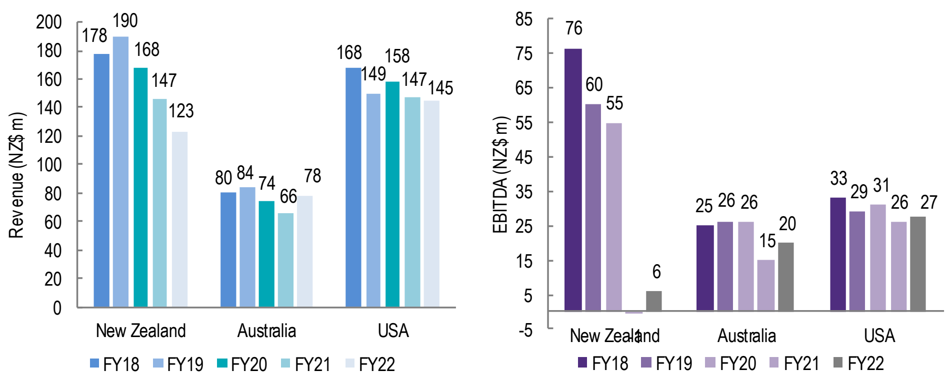
On the 4th October 2022, *thl* acquired the remaining 51% interest in its UK joint venture, Just Go[88]. Just Go is a leading dedicated commercial motorhome rental operator in the UK. The business model is focused on offering luxury motorhomes with excellent customer service and industry knowledge. *thl* purchased the initial 49% interest of Just Go in 2015. During the FY22 year, *thl*:

- acquired 100% ownership in triptech, after purchasing the remaining 40% of shares it did not already own;
- sold its shares in mighway and SHAREaCAMPER to Camplify in return for a shareholding in the ASX Camplify (CHL) business; and
- sold its 26.49% holding of B Class shares in Togo Group.

On 29 July 2022, *thl’s* subsidiary, Action Manufacturing, completed the acquisition of 100% of MaxiTrans, a heavy transport manufacturing firm located in New Zealand for a consideration of NZ$2.5 million.

From a geographical perspective, the NZ business has been the most adversely impacted by COVID-19 both at a revenue and profitability level given its greater reliance on international tourism and the small domestic population which has been unable to materially offset the significant drop in international tourists. We have set out below the revenue breakdown by geography for each region’s total revenues and EBITDA between FY18 and FY22.

thl’s historical total revenue and total EBITDA breakdown by geography



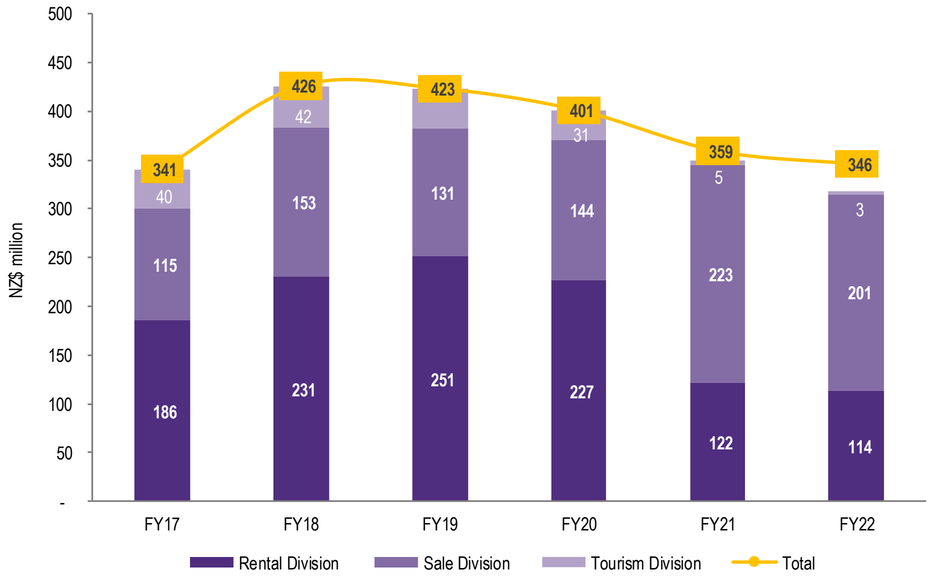
Source: thl annual investors’ presentations
Note (1): New Zealand segment includes New Zealand Rentals and Sales, Manufacturing, Tourism Group, and other support services

thl’s business has undergone significant change since COVID-19 with the size of the rental fleet falling by more than 40%, rental revenue more than halving (offset by a substantial increase in sales revenues) and the Kiwi Experience business being placed into hibernation. As at 30 June 2022, *thl* had a combined fleet of c. 2,216 vehicles in Australia and NZ and the second largest in United States with a fleet of c. 1,642 vehicles. Net fleet numbers reduced by c. 384 during FY22 albeit the United States fleet grew by c. 155

[88] ASX Announcement

vehicles. *thl* expects to grow their global fleet numbers by 20% in FY23 as demand from international vistiors returns.

thl's revenues by division



Source: thl annual investors' presentations

As a result of the outbreak of COVID-19, *thl* put in place a series of initiatives which are summarised below:

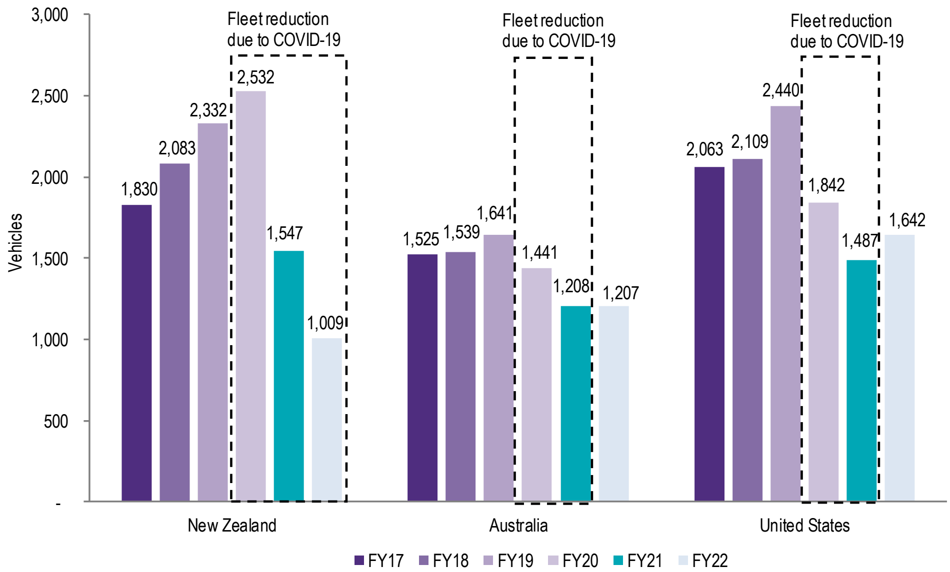
- Cost reductions across the business' operations in line with the volume reductions and to match activity levels. Total costs (including Government support) reduced by c. 60% in Q4 FY20 compared with Q4 FY19.

- Right-sizing of the fleet by accelerating sales and taking advantage of strong market conditions to reduce net debt from c. NZ$188 million as at 31 March 2020 to c. NZ$75.1 million as at 31 August 2020. Since then, *thl* has continued to reduce their net debt, culminating in a total pre IFRS-16 amount of c. NZ$58.5 million as at 30 June 2022.

- The company also received support from its financiers including a temporary relaxation of earnings-based covenants (leverage ratio and interest coverage ratio) until 1 July 2022 and additional debt funding amongst others. As at 30 June 2022, *thl* has complied with its undertakings and covenants.

The graph below illustrates the fleet size by geographical location over the previous six years.

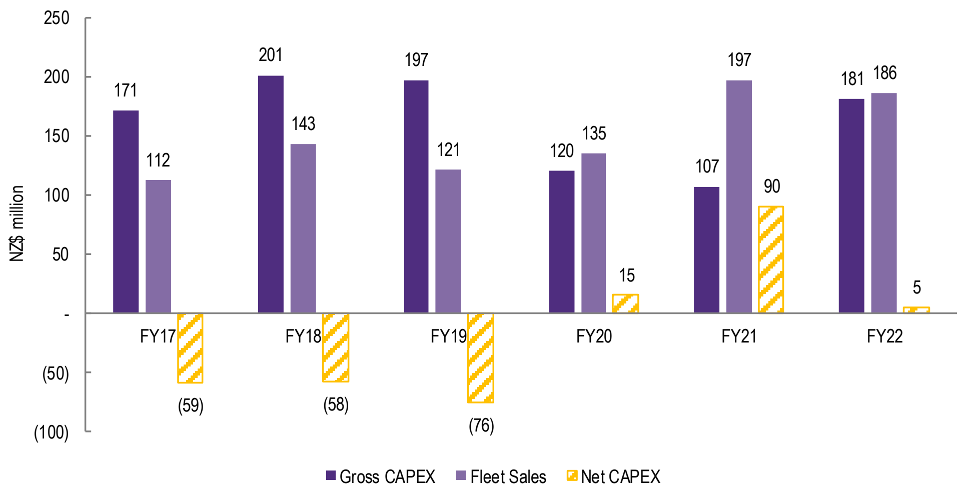
thl's fleet size at year end from FY17 to FY22



Source: thl annual investors' presentations
Note: (1) The above includes vehicles on buyback agreements

As shown in the graph above, prior to COVID-19 *thl*'s fleet size exhibited year on year growth across all geographical regions. However, between FY20 and FY22, in response to the pandemic and due to the drop in utilisation rates as a result of domestic and international travel restrictions, *thl* decided to significantly reduce its rental fleet and focus its efforts on expanding its vehicle sales volumes and margins. In FY22, this strategy continued in New Zealand where rental demand remained subdued due to border closures while the North America fleet began to recover. This has resulted in a net cash inflows from the sale and purchase of vehicles over the last three years as presented below:

thl fleet capex FY17 to FY22



Source: thl annual investor presentations
Note: (1) Fleet purchased or sold under buyback agreements are not treated as addition/sales of fixed assets but are treated as operating leases under the accounting standards and accordingly are not reflected in the above amounts

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Moving forward, *thl* is expected to invest a significant amount in the coming years in order to rebuild its fleet to respond to the forecast increase in demand as normalised trading conditions return. Net capital expenditure is forecast at $120 million in FY23 as *thl* seeks to increase the fleet size by a total of 20%[89]. The forecast gross capital expenditure of $270 million to $300 million will be subject to supply availability and delivery timing[90]. It is worth noting that as at 30 June 2022 there was headroom of c. $200 million in debt facilities to fund fleet growth[91]. Subject to supply constraints and based on the rate of the return of international tourism, *thl*'s expectation is that it will re-fleet to 5,000 – 6,000[92] vehicles at some point in FY24.

5.2 Rental business

thl provides RV rental services across the different countries through its large portfolio of brands, which we have summarised below:

thl RVs Rental Division - Brand Portfolio		
Company	Countries	Description
Maui	New Zealand, Australia	Maui provides premium range of motorhomes and campervans for hire. The company has more than 25 years experience and was acquired by *thl* in 1988.
Britz	New Zealand, Australia, the USA	Acquired by *thl* in 1999, Britz is one of the leaders in self-driver rentals, operating throughout each of Australia, New Zealand, the US and Southern Africa.
Mighty	New Zealand, Australia, the USA	In mid-2012, *thl*'s previous Backpacker and Explore More campervan brands were combined and relaunched as Mighty, aimed to appeal directly to the lower-cost and youth market segments.
Road Bear	The USA	Acquired in 2010 for a total consideration of c. US$17 million, Road bear is an RV rental company in the US that operates through numerous locations throughout the United States.
El Monte	The USA	Acquired in 2016 for a total consideration of c. US$65.3 million, El Monte is a Santa Fe based RV rental company that operates through numerous locations throughout the United States.
Just Go	United Kingdom, Europe	Acquired 49% in 2015 by *thl* and the remaining 51% in 2022. Just Go is a dedicated motorhome company that has been operating since 2003.

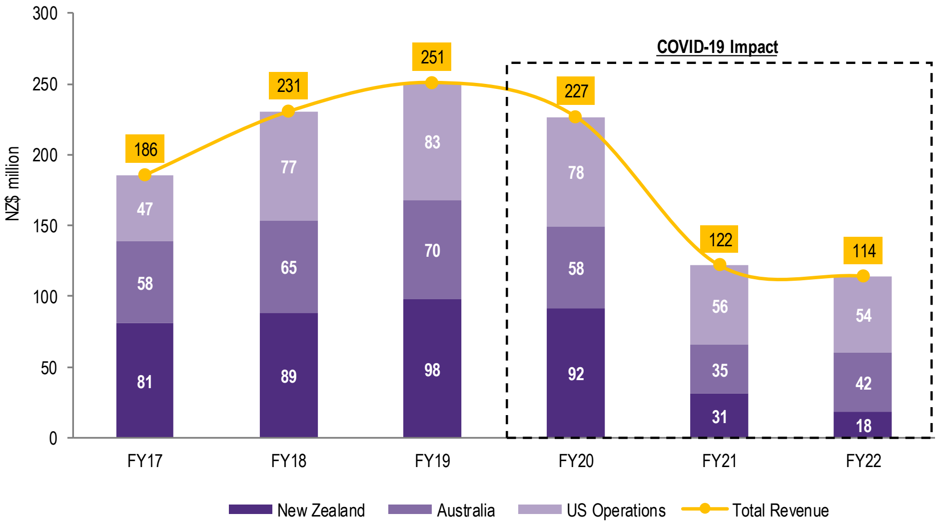
Source: Management

In October 2021, *thl* entered into an agreement to sell the Mighway and SHAREaCAMPER businesses to Camplify for a purchase price of c. A$7.4 million. The purchase price was satisfied through Camplify issuing new fully paid ordinary shares to *thl* under two equal tranches, with the first tranche issued upon completion of the transaction on 29 April 2022 and the second tranche 12 months following completion of the transaction. As such, *thl* no longer operates these brands.

In addition to providing RV rental services, *thl* also generates revenue from the sale of ex-rental RVs. In the graph below we have summarised the performance of the Rental Business over the previous five years.

[89] *thl* 2022 Investor Presentation.
[90] Ibid.
[91] Ibid.
[92] *thl* 2021 Investor Presentation.

***thl* rental revenue by geography**



Source: thl annual financial reports and investor presentations

Prior to the outbreak of COVID-19, *thl*'s rental operations had been growing strongly as a result of the increased demand for RVs and continuing investments by *thl* to expand the business, including the acquisition of El Monte in FY17.

The New Zealand operations were the most impacted amongst *thl*'s geographic divisions, primarily a result of the business' reliance on international visitors. As a result, rental yields decreased by c. 40%-50% below historical norms as fleet utilisation declined. Overall, c. 90% of *thl's* customers in its New Zealand business were international visitors and this absence led to a c. 81% decline in revenues between FY19 and FY22. *thl* has been driving non-tourism rentals to supplement rental revenue while demand is low, although this remains minor at c. 5% of rental revenues. With all international borders reopening on 31 July 2022, international demand is expected to return although performance may be constrained by a smaller than optimal fleet size. In Australia, *thl* implemented a refreshed pricing approach based on consumer price elasticity under new domestic operating conditions which resulted in yields in excess of historical norms, with average rental yields in FY22 30% higher than pre-COVID levels[93]. Rental revenues in Australia declined by 51% between FY19 and FY21 before recording a 22% increase in FY22 underpinned by domestic demand and improved yields, with international bookings increasing for the October 2022 to March 2023 period. Similar to Australia, the USA operations benefitted from favourable rental conditions but international border restrictions during 1H22 still constrained FY22 performance.

In addition to the above, *thl* operates in an indirect manner or through smaller scale operations in the following jurisdictions:

- Just Go, wholly owned by *thl* since October 2022, is based in the United Kingdom where it retains a large fleet of commercial rental motorhomes.
- Japan and Southern Africa through a franchise network with a small fleet of vehicles.

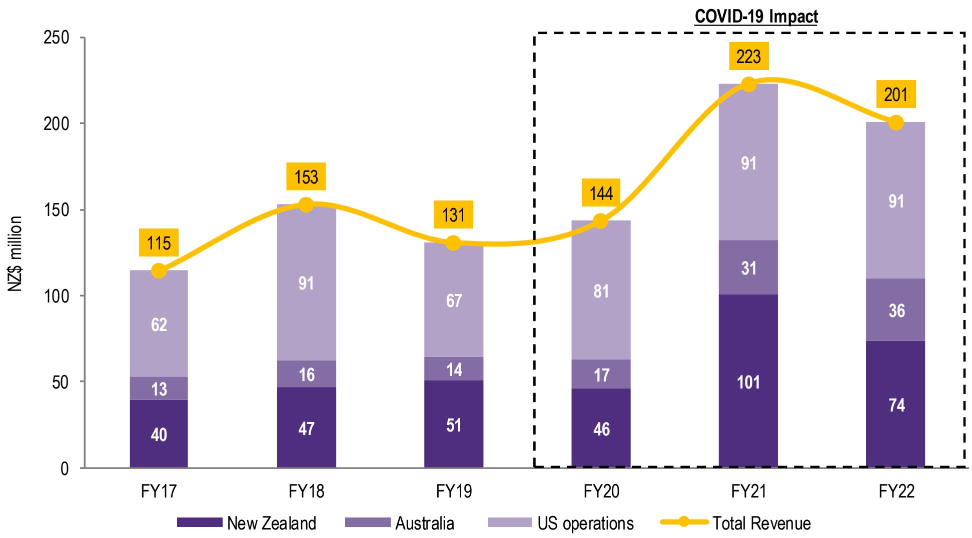
[93] FY22 Investor Presentation

5.3 Sales business

thl sells ex-rental and new vehicles through the use of both retail and wholesale channels. The company has noted that the carrying value of the RVs was NZ$301 million as at 30 June 2022 and based on the historical sales margins, it estimates additional value of at least NZ$30 million to NZ$60 million, above the carrying value.

The graph below summarises the revenue of the sales operations over the previous six years.

***thl* sale division revenues by geography**



Sources: thl annual financial reports and investor presentations
Note: (1): The above sale numbers does not include buyback fleet.
Note (2): FY18 included the sell down of excess El Monte fleet acquired previously.

FY18 saw an abnormal level of vehicle sales in the US, largely due the fact that the period included the sell-down of the excess El Monte fleet acquired in the prior financial year[94]. The increase in sales between FY20 and FY22 was driven by *thl*'s decision to right size its rental fleet and to take advantage of high margins on the sale of vehicles, in particular in the US. FY22 sales revenue declined as a result of reduced volumes for sales due to supply constraints on new fleet vehicles, however, sales margins were at a record high in FY22 in all countries with New Zealand sales margins up 124% in FY22. Margins are expected to have peaked in FY22. The graph below illustrates the number of vehicles sold across the different geographical regions.

[94] *thl* 2018 annual results presentation.

***thl* retail – vehicles sold by geography**

Sources: thl annual financial reports and investor presentations
Note: (1) The above numbers for New Zealand and Australia includes the sale of the buyback fleet.

<u>*USA operations*</u>

In the USA, vehicles are sold primarily through the wholesale channel, with some vehicles being sold directly through *thl's* rental sales branches. The USA operations account for a significant portion of sales revenues, and number of vehicles sold. Between FY17 and FY19 the USA accounted for an average of 55% of revenue and between FY20 and FY22 it accounted for more than 45% of revenue. After experiencing solid growth in FY18 driven by the acquisition of El Monte, USA sales significantly underperformed in FY19 due to excess stock combined with competitive pricing and discounting from retailers and manufacturers causing margin pressure. In FY21, vehicle sales revenues were 21% higher than pcp, with the average sale margin 86% higher than FY20. Margins increased a further 130% in FY22 to record highs, resulting in a revenue decreasing only 4% in FY22 despite a 25% reduction in sales volumes.

<u>*New Zealand*</u>

In New Zealand vehicles are sold predominantly through the retail channel, using *thl*'s subsidiary RVSC while a small portion of vehicles are sold using a third-party network of dealerships. RVSC offers a large range of motorhomes and campervans and is co-located on all *thl* New Zealand rental sites. In addition to the sale operations, RVSC is also growing a retail accessories sale segment, both in-store as well as online. As with the US operations, record margins were achieved in FY22 with margin growth of 124% against a reduced volume of sales.

<u>*Australia*</u>

In Australia, vehicles are sold predominantly through a third-party network of dealerships, and to a lesser extent directly through the retail channel using RVSC. Similar to the New Zealand operations, RVSC is co-located on *thl*'s Australian rental sites in Brisbane and Melbourne. Historically, Australia has accounted for a smaller percentage of revenues derived from RV sales, largely due to that fact that the Australian fleet has traditionally been smaller than the NZ and USA fleets. Both sales margins and volumes increased in FY22 resulting in a 16% increase in revenue in Australia.

5.4 Action Manufacturing

Action Manufacturing Limited Partnership ("Action Manufacturing") was the result of a merger in 2012 of *thl* Manufacturing and KEA Manufacturing to form a 50% joint venture between *thl* and Alpine Bird Ltd, owned by Mr Grant Brady. Subsequently, in 2018, Action Manufacturing expanded by acquiring Fairfax Industries, a leader in the design and manufacture of refrigerated truck and trailer bodies in New Zealand.

The vertical integration progressed further in February 2021, when *thl* entered into an agreement to acquire the remaining 50% interest in Action Manufacturing from its joint venture partner for NZ$9.0 million with NZ$1.5 million payable in cash and the balance in *thl* shares.

In January 2022, Action Manufacturing entered into a conditional agreement to purchase MaxiTRANS New Zealand. MaxiTRANS is a well-established business operating in the New Zealand heavy transport manufacturing industry under the brands of Maxi-CUBE and Freighter (the Maxi-CUBE brand was excluded from the sale) and is expected to compliment the Action's existing Fairfax Industries business. The transaction settled on 29 July 2022 for NZ$2.5 million[95].

Action Manufacturing is the primary supplier of *thl*'s motorhome fleet in New Zealand and Australia, and also supplies light commercial vehicles for a number of private and public organisations in the same region. The business has also implemented a number of initiatives to enhance the efficiency and productivity of the operations, including the re-introduction of nightshift and the hiring of 120 FTEs in FY22 to support delivery of a strong order book for FY23.

The business has been successful in growing the non-motorhome business with a number of tenders across both the public and private sectors awarded in the last 18 months. Notably, the public sector sales have been focussed on essential services such as ambulance and police vehicles which offset some of the cyclicality in the RV business. The refrigerated truck and trailer body manufacturing business of Fairfax Industries has experienced a recovery in activity and it is expected to benefit from pent-up demand in the transport and delivery sector triggered by the outbreak of COVID-19.

From a supply perspective, as previously mentioned, the Action Manufacturing subsidiary provides most of the vehicles to the New Zealand and Australian divisions. The chassis are primarily sourced from Mercedes, Iveco and Toyota. In the USA, *thl* acquires the US fleet directly from third-party suppliers.

We have set out below the segment financial information for Action Manufacturing on a standalone basis as if the business was wholly-owned by *thl* since 1 July 2019. Despite the supply chain challenges, impact of COVID lockdowns and labour challenges, growth in the non-motorhome segment has seen revenue increase 55% in FY22 on the pcp with Action Manufacturing consistently recording a positive EBIT over the past three years.

Action Manufacturing - Standalone Basis	FY20	FY21	FY22
NZ$ '000	Audited	Audited	Audited
Revenue	64.1	43.7	67.7
Costs	(60.5)	(42.8)	(62.8)
EBIT	**3.6**	**0.9**	**4.9**

Sources: thl annual financial reports and investor presentations

[95] FY22 Annual Report.

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5.5 Tourism Division

The Tourism Division consists of The Discover Waitomo Group and Kiwi Experience. The Discover Waitomo Group focuses on providing tour experiences and includes the Waitomo Glowworm Caves, Ruakuri Cave, Aranui Cave and the Legendary Black Water Rafting Co which are operated under leases and licenses with the local Maori Hapu as land-owners and the New Zealand Department of Conservation. Those leases / licenses expire between 2027 and 2039 respectively. The Kiwi Experience, which offers coach services focused on the young and independent travellers, has been in hibernation since March 2020. As at 30 June 2022, Kiwi Experience was classified as held for sale with there being an intention to sell the business in the next 12 months.

As set out below, the division was materially affected by the outbreak of COVID-19 as it mainly relies on international visitors. The following table illustrates the breakdown of the Tourism division's financial information over the last six years:

thl Tourism Division - Standalone Basis	FY17	FY18	FY19	FY20	FY21	FY22
NZ$ '000	Audited	Audited	Audited	Audited	Audited	Audited
Revenue	39.9	41.8	41.4	30.7	5.4	3.2
Costs	(29.2)	(29.9)	(29.2)	(26.8)	(6.1)	(7.4)
EBIT	**10.7**	**11.9**	**12.2**	**3.9**	**(0.7)**	**(4.2)**

Sources: thl annual financial reports and investor presentations

5.6 Digital assets

Over the years, *thl* has developed its digital infrastructure and investments in order to increase the level of efficiency and effectiveness of the operations.

In 2018, *thl* established a 50:50 joint venture, Togo Group (now known as Roadpass Digital), with Thor Industries Inc. Roadpass Digital consists of a collection of digital ventures including the flagship Togo RV owner companion app and the Roadtrippers road trip planner app. Roadpass Digital also continued development of *thl's* in-house fleet scheduling, booking and management software, Cosmos, as well as its in-house telematics platform.

In March 2020, *thl* commenced a managed exit from Roadpass Digital in favour of a digital strategy focusing on Australasia which was more closely aligned with *thl's* core RV rentals businesses. The exit included *thl* retaining certain rights to the Cosmos and Telematics platforms (explained further below), and a remaining interest in Roadpass Digital, for which Thor Industries Inc. holds an option to acquire for approximately US$20M. In March 2022, *thl* entered into an agreement to sell its remaining interest in Togo Group.

We have set out below *thl's* key digital assets:

- *thl*'s Digital division includes the following:
  - *Cosmos* – In house development of *thl*'s fleet management, scheduling and booking system currently in use by the rental business in New Zealand and Australia. Development of Cosmos is continuing and looking to expand to the USA in FY23. Cosmos provides benefits to the business through improved utilisation, efficiencies in fleet management and a better customer booking experience.

- *Telematics* – In-house development of *thl*'s telematics product, a method of monitoring vehicles and other assets through the use of GPS technology and on-board diagnostics, which is currently in use by the Rental business in New Zealand and Australia.

- *Triptech* – Triptech is an Australian based travel technology company providing data, insight and applications to the travel industry in New Zealand and Australia. Triptech has developed, and manages, *thl's* road-trip application that the New Zealand and Australian Rental Divisions use to interface with its customers. During FY22, *thl* increased their interest from 60% to 100%.

5.7 Financial information

5.7.1 Financial Performance

The table below illustrates the company's audited consolidated statements of comprehensive income for the last four financial years.

Consolidated statements of financial performance	FY19	FY20	FY21	FY22
NZ$ '000	Audited	Audited	Audited	Audited
Rental Revenue	197,210	180,797	95,840	96,701
Service Revenue	94,989	76,640	34,193	22,185
Sale of goods	130,805	143,493	229,140	226,864
Other income	141	3,080	6,460	10,760
Total Revenue	**423,145**	**404,010**	**365,633**	**356,510**
Cost of Sales	(114,373)	(125,502)	(186,033)	(150,785)
Gross Profit	**308,772**	**278,508**	**179,600**	**205,725**
Gross Margin (%)	*73.0%*	*68.9%*	*49.1%*	*57.7%*
Administration Expenses	(49,469)	(44,212)	(37,861)	(51,369)
Operating Expenses	(144,518)	(122,552)	(101,303)	(100,917)
EBITDA	**114,786**	**111,745**	**40,436**	**53,440**
EBITDA Margin (%)	*27.1%*	*27.7%*	*11.1%*	*15.0%*
Depreciation	(51,545)	(61,973)	(47,530)	(44,706)
Amortisation	(1,097)	(1,160)	(1,167)	(1,850)
EBIT	**62,144**	**48,612**	**(8,261)**	**6,884**
EBIT Margin (%)	*14.7%*	*12.0%*	*(2.3%)*	*1.9%*
Net finance cost	(11,202)	(12,942)	(10,847)	(10,719)
Profit / (loss) from associates & joint ventures	(11,048)	(9,527)	736	1,105
Profit / (loss) before tax	**39,894**	**26,143**	**(18,372)**	**(2,730)**
Income tax benefit / (expense)	(10,140)	1,214	3,858	612
Profit / (loss) for the year	**29,754**	**27,357**	**(14,514)**	**(2,118)**
Other comprehensive income / (losses)				
Foreign current translation reserves movement (net of ta	(2,207)	(2,624)	(8,929)	14,952
Equity investment reserve movement (net of tax)	-	-	-	(954)
Cash flow hedge reserves movement (net of tax)	(3,645)	(2,212)	3,078	3,938
Total comprehensive profit / (loss) for the year	**23,902**	**22,521**	**(20,365)**	**15,817**
Key performance indicators				
Revenue Growth (%)	*(6.1)%*	*(4.5)%*	*(9.5)%*	*(2.5)%*
EBITDA growth (%)	*(14.3)%*	*(2.6)%*	*Nmf*	*Nmf*
EBIT Growth (%)	*(28.2)%*	*(21.8)%*	*Nmf*	*Nmf*
Return on funds employed (%)	*12.9%*	*9.8%*	*Nmf*	*1.9%*
Interest coverage ratio (x)	*5.5x*	*3.6x*	*-0.8x*	*0.6x*

Sources: thl Annual Reports.
Notes: (1): Return on funds employed is calculated as EBIT / Average Funds Employed (see section 4.4.2 for more information on Average Funds Employed); (2): Interest coverage ratio is calculated as EBIT / Finance Costs (i.e. interest expense)

In relation to the above, we note the following:

- Notwithstanding the revenue reduction in FY21 and FY22, the sale of goods, which is comprised of both new and ex-rental vehicles, saw a c. 75.2% increase from FY20 to FY21 and remained stable in FY22. This follows record volumes and prices of RV vehicles driven by global demand, in particular in the US which partially offset the drop in rental and service revenues.

- Cost of sales mostly includes the cost of goods sold which represents the net book value of ex-rental fleet vehicles sold and the purchase price of new vehicles, trade-ins and other retail goods sold. It also consists of vehicle selling expenses being the cost of third-party warranty and insurance providers as well as the associated costs incurred under claims. As depicted above, the cost of sales has materially increased by c. NZ$60.5 million from FY20 to FY21, a function of increasing RV sales volumes. Costs of sales fell in FY22 despite consistent revenue as a result of volume declines being off-set by record margins on sales.

- Operating expenses constitutes numerous different line items, with the two largest being employee benefits expenses and repairs and maintenance including damage repairs, each of which amounted to c. NZ$21.3 million and c. NZ$71.7 million respectively in FY22. Operating expenses have reduced in the last four years due to a material decline in the existing fleet as well as a general reduction of overhead costs.

- *thl's* depreciation expenses declined between FY20 and FY22, primarily as a result of the reduced fleet.

- The following table illustrates the COVID-19 related items in FY20, FY21 and FY22 as well as where they are recognised within the statement of comprehensive income.

COVID-19 related events Event	FY20 NZ$ 000's	FY21 NZ$ 000's	FY22 NZ$ 000's	Recognition in statement of comprehensive income
Wage subsidies received[1]	5,346	4,373	3,777	Netted off within operating expenses
Rent relief received	1,030	-	-	Other income
Increase in provision of doubtful debts	1,099	-	-	Operating expenses
Restructure and redundancy costs	557	-	-	Operating expenses
Impairment of right of use lease assets	130	-	-	Operating expenses
Impairment of goodwill attributed to Kiwi experience	3,126	-	-	Operating expenses
Strategic Tourism Assets Protection Programme funding	-	1,720	6	Other income
US PPP loan forgiveness	-	1,457	-	Other income
Australian Government Grants	-	-	145	Other income
Total	**11,288**	**7,550**	**3,928**	**n/a**

Sources: thl Annual Reports.
Note (1): Wage subsidies received include both Australian and New Zealand wage subsidies for FY21, with FY22 only including New Zealand

- *thl*'s EBIT margin has materially declined year on year from FY20 to FY21, down from c. 14.7% to c. (2.3%) with only a marginal improvement to 1.9% in FY22. A recovery throughout FY22 was hampered by extensive New Zealand and Australian lockdowns throughout 1H22 as well as a delayed reopening of international borders in New Zealand.

- Share of profit from associates in FY22 relates to *thl*'s investments in Just Go.

- The following illustrates a reconciliation between reported and underlying EBIT for *thl* over the last four years:

Reconciliation between reported and underlying EBIT A$m	FY19	FY20	FY21	FY22
Reported EBIT	**62.1**	**48.6**	**(8.3)**	**6.9**
Non-recurring items	-	2.4	(0.2)	(3.2)
Underlying EBIT	**62.1**	**51.0**	**(8.5)**	**3.7**

Sources: thl Annual Reports.

In relation to the non-recurring items listed above we note the following throughout FY22:

- A gain of $1.3 million on the sale of Togo class B shares;
- A $5.3 million gain (after tax) on the sale of mighway and SHAREaCAMPER;
- A gain of $2.3 million on loan forgiveness;
- $4.9 million (after tax) of transaction costs in relation to the proposed merger with Apollo; and
- Goodwill impairment of $0.7 million.

5.7.2 Financial Position

The table below illustrates the company's audited consolidated statements of financial position as at 30 June for the last four years.

Consolidated statements of financial position	30-Jun-19	30-Jun-20	30-Jun-21	30-Jun-22
NZ$ '000	Audited	Audited	Audited	Audited
Assets				
Cash and cash equivalents	8,837	35,514	38,087	38,816
Trade and other receivables	28,964	28,930	28,681	33,082
Inventories	56,219	68,487	57,455	67,290
Advance to joint venture	976	530	-	-
Assets classified as held for sale	-	-	-	333
Other current assets	231	3,114	581	6,254
Total current assets	**95,227**	**136,575**	**124,804**	**145,775**
Property, plant and equipment	407,016	359,717	273,072	311,831
Intangible assets	44,180	50,267	51,121	55,407
Derivative financial instruments	-	-	-	453
Financial asset recognised at fair value	-	21,382	20,835	5,630
Investment in joint ventures	51,106	10,224	-	-
Investment in associates	4,319	4,044	4,936	5,966
Advance to joint venture	625	125	-	-
Right-of-use assets	-	69,562	62,339	70,766
Deferred tax assets	-	1,656	957	-
Total non-current assets	**507,246**	**516,977**	**413,260**	**450,053**
Total assets	**602,473**	**653,552**	**538,064**	**595,828**
Liabilities				
Interest bearing loans and borrowings	46	-	125	-
Trade and other payables	47,489	37,001	25,263	31,913
Revenue in advance	25,544	12,192	13,087	26,046
Employee benefits	8,400	7,214	8,017	9,041
Lease Liabilities	-	7,304	8,787	9,898
Other current liabilities	4,975	5,774	3,935	15
Liabilities classified as held for sale		-	-	488
Total current liabilities	**86,454**	**69,485**	**59,214**	**78,019**
Interest bearing loans and borrowings	210,980	163,322	86,659	97,298
Derivative financial instruments	5,798	9,193	5,124	45
Deferred income tax liability	22,224	11,886	9,989	16,077
Lease Liabilities	-	74,567	64,479	72,721
Total non-current liabilities	**239,002**	**258,968**	**166,251**	**186,141**
Total liabilities	**325,456**	**328,453**	**225,465**	**264,160**
Net assets	**277,017**	**325,099**	**312,599**	**331,668**
Key performance indicators				
Units on issue at end of period (millions)	*127.8*	*146.8*	*149.9*	*150.9*
Net Funds employed (NZ$m) [1]	*480.1*	*497.7*	*366.2*	*367.2*
Debt / EBITDA (x) [2]	*1.8x*	*2.2x*	*4.0x*	*3.4x*
Gearing ratio (%) [3]	61.4%	*51.9%*	*40.5%*	*43.2%*

Sources: thl Annual Reports.
Notes: (1) Net Funds employed is calculated as (total assets – non-interest bearing liabilities – cash on hand); (2) Debt : EBITDA ratio is calculated as net debt / CY EBITDA; (3) Gearing ratio is calculated as net debt / total assets.

We note the following regarding *thl*'s financial position:

- Inventories include such items like raw materials, motorhomes held for sale, finished goods and provision for obsolescence. *thl's* c. NZ$11.0 million decrease in inventories from FY20 to FY21 was primarily driven by a marked decline in their motorhomes held for sale due to increased sales levels following heightened RV demand. The NZ$9.8 million increase in FY22 was primarily driven by an increase in raw materials as the Company prepared to ramp up production in FY23.

- *thl's* total property plant and equipment has declined materially since the onset of COVID-19 driven by increased sales levels of ex-rental motorhomes, with the majority of the reduction from New Zealand. However, it increased in FY22 attributable to an increase in motorhomes held. The following table illustrates the historical breakdown in *thl*'s total net property, plant and equipment:

THL Historical Net Property, Plant and Equipment	FY19	FY20	FY21	FY22
NZ$ '000	Audited	Audited	Audited	Audited
Motorhomes	359,034	323,278	238,092	272,142
Motor vehicles	698	771	865	764
Land and buildings	14,154	13,946	12,393	11,106
Other plant and equipment	6,413	5,722	7,103	6,971
Capital works in progress	26,717	16,000	14,619	20,848
Total Net Property, Plant and Equipment	**407,016**	**359,717**	**273,072**	**311,831**

Source: thl Annual Reports

- Intangible assets are comprised of the Road Bear RV brand within the US rentals operations which was purchased in December 2010; goodwill related to the Road Bear and El Monte business combinations, the Waitomo license and other licences.

- *thl's* investments in joint ventures has reduced from c. NZ$51.1 million as at 30 June 2019 to nil as at 30 June 2021. This decline was predominately a result of two separate transactions, *thl*'s exit from Togo Group and their buyout of Action Manufacturing.

- *thl* has seen a material reduction of c. NZ$143.7 million in their outstanding debt (excluding IFRS 16 lease liabilities) from FY19 to FY22, primarily driven by the substantial cash inflows following increased sales levels. *thl's* bank borrowings are comprised of multi-currency revolving cash advance facilities with Westpac and ANZ that saw applicable interest rates throughout FY22 of between 1.89% and 5.90% per annum. Additionally, *thl* recognised lease liabilities in FY20 for the first time in accordance with the adoption of the NZ IFRS 16 accounting standard. These leases predominately relate to *thl*'s premises in New Zealand, Australia and the United States and are recognised at fair value on the balance sheet. The following table illustrates *thl*'s borrowing movements over the last four years:

thl Borrowings	FY19	FY20	FY21	FY22
NZ$ '000	Audited	Audited	Audited	Audited
Current borrowings				
Other borrowings	46	-	125	-
Total current borrowings	**46**	**-**	**125**	**-**
Non-current borrowings				
Bank borrowings	210,979	163,322	84,460	97,298
Other borrowings	1	-	2,199	-
Total non-current borrowings	**210,980**	**163,322**	**86,659**	**97,298**
Cash and cash equivalents	(8,837)	(35,514)	(38,087)	(38,816)
THL net debt - excluding IFRS 16 lease liabilities	**202,189**	**127,808**	**48,697**	**58,482**
Current lease liabilities	-	7,304	8,787	9,898
Non-current lease liabilities	-	74,567	64,479	72,721
THL net debt - inclduing IFRS 16 lease liabilities	**202,189**	**209,679**	**121,963**	**141,101**

Source: thl Annual Reports.

In relation to the above, *thl* is also subject to a number of lending covenants. Certain covenants were amended in June and August 2021, with the amended agreement reflecting an increased committed facility of c. NZ$258 million. In addition, the amendment also included the following:

- A requirement for consent from *thl*'s banking partners for any distribution to shareholders during the term of the new facility;
- *thl*'s leverage ratio and interest coverage ratio will not be used as a primary covenant test until September 2022, however other existing covenants (i.e. equity ratio and guaranteeing group ratio) remain applicable; and,
- New covenants relating to minimum shareholder funds and a cumulative EBITDA requirement (tested quarterly) have also been added. Note, if the EBITDA target is not achieved, leverage ratio covenants applies.

5.7.3 Cash Flow Statement

The company's cash flow statements for the last four financial years are set out below.

Consolidated statements of cash flow	FY19	FY20	FY21	FY22
NZ$ '000	Audited	Audited	Audited	Audited
Cash flows from operating activities				
Receipts from customers	298,998	248,752	150,534	128,337
Proceeds from sale of goods	130,805	143,493	222,265	227,289
Proceeds from insurance recoveries	-	-	1,826	133
Interest recieved	87	212	41	17
Dividend recieved	-	-	869	807
Payments to suppliers and employees	(224,119)	(193,510)	(159,783)	(199,077)
Purchase of rental assets	(176,075)	(108,790)	(119,922)	(164,465)
Interest paid	(11,134)	(13,584)	(10,878)	(10,471)
Taxation recieved / (paid)	(8,361)	(7,484)	2,024	(4,189)
Net cash inflow from/(used in) operating activities	**10,201**	**69,089**	**86,976**	**(21,619)**
Cash flows from investing activities				
Sale of property, plant and equipment	8	126	110	175
Purchase of property, plant and equipment	(3,884)	(4,125)	(1,199)	(2,930)
Sale proceeds from Togo class B shares	-	-	-	23,145
Advance to joint ventures	(1,500)	(11,945)	-	-
Receipt from joint ventures	751	1,000	353	-
Purchase of intangibles	(407)	(432)	(4,113)	(4,606)
Dividends recieved from associate and joint ventures	-	-	-	-
Investments in associates and joint ventures	(9,589)	-	-	-
Net cash paid as part of the step acqusition of Outdoria	-	-	(374)	-
Net cash recieved as part of the step acqusition of AMLP	-	-	4,631	-
Net cash outflow from(used in) investing activities	**(14,621)**	**(15,376)**	**(592)**	**15,784**
Cash flow from financing activities				
Payment for lease liability principal	-	(6,442)	(7,732)	(9,611)
Net proceed from borrowings	(1,677)	(52,788)	(74,567)	12,899
Dividends paid	(29,429)	(17,373)	-	-
Proceeds from share issue	30,798	49,280	304	193
Net cash (outflow) / inflow from financing activities	**(308)**	**(27,323)**	**(81,995)**	**3,481**
Net increase / (decrease) in cash and cash equivalents	**(4,728)**	**26,390**	**4,389**	**(2,354)**
Cash and cash equivalents at the beginning of the financial year	13,534	8,837	35,514	38,087
Exchange gains / (losses) on cash and cash equivalents	31	287	(1,816)	3,083
Cash and cash equivalents at year end	**8,837**	**35,514**	**38,087**	**38,816**

Source: thl Annual Reports.

We note the following in relation to *thl*'s cash flow statements:

- Net cash outflows from operating activities were incurred in FY22 as *thl* increased their purchase of rental assets and increased payments to suppliers and employees. This compares to prior years where net inflows were generated due to a simultaneous increase in the sale of goods as well as a material decline in payments to suppliers and employees resulting from decreased manufacturing, rental and service operations.
- In FY19, *thl* paid a total dividend of c. NZ$33.4 million. Throughout FY20 however, *thl* paid no interim or final dividend as a result of the pandemic and its associated uncertainty, and this has continued into

FY22. We note that there is currently no recommendation or declaration of any upcoming dividends with *thl* considering it unlikely to pay a dividend in FY23.

- In FY22 *thl* received a NZ$23.1 million cash inflow as a result of the sale of the Togo Group Class B shares held.

- *thl's* gross capital expenditure noticeably declined in FY20 and FY21 following the onset of COVID-19, primarily due to the intention to right size the fleet over the same period. In FY22 gross capital expenditure increased as a result of significant fleet purchases for the Australia and United States markets, however this was offset by continued fleet sales in New Zealand. This resulted in a net withdrawal of approximately NZ$5 million in the fleet in FY22. Net capital expenditure in FY23 is expected to be approximately NZ$120 million depending on market conditions and fleet availability with the company expected to re-fleet significantly in the near future depending on the rate of return of international tourism.

5.8 Share capital structure

As at the date of this report, *thl* has the following securities on issue:

- 156,080,321[96] *thl* Shares (including shares issued as part of Just Go Acquisition).

- 6,598,667 long term incentive options.

- 1,212,745 retention share options.

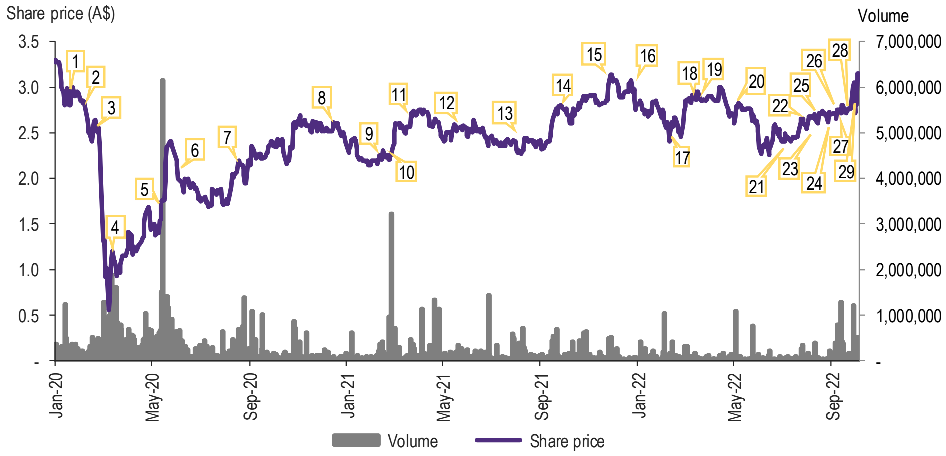
- 374,489 retention share rights.

5.8.1 Share price and market analysis

Our analysis of the daily movements in *thl*'s trading price and volume for the period from January 2020 to September 2022 is set out below. We note that *thl*'s most recent closing share price as at 20 October 2022 was NZ$3.15.

[96] ASX Announcement.

Historical share price and volume for *thl* *Source: S&P Global, GTCF analysis*



The following table describes the key events which may have impacted the share price and volume movements recently as shown above.

Event	Date	Comments
1	Feb-20	*thl* released a market update that decreased its FY20 NPAT expectations to NZ$24 million in the context of the following significant and uncertain events facing the tourism industry: - USA vehicles sales weakness; - Australian bush fire cancellations and forward booking reductions; and, - Forecast reduction in Chinese inbound consumers over the next couple of months due to Coronavirus containment measures.
2	Feb-20	*thl* released its half-yearly report for the period ending 31 December 2019: - Revenues from ordinary activities were reported as NZ$270 million, level with the prior corresponding period's NZ$270 million - NPAT was reported as c. NZ$13.1 million, down 25% from the prior corresponding period's NZ$17.5 million. - Net assets was reported as c. NZ$314.9 million, up 13.8% from the prior corresponding period's c. NZ$277.0 million position.
3	Feb-20	In late February and into early March, the NZX decreased by over 30% due to investor panic surrounding the outbreak of COVID-19. This event was felt at all levels of the economy and widespread mandatory isolation across both the North and South Island in New Zealand. Throughout this period, the Company released three separate trading updates, the first of which (12 March 2020) discussed the US's closure of borders from Europe, the second of which (13 March 2020) disclosed that *thl* would withdraw its previous FY20 guidance and the last (20 March 2020) cancelled the FY20 interim dividend of NZ$0.10 per share.
4	Apr-20	*thl* announced that it had entered into an agreement to undertake a managed exit from its technology joint venture, Togo. The agreement involved: - *thl* retaining all rights to assets in Togo Fleet, Mighway in New Zealand / Australia and Togo Insights; - A c. US$6 million payment from Thor Industries (Togo's other JV partner); - *thl* having no obligation to provide further investment into Togo; - Thor having a four year option to purchase *thl*'s remaining interest in Togo for c. US$20 million; and, - Togo making a fixed annual dividend payment to *thl* for approximately US$0.6 million for a maximum four year period.
5	May-20	*thl* advised that it had commenced a consultation process across parts of its New Zealand business, with the intention of matching crew numbers to current activity levels and expectation for the coming months. Additionally, *thl* disclosed that the US business had made staffing changes in April whilst the Australian business utilised the six-month JobKeeper subsidy. Finally, it was approximated that c. 140 New Zealand employees in the Waitomo, Kiwi experience and group support divisions would be impacted as a result of the consultation process.
6	June-20	*thl* provided a further update on the business including its funding arrangements and expectations for FY20. *thl* had been in discussions with its banking partners regarding ongoing funding arrangements and had entered into a binding term sheet to reflect new covenants and terms. As a result of these discussions,

Event	Date	Comments
		commitments had been provided to *thl* of debt funding approximating to c. NZ$225 million, consisting of a number of tranches maturing between September 2021 and July 2022.
7	Sep-20	*thl* released its annual report for the period ending 30 June 2020: - Revenues from ordinary activities were reported as NZ$401 million, down c. 5% from the prior corresponding period's NZ$423 million - NPAT was reported as c. NZ$27.4 million, down 8% from the prior corresponding period's NZ$29.8 million. - Net assets was reported as c. NZ$325.1 million, up 3.2% from the prior corresponding period's c. NZ$314.9 million.
8	Dec-20	*thl* provided a general update on its performance and expectations for FY21, where management stated that based on current expectations the loss for FY21 is expected to be greater than the average of the results projected by market analysts, of c. NZ$(12.8) million.
9	Feb-21	*thl* released its half-yearly report for the period ending 31 December 2020: - Revenues from ordinary activities were reported as NZ$205.8 million, down c. 1% from the prior corresponding period's NZ$207.5 million - NPAT was reported as c. NZ$(1.7) million, compared to the prior corresponding period's NZ$13.1 million. - Net assets was reported as c. NZ$311.5 million, down 4.2% from the prior corresponding period's c. NZ$325.1 million.
10	Feb-21	*thl* advised that it had entered into an agreement to acquire the remaining 50% interest in Action Manufacturing from its JV partner, Grant Brady. Action is Australasia's leading quality vehicle specialiser, with a team of 150 individuals across three factories in New Zealand. The acquisition had a purchase price of c. NZ$9 million, comprising of c. NZ$7.5 million through the issuance of *thl* shares and the remaining c. NZ$1.5 million as cash.
11	Apr-21	*thl* provided a general update on its performance and expectations for the financial year ending 30 June 2021. Within the announcement, *thl* improved its outlook from a loss of c. NZ$(12.8) million to somewhere between c. NZ$(14.0) million to c. NZ$(18.0) million. Additionally, *thl* announced that its pro-forma net debt as at 30 June 2021 would be around c. NZ$90 million.
12	Jun-21	*thl* provided a further update on its performance, whereby the company expected FY21 losses would be on the lower end of the spectrum towards c. NZ$14 million. Further, net debt as at 30 June 2021 was expected to be c. NZ$50 million (previous guidance was that net debt would not exceed c. NZ$90 million). This variance was largely attributable to a payment for new vehicles in the US being delayed into early FY22, as well as vehicle sales exceeding earlier expectations.
13	Aug-21	*thl* released its annual report for the period ending 30 June 2021: - Revenues from ordinary activities were reported as NZ$359 million, down c. 10% from the prior corresponding period's NZ$401 million - NPAT was reported as c. NZ$(14.5) million, compared to the prior corresponding period's NZ$27.4 million. - Net assets was reported as c. NZ$312.6 million, up c. 0.3% from the prior corresponding period's c. NZ$311.5 million.
14	Oct-21	*thl* announced that it had entered into an agreement to sell Mighway and SHAREaCAMPER to Camplify Holdings for a purchase price of c. A$7.4 million, whereby CHL will issue fully paid ordinary shares to *thl*. This was then amended in a later announcement whereby the parties agreed to vary the agreement to the effect that the acquisition becomes conditional on Camplify obtaining any competition approvals required in respect of the transaction.
15	Dec-21	The proposed Scheme between *thl* and ATL was announced. Market update also provided.
16	Jan-22	*thl* advised that Action Manufacturing had entered into a conditional agreement to purchase the business and assets of MaxiTRANS in New Zealand from Australia Trailer Solutions Group New Zealand Ltd. The purchase price offered was c. NZ$5.7 million and reflects the net asset value of the business.
17	Feb-22	*thl* released its half year results for the period ending 31 December 2021: - Total revenue of NZ$174.9 million was reported, down NZ$30.9 million on the prior corresponding period - Statutory net loss after tax of $4.4 million, increased from a loss of NZ$.18 million on the prior corresponding period - Headroom of NZ$232 million based on net debt of NZ$18.7 million
18	Mar-22	*thl* advised it has agreed to an extension for NZCC's decision on the clearance application with respect to the merger until April 2022. The ACCC findings have also been delayed until 28 April 2022. *thl* advises that it has sold its minority shareholding interest in TH2connect (trading as Roadpass Digital). The sale was to *thl*'s joint venture partner, THOR Industries, for approximately NZ$23.9 million and represents a one-off gain on sale of approximately NZ$1.6 million against the carrying value of the shareholding.

Event	Date	Comments
		NZCC approval received for the sale of thl's Mighway and SHAREaCAMPER businesses to Camplify. The sale subsequently completed in May 2022.
19	Apr-22	ACCC and NZCC provide an update on the clearance application with respect to the ATL and *thl* merger with both parties requiring further time. *thl* advised they will continue to work with the ACCC and NZCC in relation to enquiries and issues identified.

20	May-22	*thl* releases a market update and FY22 Guidance:
		- Statutory Net Loss after tax for FY22 will be in the range of NZ$2 million to NZ$4 million. The statutory result will include a number of one-off items:
		  ○ Gain on sale of Mighway and ShareACamper of NZ$6.2 million
		  ○ Gain on sale of shares in Roadpass Digital of NZ$1.6 million
		  ○ Expected FY22 transaction costs relating to the proposed merger of NZ$5.1 million
		- Net capital expenditure for FY22 is expected to be positive but below the earlier guidance range due to delays in vehicle deliveries from Q4 FY22 into Q1 FY23.
		- Net debt as at 30 June 2022 is expected to be in the range of NZ$85 million to NZ$95 million.

21	Jul-22	*thl* updates the market on the merger clearance process advising: - *thl* and ATL have commenced discussions with the NZCC and ACCC seeking merger clearance on the basis that the merged entity divests certain assets, being a number of 4 and 6 berth motorhomes in both Australia and New Zealand; the premium Star RV brand; a portion of associated forward bookings; and surplus property leases. - *thl* has entered into exclusive negotiations with Next Capital to sell the proposed divestment assets in New Zealand and Australia to Jucy Rentals. - Discussions with the NZCC and ACCC are ongoing and no definitive agreement has been reached. NZCC announced it will undertake a public consultation process with a final decision on the merger expected by 2 August 2022. *thl* subsequently advised that it agreed with ATL to amend the Scheme Implementation Deed, extending the final date for satisfaction or waiver of all conditions precedent to the scheme to 15 October 2022.
22	Aug-22	*thl* released its annual report for the period ending 30 June 2022: - Underlying Net Loss after tax of NZ$5.4 million, an improvement of NZ$8.9 million on the prior corresponding period - Total revenue of NZ$345.8 million, down 4% on FY21 due to reduced rental revenue - Net debt of NZ$58.5 million at 30 June 2022, resulting an headroom in debt facilities of c.NZ$200 million - *thl* currently expects that net profit after tax of between NZ$17.0 million and $30.2 million in FY23.
23	Sept-22	*thl* announces they have entered into a Deed of Variation with *thl* to effect the Scheme Implementation Deed. The key variations are: - A change in the merger ratio so that one ordinary *thl* share will be issued for every 3.210987 ATL ordinary shares. This will result in ATL shareholders owning c. 27.0% of *thl* shares as at the Deed of Variation date excluding ATL share held by *thl* and including *thl* Shares issued as a result of the Just Go Acquisition - An extension of the final date to satisfy or waive all conditions precedent to 9 December 2022; and - The inclusion of the divestment of certain assets to Jucy Rentals. Further details on the proposed divestment to Jucy Rentals were also provided and it was announced that NZCC has approved the merger subject to the undertaking to divest assets as agreed with Jucy Rentals.
24	Sept-22	*thl* and ATL released that they have entered into an agreement to sell particular ATL assets to Jucy Group (2022) for NZ$45 million. Some key assets proposed are: - 310, 4-6 berth rental motorhomes in both New Zealand and Australia - ATL's brand, Star RV motorhome In addition, the merged group between *thl* and ATL will aid Jucy in transitional services.
25	Sept-22	*thl* advises that NZCC provided clearance for the proposed merger with ATL
26	Sept-22	*thl* advises that ACCC provided clearance for the proposed merger with ATL
27	Oct-22	*thl* announced that it acquired the remaining 51% of Just Go for a purchase price of £5,355,000. The purchase price consisted of a cash payment totalling, £1,350,000 and new ordinary *thl* shares in the value of £4,005,000 was satisfied.
28	Oct-22	*thl* announced that the Australian Foreign Investment Review Board has confirmed there is no objection to the proposed merger of ATL and *thl.*
29	Oct-22	*thl* announced a guidance update for the 30 June 2023 financial year. The update outlined the following: - NPAT is anticipated to hit above NZ$30 million for the FY23 period. - A greater certainty on forward rental revenues is anticipated for the FY23 summer period. - Demand and rental yields have already exceeded prior expectations for the upcoming FY23 summer period.

Source: thl announcements, GTCF analysis

The monthly share price performance of *thl* since September 2021 and the weekly share price performance of *thl* over the last 16 weeks is summarised below:

Tourism Holdings Limited	Share Price			Average
	High	Low	Close	weekly volume
	$	$	$	000'
Month ended				
Sep 2021	2.590	2.310	2.590	437
Oct 2021	2.800	2.500	2.750	787
Nov 2021	2.930	2.680	2.810	640
Dec 2021	3.140	2.730	2.950	528
Jan 2022	3.080	2.610	2.720	357
Feb 2022	2.890	2.350	2.620	728
Mar 2022	2.950	2.460	2.860	431
Apr 2022	3.010	2.790	3.000	230
May 2022	3.000	2.600	2.750	546
Jun 2022	2.770	2.220	2.320	473
Jul 2022	2.600	2.320	2.460	162
Aug 2022	2.720	2.400	2.720	435
Sep 2022	2.820	2.610	2.800	1,226
Week ended				
17 Jun 2022	2.680	2.340	2.340	466
24 Jun 2022	2.390	2.220	2.340	208
1 Jul 2022	2.460	2.220	2.340	423
8 Jul 2022	2.590	2.350	2.550	128
15 Jul 2022	2.600	2.400	2.400	170
22 Jul 2022	2.500	2.400	2.450	175
29 Jul 2022	2.470	2.350	2.460	183
5 Aug 2022	2.520	2.400	2.520	200
12 Aug 2022	2.670	2.530	2.600	771
19 Aug 2022	2.700	2.520	2.680	349
26 Aug 2022	2.720	2.630	2.700	510
2 Sep 2022	2.740	2.580	2.700	219
9 Sep 2022	2.740	2.620	2.700	131
16 Sep 2022	2.730	2.620	2.700	446
23 Sep 2022	2.750	2.650	2.750	1,269
30 Sep 2022	2.820	2.660	2.800	3,497

Source: S&P Global, GTCF analysis
Note: The share price analysis is based on 3 October 2022.

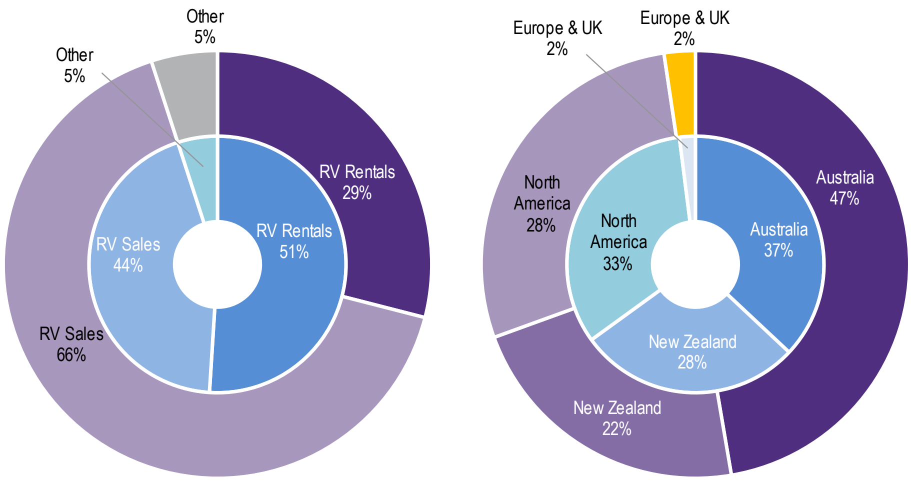
We have also considered *thl*'s recent trading prices for the purpose of our valuation of *thl*. Refer to Section 9.3 for further details and analysis on the trading price of the company.

6 Profile of the Merged Group

6.1 Overview of the Merged Group

The graphs below provide an illustration of the Merged Group by both geography and segments for both FY19 and FY22. The FY19 revenue circles (inner ones) represent a pre-pandemic operating environment whilst the FY22 reflects a COVID-19 impacted environment:

Revenue composition by division and geography



Source: Management
Note (1): thl revenue excludes earnings of joint ventures Just Go and Togo Group (the latter of which was exited in 2020).
Note (2): Merged Group metrics have been currency converted at an average exchange rate of 0.9383 and 0.9340 NZ$:A$ in FY19 and FY22 respectively.
Note (3): The figures calculated above were before the divestment of assets as proposed in the Divestment.

If the Scheme is completed, the Merged Group will have the following characteristics:

- A materially larger, more diversified business that will benefit from enhanced economies of scale, significant costs synergies and greater business resilience.
- Increased operations and presence in RV rentals within Australia, New Zealand, North America, Europe and the UK.
- Significant anticipated cost synergies derived from the duplication of corporate costs and procurement benefits as well as fleet rationalisation opportunities expected due to the ability of the Merged Group to service rental operations on a smaller, more optimised fleet base.
- The Merged Group is expected to be in a materially better financial position than either company on a standalone basis, with both sets of management believing that the merger will likely result in a faster recovery from COVID-19, improved ability to weather any ongoing effects from the pandemic and capability to take advantage of near-term growth opportunities.
- A large-scale business with enhanced capacity to access the equity markets and to fund investments.

6.1.1 Divestment

In accordance with the competition clearance provided by the ACCC and NZCC, ATL and *thl* have entered into deeds of undertaking with the NZCC and ACCC in respect of the proposed Divestment. In relation to the Divestment, ATL and *thl* have entered into the Jucy SPA with a subsidiary of Jucy to sell the following Divestment Assets for an indicative purchase price of NZ$45 million:

- 110 4-6 berth rental motorhomes in New Zealand and 200 4-6 berth rental motorhomes in Australia;
- a proportion of the forward bookings associated with the fleet being divested;
- ATL's Star RV motorhome brand; and
- the property leases for surplus ATL rental depots in Auckland, Perth, Alice Springs, Darwin and Hobart.

The Divestment will negatively affect the performance of the Merged Group due to the reduction of c. 310 motorhomes in total across Australia and New Zealand. This will reduce the number of hire days due to operating a smaller rental fleet, and result in a slight reduction in average yield for 4-6 berth motorhomes, which have slightly higher retail prices than the weighted average fleet rental rate (which includes smaller vehicles).

There will be a one-off cash benefit of c. A$17.0 million from the sale of the motorhomes due to net proceeds of c. A$42.3 million less repayment of borrowings of A$25.3 million. The sales price on the motor vehicles is in line with retail prices.

6.2 Board of Directors and Management Team

The Merged Group will be governed by a transitionary board of six Independent Directors, one Executive Director and one Managing Director, comprising the existing *thl* board as well as three current Directors from the ATL board. In addition, Grant Webster (current CEO of *thl)* will join as Managing Director and Luke Trouchet (current Managing Director of ATL) will join as Executive Director – M&A and Global Transactions. The current Executive structure of the Merged Group is under current review with the remaining Executive structure to be implemented after a transitional period.

6.3 Pro-forma statement of comprehensive income

The pro forma statement of comprehensive income of the Merged Group before synergies prepared by the company is set out below. We note that Grant Thornton Corporate Finance has not reviewed the pro-forma statement of comprehensive income.

Grant Thornton

Consolidated FY22 statement of comprehensive income NZ$m	THL	ATL[1]	Notes	Scheme Adjustments	Acquistion Adjustments	Merged Group
Sales of services	118.9	67.7		-	8.6	195.2
Sales of goods	226.9	214.6	*1*	-	2.7	444.2
Total revenue	**345.8**	**282.3**		**-**	**11.4**	**639.5**
Cost of sales	(150.8)	(176.4)	*1*	-	(4.9)	(332.1)
Gross profit	**195.0**	**105.9**		**-**	**6.5**	**307.4**
Administration expenses	(51.4)	(15.8)	*2, 1*	(6.0)	(3.4)	(76.6)
Operating expenses	(147.5)	(88.6)	*1*	-	-	(236.0)
Other income	10.8	1.2	*1*	-	23.4	35.4
Operating (loss) /profit before financing costs	**6.9**	**2.8**		**(6.0)**	**26.5**	**30.1**
Net finance costs	(10.7)	(10.5)	*1*	-	(0.3)	(21.5)
Share of profit / (loss) from associates and joint ventures	1.1	-		-	(1.1)	0.0
(Loss) / profit before tax	**(2.7)**	**(7.8)**		**(6.0)**	**25.1**	**8.6**
Income tax benefit	0.6	2.7		-	(7.7)	(4.4)
(Loss) / Profit for the year	**(2.1)**	**(5.0)**		**(6.0)**	**17.4**	**4.2**

Source: Scheme Booklet, GTCF analysis
Note (1): All ATL figures are adjusted, translated and reclassified to fit thl's statement of comprehensive income

With regards to the above, we note the following:

Note 1 – Throughout the FY21 financial year *thl* acquired the remaining c. 50% interest in AMLP, a business that manufactures motorhomes for the business' New Zealand and Australian operations as well as other specialty vehicles for external customers. A pro-forma adjustment has been included to reflect the impact of this acquisition as if it occurred from 1 July 2020. The adjustments also include the elimination of the impact of intercompany trading between *thl* and AMLP.

Note 2 – For the purposes of these pro-forma accounts, it has been assumed that ATL and *thl* will collectively incur transaction and advisor costs of c. NZ$9.1 million. The actual transaction costs that will be incurred may differ. These costs have been reflected within the Scheme adjustments as an increase in administration expenses in the pro-forma unaudited statement of comprehensive income and a reduction in cash and retained earnings in the pro forma unaudited statement of financial position.

6.3.1 Synergies

- Refer to our discussion in the Executive Summary and in section 9 for details.

6.4 Pro-forma balance sheet

The pro forma balance sheet of the Merged Group prepared by the company is set out below. We note that Grant Thornton Corporate Finance has not reviewed the pro-forma balance sheet.

Consolidated FY22 Balance Sheet NZ$m	THL	ATL[1]	Notes	Scheme Adjustments	Acquisition Adjustments	Merged Group
Assets						
Cash and cash equivalents	38.8	40.3	*1*	(6.0)	57.2	130.4
Trade and receivables and other assets	33.1	13.7	*2*	(0.4)	2.6	48.9
Inventories	67.3	59.6		-	0.9	127.8
Property, plant and equipment	311.8	147.2	*3*	-	(58.0)	401.0
Right-of use assets Fleet	-	64.0		-	-	64.0
Right-of use assets Property	70.8	22.9		-	23.6	117.3
Intangible assets (including goodwill)	55.4	25.5	*4,5*	133.7	-	214.6
Investments in/advances to associates and JVs	6.0	-		-	(6.0)	-
Investments accounted for using the equity method	-	2.8		-	-	2.8
Other assets	12.7	13.2	*5*	(7.9)	(2.7)	15.3
Total assets	**595.8**	**389.0**		**119.4**	**17.6**	**1,222.0**
Liabilities						
Interest bearing loans and borrowings	97.3	186.1		-	(43.9)	239.3
Trade and other payables	31.9	19.0		-	3.1	54.0
Revenue in advance	26.0	27.0		-	(0.3)	52.7
Lease liabilities	82.6	83.2		-	35.2	200.9
Other liabilities	26.2	35.5	*5*	4.6	6.3	72.7
Total liabilities	**264.2**	**350.7**		**4.6**	**0.4**	**619.7**
Net Assets	**331.6**	**38.3**				**602.3**

Source: Management
Note (1): ATL figures are adjusted, translated and reclassified to fit thl's balance sheet.

With regards to the above, we note the following:

Note 1 – Refer to note 2 in section 6.3.

Note 2 – *thl* acquired shares in ATL in the periods prior to FY21 and held c. 898,000 as at 30 June 2022. This has been reflected in the pro-forma unaudited statement of financial position as an adjustment to the 'trade and other receivables' asset and share capital based on the market value of ATL share as at 30 June 2022.

Note 3 – Refer to note 1 in section 6.3.

Note 4 – The Scheme is expected to be accounted for as a business combination using the acquisition method of accounting as prescribed in NZ IFRS 3 Business Combinations, under New Zealand GAAP. *thl* is expected to record the assets acquired, including identifiable intangible assets, and the liabilities assumed from ATL at their respective estimated fair values at the date of the implementation of the Scheme. Any excess of the purchase price over the net fair value of such assets and liabilities will be recorded as goodwill. For the purpose of the Merged Group's pro-forma financial information, the fair value of ATL's identifiable assets acquired, and liabilities assumed, have been presented on a provisional basis at book value.

Note 5 – As at 30 June 2022, ATL recognised the following deferred tax assets in its consolidated financial statements:

- Australian tax losses: A$9,400,000

- European tax losses: A$100,000

Work will be undertaken post the Scheme to determine what amount (if any) of these tax losses can be carried forward and utilised in the future by the merged entity. A pro-forma adjustment has been made to reduce to nil the tax benefit on the Australian tax losses.

6.4.1 Net debt position

The pro-forma net debt of the Merged Group would approximate to c. NZ$162 million[97], excluding IFRS 16 lease liabilities, as at 30 June 2022. The following table illustrates the pro-forma net debt position of the Merged Group:

Net Debt - 30 June 2022 NZ$m	THL	ATL	Adjustments	Merged Group
Interest bearing loans and borrowings	97	186	(44)	239
Lease Liabilities	83	83	35	201
Total borrowings excluding AASB-16 liabilities	**180**	**268**	**(9)**	**440**
Less: AASB-16 Property *thl*	(83)		-	(83)
Less: AASB-16 Property ATL		(45)	-	(45)
Less: Cash balance as at 30 June 2022[1]	(39)	(40)	(49)	(128)
Total Net Debt as at 30 June 2022- Pre AASB-16	**59**	**183**	**(57)**	**185**
NZ$ to A$ exchange rate as per the GT Model	0.900	0.900	0.900	0.900
Total Net Debt as at 30 June 2022- Pre AASB-16 (A$m)	**53**	**165**	**(52)**	**166**

Source: Management
Note (1): The cash balance of the Merged Group has been reduced by the cash consideration for the purchase of Just Go by thl.

With regard to the debt position of the Merged Group, we note the following:

- The transaction is subject to refinancing of the debt facilities of *thl* and / or the Merged Group with new or existing financiers with effect from the implementation of the scheme, and all consents and waivers being obtained from any continuing financiers of ATL.

- No additional debt is created because of the merger given the equity scrip consideration (after the impost of transaction related expenses). Moving forward, some form of debt reduction could potentially be achieved through fleet rationalisation in the short to medium term.

6.5 Dividend policy

Prior to being suspended due to the impact of COVID-19, *thl*'s dividend policy was a payout ratio of between c. 75% and c. 90% of NPAT. The Board of the Merged Group is to review the dividend policy by the announcement of the FY23 results in August of 2023. The current intention of the *thl* board is that dividends will recommence, most likely at a lower payout ratio than was paid prior to the COVID-19 pandemic, once the Merged Group returns to a sustainable level of profitability. The payment of future dividends (if any) by *thl* will be determined by the *thl* board from time to time at its discretion.

The review of the dividend policy will, among other matters, consider the follogwing:

[97] As at 31 October 2021.

- The equity ratio of the Merged Group;
- The availability of tax imputation and franking credits; and,
- The Merged Group's future growth capital requirements, including as it focuses on re-fleeting in the short run to take advantage of expected recovery and other tertiary opportunities.

Note however, there is no guarantee that a dividend will be paid or, if paid, paid at historical levels.

6.6 Shareholding

Set out below is the expected shareholding structure of the Merged Group:

Merged Group Capital Structure	No. of shares	Percentage
ATL Shares on issue	186,150,908	-
Less ATL Shares hold by *thl*	898,150	-
ATL Shares on issue adjusted	**185,252,758**	**-**
Conversion Ratio	3.210987	-
***thl* Share to be issued to ATL Shareholders**	**57,693,401**	**27%**
thl current shares on issue (including *thl* Shares issued as a result of the Just Go Acquisition)[1]	156,080,321	73%
Merged Group shares on issue	**213,773,722**	**100%**

Source: Management

Note: (1) The above table is calculated based on an undiluted basis

7 Valuation methodologies

7.1 Introduction

As part of assessing whether or not the Scheme is fair to the ATL Shareholders, Grant Thornton Corporate Finance has compared:

- The fair market value of Apollo Shares before the Scheme on a control basis.
- The fair market value of the Merged Group after the Scheme on a minority basis.

In each case, Grant Thornton Corporate Finance has assessed the value using the concept of fair market value. Fair market value is commonly defined as:

"the price that would be negotiated in an open and unrestricted market between a knowledgeable, willing but not anxious buyer and a knowledgeable, willing but not anxious seller acting at arm's length."

Fair market value excludes any special value. Special value is the value that may accrue to a particular purchaser. In a competitive bidding situation, potential purchasers may be prepared to pay part, or all, of the special value that they expect to realise from the acquisition to the seller.

We note, RG111 requires the fairness assessment to be made assuming 100% ownership of the target company and irrespective of whether the consideration offered is scrip or cash and without consideration of the percentage holding of the offeror or its associates in the target company.

7.2 Valuation methodologies

RG 111 outlines the appropriate methodologies that a valuer should generally consider when valuing assets or securities for the purposes of, amongst other things, approval of an issue of shares using item 7 of s611 of the Corporations Act, share buy-backs, selective capital reductions, schemes of arrangement, takeovers and prospectuses. These include:

- Discounted cash flow ("DCF") method and the estimated realisable value of any surplus assets.
- Application of earnings multiples to the estimated future maintainable earnings or cash flows of the entity, added to the estimated realisable value of any surplus assets.
- Amount available for distribution to security holders on an orderly realisation of assets.
- Quoted price for listed securities, when there is a liquid and active market.
- Any recent genuine offers received by the target for any business units or assets as a basis for valuation of those business units or assets.

Further details on these methodologies are set out in Appendix A to this report. Each of these methodologies is appropriate in certain circumstances.

RG111 does not prescribe the above methodologies as the method(s) that an expert should use in preparing their report. The decision as to which methodology to use lies with the expert based on the expert's skill and judgement and after considering the unique circumstances of the entity or asset being valued. In general, an expert would have regard to valuation theory, the accepted and most common market practice in valuing the entity or asset in question and the availability of relevant information.

7.3 Selected valuation methods

In our assessment of the fair market value of Apollo and the Merged Group, Grant Thornton Corporate Finance has relied on a number of valuation methodologies as outlined below:

- *DCF Method:* Grant Thornton Corporate Finance has had regard to the cash flow projections up to 30 June 2026 for Apollo and the Merged Group prepared by Apollo and *thl* Management and incorporated by their advisors in the Corporate Model. Grant Thornton Corporate Finance has incorporated these scenarios into the GT Model which we have used for the purpose of our valuation assessment. We have also extended the GT Model by three years to 30 June 2029 and calculated a terminal value at that point in time. In our opinion, the extended time frame in the GT Model allows the business to recover and return to normal operations post COVID-19, particularly with regard to the significant capital expenditures required over the next two years to rebuild the rental fleet which causes the free cash flows of ATL and Merged Group in FY26 to remain negative.

  We believe the DCF Method is an appropriate valuation methodology due to the following:

  - In spite of the recent underperformance between FY20 and FY22 associated COVID-19, both Apollo and *thl* have long histories of profitability.
  - Governments around the world have lifted COVID-19 restrictions regarding travelling and hence allowing the tourism economy to commence a recovery phase.
  - Capital expenditure requirements, which are key to the business operations, can be modelled in a robust way.
  - It allows for different sensitivities and assumptions to be modelled, including fleet size and utilisation rates.
  - The DCF Method is one of the most commonly used methodologies for valuing tourism companies.

- *EBIT Multiple Method:* We have cross-checked our valuation assessment based on the DCF having regard to the EBIT Multiple and the Quoted Security Price Method.

8 Valuation assessment of Apollo before the Scheme

8.1 DCF Method

The table below sets out a summary of our valuation assessment of Apollo before the Scheme based on the DCF Method:

ATL Valuation summary A$'000	Section Reference	Low	High
Enterprise value on a control basis	***8.1***	**285,365**	**329,046**
Investment in Camplify	*8.1.2*	10,085	12,499
Less: Net debt as at 30 June 22	*8.1.3*	(165,982)	(165,982)
Equity value (control basis)		**129,468**	**175,563**
Number of outstanding shares ('000s) (fully diluted)	*8.1.4*	186,151	186,151
Value per share (control basis) (A$ per share)		**0.696**	**0.943**

Source: ATL Management; GTCF analysis

8.1.1 GT Model - Key valuation assumptions

For the purpose of our valuation assessment of Apollo before the Scheme, Grant Thornton Corporate Finance has developed the GT Model based on the Corporate Model prepared by the Management of ATL. We consider the Corporate Model suitable to be used as a base for our valuation assessment, however it presents certain limitations in relation to the following:

- *Modelling of the recovery profile post COVID-19* – The Corporate Model does not allow us to sensitise the timing and extent of the COVID-19 recovery profile as this is modelled via several interdependent and interlinking assumptions including fleet growth, utilisation rates, average yields, fleet turnover, overheads and capital expenditure. Whilst this is a critical assumption in the valuation assessment of ATL, given the scrip nature of the Scheme Consideration and the overlap in operations between Apollo and *thl*, any change to the assumed COVID-19 recovery profile would have a substantial corresponding effect on both the value of Apollo Shares and the value of the Scheme Consideration. Furthermore, the industry's recovery profile adopted in the Corporate Model is substantially consistent with investment analysts.

- *Synergies* – The timing and quantum of Synergies are reflected in the Corporate Model through adjustments to the key assumptions. These are complex and relatively difficult to adjust. However, the independent review, commissioned by the Company, of the Synergies assessed by Management provides strong support to adopt them in the GT Model.

Notwithstanding the above, we have reflected the risks underlying the forecast in our assessment of the discount rate rather than via a scenario analysis approach and we have extended the discrete forecast period in the model by three years to FY29 to allow us to normalise certain assumptions and for the business to reach a steady state of financial performance.

We have adopted 1 July 2022 as the starting point of the discrete period forecast cash flows in the GT Model in conjunction with the audited balance sheet as at 30 June 2022. The Corporate Model is prepared on a nominal and pre-AASB16 basis.

Whilst Grant Thornton Corporate Finance believes that the assumptions underlying the GT Model are reasonable and appropriate to be adopted for the purpose of our valuation, in accordance with the requirements of RG111, we have not disclosed them in our IER as they contain commercially sensitive information and they do not meet the requirements for presentation of prospective financial information as set out in ASIC Regulatory Guide 170 “Prospective Financial Information”.

In accordance with the requirement of RG 111, we have undertaken a critical analysis of the projections before integrating them into the GT Model and relying on them for the purpose of our valuation assessment. Specifically, we have performed the following analysis:

- Conducted high level checks, including limited procedures in relation to the mathematical accuracy.
- Performed a broad review, critical analysis and benchmarking with the historical performance of Apollo and current trends in the industry.
- Held discussions and interviews with Management of the Company, and its advisor.
- Reviewed and benchmarked revenue growth rates and earnings margins with listed peers.

The assumptions adopted by Grant Thornton Corporate Finance do not represent projections by Grant Thornton Corporate Finance but are intended to reflect the assumptions that could reasonably be adopted by industry participants in their pricing of similar businesses. We note that the assumptions are inherently subject to considerable uncertainty and there is significant scope for differences of opinion. It should be noted that the value of Apollo could vary materially based on changes to certain key assumptions. Accordingly, we have conducted certain sensitivity analysis to highlight the impact on the value of Apollo Shares caused by movements to certain key assumptions.

COVID-19

One of the key assumptions underlying the projections relates to the recovery in the industry following the outbreak of COVID-19 and the demand for rental RVs, as well as Apollo’s ability to rebuild its fleet and regain economies of scale. The global tourism industry suffered a significant and protracted downturn caused by the effects of border closures, travel restrictions, quarantine and vaccination requirements, which have only recently been removed. Accordingly, there is a high degree of uncertainty over the recovery profile for the tourism industry. Early indicators are pointing to a strong resurgence due to significant pent-up demand. For example, in Australia, holiday related domestic tourism spend for the quarter ending 30 June 2022 was 60% higher than pre-COVID levels following the removal of restrictions. It is unclear if this trend will continue or demand will revert to more normalised levels within a short period of time. The extent of the recovery will continue to affect the demand for tourism and accordingly RV travel in 2022.

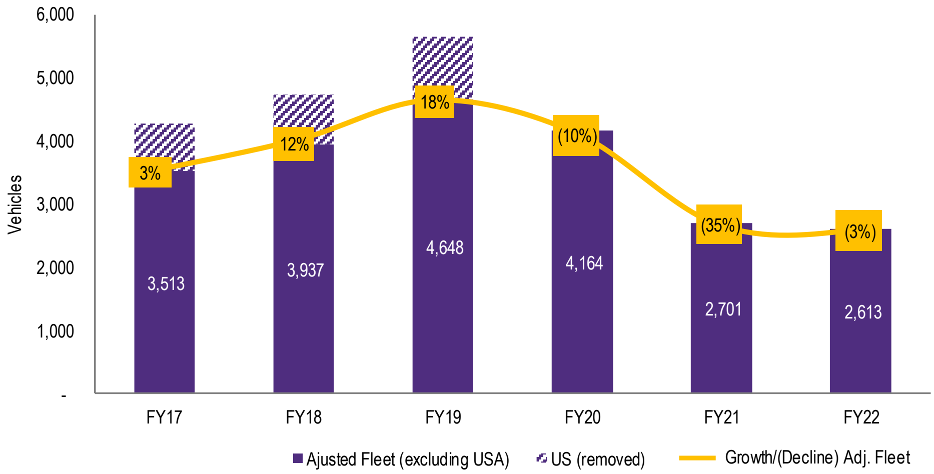
Economic outlook

The economic outlook has worsened since our previous expert report driven by rapidly increasing inflation and interest rates which have resulted in reductions to real wages and discretionary incomes of consumers around the world, and particularly in the geographies where ATL and *thl* operate. This has resulted in consumer confidence levels falling dramatically in the last 6 months. Due to the discretionary nature of travel demand, and by extension the demand for RVs, there is a risk that a global slowdown or recession could lead to a reduction in travel and RV demand in the short to medium term.

Rental Division Revenues

- *Rental Fleet size* – Between FY19 and FY22, Apollo significantly reduced its rental fleet size, including selling its entire US rental fleet as a consequence of putting the US operations into hibernation after the outbreak of COVID-19. From discussions with Management, we understand that as at the date of this report, Apollo has no plan to recommence operations in the US. The graph below illustrates Apollo's fleet size between FY17 and FY22 with the US fleet presented separately.

ATL fleet size FY17 – FY22



Sources: Management, GTCF analysis
Note: (1) Total shown amount and % change refer to ATL fleet excluding the USA RVs

In our valuation assessment, we have assumed that Apollo will rebuild its rental fleet to pre-pandemic levels (FY19) by the end of the GT Model as a result of the progressive recovery in the tourism sector following the lifting of COVID-19 restrictions in 2022. We note that the ramp-up in the fleet is projected across several years to reflect the ongoing supply constraints and that the entire industry is globally re-fleeting at a similar time.

- *Fleet turnover* – The annual rental fleet turnover, which we have calculated as vehicles sales divided by the opening fleet, is projected to be lower in coming years as the Company rebuilds its fleet. We have assumed it will return to circa 30% by FY29 in line with Apollo's historical trends and reflective of the longer lifecycle of the Australian and New Zealand fleet relative to the shorter lifecycle of the Canadian and European fleet caused by the harsher winter conditions.

- *Utilisation Rate* – As a result of the impact of COVID-19, in FY22, ATL utilisation rate was significant below historical levels and ranging between 5.5% and 47.5% across Australia, New Zealand, Canada and Europe. ATL Management has assumed a progressive recovery in the average utilisation rate over the period to FY26. Thereafter we have assumed the utilisation rate will be in line with historical levels. We note that Canada has a lower utilisation rate compared to Australia due to greater seasonality during the winter months.

- *Rental yield* – Daily rental yields projections (expressed as a $ per vehicle per day) are forecast to increase due to the higher inflation environment and updated pricing that reflects greater customer price inelasticity of demand in key peak demand months. COVID-19 allowed the Company to test with greater precision customer's willingness to pay and these insights have allowed the Company to increase its average yield over the year. ATL management forecast the yield to stabilise by FY26, which we have maintained into perpetuity and grown in line with forecast inflation. We note that the increase in rental yields is offset by a corresponding increase in the operating costs, which are also closely correlated to inflation trends.

Sales Division Revenue

- *Ex-rental fleet sales and margins* – The number of vehicles sold is a function of the fleet turnover, which we expect to stabilise at 30% by FY29 (in line with historical levels) after being materially higher between FY23 and FY24. The higher turnover in the first few years of the discrete forecast period is a reflection of Apollo taking advantage of higher RV sales prices due to strong demand and supply constraints. In the projections, there is a gradual reduction of the sales margin towards historical averages by FY26 as demand and supply imbalances recede. Accordingly, we have kept the sales margin flat from FY26 in the GT Model in line with historical averages.

- *New vehicles sales and margins* – New vehicle sales and margins have been assumed to normalise throughout the GT Model in line with historical levels.

Other Key Assumptions

- *Operating costs, overhead costs and EBIT margins*

  - Operating rental costs refer to rental running costs and are a function of the hire days per year, utilisation rate and fleet size. Operating costs include vehicle cleaning (in between rental and annual deep cleans), insurance, registration fees, accident repairs, maintenance and fleet sale preparation costs.

  - Similar to rental yields, the cost projections reflect the high inflation environment, mitigating the increase in rental yields. The growth in operating cost is projected to align with our long-term inflation assumption by FY26, which we have assumed in perpetuity.

  - The other costs have been modelled and defined within overhead expenses. Beyond FY26, we have estimated those overhead costs as a function of the EBIT margin maintainable by ATL subsequent to returning to normal operating conditions.

  - Depreciation expense is based on the accounting depreciation rate for each country and the gross book value of the rental fleet, adjusted year on year for the units acquired and sold.

The above assumptions result in a normalised EBIT margin of 10.5% from FY26 in the GT Model, which we have assumed will continue in perpetuity. We are of the opinion that the normalised EBIT margin is reasonable and we have cross-checked it with historical trends and brokers' assumptions as set out below.

ATL - EBIT Margin analysis	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25
Historical underlying EBIT margin	9.20%	11.40%	9.70%	(0.70%)	(1.60%)	0.50%			
Broker 1							8.30%	9.06%	10.30%

Sources: ATL annual financial reports, Management and GTCF analysis

Note: (1) We note that the broker forecasts are on a post IFRS16 basis, while the Corporate Model and the GT Model are on pre-IFRS 16 basis. However, we note that at the EBIT level, the impact of the IFRS 16 accounting standard is minimal. We have compared ATL projections pre and post IFRS 16, and note the EBIT post IFRS 16 being circa 3% higher upon the Company reaching a steady state.

- *Capital expenditure for rental and dealership fleet* – Capital expenditure is calculated as the number of new vehicles acquired or built multiplied by the average cost per unit. RVs for the Canadian and European fleet are acquired from suppliers under long term relationships and the ANZ RVs (both rental and for sale) are manufactured by ATL. Accordingly, ATL has an accurate view over the production/purchase cost per vehicle. Grant Thornton has adopted the base case projections between FY23 and FY26 and cross checked them based on historical costs and increased them in line with inflation thereafter. The number of new vehicles for the rental fleet is based on the turnover of vehicles sold each year plus the required additions to meet the fleet growth targets. Capital expenditure is partially offset by the cash proceeds from the sale of the ex-rental fleet and new units ("Net Capital expenditure"). Overall, Net Capital expenditure is significantly higher between FY23 and FY26 as Apollo plans to rebuild its fleet, and then expected to progressively normalise beyond FY26 to FY29. In the terminal year, we have assumed a net capex based on the real depreciation rate of the fleet and the fleet turnover rate.

- *Working capital* – As shown in the table below, under normal trading conditions, ATL's business has a negative working capital balance due to revenue received in advance for RV rentals. In computing the working capital, we have only included work in progress inventory and excluded inventory associated with finished RVs and raw materials which are the major inventory components. We note that the cost of purchasing RVs is captured through capital expenditures which are funded via debt facilities and hence not captured in the current liabilities and in the working capital calculation.

ATL Historical Working Capital	FY19	FY20	FY21	FY22
A$ '000	Audited	Audited	Audited	Audited
Trade and other receivables	13,385	4,926	3,875	3,009
Work in progress	837	1,469	2,057	2,137
Income tax refund receivable	976	354	-	237
Prepayment and other assets	15,182	8,428	7,780	9,336
Current Assets	**30,380**	**15,177**	**13,712**	**14,719**
Trade and other payables	33,122	27,506	22,324	17,147
Contract liabilities	4,970	5,977	11,016	10,645
Income tax payable	1,449	99	77	297
Provisions	3,402	3,701	4,589	5,728
Unearned rental income	27,775	12,262	15,836	24,420
Other liabilities	1,135	624	212	89
Current liabilities	**71,853**	**50,169**	**54,054**	**58,326**
Net working capital	**(41,473)**	**(34,992)**	**(40,342)**	**(43,607)**
Working capital as a % of total revenues	*(11.4%)*	*(9.5%)*	*(13.8%)*	*(16.4%)*

Source: ATL annual report, GTCF analysis

Since the outbreak of COVID-19 in FY20, the reduction of rental revenue and changing customer attitudes to pre-book rental vehicles closer to their travel dates has resulted in lower unearned rental income. As conditions normalise, the ramp-up in rental activities over the forecast period is projected to generate a significant working capital inflow, as uncertainty reduces and customers revert to making bookings further in advance.

- *Tax rate* – Each different geographic region is subject to a different tax rate. Between FY23 and FY26, the tax rate is applied separately to each geographic division and ATL benefits from a net tax loss balance of c. A$14.5 million as at 30 June 2022, which reduces the effective tax rate paid in the discrete forecast period. Beyond FY26, we have applied a weighted average tax rate of 26.3% based on the tax rates applied in Australia, New Zealand, the United Kingdom and Canada blended by the geographic EBIT split that each region contributes to the consolidated entity.

- *Exchange rates* – In the Corporate Model, the financial performance of each region is consolidated and converted from their respective local currency to NZ$ at prevailing spot exchange rates. The exchange rates used in the GT Model are the same utilised in the Corporate Model which was finalised in September 2022. For presentation purposes, since ATL is an Australian listed company reporting in Australian dollars, we have presented the output of the valuation assessment in A$, utilising the NZ$ to A$ exchange rate adopted in the Corporate Model of A$0.90 for NZ$1.0.

- *Discount rate* – We have assessed the discount rate between 9.9% and 10.6% based on the WACC. In computing the WACC, we have accounted for ATL's different geographic regions of operations as well as for the risk underlying the timing of the post COVID-19 recovery. In our analysis, we also had regard to the discount rate adopted by investment analysts in the industry.

- *Standalone cost savings* – We have valued the business on a 100% control basis and accordingly have allowed for certain cost synergies that would be available to a pool of potential purchasers of ATL after one-off implementation costs. These cost synergies, estimated at around A$4.0 million per annum, are mainly associated with the gradual elimination of duplicate functions and other costs associated with being a listed company (i.e. audit fees, share registry costs, ASX fees and investor relation costs). For further discussion on the synergies, see the executive summary.

- *Inflation and Terminal growth rate* – The Corporate Model has been prepared in nominal terms with the inflationary impact factored into the cashflows. Beyond FY26, we have adopted an inflation rate and a terminal growth rate of 2.5%, having regard to the analysis across ATL's different operating geographies.

Assessment of reasonableness of terminal growth rate	Australia	New Zealand	United States
Macroeconomic indicators			
10-yr government bond yield	3.95%	4.27%	3.79%
June 2022 Quartlery CPI Indicators			
Central Bank long-term inflation target	2% to 3%	1% to 3%	2.00%
Average 10-year yearly GDP growth rate [1]	2.30%	2.90%	2.07%
Average 10-year yearly inflation	2.21%	1.92%	2.50%
Other Industry Sources			
IBIS World - Real GDP Growth (CAGR FY23 - FY28)	2.46%	2.11%	n/a
IMF - Forecast Inflation (2023 - 2027)	2.54%	2.44%	2.24%
Selected terminal year growth rate		**2.5%**	

Sources: Australian Bureau of Statistics, Stats NZ, US Census Bureau, IBIS World, IMF.

8.1.2 Investment in Camplify

ATL holds 6,895,620 shares in Camplify, equivalent to 17.32% of the issued capital. Camplify is listed on the ASX and accordingly we have assessed the value of this investment having regards to the recent trading prices as summarised in the table below. Given the large nature of the shareholding in Camplify, we have assumed that the Company will realise its investment via a retail broker or investment banks to mitigate any potential downside risk.

Camplify VWAP analysis			
A$	Low	High	VWAP
Up to 27 September 2022			
1 day	1.900	1.950	1.915
5 day	1.900	2.180	2.004
10 day	1.900	2.390	2.067
1 month	1.900	2.390	2.072
2 month	1.900	2.980	2.360
3 month	1.705	2.980	2.302

Sources: GTCF analysis, S&P Global

Based on the above, we have selected a value per share between A$1.90 and A$2.40. The table below summarises the assessed value of ATL's investment in Camplify on a post-tax basis.

ATL - Interest in Camplify		
A$	Low	High
Shares Numbers	6,895,620	6,895,620
Assessed market value per shares	1.9	2.4
Market value	**13,101,678**	**16,549,488**
Cost base	(3,047,000)	(3,047,000)
Capital Gain	**10,054,678**	**13,502,488**
Tax rate	30.0%	30.0%
Tax payable	**3,016,403**	**4,050,746**
Market value less capital gain tax	**10,085,275**	**12,498,742**

Source: GTCF analysis
Note: We have utilised the Australian Corporate tax rate representative of thet investment in Australia

8.1.3 Net debt

As at 30 June 2022, ATL Management reported a net debt position of A$166.0 million excluding non-fleet AASB16 leases liabilities of A$40.7 million as summarised in the table below.

ATL Net Debt as at 30 June 2022	
A$'000	
Bank Loans	26,619
Floor plan	35,824
Loans from other financiers	78,133
COVID-19 support loans	27,438
Lease liability - Rental fleet	34,360
Total ATL borrowings excluding AASB 16 liabilities	**202,374**
Less: Cash balance	(36,392)
Net debt as at 30 June 2022 - Pre AASB-16	**165,982**

Source: Corporate Model, GTCF analysis

We have computed net debt on a pre-AASB 16 basis, consistent with the Corporate Model and the GT Model.

8.1.4 Share capital

As at the date of this report, Apollo has 186,150,908 shares on issue.

8.1.5 Sensitivity analysis

It should be noted that the enterprise value of Apollo could vary materially based on changes in certain key assumptions. Accordingly, we have conducted sensitivity analysis below to highlight the impact on the value of the Apollo's enterprise value based on the DCF Method caused by movements in certain key assumptions.

Sensitivity analysis			Percentage change	
A$	Low	High	Low	High
GT assessed value	**0.696**	**0.943**		
Discount rate				
- 0.5%	0.87	1.15	25.2%	22.4%
+ 0.5%	0.54	0.76	(22.1%)	(19.4%)
Terminal Growth Rate				
- 0.5%	0.59	0.82	(14.6%)	(13.2%)
+ 0.5%	0.81	1.09	16.5%	15.1%
EBIT Margin (terminal value)				
- 0.5%	0.62	0.86	(10.3%)	(8.6%)
+ 0.5%	0.77	1.02	10.3%	8.6%
Utilisation rate (terminal value)				
-2.0%	0.67	0.91	(4.1%)	(3.3%)
+2.0%	0.72	0.97	4.1%	3.3%

Sources: GTCF analysis

These sensitivities do not represent a range of potential enterprise values for Apollo, but rather they intend to demonstrate the sensitivity of our valuation assessment to changes in certain variables.

8.2 EBIT Multiple

In order to provide a cross-check of our valuation conclusions under the DCF methodology, we have considered the EBIT Multiples implied in the DCF Method and compared it with listed peers and transactions involving RV manufacturers and tourism operators.

8.2.1 EBIT Multiple implied in the DCF assessment

Historically, Apollo's financial performance has been volatile due to a number of Company-specific and industry factors. As discussed earlier, ATL's financial performance between FY20 and FY22 was severely adversely affected by lockdowns and domestic and international travel restrictions resulting from COVID-19. Market commentators and broker estimates indicate that global airline capacity, a key indicator of international tourism demand, may not return to normalised levels until 2024. Accordingly, for the purpose of our cross-check we have sought to benchmark an implied EBIT Multiple which is reflective of a normalised financial performance for the Company. As such, we have placed greater reliance on the FY24 EBIT Multiples and we have also utilised the FY19 Multiples before the outbreak of COVID-19. Below we set out the multiples implied in our valuation assessment:

ATL - Implied EBIT Multiple A$ million	*Section* *Reference*	Low	High
Enterprise value (control basis)	***8.1***	**285**	**329**
EBIT			
Underlying EBIT FY19		35	35
Underlying EBIT FY22		4	4
FY23 EBIT Brokers Consensus Estimate		36	36
FY24 EBIT Brokers Consensus Estimate		41	41
Implied EV/EBIT			
EV/Underlying EBIT FY19		8.2x	9.4x
EV/Underlying EBIT FY22		64.9x	74.8x
EV/FY23 EBIT Brokers Consensus Estimate		8.0x	9.2x
EV/FY24 EBIT Brokers Consensus Estimate		7.0x	8.0x

Sources: ATL brokers, GTCF analysis
Note: (1) Underlying EBIT refer to historical statutory EBIT adjusted for non-cash impairment of intangible assets and goodwill, and other underlying adjustments.

The implied multiples are prepared on a post AASB 16 basis (excluding FY19), which is the same approach adopted by brokers. The latest available broker consensus estimates for ATL, released after the announcement of the FY22 results at the end of August 2022, as well as other historical information is set out in the table below.

Historical Performance - ATL	Pre AASB 16		Post AASB 16			Forecast - Broker Consensus	
A$ millions	FY18	FY19	FY20	FY21	FY22	FY23	FY24
Total Statutory Revenue	**355.6**	**364.1**	**366.7**	**293.4**	**265.9**	**443.4**	**452.6**
Revenue Growth	*107.3%*	*2.4%*	*0.7%*	*(20.0)%*	*(9.4)%*	*66.8%*	*2.1%*
Underlying EBIT	**40.7**	**35.2**	**2.5**	**(17.7)**	**4.4**	**35.8**	**41.0**
EBIT Margin	*11.4%*	*9.7%*	*(0.7)%*	*(6.0)%*	*3.1%*	*8.1%*	*9.1%*
Size of fleet at year end	**4,891**	**5,693**	**4,164**	**2,701**	**2,613**	**n/a**	**n/a**

Source: GTCF analysis; Apollo Management; Various broker reports.
Note: (1) Underlying EBIT refer to historical statutory EBIT adjusted for non-cash impairment of intangible assets and goodwill, and other underlying adjustments.

<u>Historical financial performance</u>

- The decrease in FY22 revenue by c. 9.4% vs pcp was due to the outbreak of the Delta and Omicron strains and ongoing travel restrictions. Australian revenues increased by c. 20% pcp due to the reopening of international borders on 21 February 2022 and continued sell down of the fleet and higher sales of new RVs by c. 39.3% pcp. However, North American revenues dropped by c. 66.1% from FY21 as a result of the company halting its fleet disposal plans in order to retain vehicles for the CY22 summer season. Total North American RV sales reduced by c. 92.8% pcp, however strong sales are forecast in FY23 due to the additional vehicles that were retained in FY22 will be sold in FY23. In addition, greater rental revenues are expected as demand recovers from the removal of travel restrictions.

- FY19 financial performance was relatively subdued compared to FY18 driven by a significant slowdown in the sale of RVs in the United States and Australia. In the US, Apollo's ex-fleet sales fell by 32.9% due to an oversupply of vehicles and lower demand, illustrated through total US units shipped in CY19 falling by c. 22% on the pcp to c. 339,000. The lower sales also resulted in additional holding costs and forced Apollo to reinstate some of the sales fleet into its rental fleet.

- Increases in FY18 revenue of 107.3% was due to a combination of organic and acquisition growth as Apollo completed the purchase of the remaining shares in CanaDream and acquired George Day Caravans and Motorhomes as well as CamperCo Group Limited. The FY18 results also include the full run rate of revenues from the Kratzmann acquisition which completed in May 2017. In FY18, Apollo also benefited from strong industry conditions globally for both its rental and RV sales businesses. These sales were largely bolstered through abnormally high levels of sales in the US, with 2017 and 2018 reflecting shipped units in excess of 500,000 and 483,000 respectively, compared to the 5-year average of c. 353,700. In Australia and New Zealand, domestic and inbound tourism figures were also strong which supported RV sales and rentals.

Forecast financial performance

ATL is covered by two investment brokers who provide regular updates to the market as well as detailed cash flow projections for the business out to FY24. However, only one of these brokers is continuing to provide updates. The broker estimates have been prepared on the assumption that the macroeconomic environment improves, following the negative impacts of COVID-19 as well as future growth expected in the travel and tourism industry.

We note that the broker forecasts expect ATL's revenues to surpass pre-COVID-19 levels in FY23 due to the improving demand environment for RV rentals and ex-fleet sales due to strong demand for domestic travel with earnings also to substantially recover to pre-COVID levels by FY23. However, due to the significant sell down of the fleet over the last two years, Apollo will be required to rebuild its fleet ahead of the anticipated recovery in demand.

8.2.2 Trading multiples

Summarised below are the trading multiples of selected companies having regard to the trading prices of listed global RV manufacturers and related businesses and tourism related companies operating in Australia. We note that the level of comparability between ATL and the listed companies, except for *thl*, is limited and we have mostly relied on them for directional evidence in supporting our implied multiple:

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Comparable companies Company	Country of listing	Market Cap (m) A$m[1]	EV (m) A$m[1]	EV / EBIT Multiple (times) FY19	FY21	FY22	FY23 F	FY24 F
Tourism Holdings Ltd[2]	Australia	367	488	9.4x	-67.4x	35.4x	10.0x	7.9x
RV Manufacturers								
Thor Industries, Inc.	USA	6,047	10,970	17.9x	9.9x	4.2x	7.3x	9.5x
Winnebago Industries, Inc.	USA	2,721	3,565	15.3x	6.6x	3.9x	4.9x	6.3x
Knaus Tabbert AG	Germany	448	1,059	14.5x	15.8x	23.2x	6.5x	4.5x
KABE Group AB (publ.)	Sweden	220	319	14.1x	8.0x	6.0x	NA	NA
Trigano S.A.	France	2,409	5,040	14.7x	8.5x	4.3x	4.1x	4.0x
Camping World Holdings Inc.	USA	1,710	3,489	18.6x	4.5x	4.9x	NA	NA
Lci Industries	USA	4,276	5,353	19.0x	18.7x	7.3x	NA	NA
Average - RV Manufacturers				**16.3x**	**10.3x**	**7.7x**	**5.7x**	**6.1x**
Median - RV Manufacturers				**15.3x**	**8.5x**	**4.9x**	**5.7x**	**5.4x**
Tourism Companies								
Flight Centre Travel Group Ltd	Australia	3,265	2,953	8.6x	-4.0x	-6.7x	18.2x	9.3x
Webjet Ltd	Australia	2,067	1,892	21.1x	-11.6x	18.6x	26.4x	14.2x
Kelsian Group Ltd[3]	Australia	1,196	2,432	80.5x	33.2x	19.3x	15.9x	14.0x
Corporate Travel Management Ltd	Australia	2,809	2,879	23.8x	-58.9x	176.6x	21.1x	12.6x
Helloworld Travel Ltd	Australia	322	240	4.6x	-4.7x	-6.6x	57.9x	10.9x
Experience Co Ltd	Australia	162	182	13.9	-106.9x	-23.8x	69.4x	10.9x
Event Hospitality & Entertainment Ltd	Australia	2,125	3,404	23.5x	-20.1x	-61.2x	22.5x	17.0x
Average - Tourism Companies				**25.1x**	**-24.7x**	**16.6x**	**33.1x**	**12.7x**
Median - Tourism Companies				**21.1x**	**-11.6x**	**-6.6x**	**22.5x**	**12.6x**
Average - Total (excluding outliers)[4]				**17.1x**	**13.2x**	**27.7x**	**23.1x**	**10.3x**
Median - Total (excluding outliers)[4]				**17.4x**	**9.2x**	**5.4x**	**18.2x**	**10.9x**

Sources: S&P Global; financial reports of comparable companies and GTCF calculations.
Note (1): Enterprise Value and Market Capitalisation based on the share price as at 20 September 2022 (except for thl – see following note). Additionally, the EV's of the international companies were converted into A$ at the prevailing spot rate on 20 September 2022.
Note (2): *thl* figures are calculated as at 28 September 2022
Note (3): Kelsian Group Limited was formerly known as Sealink Travel Group Limited.
Note (4): Outliers refer to all multiples that are negative as well as all multiples greater than 25.0x.

The EBIT Multiples presented above reflect the value of underlying companies on a minority basis and do not include a premium for control. A brief description of the companies listed in the table above is set out in Appendix B.

In addition to the above, we have also set out below key performance indicators that provide further insight into each respective company:

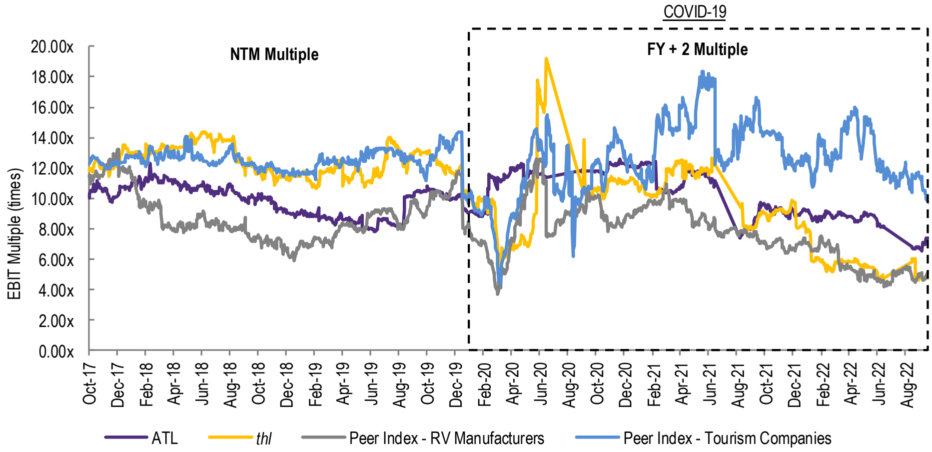
Comparable companies	EBIT Margin					Revenue CAGR			
Company	FY20 (3yr)	FY22 (A)	FY23 (F)	FY24 (F)	3yr (F)	FY20 (3yr)[1]	FY22 (A)	FY23 (F)	FY24 (F)
Tourism Holdings Ltd[2]	13.7%	1.5%	10.4%	12.9%	9.9%	-3.0%	-3.7%	55.5%	34.9%
RV Manufacturers									
Thor Industries, Inc.	5.9%	9.2%	6.2%	5.2%	5.9%	-1.0%	-22.2%	-8.5%	-4.4%
Winnebago Industries, Inc.	7.0%	12.0%	10.4%	8.0%	9.2%	8.1%	-14.1%	NA	NA
Knaus Tabbert AG	5.8%	3.9%	5.2%	6.9%	6.7%	4.3%	23.2%	NA	NA
KABE Group AB (publ.)	6.3%	NA	NA	NA	N/A	-12.0%	NA	NA	NA
Trigano S.A.	9.1%	11.2%	11.3%	11.4%	10.8%	-2.9%	11.5%	1.9%	4.5%
Camping World Holdings Inc.	5.7%	9.1%	7.9%	NA	7.9%	6.6%	NA	NA	NA
Lci Industries	8.2%	NA	NA	NA	NA	6.3%	NA	NA	NA
Average - RV Manufacturers	**6.9%**	**9.1%**	**8.2%**	**7.9%**	**8.1%**	**1.4%**	**-0.4%**	**-0.4%**	**-3.3%**
Median - RV Manufacturers	**6.3%**	**9.2%**	**7.9%**	**7.5%**	**7.9%**	**4.3%**	**-1.3%**	**-1.3%**	**-3.3%**
Tourism Companies									
Flight Centre Travel Group Ltd	-4.9%	-37.6%	8.3%	12.6%	11.6%	-19.4%	92.0%	28.5%	7.3%
Webjet Ltd	-2.5%	-48.4%	22.3%	32.5%	29.9%	-40.8%	139.4%	27.1%	10.2%
Kelsian Group Ltd[3]	10.9%	6.3%	7.6%	8.2%	8.2%	75.7%	0.2%	4.9%	3.1%
Corporate Travel Management Ltd	18.3%	-1.1%	20.2%	26.4%	24.2%	-7.8%	68.6%	28.5%	12.0%
Helloworld Travel Ltd	7.3%	-61.4%	2.6%	8.9%	9.1%	-7.6%	129.3%	56.0%	7.5%
Experience Co Ltd	4.3%	-32.9%	2.7%	12.5%	10.5%	-19.6%	70.7%	36.6%	27.9%
Event Hospitality & Entertainment Ltd	9.9%	-3.6%	12.8%	15.0%	14.8%	0.9%	33.3%	12.6%	2.0%
Average - Tourism Companies	**6.2%**	**-25.5%**	**10.9%**	**16.6%**	**15.5%**	**-2.7%**	**76.2%**	**76.2%**	**27.8%**
Median - Tourism Companies	**7.3%**	**-32.9%**	**8.3%**	**12.6%**	**11.6%**	**-7.8%**	**70.7%**	**70.7%**	**28.5%**
Average - Total (excluding outliers)[4]	**6.5%**	**5.9%**	**10.2%**	**13.4%**	**12.4%**	**-0.8%**	**49.9%**	**48.3%**	**20.9%**
Median - Total (excluding outliers)[4]	**6.6%**	**1.4%**	**8.1%**	**11.4%**	**9.8%**	**-2.9%**	**45.9%**	**33.3%**	**27.1%**

Sources: S&P Global; financial reports of comparable companies and GTCF calculations.
Note (1): All figures (except thl – See note below) have been calculated as at 20 September 2022.
Note (2): *thl* figures are calculated as at 28 September 2022
Note (3): Kelsian Group Limited was formerly known as Sealink Travel Group Limited.
Note (4): Outliers refer to all percentages greater than 100%.

Given the volatility of the historical performance, we have also considered the rolling forecast EBIT Multiples of the listed peers. The following graph displays the forecast rolling EBIT Multiple for each of ATL, *thl* and the aggregated index for both the RV Manufacturer Peers[98] and the Tourism Peers[99] since October 2017. Between October 2017 and December 2019, we have relied on the forecast next-twelve-month ("NTM") EBIT Multiple. However, due to the significant disruption from COVID-19, from 1 January 2020 to December 2021, we have selected the broker consensus forecast EBIT, two financial years into the future due to the expected delayed timing in the recovery of COVID-19.

98 The aggregated index for RV Manufacturer Peers includes Thor Industries (Inc.), Winnebago Industries (Inc.), Knaus Tabbert AG, KABE Group AB (publ.), Trigano S.A., Camping World Holdings and Lci Industries.
99 The aggregated index for Tourism Peers includes Flight Centre Travel Group Ltd, Webjet Ltd, Kelsian Group Ltd, Corporate Travel Management Ltd, Helloworld Travel Ltd, Experience Co Ltd, and Event Hospitality & Entertainment Ltd.

Rolling forecast EBIT Multiples



Sources: S&P Global; GTCF analysis.
Note (1): Prior to the introduction of COVID-19 the rolling EBIT Multiples were calculated on a NTM basis. Due to the material uncertainty and associated short-term volatility surrounding COVID-19 however, from January 2020 onwards the rolling EBIT Multiples were calculated on a two year forward basis.

As set out in the graph above, prior to COVID-19, between October 2017 and December 2019 ATL consistently traded within an NTM EBIT Multiple range of approximately 8.0x to 12.0x with an average of 9.9x over this period. Comparatively, *thl* traded within an NTM EBIT Multiple range of approximately 10.7x to 14.4x, with an average of 12.5x. It also appears that the market considers and values *thl* to be more in line with Tourism companies, whilst ATL trades closer in line with RV Manufacturers. However, recently, *thl* values are more in line with RV Manufacturers.

The tourism companies all have an underlying exposure to tourism, however none have a similar exposure to RV sales and rentals like Apollo. Due to the challenging industry conditions domestically, many of them have been required to raise capital during the downturn. Similarly, ATL and the Australian tourism peers' products and services are discretionary in nature and sensitive to changes in consumer sentiment and the macroeconomic environment. Tourism is expected to recover strongly with the removal of COVID-19 restrictions and grow at a strong CAGR in the future, although this positive outlook has been somewhat clouded by the less optimistic economic outlook in recent months. We note that for nine consecutive years prior to COVID-19 (2011 to 2019), revenues in the tourism industry consistently outpaced global GDP growth[100].

The RV Manufacturers operate in a highly fragmented sector, and compete with a large number of small companies, and more competitively priced imports from countries such as China. There is a large number of manufacturers producing a wide array of competing RV products including camper trailers, vehicle accessories (such as rooftop tents and slide-on campers), and others. As a result, EBIT margins and revenue growth for the RV manufacturers are lower than Apollo and *thl*. Given the lower profitability, greater competition and wider range of substitute products, we would expect Apollo to trade at a higher EBIT Multiple than the Campervan and RV Manufacturing listed peers.

8.2.3 Transaction Multiples

In relation to the EBIT Multiple implied by comparable transactions, we note that:

[100] World Travel and Tourism Council – Global Economic Impact and Trends 2021.

- The implied transaction multiples may incorporate various levels of control premium and special value paid for by the acquirers.

- The multiples likely reflect synergies paid by the acquirer which may be unique to the acquirers.

- The transactions observed took place during the period between October 2015 and December 2020. Economic and market factors, including competition dynamics and consumer confidence, may be materially different from those as at the valuation date. These factors may influence the amounts paid by the acquirers for these businesses.

- Excluding the most recent transaction, all others occurred prior to the onset of COVID-19.

- The transaction multiples are calculated based on the historical EBIT of the acquired companies (unless otherwise stated) which typically tend to provide a higher multiple due to the growth expectations included in forecast financial performance.

- The EBIT multiples are on pre AASB16 basis, however, the impact of the new accounting standard on EBIT is limited.

The following table summarises the EBIT multiples implied by these transactions.

Date	Target Company	Country	Bidder Company	Stake (%)	Enterprise value (m)	EBIT Multiple
Dec-20	Tiffin Motorhomes Inc.	USA	Thor Industries, Inc.	100%	US$300	n/a
Sep-19	Newmar Corporation	USA	Winnebago Industries, Inc.	100%	US$344	6.6x
Sep-18	Erwin Hymer Group	USA	Thor Industries, Inc.	Majority	€2,100	11.9x
Mar-18	Swift Group Limited	UK	Management Buyout	100%	£115	5.7x
Mar-16	Rhiag Group	Italy	LKQ Corporation Inc.	100%	€1,004	11.8x
Oct-15	AL-KO Vehicle Technology	Germany	Dexter Axle Company, Inc.	100%	US$410	9.8x
Average						**9.2x**
Median						**9.8x**

Source: Mergermarket; GTCF analysis

In addition to the above transactions, we have also had regard to the prior acquisitions undertaken by both ATL and *thl.* Based on our research, none of the transactions had enough publicly available information in which we could calculate implied EBIT multiples and accordingly, we have not included them in the table above.

Furthermore, given that all the transactions occurred before the outbreak of COVID-19 (with the exception of Tiffin Motorhomes) and none of the transactions involved companies with a similar mix of RV sales and rental revenue streams as ATL, we have relied on the comparable transactions for directional evidence only in our valuation assessment.

8.2.4 Conclusion on EV/EBIT multiple

Based on the analysis above and the detailed conclusions outlined in the Executive Summary, we have concluded that the EBIT multiples implied in our valuation assessment appear reasonable.

8.3 Quoted Security Pricing Method

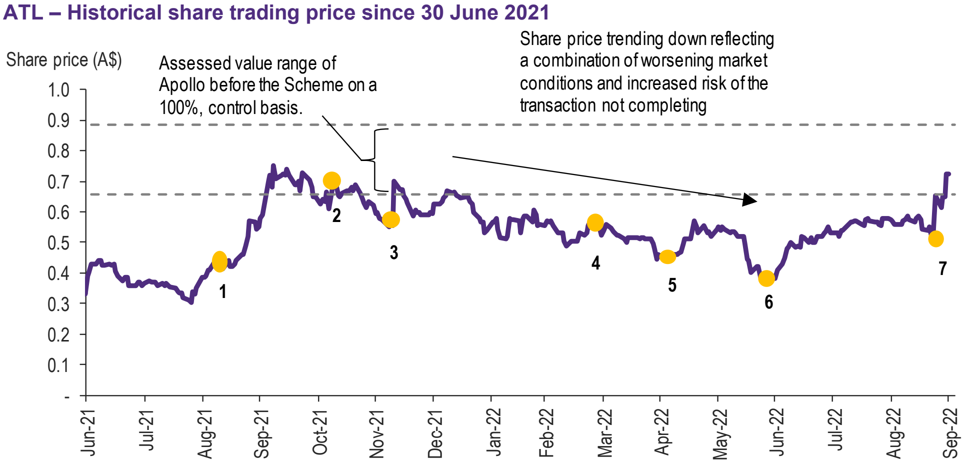
In our assessment of the fair market value of ATL shares, we have also had regard to the trading prices of the listed securities on the ASX. However, the proposed Scheme was announced on 10 December 2021, more than nine months since the date of this report and accordingly ATL's trading price since then reflects the value of ATL Shares on a post-Scheme basis, although noting there is likely that the shares reflected a risk of the Scheme not completing due to the concerns from the ACCC and NZCC. Given this, we have not relied on the trading prices in our valuation assessment of Apollo before the Scheme and instead have made some high-level observations to support our valuation conclusions.

Prior to undertaking our analysis on the trading prices, we considered the liquidity of ATL Shares, as detailed in Appendix F. Based on our analysis we are of the opinion that there is limited liquidity in ATL Shares due to the relatively low level of free float at c. 39.7%, relatively lower trading and higher bid-ask spread relative to its peers.

8.3.1 Analysis of Apollo share prices

In the chart below we have compared our valuation of Apollo before the Scheme with ATL's trading price since 30 June 2021. We note that the trading prices are presented on a minority basis, whereas our assessed value range is on a control and 100% basis.

ATL – Historical share trading price since 30 June 2021



Source: S&P Global, GTCF analysis

We note that ATL shares have been highly volatile over the last several years as demonstrated in the above chart. Below we provide further insights into ATL's share price since 30 June 2021 including the following key price sensitive events:

- *Note 1* – ATL released their annual results for the period ending 30 June 2021. Whilst the Company experienced a c. 20% decline in revenues y-o-y, liquidity was managed through continued fleet sales, cost restructuring and Government support loans, culminating in a group debt reduction of c. A$52.8 million and cash on hand of A$45.5 million as at 30 June 2021. ATL's share price increased during September and early October as vaccination rates in Australia and New Zealand increased and market conditions improved following the conclusion of prolonged lockdowns in NSW and Victoria and a reduction in border restrictions.

- *Note 2* – However, the improved outlook was adversely affected by the spread of the Omicron variant which the World Health Organisation designated as a variant of concern after it was first reported to the WHO from South Africa on 24 November 2021. In the following days, studies showed the Omicron variant to be far more transmissible than previous variants, including the Delta variant, and cases began to be recorded in Australia with a number of countries, including the United States, New Zealand and Australia all subsequently tightening restrictions.

- *Note 3* – The Scheme was announced.

- *Note 4* – In early March 2022, the NZCC requested an extension to its statutory timeframe for a decision on the clearance of the Proposed Merger to 14 April 2022. The extension request was agreed to by *thl* and ATL. Then on 31 March 2022, the ACCC agreed to delay its indicative timeline in relation to application for clearance of the Proposed Merger to 28 April 2022 to allow additional time for ATL and *thl* to provide, and the ACCC to consider, further information. On 28 April 2022, the ACCC released an announcement stating that it had preliminary concerns that the Proposed Merger would substantially lessen competition, and that its final decision was scheduled for 21 July 2022. On the same day, ATL announced that it and *thl* would work closely with the ACCC to address the issues identified.

- *Note 5* – On 28 April 2022, the ACCC outlined preliminary competition concerns in its statement of issues with *thl's* proposed acquisition of Apollo, increasing the risk that the transaction would not complete. ATL's share price fell as a result. The ACCC flagged its final decision was scheduled for 21 July 2022.

- *Note 6* – ATL announced an update on the merger clearance process on 1 July 2022 under which ATL and *thl* propose to receive merger clearance from the NZCC and ACCC based on a proposal that the merged entity would divest a portion of ATL's 4-6 berth motorhome rental fleet in both Australia and New Zealand, a proportion of the forward bookings associated with the fleet sold, ATL's Star RV motorhome brand and certain surplus property leases. ATL's share price rallied from a closing price of A$0.38 the day prior to the announcement, to above A$0.50 in the days following the announcement.

- *Note 7* – On 23 September 2022 NZCC clearance was provided and the variation to the Merger Ratio and Deed of Variation was announced. ACCC clearance was provided on 29 September 2022.

8.3.2 Conclusion

Refer to the executive summary for our conclusions on the trading prices.

9 Valuation assessment of the Scheme Consideration

In this section of the report, we have assessed the fair market value of the shares in *thl* after the Scheme ("Merged Group Shares") on a minority interest basis by aggregating the following:

- The market value of the Merged Group on a minority basis computed through the DCF Method.
- Value of expected synergies to be realised as a result of the Scheme net of the one-off implementation costs.
- Merged Group's pro-forma net debt as at 30 June 2022.

Before reaching our valuation conclusions, we have cross checked our valuation assessment based on the implied EBIT Multiple Method and the Quoted Security Price Method.

9.1 DCF Method

The table below sets out a summary of our valuation assessment of *thl* and of the Scheme Consideration after implementation of the Scheme on a minority basis:

Merged Group valuation summary A$ 000	Section Reference	Low	High
Enterprise value on a control basis	***9.1.1***	**805,067**	**982,569**
Add: ATL holding in Camplify	*9.1.2*	10,085	12,499
Add: THL holding in Camplify	*9.1.2*	5,832	5,832
Add: Cash from Options exercised[1]	*9.1.4*	12,890	12,890
Less: Net debt as at 30 June 22	*9.1.3*	(166,266)	(166,266)
Equity value (control basis)		**667,608**	**847,524**
Number of outstanding shares ('000s) (fully diluted)[2]	*9.1.4*	219,865	219,865
Value per share (control basis) (A$ per share)		**3.036**	**3.855**
Less: Minority discount[3]	*App. E*	23%	23%
Value per share (minority basis) (A$ per share)		**2.336**	**2.965**
Merger Ratio	*1*	0.311	0.311
Value of the Scheme Consideration		**0.727**	**0.923**

Sources: ATL and thl Management; GTCF analysis
Notes: (1) For the Rights and Options considered as exercised, we have included the corresponding cash converted from NZ$ to A$ with the exchange ratio adopted in the Corporate and GT Models. We have also included the cash inflow as a result of the 7,832 thl options exercised on 18 October 2022 (2) The total number of shares of the Merged Group includes 2,941,857 thl Share as a result of the Just Go Acquisition and 6,090,902 shares related to thl Rights and Options considered likely to be exercised; (3) The discount for control premium has been calculated as the inverse of a premium for control of 30%

9.1.1 GT Model – Key valuation assumptions

In our valuation assessment of the Merged Group based on the DCF Method we have relied on the GT Model. This reflects the ATL and *thl* standalone projections adjusted for the Synergies and the Divestment. Refer to section 8.1.1 for an overview of the procedures undertaken by Grant Thornton Corporate Finance on the projections.

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Synergies

Refer to our discussion in the Executive Summary in relation to our assessment of the Synergies. We note that the majority of the projected Recurring Synergies at an EBIT level and on pre-tax cash basis (circa 70% and 62% respectively[101]) are fixed cost savings and accordingly not dependent on the Merged Group's COVID-19 recovery profile. Management has assumed the full realisation of the Recurring Synergies by FY25 in the amount of NZ$25 million per year in line with the mid-point of pre-tax cash basis range and excluding Financing Synergies. The approach in line with the discounted free cash flow to the firm adopted as valuation approach.

Rental Division Revenues

- *Rental Fleet Size* – We note that the future fleet size within the scenarios provided for the Merged Group has been prepared for ATL and *thl* on a standalone basis and then overlaid with the planned Divestment. We have assumed that both businesses will rebuild the fleet to pre COVID-19 levels by FY29 to approximately 10,500 vehicles. The forecasts also reflect the planned efficiencies from the Fleet Rationalisation Synergies. Different from the assumptions utilised in our January 2022 Valuation, the fleet is expected to ramp up over a more extended period of time to FY26 (FY24 previously) due to the ongoing supply chain constraints and the fact that many other operators will also be re-fleeting, and that it will take longer for suppliers to meet forecast RV demand.

- *Rental fleet turnover* – Over the first two years of operations, the Merged Group is expected to have a higher fleet turnover (relative to historical levels of both ATL and *thl*) as a result of the Divestment and the Merged Group taking advantage of the higher vehicles sales margin as they progressively normalise to pre-COVID-29 levels. Subsequently, the annual rental fleet turnover is expected to normalise to circa 40% of the existing fleet. The Merged Group turnover rate is projected to be higher than ATL as *thl* turns over its rental fleet faster than ATL[102] and the Merged Group plans to adopt a strategy of higher fleet turnover in North America.

- *Utilisation Rate* – Utilisation rate is expected to progressively recover to be slightly above the historical average of ATL and *thl* on a standalone basis by FY26 reflecting the Fleet Rationalisation Synergies, which we have then assumed in perpetuity. We note that the Merged Group is able to ramp-up its utilisation rate faster than the ATL on a standalone basis as a result of the operational synergies among the two companies. We note that while the Merged Group could potentially achieve a materially higher utilisation rate with further fleet rationalisations, those synergies have a relatively higher degree of uncertainty as they depend on the COVID-19 recovery profile driving the timing of the Merged Group reaching a steady state of operations.

- *Rental yield*[103] – The Merged Group rental yield is the weighted average of the projected rental yield achieved by ATL and *thl* and the Merged Group. We note that beyond FY26, we have assumed the rental yield will grow in line with inflation.

Sales division Revenues

- *Ex-rental fleet sales and margins* – The number of vehicles sold is driven by the turnover rate of the rental fleet described above. The rental margin is the weighted margin between ATL and *thl* on a

[101] The sum of synergies associated with duplicate corporate costs and property.
[102] Between FY17-FY19, *thl*'s fleet turnover averaged 40% of existing fleet.
[103] The rental yield is the average daily revenue per rental vehicle net of certain rental costs.

standalone basis adjusted for the synergies. As per ATL on a standalone basis, the margins are expected to decrease from FY23 and stabilise between FY24 and FY26 as supply chain constraints ease accompanying the post COVID-19 recovery. Beyond FY26, we have assumed the margin stabilises and only reflects the impact of inflation.

- *New vehicles and margins* – The sale of new vehicles is an activity predominantly undertaken by ATL and accordingly, the underlying assumptions adopted in the valuation of ATL before the Scheme have been retained.

Other Key Assumptions

- *Operating costs, overheads cost and EBIT margins*
  - *Operating costs* – These are the weighted average costs for ATL and *thl* across the various geographies adjusted for repairs and maintenance cost synergies.
  - *Overheads Costs* – As mentioned previously, 56% of the Recurring Synergies[104] are associated with the elimination of duplicate corporate costs. Notably, these synergies are greater in the shared geographic area of operations for ATL and *thl* being Australia and New Zealand. By FY25, the Synergies are expected to be fully implemented upon the Merged Group reaching a steady state and result in the Merged Group achieving a normalised EBIT margin of circa 14% in FY26. Beyond FY26, we have estimated those overhead costs as a function of the EBIT margin maintainable by the Merged Group subsequent to returning to normal operating conditions described below.
  - *Depreciation* – The depreciation expense is based on the accounting depreciation rate for each country of the Merged Group and the gross book value of the rental fleet, adjusted year on year for the units acquired and sold.

The Merged Group is expected to reach an EBIT margin of c. 14% by FY26 as a result of the Synergies being fully implemented and the recovery from COVID-19 with the Merged Group reaching a steady state. Beyond FY26, we have assumed the EBIT margin to remain constant in perpetuity. The following table illustrates the historical and broker forecast breakdown of both ATL's and *thl's* EBIT margins.

[104] At an EBIT level.

EBIT Margin Analysis		FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25
ATL										
Historical Underlying EBIT Margin		9.2%	11.4%	9.7%	-0.7%	(1.6%)	0.5%			
Broker 1	29-Aug-22							8.3%	9.1%	10.3%
Average								**8.3%**	**9.1%**	**10.3%**
thl - Standalone basis										
Historical Underlying EBIT Margin		14.0%	19.2%	14.7%	12.0%	(2.3%)	1.1%			
Broker 2	29-Aug-22							11.3%	15.9%	17.3%
Broker 3	29-Aug-22							9.7%	12.6%	14.6%
Average								**10.5%**	**14.2%**	**16.0%**
Combined Group (including synergies)										
Broker 1	1-Mar-22							9.3%	15.3%	

Sources: ATL & thl annual financial reports, Management and GTCF analysis
Note: (1) We note that the brokers' forecasts are prepared on a post-IFRS16 basis, whereas the Corporate Model and GT Model are on pre-IFRS 16 basis. However, we note that at the EBIT level, the impact of the IFRS 16 accounting standard is minimal. We have compared ATL projections both pre and post IFRS 16, noting ATL's EBIT post IFRS 16 is circa 3% higher once the Company reaches a steady state following the COVID-19 recovery.

- *Capital Expenditure for rental and dealership fleet* – The number of the new vehicles for the rental fleet is the sum of the forecasted fleet growth for ATL and *thl* on a standalone basis, adjusted for the Fleet Rationalisation and fleet turnover. Between FY23 and FY26, we have relied on Management's assumptions in the Corporate Model, where the average purchase price per unit has been modelled based on a weighted average cost per unit purchased/produced, adjusted for potential synergies. Beyond FY26, we have increased the average purchase/production price per unit in line with inflation. Regarding capital expenditure for the sale of new fleet, we have maintained this assumption in line with ATL on a standalone basis, as this specifically relates only to ATL.

- *Working Capital* – Similar to ATL on a standalone basis, between FY23 and FY26 the Merged Group generates a material positive cash inflow from working capital as a result of the increase in rental revenue received in advance. As per ATL on a standalone basis, beyond FY26, to reflect the business operating in a steady state, we have normalised the working capital requirements utilising the proportion of working capital balance as percentage of revenues as a proxy. Beyond FY26, we have normalised the working capital cash flow in line with ATL and *thl*'s historical trends. As a result, we note that in the terminal value, the impact of the working capital requirement is almost neutral which also aligns with Management projections.

- *Tax Rate* - Each different geographic region is subject to a different tax rate. Between FY23 and FY26, the tax rate is applied separately to each geographic division and the Merged Group benefits from a tax loss balance of US$25.9 million[105] as at 30 June 2022 associated with *thl's* operations which are expected to be carried forward[106]. Beyond FY26, we have applied a consolidated tax rate of 28% which is the result of the tax rates applied in Australia, New Zealand, United Kingdom, USA and Canada blended by the geographic split of EBIT, which has been assumed to remain constant from FY26 onwards.

- *Discount Rate* – We have assessed the discount rate between 9.3% and 10.3% based on the WACC. In our assessment of the WACC, we have reflected the risk attached to achieving the Synergies and

[105] Net tax losses.
[106] We have attributed nil value to ATL tax losses in valuing the Merged Group due to the material uncertainty regarding the ability of the Merged Group to carry forward those losses.

ramp up of the COVID-19 recovery profile. Further, we have reflected the higher interest rate environment by increasing our long-term risk free rate assumption to 3.5% compared to 3.0% adopted in our previous February 2022 Valuation.

- *Inflation and terminal growth rate* – We have adopted the same assumption as per ATL on a standalone basis described in section 8.1.1.

9.1.2 Holdings and investments

As discussed in section 8.1.2, ATL holds 6,895,620 shares in Camplify, which we have valued between c. A$10.1 million and c. A$12.5 million (refer to section 8.1.2).

In additions, we note that on 26 October 2021, *thl* entered into an agreement to sell the subsidiaries Mighway and SHAREaCAMPER to Camplify for a purchase price of NZ$8.1[107] million (A$7.4 million). The transaction completed on 29 April 2022 with the purchase being settled by Camplify issuing new fully paid ordinary shares to *thl* in two equal tranches. As a result of the transaction completion, *thl* recognised a gain on sale of NZ$5.4 million[108].

As at the date of this report, the first tranche totalling 1,059,162 Camplify shares was issued on completion at the price of A$3.34 agreed in October 2021. The second tranche will be issued in the 12 months subsequent to completion and could range between 1,147,424 and 2,639,201 Camplify shares[109]. Since the second tranche is yet to be issued, for the purpose of the Merged Group valuation assessment, we have considered the purchase price net of the tax on the capital gain as a proxy for the value of *thl* investment in Camplify at the date of this report. The table below summarises the holdings and investments of the Merged Group.

Merged Group - Holdings and investments		
A$'000	Low	High
thl - Consideration Mighway and SHAREaCamper (net of capital gains tax)[1]	5,832	5,832
ATL - Investmed in Camplify (net of capital gains tax)	10,085	12,499
Merged Group - Holdings and investments	**15,917**	**18,331**

Sources: ATL and thl Management, GTCF analysis
Note: (1) Computed as NZ$8.1 million less 30% of the NZ$5.4 million capital gain and converted in A$ at the exchange rate utilised in the model

9.1.3 Net Debt

ATL and *thl* management have engaged an independent third party to prepare a pro-forma financial position of the Merged Group as at 30 June 2022, which we have utilised to derive the Merged Group net debt as at 30 June 2022. The table below summarises the computation of the net debt adopted to derive the equity value of the Merged Group. As per ATL on a standalone basis, we have computed the net debt position on a pre-AASB 16 basis.

107 Subject to closing adjustments.
108 Including expenses related to the disposal of NZ$256,000.
109 As per Camplify ASX announcement on 2 May 2022.

Merged Group - Pro-forma Net Debt as at 30 June 22	
A$ million	
Current	
Interest bearing loans and borrowings	116
Lease liabilities	38
Non Current	
Interest bearing loans and borrowings	99
Lease liabilities	143
Merged Group- Pro-forma corporate debt as at 30 June 2022	**396**
Less: AASB16 liabilities (property ATL)	(41)
Less: AASB16 liabilities (property THL)	(74)
Less: Cash balance as at 30 June 2022 (Reduced by Just Go cash consideration)	(115)
Merged Group - Pro-forma Net Debt pre AASB-16 as at 30 June 2022	**166**

Source: ATL and thl Management, GTCF analysis
Note: (1) We have converted the Merged Group pro-forma balance sheet as at 30 June 2022 reported in NZ$ in A$ using the exchange rate as per the GT Model

9.1.4 Just Go Acquisition

On 5 October 2022, *thl* acquired the remaining 51% in Just Go in the United Kingdom for a purchase consideration of £5.3 million. Prior to the acquisition, *thl's* held a 49% interest in the joint venture Just Go. The purchase consideration was paid through a £1.4 million in cash and the issue of 2,941,857 new ordinary shares in *thl*. Accordingly, we have assessed the fair value of the Merged Group considering 100% of Just Go, reflected the purchase consideration by reducing the cash balance of the Merged Group, and adding the issued shared to the total balance.

9.1.5 Share Capital

As at the time of this report and upon signing the SID, ATL and *thl* have 186,150,908 and 153,138,464 ordinary shares on issue respectively. *thl* currently owns 898,150 of ATL's shares. Under the SID, the ATL shares held by *thl* will not be acquired under the Scheme and accordingly, no new shares will be issued to *thl* in relation to its shareholding in ATL. As a result, ATL Shares are reduced to 185,252,758 for the purpose of the Scheme. Accordingly, based on the Conversion Ratio of 1 *thl* share for every 3.210987 ATL shares (or 1 ATL share per 0.3114[110] *thl* shares), this results in 57,693,401[111] new *thl* shares being issued to ATL Shareholders.

In addition, as reported in section 5.8, *thl* has 8,185,901 *thl* Share Rights and Options on issue as a result of different share scheme payments, which are summarised below:

thl Share Right and Options			
Category	Year of issue	Exercise price NZ$	Number of Rights and Options
2017 LTI Scheme	2017 - 2022	1.57 - 7.00	6,598,667
Retention Shares Options	2020 - 2021	2.00 - 2.55	1,212,745
Retention Share Rights	2020 - 2021	-	374,489
Total			**8,185,901**

Source: thl Management

[110] Excluding *thl interest in ATL.*
[111] Excluding *thl interest in ATL.*

thl Share Rights and Options have vesting conditions solely related to the continuous employment of the holder. In computing the share capital of the Merged Group, we have added the *thl* Share Rights and Options that are currently in the money, as well as the related cash inflow from their exercise. We have attributed a A$nil value to the *thl* Rights and Options that are materially out of the money.

Further, in our analysis of the Merged Group's share capital, we have included the additional 2,941,857 shares *thl* is issued as consideration for the purchase of the remaining 51% interest in Just Go on 5 October 2022. Below we summarise the computation of the Merged Group share capital.

Merged Group - Capital structure	Number of shares
ATL Shares on issue	186,150,908
Less ATL Shares hold by thl	(898,150)
ATL Shares on issue adjusted	**185,252,758**
Conversion Ratio	3.210987
thl Share to be issued to ATL Shareholders	**57,693,401**
thl share on issue (excluding the Just Go acquisition) [1]	153,138,464
Merged Group ordinary shares	**210,831,865**
Add: thl Shares issued as result of the Just Go Acquisition	2,941,857
Subtotal	**213,773,722**
Add: thl Right and Options considered exercised	6,090,902
Merged Group Shares (fully diluted)[2]	**219,864,624**

Sources: ATL and thl Management, GTCF analysis
Note: (1) As at 20 October 2022, excluding the thl shares issued as a result of the Just Go Acquisition (2) Fully diluted shares are excluding thl rights and options that are materially out of the money.

9.1.6 Minority discount

Given the DCF Method produces a control valuation, we have applied a minority discount of 23.1% based on the inverse of a 30% control premium. Refer to Appendix E for further details.

9.1.7 Sensitivity Analysis

It should be noted that the enterprise value of the Merged Group could vary materially based on changes in certain key assumptions. Accordingly, we have conducted certain sensitivity analysis below to highlight the impact on the value of Merged Group enterprise value after the Scheme based on the DCF Method caused by movements in certain key assumptions.

Sensitivity analysis			Percentage change	
A$	Low	High	Low	High
GT assessed value	2.34	2.97		
Discount rate				
- 0.5%	2.63	3.36	12.5%	13.3%
+ 0.5%	2.08	2.63	(10.9%)	(11.4%)
Terminal Growth Rate				
- 0.5%	2.16	2.73	(7.3%)	(8.0%)
+ 0.5%	2.53	3.24	8.3%	9.2%
EBIT Margin (terminal value)				
- 0.5%	2.23	2.84	(4.5%)	(4.3%)
+ 0.5%	2.44	3.09	4.5%	4.3%
Utilisation rate (terminal value)				
-2.0%	2.26	2.88	(3.1%)	(3.0%)
+2.0%	2.41	3.05	3.1%	3.0%
Recurring Synergies				
75% of Recurring Synergies (mid-point)	2.18	2.79	(6.6%)	(6.0%)
50% of Recurring Synergies (mid-point)	2.03	2.61	(13.3%)	(12.0%)

Source: GTCF analysis

These sensitivities do not represent a range of potential enterprise values of the Merged Group, but they intend to show to ATL Shareholders the sensitivity of our valuation assessment to changes in certain variables.

9.2 Cross Check – Implied EBIT Multiple

We have set out in the table below the EBIT multiples implied in our valuation assessment of the Merged Group.

Merged Group - Implied EBIT Multiple	*Section*		
A$ million	*Reference*	Low	High
Enterprise value (control basis)	***9.1***	**805**	**983**
EBIT			
Underlying EBIT FY19 (sum ATL and THL actual plus synergies)	*9.2*	112	112
FY23 EBIT Brokers (sum of ATL and THL brokers consensus)	*9.2*	68	68
FY24 EBIT Brokers (sum of ATL and THL brokers consensus plus synergies)	*9.2*	120	120
Implied Enterprise value/EBIT			
EV/Underlying EBIT FY19		7.2x	8.8x
EV/FY23 EBIT Brokers		11.8x	14.4x
EV/FY24 EBIT Brokers		6.7x	8.2x

Sources: ATL and thl brokers, GTCF analysis

To compute the implied EV/EBIT multiple, we have added together the standalone ATL and *thl* consensus forecast projections prepared by the brokers covering the two companies. Furthermore, we have accounted for the Synergies by having regard to their expected phasing. The Fixed Synergies are expected to be approximately nil in FY23, circa 85% realised in FY24, and then reaching the steady state from FY25 onwards. The Variable Synergies are expected to be materially realised by the end of FY25. Accordingly, we have added circa 85% of the Synergies at the EBIT level to the mid-point brokers consensus estimates in FY24 of ATL and *thl*. We have also had regard to one broker that provides a forecast for the Merged Group, however we note that the related report was released in May 2022 hence before the announcement to the market of the updated Synergies. The table below summarises the computation of the EBIT.

Broker Consensus analysis A$ million	Date	FY23	FY24
ATL Brokers			
Broker 1	29-Aug-22	36	41
thl Brokers			
Broker 2	29-Aug-22	37	61
Broker 3	29-Aug-22	42	65
Average		**40**	**63**
Median		**40**	**63**
ATL plus *thl* projections		**75**	**104**
Synergies mid-point[1]		-	18
Merged Group - EBIT		**75**	**122**
Broker 1	1-Mar-22	61	118
Average/median		**68**	**120**

Sources: ATL and thl brokers, ATL and thl Management and GTCF analysis
Note: (1) FY24 Recurring Synergies computed as 85% of the mid-point of Synergies at the EBIT level between NZ$23 million and NZ$24 million and converted in A$ by the exchange rate utilised in the GT Model

In our analysis, we have put greater reliance on the FY24 EV/EBIT multiple as it reflects a relatively more steady state of operations following a COVID-19 recovery and a nearly full realisation of the Synergies. Regarding the implied FY24 EV/EBIT multiple, we note the following:

- It is below the average of the transaction multiples of 9.2x (on a control basis), although the transaction multiples represent historical multiples and our multiple is based on forecast earnings approximately 2 years in the future (FY24). If we consider the Merged Group's historical FY19 implied multiple, it is more closely aligned with the transaction multiples.

- It is below the median FY24 EV/EBIT multiple of Tourism Peers of 12.6x and it is at a premium to the median FY24 EV/EBIT multiple of the RV Manufacturers of 5.4x. The Merged Group's operations are a combination of RV rental operations, manufacturing operations and tourism and accordingly we would expect its multiple to fall between the multiples for the Tourism Peers and RV Manufacturers. Furthermore, we note that most of these companies are significantly larger than the Merged Group, with an average market cap of c. A$2,127 million as at 28 September 2022.

- The trading multiples of the RV Manufacturer Peers and Tourism Peers have trended down since the release of the Original Scheme Booklet in February 2022. This supports our lower implied FY24 EBIT multiple for the Merged Group of between 6.7x and 8.2x compared with 8.0x and 9.5x in the Original Scheme Booklet.

- The Merged Group through *thl* has a significantly larger presence in New Zealand, the country that had some of the strictest COVID-19 restrictions in the world and accordingly it reflects the risk that restrictions could be reintroduced in the event of future COVID-19 outbreaks or new variants.

- The Merged Group forecast FY24 EBIT in our implied multiple includes approximately A$18 million in Synergies (we have only reflected 85% of them). The risk of achieving the Synergies is significantly higher than the earnings from the established businesses.

Having regards to the above, we consider the FY24 EBIT Multiple implied by our valuation assessment as reasonable, because a reflection of the material synergies of the Merged Group mitigated by the uncertainty regarding the timing of the post COVID-19 recovery.

9.3 Quoted Security Pricing Method

As discussed in Section 9.0, we have also considered the Quoted Security Price Method for our assessment of the fair market value of the Scheme Consideration. As Apollo's Shareholders will collectively own 27.0% of the Merged Group, we have cross checked our assessed value of the Scheme Consideration on a minority basis having regard to *thl's* trading price after the announcement of the Scheme.

The consideration of the trading price is an exercise of professional judgement that takes into consideration the depth of the market for the listed securities, volatility of the market price, and whether or not the trading price is likely to represent the underlying value of the Scheme Consideration. The following sections detail the analysis undertaken on *thl*'s trading price in our assessment of the Scheme Consideration.

9.3.1 Liquidity analysis

In accordance with the requirements of RG 111, we have analysed the liquidity of *thl* Shares before relying on them for the purpose of our valuation assessment. We set out below the monthly trading volume of *thl* shares over the past 12 months as a percentage of the total shares outstanding as well as free float shares outstanding[112].

[112] Free float shares excludes those owned by Company employees, individual insiders, related parties and/or other strategic investors.

Month end	Volume traded ('000)	Monthly VWAP ($)	Total value of shares traded ($'000)	Volume traded as % of total shares	Cumulative Volume traded as % of total shares	Volume traded as % of free float shares	Cumulative Volume traded as % of free float shares
Oct 2021	3,304	2.6976	8,912	2.2%	2.2%	3.0%	3.0%
Nov 2021	2,816	2.8463	8,015	1.9%	4.0%	2.5%	5.5%
Dec 2021	2,428	2.9913	7,263	1.6%	5.6%	2.2%	7.7%
Jan 2022	1,500	2.8076	4,212	1.0%	6.6%	1.3%	9.0%
Feb 2022	2,911	2.6570	7,735	1.9%	8.5%	2.6%	11.6%
Mar 2022	1,982	2.7693	5,490	1.3%	9.8%	1.8%	13.4%
Apr 2022	968	2.8818	2,789	0.6%	10.5%	0.9%	14.3%
May 2022	2,405	2.7386	6,585	1.6%	12.0%	2.1%	16.4%
Jun 2022	2,083	2.5061	5,219	1.4%	13.4%	1.9%	18.3%
Jul 2022	679	2.4461	1,660	0.4%	13.9%	0.6%	18.9%
Aug 2022	2,000	2.6183	5,237	1.3%	15.2%	1.8%	20.6%
Sep 2022	5,392	1.1554	6,230	3.5%	18.7%	4.7%	25.4%
Min				**0.45%**		**0.60%**	
Average				**1.56%**		**2.11%**	
Median				**1.48%**		**2.01%**	
Max				**3.53%**		**4.73%**	

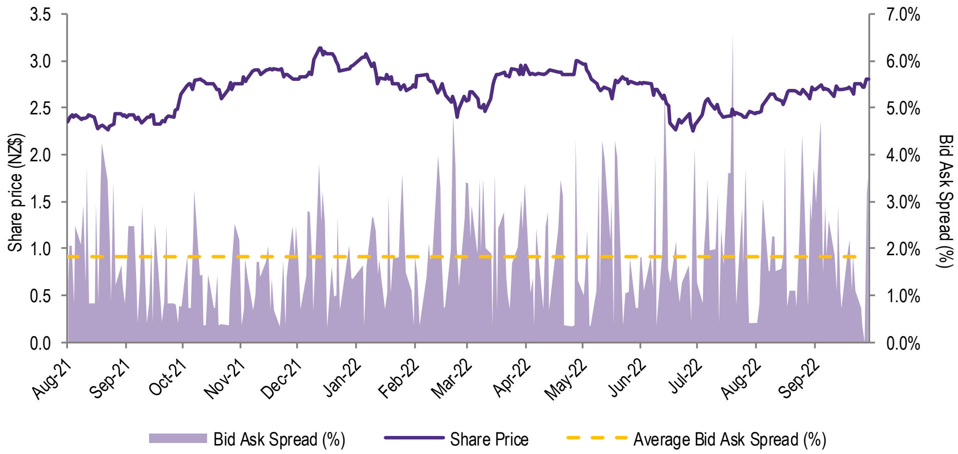
Sources: S&P Global, GTCF analysis

With regard to the above analysis, we note that:

- The level of free float of *thl* is quite high at 74.34%. From October 2021 to September 2022, only c. 25.4% of the free float shares were traded with an average monthly volume of c. 2.11% of the total free float shares.
- In the absence of a takeover or other share offers, the trading price represents the value at which minority shareholders could realise their portfolio investment.
- *thl* complies with the full disclosure regime required by the NZX. As a result the market is fully informed about the performance of *thl*. *thl* provides updates to the market on a regular basis with information regarding its investment strategy and performance. As a result, there is extensive analysis provided to the market not only about *thl*'s performance and market standing, but also regarding industry trends.
- Given the relatively high degree of institutional interest, *thl* is also covered by multiple brokers who provide updates, forecasts and commentary on the financial performance and announcements of *thl*.

Similarly to ATL, we have set out below the bid and ask price for *thl* between August 2021 to September 2022.

thl spread between bid and ask price



Sources: S&P Global, GTCF analysis

As set out in the graph above, we note that the historical average and median bid-ask spread has been 1.8% and 1.7% respectively since August 2021 with occasional spikes above 6.0% in conjunction with large movements in the trading price.

Based on the analysis above, we conclude that the liquidity in *thl* shares is reasonable.

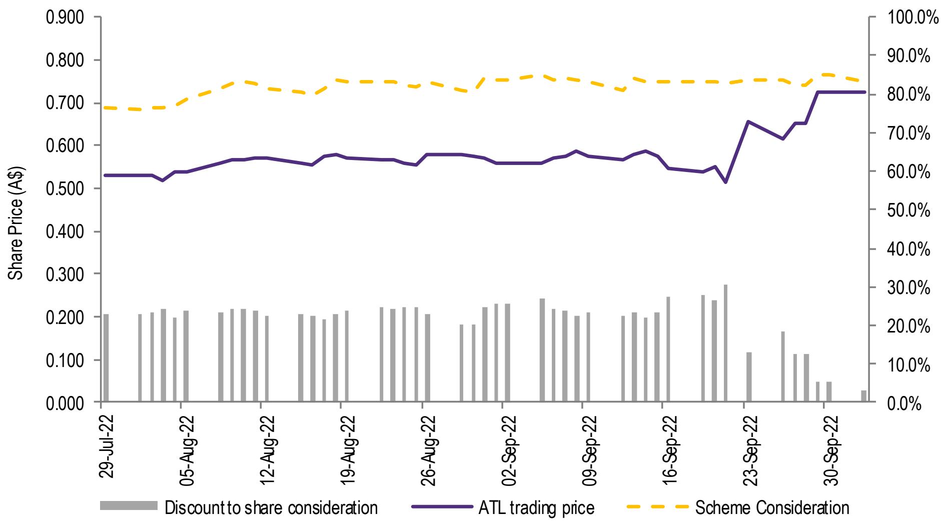
9.3.2 Valuation of the Scheme Consideration based on *thl*'s trading price

We have considered the trading price of *thl* Shares since 29 July 2022, which we have converted to Australian Dollars and divided by the Conversion Ratio to provide a like-for-like comparison between ATL's trading price and the Scheme Consideration.

However, *thl*'s trading price after the announcement of the Scheme should be treated with a degree of caution given it is likely to incorporate the market's view of the risk of the deal completing. As discussed in Section 8.3.2, this risk appears to be reflected in ATL's trading price, given it has persistently traded at a discount to the Scheme Consideration (based on *thl*'s trading price) since the announcement of the Scheme as presented below:

Grant Thornton

ATL trading price and discount to implied Scheme Consideration



Sources: S&P Global, GTCF analysis.
Note: Scheme Consideration assessed based on the closing price of thl shares converted into Australian Dollars using the closing NZ$:A$ FX rate on each day and divided by the Conversion Ratio.

As set out above, since 29 July 2022, the share price of Apollo has traded below the Scheme Consideration, although it has since converged towards the Scheme Consideration (based on *thl*'s trading price) due to the lower risk of the deal not completing following the Deed of Variation and approval from the NZCC and ACCC on 23 September and 29 September respectively.

However, the Scheme remains subject to ATL Shareholder approval, refinancing of the debt facilities of the Merged Group, and approval from the Supreme Court of Queensland and therefore there remains an element of risk of it not completing.

In our view, the fact that ATL's trading price has broadly converged towards the Scheme Consideration implied by *thl* trading prices, is a useful high-level cross check to our valuation conclusions of the Scheme Consideration as detailed in section 9.1.

9.3.3 Conclusion on the value of Scheme Consideration based on *thl*'s Quoted Security Price

In the valuation assessment of the Scheme Consideration, we have also had regard to the trading prices of *thl* on a minority basis after 1 July 2022, when ATL and *thl* announced they had commenced discussions with both the ACCC and NZCC to seek merger clearance on the basis that the Merged Group would divest certain assets. This represented a price catalyst moment and signalled an improved likelihood that the Scheme would be given clearance and proceed. We are of the opinion that it is reasonable to consider *thl*'s trading prices due to the following:

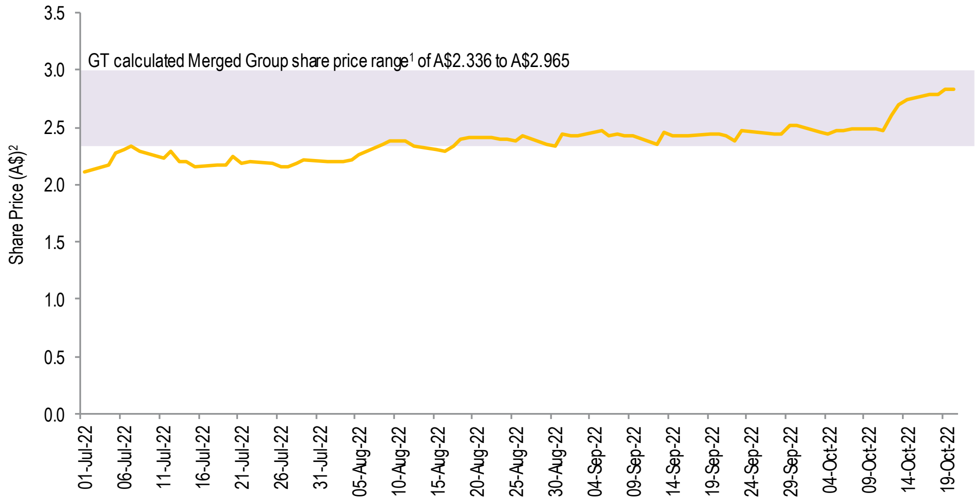
- It reflects the views of investors of the market value of the Merged Group, including realisation of the Synergies, as well as the risk of the Scheme completing.

- ATL Shareholders as at the Scheme record date will collectively own c. 27.0% of the Merged Group and no individual ATL Shareholder will hold a significant interest (on a fully diluted basis), except for the Founding Family Shareholders. Accordingly, they will not be able to influence and change the strategic direction of *thl*, which is consistent with the portfolio value reflected in *thl*'s trading price.

- As discussed in section 9, there is liquidity in *thl* trading prices to allow ATL Shareholders to realise in an ordinary manner the *thl* Shares received as consideration at market value if they desire to do so.

thl's trading price after 1 July 2022 should be treated with a degree of caution given it is likely to incorporate the market's view of the risk of the deal completing. We have set out below the historical share price of *thl* shares since the announcement of the proposed Scheme and our assessed trading price range:

***thl* trading price and GT assessed value range of the Scheme Consideration**



Sources: S&P Global, GTCF analysis.
Note: (1) Share price range was calculated on a minority basis.

The *thl* trading price has traded within our assessed value range of the Scheme Consideration on a minority basis since 23 September 2022, which is the day ATL and *thl* announced the Deed of Variation and NZCC clearance for the Scheme. This supports our assessed value range of the Scheme Consideration. The value of the Scheme Consideration implied in the trading prices of *thl* is towards the low-end of our assessed fair market value based on the DCF Method. While several key approvals for the Scheme have been achieved, a number of completion risks which may be reflected in *thl's* trading price.

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10 Sources of information, disclaimer and consents

10.1 Sources of information

In preparing this report Grant Thornton Corporate Finance has used various sources of information, including:

- Original Scheme Booklet
- Replacement Scheme Booklet
- Jucy SPA
- Annual reports/consolidated accounts of ATL and *thl* for FY17 to FY22.
- Proposed merger of ATL and *thl* investor presentations
- Management projections for ATL and *thl* for FY23 to FY26
- Synergy Report and Updated Synergy Report
- Corporate Model.
- ATL Standalone Model.
- Scheme Implementation Deed
- Deed of Variation
- Transaction databases such S&P Global Capital IQ and Mergermarket.
- IBISWorld industry reports.
- Various industry and broker reports.
- Press releases and announcements by ATL on the ASX.
- Other publicly available information.

In preparing this report, Grant Thornton Corporate Finance has also held discussions with, and obtained information from, Management of Apollo and *thl* and their advisers.

10.2 Limitations and reliance on information

This report and opinion is based on economic, market and other conditions prevailing at the date of this report. Such conditions can change significantly over relatively short periods of time.

Grant Thornton Corporate Finance has prepared this report on the basis of financial and other information provided by the Company, and publicly available information. Grant Thornton Corporate Finance has considered and relied upon this information. Grant Thornton Corporate Finance has no reason to believe that any information supplied was false or that any material information has been withheld. Grant Thornton Corporate Finance has evaluated the information provided by the Company through inquiry, analysis and review, and nothing has come to our attention to indicate the information provided was materially misstated or would not afford reasonable grounds upon which to base our report. Nothing in this report should be taken to imply that Grant Thornton Corporate Finance has audited any information supplied to us, or has in any way carried out an audit on the books of accounts or other records of the Company.

This report has been only been prepared at the request of ATL Directors to provide an independent opinion as to whether the Scheme is in the best interests of the ATL Shareholders. This report should not be used for any other purpose. In particular, it is not intended that this report should be used by current and future investors in making their investment decisions in relation to the Scheme.

Apollo has indemnified Grant Thornton Corporate Finance, its affiliated companies and their respective officers and employees, who may be involved in or in any way associated with the performance of services contemplated by our engagement letter, against any and all losses, claims, damages and liabilities arising out of or related to the performance of those services whether by reason of their negligence or otherwise, excepting gross negligence and wilful misconduct, and which arise from reliance on information provided by the Company, which the Company knew or should have known to be false and/or reliance on information, which was material information the Company had in its possession and which the Company knew or should have known to be material and which did not provide to Grant Thornton Corporate Finance. The Company will reimburse any indemnified party for all expenses (including without limitation, legal expenses) on a full indemnity basis as they are incurred.

Apollo is not responsible for any information provided by *thl* or its management or advisers.

Appendix A – Valuation methodologies

Capitalisation of future maintainable earnings

The capitalisation of future maintainable earnings multiplied by appropriate earnings multiple is a suitable valuation method for businesses that are expected to trade profitably into the foreseeable future. Maintainable earnings are the assessed sustainable profits that can be derived by a company's business and excludes any abnormal or "one off" profits or losses.

This approach involves a review of the multiples at which shares in listed companies in the same industry sector trade on the share market. These multiples give an indication of the price payable by portfolio investors for the acquisition of a parcel shareholding in the company.

Discounted future cash flows

An analysis of the net present value of forecast cash flows or DCF is a valuation technique based on the premise that the value of the business is the present value of its future cash flows. This technique is particularly suited to a business with a finite life. In applying this method, the expected level of future cash flows are discounted by an appropriate discount rate based on the weighted average cost of capital. The cost of equity capital, being a component of the WACC, is estimated using the Capital Asset Pricing Model.

Predicting future cash flows is a complex exercise requiring assumptions as to the future direction of the company, growth rates, operating and capital expenditure and numerous other factors. An application of this method generally requires cash flow forecasts for a minimum of five years.

Orderly realisation of assets

The amount that would be distributed to shareholders on an orderly realisation of assets is based on the assumption that a company is liquidated with the funds realised from the sale of its assets, after payment of all liabilities, including realisation costs and taxation charges that arise, being distributed to shareholders.

Market value of quoted securities

Market value is the price per issued share as quoted on the ASX or other recognised securities exchange. The share market price would, prima facie, constitute the market value of the shares of a publicly traded company, although such market price usually reflects the price paid for a minority holding or small parcel of shares, and does not reflect the market value offering control to the acquirer.

Comparable market transactions

The comparable transactions method is the value of similar assets established through comparative transactions to which is added the realisable value of surplus assets. The comparable transactions method uses similar or comparative transactions to establish a value for the current transaction.

Comparable transactions methodology involves applying multiples extracted from the market transaction price of similar assets to the equivalent assets and earnings of the company. The risk attached to this valuation methodology is that in many cases, the relevant transactions contain features that are unique to that transaction and it is often difficult to establish sufficient detail of all the material factors that contributed to the transaction price.

Appendix B – Comparable companies

Company	Description
Thor Industries, Inc. *NYSE:THO*	Thor Industries, Inc. designs, manufactures, and sells recreational vehicles (RVs), and related parts and accessories in the United States, Canada, and Europe. The company offers travel trailers; gasoline and diesel Class A, Class B, and Class C motorhomes; conventional travel trailers and fifth wheels; luxury fifth wheels; and motorcaravans, caravans, campervans, and urban vehicles. It also provides aluminum extrusion and specialized component products to RV and other manufacturers; and digital products and services for RVs. The company provides its products through independent and non-franchise dealers. The company was founded in 1980 and is based in Elkhart, Indiana.
Winnebago Industries, Inc. *NYSE:WGO*	Winnebago Industries, Inc. manufactures and sells recreation vehicles and marine products primarily for use in leisure travel and outdoor recreation activities. The company operates in six segments: Grand Design Towables, Winnebago Towables, Winnebago Motorhomes, Newmar motorhomes, Chris-Craft Marine, and Winnebago Specialty Vehicles. It provides towable products that are non-motorized vehicles to be towed by automobiles, pickup trucks, SUVs, or vans for use as temporary living quarters for recreational travel, such as conventional travel trailers, fifth wheels, folding camper trailers, and truck campers under the Winnebago and Grand Design brand names. The company also offers motorhomes, which are self-propelled mobile dwellings used primarily as temporary living quarters during vacation and camping trips, or to support active and mobile lifestyles under the Winnebago and Newmar brand names. In addition, it offers other specialty commercial vehicles for law enforcement command centers, mobile medical clinics, and mobile office spaces; commercial vehicles as bare shells to third-party up fitters; and boats in the recreational powerboat industry under the Chris-Craft and Barletta brand names. Further, the company is involved in the original equipment manufacturing of parts for other manufacturers and commercial vehicles. The company sells its products primarily through independent dealers in the United States, Canada, and internationally. Winnebago Industries, Inc. was incorporated in 1958 and is based in Forest City, Iowa.
Knaus Tabbert AG *XTRA:KTA*	Knaus Tabbert AG, together with its subsidiaries, manufactures and sells leisure vehicles in Europe. It operates through Premium and Luxury segments. The company offers motorhomes, caravans, and camper vans under the KNAUS, TABBERT, WEINSBERG, T@B, and MORELO brands. It also operates RENT AND TRAVEL digital portal for renting leisure vehicles through a network of partners operating approximately 180 rental stations. Knaus Tabbert AG was founded in 1912 and is headquartered in Jandelsbrunn, Germany.
KABE Group AB (publ.) *OM:KABE B*	KABE Group AB (publ.) manufactures and sells caravans and mobile homes. The company sells its products through dealers in Europe. The company was formerly known as KABE AB (publ.) and changed its name to KABE Group AB (publ.) in July 2018. KABE Group AB (publ.) is based in Tenhult, Sweden.
Trigano S.A. *ENXTPA:TRI*	Trigano S.A. designs, manufactures, markets, and sells leisure vehicles and trailers for individuals and professionals in Europe. The company operates through Leisure Vehicles and Leisure Equipment segments. It offers leisure vehicles, including caravans, motorhomes, and mobile homes; camping and garden equipment; tents; and baggage and utility trailers, as well as accessories for leisure vehicles. The company also rents motorhomes; and provides finance for leisure vehicles, as well as offers a range of rental stay services in mobile homes. It offers its products through dealer networks and distributors, as well as through its online sales site, Triganostore.com. The company was founded in 1935 and is based in Paris, France.
Camping World Holdings, Inc. *NYSE:CWH*	Camping World Holdings, Inc., through its subsidiaries, operates as a recreational vehicle (RV) and outdoor retailer. It operates through two segments, Good Sam Services and Plans; and RV and Outdoor Retail. The company provides a portfolio of services, protection plans, products, and resources in the RV industry. It also offers extended vehicle service contracts; roadside assistance plans; property and casualty insurance programs; travel assist travel protection plans; and RV and outdoor related consumer shows, as well as produces various monthly and annual RV focused consumer magazines; travel and planning directories; and operates the Coast to Coast Club. In addition, the company provides new and used RVs; vehicle financing; RV repair and maintenance services; range of RV parts, equipment, supplies, and accessories, which include towing and hitching products, satellite and GPS systems, electrical and lighting products, appliances and furniture, and other products; and collision repair services comprising fiberglass front and rear cap replacement, windshield replacement, interior remodel solutions, and paint and body work. Further, it offers equipment, gears, and supplies for camping, hunting, fishing, skiing, snowboarding, bicycling, skateboarding, marine and watersports, and other outdoor activities, as well as operates Good Sam Club, a membership organization that offers savings on a range of products and services and provides co-branded credit cards. As of June 22, 2021, the company operated through a network of approximately 175 retail locations in 38 states of the United States. It serves customers through dealerships, and online and e-commerce platforms. The company was founded in 1966 and is headquartered in Lincolnshire, Illinois.
LCI Industries *NYSE:LCII*	LCI Industries, together with its subsidiaries, manufactures and supplies components for the manufacturers of recreational vehicles (RVs) and adjacent industries in the United States and internationally. It operates in two segments, Original Equipment Manufacturers (OEM) and Aftermarket. The OEM segment manufactures and distributes a range of engineered components, such as steel chassis and related components; axles and suspension solutions; slide-out mechanisms and solutions; thermoformed bath, kitchen, and other products; vinyl, aluminum, and frameless windows; manual, electric, and hydraulic stabilizer and leveling systems; entry, luggage, patio, and ramp doors; furniture and mattresses; electric and manual entry steps; awnings and awning accessories; towing products; truck accessories; electronic components; and other accessories. This segment serves OEMs of RVs and adjacent industries, including buses; trailers used to haul boats, livestock, equipment, and other cargo; trucks; boats; trains; manufactured homes; and modular housing, as well as travel trailers, fifth-wheel travel trailers, folding camping trailers, and truck campers. The Aftermarket segment supplies various components of RV and adjacent industries to retail dealers, wholesale distributors, and service centers. This segment also sells replacement glass and awnings to fulfill insurance claims, biminis, covers, buoys, and fenders to the marine industry. The company was formerly known as Drew Industries Incorporated and changed its name to LCI Industries in December 2016. LCI Industries was incorporated in 1984 and is based in Elkhart, Indiana.

Company	Description
Flight Centre Travel Group Limited *ASX:FLT*	Flight Centre Travel Group Limited provides travel retailing services for the leisure and corporate sectors in Australia, New Zealand, Americas, Europe, the Middle East, Africa, Asia, and internationally. The company offers leisure travel services for the niche sectors, as well as mass, youth, premium, and cruise markets; and corporate travel services for organizations of various sizes across industries, as well as supplies products to its national and international network, or travel retail outlets. It also provides tour operations, hotel management, and destination management services. In addition, the company offers other travel related services, including foreign currency exchange and travel academies; recruitment marketing and bike retailing; and employee benefit services. Flight Centre Travel Group Limited provides its services primarily under the Flight Centre brand, as well as other travel brands, such as Student Flights, Travel Associates, Liberty Travel, Infinity Holidays, GOGO Vacations, FC, Travel Solutions, Corporate Traveller, Stage and Screen, and cievents. The company was formerly known as Flight Centre Limited and changed its name to Flight Centre Travel Group Limited in November 2013. Flight Centre Travel Group Limited was incorporated in 1987 and is headquartered in South Brisbane, Australia.
Webjet Limited *ASX:WEB*	Webjet Limited provides online travel booking services in Australia, New Zealand, the United Arab Emirates, the United Kingdom, and internationally. It operates through Business to Consumer Travel and Business to Business Travel segments. The company enables its customers to compare, combine, and book domestic and international travel flight deals, hotel accommodations, holiday package deals, travel insurances, rental cars, motorhomes, and cruises. Its brands include Webjet, Online Republic, JacTravel, Sunhotels, Lots of Hotels, Totalstay, Destinations of the World, FIT Ruums, and Umrah Holidays International. The company serves retail and corporate travel agents, online travel agencies, wholesalers, and tour operators. Webjet Limited was founded in 1998 and is based in Melbourne, Australia.
Kelsian Group Limited *ASX:KLS*	Kelsian Group Limited provides land and marine tourism and public transport services in Australia, Singapore, and the United Kingdom. It operates through Marine & Tourism, Australian Bus, and International Bus segments. The Marine & Tourism segment operates vehicle and passenger ferry services, barging, coach tours and package holidays, lunch, dinner, charter cruises, and accommodation facilities. The Australian Bus segment operates metropolitan public bus services on behalf of governments in Sydney, Melbourne, Perth, Adelaide, and Darwin. The International Bus segment operates metropolitan public bus services on behalf of governments in London and Singapore. The company was formerly known as SeaLink Travel Group Limited and changed its name to Kelsian Group Limited in November 2021. Kelsian Group Limited was founded in 1989 and is headquartered in Adelaide, Australia.
Corporate Travel Management Limited *ASX:CTD*	Corporate Travel Management Limited, a travel management solutions company, manages the purchase and delivery of travel services for the corporate market. It operates through four segments: Australia and New Zealand, North America, Asia, and Europe. The company provides strategic account management, small business travel, and event travel management services; and resource travel management products, which include shift management tools, emergency evacuation solutions, charter negotiation, and expense solutions. It also offers sport travel and leisure travel management services. Corporate Travel Management Limited was founded in 1994 and is headquartered in Brisbane, Australia.
Helloworld Travel Limited *ASX:HLO*	Helloworld Travel Limited operates as a travel distribution company in Australia, New Zealand, and internationally. The company provides international and domestic travel products and services, as well as operates a franchised network of travel agents. It operates retail travel brands, including Helloworld Travel–the Travel Professionals; and a network of retail outlets, such as Helloworld Travel Associate, Helloworld Business Travel, Magellan Travel, Mobile Travel Agent, My Travel Group, and The Travel Brokers. The company also provides corporate travel management services, including booking flights, accommodation, and other services through QBT, APX, Inspire Travel Management, TravelEdge, Show Group, GO Conference & Incentives, and AOT Hotels. Its wholesale operations include distribution of travel products and services under the Viva Holidays, Sunlover Holidays, Territory Discoveries, Asia Escape Holidays, Skiddoo, GO Holidays, Ready Rooms, Seven Oceans Cruises, and Williments Travel brands, as well as operates needitnow.com.au. In addition, the company also provides air, cruise, and land products for packaging and sale through retail travel agency networks and other third-party retailers; and inbound and destination management services. Further, it offers access to a database of various ocean and river cruise products, including itineraries, cruise lines, ocean and river cruise vessels, and information on various ports, as well as cruise packaging and services. The company was formerly known as Helloworld Limited and changed its name to Helloworld Travel Limited in April 2017. Helloworld Travel Limited was incorporated in 2000 and is based in Melbourne, Australia.
Experience Co Limited *ASX:EXP*	Experience Co Limited, an adventure tourism company, provides tandem skydiving services in Australia and New Zealand. The company operates through Skydiving and GBR Experiences segments. It also provides boat tours, snorkeling, and diving in the Great Barrier Reef; and rainforest tour in the Daintree in North Queensland, as well as aircraft maintenance services. The company operates 12 skydiving drop zones in Australia and 3 in New Zealand. Experience Co Limited was founded in 1998 and is based in Sydney, Australia.
Event Hospitality & Entertainment Limited *ASX:EVT*	Event Hospitality & Entertainment Limited operates as an entertainment, hospitality, and leisure company in Australia, New Zealand, and Germany. The company operates through Entertainment, Hotels and Resorts, Thredbo Alpine Resort, and Property and Other Investments segments. It is involved in cinema exhibition operations under the Event Cinemas, Moonlight Cinemas, Greater Union and Birch, and Carroll & Coyle cinemas brands; and the operation of Cinebuzz Rewards, a movie loyalty program, as well as State Theatre, a 2,000-seat theatre located in Sydney. The company also supplies cinema technology solutions to the industry in digital and electronic cinema, and film projection portfolios; owns, operates, and manages hotels and resorts under the Rydges, QT, Atura, and Thredbo Alpine brand names; and operates Priority Guest Rewards, a hotel and resort rewards program. In addition, it invests in, develops, and rents properties; and invests in shares of unlisted companies. The company was formerly known as Amalgamated Holdings Limited and changed its name to Event Hospitality & Entertainment Limited in December 2015. Event Hospitality & Entertainment Limited was founded in 1910 and is headquartered in Sydney, Australia.

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Appendix C – Comparable transactions

Target	Description
Tiffin Motorhomes Inc.	Tiffin Motorhomes, Inc. designs and manufactures motor homes. The company also provides parts and repair services. It markets and sells its products through dealers in the United States, Canada, Australia, and New Zealand. The company was founded in 1972 and is headquartered in Red Bay, Alabama. As of December 18, 2020, Tiffin Motorhomes, Inc. operates as a subsidiary of Tiffin Group, LLC.
Newmar Corporation	Newmar Corporation operates as vehicle manufacturer specializing in motor homes and trailers. The Company's products include fifth wheels, motorhomes, and luxury motorhomes.
Erwin Hymer Group	Erwin Hymer Group SE manufactures and markets caravans and motor homes for leisure purpose. It also offers vans, tent-trailers, and roof top tents along with the rental options. The company provides caravans and campervans under the brand names: Buccaneer, Bürstner, Compass, Dethleffs, Elddis, and Eriba; motor homes under the brand names: Carado, Dethleffs, Elddis, Etrusco, Hymer, Laika, LMC, NIESMANN+BISCHOFF, Roadtrek, Sunlight, Cliffride, Goldschmitt, and Movera; roof top tents under the brand name: 3DOG; and hardtops under the brand name: American Fastbacks. It serves customers through a network of dealers in Europe. Erwin Hymer Group SE was founded in 1923 and is based in Bad Waldsee, Germany. As of February 1, 2019, Erwin Hymer Group SE operates as a subsidiary of Thor Industries, Inc.
Swift Group Limited	Swift Group Limited manufactures and sells leisure vehicles. It offers caravans, motorhomes, and holiday homes. The company also offers spare parts and after sales services. It sells its products through dealers. The company was founded in 1964 and is based in Cottingham, United Kingdom. Swift Group Limited is a former subsidiary of Swift Holdings (UK) Ltd.
Rhiag Group	RHIAG Group Ltd distributes automotive aftermarket components. It offers vehicle spare parts, tires, oils, car parts, accessories, tools and equipment, and chemical products. The company was founded in 1979 and is based in Baar, Switzerland. RHIAG Group Ltd operates as a subsidiary of LKQ Corporation.
AL-KO Vehicle Technology Group	AL-KO Vehicle Technology Group GmbH manufactures and supplies chassis components for trailers, leisure vehicles, and light commercial vehicles. The company was founded in 1931 and is based in Kötz, Germany. AL-KO Vehicle Technology Group GmbH operates as a subsidiary of DexKo Global Inc.

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Appendix D – Discount rate

Introduction

The cash flow assumptions underlying the DCF approach are on a nominal, ungeared and post-tax basis. Accordingly, we have assessed a range of nominal post-tax discount rates for the purpose of calculating the net present value of the cash flows.

The discount rates were determined using the WACC formula. The WACC represents the average of the rates of return required by providers of debt and equity capital to compensate for the time value of money and the perceived risk or uncertainty of the cash flows, weighted in proportion to the market value of the debt and equity capital provided. However, we note that the selection of an appropriate discount rate is ultimately a matter of professional judgment.

Under a classical tax system, the nominal WACC is calculated as follows:

$$\mathrm{WACC} = \mathrm{R_d} \times \frac{\mathrm{D}}{\mathrm{D}+\mathrm{E}} \times (1-\mathrm{t}) + \mathrm{R_e} \times \frac{\mathrm{E}}{\mathrm{D}+\mathrm{E}}$$

Where:

- Re = the required rate of return on equity capital;
- E = the market value of equity capital;
- D = the market value of debt capital;
- Rd = the required rate of return on debt capital; and
- t = the statutory corporate tax rate.

Required rate of return on equity capital

We have used the CAPM, which is commonly used by practitioners, to calculate the required return on equity capital.

The CAPM assumes that an investor holds a large portfolio comprising risk-free and risky investments. The total risk of an investment comprises systematic risk and unsystematic risk. Systematic risk is the variability in an investment's expected return that relates to general movements in capital markets (such as the share market) while unsystematic risk is the variability that relates to matters that are unsystematic to the investment being valued.

The CAPM assumes that unsystematic risk can be avoided by holding investments as part of a large and well-diversified portfolio and that the investor will only require a rate of return sufficient to compensate for the additional, non-diversifiable systematic risk that the investment brings to the portfolio. Diversification cannot eliminate the systematic risk due to economy-wide factors that are assumed to affect all securities in a similar fashion.

Accordingly, whilst investors can eliminate unsystematic risk by diversifying their portfolio, they will seek to be compensated for the non-diversifiable systematic risk by way of a risk premium on the expected return. The extent of this compensation depends on the extent to which the company's returns are correlated with the market as a whole. The greater the systematic risk faced by investors, the larger the required return on capital will be demanded by investors.

The systematic risk is measured by the investment's beta. The beta is a measure of the co-variance of the expected returns of the investment with the expected returns on a hypothetical portfolio comprising all investments in the market - it is a measure of the investment's relative risk.

A risk-free investment has a beta of zero and the market portfolio has a beta of one. The greater the systematic risk of an investment the higher the beta of the investment.

The CAPM assumes that the return required by an investor in respect of an investment will be a combination of the risk-free rate of return and a premium for systematic risk, which is measured by multiplying the beta of the investment by the return earned on the market portfolio in excess of the risk-free rate.

Under the CAPM, the required nominal rate of return on equity (Re) is estimated as follows:

$$R_e = R_f + \beta_e (R_m - R_f)$$

Where:

- Rf = risk free rate
- βe = expected equity beta of the investment
- (Rm – Rf) = market risk premium

Risk-free rate

In the absence of an official risk free rate, the yield on government bonds (in an appropriate jurisdiction) is commonly used as a proxy. Accordingly, we have observed the yields on the 10-year Australian Government bond, 10-year Canadian Government bond, 10-year USA Government bond and the 10-year UK Government bond over the last ten years.

Government debt analysis as at	4 October 2022		Range		Daily average Nominal
Australian Government Debt - 10 Year					
Previous 5 trading days		1.91%	-	1.99%	1.95%
Previous 10 trading days		1.84%	-	1.99%	1.91%
Previous 20 trading days		1.54%	-	1.99%	1.81%
Previous 30 trading days		1.54%	-	1.99%	1.74%
Previous 60 trading days		1.54%	-	1.99%	1.75%
Previous 1 year trading		1.04%	-	2.10%	1.53%
Previous 2 years trading		0.60%	-	2.10%	1.23%
Previous 3 years trading		0.60%	-	2.25%	1.29%
Previous 5 years trading		0.60%	-	2.99%	1.84%
Previous 10 years trading		0.60%	-	4.44%	2.50%
Previous 20 years trading		0.60%	-	6.79%	3.43%
Canadian Government Debt - 10 Year					
Previous 3 years trading		0.43%	-	1.98%	1.25%
Previous 5 years trading		0.43%	-	2.58%	1.58%
Previous 10 years trading		0.43%	-	2.81%	1.71%
Previous 20 years trading		0.43%	-	4.73%	2.24%
United States Government Debt - 10 Year					
Previous 3 years trading		0.52%	-	2.76%	1.47%
Previous 5 years trading		0.52%	-	3.24%	1.93%
Previous 10 years trading		0.52%	-	3.24%	2.04%
Previous 20 years trading		0.52%	-	5.26%	2.48%
United Kingdom Government Debt - 10 Year					
Previous 3 years trading		0.08%	-	1.29%	0.62%
Previous 5 years trading		0.08%	-	1.65%	0.90%
Previous 10 years trading		0.08%	-	3.07%	1.44%
Previous 20 years trading		0.08%	-	5.55%	2.22%

Source: S&P Global, GTCF analysis

Given the historically low Government Bond yields around the world over the last 18 months due to profound market uncertainty as a result of COVID-19, we believe utilising a long-term average yield is reasonable.

We have estimated a blended risk free rate of c. 3.50% per both ATL and the Merged Group.

Market risk premium

The market risk premium represents the additional return an investor expects to receive to compensate for additional risk associated with investing in equities as opposed to assets on which a risk free rate of return is earned. However, given the inherent high volatility of realised rates of return, especially for equities, the market risk premium can only be meaningfully estimated over long periods of time. In this regard, Grant Thornton studies of the historical risk premium over periods of 20 to 80 years suggest a risk premium of 6.0% for the Australia markets.

For the purpose of the WACC assessment, Grant Thornton Corporate Finance has adopted a market risk premium of **6.0%**.

Equity beta

The beta measures the expected relative risk of the equity in a company. The choice of the beta requires judgement and necessarily involves subjective assessment as it is subject to measurement issues and a high degree of variation.

An equity beta includes the effect of gearing on equity returns and reflects the riskiness of returns to equity holders. However, an asset beta excludes the impact of gearing and reflects the riskiness of returns on the asset, rather than returns to equity holders. Asset betas can be compared across asset classes independent of the impact of the financial structure adopted by the owners of the business.

Equity betas are typically calculated from historical data. These are then used as a proxy for the future which assumes that the relative risk of the past will continue into the future. Therefore, there is no right equity beta and it is important not to simply apply historical equity betas when calculating the cost of equity.

For the purpose of the report, we have had regards to the observed betas (equity betas) of comparable listed companies operating in the tourism and RV (related) industries as outlined in the following tables below. Note, these betas include the impact of COVID-19 on each respective business. We have performed regressions of the historical betas over 5-year monthly and 2-year weekly time period with local or MSCI indices.

			5 years monthly - 43% regearing ratio				2 years weekly - 43% regearing ratio			
Beta analysis		Market cap	Equity	squared	ngeared	Adopted	Equity	squared	ngeared	Adopted
Company	Country	A$m	Beta		Beta	Beta	Beta		Beta	Beta
Apollo Tourism & Leisure Ltd	Australia	135	1.96	0.14	0.69	0.91	1.41	0.07	0.66	0.87
Tourism Holdings Limited	New Zealand	367	1.87	0.33	1.51	1.98	1.07	0.20	0.89	1.16
Thor Industries, Inc.	United States	6,035	1.78	0.33	1.51	1.98	0.91	0.16	0.75	0.99
Winnebago Industries, Inc.	United States	2,731	1.70	0.32	1.51	1.98	1.04	0.17	0.95	1.25
KABE Group AB (publ.)	Sweden	212	0.85	0.22	0.85	1.11	0.90	0.20	0.90	1.18
Knaus Tabbert AG	Germany	470	0.99	0.30	0.85	1.11	0.67	0.14	0.55	0.73
Trigano S.A.	France	2,775	1.28	0.27	1.28	1.68	1.23	0.34	1.23	1.61
Flight Centre Travel Group Limited	Australia	2,924	2.14	0.40	2.09	2.74	1.73	0.22	1.60	2.10
Webjet Limited	Australia	1,854	2.09	0.32	2.08	2.72	1.70	0.24	1.70	2.22
Kelsian Group Limited	Australia	1,074	1.15	0.22	1.01	1.32	1.17	0.17	0.95	1.24
Corporate Travel Management Limited	Australia	2,499	2.09	0.28	2.09	2.74	1.78	0.27	1.78	2.32
Camping World Holdings, Inc.	United States	1,754	2.77	0.27	0.81	1.06	1.22	0.17	0.48	0.63
LCI Industries	United States	3,944	1.52	0.44	1.27	1.67	1.25	0.30	0.95	1.25
Helloworld Travel Limited	Australia	293	2.03	0.26	2.03	2.66	1.98	0.19	1.98	2.59
Experience Co Limited	Australia	151	1.84	0.24	1.70	2.22	0.70	0.03	0.67	Nmf
Event Hospitality & Entertainment Limited	Australia	2,141	1.18	0.33	0.87	1.14	0.86	0.12	0.63	0.83
Millennium & Copthorne Hotels New Zealand Limited	New Zealand	275	0.74	0.21	0.74	0.97	0.41	0.07	0.41	0.53
Low						**0.91**				**0.53**
Median						**1.68**				**1.21**
Average						**1.76**				**1.34**
High						**2.74**				**2.59**

Source: S&P Global and GTCF calculations

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Note (1): Equity betas are calculated using data provided by S&P Global. The betas are based on a five-year period with monthly observations based on the local or MSCI index. Betas have been degeared based on the average gearing ratio (i.e. net debt divided by shareholders' equity based on market values). Betas have been regeared based on ATL's assumed regearing ratio of 67%.

			5 years monthly - 67% regearing ratio				2 years weekly - 67% regearing ratio			
Beta analysis		Market cap	Equity	squared	ngeared	Adopted	Equity	squared	ngeared	Adopted
Company	Country	A$m	Beta		Beta	Beta	Beta		Beta	Beta
Apollo Tourism & Leisure Ltd	Australia	135	1.96	0.14	0.69	1.04	1.41	0.07	0.66	0.99
Tourism Holdings Limited	New Zealand	367	1.87	0.33	1.51	2.25	1.07	0.20	0.89	1.32
Thor Industries, Inc.	United States	6,035	1.78	0.33	1.51	2.26	0.91	0.16	0.75	1.13
Winnebago Industries, Inc.	United States	2,731	1.70	0.32	1.51	2.25	1.04	0.17	0.95	1.42
KABE Group AB (publ.)	Sweden	212	0.85	0.22	0.85	1.27	0.90	0.20	0.90	1.35
Knaus Tabbert AG	Germany	470	0.99	0.30	0.85	1.26	0.67	0.14	0.55	0.83
Trigano S.A.	France	2,775	1.28	0.27	1.28	1.92	1.23	0.34	1.23	1.84
Flight Centre Travel Group Limited	Australia	2,924	2.14	0.40	2.09	3.12	1.73	0.22	1.60	2.39
Webjet Limited	Australia	1,854	2.09	0.32	2.08	3.10	1.70	0.24	1.70	2.53
Kelsian Group Limited	Australia	1,074	1.15	0.22	1.01	1.50	1.17	0.17	0.95	1.42
Corporate Travel Management Limited	Australia	2,499	2.09	0.28	2.09	3.12	1.78	0.27	1.78	2.65
Camping World Holdings, Inc.	United States	1,754	2.77	0.27	0.81	1.21	1.22	0.17	0.48	0.72
LCI Industries	United States	3,944	1.52	0.44	1.27	1.90	1.25	0.30	0.95	1.42
Helloworld Travel Limited	Australia	293	2.03	0.26	2.03	3.03	1.98	0.19	1.98	2.96
Experience Co Limited	Australia	151	1.84	0.24	1.70	2.53	0.70	0.03	0.67	Nmf
Event Hospitality & Entertainment Limited	Australia	2,141	1.18	0.33	0.87	1.30	0.86	0.12	0.63	0.94
Millennium & Copthorne Hotels New Zealand Limited	New Zealand	275	0.74	0.21	0.74	1.11	0.41	0.07	0.41	0.60
Low						**1.04**				**0.60**
Median						**1.92**				**1.38**
Average						**2.01**				**1.53**
High						**3.12**				**2.96**

Source: S&P Global and GTCF calculations

Note (1): Equity betas are calculated using data provided by S&P Global. The betas are based on a two-year period with weekly observations based on the local or MSCI index. Betas have been degeared based on the average gearing ratio (i.e. net debt divided by shareholders' equity based on market values). Betas have been regeared based on the Merged Group's assumed regearing ratio of 43%.

In addition to the above, we have also had regard to the equity betas of comparable listed companies operating in the tourism and RV related industries prior to COVID-19. We have performed regressions of the historical betas prior to February 2020 over 5-year monthly and 2-year weekly time periods with local or MSCI indices:

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			5 years monthly - 43% regearing ratio				2 years weekly - 43% regearing ratio			
Beta analysis		Market cap	Equity	squared	ngeared	Adopted	Equity	squared	ngeared	Adopted
Company	Country	A$m	Beta		Beta	Beta	Beta		Beta	Beta
Apollo Tourism & Leisure Ltd	Australia	135	(0.40)	0.01	(0.17)	Nmf	1.08	0.05	0.32	0.43
Tourism Holdings Limited	New Zealand	367	0.66	0.06	0.52	0.68	0.71	0.06	0.52	0.69
Thor Industries, Inc.	United States	6,035	2.12	0.42	2.06	2.70	1.80	0.35	1.64	2.16
Winnebago Industries, Inc.	United States	2,731	1.81	0.24	1.61	2.11	1.36	0.18	1.15	1.52
KABE Group AB (publ.)	Sweden	212	0.35	0.05	0.35	0.46	0.45	0.11	0.44	0.57
Trigano S.A.	France	2,775	0.80	0.07	0.77	1.01	1.18	0.11	1.12	1.48
Flight Centre Travel Group Limited	Australia	2,924	0.32	0.01	0.32	Nmf	0.73	0.07	0.72	0.94
Webjet Limited	Australia	1,854	1.44	0.13	1.44	1.89	1.74	0.19	1.71	2.25
Kelsian Group Limited	Australia	1,074	0.09	0.00	0.08	Nmf	0.03	0.00	0.03	Nmf
Corporate Travel Management Limited	Australia	2,499	1.75	0.23	1.75	2.30	1.26	0.14	1.26	1.66
Camping World Holdings, Inc.	United States	1,754	3.51	0.43	1.14	1.49	2.20	0.24	0.53	0.70
LCI Industries	United States	3,944	1.54	0.33	1.45	1.91	1.52	0.34	1.33	1.74
Helloworld Travel Limited	Australia	293	(0.02)	0.00	(0.02)	Nmf	0.43	0.03	0.43	Nmf
Experience Co Limited	Australia	151	0.01	0.00	0.01	Nmf	0.37	0.00	0.32	Nmf
Event Hospitality & Entertainment Limited	Australia	2,141	0.13	0.01	0.12	Nmf	0.26	0.04	0.22	Nmf
Millennium & Copthorne Hotels New Zealand Limited	New Zealand	275	(0.07)	0.00	(0.07)	Nmf	0.15	0.01	0.15	Nmf
Low						**0.46**				**0.43**
Median						**1.89**				**1.48**
Average						**1.62**				**1.28**
High						**2.70**				**2.25**

Source: S&P Global and GTCF calculations

Note (1): Equity betas are calculated using data provided by S&P Global. The betas are based on a five-year period with monthly observations based on the local or MSCI index. Betas have been degeared based on the average gearing ratio (i.e. net debt divided by shareholders' equity based on market values). Betas have been regeared based on ATL's assumed regearing ratio of 67%.

			5 years monthly - 67% regearing ratio				2 years weekly - 67% regearing ratio			
Beta analysis		Market cap	Equity	squared	ngeared	Adopted	Equity	squared	ngeared	Adopted
Company	Country	A$m	Beta		Beta	Beta	Beta		Beta	Beta
Apollo Tourism & Leisure Ltd	Australia	135	(0.40)	0.01	(0.17)	Nmf	1.08	0.05	0.32	0.48
Tourism Holdings Limited	New Zealand	367	0.66	0.06	0.52	0.77	0.71	0.06	0.52	0.78
Thor Industries, Inc.	United States	6,035	2.12	0.42	2.06	3.06	1.80	0.35	1.64	2.45
Winnebago Industries, Inc.	United States	2,731	1.81	0.24	1.61	2.39	1.36	0.18	1.15	1.72
KABE Group AB (publ.)	Sweden	212	0.35	0.05	0.35	0.52	0.45	0.11	0.44	0.65
Trigano S.A.	France	2,775	0.80	0.07	0.77	1.14	1.18	0.11	1.12	1.67
Flight Centre Travel Group Limited	Australia	2,924	0.32	0.01	0.32	Nmf	0.73	0.07	0.72	1.07
Webjet Limited	Australia	1,854	1.44	0.13	1.44	2.15	1.74	0.19	1.71	2.54
Kelsian Group Limited	Australia	1,074	0.09	0.00	0.08	Nmf	0.03	0.00	0.03	Nmf
Corporate Travel Management Limited	Australia	2,499	1.75	0.23	1.75	2.60	1.26	0.14	1.26	1.88
Camping World Holdings, Inc.	United States	1,754	3.51	0.43	1.14	1.69	2.20	0.24	0.53	0.79
LCI Industries	United States	3,944	1.54	0.33	1.45	2.16	1.52	0.34	1.33	1.97
Helloworld Travel Limited	Australia	293	(0.02)	0.00	(0.02)	Nmf	0.43	0.03	0.43	Nmf
Experience Co Limited	Australia	151	0.01	0.00	0.01	Nmf	0.37	0.00	0.32	Nmf
Event Hospitality & Entertainment Limited	Australia	2,141	0.13	0.01	0.12	Nmf	0.26	0.04	0.22	Nmf
Millennium & Copthorne Hotels New Zealand Limited	New Zealand	275	(0.07)	0.00	(0.07)	Nmf	0.15	0.01	0.15	Nmf
Low						**0.52**				**0.48**
Median						**2.15**				**1.67**
Average						**1.83**				**1.45**
High						**3.06**				**2.54**

Source: S&P Global and GTCF calculations

Note (1): Equity betas are calculated using data provided by S&P Global. The betas are based on a two-year period with weekly observations based on the local or MSCI index. Betas have been degeared based on the average gearing ratio (i.e. net debt divided by shareholders' equity based on market values). Betas have been regeared based on the Merged Group's assumed regearing ratio of 43%.

It should be noted that the above betas are drawn from the actual and observed historical relationship between risk and returns. From these actual results, the expected relationship is estimated generally on the basis of extrapolating past results. Despite the arbitrary nature of the calculations it is important to assess their commercial reasonableness. That is, to assess how closely the observed relationship is likely to deviate from the expected relationship.

Consequently, while measured equity betas of the listed comparable companies provide useful benchmarks against which the equity beta used in estimating the cost of equity for the predevelopment assets, the selection of an unsystematic equity beta requires a level of judgement.

The asset betas of the selected companies are calculated by adjusting the equity betas for the effect of gearing to obtain an estimate of the business risk of the comparable companies, a process commonly referred as de-gearing. We have then recalculated the equity beta based on an assumed 'optimal' capital structure deemed appropriate for the business (regearing). This is a subjective exercise, which carries a significant possibility of estimation error.

We used the following formula to undertake the de-gearing and regearing exercise:

$$\beta_e = \beta_a\left[1 + \frac{D}{E} \times (1-t)\right]$$

Where:

- βe = Equity beta
- βa = Asset beta
- t = corporate tax rate

The betas are de-geared using the average historical gearing levels of those respective companies over several years. We then re-geared the betas based on the following gearing ratios:

- 40% debt to 60% equity for ATL standalone; and,

- 30% debt to 70% equity for the Merged Group.

Refer to the following Capital Structure Section below for further discussions. Additionally, we note that many betas of other tourism related companies are not statistically relevant, and accordingly we were not able to rely upon them.

For the purposes of our valuation, we have selected the following beta ranges to calculate the required return on equity capital:

- A regeared beta in the range of **1.35 and 1.45** for Apollo.

- A regeared beta in the range of **1.25 and 1.35** for the Merged Group.

With regards to ATL on a standalone basis, we have selected a higher beta range given the heightened debt to equity level of the Company relative to both *thl* standalone and the Merged Group post implementation of the Scheme. Additionally, and as illustrated in the tables above, pre-COVID the average 2-years weekly, 67% regeared beta observations for the comparable listed companies support our assessment at 1.40, the midpoint of our selected range.

With regards to the Merged Group, we have selected a lower beta range given that we expect the gearing ratio to decrease and assume the historical debt profile of *thl*.

Specific risk premium

Specific risk premium ("SRP") represents the additional return an investor expects to receive to compensate for country, size and project related risks not reflected in the beta of the observed comparable companies.

We have assumed a SRP of **2.0%** for Apollo and a range between **0.5%** and **1.0%** for the Merged Entity given the material uncertainty surrounding the industry's recovery following COVID-19. The lower level or SRP for the Merged Group reflects the improved position of the Merged Group to face potential recovery slow-down due to the better financial position and the larger fleet.

Cost of debt

For the purpose of estimating the cost of debt applicable to ATL, Grant Thornton Corporate Finance has considered the following:

- The weighted average interest rate on credit outstanding for large businesses over the last one to five years as published by the Reserve Bank of Australia.
- The historical and current cost of debt for ATL.
- Expectations of the yield curve.

Based on the above, Grant Thornton Corporate Finance has adopted a cost of debt of **6.0%** to **7.0%** on a pre-tax basis.

Capital Structure

Grant Thornton Corporate Finance has considered the gearing ratio which a hypothetical purchaser of the business would adopt in order to generate a balanced return given the inherent risks associated with debt financing. Factors which a hypothetical purchaser may consider include the shareholders' return after interest payments, and the business' ability to raise external debt.

The appropriate level of gearing that is utilised in determining WACC for a particular company should be the "target" gearing ratio, rather than the actual level of gearing, which may fluctuate over the life of a company. The target or optimal gearing level can therefore be derived based on the trade-off theory which stipulates that the target level of gearing for a project is one at which the present value of the tax benefits from the deductibility of interest are offset by present value of costs of financial distress. In practice, the target level of gearing is evaluated based on the quality and variability of cash flows. These are determined by:

- the quality and life cycle of a company;
- the quality and variability of earnings and cash flows;
- working capital;
- level of capital expenditure; and
- the risk profile of the assets.

The following table provides an overview of the historical gearing ratio of both .ATL and *thl* over the last five financial years:

ATL and thl historical gearing ratios	ATL	thl
All figures as at 30 June	A$m	NZ$m
FY17		
Net Debt	120.1	176.3
Market Cap	269	505.1
Gearing Ratio	30.90%	25.90%
FY18		
Net Debt	263.8	198.8
Market Cap	301.2	818.9
Gearing Ratio	46.20%	19.50%
FY19		
Net Debt	329.9	202.2
Market Cap	67.9	499.1
Gearing Ratio	82.90%	28.80%
FY20		
Net Debt	228.7	128
Market Cap	55.8	293.1
Gearing Ratio	80.40%	30.40%
FY21		
Net Debt	154	48.7
Market Cap	72.6	383.3
Gearing Ratio	68.00%	11.30%
FY22		
Net Debt	166	58.5
Market Cap	70.73735	352.78082
Gearing Ratio	70.12%	14.22%
Average	**63.09%**	**21.69%**
Median	**69.06%**	**22.70%**

Source: ATL and thl annual reports; GTCF analysis.
Note: Net debt has been calculated on a excluding AASB 16 / IFRS 16 liabilities in FY20, FY21 and FY22.
Note (2): Market cap for each company has been calculated as at 30 June in the respective year.
Note (3): Gearing ratio has been calculated as Net Debt / (Net Debt + Market Cap).

Accordingly, we have adopted the following capital structures within our WACC:

- A debt-to-enterprise ratio of **40%** debt and **60%** equity for Apollo on a standalone basis

- A debt to enterprise of **30%** debt and **70%** equity for the Merged Group.

Tax rate

Each different geographic region is subject to a different tax rate. Between FY23 and FY26, the tax rate is applied separately to each geographic region.

Discount rate summary

The discount rate range for the different entities is set out below:

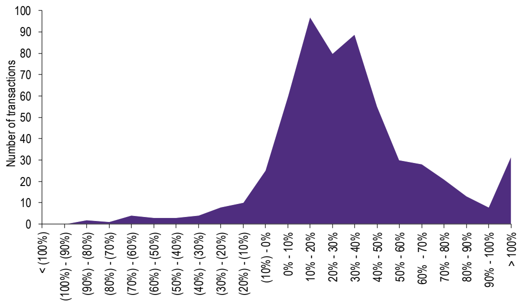
WACC calculation	Apollo		Combined Group	
	Low	High	Low	High
Cost of equity				
Risk free rate	3.5%	3.5%	3.5%	3.5%
Beta	1.35	1.45	1.25	1.35
Market risk premium	6.0%	6.0%	6.0%	6.0%
Specific risk premium	2.0%	2.0%	0.5%	1.0%
Cost of equity	**13.6%**	**14.2%**	**11.5%**	**12.6%**
Cost of debt				
Cost of debt (pre tax)	6.0%	7.0%	6.0%	7.0%
Tax	26.3%	26.3%	28.0%	28.0%
Cost of debt (post tax)	**4.4%**	**5.2%**	**4.3%**	**5.0%**
Capital structure				
Proportion of debt	40%	40%	30%	30%
Proportion of equity	60%	60%	70%	70%
	100%	100%	100%	100%
WACC (post tax)	**9.93%**	**10.58%**	**9.35%**	**10.33%**

Source: GTCF analysis

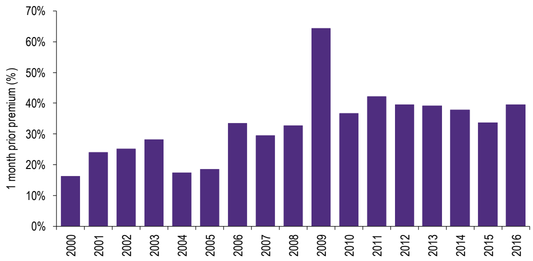
Appendix E – Premium for control study

Evidence from studies indicates that premium for control on successful takeovers has frequently been in the range of 20% to 40% in Australia, and that the premium vary significantly for each transaction.

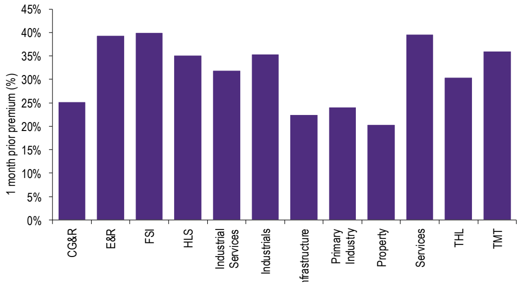
1 Month Prior Control Premium



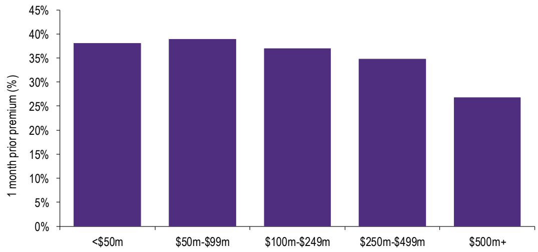
Control premium per completion date



Control premium per industry



Control premium and size



	Control premium
Average	34.33%
Median	29.34%

Source: GTCF analysis.

Appendix F – ATL Shares liquidity analysis

In accordance with the requirements of RG 111, we have analysed the liquidity of ATL shares before relying on them for the purpose of our valuation assessment. We have set out below the monthly trading volume of ATL shares over the past 12 months as a percentage of the total shares outstanding as well as free float shares outstanding[113].

Month end	Volume traded ('000)	Monthly VWAP ($)	Total value of shares traded ($'000)	Volume traded as % of total shares	Cumulative Volume traded as % of total shares	Volume traded as % of free float shares	Cumulative Volume traded as % of free float shares
Oct 2021	6,678	0.6869	4,587	3.6%	3.6%	9.0%	9.0%
Nov 2021	3,913	0.6434	2,518	2.1%	5.7%	5.3%	14.3%
Dec 2021	7,006	0.6459	4,525	3.8%	9.5%	9.5%	23.8%
Jan 2022	3,043	0.6346	1,931	1.6%	11.1%	4.1%	28.0%
Feb 2022	4,666	0.5467	2,551	2.5%	13.6%	6.3%	34.3%
Mar 2022	3,400	0.5364	1,824	1.8%	15.4%	4.6%	38.9%
Apr 2022	3,127	0.5212	1,630	1.7%	17.1%	4.2%	43.1%
May 2022	3,098	0.4956	1,535	1.7%	18.8%	4.2%	47.3%
Jun 2022	3,442	0.4159	1,431	1.8%	20.6%	4.7%	52.0%
Jul 2022	1,634	0.5003	818	0.9%	21.5%	2.2%	54.2%
Aug 2022	1,985	0.5580	1,108	1.1%	22.6%	2.7%	56.8%
Sep 2022	7,290	33.0267	240,759	3.9%	26.5%	9.8%	66.6%
Min				**0.9%**		**2.2%**	
Average				**2.2%**		**5.6%**	
Median				**1.8%**		**4.6%**	
Max				**3.9%**		**9.8%**	

Source: S&P Global, GTCF analysis

With regard to the above analysis, we note that:

- The level of free float of ATL is low at 39.9%[114]. From October 2021 to Septembert 2022, c. 66.6% of the free float shares were traded with an average monthly volume of 5.6% of the total free float shares. This is relatively low compared to the other listed peers indicating that liquidity is low.
- In the absence of a takeover or other share offers, the trading price represents the value at which minority shareholders could realise their portfolio investment.
- Apollo complies with the full disclosure regime required by the ASX. As a result, the market is fully informed about the performance of the Company. ATL provides updates to the market on a regular basis with information regarding its investment strategy and performance. As a result, there is extensive analysis provided to the market not only about ATL's performance and market standing, but also regarding industry trends.

[113] Free float shares excludes those owned by Company employees, individual insiders, related parties and/or other strategic investors.
[114] This comprises of the total shares outstanding 186,150,908 less the shares held by Corporations (123,894,962) and Individuals / Insiders (3,586,960).

- The Company's stock is covered by two investment analysts who provide updates to the market on a regular basis.

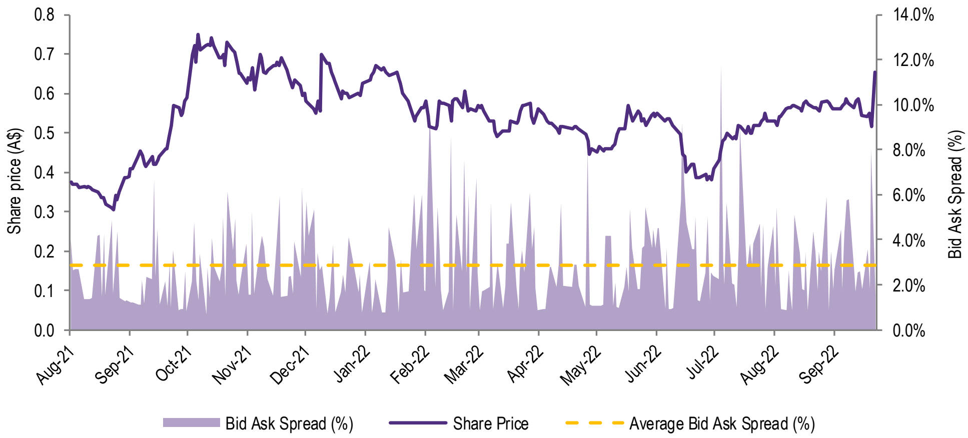
As set out below, the level of free float of ATL shares is in line with the listed peers. However, the average monthly volume traded as percentage of free float shares is lower than most of the listed peers.

Liquidity analysis Company	Country	Free float (%)	Average volume traded as a % of total shares	Cumulative volume traded as a % of total shares	Average volume traded as a % of free float shares	Cumulative volume traded as a % of free float shares
Apollo Tourism & Leisure Ltd	Australia	39.9%	2.0%	24.6%	5.2%	62.0%
Tourism Holdings Limited	New Zealand	74.5%	1.4%	16.9%	1.9%	23.0%
THOR Industries, Inc.	United States	95.6%	34.7%	416.7%	36.3%	435.2%
Winnebago Industries, Inc.	United States	95.3%	44.8%	537.1%	46.8%	562.0%
Knaus Tabbert AG	Germany	0.0%	1.2%	14.6%	1.0%	n/a
KABE Group AB (publ.)	Sweden	57.5%	1.0%	12.3%	2.6%	30.8%
Trigano S.A.	France	42.0%	2.7%	32.9%	6.5%	78.4%
Camping World Holdings, Inc.	United States	83.7%	60.2%	722.1%	74.4%	892.3%
LCI Industries	United States	96.9%	15.0%	180.6%	15.5%	186.0%
Low		**0.0%**	**1.0%**	**12.3%**	**1.0%**	**23.0%**
Average		**68.2%**	**20.1%**	**241.6%**	**23.1%**	**315.4%**
Median		**79.1%**	**8.9%**	**106.8%**	**11.0%**	**186.0%**
High		**96.9%**	**60.2%**	**722.1%**	**74.4%**	**892.3%**

Sources: S&P Global, GTCF analysis

In addition to the above, where a company's shares are relatively illiquid and not heavily traded, there is a difference in the opinion between the buyer and seller on the value of the stock. Where this is the case, the market typically observes a difference between the 'bid' and 'ask' price for the shares. As set out in the following graph, we note that the historical average bid-ask spread in the 12 months between August 2021 and September 2022 has been 2.9%, which is significantly higher than all the other peers, indicating low liquidity:

Apollo spread between bid and ask price



Source: S&P Global, GTCF analysis

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As can be observed from the following table, Apollo's twelve month average bid-ask spread[115] is significantly higher than that of its listed peers, however this is not unreasonable given the size of other peers relative to ATL.

Liqudity analysis Company	Country	Market Cap (A$m)	Average Bid-Ask spread
Apollo Tourism & Leisure Ltd	Australia	136	2.9%
Tourism Holdings Limited	New Zealand	379	1.8%
THOR Industries, Inc.	United States	6,015	0.0%
Winnebago Industries, Inc.	United States	2,741	0.1%
Knaus Tabbert AG	Germany	475	4.0%
KABE Group AB (publ.)	Sweden	210	0.9%
Trigano S.A.	France	2,739	0.2%
Camping World Holdings, Inc.	United States	1,743	0.1%
LCI Industries	United States	3,826	0.1%
Average			**1.1%**
Median			**0.2%**

Source: S&P Global, GTCF analysis
Note: Market capitalisation as at 25 September 2022

Based on the analysis above, we conclude that there is limited liquidity in ATL's trading price and accordingly, we have only provided an analysis of the historical share prices to support our valuation assessment.

[115] From the twelve month period between 2 August 2021 and 25 September 2022.

Appendix G – Glossary

$ or A$	Australian Dollar
1Hxx	The first half (i.e. the period 1 July to 31 December) of the financial year ending 30 June 20xx
AASB 117	Australian Accounting Standards Board 117 – Leases ("AASB117"), the precursor to AASB 16
AASB 16	Australian Accounting Standards Board 16 – Leases
ACCC	Australian Competition and Consumer Commission
Action Manufacturing	Action Manufacturing Ltd Partnership
Adjusted Recurring Synergies	Recurring Synergies range removing Financing Synergies, resulting in adjusted Recurring Synergies from the merger
ANZ	Australia and New Zealand region
APES	Accounting Professional and Ethical Standards
APES225	Accounting Professional and Ethical Standard 225 "Valuation Services"
Apollo or ATL or the Company	Apollo Tourism and Leisure Ltd
ASIC	Australian Securities and Investments Commission
ASX	Australian Securities Exchange
ASX 200 Index	S&P ASX 200 Index, Top 200 Australian Companies listed on the ASX by Market Capitalisation
ATL Directors	The directors of ATL
ATL Shareholders	All ATL shareholders other than *thl*
ATL Shares	Apollo Tourism and Leisure Ltd Shares
ATO	Australian Tax Office
C.	Circa
CAGR	Compound annual growth rate
Camplify or CHL	Camplify Holdings Ltd
CCI	Consumer Confidence Index
CGT	Capital Gains Tax
Conversion Ratio	Scheme Consideration based on *thl's* trading price, 3.210987 ATL shares to 1 *thl share*
Corporate Model	Cash flow projections prepared by ATL and *thl* management and incorporated by their advisors into a financial model
Corporations Act	Corporations Act 2001
COVID-19	Coronavirus pandemic
CY	Calendar Year
DCF	Discounted Cash Flow
DCF Method	Discounted Cash Flow and the estimated realisable value of any surplus assets
Divestment	Divestment of certain assets due to the merger
Divestment Asset	Merged Group announced that it had entered into a sale and purchase agreement with a subsidiary of Jucy Group (2022) Limited) to sell particular divestment assets
EBITDA	Earnings before interest and tax,
EBITDA multiple, EBIT Multiple Method	Enterprise Value divided by EBIT
ECF	European Camping Federation
EPS	Earnings per share
EV	Enterprise value
Exchange Rate	Conversion of one country's currency in terms of another country's currency
Fed	United States Federal Reserve
Financing Synergies	Financing Synergies are the costs associated with recurring Synergies from the merger
FIRB	Foreign Investment Review Board

FITs	Free Independent Tourists
Fixed Synergies	69% of the Recurring Synergies
Fleet Rationalisation	Fleet rationalisation synergies of between A$38.0 million and A$66.5 million
Founding Family Shareholders	Entities associated with Luke Trouchet and Karl Trouchet
FSG	Financial Service Guide
FTE	Full Time Employees
FX	Foreign Exchange
FYxx	12-month financial year ended 30 June 20xx
Gearing Ratio	Net Debt over EV
GT Model	GT model that includes the reviewed Corporate Model and has been extended by three years to June 2027
GTCF, Grant Thornton, or Grant Thornton Corporate Finance	Grant Thornton Corporate Finance Pty Ltd (ACN 003 265 987)
IER	Independent Export Report
IFRS 16	AASB 16 equivalent in new Zealand
Jobkeeper	Stimuli offered by the Australian Government in response to the COVID-19 outbreak
Jucy	Jucy Group (2022) Limited
Jucy SPA	ATL has agreed to dispose of the Divestment Assets to Jucy for a consideration of approximately NZ$45 million
Just Go, Just Go Acquisition	On the 4th October 2022, *thl* acquired the remaining 51% interest in its UK joint venture, Just Go, with 49% already purchased in 2015.
KPI	Key Performance Indicator
Merged Group	Merged entity between ATL and *thl*
Merged Group Shares	The shares in *thl* after the Scheme
National Plan	Australia's national COVID-19 response plan
Net Capital Expenditure	Capital expenditure that is offset by cash proceeds from the sale of the ex-rental fleet and new units
NPAT	Net Profit After Tax
NTM	Next twelve months
NZ	New Zealand
NZ$	New Zealand Dollar
NZCC	New Zealand Commerce Commission
NZX	New Zealand Stock Exchange
OECD	Organisation for Economic Co-Operation and Development
OEMS	Original Equipment Manufacturers
Original Conversation Ratio	Conversation ratio of 3.680818 ATL shares to 1 *thl share*
Original Scheme Booklet	ATL Scheme Booklet released on 21 February 2022
Proposed Merger	ATL merger with *thl*
Quoted Security Price Method	Quoted price for listed securities, when there is a liquid and active market
RBA	Reserve Bank of Australia
Recurring Synergies	Recurring cost synergies of between A$16.2 million and A$18.1 million per annum
RG	Regulatory Guide
RG111	ASIC Regulatory Guide 111 "Contents of expert reports"
RG112	ASIC Regulatory Guide 112 "Independence of experts"
RG60	ASIC Regulatory Guide 60 "Scheme of arrangement"
RV	Recreational Vehicles
RVIA	Rental Vehicles Industry Association
RVSC, RV Super Centre	RV Super Sales Centre

Scheme Booklet	The Scheme Booklet, including each attachment
Scheme, Scheme Consideration	Scheme of Arrangement whereby *thl* will merge with ATL to form the Merged Group
SID	Scheme Implementation Deed
SRP	Specific Risk Premium
STAAP	Strategic Tourism Asset Protection Program
STAPP	Strategic Tourism Asset Protection Program
Synergies	The amalgamation of Recurring Synergies and Fleet Rationalisation synergies
the Industry	Recreational Vehicles and Motorhomes industry
thl	Tourism Holdings Limited
thl Shares	Tourism Holdings Limited Shares
Togo Preference Shares	The preference shares held by *thl* in the Togo Group
US	United States of America
Variable Synergies	21% of the Recurring Synergies.
VWAP	Volume Weighted Average Price
WACC	Weighted Average Cost of Capital
WHO	World Health Organisation

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Annexure B

Replacement Independent Limited Assurance Report

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GPO Box 457 Brisbane QLD 4001
Australia

The Directors
Apollo Tourism & Leisure Ltd
698 Nudgee Road
Northgate QLD 4013
AUSTRALIA

The Directors
Tourism Holdings Limited
PO Box 4293
Auckland 1010
NEW ZEALAND

24 October 2022

Dear Directors

INDEPENDENT LIMITED ASSURANCE REPORT

INTRODUCTION

BDO Audit Pty Ltd (**BDO**) has been engaged by Apollo Tourism & Leisure Ltd (**ATL**) and Tourism Holdings Limited (**thl**) to prepare this Independent Limited Assurance Report (**Report**) for inclusion in a Replacement Scheme Booklet (Replacement Scheme Booklet) proposed to be issued, in relation to the merger transaction between ATL and thl.

Unless stated otherwise in this Report, expressions defined in the Replacement Scheme Booklet have the same meaning in this Report.

Our limited assurance engagement has been carried out in accordance with auditing or other standards and practices generally accepted within Australia. This Report has been prepared for inclusion in the Replacement Scheme Booklet. We disclaim any assumption of responsibility for any reliance on this Report or on the financial information to which it relates for any purpose other than that for which it was prepared.

SCOPE

STATUTORY HISTORICAL FINANCIAL INFORMATION

You have requested BDO to review the following statutory historical financial information for ATL and thl included in the Replacement Scheme Booklet:

- The statutory historical statement of comprehensive income for the year ended 30 June 2022 (as set out in section 9.8(c) table 1);
- The statutory historical statement of financial position as at 30 June 2022 (as set out in section 9.8(d) table 2), and
- The statutory historical statement of cash flows for year ended 30 June 2022 (as set out in section 9.8(e) table 3).

together the **Statutory Historical Financial Information**.

The Statutory Historical Financial Information has been prepared in accordance with the stated basis of preparation, being the recognition and measurement principles contained in the International Financial Reporting Standards ("IFRS") and the companies adopted accounting policies.

The Statutory Historical Financial Information has been extracted from the financial statements of ATL for the financial period ended 30 June 2022 (audited by BDO Audit Pty Ltd), and thl for the financial period ended 30 June 2022 (audited by PricewaterhouseCoopers). ATL's Statutory Historical Financial Information has been adjusted for the effects of alignment, reclassification and translation as described in section 9.8(f) of the Replacement Scheme Booklet.

BDO Audit Pty Ltd issued an unqualified opinion on the financial report of ATL for the year ended 30 June 2022. PricewaterhouseCoopers issued an unqualified opinion on the financial report of thl for the year ended 30 June 2022. The audits were performed in accordance with relevant Auditing Standards in Australia (ATL) and New Zealand (thl).

MERGED GROUP PRO FORMA FINANCIAL INFORMATION

You have requested BDO review the following pro forma financial information included in the Replacement Scheme Booklet:

- The pro forma statement of comprehensive income for the year ended 30 June 2022 (as set out in section 9.8(c) table 1);
- The pro forma statement of financial position as at 30 June 2022 (as set out in section 9.8(d) table 2);
- The pro forma statement of cash flows for the year ended 30 June 2022 (as set out in section 9.8(e) table 3); and
- Associated details of the pro forma adjustments,

together the Merged Group Pro Forma Financial Information.

The Merged Group Pro Forma Financial Information has been derived from the Statutory Historical Financial Information of ATL and thl, after adjusting for the effects of pro forma adjustments described in section 9.8(f) of the Replacement Scheme Booklet. The stated basis of preparation is the recognition and measurement principles contained in IFRS applied to the Statutory Historical Financial Information and the event(s) or transaction(s) to which the pro forma adjustments relate, as described in section 9.8(f) of the Replacement Scheme Booklet, as if those event(s) or transaction(s) had occurred as at 30 June 2022 for the statement of financial position and on 1 July 2021 for the statement of comprehensive income and statement of cash flows. Due to its nature, the Merged Group Pro Forma Financial Information does not represent the Merged Groups actual or prospective financial position, financial performance, and/or cash flows.

DIRECTORS' RESPONSIBILITY

The directors of ATL and thl are responsible for:

- the preparation of the Statutory Historical Financial Information and Merged Group Pro Forma Financial Information, including the selection and determination of pro forma adjustments made to the Statutory Historical Financial Information and included in the Merged Group Pro Forma Financial Information; and
- Such internal controls as the directors determine are necessary to enable the preparation of Historical Financial Information that are free from material misstatement, whether due to fraud or error.

OUR RESPONSIBILITY

Our responsibility is to express a limited assurance conclusion on whether anything has come to our attention that the Historical Financial Information and Merged Group Pro Forma Financial Information based on the procedures performed, and the evidence we have obtained, has not been properly compiled in all material respects by ATL and thl, in accordance with the stated basis of preparation.

We have conducted our engagement in accordance with the Standard on Assurance Engagement ASAE 3450 *Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information*.

The limited assurance procedures we performed were based on our professional judgement and included consideration of work papers, accounting records and other documents, including those dealing with the derivation of the Historical Financial Information of ATL and thl from their audited financial statements for the year ended 30 June 2022.

Our limited assurance procedures consist of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A limited assurance engagement is substantially less in scope than an audit conducted in accordance with AAS and consequently does not enable us to obtain reasonable assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Our engagement did not involve updating or re-issuing any previously issued audit or review report on any financial information used as a source of the financial information.

CONCLUSION

STATUTORY HISTORICAL FINANCIAL INFORMATION

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the Statutory Historical Financial Information for ATL and thl, as described in section 9.8 of the Replacement Scheme Booklet, and comprising:

- The statutory historical statement of comprehensive income for the year ended 30 June 2022;
- The statutory historical statement of financial position as at 30 June 2022; and
- The statutory historical statement of cash flows for the year ended 30 June 2022

is not presented fairly, in all material respects, in accordance with the stated basis of preparation, as described in section 9.8 of the Replacement Scheme Booklet.

MERGED GROUP PRO FORMA FINANCIAL INFORMATION

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the Merged Group Pro Forma Financial Information, as described in section 9.8(c), 9.8(d) and 9.8(e) of the Replacement Scheme Booklet, and comprising:

- The pro forma statement of comprehensive income the year ended 30 June 2022;
- The pro forma statement of financial position as at 30 June 2022; and
- The pro forma statement of cash flows for the year ended 30 June 2022

is not presented fairly in all material respects, in accordance with the stated basis of preparation as described in section 9.8(f) of the Replacement Scheme Booklet.

RESTRICTION ON USE

Without modifying our conclusions, we draw attention to section 9.8 of the Replacement Scheme Booklet, which describes the purpose of the Financial Information, being for inclusion in the Replacement Scheme Booklet. As a result, the Financial Information may not be suitable for use for another purpose. We disclaim any liability for use of this Report, or reliance on the Financial Information by any other persons or for any other purpose than that set out in section 9.8 of the Replacement Scheme Booklet.

CONSENT

We have consented to the inclusion of this Report in the Replacement Scheme Booklet in the form and context in which it is included. At the date of this Report, our consent has not been withdrawn. However, BDO has not authorised the issue of the Replacement Scheme Booklet. BDO makes no representation regarding, or responsibility for, any other statements, material in (or omissions from) the Replacement Scheme Booklet.

LIABILITY

The liability of BDO is limited to the inclusion of this Report in the Replacement Scheme Booklet. BDO makes no representation regarding, and takes no responsibility for, any other statements, or material in, or omissions from, the Replacement Scheme Booklet.

GENERAL ADVICE WARNING

This Report has been prepared, and included in the Replacement Scheme Booklet, to provide investors with general information only and does not take into account the objectives, financial situation or needs of any specific investor. It is not intended to be a substitute for professional advice and potential investors should not make specific investment decisions in reliance on the information contained in this Report. Before acting or relying on any information, potential investors should consider whether it is appropriate for their objectives, financial situation or needs.

Without modifying our conclusions, we draw attention to section 9.8 of the Scheme Booklet, which describes the purpose of the financial information, being for inclusion in the Scheme Booklet. As a result, the financial information may not be suitable for use for another purpose.

DECLARATION OF INTEREST

BDO does not have any interest in the outcome of the scheme, or any other interest that could reasonably be regarded as being capable of affecting its ability to give an unbiased conclusion in this matter. BDO will receive normal professional fees for the preparation of this Report.

Yours faithfully

BDO Audit Pty Ltd

BDO

Tim Kendall

T J Kendall
Director

Annexure C

Scheme

Scheme of Arrangement

Apollo Tourism & Leisure Ltd ABN 67 614 714 742

—

Scheme Shareholders

—

ME_202521814_4

Scheme of Arrangement

Apollo Tourism & Leisure Ltd ABN 67 614 714 742

Details

This scheme of arrangement is made under section 411 of the *Corporations Act 2001* (Cth).

Between the parties

Apollo Tourism & Leisure Ltd ABN 67 614 714 742 of 698 Nudgee Road, Northgate QLD 4013, Australia (**ATL**)

and

Each Scheme Shareholder

Agreed terms

1. Defined terms & interpretation

1.1 Definitions

In this Scheme, unless the context requires otherwise:

ACCC means the Australian Competition and Consumer Commission.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited ACN 008 624 691, or as the context requires or permits, the financial market known as the Australian Securities Exchange operated by it.

ASX Listing Rules means the official listing rules of ASX as amended from time to time.

ATL Register means the register of shareholders maintained by ATL under section 168(1) of the Corporations Act.

ATL Share means an issued fully paid ordinary share in the capital of ATL.

Australian Takeovers Panel means the Takeovers Panel constituted under the *Australian Securities and Investments Commission Act 2001* (Cth).

Business Day means a day that is not a Saturday, Sunday or a public holiday or bank holiday in Brisbane, Queensland, Australia or Auckland, New Zealand.

CHESS means the clearing house electronic subregister system of share transfers operated by ASX Settlement Pty Limited ABN 49 008 504 532.

CHESS Holding has the meaning given in the Settlement Rules.

Commerce Commission means the New Zealand Commerce Commission.

Condition Subsequent has the meaning provided in clause 3A.1 of this Scheme.

Corporations Act means the *Corporations Act 2001* (Cth).

Court means the Supreme Court of Queensland or any other court of competent jurisdiction under the Corporations Act as the parties may agree in writing.

Delivery Time means, in relation to the Second Court Date, two hours before the commencement of the hearing or, if the commencement of the hearing is adjourned, two hours before the commencement of the adjourned hearing, of the Court to approve this Scheme in accordance with section 411(4)(b) of the Corporations Act.

Effective means the coming into effect, under section 411(10) of the Corporations Act, of the order of the Court made under section 411(4)(b) of the Corporations Act in relation to this Scheme.

Effective Date means the date on which this Scheme becomes Effective.

End Date means the 'End Date' determined in accordance with the Scheme Implementation Deed.

Final Implementation Date means 12 Business Days after satisfaction of the condition set out in clauses 3.1(o) (Court approval) of the Scheme Implementation Deed.

FIRB means the Australian Foreign Investment Review Board.

Foreign Scheme Shareholder means a Scheme Shareholder whose address as shown in the ATL Register (as at the Scheme Record Date) is located outside of:

(a) Australia or its external territories;

(b) New Zealand;

(c) United Kingdom; and

(d) any other jurisdictions as may be agreed in writing by ATL and ***thl***,

unless ***thl*** determines (in its absolute discretion), that ***thl*** is permitted to allot and issue ***thl*** Consideration Shares to that Scheme Shareholder under this Scheme by the laws of that place either unconditionally or after compliance with conditions that ***thl*** considers are not unduly onerous or impracticable.

Governmental Agency means any government or representative of a government or any governmental, semi-governmental, administrative, fiscal, regulatory or judicial body, department, commission, authority, tribunal, agency, competition authority or entity and includes any minister, ASIC, ASX, FIRB, ACCC, the Australian Takeovers Panel, Financial Markets Authority, NZX, Commerce Commission, NZ Takeovers Panel and any regulatory organisation established under statute or any stock exchange.

Implementation means the implementation of this Scheme in accordance with its terms after this Scheme has become Effective and the Condition Subsequent has been satisfied and **Implement** has a corresponding meaning.

Implementation Date means, with respect to the Scheme, the later of:

(a) the fifth Business Day following the Scheme Record Date (as relevant); and

(b) such other Business Day as the parties agree.

Issuer Sponsored Holding has the meaning given in the Settlement Rules.

Market Integrity Rules means any rules made by ASIC under section 798G of the Corporations Act that apply to ASX or any other prescribed financial market on which ATL Shares are quoted.

Motorhome means a 4-6 berth rental motorhome.

NZ Takeovers Panel means the Takeovers Panel established by section 5(1) of the *Takeovers Act 1993* (NZ).

NZX means, where the context requires, NZX Limited (Co. No. 1266120) or NZX Regulation Limited (Co. No. 8072017) and, where the context requires, the main board financial market that these entities operate.

Proposed Transaction means the proposed acquisition by ***thl*** Acquirer of all of the Scheme Shares from the Scheme Shareholders through the implementation of this Scheme and all associated transactions and steps.**Scheme** means this scheme of arrangement under Part 5.1 of the Corporations Act between ATL and the Scheme Shareholders, subject to any alterations or conditions that are:

(a) agreed to in writing by ATL and ***thl*** and approved by the Court; or

(b) made or required by the Court under section 411(6) of the Corporations Act and agreed to by ATL and ***thl***.

Scheme Consideration means means 1 ***thl*** Consideration Share per 3.210987 Scheme Shares.

Scheme Deed Poll means the deed poll dated 15 February 2022 executed by ***thl*** and ***thl*** Acquirer under which ***thl*** and ***thl*** Acquirer among other things covenant in favour of the Scheme Shareholders to perform the actions attributed to them respectively under this Scheme, including, in the case of ***thl***, providing the Scheme Consideration.

Scheme Implementation Deed means the Scheme Implementation Deed dated 10 December 2021 as amended by further deeds between the parties dated 14 April 2022, 28 July 2022 and 21 September 2022 between ***thl***, ***thl*** Acquirer and ATL.

Scheme Meeting means the meeting of Scheme Shareholders ordered by the Court to be convened under section 411(1) of the Corporations Act to consider and vote on this Scheme and includes any meeting convened following any adjournment or postponement of that meeting.

Scheme Record Date means 7.00pm on the second Business Day (or such other Business Day as ***thl*** and ATL agree in writing) after the Effective Date.

Scheme Share means an ATL Share on issue as at the Scheme Record Date, other than an ATL Share held by a ***thl*** Entity.

Scheme Shareholder means a person who holds one or more Scheme Shares.

Second Court Date means the first day on which an application made to the Court for an order under section 411(4)(b) of the Corporations Act approving this Scheme is heard or scheduled to be heard or, if the application is adjourned for any reason, means the date on which the adjourned application is heard or scheduled to be heard.

Settlement Rules means the ASX Settlement Operating Rules.

Star RV Disposal means the disposal of a number of Motorhomes in Australia and New Zealand, intellectual property relating to the 'Star RV' brand and certain other assets in accordance with undertakings provided or to be provided by ***thl*** and ATL and / or their respective associates in connection with the Proposed Transaction.

Star RV Disposal Agreement means the sale and purchase agreement to be entered into between Apollo Motorhome Holidays Pty Limited, Apollo Motorhome Holidays Limited, Tourism Holdings Limited, THL Group (Australia) Pty. Ltd., Star RV New Zealand Fleet Limited, Star RV New Zealand Fleet Pty Limited and others in relation to the Star RV Disposal, as contemplated by the draft undertakings provided to the Australian Competition and Consumer Commission and New Zealand Commerce Commission in connection with the Proposed Transaction as at the date of this deed (subject to any further amendments required by either of those regulators).

thl means Tourism Holdings Rentals Limited ARBN 655 142 028, a foreign company registered in its original jurisdiction of New Zealand as Tourism Holdings Limited (Co. No. 248179).

***thl* Acquirer** means THL Group (Australia) Pty. Ltd. ACN 055 966 222.

thl* Consideration Share** means a ***thl Share to be issued under the terms of the Scheme as Scheme Consideration.

***thl* Entities** means:

(a) ***thl***; and

(b) any other entity that is Controlled by ***thl*** that holds ATL Shares.

1.2 Interpretation

In this Scheme, except where the context requires otherwise:

(a) the singular includes the plural, and the converse also applies;

(b) a gender includes all genders;

(c) if a word or phrase is defined, its other grammatical forms have a corresponding meaning;

(d) a reference to a person, corporation, trust, partnership, unincorporated body or other entity includes any of them;

(e) a reference to a clause is a reference to a clause of this Scheme;

(f) a reference to an **agreement** or **document** (including a reference to this Scheme) is to the agreement or document as amended, supplemented, novated or replaced, except to the extent prohibited by this Scheme or that other agreement or document, and includes, except to the extent this Scheme expressly provides otherwise the recitals, schedules and annexures to that agreement or document;

(g) a reference to a party to this Scheme or an agreement or document includes the party's executors, administrators, successors, permitted substitutes and permitted assigns (and, where applicable, the party's legal personal representatives);

(h) a reference to legislation or to a provision of legislation (including a listing rule or operating rule of a financial market or of a clearing and settlement facility) includes a modification or re-enactment of it, a legislative provision substituted for it and a regulation or statutory instrument issued under it;

(i) a reference to conduct includes an omission, statement or undertaking, whether or not in writing;

(j) a reference to an agreement includes any undertaking, deed, agreement and legally enforceable arrangement, whether or not in writing, and a reference to a document includes an agreement (as so defined) in writing and any certificate, notice, instrument and document of any kind;

(k) a reference to **dollars** or **$** is to Australian currency;

(l) all references to time are to Brisbane, Queensland, Australia time;

(m) mentioning anything after *includes*, *including*, *for example*, or similar expressions, does not limit what else might be included;

(n) a word or expression defined in the Corporations Act has the meaning given to it in the Corporations Act; and

(o) a reference to a person includes a natural person, partnership, body corporate, association, governmental or local authority or agency or other entity.

1.3 Headings

Headings are for ease of reference only and do not affect interpretation.

1.4 Business Day

Where the day on or by which any act, matter or thing under this Scheme is to be done is not a Business Day, that act, matter or thing must be done on or by the next Business Day.

1.5 Listing requirements included as law

A listing rule or operating rule of a financial market and a Market Integrity Rule will be regarded as a law and a reference to legislation (as appropriate), and a reference to such a rule is to be taken to be subject to any waiver or exemption granted to the compliance of those rules by a party.

2. Preliminary

2.1 ATL

(a) ATL is a public company limited by shares, registered in Queensland and admitted to the official list of ASX.

(b) The ATL Shares are officially quoted on ASX. As at 10 December 2021, 186,150,908 ATL Shares were on issue and officially quoted on ASX.

2.2 *thl*

thl is a public company limited by shares, registered in New Zealand and admitted to the official list of NZX.

2.3 *thl* Acquirer

thl Acquirer is a proprietary company limited by shares, incorporated in Australia and registered in New South Wales.

2.4 General

(a) ***thl***, ***thl*** Acquirer and ATL have agreed by executing the Scheme Implementation Deed to implement this Scheme subject to the terms and conditions of this Scheme.

(b) This Scheme attributes actions to ***thl*** and ***thl*** Acquirer but does not itself impose an obligation on them to perform those actions, as neither ***thl*** nor ***thl*** Acquirer are parties to this Scheme. ***thl*** and ***thl*** Acquirer have agreed, by executing the Scheme Deed Poll, to perform the actions attributed to each of them under this Scheme (including the provision of the Scheme Consideration to the Scheme Shareholders subject to the terms and conditions of this Scheme).

2.5 Consequence of this Scheme becoming Effective

If this Scheme becomes Effective and the Condition Subsequent is satisfied by the Final Implementation Date:

(a) in consideration of the transfer of each Scheme Share to ***thl*** Acquirer, ***thl*** will provide or procure the provision of the Scheme Consideration to Scheme Shareholders in accordance with this Scheme; and

(b) all the Scheme Shares, together with all rights and entitlements attaching to the Scheme Shares at the Implementation Date, will be transferred to ***thl*** Acquirer on the Implementation Date, and ATL will enter the name of ***thl*** Acquirer in the Share Register as the holder of the Scheme Shares with the result that ATL will become a subsidiary of ***thl*** Acquirer.

3. Conditions

(a) This Scheme is conditional on, and will have no force or effect until, the satisfaction of each of the following conditions precedent:

(i) all the conditions precedent in clause 3.1 of the Scheme Implementation Deed (other than the conditions in clauses 3.1(o) (Court approval) and 3.1(p) (Order lodged with ASIC) of the Scheme Implementation Deed) having been satisfied or waived in accordance with the terms of the Scheme Implementation Deed by no later than the Delivery Time on the Second Court Date;

(ii) neither the Scheme Implementation Deed nor the Scheme Deed Poll having been terminated in accordance with their terms as at the Delivery Time on the Second Court Date;

(iii) approval of this Scheme by the Court under section 411(4)(b) of the Corporations Act, including with any alterations made or required by the Court under section 411(6) of the Corporations Act as are agreed to in writing by ***thl***, ***thl*** Acquirer and ATL and an office copy of the Court order approving the Scheme under section 411(4)(b) of the Corporations Act is lodged with ASIC;

(iv) such other conditions imposed by the Court under section 411(6) of the Corporations Act, as are agreed to in writing by ***thl***, ***thl*** Acquirer and ATL; and

(v) the orders of the Court made under section 411(4)(b) (and if applicable section 411(6)) of the Corporations Act approving this Scheme coming into effect, pursuant to section 411(10) of the Corporations Act, on or before the End Date (or any later date that ***thl***, ***thl*** Acquirer and ATL agree in writing).

(b) The satisfaction of the conditions referred to in clause 3(a) of this document is a condition precedent to the operation of clauses 4.2 and 5.

3A Condition Subsequent

3A.1 It is a condition subsequent to the Scheme that the Star RV Disposal is completed in accordance with the terms of the Star RV Disposal Agreement on or before the Final Implementation Date (**Condition Subsequent**).

3A.2 Notwithstanding any other provision of this Scheme, Implementation is conditional upon, and must not take place until, the Condition Subsequent is satisfied.

3A.3 If the Condition Subsequent is not satisfied on or before the Final Implementation Date, then this Scheme will lapse and be of no further force or effect.

4. Implementation

4.1 Lodgement of Court orders

Subject to the ASX Listing Rules and all conditions precedent in clause 3(a) of this document (other than the condition precedent in clause 3(a)(v)) being satisfied, ATL must lodge with ASIC office copies of any Court orders under section 411(4)(b) (and if applicable section 411(6)) of the Corporations Act approving this Scheme as soon as reasonably practicable after the Court approves this Scheme and in any event no later than by 5.00pm on the first Business Day after the Court approves this Scheme or such later time as ***thl*** and ATL agree in writing.

4.2 Transfer of Scheme Shares

On the Implementation Date, subject to the provision of the Scheme Consideration for the Scheme Shares by ***thl***, and ***thl*** confirming in writing to ATL by no later than 1.00pm (or such later time as ***thl***, ***thl*** Acquirer and ATL may agree) on the Implementation Date that the ***thl*** Consideration Shares have been provided, in the manner contemplated by clause 5.3(a):

(a) the Scheme Shares, together with all rights and entitlements attaching to the Scheme Shares at the Implementation Date, will be transferred to ***thl*** Acquirer, without the need for any further act by any Scheme Shareholder (other than acts performed by ATL or its officers as agent and attorney of the Scheme Shareholders under clause 8.6 or otherwise), by:

(i) ATL delivering to ***thl*** Acquirer a duly completed and executed share transfer form to transfer all the Scheme Shares to ***thl*** Acquirer, executed on behalf of the Scheme Shareholders by ATL (or any of its officers) as agent and attorney of the Scheme Shareholders; and

(ii) ***thl*** Acquirer duly executing such transfer form and delivering it to ATL for registration; and

(b) immediately after receipt of the transfer form in accordance with clause 4.2(a)(ii), ATL must enter, or procure the entry of, the name of ***thl*** Acquirer in the Share Register in respect of the Scheme Shares transferred to ***thl*** Acquirer in accordance with this Scheme.

5. Scheme Consideration

5.1 Amount of Scheme Consideration

Subject to clause 5.2, each Scheme Shareholder is entitled to receive the Scheme Consideration in respect of the Scheme Shares held by the Scheme Shareholder.

5.2 Foreign Scheme Shareholders

thl and ***thl*** Acquirer have no obligation to issue (or procure the issue), and must not issue, any ***thl*** Consideration Shares to Foreign Scheme Shareholders, and instead:

(a) ***thl*** will issue the ***thl*** Consideration Shares that would otherwise have been issued to the Foreign Scheme Shareholders to a nominee appointed by ***thl***;

(b) ***thl*** will procure that, as soon as reasonably practicable after the Implementation Date (and, in any event, not more than 15 Business Days after the Implementation Date), the nominee:

(i) sells, or procures the sale, of those ***thl*** Consideration Shares on-market and in the ordinary course of trading on NZX in such manner, at such price and on such other terms as the nominee determines in good faith; and

(ii) remits the proceeds from that sale (after deducting any brokerage, duty and other selling costs, taxes and charges) to ***thl***; and

(c) as soon as practicable after the last sale of ***thl*** Consideration Shares in accordance with clause 5.2(a) and remittance of the proceeds of that sale in accordance with clause 5.2(b), ***thl*** will pay the proceeds it receives to the Foreign Scheme Shareholders in accordance with their entitlement in full satisfaction of the Foreign Scheme Shareholders' entitlement to the relevant ***thl*** Consideration Shares. No assurances are or will be given to Foreign Scheme Shareholders as to the price that will be achieved for the sale of ***thl***

Consideration Shares in accordance with this clause and the sale of the ***thl*** Consideration Shares will be at the risk of the Foreign Scheme Shareholder.

5.3 Provision of Scheme Consideration

(a) ***thl*** must before 1.00pm (or such later time as ***thl*** and ATL may agree) on the Implementation Date provide the Scheme Consideration in accordance with this Scheme by procuring that the name of each Scheme Shareholder entitled to receive ***thl*** Consideration Shares under this Scheme is entered in ***thl***'s register of members as the holder of those ***thl*** Consideration Shares (having the same holding name and address and other details as the holding of the relevant Scheme Shares).

(b) On or before the date that is five Business Days after the Implementation Date, ***thl*** must send or procure the sending of a share certificate or holding statement (or equivalent document) to each Scheme Shareholder entitled to receive ***thl*** Consideration Shares under this Scheme, reflecting the issue of such ***thl*** Consideration Shares.

5.4 Foreign resident capital gains withholding

(a) If ***thl*** determines (acting reasonably), having regard to advice from a qualified tax advisor, that ***thl*** is either:

(i) required by law to withhold an issue of ***thl*** Consideration Shares (or a combination) to a Scheme Shareholder; or

(ii) liable to pay an amount to the Commissioner of Taxation under Subdivision 14-D of Schedule 1 to the *Taxation Administration Act 1953* (Cth) in respect of the acquisition of Scheme Shares from a Scheme Shareholder,

(either of the above being the **Relevant Amount**),

then ***thl*** is entitled to reduce the number of ***thl*** Consideration Shares issued by a number calculated by the following factor, RA/VS, rounded up to the nearest whole number of ***thl*** Consideration Shares, where:

(A) **RA** means the Relevant Amount; and

(B) **VS** means the value (as reasonably assessed by ***thl***) of one ***thl*** Consideration Shares; and

and issue of the reduced number of ***thl*** Consideration Shares and payment of the Relevant Amount to the relevant taxation authority pursuant to clause 5.4(b) shall be taken to be full payment of the Relevant Amount for the purposes of this Scheme, including clause 5.3.

(b) ***thl*** must pay any Relevant Amount so withheld to the relevant taxation authority within the time permitted by law, and, if requested in writing by the relevant Scheme Shareholder, provide a receipt or other appropriate evidence (or procure the provision of such receipt or other evidence) of such payment to the relevant Scheme Shareholder.

5.5 Joint holders

In the case of Scheme Shares held in joint names:

(a) any ***thl*** Consideration Shares comprised in the Scheme Consideration are to be registered in the names of the joint holders; and

(b) any other document required to be sent under this Scheme will be forwarded to the holder whose name appears first in the Share Register as at the Scheme Record Date or to the joint holders.

5.6 Fractional entitlements

(a) Any fractional entitlement of the Scheme Shareholder to a part of a ***thl*** Consideration Share will be rounded as follows:

(i) if the fractional entitlement is less than 0.5, it will be rounded down to zero ***thl*** Consideration Shares; and

(ii) if the fractional entitlement is equal to or more than 0.5, it will be rounded up to one ***thl*** Consideration Shares.

(b) If ***thl*** is of the reasonable opinion that two or more Scheme Shareholders (each of whom holds a number of Scheme Shares which results in rounding in accordance with clause 5.6) have, before the Scheme Record Date, been party to shareholding splitting or division in an attempt to obtain unfair advantage by reference to such rounding or shareholding splitting or division, ***thl*** may give notice to those Scheme Shareholders:

(i) setting out their names and addresses as shown in the ATL Register as at the Scheme Record Date;

(ii) stating that opinion; and

(iii) attributing to one of them specifically identified in the notice the Scheme Shares held by all of them,

and, after such notice has been given, the Scheme Shareholder specifically identified in the notice as the deemed holder of all the specified Scheme Shares will, for the purposes of the other provisions of this Scheme, be taken to hold all of those Scheme Shares and each of the other Scheme Shareholders whose names and addresses as set out in the ATL Register on the Scheme Record Date are set out in the notice will, for the purposes of the other provisions of this Scheme, be taken to hold no Scheme Shares. ***thl***, in complying with the other provisions of this Scheme relating to it in respect of the Scheme Shareholder specifically identified in the notice as the deemed holder of all the specified Scheme Shares, will be taken to have satisfied and discharged its obligations to the other Scheme Shareholders named in the notice under the terms of this Scheme.

5.7 Status of *thl* Consideration Shares

Subject to this Scheme becoming Effective and the Condition Subsequent being satisfied, ***thl*** must:

(a) in accordance with the Deed Poll, issue the ***thl*** Consideration Shares to the Scheme Shareholders in accordance with the Scheme on terms that each ***thl*** Consideration Share will rank equally in all respects with each other ***thl*** Share then on issue;

(b) ensure that on issue each ***thl*** Consideration Share will be fully paid and free from any mortgage, charge, lien, encumbrance or other security interest (except for any lien arising under the constitution of ***thl***); and

(c) do everything reasonably necessary to ensure that trading in the ***thl*** Consideration Shares commences on NZX and ASX on a normal trading basis by the Implementation Date or as soon as practicable thereafter.

5.8 Definition of *sending*

For the purposes of clause 5, the expression *sending* means, in relation to each Scheme Shareholder:

(a) sending by ordinary pre-paid post or courier to the address of that Scheme Shareholder as set out in the ATL Register at the Scheme Record Date; or

(b) delivery to the address of that Scheme Shareholder as set out in the ATL Register at the Scheme Record Date by any other means at no cost to the recipient.

6. Dealings in Scheme Shares

6.1 Determination of Scheme Shareholders

To establish the identity of the Scheme Shareholders, dealings in Scheme Shares or other alterations to the Share Register will only be recognised if:

(a) in the case of dealings of the type to be effected using CHESS, the transferee is registered in the Share Register as the holder of the relevant Scheme Shares on or before 7.00pm on the Scheme Record Date; and

(b) in all other cases, registrable transmission applications or transfers in respect of those dealings are received on or before 5.00pm on the day on which the Scheme Record Date occurs at the place where the Share Register is kept,

and ATL will not accept for registration, nor recognise for any purpose (except a transfer to ***thl*** Acquirer under this Scheme and any subsequent transfer by ***thl*** Acquirer or its successors in title or by the ***thl*** Entities), any transfer or transmission application or other request received after such times, or received prior to such times but not in registrable or actionable form, as appropriate.

6.2 Register

(a) (**Registration of transfers**) ATL must register registrable transmission applications or transfers of the kind referred to in clause 6.1(b) by or as soon as reasonably practicable after the Scheme Record Date.

(b) (**No registration after Scheme Record Date**) ATL will not accept for registration or recognise for any purpose any transmission application or transfer in respect of ATL Shares received after 5.00pm on the day on which the Scheme Record Date occurs, other than to ***thl*** Acquirer in accordance with this Scheme and any subsequent transfer by ***thl*** Acquirer or its successors in title or by the ***thl*** Entities.

(c) (**Maintenance of Share Register**) For the purpose of determining entitlements to the Scheme Consideration, ATL must maintain the Share Register in accordance with the provisions of this clause until the Scheme Consideration has been delivered to the Scheme Shareholders. The Share Register in this form will solely determine entitlements to the Scheme Consideration.

(d) (**No disposal after Scheme Record Date**) From the Scheme Record Date until registration of ***thl*** Acquirer in respect of all Scheme Shares under clause 0, no Scheme Shareholder may dispose or otherwise deal with Scheme Shares (or purport to do so) in any way except as set out in this Scheme and any attempt to do so will have no effect and ATL shall be entitled to disregard any such disposal or dealing.

(e) (**Statements of holding from Scheme Record Date**) All statements of holding for ATL Shares will cease to have effect from the Scheme Record Date as documents of title in respect of those shares. As from the Scheme Record Date, each entry current at that date on the Share Register (other than entries in respect of the ***thl*** Entities) will cease to have effect except as evidence of entitlement to the Scheme Consideration in respect of the ATL Shares relating to that entry.

(f) (**Provision of Scheme Shareholder details**) As soon as practicable on or after the Scheme Record Date and in any event within one Business Day after the Scheme Record Date, ATL will ensure that details of the names, addresses set out in the ATL Register at the Scheme Record Date and holdings of ATL Shares for each Scheme Shareholder are available to ***thl*** Acquirer in the form ***thl*** Acquirer reasonably requires.

7. Suspension and delisting

(a) ATL will apply to ASX to suspend trading on the ASX in ATL Shares with effect from the close of trading on the Effective Date.

(b) On a date after the Implementation Date to be determined by ATL, and to take effect only after the transfer of the Scheme Shares has been registered in accordance with clause 4.2(b), ATL will apply:

(i) for termination of the official quotation of ATL Shares on ASX; and

(ii) to have itself removed from the official list of ASX.

8. General Scheme provisions

8.1 Consent to amendments to this Scheme

If the Court proposes to approve this Scheme subject to any alterations or conditions:

(a) ATL may, by its counsel or solicitors, consent on behalf of all persons concerned to those alterations or conditions to which ATL has consented in writing; and

(b) each Scheme Shareholder agrees to any such alterations or conditions to which counsel or the solicitors for ATL have consented.

8.2 Binding effect of Scheme

This Scheme binds ATL and all Scheme Shareholders (including those who did not attend the Scheme Meeting, those who did not vote at that meeting, or voted against this Scheme at that meeting) and, to the extent of any inconsistency, overrides the constitution of ATL.

8.3 Scheme Shareholders' agreements and acknowledgment

Each Scheme Shareholder:

(a) acknowledges the binding effect of the Scheme as described in clause 8.2;

(b) agrees to the transfer of their ATL Shares together with all rights and entitlements attaching to those ATL Shares in accordance with this Scheme;

(c) who holds their ATL Shares in a CHESS Holding agrees to the conversion of those ATL Shares to an Issuer Sponsored Holding and irrevocably authorises ATL to do anything necessary or expedient (whether required by the Settlement Rules or otherwise) to effect or facilitate such conversion;

(d) agrees to any variation, cancellation or modification of the rights attached to their ATL Shares constituted by or resulting from this Scheme;

(e) agrees to, on the direction of ***thl***, destroy any holding statements or share certificates relating to their ATL Shares;

(f) agrees to become a shareholder of ***thl***, have their name and address entered in ***thl***s register of members (and other details as the holding of the relevant Scheme Shares), and to be bound by its constitution; and

(g) acknowledges and agrees that this Scheme binds ATL and all Scheme Shareholders (including those who did not attend the Scheme Meeting or did not vote at that meeting or voted against this Scheme at that Scheme Meeting).

8.4 Warranties by Scheme Shareholders

(a) Each Scheme Shareholder is deemed to have warranted to ATL, in its own right and for the benefit of ***thl*** and ***thl*** Acquirer (and is deemed to have authorised ATL to give such warranties to ***thl*** and ***thl*** Acquirer in accordance with clause 8.4(b)), that as at the Implementation Date:

(i) all of its Scheme Shares which are transferred to ***thl*** Acquirer under this Scheme, including any rights and entitlements attaching to those Scheme Shares, will, at the time of transfer, be free from all mortgages, charges, liens, encumbrances, pledges, security interests (including any "security interests" within the meaning of section 12 of the *Personal Property Securities Act 2009* (Cth)) and interests of third parties of any kind, whether legal or otherwise, and restrictions on transfer of any kind;

(ii) all of its ATL Shares which are transferred to ***thl*** Acquirer under this Scheme will, on the date on which they are transferred to ***thl*** Acquirer, be fully paid;

(iii) it has full power and capacity to transfer its ATL Shares to ***thl*** Acquirer together with any rights attaching to those shares; and

(iv) it has no existing right to be issued any ATL Shares, options exercisable into ATL shares, ATL convertible notes or any other ATL securities.

(b) ATL undertakes that it will provide the warranties in clause 8.4(a) to ***thl*** and ***thl*** Acquirer as agent and attorney of each Scheme Shareholder.

8.5 Title to and rights in Scheme Shares

(a) To the extent permitted by law, the Scheme Shares (including all rights and entitlements attaching to the Scheme Shares) transferred under this Scheme will be transferred free from all mortgages, charges, liens, encumbrances, pledges, security interests (including any "security interests" within the meaning of section 12 of the *Personal Property Securities Act 2009* (Cth)) and interests of third parties of any kind, whether legal or otherwise, and restrictions on transfer of any kind.

(b) On and from the Implementation Date, subject to the provision of the Scheme Consideration to each Scheme Shareholder in the manner contemplated by clause 5.3(a), ***thl*** Acquirer will be beneficially entitled to the Scheme Shares transferred to it under this Scheme pending registration by ATL of ***thl*** Acquirer in the Share Register as the holder of the Scheme Shares.

8.6 Authority given to ATL

(a) Scheme Shareholders will be deemed to have authorised ATL to do and execute all acts, matters, things and documents on the part of each Scheme Shareholder necessary for or incidental to the implementation of this Scheme, including executing and delivering, as agent and attorney of each Scheme Shareholder:

(i) a share transfer or transfers in relation to Scheme Shares as contemplated by clause 4.2; and

(ii) any deed or document required by ***thl*** or ATL that causes each Scheme Shareholder entitled to ***thl*** Consideration Shares to be bound by the constitution of ***thl***.

(b) Each Scheme Shareholder, without the need for any further act, irrevocably appoints ATL and all of its directors, secretaries and officers (jointly and severally) as its attorney and agent for the purpose of:

(i) on the Effective Date, enforcing the Scheme Deed Poll against ***thl*** and ***thl*** Acquirer and ATL accepts such appointment; and

(ii) on the Implementation Date, executing any document necessary to give effect to this Scheme including, a proper instrument of transfer of its Scheme Shares for the purposes of section 1071B of the Corporations Act which may be a master transfer of all the Scheme Shares,

and ATL accepts such appointment.

8.7 Appointment of sole proxy

Immediately after the provision of the Scheme Consideration to each Scheme Shareholder in the manner contemplated by clauses 5.3(a) until ATL registers ***thl*** Acquirer as the holder of all ATL Shares in the Share Register, each Scheme Shareholder:

(a) is deemed to have irrevocably appointed ***thl*** Acquirer as its attorney and agent (and directed ***thl*** Acquirer in such capacity) to appoint an officer or agent nominated by ***thl*** Acquirer as its sole proxy and, where applicable, corporate representative to attend shareholders' meetings of ATL, exercise the votes attaching to the Scheme Shares registered in its name and sign any shareholders' resolution;

(b) undertakes not to otherwise attend Shareholders' meetings, exercise the votes attaching to Scheme Shares registered in their names or sign or vote on any resolutions (whether in person, by proxy or by corporate representative) other than pursuant to clause 8.7(a);

(c) must take all other actions in the capacity of a registered holder of Scheme Shares as ***thl*** Acquirer reasonably directs; and

(d) acknowledges and agrees that in exercising the powers referred to in clause 8.7(a), ***thl*** Acquirer and any officer or agent nominated by ***thl*** Acquirer under clause 8.7(a) may act in the best interests of ***thl*** Acquirer as the intended registered holder of the Scheme Shares.

8.8 Instructions and elections

If not prohibited by law (and including where permitted or facilitated by relief granted by a Governmental Agency), all instructions, notifications or elections by a Scheme Shareholder to ATL binding or deemed binding between the Scheme Shareholder and ATL relating to ATL or ATL Shares (including any email addresses, instructions relating to communications from ATL, whether dividends are to be paid by cheque or into a specific bank account, notices of meetings or other communications from ATL) will be deemed from the Implementation Date (except to the extent determined otherwise by ***thl*** and in its sole discretion), by reason of this Scheme, to be made by the Scheme Shareholder to ***thl***, and will be accepted by ***thl*** until that instruction, notification or election is revoked or amended in writing addressed to ***thl*** at the relevant registry, provided that any such instructions or notifications accepted by ***thl*** will apply to and in respect of the issue of ***thl*** Consideration Shares as part of the Scheme Consideration only to the extent that they are not inconsistent with the other provisions of the Scheme.

9. General

9.1 Stamp duty

thl or ***thl*** Acquirer must pay all stamp duty payable in connection with the transfer of the Scheme Shares to ***thl*** Acquirer pursuant to this Scheme.

9.2 Notices

(a) If a notice, transfer, transmission application, direction or other communication referred to in this document is sent by post to ATL, it will not be taken to be received in the ordinary course of post or on a date and time other than the date and time (if any) on which it is actually received at ATL's registered office or at the office of the registrar of ATL Shares.

(b) The accidental omission to give notice of the Scheme Meeting or the non-receipt of such a notice by any Scheme Shareholder may not, unless so ordered by the Court, invalidate the Scheme Meeting or the proceedings of the Scheme Meeting.

9.3 Further assurances

(a) ATL must do anything necessary (including executing agreements and documents) or incidental to give full effect to this Scheme and the transactions contemplated by it.

(b) Each Scheme Shareholder consents to ATL doing all things necessary or incidental to give full effect to this Scheme and the transactions contemplated by it.

9.4 Governing law and jurisdiction

(a) This Scheme is governed by the laws of Queensland.

(b) The parties irrevocably submit to the non-exclusive jurisdiction of courts exercising jurisdiction in Queensland and courts of appeal from them in respect of any proceedings arising out of or in connection with this Scheme.

9.5 No liability when acting in good faith

None of ***thl***, ***thl*** Acquirer or ATL nor any of their directors, officers, secretaries or employees, will be liable for anything done or omitted to be done in the performance of this Scheme or the Scheme Deed Poll in good faith.

Annexure D

Deed Poll

Execution Version

Deed poll

relating to a proposed scheme of arrangement between Apollo Tourism & Leisure Ltd ABN 67 614 714 742 and its members

—

Tourism Holdings Rentals Limited ARBN 655 142 028, a foreign company registered in its original jurisdiction of New Zealand as Tourism Holdings Limited (***thl***)

THL Group (Australia) Pty. Ltd. ABN 68 055 966 222 (***thl* Acquirer**)

—

Level 22 Waterfront Place 1 Eagle Street
Brisbane Qld 4000 Australia DX 102 Brisbane
T +61 7 3119 6000 F +61 7 3119 1000
minterellison.com

ME_130143226_6 (W2007)

MinterEllison

Deed poll

Details

Date

Parties

15 February 2022

Name	**Tourism Holdings Rentals Limited ARBN 655 142 028, a foreign company registered in its original jurisdiction of New Zealand as Tourism Holdings Limited (Co. No. 248179)**
Country of incorporation	New Zealand
NZBN	9429039926081
Short form name	***thl***
Notice details	Level 1, 83 Beach Street, Auckland City, Auckland 1140, New Zealand Email: grant.webster@thlonline.com Attention: Grant Webster

Name	**THL Group (Australia) Pty. Ltd. ACN 055 966 222**
Country of incorporation	Australia
ABN	68 055 966 222
Short form name	***thl* Acquirer**
Notice details	Level 1, 83 Beach Street, Auckland City, Auckland 1140, New Zealand Email: grant.webster@***thl***online.com Attention: Grant Webster

Background

A On 10 December 2021, ***thl***, ***thl*** Acquirer and ATL entered into the Scheme Implementation Deed to provide for (among other matters) the implementation of the Scheme.

B The effect of the Scheme will be to transfer all Scheme Shares to ***thl*** Acquirer in return for the Scheme Consideration.

C ***thl*** and ***thl*** Acquirer enter this deed poll to covenant in favour of Scheme Shareholders to perform the actions attributed to each of them under the Scheme.

Agreed terms

1. Defined terms & interpretation

1.1 Defined terms

In this document:

Scheme Implementation Deed means the Scheme Implementation Deed dated 10 December 2021 between ***thl***, ***thl*** Acquirer and ATL.

ATL means Apollo Tourism & Leisure Ltd ACN 614 714 742 as trustee for the Scheme Shareholders.

1.2 Terms defined in Scheme Implementation Agreement

Words and phrases defined in the Scheme Implementation Deed have the same meaning in this deed poll unless the context requires otherwise.

1.3 Incorporation by reference

The provisions of clauses 1.2, 1.3 and 1.4 of the Scheme Implementation Deed form part of this deed poll as if set out at length in this deed poll but with *deed poll* substituted for *deed* and with any reference to *party* being taken to include the Scheme Shareholders (as the context requires or permits).

2. Nature of this deed poll

This deed poll is given jointly and severally by ***thl*** and ***thl*** Acquirer in favour of the Scheme Shareholders and ***thl*** and ***thl*** Acquirer each agree that this deed poll may be relied on and enforced by any Scheme Shareholder in accordance with its terms even though the Scheme Shareholders are not a party to it.

3. Conditions precedent and termination

3.1 Conditions

The obligations of ***thl*** and ***thl*** Acquirer under this deed poll are subject to the Scheme becoming Effective.

3.2 Termination

This deed poll and the obligations of ***thl*** and ***thl*** Acquirer under this deed poll will automatically terminate and this deed poll will be of no further force or effect if:

(a) the Scheme Implementation Deed is terminated in accordance with its terms; or

(b) the Scheme is not Effective on or before the End Date or any later date as the Court, with the consent of ***thl***, ***thl*** Acquirer and ATL, may order,

unless ***thl***, ***thl*** Acquirer and ATL otherwise agree in writing.

3.3 Consequences of termination

If this deed poll terminates under clause 3.2, in addition and without prejudice to any other rights, powers or remedies available to Scheme Shareholders:

(a) ***thl*** and ***thl*** Acquirer are released from their obligations to further perform this deed poll; and

(b) each Scheme Shareholder retains the rights they have against ***thl*** and ***thl*** Acquirer in respect of any breach of this deed poll which occurred before it terminated.

4. Performance of obligations

4.1 Generally

Subject to clause 3, ***thl*** and ***thl*** Acquirer covenants in favour of Scheme Shareholders to perform the actions attributed to it under, and otherwise comply with, the Scheme as if ***thl*** and ***thl*** Acquirer were parties to the Scheme.

4.2 Provision of Scheme Consideration

(a) Subject to clause 3, ***thl*** undertakes in favour of each Scheme Shareholder to provide or procure the provision of the Scheme Consideration to each Scheme Shareholder in accordance with the terms of the Scheme.

(b) The obligations of ***thl*** under clause 4.2(a) will be satisfied if, in respect of the Scheme Consideration:

(i) no later than 12.00 noon (or such later time as ***thl***, ***thl*** Acquirer and ATL may agree) on the Implementation Date, ***thl*** procures that the name of each Scheme Shareholder entitled to receive ***thl*** Consideration Shares under the Scheme is entered in ***thl***'s register of members as the holder of those ***thl*** Consideration Shares (having the same holding name and address and other details as the holding of the relevant Scheme Shares) and ***thl*** provides ATL with written confirmation that ***thl*** has done so; and

(ii) on or before the date that is five Business Days after the Implementation Date, ***thl*** sends or procures the sending of a share certificate or holding statement (or equivalent document) to each Scheme Shareholder entitled to receive ***thl*** Consideration Shares under the Scheme, reflecting the issue of such ***thl*** Consideration Shares,

in each case, in accordance with, and subject to, the provisions of the Scheme.

4.3 *thl* Consideration Shares to rank equally

thl undertakes in favour of each Scheme Shareholder that all ***thl*** Consideration Shares issued as Scheme Consideration to each Scheme Shareholder will, upon their issue:

(a) rank equally with all other ***thl*** ordinary shares on issue; and

(b) be fully paid and free from any mortgage, charge, lien, encumbrance or other security interest (except for any lien arising under the constitution of ***thl***).

5. Warranties

thl and ***thl*** Acquirer each represent and warrant to each Scheme Shareholder that:

(a) **(status)** it is a corporation duly incorporated and validly existing under the laws of the place of its incorporation;

(b) **(power)** it has the power to enter into and perform its obligations under this deed poll and to carry out the transactions contemplated by this deed poll;

(c) **(corporate authorisations)** it has taken all necessary corporate action to authorise the entry into and performance of this deed poll and to carry out the transactions contemplated by this deed poll;

(d) **(documents binding)** this deed poll is its valid and binding obligation enforceable in accordance with its terms;

(e) **(transactions permitted)** the execution and performance by it of this deed poll and each transaction contemplated by this deed poll did not and will not violate in any respect a provision of:

(i) a law or treaty or a judgment, ruling, order or decree of a Governmental Agency binding on it;

(ii) its constitution or other constituent documents; or

(iii) any other document which is binding on it or its assets; and

(f) **(solvency)** it is solvent and no resolutions have been passed nor has any other step been taken or legal action or proceedings commenced or threatened against it for its winding up or dissolution or for the appointment of a liquidator, receiver, administrator or similar officer over any or all of its assets.

6. Continuing Obligations

6.1 Deed poll irrevocable

This deed poll is irrevocable and, subject to clause 3, remains in full force and effect until the earlier of:

(a) *thl* and *thl* Acquirer having fully performed their obligations under this deed poll; and

(b) termination of this deed poll under clause 3.2.

6.2 Variation

A provision of this deed poll may not be varied or amended unless:

(a) before the Second Court Date, the variation or amendment is agreed to in writing by ATL (on behalf of each Scheme Shareholder but without the need for to refer the variation or amendment to any Scheme Shareholder) and, if required, approved by the Court; or

(b) on or after the Second Court Date, the variation or amendment is agreed to in writing by ATL (on behalf of each Scheme Shareholder but without the need for to refer the variation or amendment to any Scheme Shareholder) and is approved by the Court,

and *thl* and *thl* Acquirer enter into a further deed poll in favour of each Scheme Shareholder giving effect to the variation or amendment.

7. Notices

Any notice, demand or other communication (a **Notice**) to *thl* or *thl* Acquirer in respect of this deed poll:

(a) must be in writing and signed by the sender or a person duly authorised by it;

(b) must be delivered to the intended recipient by prepaid post (if posted to an address in another country, by registered airmail) or by hand, email or to the address or email address specified in the Details;

(c) will be conclusively taken to be duly given or made:

(i) **(in the case of delivery in hand)**, when delivered at the address of the addressee as provided in the Details, unless that delivery is not made on a Business Day, or is made after 5.00pm on a Business Day, in which case that Notice will be deemed to be received at 9.00am on the next Business Day;

(ii) **(in the case of delivery by post)**, on the third Business Day after the date of posting (if posted to an address within Australia) or the fifth Business Day after the date of posting (if posted to an address outside Australia); or

(iii) **(in the case of email)**, on the earlier of:

(A) when the sending party's email system confirms delivery of the email by way of a delivery notification; or

(B) when the recipient party confirms receipt to the sending party via email or telephone.

8. General Provisions

8.1 Assignment

(a) The rights and obligations of ***thl***, ***thl*** Acquirer, ATL and each Scheme Shareholder under this deed poll are personal. They cannot be assigned, charged, encumbered or otherwise dealt with at law or in equity without the prior written consent of ***thl***, ***thl*** Acquirer and ATL.

(b) Any purported dealing in contravention of clause 8.1(a) is invalid.

8.2 Cumulative rights

The rights, powers and remedies of ***thl***, ***thl*** Acquirer, ATL and each Scheme Shareholder under this deed poll are cumulative with and do not exclude any other rights, powers or remedies provided by law independently of this deed poll.

8.3 No waiver

(a) ***thl*** or ***thl*** Acquirer may not rely on the words or conduct of any Scheme Shareholder as a waiver of any right unless the waiver is in writing and signed by the Scheme Shareholder granting the waiver.

(b) If a Scheme Shareholder does not exercise a right arising from a breach of this deed poll at a given time, it may, unless it has waived that right in writing, exercise the right at a later point in time.

(c) No Scheme Shareholder may rely on words or conduct of ***thl*** or ***thl*** Acquirer as a waiver of any right unless the waiver is in writing and signed by ***thl*** or ***thl*** Acquirer.

(d) The meanings of the terms used in this clause 8.4 are set out below.

conduct includes delay in the exercise of a right.

right means any right arising under or in connection with this deed poll and includes the right to rely on this clause.

waiver includes an election between rights and remedies, and conduct which might otherwise give rise to an estoppel.

8.4 Stamp duty

thl must:

(a) must pay or procure the payment of all stamp duty (if any) any related fines, penalties and interest in respect of the Scheme and this deed poll (including the acquisition or transfer of Scheme Shares pursuant to the Scheme), the performance of this deed poll and each transaction effected by or made under or pursuant to the Scheme and this deed poll; and

(b) indemnify each Scheme Shareholder against any liability arising from a failure to comply with clause 8.4(a).

8.5 Further assurances

thl and ***thl*** Acquirer must, at their own expense, do all things reasonably required of them to give full effect to this deed poll.

8.6 Governing law and jurisdiction

(a) This deed poll is governed by and will be construed according to the laws of Queensland.

(b) ***thl*** and ***thl*** Acquirer irrevocably submit to the non-exclusive jurisdiction of the courts with jurisdiction in Queensland and of the courts competent to determine appeals from those courts and waive any right to object to the venue on any ground.

Signing page

EXECUTED and delivered as a deed poll.

Executed by **Tourism Holdings Rentals Limited ARBN 655 142 028, a foreign company registered in its original jurisdiction of New Zealand as Tourism Holdings Limited** in accordance with section 180 of the *Companies Act 1993*

Signature of director	Signature of director
Rob Campbell	Rob Hamilton
Name of director (print)	Name of director (print)

Executed by **THL Group (Australia) Pty. Ltd.** in accordance with Section 127 of the *Corporations Act 2001*

Signature of director	Signature of director/company secretary (Please delete as applicable)
GRANT WEBSTER	CATHERINE MCLAREN
Name of director (print)	Name of director/company secretary (print)

15·02·22.

By signing above, each director or secretary (as applicable) consents to electronic execution of this document (in whole or in part), represents that they hold the position or are the person named with respect to their execution and authorises any other director or secretary (as applicable) to produce a copy of this document bearing his or her signature for the purpose of signing the copy to complete its execution under section 127 of the Corporations Act. The copy of the signature appearing on the copy so executed is to be treated as his or her original signature.

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Annexure E

Notice of Postponed Scheme Meeting

Notice of Postponed Scheme Meeting

Apollo Tourism & Leisure Ltd
ACN 614 714 742

NOTICE OF COURT ORDERED MEETING OF APOLLO TOURISM & LEISURE LTD SHAREHOLDERS

This Notice of Postponed Scheme Meeting provides ATL Voting Shareholders with details of the Scheme Meeting (previously postponed by order of the Court on 14 April 2022), at which ATL Voting Shareholders will have the opportunity to consider the Scheme Resolution.

Notice is given that, by an order of the Supreme Court of Queensland (**Court**) made on 18 February 2022 under section 411(1) of the Corporations Act and by a further order of the Court made on 26 October 2022, the Court has directed that the postponed Scheme Meeting, being a meeting of the holders of fully paid ordinary shares of ATL, other than ***thl Entities*** (**ATL Voting Shareholders**) will be held at 12.00pm (Brisbane time) on Friday, 11 November 2022 at Level 29, Riverside Centre, 123 Eagle Street, Brisbane, Queensland 4000 and via ATL's online meeting platform at https://meetnow.global/MXDSZKR.

The Scheme Meeting will be a hybrid meeting facilitating in person and online participation. ATL Voting Shareholders who feel unwell should not attend in person.

The Court has also directed that Ms Sophie Mitchell, or failing her Brett Heading, act as chairperson of the meeting and report the result of the meeting to the Court.

Purpose of the meeting

The purpose of this meeting is to consider and, if thought fit, to agree (with or without any (a) alterations or conditions agreed to in writing between ATL and ***thl*** and approved by the Court; or (b) any alterations or conditions required by the Court to which ATL and ***thl*** agree) to the scheme of arrangement (Scheme) between ATL and the ATL Voting Shareholders as at the Scheme Record Date.

A copy of the Scheme and a copy of the explanatory statement required by section 412 of the Corporations Act in relation to the Scheme are contained in the Replacement Scheme Booklet of which this notice forms part.

Scheme Resolution – approval of scheme

The meeting will be asked to consider and, if thought fit, pass the following resolution:

"That under and in accordance with section 411 of the Corporations Act, the members agree to the arrangement proposed between ATL and the holders of its fully paid ordinary shares (other than the ***thl*** Entities), designated the Scheme, as contained in and more particularly described in the Replacement Scheme Booklet accompanying the notice convening this meeting (with or without any alterations or conditions agreed or any alterations or conditions required by the Court) and the ATL Board is authorised to implement the Scheme with any such alterations or conditions."

Dated 26 October 2022

BY ORDER OF THE COURT

Sophie Mitchell
Non-Executive Chairman

Explanatory notes to the notice of meeting

1. General

(a) Capitalised words and phrases contained in the notice of meeting (including the proposed resolution) have the same meaning as set out in the Glossary in Section 13 of the Replacement Scheme Booklet, of which this notice forms part.

(b) The notice of meeting should be read in conjunction with the entire Scheme Booklet of which this notice forms part. The Replacement Scheme Booklet contains important information to assist you in determining how to vote on the proposed resolutions. The Replacement Scheme Booklet includes a copy of the Scheme (in Annexure D of the Replacement Scheme Booklet) and includes the explanatory statement required by section 412 of the Corporations Act in relation to the Scheme (the explanatory statement being all sections of the Replacement Scheme Booklet, other than the Annexures).

2. Entitlement to vote

For the purposes of the Scheme Meeting, only those persons registered in the Share Register as an ATL Voting Shareholder at 7.00pm (AEDT) on Wednesday, 9 November 2022 are entitled to participate and vote at the Scheme Meeting in respect of each ATL Share held by them at that time, either by attending the Scheme Meeting in person or via ATL's online meeting platform, by proxy or attorney or, in the case of an ATL Voting Shareholder or proxy who is a corporation, by corporate representative.

3. Required voting majority

(a) The resolution to approve the Scheme is subject to approval by the majorities required under section 411(4)(a)(ii) of the Corporations Act.

(b) The resolution to approve the Scheme must be approved by:

i. unless the Court orders otherwise, a majority in number (more than 50%) of the ATL Voting Shareholders present and voting at the Scheme Meeting (whether personally, by proxy, attorney or, in the case of an ATL Voting Shareholder or a proxy who is a corporation, by corporate representative); and at least 75% of the total number of votes which are cast at the Scheme Meeting by ATL Voting Shareholders (whether personally or by proxy, attorney, or in the case of an ATL Voting Shareholder or a proxy who is a corporation, by corporate representative).

(c) The Court has discretion under section 411(4)(a)(ii)(A) of the Corporations Act to approve the Scheme if it is approved by at least 75% of the votes cast on the resolution but not by a majority (more than 50%) in number of ATL Voting Shareholders present and voting at the Scheme Meeting.

4. Court approval

In accordance with section 411(4)(b) of the Corporations Act, to become Effective, the Scheme (with or without any alterations or conditions (a) agreed between ATL and ***thl*** and approved by the Court; or (b) any alterations or conditions required by the Court to which ATL and ***thl*** agree) must also be approved by an order of the Court and an office copy of the orders must be lodged with ASIC. If the Scheme is approved by the Requisite Majority at the Scheme Meeting, and all of the other Scheme Conditions (other than approval of the Court, registration of the Court orders and the Divestment Condition) are satisfied or waived by the required time under the Scheme, ATL intends to apply to the Court for orders approving the Scheme.

5. Jointly held ATL Shares

If you hold ATL Shares jointly with one or more other persons, only one of you may vote. If more than one of you attempts to vote in person (including via the online platform) at the Scheme Meeting, only the vote of the holder whose name appears first on the Share Register will be counted.

6. Advertisement

Where this notice of meeting is advertised unaccompanied by the Replacement Scheme Booklet, a copy of the Replacement Scheme Booklet can be obtained by anyone entitled to participate in the Scheme Meeting from ATL's website at www.apollotourism.com, or by contacting the Company Secretary of ATL or the Share Registry.

Voting Instructions

METHOD	VOTING INSTRUCTIONS
In person	To vote in person, you must attend the meeting. Eligible ATL Voting Shareholders who wish to attend and vote at the meeting in person will be admitted and given a voting card at the point of entry to the meeting, once they have registered with the Share Registry at the venue.
Via the online platform	ATL Voting Shareholders who wish to attend and vote at the meeting via ATL's online meeting platform should follow the instructions in the Share Registry's "Virtual Scheme Meeting Online Guide" located at https://meetnow.global/MXDSZKR. It is recommended that ATL Voting Shareholders who wish to attend and vote via the online meeting platform should login at least 15 minutes prior to the schedule start time for the meeting.

METHOD	VOTING INSTRUCTIONS
By proxy	ATL Voting Shareholders have the right to appoint a proxy to attend the Scheme Meeting on their behalf and to vote as directed by the ATL Voting Shareholder. The proxy need not be an ATL Voting Shareholder and may be an individual or a body corporate. You are entitled to appoint up to two proxies and, if you do so, you must specify the proportion or number of votes each proxy is appointed to exercise. If you appoint two proxies and the appointment does not specify the proportion or number of your votes, then each proxy may exercise half of the votes as in accordance with s249X(3) of the Corporations Act. **Proxy forms which accompanied the Original Scheme Booklet are no longer valid.** If you have previously lodged a proxy form, to ensure that your vote is counted you must lodge a new Proxy Form and submit it by 12.00pm (Brisbane time) on Wednesday, 9 November 2022. You may appoint a proxy by completing, signing and returning the personalised Proxy Form accompanying this Replacement Scheme Booklet to the Share Registry by: mailing: Apollo Tourism & Leisure Ltd C/- Computershare Investor Services Pty Limited GPO Box 242 Melbourne VIC 3001 faxing: 1800 783 447 (within Australia) +61 3 9473 2555 (outside Australia) online: by visiting www.investorvote.com.au and following the instructions in your Proxy Form to lodge your proxy online. Your Proxy Form must be received by the Share Registry by 12.00pm (Brisbane time) on Wednesday, 9 November 2022 (or, if the meeting is adjourned or postponed, no later than 48 hours before the resumption of the meeting in relation to the resumed part of the meeting). **Proxy Forms received after this time will be invalid.** If a Proxy Form is completed under power of attorney or other authority, the power of attorney or other authority, or a certified copy of the power of attorney or other authority, must accompany the completed Proxy Form unless the power of attorney or other authority has previously been noted by the Share Registry. If you hold ATL Shares jointly with one or more other persons, in order for your proxy appointment to be valid, each of you must sign the Proxy Form. A proxy may vote or abstain as he or she chooses except where the appointment of the proxy directs the way the proxy is to vote on the resolution. If an appointment directs the way the proxy is to vote on the resolution: • if the proxy is the chairperson – the proxy must vote on the poll and must vote in the way directed; or • if the proxy is not the chairperson – the proxy need not vote on the poll, but if the proxy does so, the proxy must vote in the way directed. If you return your Proxy Form: • without identifying a proxy on it, you will be taken to have appointed the chairperson as your proxy to vote on your behalf; or • with a proxy identified on it but your proxy does not attend the meeting, the chairperson will act in place of your nominated proxy and vote in accordance with any directions on your Proxy Form. The chairperson intends to vote all undirected proxies which nominate the chairperson in favour of all resolutions (in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interest of ATL Voting Shareholders).

METHOD	VOTING INSTRUCTIONS
By proxy (continued)	A vote cast in accordance with the terms of a proxy appointment is valid despite the revocation of that appointment, unless: • notice in writing of the revocation has been received by the Share Registry before the start of the Scheme Meeting (or, if the meeting is adjourned or postponed, before the resumption of the meeting in relation to the resumed part of the meeting) by mail, delivered in person or by fax as described above; or • notice of revocation is given by the ATL Voting Shareholder on registering their attendance at the Scheme Meeting at the registration desk located at the Scheme Meeting. If the proxy is attending: • **in person**, a proxy will be admitted to the Scheme Meeting and given a voting card on providing at the entrance to the Scheme Meeting, written evidence of their name and address; or • **online**, by logging into the virtual meeting platform at https://meetnow.global/MXDSZKR, registering your attendance and to participate and vote at the meeting. For further information, please refer to the "Virtual Scheme Meeting Online Guide" available on the virtual meeting platform. Your appointment of a proxy does not preclude you from attending in person or online. The appointment of your proxy is not suspended merely by attending the Scheme Meeting, but if you vote on a resolution, the proxy is not entitled to vote, and must not vote, as your proxy on that resolution. Replacement Proxy Forms can be obtained from the Share Registry.
By power of attorney	You may appoint an attorney to attend and vote at the meeting on your behalf. Your attorney need not be an ATL Voting Shareholder. Each attorney will have the right to vote on the poll and also to speak at the meeting. The power of attorney appointing your attorney to attend and vote at the meeting must be duly executed by you and specify your name, the company (that is, ATL), and the attorney, and also specify the meetings at which the appointment may be used. The appointment may be a standing one. The power of attorney, or a certified copy of the power of attorney, must be received by the Share Registry by 12.00pm (Brisbane time) on Wednesday, 9 November 2022 (or, if the meeting is adjourned or postponed, no later than 48 hours before the resumption of the meeting in relation to the resumed part of the meeting) in any of the following ways: mailing: Apollo Tourism & Leisure Ltd C/- Computershare Investor Services Pty Limited GPO Box 242 Melbourne VIC 3001 faxing: 1800 783 447 (within Australia) +61 3 9473 2555 (outside Australia) If the attorney is attending: • **in person**, the attorney will be admitted to the meeting and given a voting card on providing at the point of entry to the meeting, written evidence of their appointment, their name and address, and the name of their appointors; or • **online**, by logging into the virtual meeting platform at https://meetnow.global/MXDSZKR, registering your attendance and to participate and vote at the meeting. For further information, please refer to the "Virtual Scheme Meeting Online Guide" available at on the virtual meeting platform. Your appointment of an attorney does not preclude you from attending in person or online and voting at the meeting. The appointment of your attorney is not revoked merely by your participation and taking part in the meeting, but if you vote on a resolution, the attorney is not entitled to vote, and must not vote, as your attorney on that resolution.

METHOD	VOTING INSTRUCTIONS
By corporate representative	If you are a body corporate, you may appoint an individual to act as your body corporate representative. The appointment must comply with the requirements of section 250D of the Corporations Act, meaning that ATL will require a certificate of appointment of body corporate representative to be executed by you in accordance with the Corporations Act. A form of the certificate may be obtained from the Share Registry by calling 1300 396 584 (within Australia) or +61 3 9415 4151 (outside Australia) on Monday to Friday between 8.30am and 5.30pm (AEDT). The certificate of appointment may set out restrictions on the representative's powers. The certificate should be lodged at the registration desk on the day of the meeting or received by the Share Registry by 12.00pm (Brisbane time) on Wednesday, 9 November 2022 (or, if the meeting is adjourned or postponed, no later than 48 hours before the resumption of the meeting in relation to the resumed part of the meeting) in any of the following ways: mailing: Apollo Tourism & Leisure Ltd C/- Computershare Investor Services Pty Limited GPO Box 242 Melbourne VIC 3001 faxing: 1800 783 447 (within Australia) +61 3 9473 2555 (outside Australia) If a certificate is completed by an individual or corporation under power of attorney or other authority, the power of attorney or other authority, or a certified copy of the power of attorney or other authority, must accompany the completed certificate unless the power of attorney or other authority has previously been noted by the Share Registry. If the corporate representative is attending: • **in person**, the corporate representative will be admitted to the meeting and given a voting card on providing at the point of entry to the meeting, written evidence of their appointment, their name and address, and the name of their appointors; or • **online**, by logging into the virtual meeting platform at https://meetnow.global/MXDSZKR, registering your attendance and to participate and vote at the meeting. For further information, please refer to the "Virtual Scheme Meeting Online Guide" available on the virtual meeting platform.
Further information	For further information, you may call the Share Registry on 1300 396 584 (within Australia) or +61 3 9415 4151 (outside Australia) on Monday to Friday between 8.30am and 5.30pm (AEDT).

8. Technical difficulties

Technical difficulties may arise during the course of the Scheme Meeting. The chairperson has discretion as whether and how the Scheme Meeting should proceed in the event that a technical difficulty arises. In exercising this discretion, the chairperson will have regard to the number of ATL Voting Shareholders impacted and the extent to which participation in the business of the meeting is affected. Where the chairperson considers it appropriate, the chairperson may continue to hold the Scheme Meeting and transact business, including conducting a poll and voting in accordance with valid proxy instructions.

Annexure F

Comparison of Australian and New Zealand Laws and summary of the rights attaching to *thl* Consideration Shares

References to Australian law where they appear in this annexure are references to the Corporations Act, ASX Listing Rules, ASX Settlement Operating Rules and Australian common law, as applicable.

The comparison below is not an exhaustive statement of all relevant laws, rules and regulations and is intended as a general guide only. You should seek your own independent professional legal advice if you require further information.

<table>
<tr><th>ATL</th><th>thl</th></tr>
<tr><td colspan="2">1. SHAREHOLDERS' MEETINGS</td></tr>
<tr><td colspan="2">1.1 Requirement of annual meetings and ability to call special meetings</td></tr>
<tr><td>Under the Corporations Act, the annual general meeting of ATL is required to be held at least once in each calendar year, and within five months after the end of its financial year.

A general meeting of ATL Shareholders may be called from time to time by the ATL Directors or an individual director, or by shareholders in the circumstances set out below:
when requested to do so by ATL Shareholders holding at least 5% of the votes that may be cast at a general meeting, ATL Directors must call a general meeting within 21 days after the request is given to ATL, and the meeting must be held not later than two months after the request is given; or
alternatively, ATL Shareholders holding at least 5% of the votes that may be cast at a general meeting may themselves call, and arrange to hold, a general meeting of ATL at their own cost.</td><td>Under the Companies Act and the thl Constitution, the annual meeting of thl Shareholders is required to be held not later than 6 months after its balance date and no later than 15 months after the previous annual meeting.

A special meeting of shareholders:
may be called at any time by the thl Board or a person authorised by the thl Constitution to call a meeting; and
must be called by the thl Board when requested by thl Shareholders holding shares carrying at least 5% of the votes that may be cast at the meeting.</td></tr>
<tr><td colspan="2">1.2 Notice of meeting</td></tr>
<tr><td>As ATL is listed on the ASX, under the Corporations Act, notice of a general meeting of ATL must be given at least 28 days before the date of the meeting.

Under the ATL Constitution, ATL is required to give notice to ATL Shareholders entitled to vote at the meeting, ATL Directors, ATL's auditor and anyone entitled to a share because of a transmission event (e.g. death of an ATL Shareholder) who has satisfied the ATL Directors of their right.</td><td>Under the Companies Act, notice of the meeting of thl must be sent to every thl Shareholder entitled to receive notice of the meeting and to every director and an auditor of the company at least 10 working days before the meeting.

As thl is listed on the NZX, under the NZX Corporate Governance Code, it is recommended that notice be released at least 20 working days before the meeting, and this is reflected in the thl constitution.</td></tr>
</table>

ATL	***thl***
1.3 Quorum requirements	
The quorum for a meeting under the ATL constitution is two ATL Shareholders who are present at the meeting and entitled to vote on resolutions at the meeting. If within 30 minutes after the time appointed for a meeting, a quorum is not present, the meeting: • if convened on a requisition of ATL Shareholders, is dissolved; and • in any other case, to such other day, time and place as the ATL Directors present decide, or if they do not make a decision, the same day in the next week and the same time and place. At an adjourned meeting, two ATL Shareholders is still a quorum. If no quorum is present at an adjourned meeting within 30 minutes after the time appointed for the adjourned meeting, the meeting must be dissolved.	The quorum for a meeting under the ***thl*** Constitution is five shareholders present in person or proxy and entitled to vote on resolutions at the meeting. If within 30 minutes after the time appointed for a meeting, a quorum is not present, the meeting: • if convened on a requisition of ***thl*** Shareholders, is dissolved; and • in any other case, to such other day, time and place as the ***thl*** Directors present decide, or if they do not make a decision, the same day in the next week and the same time and place. At an adjourned meeting, if a quorum is not present, the ***thl*** Shareholders who are present, may transact the business for which the meeting was called.

ATL	***thl***
1.4 Voting requirements	
Under the Corporations Act, a special resolution may be passed by ATL Shareholders if not less than 28 days' notice of a general meeting is given, specifying the intention to propose the special resolution and stating the resolution. In order to pass, a special resolution requires approval of at least 75% of the votes cast by shareholders entitled to vote. The Corporations Act requires certain matters to be resolved by a company by special resolution, including: • amendment to the company's constitution; • the change of name of the company; • a selective reduction of capital or selective share buy- back; • the conversion of ordinary shares into preference shares; and • a decision to wind up the company voluntarily. The ATL Constitution stipulates the following matters be resolved by special resolution: • matters relating to the winding-up of ATL, including distribution of assets and power of the liquidator to vest property; and • variation of rights attaching to any class of shares. Each ATL Share confers a right to vote at all general meetings. On a show of hands, each ATL Shareholder present in person, or by proxy, attorney or body corporate representative, has one vote. If a poll is held, ATL Shareholders present in person or by their proxy, attorney or body corporate representative will have: • one vote for every fully paid ATL Share held at the voting record date; and • a fraction of a vote for each partly paid ATL Share, equivalent to the proportion which the amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited) for that ATL Share (or, where applicable, a fraction of a ATL Share), held at the voting record date.	Under the Companies Act, a special resolution may be passed by ***thl*** Shareholders if the same notice requirements discussed at 1.2 above are observed. In order to pass, a special resolution requires approval of a majority of 75% of the votes cast by shareholders entitled to vote. The Companies Act requires certain matters to be resolved by a company by special resolution, including: • amendment to the company's constitution; • approve a major transaction (in general terms, transactions involving more than half of the market value of the company's assets). The NZX Listing Rules also give shareholders the right to approve any transaction by ordinary resolution which significantly changes (directly or indirectly) the nature of ***thl***'s business or involves a gross value above 50% of ***thl***'s market capitalisation; • approve an amalgamation of the company; • a decision to wind up the company voluntarily; • variation of certain rights attaching to any class of shares Under the ***thl*** Constitution, each ***thl*** Share confers a right to vote at all meetings of shareholders. On a vote by voices or on a show of hands, each ***thl*** Shareholder present in person or by representative, has one vote. If a poll is held, ***thl*** Shareholders present in person or their representative will have: • one vote for every fully paid ***thl*** Share held at the voting record date; or • a fraction of a vote for each partly paid ***thl*** Share, equivalent to the proportion which the amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited and amounts paid in advance of a call) for that ***thl*** Share, held at the voting record date. The NZX Listing Rules however prohibit a person (and their associated persons) from voting in favour of certain transaction in which they are interested, unless they are a proxy acting on express instructions. These disqualifications include, Directors concerning their own remuneration, subscribers for an issue of shares approved by shareholders, and related parties of ***thl*** under a related party transaction with ***thl***.

ATL	***thl***
1.5 Shareholders' rights to bring a resolution before a meeting	
Under the Corporations Act, ATL Shareholders holding at least 5% of the votes that may be cast at a general meeting or at least 100 members who are entitled to vote at a general meeting may by written notice to ATL propose a resolution for consideration at the next general meeting occurring more than two months after the date of the notice.	Under the Companies Act, a ***thl*** Shareholder may give written notice to the ***thl*** Board of a matter the shareholder proposes to raise for discussion or resolution at the next meeting of shareholders at which the shareholder is entitled to vote. If the notice is received by the ***thl*** Board not less than 20 working days before the last day on which notice of the relevant meeting of shareholders is required to be given by the ***thl*** Board, the ***thl*** Board must, at the expense of the company, give notice of the shareholder proposal and the text of any proposed resolution to all shareholders entitled to receive notice of the meeting. If the notice is received not less than 5 working days and not more than 20 working days before the last day on which notice is required to be given, ***thl*** must (if less than 5 working days, only if practicable) still give notice of the proposed resolution except at the expense of the shareholder who proposed the resolution.
2. DIRECTORS AND OFFICERS	
2.1 Management of the business of the company	
Under the ATL Constitution, the ATL Directors are responsible for managing the business of the company and may exercise all powers and do all things that are within the company's power and are not expressly required by the Corporations Act or the ATL Constitution to be exercised by the company in a general meeting.	Under the Companies Act, the ***thl*** Directors are responsible for managing the business and affairs of the company and may exercise all powers necessary for managing, and for directing and supervising the management of, the business and affairs of the company. Under the ***thl*** Constitution, a shareholder may question, discuss, and comment on the management of ***thl*** at a meeting of shareholders. A meeting of shareholders may pass a resolution relating to the management of ***thl***. Such a resolution is not binding on the ***thl*** Board.

ATL	***thl***
2.2 Number and election of directors	
Under the ATL Constitution, ATL must have no less than three and more than the number determined by the ATL Directors from time to time, which until otherwise determined by the directors is eight. The ATL Directors may, at any time, appoint any person as a ATL Director, either to fill a casual vacancy or as an addition to the existing ATL Directors (provided the total number of ATL Directors does not at any time exceed the maximum number of directors described above). Directors appointed in either of these capacities holds office until the conclusion of the next annual general meeting following their appointment. An ATL Director may not hold office, without re-election, past the third annual general meeting following the director's appointment or last election. If no director is required to retire under either of the circumstances described above, then the director who has been in office longest must retire (but can be re-elected). ATL's managing director is exempt from the retirement and election by rotation procedures under the ATL Constitution.	Under the ***thl*** Constitution, ***thl*** must have no less than three and no more 10 directors. At least two of those directors are required to be ordinarily resident in New Zealand, and the minimum number of independent directors (determined by reference to the NZX Corporate Governance Code) on the ***thl*** Board is two. The ***thl*** Board shall, from time to time, appoint any person who is not disqualified from acting, to fill a casual vacancy or as an addition to the ***thl*** Board (provided the total number of ***thl*** Directors does not at any time exceed the maximum number of directors described above). Directors appointed in either of these capacities holds office until the conclusion of the next annual general meeting following their appointment, where they are eligible for re-election. A ***thl*** Director may not hold office, without re-election: • past the third annual general meeting following the director's appointment • or 3 years, whichever is longer. ***thl***'s managing director is not exempt from the retirement and election by rotation procedures under the ***thl*** Constitution.
2.3 Removal of directors	
Under the Corporations Act, the shareholders of a public company such as ATL may remove an ATL Director before their period of office ends by passing a resolution to do so at a general meeting. The resolution must be passed by a majority of the votes cast by ATL Shareholders present and voting. Under the Corporations Act, ATL Directors cannot themselves remove an ATL Director from their office or require an ATL Director to vacate their office.	Under the ***thl*** Constitution, any ***thl*** Director may be removed from office by passing an ordinary resolution.

ATL	***thl***
2.4 Remuneration of directors and officers	
Under the ASX Listing Rules, the maximum amount to be paid to ATL Directors for their services as ATL Directors (other than the salary of an executive director) is not to exceed the amount approved by ATL Shareholders in a general meeting. As at the date of this Replacement Scheme Booklet, the latest approval was at ATL's 2021 annual general meeting, at which ATL Shareholders approved aggregate remuneration for non-executive directors of $450,000 per annum. ATL's 2020-2021 annual report includes a remuneration report within the ATL Directors' report. This remuneration report is required to include a discussion of the ATL Board's policy in relation to remuneration of key management personnel of ATL. Under the Corporations Act, a listed company (such as ATL) must put its remuneration report to a shareholder vote at its annual general meeting. If in two consecutive annual general meetings, 25% or more of the votes cast on the resolution vote against adopting the remuneration report, a 'spill resolution' must then be put to shareholders. A spill resolution is a resolution that a spill meeting be held and all directors (other than a managing director who is exempt from the retirement by rotation requirements) cease to hold office immediately before the end of the spill meeting. If the spill resolution is approved by the majority of votes cast on the resolution, a spill meeting will be held within 90 days at which directors wishing to remain directors must stand for re-election.	Under the NZX Listing Rules and ***thl*** Constitution, no remuneration may be paid by ***thl*** or its subsidiaries to a ***thl*** Director in their capacity as such unless that remuneration has been authorised by ordinary resolution. Further, the Board must also resolve that such remuneration is fair to ***thl***. The details of the renumeration paid in a given financial year are required to be disclosed in ***thl***'s annual report. As at the date of the Scheme Booklet, the latest approval was at ***thl***'s 2018 annual meeting of shareholders, at which the ***thl*** Shareholders approved aggregate remuneration for all directors of $750,000 per annum, with this sum available to be paid to the ***thl*** Directors as the ***thl*** Board considers appropriate and which may be payable either in whole or in part by way of an issue of ***thl*** Shares. The NZX Corporate Governance Code also contains various remuneration recommendations, including that director renumeration should be approved in a transparent manner, issuers should have a remuneration policy for directors and officers, and that CEO renumeration should be disclosed in the annual report. ***thl***'s 2020-2021 annual report includes a remuneration report for the directors and CEO in the Corporate Governance section. The annual fees currently paid to the ***thl*** Directors is $175,000 for the Chairperson, $87,500 for each ***thl*** Director, plus $15,000 for the Chairperson of the Audit Committee and $10,000 for the Chairperson of each other committee.
2.5 Retirement benefits	
The Corporations Act provides that, in respect of termination benefits payable to a company director, senior executive or key management personnel under employment contracts entered into, renewed or varied on or after 24 November 2009, shareholder approval is required if the total value of the benefits exceed one year of that person's base salary.	A lump sum payment or pension may be made to a ***thl*** Director or former ***thl*** Director, or to his or her dependents, on retirement or cessation of office provided that the amount of the payment, or the method of calculation, has been authorised by an ordinary resolution. However, under the NZX Corporate Governance Code, it is noted that retirement payments should not be provided other than superannuation.

ATL	***thl***
2.6 Release from liability and indemnification of directors and officers	
Under the Corporations Act, ATL cannot: • exempt an officer or auditor from liability to ATL incurred in their capacity as an officer or auditor; • indemnify an officer or auditor against a liability owed to ATL or a related body corporate; or • indemnify an officer or auditor against the legal costs incurred in defending certain legal proceedings, including proceedings in which the person is found liable to ATL or a related body corporate. The ATL Constitution provides that ATL indemnifies each director, alternate director, executive officer, any other officers or former officers of ATL or its related bodies corporate, and if the directors so determine, any auditor or former auditors of ATL or its related bodies corporate against all losses, liabilities, costs, charges and expenses incurred by them as an officer of the company or of a related body corporate, to the full extent permitted by law.	Under the Companies Act, ***thl*** must not indemnify, or directly or indirectly effect insurance for, a director or employee of the company or a related company in respect of: • liability for any act or omission in his or her capacity as a director or employee; or • costs incurred by that director or employee in defending or settling any claim or proceeding relating to any such liability, unless authorised by its constitution. Subject to the exceptions below, the ***thl*** Constitution makes provision for the company to indemnify a ***thl*** Director: • for any costs incurred by them in any proceeding that relates to liability for any act or omission in their capacity as a ***thl*** Director or a director of a subsidiary of ***thl*** and in which judgment is given in their favour, or in which they are acquitted, or which is discontinued; and • in respect of liability to any person other than ***thl*** or a related company for any act or omission by them in their capacity as a ***thl*** Director or a director of a subsidiary of ***thl***, any costs incurred by them in defending or settling any claim or proceeding relating to any such liability. Subject to the exceptions below, ***thl*** may, with the prior approval of the ***thl*** Board, indemnify a director of a related company, or any employee of ***thl*** or a related company: • for any costs incurred by them in any proceeding that relates to liability for any act or omission by them in such capacity and in which judgment is given in their favour, or in they are acquitted, or which is discontinued; and • in respect of liability to any person other than ***thl*** or a related company for any act or omission by them in such capacity, and costs incurred by them in defending or settling any claim or proceeding relating to any such liability. **Indemnity exceptions:** An indemnity conferred in respect of the liability above for a Director, or given in respect of the liability above for a director of a related company, or any employee of ***thl*** or a related company, shall not apply in respect of: • any criminal liability; • in the case of an employee of ***thl*** or a related company, any liability in respect of a breach of any fiduciary duty owed to ***thl*** or related company; or • in the case of a ***thl*** Director or a director of a related company, any liability in respect of a breach of the duty specified in section 131 of the Companies Act.

<table>
<tr><th>ATL</th><th>thl</th></tr>
<tr><td colspan="2">2.7 Duties of directors and officers</td></tr>
<tr><td>Under the Corporations Act and Australian common law, the directors and officers of a company such as ATL are subject to a range of duties including duties to:
• act in good faith in the best interests of the company;
• act for a proper purpose;
• not fetter their discretion (in the case of directors only);
• exercise care and diligence in the performance of their duties;
• avoid conflicts of interest;
• not use their position to gain advantage for themselves or someone else, or to cause detriment to the company;
• not misuse information which they have gained through their position to gain advantage for themselves or someone else, or to cause detriment to the company; and
• otherwise act in accordance with the Corporations Act and, subject to the provisions of the Corporations Act, in accordance with the ATL Constitution.</td><td>Under the Companies Act and New Zealand common law, the directors of a company such as thl are subject to a range of duties including duties to:
• act in good faith and in what the director believes to be the best interests of the company;
• exercise a power for a proper purpose;
• not agree to, cause or allow, the business of the company being carried on in a manner likely to create a substantial risk of serious loss to the company's creditors;
• not agree to the company incurring an obligation unless the director believes at that time on reasonable grounds that the company will be able to perform the obligation when it is required to do so;
• exercise the care, diligence, and skill that a reasonable director would exercise in the same circumstances;
• not disclose information a director has in his or her capacity as a director or employee of the company, being information that would not otherwise be available to him or her, to any person, or make use of or act on the information except for the purposes of the company, as required by law, or in accordance with the Companies Act; and
• not act, or agree to the company acting, in a manner that contravenes the Companies Act or the constitution of the company.</td></tr>
</table>

ATL	***thl***
2.8 Transactions involving directors, officers or other related parties	
The Corporations Act prohibits a public company such as ATL from giving a related party a financial benefit unless it: • obtains the approval of shareholders and gives the benefit within 15 months after receipt of such approval; or • the financial benefit is exempt (discussed below). A related party is defined by the Corporations Act to include any entity which controls the public company, directors of the public company, directors of any entity which controls the public company and, in each case, spouses and certain relatives of such persons. Exempt financial benefits include indemnities, insurance premiums and payments for legal costs which are not otherwise prohibited by the Corporations Act and benefits given on arm's length terms. The ASX Listing Rules prohibit ATL from acquiring a substantial asset (an asset the value or consideration for which is 5% or more of the entity's equity interests) from, or disposing of a substantial asset to, certain related parties of the entity, unless it obtains the approval of shareholders subject to limited exceptions. In this case, the related parties include directors, persons who have or have had (in aggregate with any of their associates) in the prior six month period an interest in 10% or more of the shares in the company and, in each case, any of their associates. The provisions apply even where the transaction may be on arm's length terms.	Under the Companies Act, ***thl*** Directors are required document in an interests register when they become aware of the fact that they are interested in a transaction or proposed transaction with ***thl***. This must be disclosed to the ***thl*** Board. In some cases, general disclosure by reference to given entities in which a ***thl*** Director has an interest is permissible. Directors are taken to be interested in a transaction if, amongst other things, they may derive material financial benefit from the transaction, have a material financial interest in another party to the transaction, or are otherwise directly or indirectly materially interested in the transaction. Though a failure to enter an interest in the register does not affect the validity of the transaction. However, a transaction entered into by the company in which a director of the company is interested may be avoided by the company at any time before the expiration of 3 months after the transaction is disclosed to all the shareholders (whether by means of the company's annual report or otherwise), unless the company receives fair value under it. Under the NZX Listing Rules, a ***thl*** Director must not vote on a ***thl*** Board resolution for, or be counted in the quorum for the consideration of any matter in which the ***thl*** Director is interested, unless it is one in respect of which ***thl*** Directors are expressly required to sign a certificate under the Companies Act or that relates to the grant of an indemnity under section 162 of the Companies Act. The NZX Listing Rules prohibit ***thl***, without approval from disinterested shareholders by ordinary resolution, from entering into a transaction, or related series of transactions, with a related party (either directly, or as a beneficiary of a guarantee) involving: • more than 10% of ***thl***'s market capitalisation; or • in the case of a transaction where services are provided or obtained, where the gross cost to ***thl*** is likely to exceed 1% of ***thl***'s market capitalisation in any financial year; or • an amalgamation, other than with a wholly owned subsidiary, in each case, subject to limited exceptions. A related party is defined in the NZX Listing Rules as including someone who at the time of such a transaction, or within the previous six months, was: • a director, senior management of ***thl*** or any of its subsidiaries; • a holder of a 10% or more interest in a class of securities carrying votes; and • any associated person of ***thl*** or either of the above, again, subject to certain limited exceptions.

ATL	***thl***
3. AMENDMENT TO THE CONSTITUTION	
Any amendment to the ATL Constitution must be approved by a special resolution of ATL Shareholders – see section 1.4.	Any amendment to the ***thl*** Constitution must be approved by a special resolution of ***thl*** Shareholders – see section 1.4. If such an amendment would impose or remove a restriction on the activities of ***thl***, shareholders voting all of their shares against such a resolution would have certain minority buy-out rights under the Companies Act, if the resolution is nonetheless passed.
4. SHARES	
4.1 Issue of new shares	
Subject to specified exceptions, the ASX Listing Rules apply to restrict ATL from issuing, or agreeing to issue, more equity securities (including shares and options) than the number calculated as follows in any 12 month period without the approval of ATL Shareholders: 15% of the total of: • the number of ATL Shares on issue 12 months before the date of the issue or agreement; plus • the number of ATL Shares issued in the 12 month period under a specified exception; plus • the number of partly paid ordinary ATL Shares that became fully paid in the 12 month period; plus • the number of ATL Shares issued in the 12 month period with ATL Shareholder approval; less • the number of ATL Shares cancelled in the 12 month period, less the number of equity securities issued or agreed to be issued in the 12 months before the date of issue or agreement to issue but not under a specified exception or with ATL Shareholder approval. Subject to certain exceptions, the ASX Listing Rules require the approval of ATL Shareholders by ordinary resolution in order for ATL to issue securities to related parties, including ATL Directors, and associates. Under the ATL Constitution, the ATL Directors may issue and cancel shares, grant options, settle the manner in which fractions of a share are to be dealt with, and decide the persons to whom shares or options are issued, the terms on which they are issued and the rights and restrictions attached to those shares and options, subject to the Corporations Act, the ASX Listing Rules and ASX Settlement Operating Rules.	The NZX Listing Rules apply to restrict ***thl*** from issuing equity securities unless approved by ordinary resolution, or pursuant to certain limited exceptions, being: • a pro-rata rights offer, bonus issue or share purchase plan in accordance with the NZX Listing Rules; • a private placement under the 15% rule (as further described below); • an issue to employees of not more than 3% of ***thl*** total equity securities on a rolling 12 month basis; and • certain exclusions relating to dividend reinvestment plans, director remuneration, takeovers, amalgamations, conversions and minimum holdings. As noted above ***thl*** may issue shares in any 12-month period if it does not exceed the aggregate of: (**15% rule**) • 15% of the equity securities of that class on issue at the beginning of the period; plus • 15% of the equity securities of that class issued under various NZX Listing Rules during the period; plus • any equity securities of that class issued under the 15% rule during that period, ratified by ordinary resolution of shareholders; less • 15% of equity securities of that class which have been acquired or redeemed by ***thl*** during that period. Employees and directors of ***thl*** (and their associated persons) may participate if they are not the only participants in the issue and all ***thl*** Directors sign a certificate that the participation of such persons is in the best interests of ***thl*** and is fair to other equity security holders, the terms are the same, and the level of participation is determined according to criteria applying to all persons participating on the issue. Under the ***thl*** Constitution, the ***thl*** Board may issue shares to any person and in any number it thinks fit, provided that, it complies with the NZX Listing Rules.

ATL	***thl***
4.2 Variation of class rights	
Under the ATL Constitution, rights attaching to a share in ATL may only be varied: • with the written consent of ATL Shareholders with at least 75% of the votes in the class; or • by a special resolution passed at a separate meeting of the holders of shares of the class.	Under the Companies Act, rights attaching to a share in ATL (including those attached by the constitution) may only be varied if it has been approved by a special resolution of each interest group. To the extent such a variation involves an amendment to the constitution the special resolution referred to in section 3 above must also be passed. Shareholders voting all of their shares against the interest group resolution would have certain minority buy-out rights under the Companies Act, if the resolution is nonetheless passed. However, under ***thl***'s Constitution the issue of any further equity securities which rank equally with, or in priority to, any existing equity securities, whether as to voting rights or distributions, is be permitted (subject to compliance with clause 4 of the ***thl*** Constitution), and is not be deemed to be an action affecting the rights attached to those existing equity securities.
4.3 Protection of minority shareholders	

Under the Corporations Act, any ATL Shareholder can bring an action in cases of conduct which is contrary to the interests of ATL Shareholders as a whole, or oppressive to, unfairly prejudicial to, or unfairly discriminatory against, any ATL Shareholder(s), whether in their capacity as a shareholder or in any other capacity. Former ATL Shareholders can also bring an action if it relates to the circumstances in which they ceased to be an ATL Shareholder.
A statutory derivative action may also be instituted by a shareholder, former shareholder or person entitled to be registered as a shareholder of ATL. In all cases, leave of the court is required. Such leave will be granted if the court is satisfied that:
• it is probable that ATL will not itself bring the proceedings or properly take responsibility for them or for the steps in them;
• the applicant is acting in good faith;
• it is in the best interests of ATL that the applicant be granted leave;
• if the applicant is applying for leave to bring proceedings, there is a serious question to be tried; and
• either,
  – at least 14 days before making the application, the applicant gave written notice to ATL of the intention to apply for leave or the reasons for applying; or
  – it is otherwise appropriate to grant leave.
	Under the Companies Act, any ***thl*** Shareholder or former ***thl*** Shareholder can bring an action if they consider the affairs of ***thl*** have been, or are being, or are likely to be, conducted in a manner that is, or any act or acts of ***thl*** have been, or are, or are likely to be, oppressive, unfairly discriminatory, or unfairly prejudicial to them in that capacity or in any other capacity. The court may grant relief if it considers that it is just and equitable to do so.
	The court may, on the application of a shareholder grant leave to bring derivative proceedings in ***thl***'s name or behalf or of any related company, or intervene in company proceedings. Leave may be granted only if the court is satisfied that either ***thl*** or the related company does not intend to bring, diligently continue or defend, or discontinue the proceedings; or it is in the interests of the company that the conduct of the proceedings should not be left to the directors or to the determination of the shareholders as a whole.
	A shareholder or former shareholder may bring an action against a director for breach of a duty owed to him or her as a shareholder. A shareholder may also bring an action against ***thl*** for breach of a duty owed by ***thl*** to him or her as a shareholder.
	Further a shareholder may also apply to the court for an order requiring a director or the ***thl*** Board to take, respectively, any action that is required to be taken by directors under the ***thl*** Constitution or the Companies Act, or generally under the ***thl*** Constitution or the Companies Act, if it is just and equitable to do so.
	Finally, in addition to the minority buy-out rights already mentioned in sections 3 and 4.2 above, shareholders voting all of their shares against a resolution to approve a major transaction or certain amalgamations, would have certain minority buy-out rights under the Companies Act, if the resolution is nonetheless passed.

ATL	*thl*
4.4 Payment of dividends	
Under the Corporations Act, ATL must not pay a dividend unless: • ATL's assets exceed its liabilities immediately before the dividend is declared and the excess is sufficient for the payment of the dividend; • the payment of the dividend is fair and reasonable to ATL Shareholders as a whole; and • the payment of the dividend does not materially prejudice ATL's ability to pay creditors. Subject to the Corporations Act, the ATL Constitution and the terms of issue or rights of any shares with special rights to dividends, the ATL Directors may pay any interim and final dividends that, in their judgement, the financial position of the company justifies and rescind a decision to pay a dividend, if they decide, before the payment date that the company's financial position no longer justifies the payment.	Under the Companies Act, ***thl*** must not pay a dividend unless: • the ***thl*** Board is satisfied on reasonable grounds that ***thl*** will, immediately after the dividend, satisfy the solvency test (being that ***thl*** is able to pay its debts as they become due in the normal course of business and the value of ***thl***'s assets is greater than the value of its liabilities, including contingent liabilities); • the amount of the dividend in respect of a share of that class is in proportion to the amount paid to ***thl*** in satisfaction of the liability of the shareholder under the constitution of the company or under the terms of issue of the share; and • the dividend is authorised by the ***thl*** Constitution. Under the ***thl*** Constitution, the ***thl*** Board may from time to time authorise interim dividends and final dividends.
4.5 Disclosure of substantial shareholdings	
Under the Corporations Act, a person who obtains voting power in 5% or more of an ASX listed company is required to publicly disclose that fact within two business days after becoming aware of that fact via the filing of a substantial holding notice. A person's voting power consists of their own 'relevant interest' in shares plus the relevant interests of their associates. A further notice must be filed within two business days after each subsequent voting power change of 1% or more, and after the person ceases to have voting power of 5% or more. The notice must attach all documents which set out the terms of any relevant agreement and include a statement by the person giving full and accurate details of any contract, scheme or arrangement that contributed which contributed to the voting power the person obtained.	Under the Financial Markets Conduct Act 2013, a person who obtains a 'relevant interest' in 5% or more of a listed issuer's quoted voting products must disclose that fact by filing a substantial product holder notice with the listed issuer and NZX as soon as they know, or ought reasonably to know, that they have the substantial holding. A further notice must be filed as soon as the person knows, or ought to know, that their substantial holding has changed by 1% or more, there is a change in the nature of their relevant interest, and when the person ceases to have a relevant interest in at least 5% of the listed issuer's quoted voting products. The notice must attach all documents under which a relevant interest arises (except a registered holding or beneficial ownership) or a qualification arises on a person's relevant interest power to exercise, or control the exercise of, a right to vote, acquire, or dispose of a financial product.

ATL	*thl*
5. TAKEOVERS	
The Corporations Act imposes restrictions on a person acquiring interests in the voting shares of ATL where, as a result of the acquisition, that person's or someone else's voting power in the company increases from 20% or below to more than 20%, or increases from a starting point that is above 20% and below 90%. Exceptions to this restriction include an acquisition of no more than 3% of the voting shares in the company in every 6 months, an acquisition made with shareholder approval, an acquisition made under a takeover bid conducted in accordance with Australian law or an acquisition that results from a court-approved compromise or arrangement (such as the Scheme). Takeover bids must treat all shareholders the same and must not involve any collateral benefits. There are restrictions in place for conditional offers and the withdrawal and suspension of offers.	The Takeovers Regulations 2000 (**Takeovers Code**) prohibit a person from: • becoming (together with their associates) the holder or controller of more than 20% of the voting rights in ***thl*** if they held or controlled less than that prior to the increase; and • increasing any existing holding or control of voting rights in ***thl*** in excess of 20%. Exceptions to this restriction include acquisitions of voting rights in the following circumstances: • acquisition under a full or partial offer; • acquisition with approval of disinterested shareholders by ordinary resolution; • if the person holds or controls more than 50%, but less than 90% of the voting rights and the resulting percentage of the total voting rights does not exceed by more than 5 the lowest percentage of the total voting rights in the code company that was held or controlled by the person in the 12-month period ending on, and inclusive of, the date of the increase; and • if the person already holds or controls more than 90% of the voting rights in the code company. A takeover offer must be made on the same terms and provide the same consideration for all securities belonging to the same class of equity securities under offer. There are restrictions in place for conditional offers and the withdrawal and suspension of offers.

ATL	*thl*
6. INSPECTION OF RECORDS BY SHAREHOLDERS	
6.1 Right to inspect corporate books	
Under the Corporations Act, a shareholder must obtain a court order to inspect the books of the company. The applicant must be acting in good faith and be making the inspection for a proper purpose. The ATL Constitution provides that except as provided by the law, the ATL Constitution or as authorised by a directors' resolution, a member who is not a director does not have the right to inspect any of the board papers, books, records or documents of the company.	Under the Companies Act, the public may inspect the following records on notice: • the certificate of incorporation or registration of the company; • the constitution of the company; • the share register; • the company's ultimate holding company information; • the full names and residential addresses of the directors; and • the registered office and address for service of the company. In addition, shareholders have the right to inspect the following records on notice: • minutes of all meetings and resolutions of shareholders; • copies of written communications to all shareholders or to all holders of a class of shares during the preceding 10 years, including annual reports, financial statements, summary financial statements (if any), and group financial statements; • certificates given by directors under the Companies Act; and • the interests register of the company. In addition to the above, under the Companies Act, a shareholder may at any time make a written request to a company for information held by the company. The request must specify the information sought in sufficient detail to enable it to be identified. Within 10 working days of receiving a request, the company must either provide the information, agree to provide the information within a specified period, or do so if the shareholder pays a reasonable charge to the company (which must be specified and explained) to meet the cost of providing the information, or refuse and provide reasons for the refusal in accordance with the Companies Act. The court may, on the application of a shareholder or creditor of a company, make an order authorising a person named in the order at a time specified in the order, to inspect and to make copies of, or take extracts from, the records or other documents of the company, or such of the records or documents of the company as are specified in the order. The court may make an order under the above paragraph only if it is satisfied that: • in making the application, the shareholder or creditor is acting in good faith and that the inspection is proposed to be made for a proper purpose; and • the person to be appointed is a proper person for the task.

ATL	*thl*
6.2 Right to inspect register of shareholders	
Under the Corporations Act, the register of shareholders of a company is usually kept at the registered office or principal place of business in Australia and must be available for inspection to shareholders free of charge at all times when the registered office is open to the public. If a person requests ATL for a copy of the ATL Share Register (or any part of the ATL Share Register) by providing an application in compliance with section 173 of the Corporations Act, the reason for obtaining the ATL Share Register is not a 'prescribed purpose' and pays the requested fee (up to a prescribed amount), ATL must give that person the copy within seven days of the date on which ATL receives such payment.	Under the Companies Act, the register of shareholders must be kept in New Zealand. The right to inspect the share register is covered under the right to request company information discussed at 6.1 above.

ATL	*thl*
7. WINDING UP	
Under Australian law, an insolvent company may be wound up by a liquidator appointed either by creditors or the court. Directors cannot use their powers after a liquidator has been appointed. If there are funds left over after payment of the costs of the liquidation, and payments to other priority creditors, including employees, the liquidator will pay these to unsecured creditors. The shareholders rank behind the creditors and are, therefore, unlikely to receive any dividend in an insolvent liquidation. Under Australian law, shareholders of a solvent company may decide to wind up the company if the directors are able to form the view that the company will be able to pay its debts in full within 12 months after the commencement of the winding-up. A meeting at which a decision is made to wind up a solvent company requires at least 75% of votes cast by the shareholders present and voting. The ATL Constitution provides that on winding up, the liquidator may, with the sanction of a special resolution of ATL Shareholders, divide among ATL members or different classes of members the whole or any part of ATL's property.	Under New Zealand law, a company may be put into liquidation in a number of ways including by: • the court, on the application of persons prescribed by the Companies Act (which includes a shareholder of ***thl***); and • special resolution of those shareholders entitled to vote and voting on the question. The commencement of the liquidation has a number of effects, including that: • the liquidator has custody and control of the company's assets; • the directors remain in office but cease to have powers, functions or duties other than those required or permitted to be exercised by the relevant Part of the Companies Act; • unless the court orders otherwise, a share in the company must not be transferred; • an alteration must not be made to the rights or liabilities of a shareholder of the company; • a shareholder must not exercise a power under the constitution of the company or the Companies Act except for the purposes of the relevant Part of the Companies Act; and • the constitution of the company must not be altered. If there are funds left over after payment of the costs of the liquidation, and payments to other priority creditors, including employees, the liquidator will distribute these equally among unsecured creditors. The ***thl*** Constitution provides that upon liquidation, the liquidator may, with the sanction of a special resolution of ***thl*** Shareholders, divide among ***thl*** Shareholders the assets of ***thl*** and set the value as the liquidator deems fair and determine how the divisions shall be carried out as between shareholders of different classes.

ATL	***thl***
8. DISCLOSURE OBLIGATIONS	
ATL is a 'disclosing entity' for the purposes of section 111AC(1) of the Corporations Act and is subject to regular reporting and disclosure obligations under the Corporations Act and the ASX Listing Rules.	***thl*** is subject to continuous and periodic disclosure requirements under the NZX Listing Rules and disclosure and reporting obligations under the Companies Act.

Corporate Directory

Apollo Tourism & Leisure Ltd
ACN 614 714 742

Registered office & principal place of business

698 Nudgee Road
Northgate, QLD 4013

www.apollotourism.com/

Directors

Sophie Mitchell, Non-Executive Chairman

Robert Baker, Non-Executive Director

Brett Heading, Non-Executive Director

Luke Trouchet, CEO and Managing Director

Karl Trouchet, Executive Director

Company Secretary

Tennille Carrier

Auditor/Investigating Accountant

BDO Audit Pty Ltd
10/12 Creek Street
Brisbane, QLD 4000

www.bdo.com.au

Share Registry

Computershare Investor Services Pty Limited

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www.computershare.com/au

Legal adviser

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Independent Expert

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