PTB GROUP LTD

INVESTOR PRESENTATION

Acquisition of Prime Turbines and CT Aerospace Inventory

Placement and underwritten non-renounceable entitlement offer to raise A$34.9 million

29 January 2020

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

Important notice and disclaimer

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This investor presentation (**Presentation**) has been prepared by PTB Group Limited ACN 098 390 991 (**PTB** Group or **Company**). This Presentation has been prepared in relation to:

- the proposed acquisition by PTB Group of 100% of the equity interests in Prime Turbines, LLC and certain PT6 engines and parts (**Acquisition**); and
- an equity raising (**Offer**) comprising a placement of new fully paid ordinary shares in the Company (**New Shares**) to be made to eligible institutional, sophisticated and/or professional investors under section 708A of the *Corporations Act 2001* (Cth) (**Corporations Act**) (**Placement**) and a fully underwritten pro rata non-renounceable entitlement offer of New Shares to be made under section 708AA of the Corporations Act as modified by the Australian Securities and Investments Commission (**ASIC**) Corporations (Non-Traditional Rights Issues) Instrument 2016/84 and ASIC Corporations (Disregarding Technical Relief) Instrument 2016/73) (**Entitlement Offer**).

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Unless otherwise stated, the information in this Presentation is based on the Company’s own information and estimates and has not been subject to review or audit. All amounts are presented in Australian dollars unless otherwise stated. A number of figures in this Presentation have been rounded.

Underwriters

Morgans Corporate Limited and Veritas Securities Limited (**Underwriters**) and their respective affiliates are full service financial institutions engaged in various activities, which may include trading, financial advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services including for which they have received or may receive customary fees and expenses or other transaction consideration. The Underwriters are acting as joint lead managers to the Placement and Entitlement Offer, and underwriters to the Entitlement Offer, for which they have received or expect to receive fees and expenses.

1. Transaction Summary

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Transaction Summary

Acquisition Summary

- Prime Turbines, LLC is an established aircraft engine Maintenance, Repair and Overhaul ("MRO") organisation with three workshops in the USA
- PTB Group has entered into a binding agreement to acquire Prime Turbines, LLC for US$21m (A$30.9m)[1]
- PTB Group will also acquire inventory from CT Aerospace, LLC for approximately US$8.5m via a zero-interest vendor funded loan[2]
- Purchase price, including CT Aerospace inventory, implies a multiple of 7.3 x Pro Forma and Adjusted EBITDA (pre-synergies)[3]

Transaction Funding

- Gross proceeds of up to A$ **34.9** million are anticipated to be raised via:
  - A$**12.9**million placement and
  - **1** for **2.35** non-renounceable entitlement offer
- New shares under the placement and entitlement offer will be issued at $ **0.69** per new share, a 14.3% discount to the closing price on 28 January 2020
- Funding structure is expected to provide sufficient headroom for future planned growth initiatives
- Issue of approximately **50.6** million new ordinary shares ("New Shares") representing approximately **40**% of post-dilution shares on issue
- Entitlement Offer fully underwritten by Morgans Corporate Limited and Veritas Securities Limited
- Major shareholder, Asir & Nek Private Limited has advised that it will participate in the offer
- All of the directors (apart from Stephen Smith and Russell Cole) have advised that they will participate in the offer

(1) Assumes 0.68 AUD:USD exchange rate
(2) The loan provided by VSE Corporate in relation to PTB Group's purchase of CT Aerospace inventory is an interest free amortising loan for the purchase price. Further detail is provided in Appendix C
(3) Prime Turbines' Pro Forma and Adjusted EBITDA is based on the illustrative full year impact of actual (unaudited) EBITDA for the six months trading to 30 September 2019 adjusted to reflect estimated additional services required under PTB Group ownership

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Transaction Summary (cont.)

Impact of Transaction

- More than doubles current workshop capacity before productivity gains
- Provides additional capacity to support growth of PTB Group's leasing business
- Delivers increased global reach via FAA and EASA accreditations – approximately 50% of global PT6 powered aircraft reside in the USA
- Increases total revenue from A$51 million to over A$90 million
- Positive impact to PTB Group earnings with the acquisition:
  - expected EPS accretion of **8.0%**[1] on a full-year basis pre-synergies (assuming mid-point of Pro Forma Combination Analysis)
  - expected EPS accretion of **23.7%**[1] on a full-year basis including additional margin capture from redirecting outsourced MRO services to Prime Turbines

Dividend

- A fully franked 2.5 cents per share cash dividend will be paid to existing shareholders (this will exclude the placement and entitlement offer shares related to this raising)
- PTB Group also expects to pay a final (fully franked) dividend to be announced with the FY20 results in August 2020
- Going forward, the Company intends to pay dividends twice annually (subject to capital requirements)

(1) Refer slides 23 to 25 for calculation assumptions

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2. Overview of Prime Turbines

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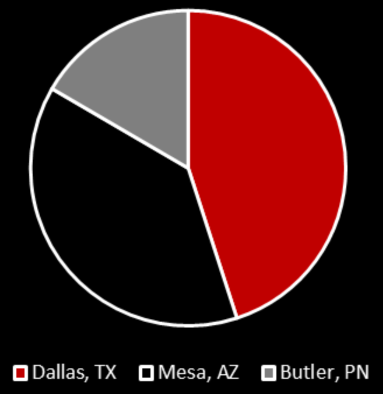
Overview of Prime Turbines

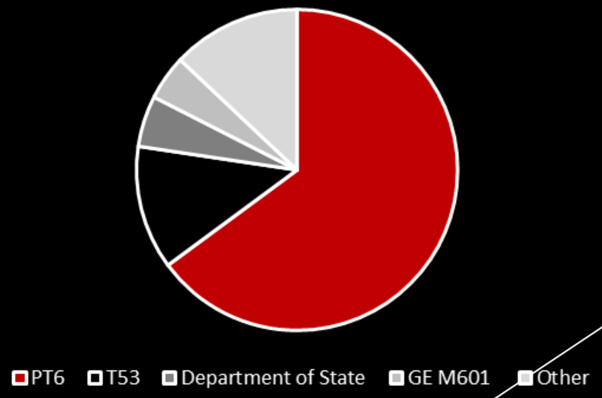
Overview

- Independent maintenance, repair and overhaul (MRO) company with over 30 years experience on major turboprop and turboshaft engine platforms
- Established in 1984 in Hyannis, Massachusetts, the company has an established customer base and strong reputation for workmanship and customer service
- Prime Turbines has locations in Texas, Arizona, and Pennsylvania providing MRO services for PT6A, PT6T, T53, GE M601 & H series and Bell drivetrain components.
- FAA and EASA approved. SACAA (South Africa), DGCA (Indonesia), DCA (Malaysia) approved, approvals pending in other countries
- Recipient of FAA Certificate of Excellence Diamond Award
- On-site Test Cells

FY2018A Revenue
US$27.2m



FY2018A Revenue
US$27.2m



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3. Acquisition Rationale

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Strategic Rationale: Summary

√ **1.** Provides critical "building block" for the long-term growth of PTB Group
- Significantly increases workshop capacity, which supports growth in leasing and engine management programs
- Prime Turbines provides an established platform to support the expansion of the leased fleet and maximise returns

√ **2.** Provides additional margin capture for currently outsourced MRO services
- Current demand for MRO services in Brisbane exceeds workshop capacity
- PTB Group outsources excess work to US based MRO facilities – approx. A$1.5m of pre-tax margin forgone

√ **3.** Delivers ability to access global market
- FAA and EASA approvals (held by Prime Turbines) are the global standard and are accepted in most jurisdictions. PTB Group is generally restricted to the Asia Pacific region based on current approvals

√ **4.** Delivers additional customers and significantly expands existing US footprint
- Prime Turbines has an existing customer base, predominantly in North America
- Opportunity to sell aircraft leasing, engine management programs and additional services to these customers

√ **5.** Provides increased capability and technical expertise in PT6 and additional engine types
- Prime Turbines has a team of skilled and experienced staff in place that will add to the Group's capabilities

√ **6.** Increased scale provides cost and revenue opportunities
- Grow contracted servicing linked to "power by the hour" and leasing (average contract 5 years)
- Pool inventory holdings for Pacific Turbine Brisbane and Prime Turbines
- Increased buying power with purchasing and repairs centrally managed by Pacific Turbine USA

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1. Provides critical "building block" for the long-term growth of PTB Group

- PTB Group's capabilities span the entire aircraft lifecycle and the integrated operating model creates a significant number of touchpoints throughout an aircraft's functional life
- The acquisition of Prime Turbines delivers:
  1. Increased and expanded MRO capability
  2. More than doubles workshop capacity (excluding future productivity gains) from which to leverage growth in leasing

PT Leasing

PTB Group's leasing division provides workload to PTB Group's engine workshops as PTB Group is also contracted to perform engine maintenance services

PTB Group's end of life teardown capability provides an avenue for the creation of an inventory of spare parts which can be sold to third parties or applied during MRO services

Aircraft Operating Lifecycle

New Aircraft (OEM Sales)

Used Aircraft (Secondary Market Sales)

Engine Maintenance, Repair and Overhaul

Spare Parts and Other Services

End of Life, Return to Service or Teardown Services

PTB Group retains an inventory of spare parts which can either be applied during MRO services or sold to third parties

1. Provides critical "building block" for the long-term growth of PTB Group

- Prime Turbines is an Enabler of PTB Group's Growth Engine: PT Leasing

~200 Engines

4 aircraft

2018

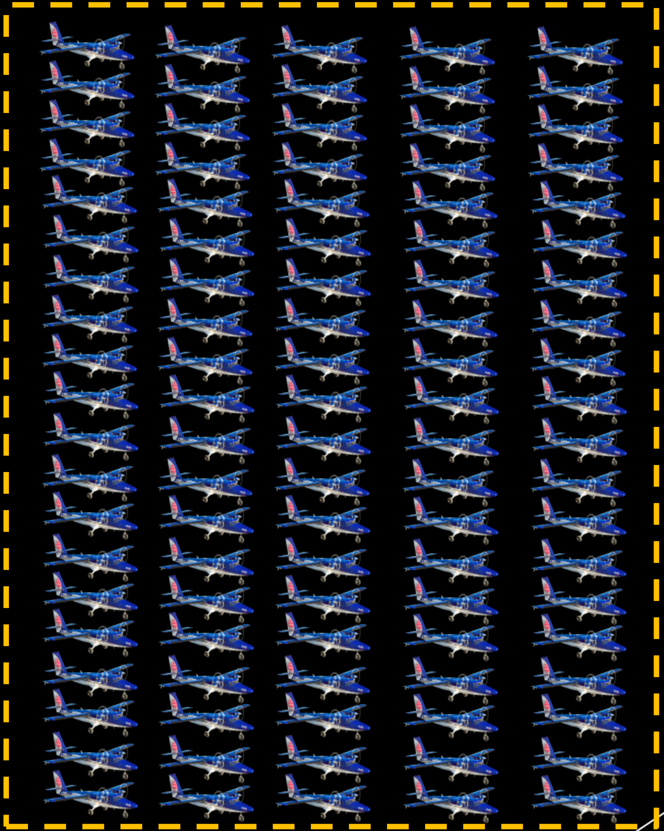
~230 Engines

8 aircraft

2019

- PTB Group has an existing arrangement with SBI Leasing for the funding of leased assets
- Adding 100 planes to the leasing fleet would add 150-170 engines to engine management programs (1)

~400 Engines



100 aircraft (2)

PLUS: Spare Parts and Other Services

(1) The ultimate number of engines added would depend on whether the planes are single or twin-engine models. Management estimates there are 25,000 PT6 engines currently in circulation. 400 contracted engines would therefore equate to approximately 1.5% of engines in global circulation.

(2) Management has previously stated a long-term goal for a leasing fleet of 100 aircraft (PTB Group FY17 results presentation)

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1. Provides critical "building block" for the long-term growth of PTB Group

- PT Leasing delivers multiple revenue streams

New Lease

Spare Parts and Other Services

First Engine Service Interval

3,600 – 5,500 hours

Second Engine Service Interval

3,600 – 5,500 hours

Each Subsequent Engine Service Interval

3,600 – 5,500 hours

End of Life, Return to Service or Teardown Services

- Engines are overhauled multiple times over the lifecycle of the airframe
- As PTB Group's leasing division grows, its share of the engine maintenance market will grow in tandem, as PTB Group is also contracted to perform maintenance programs

Over the Aircraft Operating Lifecycle PTB Group expects to benefit from 5-8 year lease terms, 1-2 overhauls, 3-4 hot sections and upsell of parts. Aircraft life is open-ended as they can be refurbished/relifed

2. Prime Turbines Delivers Additional Margin Capture

- PTB Group currently utilises the services of various MRO shops in the USA as demand for engine maintenance works has consistently exceeded the capacity of the workshop in Brisbane – mainly driven by long-term contracts. Prime Turbines delivers the ability to internalise these services and capture margin. Margin capture opportunities relate to:

Engine Repair and Overhaul

- PTB outsourced 14 engine jobs to US shops in CY 2019 and had another 13 in work as at December 2019
- Recent growth in engine management contracts has further increased demand, as will the growth of the leasing division
- PTB Group will redirect all of this outsourced work to Prime Turbines and capture the lost margin

Piece Part Repairs

- PTB Group will redirect piece part repairs to Prime Turbines and capture the lost margin

Bag and Tag Services (Reduce engine to parts)

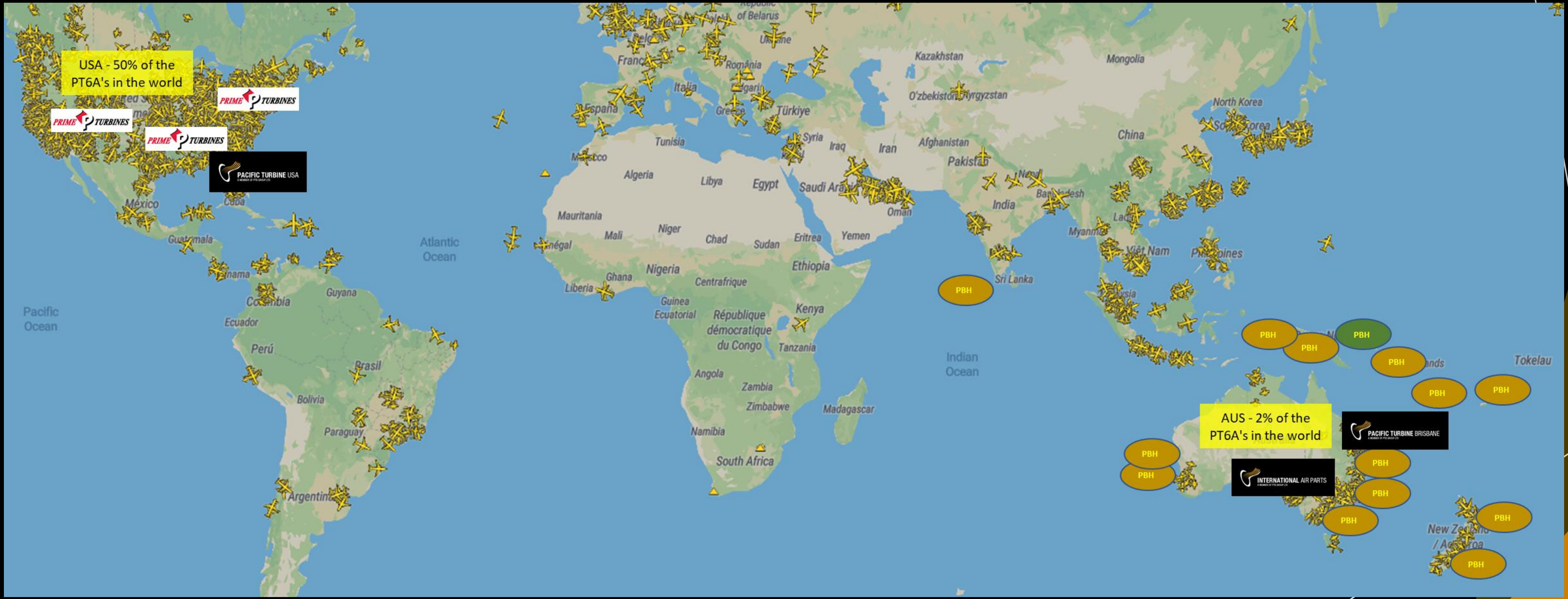
- As with engine repairs and overhauls, PTB Group currently uses a group of US engine shops to provide these services
- PTB Group will redirect this outsourced work to Prime Turbines and capture the lost margin

CT Aerospace Inventory

- Additional margin is expected to be materialised on the sale of approximately US$8.5m (A$12.5m) of inventory acquired under an interest free loan

3. Ability to Place Aircraft Globally, Significantly Increasing PTB Group's Addressable Market

- PTB Group's market reach is currently restricted by the lack of FAA/EASA approvals, which are almost globally accepted
- Prime Turbines has these approvals and therefore extends the market base for PTB Group significantly



EASA European Aviation Safety Agency

FEDERAL AVIATION ADMINISTRATION

AUSTRALIAN CIVIL AVIATION SAFETY AUTHORITY CASA

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4. Prime Turbines Delivers Geographical and Customer Diversity

- PTB Group generated 78%[1] of its FY19 revenues from customers in the Asia Pacific region which includes Asia, Australia, NZ and the Pacific Islands
- Addition of FAA and EASA certification will unlock new markets and customers
- A merged PTB Group and Prime Turbines will significantly reduce PTB Group's reliance on key Asian customers whilst simultaneously delivering an increased presence in the American and European markets

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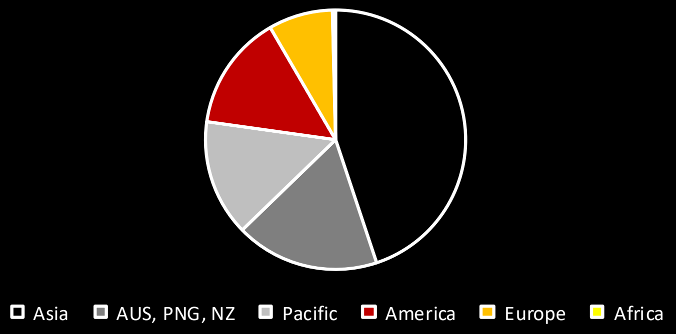
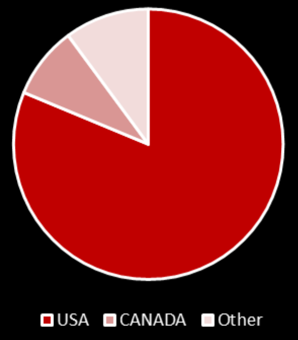
PTB Revenue By Geography[1]
2019A: A$51 million



PRIME TURBINES

Prime Turbines Revenue By Geography[2]
2018A: US$27.2 million



(1) Source: PTB Group's Annual Report for the year ended 30 June 2019 (Note 26)
(2) Prime Turbines LLC data is presented based on financial year ended 31 December 2018 and is unaudited

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5. Prime Turbines Delivers Increased Capability

- The combined group will increase the engine types able to be serviced internally

	PTB GROUP LTD	PRIME TURBINES	PTB Group + Prime Turbines
Pratt & Whitney			
PT6A – small	✓	✓	✓
PT6A – medium	✓	✓	✓
PT6A – large	✗	✓	✓
PT6T	✗	✓	✓
Honeywell TPE331	✓	✗	✓
Honeywell Approved T53	✗	✓	✓
GE Aviation Approved M601 and H Series	✗	✓	✓
Bell Helicopter Components	✗	✓	✓

4. Equity Raising Overview

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Equity Raising Overview

Offer size and Structure	• Placement of **18.7** million shares ("Placement") to raise $**12.9** million and pro-rata non-renounceable entitlement offer to existing shareholders to raise up to $ **22.0** million ("Entitlement Offer") • Under the Entitlement Offer, eligible shareholders are invited to subscribe for 1 new PTB Group share for every 2.35 PTB Group shares held as at 7.00pm (Sydney time) on 5 February 2020 ("Record Date") • Approximately 50.6 million New Shares to be issued representing approximately 40 % of PTB Group shares on issue post the raising • The Entitlement Offer is non-renounceable and entitlements will not be tradeable or otherwise transferable

Offer Pricing	• The Offer price of $ **0.69** per New Share represents a:
	    • 7.2% discount to TERP[1] of $0.744; and
	    • 14.3% discount to the last traded price of $0.805 on 28 January 2020

Use of Proceeds	• The net proceeds from the Placement and Entitlement Offer will be used by PTB Group to fund the acquisition of Prime Turbines, working capital and associated transaction costs
Expected Timing	• Placement and Entitlement Offer announced on Friday 31 January 2020 • Entitlement Offer to open on 7 February 2020 and close on 18 February 2020
Ranking	• New shares issued under the Placement and Entitlement Offer will rank equally with existing shares on issue but will not receive the 2.5 cent dividend
Syndicate	• Joint Lead Managers, Joint Underwriters – Morgans Corporate Limited and Veritas Securities Limited

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Note:

(1) The theoretical ex-rights price (TERP) is a theoretical price at which shares should trade immediately after the ex-date of the Entitlement Offer. The TERP is a theoretical calculation only and the actual price at which shares trade immediately after the ex-date for the Entitlement Offer will depend on many factors and may not equal TERP. TERP is calculated by reference to PTB's closing price of $0.805 per share on 28 January 2020 (being the last trading day prior to PTB entering trading halt) on an ex-dividend basis and after adjusting for the issue of shares under the Placement and Entitlement Offer.

Sources and Uses of Funds

Sources of Funds	A$ million
Placement	12.9
Non-Renounceable Rights Offer	22.0
Equity Sources	34.9
Vendor Funded Loan (CT Aerospace Inventory)	12.5 (1), (2)
Total Sources	**47.4**

Uses of Funds	A$ million
Acquisition of Prime Turbines	30.9 (2)
Transaction Costs	2.0
Working Capital	2.0
Equity Uses	34.9
Purchase of Inventory from CT Aerospace	12.5 (1), (2)
Total Uses	**47.4**

Note:

(1) PTB Group has agreed to purchase and Prime Turbines has agreed to sell certain inventory relating to PT6 engines at book value (approximately US$8.5 million/A$12.5 million). VSE has agreed to provide to PTB Group a zero interest vendor funded loan for the purchase of the inventory

(2) Assuming a 0.68 AUD:USD exchange rate

Equity Raising Timetable

Event	Date
Announcement of Entitlement Offer	Friday, 31 January 2020
Ex-date for Offer	Tuesday, 4 February 2020
Record Date for Entitlement Offer (7:00pm AEDT)	Wednesday, 5 February 2020
Information Booklet and Entitlement & Acceptance Form dispatched	Friday , 7 February 2020
Entitlement Offer opens	Friday, 7 February 2020
Record Date for Dividend (7:00pm AEDT)	Monday, 10 February 2020
Settlement of Placement	Tuesday 11 February 2020
Closing date for acceptances under Entitlement Offer (5.00pm AEDT)	Tuesday, 18 February 2020
Company notifies ASX of under subscriptions	Thursday, 20 February 2020
Allotment of New Shares under the Entitlement Offer	Tuesday, 25 February 2020
Dispatch of holding statements for New Shares issued under the Entitlement Offer	Wednesday, 26 February 2020
Normal ASX trading for New Shares issued under the Entitlement Offer commences	Wednesday, 26 February 2020

5. Pro Forma Combination Analysis

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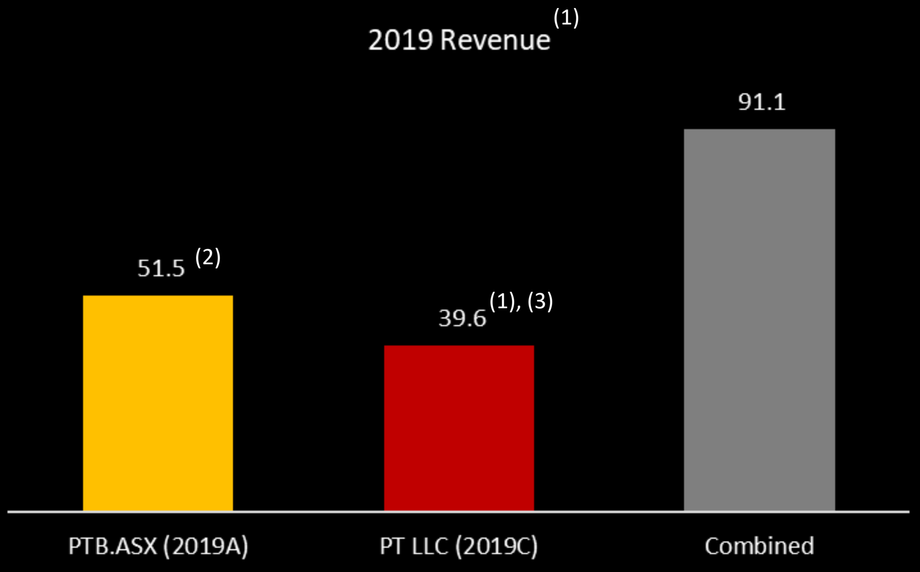
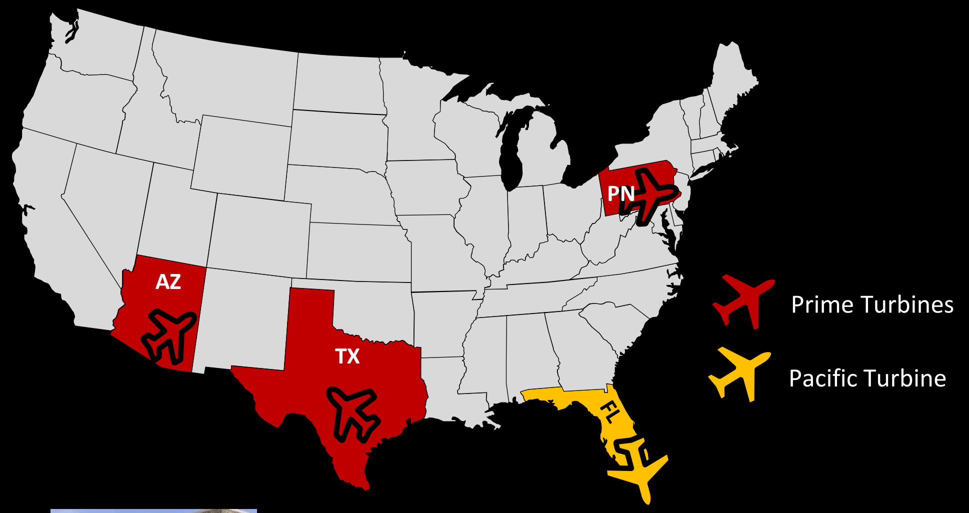
Pro Forma Combination Analysis



(1) Revenue shown in A$ assuming a 30 June year end. Prime Turbines revenue has been calendarised to a 30 June 2019 year end using monthly unaudited historical revenue to the twelve months to 30 June 2019 (US$27 million)
(2) 30 June 2019 Annual Report
(3) AUD:USD conversion has assumed 0.68 exchange rate

Combined Operating Footprint



Dallas, Texas

Dallas, Texas
- 65,000 sq. ft.
- 20 employees
- PT6A independent – GE M601 and H Series Licensed
- PT6A test cell (PWC Correlated)

Mesa, Arizona

Mesa, Arizona
- 30,000 sq. ft.
- 21 employees
- Honeywell T53 Licensed – PT6A & T independent
- Light & Medium Bell Helicopter static component repair
- Two test cells

Butler, Pennsylvania

Butler, Pennsylvania
- 2,500 sq. ft.
- 3 employees
- PT6A independent quick turn shop for Hot Sections/Power Sections

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Pro Forma Combination Analysis – Balance Sheet

PTB pro forma consolidated balance sheet as at 30 June 2019

A$000	PTB Historical (1)	Prime and CT inventory acquisition (2)(3)(4)(5)	Offer proceeds and offer costs (6)	Acquisition debt funding and funding costs (7)	Pro forma historical
Current assets					
Cash	7,174	(41,683)	33,044	11,312	9,848
Accounts receivable	13,376	7,467	-	-	20,844
Inventory	23,202	26,273	-	-	49,475
Other current assets	1,386	906	-	-	2,292
Total current assets	45,138	(7,037)	33,044	11,312	82,458
Non-current assets					
Trade and other receivables	11,319	-	-	-	11,319
Inventories	2,686	-	-	-	2,686
Property, plant, & equipment	18,752	6,017	-	-	24,769
Deferred tax assets	1,618	240	317	-	2,175
Intangible assets	4,334	9,038	-	-	13,372
Total non-current assets	38,710	15,295	317	-	54,322
Total assets	**83,848**	**8,258**	**33,361**	**11,312**	**136,780**
Current liabilities					
Accounts payable	(4,856)	(7,755)	-	-	(12,611)
Borrowings	(2,455)	-	-	(2,085)	(4,541)
Payroll liabilities	(804)	(1,063)	-	-	(1,867)
Other liabilities	(2,188)	-	-	-	(2,188)
Total current liabilities	(10,303)	(8,818)	-	(2,085)	(21,207)
Non-current liabilities					
Borrowings	(17,862)	-	-	(9,227)	(27,088)
Deferred tax liabilities	(4,332)	-	-	-	(4,332)
Other liabilities	(385)	-	-	-	(385)
Total non-current liabilities	(22,579)	-	-	(9,227)	(31,806)
Total liabilities	**(32,882)**	**(8,818)**	**-**	**(11,312)**	**(53,013)**
Net assets	**50,966**	**(560)**	**33,361**	**-**	**83,767**

Notes:

1. The PTB balance sheet has been extracted from the PTB audited financial statements for the year ended 30 June 2019.
2. The pro forma consolidated balance sheet assumes the acquisition of Prime and the CT Aerospace inventory, the debt funding and the Offer occurred as at 30 June 2019.
3. The Prime balance sheet has been derived using the unaudited management accounts for the period ended 30 September 2019, as a proxy for the acquisition balance sheet. The balance sheet has been adjusted to include the CT Aerospace inventory acquisition and remove items not forming part of the acquisition including related party balances, cash and income tax liabilities.
4. Australian Accounting Standards allow for 12 months from completion to finalise the accounting and purchase price allocation exercise. Fair value adjustments will be subject to a purchase price allocation exercise after completion.
5. The final purchase price will be subject to purchase price adjustments based on Prime's working capital and net debt at completion.
6. Represents total proceeds from the Offer of $34.9 million. Of this, $30.9 million of the proceeds from the Offer will be used to fund the acquisition of Prime, $2.0 million will be used to fund acquisition costs and $2.0 million will be used for working capital.
7. Represents debt funding provided through a vendor financing facility for the acquisition of the CT Aerospace inventory. Note that the accounting value of the no interest loan and associated inventory have been reduced to fair value as per the requirements of AASB 9.
8. All amounts are expressed in thousands of AUD.

PTB GROUP LTD

Pro Forma Combination Analysis – Operating

	PTB Actual FY 2019	Prime Turbines Pro Forma Run Rate	Combined	Additional Margin Capture	Combined including Additional Margin Capture
Revenue	$51.5M	$47.3M	$98.8M	$0.0M	$98.8M
EBITDA	$8.6M	$5.9M	$14.5M	$1.5M	$16.0M
NPBT	$5.6M	$4.6M	$10.2M	$1.5M	$11.7M
NPAT	$4.0M	$3.3M	$7.3M	$1.1M	$8.4M
Accretion in Earnings per Share Post Acquisition			8.0%		23.7%

	NPBT excluding FX Gains/Losses	
	Low	High
PTB Group Ltd FY 2019 Actual	$5.3M	$5.3M
PTB Group Ltd FY 2020 Guidance	$5.6M	$6.0M
Prime Turbines (Pro Forma run rate for 4 months)	$1.5M	$1.5M
Combined (based on Prime Turbines Pro Forma Run Rate and excluding margin capture)	$7.1M	$7.5M

Notes:

1. Prime Turbines LLC Pro Forma Run Rate is based on the illustrative full year impact of actual (unaudited) performance from April to September 2019.
2. The Pro Forma Run Rate includes adjustments for additional costs and to remove internal trading impacts. These numbers do not include any of the expected post-acquisition synergies.
3. Transactions costs are excluded from this analysis.
4. Additional margin capture is made up of:
   - Redirection of engine overhauls to Prime Turbines - 24 engines at US$30k per engine in savings
   - Redirection of repair works to Prime Turbines - assumes saving in costs of US$300k for the first year
5. Assumptions used for calculating accretion in earnings per share (EPS):
   - The baseline EPS is calculated based on PTB Group's actual NPAT for FY 2019 divided by the total shares on issue at 30 June 2019 (74.9 million).
   - Post acquisition EPS is calculated based on the combined NPAT calculations provided above divided by the total number of shares on issue after the acquisition.
   - The company expects to issue a total of 50.6 million shares to fund the acquisition increasing the total shares on issue to 125.5 million.
6. PTB Group FY2020 and Combined estimates exclude transaction costs and additional margin capture.
7. All amounts are expressed in AUD

PTB GROUP LTD

6. Summary

Prime Turbines Compliments Existing Operating Platform

➢ Prime Turbines is expected to facilitate growth across PTB Group’s existing operations

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PRIME TURBINES

Power By the Hour EMP

- The Group is focussed on growing the fleet of managed engines.
- Engine management programs will be marketed to Prime Turbines’ existing customers and the rest of the US market.
- Increased leasing also provides growth here.

PRIME TURBINES

Accelerate Leasing Programs

- The Group is focussed on growing the leasing business.
- Prime Turbines adds to the market base for leasing.

PRIME TURBINES

Service Capacity Increased

- Current demand exceeds the capacity of the Brisbane shop.
- Prime Turbines will provide the additional engine works, capturing the margin that was previously lost due to outsourcing.

PRIME TURBINES

Grow IAP Parts Sales

- The IAP division trades in aircraft, engines and related parts.
- Additional Leasing will provide additional sales opportunities.

PRIME TURBINES

Grow Engine Parts Sales

- Opportunity exists to increase the volume of parts sold to the US market, including existing Prime Turbines customers.

PTB GROUP LTD

Summary

- The acquisition of Prime Turbines provides a critical "building block" for the long-term growth of PTB Group with increased workshop capacity and the ability to access the US and global markets. This underpins the future growth in leasing and engine management programs.
- Prime Turbines has a very good reputation for quality and performance in the market and is well known to PTB Group
  - PTB Group currently sub-contracts to Prime Turbines
  - Prime Turbines management is well known to PTB Group
- The acquisition is expected to be **8.0%**[1] EPS accretive on a full year basis pre-synergies, and **23.7%** [1] EPS accretive on a full year basis including additional margin capture from:
  - Redirection of engine overhauls to Prime Turbines - 24 engines at US$30k per engine in savings
  - Redirection of repair works to Prime Turbines - assumes saving in costs of US$300k for the first year
- Longer term operating synergies expected to be realised through :
  - Operational improvements to Prime Turbines
  - Expanded geographical market creating additional sales opportunities

(1) Refer slide 25 for calculation assumptions

PTB GROUP LTD

Appendix A: Risk Factors

PTB GROUP LTD

Risk Factors

Acquisition specific risks

- **Completion risks** – the Acquisition is conditional on certain matters, including completion of the equity raising, no material adverse change affecting Prime Turbines and specified material third party consents being obtained. If any of the conditions are not met, the Acquisition may be deferred or not occur. Conditionality of the Acquisition over an extended period could adversely affect the business and operations of Prime Turbines and provide an opportunity for competitors. If the Acquisition does not complete, PTB Group will need to consider alternative uses for the proceeds from the equity raising and/or ways to return the proceeds from the equity raising to shareholders. Failure to complete the Acquisition and/or any action required to be taken to return capital may have an adverse effect on PTB Group's trading price. In all circumstances PTB Group may incur significant costs.
- **Acquisition payments, foreign exchange risk** - While the Offer is in Australian dollars (AUD), the Acquisition payments are denominated in US dollars (USD). Movement in the AUD and USD exchange rate may occur during the acquisition process. There is a risk that the AUD will fall against the USD causing an increase in the AUD purchase price for the Acquisition. This risk may be offset in part or fully by the conversion into AUD of any USD revenue that is derived from the operations of Prime Turbines post-completion. The inverse may also occur.
- **Realisation of synergies** – PTB Group has identified potential synergies that may be achieved as part of the Acquisition. There is a risk that expected synergies may not be realised. These risks may arise from unforeseen costs or disruptions with integrating the businesses, unintended losses of key personnel or expert knowledge or reduced productivity, and failure to maintain key supplier and customer arrangements.
- **Change of control** - The acquisition of Prime Turbines may trigger change of control clauses in real property leases and other material contracts to which Prime Turbines is a party. Where triggered, the change of control clauses will, in most cases, require PTB Group to seek the counterparty's consent in relation to the acquisition of Prime Turbines, and may require PTB Group to provide replacement security. There is a risk that a counterparty may not provide their consent, which may trigger a termination right in favour of that counterparty. If any of the material contracts containing a change of control clause are terminated by the counterparty or renegotiated on less favourable terms, it may have a negative impact on PTB Group's financial performance.
- **Integration** – PTB Group will enter into arrangements to receive transitional support from the seller group for up to six months following completion of the Acquisition. However, the Acquisition will involve separating Prime Turbines from the seller group, and integration of the businesses and infrastructure of Prime Turbines with PTB Group. There is a risk that the integration of Prime Turbines may encounter unexpected challenges or issues. These include (but are not limited to) unexpected delays, challenges, liabilities and costs in relation to integrating operating and management systems such as IT, information or accounting systems, that it diverts management attention or does not deliver the expected benefits (including synergy benefits), and this may affect PTB Group's operating and financial performance.
- **Reliance and information provided** – PTB Group has undertaken a due diligence process in respect of the Acquisition based on information provided by Prime Turbines and its management. To the extent that any data or information provided to and relied upon by PTB Group in its due diligence process and preparation of this Presentation proves to be incomplete, incorrect, inaccurate or misleading, there is a risk that the actual financial performance and position of Prime Turbines may be materially different to the financial position and performance expected by PTB Group and reflected in this Presentation. There is also a risk that unforeseen issues and risks may arise, which may have a material impact on PTB Group.
- **Analysis of Acquisition –** PTB Group has undertaken financial, legal, business and other analysis of Prime Turbines to determine its attractiveness to PTB Group and whether to pursue the Acquisition. To the extent that the actual results achieved by Prime Turbines are different than those indicated by PTB Group's analysis, there is a risk that the profitability and future earnings of the combined group may be materially different from the profitability and earnings expected and upon which this Acquisition has been pursued.
- **Historical liability** – if the Acquisition is completed, PTB Group may become directly or indirectly liable for any liabilities that Prime Turbines has incurred in the past, which were not identified during the due diligence process or which are greater than expected, and for which the representations and warranties and indemnities negotiated as part of the Acquisition are inadequate in the circumstances. Such liability may adversely affect PTB Group's financial performance and position and trading price. From completion PTB Group will be exposed to the risks associated with owning and operating Prime Turbines.
- **Vendor loan note –** Under the Acquisition, PTB Group will acquire inventory from CT Aerospace, LLC for approximately US$8.5m via a zero interest vendor funded amortizing loan. The loan will become due and payable over five years. PTB Group will need to have funds from operations, or debt or equity finance, to repay the financed amount when it becomes due.
- **Accounting** - In accounting for the Acquisition in the pro forma historical combined balance sheet, PTB Group has used unaudited financial statements of Prime Turbines. PTB Group will undertake a formal fair value assessment of all the assets, liabilities and contingent liabilities of Prime Turbines post-implementation of the Acquisition, which may give rise to different values to those used for the purposes of the pro forma financial information set out in this presentation. Such a scenario may result in a reallocation of the fair value of assets and liabilities acquired to or from goodwill and an increase or decrease in depreciation and amortisation charges in PTB Group's income statement (and a respective increase or decrease in net profit after tax), and may have an adverse impact on the reported financial performance of the combined group.

Risk Factors

Offer specific risks

- **Underwriting risks** – PTB Group has entered into an underwriting agreement with Morgans Corporate Limited and Veritas Securities Limited (together, the **Underwriters**) in relation to the Entitlement Offer. The underwriting agreement sets out various events, the occurrence of which will entitle the Underwriters to terminate the underwriting agreement. Accordingly, there is a risk that the Underwriters may terminate their obligations under the underwriting agreement if any such event occurs. Termination of the underwriting agreement may have an adverse impact on the availability of proceeds raised under the Entitlement Offer and may cause PTB Group to not have sufficient equity funding for the Acquisition.
- **Shares risks** – there are general risks associated with investments in equity capital. The price PTB Group shares are traded on ASX could fluctuate due to various factors including recommendations by brokers and analysts, domestic and international economic conditions, general movements in local and international stock markets, exchange rates and interest rates. These risks apply generally to any investment on the stock market. In addition, the prices of a listed entity's securities are affected by factors that might be unrelated to its operating performance, such as general market sentiment. This may result in the market price for the New Shares being less or more than the price under the Offer.
- **Dilution risks** – Shareholders will have their interest in PTB Group diluted because of the issue of New Shares under the Placement. In addition, if a shareholder does not take up all of their entitlements to acquire New Shares under the Entitlement Offer, that shareholder's percentage shareholding in PTB Group will be further diluted by not participating to the full extent in the Entitlement Offer. As the Entitlement Offer is non-renounceable, shareholders will not receive any value for entitlements they do not take up.
- **Control** – At the date of this Presentation, Asir & Nek controls 18.27% of PTB Group's share capital. By taking up its full entitlement under the Entitlement Offer and some shortfall shares, Asir & Nek could acquire a relevant interest in up to 19.99% of PTB Group's share capital.
- **Dividends -** The payment of future dividends will be at the discretion of the board and will depend, amongst other things, on the financial performance and other relevant circumstances at the time. There can be no guarantee regarding the likelihood, timing, franking or quantum of future dividends from PTB Group.

General business risks

- **Exchange rate risk**– PTB Group operates in international jurisdictions meaning that it is exposed to potentially adverse movements in exchange rates. This means that exchange rate movements, particularly the AUD/USD, may have an adverse impact on PTB Group's financial performance and position.
- **Competition –** the industry in which PTB Group operates is highly specialised and competitive. The actions of existing and new competitors in the aviation industry could, among other things, affect the growth of PTB Group, result in a decline in the number of customers and/or result in PTB Group experiencing lower than anticipated revenue and margins.
- **Global aviation industry downturn** – a downturn in the global aviation industry would negatively impact PTB Group's existing operations, and also the operations of Prime Turbines.
- **Other economic risk and external market factors –** PTB Group and Prime Turbines' operational and financial performance is affected by the Australian and other international economies. Various factors including political movements, stock market trends, changing customer preferences, interest rates, inflation levels, commodity prices, foreign exchange rates, industrial disruption, environmental impacts, international competition, taxation changes and legislative, regulatory or policy changes, may have an adverse impact on PTB Group 's operating costs, profit margins and share price. These factors are beyond the control of PTB Group and it cannot, to any degree of certainty, predict how they will impact on PTB Group. Prolonged deterioration in general economic conditions could potentially have an adverse impact on PTB Group and its operations and may adversely impact the trading price of PTB Group shares.
- **Destruction or obsolescence** – damage to or obsolescence of any of PTB Group's turbine engines, aircrafts or parts may adversely affect PTB Group's operations and financial performance. Damage may arise due to natural disasters or other unforeseen circumstances. Changes to industry standards, customer expectations, or other products may emerge which could render one or more of PTB Group's products or services, including demand for PT6A and TPE331 turbine engines, less desirable or obsolete. These risks could adversely impact PTB Group's future financial performance.
- **Key personnel –** PTB Group's performance depends on the continued employment and performance of senior executives and other key members of management, and its ability to attract and retain skilled workers with the relevant industry and technical experience. If any one of these individuals resigns or becomes unable to continue his or her present role and is not adequately replaced in a timely manner, business operations and the ability to implement PTB Group's growth strategies could be materially disrupted. The loss of a number of key personnel or inability to attract additional personnel may have an adverse effect on PTB Group's financial and operating performance.
- **Fleet age and maintenance expenditure –** as PTB Group's fleet of rental and leased aircraft and engines age, the cost of maintaining such assets, if not replaced within a certain period of time, may increase. Future operating and financial performance could be adversely affected where maintenance and repair costs are higher than estimated or maintenance and repair services are required earlier than anticipated. Financing constraints may inhibit PTB Group's ability to undertake all maintenance capital expenditure that it might like to implement.

Risk Factors

General business risks cont.

- **Suppliers** – PTB Group's ability to provide services and products is dependent on the supply of products from third party suppliers. The business of PTB Group may be materially impacted if any of those suppliers were unwilling or unable to provide products as contracted or made a decision not to supply products on favourable terms. In the event that a supplier fails to supply products, terminates the contract connected with the supply of products, or changes the terms to be less favourable than those currently offered and PTB Group is unable to arrange for the supply of replacement products from another supplier on similar terms, this may materially impact the financial position, performance and prospects of PTB Group.
- **Contractual risk –** PTB Group generates revenue from (among other things) the leasing, rental and hire of and the maintenance of aircraft and turbine engines. Termination of any one or more customer contracts may affect PTB Group's financial performance. There is also a risk that counterparties may fail to meet their contractual obligations resulting in financial loss to PTB Group and impacting on PTB Group's business relationships and operations. There is no certainty regarding the ability for PTB Group to renew or enter into new customer contracts, nor any certainty regarding the term that may apply to any new or renewed customer contracts that are executed.
- **Regulatory and policy risk –** changes in legislative and administrative regimes and other legal and government policies in Australia, the United States and other jurisdictions where PTB Group operates may have an adverse effect on the assets, operations and ultimately the financial performance of PTB Group and the market price of PTB Group's shares, especially where such changes lead to increased compliance costs and/or decreased demand for aviation goods or services.
- **Changes in taxation laws and policies** - Future changes in taxation laws, including changes in interpretation or application of the law by the courts or taxation authorities, may affect taxation treatment of an investment in PTB Group shares, or the holding and disposal of those shares. Further, changes in tax law, or changes in the way tax law is expected to be interpreted may impact upon the future tax liabilities of PTB Group.
- **Occupational health and safety** – PTB Group employees are at risk of workplace accidents and incidents (particularly in relation to staff in workshops). In the event that a PTB Group employee is injured in the course of their employment, PTB Group may be liable for penalties or damages. Such workplace accidents and incidents have the potential to harm both the reputation and financial performance of PTB Group.
- **Information systems risks –** PTB Group relies on computer, information, and communications technology and related systems in order to properly operate the administrative and compliance aspects of its business. From time to time, PTB Group experiences system interruptions and delays. PTB Group has processes in place to respond to system interruptions and delays. However, in the event it is unable to regularly deploy software and hardware, effectively upgrade its systems and network infrastructure, and take other steps to maintain or improve the efficiency and efficacy of its systems, the operation of such systems could be interrupted or result in the loss or corruption of data. In addition, PTB Group's computer systems are subject to the risks of unauthorised access, computer hackers, computer viruses, malicious code, organized cyber-attacks and other security problems and system disruptions, including possible unauthorised access to PTB Group's and its customers' proprietary or classified information. PTB Group relies on industry-accepted security measures and technology to securely maintain all confidential and proprietary information on its information systems. PTB Group has devoted, and will continue to devote, significant resources to the security of its computer systems, however they may still be vulnerable to these threats. A user who circumvents security measures could misappropriate confidential or proprietary information or cause interruptions or malfunctions in operations. As a result, PTB Group may be required to expend significant resources to protect against the threat of these system disruptions and security breaches or to alleviate problems caused by these disruptions and breaches. Any of these events could damage PTB Group's reputation and have a generally material adverse effect on its operating and financial performance.
- **Environmental risks –** environmental management and compliance is an important part of the business of PTB Group's customers. PTB Group works with its customers to ensure that its equipment and maintenance services operate in alignment with their policies, management systems and procedures. PTB Group's actions or failures to act may result in its customers for which it performs services incurring environmental liability, regulatory penalties, or having licenses suspended, cancelled or subjected to additional conditions. Some of PTB Group's customer contracts may contain indemnities under which it is obliged to compensate the customer for certain losses resulting from environmental incidents from which PTB Group is responsible and may result in PTB Group incurring substantial obligations to compensate its customers which could have a material adverse effect on PTB Group's operational and financial performance.
- **Insurance risks –** although insurance is maintained for ownership and rental of equipment, no assurance can be given that such insurance will be available in the future on commercially reasonable terms or that any cover will be adequate and available to cover any or all claims. Insurance of all of the risks associated with equipment rental or maintenance services is not always available and, where available, the costs can be prohibitive. Furthermore PTB Group's insurance does not cover its fleet while it is rented at a customer's site and, in such circumstances PTB Group is reliant on the customer's insurance policies or credit quality to compensate it in the event of a loss. If PTB Group incurs uninsured losses or liabilities, its operating and financial performance may be adversely affected.
- **Litigation –** PTB Group may in the ordinary course of business be involved in litigation and disputes. Any litigation or dispute could be costly and damaging to PTB Group's reputation and business relationships, which could have an adverse effect on its financial performance and industry standing.

Appendix B: PTB Overview

History of PTB Group's Operations

- The PTB Group is well positioned for accelerated growth via multiple revenue and earnings streams, namely "Power By The Hour" engine management programs and future leasing opportunities

2006

2006: Moved from NSX listing to ASX listing

2006: Acquired Emerald

2006: Acquired IAP Group

2006 to 2014: Implemented EMP product offering which significantly strengthened operational performance

2014 | **2015** | **2016** | **2017** | **2018** | **2019** | **2020**

2014-2016: Developed relationship with key US supplier network (via sub-contracting model)

Feb-16: Commenced operations in US market under PT USA

Apr-17: Stephen Smith appointed as Managing Director

Jul-17: Signed agreement with SBI Leasing Services to facilitate growth in PT Leasing

May-18: Signed US$65m contract with Trans Maldivian Airways

Jan-19: Purchased 4 leased aircraft (SBI financed)

Nov-19: Announced additional 30 engines to be added to EMP program

PACIFIC TURBINE LEASING

PRIME TURBINES

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PTB Group Ltd's Operating Divisions

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2019A Revenue	A$51.5 million
2019A EBITDA (Adjusted)	A$8.6 million
2019A EBITDA Margin (%)	16.6%
2019A EBIT Margin (%)	12.5%

PACIFIC TURBINE BRISBANE

Specialises in PT6 and TPE331 Turboprop engines. The division repairs and sells PT6 and TPE331 engines, maintains related engines under contract, and trades related engine and airframe parts

PACIFIC TURBINE USA

Specialises in PT6 Turboprop engines. The division repairs and sells PT6 engines, maintains related engines under contract, and trades related engine parts

PACIFIC TURBINE LEASING

Aircraft and engine owner and leases to operators under both operating and finance leases

PT6, TPE331, Rolls Royce (RR)

Funding agreement with SBI Leasing Services Co

INTERNATIONAL AIR PARTS

The division trades in aircraft, jet aircraft engines, airframes and related parts

	Pacific Turbine Brisbane	Pacific Turbine USA	Pacific Turbine Leasing	International Air Parts
2019A Revenue	A$34.3 million	A$4.8 million	A$3.1 million	A$9.2 million
2019A EBITDA (Adjusted)	A$4.5 million[1)]	A$0.6 million	A$2.9 million	A$2.3 million
2019A EBITDA Margin (%)	13.1%[(1)]	12.7%	92.7%	24.8%
2019A EBIT Margin (%)	12.5%[(1)]	11.6%	34.2%	24.0%

PTB GROUP LTD

(1) PTB's current policy is to allocate all corporate overheads against the Pacific Turbine Brisbane Division. The numbers presented above differ to the numbers presented in Note 26 of the 2019 Statutory Accounts due to the removal of Corporate Overheads from Adjusted EBITDA and EBIT

A Strong Senior Management Team

Stephen Smith
Founder, Managing Director

Stephen was a founding shareholder and director of PTB Group Ltd and fulfilled a number of key roles within the company before taking over the Managing Director role in 2017.

Stephen is a key contributor to the strategic direction and growth of the company with his significant experience in the aviation industry as both a helicopter and fixed wing operator.

Daniel Zgrajewski
Chief Financial Officer and Company Secretary

Daniel is the Chief Financial Officer and Company Secretary of PTB Group Ltd.

Daniel began with PTB Group as Finance Manager for the Brisbane Business in 2012 and was promoted to the CFO role in 2013. Daniel previously worked in a number of senior accounting roles in commercialised business units of Brisbane City Council including Brisbane City Works and Brisbane Water.

Alana McKenna
General Manager of Pacific Turbine Brisbane

Alana was appointed General Manager of PTB Group's Brisbane office in January 2016 and is responsible for the day-to-day operations of the Brisbane business.

Alana previously held general manager roles with Skytek and Hevilift.

DJ Davant
President of Pacific Turbine USA

DJ was previously general manager of United Turbine, a PT6 engine maintenance and repair shop in Miami USA, where he had worked for over a decade.

DJ brings significant knowledge of the US market to PTB Group

Jamie Carracher
General Manager of Pacific Turbine Leasing

Jamie was appointed head of Pacific Turbine Leasing in 2018 and was most recently employed at Montrose Global, a specialist private equity firm focused on the leasing of turboprop aircraft.

- √ PTB Group Ltd current year trading is in line with guidance before transaction costs
- √ Management has delivered improved operating performance
- √ PTB Group has an excellent record of customer retention and customer satisfaction
- √ PTB Group paid a fully franked dividend of 7.0 cents per share in FY2019

PTB GROUP LTD

With an Experienced Board of Directors

Craig Baker
Founder, Chairman

Craig was a founding shareholder and director of PTB Group Ltd and was the Managing Director until 2017.

Craig is a qualified accountant and has worked as General Manager, Director and Finance Manager in a range of aviation businesses for over 35 years.

Craig was also involved in the development of Airwork (NZ) Limited.

Stephen Smith
Founder, Managing Director

Stephen was a founding shareholder and director of PTB Group Ltd and has fulfilled a number of key roles within the company.

Stephen is a key contributor to the strategic direction and growth of the company.

Stephen has significant experience in the aviation industry as both a helicopter and fixed wing operator.

Andrew Kemp
Independent Non-Executive Director

Andrew is a Chartered Accountant and has worked for KPMG, Littlewoods Chartered Accountants, Coutts Group and as Qld Manager of AIFC, the merchant banking affiliate of the ANZ Banking Group.

Andrew formed Huntington Group in 1987 and has been involved in a range of listings, acquisitions and divestments. He is also currently a Director of Silver Chef Limited.

Russell Cole
Independent Non-Executive Director

Russell has over 25 years experience in public practice as a Chartered Accountant specialising in the corporate sector with significant experience in audit, risk management and corporate governance.

He has spent 15 years as an audit & assurance partner of national accounting firms with a particular focus on emerging listed companies.

Russell is the Chairman of the Audit and Risk Management Committee.

Prince Gunasekara
Non-Executive Director

Prince is a Sri Lankan born aviation expert with over 20 years experience, particularly within Japanese aviation.

Since joining PTB Group in 2013 Prince has been instrumental in introducing key Japanese investors and business partners.

PTB GROUP LTD

Appendix C: Key Terms of Purchase

PTB GROUP LTD

Key Terms of Purchase

	Membership interests purchase agreement for 100% of the equity interests in Prime Turbines, LLC
Seller	VSE Aviation, Inc, a Delaware corporation, with certain payment obligations supported by VSE Corporation, a Delaware corporation
Buyer	PTB Holdings, LLC (subsidiary of PTB Group)
Consideration	US$21 million in cash (subject to adjustments including debt and working capital)
Key conditions	• Receipt of all necessary consents, authorisations, orders and approvals • No action or governmental order which has the effect of restraining or prohibiting any of the transactions contemplated • Representations and warranties remaining true and correct • Entry into ancillary agreements, including: - six month transition services agreement on a no-cost basis to PTB (except reasonable out-of-pocket costs to be charged to PTB without mark-up); - preferred supplier agreement for VSE entity, Kansas Aviation, to provide certain overhaul and repair services until 31 December 2025, including 90% of PTB's aggregate accessory services; and - sub-lease of certain business premises.
Other key terms	• Representations and warranties customary for a transaction of this nature have been provided • PTB may terminate for a material adverse change in respect of Prime Turbines, and either party may terminate for insolvency or certain material breaches of the other party • PTB may be required to pay a break fee of US$500,000 if the agreement is terminated in certain circumstances, including if PTB does not raise sufficient funds through the Offer (underwriting agreement is in place) • Non-competition and non-solicitation obligations customary for a transaction of this nature have been provided
Completion	Following satisfaction of conditions. Target of late February 2020

	Asset purchase agreement for certain PT6 engines and parts
Seller	CT Aerospace LLC, a Texas limited liability company, with certain payment obligations supported by VSE Corporation, a Delaware corporation
Buyer	Pacific Turbine USA, LLC (subsidiary of PTB Group)
Consideration	• Lower of US$9.5 million and book value of the assets at completion, funded through a zero coupon promissory note • Promissory note repayable by equal quarterly instalments over five years, accelerated upon default, insolvency or completion of a sale event
Key terms	• Pacific Turbine USA to obtain free and unencumbered title to the purchased assets, and assumes obligations under related contracts • Representations and warranties customary for a transaction of this nature have been provided • No regulatory or third-party approval required • Transfer taxes shared equally by the parties
Completion	Target of late February 2020

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Appendix D: Foreign Selling Restrictions

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Foreign Selling Restrictions

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

Australia

The information in this document has been prepared on the basis that all offers of New Shares will be made to Australian resident investors to whom an offer of shares may lawfully be made without disclosure under Part 6D.2 of the *Corporations Act 2001* (Cth) (**Corporations Act**). This document is not a prospectus, product disclosure statement or any other form of disclosure document regulated by the Corporations Act and has not been, and will not be, lodged with the Australian Securities and Investments Commission (**ASIC**). Neither ASIC nor ASX takes any responsibility for the contents of this document. Accordingly, this document may not contain all information which a prospective investor may require to make a decision about whether to subscribe for New Shares and it does not contain all of the information which would otherwise by required by Australian law to be disclosed in a prospectus, product disclosure statement or any other form of disclosure document regulated by the Corporations Act. This document does not take into account the investment objectives, financial situation or needs of any particular person. Accordingly, before making any investment decision in relation to the offer of New Shares or any other transaction in relation to PTB Group shares, you should assess whether that transaction is appropriate in light of your own financial circumstances or seek professional advice.

New Zealand

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the *Financial Markets Conduct Act 2013* (New Zealand) (**FMC Act**). The New Shares are not being offered to the public within New Zealand other than to existing shareholders of PTB Group with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the FMC Act and the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016.

Other than under the Entitlement Offer, the New Shares may only be offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) to a person who:
– is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;
– meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
– is large within the meaning of clause 39 of Schedule 1 of the FMC Act;
– is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or
– is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.

Singapore

This document has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this document and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of any New Shares may not be circulated or distributed, nor may any New Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under section 274 of the Securities and Futures Act (Cap. 289) of Singapore ("SFA"), (ii) to a relevant person pursuant to section 275(1), or any person pursuant to section 275(1A), and in accordance with the conditions specified in section 275, of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where New Shares are subscribed or purchased under section 275 of the SFA by a relevant person which is:
– a corporation (which is not an accredited investor (as defined in section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
– a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,
securities (as defined in section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the New Shares pursuant to an offer made under section 275 of the SFA, except:
– to an institutional investor or to a relevant person defined in section 275(2) of the SFA, or to any person arising from an offer referred to in section 275(1A) or section 276(4)(i)(B) of the SFA;
– where no consideration is or will be given for the transfer;
– where the transfer is by operation of law;
– as specified in section 276(7) of the SFA; or
– as specified in regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2005 of Singapore.

Foreign Selling Restrictions (continued)

Japan

The Company has not filed and will not file a notification for the Offer of the New Shares under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948), as amended (the "FIEA"), pursuant to an exemption from the notification requirement applicable to a private placement of securities to a Small Number of Investors (*shouninzuu shibo*) (as defined in and in accordance with Article 2, paragraph 3 of the FIEA and the regulations promulgated thereunder).

This document and any other document or material in connection with the offer or sale, or invitation for subscription or purchase of the New Shares is confidential to the person to whom it is addressed and must not be distributed, published, reproduced, or disclosed (in whole or in part) to any other person in Japan or resident of Japan, except with the prior written consent of the Company.

United States

This document may not be released or distributed in the United States. This document does not constitute an offer to sell, or a solicitation of an offer to buy, any securities in the United States. The New Shares have not been, and will not be, registered under the US *Securities Act of 1933*, as amended (**U.S. Securities Act**) or the securities laws of any state or other jurisdiction of the United States and may not be offered or sold, directly or indirectly, in the United States, except in transactions exempt from, or not subject to, registration under the U.S. Securities Act and applicable U.S. state securities laws. In addition, any hedging transactions involving these securities may not be conducted unless in compliance with the US Securities Act.

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