

31 January 2020

Entitlement offer cleansing notice under section 708AA Corporations Act 2001 (Cth)

PTB Group Limited (ASX: PTB)

This notice is given by PTB Group Limited (**PTB**) under section 708AA(2)(f) of the *Corporations Act 2001* (Cth) (**Act**) as notionally modified by Australian Securities and Investment Commission Corporations (Non-Traditional Rights Issues) Instrument 2016/84 and ASIC Corporations (Disregarding Technical Relief) Instrument 2016/73 (**Legislative Instruments**). Where applicable, references in this notice to sections of the Act are to those sections as modified by the Legislative Instruments.

PTB has announced a non-renounceable entitlement offer (**Entitlement Offer**) of 1 fully paid ordinary share in PTB (**New Shares**) for every 2.35 fully paid ordinary shares in PTB held as at 7.00pm (Sydney time) on Wednesday, 5 February 2020 by shareholders with a registered address in Australia, New Zealand and certain other jurisdictions in which PTB decides to extend the Entitlement Offer. PTB also announced a fully committed placement to raise approximately \$12.9 million (**Placement**).

The Entitlement Offer is fully underwritten by Morgans Corporate Limited and Veritas Securities Limited (**Underwriters**), subject to the terms of an underwriting agreement. The Underwriters have also appointed certain sub-underwriters.

The Offer Booklet for the Entitlement Offer is expected to be dispatched to eligible shareholders on Friday, 7 February 2020, and will contain further detail of the Entitlement Offer.

For the purposes of section 708AA(7) of the Act, PTB advises:

- (a) the New Shares will be offered for issue without disclosure under Part 6D.2 of the Act;
- (b) this notice is given under section 708AA(2)(f) of the Act;
- (c) as at the date of this notice, PTB has complied with:
 - (i) the provisions of Chapter 2M of the Act as they apply to PTB (accounting requirements); and
 - (ii) section 674 of the Act (continuous disclosure requirements);
- (d) as at the date of this notice, there is no excluded information of the type referred to in section 708AA(8) and 708AA(9) of the Act that is required to be set out in this notice under section 708AA(7) of the Act;
- (e) the potential effect that the issue of New Shares will have on the control of PTB, and the consequences of that effect, will depend on a number of factors, including the level of participation of eligible shareholders taking up their entitlements and applying for shares under the top up facility, the number of shares held by ineligible shareholders and the underwriting and sub-underwriting arrangements in place for the Entitlement Offer; and
- (f) the potential effect that the issue of the New Shares will have on the control of PTB is summarised as follows:
 - (i) If all eligible shareholders take up their entitlement to New Shares, the Entitlement Offer will have limited effect on the control of PTB as the only change in percentage holdings in PTB would arise from the ineligibility for some shareholders to participate

in the Entitlement Offer. Most shareholders will however be diluted on the issue of shares under the Placement.

- (ii) To the extent that any eligible shareholder fails to take up their entitlement for New Shares under the Entitlement Offer, that shareholder's percentage holdings in PTB will be diluted by those other eligible shareholders who take up some, all or more than their entitlement (ie. by subscribing for 'top up' shares).
- (iii) Eligible shareholders that apply for additional New Shares under the top up facility (under which any shortfall between applications received and the number of shares proposed to be issued under the Entitlement Offer may be applied for by those who have accepted their entitlements in full) may increase their interests beyond their entitlement.
- (iv) The Entitlement Offer is fully underwritten by the Underwriters, who have appointed certain sub-underwriters. Having regard to the number of shares to be issued under the Entitlement Offer, pre-commitments to participate in the Entitlement Offer and the respective commitments of the Underwriters and sub-underwriters, PTB is of the view that, even if a substantial shortfall eventuated, neither an Underwriter nor any sub-underwriter would be in a position to exercise any substantive control in PTB, and no shareholder, Underwriter or sub-underwriter will individually obtain or exceed voting power of 20% or more, as a result of the Entitlement Offer.
- (v) Certain shareholders have indicated their intent to participate in the Entitlement Offer and provided sub-underwriting commitments, including Kiowa 2018 Corporate Trustee Company Limited (**Kiowa**). Based on these commitments, Kiowa may increase its voting power from approximately 5.15% at the date of this notice (ie. excluding the impact of the Placement) to approximately 6.86% following completion of the Placement and Entitlement Offer (assuming successful completion of these offers). No other substantial shareholder has provided a sub-underwriting commitment.

This announcement has been authorised for release to ASX by the Board of Directors of PTB Group Limited.

For further information, please contact:

Daniel Zgrajewski
Chief Financial Officer and Company Secretary
PTB Group Limited
P: 1800 789 258
E: dzgrajewski@pacificturbine.com.au