

11 October 2022

The Manager
Company Announcements
ASX Limited
By Electronic Lodgement

SCHEME BOOKLET REGISTERED WITH ASIC

PTB Group Limited (**ASX:PTB**) (**PTB**) refers to its previous announcement that the Supreme Court of New South Wales has made orders approving the convening of a meeting of PTB shareholders (**Scheme Meeting**) to consider and vote on the proposed acquisition of PTB by PAG/PTB BidCo Pty Ltd (**PAG BidCo**), a wholly owned subsidiary of PAG Holding Corp., (**PAG**) by way of scheme of arrangement (**Scheme**) and approving the distribution of the explanatory statement in connection with the Scheme (**Scheme Booklet**).

Scheme Booklet and Independent Expert's Report

PTB confirms that the Scheme Booklet has now been registered with the Australian Securities and Investments Commission (**ASIC**). A copy of the Scheme Booklet is attached to this announcement and will be made available online at <https://pacificturbine.com.au/pages/investors>.

Details on where the Scheme Booklet can be viewed and downloaded will be dispatched to PTB Shareholders on or before 14 October 2022, in the manner described in the announcement made yesterday.

The Scheme Booklet contains a copy of the independent expert's report prepared by BDO Corporate Finance Ltd (**Independent Expert**).

The Independent Expert has concluded that the Scheme is in the best interests of PTB Shareholders, in the absence of a Superior Proposal. The Independent Expert's conclusion should be read in context with the full Independent Expert's report and the Scheme Booklet. The Scheme Booklet (including the Independent Expert's Report and Notice of Scheme Meeting) and proxy form will be dispatched to PTB Shareholders shortly, in the manner described in the previous announcement.

PTB Shareholders should read the Scheme Booklet in its entirety before making a decision on whether or not to vote in favour of the Scheme.

PTB Board unanimously recommends the Scheme

The PTB Board continues to unanimously recommend that PTB 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 interest of PTB Shareholders. Subject to those same qualifications, each director intends to vote all their PTB Shares in favour of the Scheme.

Major shareholders' voting intentions

Two major shareholders of PTB, Asir & Nek Private Limited and Kiowa Two Thousand Corporate Trustee Company Limited who together own approximately 28,015,546 PTB Shares (representing 22.03% of the PTB Shares on issue) have separately notified the PTB Board in writing that they intend to vote all PTB Shares held by them in favour of the Scheme, in the absence of a Superior Proposal and subject to the Independent Expert concluding (and continuing to conclude) that the Scheme is in the best interest of shareholders.

Details of Scheme Meeting

The Scheme Meeting, at which PTB Shareholders will vote on the proposed Scheme, will be held at 2:00pm (AEST) on 16 November 2022.

The Scheme Meeting will be held as a hybrid meeting. PTB Shareholders will be able attend either in person at Morgans Financial Limited, Level 29, Riverside Centre, 123 Eagle Street Brisbane QLD 4000, or online via an online platform at <https://meetings.linkgroup.com/PTBSM22>.

PTB Shareholders and their authorised proxies, attorneys and corporate representatives may participate in the Scheme Meeting. The Scheme Meeting Online Guide will be made available online at <https://pacificturbine.com.au/pages/investors>.

PTB Shareholders who are unable to, or do not wish to, participate in the Scheme Meeting, or will not have access to a device and the internet, are encouraged to submit a directed proxy vote as early as possible and in any event by 2.00pm (AEST) on 14 November 2022 by completing a proxy form and returning it via one of the methods set out in the proxy form or submitting online at <https://investorcentre.linkgroup.com>.

PTB shareholders who are registered on the PTB share register at 7.00pm (AEDT) on 14 November 2022 will be entitled to vote on the Scheme. If the requisite majorities of PTB Shareholders approve the Scheme at the Scheme Meeting, and all other conditions precedent to the Scheme except approval of the Court are satisfied or waived (if capable of waiver), PTB will apply to the Court for orders approving the Scheme.

Shareholder Information Line

For more information, please refer to the Scheme Booklet. If you have any questions in relation to the Scheme or the Scheme Booklet, please contact the PTB Shareholder Information Line on 1300 554 474 (within Australia) or +61 1300 554 474 (outside Australia), or email registrars@linkmarketservices.com.au.

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



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About PTB Group

PTB Group is an ASX listed aviation company which provides the following services globally:

- *Maintenance, repair and overhaul ("MRO") services for turbo prop aircraft engines*
- *Aircraft and engine leasing*
- *Aircraft and engine spare parts*

PTB Group's workshops in Australia (Pacific Turbine Brisbane) and USA (Prime Turbines) maintain a range of smaller turbo prop engines including the Pratt and Whitney PT6 and the Honeywell 331 engines that are used on narrow bodied planes of less than 25 seat capacity.

PTB Group maintains a diverse customer base throughout the world including Australia, North and South America, Asia and the Pacific Islands.



SCHEME BOOKLET

for a scheme of arrangement in relation to the proposed acquisition of PTB Group Limited by PAG/PTB BidCo Pty Ltd ("PAG BidCo"), a wholly owned subsidiary of PAG Holding Corp., ("PAG").

VOTE IN FAVOUR

The PTB Directors unanimously recommend that you vote in favour of the Scheme in the absence of a Superior Proposal and subject to the Independent Expert concluding (and continuing to conclude) that the Scheme is in the best interests of PTB Shareholders.

This Scheme Booklet is important and requires your prompt attention. You should read it in its entirety, and consider its contents carefully, before deciding whether or not to vote in favour of the relevant Scheme Resolution to approve the Scheme. If you are in any doubt about what you should do, you should consult with a financial, legal, taxation or other professional adviser.

This Scheme Booklet is made available for persons shown on the PTB Share Register as holding PTB Shares. If you have recently sold all of your PTB Shares, please disregard this Scheme Booklet.

This Scheme Booklet is dated 11 October 2022.

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Important notice

General

This Scheme Booklet is important and requires your immediate attention. You should read this Scheme Booklet in full before making any decision as to how to vote at the Scheme Meeting. If you no longer hold any PTB Shares, please disregard this Scheme Booklet, as you will not be entitled to vote at the Scheme Meeting.

Defined terms

Capitalised terms used in this Scheme Booklet are defined in Section 10.1. Section 10.2 also sets out some rules of interpretation that apply to this Scheme Booklet. Please note that some of the documents reproduced in the annexures to this Scheme Booklet have their own defined terms, which are sometimes different to those set out in Section 10.1.

Nature of this Scheme Booklet

This Scheme Booklet includes the explanatory statement for the Scheme required by sub-Section 412(1) of the Corporations Act. This Scheme Booklet does not constitute or contain an offer to PTB Shareholders, or a solicitation of an offer from PTB Shareholders, in any jurisdiction. This Scheme Booklet is not a disclosure document required by Chapter 6D of the Corporations Act. Sub-Section 708(17) of the Corporations Act provides that Chapter 6D of the Corporations Act does not apply in relation to arrangements under Part 5.1 of the Corporations Act approved at a meeting held as a result of an order under sub-Section 411(1) of the Corporations Act. Instead, PTB Shareholders asked to vote on an arrangement at such a meeting must be provided with an explanatory statement as referred to above.

ASIC and ASX

A copy of this Scheme Booklet has been lodged with and registered by ASIC for the purposes of sub-Section 412(6) of the Corporations Act. ASIC has been given the opportunity to comment on this Scheme Booklet in accordance with sub-Section 411(2) of the Corporations Act. Neither ASIC, nor any of its officers, takes any responsibility for the contents of this Scheme Booklet.

ASIC has been requested to provide a statement, in accordance with sub-Section 411(17)(b) of the Corporations Act, that it has no objection to the

Scheme. If ASIC provides that statement, it will be produced to the Court at the time of the Second Court Hearing to approve the Scheme.

A copy of this Scheme Booklet has been provided to ASX. Neither ASX, nor any of its officers, takes any responsibility for the contents of this Scheme Booklet.

Important notice associated with Court order under sub-Section 411(1) of the Corporations Act

The fact that, under sub-Section 411(1) of the Corporations Act, the Court has ordered that the Scheme Meeting be convened and has approved the explanatory statement required to accompany the Notice of Scheme Meeting does not mean that the Court:

- has formed any view as to the merits of the proposed Scheme or as to how PTB Shareholders should vote (on this matter, PTB Shareholders must reach their own conclusion); or
- has prepared, or is responsible for the content of, the explanatory statement.

Notice of Scheme Meeting

The Notice of Scheme Meeting is set out in Annexure D.

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 PTB Shareholder may appear at the Second Court Hearing, which is expected to be held at 9:15am (AEDT) on Tuesday, 29 November 2022 at the Supreme Court of New South Wales. It is possible that the Second Court Hearing will be held either virtually (online only) or by telephone conference. Details on how to attend the Second Court Hearing will be released by PTB to ASX if the Scheme has been approved at the Scheme Meeting. PTB Shareholders should note that the protocols for attendance at the Second Court Hearing may change at short notice in light of developments relating to the COVID-19 pandemic. Any such change will be announced by PTB to ASX.

Any PTB 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 PTB a notice of appearance in the prescribed form together with any affidavit that the PTB Shareholder proposes to rely on.

The address for service for PTB is c/- Talbot Sayer, Level 27, 123 Eagle St, Brisbane QLD 4000.

No investment advice

This Scheme Booklet has been prepared without reference to the investment objectives, financial and tax situation or particular needs of any PTB Shareholder or any other person. The information and recommendations contained in this Scheme Booklet do not constitute, and should not be taken as, financial product advice.

The PTB Directors encourage you to seek independent financial and tax advice before making any investment decision and any decision as to whether or not to vote in favour of the Scheme.

This Scheme Booklet should be read in its entirety before making a decision on whether or not to vote in favour of the Scheme. In particular, it is important that you consider the potential risks if the Scheme does not proceed, as set out in Section 8, and the views of the Independent Expert as set out in the Independent Expert's Report contained in Annexure A. If you are in doubt as to the course you should follow, you should consult your legal, financial, tax or other professional adviser.

Forward looking statements

Some of the statements appearing in this Scheme Booklet (including in the Independent Expert's Report) may be in the nature of forward looking statements. Forward looking statements or statements of intent in relation to future events in this Scheme Booklet (including in the Independent Expert's Report) should not be taken to be forecasts or predictions that those events will occur. Forward looking statements 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 the objectives, plans, goals, intentions or expectations of PTB or PAG are or may be forward looking statements. You should be aware that such statements are only opinions and are subject to inherent risks and uncertainties.

Those risks and uncertainties include factors and risks specific to PTB and/or the industries in which PTB operates, as well as general economic

conditions, prevailing exchange rates and interest rates and conditions in financial markets.

Actual events or results may differ materially from the events or results expressed or implied in any forward looking statement and deviations are both normal and to be expected. Neither PTB nor PAG, nor any of their respective affiliates, officers, directors, employees or advisers or any person named in this Scheme Booklet or involved in the preparation of this Scheme Booklet makes any representation or warranty (either express or implied) as to the accuracy or likelihood of fulfilment of any forward looking statement, or any events or results expressed or implied in any forward looking statement. Accordingly, you are cautioned not to place undue reliance on those statements.

The forward looking statements in this Scheme Booklet reflect views held only at the date of this Scheme Booklet. Subject to any continuing obligations under the Listing Rules or the Corporations Act, PTB and PAG, and their respective officers, directors, employees and advisers, disclaim any obligation or undertaking to distribute after the date of this Scheme Booklet any updates or revisions to any forward looking statements to reflect (a) any change in expectations in relation to such statements; or (b) any change in events, conditions or circumstances on which any such statement is based.

Responsibility statement

PTB has prepared, is responsible for, and has consented to the inclusion in the Scheme Booklet of, the PTB Information. Neither PAG nor any of its Related Bodies Corporate, nor any of their respective directors, officers, employees or advisers assumes any responsibility for the accuracy or completeness of such information.

PAG has prepared, is responsible for, and has consented to the inclusion in the Scheme Booklet of, the PAG Information. Neither PTB nor any of its Subsidiaries, nor any of their respective directors, officers, employees or advisers assumes any responsibility for the accuracy or completeness of such information.

BDO Corporate Finance Ltd has prepared the Independent Expert's Report (as set out in Annexure A) and takes responsibility for, and has consented to the inclusion in the Scheme Booklet of, that report. Neither PTB nor PAG, nor any of their respective Related Bodies Corporate, directors, officers, employees or advisers assumes any responsibility for the accuracy or completeness of the information contained in the Independent Expert's Report.

No consenting party has withdrawn their consent before the date of this Scheme Booklet.

Foreign jurisdictions

The release, publication or distribution of this Scheme Booklet in jurisdictions other than Australia may be restricted by law or regulation in such other jurisdictions. Persons outside of Australia who come into possession of this 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. PTB disclaims all liability to persons who fail to comply with those restrictions.

This Scheme Booklet has been prepared in accordance with the laws of Australia and accordingly the information contained in this Scheme Booklet may not be the same as that which would have been disclosed if this Scheme Booklet had been prepared in accordance with the laws and regulations of a jurisdiction outside of Australia.

This Scheme Booklet and the Scheme do not constitute an offer of securities in any place in which, or to any person to whom, it would not be lawful to make such an offer.

A Scheme Shareholder whose address shown in the PTB Share Register on the Scheme Record Date as a place outside Australia (and its external territories) will be a Foreign Shareholder.

PTB Shareholders who are resident outside of Australia and/or who are nominees, trustees or custodians for beneficial holders resident outside of Australia are encouraged to seek independent advice as to how they should proceed in respect of the Scheme, including specific taxation advice in relation to the Australian and overseas taxation implications of their participation in the Scheme.

Charts and diagrams

Any diagrams, charts, graphs or tables appearing in this Scheme Booklet are illustrative only and may not be drawn to scale. Unless stated otherwise, all data contained in diagrams, charts, graphs and tables is based on information available as at the Last Practicable Date.

Financial amounts and effect of rounding

All financial amounts in this Scheme Booklet are expressed in Australian currency unless otherwise stated. A number of figures, amounts, percentages, estimates and fractions in this Scheme Booklet are subject to the effect of rounding. Accordingly, the actual calculation of

these figures may differ from the figures set out in this Scheme Booklet.

Any discrepancies in any chart, graph or table between totals and sums of amounts presented or listed therein or to previously published financial figures are due to rounding.

Timetable and dates

All times and dates referred to in this Scheme Booklet are times and dates in Brisbane, Queensland, Australia, unless otherwise indicated.

All times and dates relating to the implementation of the Scheme referred to in this Scheme Booklet may change and, among other things, are subject to all necessary approvals from Government Agencies.

External websites

Unless expressly stated otherwise, the content of the websites of PTB and PAG do not form part of this Scheme Booklet and PTB Shareholders should not rely on any such content.

Tax implications of the Scheme

If the Scheme becomes Effective and is implemented, there will be tax consequences for the Scheme Shareholders which may include tax being payable. For further detail regarding general Australia tax consequences of the Scheme, refer to Section 7. The tax treatment may vary depending on the nature and characteristics of PTB Shareholders and their specific circumstances. Accordingly, PTB Shareholders should seek professional tax advice in relation to their particular circumstances.

Privacy

PTB and its agents and representatives may collect personal information in the process of implementing the Scheme. The type of information that may be collected about you includes your name, contact details and information on your shareholding in PTB and the names of persons appointed by you to act as a proxy, attorney or corporate representative at the Scheme Meeting as relevant to you. 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 PTB and PAG to conduct the Scheme Meeting and implement the Scheme, including to issue the Scheme Consideration. Without this information, PTB may be hindered in its ability to issue this Scheme Booklet and implement the Scheme, including to issue the

Scheme Consideration. Personal information of the type described above may be disclosed to the PTB Share Registry, Related Bodies Corporate of PAG, third party service providers (including print and mail service providers and parties otherwise involved in the conduct of the Scheme Meeting), authorised securities brokers, professional advisers, Related Bodies Corporate of PTB, Government Agencies, and where disclosure is otherwise required or allowed by law. PTB 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.

If you would like to obtain details of the information about you held by the PTB Share Registry in connection with PTB Shares, please contact the PTB Share Registry. PTB Shareholders who appoint an individual as their proxy, corporate representative or attorney to vote at the Scheme Meeting should ensure that they inform such an individual of the matters outlined above. Further information about how PTB collects, uses and discloses personal information is contained in its privacy policy located at <https://pacificturbine.com.au/pages/corporate-governance>.

Date of Scheme Booklet

This Scheme Booklet is dated 11 October 2022.

Timetable and key dates

Event	Date
First Court Hearing	Monday, 10 October 2022
Date of this Scheme Booklet	11 October 2022
Dispatch Scheme Booklet to PTB Shareholders	Friday, 14 October 2022
Latest time and date for receipt of proxy forms for the Scheme Meeting	2.00pm (AEST) on Monday, 14 November 2022
Time and date for determining eligibility of PTB Shareholders to vote at the Scheme Meeting	7.00pm (AEDT) on Monday, 14 November 2022
Scheme Meeting	2.00pm (AEST) on Wednesday, 16 November 2022
Second Court Date	Tuesday, 29 November 2022
Effective Date Court order lodged with ASIC and announcement to the ASX PTB Shares are suspended from trading at the close of trading on the ASX	Wednesday, 30 November 2022
Scheme Record Date Record date for determining entitlements to the Scheme Consideration	Friday, 2 December 2022
Implementation Date for the Scheme and issue of the Scheme Consideration	Friday, 9 December 2022

All times and dates in the above timetable are references to the time and date in Brisbane, Queensland, Australia and all such times and dates are subject to change. PTB may vary any or all of these dates and times and will provide notice of any such variation via an announcement to the ASX.

Certain times and dates are conditional on the approval of the Scheme by PTB Shareholders and by the Court. Any changes will be announced by PTB to the ASX.

Letter from Chairman of PTB Group Limited

11 October 2022

Dear PTB Shareholder,

On behalf of the PTB Board, I am pleased to provide you with this Scheme Booklet, which outlines details you will need to consider in relation to the proposed acquisition of PTB Group Limited (**PTB**) by PAG/PTB BidCo Pty Ltd (**PAG BidCo**), a wholly owned subsidiary of PAG Holding Corp. (**PAG**).

Background to the Scheme

On 19 August 2022, PTB and PAG announced that they had entered into a Scheme Implementation Deed under which PAG agreed that it or its nominee will acquire 100% of the issued capital in PTB (the **Scheme**).

The Scheme follows a comprehensive strategic review undertaken by the PTB Board with the support of MA Moelis Australia and Moelis & Company. The acquisition is to be conducted by way of scheme of arrangement and is subject to several outstanding conditions, including shareholder and Court approvals, together with other customary conditions.

This Scheme Booklet has been sent to you because you are being asked to vote on the Scheme.

Details of the total Scheme Consideration

If the Scheme becomes Effective and is implemented, each Scheme Shareholder will be entitled to receive a total cash amount of \$1.595 per PTB Share in respect of all their PTB Shares held as at the Scheme Record Date which is payable by PAG BidCo (**Scheme Consideration**).

The Scheme Consideration of \$1.595 per PTB Share represents:

- a total transaction equity value for PTB of \$202.9 million;
- a premium of 40.5% to PTB's closing share price on 17 August 2022;
- a premium of 39.5% to the one-month volume weighted average price up to and including 17 August 2022; and
- an acquisition multiple of 9.2x adjusted pre-AASB 16 FY22 preliminary unaudited EBITDAFX of 21.8 million.

Dividends

PTB Permitted Dividend

PTB expects to declare and pay a final dividend to Scheme Shareholders up to the amount of \$0.03 per PTB Share, which PTB expects will be fully franked (subject to formal declaration of the PTB Board and Net Cash of the PTB Group being not less than \$2.75 million immediately following payment of the PTB Permitted Dividend¹).

Whether a PTB Shareholder will be able to realise the full benefit of franking credits attached to the PTB Permitted Dividend will depend on their tax status and specific circumstances. PTB

¹ To the extent the PTB Permitted Dividend is paid in the period between the Second Court Date and the Implementation Date (inclusive).

Shareholders should seek independent taxation advice in respect of this matter and refer to Section 7 of this Scheme Booklet.

Independent Expert's opinion

The PTB Board has also commissioned an independent expert, BDO Corporate Finance Ltd (the **Independent Expert**), to prepare the Independent Expert's Report in relation to the Scheme. The Independent Expert has concluded that the Scheme is in the best interests of PTB Shareholders, in the absence of a Superior Proposal.

The Independent Expert has assessed the value of the equity of PTB to be in the range of \$1.39 to \$1.93 per PTB Share.

A copy of the Independent Expert's Report is contained in Annexure A.

PTB Directors' recommendation

Your directors unanimously recommend that you vote in favour of the Transaction, in the absence of a Superior Proposal and subject to the Independent Expert concluding (and continuing to conclude) that the Scheme is in the best interests of shareholders. Subject to these qualifications, each PTB Director intends to vote all their shares in favour of the Scheme.

In assessing the Transaction, the PTB Board considered the reasons to vote in favour or to not vote in favour of the Transaction, other key considerations and undertook a detailed review of the potential alternatives available to PTB Group. Key reasons to vote in favour of the Transaction, and reasons why you may choose to vote against the Transaction, are set out in Section 3.

In relation to the recommendation of Stephen Smith, Chief Executive Officer (CEO) and Managing Director of PTB, PTB Shareholders should also have regard to the fact that, if the Scheme is approved at the Scheme Meeting, Mr Smith will become entitled to a transaction bonus of \$245,000.

In addition, the PTB Board has determined that certain PTB senior management and employees are entitled to a performance bonus of \$391,003 in aggregate if the Scheme is implemented. The recipients of the performance bonus have been nominated by PTB's Remuneration Committee. Notably, Daniel Zgrajewski (Chief Financial Officer and Company Secretary) and Andrew Kazakoff (Corporate Development Manager) will be receiving \$45,000 each, with the remainder being distributed to various PTB employees. Performance bonuses are generally paid by PTB to certain PTB senior management and employees each year.

Major Shareholders' intentions

As at the Last Practicable Date, two Major Shareholders of PTB, Asir & Nek Private Limited and Kiowa Two Thousand Corporate Trustee Company Limited ("Major Shareholders") together own 28,015,546 PTB Shares (representing 22.03% of the PTB Shares on issue).

The Major Shareholders have notified the PTB Board in writing that they intend to vote all PTB Shares held by them in favour of the Scheme, in the absence of a Superior Proposal and subject to the Independent Expert concluding (and continuing to conclude) that the Scheme is in the best interest of shareholders.

Scheme Meeting

The Scheme can only be implemented if approved by PTB Shareholders at the Scheme Meeting which is scheduled for 2.00pm (AEST) on Wednesday, 16 November 2022 or as soon after that

time as the Scheme Meeting has concluded or been adjourned.² As such, your vote is important, and I strongly encourage you to carefully consider all of the information set out in this Scheme Booklet when deciding whether to vote in favour of the Scheme.

Again, your vote is important and I strongly encourage you to read this Scheme Booklet carefully and cast an informed vote on the Scheme either by personally participating in the Scheme Meeting or by appointing a proxy, an attorney or, in the case of a PTB Shareholder or proxy who is a corporation, a corporate representative to participate in the Scheme Meeting and vote on your behalf. Section 1.2 of this Scheme Booklet contains further information regarding the Scheme Meeting and your vote.

You should take into consideration all of the information set out in this Scheme Booklet when deciding whether or not to vote in favour of the Scheme. Section 3.2 of this Scheme Booklet summarises the reasons identified by the PTB Board as to why you may not want to vote in favour of the Scheme.

If you have any questions or require further information in relation to this Scheme Booklet or the Scheme, you should call the Shareholder Information Line on 1800 236 994 (or from outside Australia, +61 1800 236 994), Monday to Friday between 8.30am and 5.30pm (AEST). If you are in any doubt as to what you should do, you should consult an independent, appropriately licenced and authorised financial, legal and/or tax adviser without delay.

On behalf of the PTB Board, I would like to take this opportunity to thank you for your ongoing support of PTB and I look forward to your participation in the Scheme Meeting.

Yours sincerely,



Craig Baker
Chairman
PTB Group Limited

² Please note that the Scheme Meeting may be postponed or adjourned, including if satisfaction of Conditions Precedent are delayed. Any such postponement or adjournment will be announced by PTB to the ASX.

1. Actions for PTB Shareholders

1.1 Carefully read this Scheme Booklet

This Scheme Booklet contains information that is material to your decision whether or not to approve the Scheme by voting in favour of the Scheme Resolution. Accordingly, you should read this Scheme Booklet in its entirety, including the Independent Expert's Report, before making a decision on how to vote on the Scheme Resolution.

If you are in any doubt as to what you should do, you should also consult your legal, financial, tax or other professional adviser. Answers to some common questions are contained in Section 2 titled 'Frequently asked questions'.

If you have any additional questions about the Scheme or the Scheme Booklet, please contact the Shareholder Information Line on 1800 236 994 (or from outside Australia, +61 1800 236 994). The Shareholder Information Line is open Monday to Friday between 8.30am and 5.30pm (AEST).

A copy of the full Scheme Booklet can be obtained by anyone entitled to attend the Scheme Meeting from the ASX website at www.asx.com.au and on PTB's website at <https://pacificturbine.com.au/pages/investors> or by calling the Shareholder Information Line.

1.2 Vote on the Scheme Resolution

For the Transaction to proceed, it is necessary that sufficient PTB Shareholders vote in favour of the Scheme at the Scheme Meeting.

The Scheme Meeting to approve the Scheme is scheduled to be held in person at Morgans Financial Limited, Level 29, Riverside Centre, 123 Eagle Street, Brisbane QLD 4000 and through an online platform at <https://meetings.linkgroup.com/PTBSM22> at 2.00pm (AEST) on Wednesday, 16 November 2022.

Each PTB Shareholder who is registered on the PTB Share Register as the holder of a PTB Share at 7.00pm (AEDT) on Monday, 14 November 2022 may vote at the Scheme Meeting, by proxy, by attorney or, in the case of a corporation, by corporate representative (subject to restrictions on voting rights set out in the Notice of Scheme Meeting) and will have one vote for each PTB Share they hold.

YOUR VOTE IS IMPORTANT

Voting is not compulsory. However, the PTB Directors unanimously recommend that PTB Shareholders vote in favour of the Scheme, in the absence of a Superior Proposal and subject to the Independent Expert concluding (and continuing to conclude) that the Scheme is in the best interests of Shareholders.³

The Independent Expert has concluded that the Scheme is in the best interests of PTB Shareholders, in the absence of a Superior Proposal.

The terms of the Scheme Resolution to be considered at the Scheme Meeting are contained in the Notice of Scheme Meeting in Annexure D.

³ In respect of the recommendation of Stephen Smith, PTB Shareholders should have regard to the fact that, if the Scheme is implemented, he will receive benefits as further detailed in the Letter from Chairman of PTB Group Limited at the start of this Scheme Booklet.

The fact that the Court has ordered the Scheme Meeting to be convened and has approved this Scheme Booklet required to accompany the Notice of Scheme Meeting does not mean that the Court has prepared, or is responsible for the content of, this Scheme Booklet, or has any view as to the merits of the Scheme or as to how PTB Shareholders should vote. On these matters, PTB Shareholders must reach their own decision.

In order to proceed, the Scheme Resolution must be passed by the requisite majority of PTB Shareholders present and voting at the Scheme Meeting (or by proxy, attorney or, in the case of corporate PTB Shareholders, corporate representative) being:

- a majority in number (more than 50%) of PTB Shareholders; and
- at least 75% of the total number of votes cast on the Scheme Resolution at the Scheme Meeting by PTB Shareholders.

The Court has the discretion to waive the first of these two requirements if it considers it appropriate to do so.

1.3 How to vote

(a) Attending the Scheme Meeting in person

PTB Shareholders may vote by attending the Scheme Meeting at Morgans Financial Limited, Level 29, Riverside Centre, 123 Eagle Street, Brisbane QLD 4000 and casting a vote during the Scheme Meeting.

(b) Attending the Scheme Meeting via the online platform

PTB Shareholders may vote by attending the Scheme Meeting via the online platform at <https://meetings.linkgroup.com/PTBSM22>.

(c) Voting by proxy

PTB Shareholders wishing to appoint a proxy to vote on their behalf at the Scheme Meeting must either complete and sign or validly authenticate the personalised Proxy Form which accompanies this Scheme Booklet or lodge their proxy online. A person appointed as a proxy may be an individual or a body corporate.

Proxies participating in the Scheme Meeting will receive an email from the PTB Share Registry prior to the Scheme Meeting containing details of their proxy number which they will need to use for the online registration process. Proxies are asked to log in online 15 minutes prior to the time designated for the commencement of the Scheme Meeting, if possible, to register and to obtain a voting card.

To be valid, your Proxy Form(s) must be received by the PTB Share Registry by 2.00pm (AEST) on Monday, 14 November 2022. For further information on proxy voting, refer to the detailed instructions contained on the Proxy Form.

You can appoint a proxy by:

- lodging your appointment online <http://investorcentre.linkgroup.com>;
- mailing the Proxy Form to the PTB Share Registry at Link Market Services, Locked Bag A14, Sydney South NSW 1235;
- faxing the accompanying Proxy Form to the PTB Share Registry on +61 2 9287 0309; or
- mailing the Proxy Form to PTB's registered office.

For additional proxy forms, contact the PTB Share Registry on 1300 554 474 (or from outside Australia, +61 1300 554 474).

Note, if you have appointed a proxy and subsequently wish to attend the meeting yourself, the proxy will retain your vote and you will be unable to vote yourself unless you have notified the PTB Share Registry of the revocation of your proxy appointment before the commencement of the meeting.

(d) Voting by attorney

If voting by attorney, the power of attorney appointing the attorney must be duly signed and specify the name of the PTB Shareholder and the attorney and specify the meeting at which the appointment may be used.

The power of attorney must be returned in the same manner, and by the same time, as outlined for the Proxy Form.

(e) Voting by a corporate representative

A corporate shareholder, or body corporate appointed as a proxy, may appoint an individual as its representative to attend the Scheme Meeting and vote on its behalf. Corporate shareholders or proxies who appoint a representative must provide the representative with a properly executed notice of appointment, which the representative must provide to the PTB Share Registry for the purpose of registration.

A form for corporate representative appointment may be obtained from the PTB Share Registry at www.linkmarketservices.com.au (see the “Resources”, “Forms” Section under the “Holding Management” heading) or from https://www.linkmarketservices.com.au/corporate/forms/holding-management/App_Corp_Rep_140312.pdf.

2. Frequently asked questions

Question	Response	Reference
What is a scheme of arrangement?	<p>A scheme of arrangement is a statutory arrangement facilitated by Part 5.1 of the Corporations Act between a company and its shareholders.</p> <p>Schemes are commonly used to effect the acquisition of shares in a target company.</p> <p>Schemes must be approved by:</p> <ul style="list-style-type: none"> • a majority in number (more than 50%) of shareholders; and • at least 75% of the total number of votes cast on the scheme resolution by shareholders, <p>present and voting at the relevant scheme meeting (or by proxy, attorney or corporate representative)⁴ and the Court in order to become binding on the target company's shareholders.</p>	Section 4
What is the Scheme I am being asked to consider?	<p>PTB Shareholders are being asked to consider the proposed scheme of arrangement under which it is proposed that PAG BidCo will acquire 100% of the share capital of PTB, in return for which each Scheme Shareholder will receive the Scheme Consideration.</p> <p>The Scheme requires approval by the Requisite Majority of PTB Shareholders at the Scheme Meeting, approval by the Court at the Second Court Hearing, and lodgement of a copy of the Court orders with ASIC, in order to become Effective.</p> <p>A copy of the Scheme is contained in Annexure B.</p>	Section 4.1
What is the Scheme Implementation Deed and is it binding on me?	<p>The Scheme Implementation Deed contains various undertakings by PTB and PAG to pursue and progress the Scheme. The key terms of the Scheme Implementation Deed are summarised in Section 4.11.</p> <p>The Scheme Implementation Deed is binding on PTB only and not on PTB Shareholders. The Scheme will only become binding on PTB Shareholders if and when the Scheme becomes Effective, which will only occur if the Scheme is approved by the Requisite Majority of PTB Shareholders at the Scheme Meeting, approved by the Court at the Second Court Hearing and a copy of the Court orders are lodged with ASIC.</p>	Section 4.11
How do the PTB Directors intend to vote?	<p>The PTB Directors unanimously recommend that PTB Shareholders vote in favour of the Scheme, in the absence of a Superior Proposal and subject to the Independent Expert concluding (and continuing to conclude) that the Scheme is in the best interests of shareholders.⁵ Each PTB Director also will vote any PTB Shares owned or Controlled by them in</p>	Section 4.6

⁴ The Court has the discretion to waive the first of these two requirements if it considers it appropriate to do so.

⁵ In respect of the recommendation of Stephen Smith, PTB Shareholders should have regard to the fact that, if the Scheme is implemented, he will receive benefits as further detailed in the Letter from Chairman of PTB Group Limited at the start of this Scheme Booklet.

Question	Response	Reference
	favour of the Scheme at the Scheme Meeting, subject to the same qualifications.	
How do the Major Shareholders intend to vote?	<p>As at the Last Practicable Date, two Major Shareholders of PTB, Asir & Nek Private Limited and Kiowa Two Thousand Corporate Trustee Company Limited (“Major Shareholders”) together own 28,015,546 PTB Shares (representing 22.03% of the PTB Shares on issue).</p> <p>The Major Shareholders have notified the PTB Board in writing that they intend to vote all PTB Shares held by them in favour of the Scheme, in the absence of a Superior Proposal and subject to the Independent Expert concluding (and continuing to conclude) that the Scheme is in the best interest of shareholders.</p>	N/A
What should I do?	<p>PTB Shareholders should read this Scheme Booklet carefully and in its entirety. PTB Shareholders may also choose to consult independent legal, investment, tax or other professional advisers in relation to any of the information contained in this Scheme Booklet.</p> <p>Based on this Scheme Booklet and any independent advice you may receive, you should determine how you wish to vote on the Scheme. You are not obliged to follow the recommendation of the PTB Directors or accept the conclusion of the Independent Expert.</p> <p>You are able to vote by attending the Scheme Meeting, or by appointing a proxy, attorney or, in the case of corporate PTB Shareholders, a corporate representative, to vote on your behalf.</p> <p>Please refer to Section 1.3 and Annexure D for further information on how to vote on the Scheme.</p>	Section 1.3 and Annexure D
Who is PAG?	<p>PAG via PAG BidCo is the company that is offering the Scheme Consideration for your PTB Shares.</p> <p>PAG is a leading provider of products and value-added services to the aerospace and defence industry. PAG is headquartered in Atlanta, Georgia USA and has 16 repair stations across the USA, Canada, Australia, Brazil and Singapore with more than 650,000 square-feet of sales and service facilities.</p> <p>PAG uses its distinct business units and customer-focused business model to serve aviation customers through two business functions – Aviation Supply Chain, and its trademarked Inventory Supported Maintenance, Repair and Overhaul (ISMRO®) services. PAG provides MRO and Supply Chain Solutions for Fixed and Rotary-wing aircraft.</p> <p>PAG has MRO and Manufacturing capabilities on over 150,000 products focused on 4 verticals – avionics, components, engines, and manufacturing/sub-assembly/designated engineering representative services.</p> <p>PAG is a subsidiary of global investment firm, GenNx 360 Capital Partners. Further information on PAG and its principal activities are available on its website at www.precisionaviationgroup.com. Further information on GenNx360 Capital Partners is available at www.gennx360.com.</p>	Section 6

Question	Response	Reference
Who is PAG BidCo?	<p>PAG BidCo is a new Australian proprietary limited company that was incorporated on 28 September 2022 for the purpose of acquiring all the shares in PTB. PAG BidCo is an indirect wholly owned subsidiary of PAG.</p> <p>Further details on the ownership structure of PAG BidCo is set out at Section 6.</p> <p>If the Scheme becomes Effective and is implemented, PAG BidCo will acquire and will hold (following implementation of the Scheme) all of the shares in PTB.</p>	Section 6
What are PAG and PAG BidCo's intentions for PTB?	The intentions of PAG and PAG BidCo for PTB if the Scheme proceeds are set out in Section 6.	Section 6
Who is entitled to participate in the Scheme?	Persons who hold PTB Shares on the Scheme Record Date will participate in the Scheme.	Section 4.1
Will I have to pay brokerage fees?	No brokerage fees will be payable on the transfer of Scheme Shares to PAG BidCo under the Scheme.	Section 3.1(h)
Scheme process		
What do the PTB Directors recommend?	<p>The PTB Directors unanimously recommend that PTB Shareholders vote in favour of the Scheme, in the absence of a Superior Proposal and subject to the Independent Expert concluding (and continuing to conclude) that the Scheme is in the best interests of shareholders.⁶</p> <p>Each PTB Director also will vote any PTB Shares owned or Controlled by them in favour of the Scheme at the Scheme Meeting, in the absence of a Superior Proposal.</p> <p>In respect of the recommendation of Stephen Smith, PTB Shareholders should have regard to the fact that, if the Scheme is implemented, Stephen Smith will receive benefits as further detailed in the Letter from Chairman of PTB Group Limited at the start of this Scheme Booklet.</p> <p>Sections 9.1 and 9.3 contain further information in relation to the interests of PTB Directors.</p>	Sections 3.1(a) and 4.6 and Letter from Chairman of PTB Group Limited
What is the Independent Expert's opinion	<p>The PTB Directors have engaged BDO Corporate Finance Ltd to provide an Independent Expert's Report on the Scheme.</p> <p>The Independent Expert has concluded that the Scheme is in the best interests of PTB Shareholders, in the absence of a Superior Proposal.</p>	Section 4.7, and the Independent Expert's Report is set out in full in Annexure A

⁶ In respect of the recommendation of Stephen Smith, PTB Shareholders should have regard to the fact that, if the Scheme is implemented, he will receive benefits as further detailed in the Letter from Chairman of PTB Group Limited at the start of this Scheme Booklet.

Question	Response	Reference
What alternatives did the PTB Board consider?	<p>In assessing the Transaction, the PTB Directors considered the reasons to vote in favour or not vote in favour of the Transaction, other key considerations and undertook a detailed review of the potential alternatives available to PTB, including continuing to operate as a standalone entity and remain listed on the ASX.</p> <p>Having regard to the reasons to vote in favour or not vote in favour of the Scheme, other key considerations, and risks as set out in Section 8, the PTB Directors unanimously recommend that PTB Shareholders vote in favour of the Scheme, in the absence of a Superior Proposal and subject to the Independent Expert concluding (and continuing to conclude) that the Scheme is in the best interests of shareholders.⁷</p>	N/A
Why you may consider voting in favour of the Scheme	<p>The PTB Directors unanimously recommend that you vote in favour of the Scheme, in the absence of a Superior Proposal and subject to the Independent Expert concluding (and continuing to conclude) that the Scheme is in the best interests of shareholders.⁸</p> <p>In addition to this recommendation, reasons why you should consider voting in favour of the Scheme include:</p> <ul style="list-style-type: none"> • The Independent Expert has concluded that the Scheme is in the best interests of PTB Shareholders, in the absence of a Superior Proposal; • Since the announcement of the Scheme, no Superior Proposal has emerged; • In the absence of a Superior Proposal, PTB's share price may fall in the near-term if the Scheme is not implemented; and/or • The Scheme Consideration offered represents a premium over the recent trading price of PTB Shares. <p>Further detail is provided in Section 3.1.</p>	Section 3.1
Why you may consider voting against the Scheme	<p>Reasons why you might consider voting against the Scheme include:</p> <ul style="list-style-type: none"> • You may disagree with the PTB Directors' unanimous recommendation or the Independent Expert's conclusion and believe that the Scheme is not in your best interests; • You may believe that there is potential for a Superior Proposal to be made in the foreseeable future; • You may wish to confine your investment and exposure to a business with PTB's specific characteristics; and/or 	Section 3.2

⁷ In respect of the recommendation of Stephen Smith, PTB Shareholders should have regard to the fact that, if the Scheme is implemented, he will receive benefits as further detailed in the Letter from Chairman of PTB Group Limited at the start of this Scheme Booklet.

⁸ In respect of the recommendation of Stephen Smith, PTB Shareholders should have regard to the fact that, if the Scheme is implemented, he will receive benefits as further detailed in the Letter from Chairman of PTB Group Limited at the start of this Scheme Booklet.

Question	Response	Reference
	<ul style="list-style-type: none"> The tax consequences of the Scheme may not suit your current financial circumstances. <p>Further detail is provided in Section 3.2.</p>	
Scheme Consideration		
What will I receive if the Scheme is implemented?	If the Scheme becomes Effective and is implemented, each Scheme Shareholder will be entitled to receive a cash amount of \$1.595 per PTB Share held as at the Scheme Record Date.	Sections 4.2 and 4.8
Can I choose to keep my PTB Shares?	<p>No. If the Scheme becomes Effective and is implemented, PAG BidCo will acquire 100% of the PTB Shares on issue (including yours) and you will receive the Scheme Consideration.</p> <p>Provided that the Scheme Resolution is passed by the Requisite Majority of PTB Shareholders at the Scheme Meeting, the Scheme is approved by the Court at the Second Court Hearing and the Scheme becomes Effective and is implemented, this will occur even if you did not vote on the Scheme or if you voted against the Scheme Resolution.</p>	Section 4.8
Can I sell my PTB Shares?	<p>Yes, you can sell your PTB Shares on the ASX at any time before the close of trading on the Effective Date.</p> <p>Trading in PTB Shares will be suspended from official quotation on the ASX from the close of trading on the Effective Date. You will not be able to sell your PTB Shares on the ASX after this time.</p> <p>If you sell your PTB Shares on the ASX prior to the Effective Date:</p> <ul style="list-style-type: none"> you will not receive the Scheme Consideration; you may be required to pay brokerage on the sale of your PTB Shares; and there may be different tax consequences for you compared with those consequences that would apply if you disposed of your PTB Shares under the Scheme. 	N/A
When will I receive the Scheme Consideration?	The \$1.595 per PTB Share Scheme Consideration will be paid on the Implementation Date, which is expected to be Friday, 9 December 2022.	Sections 4.2 and 4.8
PTB Permitted Dividend		
What is the PTB Permitted Dividend?	<p>The PTB Board expects to declare and pay a fully franked PTB Permitted Dividend up to the amount of \$0.03 per PTB Share. This is provided that:</p> <ul style="list-style-type: none"> in the event that the PTB Permitted Dividend is paid in the period between the Second Court Date and the Implementation Date (inclusive) there is no less than \$2,750,000 in Net Cash of the PTB Group immediately following payment of the PTB Permitted Dividend; the record date for any such PTB Permitted Dividend is before the Scheme Record Date; the payment date for any such PTB Permitted Dividend is on or before the Implementation Date; 	Section 4.3

Question	Response	Reference
	<ul style="list-style-type: none"> the PTB Permitted Dividend must be paid in cash; the PTB Permitted Dividend complies with the Tax Act, the Corporations Act and PTB's constitution; the PTB Permitted Dividend does not breach the benchmark franking rule as defined in section 203-25 of the Tax Act; the PTB Permitted Dividend is a "frankable distribution" as defined in section 202-40 of the Tax Act; the franking account of PTB (or a PTB Group Member) is not (nor deemed to be) in deficit at any time after the payment of the PTB Permitted Dividend up to and including the Implementation Date; the payment of the PTB Permitted Dividend does not cause the share capital of a PTB Group Member to be tainted; any such PTB Permitted Dividend must be paid from the profits, retained earnings or distributable reserves (or a combination of all or any of them) of PTB existing prior to the declaration or authorisation of the relevant PTB Permitted Dividend and otherwise in accordance with the Corporations Act; and the Scheme Consideration per PTB Share will not be reduced by the aggregate amount of any PTB Permitted Dividend. 	
The Scheme Meeting		
What is the Scheme Meeting?	<p>The Scheme Meeting is a meeting of PTB Shareholders to consider the Scheme.</p> <p>The terms of the Scheme Resolution to be considered at the Scheme Meeting are contained in the Notice of Scheme Meeting in Annexure D.</p>	Sections 1.2 and 4.4, and Annexure D
Who can vote at this meeting?	PTB Shareholders who are registered on the PTB Share Register at 7.00pm (AEDT) on Monday, 14 November 2022 will be entitled to vote at the Scheme Meeting.	Section 1.2
When and where will the meeting be held?	<p>The Scheme Meeting to approve the Scheme is scheduled to be held in person at Morgans Financial Limited, Level 29, Riverside Centre, 123 Eagle Street, Brisbane QLD 4000 and through an online platform at https://meetings.linkgroup.com/PTBSM22 at 2.00pm (AEST) on Wednesday, 16 November 2022.</p> <p>PTB Shareholders wishing to vote, or their proxies or attorneys or in the case of a PTB Shareholder or proxy which is a corporation, corporate representatives, can participate in the Scheme Meeting by logging in online at http://investorcentre.linkgroup.com.</p> <p>Note, if you have appointed a proxy and subsequently wish to attend the meeting yourself, the proxy will retain your vote and you will be unable to vote yourself unless you have notified the PTB Share Registry of the revocation of your proxy appointment before the commencement of the meeting.</p>	Section 1.2

Question	Response	Reference
How can I vote if I cannot participate in the Scheme Meeting?	<p>If you would like to vote but cannot participate in the Scheme Meeting, you can vote by:</p> <ul style="list-style-type: none"> submitting your proxy online at http://investorcentre.linkgroup.com and following the instructions in the enclosed Proxy Form. You will require the information on your Proxy Form to lodge your Proxy Form through the website; by mailing a completed Proxy Form to the PTB Share Registry at Link Market Services Limited, Locked Bag A14, Sydney South NSW 1235; appointing an attorney to participate in the Scheme Meeting and vote on your behalf; or appointing a corporate representative if that option is applicable to you to participate in the Scheme Meeting and vote on your behalf. 	Sections 1.2-1.3
What vote is required to approve the Scheme?	<p>For the Scheme to proceed, the Scheme Resolution must be approved by the Requisite Majority of PTB Shareholders present and voting at the Scheme Meeting (online or by proxy, attorney or, in the case of corporate PTB Shareholders, corporate representative), which is:</p> <ul style="list-style-type: none"> a majority in number (more than 50%) of PTB Shareholders; and at least 75% of the total number of votes cast on the Scheme Resolution at the Scheme Meeting by PTB Shareholders. <p>The Court has the discretion to waive the first of these two requirements if it considers it appropriate to do so.</p>	Sections 1.2 and 4.5
How will voting at the Scheme Meetings be conducted?	<p>Voting at the Scheme Meeting will be conducted by way of a poll.</p> <p>Every PTB Shareholder who is present in person online or by proxy, corporate representative or attorney at the Scheme Meeting will have one vote for each PTB Share held by them.</p>	Annexure D
What if I do not vote at the Scheme meeting or do not vote in favour of the Scheme Resolution?	<p>If you do not vote or vote against the Scheme Resolution, but the Scheme Resolution is approved by the Requisite Majority of PTB Shareholders, then, subject to the other Conditions Precedent to the Scheme being satisfied or waived, and Court approval, and the Court order being lodged with ASIC, the Scheme will become Effective and binding on all PTB Shareholders, including those who did not vote or voted against the Scheme Resolution.</p> <p>This will see all PTB Shares (regardless of how their owner voted) exchanged for each PTB Shareholder's Scheme Consideration.</p>	Section 3.3(a)
When will the result of the Scheme Meeting be known?	<p>The result of the Scheme Meeting will be announced to the ASX shortly after the conclusion of the Scheme Meeting. The result will be accessible from the ASX's website at www.asx.com.au.</p> <p>Even if the Scheme Resolution is passed by the Requisite Majority of PTB Shareholders at the Scheme Meeting, the</p>	Section 4.4

Question	Response	Reference
	Scheme will not become Effective unless and until it is approved by the Court at the Second Court Hearing and the Court order is lodged with ASIC.	
Tax Implications of the Scheme		
What are the Australian tax implications of the Scheme for PTB Shareholders?	<p>A summary of the general Australian income tax, stamp duty and GST consequences for PTB Shareholders who participate in the Scheme and may receive a PTB Permitted Dividend is set out in Section 7.</p> <p>Each PTB Shareholder's tax position will depend on their particular circumstances. PTB Shareholders are urged to consult their own professional tax advisers as to the specific tax consequences to them of the Scheme, including the applicability and effect of income tax and other tax laws in their particular circumstances.</p>	Section 7.
Further questions		
Are there any conditions that need to be satisfied before the Scheme can proceed?	<p>As at the date of this Scheme Booklet, the outstanding Conditions Precedent which must be satisfied or waived (as applicable) before the Scheme can become Effective include:</p> <ul style="list-style-type: none"> • Shareholder approval: PTB Shareholders approve the Scheme Resolution at the Scheme Meeting by the Requisite Majorities; • Independent Expert: the Independent Expert: <ul style="list-style-type: none"> ○ issues an Independent Expert's Report which concludes that the Scheme is in the best interests of PTB Shareholders before the time when the Scheme Booklet is registered by ASIC; and ○ does not change its conclusion or withdraw its Independent Expert's Report before 8.00am on the Second Court Date; • Court approval: the Court approves the Scheme in accordance with paragraph 411(4)(b) of the Corporations Act (either unconditionally and without modification or with modifications or conditions consented to by PAG); • Net Cash: by 8.00am on the Second Court Date, PTB has no less than \$2,750,000 in Net Cash and 3 Business Days before the Second Court Date PTB provides PAG with such information as PAG requires (acting reasonably) to evidence that PTB will have no less than \$2,750,000 in Net Cash by 8.00am on the Second Court Date (for the avoidance doubt, the \$2,750,000 Net Cash cannot be reduced by the payment of any PTB Permitted Dividend on or after the Second Court Date); • Release of Escrowed Shares: before 8:00am on the Second Court Date, PTB has unconditionally released from escrow all of the Escrowed Shares; • CBA repayments and releases: before 8.00am on the Second Court Date, PTB has procured, and has provided PAG with documentation reasonably necessary to evidence: 	Section 4.11(a)

Question	Response	Reference
	<ul style="list-style-type: none"> ○ the repayment of all PTB Group's Financial Indebtedness under the CBA Facility; ○ the release of any Encumbrance granted by a member of the PTB Group in favour of CBA, and procuring the return of any title documents held by CBA, other than any Encumbrance over an asset that has been acquired using any of PTB Group's Financial Indebtedness under the CBA Asset Facility by way of finance lease, hire purchase or similar facility (Permitted Finance Debt) to secure that Permitted Finance Debt in connection with the CBA Facility; and ○ either: <ul style="list-style-type: none"> ▪ the discharge of each registration on the PPS Register in favour of CBA using the collateral class "All PAP" or "All PAP with Exception"; or ▪ the amendment of such registrations by way of their removal and replacement with registrations which are not "ALL PAP" or "All PAP with Exception" registrations; • Sunstage ALL PAP: before 8.00am on the Second Court Date, PTB has procured, and has provided PAG with documentation reasonably necessary to evidence either the discharge of the registration on the PPS Register with registration number 201707280036020 or the amendment of such registration by its removal and replacement with a registration which is not an "ALL PAP" or "All PAP with Exception" registration; • Intragroup security interests: before 8.00am on the Second Court Date, PTB has procured, and has provided PAG with documentation reasonably necessary to evidence the discharge of the registrations on the PPS Register with registration numbers 201812140017027 and 201112121420701; • Asir & Nek Loan: before 8.00am on the Second Court Date, PTB has procured, and has provided PAG with documentation reasonably necessary to evidence the repayment of all PTB Group's Financial Indebtedness under the Asir & Nek Loan and the release of any liens and collateral security thereof (if any); • CTA Promissory Note: before 8.00am on the Second Court Date, PTB has procured, and has provided PAG with documentation reasonably necessary to evidence the repayment of all PTB Group's Financial Indebtedness under the CTA Promissory Note and the release of any liens and collateral security therefor (if any); • Restraints: no law, rule, regulation, restraining order, preliminary or permanent injunction or other order preliminary or final decision, order or decree is made by a court of competent jurisdiction or Government Agency which restrains, prohibits, impedes or otherwise materially adversely impacts implementation of the Scheme, is in effect at 8.00am on the Second Court Date; • No PTB Material Adverse Change: no PTB Material Adverse Change occurs or is discovered, announced, 	

Question	Response	Reference
	<p>disclosed or otherwise becomes known to PAG, between (and including) the date of the Scheme Implementation Deed and 8.00am on the Second Court Date; and</p> <ul style="list-style-type: none"> • No PTB Prescribed Occurrence: no PTB Prescribed Occurrence occurs between (and including) the date of the Scheme Implementation Deed and 8.00am on the Second Court Date. <p>Further details regarding the Conditions Precedent are available at Section 4.11(a).</p>	
When will the Scheme become Effective?	Subject to the satisfaction or (if permitted) waiver of the Conditions Precedent, the Scheme will become Effective on the date which the Court order approving the Scheme is lodged with ASIC (this is the Effective Date). This is expected to occur on Wednesday, 30 November 2022.	Section 4.5
What happens if the Scheme does not become Effective?	<p>If the Scheme does not become Effective and is not implemented:</p> <ul style="list-style-type: none"> • you will not receive the Scheme Consideration; • you will retain your PTB Shares; and • PTB will continue to operate in the ordinary course of business and will continue as a standalone entity listed on the ASX. 	Section 4.10
What happens if a Competing Proposal is proposed?	<p>Since PTB and PAG entered the Scheme Implementation Deed on 18 August 2022 through to the date of this Scheme Booklet, no Competing Proposal has emerged.</p> <p>However, if a Competing Proposal is proposed to the PTB Board prior to the Second Court Date, the PTB Board will carefully consider the proposal and determine whether it is a Superior Proposal.</p> <p>Under the Scheme Implementation Deed, PTB must notify PAG of any Competing Proposal and its terms.</p>	Section 4.11
Under what circumstances is a break fee payable by PTB to PAG?	<p>Under the Scheme Implementation Deed, PTB must pay PAG a Break Fee of \$2,000,000 if during the Exclusivity Period, any PTB Directors:</p> <ul style="list-style-type: none"> • fails to recommend the Scheme; • withdraws, adversely changes, adversely modifies or adversely qualifies their Recommendation that PTB Shareholders vote in favour of the Scheme; or • makes a public statement: <ul style="list-style-type: none"> ○ indicating that they no longer recommend the Transaction or Scheme); ○ recommending, supporting or endorsing a Competing Proposal (but excluding a statement to the effect that no action should be taken by PTB Shareholders pending assessment of a Competing Proposal by the PTB Board or the completion of the matching right process set out in the Scheme Implementation Deed, provided that the PTB Board publicly re-affirms its 	Section 4.11(c)

Question	Response	Reference
	<p>Recommendation in favour of the Transaction when making any such statement); or</p> <ul style="list-style-type: none"> ○ recommending that PTB Shareholders accept or vote in favour of a Competing Proposal of any kind that is announced (whether or not such proposal is stated to be subject to any pre-conditions) during the Exclusivity Period. <p>However, PTB will not have to pay the Break Fee if:</p> <ul style="list-style-type: none"> • the Independent Expert concludes in the Independent Expert's Report (or any update of, or revision, amendment or supplement to, that report) that the Scheme is not in the best interests of PTB Shareholders (except where the sole or dominant reason for that conclusion is the existence, announcement or publication of a Competing Proposal (including, but not limited to, a Superior Proposal)); • the failure to recommend, or the adverse change, withdrawal, adverse modification or adverse qualification of a recommendation to vote in favour of the Scheme occurs because of a requirement by a court of competent jurisdiction or ASIC or the Takeovers Panel that one or more PTB Directors abstain or withdraw from making a recommendation that PTB Shareholders vote in favour of the Scheme after the date of the Scheme Implementation Deed; • the failure to recommend, or the adverse change, withdrawal, adverse modification or adverse qualification of a recommendation to vote in favour of the Scheme is required by the Scheme Implementation Deed; or • PTB is entitled to terminate the Scheme Implementation Deed in certain circumstances. <p>Furthermore, PTB must pay PAG a Break Fee if:</p> <ul style="list-style-type: none"> • a Competing Proposal of any kind is announced prior to the Effective Date, and within 12 months of its announcement, the Third Party who made the Competing Proposal completes a Competing Proposal or otherwise acquires a Relevant Interest in, or becomes the holder of, 50% or more of PTB Shares and that acquisition is unconditional; or • PAG terminates the Scheme Implementation Deed in certain circumstances and the Transaction does not complete. <p>No break fee is payable if the Scheme does not proceed solely as a result of the Requisite Majority of PTB Shareholders failing to approve the Scheme at the Scheme Meeting.</p> <p>See Section 4.11(c) for a more detailed explanation of the circumstances in which a break fee is payable.</p>	

Question	Response	Reference
Under what circumstances is a reverse break fee payable by PAG to PTB?	<p>Under the Scheme Implementation Deed, PAG must pay PTB a Reverse Break Fee of \$2,000,000 if during the Exclusivity Period:</p> <ul style="list-style-type: none"> • PTB terminates the Scheme Implementation Deed in certain circumstances and the Transaction does not complete; or • the Scheme becomes Effective but PAG BidCo does not pay the Scheme Consideration in accordance with its obligations under the Scheme Implementation Deed and the Deed Poll. 	Section 4.11(c)
Who can I contact if I have further questions in relation to this Scheme Booklet or the Scheme?	<p>If you have any further questions about this Scheme Booklet or the Scheme, you should:</p> <ul style="list-style-type: none"> • seek independent legal, financial, tax or other professional advice; and • contact the Shareholder Information Line on 1800 236 994 (or from outside Australia, +61 1800 236 994), Monday to Friday between 8.30am to 5.30pm (AEST). <p>PTB is a listed disclosing entity for the purpose of the Corporations Act and as such is subject to regular reporting and disclosure obligations. Information disclosed to the ASX by PTB is available on the ASX's website at www.asx.com.au or on PTB's website at https://pacificturbine.com.au/pages/investors.</p>	Section 1.1
How do I oppose the approval of the Scheme if PTB Shareholders pass the Scheme Resolution?	<p>If PTB Shareholders pass the Scheme Resolution at the Scheme Meeting and you wish to oppose the approval of the Scheme at the Second Court Hearing, you should file with the Court and serve on PTB a notice of appearance in the prescribed form together with any affidavit that you wish to rely on, attend the hearing, and indicate your opposition to the Scheme.</p> <p>The address for service for PTB is c/- Talbot Sayer, Level 27, 123 Eagle St, Brisbane QLD 4000.</p>	Section 4.5

3. Reasons for voting for and against the Scheme

The PTB Directors unanimously recommend that PTB Shareholders vote in favour of the Scheme, in the absence of a Superior Proposal and subject to the Independent Expert concluding (and continuing to conclude) that the Scheme is in the best interests of shareholders.⁹

In making this recommendation, the PTB Directors have considered the information contained in:

- Section 3.1, 'Reasons to vote in favour of the Scheme';
- Section 3.2, 'Reasons not to vote in favour of the Scheme'; and
- Section 3.3, 'Other key considerations in relation to voting on the Scheme'.

3.1 Reasons to vote in favour of the Scheme

This Section 3.1 summarises the reasons why the PTB Directors believe the Scheme is in the best interests of the PTB Shareholders and have determined to unanimously recommend that PTB Shareholders vote in favour of the Scheme, in the absence of a Superior Proposal and subject to the Independent Expert concluding (and continuing to conclude) that the Scheme is in the best interests of Shareholders.

This Section 3.1 should be read in conjunction with Sections 3.2 and 3.3 and the other information contained in this Scheme Booklet, including the Independent Expert's Report.

(a) Unanimous Board Recommendation

The PTB Directors unanimously recommend that PTB Shareholders vote in favour of the Scheme, in the absence of a Superior Proposal and subject to the Independent Expert concluding (and continuing to conclude) that the Scheme is in the best interests of shareholders.

Each PTB Director intends to vote the PTB Shares he or she holds or controls in favour of the Scheme, in absence of a Superior Proposal and subject to the Independent Expert concluding (and continuing to conclude) that the Scheme is in the best interests of PTB shareholders. In making this recommendation, the PTB Directors have considered:

- Section 3.1, 'Reasons to vote in favour of the Scheme';
- Section 3.2, 'Reasons not to vote in favour of the Scheme'; and
- Section 3.3, 'Other key considerations in relation to voting on the Scheme'.

If the Scheme becomes Effective, Stephen Smith, Chief Executive Officer (CEO) and Managing Director of PTB, will become entitled to a transaction bonus of \$245,000. Mr Smith and the PTB Board (other than Mr Smith) consider that, despite these contractual arrangements, it is appropriate for Mr Smith to make a recommendation in respect of the Scheme due to his role as CEO and Managing Director and his perspective on PTB's operations. PTB Shareholders should also have regard to these arrangements when considering Mr Smith's recommendation.

⁹ In respect of the recommendation of Stephen Smith, PTB Shareholders should have regard to the fact that, if the Scheme is implemented, he will receive benefits as further detailed in the Letter from Chairman of PTB Group Limited at the start of this Scheme Booklet.

(b) The Independent Expert has concluded that the Scheme is in the best interests of PTB Shareholders, in the absence of a Superior Proposal

PTB has appointed BDO Corporate Finance Ltd as the Independent Expert to provide an independent assessment of the Scheme, including an opinion as to whether the Scheme is in the best interests of PTB Shareholders.

The Independent Expert regards the Scheme to be in the best interests of PTB Shareholders. The Independent Expert has assessed the value of the equity of PTB to be in the range of \$1.39 to \$1.93 per PTB Share.

As the Scheme Consideration of \$1.595 per PTB Share is within the Independent Expert's assessed valuation range, the Independent Expert has concluded that the Scheme is in the best interests of PTB Shareholders, in the absence of a Superior Proposal.

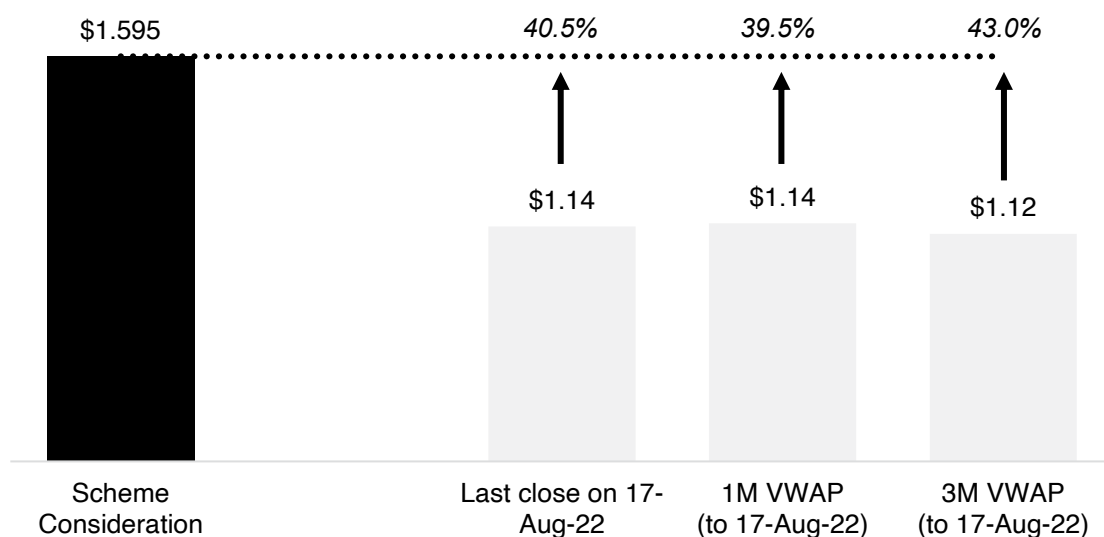
A full copy of the Independent Expert's Report is included in Annexure A of this Scheme Booklet. You should carefully read the Independent Expert's Report in its entirety before making a decision in relation to the Scheme.

(c) The Scheme Consideration offered represents a significant premium over the recent trading price of PTB Shares

The Scheme Consideration of \$1.595 cash per PTB Share represents a significant premium of:

- 40.5% premium to the PTB last close price on 17 August 2022; and
- 39.5% premium to the PTB one-month volume weighted average price up to and including 17 August 2022.

The graph below shows the premium of the Scheme Consideration to recent PTB Share prices before announcement of the Scheme.



Source: VWAP based on Iress

(d) The Transaction provides certainty of value to PTB Shareholders' investment in PTB

The consideration payable by PAG BidCo under the Scheme is 100% cash consideration. This provides certainty of value for PTB Shareholders and the opportunity to realise their investment in PTB in full for the Scheme Consideration.

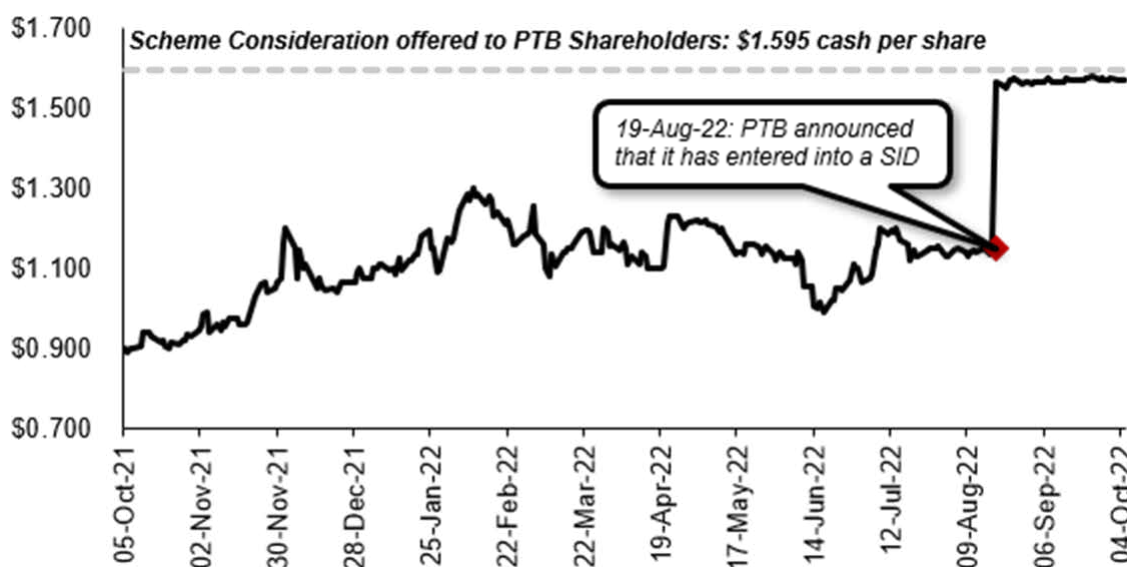
In contrast, if the Transaction does not proceed, the amount which PTB Shareholders will be able to realise for their PTB Shares will be uncertain and PTB Shareholders will continue to be exposed to the risks associated in PTB's business.

(e) In the absence of a Superior Proposal, PTB's share price may fall in the near-term if the Scheme is not implemented

Prior to the announcement of the Scheme, the closing price of PTB Shares was \$1.15 per share on 18 August 2022. On the Last Practicable Date, the closing price of PTB Shares was \$1.57.

In the absence of a Superior Proposal, if the Scheme is not implemented, there is a risk that the price of PTB Shares may fall in the near term.

The graph below shows the closing price of PTB Shares over the 12-month period to the Last Practicable Date.



(f) Since the announcement of the Scheme, no Superior Proposal has emerged

Since the announcement of the Scheme, no Superior Proposal has emerged and the PTB Directors are not aware of any Superior Proposal that is likely to emerge.

The Scheme Implementation Deed prohibits PTB from soliciting and responding to a Competing Proposal, other than in certain circumstances. PTB will notify PTB Shareholders if a Superior Proposal is received before the Second Court Date.

(g) The Transaction is supported by Major Shareholders

As at the Last Practicable Date, two Major Shareholders of PTB, Asir & Nek Private Limited and Kiowa Two Thousand Corporate Trustee Company Limited ("Major Shareholders") together own 28,015,546 PTB Shares (representing 22.03% of the PTB Shares on issue).

The Major Shareholders have notified the PTB Board in writing that they intend to vote all PTB Shares held by them in favour of the Scheme, in the absence of a Superior Proposal.

(h) No brokerage or stamp duty will be payable by you for the transfer of your PTB Shares under the Scheme

You will not incur any brokerage or stamp duty on the transfer of your PTB Shares to PAG BidCo under the Scheme. It is possible that such charges may be incurred if you transfer your PTB Shares other than under the Scheme.

3.2 Reasons to not vote in favour of the Scheme

The PTB Directors unanimously recommend that PTB Shareholders vote in favour of the Scheme, in the absence of a Superior Proposal and subject to the Independent Expert concluding (and continuing to conclude) that the Scheme is in the best interests of shareholders.¹⁰

Notwithstanding this recommendation and this conclusion, PTB Shareholders should read and consider the following reasons not to vote in favour of the Scheme when determining how to exercise their vote at the Scheme Meeting.

(a) **You may disagree with the PTB Directors' unanimous recommendation or the Independent Expert's conclusion and believe that the Scheme is not in your best interests**

Notwithstanding the unanimous recommendation of the PTB Directors and the conclusion of the Independent Expert, you may believe or receive advice that the Scheme is not in your best interests.

PTB Shareholders are not obliged to follow the recommendation of the PTB Board nor to agree with the Independent Expert's conclusion.

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

Since PTB and PAG entered into the Scheme Implementation Deed on 18 August 2022 through to the date of this Scheme Booklet, no Competing Proposal has emerged. However, PTB Shareholders may consider that a Superior Proposal with better long-term prospects for the PTB businesses could emerge in the foreseeable future. The Scheme becoming Effective and being implemented will mean that existing PTB Shareholders will not receive the benefit of any such Superior Proposal.

The Scheme Implementation Deed prohibits PTB from soliciting and responding to a Competing Proposal, other than in certain circumstances, and requires PTB to notify PAG of any Competing Proposal and its terms. PTB will notify PTB Shareholders if a Superior Proposal is received before the Second Court Date.

(c) **You may wish to confine your investment and exposure to a business with PTB's specific characteristics**

PTB Shareholders may wish to keep their PTB Shares and preserve their investment in a publicly listed company with the specific characteristics of PTB, notwithstanding the views expressed by the Independent Expert and the PTB Directors. Sections 5 and 6 set out further detail on the standalone businesses of PTB and PAG respectively.

Implementation of the Scheme may represent a disadvantage if you do not want to change your investment profile. PTB Shareholders should read this 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.

¹⁰ In respect of the recommendation of Stephen Smith, PTB Shareholders should have regard to the fact that, if the Scheme is implemented, he will receive benefits as further detailed in the Letter from Chairman of PTB Group Limited at the start of this Scheme Booklet.

(d) **The tax consequences of the Scheme may not suit your current financial circumstances**

The tax consequences of the Transaction will depend on your personal situation. You may consider that the tax consequences of transferring your PTB Shares to PAG BidCo pursuant to the Transaction are not attractive to you.

PTB Shareholders should read the tax implications of the Scheme outlined in Section 7. Section 7 is general in nature and PTB Shareholders should consult with their professional tax adviser regarding their particular circumstances.

3.3 Other key considerations in relation to voting on the Scheme

PTB Shareholders should also take into account 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**

If the Scheme is approved by the Requisite Majority of PTB Shareholders and the Court and all of the other Conditions Precedent to the Scheme are either satisfied or waived (as applicable), and the Scheme becomes Effective, the Scheme will bind all PTB Shareholders. This will include those who did not vote on the Scheme Resolution and those who voted against it, meaning that all PTB Shareholders will receive the Scheme Consideration.

(b) **Implications for PTB and PTB Shareholders if the Scheme is not implemented**

If any Conditions Precedent, including PTB Shareholder approval and Court approval, are not satisfied or waived (as applicable) prior to the End Date, the Scheme will not proceed.

If the Scheme does not proceed, PTB Shareholders will not receive the Scheme Consideration and will retain their PTB Shares. Additionally, the advantages of the Scheme described in Section 3.1 will not be realised and the potential disadvantages of the Scheme described in Section 3.2 will not arise.

If the Scheme is not implemented, PTB will continue to operate in the ordinary course of business and will continue as an entity listed on the ASX.

PTB has incurred costs in respect of the Scheme prior to the date of this Scheme Booklet, including in relation to the conduct of negotiations with PAG, retention of advisers, provision of information to PAG, obtaining regulatory review of the Scheme, engagement of the Independent Expert, and preparation of this Scheme Booklet. If the Scheme is not implemented, PTB expects to pay an aggregate of approximately \$500,000 in external transaction costs in connection with the Scheme.

(c) **Conditionality of the Scheme**

Implementation of the Scheme is subject to the satisfaction or waiver (as applicable) of a number of Conditions Precedent.

The Conditions Precedent are set out in full in clause 3 of the Scheme Implementation Deed and clause 3 of the Scheme, copies of which is available on the ASX website at www.asx.com.au and on PTB's website at <https://pacificturbine.com.au/pages/investors>.

As at the date of this Scheme Booklet, the implementation of the Scheme is still subject to a number of Conditions Precedent, which are summarised in Section 4.11.

If the Conditions Precedent are not satisfied or waived (as applicable) by the End Date, the Scheme will not become Effective and PTB Shareholders will not receive the Scheme Consideration.

(d) **Break fees**

Under the Scheme Implementation Deed, PTB has agreed to pay PAG a break fee of \$2,000,000 if conditions outlined under 'Break fee' in Section 4.11 are satisfied.

No break fees are payable if the Scheme does not proceed solely because of the Requisite Majority of PTB Shareholders failing to approve the Scheme at the Scheme Meeting.

See Section 4.11 for a more detailed explanation of the circumstances in which a break fee is payable.



4. Overview of the Scheme

4.1 Background to the Scheme

On 19 August 2022, PTB announced that it had entered into a Scheme Implementation Deed with PAG, under which it is proposed that PAG BidCo will acquire all of the issued share capital of PTB pursuant to the Scheme, subject to several Conditions Precedent including PTB Shareholder and Court approvals together with other customary conditions. The Scheme follows a comprehensive strategic review undertaken by the PTB Board with the support of MA Moelis Australia and Moelis & Company. The Scheme is a statutory procedure under the Corporations Act that is commonly used to enable one company to acquire another company.

If the Scheme is approved and becomes Effective and you hold PTB Shares on the Scheme Record Date, you will be bound by the Scheme irrespective of whether you voted in favour of it at the Scheme Meeting. If the Scheme is not approved, the Scheme will not proceed, you will not be bound by it.

A copy of the full Scheme Implementation Deed can be obtained from the ASX website (www.asx.com.au).

4.2 Scheme Consideration

Under the Scheme Implementation Deed, PAG agreed PTB Shareholders could receive a total cash amount of \$1.595 per PTB Share held by PTB Shareholders on the Scheme Record Date (payable by PAG BidCo).

4.3 PTB Permitted Dividend

(a) Introduction

The PTB Board may pay a PTB Permitted Dividend of up to \$0.03 per PTB Share prior to the Implementation Date. The final decision on whether or not to pay a PTB Permitted Dividend will be made by the PTB Directors and will depend upon a number of factors, including required levels Net Cash, the availability of franking credits, the requirements of the Corporations Act and the requirements of the Tax Act.

(b) Corporations Act requirements

Under section 254T of the Corporations Act, dividends may only be paid by a company if:

- the company'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 the company's shareholders as a whole; and
- the payment of the dividend does not materially prejudice the company's ability to pay its creditors.

In addition, section 260A of the Corporations Act enables a company to financially assist a person to acquire shares in the company or a holding company only if certain conditions are satisfied. Financial assistance of this kind would be permitted if the giving of assistance does not materially prejudice:

- the interests of the company;
- the interests of its shareholders; or
- the company's ability to pay its creditors.

The Corporations Act specifically contemplates that financial assistance (of the kind that is regulated under section 260A of the Corporations Act) may take the form of paying a dividend which may be given before the acquisition of shares. PTB only intends to pay a PTB Permitted Dividend if they can do so in compliance with section 260A.

The PTB Directors will determine (in their absolute discretion) whether or not to pay any PTB Permitted Dividend after assessing the financial position of PTB and the expected impact on creditors.

(c) Tax Act requirements

The PTB Permitted Dividend may only be paid if (among other factors including required levels Net Cash):

- it does not breach the benchmark franking rule as defined in section 203-25 of the ITAA 1997;
- it is a “frankable distribution” as defined in section 202-40 of the ITAA 1997;
- the franking account of PTB (or a PTB Group Member) is not (nor deemed to be) in deficit at any time after the payment of the PTB Permitted Dividend up to and including the Implementation Date; and
- the payment of the PTB Permitted Dividend does not cause the share capital of a PTB Group Member to be tainted.

(d) Announcement regarding any PTB Permitted Dividend

The final decision of the PTB Directors regarding the payment of a PTB Permitted Dividend will be communicated to PTB Shareholders by way of an ASX announcement before the Second Court Hearing.

(e) Tax implications of any PTB Permitted Dividend

Whether a PTB Shareholder will be able to realise benefits associated with any franking credits attached to a PTB Permitted Dividend will depend on their tax status and specific circumstances. PTB Shareholders should seek independent taxation advice in respect of this matter and refer to Section 7 of this Scheme Booklet for further details regarding the same.

4.4 Scheme Meeting

On 10 October 2022, the Court ordered that PTB convene the Scheme Meeting in accordance with the Notice of Scheme Meeting and appointed Craig Baker to chair the meeting. The Court order does not constitute an endorsement of, or any other expression of opinion on, the Scheme or this Scheme Booklet.

The purpose of the Scheme Meeting is for PTB Shareholders to consider whether to approve the Scheme. PTB Shareholders who are registered on the PTB Share Register at 7.00pm (AEDT) on Monday, 14 November 2022 are entitled to vote at the Scheme Meeting.

Voting at the Scheme Meeting will be by poll. Instructions on how to attend and vote at the Scheme Meeting (in person, online or by proxy, attorney or corporate representative) are set out in Sections 1.2 and in the Notice of Scheme Meeting in Annexure D.

The result of the Scheme Meeting will be announced to the ASX shortly after the conclusion of the Scheme Meeting. The result will be accessible from the ASX’s website at www.asx.com.au.

4.5 Approvals required from PTB Shareholders and the Court

The Scheme can only become Effective if it is approved by:

- the Requisite Majorities of PTB Shareholders at the Scheme Meeting; and

- the Court on the Second Court Date.

The **Requisite Majorities** for the Scheme Resolution are set out in section 411(4)(a)(ii) of the Corporations Act, and they are:

- a majority in number (more than 50%) of PTB Shareholders present and voting at the Scheme Meeting (either in person online, or by proxy, representative, attorney, or in the case of a corporation its duly appointed corporate representative, except to the extent the Court orders otherwise under subsection 411(4)(a)(ii)(A) of the Corporations Act and, in that case, in accordance with that Court order); and
- at least 75% of the total number of votes cast on the Scheme Resolution at the Scheme Meeting by PTB Shareholders (either in person online, or by proxy, representative, attorney or in the case of a corporation its duly appointed corporate representative).

However, the Court has the discretion to waive the first of these two requirements if it considers it appropriate to do so.

The Scheme Resolution will be voted on by way of poll.

If the Scheme is approved by the Requisite Majorities of PTB Shareholders and all Conditions Precedent to the Scheme (other than approval of the Court) have been satisfied or waived, PTB will apply to the Court for orders approving the Scheme.

The Corporations Act and the relevant Court rules provide a procedure for PTB Shareholders to oppose the approval of the Scheme by the Court. Any PTB 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 PTB a notice of appearance in the prescribed form together with any affidavit that the PTB Shareholder proposes to rely on. The address for service for PTB is c/- Talbot Sayer, Level 27, 123 Eagle St, Brisbane QLD 4000.

The date for the Second Court Hearing is currently scheduled to be Tuesday, 29 November 2022. Any change to this date will be announced through the ASX and notified on PTB's website.

4.6 Recommendation of PTB Directors

The PTB Directors unanimously recommend that PTB Shareholders vote in favour of the Scheme, in the absence of a Superior Proposal and subject to the Independent Expert concluding (and continuing to conclude) that the Scheme is in the best interests of PTB Shareholders.¹¹

Each PTB Director will vote, or procure the voting of, any PTB Shares owned or Controlled by them in favour of the Scheme at the Scheme Meeting to be held on Wednesday, 16 November 2022, in the absence of a Superior Proposal.

In considering whether to vote in favour of the Scheme, PTB Directors encourage you to:

- carefully read all of this Scheme Booklet (including the Independent Expert's Report);
- have regard to your individual risk profile, portfolio strategy, tax position and financial circumstances; and
- obtain advice from your legal, financial, tax or other professional advisers on the effect of the Scheme becoming Effective and being implemented.

¹¹ In respect of the recommendation of Stephen Smith, PTB Shareholders should have regard to the fact that, if the Scheme is implemented, he will receive benefits as further detailed in the Letter from Chairman of PTB Group Limited at the start of this Scheme Booklet.

Each PTB Director's Relevant Interests are disclosed in Sections 9.1 and 9.3 of this Scheme Booklet.

4.7 Independent Expert's conclusion

PTB Directors engaged BDO Corporate Finance Ltd as Independent Expert to consider whether the Scheme is in the best interest of PTB Shareholders. The Independent Expert has concluded that the Scheme is in the best interests of the PTB Shareholders, in the absence of a Superior Proposal. The Independent Expert's Report is contained in Annexure A.

4.8 Implementation of the Scheme

If the Scheme becomes Effective, PAG BidCo will acquire all of the PTB Shares and Scheme Shareholders will be paid the Scheme Consideration on the Implementation Date, currently expected to be Friday, 9 December 2022.

For the purposes of paying the Scheme Consideration, PAG via PAG BidCo will deposit in cleared funds, by no later than the Business Day before the Implementation Date, the aggregate Scheme Consideration into the Trust Account.

On the Implementation Date, in consideration for the transfer of each PTB Share to PAG BidCo, each Scheme Shareholder will be paid in cash in Australian currency by:

- making a deposit into the nominated bank account of the relevant Scheme Shareholder recorded on the PTB Share Register as at the Scheme Record Date. If you have not previously notified the PTB Share Registry of your nominated bank account or would like to change your existing nominated bank account, you should contact the PTB Share Registry on 1300 554 474 (or from outside Australia, +61 1300 554 474) prior to the Scheme Record Date; or
- if a Scheme Shareholder does not have a nominated bank account on the PTB Share Register as at the Scheme Record Date, sending an Australian dollar cheque for any such amount by prepaid post to their address recorded in the PTB Share Register as at the Scheme Record Date.

If the whereabouts of a Scheme Shareholder are unknown as at the Scheme Record Date, the Scheme Consideration may be paid into a separate bank account and held until claimed or applied under laws dealing with unclaimed moneys.

4.9 Deemed warranties by Scheme Shareholders

Under the terms of the Scheme, each Scheme Shareholder is deemed to have warranted to PTB, PAG and PAG BidCo and appointed and authorised PTB as its attorney and agent to warrant to PAG and PAG BidCo on the Implementation Date that:

- as at the Implementation Date, all of their Scheme Shares (including any rights and entitlements attaching to their Scheme Shares) are free from all mortgages, charges, security interests, liens, encumbrances and interests of third parties of any kind, whether legal or otherwise, and restrictions on transfer of any kind;
- they have full power and capacity to sell and to transfer their Scheme Shares to PAG BidCo together with any rights attaching to those Scheme Shares; and
- except as otherwise provided in the Scheme Implementation Deed, they have no right to be issued any PTB Shares, or any other PTB securities.

4.10 Consequences if the Scheme does not proceed

If the Scheme is not approved at the Scheme Meeting or all of the Conditions Precedent are not satisfied or waived, the Scheme will not proceed, and:

- PTB will continue to operate as an entity listed on the ASX;

- PTB Shareholders will continue to hold their PTB Shares and share in any benefits and risks of PTB's ongoing business; and
- PTB Shareholders will not receive the Scheme Consideration.

Depending on the reasons why the Scheme does not proceed, PTB may be liable to pay a Break Fee of \$2,000,000 to PAG. See Section 4.11 for further information on the Break Fee.

The PTB Directors have confidence in PTB's future as an independent entity and its ability to maintain earnings and growth. It is difficult to predict the effect on the PTB Share price if the Scheme does not proceed but in the absence of a Superior Proposal, there is a risk that the price of PTB Shares may fall in the near term.

Despite the confidence of the PTB Directors in the future of PTB as an independent entity, the PTB Directors consider that the Scheme is in the best interests of PTB Shareholders, in the absence of a Superior Proposal.

4.11 Scheme Implementation Deed

The Scheme Implementation Deed sets out the rights and obligations of PTB and PAG (including PAG BidCo) in connection with the Scheme. A copy of the Scheme Implementation Deed is available on the ASX website. The key terms of the Scheme Implementation Deed are summarised below.

(a) Conditions Precedent

The Scheme is subject to a number of Conditions Precedent under its terms and terms of the Scheme Implementation Deed, some of which have already been satisfied (including the Condition Precedent in clause 3.1(a) of the Scheme Implementation Deed relating to FIRB approval).

The following Conditions Precedent in clause 3.1 of the Scheme Implementation Deed (other than the Condition Precedent in clause 3.1(d) of the Scheme Implementation Deed relating to Court approval of this Scheme) must be either satisfied or waived in accordance with the terms of the Scheme Implementation Deed by the Delivery Time on the Second Court Date:

- **Shareholder approval:** PTB Shareholders approve the Scheme Resolution at the Scheme Meeting by the Requisite Majorities;
- **Independent Expert:** the Independent Expert issues:
 - an Independent Expert's Report which concludes that the Scheme is in the best interests of PTB Shareholders before the time when the Scheme Booklet is registered by ASIC; and
 - does not change its conclusion or withdraw its Independent Expert's Report before 8.00am on the Second Court Date;
- **Court approval:** the Court approves the Scheme in accordance with paragraph 411(4)(b) of the Corporations Act (either unconditionally and without modification or with modifications or conditions consented to by PAG);
- **Net Cash:** by 8.00am on the Second Court Date, PTB has no less than \$2,750,000 in Net Cash and 3 Business Days before the Second Court Date PTB provides PAG with such information as PAG requires (acting reasonably) to evidence that PTB will have no less than \$2,750,000 in Net Cash by 8.00am on the Second Court Date (for the avoidance doubt, the \$2,750,000 Net Cash cannot be reduced by the payment of any PTB Permitted Dividend on or after the Second Court Date);
- **Release of Escrowed Shares:** before 8:00am on the Second Court Date, PTB has unconditionally released from escrow all of the Escrowed Shares;

- **CBA repayments and releases:** before 8.00am on the Second Court Date, PTB has procured, and has provided PAG with documentation reasonably necessary to evidence:
 - the repayment of all PTB Group's Financial Indebtedness under the CBA Facility;
 - the release of any Encumbrance granted by a member of the PTB Group in favour of CBA, and procuring the return of any title documents held by CBA, other than any Encumbrance over an asset that has been acquired using any of PTB Group's Financial Indebtedness under the CBA Asset Facility by way of finance lease, hire purchase or similar facility (**Permitted Finance Debt**) to secure that Permitted Finance Debt in connection with the CBA Facility; and
 - either:
 - the discharge of each registration on the PPS Register in favour of CBA using the collateral class "All PAP" or "All PAP with Exception"; or
 - the amendment of such registrations by way of their removal and replacement with registrations which are not "ALL PAP" or "All PAP with Exception" registrations;
- **Sunstage ALL PAP:** before 8.00am on the Second Court Date, PTB has procured, and has provided PAG with documentation reasonably necessary to evidence either the discharge of the registration on the PPS Register with registration number 201707280036020 or the amendment of such registration by its removal and replacement with a registration which is not an "ALL PAP" or "All PAP with Exception" registration;
- **Intragroup security interests:** before 8.00am on the Second Court Date, PTB has procured, and has provided PAG with documentation reasonably necessary to evidence the discharge of the registrations on the PPS Register with registration numbers 201812140017027 and 201112121420701;
- **Asir & Nek Loan:** before 8.00am on the Second Court Date, PTB has procured, and has provided PAG with documentation reasonably necessary to evidence the repayment of all PTB Group's Financial Indebtedness under the Asir & Nek Loan and the release of any liens and collateral security therefor (if any);
- **CTA Promissory Note:** before 8.00am on the Second Court Date, PTB has procured, and has provided PAG with documentation reasonably necessary to evidence the repayment of all PTB Group's Financial Indebtedness under the CTA Promissory Note and the release of any liens and collateral security therefor (if any);
- **Restraints:** no law, rule, regulation, restraining order, preliminary or permanent injunction or other order preliminary or final decision, order or decree is made by a court of competent jurisdiction or Government Agency which restrains, prohibits, impedes or otherwise materially adversely impacts implementation of the Scheme, is in effect at 8.00am on the Second Court Date;
- **No PTB Material Adverse Change:** no PTB Material Adverse Change occurs or is discovered, announced, disclosed or otherwise becomes known to PAG, between (and including) the date of the Scheme Implementation Deed and 8.00am on the Second Court Date; and
- **No PTB Prescribed Occurrence:** no PTB Prescribed Occurrence occurs between (and including) the date of the Scheme Implementation Deed and 8.00am on the Second Court Date.

If the Conditions Precedent are not fully satisfied or waived then the Scheme will not proceed.

As at the date of this Scheme Booklet, none of the PTB Directors are aware of any circumstances which would cause any Condition Precedent not to be satisfied.

See the Scheme Implementation Deed and the Glossary in Section 10.1 for the meanings of the defined terms in this Section 4.11.

(b) **Exclusivity Provisions**

PTB has agreed to exclusivity provisions in the Scheme Implementation Deed, as summarised below.

PTB must cease any discussion or negotiations existing as at the date of the Scheme Implementation Deed relating to a Competing Proposal.

During the Exclusivity Period, PTB must not, and must ensure that each other PTB Group Member and each of PTB and PTB Group Member's Related Persons do not, directly or indirectly:

- **No shop:** solicit, invite, encourage, facilitate or initiate any enquiries, expressions of interests, offers, proposals, negotiations, discussions or other communications by any person, in relation to, or which may reasonably be expected to encourage or lead to the making of, or with a view to obtaining, any actual, proposed or potential Competing Proposal, or communicate to any person an intention to do so;
 - **No talk:** facilitate, participate in or continue in negotiations or discussions with any person with respect to an enquiry, expression of interest, offer, proposal, discussion, negotiation or other communication by any person in relation to, or which may reasonably be expected to encourage or lead to the making of, any actual, proposed or potential Competing Proposal;
 - negotiate, accept or enter into, or offer or agree to negotiate, accept or enter into any agreement, arrangement or understanding with any person regarding any actual, proposed or potential Competing Proposal;
 - communicate to any person an intention to do anything referred to above, even if:
 - the Competing Proposal was not directly or indirectly solicited, invited, encouraged, facilitated or initiated by PTB, any other PTB Group Member or any of their Related Persons;
 - or the Competing Proposal has been publicly announced.
- This no talk restriction does not apply if the PTB Board determines:
- after consultation with PTB's Financial Advisers, that the Competing Proposal is, or could reasonably be expected to lead to a Superior Proposal; or
 - after receiving legal advice from its external legal advisors, that compliance with the no talk and no due diligence restrictions, would, or would be reasonably likely to, constitute a breach of any of the fiduciary or statutory duties of the PTB Directors (**Fiduciary Exception**); and
- **No due diligence:** disclose or otherwise provide or make available any non-public information about the business, assets or affairs of the PTB Group or any PTB Group Member (**Non-public PTB Information**) to a Third Party (other than a Government Agency that has the right to obtain that information and has sought it) in connection with, with a view to obtaining, or which would reasonably be expected to lead to a Competing Proposal, or communicate to any person an intention to do any of these things. This no due diligence restriction is subject to the Fiduciary Exception.

Notification of Competing Proposals: During the Exclusivity Period, PTB must as soon as reasonably practicable (and in any event within 24 hours) notify PAG in writing if it, any of its Related Bodies Corporate or any of their respective Related Persons, becomes aware of any:

- negotiations, discussions or other communications, or approach, in respect of any inquiry, expression of interest, offer, proposal or discussion in relation to, or that may reasonably be expected to lead to, any actual, proposed or potential Competing Proposal;
- approach or proposal made to, or received by, PTB, any of its Related Bodies Corporate or any of their respective Related Persons, in connection with, or in respect of any exploration or completion of, or that may reasonably be expected to lead to, any actual, proposed or potential Competing Proposal (or which is otherwise, of itself, a Competing Proposal);
- any request made by a Third Party for any Non-public PTB information (other than where the PTB Board reasonably believes that such request is not in connection with such Third Party formulating, developing or finalising, or assisting in the formulation, development or finalisation of, any actual, proposed or potential Competing Proposal); or
- provision by PTB, any of its Related Bodies Corporate or any of their respective Related Persons of any Non-public PTB Information to any Third Party (other than a Government Agency) in connection with a Competing Proposal, a proposed or potential Competing Proposal, or any of the things described in the above paragraphs (inclusive),

whether direct or indirect, solicited or unsolicited, and in writing or otherwise (each, a **Notifiable Proposal**).

Matching Right: during the Exclusivity Period, PTB:

- must not, and must procure that each of its Related Bodies Corporate do not, enter into any legally binding agreement, arrangement or understanding (whether or not in writing) pursuant to which one or more of a Third Party, PTB or any Related Body Corporate of PTB propose or proposes to undertake, implement or give effect to any actual, proposed or potential Competing Proposal; and
- must procure that, in relation to a Competing Proposal, none of the PTB Directors adversely change, withdraw, adversely modify or adversely qualify their Recommendation, publicly recommend, support or endorse any actual, proposed or potential Competing Proposal (or recommend against the Transaction) or make any public statement to the effect that they may do so at a future point,

unless:

- the PTB Board has made the determination contemplated by clause 10.2 of the Scheme Implementation Deed (Fiduciary Exception);
- PTB has provided PAG with a notice setting out all material terms and conditions of the Competing Proposal (including, but not limited to, price, form of consideration, proposed deal protection provisions, any break or reimbursement fee, proposed timing, conditions precedent and the identity of the Third Party that made, together with any Third Party stated to be involved in, the Competing Proposal) (in each case, to the extent known by PTB, a PTB Group Member or any of their Related Persons);
- PTB has given PAG at least five clear Business Days after the date of the provision of the notice referred to above to announce or otherwise propose or provide to PTB a written counter-proposal to the Competing Proposal (PAG Counterproposal); and
- either:
 - o PAG has not announced or otherwise proposed or provided to PTB a PAG Counterproposal by the expiry of the five clear Business Day period referred to above; or

- o the PTB Board has made the determination contemplated by clause 10.4(d) of the Scheme Implementation Deed.

If PAG announces or otherwise proposes or provides to PTB a PAG Counterproposal by the expiry of the five clear Business Day period referred to above, PTB must procure that the PTB Board promptly considers the PAG Counterproposal and determines, acting in good faith, after consulting with PTB's Financial Adviser, whether the PAG Counterproposal would provide an outcome that is no less favourable (or more favourable) for PTB Shareholders (as a whole) than the Competing Proposal, taking into account all terms and conditions and other aspects of:

- the PAG Counterproposal (including the value and type of consideration, funding, any timing considerations, any conditions precedent, the identity, reputation and financial condition of the proponent, the views of PTB Shareholders in relation to the PAG Counterproposal compared to the Competing Proposal, the ability of the proponent to complete the transactions contemplated by the Competing Proposal compared to the PAG Counterproposal, the probability of the PAG Counterproposal being completed compared to the Competing Proposal and other relevant legal, financial, regulatory and other matters); and
- the Competing Proposal (including the matters set out in paragraphs (a) and (b) of the definition of 'Superior Proposal'),

(Matching or Superior Proposal).

If the PTB Board determines that a PAG Counterproposal is a Matching or Superior Proposal, then:

- PTB must promptly, and in any event within 48 hours, notify PAG of the determination in writing, stating reasons for that determination; and
- PTB and PAG must use their best endeavours to agree any amendments to the Scheme Implementation Deed (and any other transaction documents required) and the contents of this Scheme Booklet which are reasonably necessary to reflect and implement the PAG Counterproposal in each case as soon as reasonably practicable.

If the PTB Board determines that a PAG Counterproposal is not a Matching or Superior Proposal, then PTB must promptly, and in any event within 48 hours notify PAG of the determination in writing, stating reasons for that determination.

No Facilitation: PTB Group must not encourage, facilitate or assist (including by providing Non-public PTB Information):

- a Third Party to directly or indirectly through one or more transactions acquire a Relevant Interest in, or have a right to acquire, a legal, beneficial or economic interest in, or control of, 10% or more of PTB Shares; or
- a person who has a Relevant Interest in more than 10% of PTB Shares to dispose of (or agree to dispose of, whether conditionally or otherwise) a Relevant Interest in 10% or more of PTB Shares (including by way of buy-back or other form of capital return or issuance of a security). In determining whether the 10% level has been reached, all disposals (and agreements to dispose) (regardless of whether or not they each relate to a disposal or agreement to dispose of less than 10%) will be aggregated.

See clause 10 of the Scheme Implementation Deed for full details of the exclusivity provisions,

(c) Break fees

PTB has agreed to pay PAG a break fee of \$2,000,000 if:

- during the Exclusivity Period, any PTB Director:
 - o fails to recommend the Scheme;

- o withdraws, adversely changes, adversely modifies or adversely qualifies their Recommendation that PTB Shareholders vote in favour of the Scheme; or
- o makes a public statement:
 - o indicating that they no longer recommend the Transaction or the Scheme;
 - o recommending, supporting or endorsing a Competing Proposal (but excluding a statement to the effect that no action should be taken by PTB Shareholders pending assessment of a Competing Proposal by the PTB Board or the completion of the matching right process set out in the Scheme Implementation Deed, provided that the PTB Board publicly re-affirms its Recommendation in favour of the Transaction when making any such statement); or
 - o recommending that PTB Shareholders accept or vote in favour of a Competing Proposal of any kind that is announced (whether or not such proposal is stated to be subject to any pre-conditions) during the Exclusivity Period,

unless:

- o the Independent Expert concludes in the Independent Expert's Report (or any update of, or revision, amendment or supplement to, that report) that the Scheme is not in the best interests of PTB Shareholders (except where the sole or dominant reason for that conclusion is the existence, announcement or publication of a Competing Proposal (including, but not limited to, a Superior Proposal));
- o the failure to recommend, or the adverse change, withdrawal, adverse modification or adverse qualification of a recommendation to vote in favour of the Scheme occurs because of a requirement by a court of competent jurisdiction or ASIC or the Takeovers Panel that one or more PTB Directors abstain or withdraw from making a recommendation that PTB Shareholders vote in favour of the Scheme after the date of the Scheme Implementation Deed;
- o the failure to recommend, or the adverse change, withdrawal, adverse modification or adverse qualification of a recommendation to vote in favour of the Scheme is required by the Scheme Implementation Deed; or
- o PTB is entitled to terminate the Scheme Implementation Deed in certain circumstances and has given the appropriate termination notice to PAG;
- a Competing Proposal of any kind is announced prior to the Effective Date, and within 12 months of its announcement, the Third Party who made the Competing Proposal completes a Competing Proposal or otherwise acquires a Relevant Interest in, or becomes the holder of, 50% or more of PTB Shares and that acquisition is unconditional; or
- PAG terminates the Scheme Implementation Deed in certain circumstances and the Transaction does not complete.

PAG has agreed to pay PTB a reverse break fee of \$2,000,000 if during the Exclusivity Period:

- PTB terminates the Scheme Implementation Deed in certain circumstances and the Transaction does not complete; or
- the Scheme becomes Effective but PAG BidCo does not pay the Scheme Consideration in accordance with its obligations under the Scheme Implementation Deed and the Deed Poll.

(d) **Termination**

Either PTB or PAG may terminate the Scheme Implementation Deed by written notice to the other party (other than in respect of a breach of a PAG Representation and Warranty or a PTB Representation and Warranty):

- at any time before 8.00am on the Second Court Date, if PAG (in the case of termination by PTB) or PTB (in the case of termination by PAG) has materially breached the Scheme implementation Deed (and the relevant breach is material when taken in the context of the Scheme as a whole), the party entitled to terminate has given written notice to the party in breach of the Scheme Implementation Deed setting out the relevant circumstances and stating an intention to terminate the Scheme Implementation Deed, and the other party in breach of the Scheme Implementation Deed has failed to remedy the breach within 10 Business Days (or any shorter period ending at 5.00pm on the Business Day before the Second Court Date) after the date on which the notice is given (in which case such termination will take effect at the expiry of that period);
- in the circumstances set out in, and in accordance with, clause 3.4 of the Scheme Implementation Deed (provided that the party purporting to terminate the Scheme Implementation Deed has complied with its obligations in clause 3.4 of the Scheme Implementation Deed to the extent applicable);
- if PTB Shareholders have not agreed to the Scheme at the Scheme Meeting by the Requisite Majorities and notice is not given under clause 3.4(d) of the Scheme Implementation Deed; or
- if the Effective Date for the Scheme has not occurred, or will not occur, on or before the End Date (provided that the party purporting to terminate the Scheme Implementation Deed has complied with its obligations in clause 3.4 of the Scheme Implementation Deed to the extent applicable).

PAG may terminate the Scheme Implementation Deed by written notice to PTB at any time before 8.00am on the Second Court Date if:

- any PTB Director:
 - o fails to recommend the Scheme;
 - o withdraws, adversely changes, adversely modifies or adversely qualifies their Recommendation that PTB Shareholders vote in favour of the Scheme; or
 - o makes a public statement:
 - o indicating that they no longer recommend the Transaction or the Scheme;
 - o recommending, supporting or endorsing a Competing Proposal (but excluding a statement to the effect that no action should be taken by PTB Shareholders pending assessment of a Competing Proposal by the PTB Board or the completion of the matching right process set out in the Scheme Implementation Deed, provided that the PTB Board publicly re-affirms its Recommendation in favour of the Transaction when making any such statement; or
 - o recommending that PTB Shareholders accept or vote in favour of a Competing Proposal of any kind that is announced (whether or not such proposed is stated to be subject to any pre-conditions) during the Exclusivity Period,

for any reason and whether or not permitted to do so under the Scheme Implementation Deed; or

- in any circumstances, a PTB Group Member enters into a definitive agreement in relation to the implementation of a Competing Proposal.

PTB may terminate the Scheme Implementation Deed by written notice to PAG at any time before 8.00am on the Second Court Date if a majority of PTB Directors:

- fail to recommend the Scheme;
- withdraw, adversely change, adversely modify or adversely qualify their Recommendation that PTB Shareholders vote in favour of the Scheme; or
- make a public statement indicating that they no longer recommend the Transaction or recommend a Competing Proposal (but excluding a statement that no action should be taken by PTB Shareholders pending assessment of a Competing Proposal by the PTB Board or the completion of a matching right process set out in clause 10.4 of the Scheme Implementation Deed provided that the PTB Board publicly re-affirms its Recommendation in favour of the Transaction when making such statement),

in each case, where expressly permitted by, and in accordance with, the Scheme Implementation Deed.

Termination for breach of representations and warranties

PAG may, at any time prior to 8.00am on the Second Court Date, terminate the Scheme Implementation Deed for a material breach of a PTB Representation and Warranty only if:

- PAG has given written notice to PTB setting out the relevant circumstances and stating an intention to terminate or to allow the Scheme to lapse;
- the relevant breach continues to exist for 10 Business Days (or any shorter period ending at 5.00pm on the Business Day before the Second Court Date) after the date on which the notice is given; and
- the relevant breach is material in the context of the Scheme taken as a whole.

PTB may, at any time before 8.00am on the Second Court Date, terminate the Scheme Implementation Deed for a material breach of a PAG Representation and Warranty only if:

- PTB has given written notice to PAG setting out the relevant circumstances and stating an intention to terminate or to allow the Scheme to lapse;
- the relevant breach continues to exist for 10 Business Days (or any shorter period ending at 5.00pm on the Business Day before the Second Court Date) after the date on which the notice is given; and
- the relevant breach is material in the context of the Scheme taken as a whole.

The Scheme Implementation Deed is terminable if agreed to in writing by PAG and PTB.

Termination for breach of PTB Regulated Event

PAG may, at any time, terminate the Scheme Implementation Deed for a breach of a PTB Regulated Event only if:

- PAG has given written notice to PTB setting out the relevant circumstances and stating an intention to terminate or to allow the Scheme to lapse;
- the relevant breach continues to exist for 10 Business Days (or any shorter period ending at 5.00pm on the Business Day before the Second Court Date) after the date on which the notice is given; and

- the relevant breach is material in the context of the Scheme taken as a whole (other than in respect of each PTB Regulated Event in paragraphs (b) (*Material contracts*), (c) (*Capital Expenditure*), (d) (*Disputes*), (e) (*Financing*), (g) (*Guarantees and indemnities*), (h) (*Accounting*), (i) (*Employees*), 1.1(j) (*Advisers*), 1.1(k) (*Tax*), (l) (*Related party transactions*), 1.1(o) (*Dividends*) and 1.1(p) (*Payments*) of the definition of PTB Regulated Event, of which any breach of which will enable PAG to terminate the Scheme Implementation Deed).

(e) **Deed Poll**

On 5 October 2022, PAG executed the Deed Poll under which PAG via PAG BidCo has effectively agreed to (among other things) provide the Scheme Consideration to each Scheme Shareholder, subject to the Scheme becoming Effective.

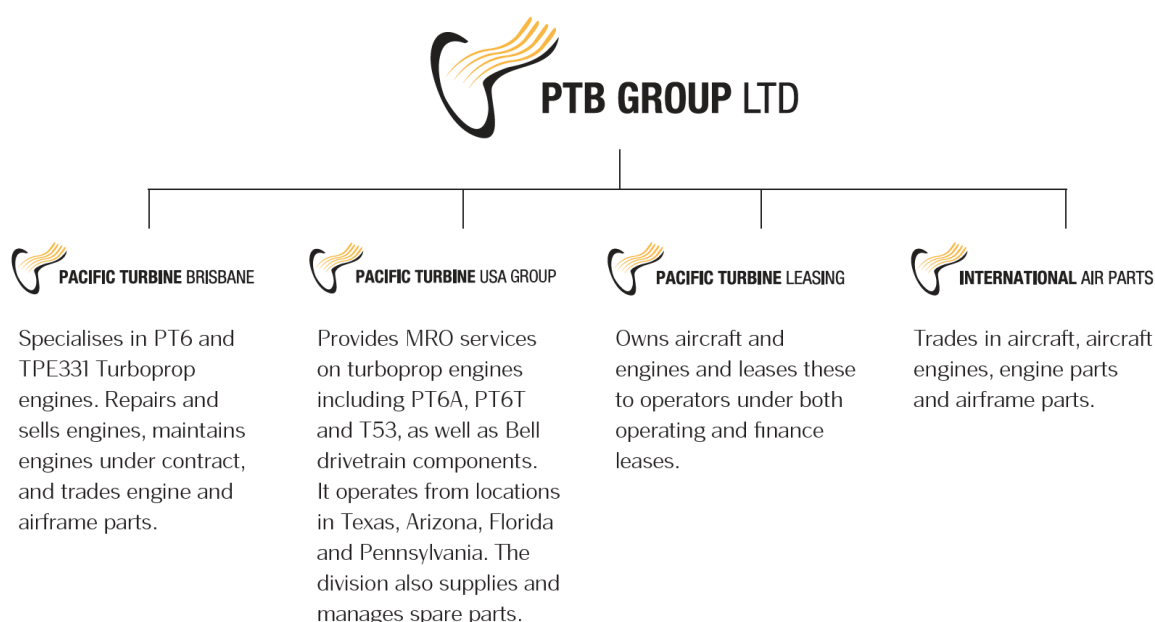
A copy of the Deed Poll is attached as Annexure C to this Scheme Booklet.

5. Overview of PTB

PTB is an ASX listed aviation services company with its shares quoted under the code 'PTB'. PTB provides the following services globally:

- Maintenance, repair and overhaul ("MRO") services for turbo prop aircraft engines;
- Aircraft and engine leasing; and
- Aircraft and engine spare parts.

PTB Group provides these services through its four operating divisions:



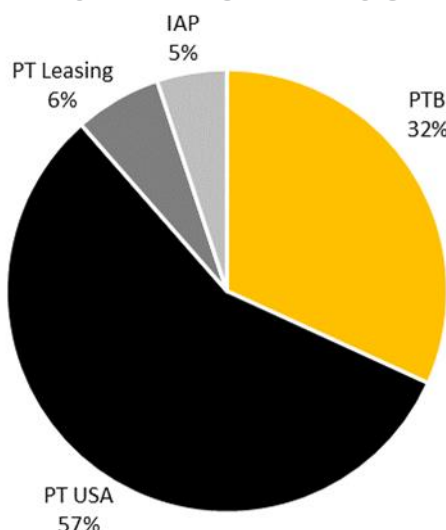
PTB Group provides its services to predominantly two turboprop engine types, being the Pratt and Whitney PT6 series and the Honeywell TPE331 engines that are used on narrow bodied planes of less than 25 seat capacity. PTB Group also retains capability to service PT6A and T53 helicopter engines and Bell drivetrain components and to tear down and sell spare parts for other engine variants. The table below details the capability of the group by engine type.

ENGINE MANUFACTURER	ENGINE TYPE	PTB Group Capability
Pratt and Whitney	PT6A – Small	✓
	PT6A – Medium	✓
	PT6A – Large	✓
	PT6T	✓
Honeywell	TPE331	✓
	T53	✓

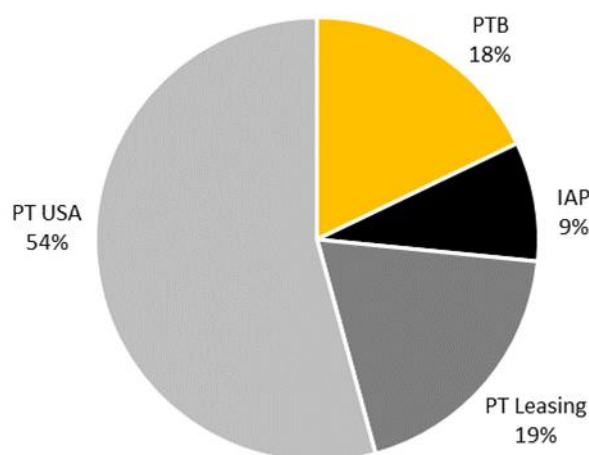
PTB Group maintains a diverse customer base throughout the world including Australia, North and South America, Europe, Asia and the Pacific Islands. For the first time in its operating history, PTB Group derived the majority of its revenues from the United States in 2021, which firmly positions the group in the largest market for PT6 engines in the world. PTB Group estimates there are over 20,000 PT6 engines in circulation with around half of these residing in the United States.

PTB provides MRO, sales and support services to its customers in essential markets such as fly-in fly-out ("FIFO"), aero-medical, regional transportation, agricultural, corporate travel, government and tourism.

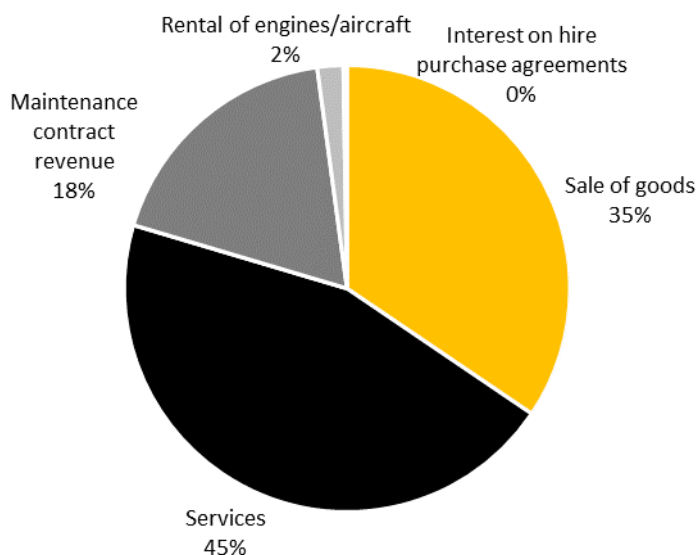
FY2022 REVENUE BY DIVISION



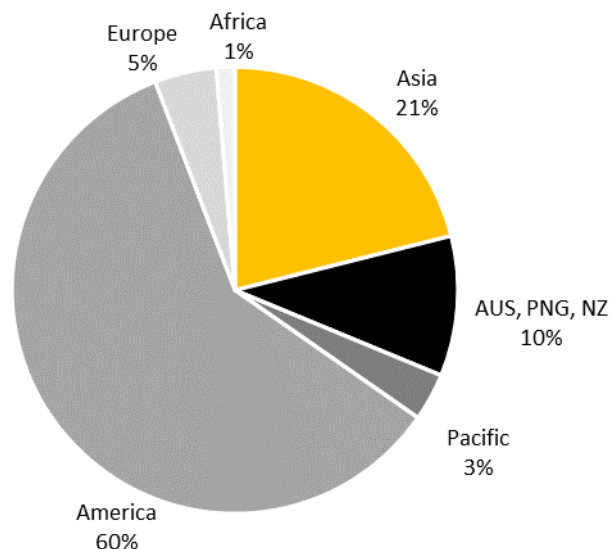
FY2022 EBITDA BY DIVISION



FY2022 REVENUE BY SERVICE



FY2022 REVENUE BY GEOGRAPHY

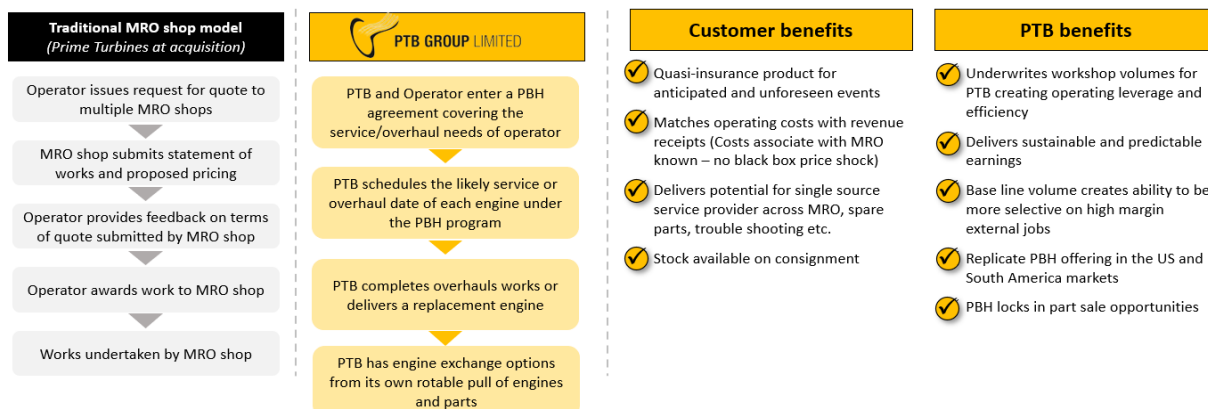


PTB Group offers an integrated business model which aims to provide multiple touchpoints over the asset lifecycle. By offering products such as Power By the Hour, PTB Group differentiates itself from a traditional MRO shop and yields many benefits in the form of increased customer retention, sales of additional spare parts and end of life services.

Further, PTB Group's leasing division provides an initial entrée into the life of an engine or airframe, thereafter allowing further opportunities to provide MRO services and sales of engines and spare parts. At the end of the lease of the engine or aircraft, PTB Group is able to profit from re-leasing, sale or tear-down opportunities.

The table below compares the traditional model of service delivery compared to PTB Group's process.

Traditional MRO Shop Model vs PTB's Power By the Hour Product Offering

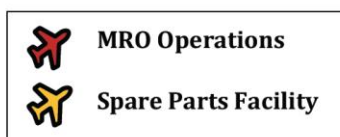


PTB Group operates out of its workshop facilities in Australia (Brisbane) and USA (Arizona, Texas and Pennsylvania). Spare parts and teardown services are provided out of the Lane Cove facility in Australia and the Miami facility in the US. PTB Group is the largest non-OEM maintenance repair and overhaul company in the world for PT6A/T engines.

AUSTRALIAN OPERATING FOOTPRINT



USA OPERATING FOOTPRINT



PTB Group operates out of three MRO facilities and one Spare Parts facility in the USA.



Dallas, Texas

- » 65,000 sq. ft.
- » PT6A independent
- » PT6A test cell



Mesa, Arizona

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



Butler, Pennsylvania

- » 2,500 sq. ft.
- » PT6A independent quick turn shop for Hot Sections/Power Sections

5.1 Corporate history

PTB Group was incorporated in 2001 to acquire the Brisbane assets of Pacific Turbine Pty Ltd ACN 079 166 653. PTB initially focused on providing services in relation to the Pratt & Whitney PT6A and Honeywell TPE331 turbine engines.

In March 2005, PTB listed on the Newcastle Stock Exchange (NSX).

PTB Group completed the acquisition of IAP Group in September 2006. Its business operations were highly complementary to PTB Group's business. IAP Group is a Sydney-based niche aviation asset management company providing aircraft inventory support, encompassing:

- global supply of aviation parts; and
- global aircraft and engine financing and sales.

In October 2006, PTB announced it had acquired the aircraft and associated parts of the UK companies, Emerald Airways Ltd and Emerald Airways Engineering Ltd. The assets that were acquired comprised five British Aerospace ATP's, 14 HS 748's, 10 Shorts 360's and their related spare parts along with a lease of an engineering facility at the Blackpool airport. The HS 748 aircraft are assets which IAP Group has a long-term history of trading and managing.

In December 2006, PTB moved from the NSX to the ASX. On 13 December 2006, PTB Group Limited was admitted to the official list of ASX and its shares commenced official quotation and trading on 18 December 2006 at an issue price of \$2.00 per share. In conjunction with this move PTB issued 2.5 million shares at \$2 each to raise \$5 million. This followed capital raisings totalling \$7.9 million earlier in the period to fund part of the IAP Group and Emerald assets acquisitions.

In June 2007 a financing and rental fund was created with debt provided by an Australian financial institution. The purpose of the fund was to acquire and refurbish a diverse array of aviation assets for resale or lease. By this time, PTB Emerald had also refurbished and delivered one of the ATP and three of the HS748 freighters to European customers.

In 2013, Daniel Zgrajewski was appointed Company Secretary and CFO of PTB.

In 2016, Stephen Smith was appointed as Managing Director in place of Craig Baker who moved into the Chairman role.

In 2017, PTB announced a financing partnership for leasing growth with Japanese-based SBI Leasing. Furthermore, PTB signed a new US\$65 million contract with Trans Maldivian Airways, along with a new US parts supply and engine maintenance contract.

On 31 January 2020, PTB announced that it entered into binding agreements to acquire Prime Turbines LLC. In addition, PTB also entered into arrangements to acquire a package of inventory from CT Aerospace LLC. PTB agreed to purchase the inventory for the carrying value of the assets.

To fund the acquisition of Prime Turbines, PTB launched an equity raising, comprising a fully committed placement and fully underwritten 1 for 2.35 pro-rata non-renounceable entitlement offer of fully paid ordinary shares in PTB (New Shares) to eligible shareholders. Proceeds of the Equity Raising also provided additional working capital and fund costs of the Equity Raising and acquisitions. This transaction was completed on 27 February 2020.

On 25 June 2021, PTB announced that it had reached an agreement to acquire the assets of United Turbine from Continental Aerospace Technologies. United Turbine has been recognised as a leader in the PT6 overhaul industry with a reputation for quality workmanship provided by a team of talented technicians. Continental's divestment of United Turbine is reflective of its desire to focus its efforts on the piston engine market. The asset purchase, which includes United Turbine's inventory, work in progress, tooling and equipment, also saw PTB Group gain access to United Turbine's customers and provide warranty support for Continental into the future.

Today, PTB is an aviation company which provides services including maintenance, repair and overhaul services for turbo prop aircraft engines, aircraft and engine leasing and aircraft and engine spare parts, across its four operating divisions.

5.2 Business model

(a) Revenue streams

PTB generates revenue primarily from the sale of goods (turbine engines, aircraft and related parts), provision of services (repair services and maintenance), rental of engines/aircraft and interest income from financing arrangements on the same. Other sources of revenue include other interest income and freight collected.

Source	Description
Sale of goods	<p>This involves sale of turbine engines, aircraft and related parts.</p> <p>PTB recognises revenue once a customer takes control of the part, engine or aircraft. For parts sales, this is deemed to occur once the items have been dispatched to the customer. While this is also generally the case for engine and aircraft sales, there are occasions where customers are deemed to have taken control of these goods prior to shipment. In these cases, appropriately completed sales documents demonstrate the transfer of control to the customer.</p> <p>Payment terms will vary depending on the relationship with the customer. These can include prepayment and credit terms (usually 30 days).</p>
Services	<p>The services performed can range from minor part repairs to engine overhauls. With repairs and overhauls, the Group is enhancing the state of the engine/part, however the asset remains under the customer's control.</p> <p>Revenue is recognised in line with the Group's satisfaction of performance obligations. In many cases, this is at the completion of the job, however for larger jobs, revenue is taken up progressively in line with the percentage of completion.</p>

Source	Description
	<p>Payment terms will vary depending on the relationship with the customer. These can include prepayment and credit terms (usually 30 days).</p> <p>PTB invoices customers monthly across the term of the contracts. The monthly invoices are usually based on engine utilisation for the prior month and are payable on credit terms of up to 30 days.</p>
Maintenance contract revenue	<p>The Group enters into engine maintenance agreements with customers. While the detailed terms of each contract vary, they all include the supply of a combination of parts, engines and workshop services over the term of the agreement.</p> <p>Revenue recognition is based on the timing of the supply of goods and services under these agreements rather the timing of the invoicing. The Group uses the same approaches explained above to determine when to recognise revenue for parts, engines and workshop services supplied under engine maintenance agreements.</p>
Rental of engines/aircraft	<p>Revenue from the lease, hire or rental of engines and aircraft is recognised as the services are provided. These may include a combination of fixed monthly charges and variable charges based on engine/aircraft utilisation each month. These are billed and paid on a monthly basis and can include credit terms of up to 30 days.</p>
Interest on extended credit receivables (hire purchase agreements)	<p>The Group recognises interest revenue in relation to financing arrangements provided on aircraft and engines. This interest revenue is recognised by the Group on a progressive basis over the term of the contract. Monthly instalments including interest and principal repayments are paid by the customer as per the terms of the finance agreement.</p>

Set out below is the mix of revenue over the financial years ended 30 June 2021 and 30 June 2022:

Revenue	Historical	Historical
A\$'000	FY21	FY22
Sale of goods	28,745	42,349
Services	38,185	55,450
Maintenance contract revenue	11,429	22,442
Rental of engines/aircraft	2,550	2,319
Interest on extended credit receivables (hire purchase agreements)	502	322
Other revenue	3,828	2,595
Total	85,239	125,477

5.3 PTB Board and Senior Management

(a) Board

Name	Role
Craig Baker	Chairman and Director
Stephen Smith	Chief Executive Officer and Managing Director
Andrew Kemp	Independent Non-Executive Director
Prince Gunasekara	Non-Executive Director

(b) Management

Name	Role
Stephen Smith	Chief Executive Officer and Managing Director
Daniel Zgrajewski	Chief Financial Officer and Company Secretary

5.4 Capital structure

As at the date of this Scheme Booklet, PTB's capital structure comprises 127,203,057 PTB Shares.

5.5 Share price history

On 18 August 2022, being the last trading day prior to the announcement of the Scheme on 19 August 2022, the closing price of PTB Shares on the ASX on was \$1.15.

During the three months ending on 18 August 2022:

- (a) the highest recorded daily closing price for PTB Shares on the ASX was \$1.20 on 8 July 2022 and 14 July 2022; and
- (b) the lowest recorded daily closing price for PTB Shares on the ASX was \$0.99 on 17 June 2022.

Up to 18 August 2022, PTB's share price average values (based on daily closing price) have been as follows for the past 1 year, 3 years and 5 years:

- (a) 1-year average: \$1.08;
- (b) 3-year average: \$0.81; and
- (c) 5-year average: \$0.72.

5.6 Substantial PTB Shareholders

As of the date of this Scheme Booklet, the substantial PTB Shareholders who have notified their interests to the ASX are as below:

Name	Holding	Percentage
Asir & Nek Private Limited	14,801,636	11.64%
Kiowa Two Thousand Corporate Trustee Company Limited	13,213,910	10.39%

5.7 Historical financial information

(a) Historical Financial Information

This Section 5.7 contains the following historical financial information of PTB:

- historical consolidated statement of profit and loss and other comprehensive income for the years ended 30 June 2021 and 30 June 2022 and the financial half-year ended 31 December 2021 (**PTB Historical Income Statements**);
- historical consolidated statement of financial position as at 30 June 2021 and 30 June 2022 (**PTB Historical Statements of Financial Position**); and
- historical consolidated statement of cash flows for the years ended 30 June 2021 and 30 June 2022 (**PTB Historical Statements of Cash Flows**),

(together, the **PTB Historical Financial Information**).

This Section should be read in conjunction with the rest of this Scheme Booklet, including information on the risk factors set out in Section 8 including the risks associated with the Scheme, as set out in Section 8.2.

(b) Basis of preparation

The PTB Historical Financial Information presented in this Section 5.7 has been extracted from PTB's consolidated financial statements for the year ended 30 June 2021, financial half-year ended 31 December 2021 and year ended 30 June 2022. The consolidated financial statements of PTB for the financial years ended 30 June 2021 and 30 June 2022 were audited by Hall Chadwick in accordance with Australian Auditing Standards and on which Hall Chadwick provided an unqualified audit opinion. The consolidated financial statement of PTB for the financial half year ended 31 December 2021 was not audited by Hall Chadwick but was subject to their review.

The PTB Historical Financial Information for the financial year ended 30 June 2021 and 30 June 2022 and financial half-year ended 31 December 2021 are general-purpose financial statements, which have been prepared in accordance with AAS and interpretations of the AASB and IFRS as issued by the IASB.

The PTB Historical Financial Information presented in this Section 5.7 has been presented in abbreviated form and consequently does not contain all the presentation and disclosures that are usually provided in an annual report prepared in accordance with the Corporations Act.

The PTB Historical Financial Information presented in this Section 5.7 should therefore be read in conjunction with the financial statements for the respective periods, including the description of the accounting policies and the notes to those financials statements, all of which are available at <https://pacificturbine.com.au/pages/investors> or the ASX website at www.asx.com.au.

The PTB Historical Financial Information is presented in Australian dollars, which is PTB's functional currency. A number of figures, amounts, percentages, prices, calculations of value and fractions are subject to the effect of rounding. Accordingly, totals in tables may not add due to rounding.

(c) PTB Historical Income Statements

	Full Year Ended	Half Year Ended	Full Year Ended
	30 June 2022	31 December 2021	30 June 2021
	\$'000	\$'000	\$'000
Revenue	125,477	55,615	85,239
Total Revenue	125,477	55,615	85,239

	Full Year Ended	Half Year Ended	Full Year Ended
	30 June 2022	31 December 2021	30 June 2021
	\$'000	\$'000	\$'000
Changes in inventories of finished goods and work in progress	16,955	7,718	(4,767)
Raw materials and consumables used and finished goods purchased for sale	(88,150)	(38,810)	(37,786)
Employee benefits expense	(18,769)	(8,936)	(16,592)
Depreciation and amortisation	(4,726)	(2,151)	(4,451)
Repairs and maintenance	(531)	(227)	(450)
Bad and doubtful debts	252	17	1,038
Finance costs	(1,488)	(722)	(1,468)
Net foreign exchange gain/(loss)	217	148	(135)
Net gain/(loss) on disposal of fixed assets	633	625	5,780
Other expenses	(11,894)	(5,730)	(9,725)
Total expenses	(107,501)	(48,068)	(68,556)
Profit/(Loss) before income tax expense	17,976	7,547	16,683
Income tax expense	(4,300)	(1,480)	(3,881)
Profit/(Loss) for the year/half year attributable to the owners of the parent entity	13,676	6,067	12,802
Other comprehensive income net of tax:			
Exchange differences on translation of foreign operations	3,795	1,234	(3,447)
Total comprehensive income/(loss) for the year/half year attributable to the owners of the parent entity	17,471	7,301	9,355
	Cents	Cents	Cents
Basic earnings per share	10.75	4.77	10.08
Basic earnings per share	10.75	4.77	10.08

(d) **PTB Historical Statements of Financial Position**

	Full Year Ended	Full Year Ended
	30 June 2022	30 June 2021
	\$'000	\$'000
Current Assets		
Cash and cash equivalents	18,379	20,663

	Full Year Ended	Full Year Ended
	30 June 2022	30 June 2021
	\$'000	\$'000
Trade and other receivables	22,001	23,782
Inventories	67,060	50,105
Assets Held for Sale	-	3,034
Derivative financial instruments	-	1
Other current Assets	1,987	1,912
Total Current Assets	109,427	99,497
Non-Current Assets		
Trade and other receivables	5,664	8,546
Inventories	1,876	2,098
Property, plant and equipment	28,000	24,413
Deferred tax asset	3,138	2,888
Intangible assets	12,628	11,953
Total Non-Current Assets	51,306	49,898
Total Assets	160,733	149,395
Current Liabilities		
Trade and other Payables	12,711	8,299
Borrowings	11,370	10,290
Derivative financial liabilities	133	93
Current tax liabilities	2,683	3,580
Provisions	1,591	1,448
Other current liabilities	3,213	3,476
Total Current Liabilities	31,701	27,186
Non-Current Liabilities		
Borrowings	18,122	21,448
Deferred tax liabilities	4,912	5,571
Provisions	409	175
Other non-current liabilities	830	1,367
Total Non-Current Liabilities	24,273	28,561
Total Liabilities	55,974	55,747
Net Assets	104,759	93,648
Equity		
Issued capital	82,156	82,156
Reserves	20,637	16,830
Retained earnings	1,966	(5,338)
Total Equity	104,759	93,648

(e) **PTB Historical Statements of Cash Flows**

	Full Year Ended	Full Year Ended
	30 June 2022	30 June 2021
	\$'000	\$'000
Cash Flows From Operating Activities		
Cash receipts from customers (inclusive of GST)	133,067	82,865
Cash payments to suppliers and employees (inclusive of GST)	(112,169)	(72,911)
Interest received	330	520
Finance costs	(1,488)	(1,468)
Income tax paid	(5,796)	(1,688)
Net cash provided by operating activities	13,944	7,318
Cash Flows From Investing Activities		
Payments for property, plant and equipment	(7,278)	(1,179)
Proceeds on disposal of property, plant and equipment	4,500	9,341
Net cash provided by/(used in) investing activities	(2,778)	8,162
Cash Flows From Financing Activities		
Proceeds from borrowings	6,671	6,397
Payments to buy-back shares	-	(472)
Repayment of borrowings	(12,492)	(13,471)
Repayment of lease liabilities	(1,269)	(931)
Payment of dividends	(6,360)	(1,547)
Net cash used in financing activities	(13,450)	(10,024)
Net increase/(decrease) in cash and cash equivalents held	(2,284)	5,456
Cash and cash equivalents at the beginning of the year/half year	20,663	15,207
Cash and cash equivalents at the end of the year/half year	18,379	20,663

5.8 Material changes in PTB's financial position

To the knowledge of the PTB Directors, the financial position of PTB as at the Last Practicable Date has not materially changed since the year ended 30 June 2022, other than as disclosed elsewhere in this Scheme Booklet or otherwise disclosed to the ASX by PTB.

5.9 PTB Directors' intentions for the business of PTB

The Corporations Regulations require a statement by the PTB Directors of their intentions regarding PTB's business and employees. If the Scheme is implemented, unless PAG requests

otherwise, the existing PTB Directors will resign, and the PTB Board will be reconstituted in accordance with the instructions of PAG.

Accordingly, it is not possible for the PTB Directors to provide a statement of their intentions after the Scheme is implemented regarding:

- the continuation of the business of PTB or how PTB's existing business will be conducted;
- any major changes, if any, to be made to the business of PTB; or
- any future employment of the present employees of PTB.

If the Scheme is implemented, PAG BidCo will own and control all of PTB's securities. The PTB Directors have been advised that the intentions of PAG and PAG BidCo with respect to these matters are set out in Section 6.

If the Scheme is not implemented, the PTB Directors intend to continue to operate PTB in the ordinary course of the business.

5.10 Publicly available information

PTB is a listed disclosing entity for the purpose of the Corporations Act and as such is subject to regular reporting and disclosure obligations. These obligations require PTB 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. Specifically, as a company listed on the ASX, PTB is subject to the Listing Rules, which require (subject to some exceptions) continuous disclosure of any information that PTB has that a reasonable person would expect to have a material effect on the price or value of PTB Shares.

ASX maintains files containing publicly disclosed information about all entities listed on the ASX. Information disclosed to the ASX by PTB is available on ASX's website at www.asx.com.au.

In addition, PTB is required to lodge various documents with ASIC. Copies of documents lodged with ASIC by PTB may be obtained from ASIC.

PTB's Shareholders may obtain a copy of PTB's FY22 Annual Report and FY21 Annual Report (including the audited financial statements) and 1HFY22 Financial Report from ASX's website at www.asx.com.au or from PTB's website at <https://pacificturbine.com.au/pages/financial-reports>.

PTB's announcements to ASX after the lodgement with ASX of its 1HFY22 Financial Report to the Last Practicable Date are listed in the table below.

Date	Announcement
23 February 2022	Half Year Results Presentation
21 April 2022	Profit Guidance
16 August 2022	Director Appointment/Resignation
16 August 2022	Final Director's Interest Notice
18 August 2022	Pause in Trading
18 August 2022	Trading Halt
19 August 2022	PTB Enters into Scheme Implementation Deed
26 August 2022	Preliminary Final Report
26 August 2022	Investor Presentation

Date	Announcement
31 August 2022	Change of Director's Interest Notice
2 September 2022	Change of Director's Interest Notice
8 September 2022	Change of Director's Interest Notice
9 September 2022	Annual Report to Shareholders
9 September 2022	Appendix 4G
14 September 2022	Change of Director's Interest Notice
15 September 2022	FIRB Approval Received for PTB Scheme
16 September 2022	Change of Director's Interest Notice

6. Information about PAG

This Section 6 has been prepared by PAG Holding Corp., (**PAG**). The information concerning PAG and the intentions, views and opinions contained in this Section 6 are the responsibility of PAG. PTB Group and its officers and advisers do not assume any responsibility for the accuracy or completeness of this information.

6.1 Overview of PAG

(a) Principal activities of PAG

PAG is a leading provider of products and value-added services to the aerospace and defence industry. PAG is headquartered in Atlanta, Georgia USA and has 16 repair stations across the USA, Canada, Australia, Brazil and Singapore with more than 650,000 square-feet of sales and service facilities.

PAG uses its distinct business units and customer-focused business model to serve aviation customers through two business functions – Aviation Supply Chain, and its trademarked Inventory Supported Maintenance, Repair and Overhaul (ISMRO®) services. PAG provides maintenance, repair and overhaul (**MRO**) and supply chain solutions for fixed and rotary-wing aircraft.

PAG has MRO and manufacturing capabilities on over 150,000 products focused on 4 verticals – avionics, components, engines, and manufacturing/sub-assembly/designated engineering representative services.

PAG is a subsidiary of global investment firm, GenNx360 Capital Partners (**GenNx360**).

Further information on PAG and its principal activities are available on its website at www.precisionaviationgroup.com. Further information on GenNx360 is available at www.gennx360.com.

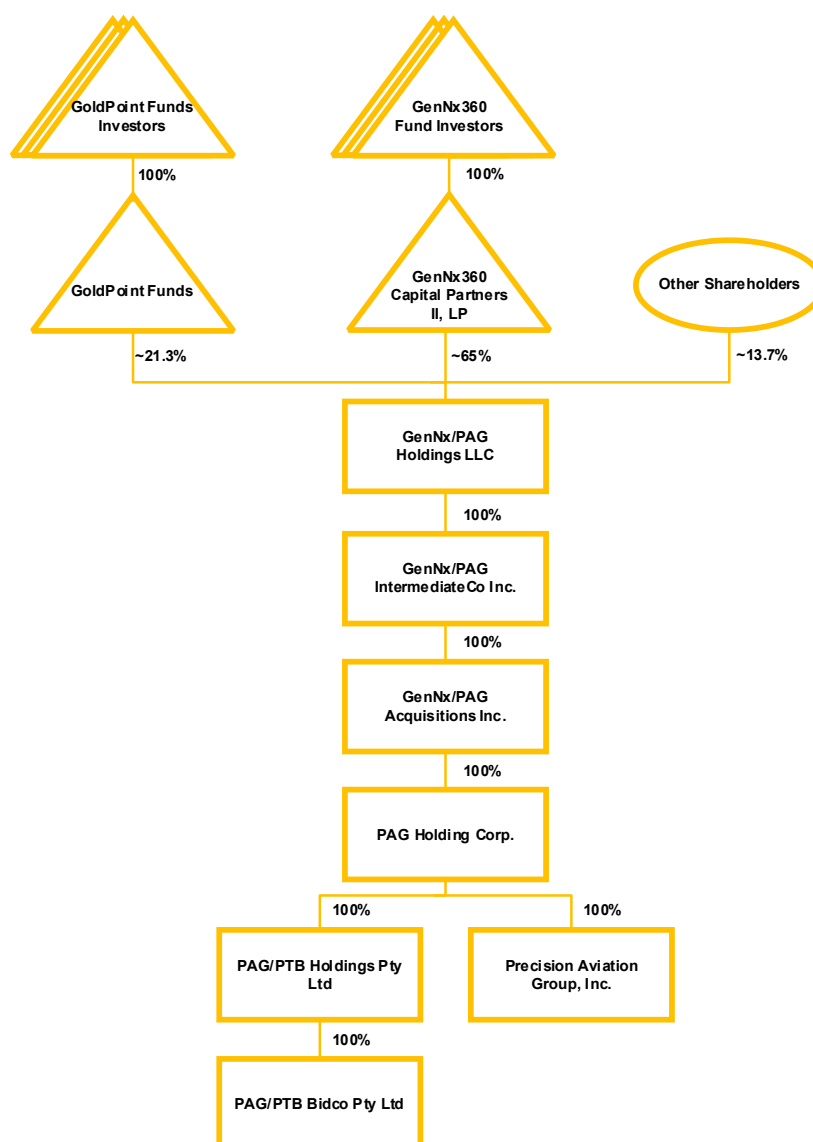
(b) Ownership structure

As at the date of this Scheme Booklet:

- PAG BidCo is a wholly-owned subsidiary of PAG HoldCo.
- PAG HoldCo is a wholly-owned subsidiary of PAG.
- Precision Aviation Group, Inc. is a wholly-owned subsidiary of PAG.
- PAG is a wholly-owned subsidiary of GenNx/PAG Acquisitions Inc.
- GenNx/PAG Acquisitions Inc. is a wholly-owned subsidiary of GenNx/PAG IntermediateCo Inc.
- GenNx/PAG IntermediateCo Inc. is a wholly-owned subsidiary of GenNx/PAG Holdings LLC.

- GenNx/PAG Holdings LLC is owned by GenNx360 Capital Partners II, LP¹², the GoldPoint Funds¹³ and the Other Shareholders¹⁴.
- the GenNx Fund Investors are the limited partners of GenNx360 Capital Partners II, LP and the GoldPoint Funds Investors are the limited partners of the GoldPoint Funds (as indicated in the structure diagram below).

The ownership structure of PAG and PAG BidCo as at the Implementation Date is illustrated below.¹⁵



¹² GenNx360 Capital Partners II, LP owns approximately 65% of GenNx/PAG Holdings LLC.

¹³ The GoldPoint Funds comprise GoldPoint Partners Co-Investment VI, LP (approximately 15.8%) and GoldPoint Mezzanine Partners IV, LP (approximately 5.5%).

¹⁴ The Other Shareholders comprise the Teachers Insurance and Annuity Association of America (approximately 7.9%), Madison Capital Funding Co-Investment Fund L.P. (Series 2018) (approximately 0.8%) and management shareholders (approximately 5%).

¹⁵ Note that the structure diagram is a simplified structure diagram and does not depict the entire PAG Group.

6.2 Board of directors of PAG and PAG BidCo

(a) PAG Board

As at the date of this Scheme Booklet, the PAG board is comprised of the following directors:

Name	Profile
David Mast	David Mast serves as President and CEO of PAG. David is based in Atlanta, Georgia USA and is responsible for managing all aspects of the PAG Group. David has over 32+ years' experience in the aviation industry and over 25+ years' experience in managing the PAG Group. David has a Bachelor of Science in Industrial Management degree from Georgia Tech.
Daphne Dufresne	Daphne Dufresne is a Managing Partner at GenNx360 Capital Partners and led the Transaction on behalf of GenNx360. Daphne is engaged in all aspects of GenNx360's investment activities and portfolio management. Prior to this role, Daphne was a founding partner and a Managing Director of RLJ Equity Partners. Daphne has a degree in Engineering from the University of Pennsylvania and earned her MBA from Harvard Graduate School of Business.
Peter White	Peter White is a Vice President at GenNx360 Capital Partners. Prior to GenNx360, Peter was an Analyst at Credit Suisse working in the Global Industrials Group, where he focused primarily on M&A advisory and sponsor-backed LBO financings. Peter has a degree in Finance and Economics from the University of Pittsburgh.

(b) PAG BidCo Board

As at the date of this Scheme Booklet, the directors of PAG BidCo and PAG HoldCo are:

Name	Profile
David Mast	See above.
Daphne Dufresne	See above.
Jordan Webber	Jordan Webber serves as Vice President of PAG and leads PAG's operations in Australia, Singapore, and Vancouver, Canada. Prior to this role, Jordan served as Head of Sales for PAG's Australian operations. Jordan has more than 18 years of experience in the aviation industry and more than 10 years in management positions with the PAG Group. Jordan has a degree in business management from Griffith University.

6.3 Overview of PAG BidCo

PAG BidCo is a new Australian proprietary limited company that was incorporated on 28 September 2022 for the purpose of acquiring all of the Scheme Shares, and has not conducted any other business.

The immediate holding company of PAG BidCo is PAG HoldCo. PAG HoldCo is an Australian proprietary limited company incorporated for the purpose of holding all the shares in PAG BidCo. As at the date of this Scheme Booklet, the directors of PAG BidCo and PAG HoldCo are David Mast, Daphne Dufresne and Jordan Webber.

Except as described in this section 6, neither PAG BidCo nor PAG HoldCo have commenced trading or conducted business, and none of them have any assets or liabilities, other than in

connection with their incorporation, the entry into transaction documents in connection with the Scheme and the taking of such other actions as are necessary to facilitate the Scheme (including actions in relation to the incurrence of costs, fees and expenses in connection with the Scheme).

If the Scheme becomes Effective and is implemented, PAG BidCo will acquire all of the Scheme Shares on the Implementation Date.

6.4 Rationale for proposed acquisition of PTB

PAG considers the PTB Group to be an attractive investment opportunity. The PTB Group fits within PAG's own investment objectives and that of its investors. With geographical overlap in Australia and in the USA, the Transaction is a compelling opportunity to leverage complementary footprints and product portfolios which will create significant synergies and value to PTB's business including enhanced service offerings for both parties' existing customers.

6.5 Funding arrangements of the Scheme Consideration

(a) Scheme Consideration

If the Scheme is implemented, PTB Shareholders will receive \$1.595 cash for each PTB Share they hold as at the Scheme Record Date.

Based on the number of PTB Shares on issue as at the date of this Scheme Booklet, the maximum amount that may be required to be paid by PAG BidCo to fund the Scheme Consideration is approximately \$202.9 million.

PAG BidCo intends to fund payment of the aggregate Scheme Consideration via the debt funding arrangements described in section 6.5(b). As at the date of this Scheme Booklet, the proceeds available to PAG BidCo under the debt commitment letter (detailed below) are in excess of the maximum aggregate amount of cash payable on implementation of the Scheme to fund the Scheme Consideration.

The Scheme is not conditional on PAG BidCo arranging financing.

(b) Debt funding arrangements

GenNx/PAG Acquisitions Inc., Precision Aviation Group, Inc. and certain of their subsidiaries are party to a credit agreement dated 26 July 2018 under which financial accommodation has been provided to certain PAG Group entities (**Credit Agreement**).

GenNx/PAG Acquisitions Inc., Precision Aviation Group, Inc. and certain of their subsidiaries have entered into a debt commitment letter (**Debt Commitment Letter**) under which Apogem Capital LLC (**Apogem**) and Churchill Asset Management LLC (**Churchill**) (together, the **Debt Commitment Parties**) acting as joint lead arrangers and joint bookrunners will amend the Credit Agreement to provide:

- an additional term loan under the Credit Agreement in an aggregate amount equal to US\$148,000,000 (less the amount of certain assumed indebtedness of PTB up to a maximum aggregate amount of US\$5,000,000) (the **Additional Term Loan**); and
- an US\$8,000,000 increase to the revolving credit facility under the Credit Agreement (together, **Debt Funding**).

The Debt Funding is available for the purposes of:

- partly funding the Scheme Consideration for the acquisition of the Scheme Shares;
- refinancing certain of the existing debt facilities of the PTB Group;
- paying fees and expenses incurred in connection with the Debt Funding, the acquisition of the Scheme Shares and certain other transactions to occur on or around the Implementation Date;

- in the case of the US\$8,000,000 increase to the revolving credit facility, up to US\$1,000,000 may be used to finance any currency exchange movement between US Dollars and Australian dollars following the date of the Debt Commitment Letter as it relates to the Scheme Consideration; and/or
- for such other purposes as permitted under the terms of the Credit Agreement.

The Debt Funding will be provided on a customary “certain funds” basis and is subject to the satisfaction of certain conditions precedent which are customary for financings of this nature and include (but are not limited to):

- consummation of the acquisition of the Scheme Shares in accordance with the terms of the Scheme Implementation Deed;
- confirmation that the Scheme Implementation Deed has not been amended or waived in any material respect, and no consent has been provided under the Scheme Implementation Deed which is materially adverse to the Debt Commitment Parties without the consent of the Debt Commitment Parties;
- the execution and delivery of a definitive amendment to the Credit Agreement in respect of the documentation of the Debt Funding;
- confirmation that, after giving effect to the acquisition of the Scheme Shares, PTB Group and its subsidiaries do not have any:
 - o outstanding indebtedness other than (x) capital lease and purchase money obligations in an amount not to exceed US\$5,000,000 (**Assumed Indebtedness**) and (y) other indebtedness permitted under the Credit Agreement as amended; or
 - o any security interests other than security interests covering assets financed with the Assumed Indebtedness or any other security interests permitted under the Credit Agreement as amended;
- granting of a first priority security interest (subject to certain permitted security interests under the Credit Agreement) in favour of the Debt Commitment Parties including over the collateral of PAG HoldCo and PAG BidCo;
- absence of certain continuing events of default under the Credit Agreement;
- certain representations and warranties provided by PAG under the Scheme Implementation Deed and to be provided by the borrowers under the Credit Agreement in respect of the Debt Funding are true and correct in all material respects;
- absence of a “PTB Material Adverse Change” (as defined in the Scheme Implementation Deed); and
- other customary conditions in respect of matters such as payment of fees and expenses, delivery of certain financial information in relation to the PTB Group, and delivery of customary legal opinions, a solvency certificate, other customary closing documents, resolutions, certificates and borrowing notices.

It is expected that on or before the Second Court Date:

- the Debt Commitment Letter will be superseded by the amended Credit Agreement; and
- the conditions precedent to the Debt Funding will be satisfied (other than certain procedural conditions which are intended to be satisfied concurrently with, or prior to, the drawing of the Additional Term Loan).

As at the date of this Scheme Booklet, PAG is not aware of any reason why the conditions precedent to the Debt Funding will not be satisfied so as to enable the Additional Term Loan to be drawn for the purpose of funding part of the aggregate Scheme Consideration.

(c) **Information about Apogem and Churchill**

Apogem is a leading investor with US\$37 billion in assets under management. Apogem is a wholly owned subsidiary of New York Life, one of the world's largest life insurers, with a 175-year history and the highest financial strength ratings currently awarded to any US life insurer from all four of the major credit rating agencies. Publicly available financials for New York Life is available at <https://www.newyorklife.com/about/financial-information>.

Churchill, an investment-specialist affiliate of Nuveen (the asset manager of Teachers Insurance and Annuity Association of America) is a long-term partner and provider of capital to the middle market. With US\$41 billion of committed capital, Churchill has a long history of disciplined investing across multiple economic cycles. As of 30 June 2022, Nuveen has US\$1.1 trillion assets under management.

(d) **Provision of Scheme Consideration**

On the basis of the funding arrangements described above, PAG is of the opinion that it has a reasonable basis for holding the view, and holds the view, that it will be able to satisfy the funding commitments described in this section 6.5.

6.6 Intentions if the Scheme is implemented

This section 6.6 sets out the current intentions of PAG in relation to the:

- business continuity and operations of PTB;
- PTB Board of directors;
- constituent documents of PTB;
- employees of PTB; and
- delisting of PTB from the ASX,

assuming PAG BidCo acquires the Scheme Shares as a result of implementation of the Scheme.

The statements in this Section 6.6 regarding PAG's intentions are based on information concerning the PTB Group and the general business environment known to PAG at the time of the preparation of this Scheme Booklet. Final decisions regarding these matters will be made in light of all material information, facts and circumstances at the relevant time if the Scheme is implemented.

Accordingly, it is important to recognise that the statements set out in this Section 6.6 are statements of current intention only and may change as new information becomes available or circumstances change. The intentions of PAG BidCo and PAG HoldCo are the same as the intentions of PAG.

(a) **Business continuity and operations**

If the Scheme is implemented, it is the current intention of PAG to continue to operate the business of PTB substantially in its current form and to accelerate business growth in the near term.

(b) **Board of directors**

If the Scheme is implemented, PAG's intention is to reconstitute the PTB Board with nominees of PAG with effect on and from the Implementation Date. At the date of this Scheme Booklet, the final composition of the PTB Board on and from the Implementation Date has not yet been confirmed.

(c) **Constituent documents**

PAG intends to replace PTB's constitution following implementation of the Scheme with a constitution on terms which are typical for a proprietary company limited by shares. This is consistent with the intention that PTB Shares will no longer be publicly listed and PTB will be converted into a proprietary company limited by shares following implementation of the Scheme.

(d) **Employees**

PAG considers PTB Group's employees to be critical to the future success of the business. Following implementation of the Scheme, PAG will review PTB Group's business operations and organisational structure to ensure PTB Group has adequate resources to enable the business to pursue growth opportunities.

(e) **Delisting**

If the Scheme is implemented, it is intended that the quotation of PTB Shares on the ASX will be terminated and PTB will be removed from the official list of ASX on or around the Trading Day immediately following the Implementation Date.

6.7 PAG's interests in PTB Shares

(a) **Interests in PTB Shares**

As at the date of this Scheme Booklet, none of PAG or any of its Associates have any Relevant Interest or voting power in any PTB Shares.

(b) **No dealings in PTB Shares in previous four months**

None of PAG or any of its Associates has provided, or agreed to provide, consideration for PTB Shares under any purchase or agreement during the four months before the date of this Scheme Booklet.

(c) **No inducing benefits given during previous four months**

During the period of four months before the date of this Scheme Booklet, none of PAG or any of its Associates gave, or offered to give, or agreed to give a benefit to another person which was likely to induce the other person, or an associate of the other person to:

- vote in favour of the Scheme; or
- dispose of PTB Shares,

where the benefit was not offered to all PTB Shareholders.

(d) **Benefits to current PTB officers**

Other than as disclosed in this Scheme Booklet, none of PAG nor any member of the PAG Group has given or agreed to give any payment or benefit to any current officers of PTB or any of its Related Bodies Corporate as compensation or consideration for, or otherwise in connection with, their resignation from their respective offices dependent on the Scheme being implemented.

6.8 No other material information

Other than as disclosed in this Section 6, there is no material information regarding PAG, or its intentions regarding PTB Group, that is material to the making of a decision by a PTB Shareholder on whether or not to vote in favour of the Scheme that is within the knowledge of any director of PAG as at the date of this Scheme Booklet that has not been previously disclosed to PTB Shareholders.

7. Tax implications

7.1 Introduction

The following is a general description of the Australian tax consequences of the Scheme (assuming it is implemented) for certain PTB Shareholders. It does not constitute tax advice and should not be relied upon as such.

The description is based upon the Australian tax law and administrative practice in effect at the date of this Scheme Booklet. It is general in nature and is not intended to be an authoritative or complete statement of the tax laws applicable to the particular circumstances of a PTB Shareholder. PTB Shareholders are advised to seek their own independent professional tax advice in relation to their own particular circumstances.

The categories of PTB Shareholders considered in this summary are individuals, companies and trusts (other than superannuation funds, managed investment trusts ("MITs"), pension funds or public trading trusts), each of whom hold their shares on capital account and are residents of Australia for tax purposes. This summary does not address the Australian tax consequences for PTB Shareholders who:

- hold their PTB Shares on revenue account or as trading stock for income tax purposes;
- are subject to the Investment Manager Regime pursuant to Subdivision 842-I of the ITAA 1997;
- acquired their PTB Shares pursuant to an employee share, option or rights plan;
- are partnerships, complying superannuation or pension funds, insurance companies, MITs, public trading trusts or banks;
- are under a legal disability;
- are exempt from Australian income tax;
- are subject to the taxation of financial arrangements rules in Division 230 of the ITAA 1997 in relation to gains and losses on their PTB Shares; or
- are not residents of Australia (for income tax purposes).

PTB Shareholders who are tax residents of a country other than Australia (whether or not they are also residents, or are temporary residents, of Australia for tax purposes) should take into account the tax consequences of the Scheme under the laws of their country of residence, as well as under Australian law. The below comments relate to Australian tax law only.

7.2 Income tax consequences

If the Scheme is implemented, PAG BidCo will acquire all of the PTB Shares from PTB Shareholders who hold PTB Shares on the Scheme Record Date and those PTB Shareholders will receive the Scheme Consideration of \$1.595 per PTB Share.

A PTB Permitted Dividend of up to \$0.03 per PTB Share may also be paid.

Certain expected key Australian tax issues associated with each of the above matters are discussed below.

(a) Australian income tax treatment of PTB Permitted Dividend

Under the Scheme, the PTB Board is entitled to decide to pay a PTB Permitted Dividend of up to \$0.03 per PTB Share, provided:

- in the event that the PTB Permitted Dividend is paid in the period between the Second Court Date and the Implementation Date (inclusive) there is no less than \$2,750,000 in Net Cash of the PTB Group immediately following payment of the PTB Permitted Dividend;
- the record date for any such PTB Permitted Dividend is before the Scheme Record Date;
- the payment date for any such PTB Permitted Dividend is on or before the Implementation Date;
- the PTB Permitted Dividend must be paid in cash;
- the PTB Permitted Dividend complies with the Tax Act, the Corporations Act and PTB's constitution;
- the PTB Permitted Dividend does not breach the benchmark franking rule as defined in section 203-25 of the Tax Act;
- the PTB Permitted Dividend is a "frankable distribution" as defined in section 202-40 of the Tax Act;
- the franking account of PTB (or a PTB Group Member) is not (nor deemed to be) in deficit at any time after the payment of the PTB Permitted Dividend up to and including the Implementation Date;
- the payment of the PTB Permitted Dividend does not cause the share capital of a PTB Group Member to be tainted;
- any such PTB Permitted Dividend must be paid from the profits, retained earnings or distributable reserves (or a combination of all or any of them) of PTB existing prior to the declaration or authorisation of the relevant PTB Permitted Dividend and otherwise in accordance with the Corporations Act; and
- the Scheme Consideration per PTB Share will not be reduced by the aggregate amount of any PTB Permitted Dividend.

The PTB Directors anticipate that they will decide whether to pay the PTB Permitted Dividend on or around Monday, 28 November 2022. If the PTB Permitted Dividend is subsequently declared by the PTB Board, PTB Shareholders holding PTB Shares on the PTB Permitted Dividend Record Date (which is expected to be Friday, 2 December 2022) will be entitled to the PTB Permitted Dividend.

For those PTB Shareholders who held PTB Shares on the PTB Permitted Dividend Record Date, the PTB Permitted Dividend will be paid on the PTB Permitted Dividend Payment Date (which is expected to be Friday, 9 December 2022). The PTB Directors intend for any such PTB Permitted Dividend to be fully franked for Australian tax purposes.

The PTB Permitted Dividend should be assessable to Australian tax resident PTB Shareholders in the year of income in which it is paid.

Franking credits attached to the PTB Permitted Dividend paid to PTB Shareholders should also be included in the assessable income of each PTB Shareholder (i.e. PTB Shareholders should be assessed on the cash component of the PTB Permitted Dividend received, plus the amount of any franking credits attached to the PTB Permitted Dividend).

PTB Shareholders may, subject to the below, be entitled to a tax offset in the calculation of their tax liability equal to the franking credit attached to the PTB Permitted Dividend.

Individuals

PTB Shareholders that are individuals may be entitled to a refund of excess franking credits where the tax offset associated with franking credits attached to the PTB Permitted Dividend exceeds their tax liability for the relevant income year.

Corporate Investors

PTB Shareholders that are companies should not be entitled to a refund of excess franking credits where the franking credits attached to the PTB Permitted Dividend exceeds their tax liability for the relevant income year. Instead, PTB Shareholders that are companies may be able to convert any excess franking offset to a tax loss which should be taken to have been incurred in the relevant income year in which the dividend is paid. PTB Shareholders that are companies may (subject to their particular facts and circumstances) be able to credit their franking account with the amount of any franking credit attached to the PTB Permitted Dividend.

Trusts (other than superannuation funds, MITs, pension funds or public trading trusts)

Shareholders who are Australian resident trusts should include the PTB Permitted Dividend and associated franking credits as assessable income in determining the net income of the trust. A relevant beneficiary who is made presently entitled to the income of such a trust may then be entitled to a corresponding tax offset equal to the beneficiary's share of franking credits received, subject to certain requirements being satisfied, including being a "qualified person" in respect of the PTB Permitted Dividend (see further below).

In relation to trusts, the legislation surrounding the taxation of dividends is complex and independent professional advice should be sought to confirm appropriate tax considerations and treatment based on the trust and beneficiary's particular circumstances.

Integrity rules

Certain limitations exist which, if applicable, may prevent a PTB Shareholder from obtaining the benefit of franking credits in relation to the receipt of a PTB Permitted Dividend. In this regard, PTB Shareholders seeking to claim tax offsets for franking credits must be "qualified persons" in respect of the PTB Permitted Dividend.

Broadly, to satisfy the qualified person rule, a PTB Shareholder must satisfy the holding period rule or, if necessary, the related payment rule.

The holding period rule broadly requires PTB Shareholders to have held their PTB Shares continuously "at risk" for at least 45 days, excluding the dates of acquisition and disposal, at some time during the period of ownership of the PTB Shares. Very broadly, a PTB Shareholder should not be considered to have held their PTB Shares 'at risk' where that PTB Shareholder holds 'positions' (such as options or other hedging instruments and arrangements) which materially diminish the risk of loss or opportunities for gains in respect of those PTB Shares by more than 70%.

In the context of the Scheme, PTB Shareholders should no longer be considered to hold their PTB Shares "at risk" from the Scheme Record Date (which is expected to be Friday, 2 December 2022).

Under the related payment rule, a different testing period applies where a shareholder or an associate of the shareholder has made, or is under an obligation to make, a related payment in relation to a dividend. A related payment is one where a shareholder or their associate effectively passes on the benefit of the dividend to another person.

The related payment rule requires the relevant shareholder to have held the shares continuously at risk for at least 45 days during the period starting at least 45 days before and ending at least 45 days after the shares go ex-dividend (excluding the dates of acquisition and disposal). PTB Shareholders should seek independent advice to determine if the related payment rule applies in their particular circumstances.

In the event that no related payments are made with respect to a particular dividend, an individual PTB Shareholder may satisfy the qualified person rule on an alternative basis, provided that the PTB Shareholder satisfies the small holdings exemption. This exemption should generally be satisfied where the relevant PTB Shareholder is entitled to total franking credit offsets (from all sources) of no more than \$5,000 in the relevant year of income.

As noted above, special rules apply to trusts and beneficiaries in order to be considered a qualified person. Shareholders should seek independent professional advice to determine if the qualified person requirements, as they apply to them, have been satisfied.

In addition, special integrity measures (for example, dividend washing rules) can apply such that no franking credit offset is available for a dividend received.

PTB Shareholders should consider the impact of the “qualified person” rule as well as other integrity measures which may apply to the claiming of franking credit offsets, having regard to their own facts and circumstances.

(b) Capital gains tax implications associated with the disposal of PTB Shares

If the Scheme is implemented, PTB Shareholders should be considered to dispose of their PTB Shares to PAG BidCo under the Scheme for Capital Gains Tax (“CGT”) purposes on the Implementation Date. Broadly, this disposal should constitute a CGT event.

PTB Shareholders should be required to determine their capital gain or loss in respect of the disposal of their PTB Shares. PTB Shareholders should make a capital gain on disposal of their PTB Shares if the capital proceeds from the disposal of their PTB Shares exceed the CGT cost base of their PTB Shares. Conversely, PTB Shareholders should make a capital loss on disposal of their PTB Shares if the capital proceeds from the disposal of their PTB Shares are less than the reduced cost base of their PTB Shares.

A PTB Shareholder’s CGT cost base and reduced cost base in their PTB Shares should generally comprise the original amount paid to acquire their PTB Shares, plus certain non-deductible incidental costs incurred in relation to the acquisition or disposal of their PTB Shares (such as brokerage).

For the calculation of any capital gain or loss, the capital proceeds received by a PTB Shareholder should be the Scheme Consideration of \$1.595 in cash per PTB Share.

No CGT roll-over should be available to PTB Shareholders in relation to the Scheme.

A capital loss may be realised to the extent that the reduced cost base of a PTB Share exceeds the capital proceeds from its disposal. Generally capital losses may only be offset against capital gains realised in the same income year or future income years, subject to certain loss recoupment tests being satisfied.

(c) CGT discount

If a PTB Shareholder is an individual or trustee of a trust, and acquired their PTB Shares at least 12 months before the Implementation Date (the date that the relevant CGT event should be taken to have occurred), the amount of the capital gain (after firstly being reduced for any current year capital losses and prior year capital losses) may be reduced by the relevant CGT discount (being 50%).

If the PTB Shareholder who realises the capital gain and is entitled to the CGT discount is the trustee of a trust, the CGT discount may flow through to the beneficiaries of the trust, provided those beneficiaries are not corporate entities (with the exception of corporate entities in their capacity as trustee of a trust) and are Australian residents. The ultimate availability of the discount for the beneficiaries of a trust will depend on the particular circumstances of the trust and its beneficiaries. PTB Shareholders that are trustees should seek specific advice regarding the tax consequences of distributions to beneficiaries who may qualify for discounted capital gains.

PTB Shareholders who are companies should not be entitled to the CGT discount.

7.3 Stamp duty

If the Scheme is implemented, no stamp duty should be payable by PTB Shareholders in relation to the transfer of their PTB Shares to PAG BidCo under the Scheme.

7.4 GST

If the Scheme is implemented, no GST should be payable by PTB Shareholders in relation to the disposal of their PTB Shares to PAG BidCo under the Scheme.

No GST should be payable in respect of any PTB Permitted Dividend that is paid to PTB Shareholders.

8. Risk factors

8.1 Introduction

This Section describes certain key risks associated with PTB and the Scheme. You should carefully consider the risk factors in this Section, as well as the other information contained throughout the Scheme Booklet before voting on the Scheme. This Section 8 outlines:

- general risks (Section 8.2);
- specific risks relating to the business of PTB (Section 8.3); and
- specific risks relating to the Scheme (Section 8.4).

The outline of risks in this Section 8 is a summary only and should not be considered exhaustive. This Section 8 does not attempt to set out every risk that may be associated with an investment in PTB now or in the future. The occurrence or consequences of some of the risks described in this Section 8 may be partially or completely outside the control of PTB.

8.2 General risks

PTB is exposed to a number of general risks that could materially adversely affect its assets and liabilities, financial position, profits, prospects and potential to make further distributions to PTB Shareholders, and the price and/or value of PTB Shares. General risks that may impact on PTB or the market for PTB Shares include:

- changes in general business, industry cycles and economic conditions including inflation, interest rates, exchange rates, commodity prices and consumer demand;
- changes to government policy, legislation or regulation, including the imposition of any economic sanctions;
- the nature of competition in the markets and industries in which PTB operates;
- inclusion or removal from major market indices;
- natural disasters or catastrophes and other general operational and business risks;
- acts of war and hostilities (including the Russia and Ukraine conflict which remains ongoing as at the date of this Scheme Booklet), acts of terrorism, civil disturbance and other force majeure risks;
- variations in PTB's operating results;
- recommendations by securities analysts;
- changes in investor sentiment and overall performance of the Australian and international stock markets;
- the operating and trading price performance of other comparable listed entities; and
- changes to accounting standards and reporting standards.

Some of these factors could affect PTB's share price regardless of PTB's underlying operating performance.

8.3 Specific risks relating to the business of PTB

(a) COVID-19 risk factor

The COVID-19 pandemic remained a source of great uncertainty in FY21 and continues to have profound global health, social and economic impacts. PTB considers COVID-19 to be a material risk factor that has the potential to alter (positively or negatively) many of the other risks that PTB faces.

(b) Political and regulatory environment risk

PTB's businesses are influenced and affected by laws, regulations and government policy in each of the jurisdictions in which PTB or its clients operate.

Changes in legislative and administrative regimes and other legal and government policies in Australia, the United States and other jurisdictions where the PTB Group operates may have an adverse effect on the assets, operations and ultimately the financial performance of the PTB Group and the market price of PTB Shares, especially where such changes lead to increased compliance costs and/or decreased demand for aviation goods or services.

Changes could affect PTB's ability to achieve business objectives and financial performance. For example, by:

- limiting or removing authority to operate;
- changing how a business operates; and/or
- altering resource requirements, operating efficiency and profitability.

Changes may also provide an opportunity for PTB to generate additional revenue streams by supporting its clients in their regulatory compliance obligations.

(c) Client base, retention and arrangements risk

PTB may experience greater or less success in attracting new clients, cross-selling products and services, retaining existing clients and scope of services on commercial terms and benefit from client merger activity than expected/desired.

Some factors may include:

- scope and quality of service;
- increased competition;
- industry consolidation;
- business and regulatory environment;
- strength of relationships; and/or
- technological disruption and innovation.

(d) Operations in competitive markets

The key industries in which PTB operates are all competitive markets and are expected to remain competitive. This may affect organic growth capability and the scope and quality of products and services.

There is potential risk for loss of market share to existing or new entrants to the various markets in which PTB operates. Further, there is potential risk of margin compression in PTB's operations in comparative markets. A failure by PTB to effectively compete may adversely affect its operating performance and financial outcomes.

(e) Global Aviation Industry Downturn

There is a potential for a downturn in the global aviation industry which would negatively impact PTB Group's operations.

(f) 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.

(g) 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.

(h) 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.

(i) 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.

(j) 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.

(k) Changes in taxation law 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 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.

(l) 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.

(m) Information systems risk

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, organised 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.

(n) 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.

(o) 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.

8.4 Specific risks relating to the Scheme

(a) Conditions Precedent

Implementation of the Scheme is subject to a number of Conditions Precedent, which are summarised at Section 4.11(a). The Scheme will not proceed to the Second Court Date unless the Conditions Precedent are satisfied or waived (as applicable). Given that there are Conditions Precedent which are yet to be satisfied, there is a risk that the Second Court Date will be delayed, which will in turn delay the Implementation Date.

The Scheme will not proceed if the Conditions Precedent are not satisfied or waived (as applicable) before the End Date.

The status of the Conditions Precedent as at the date of this Scheme Booklet are set out in Section 4.11(a). A failure to satisfy any of the Conditions Precedent, or a delay in satisfying the Conditions Precedent and implementing the Scheme, may adversely affect the price of PTB Shares.

(b) Court approval

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.

(c) Contract risk

Some contracts to which PTB is a party contain 'change of control' provisions (or equivalent) that could be triggered by implementation of the Scheme (including by entry into the Scheme Implementation Deed), 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 PTB, depending on the relevant contract.

(d) Tax consequences for Scheme Shareholders

If the Scheme becomes Effective, there will be tax consequences for the Scheme Shareholders which may include tax being payable. In addition, the value of the actual PTB Permitted Dividend to each PTB Shareholder may be affected by the tax consequences applying to individual shareholders, given the use of franking credits depends on their personal tax circumstances.

For further detail regarding general Australian tax consequences of the Scheme, refer to Section 7 of this Scheme Booklet. The tax consequences may vary depending on the nature and characteristics of Scheme Shareholders and their specific circumstances. Accordingly, you should seek professional tax advice in relation to your particular circumstances.

(e) Scheme does not proceed

If the Scheme does not proceed and no other acceptable proposal is received, PTB will continue on a standalone basis and PTB Shareholders will retain their PTB Shares. In these circumstances there is a risk that PTB Shares may trade below their current market price.

PTB Shareholders will also remain exposed to the normal risks inherent in the PTB's business if the Scheme and the acquisition of PTB by PAG BidCo does not proceed.

If the Scheme is not implemented, PTB expects to pay an aggregate of approximately \$500,000 in external transaction costs in connection with the Scheme. These transaction costs are primarily payable to PTB financial, legal, tax and accounting advisors, the Independent Expert and PTB Share Registry. In addition, under the Scheme Implementation Deed, PTB is required to pay a break fee of \$2,000,000 to PAG if the Scheme does not proceed in certain circumstances. See Section 4.11(c) for further information on the break fee.

9. Additional information

9.1 Interests of PTB Directors

(a) Securities in PTB held by, or on behalf of, PTB Directors

Except as set out in this Section:

- there are no marketable securities of PTB owned by or on behalf of PTB Directors as at the date of this Scheme Booklet;
- no PTB Director owns, or has any interest in, marketable securities of PAG or any other member of the PAG Group; and
- there has been no dealing by any of the PTB Directors in any marketable securities of PTB or PAG or any other member of the PAG Group in the 4 months preceding the Last Practicable Date.

(b) Interests of PTB Directors in marketable securities of PTB

The following table shows the marketable securities of PTB owned by, or on behalf of, each PTB Director, or in which they have a Relevant Interest, as at the Last Practicable Date:

PTB Director	Number of PTB Shares
Craig Baker	2,788,968
Stephen Smith	5,896,155
Andrew Kemp	1,161,437
Prince Gunasekara	4,023,044

All PTB Directors who hold PTB Shares intend to vote in favour of the Scheme, in each case in respect of all PTB Shares held or Controlled by them in the absence of a Superior Proposal and subject to the Independent Expert concluding (and continuing to conclude) that the Scheme is in the best interests of PTB Shareholders.

In relation to the PTB Shares in which Stephen Smith has a Relevant Interest, a Shareholder Loan remains outstanding that was advanced by PTB Group to Judith Ann Margaret Flintoft as trustee for the Smith Flintoft Family Trust NZ. As at the date of the Scheme Implementation Deed, the Shareholder Loan comprises a total outstanding amount (including accrual interest) equal to \$1,834,514.95. PTB, PAG and Judith Ann Margaret Flintoft as trustee for the Smith Flintoft Family Trust NZ have separately agreed that PTB and/or the PTB Share Registry (as applicable) will deduct from the aggregate Scheme Consideration payable to Judith Ann Margaret Flintoft as trustee for the Smith Flintoft Family Trust NZ upon implementation of the Scheme an amount equal to all moneys owing or outstanding under the Shareholder Loan, with such amount to be paid to and/or retained by PTB.

(c) Dealings of PTB Directors in PTB securities

Andrew Kemp disposed of a Relevant Interest in:

- 368,448 PTB Shares by way of on market trade on 29 and 30 August 2022 at an average price of \$1.561 per PTB Share;
- 208,287 PTB Shares by way of on market trade on 31 August 2022 and 1 September 2022 at an average price of \$1.562 per PTB Share;
- 245,817 PTB Shares by way of on market trade on 6 September 2022 at an average price of \$1.563 per PTB Share;

- 80,000 PTB Shares by way of on market trade on 12 September 2022 at an average price of \$1.568 per PTB Share; and
- 35,000 PTB Shares by way of on market trade on 14 September 2022 at an average price of \$1.568 per PTB Share.

Other than as set out above, no PTB Director acquired or disposed of a Relevant Interest in any PTB securities in the four-month period ending on the date immediately prior to the date of this Scheme Booklet.

(d) Interests of PTB Directors in marketable securities of PAG

No marketable securities of PAG are held or controlled by PTB Directors and no such persons are otherwise entitled to such securities as at the date of this Scheme Booklet.

9.2 Interests of PAG in PTB Shares

(a) Interests of PAG in marketable securities of PTB

As at the date of this Scheme Booklet, no member of the PAG Group holds a Relevant Interest in any PTB Shares.

(b) Dealings of PAG Group Directors in PTB securities

No PAG Group Director acquired or disposed of a Relevant Interest in any PTB Shares in the four-month period ending on the date immediately prior to the date of this Scheme Booklet.

(c) Interests of PAG Group Directors in marketable securities of PTB

No marketable securities of PTB are held or controlled by PAG Group Directors and no such persons are otherwise entitled to such securities as at the date of this Scheme Booklet.

9.3 Benefits and agreements

(a) Payments in connection with retirement from office

Other than as disclosed in this Scheme Booklet there is no payment or other benefit that is proposed to be made or given to any PTB Director or secretary or executive officer of PTB (or any of its Related Bodies Corporate) as compensation for the loss of, or as consideration for or in connection with his or her retirement from, office in PTB or any of its Related Bodies Corporate.

(b) No collateral benefits offered by PAG in the last four months

Other than as disclosed in this Scheme Booklet, during the four-month period before the date of this Scheme Booklet, neither PAG, a PAG Director or any Associate of PAG gave, or offered to give or agreed to give a benefit to another person which was likely to induce the other person or an Associate of the other person to:

- vote in favour of the Scheme; or
- dispose of any PTB Shares

which benefit was not offered to all PTB Shareholders.

(c) Agreements or arrangements connected with or conditional on the Scheme

If the Scheme becomes Effective, Stephen Smith will be entitled to receive a transaction bonus from PTB of approximately \$245,000. This bonus is in recognition of Stephen Smith's key role in creating value for PTB Shareholders.

Other than this agreement, there are no agreements or arrangements made between any PTB Director and another person in connection with, or conditional on, the outcome of the Scheme other than in their capacity as a PTB Shareholder.

(d) Benefits under the Scheme

The PTB Board has determined that certain PTB senior management and employees are entitled to a performance bonus of \$391,003 in aggregate if the Scheme is implemented. The recipients of the performance bonus have been nominated by PTB's Remuneration Committee. Notably, Daniel Zgrajewski (Chief Financial Officer and Company Secretary) and Andrew Kazakoff (Corporate Development) will be receiving \$45,000 each, with the remainder being distributed to various PTB employees. Performance bonuses are generally paid by PTB to certain PTB senior management and employees each year.

Other than as set out in this Scheme Booklet, no PTB Director, secretary or executive officer of PTB (or any of its Related Bodies Corporate) has agreed to receive, or is entitled to receive, any payment or benefit from PAG which is conditional on, or is related to, the Scheme, other than in their capacity as a PTB Shareholder.

(e) Interests of PTB Directors in PAG contracts

Other than as described in this Scheme Booklet, no PTB Director has an interest in any contract entered into by a member of the PAG Group.

9.4 Creditors of PTB

The Scheme, if implemented, is not expected to materially prejudice PTB's ability to pay its creditors as it involves the acquisition of shares in PTB for consideration provided by a third party. No material new liability (other than transaction costs and payment of the PTB Permitted Dividend) is expected to be incurred by PTB because of the implementation of the Scheme. PTB has paid and is paying all of its creditors within normal terms and is solvent and trading in an ordinary commercial manner.

9.5 Transaction costs

PTB will incur external transaction costs in connection with the Scheme. Some of these costs are conditional on the Scheme proceeding, and if the Scheme is implemented these will effectively be borne by PAG who will have acquired PTB from implementation.

If the Scheme is implemented, PTB expects to pay an aggregate of approximately \$5,038,200 in external transaction costs in connection with the Scheme. If the Scheme is not implemented, PTB expects to pay an aggregate of approximately \$500,000 in external transaction costs in connection with the Scheme. These transaction costs are primarily payable to PTB financial, legal, tax and accounting advisors, the Independent Expert and the PTB Share Registry.

These transaction costs do not include any Break Fee that may be payable by PTB (see section 4.11(c) for information on the circumstances in which a Break Fee may be payable by PTB).

9.6 Lodgement of Scheme Booklet

The Scheme Booklet was given to ASIC on 21 September 2022 in accordance with Section 411(2)(b) of the Corporations Act. ASIC takes no responsibility for the content of this Scheme Booklet.

9.7 Consents and disclaimers

PAG, PAG HoldCo and PAG BidCo have given, and not withdrawn before the registration of this Scheme Booklet with ASIC, their written consent to be named in this Scheme Booklet in the form and context in which it is so named and to the inclusion of the PAG Information attributed to it in this Scheme Booklet in the form and context in which such information is included in this Scheme Booklet. PAG, PAG HoldCo and PAG BidCo has not caused or authorised the issue of this Scheme Booklet, and, other than any reference to its name and the aforementioned information, takes no responsibility for any other part of this Scheme Booklet other than the PAG Information.

Pitcher Partners has given, and not withdrawn before the registration of this Scheme Booklet with ASIC, its written consent to the inclusion of information set out in section 7 in the form and context

in which it appears in section 7 of this Scheme Booklet. Pitcher Partners has not caused or authorised the issue of this Scheme Booklet, and, other than the information set out in section 7, takes no responsibility for any other part of this Scheme Booklet.

BDO Corporate Finance Ltd has given, and not withdrawn before the registration of this Scheme Booklet with ASIC, its written consent to be named in this Scheme Booklet in the form and context in which it is so named and to the inclusion of its Independent Expert's Report contained in Annexure A. BDO Corporate Finance Ltd has not caused or authorised the issue of this Scheme Booklet, and, other than any reference to its name and the Independent Expert's Report contained in Annexure A, takes no responsibility for any other part of this Scheme Booklet.

Talbot Sayer has given, and not withdrawn before the registration of this Scheme Booklet with ASIC, its written consent to be named in this Scheme Booklet in the form and context in which it is so named. Talbot Sayer has not made any statement that is included in this Scheme Booklet or any statement on which a statement in this Scheme Booklet is based. Talbot Sayer has not caused or authorised the issue of this Scheme Booklet, and, other than any reference to its name, takes no responsibility for any other part of this Scheme Booklet.

9.8 Foreign selling restrictions

Law may restrict the distribution of this Scheme Booklet outside of Australia and persons who come into possession of it should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may contravene applicable securities law. PTB disclaims all liabilities to such persons. PTB 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.

9.9 No other material information known to PTB

Except as disclosed elsewhere in this Scheme Booklet, so far as the PTB Directors are aware, there is no other information that is:

- material to the making of a decision by a PTB Shareholder whether or not to vote in favour of the Scheme; and
- known to any PTB Director or any director of a Related Body Corporate of PTB at the date of lodging this Scheme Booklet with ASIC for registration.

9.10 Supplementary information

PTB 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 material statement in this Scheme Booklet is materially false or misleading;
- a material omission from this Scheme Booklet;
- a significant change affecting a matter included in this Scheme Booklet; or
- a significant new matter has arisen and it would have been required to be included in this Scheme Booklet if it had arisen before the date of lodgement of this Scheme Booklet for registration by ASIC.

Depending on the nature and timing of the changed circumstances and subject to obtaining any relevant approvals, PTB may circulate and publish any supplementary document by:

- placing an advertisement in a prominently published newspaper which is circulated generally throughout Australia;

- posting the supplementary document on PTB's website at <https://pacificturbine.com.au/pages/investors>; or
 - making an announcement to ASX,
- as PTB, in its absolute discretion, considers appropriate.

10. Glossary and interpretation

10.1 Glossary

In this Scheme Booklet:

Term	Definition
1H FY21	means the financial half-year ended 31 December 2021.
1H FY21 Financial Report	means the financial report for PTB and its controlled entities for the financial half-year ended 31 December 2021.
AAS	means the Accounting Standards in Australia.
AASB	means the Australian Accounting Standards Board.
Accounting Standards	<p>(a) the accounting standards required under the Corporations Act (including the Approved Accounting Standards issued by the Australian Accounting Standards Board) and other mandatory professional reporting requirements issued by the joint accounting bodies (including the Australian Accounting Standards issued either jointly by CPA Australia and the Institute of Chartered Accountants in Australia or by the Australian Accounting Research Foundation on behalf of CPA Australia and the Institute of Chartered Accountants in Australia); and</p> <p>(b) if no accounting standard applies under the Corporations Act or other mandatory professional reporting requirements, the principles set out in the Australian Statements of Accounting Concepts.</p>
Affiliate	<p>with respect to any person, any other person that directly or indirectly controls, is controlled by or is under common control with, such first person.</p> <p>For the purposes of this definition, 'control' (including, the terms 'controlling', 'controlled by' and 'under common control with'), as applied to any person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of that person, whether through the ownership of voting securities, by contract or otherwise.</p>
ASIC	means the Australian Securities and Investments Commission.
Asir & Nek Loan	means the loan agreement between Prime Turbines LLC and Asir & Nek dated 1 June 2021.
Associate	has the meaning set out in section 12 of the Corporations Act.
ASX	means ASX Limited ABN 98 008 624 691 and, where the context requires, the financial market that it operates.
ATO	means the Australian Taxation Office.

Term	Definition
Break Fee	means \$2,000,000.
Business Day	means a day that is not a Saturday, Sunday or a public holiday or bank holiday in Brisbane.
CBA	means Commonwealth Bank of Australia ABN 48 123 123 124.
CBA Asset Finance Facility	means the master agreement between PTB, Pacific Turbine Leasing Pty Ltd ACN 122 037 370, IAP Group Australia Pty Limited ACN 003 675 867, Pacific Turbine USA Pty Ltd ACN 116 659 128 and CBA dated 4 April 2022 (Master Agreement) together with any Contracts (as defined in the Master Agreement) entered into under or in connection with the Master Agreement.
CBA Facility	means the secured facility agreement between PTB, Pacific Turbine Leasing Pty Ltd ACN 122 037 370, IAP Group Australia Pty Limited ACN 003 675 867, Pacific Turbine USA Pty Ltd ACN 116 659 128 and CBA dated 25 September 2019 as amended and restated by the eighth deed of amendment dated 7 October 2021.
Competing Proposal	<p>means any proposal, offer, expression of interest, agreement, arrangement or transaction (whether existing before, on, or after the date of the Scheme Implementation Deed), which, if entered into or completed substantially in accordance with its terms, would result in a Third Party (either alone or together with any Associate(s)):</p> <ul style="list-style-type: none"> (a) directly or indirectly acquiring or having the right to acquire: <ul style="list-style-type: none"> (i) a Relevant Interest in; (ii) a legal, beneficial or economic interest (including by way of an equity swap, contract for difference or similar transaction or arrangement) in; or (iii) control of, <ul style="list-style-type: none"> 20% or more of the PTB Shares; (b) to the extent not covered by paragraph (a) above, with the assistance or facilitation of any other person including a PTB Group Member, directly or indirectly through one or more transactions acquiring a Relevant Interest in, or having a right to acquire, a legal, beneficial or economic interest (including by way of an equity swap, contract for difference or similar transaction or arrangement) in, or control of, 10% or more of the PTB Shares, including by way of a new issue of PTB Shares; (c) acquiring Control (as determined in accordance with section 50AA of the Corporations Act, but disregarding sub-section 50AA(4)) of PTB; (d) directly or indirectly acquiring or becoming the holder of, or otherwise acquiring or having a right to acquire, a legal, beneficial or economic interest in, or control of, all or a material or substantial part of PTB's business or assets or the business or assets of the PTB Group; (e) otherwise directly or indirectly acquiring, being stapled to, or merging with PTB; or

Term	Definition
	<p>(f) requiring PTB to abandon, or otherwise fail to proceed with, the Transaction,</p> <p>whether by way of a takeover bid, members or creditors' scheme of arrangement, shareholder approved acquisition, reverse takeover, capital reduction, buy back, sale, lease or purchase of shares, other securities or assets, assignment of assets or liabilities, incorporated or unincorporated joint venture, dual listed company (or other synthetic merger), deed of company arrangements, any debt for equity arrangement, recapitalisation, refinancing or other transaction or arrangement. Each successive material modification or variation of any proposal, agreement, arrangement or transaction in relation to a Competing Proposal will constitute a new Competing Proposal.</p>
Conditions Precedent	means each of the conditions set out in clause 3.1 of the Scheme Implementation Deed and clause 3.1 of the Scheme.
Control	has the meaning given in Section 50AA of the Corporations Act.
Controlled	when used in the context of Shares Controlled by a PTB Director, means PTB Shares that a PTB Director Controls or which that PTB Director has a Relevant Interest in.
Corporations Act	means the <i>Corporations Act 2001</i> (Cth), as modified or varied by ASIC.
Corporations Regulations	means the <i>Corporations Regulations 2001</i> (Cth).
Court	means the Sydney Registry of the Federal Court of Australia or such other court of competent jurisdiction under the Corporations Act agreed to in writing by PAG and PTB.
CTA Promissory Note	means the promissory note issued by Pacific Turbine USA, LLC (as borrower) to CT Aerospace LLC (as noteholder) dated 26 February 2020 as amended by the amended and restated promissory note dated 15 June 2020.
D&O Run-off Policy	has the meaning given in clause 7.3(b) of the Scheme Implementation Deed.
Data Room	means the data room made available by PTB or its Related Persons to the PAG Group or its Related Persons prior to execution of the Scheme Implementation Deed, the index of which has been electronically initialled by the parties' lawyers for the purposes of identification before the execution of the Scheme Implementation Deed.
Debt	<p>means the total aggregate unpaid amount of:</p> <ul style="list-style-type: none"> (a) Financial Indebtedness as at the Second Court Date; (b) current and prior years' Specific Tax liabilities (whether due before or after the Second Court Date) which are unpaid at the Second Court Date and which relate to any period ending on or prior to the Second Court Date, net of the portion of any tax asset relating to items (c), (d), (e) or (f) which is expected to be recoverable in the current fiscal year or the fiscal year immediately subsequent to

Term	Definition
	<p>the current fiscal year as a result of payment of such amount as validated by PTB's Tax Advisers;</p> <p>(c) Transaction Advisory Costs;</p> <p>(d) 50% of the cost associated with obtaining the D&O Run-off Policies including all premiums whether payable before or after the Second Court Date (D&O Costs) where such D&O Costs are in aggregate \$400,000 or less plus where such D&O Costs are more than \$400,000, all additional D&O Costs over and above \$400,000;</p> <p>(e) employee and officer redundancy and termination costs whether payable before or after the Second Court Date in respect of circumstances set out in clause 1.1 of the Disclosure Letter; and</p> <p>(f) \$229,000, being the employee and officer superannuation expenses relating to corrections and/or adjustments to employee and officer superannuation liabilities incurred by the PTB Group prior to the date of the Scheme Implementation Deed,</p> <p>of the PTB Group.</p>
Deed Poll	means the deed poll executed by PAG under which PAG or its nominee covenants in favour of the Scheme Shareholders to perform the obligations attributed to PAG under the Scheme.
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, the commencement of the adjourned hearing, of the court to approve the Scheme in accordance with Section 411(4)(b) of the Corporations Act.
Disclosure Letter	means a letter identified as such provided by PTB to PAG prior to entry into the Scheme Implementation Deed.
Disclosure Materials	<p>means:</p> <p>(a) the documents and information contained in the Data Room;</p> <p>(b) written responses from PTB and its Related Persons to requests for further information made by the PAG Group and its Related Persons via the Data Room prior to the date of the Scheme Implementation Deed;</p> <p>(c) the Disclosure Letter; and</p> <p>(d) any other information made available by PTB or its Related Persons to PAG Group or its Related Persons prior to execution of the Scheme Implementation Deed which is agreed between the parties in writing on the date of the Scheme Implementation Deed.</p>
EBITDA	means, in respect of PTB Group, consolidated earnings before interest, tax, depreciation and amortisation, calculated in a manner consistent with the methodology applied in accordance with Accounting Standards.
EBITDAFX	means, in respect of PTB Group, consolidated earnings before interest, tax, depreciation and amortisation excluding any foreign

Term	Definition
	exchange gains or losses, calculated in accordance with Accounting Standards.
Effective	means, when used in relation to the Scheme, the coming into effect, under sub-Section 411(10) of the Corporations Act, of the order of the Court made under sub-Section 411(4)(b) of the Corporations Act in relation to the Scheme.
Effective Date	means the date on which the Scheme becomes Effective.
Encumbrance	a mortgage, charge, pledge, lien, encumbrance, security interest, title retention, preferential right, trust arrangement, contractual right of set-off, or any other security agreement or arrangement in favour of any person, whether registered or unregistered, including any Security Interest.
End Date	means: <ul style="list-style-type: none"> (a) 15 February 2023; or (b) such other date as agreed in writing by the parties.
Escrowed Shares	means the 3,786,027 PTB Shares held by Judith Ann Margaret Flintoft as trustee for the Smith Flintoft Family Trust NZ and to which a holding lock applies as at the date of the Scheme Implementation Deed.
Exclusivity Period	means the period from and including the date of the Scheme Implementation Deed to the earliest of: <ul style="list-style-type: none"> (a) the date of termination of the Scheme Implementation Deed; (b) the End Date; and (c) the Implementation Date.
Fairly Disclosed	means disclosed in sufficient detail to enable a reasonable and sophisticated recipient of the relevant information who is experienced in transactions similar to the Transaction, to identify the nature and scope of the relevant fact, matter, circumstances or event and assess the potential impact (including the general financial impact) of the relevant fact, matter, circumstance or event.
Fiduciary Exception	has the meaning given to it Section 4.11(b).
Financial Adviser	means any financial adviser retained by a PTB Group Member in relation to the Transaction from time to time.
Financial Indebtedness	means any debt or other monetary liability (whether actual or contingent), together with all interest, fees and penalties accrued thereon, in respect of monies borrowed, raised owing or any financial accommodation including under or in respect of any: <ul style="list-style-type: none"> (a) interest or non-interest bearing loan or other financing liability or obligation, including an overdraft or any other liability in the nature of borrowed money (whether secured or unsecured); (b) bill, bond, debenture, note or similar instrument;

Term	Definition
	<p>(c) acceptance, endorsement or discounting arrangement;</p> <p>(d) guarantee or letter of credit;</p> <p>(e) finance or capital lease (including debt or lease liabilities associated with purchased aircraft or aircraft engines);</p> <p>(f) redeemable share or security;</p> <p>(g) agreement for the deferral of a purchase price or other payment in relation to the acquisition of any asset or service which is not otherwise consistent with past practice as at the date of the Scheme Implementation Deed in respect of the same asset or service (or if there is not a same asset or service, the most similar asset or service);</p> <p>(h) obligation to deliver goods or provide services paid for in advance by any financier; or</p> <p>(i) recourse or non-recourse liability (whether conditional or unconditional, present or future) arising from any transaction(s) related to the assignment or securitisation of receivables for financing purposes to any Third Party, including a factoring agreement (which for the avoidance of doubt excludes any non-recourse agreement in relation to the BR710 Rolls Royce engine factoring) or a similar agreement executed for the purpose of obtaining financing and including any amount raised pursuant to such agreement but which, in accordance with the Accounting Standards, has not otherwise been recognised on the balance sheet as a liability.</p>
First Court Date	means the first day on which an application is made to the Court for an order under sub-Section 411(1) of the Corporations Act convening the Scheme Meeting is heard or, if the application is adjourned or subject to appeal for any reason, the day on which the adjourned application is heard, with such hearing being the First Court Hearing .
Foreign Shareholder	means a Scheme Shareholder whose address shown in the PTB Share Register on the Scheme Record Date as a place outside Australia (and its external territories).
FY21	means the financial year ended 30 June 2021.
FY22	means the financial year ended 30 June 2022.
FY21 Annual Report	means the annual report for PTB and its controlled entities for FY21.
Government Agency	means any government or governmental, semi-governmental, administrative, fiscal or judicial body, department, commission, authority, tribunal, agency or entity (including any stock or other securities exchange), or any minister of the Crown in right of the Commonwealth of Australia or any State, and any other federal, state, provincial, or local government, whether foreign or Australian (including ASIC and the Takeovers Panel).

Term	Definition
GST	means goods and services tax or similar value added tax levied or imposed in Australia under the GST Law or otherwise on a supply.
GST Act	means the <i>A New Tax System (Goods and Services Tax) Act 1999</i> (Cth).
GST Law	has the same meaning as in the GST Act.
Hall Chadwick	means Hall Chadwick Qld.
IASB	means the International Accounting Standards Board.
IFRS	means the International Financial Reporting Standards.
Implementation Date	means the fifth Business Day after the Scheme Record Date, or such other date after the Scheme Record Date as the parties agree in writing or is ordered by the Court or required by ASX.
Independent Expert	means BDO Corporate Finance Ltd.
Independent Expert's Report	means the report of the Independent Expert, as set out in Annexure A.
Insolvency Event	<p>in relation to an entity, means:</p> <ul style="list-style-type: none"> (a) the entity resolving that it be wound up or a court making an order for the winding up or dissolution of the entity (other than where the order is set aside within 14 days); (b) a liquidator, provisional liquidator, administrator, receiver, receiver and manager or other insolvency official being appointed to the entity or in relation to the whole, or a substantial part, of its assets; (c) the entity executing a deed of company arrangement; (d) the entity ceases, or threatens to cease to, carry on substantially all the business conducted by it as at the date of the Scheme Implementation Deed; (e) the entity is or becomes unable to pay its debts when they fall due within the meaning of the Corporations Act (or, if appropriate, legislation of its place of incorporation); or (f) the entity being deregistered as a company or otherwise dissolved, <p>or any other like event, matter or circumstance occurring in relation to an entity in another jurisdiction.</p>
ITAA 1997	means the <i>Income Tax Assessment Act 1997</i> (Cth).
Last Practicable Date	means 5 October 2022, being the last practicable trading day prior to the date of this Scheme Booklet.
Listing Rules	means the official listing rules of ASX.
Major Shareholder	has the meaning given to it Section 3.1(g).
Matching or Superior Proposal	has the meaning given to that term in clause 10.4(b) of the Scheme Implementation Deed.

Term	Definition
Net Assets	means, in respect of PTB Group, the consolidated net assets calculated in a manner consistent with the Accounting Standards.
Net Cash	means the aggregate amount of: <ul style="list-style-type: none"> (a) cash, cash equivalents, short term interest bearing deposits and the Receivables (where the terms 'cash' and 'cash equivalents' are as defined in the Accounting Standards and any authoritative interpretations issued by the Australian Accounting Standards Board); plus (b) the amount receivable by the PTB Group in respect of the Shareholder Loan; <i>less</i> (c) Debt, such calculation to exclude any impact in respect of payment of an amount to officers and employees as contemplated by paragraph (t) in the definition of PTB Prescribed Occurrence or paragraph (u) in the definition of PTB Regulated Event.
Non-public PTB Information	has the meaning given to that term in clause 10.1(a)(iii) of the Scheme Implementation Deed.
Notice of Scheme Meeting	means the notice set out in Annexure D.
PAG	means PAG Holding Corp.
PAG BidCo	means PAG/PTB BidCo Pty Ltd ACN 662 756 229.
PAG Board	means the PAG board of directors or any committee of the board of directors of PAG constituted to consider the Transaction on behalf of PAG.
PAG Counterproposal	as the meaning given to it in clause 10.4(a)(v) of the Scheme Implementation Deed.
PAG Directors	means the directors of PAG, being, as at the date of this Scheme Booklet, the individuals listed in Section 6.2.
PAG Group	means PAG and its Subsidiaries.
PAG HoldCo	means PAG/PTB Holdings Pty Ltd ACN 662 748 816.
PAG Information	means the information regarding the PAG Group provided by PAG to PTB for inclusion in this Scheme Booklet, being the information contained in Section 6.
PAG Representations and Warranties	means the representations and warranties set out in Schedule 1 of the Scheme Implementation Deed.
Proxy Form	means the proxy form for the Scheme Meeting, which accompanies this Scheme Booklet.
PTB	means PTB Group Limited ACN 098 390 991.
PTB Board	means the board of PTB Directors or any committee of the board of PTB Directors constituted to consider the Transaction on behalf of PTB.

Term	Definition
PTB Directors	means the directors of PTB, being, as at the date of this Scheme Booklet, the individuals listed in Section 5.3(a).
PTB Group	means PTB and each of its Subsidiaries, and a reference to a PTB Group Member or a member of the PTB Group is to PTB or any of its Subsidiaries.
PTB Information	means the information contained in this Scheme Booklet other than the PAG Information and the Independent Expert's Report.
PTB Material Adverse Change	<p>means any matter, event, change, condition, circumstance, occurrence or thing (each a Specified Event) occurring after the date of the Scheme Implementation Deed, or becoming actually known to PAG after the date of the Scheme Implementation Deed, which, whether individually or when aggregated with all such Specified Events that have occurred or are reasonably likely to occur, has had or would be considered reasonably likely to have, the effect of:</p> <ul style="list-style-type: none"> (a) a material adverse effect on the business, operations and/or affairs of the PTB Group, where such Specified Event is or is caused by the occurrence of a catastrophic event or similar event; (b) the Net Assets of the PTB Group, taken as a whole, being less than \$104,000,000 as at 8.00am on the Second Court Date; or (c) a diminution in the recurring EBITDAFX of the PTB Group, taken as whole, by at least \$2,000,000, measured on a rolling 12 month basis in any one or more of the 12 month periods ending 30 September 2022 through 31 December 2022 (inclusive) (excluding any earnings from any aircraft sales in excess of \$2,800,000 in aggregate in any such 12 month period) as against the management forecast for those respective months Disclosed to PAG in document 04.08 in the Data Room titled 'SID MAC - EBITDA Schedule', <p>other than those matters, events, changes, conditions, circumstances, occurrences or things:</p> <ul style="list-style-type: none"> (d) that were Fairly Disclosed in: <ul style="list-style-type: none"> (i) the Disclosure Materials (excluding the operation of termination, renewal, consent, change of control or similar rights in respect of material contracts, licences, authorisations or arrangements); (ii) an announcement made by PTB or a PTB Group Member to the ASX within two years prior to the date of the Scheme Implementation Deed; or (iii) the Public Register Information; (e) that are within the actual knowledge of PAG prior to the date of the Scheme Implementation Deed (excluding the operation of termination, renewal, consent, change of

Term	Definition
	<p>control or similar rights in respect of material contracts, licences, authorisations or arrangements);</p> <p>(g) arising from the Coronavirus or Covid-19 pandemic (or any mutation, variation or derivative thereof) after the date of the Scheme Implementation Deed, including the outbreak, escalation or any impact of, or recovery from, the Coronavirus or Covid-19 pandemic (or any mutation, variation or derivative of), and including in connection with lockdowns, travel restrictions, quarantining, closures, social distancing and restrictions of and on activities, venues and gatherings, having regard to any applicable recommendations, guidance or directions of a Government Agency, other than where such matters have a disproportionate effect on the PTB Group, as compared to other participants in the industries in which the PTB Group operates;</p> <p>(h) arising from any change in law, regulation, Accounting Standards or the interpretation of any such standards or principles, or policy of a Government Agency after the date of the Scheme Implementation Deed, other than where such matters have a disproportionate effect on the PTB Group taken as a whole;</p> <p>(i) required or expressly permitted to be done or procured by the PTB Group under the Scheme Implementation Deed or the Scheme (excluding the operation of termination, renewal, consent, change of control or similar rights in respect of material contracts, licences, authorisations or arrangements);</p> <p>(j) agreed to, or requested, by PAG in writing; or</p> <p>(k) arising from any act of terrorism, outbreak or escalation of war (whether or not declared) or major hostilities, an act of God, lightning, storm, flood, fire, earthquake or explosion, cyclone, tidal wave, landslide, other natural disaster or adverse weather conditions or the like.</p>
PTB Permitted Dividend	has the meaning given in clause 4.5(a) of the Scheme Implementation Deed.
PTB Permitted Dividend Record Date	means 2 December 2022.
PTB Prescribed Occurrence	<p>means the occurrence of any of the following:</p> <p>(a) PTB converting all or any of its shares into a larger or smaller number;</p> <p>(b) a PTB Group Member reducing or resolving to reduce its share capital in any way or resolving to re-classify, combine, split, redeem or re-purchase, directly or indirectly, any of its shares;</p> <p>(c) a PTB Group Member buying back or agreeing to buy back any of its shares, including by:</p> <p>(i) entering into a buy-back agreement; or</p> <p>(ii) resolving to approve the terms of a buy-back agreement under the Corporations Act;</p> <p>(d) a PTB Group Member issuing shares or other securities, or granting a performance right or an option over its shares, or agreeing to make such an issue or grant such</p>

Term	Definition
	a right or an option, other than to a wholly-owned Subsidiary of PTB, provided that PTB itself is not the issuing entity;
(e)	a PTB Group Member creating any new security-based (or phantom security-based) incentive plan or scheme;
(f)	a PTB Group Member issuing or agreeing to issue convertible notes or any other securities convertible into shares or debt securities;
(g)	a PTB Group Member changing the rights attaching to any class of securities in a PTB Group Member;
(h)	a PTB Group Member making any change to its constitution (or equivalent or similar document in a jurisdiction other than Australia);
(i)	a PTB Group Member disposing, or agreeing to dispose, of the whole, or a substantial part, of its business or property, or PTB disposes or agrees to dispose of any PTB Group Member;
(j)	a PTB Group Member enters into, or resolves to enter into, any agreement to restructure or reorganise their assets or securities;
(k)	a PTB Group Member creating or granting an Encumbrance, or agreeing to create or grant an Encumbrance, in respect of the whole, or a substantial or material part, of the business, assets or property of the PTB Group, other than a lien securing an obligation that is not yet due which arises by operation of law, legislation or which arises in the ordinary course of the PTB Group's business;
(l)	an Insolvency Event occurs in relation to any PTB Group Member;
(m)	a PTB Group Member ceasing, or threatening to cease, carrying on the whole or a material part of its business;
(n)	PTB Shares ceasing to be quoted, or are suspended from quotation, on ASX; or
(o)	any PTB Group Member directly or indirectly authorising, committing, resolving or agreeing to take any of the actions referred to in paragraphs (a) to (n) above insofar as it applies to the PTB Group Member the subject of the relevant actions referred to in paragraphs (a) to (n) above, but a PTB Prescribed Occurrence does not include:
(p)	an occurrence Fairly Disclosed in the Disclosure Materials;
(q)	an occurrence which is required by any applicable law, regulation, Accounting Standards, contract (provided the contract was entered into, and a copy of which was Fairly Disclosed to PAG, prior to the date of the Scheme Implementation Deed or was otherwise permitted by the Scheme Implementation Deed) or by a Government Agency;
(r)	an occurrence within the actual knowledge of a PAG Group Member before the date of the Scheme Implementation Deed;

Term	Definition
	<p>(s) an occurrence expressly required to be done or procured by the PTB Group pursuant to the Scheme Implementation Deed or the Scheme; or</p> <p>(t) payment of amounts to officers or employees of PTB:</p> <p>(i) in connection with their employment or engagement terms or their statutory or other entitlements; or</p> <p>(ii) in connection with, or conditional on, completion of the Scheme,</p> <p>provided this does not exceed \$636,003 in aggregate; or</p> <p>(u) an occurrence as agreed to, or requested, by PAG in writing; or</p> <p>(v) an occurrence relating to any non-recourse agreement in relation to the BR710 Rolls Royce engine factoring.</p>
PTB Regulated Event	<p>means the occurrence of any of the following:</p> <p>(a) acquisitions and disposals: a PTB Group Member acquiring, leasing or disposing (or agreeing, proposing or offering to acquire, lease, licence or dispose) of any business, entity, tangible or intangible assets, property or undertaking (excluding acquisitions or disposals relating to aircraft engine exchanges) (whether by way of a single transaction or series of related transactions), the value of which exceeds \$1,500,000 (individually) or \$3,000,000 (in aggregate) or not otherwise disclosed to PAG in document 04.07.02 in the Data Room titled 'Project Atlantic – Cash flow memo – Underlying excel_22.08.04' (or substitute transactions on commercially similar terms and such substitute transactions must not exceed \$1,500,000 (individually) or \$3,000,000 (in aggregate));</p> <p>(b) material contracts: a PTB Group Member entering into any contract or commitment (or series of related contracts or commitments) (including in respect of the sale of aircraft or aircraft engines), or materially varying any contract or commitment (or series of related contracts or commitments) (including in respect of the sale of aircraft or aircraft engines) in existence at the date of the Scheme Implementation Deed (excluding any contract or commitment in respect of Financial Indebtedness):</p> <p>(i) requiring annual payments by the PTB Group in excess of \$500,000; or</p> <p>(ii) that generates, or is expected to generate, in aggregate, \$1,000,000 or more in gross annual revenue for the PTB Group,</p> <p>other than in the ordinary course of carrying on the PTB Group business;</p> <p>(c) capital expenditure: any PTB Group Member incurring or entering into commitments to incur capital expenditure (other than capitalisation of internal labour) in excess of \$500,000 for any individual item or \$1,000,000 in aggregate;</p> <p>(d) disputes: a PTB Group Member commencing, compromising, settling or offering to settle any legal proceedings, claim, investigation, arbitration or like</p>

Term	Definition
	proceeding where the claimed or settlement amount (or, in the case of a series of related legal proceedings, claims, investigations, arbitrations or like proceedings, aggregate claimed or settlement amount) could reasonably be expected to give rise to a liability for the PTB Group in excess of \$500,000;
(e)	financing: a PTB Group Member entering into any new contract or commitment, or materially varying any contract or commitment in existence at the date of the Scheme Implementation Deed, with the effect of increasing Financial Indebtedness, of an amount in excess of \$1,000,000 (for the avoidance of doubt, this does not increase the threshold of any other provision in the Scheme Implementation Deed);
(f)	Security Interests: a PTB Group Member granting a Security Interest, or agreeing to grant a Security Interest, in the whole, or a substantial part, of its business or property, other than a Security Interest securing an obligation that is not yet due which arises by operation of law, legislation or which arises in the ordinary course of the PTB Group's business;
(g)	guarantees and indemnities: any PTB Group Member entering into any guarantee or indemnity on behalf of any person or providing security for the obligations of any person of a value in excess of \$1,000,000, other than in the ordinary course of business;
(h)	accounting: a PTB Group Member changing any accounting method, practice or principle used by it (including any accounting period), other than as a result of changes in Accounting Standards or the interpretation of any of them (in each case provided that any such change is not as a result of any election or similar action by a PTB Group Member which is not required by the applicable standard or principle);
(i)	employees: <ul style="list-style-type: none"> (i) a PTB Group Member entering into any new employment, independent contractor, or consulting agreement, materially varying or terminating any employment agreement, independent contractor agreement or consulting agreement other than for cause in respect of which the aggregate annual fixed remuneration is greater than \$300,000; (ii) a PTB Group Member materially increasing the remuneration, compensation or benefits of, or paying or granting any bonus or issues any securities to, or otherwise materially varying the employment, independent contractor or consulting arrangements with its directors, officers, independent contractors, consultants or other members of the executive leadership team or an officer or employee with annual fixed remuneration greater than \$300,000, except where it is in the ordinary course of business and consistent with past practice;

Term	Definition
	<ul style="list-style-type: none"> (iii) a PTB Group Member paying or granting any bonuses to officers or employees in connection with their employment or engagement terms, or their statutory or other entitlements or in connection with, or conditional on, completion of the Scheme, in excess of \$636,003 in aggregate; (iv) a PTB Group Member granting to any officer or employee of any PTB Group Member who receives annual fixed remuneration greater than \$300,000 any severance or termination pay except to the extent required or permitted by an employment contract in place at the date of the Scheme Implementation Deed, or required by law or the terms of an award or enterprise bargaining agreement or workplace agreement; (v) a PTB Group Member adopting, modifying, entering into or terminating any U.S. Benefit Plan or collective bargaining or other agreement with a union, labour organisation, or association; or (vi) a PTB Group Member accelerating or committing to accelerate the funding, payment or vesting of any compensation, severance, or benefits;
	<p>(j) advisers:</p> <ul style="list-style-type: none"> (i) a PTB Group Member incurring or paying, or agreeing to incur or pay, Transaction Advisory Costs after the date of the Scheme Implementation Deed in excess of \$500,000, to the extent such Transaction Advisory Costs have not been Fairly Disclosed to PAG prior to the date of the Scheme Implementation Deed and approved by PAG; (ii) materially amending any agreement or arrangement with a Financial Adviser or other adviser for the provision of services to assist with the Transaction or entering into an agreement or arrangement with a new Financial Adviser or other adviser for the provision of services to assist with the Transaction or entering into a new agreement or arrangement with an existing Financial Adviser or other adviser for the provision of services to assist with the Transaction; or (iii) paying or agreeing to pay any discretionary incentive fee to any Financial Adviser or other adviser for the provision of services to assist with the Transaction under any new or existing agreement or arrangement;
	<p>(k) Tax:</p> <ul style="list-style-type: none"> (i) a PTB Group Member incurring any Tax liability in relation to an event that is outside the ordinary course of business in excess of \$500,000; (ii) a PTB Group Member becoming the subject of a material Tax audit or other administrative or judicial proceeding arising therefrom or receiving from any Tax Authority any written notice of a

Term	Definition
	material proposed adjustment, deficiency or underpayment of Taxes which could reasonably be expected to give rise to a liability in excess of \$500,000;
(iii)	initiate or enter into any closing, voluntary disclosure or similar agreement with respect to Taxes, settle or compromise any Tax claim, assessment or liability, obtain any Tax ruling, or surrender any right to claim a material refund of or reduction in liability for Taxes;
(iv)	a PTB Group Member making, changing or revoking any material Tax elections, or settling, or compromising, or changing any material Tax methodologies or Tax policies applied by it in the 12 months prior to the date of the Scheme Implementation Deed other than in respect of the UNICAP accounting method change as disclosed to PAG prior to the date of the Scheme Implementation Deed; or
(v)	a PTB Group Member changing any method of accounting or accounting period for Tax purposes, file an amended Tax Return or enter into any agreement to extend or waive the applicable statute of limits with respect to any Taxes;
(l)	related party transactions: any PTB Group Member entering into, or resolving to enter into, a transaction, including giving or agreeing to give a financial benefit to a related party of PTB (other than a related party that is a PTB Group Member) as defined in section 228 of the Corporations Act;
(m)	Third Party defaults: a PTB Group Member waiving any Third Party default where the financial impact of the waiver on the PTB Group as a whole will, or is reasonably likely to be, in excess of \$500,000 (individually or in aggregate);
(n)	restraints: a PTB Group Member entering into a contract or commitment materially restraining a PTB Group Member from competing with any person or conducting activities in any market; or
(o)	dividends: other than the PTB Permitted Dividend, a PTB Group Member announcing, making, declaring, determining as payable, paying or distributing any distribution, dividend, bonus or other share of its profits or assets or returning or agreeing to return any capital to any person (whether in cash or in specie);
(p)	payments: PTB Group Member deferring, delaying or not making payment to any one or more Third Parties in respect of moneys owed or owing, which is not otherwise consistent with past practice as at the date of the Scheme Implementation Deed, where the total value of the deferred, delayed or unmade payments or payments is in excess of \$750,000 in aggregate; or
(q)	authorisation: a PTB Group Member authorising, agreeing or announcing to the ASX an intention to do any

Term	Definition
	<p>of the things set out above, whether conditionally or otherwise,</p> <p>but a PTB Regulated Event does not include:</p> <ul style="list-style-type: none"> (r) an occurrence Fairly Disclosed in the Disclosure Materials; (s) an occurrence which is required by any applicable law, regulation, the Accounting Standards, contract (provided the contract was entered into, and a copy of which was Fairly Disclosed to PAG, prior to the date of the Scheme Implementation Deed or was otherwise permitted by the Scheme Implementation Deed) or by a Government Agency; (t) an occurrence expressly required to be done or procured by the PTB Group pursuant to the Scheme Implementation Deed or the Scheme; (u) payment of amounts or conferring benefits to directors of PTB or employees of PTB: <ul style="list-style-type: none"> (i) in connection with their employment or engagement terms or their statutory or other entitlements; or (ii) in connection with, or conditional on, completion of the Scheme, <p>provided this does not exceed \$636,003 in aggregate;</p> (v) an occurrence as agreed to, or requested, by PAG in writing; or (w) an occurrence relating to any non-recourse agreement in relation to the BR710 Rolls Royce engine factoring.
PTB Representations and Warranties	means the warranties set out in Schedule 2 of the Scheme Implementation Deed, as each is qualified by clause 6.5 of the Scheme Implementation Deed.
PTB Share	means a fully paid ordinary share in PTB.
PTB Share Register	means the register of members of PTB maintained in accordance with the Corporations Act.
PTB Share Registry	means Link Market Services Limited.
PTB Shareholder	means each person who is registered as the holder of a PTB Share in the PTB Share Register from time to time.
Public Register Information	<p>means a publicly available document which would be disclosed in a search of the public records maintained by:</p> <ul style="list-style-type: none"> (a) ASIC as at 17 August 2022; (b) PPS Register as at 24 July 2022; (c) IP Australia as at 23 May 2022; and (d) the High Court of Australia as at 19 May 2022, Federal Court of Australia as at 18 May 2022, the Supreme Court of New South Wales as at 24 May 2022, the Supreme Court of Victoria as at 19 May 2022, the Supreme Court of South Australia as at 23 May 2022, the Supreme Court of Western Australia as at 20 May 2022, the Supreme Court of Australian Capital Territory as at 19 May 2022,

Term	Definition
	the Supreme Court of Northern Territory as at 18 May 2022, the Supreme Court of Queensland as at 18 May 2022 and the Supreme Court of Tasmania as at 19 May 2022.
Receivables	means the receivables referred to in clause 1.3 of the Disclosure Letter.
Recommendation	has the meaning given to that term in clause 5.10(b) of the Scheme Implementation Deed.
Registered Address	in relation to a PTB Shareholder, means the address of the PTB Shareholder as shown in the PTB Share Register.
Related Bodies Corporate	has the meaning given in Section 50 of the Corporations Act.
Related Person	in respect of a party or each of their respective Related Bodies Corporate, means each director, officer, employee, adviser, agent or representative of that party or Related Body Corporate.
Relevant Interest	has the meaning given in Sections 608 and 609 of the Corporations Act.
Requisite Majorities	has the meaning given in Section 4.5.
Reverse Break Fee	means \$2,000,000.
Scheme	means the scheme of arrangement between PTB and the Scheme Shareholders as set out in Annexure B.
Scheme Booklet	means this scheme booklet in relation to a proposal from PAG for the acquisition of PTB Shares.
Scheme Consideration	means the consideration to be provided by PAG BidCo to each Scheme Shareholder for the transfer to PAG BidCo of each Scheme Share, being for each PTB Share held by a Scheme Shareholder as at the Scheme Record Date an amount of \$1.595 per Scheme Share.
Scheme Implementation Deed	means the Scheme Implementation Deed dated 18 August 2022 between PAG and PTB relating to implementation of the Scheme, among other things, as announced to the ASX on 19 August 2022.
Scheme Meeting	means the meeting of PTB Shareholders to be convened by the Court under Section 411(1) of the Corporations Act in respect of the Scheme.
Scheme Record Date	means the time and date for determining entitlements to receive the Scheme Consideration, being 7.00pm on the second Business Day after the Effective Date or such other time and date as the parties agree in writing.
Scheme Resolution	means the resolution to be put to the Scheme Meeting to approve the Scheme.
Scheme Shareholder	means a PTB Shareholder as at the Scheme Record Date.

Term	Definition
Scheme Shares	means all PTB Shares held by the Scheme Shareholders as at the Scheme Record Date.
Second Court Date	means the first day on which an application made to the Court for an order under sub-Section 411(4)(b) of the Corporations Act approving the Scheme is heard or scheduled to be heard, as set out in the indicative timetable in this Scheme Booklet.
Second Court Hearing	means the Court hearing on the Second Court Date.
Security Interest	has the meaning given in section 12 of the PPSA.
Shareholder Information Line	means 1800 236 994 (or from outside Australia, +61 1800 236 994).
Shareholder Loan	means the loan advanced by the PTB Group to Judith Ann Margaret Flintoft as trustee for the Smith Flintoft Family Trust NZ which, at the date of the Scheme Implementation Deed, comprises a total outstanding amount (including accrued interest) equal to \$1,834,514.95.
Specific Tax	mean any U.S. federal, state, local or non-U.S. income taxes including but not limited to: net income, alternative or add-on minimum, accumulated earnings, personal holding company, estimated gross income, gross receipts, franchise, capital profits, environmental or windfall profit tax, or withholding, that is assessed, levied, imposed or collected by any Government Agency and includes any interest, fine, penalty, charge, fee or any other amount imposed on, or in respect of any of the above (including any liability incurred or borne by virtue of the application of Treasury Regulation Section 1.1502-6 (or any similar or corresponding provision of state, local or foreign Law), or liabilities incurred or borne by virtue of accounting method changes (totalling \$832,297 for UNICAP), interest expense deductibility, imputed interest income, or acquisition costs deductibility), as a transferee or successor, by contract or otherwise, together with all interest, fines, penalties, charges, fees, additions to tax and additional amounts with respect thereto.
Subsidiary	has the meaning given in Division 6 of Part 1.2 of the Corporations Act. A reference to Subsidiaries has a corresponding meaning.
Superior Proposal	<p>means a bona fide, written Competing Proposal of the kind referred to in any of paragraphs (c), (d) or (e) of the definition of 'Competing Proposal' in the Scheme Implementation Deed, and not received as a result of a breach by PTB of its obligations under clause 10 of the Scheme Implementation Deed, that the PTB Board, acting in the best interests of PTB Shareholders and in good faith and in order to satisfy what the PTB Board considers to be the PTB Directors' statutory or fiduciary duties (after having obtained written advice from its external legal advisers and Financial Adviser) determines:</p> <p>(a) is reasonably capable of being valued and completed within a reasonable timeframe in accordance with its terms, taking into account all terms, conditions and other aspects of the Competing Proposal, including, but not limited to:</p>

Term	Definition
	<ul style="list-style-type: none"> (i) the identity, reputation and financial condition of the party making the Competing Proposal; (ii) the ability of the party making the Competing Proposal to consummate the transactions contemplated by the Competing Proposal; and (iii) all relevant legal, financial, regulatory and other matters; and <p>(b) would, if completed substantially in accordance with its terms, be reasonably likely to result in a transaction that is more favourable to PTB Shareholders (as a whole) than the Transaction (and, if applicable, than the Transaction as amended or varied following application of the matching right set out in clause 10.4 of the Scheme Implementation Deed), taking into account all terms and conditions and other aspects of:</p> <ul style="list-style-type: none"> (i) the Competing Proposal (including, but not limited to, the value and type of consideration, funding, any timing considerations, any conditions precedent, the identity, reputation and financial condition of the proponent, the views of PTB Shareholders in relation to the Competing Proposal compared to the Transaction, the ability of the proponent to complete the transactions contemplated by the Competing Proposal and the probability of the Competing Proposal being completed compared to the Transaction); and (ii) the Transaction (including the matters described in paragraph (i) above in respect of the Transaction).
Tax	<p>mean any U.S. federal, state, local or non-U.S. income and non-income taxes including but not limited to: net income, alternative or add-on minimum, accumulated earnings, personal holding company, estimated gross income, gross receipts, net sales, use, ad valorem, net value added, transfer, franchise, capital profits, lease, service, fringe benefits, license, withholding, payroll, employment, social security, excise, severance, stamp, occupation, premium, real property, personal property, environmental or windfall profit tax, registration, capital stock, social security (or similar), unemployment, disability, customs duty, goods and services tax (including GST), levy, charge, impost, fee, deduction, compulsory loan or withholding, that is assessed, levied, imposed or collected by any Government Agency and includes any interest, fine, penalty, charge, fee or any other amount imposed on, or in respect of any of the above (including any liability incurred or borne by virtue of the application of Treasury Regulation Section 1.1502-6 (or any similar or corresponding provision of state, local or foreign Law), or liabilities incurred or borne by virtue of accounting method changes, superannuation guarantee, interest expense deductibility, imputed interest income, or acquisition costs deductibility), as a transferee or successor, by contract or otherwise, together with all interest, fines, penalties, charges, fees, additions to tax and additional amounts with respect thereto.</p>

Term	Definition
Tax Act	means the <i>Income Tax Assessment Act 1936</i> (Cth), the <i>Income Tax Assessment Act 1997</i> (Cth) and the <i>Taxation Administration Act 1953</i> (Cth), as the context requires.
Tax Advisers	means PTB's tax advisers.
Tax Authority	means any Government Agency having the administration of any Tax or Taxes (including for the avoidance of doubt, any U.S. or non-U.S. Government Agency having the administration of any Tax or Taxes).
Tax Return	means any returns, declarations, statements, claim for refund, election, estimate, reports, forms and information returns and any schedules or amendments thereto relating to Taxes.
Third Party	means a person other than PTB, PAG and each of their Related Bodies Corporate and Associates.
Transaction	means the proposed acquisition by PAG via PAG BidCo, in accordance with the terms and conditions of the Scheme Implementation Deed, of all of the PTB Shares through the implementation of the Scheme.
Transaction Advisory Costs	means the fees and expenses incurred or payable, or which may be incurred or payable, by a PTB Group Member to a Financial Adviser or other adviser for the provision of services in connection with the Transaction.
Trust Account	means an Australian dollar denominated trust account with an Authorised Deposit-taking Institution (as defined by the <i>Banking Act 1959</i> (Cth)) operated by PTB (or the PTB Share Registry) as trustee for the Scheme Shareholders.
U.S. Benefit Plan	means each employee benefit plan, as defined in Section 3(3) of the U.S. Employee Retirement Income Security Act of 1974, as amended, and the regulations promulgated thereunder (ERISA), each employment, consulting, severance or similar contract and each other agreement, plan, policy or arrangement (whether written or oral) providing for compensation, bonuses, commission, profit-sharing, partnership interest, stock option, phantom equity or other equity-related rights or other forms of incentive or deferred, vacation and other paid leave benefits, health, medical and welfare benefits, employee assistance program, disability or sick leave benefits, workers' compensation, supplemental unemployment benefits, severance or separation benefits, change in control, retention or transaction arrangements, post employment, retirement or pension benefits and other employee benefit arrangements, plans, policies or practices that are maintained, sponsored or contributed to by the PTB Group for the benefit of its U.S. employees or services providers or for which the PTB Group has any liability, contingent or otherwise.
VWAP	means the volume weighted average price.

10.2 Interpretation

In this 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 Section 10.1;
- (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 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 Scheme Booklet;
- (i) a reference to time is a reference to time in Brisbane, Australia;
- (j) a reference to writing includes facsimile and email transmissions; and
- (k) a reference to dollars, \$, cents, ¢ and currency is a reference to the lawful currency of the Commonwealth of Australia.

Annexure A – Independent Expert's Report





PTB GROUP LIMITED

INDEPENDENT EXPERT'S REPORT AND FINANCIAL SERVICES GUIDE

10 OCTOBER 2022

PRIVATE AND CONFIDENTIAL

FINANCIAL SERVICES GUIDE

Dated: 10 OCTOBER 2022

The Financial Services Guide ('FSG') is provided to comply with the legal requirements imposed by the Corporations Act 2001 and includes important information regarding the general financial product advice contained in this report ('this Report'). The FSG also includes general information about BDO Corporate Finance Ltd ABN 54 010 185 725, Australian Financial Services Licence No. 245513 ('BDOCF' or 'we', 'us' or 'our'), including the financial services we are authorised to provide, our remuneration and our dispute resolution.

BDOCF holds an Australian Financial Services Licence to provide the following services:

- a) Financial product advice in relation to deposit and payment products (limited to basic deposit products and deposit products other than basic deposit products), securities, and interests in managed investment schemes excluding investor directed portfolio services;
- b) Arranging to deal in financial products in relation to securities; and
- c) Applying for, acquiring, varying or disposing of a financial product in relation to interests in managed investment schemes excluding investor directed portfolio services and securities.

General Financial Product Advice

This Report sets out what is described as general financial product advice. This Report does not consider personal objectives, individual financial position or needs and therefore does not represent personal financial product advice. Consequently, any person using this Report must consider their own objectives, financial situation and needs. They may wish to obtain professional advice to assist in this assessment.

The Assignment

BDOCF has been engaged to provide general financial product advice in the form of a report in relation to a financial product. Specifically, BDOCF has been engaged to provide an independent expert's report to the shareholders of PTB Group Limited ('PTB' or 'the Company') in relation to the proposed acquisition of all of the issued share capital in PTB ('the Proposed Transaction') by PAG Holding Corp ('PAG').

Further details of the Proposed Transaction are set out in Section 4.0. The scope of this Report is set out in detail in Section 3.3. This Report provides an opinion on whether or not the Proposed Transaction is fair and reasonable to, and in the best interests of, PTB shareholders and has been prepared to provide information to the shareholders to assist them to make an informed decision on whether to vote in favour of or against the Proposed Transaction. Other important information relating to this Report is set out in more detail in Section 3.0.

This Report cannot be relied upon for any purpose other than the purpose mentioned above and cannot be relied upon by any person or entity other than those mentioned above, unless we have provided our express consent in writing to do so. A shareholder's decision to vote in favour of or against the Proposed Transaction is likely to be influenced by their particular circumstances, for example, their taxation considerations and risk profile. Each shareholder should obtain their own professional advice in relation to their own circumstances.

Fees, Commissions and Other Benefits we may Receive

We charge a fee for providing reports. The fees are negotiated with the party who engages us to provide a report. We estimate the fee for the preparation of this Report will be approximately \$80,000 plus GST. Fees are usually charged as a fixed amount or on an hourly basis depending on the terms of the agreement with the engaging party. Our fees for this Report are not contingent on the outcome of the Proposed Transaction.

Except for the fees referred to above, neither BDOCF, nor any of its directors, employees or related entities, receive any pecuniary benefit or other benefit, directly or indirectly, for or in connection with the provision of this Report.

Directors of BDOCF may receive a share in the profits of BDO Group Holdings Limited, a parent entity of BDOCF. All directors and employees of BDO Group Holdings Limited and its subsidiaries (including BDOCF) are entitled to receive a salary. Where a director of BDOCF is a shareholder of BDO Group Holdings Limited, the person is entitled to share in the profits of BDO Group Holdings Limited.

Associations and Relationships

From time to time BDOCF or its related entities may provide professional services to issuers of financial products in the ordinary course of its business. These services may include audit, tax and business advisory services. BDOCF has not provided any professional services to PTB in the last two years. A related entity of BDOCF, BDO Services Pty Ltd, has been engaged by the Australian subsidiary of PAG, namely Precision Aviation Group Australia Pty Ltd, to assist with the preparation and lodgement of the income tax return for the year ended 31 December 2021 and to provide transfer pricing services.

The signatories to this Report do not hold any shares in PTB and no such shares have ever been held by the signatories.

To prepare our reports, including this Report, we may use researched information provided by research facilities to which we subscribe or which are publicly available. Reference has been made to the sources of information in this Report, where applicable. Research fees are not included in the fee details provided in this Report.

Complaints Resolution

Internal Complaints Resolution Process

As the holder of an Australian Financial Services Licence, we are required to have a system for handling complaints from persons to whom we provide financial services. Complaints can be in writing, addressed to the Complaints Officer, BDO Corporate Finance Ltd, GPO Box 457, Brisbane QLD 4001 or by telephone or email, using the details at the end of this FSG.

When we receive a complaint we will record the complaint, acknowledge receipt of the complaint in writing within 24 hours (or one business day) or, if that timeline cannot be met, then as soon as practicable and investigate the issues raised. As soon as practical, and not more than 30 days after receiving the complaint, we will advise the complainant in writing of our determination.

Referral to External Dispute Resolution Scheme

If a complaint is made and the complainant is dissatisfied with the outcome of the above process, or our determination, the complainant has the right to refer the matter to the Australian Financial Complaints Authority Limited ('AFCA'). AFCA is an independent company that has been established to impartially resolve disputes between consumers and participating financial services providers.

BDO Corporate Finance is a member of AFCA (Member Number 10236).

Further details about AFCA are available at the AFCA website www.afca.org.au or by contacting them directly via the details set out below.

Australian Financial Complaints Authority Limited
GPO Box 3
Melbourne VIC 3001
Toll free: 1800 931 678
Email: info@afca.org

Compensation Arrangements

BDOCF and its related entities hold Professional Indemnity insurance for the purpose of compensating retail clients for loss or damage suffered because of breaches of relevant obligations by BDOCF or its representatives under Chapter 7 of the Corporations Act 2001. These arrangements and the level of cover held by BDOCF satisfy the requirements of section 912B of the Corporations Act 2001.

Contact Details

BDO Corporate Finance Ltd

Location Address:	Postal Address:
Level 10 12 Creek Street BRISBANE QLD 4000	GPO Box 457 BRISBANE QLD 4001
Phone: (07) 3237 5999	Email: cf.brisbane@bdo.com.au
Fax: (07) 3221 9227	

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GLOSSARY

Reference	Definition
A\$ or \$	Australian dollars
ABV	Asset-based valuation
AKF	Aircraft kilometres flown
AMRS	Aircraft manufacturing and repair services
APES 225	Accounting Professional and Ethical Standards Board professional standard APES 225 <i>Valuation Services</i>
ASIC	Australian Securities and Investment Commission
ASX	Australian Securities Exchange
BDO Persons	The partners, directors, agents or associates of BDO
BDOCF	BDO Corporate Finance Ltd
Board, the	The board of directors of the Company
Cash Consideration, the	Cash consideration under the Proposed Transaction of \$1.595 for each ordinary PTB share held
CME	Capitalisation of maintainable earnings
Company, the	PTB Group Limited
Corporations Act, the	The Corporations Act 2001
DCF	Discounted cash flow
DoD	US Department of Defense
Directors, the	The Directors of the Company
EBITDA	Earnings Before interest, tax, depreciation and amortisation
EBITDAFX	Earnings before interest, tax, depreciation, amortisation and foreign exchange gain/(loss)
ERO	Engine, repair and overhaul
EV	Enterprise value
FSG	Financial Services Guide
FY	The financial year or 12-month period ended on 30 June
H1FY22	The 6-month period ended 31 December 2021
IAP	IAP Group Australia Pty Ltd
Management, the	The management of PTB and its advisers
MBV	Market-based valuation
Model, the	The forecast model prepared by PTB
MRO	Maintenance, repair and overhaul
NPAT	Net profit after tax
NPBTFX	Net profit before tax and foreign exchange gain/(loss)
Proposed Transaction, the	The proposed acquisition of 100% of the issued shares in PTB by PAG by way of scheme of arrangement
Regulations, the	The Corporation Regulations 2001
Report, this	This independent expert's report prepared by BDOCF and dated 10 October 2022

Reference	Definition
RG 111	Regulatory Guide 111: <i>Content of Expert Report</i> , issued by ASIC
RGs	Regulatory guides published by ASIC
Shareholders, the	The holders of fully paid ordinary shares in the Company
Scheme	Scheme of Arrangement
Scheme Meeting, the	Scheme meeting proposed to be held on 16 November 2022
Scheme Booklet, the	The scheme booklet prepared by the Company dated on or about 14 October 2022
Second Court Hearing, the	The second court hearing will occur on or about 29 November 2022
SID	The scheme implementation deed between PTB and PAG dated 18 August 2022
PAG	PAG Holding Corp
PBH	Power By the Hour
PTB	PTB Group Limited
PTB Permitted Dividend	Has the meaning given in clause 4.5(a) of the SID
PT Brisbane	Pacific Turbine Brisbane
PT Leasing	Pacific Turbine Leasing Pty Ltd
PT USA	Prime Turbines LLC, Pacific Turbine USA, LLC and Pacific Turbine USA Pty Ltd
US	United States
USD	United States Dollar
UTC	United Turbine Corporation
VWAP	Volume weighted average price
We, us, our	BDO Corporate Finance Ltd
YoY	Year-on-year

PART I: ASSESSMENT OF THE PROPOSED TRANSACTION

The Shareholders
C/- The Directors
PTB Group Limited
22 Orient Ave
Pinkenba QLD 4008

10 October 2022

Dear Shareholders,

1.0 Introduction

BDO Corporate Finance Ltd ('BDOCF', 'we', 'us' or 'our') has been engaged to provide an independent expert's report ('this Report') to the shareholders ('the Shareholders') of PTB Group Limited ('PTB' or 'the Company') in relation to the proposed acquisition of all of the issued share capital in PTB by PAG Holding Corp ('PAG') ('the Proposed Transaction').

The Proposed Transaction is proposed to be implemented by a scheme of arrangement ('Scheme') under Part 5.1 of the Corporations Act 2001 ('the Corporations Act') whereby the Shareholders will receive cash consideration of \$1.595 for each PTB share held ('the Cash Consideration'). PTB also expects to declare and pay a dividend up to the amount of \$0.03 per PTB share, which PTB expects will be fully franked ('the PTB Permitted Dividend').

A more detailed description of the Proposed Transaction is set out in Section 4.0.

The Shareholders are requested by the directors of PTB (the 'Directors') to vote in favour of or against the Proposed Transaction at the scheme meeting proposed to be held on 16 November 2022 ('the Scheme Meeting').

In this Report, BDOCF has expressed an opinion as to whether or not the Proposed Transaction is fair and reasonable to, and in the best interests of, the Shareholders. This Report has been prepared solely for use by the Shareholders to provide them with information relating to the Proposed Transaction. The scope and purpose of this Report are detailed in Sections 3.3 and 3.4 respectively.

This Report, including Part I, Part II and the appendices, should be read in full along with all other documentation provided to the Shareholders including the scheme booklet prepared by PTB and dated on or about 14 October 2022 ('the Scheme Booklet').

2.0 Assessment of the Proposed Transaction

This section is set out as follows:

- ▶ Section 2.1 sets out the methodology for our assessment of the Proposed Transaction;
- ▶ Section 2.2 sets out our assessment of the fairness of the Proposed Transaction;
- ▶ Section 2.3 sets out our assessment of the reasonableness of the Proposed Transaction; and
- ▶ Section 2.4 provides our assessment of whether the Proposed Transaction is in the best interests of the Shareholders.

2.1 Basis of Evaluation

ASIC have issued Regulatory Guide 111: Content of Expert Reports ('RG 111'), which provides guidance in relation to independent expert's reports. RG 111 relates to the provision of independent expert's reports in a range of circumstances, including those where the expert is required to provide an opinion in relation to a takeover transaction. RG 111 states that the independent expert's report should explain the particulars of how the transaction was examined and evaluated as well as the results of the examination and evaluation.

The Proposed Transaction involves PAG acquiring 100% of the issued share capital in PTB which represents a controlling interest stake. RG 111 specifically differentiates between control and non-control transactions in providing guidance on the type of analysis to complete. RG 111 suggests that where the transaction is a control transaction the expert should focus on the substance of the control transaction rather than the legal mechanism to affect it. In our opinion the Proposed Transaction is a control transaction as defined by RG 111 and we have assessed the Proposed Transaction by considering whether, in our opinion, it is fair and reasonable to, and in the best interests of, the Shareholders.

Under RG 111, an offer will be considered 'fair' if the value of the consideration to be received by the shareholders is equal to or greater than the value of the shares that are the subject of the transaction. To assess whether an offer is 'reasonable', an expert should examine other significant factors to which shareholders may give consideration prior to accepting or approving the offer. This includes comparing the likely advantages and disadvantages if the offer is approved with the position of the shareholders if the offer is not approved.

RG 111 states that a transaction is reasonable if it is fair. It might also be reasonable if, despite being 'not fair', the expert believes that there are sufficient reasons for security holders to accept an offer in the absence of a higher bid. Our assessment concludes by providing our opinion as to whether or not the Proposed Transaction is 'fair and reasonable'. While all relevant issues need to be considered before drawing an overall conclusion, we will assess the fairness and reasonableness issues separately for clarity.

If our opinion of the Proposed Transaction is that it is 'fair and reasonable' then we will also be able to conclude that the Proposed Transaction is in the 'best interests' of the Shareholders. If our opinion of the Proposed Transaction is that it is 'not fair but reasonable', we may still conclude that the Proposed Transaction is in the best interests of the Shareholders. In this circumstance, we will clearly state that the consideration is not equal to or greater than the value of a PTB share, but that there are sufficient reasons for the Shareholders to vote in favour of the Proposed Transaction in the absence of a superior proposal. If our opinion of the Proposed Transaction is that it is 'not fair and not reasonable', we will conclude that the Proposed Transaction is 'not in the best interests of the Shareholders'.

We have assessed the fairness and reasonableness of the Proposed Transaction in Sections 2.2 and 2.3 below and concluded on whether the Proposed Transaction is in the 'best interests' of the Shareholders in Section 2.4 below.

2.2 Assessment of Fairness

2.2.1 Basis of Assessment

RG 111 states that a transaction is fair if the value of the offer price or consideration is greater than the value of the securities subject to the offer. This comparison should be made assuming a knowledgeable and willing, but not anxious, buyer and a knowledgeable and willing, but not anxious, seller acting at arm's length. When considering the value of the securities subject to an offer in a control transaction the expert should consider this value inclusive of a control premium and assume a 100% ownership interest.

In our view, it is appropriate to assess the fairness of the Proposed Transaction to the Shareholders as follows:

- a) Determine the value of a PTB share on a controlling interest basis prior to the Proposed Transaction; and
- b) Compare the value of a) above with the value of the consideration offered by PAG.

In accordance with the requirements of RG 111, the Proposed Transaction can be considered 'fair' to the Shareholders if the consideration offered per ordinary share is equal to or greater than the value determined in a) above.

2.2.2 Value of a PTB Share Prior to the Proposed Transaction

In our view, for the purposes of the analysis set out in this Report, it is appropriate to adopt a value in the range of \$1.39 to \$1.93 per share on a controlling interest basis. In forming this view, we adopted a capitalised maintainable earnings ('CME') valuation methodology as our primary valuation methodology and a market-based valuation ('MBV') as a secondary cross-check methodology.

Our valuation of PTB is set out in Section 8.0.

2.2.3 Value of the Consideration Offered Under the Proposed Transaction

PTB shareholders have been offered a cash payment of \$1.595 per share for each share they hold in PTB.

2.2.4 Assessment of the Fairness of the Proposed Transaction

In order to assess the fairness of the Proposed Transaction, it is appropriate to compare the value of a PTB share prior to the Proposed Transaction on a controlling interest basis with the Cash Consideration of \$1.595. Pursuant to RG 111, the Offer is considered to be fair if the value of the consideration is equal to or greater than the value of the securities subject to the Offer (i.e. the value per PTB share).

Table 2.1 below summarises our assessment of the fairness of the Proposed Transaction.

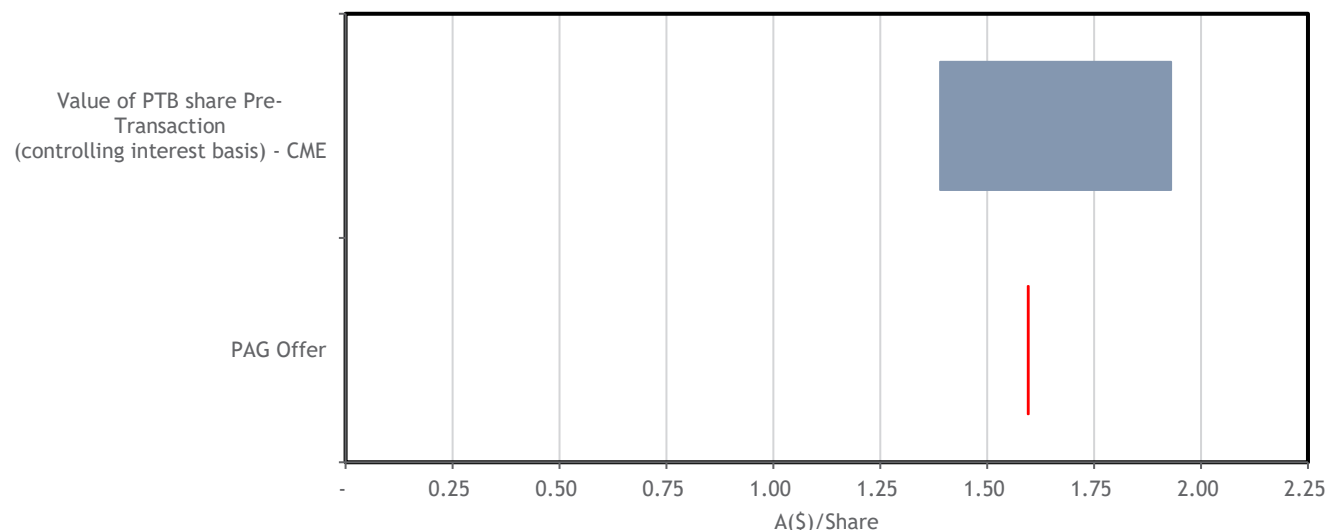
Table 2.1: Assessment of the Fairness of the Proposed Transaction

(\$'000)	Low	High
Value of a PTB share prior to the Proposed Transaction (controlling interest)	\$1.39	\$1.93
Value of the Cash Consideration	\$1.595	\$1.595

Source: BDOCF Analysis

Figure 2.1 summarises our assessment of the fairness of the Proposed Transaction, setting out a graphical comparison of our valuation of a PTB share prior to the Proposed Transaction on a controlling interest basis and the cash consideration offered to the Shareholders under the Proposed Transaction.

Figure 2.1: Fairness of the Proposed Transaction



Source: BDOCF analysis

With reference to Table 2.1 and Figure 2.1, we note the Cash Consideration of \$1.595 per PTB share is in the range of the value of a PTB share prior to the Proposed Transaction on a controlling interest basis.

In addition to the information set out in Table 2.1 above, the Shareholders should note that under the Proposed Transaction, PTB has the potential to pay the PTB Permitted Dividend, being a fully franked dividend up to a maximum of \$0.03 per share. We have been informed that it is the intention of the Directors to pay the PTB Permitted Dividend in full, subject to having sufficient cash. Under this scenario, shareholders who are able to capture the full benefit of the franking credits may potentially realise additional value of up to \$0.01 per share. However, any benefit received through the utilisation of franking credits will depend on the amount of dividends paid and the tax circumstance of individual shareholders. This Report does not address circumstances specific to individual shareholders. Shareholders should obtain their own professional advice in relation to their ability to realise additional value in the event the PTB Permitted Dividend is paid.

After considering the information summarised above and set out in detail in the balance of this Report, it is our view that, in the absence of any other information or a superior offer, the Proposed Transaction is **Fair** to the Shareholders as at the date of this Report.

2.3 Assessment of Reasonableness

2.3.1 Basis of Assessment

Under RG 111, a transaction is considered reasonable if it is fair. It may also be reasonable, despite not being fair, if after considering other significant factors the interests of the shareholders are reasonably balanced.

In addition to our fairness assessment set out in Section 2.2 above, to assess whether the Proposed Transaction is 'reasonable' we consider it appropriate to examine other significant factors to which the Shareholders may give consideration prior to forming a view on whether to vote in favour of or against the Proposed Transaction. This includes comparing the likely advantages and disadvantages of approving the Proposed Transaction with the position of a Shareholder if the Proposed Transaction is not approved, as well as a consideration of other significant factors.

Our assessment of the reasonableness of the Proposed Transaction is set out as follows:

- ▶ Section 2.3.2 sets out the advantages of the Proposed Transaction to the Shareholders;
- ▶ Section 2.3.3 sets out the disadvantages of the Proposed Transaction to the Shareholders;
- ▶ Section 2.3.4 sets out discussion of other considerations relevant to the Proposed Transaction;
- ▶ Section 2.3.5 sets out the position of the Shareholders if the Proposed Transaction is not approved; and
- ▶ Section 2.3.6 provides our opinion on the reasonableness of the Proposed Transaction to the Shareholders.

2.3.2 Advantages of the Proposed Transaction

Table 2.2 below outlines the potential advantages to the Shareholders of approving the Proposed Transaction.

Table 2.2: Potential Advantages of the Proposed Transaction

Advantage	Explanation
The Proposed Transaction is fair	As set out in Section 2.2 above, the Proposed Transaction is fair to the Shareholders as at the date of this Report. RG 111 states that an offer is reasonable if it is fair.
The current offer price is known	<p>If the Proposed Transaction is implemented, Shareholders have certainty that they will receive \$1.595 for each PTB share held. These Shareholders will no longer be exposed to the ongoing risks associated with holding shares in PTB.</p> <p>While the value of Cash Consideration under the Proposed Transaction is certain, we note that it may be possible, assuming sufficient liquidity, for the Shareholders to sell their shares on the ASX at prices that are in broadly in line with the Cash Consideration. By way of example, from 19 August 2022 (the date the Proposed Transaction was announced) to 16 September 2022, PTB shares have traded in the range of \$1.55 to \$1.58.</p>
No brokerage charges	As outlined in the Scheme Booklet, the Shareholders will not incur any brokerage charges if the Proposed Transaction is approved.
PTB Permitted Dividend	PTB may (in its absolute discretion) declare and pay a final, fully franked dividend up to the amount of \$0.03 per PTB share. The PTB Permitted Dividend may give rise to additional consideration for those Australian resident shareholders able to benefit from the related franking credits attached to the PTB Permitted Dividend.
The consideration is at a premium to the price that PTB shares have traded on the ASX prior to the Proposed Transaction	As outlined in Section 5.4, recent ASX trading of PTB shares has been at VWAPs in the range of \$1.1438 (1 week VWAP prior to the announcement of the Proposed Transaction) to \$1.0845 (12 month VWAP prior to the announcement of the Proposed Transaction). The Cash Consideration of \$1.595 per share is at a premium to the price that PTB shares have traded on the ASX prior to the announcement of the Proposed Transaction.
A superior proposal has not emerged	The Directors have advised that, as at the date of this Report, a superior proposal to the Proposed Transaction has not been received by the Company and the Directors are not aware of any superior proposal that is likely to emerge. We note that a comprehensive sale process was undertaken and a number of parties were contacted as part of this process, which resulted in one final bid from PAG.

Source: BDOCF analysis

2.3.3 Disadvantages of the Proposed Transaction

Table 2.3 below outlines the potential disadvantages to the Shareholders of approving the Proposed Transaction.

Table 2.3: Potential Disadvantages of the Proposed Transaction

Disadvantage	Explanation
No exposure to any future offers	If the Proposed Transaction is approved, the Shareholders will no longer be able to benefit from any superior offers from PAG or any other party. Notwithstanding, there is no indication, nor guarantee that a future offer will be forthcoming.
No exposure to any potential future value of PTB	If the Proposed Transaction is approved, Shareholders will receive Cash Consideration and no longer hold any shares in the Company. Accordingly, Shareholders will have no exposure to any potential upside in the value of the Company going forward.
No partial investment	The Proposed Transaction relates to 100% of each Shareholder's shares. If the Proposed Transaction is approved, PAG will acquire 100% of PTB shares and no partial investment will be possible.

Source: BDOCF analysis

2.3.4 Other Considerations

Tax Considerations

If the Proposed Transaction is approved and implemented, the Shareholders will be treated as having disposed of their shares for tax purposes. A gain or loss on disposal may arise depending on the cost base of each individual Shareholder's shares, the length of time held, whether the shares are held on capital or revenue account and whether or not the Shareholder is an Australian resident for tax purposes. A general description of the Australian tax consequences of the Proposed Transaction (assuming it is implemented) for certain PTB shareholders is set out in Section 8.0 of the Scheme Booklet.

Shareholders should consult their own adviser in relation to the taxation consequences of the Proposed Transaction.

Franked Dividends

The Directors anticipate that the Permitted Dividend of \$0.03 will be paid and this dividend is expected to be fully franked. In this circumstance, the Shareholders could be entitled to a tax offset equal to the franking credits attached to dividends. Shareholders may be entitled to a refund of franking credits where the tax offset associated with the franking credits exceeds the Shareholder's tax liability for the relevant income year. Conversely, if shareholders are imputed with notional income, on which tax is payable, that exceeds the tax credits they have received, they may be responsible for the additional tax payable at their marginal tax rate. A general description of the Australian tax consequences of the Proposed Transaction (assuming it is implemented) for certain PTB shareholders is set out in Section 8.0 of the Scheme Booklet.

Shareholders should consult their own adviser in relation to the taxation consequences of the Proposed Transaction.

2.3.5 Position of the Shareholders if the Proposed Transaction is Not Approved

Table 2.4 below outlines the potential position of the Shareholders if the Proposed Transaction is not approved.

Table 2.4: Position of Shareholders if the Proposed Transaction is Not Approved

Position of Shareholders	Explanation
Continued shareholding in PTB	If the Proposed Transaction is not implemented, the Shareholders will continue to hold shares in PTB. The Shareholders will continue to be exposed to the risk and opportunities associated with the ownership of PTB shares.
Share trading price may be materially different to recent share trading prices and the shares in PTB may trade at prices that are lower than \$1.595 per share	<p>If the Proposed Transaction does not proceed, the price of PTB shares may decrease relative to recent trading prices (e.g. from 19 August 2022 to 16 September 2022, PTB shares have traded in the range of \$1.55 to \$1.58) and the decrease may be material. As outlined in Section 5.4, prior to the announcement of the Proposed Transaction, PTB shares traded on the ASX with a 12-month VWAP of \$1.0845 and a 1-week VWAP of \$1.1438. This is lower than the Cash Consideration of \$1.595 per PTB share held.</p> <p>It is important to note that shares in PTB have been valued in this Report on a controlling interest basis to assess the Proposed Transaction. If the Proposed Transaction is not implemented, the price of shares in PTB is likely to change to represent the value of PTB on a minority interest basis.</p> <p>It is possible that shares in PTB will trade at a price that is materially lower than \$1.595 if the Proposed Transaction is not implemented.</p>

Position of Shareholders	Explanation
Non-recoverable costs	PTB will incur costs in relation to the Proposed Transaction irrespective of whether or not the Proposed Transaction is implemented. PTB will not be able to recover the costs that it has incurred in relation to the Proposed Transaction in the event that the Proposed Transaction is not approved and/or implemented. In addition to its own costs, PTB may be required to pay a break fee of \$2 million to PAG under certain circumstances, which are set out in section 4.11 of the Scheme Booklet.
Prospect of a superior proposal or alternative transaction	<p>It is possible that if the Proposed Transaction is not implemented, PTB may receive an offer superior to the Proposed Transaction. However, we note that a comprehensive sale process was undertaken and a number of parties were contacted as part of this process, which resulted in one final bid from PAG.</p> <p>As at the date of this Report, the Directors have not received a proposal superior to the Proposed Transaction.</p>

Source: BDOCF analysis

2.3.6 Assessment of the Reasonableness of the Proposed Transaction

In our opinion, after considering all of the issues set out in this Report, it is our view that, in the absence of any other information or a superior proposal, the Proposed Transaction is **Reasonable** to the Shareholders as at the date of this Report.

2.4 Best Interests Opinion

After considering the above assessments, it is our view that, in the absence of any other information or a superior proposal, the Proposed Transaction is **Fair and Reasonable** to the Shareholders as at the date of this Report. On this basis, it is our view that in the absence of any other information or a superior proposal, the Proposed Transaction is in the **Best Interests** of Shareholders as at the date of this Report.

Before forming a view on whether to vote in favour of or against the Proposed Transaction, Shareholders must:

- ▶ Have regard to the information set out in the balance of this Report, including the Important Information set out in Section 3.0;
- ▶ Consider the possibility of a superior proposal arising, notwithstanding that a superior proposal has not arisen as at the date of this Report and there is no guarantee that one will emerge;
- ▶ Consult their own professional advisers; and
- ▶ Consider their specific circumstances.

3.0 Important Information

3.1 Read this Report, and Other Documentation, in Full

This Report, including Part I, Part II and the appendices, should be read in full to obtain a comprehensive understanding of the purpose, scope, basis of evaluation, limitations, information relied upon, analysis, and assumptions underpinning our work and our findings.

Other information provided to the Shareholders in conjunction with this Report should also be read in full, including the Scheme Booklet prepared by PTB and dated on or about 14 October 2022.

3.2 Shareholders' Individual Circumstances

Our analysis has been completed and our conclusions expressed at an aggregate level having regard to the Shareholders as a whole. BDOCF has not considered the impact of the Proposed Transaction on the particular circumstances of individual Shareholders. Individual Shareholders may place a different emphasis on certain elements of the Proposed Transaction relative to the emphasis placed in this Report. Accordingly, individual Shareholders may reach different conclusions as to whether or not the Proposed Transaction is fair and reasonable in their individual circumstances.

The decision of an individual Shareholder to vote in favour of or against the Proposed Transaction is likely to be influenced by their particular circumstances and accordingly, the Shareholders are advised to consider their own circumstances and seek their own independent advice.

Voting in favour of or against the Proposed Transaction is a matter for individual Shareholders based on their expectations as to the expected value, future prospects and market conditions together with their particular circumstances, including risk profile, liquidity preference, portfolio strategy and tax position. The Shareholders should carefully consider the Scheme Booklet. Shareholders who are in doubt as to the action they should take in relation to the Proposed Transaction should consult their professional adviser.

With respect to the taxation implications of the Proposed Transaction, it is strongly recommended that the Shareholders obtain their own taxation advice, tailored to their own particular circumstances.

3.3 Scope

In this Report we provide our opinion on whether the Proposed Transaction is fair and reasonable to, and in the best interests of, the Shareholders.

This Report has been prepared at the request of the Directors for the sole benefit of the Shareholders entitled to vote, to assist them in their decision to vote in favour of or against the Proposed Transaction. This Report is to accompany the Scheme Booklet to be sent to the Shareholders to consider the Proposed Transaction and was not prepared for any other purpose. Accordingly, this Report and the information contained herein may not be relied upon by anyone other than the Directors and the Shareholders without our written consent. We accept no responsibility to any person other than the Directors and the Shareholders in relation to this Report.

This Report should not be used for any other purpose and we do not accept any responsibility for its use outside this purpose. Except in accordance with the stated purpose, no extract, quote or copy of this Report, in whole or in part, should be reproduced without our written consent, as to the form and context in which it may appear.

We have consented to the inclusion of this Report with the Scheme Booklet. Apart from this Report, we are not responsible for the contents of the Scheme Booklet or any other document associated with the Proposed Transaction. We acknowledge that this Report may be lodged with regulatory authorities to obtain the relevant approvals prior to it being made available to the Shareholders.

The scope of procedures we have undertaken has been limited to those procedures required in order to form our opinion. Our procedures did not include verification work nor constitute an audit or assurance engagement in accordance with Australian Auditing and Assurance Standards. In preparing this Report we considered a range of matters, including the necessary legal requirements and guidance of the Corporations Act 2001 (Cth) ('the Corporations Act'), the Corporation Regulations 2001 ('the Regulations'), the regulatory guides ('RGs') published by the Australian Securities and Investments Commission ('ASIC'), the listing requirements of the relevant exchanges (where relevant) and commercial practice.

In forming our opinion, we have made certain assumptions and outline these in this Report including:

- ▶ We have performed our analysis on the basis that the conditions precedent to the Proposed Transaction are satisfied;
- ▶ That matters such as title to all relevant assets, compliance with laws and regulations and contracts in place are in good standing, and will remain so, and that there are no material legal proceedings, other than as publicly disclosed;
- ▶ All information which is material to the Shareholders' decision on the Proposed Transaction has been provided and is complete, accurate and fairly presented in all material respects;
- ▶ ASX announcements and other publicly available information relied on by us are accurate, complete and not misleading;
- ▶ If the Proposed Transaction is approved, that it will be implemented in accordance with the stated terms;
- ▶ The legal mechanism to implement the Proposed Transaction is correct and effective;

- ▶ There are no undue changes to the terms and conditions of the Proposed Transaction or complex issues unknown to us; and
- ▶ Other assumptions, as outlined in this Report.

In this Report we have not provided any taxation, legal or other advice of a similar nature in relation to the Proposed Transaction. PTB has engaged other advisors in relation to those matters.

PTB has acknowledged that the Company's engagement of BDOCF is as an independent contractor and not in any other capacity, including a fiduciary capacity.

The statements and opinions contained in this Report are given in good faith and are based upon our consideration and assessment of the information provided by the Board, executives and management of all the entities.

3.4 Purpose of this Report

An independent expert, in certain circumstances, must be appointed to meet the requirements set out in the Corporations Act, the Regulations, RGs and in some cases the listing requirements of the relevant exchanges. These requirements have been set out in Sections 3.4.1 and 3.4.2 below.

3.4.1 Requirements of the Corporations Act

The Proposed Transaction will be implemented by scheme of arrangement. Section 411 of the Corporations Act relates to schemes of arrangement. Under section 411 of the Corporations Act, in order for a scheme of arrangement to be approved, certain steps, including the following, must occur:

- ▶ Unless the Court orders otherwise, there must be a majority in number (i.e. more than 50%) of the shareholders present and voting (either in person or by proxy); and
- ▶ No less than 75% of the votes cast on the resolution must vote in favour of the scheme.

Part 3 of Schedule 8 of the Corporations Regulations details the prescribed information relating to schemes of arrangement. Specifically, Clause 8303 of Schedule 8 states that an independent expert's report prepared to determine whether, in the opinion of the expert, the proposed scheme is in the best interests of the company's shareholders must accompany a scheme document if:

- ▶ A party to the proposed scheme has a prescribed shareholding in the company subject to the scheme; or
- ▶ The directors of the company are also directors of the company subject to the scheme.

We have been requested to prepare this independent expert's report to provide additional information to the Shareholders to assist them to form a view on whether to vote in favour of or against the Proposed Transaction.

3.4.2 Listing Requirements

We have been instructed that PTB will not be using this Report or our assessment of the Proposed Transaction for the purpose of complying with the listing requirements of the ASX or any other stock exchange.

3.5 Current Market Conditions

Our opinion and the analysis set out in this Report is based on economic, commodity, market and other conditions prevailing at the date of this Report. Such conditions can change significantly over relatively short periods of time and may have a material impact on the results presented in this Report and result in any valuation or other opinion becoming quickly outdated and in need of revision.

In circumstances where we become aware of and believe that a change in these conditions, prior to the scheme meeting, results in a material statement in this Report becoming misleading, deceptive or resulting in a material change in valuation, we will provide supplementary disclosure to PTB. BDOCF is not responsible for updating this Report following the Scheme Meeting or in the event that a change in prevailing circumstance does not meet the above conditions.

3.6 Reliance on Information

PTB recognises and confirms that, in preparing this Report, except to the extent to which it is unreasonable to do so, BDOCF, BDO Services Pty Ltd or any of the partners, directors, agents or associates (together 'BDO Persons'), will be using and relying on publicly available information and on data, material and other information furnished to BDO Persons by PTB, its Management, and other parties, and may assume and rely upon the accuracy and completeness of, and is not assuming any responsibility for independent verification of, such publicly available information and the other information so furnished.

Unless the information we are provided suggests the contrary, we have assumed that the information provided was reliable, complete and not misleading, and material facts were not withheld. The information provided was evaluated through analysis and inquiry for the purpose of forming an opinion as to whether or not the Proposed Transaction is fair and reasonable to, and in the best interests of, the Shareholders.

We do not warrant that our inquiries have identified or verified all of the matters which an audit, extensive examination or due diligence investigation might disclose. In any event, an opinion as to whether a corporate transaction is fair and reasonable and in the best interests is in the nature of an overall opinion rather than an audit or detailed investigation.

It is understood that the accounting information provided to us was prepared in accordance with generally accepted accounting principles.

Where we relied on the views and judgement of Management, the information was evaluated through analysis and inquiry to the extent practical. Where we have relied on publicly available information, we have considered the source of the information and completed our own analysis to assist us to determine the accuracy of the information we have relied on. However, in many cases the information we have relied on is often not capable of external verification or validation and on that basis we provide no opinion or assurance on the information.

The Directors represent and warrant to us for the purpose of this Report, that all information and documents furnished by PTB (either by Management directly or through its advisors) in connection or for use in the preparation of this Report do not contain any untrue statements of a material fact or omit to state a material fact necessary in order to make the statements therein. We have received representations from the Directors in relation to the completeness and accuracy of the information provided to us for the purpose of this Report.

Under the terms of our engagement, PTB has agreed to indemnify BDO Persons against any claim, liability, loss or expense, costs or damage, arising out of reliance on any information or documentation provided, which is false or misleading or omits any material particulars, or arising from failure to supply relevant documentation or information.

3.7 Glossary

Capitalised terms used in this Report have the meanings set out in the glossary. A glossary of terms used throughout this Report is set out immediately following the Table of Contents at the start of this Report.

All dollar ('\$') references in this Report are in Australian dollars unless otherwise stated.

3.8 Sources of Information

This Report has been prepared using information obtained from sources including the following:

- ▶ PTB annual reports for the year ended 30 June 2019, 2020, 2021 and 2022;
- ▶ PTB ASX announcements;
- ▶ Scheme Booklet dated on or about 14 October 2022;
- ▶ Scheme Implementation Deed dated 18 August 2022;
- ▶ Capital IQ;
- ▶ IBISWorld;
- ▶ MergerMarket;
- ▶ Other research publications and publicly available data as sourced throughout this Report;
- ▶ Various transaction documents provided by the Management of PTB and their advisors; and
- ▶ Discussions and other correspondence with PTB, management and their advisers.

3.9 APES 225 Valuation Services

This assignment is a Valuation Engagement as defined by Accounting Professional & Ethical Standards Board professional standard APES 225 *Valuation Services* ('APES 225'). A Valuation Engagement is defined by APES 225 as 'an Engagement or Assignment to perform a Valuation and provide a Valuation Report where the Valuer 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 Valuer at that time.'

This Valuation Engagement has been undertaken in accordance with the requirements set out in APES 225.

3.10 Forecast Information

Any forecast financial information referred to in this Report has originated from the Company's Management and is adopted by the Directors in order to provide us with a guide to the potential financial performance of PTB. There is a considerable degree of subjective judgement involved in preparing forecasts since they relate to event(s) and transaction(s) that have not yet occurred and may not occur. Actual results are likely to be different from the forecast financial information since anticipated event(s) or transaction(s) frequently do not occur as expected and the variation between actual results and those forecasts may be material.

The Directors' best-estimate assumptions on which the forecast is based relate to future event(s) and/or transaction(s) that Management expect to occur and actions that Management expect to take and are also subject to uncertainties and contingencies, which are often outside the control of PTB. Evidence may be available to support the Directors' best-estimate assumptions on which the forecast is based however, such evidence is generally future-oriented and therefore speculative in nature.

BDOCF cannot and does not provide any assurance that any forecast is representative of results or outcomes that will actually be achieved. While we have considered the forecast information to the extent we considered necessary to complete the analysis set out in this Report, we have not been engaged to provide any form of assurance conclusion on any forecast information set out in this Report. We disclaim any assumption of responsibility for any reliance on this Report, or on any forecast to which it relates, for any purpose other than that for which it was prepared. We have assumed, and relied on representations from certain members of Management, that all material information concerning the prospects and proposed operations of PTB has been disclosed to us and that the information provided to us for the purpose of our work is true, complete and accurate in all respects. We have no reason to believe that those representations are false.

3.11 Qualifications

BDOCF has extensive experience in the provision of corporate finance advice, including takeovers, valuations and acquisitions. BDOCF holds an Australian Financial Services Licence issued by ASIC for preparing expert reports pursuant to the Listing Rules of the ASX and the Corporations Act.

BDOCF and its related parties in Australia have a wide range of experience in transactions involving the advising, auditing or expert reporting on companies that have operations domestically and in foreign jurisdictions. BDO in Queensland and in Australia is a national association of separate partnerships and entities and is a member of the international BDO network of individual firms.

Mark Whittaker and Scott Birkett have prepared this Report with the assistance of staff members. Mr Whittaker, BCom (Hons), CA, CFA, and Mr Birkett, BBusMan/BCom, CFA are directors of BDOCF. Both Mr Whittaker and Mr Birkett have extensive experience in corporate advice and the provision of valuation and professional services to a diverse range of clients, including large private, public and listed companies, financial institutions and professional organisations. Mr Whittaker and Mr Birkett are considered to have the appropriate experience and professional qualifications to provide the advice offered within this Report.

BDO Corporate Finance Ltd



Mark Whittaker
Director



Scott Birkett
Director

PART II: INFORMATION SUPPORTING OUR OPINION ON THE PROPOSED TRANSACTION

4.0 Overview of the Proposed Transaction

This section sets out an overview of the Proposed Transaction and is structured as follows:

- ▶ Section 4.1 provides a brief description of the Proposed Transaction;
- ▶ Section 4.2 describes the key parties involved in the Proposed Transaction;
- ▶ Section 4.3 summarises the conditions precedent to the Proposed Transaction; and
- ▶ Section 4.4 details the rationale for the Proposed Transaction.

This section is a summary only and should not be treated as a complete description of the Proposed Transaction. The Shareholders should refer to the Scheme Booklet and any subsequent disclosures for additional information relating to the Proposed Transaction and the key parties involved.

4.1 Summary of the Proposed Transaction

On 19 August 2022, PTB announced that it had entered into a Scheme Implementation Deed ('SID') with PAG, an entity owned by GenNx360, under which it is proposed that PAG will acquire 100% of the shares on issue in PTB by way of a scheme of arrangement ('Scheme').

If the Proposed Transaction is approved and implemented, Shareholders will be entitled to receive cash consideration of \$1.595 per PTB share held. PTB also expects to pay a dividend of up to \$0.03 per PTB share, which PTB anticipates will be fully franked. The dividend may enable eligible Shareholders to receive approximately \$0.01 per PTB share in additional benefit from franking credits, depending on their tax circumstances.

The Shareholders should refer to the Scheme Booklet and subsequent disclosures for more detailed information in relation to the Proposed Transaction.

4.2 Description of the Key Parties involved in the Proposed Transaction

4.2.1 PAG

PAG is a global provider of maintenance, repair and overhaul ('MRO') services and supply chain solutions for fixed and rotary-wing aircraft. With 16 repair stations globally, PAG serves its customers through two business functions, its aviation supply chain, and its trademarked inventory supported MRO services. PAG is owned by global investment firm GenNx360.

4.2.2 GenNx360

GenNx360 is a private equity firm focused on investing in industrial and business service companies in the U.S. middle market. GenNx360 seeks to identify companies with fundamentally sound business models in expanding industries that are, or have the potential to be, market leaders with sustainable competitive advantages.

4.3 Key Conditions of the Proposed Transaction

The Proposed Transaction is subject to certain conditions precedent, which are set out in full in clause 3 of the SID, that must be satisfied or waived (as applicable) in order for the Proposed Transaction to be implemented. These conditions are summarised in section 4.11 of the Scheme Booklet and include:

- ▶ Shareholders approving the Proposed Transaction at the Scheme Meeting. Schemes must be approved by a majority in number (more than 50%) of shareholders and at least 75% of the votes cast in favour of the Proposed Transaction;
- ▶ The Court approving the Proposed Transaction in accordance with section 411(4)(b) of the Corporations Act;
- ▶ The Foreign Investment Review Board approving the Proposed Transaction in accordance with the Foreign Acquisitions and Takeovers Act 1975 (Cth) (refer Scheme Booklet);
- ▶ The net cash of PTB will not be less than \$2.75 million by 8.00am on the Second Court Date;
- ▶ PTB has unconditionally released from escrow all of the escrowed shares before 8.00am on the Second Court Date;
- ▶ The discharge of certain security interests before 8.00am on the Second Court Date (refer Scheme Booklet);
- ▶ The repayment of PTB's debt facilities with Commonwealth Bank of Australia (other than in respect of particular assets), CT Aerospace and Asir & Nek, before 8.00am on the Second Court Date;
- ▶ No material adverse change occurs or is discovered, announced, disclosed or otherwise becomes known to PAG, between (and including) the date of the SID and 8.00am on the Second Court Date;
- ▶ No prescribed occurrence occurs between (and including) the date of the SID and 8.00am on the Second Court Date; and

- ▶ No law, rule, regulation, restraining order, preliminary or permanent injunction or other preliminary or final decision, order or decree is made by a court of competent jurisdiction or government agency which restrains, prohibits, impedes or otherwise materially adversely impacts upon (or reasonably be expected to restrain, prohibit, or otherwise materially adversely impede or impact upon) implementation of the Scheme, is in effect as at 8.00am on the Second Court Date.

4.4 Strategic Rationale for the Proposed Transaction

The Directors are of the view that the Proposed Transaction:

- ▶ provides the certainty of a cash return to the Shareholders; and
- ▶ represents clear and attractive value for the Company at a significant premium to the trading of PTB shares on the ASX prior to the announcement of the Proposed Transaction.

The Directors have announced that they unanimously recommend that the Shareholders vote in favour of the Proposed Transaction in the absence of a superior proposal and subject to an independent expert concluding, and continuing to conclude, that the Proposed Transaction is in the best interests of the Shareholders.

5.0 Background of PTB

This section is set out as follows:

- ▶ Section 5.1 provides an overview and background information on PTB;
- ▶ Section 5.2 outlines PTB's key operations;
- ▶ Section 5.35.3 summarises the equity structure of PTB;
- ▶ Section 5.45.4 summarises the share trading data of PTB; and
- ▶ Section 5.55.5 summarises the historical financial information of PTB.

5.1 Background

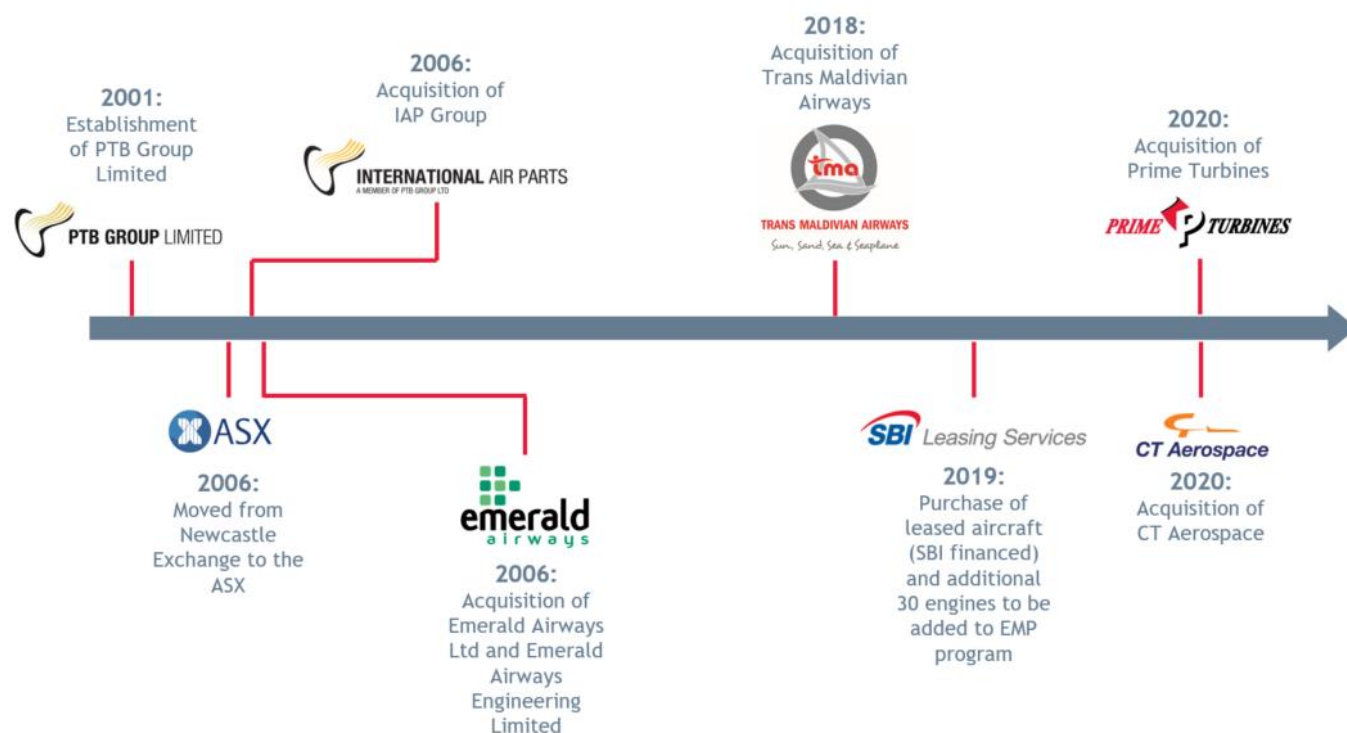
Headquartered in Brisbane, Australia, PTB is an ASX listed (ASX: PTB) aviation company that provides MRO services, leasing of aircraft and engines, and the supply of aircraft and engine spare parts. The Company mainly services two turboprop engine types, that being the Pratt and Whitney PT6 series and the Honeywell TPE331 engines. Both are used on narrow bodied planes of less than 25 seat capacity. PTB provides its services to customers in essential markets, including fly-in fly-out, aero-medical, regional transportation, agricultural, corporate travel, government and tourism.

The Company's integrated business model differentiates itself from competitors, by providing multiple touchpoints over the asset lifecycle. For example, compared to the traditional MRO shop model, the Company's Power By the Hour ('PBH') shop model allows for:

- ▶ Greater earnings and cash flow predictability;
- ▶ Increased workshop efficiency;
- ▶ Improved inventory management by selectively purchasing parts in advance;
- ▶ Greater ability to lock in parts sales and unscheduled maintenance; and
- ▶ Additional engine and parts sales outside scope of the PBH model.

Figure 5.1 summarises key events undertaken by PTB.

Figure 5.1: Key PTB Events



Source: BDOCF Analysis

5.2 Key Operations

5.2.1 Overview

The Company operates from its Brisbane and Sydney facilities in Australia in addition to several states across the United States ('US') including Arizona, Dallas, Florida, and Pennsylvania. The Company services a diverse customer base across several geographies including Australia, Europe, Asia, North and South America, as well as the Pacific Islands. PTB currently has four main operations:

- ▶ Pacific Turbine Brisbane ('PT Brisbane');
- ▶ Pacific Turbine USA Group ('PT USA');
- ▶ Pacific Turbine Leasing ('PT Leasing'); and
- ▶ International Air Parts ('IAP').

Figure 5.2 and Figure 5.3 below set out a breakdown, by division, of PTB's:

- ▶ Revenue for FY2022 of approximately \$125 million; and
- ▶ Earnings before interest, tax, depreciation and amortisation ('EBITDA') for FY2022 of approximately \$24 million.

Figure 5.2: PTB's FY2022 Revenue by Division

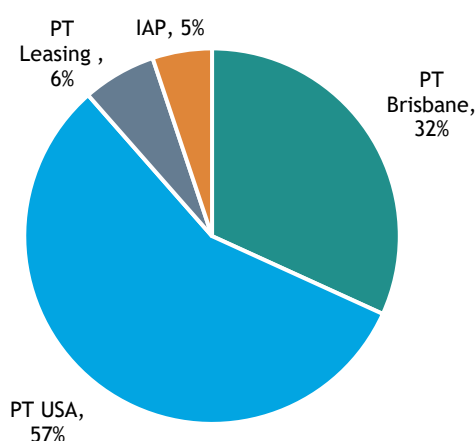
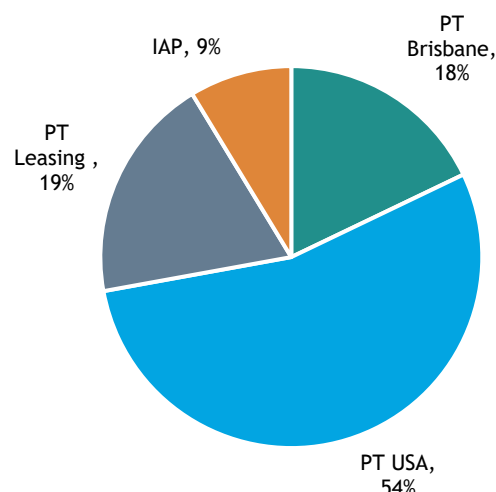


Figure 5.3: PTB's FY2022 EBITDA by Division



Source: PTB FY2022 Annual Report, BDOCF Analysis

PTB's primary revenue sources include the sale of goods (turbine engines, aircraft and related parts), provision of services (repair services and maintenance), rental of engines and aircraft, and interest on financing arrangements provided on aircraft and engines. Table 5.1 sets out a description of PTB's primary revenue sources.

Table 5.1: Description of PTB's Primary Revenue Sources

Revenue Source	Description
Sale of goods	<p>This involves the sale of turbine engines, aircraft and related parts. Revenue is recognised once a customer takes control of the engine, aircraft or part. For parts sales, this is deemed to occur once the items have been dispatched to the customer. While this is also generally the case for engine and aircraft sales, there are occasions where customers are deemed to have taken control of these goods prior to shipment.</p> <p>Payment terms vary depending on the relationship with the customer. These can include prepayments and credit terms (usually 30 days).</p>
Services	<p>Services performed range from minor part repairs to engine overhauls. With repairs and overhauls, the Company is enhancing the state of the engine/part, however the asset remains under the customer's control. Revenue is recognised in line with the Company's satisfaction of performance obligations. In many cases, this is at the completion of the job, however for larger jobs, revenue is taken up progressively in line with the percentage of completion.</p> <p>Payment terms vary depending on the relationship with the customer. These can include prepayments and credit terms (usually 30 days).</p>

Revenue Source	Description
Maintenance contract revenue	The Company enters into engine maintenance agreements with customers. While the detailed terms of each contract vary, they all include the supply of a combination of parts, engines and workshop services over the term of the agreement. Revenue recognition is based on the timing of the supply of goods and services under these agreements rather than the timing of the invoicing. The Company uses the same approaches explained above to determine when to recognise revenue for parts, engines and workshop services supplied under engine maintenance agreements.
Rental of engines/aircraft	Revenue from the lease, hire or rental of engines and aircraft is recognised as the services are provided. These may include a combination of fixed monthly charges and variable charges based on engine/aircraft utilisation each month. These are billed and paid on a monthly basis and can include credit terms of up to 30 days.
Interest on extended credit receivables (hire purchase agreements)	The Company recognises interest revenue in relation to financing arrangements provided on aircraft and engines. This interest revenue is recognised by the Company on a progressive basis over the term of the contract. Monthly instalments including interest and principal repayments are paid by the customer as per the terms of the finance agreement.

Source: Scheme Booklet

5.2.2 PT Brisbane

PT Brisbane specialises in PT6A and TPE331 Turboprop engines. This division repairs and sells engines, maintains engines under contract, and trades engine and airframe parts. The PT6 engine is designed for specific operational environments including short runways or steep elevations. On this basis, the engine is unlikely to face operational redundancy. In FY2022, PT Brisbane was responsible for 32% of the Company's revenue. A number of PT Brisbane's largest customers include aviation companies such as Trans Maldivian Airways Private Limited, Air Vanuatu, and Solomon Airlines.

5.2.3 PT USA

PT USA provides MRO services on turboprop engines including PT6A, PT6T and T53, as well as Bell drivetrain components. This segment operates from locations in Arizona, Texas, Florida and Pennsylvania. In February 2020, PT USA completed the acquisition of Prime Turbines ('Prime'), an established MRO service provider in the US market, which added considerable scale to their US operations. In FY2022, 57% of the Company's revenue was generated from PT USA. According to the FY2022 Annual Report, there is an estimated 20,000 PT6 engines in circulation, of which approximately 50% are in the US, which positions the Company in the world's largest market for PT6 engines.

5.2.4 Pacific Turbine Leasing

PT Leasing owns aircraft and engines (PT6, TPE331, and Rolls Royce) and leases these to operators under both operating and finance leases. PT Leasing's engine management plans allow for further opportunities via the cross-selling of parts and MRO services. At the end of the lease of the engine or aircraft, the Company is able to profit from re-leasing, sale or tear-down opportunities. In FY2022, PT Leasing was responsible for 6% of the Company's revenue.

5.2.5 International Air Parts

Acquired in 2006, IAP trades in aircraft, aircraft engines, airframe parts and engine parts. IAP's engine division focuses on Rolls Royce Dart and Tay engines, and its airframe division focuses on Fokker, SAAB and British Aerospace airframes. In FY2022, IAP was responsible for 5% of the Company's revenue.

5.3 Equity Structure of PTB

5.3.1 Ordinary Shares

As at 15 August 2022, PTB had 127,203,057 ordinary shares on issue. Substantial shareholders are set out in Table 5.2. Table 5.2 does not consider the impact of any changes in shareholding as a result of the Proposed Transaction.

Table 5.2: Substantial Shareholders as at 15 August 2022

Shareholders	Number of Shares	Percentage Holding
Asir & Nek Private Limited	14,801,636	11.64%
Kiowa Two Thousand Corporate Trustee Company Limited	13,213,910	10.39%
Remaining shareholders	99,187,511	77.98%
Total shares on issue	127,203,057	100.00%

Source: PTB FY2022 Annual Report as at 15 August 2022

5.3.2 Other Securities on Issue

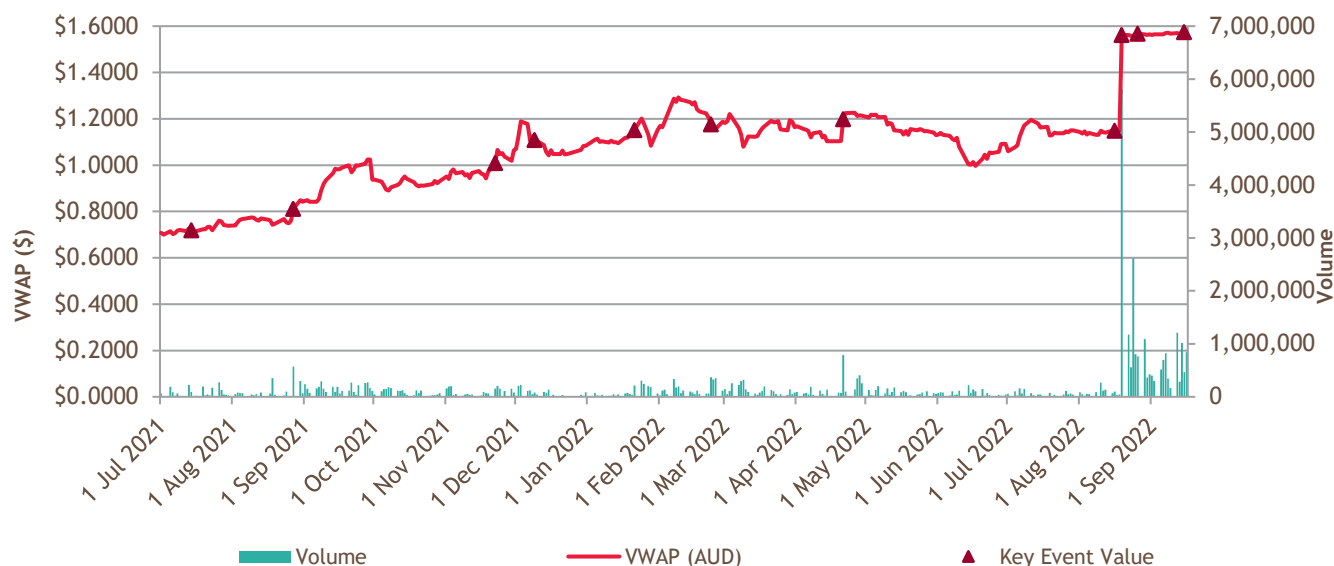
We understand that while an Employee Share Option Scheme has been approved by shareholders, there are not currently any outstanding options on issue.

5.4 Share Trading Data of PTB

5.4.1 Share Price Performance

Figure 5.4 displays the daily volume weighted average price ('VWAP') and daily volume of PTB shares traded on the ASX over the period 1 July 2021 to 16 September 2022.

Figure 5.4: Daily VWAP and Volume of PTB Shares Traded from 1 July 2021 to 16 September 2022.



Source: Capital IQ as at 16 September 2022

Over the period graphed in Figure 5.4 above, PTB daily VWAP displays a period low of \$0.7000 on 2 July 2021 and a period high of \$1.5745 on 15 September 2022.

In addition to the share price and volume data of PTB shown above, we have also provided additional information in Table 5.3 below to assist readers to understand the possible reasons for the movement in PTB's share price over the period analysed. The selected ASX announcement references in Table 5.3 below correspond to those displayed in Figure 5.4 above.

Table 5.3: Selected PTB ASX Announcements from 1 July 2021 to 16 September 2022

Date	Announcement
14/07/2021	PTB announced the sale and leaseback of its head office located in Pinkenba, Brisbane to a private property investor for \$4.5 million.
27/08/2021	PTB released their audited consolidated results for FY21, reporting a net profit before tax of \$16.68 million (FY20: \$5.91 million).
27/08/2021	PTB announced an ordinary fully paid and fully franked distribution of \$0.05 per share for the twelve months ended 30 June 2021, payable on 29 October 2021.
22/11/2021	PTB provided profit guidance for FY2022 with earnings before interest, tax, depreciation, amortisation and foreign exchange gain (loss) ('EBITDAFX') expected to be in the range of \$18.4m-\$19.4m and net profit before tax and foreign exchange gain (loss) ('NPBTFX') expected to be in the range of \$12.4m-\$13.4m. The profit guidance at the time represented a EBITDAFX year-on-year ('YoY') growth of 9%-15% and NPBTFX YoY growth of 13%-22%.
09/12/2021	PTB announced a new 3-year maintenance and parts supply agreement with Manta Air.
21/01/2022	PTB released their preliminary results for the 6-month period ended 31 December 2021 ('H1FY22'), reporting a 44% increase in revenue and reiterated FY2022 profit guidance that was given on 22 November 2021.
23/02/2022	PTB released their H1FY22 results, reporting a 25% increase in EBITDAFX and a 42% increase in NPBTFX.
21/04/2022	PTB provided a revised profit guidance for FY2022 with FY2022 EBITDAFX expected to be in the range of \$21.0m-\$22.0m and FY2022 NPBTFX range of \$15.0m-\$16.0m. The profit guidance represented a EBITDAFX YoY growth of 24%-30% and NPBTFX YoY growth of 36%-45%.
16/08/2022	PTB advised that Mr Russell Quentin Cole has resigned as a non-executive director of PTB.
19/08/2022	PTB announced that the PAG has entered into a Scheme Implementation Deed to acquire PTB. PTB Shareholders will receive \$1.595 in cash under the Scheme.
26/08/2022	PTB released their audited and consolidated results for FY22, reporting a net profit before tax of \$17.98 million (FY2021: \$16.68 million) and NPBTFX of \$17.76 million (FY2021: \$16.82 million).
15/09/2022	PTB has been advised that the FIRB has approved the Proposed Transaction

Source: PTB ASX Announcements

In Table 5.4 below we have set out PTB's VWAP for the 1 week, 1 month, 3 months, 6 months, 9 months and 12 months prior to 19 August 2022, being the date PTB announced the Proposed Transaction to the ASX.

Table 5.4: PTB's VWAP for Specified Periods Prior to 19 August 2022

Period before 19 August 2022 ¹	VWAP (AUD) ¹
1 Week	\$1.1438
1 Month	\$1.1424
3 Months	\$1.1120
6 Months	\$1.1517
9 Months	\$1.1509
12 Months	\$1.0845

Source: Capital IQ as at 29 August 2022
1 Prior to the announcement of the Proposed Transaction

5.4.2 Liquidity of PTB Shares on the ASX

The rate at which equity instruments are traded is generally referred to as the 'liquidity' of the equity instruments. Changes in liquidity may impact the trading price of equity instruments. This is particularly dependent on the number of equity instruments required to be bought and/or sold and the time period over which the equity instrument holder needs to buy and/or sell those equity instruments. Depending on the circumstances, a movement in market price may or may not represent a shift in value of either the equity instruments or a shift in value of the company to which the equity instruments relate as a whole.

Table 5.5 summarises the monthly liquidity of PTB shares from 1 September 2021 to 16 September 2022. Liquidity has been summarised by considering the following:

- ▶ Volume of PTB share trades per month;
- ▶ Value of total trades in PTB shares per month;
- ▶ Number of PTB shares traded per month as a percentage of total PTB shares outstanding at the end of the month;
- ▶ Daily VWAP (low and high) per month; and
- ▶ VWAP per month.

Table 5.5: Liquidity of PTB shares on the ASX

Month	Volume	Shares Outstanding	Volume / Shares Outstanding	Daily Low VWAP	Monthly VWAP	Daily High VWAP
September 2022 (to 16th)	7,068,050	127,203,057	5.56%	\$1.5626	\$1.5688	\$1.5745
August 2022 (19th to 31st)	13,611,880	127,203,057	10.70%	\$1.5576	\$1.5617	\$1.5675
Total Post-Transaction Announcement	20,679,930	127,203,057	16.26%	\$1.5576	\$1.5641	\$1.5745
August 2022 (to 18th)	1,210,440	127,203,057	0.88%	\$1.1310	\$1.1427	\$1.1492
July 2022	1,210,620	127,203,057	0.95%	\$1.0600	\$1.1393	\$1.1958
June 2022	1,497,190	127,203,057	1.18%	\$0.9973	\$1.0567	\$1.1391
May 2022	1,772,440	127,203,057	1.39%	\$1.1300	\$1.1716	\$1.2185
April 2022	3,021,290	127,203,057	2.38%	\$1.1027	\$1.1832	\$1.2268
March 2022	2,777,200	127,203,057	2.18%	\$1.0793	\$1.1556	\$1.2206
February 2022	2,907,770	127,203,057	2.29%	\$1.1551	\$1.2189	\$1.2931
January 2022	1,745,320	127,203,057	1.37%	\$1.0843	\$1.1426	\$1.2006
December 2021	1,420,140	127,203,057	1.12%	\$1.0423	\$1.1102	\$1.1891
November 2021	1,953,090	127,203,057	1.54%	\$0.9395	\$0.9950	\$1.0657
October 2021	1,781,560	127,203,057	1.40%	\$0.8899	\$0.9159	\$0.9508
September 2021	3,529,470	127,203,057	2.77%	\$0.8414	\$0.9452	\$1.0248
Total Pre-Transaction Announcement	24,736,530	127,203,057	19.45%	\$0.8414	\$1.0967	\$1.2931

Source: Capital IQ as at 16 September 2022

Assuming a weighted average number of 127,203,057 PTB shares on issue over the period, approximately 19.45% of the total shares on issue were traded over the period 1 September 2021 to 18 August 2022. In our view, this indicates that PTB shares display a low level of liquidity.

5.5 Historical Financial Information of PTB

This section sets out the historical financial information of PTB. As this Report contains only summarised historical financial information, we recommend that any user of this Report read and understand the additional notes and financial information contained in PTB's annual reports, including the full Statements of Profit or Loss and Other Comprehensive Income, Statements of Financial Position and Statements of Cash Flows.

PTB's financial statements have been audited by Hall Chadwick Queensland. BDOCF has not performed any audit or review of any type on the historical financial information of PTB and we make no statement as to the accuracy of the information provided. However, we have no reason to believe that any of the information provided is false or misleading.

5.5.1 Statements of Profit or Loss and Other Comprehensive Income

Table 5.6 summarises the Consolidated Statement of Profit or Loss and Other Comprehensive Income of PTB for the 12 month periods ended 30 June 2019, 2020, 2021 and 2022.

Table 5.6: PTB's Consolidated Statement of Profit or Loss and Other Comprehensive Income

	12 Months Ended 30-Jun-19 Audited (\$'000)	12 Months Ended 30-Jun-20 Audited (\$'000)	12 Months Ended 30-Jun-21 Audited (\$'000)	12 Months Ended 30-Jun-22 Audited (\$'000)
Revenue				
Sale of goods	22,149	30,130	28,745	42,349
Services	4,974	24,622	38,185	55,450
Maintenance contract revenue	20,887	19,825	11,429	22,442
Rental of engines/aircraft	2,855	2,604	2,550	2,319
Interest on extended credit receivables (hire purchase agreements)	509	528	502	322
Revenue from contracts with customers	51,374	77,709	81,411	122,882
Other revenue	107	435	3,828	2,595
Total revenue	51,481	78,144	85,239	125,477
Changes in inventories of finished goods and work in progress	(1,201)	31,670	(4,767)	16,955
Raw materials and consumables used and finished goods purchased for sale	(31,031)	(78,417)	(37,786)	(88,150)
Gross profit/(loss)	19,249	31,397	42,686	54,282
Employee benefits expense	(6,487)	(11,230)	(16,592)	(18,769)
Repairs and maintenance	(151)	(270)	(450)	(531)
Bad and doubtful debts	131	(1,080)	1,038	252
Other expenses	(4,364)	(6,502)	(9,725)	(11,894)
Net gain/(loss) on disposal of fixed assets	(1)	-	5,780	633
Acquisition costs	-	(949)	-	-
EBITDAFX	8,377	11,366	22,737	23,973
Depreciation & amortisation	(2,106)	(3,085)	(4,451)	(4,726)
EBITFX	6,271	8,281	18,286	19,247
Finance costs	(957)	(1,271)	(1,468)	(1,488)
Net foreign exchange gain/(loss)	263	(1,097)	(135)	217
Profit before income tax expense	5,577	5,913	16,683	17,976
Income tax expense	(1,603)	(1,893)	(3,881)	(4,300)
Profit for the year attributable to the owners of the parent entity	3,974	4,020	12,802	13,676

Source: PTB FY2019, FY2020, FY2021 and FY2022 Annual Reports, Management Guidance

With reference to Table 5.6 above, we note the following:

- ▶ Total revenue increased between FY2019 and FY2022, primarily due to PT USA's growth, following the acquisition of Prime on 1 March 2020. Prime contributed revenues of \$16.83 million and a net profit of \$1.22 million to PTB for the period 1 March 2020 to 30 June 2020;
- ▶ Revenue from the sale of goods, including parts, engine, and aircraft sales, has increased from \$22.15 million to \$42.35 million between FY2019 and FY2022. Management advises that part sales have grown steadily across the period, while engine sales grew significantly in FY2022, with excess capacity in the Prime workshop used to repair engines and make them available for sale by other business segments. Aircraft sales were also higher in FY2022 due to the sale of two DHC-6 Twin Otter aircraft;

- ▶ Revenue from services increased from \$4.97 million to \$55.45 million between FY2019 and FY2022, due to increased productivity and outputs from PT Brisbane and PT USA workshops. We note that in FY2022, the induction of owned engines into production schedules has increased outputs from PT USA workshops, while also producing engine sales opportunities for the Miami parts business;
- ▶ Revenue from maintenance contract revenue declined in FY2021 to \$11.43 million, however Management advises that this decline is primarily due to COVID-19 lockdowns in the Maldives and Pacific region. Since H2FY2022, the total number of engines under management have increased, also contributing to the increase in revenue;
- ▶ Other revenue included amounts received in relation to the Australia Government's JobKeeper program, totalling \$332,000 in FY2020, \$1.41 million in FY2021 and \$115,000 in FY2022. Other revenue also includes income from the US Government's Paycheck Protection Program, totalling \$1.85 million in FY2021 and \$1.77 million in FY2022;
- ▶ Changes in inventories of finished goods and work in progress increased in FY2020, following the acquisition of Prime and inventories from CT Aerospace. Management advises that the decline in FY2021 is largely attributable to the utilisation of excess inventories, mainly from CT Aerospace. The increase in FY2022 corresponds with an increase in outputs;
- ▶ Raw materials and consumables used and finished goods purchased for sale increased in FY2020, largely attributable to the purchase of stock from Prime and CT Aerospace. Drivers in FY2022 include increased outputs and the purchase of stock from United Turbine Corporation ('UTC');
- ▶ Employee benefit expenses increased in FY2021 due to a 49.13% increase in salaries and wages to \$15.32 million following the acquisition of Prime. Employee benefit expenses increased further in FY2022 in line with an increase in the number of staff to support the Company's growth in outputs;
- ▶ Bad and doubtful debts include a provision for impairment of trade receivables. The increase in FY2020 reflected the uncertainty of COVID-19's impact on the debtors. Management have advised that the impairment written back in FY2021 was largely a reversal of the additional provisions taken up in FY2020;
- ▶ PTB realised a one-off gain of \$5.81 million from the sale of its Warriewood facility in FY2021 and realised a one-off gain of \$0.63 million from the sale of its Pinkenba property in FY2022; and
- ▶ Foreign exchange losses decreased between FY2020 and FY2022 due to a reduction in the net value of United States Dollar ('USD') denominated assets and liabilities for the PT Brisbane, PT Leasing and IAP, and a lower net movement in the Australian Dollar against the USD across the period.

5.5.2 Statements of Financial Position

Table 5.7 summarises PTB's statements of financial position as at 30 June 2019, 2020, 2021 and 2022.

Table 5.7: PTB's Summarised Consolidated Statements of Financial Position

	As at 30-Jun-19 Audited (\$'000)	As at 30-Jun-20 Audited (\$'000)	As at 30-Jun-21 Audited (\$'000)	As at 30-Jun-22 Audited (\$'000)
Current assets				
Cash and cash equivalents	7,174	15,207	20,663	18,379
Trade and other receivables	13,376	20,234	23,782	22,001
Inventories	23,202	54,872	50,105	67,060
Current tax assets	144	-	-	-
Assets held for sale	-	-	3,034	-
Derivative financial instruments	-	-	1	-
Other current assets	1,242	1,698	1,912	1,987
Total current assets	45,138	92,011	99,497	109,427
Non-current assets				
Trade and other receivables	11,319	11,321	8,546	5,664
Inventories	2,687	2,662	2,098	1,876
Property, plant and equipment	18,752	28,522	24,413	28,000
Deferred tax assets	1,618	3,644	2,888	3,138
Intangible assets	4,334	12,673	11,953	12,628
Total non-current assets	38,710	58,822	49,898	51,306
Total assets	83,848	150,833	149,395	160,733
Current liabilities				
Trade and other payables	4,856	9,529	8,299	12,711
Borrowings	2,455	9,437	10,290	11,370
Derivative financial liabilities	-	7	93	133
Current tax liabilities	47	1,168	3,580	2,683
Provisions	804	1,387	1,448	1,591
Other current liabilities	2,141	3,039	3,476	3,213
Total current liabilities	10,303	24,567	27,186	31,701

	As at 30-Jun-19 Audited (\$'000)	As at 30-Jun-20 Audited (\$'000)	As at 30-Jun-21 Audited (\$'000)	As at 30-Jun-22 Audited (\$'000)
Non-current liabilities				
Borrowings	17,862	31,301	21,448	18,122
Deferred tax liabilities	4,332	6,645	5,571	4,912
Provisions	146	148	175	409
Other non-current liabilities	239	1,860	1,367	830
Total non-current liabilities	22,579	39,954	28,561	24,273
Total liabilities	32,882	64,521	55,747	55,974
Net assets	50,966	86,312	93,648	104,759
Equity				
Issued capital	47,638	81,038	82,156	82,156
Reserves	13,312	13,514	16,830	20,637
Retained earnings	(9,984)	(8,240)	(5,338)	1,966
Total equity	50,966	86,312	93,648	104,759

Source: PTB FY2019, FY2020, FY2021 and FY2022 Annual Reports, Management Guidance

With reference to Table 5.7 above, we note the following:

- ▶ Total inventories have increased between FY2019 and FY2022 from \$25.89 million to \$68.94 million. Inventories include finished goods, including aircraft, engines and parts held for sale, and work in progress, including engines and aircraft undergoing reconditioning in preparation for sale and incomplete repairs, which as of 30 June 2022 total \$53.98 million and \$14.96 million respectively. The acquisition of Prime and inventories from CT Aerospace is mainly responsible for the increase in FY2020. Increased production levels drove the increase in inventories in FY2022, with the purchase of assets from UTC also contributing;
- ▶ PTB's property, plant and equipment is largely comprised of fixed assets including rental engines and aircraft of \$11.61 million, plant and equipment of \$9.91 million, and land and buildings under lease of \$4.87 million as of 30 June 2022;
- ▶ Current assets classified as held for sale in FY2021 included the Pinkenba facility which was subsequently sold in September 2021;
- ▶ Intangible assets of \$12.63 million includes goodwill of \$8.30 million in relation to the acquisition of Prime in 2020 and \$4.33 million in relation to the acquisition of IAP in 2006;
- ▶ Total borrowings increased from \$20.32 million to \$40.74 million between FY2019 and FY2020. Contributing to this increased debt level included a \$9.86 million loan to fund the acquisition of CT Aerospace inventory and the addition of \$3.8 million in operating leases under AASB 16 *Leases*, with \$0.65 million in relation to PT USA's Miami facility and \$3.17 million in relation to the three Prime facilities under PT USA. Loans of \$3.29 million and \$3.04 million were also used to support the growth of Prime;
- ▶ As at 30 June 2022, PTB's 10 largest debtors comprised approximately 58% of total receivables, a marginal decline compared to 30 June 2021, where the Company's 10 largest debtors made up 63% of total receivables. We note that the Company's largest debtor accounts for 22% (2021: 30%) of total receivables, and is a long-term customer located in the Maldives and includes trade receivables and maintenance contract receivables;
- ▶ A significant portion of PT Brisbane's receivables balance aged greater than 90 days is from four of its major customers, all of which are in the top 10 trade debtors for PTB. Management have advised that it is not uncommon for large customers from the Pacific region to show significant aged balances, however as these customers are often backed by their local Governments, there is limited collectability risk in relation to these outstanding amounts. Management also notes that the Company has never written off any debts from these customers;
- ▶ Total provisions include employee benefits, service warranties and remediation provisions. Compared to FY2021, the increase in non-current provisions in FY2022 is due to a \$300,000 increase in remediations provisions;
- ▶ Other current liabilities includes deferred and unearned revenue, and deposits in advance; and
- ▶ PTB adopted AASB 16 *Leases* from 1 July 2019. As at 1 July 2019, this change in accounting policy increased the balance of both the ROU asset item within property, plant and equipment, and borrowings item by \$179,000, however there was no impact on retained earnings. PTB also recognised a charge of \$470,000 in relation to depreciation of ROU assets, and additional finance costs of \$80,000 due to interest expense on the lease liability.

5.5.3 Statements of Cash Flows

Table 5.8 summarises PTB's Statement of Cash Flows for the 12 month periods ended 30 June 2019, 2020, 2021 and 2022.

Table 5.8: PTB's Summarised Consolidated Statements of Cash Flows

	12 Months Ended 30-Jun-19 Audited (\$'000)	12 Months Ended 30-Jun-20 Audited (\$'000)	12 Months Ended 30-Jun-21 Audited (\$'000)	12 Months Ended 30-Jun-22 Audited (\$'000)
Cash flow from operating activities				
Cash receipts from customers (inclusive of GST)	45,434	70,710	82,865	133,067
Cash payments to suppliers and employees (inclusive of GST)	(40,707)	(78,103)	(72,911)	(112,169)
Interest received	567	547	520	330
Finance costs	(957)	(1,271)	(1,468)	(1,488)
Income tax paid	(144)	(297)	(1,688)	(5,796)
Net cash provided by/(used in) operating activities	4,193	(8,414)	7,318	13,944
Cash flow from investing activities				
Payments for property, plant and equipment	(3,329)	(1,566)	(1,179)	(7,278)
Proceeds on disposal of property, plant and equipment	-	-	9,341	4,500
Payments relating to acquisition of subsidiary	-	(31,190)	-	-
Net cash provided by/(used in) investing activities	(3,329)	(32,756)	8,162	(2,778)
Cash flow from financing activities				
Proceeds from borrowings	5,614	21,692	6,397	6,671
Payments to buy-back shares	-	-	(472)	-
Proceeds from issue of shares	-	33,399	-	-
Repayment of borrowings	(2,194)	(3,602)	(13,471)	(12,492)
Repayment of lease liabilities	-	(413)	(931)	(1,269)
Payment of dividends	(1,294)	(1,873)	(1,547)	(6,360)
Net cash provided by/(used in) in financing activities	2,126	49,203	(10,024)	(13,450)
Net increase/(decrease) in cash and cash equivalents held	2,990	8,033	5,456	(2,284)
Cash and cash equivalents at the beginning of the year	4,184	7,174	15,207	20,663
Cash and cash equivalents at the end of the year	7,174	15,207	20,663	18,379

Source: PTB FY2019, FY2020, FY2021 and FY2022 Annual Reports, Management Guidance

With reference to Table 5.8 above, we note the following:

- ▶ Net cash used in operating activities in FY2020 included the acquisition of inventory from CT Aerospace for \$12.18 million in February 2020. The inventory acquired is predominately used to support the ongoing requirements of PTB's workshops in the USA and Brisbane;
- ▶ Net cash used in investing activities decreased in FY2020 due to the acquisition of Prime. Net cash from investing activities increased in FY2021, following the sale of PTB's Warriewood facilities for a \$5.81 million profit on disposal. This was followed by the sale and lease back of PTB's Brisbane facility for \$4.5 million in July 2021, with proceeds mainly used to pay down debt. Payments for property, plant and equipment increased in FY2022 largely due to the purchase of aircraft in PT Leasing, and purchases of tooling and equipment as part of the UTC asset purchase for \$4.3 million, funded from available cash reserves and completed in July 2021; and
- ▶ Net cash from financing activities fluctuated between FY2019 and FY2022. PTB completed a \$33.40 million capital raise on 18 February 2020 and proceeds were largely utilised to fund the acquisition of Prime, and also provide additional working capital and fund costs of the equity raising and acquisitions. Proceeds from borrowings increased in FY2020 and this increase was largely due to the loan for the purchase of inventory from CT Aerospace and working capital for growth following the acquisition of Prime. Net cash used in financing activities between FY2021 and FY2022 was primarily due to increased repayments on borrowings, and PTB declared a final dividend for FY2021 of 5.0 cents per share fully franked paid on 29 October 2021. PTB also bought back \$0.47 million of shares in FY2021. No dividend was declared for FY2022.

6.0 Industry Overview

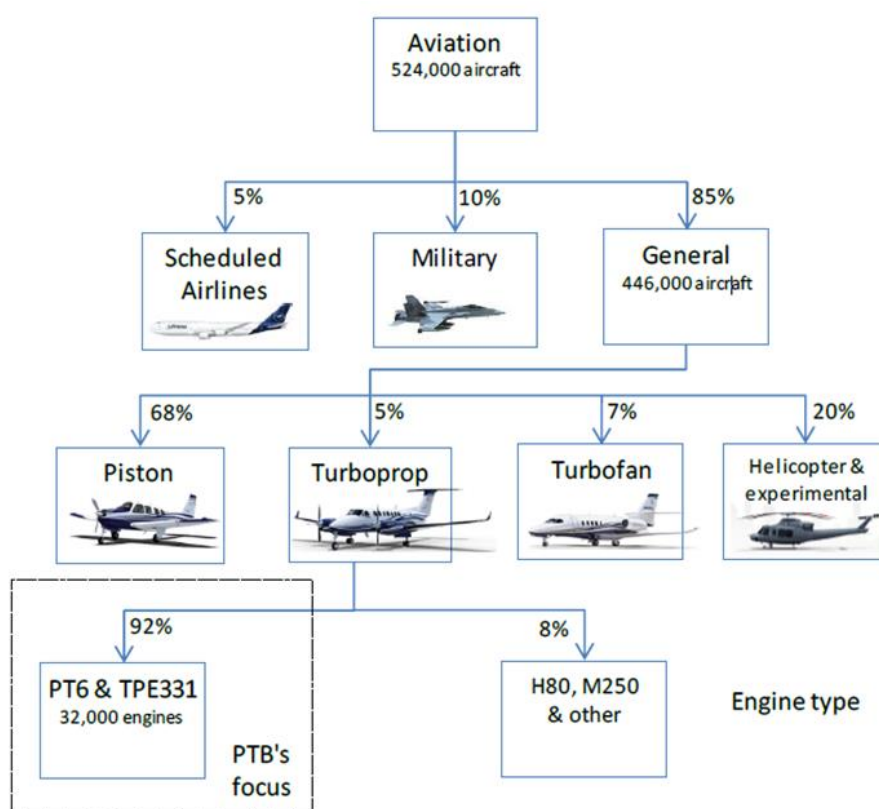
PTB operates in the general aviation ('GA') market and performs MRO and related services. The MRO industry is a subset of the broader aircraft manufacturing and repair services ('AMRS') industry. The number of MRO providers are limited due to the high knowledge required and technical barriers. This section sets out an overview of the GA market, global AMRS industry, the MRO industry in the US, and the AMRS industry in Australia.

The information presented in this section has been compiled from a range of publicly available sources, together with information taken from various databases to which we subscribe. BDOCF has not independently verified any of the information and we recommend that users of this Report refer to the original source of any information listed in this section. This section should be referred to as a guide only.

6.1 General Aviation¹

The GA market includes all civil air operations except scheduled airline services. The GA industry is segmented by aircraft type, including helicopters, piston fixed-wing aircraft, turboprop aircraft, and business jets. Figure 6.1 illustrates PTB's position in the global aviation industry and GA market.

Figure 6.1: PTB's Position in the Global Aviation Industry and GA Market



Source: Veritas Securities Limited, 2019

The GA market experienced a downturn in activity in 2020 due to COVID-19, however the extent of the decline was less than the decline in commercial aviation. Notably, private aviation continued to attract customers who could afford to fly during the COVID-19 pandemic. The Federal Aviation Administration ('FAA') expects the GA sector to recover to its 2019 levels sooner than commercial aviation. Relative to 2020, global billings in the GA sector increased by 7.7% to USD21.6 billion in 2021, representing an 8.2% decrease on 2019 levels. GA activity levels also increased by 9.1% in 2021 compared to the previous year. The FAA expects GA activity levels to return to pre-COVID levels by 2022.

The long-term outlook for GA is promising. The General Aviation Manufacturers Association ('GAMA') forecasts that the active GA fleet is forecast to increase 0.1% annually between 2022 and 2042, after recording a slight increase of 0.1% in 2021 from 2020, and is effectively unchanged from 2019. Fixed-wing piston aircraft - the GA sector's largest fleet segment - is expected to decrease 0.8% annually between 2021 and 2041. Drivers for this decline include unfavourable pilot

¹ Unless otherwise stated, information in this section is has been obtained from the Federal Aviation Administration Report, 'FAA Aerospace Forecast Fiscal Years 2022-2042', 2022

demographics, increasing cost of aircraft ownership, availability of lower cost alternatives for recreational use, and new aircraft deliveries not keeping pace with retirements of the aging fleet. Growth in turbine fleet, driven by a growth in corporate profits and subsequent corporate and business aviation, are expected to offset and exceed the decline in fixed-wing piston fleet.

GA hours flown is forecasted to increase an average of 1.1% annually between 2020 and 2042. Hours flown by fixed-wing piston aircraft is projected to decrease 0.6% per year, a slightly slower rate than that of the fleet decline. Conversely, hours flown by turbine aircraft are forecast to increase 3.2% yearly between 2020 and 2042. Jet aircraft are expected to account for most of this increase, which corresponds with the increase in the size of the business fleet.

Once activity returns to pre-COVID levels, future growth in business and corporate travel will be largely dependent on the prospects for economic growth and corporate profits. Other factors, such as potential environmental regulations and taxes, are not considered as much of a concern in the short-term. However, these uncertainties may place downward pressure on the forecast of the GA sector in the long-term. Overall, GA operations are forecast to increase at an average of 0.6% a year as increases in turbine powered activity more than offsets a decline in piston activity.

6.2 Aircraft Manufacturing and Repair Services

6.2.1 Overview²

The AMRS industry primarily comprises of companies engaged in the manufacturing of aircraft, engines, frames and parts, and the maintenance, repair and overhaul of aircraft and engines, used for civilian and military purposes. Key stakeholders include manufacturers, airlines, exporters, and industry and government bodies.

The AMRS industry is a global industry, given the highly specialised manufacturing processes required to produce aircraft and their related components. Large import sources include France, Italy, Canada and most significantly, the US, where Boeing - the industry's largest player - assembles the majority of its final products.

The COVID-19 pandemic significantly impacted trade in the AMRS industry, as border closures and lockdown restrictions resulted in decreased air travel and therefore a reduced demand for aircrafts.

6.2.2 Industry Performance²

Revenue in the AMRS industry is largely derived from operators having contracts with commercial airlines or defence forces. Over the past five years, modern training fleets and increased defence-related capital expenditure have supported industry demand. However, the COVID-19 pandemic caused a decline in demand from commercial airlines, as passenger flight activity significantly reduced between 2020 and 2021. This also resulted in commercial airlines decreasing their expenditure on new aircraft, parts and related aircraft products. Defence-related expenditure has increased over the past five years, due to a greater focus on national security and improving defence capabilities. The Australian Defence Force has increasingly outsourced aircraft maintenance services to benefit from the expertise of industry operators and reduce costs. Growth in defence-related expenditure partially offset the decline from commercial airlines over the COVID-19 pandemic.

6.2.3 Major Markets²

The AMRS industry serves three main markets including commercial airlines, defence forces and export markets.

Commercial airlines represent a significant source of revenue for industry operators. Major airlines regularly require MRO services for their fleets to comply with safety standards. Major airlines that perform their own aircraft servicing may also purchase parts from industry operators. As a share of industry revenue, this market segment has decreased over the past five years, largely driven by the reduction in travel caused by the COVID-19 pandemic.

Defence contracts account for a large portion of industry revenue. This includes acquisition of new aircraft and modifications to existing aircraft. Maintenance services for defence aircraft have also become increasingly outsourced over the past five years. Capital expenditure on defence aircraft was essential to stabilising the industry amid the COVID-19 pandemic.

Exports of aircraft and parts account for a significant portion of industry revenue. Over the past five years, the US has remained the industry's largest export market, with many global manufacturers exporting products to their US facilities for final assembly.

² Information in this section has been obtained from IBISWorld Report, 'Aircraft Manufacturing and Repair Services in Australia', July 2022

6.2.4 Key External Drivers

Table 6.1 below sets out information on the key external drivers currently affecting the aircraft manufacturing and repair services.

Table 6.1: Key External Drivers of the Aircraft Manufacturing and Repair Services Industry

Key External Driver	Description
Capital expenditure on defence	The industry provides a substantial number of aircraft, parts and MRO services for military purposes. An increase to defence-related capital expenditure, including purchases of military aircraft, increases the demand for aircraft manufactured by the industry. However, a decline to defence-related capital expenditure can reduce the demand for industry services, which represents a threat to revenue growth across the industry. Defence-related capital expenditure is anticipated to increase in 2022-2023.
Air passenger movements through capital city airports	Commercial aircraft need regular maintenance to meet required safety standards. The majority of passenger aircraft fly through airports located in the major capital cities. When air passenger movements through these airports increases, it often indicates that commercial airlines are using more aircraft. Air passenger movements through airports in major capital cities is anticipated to rise significantly in 2022-2023.
Aircraft kilometres flown ('AKF')	The demand for MRO services closely relates to the number of AKF. As an aircraft accumulates kilometres flown, the probability of minor technical issues occurring increases. AKF can rise either due to an increase in the number of aircraft servicing shorter flights, or due to an increased number of longer flights. AKF is anticipated to increase significantly in 2022-2023.

Source: IBISWorld Report 'Aircraft Manufacturing and Repair Services in Australia', July 2022

6.2.5 Industry Outlook for MRO in the US³

The MRO industry in the US is expected to grow over the next five years through to 2027, with industry revenue to rise at an annualised rate of 3.3% to \$38.7 billion. Key considerations driving this include an increase in demand from commercial airlines and defence sectors.

Operators within the MRO industry in the US are predominately located in the southeast, west and southwest regions of the US, largely due to the low population density of these regions. Low population density increases the possibility of air travel between locations and consequently, the number of airports. Area specific factors also attract operators, such as the high proportion of mining companies in Texas, where staff require air travel to move between work sites, and Florida, which serves as the gateway to the Bahamas and Caribbean, both popular holiday locations for US residents. In 2022, the southeast region comprised of 32.3% of industry participants, with the west and southwest regions accounting for 18.3% and 17.5% of operators, respectively.

The MRO industry in the US derives a significant portion of its demand from commercial airlines, with 42.8% of industry revenue in 2022 anticipated to stem from cargo and passenger-related transport. With an increase in air travel and intensifying of aircraft utilisation, industry services will see an increase in demand. Domestic and international trips by US residents increased significantly as COVID-19 related restrictions eased, and this trend is expected to continue in coming years. Favourable economic conditions, including wage increases and declining unemployment, and pent-up demand for air travel following the COVID-19 pandemic are anticipated to lead this increase in air travel. Further, industry operators are expected to benefit from airlines continuing to outsource their MRO requirements as they seek to improve efficiency. Demand for air freight services is also expected to rise, resulting in increased aircraft use and demand for industry services.

The US Department of Defense ('DoD') is another key market for MRO service providers, expected to account for 35.2% of industry revenue in 2022. The DoD has over 10,000 aircraft, all of which require MRO services. Historically, the DoD internally performs at least 50% of their MRO work to maintain core capabilities in the event of war arising and outsources remaining work on a contract basis. Russia's invasion of Ukraine is also expected to increase demand from the DoD, which may create additional demand from industry operators.

Potential threats to the expansion of the MRO industry in the US include airlines investing in new and more-fuel efficient aircraft, which requires less MRO work than older aircraft, and the impact of the rise in world price in crude oil on the broader airline industry. The world price of crude oil is forecast to rise in 2022 due to sanctions on Russia decreasing global supply. Although airlines mitigate fluctuations in fuel price with derivatives, large increases to the price of fuel may lead to

³ Information contained in this section is has been obtained from the IBISWorld Report, 'Aircraft Maintenance, Repair and Overhaul in the US', June 2022

a rise in the cost of air travel tickets and decrease the demand for air travel, resulting in a decrease in demand for MRO services as aircraft use declines.

6.2.6 Industry Outlook for AMRS in Australia⁴

The AMRS industry in Australia is forecast to grow over the next five years, with industry revenue expected to rise at an annualised 4.1% over the five years through to 2027-2028, to \$4.6 billion. Increases in demand are projected from all major markets including commercial airlines, defence sectors and exports.

Industry operators are highly concentrated along Australia's east coast, with Queensland, New South Wales and Victoria collectively accounting for over 80% of industry operators. These states host large populations which provide strong demand for flight activity. A significant portion of demand in Queensland is from the non-scheduled air transport of miners and other remote workers. Demand in New South Wales and Victoria is due to high flight activity and larger airport capacity, as well as many large defence contractors based there.

Commercial aircraft orders are expected to increase, relative to 2020 and 2021, with demand for air passenger travel rising following the easing of border closures and travel restrictions related to the COVID-19 pandemic. Maintenance services to new and existing aircraft should also contribute as a stable income source over the period. A shift towards acquiring smaller aircraft may also be preferred by some airlines, with fuel prices a major cost driver for airlines, particularly in the current climate. Increased fuel costs, combined with rising public interest over environmental concerns, is expected to encourage airlines to renew their fleets with improved fuel-efficient aircraft.

A significant threat to the Australia's aircraft-related parts and components export market is technological advancements in overseas markets with lower cost bases. Countries such as China represent a real threat to Australian operators losing certain production contracts, particularly given the Australian dollar is expected to appreciate over the next five years, which would further weaken the cost-competitiveness of Australian operators. However, the technical skills and great reputation of Australian firms could encourage airlines to favour local operators for maintenance services. In Australia, exports are projected to comprise of 66.6% of industry revenue in FY2022-FY2023, making Australia's aircraft-related parts and components export market the largest portion of industry revenue.

⁴ Information in this section has been obtained from IBISWorld Report, 'Aircraft Manufacturing and Repair Services in Australia', July 2022

7.0 Common Valuation Methodologies

A 'fair market value' is often defined as the price that reflects a sales price negotiated in an open and unrestricted market between a knowledgeable, willing but not anxious buyer and a knowledgeable, willing but not anxious seller, with both parties at arm's length. The valuation work set out in this Report assumes this relationship.

RG 111 outlines a number of methodologies that a valuer should consider when valuing securities or assets for the purposes of, among other things, share buy-backs, selective capital reductions, schemes of arrangement, takeovers and prospectuses. The valuation methodologies we have considered in this Report include the discounted cash flow ('DCF'), capitalisation of maintainable earnings ('CME'), asset-based valuation ('ABV') and market-based valuation ('MBV') methodologies.

RG 111 does not prescribe which methodology should be used by the expert, but rather notes that the decision lies with the expert based on the expert's skill and judgement and after considering the unique circumstances of the securities or assets being valued.

7.1 Discounted Cash Flows ('DCF')

The DCF approach calculates the value of an entity by adding all of its future net cash flows discounted to their present value at an appropriate discount rate. The discount rate is usually calculated to represent the rate of return that investors might expect from their capital contribution, given the riskiness of the future cash flows and the cost of financing using debt instruments.

In addition to the periodic cash flows, a terminal value is included in the cash flow to represent the value of the entity at the end of the cash flow period. This amount is also discounted to its present value. The DCF approach is usually appropriate when:

- ▶ An entity does not have consistent historical earnings but is identified as being of value because of its capacity to generate future earnings; and
- ▶ Future cash flow forecasts can be made with a reasonable degree of certainty over a sufficiently long period of time.

Any surplus assets, along with other necessary valuation adjustments, are added to the DCF calculation to calculate the total entity value.

7.2 Capitalisation of Maintainable Earnings ('CME')

The CME approach involves identifying a maintainable earnings stream for an entity and multiplying this earnings stream by an appropriate capitalisation multiple. Any surplus assets, along with other necessary valuation adjustments, are added to the CME calculation to calculate the total entity value.

The maintainable earnings estimate may require normalisation adjustments for non-commercial, abnormal or extraordinary events.

The capitalisation multiple typically reflects issues such as business outlook, investor expectations, prevailing interest rates, quality of management, business risk and any forecast growth not already included in the maintainable earnings calculation. While this approach also relies to some degree on the availability of market data, the multiple is an alternative way of stating the expected return on an asset.

The CME approach is generally most appropriate where an entity has historical earnings and/or a defined forecast or budget. Further, a CME is usually considered appropriate when relevant comparable information is available.

7.3 Asset Based Valuation ('ABV')

An ABV is used to estimate the fair market value of an entity based on the book value of its identifiable net assets. The ABV approach using a statement of financial position alone may ignore the possibility that an entity's value could exceed the book value of its net assets. However, when used in conjunction with other methods which determine the value of an entity to be greater than the book value of its net assets, it is also possible to arrive at a reliable estimate of the value of intangible assets including goodwill.

Alternatively, adjustments can be made to the book value recorded in the statement of financial position in circumstances where a valuation methodology exists to readily value the identifiable net assets separately and book value is not reflective of the true underlying value. Examples of circumstances where this type of adjustment may be appropriate include when valuing certain types of identifiable intangible assets and/or property, plant and equipment.

The ABV approach is most appropriate where the assets of an entity can be identified and it is possible, with a reasonable degree of accuracy, to determine the fair value of those identifiable assets.

7.4 Market Based Valuation ('MBV')

An MBV methodology determines a value for an entity by having regard to the value at which securities in the entity have recently been purchased. This approach is particularly relevant to:

- ▶ Entities whose shares are traded on an exchange. The range of share prices observed may constitute the market value of the shares where a sufficient volume of shares is traded and the shares are traded over a sufficiently long period of time; and/or
- ▶ Entities for which it is possible to observe recent transactions relating to the transfer of relatively large parcels of shares (e.g. recent capital raisings).

For listed entities, the range of share prices observed may constitute the market value of the shares in circumstances where sufficient volumes of shares are traded and the shares are traded over a sufficiently long period of time. Share market prices usually reflect the prices paid for parcels of shares not offering control to the purchaser.

7.5 Industry Based Metrics (Comparable Analysis)

It is often appropriate to have regard to industry specific valuation metrics in addition to the traditional valuation approaches outlined above. These metrics are particularly relevant in circumstances where it is reasonably common for market participants to have regard to alternative measures of value.

8.0 Valuation of PTB Prior to the Proposed Transaction

This section sets out our valuation of the shares in PTB and is structured as follows:

- ▶ Section 8.1 sets out our view of the most appropriate methodology to value PTB;
- ▶ Section 8.2 sets out our CME valuation of PTB;
- ▶ Section 8.3 sets out our MBV of PTB;
- ▶ Section 8.4 sets out our cross-check of our CME valuation of PTB using the MBV; and
- ▶ Section 8.5 sets out our view of the most appropriate value to adopt for each PTB share, on a controlling interest basis, for the purpose of this Report.

8.1 Our Valuation Approach for PTB

In our view it is appropriate to adopt a CME valuation approach for PTB (refer Section 8.2 below). We have considered each of the valuation methodologies outlined in Section 7.0 above and determined, in our view, the most appropriate methodology for calculating the value of PTB. In relation to the valuation methodologies applied, we note:

- ▶ We have adopted a CME valuation approach (refer Section 8.2) as our primary valuation methodology; and
- ▶ To cross-check our CME valuation methodology, we have considered an MBV approach (refer Section 8.3). It is generally possible to complete a MBV of a company when there is a readily observable market for the trading of the company's shares. The shares of PTB are listed on the ASX and it is possible to observe the market price of trades in PTB shares. The MBV provides information relating to a valuation of PTB shares on a minority interest basis.

8.2 CME Valuation of PTB

The CME valuation approach involves identifying a maintainable earnings stream for an entity and multiplying the earnings stream by an appropriate capitalisation multiple. Any surplus assets, along with other necessary valuation adjustments, are added to the CME calculation to calculate the total value of the Company. This section of this Report is structured as follows:

- ▶ Section 8.2.1 sets out our calculation of the relevant earnings of PTB;
- ▶ Section 8.2.2 sets out our view on an appropriate level of maintainable earnings to adopt to value PTB;
- ▶ Section 8.2.3 sets out our view on the appropriate capitalisation multiple to adopt to value PTB;
- ▶ Section 8.2.4 sets out our calculation of the enterprise value of PTB on a controlling interest basis;
- ▶ Section 8.2.5 sets out our calculation of the surplus assets and liabilities of PTB; and
- ▶ Section 8.2.6 sets out our calculation of the equity value of PTB on a controlling interest basis.

8.2.1 Earnings

In our view, it is appropriate to adopt earnings before interest, tax, depreciation and amortisation ('EBITDA') as an earnings measure for the purpose of determining the fair value of PTB using the CME valuation methodology. We have adopted EBITDA as opposed to other earnings measures as it is independent of the direct financial impacts of capital structure and taxes. Adopting EBITDA as an earnings measure also assists in removing irregularities that may arise from differences in depreciation and amortisation accounting policies of different companies, including those that may arise from acquisition related amortisation.

To determine an appropriate level of EBITDA for PTB for the purpose of our valuation, we have considered the historical EBITDA of the Company and discussed the financial performance, operating environment and future prospects of PTB with Management. We have been provided with the adjusted earnings of PTB, removing the impacts of non-recurring, abnormal and one-off amounts that have been incurred by the Company.

PTB is responsible for the financial information. BDOCF has not performed any audit or review of any type on the historical financial information of PTB and we make no statement as to the accuracy of the information provided. BDOCF has not been instructed to as has not completed any formal audit, review or due diligence procedures on the financial information provided to us beyond a critical analysis of the assumptions adopted and enquiry of Management.

Table 8.1 below sets out the normalised EBITDA of PTB for FY2019, FY2020, FY2021 and FY2022.

Table 8.1: Normalised Earnings of PTB for FY2019, FY2020, FY2021 and FY2022

	12 Months Ended 30-Jun-19 (\$'000)	12 Months Ended 30-Jun-20 (\$'000)	12 Months Ended 30-Jun-21 (\$'000)	12 Months Ended 30-Jun-22 (\$'000)
Profit before tax	5,577	5,913	16,683	17,976
+ Depreciation and Amortisation	2,106	3,085	4,451	4,726
+ Finance Costs	957	1,271	1,468	1,488
EBITDA	8,640	10,269	22,602	24,190
Normalisations				
+ Acquisition-Related Costs	-	949	-	-
+ / (-) (Profit) / Loss on Disposal of Fixed Assets	1	-	(5,780)	(633)
+ / (-) Bad and Doubtful Debts	(131)	1,080	(1,038)	(252)
Normalised EBITDA	8,510	12,298	15,784	23,305
Total Revenue	51,481	78,144	85,239	125,477
Normalised EBITDA Margin (%)	16.53%	15.74%	18.52%	18.57%

Source: PTB FY2019, FY2020, FY2021 and FY2022 Annual Reports, Management and BDOCF Analysis

1 The EBITDA figures set out above differ from the EBITDAFX set out in PTB's annual reports.

In relation to the normalisation adjustments set out in Table 8.1 above we note the following:

- ▶ In FY2020, PTB incurred costs of \$0.95 million in relation to the acquisition of Prime;
- ▶ In FY2021, PTB realised a gain of \$5.78 million on the sale of the Warriewood property;
- ▶ In FY2022, PTB realised a gain of \$0.63 million on the sale of the Pinkenba property; and
- ▶ In FY2020, PTB increased the provision for bad and doubtful debts to reflect the uncertainty of COVID-19's impact on trade debtors. Management have advised that the adjustment in FY2021 was largely a reversal of the additional provisions taken up in FY2020.

In addition to the above normalisations, we note:

- ▶ No adjustments were made in relation to the income received from the Australian Government's JobKeeper program or the US Government's Payroll Protection Program between FY2020 and FY2022. Income received from the Australian Government's JobKeeper program totalled \$332,000 in FY2020, \$1.41 million in FY2021 and \$115,000 in FY2022, while income received from the US Government's Payroll Protection Program totalled \$1.85 million in FY2021 and \$1.77 million in FY2022;
- ▶ No adjustments were made to revenue as a result of any impact on operations from the COVID-19 pandemic; and
- ▶ In FY2022, PTB sold two DHC-6 Twin Otter aircraft for a trading profit. We have not normalised earnings to account for this profit on the basis that Management expect PTB to generate ongoing profit from the sale of aircraft as part of normal business operations, albeit this revenue stream may be more sporadic relative to PTB's other divisions.

8.2.2 Adopted Maintainable Earnings

In our opinion, it is appropriate to adopt a maintainable earnings figure of \$23.00 million for the purposes of the analysis set out in this Report. In forming this view, we have considered:

- ▶ The normalised earnings calculated in Table 8.1 above;
- ▶ PTB's levels of unadjusted and normalised EBITDA has been increasing YoY between FY2019 to FY2022, with \$23.31 million of normalised EBITDA calculated in the latest financial year. With regard to this we note the following:
 - The increase in revenue in FY2020, relative to FY2019, was largely due to PTB's acquisition of Prime which contributed 4 months of revenue totalling \$16.83 million;
 - The increase in revenue in FY2022, relative to FY2021, was largely due to increased activity across PT Brisbane's customer base, particularly in the Maldives following the easing of COVID-19 travel restrictions, and growth in output from PT USA workshops; and
 - In FY2022, the induction of owned engines into production schedules also materially increased outputs from PT USA's workshops, producing engine sales opportunities for the Miami parts business;
- ▶ Normalised EBITDA margins have improved by 2% to 3% over the period to be 18.57% for FY2022;
- ▶ PTB has prepared a forecast model ('the Model') which has been provided to us for the purposes of this Report. We have not included additional information in relation to the forecast on instructions from Management as the Model includes information that has not been disclosed to the market. The Model provided to us forecasts FY2023 earnings to exceed FY2022 by a single digit percentage; and

- ▶ The earnings reported in any one year by companies considered broadly comparable to PTB are often not representative of the earnings that may be generated in 'normal' operating conditions. For this reason, it is often appropriate to have regard to both the historical and forecast earnings. This approach lessens the impact of any one event (i.e. COVID-19) and allows for a more representative level of a company's earnings to be determined. The maintainable earnings figure we have adopted takes into consideration both the historical and forecast earnings of PTB.

When calculating the maintainable earnings of the Company, it is important to have regard to the earnings adopted for assessing the multiples derived from the identified broadly comparable trading and transaction data. In this regard, we note:

- ▶ Historical and forward-looking enterprise value ('EV') to EBITDA trading multiples have been referred to for the broadly comparable listed companies; and
- ▶ Historical EV to EBITDA transaction multiples have been referred to for the broadly comparable companies as forecasts are generally not available.

In selecting an appropriate multiple, we have also had regard to our own assessment of PTB's financial performance, risk and future growth prospects.

8.2.3 Capitalisation Multiple

We have selected an appropriate capitalisation multiple to apply to PTB having regard to our research relating to the following:

- ▶ Multiples derived from the share market prices of companies which may be considered to be broadly comparable to PTB; and
- ▶ Prices and multiples derived from sales transactions where the target entity may be considered to be broadly comparable to PTB.

In selecting an appropriate multiple, we have also had regard to our own assessment of PTB's financial performance, liquidity risk and future growth prospects.

Comparable Trading Multiples

It is useful to analyse the trading multiples of comparable listed companies to assist with determining an appropriate capitalisation multiple for PTB. In this Report, we have conducted research into comparable share market multiples of listed companies in Australia and overseas which operate in the AMRS industry, which is set out in Appendix A.1. For completeness, we note that trading multiples are generally reflecting of market trades in a minority parcel of shares. A summary of this analysis is set out in Table 8.2 below (refer to Appendix A.1 for a more detailed description).

Table 8.2: Mean and Median Historical and Forecast EBITDA Multiples for Comparable Companies

Comparable Companies	EV/EBITDA Multiple (Historical)	EV/EBITDA (Forecast)
Mean	10.19x	10.03x
Median	9.68x	7.30x

Source: Appendix A, Table A.1

We note from our research that broadly comparable companies trade, on average, at FY2022 EBITDA multiples of 10.19 times and FY2023 forecast EBITDA multiples of 10.03 times.

While providing useful information, we note results of our trading multiples analysis should be considered with an appropriate amount of caution. Although the listed companies referred to for our analysis are considered broadly comparable with PTB, differences exist between PTB and each of the comparable companies. In particular, we note that:

- ▶ The comparable companies differ in size compared to PTB;
- ▶ The products and services provided by each of the comparable companies is often different to those provided by PTB. For example, most of the companies identified have MRO services as their secondary source of revenue;
- ▶ The revenue and earnings growth profiles of the comparable companies differ to those of PTB;
- ▶ The geographic regions in which comparable companies operate are often different to those of PTB;
- ▶ The comparable companies are listed on different stock exchanges compared to PTB; and
- ▶ The industries that the customers of comparable companies operate in are often different to those of PTB.

Comparable Transaction Multiples

We have also had regard to selected sales transaction of companies within the AMRS industry in Australia and overseas that are considered broadly comparable to PTB.

Generally, a transaction price provides evidence of earnings multiples that may be appropriate to use for valuation purposes. The acquisition price also generally represents the market value of a controlling interest in the company being

analysed and therefore usually incorporates a premium for control. Each sales transaction is the product of a combination of factors which may or may not be specific to a transaction, including:

- ▶ Economic factors;
- ▶ General investment and share market conditions;
- ▶ Strategic importance to the acquirer;
- ▶ Synergistic benefits specific to the acquirer;
- ▶ The number of potential buyers.

An analysis of selected transactions involving AMRS companies considered broadly comparable to PTB is set out in Appendix A.2. Table 8.3 below sets out a summary of this analysis.

Table 8.3: Mean and Median EBITDA Multiples for Comparable Transactions

Target Company	Implied EV/EBITDA Multiple (Historical)
Mean	8.32x
Median	7.90x

Source Appendix A.2, Table A.3

Appropriate Multiple to Apply to the Earnings of PTB

In order to determine an appropriate multiple to adopt for the purpose of valuing PTB in this Report, we have considered a range of factors specific to PTB which may differ from the comparable companies analysed, including:

- ▶ Historical performance of PTB, including the quality and reliability of PTB's earnings;
- ▶ Similarity of PTB to comparable companies having regard to metrics such as size and market share, service offerings, diversity of operations and financial metrics (discussed further in Appendix A);
- ▶ Current and future growth opportunities for PTB including the earnings outlook for FY2023;
- ▶ The mature position of the AMRS market, including PTB's domestic and international growth prospects; and
- ▶ Challenges faced historically and currently by PTB, including the COVID-19 pandemic's impact on operations.

Using comparable market data and sales transactions outlined in Tables 8.2 and 8.3 above and Appendix A as a guide, together with our own assessment of factors specific to PTB, in our view, it is appropriate to apply a multiple within the range of 7.50 times to 10.50 times the maintainable earnings (EBITDA) which we have determined for PTB and on a controlling interest basis.

8.2.4 Enterprise Value of PTB on a Controlling Interest Basis

Table 8.4 below summarises our calculation of the enterprise value of PTB.

Table 8.4: Enterprise Value of PTB

	Low \$'000	High \$'000
Maintainable earnings	23,000	23,000
EBITDA multiple	7.50x	10.50x
Enterprise Value	172,500	241,500

Source: BDOCF analysis

With regard to Table 8.4 above, we have calculated the enterprise value of PTB to be within the range of approximately \$172.5 million to \$241.5 million on a controlling interest basis.

8.2.5 Adjustments for Surplus Assets and Liabilities

The valuation of a company adopting a CME valuation methodology based on multiple of EBITDA excludes, amongst other issues, the impact of the Company's debt on the financial results as well as the value of any surplus assets or liabilities (i.e. those assets and liabilities which are not required for the usual business operations). When adopting the CME valuation methodology, to calculate the value of equity in a company it is appropriate to add the company's surplus cash and cash equivalents, subtract the value of interest bearing liabilities, and add/subtract the value of any surplus assets/liabilities to the enterprise value.

To determine an appropriate value for PTB's surplus assets and liabilities, we have considered the values set out in PTB's audited financial statements as at 30 June 2022 and have made enquires of Management in relation to any material adjustments required to reflect the fair market value of the assets and liabilities.

Table 8.5 summarises our view, having regard to our enquiries of Management, of an appropriate value to adopt for PTB's surplus assets and liabilities for the purposes of this Report.

Table 8.5: Value of PTB's Surplus Assets and Liabilities

	\$'000
Cash and cash equivalents	19,142
Operational cash flows	8,250
Interest bearing liabilities (excluding lease liabilities)	(23,301)
Net Value of Adjustments	4,091

Source: PTB Management, BDOCF analysis

Regarding Table 8.5, we note that:

- ▶ Management have advised that cash and cash equivalents total approximately \$19.14 million as at 31 August 2022 (an increase on the balance as at 30 June 2022 of approximately \$18.4 million);
- ▶ In addition to the existing cash balance, Management have advised further operational cash flows expected to be received from 1 September 2022 to 30 November 2022 are in the range of approximately \$8.00 million to \$8.50 million. We have adopted the midpoint this range and assumed an additional amount \$8.25 million will be surplus at the expected implementation date for the Proposed Transaction of 2 December 2022;
- ▶ Management have advised that interest bearing liabilities (excluding lease liabilities) as at 31 August 2022 total \$23.30 million which is broadly consistent with the 30 June 2022 balance. For completeness, we note that the lease liabilities totalled \$6.1 million as at 30 June 2022; and
- ▶ We have not adjusted for the dividend allowable under the Proposed Transaction.

We have made additional enquiries of Management regarding whether any additional assets or liabilities exist which may be considered surplus in addition to those set out above and note no other material adjustments are required to surplus assets and liabilities and note the following:

- ▶ Increased production levels drove the increase in inventories in FY2022, with the purchase of assets from UTC also contributing. Management consider the current levels of inventory to be at an appropriate level, however also advise that they are in the process of selling certain assets that may realise an amount of up to approximately \$4 million. Until values are realised for these assets we do not consider the sales process sufficiently advanced to treat them as surplus. For completeness, we note that if they were treated as surplus it would not materially change the opinion set out in this Report; and
- ▶ No material adjustments need to be made for working capital.

8.2.6 Equity Value of PTB on a Controlling Interest Basis

Table 8.6 below summarises our calculation of the equity value of PTB on a controlling interest basis as at the date of this Report.

Table 8.6: Equity Value of PTB

	Low \$'000	High \$'000
Enterprise Value	172,500	241,500
Net Value of Adjustments	4,091	4,091
Equity Value - Controlling Interest	176,591	245,591

Source: BDOCF analysis

With reference to Table 8.6, we calculate the equity value of PTB to be in the range of approximately \$176.6 million to \$245.6 million on a controlling interest basis.

Table 8.7 below summarises our calculation of the value a share in PTB as at the date of this Report.

Table 8.7: Value of a Share in PTB

	Unit	Low	High
Equity Value - Controlling Interest	\$'000	176,591	245,591
Shares Outstanding	Shares	127,203,057	127,203,057
Value per share	\$/Share	\$1.39	\$1.93

Source: BDOCF analysis

Table 8.7 shows that we estimate the value of the equity in PTB to be in the range of approximately \$1.39 to \$1.93 per share on a controlling interest basis as at the date of this Report.

8.3 MBV of PTB

This section sets out our MBV of PTB by considering:

- ▶ The recent share trading data relating to PTB; and
- ▶ The liquidity of PTB ordinary shares.

8.3.1 Analysis of PTB's Share Trading Data

PTB's ordinary shares are listed on the ASX. Information in relation to the recent share trading data of PTB's ordinary shares along with an analysis of recent announcements made by PTB to the ASX are set out in Section 5.4 of this Report.

For the purposes of our market-based valuation, we have considered the trading of PTB shares over 1 week, 1 month, 3 months, 6 months, 9 months and 12 months prior to the announcement of the Proposed Transaction on 18 August 2022.

Table 8.8 below sets out PTB's low, VWAP and high for the specified periods prior to 19 August 2022.

Table 8.8: PTB's Daily Low VWAP, Daily High VWAP and Period VWAP for Specified Periods Prior to 19 August

Period before 19 August 2022	Low Daily VWAP (AUD)	VWAP (AUD)	High Daily VWAP (AUD)
1 Week	\$1.1375	\$1.1438	\$1.1492
1 Month	\$1.1278	\$1.1424	\$1.1503
3 Months	\$0.9973	\$1.1120	\$1.1958
6 Months	\$0.9973	\$1.1517	\$1.2268
9 Months	\$0.9719	\$1.1509	\$1.2931
12 Months	\$0.7473	\$1.0845	\$1.2931

Source: Capital IQ as at 29 August 2022

With reference to Table 8.8, we note the following:

- ▶ The VWAP of PTB shares over the periods specified before 19 August 2022 ranges from \$1.08 to \$1.14; and
- ▶ The daily low and high VWAP of PTB shares over the 6 month period prior to 19 August 2022 are \$0.9973 and \$1.2268 respectively. Over a 12 month period the daily low and high VWAP of PTB shares are \$0.7473 and \$1.2931 respectively.

Following announcement of the Proposed Transaction, PTB's share price increased from \$1.15 on 18 August 2022 to \$1.56 on 19 August 2022. PTB's recent share price trading towards the offer price of \$1.595, post the announcement of the Proposed Transaction, likely reflects other factors relating to the Proposed Transaction (including the markets expectations that it will be approved) and is less relevant in determining an MBV valuation range that can be used to assess the Proposed Transaction.

8.3.2 Liquidity of PTB Shares

Information on the liquidity of PTB shares is set out in Section 5.4 of this Report.

Assuming a weighted average of 127,203,057 PTB shares on issue over the period, approximately 19.45% of total shares on issue were traded over the period from 1 September 2021 to 18 August 2022. In our view, while this indicates that PTB shares display a relatively low level of liquidity, the level of liquidity is appropriate for considering an MBV in this Report.

8.3.3 Conclusion of MBV (Minority Basis)

Having regard to the information set out above, in our view it is appropriate to adopt a value of \$1.00 to \$1.20 per PTB share on a minority interest basis for our market-based valuation.

In forming our view on an appropriate range, we considered that trading over the six month period prior to the announcement as generally in this range and our valuation range fully encompasses each of VWAPs for the six periods set out in Table 8.8. For completeness, it is our view that the announcement of the Proposed Transaction on 19 August 2022 impacts trading data and prices of PTB shares. As such, we have not had regard to trading data after 18 August 2022 for the purpose of adopting a value for a PTB share on a minority interest basis.

8.4 Comparison of CME to MBV

As stated in Section 8.1 above, it is our view that it is appropriate to adopt the MBV as a cross-check to our CME.

We note that our CME valuation of a PTB share prior to the Proposed Transaction in the range of \$1.39 to \$1.93 (refer Section 8.2) is higher than our adopted MBV of a PTB share prior to the Proposed Transaction in the range of \$1.00 to \$1.20 (refer Section 8.3). The difference between the mid points of our CME valuation and our adopted MBV is approximately 50.9%.

In our view, a primary reason for the difference is that share prices from market trading typically do not reflect the market value for control of a company while our CME valuation is on a controlling interest basis.

A controlling interest in a company is generally regarded as being more valuable than that of a minority interest as it may provide the owner with the following:

- ▶ Control over the operating and financial decisions of the company;
- ▶ The right to set the strategic direction of the company;
- ▶ Control over the buying, selling and use of the company's assets; and
- ▶ Control over appointment of staff and setting of financial policies.

The increase in value for a controlling interest is often observed where an acquirer launches a takeover bid, or some other mechanism for control, for another company. For the purposes of our research on control premiums, we have defined a controlling interest to be an interest where the acquirer has acquired a shareholding of greater than 50% in the target company.

Generally, control premiums may be impacted by a range of factors including the following:

- ▶ Specific acquirer premium and/or special value that may be applicable to the acquirer;
- ▶ Level of ownership in the target company already held by the acquirer;
- ▶ Market speculation about any impending transactions involving the target and/or the sector that the target belongs to;
- ▶ The presence of competing bids; and
- ▶ General market sentiments and economic factors.

To form our view of an appropriate range of control premium applicable to PTB for the purposes of this Report, we have considered information which includes:

- ▶ Recent independent expert's reports which apply control premiums in the range of 20% to 40%;
- ▶ Various industry and academic research, which suggests that control premiums are typically within the range of 20% to 40%;
- ▶ Our own research on control premiums implied by the trading data of ASX listed companies subject to control transactions. The average and median control premium found in our research are approximately within the range of 20% and 40%, based on one day, one week, and one-month prior trading prices;
- ▶ Various valuation textbooks; and
- ▶ Industry practice.

Based on our analysis, in our opinion, our cross-check of PTB's equity value using MBV methodology broadly supports our valuation of PTB using the CME methodology, given the implied control premium.

8.5 Value per PTB Share

Having regard to our valuation of PTB shares, in our view, for the purpose of our assessment of the Proposed Transaction it is appropriate to adopt a value as at the date of this Report in the range of \$1.39 and \$1.93 per PTB share on a controlling interest basis. This valuation range was determined having regard to our CME valuation methodology.

We also compared this valuation range to our MBV in Section 8.4 above and formed the view that the MBV broadly supports our valuation range after allowing for an appropriate control premium.

Appendix A: Comparable Trading Companies and Precedent Transaction Analysis

This section sets out information in relation to comparable companies that we consider broadly comparable to PTB. The information set out below includes a summary of information that we have considered and the assumptions that we have adopted. This section is set out as follows:

- ▶ Section A.1. summarises trading multiples and descriptions of listed companies we consider broadly comparable to PTB; and
- ▶ Section A.2 summarises transaction multiples and descriptions of transactions involving companies we consider broadly comparable to PTB.

A.1 Trading Multiples of Comparable Companies

It is useful to analyse the current trading multiples of exchange listed comparable companies to assist with the determination of an appropriate capitalisation multiple. Generally speaking, comparable trading multiples need to be treated with caution as not all companies operating in comparable industries can be readily compared to PTB. With this as a caveat, the usual step in applying a multiple based valuation methodology is to construct a multiple from market information. The multiple is then adjusted for specific company differentiators.

We have conducted research into current trading multiples of comparable listed AMRS industry companies that may be broadly comparable to PTB. Table 8.1 below sets out a summary of broadly comparable trading companies.

Table A.1: Broadly Comparable Trading Companies

Company	Country	Enterprise Value (A\$m)	Revenue (A\$m)	EBITDA (1 year historical) (A\$m)	EBITDA (1 year forward) (A\$m)	EBITDA Margin (1 year historical)	EV/EBITDA (1 year historical)	EV/EBITDA (1 year forward)
AerSale Corporation (NasdaqGM:ASLE)	USA	1,245	674	131	137	19.47%	9.48x	9.10x ¹
AAR Corp (NYSE:AIR)	USA	2,058	2,712	215	282	7.93%	9.57x	7.30x
Willis Lease Finance Corporation (NasdaqGM:WLFC)	USA	2,960	425	221	-	58.51%	11.91x	-
Chorus Aviation Inc (TSX:CHR)	Canada	3,309	1,518	338	533	22.26%	9.79x	6.21x
Maximum		3,309	2,712	338	533	58.51%	11.91x	9.10x
Minimum		1,245	425	131	137	7.93%	9.48x	6.21x
Mean		2,393	1,332	233	317	27.04%	10.19x	7.54x
Median		2,509	1,096	232	282	20.87%	9.68x	7.30x

Source: Capital IQ as at 16 September 2022, BDO Analysis

¹ Capital IQ estimates this 1 year forward EV/EBITDA multiple to be 16.59x based on a 1 year forecasted EBITDA of approximately \$75 million. This 1 year forecasted EBITDA does not appear to align with AerSale Corporation's 1 year historical EBITDA of approximately \$131 million or their forecasted EBITDA for FY2022 or FY2023 of approximately \$131 million and \$140 million, respectively. We have made an adjustment to their 1 year forward EBITDA to better align with the historical and forecasted EBITDA figures available to us.

Although the companies listed in Table A.1 above have been selected as they are regarded to be broadly comparable to PTB, differences exist between PTB and each of the comparable companies. In particular, we note that:

- ▶ All of the companies in Table A.1 are larger in size, in terms of enterprise value, compared to PTB;
- ▶ The revenue and earnings growth profiles of the comparable companies in Table A.1 differ to those of PTB;
- ▶ The geographic regions in which each of the companies in Table A.1 operate are often different to those of PTB. Table A.1 includes companies based in Australia and overseas;
- ▶ The companies in Table A.1 have different reporting dates. In addition to the point in time estimate set out in Table A.1, we have also considered the multiples on a rolling 12 month basis over a longer time frame to understand any differences caused by the different reporting dates;
- ▶ All of the companies in Table A.1 have higher trading liquidity; and
- ▶ All of the companies in Table A.1 have more diversified revenue streams, with most having MRO services as their secondary source of revenue. For example, Willis Lease Finance Corporation's primary income source is lease revenue, however, they also receive revenue from maintenance, and the sale of spare parts and equipment.

A description of each of the broadly comparable companies identified in the trading multiples analysis set out in Table A.1 above is set out in Table A.2 below.

Table A.2: Broadly Comparable Company Descriptions

Company	Company Description
AerSale Corporation	<p>AerSale Corporation provides aftermarket commercial aircraft, engines, and its parts to passenger and cargo airlines, leasing companies, original equipment manufacturers, and government and defense contractors, as well as maintenance, repair, and overhaul (MRO) service providers worldwide. It operates in two segments, Asset Management Solutions and Technical Operations (TechOps). The Asset Management Solutions segment engages in the sale and lease of aircraft, engines, and airframes, as well as disassembly of these assets for component parts. The TechOps segment provides internal and third-party aviation services, including internally developed engineered solutions, heavy aircraft maintenance and modification, and component MRO, as well as end-of-life disassembly services. This segment also provides aircraft modifications, cargo and tanker conversions of aircraft, and aircraft storage; and MRO services for landing gear, thrust reversers, hydraulic systems, and other aircraft components. The company was founded in 2008 and is headquartered in Coral Gables, Florida.</p>
AAR Corp.	<p>AAR Corp. provides products and services to commercial aviation, government, and defense markets worldwide. The Aviation Services segment offers aftermarket support and services; inventory management and distribution services; and maintenance, repair, and overhaul, as well as engineering services. This segment also sells and leases new, overhauled, and repaired engine and airframe parts, and components; and provides inventory and repair programs, warranty claim management, and outsourcing programs for engine and airframe parts and components, as well as performance-based supply chain logistics programs in support of the U.S. department of defense and foreign governments. In addition, it offers airframe inspection, maintenance, repair and overhaul, painting, line maintenance, airframe modification, structural repair, avionics and installation, exterior and interior refurbishment, and engineering and support services; and repairs and overhauls components, landing gears, wheels, and brakes. The Expeditionary Services segment provides products and services supporting the movement of equipment and personnel by the U.S. and foreign governments, and non-governmental organizations. This segment also designs, manufactures, and repairs transportation pallets, and various containers and shelters; and provides engineering, design, and system integration services for command and control systems.</p> <p>The company serves domestic and foreign passenger airlines; domestic and foreign cargo airlines; regional and commuter airlines; business and general aviation operators; original equipment manufacturers; aircraft leasing companies; aftermarket aviation support companies; and domestic and foreign military customers. It primarily markets and sells products and services through its employees and foreign sales representatives. AAR Corp. was founded in 1951 and is headquartered in Wood Dale, Illinois.</p>
Chorus Aviation Inc.	<p>Chorus Aviation Inc., through its subsidiaries, provides various aviation support services in the United States and Canada. The company operates through two segments, Regional Aviation Services and Regional Aircraft Leasing. The Regional Aviation Services segment includes all three sectors of the regional aviation, such as contract flying, including ACMI and charter operations; aircraft leasing; and maintenance, repair, and overhaul, as well as part sales and technical services. The Regional Aircraft Leasing segment provides aircraft leasing to third-party air operators. As of December 31, 2021, this segment's portfolio of leased aircraft consisted of 62 aircraft of which 56 aircraft were on lease to airline customers, such as 23 Dash 8-400s, 18 ATR72-600s, four CRJ1000s, four E190s, two E195s and five A220-300s. The company was formerly known as Jazz Air Income Fund and changed its name to Chorus Aviation Inc. in January 2011. Chorus Aviation Inc. was incorporated in 2010 and is based in Dartmouth, Canada.</p>
Willis Lease Finance Corporation	<p>Willis Lease Finance Corporation operates as a lessor and servicer of commercial aircraft and aircraft engines worldwide. The company operates through two segments, Leasing and Related Operations, and Spare Parts Sales. The Leasing and Related Operations segment engages in acquiring and leasing commercial aircraft, aircraft engines, and other aircraft equipment, as well as the purchase and resale of commercial aircraft engines and other aircraft equipment, and other related businesses. The Spare Parts Sales segment purchases and resells after-market engine parts, whole engines, engine modules, and portable aircraft components. The company also focuses on engine management and consulting business. It serves commercial aircraft operators, as well as maintenance, repair, and overhaul organizations. As of December 31, 2021, it had a total lease portfolio of 304 engines, 12 aircraft, one marine vessel, and other leased parts and equipment, and with 76 lessees in 40 countries; and managed a total lease portfolio of 475 engines, aircraft, and related equipment for other parties. The company was founded in 1985 and is headquartered in Coconut Creek, Florida.</p>

Source: Capital IQ

A.2 Multiples of Comparable Transactions

The price achieved in a sales transaction generally provides reliable evidence of earnings multiples for a valuation as it represents the market value of a controlling interest (including a control premium) in the asset being acquired. We note, however, that each sales transaction is a product of a combination of factors which may or may not be specific to the Proposed Transaction, including:

- ▶ Economic factors;
- ▶ Regulatory framework;
- ▶ General investment and share market conditions;
- ▶ Synergy benefits specific to the acquirer; and
- ▶ The number of potential buyers.

We have conducted research into transactions involving companies that operate in the AMRS industry using numerous research publications to which we subscribe. Our research has revealed that the information needs to be considered with caution for reasons which include the following:

- ▶ The transactions often involve AMRS companies that differ in size compared with PTB;
- ▶ The transactions involve AMRS companies operating in different product segments to PTB; and
- ▶ The financial information available on each of the transactions is limited.

To assist us in determining the most appropriate capitalisation multiple to apply to the maintainable earnings of PTB, it is useful to analyse recent sales transactions involving companies operating in the AMRS industry.

Table A.3 below sets out information on recent transactions involving AMRS companies that may be broadly considered comparable to PTB.

Table A.3: Broadly Comparable Company Transaction Multiples

Target	Acquirer	Announced Date	Percent Acquired (%)	Implied EV (\$m)	Implied EV/EBITDA Multiple (historical)
Signature Aviation / ERO Business	StandardAero (The Carlyle Group)	18-Feb-2021	100%	296	7.90x
AerSale	Monocole Acquisition Corporation	09-Dec-2019	100%	629	7.56x
Vectrus Inc	V2X, Inc.	07-Mar-2022	100%	2,865	9.50x
Maximum				2,865	9.50x
Minimum				296	7.56x
Mean				1,263	8.32x
Median				629	7.90x

Source: Capital IQ as at 29 August 2022

The above analysis indicates that AMRS companies which may be considered broadly comparable to PTB transact at a median multiple of 7.90 times and an average multiple of 8.32 times historical EBITDA.

A description of each of the target companies in the broadly comparable transactions set out in Table A.3 above is set out in Table A.4 below.

Table A.4: Target Descriptions - Broadly Comparable Transactions

Company	Company Description
Engine repair and overhaul ('ERO') business of Signature Aviation plc	ERO business of Signature Aviation plc was acquired by StandardAero, Inc. Engine Repair and Overhaul (ERO) business of Signature Aviation plc comprises engine repair and overhaul business and is located in the United Kingdom.
AerSale Corporation	AerSale Corporation provides aftermarket commercial aircraft, engines, and its parts to passenger and cargo airlines, leasing companies, original equipment manufacturers, and government and defence contractors, as well as maintenance, repair, and overhaul (MRO) service providers worldwide. It operates in two segments, Asset Management Solutions and Technical Operations (TechOps). The Asset Management Solutions segment engages in the sale and lease of aircraft, engines, and airframes, as well as disassembly of these assets for component parts. The TechOps segment provides internal and third-party aviation services, including internally developed engineered solutions, heavy aircraft maintenance and modification, and component MRO, as well as end-of-life disassembly services. This segment also provides aircraft modifications, cargo and tanker conversions of aircraft, and aircraft storage; and MRO services for landing gear, thrust reversers, hydraulic systems, and other aircraft components. The company was founded in 2008 and is headquartered in Coral Gables, Florida.
Vectrus Inc	<p>As of July 5, 2022, Vectrus, Inc. was acquired by Vertex Aerospace Services Holding Corp., in a reverse merger transaction. Vectrus, Inc. provides facility and base operations, supply chain and logistics, information technology mission support, and engineering and digital integration services. It offers facility and base operations services, such as facilities operations and maintenance, security, base life support, facilities engineering and management, airfield management, civil engineering, public works, transportation operations, and emergency services. The company also offers supply chain and logistics services, including warehouse management and distribution, asset management and logistics, integrated logistics, supply chain as a service, full spectrum aviation maintenance, repair and overhaul, and equipment maintenance, repair, and services. Additionally, it provides information technology mission support services comprising communications, management and service support, IT service management design and implementation, network and cybersecurity, systems installation and activation, and mission support.</p> <p>Further, the company offers engineering and digital integration solutions, such as perimeter security and intrusion detection, integrated electronic security monitoring and video management systems, systematic integrated security protection of physical assets, IP and computer systems, design and training, system-of-systems engineering and software development, advanced engineering, sensor and visualization technologies, energy solutions, and electromagnetic interoperability. Vectrus, Inc. was incorporated in 2014 and is headquartered in Colorado Springs, Colorado.</p>

Source: Capital IQ



Annexure B – Scheme



Scheme of arrangement – share scheme

PTB Group Limited

Scheme Shareholders



TALBOT SAYER

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Level 27, Riverside Centre
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Details

This scheme of arrangement is made under section 411 of the *Corporations Act 2001 (Cth)*

Between the parties

Name	PTB Group Limited
ACN	098 390 991
Short form name	PTB
Notice details	Attention The Directors
	Address c/- Level 27, 123 Eagle Street, Brisbane QLD 4000
	Email ssmith@pacificturbine.com.au (copy to: dzgrajewski@pacificturbine.com.au , akazakoff@pacificturbine.com.au and oliver.talbot@talbotsayer.com.au)
Name	Scheme Shareholders
	Each holder of PTB Shares recorded in the PTB Share Register as at the Scheme Record Date

Background

- A PTB and Bidder have entered into the Scheme Implementation Deed, pursuant to which, amongst other things, PTB agreed to propose this Scheme to PTB Shareholders and each of PTB and Bidder agreed to take certain steps to give effect to this Scheme and the Deed Poll.
- B If the Scheme becomes Effective, Bidder (or Bidder Nominee) will provide or procure the provision of the Scheme Consideration to the Scheme Shareholders in accordance with the provisions of this Scheme and the Deed Poll, Bidder (or Bidder Nominee) will acquire all Scheme Shares and all of the rights and entitlements attaching to them as at the Implementation Date and PTB will enter Bidder (or Bidder Nominee) in the PTB Share Register as the holder of the Scheme Shares.

Agreed terms

1. Defined terms and interpretation

1.1 Defined terms

In this Scheme:

Term	Definition
ASIC	means the Australian Securities and Investments Commission.
ASX	means ASX Limited ABN 98 008 624 691 and, where the context requires, the financial market that it operates.
ATO	means Australian Taxation Office.
Bidder	means PAG Holding Corp.
Bidder Nominee	has the meaning given to it in clause 4.3(a) of the Scheme Implementation Deed.
Business Day	means a day that is not a Saturday, Sunday, public holiday or bank holiday in Brisbane, Australia.
CHESS	means the Clearing House Electronic Subregister System operated by ASX Settlement Pty Ltd and ASX Clear Pty Limited.
CHESS Holding	has the meaning given in the Settlement Rules.
Court	means the Sydney Registry of the Federal Court of Australia or such other court of competent jurisdiction under the Corporations Act agreed to in writing by Bidder and PTB.
Corporations Act	means the <i>Corporations Act 2001</i> (Cth).
Deed Poll	means a deed poll in the form of Attachment 3 to the Scheme Implementation Deed, or such other form as agreed in writing between PTB and the Bidder under which Bidder (or Bidder Nominee) covenants in favour of the Scheme Shareholders to perform the obligations attributed to Bidder under the Scheme.
Effective	means, when used in relation to the Scheme, the coming into effect, under subsection 411(10) of the Corporations Act, of the order of the Court made under paragraph 411(4)(b) of the Corporations Act in relation to the Scheme.
Effective Date	means the date on which the Scheme becomes Effective.
End Date	means: <p>(a) 15 February 2023; or</p>



Term	Definition
	(b) such other date as agreed in writing by PTB and the Bidder.
Government Agency	means any government or governmental, semi-governmental, administrative, fiscal or judicial body, department, commission, authority, tribunal, agency or entity (including any stock or other securities exchange), or any minister of the Crown in right of the Commonwealth of Australia or any State, and any other federal, state, provincial, or local government, whether foreign or Australian (including ASIC and the Takeovers Panel).
Implementation Date	means the fifth Business Day after the Scheme Record Date, or such other date after the Scheme Record Date as PTB and the Bidder agree in writing or is ordered by the Court or required by ASX.
Issuer Sponsored Holding	has the meaning given in the Settlement Rules.
Listing Rules	means the official listing rules of ASX.
Operating Rules	means the official operating rules of ASX.
PTB	means PTB Group Limited ACN 098 390 991.
PTB Group	means PTB and each of its Subsidiaries, and a reference to a PTB Group Member is to PTB or any of its Subsidiaries.
PTB Permitted Dividend	has the meaning given in clause 4.5(a) of the Scheme Implementation Deed.
PTB Representation and Warranty	has the meaning given in the Scheme Implementation Deed
PTB Share	means a fully paid ordinary share in PTB.
PTB Share Register	means the register of members of PTB maintained by or on behalf of PTB in accordance with section 168(1) of the Corporations Act.
PTB Share Registry	means Link Market Services Limited ACN 083 214 537.
PTB Shareholder	means each person who is registered as the holder of a PTB Share in the PTB Share Register from time to time.
Registered Address	in relation to a PTB Shareholder, means the address of the PTB Shareholder as shown in the PTB Share Register.
Scheme	means this scheme of arrangement under Part 5.1 of the Corporations Act between PTB and the Scheme Shareholders under which all of the Scheme Shares will be transferred to Bidder (or Bidder Nominee) and the Scheme Shareholders will be entitled to receive the Scheme Consideration, together with any alterations or conditions made or required by the Court under section 411(6) of the Corporations Act and consented to by the



Term	Definition
	Bidder in accordance with clause 4.2 of the Scheme Implementation Deed.
Scheme Consideration	means the consideration to be provided by Bidder (or Bidder Nominee) to each Scheme Shareholder for the transfer to Bidder (or Bidder Nominee) of each Scheme Share, being for each PTB Share held by a Scheme Shareholder as at the Scheme Record Date an amount of \$1.595 per Scheme Share.
Scheme Implementation Deed	means the scheme implementation deed dated 18 August 2022 between PTB and Bidder relating to the implementation of this Scheme.
Scheme Meeting	means the meeting of PTB Shareholders to be convened by the Court under Section 411(1) of the Corporations Act in respect of the Scheme.
Scheme Record Date	means the time and date for determining entitlements to receive the Scheme Consideration, being 7.00pm on the second Business Day after the Effective Date, or such other time and date as PTB and Bidder agree in writing.
Scheme Shareholder	means a PTB Shareholder as at the Scheme Record Date.
Scheme Shares	means all PTB Shares held by the Scheme Shareholders as at the Scheme Record Date.
Scheme Transfer	means a duly completed and executed proper instrument of transfer in respect of the Scheme Shares for the purposes of section 1071B of the Corporations Act, in favour of Bidder (or Bidder Nominee) as transferee, which may be a master transfer of all or part of the 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 the Scheme is heard, or if the application is adjourned or subject to appeal for any reason, the day on which the adjourned application or appeal is heard.
Settlement Rules	means the ASX Settlement Operating Rules, being the official operating rules of the settlement facility provided by ASX Settlement Pty Ltd.
Subsidiary	has the meaning given in Division 6 of Part 1.2 of the Corporations Act. A reference to Subsidiaries has a corresponding meaning.
Trust Account	means an Australian dollar denominated trust account with an Authorised Deposit-taking Institution (as defined by the <i>Banking Act 1959</i> (Cth)) operated by PTB (or the

Term	Definition
	PTB Share Registry) as trustee for the Scheme Shareholders.

1.2 Interpretation

In this Scheme:

- (a) a term defined in or for the purposes of the Corporations Act, and which is not defined in clause 1.1, has the same meaning when used in this Scheme;
- (b) a reference to a clause, schedule, annexure or party is a reference to a clause of, and a schedule, annexure or party to, this Scheme and references to this Scheme include any schedules or annexures;
- (c) a reference to a party to this Scheme or any other document or agreement includes the party's successors, permitted substitutes and permitted assigns;
- (d) a reference to a person includes any company, partnership, joint venture, association, corporation or other body corporate and any Government Agency as well as an individual;
- (e) if a word or phrase is defined, its other grammatical forms have a corresponding meaning;
- (f) a reference to a document or agreement (including a reference to this Scheme) is to that document or agreement as amended, supplemented, varied or replaced;
- (g) a reference to this Scheme includes the agreement recorded by this Scheme;
- (h) the singular includes the plural and the plural includes the singular;
- (i) headings and bold type are for convenience only and do not affect the interpretation of this Scheme;
- (j) a reference to legislation or to a provision of legislation (including subordinate legislation) is to that legislation as amended, re-enacted or replaced, and includes any subordinate legislation issued under it;
- (k) no provision of this Scheme will be construed adversely to a party because that party was responsible for the preparation of this Scheme or that provision;
- (l) a reference to any time is, unless otherwise indicated, a reference to that time in Brisbane, Australia;
- (m) if a period of time is specified and dates from a given day or the day of an act or event, it is to be calculated exclusive of that day;
- (n) if any day on or by which a person must do something under this Scheme is not a Business Day, then the person must do it on or by the next Business Day;
- (o) if an act prescribed under this Scheme to be done by a party on or by a given day is done after 5.00pm on that day, it is taken to be done on the next day;
- (p) a reference to a person includes a corporation, trust, partnership, unincorporated body, Government Agency, or other entity whether or not it comprises a separate legal entity;



- (q) a reference to a body (including an institute, association or authority), other than a party to this Scheme, whether statutory or not:
 - (i) which ceases to exist; or
 - (ii) whose powers or functions are transferred to another body,
is a reference to the body which replaces it or which substantially succeeds to its powers or functions;
- (r) any agreement, representation, warranty or indemnity by two or more parties (including where two or more persons are included in the same defined term) binds them jointly and severally;
- (s) any agreement, representation, warranty or indemnity in favour of two or more parties (including where two or more persons are included in the same defined term) is for the benefit of them jointly and severally;
- (t) a reference to '\$' or 'dollar' is to Australian currency;
- (u) a reference to liquidation or insolvency includes appointment of an administrator, a reconstruction, winding up, dissolution, deregistration, assignment for the benefit of creditors, bankruptcy, or a scheme, compromise or arrangement with creditors (other than solely with holders of securities or derivatives), or any similar procedure or, where applicable, changes in the constitution of any partnership or third party, or death;
- (v) a reference to the Listing Rules, Settlement Rules, and the Operating Rules includes any variation, consolidation or replacement of these rules and is to be taken to be subject to any waiver or exemption granted to the compliance of those rules by a party; and
- (w) the meaning of any general language is not restricted by any accompanying example, and the words 'includes', 'including', 'such as', or 'for example' (or similar phrases) do not limit what else might be included.

2. Preliminary Matters

2.1 PTB

- (a) PTB is a public company limited by shares, registered in Queensland, Australia, and is admitted to the official list of the ASX. PTB Shares are quoted for trading on the ASX.
- (b) As at the date of the Scheme Implementation Deed, 127,203,057 PTB Shares were on issue.

2.2 Bidder

2.3 Bidder is a private corporation limited by shares registered in Delaware, United States of America. **Scheme Implementation Deed**

- (a) Pursuant to clause 4.3 of the Scheme Implementation Deed, Bidder may nominate any directly or indirectly wholly-owned subsidiary of Bidder to pay the Scheme Consideration and to which the Scheme Shares are to be transferred in accordance with this Scheme.
- (b) If the Scheme becomes Effective:

- (i) Bidder (or Bidder Nominee) must provide or procure the provision of the Scheme Consideration to the Scheme Shareholders in accordance with the terms of this Scheme and the Deed Poll; and
 - (ii) all the Scheme Shares, and all the rights and entitlements attaching to them as at the Implementation Date, must be transferred to Bidder (or Bidder Nominee) and PTB will enter the name of Bidder (or Bidder Nominee) in the PTB Share Register in respect of the Scheme Shares.
- (c) PTB and Bidder have agreed, by executing the Scheme Implementation Deed, to implement this Scheme (among other things).

2.4 Deed Poll

This Scheme attributes actions to Bidder and Bidder Nominee (as applicable) but does not itself impose an obligation on them to perform those actions. Bidder and Bidder Nominee (as applicable) have agreed, by executing the Deed Poll, to perform the actions attributed to them under this Scheme, including the provision or procuring the provision of the Scheme Consideration to the Scheme Shareholders.

3. Conditions Precedent

3.1 Conditions precedent

This Scheme is conditional on and will have no force or effect, and for completeness, there is no agreement to acquire the Scheme Shares (and will not become Effective) until, the satisfaction of each of the following conditions precedent:

- (a) all the conditions precedent in clause 3.1 of the Scheme Implementation Deed (other than the condition precedent in clause 3.1(d) of the Scheme Implementation Deed relating to Court approval of this Scheme) having been satisfied or waived in accordance with the terms of the Scheme Implementation Deed by the date that each of those conditions precedent provides that they are to be satisfied;
- (b) neither the Scheme Implementation Deed nor the Deed Poll having been terminated;
- (c) 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 and agreed to by Bidder and PTB (each acting reasonably);
- (d) subject to clause 8.1, such other conditions made or required by the Court under section 411(6) of the Corporations Act in relation to this Scheme and agreed to by Bidder and PTB having been satisfied or waived; and
- (e) 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 subsection 411(10) of the Corporations Act, on or before the End Date (or any later date PTB and Bidder agree in writing).

3.2 Certificate

- (a) PTB and Bidder will provide to the Court on the Second Court Date a certificate (signed for and on behalf of PTB and Bidder respectively), or such other evidence as the Court requests, confirming (in respect of matters within their knowledge) whether or not all of the conditions precedent in clauses 3.1(a) and 3.1(b) have been satisfied or waived.
- (b) The certificate referred to in clause 3.2(a) constitutes conclusive evidence that such conditions precedent were satisfied, waived or taken to be waived.

3.3 Termination

Without limiting any rights under the Scheme Implementation Deed, if the Scheme Implementation Deed is terminated in accordance with its terms, each of Bidder and Bidder Nominee (if applicable) are released from:

- (a) any further obligation to take steps to implement this Scheme; and
- (b) any liability with respect to this Scheme.

3.4 End Date

Without limiting any rights under the Scheme Implementation Deed, this Scheme will lapse and be of no further force or effect if:

- (a) the Effective Date does not occur on or before the End Date; or
- (b) the Scheme Implementation Deed or the Deed Poll is terminated in accordance with its terms,

unless PTB and Bidder otherwise agree in writing (and, if required, as approved by the Court).

4. Implementation of the Scheme

4.1 Lodgement of Court order with ASIC

PTB must lodge with ASIC an office copy of the Court order in accordance with subsection 411(10) of the Corporations Act approving the Scheme as soon as possible after the Court approves the Scheme and in any event by no later than the Business Day after the date on which the Court order was made (or such later date as agreed in writing between PTB and Bidder).

4.2 Transfer and registration of Scheme Shares

On the Implementation Date:

- (a) subject to Bidder (or Bidder Nominee) having paid the Scheme Consideration in the manner contemplated by clause 5.1(a), the Scheme Shares, together with all rights and entitlements attaching to the Scheme Shares as at the Implementation Date, must be transferred to Bidder (or Bidder Nominee), without the need for any further act by any Scheme Shareholder (other than acts performed by PTB as attorney and agent for Scheme Shareholders under clause 8.5), by:

- (i) PTB delivering to Bidder (or Bidder Nominee) a duly completed Scheme Transfer to transfer all of the Scheme Shares to Bidder (or Bidder Nominee), executed on behalf of the Scheme Shareholders by PTB as attorney and agent, for registration; and
- (ii) Bidder (or Bidder Nominee) duly executing the Scheme Transfer, attending to the stamping of the Scheme Transfer (if required) and delivering it to PTB for registration; and
- (b) immediately following receipt of the Scheme Transfer in accordance with clause 4.2(a)(ii), but subject to the stamping of the Scheme Transfer (if required), PTB must enter, or procure the entry of, the name of Bidder (or Bidder Nominee) in the PTB Share Register as the registered holder of all the Scheme Shares transferred to Bidder (or Bidder Nominee) in accordance with this Scheme .

5. Scheme Consideration

5.1 Provision of Scheme Consideration

- (a) Bidder (or Bidder Nominee) must, and PTB must use its best endeavours to procure that Bidder (or Bidder Nominee) does, by no later than the Business Day before the Implementation Date, deposit, or procure the deposit, in cleared funds an amount equal to the Scheme Consideration (less any amount that Bidder (or Bidder Nominee) is required to pay to the ATO pursuant to clause 5.1(d)), into the Trust Account, (provided that any interest on the amounts deposited (less bank fees and other charges) will be credited to Bidder's account).
- (b) On the Implementation Date, subject to funds having been deposited in accordance with clause 5.1(a), PTB must pay or procure the payment of the Scheme Consideration to each Scheme Shareholder from the Trust Account.
- (c) The obligations of PTB under clause 5.1(b) will be satisfied by PTB (in its absolute discretion, and despite any election referred to in clause 5.1(c)(i) or authority referred to in clause 5.1(c)(ii) made or given by the Scheme Shareholder):
 - (i) if a Scheme Shareholder has, before the Scheme Record Date, made a valid election in accordance with the requirements of the PTB Share Registry to receive dividend payments from PTB by electronic funds transfer to a bank account nominated by the Scheme Shareholder, paying, or procuring the payment of, the relevant amount in Australian currency by electronic means in accordance with that election;
 - (ii) paying, or procuring the payment of, the relevant amount in Australian currency by electronic means to a bank account nominated by the Scheme Shareholder by an appropriate authority from the Scheme Shareholder to PTB; or
 - (iii) dispatching, or procuring the dispatch of, a cheque for the relevant amount in Australian currency to the Scheme Shareholder by prepaid post to their Registered Address (as at the Scheme Record Date), such cheque being drawn in the name of the Scheme Shareholder (or in the case of joint holders, in accordance with the procedures set out in clause 5.2).



- (d) If Bidder (or Bidder Nominee) is required by Subdivision 14-D of Schedule 1 to the *Taxation Administration Act 1953* (Cth) to pay amounts to the ATO in respect of the acquisition of PTB Shares from certain Scheme Shareholders, Bidder (or Bidder Nominee) is entitled to deduct the relevant amounts from the payment of the Scheme Consideration to those Scheme Shareholders and remit those amounts to the ATO. Bidder (or Bidder Nominee) will not be obliged to increase the aggregate sum paid to Scheme Shareholders by the amount of the deduction and the net aggregate sum payable to those Scheme Shareholders should be taken to be in full and final satisfaction of amounts owing to those Scheme Shareholders. Bidder (or Bidder Nominee) must pay any amount to the ATO in the time permitted by law and, if requested in writing by the relevant Scheme Shareholder, provide a receipt or other appropriate evidence of such payment (or procure the provision of such receipt or other evidence) to the relevant Scheme Shareholder. In reliance on the PTB Representation and Warranty given at paragraph (r)(vi) of Schedule 2 to the Scheme Implementation Deed and, provided that no later than 20 Business Days prior to the Implementation Date, PTB provides information to the satisfaction of the Bidder (acting reasonably) to support the fact that, at the Implementation Date, none of the PTB Shares are indirect Australian real property interests within the meaning of section 855-25 of the *Income Tax Assessment Act 1997* (Cth), the Bidder (or Bidder Nominee) agrees not to withhold on account of any amount payable under Subdivision 14-D of Schedule 1 to the *Taxation Administration Act 1953* (Cth).
- (e) To the extent that, following satisfaction of PTB's obligations under clause 5.1(b), there is a surplus in the amount held by PTB as trustee for the Scheme Shareholders in the Trust Account, that surplus must be paid by PTB to Bidder (or Bidder Nominee).
- (f) If, following satisfaction of Bidder's (or Bidder Nominee's) obligations under clause 5.1(a) but prior to the occurrence of all of the events described in clause 4.2(a), this Scheme lapses under clause 3.4, PTB must immediately repay (or cause to be repaid) to or at the direction of Bidder (or Bidder Nominee) the funds that were deposited in the Trust Account plus any interest on the amounts deposited (less bank fees and other charges).

5.2 Joint holders

In the case of Scheme Shares held in joint names:

- (a) subject to clause 5.1(c), the Scheme Consideration is payable to the joint holders and any cheque required to be sent under this Scheme will be made payable to the joint holders and sent to either, at the sole discretion of PTB, the holder whose name appears first in the PTB Share Register as at the Scheme Record Date or to the joint holders (unless the joint holders have nominated a bank account under clauses 5.1(c)(i) or 5.1(c)(ii), in which case the amount must be deposited directly to the nominated bank account of the joint holders); and
- (b) any other document required to be sent under this Scheme, will be forwarded to either, at the sole discretion of PTB, the holder whose name appears first in the PTB Share Register as at the Scheme Record Date or to the joint holders.

5.3 Unclaimed monies

- (a) PTB may cancel a cheque issued under this clause 5 if the cheque:
 - (i) is returned to PTB; or

- (ii) has not been presented for payment within six months after the date on which the cheque was sent.
- (b) During the period of 12 months commencing on the Implementation Date, on request in writing from a Scheme Shareholder to PTB (or the PTB Share Registry) (which request may not be made until the date which is 20 Business Days after the Implementation Date), PTB must reissue a cheque that was previously cancelled under this clause 5.3.
- (c) The *Public Trustee Act 1978* (Qld) will apply in relation to any Scheme Consideration which becomes 'unclaimed money' (as defined in section 98 of the *Public Trustee Act 1978* (Qld)).
- (d) Any interest or other benefit accruing from the unclaimed Scheme Consideration will be to the benefit of Bidder.

5.4 Fractional entitlements

Where the calculation of the Scheme Consideration to be provided to a particular Scheme Shareholder would result in the Scheme Shareholder becoming entitled to a fraction of a cent, that fractional entitlement will be rounded down to the nearest whole cent.

5.5 Remaining monies (if any) in Trust Account

To the extent that, following satisfaction of PTB's obligations under the other provisions of this clause 5 and provided Bidder (or Bidder Nominee) has by that time acquired the Scheme Shares in accordance with this Scheme, there is a surplus in the Trust Account, then subject to compliance with applicable laws, the terms of this Scheme, the Deed Poll and the Scheme Implementation Deed, that surplus (less any bank fees and related charges) shall be paid by PTB (or the PTB Share Registry on PTB's behalf) to Bidder (or Bidder Nominee).

5.6 Orders of a court of Government Agency

- (a) If written notice is given to PTB (or the PTB Share Registry) or Bidder, of an order or direction made by a court of competent jurisdiction or by another Government Agency that:
 - (i) requires consideration to be provided to a third party (either through payment of a sum or the issuance of a security) in respect of Scheme Shares held by a particular Scheme Shareholder, which would otherwise be payable or required to be issued to that Scheme Shareholder by PTB in accordance with this clause 5, then PTB shall be entitled to procure that provision of that consideration is made in accordance with that order or direction; or
 - (ii) prevents PTB from providing consideration to any particular Scheme Shareholder in accordance with this clause 5, or the payment or issuance of such consideration is otherwise prohibited by applicable law, PTB shall be entitled to (as applicable) retain an amount, in Australian dollars, in relation to Scheme Consideration, equal to the number of Scheme Shares held by that Scheme Shareholder multiplied by the Scheme Consideration until such time as provision of the Scheme Consideration in accordance with this clause 5 is permitted by that (or another) order or direction or otherwise by law.
- (b) To the extent that amounts are so deducted or withheld in accordance with clause 5.6(a), such deducted or withheld amounts will be treated for all purposes under this Scheme as

having been paid to the person in respect of which such deduction and withholding was made, provided that such deducted or withheld amounts are actually remitted as required.

6. Dealings in PTB Shares

6.1 Determination of Scheme Shareholders

To establish the identity of the Scheme Shareholders, dealings in PTB Shares or other alterations to the PTB 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 PTB Share Register as the holder of the relevant PTB Shares before the Scheme Record Date; and
- (b) in all other cases, registrable transfer or transmission applications in respect of those dealings, or valid requests in respect of other alterations, are received before the Scheme Record Date at the place where the PTB Share Register is kept,

and PTB must not accept for registration, nor recognise for any purpose (except a transfer to Bidder (or Bidder Nominee) pursuant to this Scheme and any subsequent transfer by Bidder (or Bidder Nominee) or its successors in title), 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) PTB must register, or cause to be registered, registrable transmission applications or transfers of the Scheme Shares that are received in accordance with clause 6.1(b) before the Scheme Record Date provided that, for the avoidance of doubt, nothing in this clause 6.2(a) requires PTB to register a transfer that would result in a PTB Shareholder holding a parcel of PTB Shares that is less than a 'marketable parcel' (for the purposes of this clause 6.2(a) 'marketable parcel' has the meaning given in the Operating Rules).
- (b) If this Scheme becomes Effective, a Scheme Shareholder (and any person claiming through that holder) must not dispose of or otherwise deal with, or purport or agree to dispose of or otherwise deal with, any Scheme Shares or any interest in them on or after the Scheme Record Date otherwise than pursuant to this Scheme, and any attempt to do so will have no effect and PTB shall be entitled to disregard any such disposal, purported disposal, agreement or other dealing.
- (c) For the purpose of determining entitlements to the Scheme Consideration, PTB must maintain the PTB Share Register in accordance with the provisions of this clause 6.2 until the Scheme Consideration has been paid to the Scheme Shareholders. The PTB Share Register in this form will solely determine entitlements to the Scheme Consideration.
- (d) All statements of holding for PTB Shares (other than statements of holding in favour of Bidder (or Bidder Nominee)) will cease to have effect after the Scheme Record Date as documents of title in respect of those shares and, as from that date, each entry current at that date on the PTB Share Register (other than entries on the PTB Share Register in respect of Bidder (or Bidder Nominee)) will cease to have effect except as evidence of entitlement to the Scheme Consideration in respect of the PTB Shares relating to that entry.

- (e) As soon as possible on or after the Scheme Record Date, and in any event by 5.00pm on the first Business Day after the Scheme Record Date, PTB will ensure that details of the names, Registered Addresses and holdings of PTB Shares for each Scheme Shareholder as shown in the PTB Share Register are available to Bidder (or Bidder Nominee) in the form Bidder (or Bidder Nominee) reasonably requires.

7. Quotation of PTB Shares

- (a) PTB must apply to ASX to suspend trading on the ASX in PTB Shares with effect from the close of trading on the Effective Date.
- (b) On a date after the Implementation Date to be determined by Bidder, PTB must apply:
 - (i) for termination of the official quotation of PTB Shares on the ASX; and
 - (ii) to have itself removed from the official list of the 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) PTB may, by its counsel, consent on behalf of all persons concerned to those alterations or conditions to which Bidder has consented; and
- (b) each Scheme Shareholder agrees to any such alterations or conditions which PTB has consented to in accordance with clause 8.1(a).

8.2 Scheme Shareholders' agreements and warranties

- (a) Each Scheme Shareholder:
 - (i) agrees to the transfer of their Scheme Shares together with all rights and entitlements attaching to those Scheme Shares in accordance with this Scheme;
 - (ii) agrees to the variation, cancellation or modification of the rights attached to their Scheme Shares constituted by or resulting from this Scheme;
 - (iii) agrees to, on the direction of Bidder (or Bidder Nominee), destroy any holding statements or share certificates relating to their PTB Shares;
 - (iv) who holds their PTB Shares in a CHESS Holding agrees to the conversion of those Scheme Shares to an Issuer Sponsored Holding and irrevocably authorises PTB to do anything necessary or expedient (whether required by the Settlement Rules or otherwise) to effect or facilitate such conversion; and
 - (v) acknowledges and agrees that this Scheme binds PTB and all Scheme Shareholders (including those who do not attend the Scheme Meeting and those who do not vote, or vote against this Scheme, at the Scheme Meeting).



- (b) Each Scheme Shareholder is taken to have warranted to PTB, Bidder (and Bidder Nominee, if applicable) on the Implementation Date, and appointed and authorised PTB as its attorney and agent to warrant to Bidder (and Bidder Nominee, if applicable) on the Implementation Date, that:
 - (i) all its Scheme Shares (including any rights and entitlements attaching to those shares) which are transferred under this Scheme will, at the date of transfer, be fully paid and 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 that they have full power and capacity to transfer their Scheme Shares to Bidder (or Bidder Nominee) together with any rights and entitlements attaching to those shares;
 - (ii) it has full power and capacity to sell and to transfer its Scheme Shares together with all rights and entitlements attaching to those shares to Bidder (or Bidder Nominee) under this Scheme; and
 - (iii) it has no existing right to be issued any PTB Shares or any other PTB securities.
- (c) PTB undertakes that it will provide the warranties in clause 8.2(b) to Bidder (and Bidder Nominee, if applicable) as agent and attorney of each Scheme Shareholder.

8.3 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 to Bidder (or Bidder Nominee) will, at the time of transfer of them to Bidder (or Bidder Nominee), vest in Bidder (or Bidder Nominee) 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 free from any restrictions on transfer of any kind.
- (b) Immediately upon the provision of the Scheme Consideration to each Scheme Shareholder in the manner contemplated by clause 5.1, Bidder (or Bidder Nominee) will be beneficially entitled to the Scheme Shares to be transferred to it under this Scheme pending registration by PTB of Bidder (or Bidder Nominee) in the PTB Share Register as the holder of the Scheme Shares.

8.4 Appointment of sole proxy

Immediately upon the provision of the Scheme Consideration to each Scheme Shareholder in the manner contemplated by clause 5.1(b), and until PTB registers Bidder (or Bidder Nominee) as the holder of all Scheme Shares in the PTB Share Register, each Scheme Shareholder:

- (a) is deemed to have irrevocably appointed Bidder (or Bidder Nominee) as attorney and agent (and directed Bidder or Bidder Nominee (if applicable) in each such capacity) to appoint any director, officer, secretary or agent nominated by Bidder (or Bidder Nominee) as its sole proxy and, where applicable or appropriate, corporate representative to attend shareholders' meetings, exercise the votes attaching to the Scheme Shares registered in their name and sign any shareholders' resolution or document;

- (b) must not, and undertakes to Bidder and Bidder Nominee (if applicable) not to, attend or vote at any of those meetings or sign any resolutions, whether in person, by proxy or by corporate representative (other than pursuant to clause 8.4(a));
- (c) must take all other actions in the capacity of a registered holder of Scheme Shares as Bidder (or Bidder Nominee) reasonably directs; and
- (d) acknowledges and agrees that in exercising the powers referred to in clause 8.4(a), Bidder (or Bidder Nominee) and any director, officer, secretary or agent nominated by Bidder (or Bidder Nominee) under clause 8.4(a) may act in the best interests of Bidder (or Bidder Nominee) as the intended registered holder of the Scheme Shares.

8.5 Authority given to PTB

Each Scheme Shareholder, without the need for any further act:

- (a) on the Effective Date, irrevocably appoints PTB and each of its directors, officers and secretaries (jointly and each of them severally) as its attorney and agent for the purpose of enforcing the Deed Poll against Bidder (or Bidder Nominee, applicable), and PTB undertakes in favour of each Scheme Shareholder that it will enforce the Deed Poll against Bidder (or Bidder Nominee, if applicable) on behalf of and as agent and attorney for each Scheme Shareholder; and
- (b) on the Implementation Date, irrevocably appoints PTB and each of its directors, officers and secretaries (jointly and each of them severally) as its attorney and agent for the purpose of executing any document or doing or taking any other act necessary, desirable or expedient to give effect to this Scheme and the transactions contemplated by it, including (without limitation) executing and delivering the Scheme Transfer,

and PTB accepts each such appointment. PTB as attorney and agent of each Scheme Shareholder, may sub-delegate its functions, authorities or powers under this clause 8.5 to all or any of its directors, officers, secretaries or employees (jointly, severally or jointly and severally).

8.6 Binding effect of Scheme

This Scheme binds PTB and all of the Scheme Shareholders (including those who did not attend the Scheme Meeting to vote on this Scheme, did not vote at the Scheme Meeting, or voted against this Scheme at the Scheme Meeting) and, to the extent of any inconsistency, overrides the constitution of PTB.

9. General

9.1 Stamp duty

Bidder (or if applicable, Bidder Nominee):

- (a) must pay all stamp duty and any related fines and penalties payable in respect of the transfer by the Scheme Shareholders of the Scheme Shares to Bidder (or Bidder Nominee) pursuant to this Scheme or the Deed Poll; and
- (b) indemnifies each Scheme Shareholder against any liability arising from failure to comply with clause 9.1(a).

9.2 Consent

Each of the Scheme Shareholders consents to PTB doing all things necessary or incidental to, or to give effect to, the implementation of this Scheme, whether on behalf of the Scheme Shareholders, PTB or otherwise.

9.3 Governing law and jurisdiction

- (a) Queensland law governs this Scheme.
- (b) Each party irrevocably submits to the non-exclusive jurisdiction of the Queensland courts and courts competent to hear appeals from those courts. Each party irrevocably waives any objection to the venue of any legal process in these courts on the basis that the process has been brought in an inconvenient forum.

9.4 Further action

PTB must do all things and execute all documents (whether on its own behalf or on behalf of each Scheme Shareholder) required by law or necessary to give full effect to this Scheme and the transactions contemplated by it.

9.5 No liability when acting in good faith

Each Scheme Shareholder agrees that none of PTB, Bidder or Bidder Nominee nor any director, officer, secretary, employee or financier of any of PTB, Bidder, or Bidder Nominee, shall be liable for anything done or omitted to be done in the performance of this Scheme or the Deed Poll in good faith.

10. Notice

10.1 Method of giving notice

A notice, consent or communication given or made to PTB under this Scheme is only effective if it is:

- (a) in writing in English, signed by or on behalf of the person giving it;
- (b) addressed to the person to whom it is to be given; and
- (c) given as follows:
 - (i) delivered by hand to that person's address; or
 - (ii) sent to that person's address by prepaid mail.

10.2 When is notice given

A notice, consent or communication given under clause 10.1 is given and received on the corresponding day set out in the table below. The time expressed in the table is the local time in the place of receipt.



If a notice is	It is given and received on
Delivered by hand	(c) That day, if delivered by 5.00pm on a Business Day; or (d) The next Business Day, in any other case.
Sent by post	(e) Three Business Days after posting, if sent within Australia; or (f) Seven Business Days after posting, if sent to or from a place outside Australia.

10.3 Address for notices

PTB's address is that set out in this Scheme, or as PTB otherwise notifies the sender.

Annexure C – Deed Poll

Deed poll

Scheme

PAG Holding Corp.



TALBOT SAYER

Talbot Sayer Lawyers ABN 93 168 129 075

Level 27, Riverside Centre

123 Eagle Street, Brisbane QLD 4000 Australia

GPO Box 799, Brisbane QLD 4001 Australia

Ph: +61 7 3160 2900

www.talbotsayer.com.au

This deed poll is made on

Made by

Name PAG Holding Corp.

Short form name Bidder

Notice details Attention David Mast

Address 495 Lake Mirror Road, Bldg. 800, Atlanta, GA 30349, United States of America

Email dmast@precisionaviationgroup.com (copy to: ddufresne@gennx360.com, prajeevan@gennx360.biz and rmoriarty@claytonutz.com)

Name PAG/PTB Bidco Pty Ltd

ACN 662 756 229

Short form name Bidder Nominee

Notice details Attention David Mast

Address 'HQ South Tower', Level 3, 520-540 Wickham Street, Fortitude Valley QLD 4006

Email dmast@precisionaviationgroup.com (copy to: ddufresne@gennx360.com, prajeevan@gennx360.biz and rmoriarty@claytonutz.com)

In favour of

Each person who is registered as a holder of fully paid ordinary shares in the capital PTB Group Limited ACN 098 390 991 (**PTB**) in the PTB Share Register as at the Scheme Record Date (**Scheme Shareholders**).

Background

- A PTB and Bidder have entered into the Scheme Implementation Deed.
- B In the Scheme Implementation Deed, Bidder agreed to make this deed poll and to procure that Bidder Nominee make this deed poll.
- C Bidder and Bidder Nominee are making this deed poll for the purpose of covenanting in favour of the Scheme Shareholders to perform the actions and obligations attributed to each of them under the Scheme Implementation Deed and the Scheme.

Agreed terms

1. Defined terms and interpretation

1.1 Defined terms

Terms defined in the Scheme have the same meaning in this deed poll, unless the context requires otherwise. For the avoidance of doubt, the following definitions apply in this deed poll:

Term	Definition
First Court Date	means the first day on which an application made to the Court for an order under subsection 411(1) of the Corporations Act convening the Scheme Meeting is heard or, if the application is adjourned or subject to appeal for any reason, the day on which the adjourned application is heard.
Scheme	means the members' scheme of arrangement under Part 5.1 of the Corporations Act between PTB and the Scheme Shareholders under which all of the Scheme Shares will be transferred to Bidder (or Bidder Nominee) and the Scheme Shareholders will be entitled to receive the Scheme Consideration, the form of which is attached as Attachment 2 to the Scheme Implementation Deed (or such other form as agreed in writing by Bidder and PTB), together with any alterations or conditions made or required by the Court under section 411(6) of the Corporations Act and consented to by the Bidder in accordance with clause 4.2 of the Scheme Implementation Deed.

1.2 Interpretation

The provisions of clause 1.2 of the Scheme form part of this deed poll as if set out in full in this deed poll, and on the basis that references to 'this Scheme' in that clause are references to 'this deed poll'.

1.3 Nature of deed poll

Bidder and Bidder Nominee acknowledge that:

- (a) this deed poll may be relied on and enforced by any Scheme Shareholder in accordance with its terms, even though the Scheme Shareholder is not party to it; and
- (b) under the Scheme, each Scheme Shareholder irrevocably appoints PTB and each of its directors, officers and secretaries (jointly and each of them severally) as its agent and attorney to enforce this deed poll against Bidder and Bidder Nominee.

2. Conditions Precedent

2.1 Conditions precedent

This deed poll and the obligations of Bidder and Bidder Nominee under this deed poll are subject to the Scheme becoming Effective.

2.2 Termination

The obligations of Bidder and Bidder Nominee under this deed poll to the Scheme Shareholders will automatically terminate and the terms of this deed poll will be of no 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,
- unless Bidder and PTB otherwise agree in writing (and, if required, as approved by the Court).

2.3 Consequences of termination

If this deed poll is terminated under clause 2.2, then in addition and without prejudice to any other rights, powers or remedies available to it:

- (a) Bidder and Bidder Nominee are released from their obligations under this deed poll; and
- (b) each Scheme Shareholder retains the rights that they have against Bidder and Bidder Nominee in respect of any breach of its obligations under this deed poll that occurred before termination of this deed poll.

3. Scheme obligations

3.1 Undertaking to pay Scheme Consideration

Subject to clause 2, Bidder Nominee undertakes, and Bidder undertakes to procure Bidder Nominee, in favour of each Scheme Shareholder to:

- (a) deposit, or procure the deposit of, in cleared funds, by no later than the Business Day before the Implementation Date, an amount equal to the Scheme Consideration (less any amount that Bidder (or Bidder Nominee) is required to pay to the ATO pursuant to clause 5.1(d) of the Scheme) into an Australian dollar denominated trust account operated by PTB as trustee for the Scheme Shareholders, except that any interest on the amounts deposited (less bank fees and other charges) will be credited to Bidder's account; and
- (b) to undertake all other actions, and give each acknowledgement, representation and warranty (if any), attributed to each of them under the Scheme,

in each case, subject to and in accordance with the terms of the Scheme.

4. Representations and warranties

Bidder and Bidder Nominee represent and warrant in favour of each Scheme Shareholder, in respect of itself, that:

- (a) it is a validly existing corporation registered under the laws of its place of incorporation;
- (b) it has full capacity, corporate power and lawful authority to execute, deliver and enter into and perform its obligations under this deed poll and to carry out the transactions contemplated by this deed poll;
- (c) it has taken all necessary corporate action to authorise its entry into this deed poll and has taken or will take all necessary corporate action to authorise the performance of this deed poll and to carry out the transactions contemplated by this deed poll;

- (d) this deed poll is valid and binding on it and enforceable against it in accordance with its terms; and
- (e) this deed poll does not conflict with or result in a breach of or default under:
 - (i) any writ, order or injunction, judgment, law, rule, obligation or regulation to which it is a party or by which it is bound.; or
 - (ii) its constitution or equivalent constituent documents.

5. Continuing obligations

This deed poll is irrevocable and, subject to clause 2, remains in full force and effect until the earlier of:

- (a) the time at which Bidder or Bidder Nominee fully performs its obligations under this deed poll; and
- (b) the termination of this deed poll under clause 2.

6. General

6.1 Remedies cumulative

The rights, powers and remedies of Bidder, Bidder Nominee and Scheme Shareholders under this deed poll are cumulative and do not exclude any other right, power or remedy provided by law independently of this deed poll.

6.2 No waiver

- (a) Bidder and Bidder Nominee 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. A waiver is limited to the specific instance to which it relates and to the specific purpose for which it is given.
- (b) No Scheme Shareholder may rely on words or conduct of Bidder or Bidder Nominee as a waiver of any right unless the waiver is in writing and signed by Bidder or Bidder Nominee (as appropriate). A waiver is limited to the specific instance to which it relates and to the specific purpose for which it is given.

6.3 Amendments

This deed poll may only be amended by another deed poll entered into by Bidder (and Bidder Nominee, if applicable) and:

- (i) if before the First Court Date, the amendment or variation is agreed to in writing by PTB; or
- (ii) if on or after the First Court Date, the amendment or variation is agreed to in writing by PTB, and the Court indicates that the amendment or variation would not of itself preclude the approval of the Scheme; and

in which event Bidder (and Bidder Nominee, if applicable) must enter into a further deed poll in favour of the Scheme Shareholders giving effect to the variation.

6.4 Assignment

- (a) The rights created under this deed poll are personal to Bidder, Bidder Nominee and each Scheme Shareholder and cannot be assigned, novated, transferred or otherwise dealt with without the prior written consent of Bidder or Bidder Nominee.
- (b) Any purported assignment, novation, transfer or other dealing in contravention of clause 6.4(a) is invalid.
- (c) Notwithstanding any other provision of this deed, Bidder and Bidder Nominee's rights under this deed poll may be encumbered by way of security (whether by charge, mortgage or any other security interest) for the benefit of each financial institution or group of financial institutions, bank or other provider of finance, including any agent or trustee acting on behalf of the foregoing, in connection with providing debt financing for the Scheme.

6.5 Severability

- (a) A clause or part of a clause of this deed poll that is illegal or unenforceable may be severed from this deed poll and the remaining clauses or parts of the clause of this deed poll continue in force.
- (b) If any provision is or becomes illegal, unenforceable or invalid in any jurisdiction, it is to be treated as being severed from this deed poll in the relevant jurisdiction, but the rest of this deed poll will not be affected.

6.6 Stamp duty

Bidder (or if applicable, Bidder Nominee):

- (a) must pay all stamp duty and any related fines and penalties payable in respect of the Scheme and this deed poll and the transfer by the Scheme Shareholders of the Scheme Shares to Bidder or Bidder Nominee pursuant to the Scheme; and
- (b) indemnifies each Scheme Shareholder against any liability arising from failure to comply with clause 6.6(a).

6.7 Joint and several obligations

Bidder and Bidder Nominee are jointly and severally liable for each obligation imposed on both of them by the terms of this deed poll.

6.8 Governing law and jurisdiction

- (a) This deed poll is governed by the law in force in Queensland, Australia.
- (b) Bidder and Bidder Nominee irrevocably submits to the non-exclusive jurisdiction of the Queensland courts and courts competent to hear appeals from those courts.

- (c) Bidder and Bidder Nominee irrevocably waives any objection to the venue of any legal process in these courts on the basis that the process has been brought in an inconvenient forum.

6.9 Further action

Bidder and Bidder Nominee must, at their own expense, do all things and execute all documents necessary to give full effect to this deed poll and the transactions contemplated by it

7. Notice

7.1 Method of giving notice

A notice, consent or communication given or made to Bidder or Bidder Nominee under this deed poll is only effective if it is:

- (a) in writing in English, signed by or on behalf of the person giving it;
- (b) addressed to the person to whom it is to be given; and
- (c) given as follows:
 - (i) delivered by hand to that person's address; or
 - (ii) sent to that person's address by prepaid mail.

7.2 When is notice given

A notice, consent or communication given under clause 7.1 is given and received on the corresponding day set out in the table below. The time expressed in the table is the local time in the place of receipt.

If a notice is	It is given and received on	
Delivered by hand	(a)	That day, if delivered by 5.00pm on a Business Day; or
	(b)	The next Business Day, in any other case.
Sent by post	(a)	Three Business Days after posting, if sent within Australia; or
	(b)	Seven Business Days after posting, if sent to or from a place outside Australia.

7.3 Address for notices

The addresses for Bidder and Bidder Nominee are that which is set out in this deed poll, or as Bidder or Bidder Nominee otherwise notifies the sender.

Signing page

Executed and delivered as a deed poll as a deed poll.

Signed, sealed and delivered by **PAG Holding Corp.** in the presence of:

Signature of witness

Full name of witness

Signature of authorised signatory

Full name of authorised signatory

Executed by **PAG/PTB Bidco Pty Ltd ACN 662 756 229** in accordance with section 127 of the Corporations Act 2001 (Cth):

Signature of director

Full name of director who states that they are a director of **PAG/PTB Bidco Pty Ltd**

Signature of company secretary/director

Full name of company secretary/ who states that they are a company secretary/director of **PAG/PTB Bidco Pty Ltd**

Annexure D – Notice of Scheme Meeting



Notice of Scheme Meeting

PTB Group Limited ACN 098 390 991 (**PTB**) hereby gives notice that by an order of the Supreme Court of New South Wales (**Court**) made on Monday, 10 October 2022 pursuant to section 411(1) of the *Corporations Act 2001* (Cth) (**Corporations Act**), a meeting of the holders of fully paid ordinary shares in PTB (**PTB Shareholders**) will be held:

Date: Wednesday, 16 November 2022

Time: 2.00pm (AEST)

Venue: Morgans Financial Limited, Level 29, Riverside Centre, 123 Eagle Street, Brisbane QLD 4000 and online via online platform at <https://meetings.linkgroup.com/PTBSM22>,

(Scheme Meeting).

Further information on how to participate and vote in the Scheme Meeting is set out in sections 6, 7 and 9 of the explanatory notes that accompany and form part of this notice.

Purpose of the Scheme Meeting

The purpose of the Scheme Meeting is to consider and, if thought fit, to approve a scheme of arrangement (with or without any modifications, alterations or conditions as approved by the Court to which PTB and PAG agree in writing) proposed to be made between PTB and PTB Shareholders.

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 Scheme Booklet, of which this notice forms part. Additional information about the Scheme Meeting is set out in the explanatory notes that accompany and form part of this notice. Capitalised terms used but not defined in this notice have the defined meanings set out in section 10.1 of the Scheme Booklet, unless the context otherwise requires.

Scheme Resolution

The Scheme Meeting will be asked to consider and, if thought fit, pass the following resolution (**Scheme Resolution**):

'That, pursuant to and in accordance with section 411 of the Corporations Act, the Scheme (the terms of which are contained in and more particularly described in the Scheme Booklet of which this Notice of Scheme Meeting forms part), is approved (with or without modifications, alterations or conditions as approved by the Court to which PTB and PAG agree in writing) and the PTB Board is authorised, subject to the terms of the Scheme Implementation Deed, to (a) agree to any such modifications, alterations or conditions, and (b) subject to approval of the Scheme by the Court, implement the Scheme with any such modifications, alterations or conditions.'

Chairperson

The Court has directed that Craig Baker is to act as Chair of the meeting and that if Mr Baker is unable or unwilling to act, Andrew Kemp is to act as Chair of the Meetings and has directed the Chair to report the result of the Scheme Resolution to the Court.

Dated 11 October 2022

By order of the Court and the PTB Board.



Daniel Zgrajewski

Company Secretary

PTB Group Limited

Explanatory notes for the Scheme Meeting

1. General

These explanatory notes relate to the Scheme and should be read in conjunction with the Scheme Booklet dated 14 October 2022 and the Notice of Scheme Meeting. These explanatory notes and the Scheme Booklet form part of the Notice of Scheme Meeting. The Scheme Booklet contains important information to assist you in determining how to vote on the Scheme Resolution. A copy of the Scheme is set out in Attachment 2 of the Scheme Booklet. Capitalised terms used but not defined in the Notice of Scheme Meeting have the defined meanings set out in section 10.1 of the Scheme Booklet unless the context otherwise requires

2. Meeting Format

The Scheme Meeting will be held as a hybrid meeting. This means that PTB Shareholders and their authorised proxies, attorneys and corporate representatives will be able to attend the Scheme Meeting in person at Morgans Financial Limited, Level 29, Riverside Centre, 123 Eagle Street, Brisbane QLD 4000 or participate in the Scheme Meeting online at <https://meetings.linkgroup.com/PTBSM22>.

Due to the public health risks and potential for restrictions on public gatherings imposed from time to time in response to COVID-19, we strongly encourage you to participate in the Scheme Meeting virtually via the online platform. PTB Shareholders who participate in the Scheme Meeting via the online platform will be able to watch the Scheme Meeting live, cast an online vote on real time and ask questions online.

In the lead up to the Scheme Meeting, PTB will be closely monitoring the changing COVID-19 situation and associated health restrictions. If it becomes necessary or appropriate to make alternative arrangements for the holding of the Scheme Meeting, we will release further information on the ASX and on PTB's website at <https://pacificturbine.com.au/pages/investors>.

Further details on how to participate in the Scheme Meeting via the online platform are set out in section 6 below.

PTB Shareholders who are unable to, or do not wish to, participate in the Scheme Meeting, or will not have access to a device or the internet, are encouraged to submit a directed proxy vote as early as possible and in any event by 2.00pm (AEST) on Monday, 14 November 2022 following the instructions below. Even if you plan to attend the Scheme Meeting, we encourage you to submit a directed proxy vote so that your vote will be counted if for any reason you cannot join the Scheme Meeting (for example, if there is an issue with your internet connection on the day of the Scheme Meeting).

An archived recording of the webcast will also be available to PTB Shareholders after the Scheme Meeting at <https://pacificturbine.com.au/pages/investors>.

3. Required Voting Majorities

For the proposed Scheme to be binding in accordance with section 411 of the Corporations Act, the Scheme Resolution must be agreed to by:

- unless the Court orders otherwise, a majority in number of PTB Shareholders present and voting (either in person, online or by proxy, attorney or, in the case of corporate PTB Shareholders, body corporate representative) at the Scheme Meeting; and
- at least 75% of the votes cast on the Scheme Resolution at the Scheme Meeting by PTB Shareholders present and voting (either in person, online or by proxy, attorney or, in the case of corporate PTB Shareholders, body corporate representative).

4. Court approval

In accordance with section 411(4)(b) of the Corporations Act, the Scheme (with or without amendment or any alteration or condition required by the Court) must be approved by an order of the Court and an office copy of the orders of the Court approving the Scheme must be lodged with ASIC. If the Scheme Resolution put to the Scheme Meeting is passed by the Requisite Majorities and the other conditions to the Scheme (other than approval by the Court) are satisfied or (where applicable) waived in accordance with the Scheme Implementation Deed, PTB intends to apply to the Court on Tuesday, 29 November 2022 for the necessary orders to give effect to the Scheme.

5. Eligibility to vote

In accordance with regulation 7.11.37 of the *Corporations Regulations 2001* (Cth), the PTB Board has determined that the time for determining eligibility to vote at the Scheme Meeting is 7.00pm (AEDT) on Monday, 14 November 2022. Only those PTB Shareholders entered on the PTB Share Register at that time will be entitled to participate in and vote at the Scheme Meeting, in person, online, by proxy or attorney, or in the case of a corporate PTB Shareholder, by a body corporate representative. Share transfers registered after that time will be disregarded in determining voting entitlements at the Scheme Meeting. The remaining comments in these explanatory notes are addressed to PTB Shareholders entitled to participate in and vote at the Scheme Meeting.

6. Participation in the Scheme Meeting

6.1 Participating via the online platform

PTB Shareholders and their authorised proxies, attorneys and corporate representatives can participate in and vote at the Scheme Meeting via the online platform at <https://meetings.linkgroup.com/PTBSM22>. The online platform may be accessed via a computer or mobile or tablet device with internet access.

The online platform will allow PTB Shareholders and their authorised proxies, attorneys and corporate representatives to watch the Scheme Meeting live, cast an online vote and ask questions online.

To participate and vote online, PTB Shareholders will need their Security Reference Number (**SRN**) or Holder Identification Number (**HIN**) and their postcode or country of residence (if outside Australia). Proxyholders should obtain their proxy code by calling the PTB Share Registry on 1300 554 474 (or from outside Australia, +61 1300 554 474) between 8:30am and 5:30pm (AEST), Monday to Friday excluding public holidays.

Participants will be able to log in to the online platform 30 minutes before the start of the Scheme Meeting. It is recommended that Participants log in at least 15 minutes before the scheduled start time for the Scheme Meeting.

Please monitor PTB's website and ASX announcements, where updates will be provided if it becomes necessary or appropriate to make alternative arrangements for the holding or conduct of the Scheme Meeting.

6.2 Participating in person

For PTB Shareholders who attend the Scheme Meeting in person, PTB will be observing social distancing and any other government requirements that apply at the time. Attendance at the Scheme Meeting in person is subject to any COVID-19 restrictions that may be applicable on the day.

All persons attending are asked to arrive at least 30 minutes prior to the time the Scheme Meeting commences, so that either their shareholding can be checked against the PTB Share Register, or any power of attorney or certificate of appointment of corporate representative verified, and their attendance noted. In the lead up to the Scheme Meeting, PTB will be closely monitoring the COVID-19 situation. If it becomes

necessary or appropriate to make alternative or supplementary arrangements to hold the Scheme Meeting to those set out in this notice, PTB Shareholders will be given as much notice as possible. Information relating to alternate arrangements will be communicated to shareholders by way of an announcement to the ASX and published on PTB's website at <https://pacificturbine.com.au/pages/investors>.

7. How to vote

The Chair of the meeting intends to put the Scheme Resolution set out in the agenda to a poll at the Scheme Meeting. Voting results will be announced on the ASX as soon as practicable after the Scheme Meeting. The Chair considers voting by poll to be in the interests of the shareholders as a whole and is a way to ensure the views of as many shareholders as possible are represented at the Scheme Meeting.

If you are a PTB Shareholder entitled to vote at the Scheme Meeting, you may vote:

- **by attending the Scheme Meeting in person;**
- **by attending the Scheme Meeting via the online platform**, by participating and voting via the online platform during the Scheme Meeting at <https://meetings.linkgroup.com/PTBSM22>;
- **by proxy**, by completing and submitting the Proxy Form in accordance with the instructions on that form. To be valid, your proxy appointment must be received by the PTB Share Registry by 2.00pm (AEST) on Monday, 14 November 2022;
- **by attorney**, by appointing an attorney to participate in and vote at the Scheme Meeting on your behalf and providing a duly executed power of attorney to the PTB Share Registry by 2.00pm (AEST) on Monday, 14 November 2022; or
- **by corporate representative**, in the case of a body corporate, appointing a body corporate representative to participate in and vote at the Scheme Meeting on your behalf, and providing a duly executed "Appointment of Corporate Representative" form (in accordance with sections 250D of the Corporations Act) prior to the Scheme Meeting in accordance with section 9.5 below.

8. Jointly held securities

If you hold PTB Shares jointly with one or more other persons, only one of you may vote. If more than one of you attempts to vote at the meeting, only the vote of the holder whose name appears first on the PTB Share Register will be counted.

See also the comments in section 9.3 below regarding the appointment of a proxy by persons who jointly hold PTB Shares.

9. Voting

9.1 Voting online during the Scheme Meeting

To vote online, you must participate in the Scheme Meeting via the online platform at <https://meetings.linkgroup.com/PTBSM22>.

Online voting will be open between the start of the Scheme Meeting and the closing of voting as announced by the Chair during the Scheme Meeting.

If you intend to use the online platform, then before the Scheme Meeting we recommend that you ensure the online platform works on your device.

9.2 Voting in person during the Scheme Meeting

PTB Shareholders and their authorised proxies, attorneys and corporate representatives who are attending the Scheme Meeting in person may vote using the paper voting card provided at the Scheme Meeting.

9.3 Voting by proxy

If you are unable to participate and vote at the Scheme Meeting, you may appoint an individual or a body corporate as a proxy to attend the Scheme Meeting in person or online and vote.

A PTB Shareholder entitled to participate in and vote at the Scheme Meeting may appoint a person to participate in and vote at the Scheme Meeting as their proxy at any time between the date of this notice and 2.00pm (AEST) on Monday, 14 November 2022. To do so, they should either mark the box under 'Appoint a Proxy' in Step 1 of the Proxy Form to appoint the Chair of the Scheme Meeting as their proxy, or insert the name and email address of their chosen proxy in the space provided. Please refer to section 9.6 of this Notice of Scheme Meeting below for further details in relation to how to submit a Proxy Form.

The following applies to proxy appointments:

- a proxy need not be another PTB Shareholder, and may be an individual or a body corporate;
- if a body corporate is appointed as a proxy, it must ensure that it appoints an individual as its corporate representative (in accordance with sections 250D of the Corporations Act) to exercise its powers as proxy at the Scheme Meeting in accordance with section 9.6 below;
- a PTB Shareholder who is entitled to cast two or more votes at the Scheme Meeting may appoint up to two proxies and may specify the proportion or number of votes each proxy may exercise. If you wish to appoint a second proxy, a second hard copy Proxy Form should be used and you should clearly indicate on the second Proxy Form that it is a second proxy and not a revocation of your first proxy. Both Proxy Forms should be returned together in the same envelope. If you wish to appoint two proxies using hard copy Proxy Forms, you will need to obtain a second Proxy Form. You may obtain an additional Proxy Form from the PTB Share Registry. Where two proxies are appointed, each proxy should be appointed to represent a specified proportion of the PTB Shareholder's voting rights. If a PTB Shareholder appoints two proxies and the appointment does not specify the proportion or number of the PTB Shareholder's votes, each proxy may only exercise half of that PTB Shareholder's votes;
- if you hold PTB Shares jointly with one or more other persons, in order for your proxy appointment to be valid, each of the joint holders must sign the Proxy Form; and
- each proxy will have the right to vote on the poll and also to ask questions at the meeting.

If you have appointed a proxy and participate in and vote at the Scheme Meeting, the authority of your proxy to participate and vote, on your behalf, is automatically suspended. However, if you view the live webcast of the Scheme Meeting as a 'visitor' or attend the Scheme Meeting in person as a 'visitor', you will not revoke your proxy appointment.

A vote given 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 PTB Share Registry before the start of the Scheme Meeting (or, if the Scheme Meeting is adjourned or postponed, before the resumption of the Scheme Meeting in relation to the resumed part of the Scheme Meeting) in any of the ways in section 9.6 below.

You should consider how you wish your proxy to vote. That is, whether you want your proxy to vote 'for' or 'against', or abstain from voting on, the Scheme Resolution, or whether to leave the decision to the proxy after they have considered the matters discussed at the Scheme Meeting.

If you do not direct your proxy how to vote on the Scheme Resolution, the proxy may vote, or abstain from voting, as they think fit. If you instruct your proxy to abstain from voting on an item of business, they are directed not to vote on your behalf, and the shares the subject of the proxy appointment will not be counted in computing the required majority.

If you return your Proxy Form:

- without identifying a proxy on it, you will be taken to have appointed the Chair of the Scheme Meeting as your proxy to vote on your behalf; or
- with a proxy identified on it but your proxy does not participate in the Scheme Meeting, the Chair of the Scheme Meeting will act in place of your nominated proxy and vote in accordance with any directions on your Proxy Form.

The Chair of the Scheme Meeting intends to vote all available undirected proxies in favour of the Scheme Resolution, in the absence of a Superior Proposal and subject to the Independent Expert concluding (and continuing to conclude) that the Scheme is in the best interests of PTB Shareholders.

9.4 Voting by attorney

You may appoint an attorney to participate in and vote at the meeting on your behalf. Your attorney need not be another PTB Shareholder. Each attorney will have the right to vote on the poll and also to ask questions at the Scheme Meeting.

The power of attorney appointing your attorney to participate in and vote at the Scheme Meeting must be duly executed by you and specify your name, the company (that is, PTB Group Limited), and the attorney, and also specify the meeting(s) 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, should be received by the PTB Share Registry before 2.00pm (AEST) on Monday, 14 November 2022 (or, if the Scheme Meeting is adjourned or postponed, no later than 48 hours before the resumption of the Scheme Meeting in relation to the resumed part of the meeting) in any of the ways specified for Proxy Forms in section 9.6 below.

A validly appointed attorney wishing to participate in and vote at the Scheme Meeting via the online platform will require the appointing PTB Shareholder's name and postcode and the SRN/HIN of the shareholding in order to access the online platform. A validly appointed attorney wishing to participate in and vote at the Scheme Meeting in person will need to register their attendance and identify themselves as an attorney on the day of the Scheme Meeting in person at the registration desk at Morgans Financial Limited, Level 29, Riverside Centre, 123 Eagle Street, Brisbane QLD 4000.

9.5 Voting by corporate representative

A body corporate that is a PTB Shareholder, or that has been appointed as a proxy, must appoint an individual to act as its representative at the Scheme Meeting. The appointment must comply with the requirements of section 250D of the Corporations Act. The 'Appointment of Corporate Representative' form may be downloaded from PTB's share registry or online at <http://investorcentre.linkgroup.com>. The form of appointment may set out restrictions on the representative's powers.

The form of appointment must be received by the PTB Share Registry prior to the Scheme Meeting. PTB Shareholders may submit the certificate in any of the ways specified for Proxy Forms in section 9.6 of this

Notice of Scheme Meeting, except that a form of appointment of corporate representative cannot be lodged online or by mobile device.

If a form of appointment 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 received by the PTB Registry.

A validly appointed corporate representative wishing to participate in and vote at the Scheme Meeting via the online platform will require the appointing PTB Shareholder's name, the SRN/HIN of the shareholding, proxy code and postcode or country of residence (if outside Australia) in order to access the online platform. A validly appointed corporate representative wishing to participate in and vote at the Scheme Meeting in person must bring a "Certificate of Appointment of Corporate Representative". A form of the certificate may be obtained from the PTB's share registry or online at <http://investorcentre.linkgroup.com>.

9.6 How to submit a Proxy Form

To appoint a proxy, you should complete and submit the Proxy Form in accordance with the instructions on that form. To be effective, proxy appointments must be received by way of completed Proxy Forms by the PTB Share Registry by 2.00pm (AEST) on Monday, 14 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:

(a) online: at <http://investorcentre.linkgroup.com> and follow the prompts

(b) by mobile device:

If you have a smart phone, you can now lodge your proxy appointment via <http://investorcentre.linkgroup.com> or by scanning the QR code on the Proxy Form. To scan the QR code, you will need a QR code reader application which can be downloaded for free on your mobile device.

(c) by mailing the Proxy Form to the PTB Share Registry at:

Link Market Services
Locked Bag A14
Sydney South NSW 1235

(d) mailing the Proxy Form to PTB's registered office at:

PTB Group Limited
22 Orient Avenue
Pinkenba QLD 4008

(e) by fax to the PTB Share Registry on:

+61 2 9287 0309

Proxy Forms received after 2.00pm (AEST) on Monday, 14 November 2022 (or, if the Scheme Meeting is adjourned or postponed, no later than 48 hours before the resumption of the Scheme Meeting in relation to the resumed part of the meeting) will be invalid.

If a Proxy Form 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 Proxy Form unless the power of attorney or other authority has previously been received by the PTB Share Registry.

10. Questions

PTB Shareholders will have a reasonable opportunity to ask questions during the Scheme Meeting.

PTB Shareholders who prefer to register questions in advance of the Scheme Meeting are also invited to do so by submitting questions online at <http://investorcentre.linkgroup.com>.

PTB Shareholders are requested to restrict themselves to two questions or comments initially, and further questions will be considered if time permits. Questions and comments may be moderated to avoid repetition and to make them more concise.

The Chair of the Scheme Meeting will endeavour to address as many of the more frequently raised relevant questions as possible during the course of the Scheme Meeting. However, there may not be sufficient time available during the Scheme Meeting to address all of the questions raised. Please note that individual responses will not be sent to PTB Shareholders.

11. Technical difficulties

Technical difficulties may arise during the course of the Scheme Meeting. The Chair has discretion as to whether and how the Scheme Meeting should proceed in the event that a technical difficulty arises. In exercising this discretion, the Chair will have regard to the number of PTB Shareholders impacted and the extent to which participation in the business of the meeting is affected. Where the Chair considers it appropriate, the Chair may continue to hold the Scheme Meeting and transact business, including conducting a poll and voting in accordance with valid proxy instructions. For this reason, PTB Shareholders are encouraged to lodge a directed proxy in advance of the Scheme Meeting even if they plan to attend the Scheme Meeting online by 2.00pm (AEST) on Monday, 14 November 2022.

12. Advertisement

Where this Notice of Scheme Meeting is advertised unaccompanied by the remainder of the Scheme Booklet, a copy of the full Scheme Booklet can be obtained by anyone entitled to attend the Scheme Meeting from the ASX website at www.asx.com.au and on PTB's website at <https://pacificturbine.com.au/pages/investors> or by calling the Shareholder Information Line on 1800 236 994 (or from outside Australia, +61 1800 236 994).



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