

THIS IS AN IMPORTANT DOCUMENT
AND SHOULD BE READ IN ITS ENTIRETY

Prospectus

For an Offer of 50,000,000 Shares in
APOLLO TOURISM & LEISURE LTD
ACN 614 714 742 at an
Offer Price of \$1.00 per Share



One Firm Worldwide™



IN ALLIANCE WITH



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IMPORTANT NOTICES

OFFER

The Offer contained in this Prospectus is an invitation to acquire Shares in Apollo Tourism & Leisure Ltd (ACN 614 714 742) (ATL or the Company).

GENERAL

This Prospectus is dated 6 October 2016. A copy of this Prospectus was lodged with ASIC on that date. This Prospectus expires 13 months after the date of this Prospectus. No Shares will be allotted or transferred on the basis of this Prospectus after the expiry date.

The Company will apply to ASX within seven days of the date of this Prospectus for admission to the Official List and for official quotation of the Shares on issue as at the date of this Prospectus and the Shares issued under the Offer.

Neither ASIC or ASX takes any responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

No person is authorised to give any information or make representations about the Offer, which is not contained in this Prospectus. Information or representations not contained in this Prospectus must not be relied on as authorised by the Company or any other person, in connection with the Offer.

This Prospectus provides information for investors to decide if they wish to invest in ATL. Read this document in its entirety. Examine the assumptions underlying the financial forecasts and the risk factors that could affect the financial performance of ATL. Consider these factors carefully in light of your personal financial circumstances. Seek professional advice from your accountant, stockbroker, lawyer or other professional adviser before deciding whether to invest. The Offer does not take into account the investment objectives, financial situation or needs of particular investors.

AUSTRALIAN RESIDENTS ONLY

The Offer is available to Australian residents in each state and territory of Australia. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law. Seek advice on and observe any restrictions. This Prospectus is not an Offer in any place where, or to any person to whom, it would not be lawful to make the Offer. The Company is entitled to refuse an application for Shares under this Prospectus if it believes that Applicant received the Offer outside Australia in non-compliance with the laws of the relevant foreign jurisdiction.

DEFINED TERMS

Some terms used in this Prospectus are defined in the Glossary.

ELECTRONIC PROSPECTUS

This Prospectus is available electronically at www.apollotourism.com. The Application Form attached to the electronic version of this Prospectus must be used within Australia. Electronic versions of this Prospectus should be downloaded and read in their entirety. Obtain a paper copy of the Prospectus (free of charge) by telephoning 1300 301 187 (within Australia) or (03) 9415 4676 (outside Australia). Applications for Shares may only be made on the Application Form attached to this Prospectus or in its paper copy form downloaded in its entirety from www.apollotourism.com.

EXPOSURE PERIOD

Pursuant to the Corporations Act, the Company must not process Application Forms during the seven day period after the date of lodgement of this Prospectus with ASIC. This period may be extended by ASIC for up to a further seven days. This exposure period enables the Prospectus to be examined by market participants. Application Forms received during the exposure period will not be processed until after the expiry of that period. No preference will be given to Application Forms received during the exposure period.

CURRENCY

Monetary amounts shown in this Prospectus are expressed in Australian dollars unless otherwise stated.

PHOTOGRAPHS AND DIAGRAMS

Photographs used in this Prospectus without descriptions are only for illustration. The people shown are not endorsing this Prospectus or its contents. Diagrams used in this Prospectus may not be drawn to scale. The assets depicted in photographs in this Prospectus are not assets of the Company unless otherwise stated.

Key Offer Information

OFFER STATISTICS

Issuer

APOLLO TOURISM & LEISURE LTD (ACN 614 714 742)

Offer Price per Share

\$1.00

Total number of New Shares offered

50,000,000

Amount to be raised under the Offer

\$50,000,000

Total number of Shares on issue following the Offer

144,960,000

Market capitalisation at the Offer Price

\$144,960,000

IMPORTANT DATES

Prospectus date

THURSDAY, 6 OCTOBER 2016

Offer opens

MONDAY, 17 OCTOBER 2016

Offer closes

THURSDAY, 27 OCTOBER 2016

Completion of Restructure

FRIDAY, 28 OCTOBER 2016

Expected date of allotment

MONDAY, 31 OCTOBER 2016

Shareholding statements expected to be dispatched

MONDAY, 31 OCTOBER 2016

Expected date for commencement of ASX trading

FRIDAY, 4 NOVEMBER 2016

All dates are subject to change and are indicative only.

The Company, in consultation with the Lead Manager and Underwriter, reserves the right to vary these dates without prior notice.



FINANCIAL INFORMATION SUMMARY

The following table is a summary of the Company's pro forma historical financial information for FY14, FY15 and FY16 and pro forma forecast and statutory forecast financial information for FY17. This information is intended as a summary only. More detailed financial information, including a reconciliation between the pro forma financial information presented below and the statutory equivalent financial information, can be found in Section 5.

	PRO FORMA CONSOLIDATED				STATUTORY CONSOLIDATED
	FY14	FY15	FY16	FY17 (FORECAST)	FY17 (FORECAST)
Revenue (\$M)	109.2	141.9	155.8	183.0	170.4
EBITDA (\$M)	34.1	36.9	39.8	48.7	37.8
EBIT (\$M)	14.9	14.5	17.2	27.0	16.7
NPBT (\$M)	5.3	4.9	7.7	17.7	7.9
NPAT (\$M)	3.6	3.7	6.2	12.4	6.2
Earnings per share ¹				8.53 cents	4.29 cents
Price earnings ratio ²				11.72x	
Dividends per share – Listing to 30 June 2017 ³				2.5 cents	
Annualised forecast FY17 dividend yield ⁴				3.75%	

Notes:

- 1 Based on the forecast FY17 pro forma and statutory NPAT and 144.96 million Shares on issue after completion of the Offer and Restructure.
- 2 Calculated at the Offer Price and an approximate pro forma FY17 NPAT of \$12.37 million.
- 3 Subject to certain considerations, the dividend policy of ATL will be to distribute between 45% and 55% of reported NPAT each year after FY17. See Section 5.16 for more information. The Company is forecast to pay an interim dividend of approximately 0.5 cents per share for the period between Listing and 31 December 2016, and is forecast to pay a final dividend of approximately 2 cents per share for the period between 1 January 2017 and 30 June 2017. It is anticipated that the FY17 dividends will be franked to the extent possible.
- 4 Assuming a dividend payment of 2.5 cents per share for the period between November 2016 and June 2017, or 2.5 cents divided by eight months multiplied by 12 months, equaling 3.75 cents per share. Annualised forecast dividend yield is based on the Offer Price and does not take into account any benefit attributable to franking credits.

WHAT SHOULD YOU DO WITH ANY ENQUIRIES?

If you require assistance to complete the Application Form, require additional copies of this Prospectus, have any questions in relation to the Offer or you are uncertain as to whether obtaining Shares in the Company is a suitable investment for you, you should seek professional advice from your stockbroker, lawyer, accountant or other professional adviser.





Letter from the Chairman

6 OCTOBER 2016

Dear Investor

On behalf of the Directors, I am pleased to offer you the opportunity to become a shareholder of ATL, a leading Australian tourism leisure company with operations and interests in Australia, New Zealand, the USA and Canada.¹

Apollo has grown from its humble beginnings in Brisbane to a multi-national company with over 300 staff in various countries, focused on manufacturing, rental, sales and distribution of a range of recreational vehicles (**RVs**), including motorhomes, campervans and caravans.

Since its establishment in 1985, Apollo has evolved from a small business renting a few RVs into an internationally recognised brand.

Revenue and profits have grown in recent years and the market outlook and growth prospects are favourable. Pro forma revenue has increased from \$109 million in FY14 to \$156 million in FY16, representing a 19.44% CAGR over this two year period.

Growth in the RV rental market is being supported by an increase in international visitors and discretionary spending in all regions in which Apollo operates. The establishment of new rental locations in the USA, together with potential expansion into other geographical markets and selective strategic acquisitions, may be additional growth catalysts.

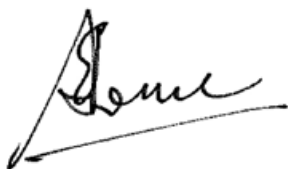
Apollo's RV sales customers are predominantly middle to retirement aged Australians. An increasing number of retirees (due to an ageing population) with a higher level of savings is expected to continue to drive growth of RV sales into the future.

Exclusive licence and distribution agreements with Winnebago and Adria in Australia and New Zealand, and the roll-out of new retail sales centres in major cities in Australia, are expected to drive RV sales opportunities.

The Offer is fully underwritten and provides investors with the opportunity to apply for 50 million Shares at \$1.00 each. This Prospectus includes detailed information on the Offer, Apollo and the industry in which it operates. As with any investment, there are risks (both within and outside our control) associated with investing in ATL which need to be considered when making a decision. Some of the key risks of investing in ATL are detailed in Section 7. I encourage you to read this Prospectus carefully and in its entirety before making your investment decision.

As a member of the Apollo Advisory Board since 2009, I am excited to be joining ATL's Board as Chairman and to be part of the next phase of its growth journey. On behalf of my fellow Directors and the Apollo team, we look forward to welcoming you as a Shareholder.

Yours sincerely,



STEPHEN LONIE
Chairman
Apollo Tourism & Leisure Ltd

¹ Through a 20.22% interest in CanaDream.

Letter from the Founding Family

6 OCTOBER 2016

Dear Investor

It is our pleasure to introduce you to the opportunity to invest in our business, which was started in Brisbane by our parents over 30 years ago. To understand the Apollo philosophy and our vision for the future, we would like to take you back to the beginning.

Our parents were avid boating enthusiasts, and we often spent months living as a family on yachts built by them. On a 12 month voyage sailing around the Pacific, we stopped off in New Zealand and our dad had his first experience with a camper. Using his boat building skills, he converted a van into a campervan. Our parents enjoyed this New Zealand campervan trip so much that a few years later they started Apollo.

In 1985, when we were young children, they purchased a single pop-top camper to rent out on weekends from the backyard of our house, with the intention of using this as their own drive "car" during the week. When weekday demand required our parents to purchase another campervan, a cycle commenced. As it continued, a small fleet of campervans began to grow and the business started to gain real momentum.

We have been involved in the business from a young age and this early immersion shaped our knowledge of the tourism industry and cultivated our passion for RV holidays.

Since taking over from our parents in 2001, we have grown Apollo into a multi-national RV rental and sales company. In the last 15 years, we have achieved some exciting milestones and developed a strong culture within the Apollo team. We have fostered innovation, expanded internationally, commenced manufacturing and started selling new RVs. We are now excited to guide the Company through some exciting strategic growth initiatives in both our rental and new RV sales divisions. Despite the inevitable challenges that come with strong growth, our hard working team and strategic vision have paid off and we look forward to continuing the successful journey.

We are incredibly proud of Apollo's global team, which is a tribute to the hard working and loyal culture led by Senior Management who have an average tenure of over 10 years. Investment in our staff and development of their ideas and skills allows us to offer a superior product and experience that can be adapted to the changing needs of our customers.

Apollo's future growth will be based on the philosophies of trust, personal contact, innovation and a touch of fun – after all, we offer everyone an exciting way to explore their backyard and beyond.

We hope that you share our vision and join us on our ongoing growth path.

Yours sincerely



LUKE TROUCHET
Founding family member
Chief Executive Officer and Managing Director



KARL TROUCHET
Founding family member
Chief Financial Officer and Executive Director

1

Investment overview



1.1 Introduction

QUESTION	ANSWER	SECTION
Who are Apollo and ATL?	Established in 1985, Apollo is an Australian family-owned, multi-national, vertically integrated manufacturer, rental fleet operator, wholesaler and retailer of a broad range of RVs, including motorhomes, campervans and caravans. ATL is conducting the Offer and, upon completion of the Offer and the Restructure, will own 100% of Apollo.	3.1 and 4.5
What are Apollo's core activities?	Apollo adopts a "Build/Buy, Rent, Sell" model: • Build/Buy – Apollo has manufacturing operations in Brisbane and Auckland where it produces and assembles RVs for its own rental fleet, and in Australia for the production of new RVs to the retail market. Apollo is currently manufacturing Talvor and Winnebago branded RVs. It also has exclusive rights to import Adria and Winnebago products in Australia and New Zealand. • Rent – Apollo's rental offering is comprised of different types, sizes and brands of RVs, targeting specific segments in the RV rental market. It has 17 rental offices across Australia, New Zealand and the USA, running an aggregate fleet size in excess of 3,000 at the end of FY16. Apollo also has a strategic investment in CanaDream, a Canadian rental fleet operator listed on the TSX Venture Exchange.² CanaDream operates an additional seven rental offices across Canada, and runs a fleet of approximately 1,000 RVs. • Sell – Apollo sells both new and ex-rental RVs through its own retail sales centres and selected dealers in Australia. In New Zealand and the USA, Apollo sells ex-rental RVs through a network of selected dealers.³	3.4
Who are Apollo's key customers?	Apollo's rental customers consist of domestic and international tourists visiting Australia, New Zealand and the USA. Apollo has a strong foothold with Europeans travelling overseas, and has sales representatives in the UK and Germany and a reservation office in Serbia for this reason. The Asian tourist market is growing rapidly with increasing wealth leading to an increase in overseas holidays. A cultural shift in this market away from third-party planned or hosted mass group travel to independently planned individual or small group travel is benefiting RV rental fleet operators. Apollo's RV sales customers in Australia are predominantly middle to retirement aged individuals, an expanding and increasingly wealthy demographic.	2.1 and 2.2

² Apollo holds a 20.22% shareholding in CanaDream as at the date of this Prospectus.

³ Apollo also sells some new RVs in New Zealand through third party dealers, however these sales do not factor materially into Apollo's historical or forecast financial information.

QUESTION	ANSWER	SECTION
Who are Apollo's key competitors?	Competition in the RV rental market differs by geography and consists of other rental fleet operators and alternative travel options such as car hire combined with hotel or motel accommodation. In its RV sales division, Apollo has competition from other manufacturers, distributors and retailers of new and ex-rental RVs.	2.1 and 2.2
What are Apollo's competitive advantages?	Apollo differentiates itself from its competitors in various ways through: • vertical integration of RV manufacturing, rental and sales operations in Australia and New Zealand; • offering high quality products and services (for example, Apollo strives to provide the broadest range of optional extras and maintain one of the youngest fleet in each of its geographies); • its ability to access adequate and well priced debt and equity capital, and purchase products and services from its partners and suppliers, due to its size, long history and ongoing relationships with financiers, original equipment manufacturers and other industry associates; • a number of differentiated brands developed across various market segments to ensure a broad coverage of the RV rental and sales markets; • constant product development driven through close interaction of customers, rental and sales staff, manufacturing operations and design teams; • a wide geographic footprint with multiple locations in the countries in which it operates; • dedicated retail sales centres in major Australian cities; and • comprehensive booking and sales systems.	3
What is Apollo's history of growth?	Apollo has experienced strong growth in recent years. Revenue has increased from \$109 million in FY14 to \$156 million in FY16, representing a 19.44% CAGR over this two-year period. Apollo's growth has been underpinned by: • expansion of its rental operations in the USA; • growth of rental operations in Australia and New Zealand, driven by organic market growth and improvements to yield and utilisation; • improvements to Apollo's fleet management, and its ability to sell ex-rental RVs at the right time and price; and • increase in ancillary revenue through the sale of products such as liability reduction options, global positioning systems, bedding and camping equipment.	3.2 and 5.13
What are Apollo's future growth prospects?	Apollo's growth strategy is mainly focused on: • leveraging the macro-economic tailwinds of a growing tourism industry, a cultural shift to free, independent travel, and an ageing population with increasing savings (see Section 2 Industry below); • further expansion in the USA. Apollo has established itself on the west coast of the USA and an opportunity exists to continue this growth through expansion of the branch network into Florida and the north-east coast. This will extend the USA rental season and broaden the dealer network selling ex-rental RVs; • additional retail sales centres throughout Australia, leveraging the Winnebago, Adria and Talvor brands; • diversification of the rental fleet and new RV sales offerings with high demand vehicles (e.g. broader range of 4WD campers); • ongoing business improvement initiatives such as dynamic fleet, dynamic pricing and technological innovation; • tailoring products and services to the increasing Asian market; and • potential expansion into other geographies and strategic acquisitions.	3.10

QUESTION	ANSWER	SECTION																																										
What is the Company's pro forma historical and forecast financial performance?	The financial information presented below is a summary only and should be read in conjunction with the information set out in Section 5. The information should also be considered having regard to the risks summarised in Section 7. <table><tr><th colspan="5">PRO FORMA CONSOLIDATED</th><th>STATUTORY CONSOLIDATED</th></tr><tr><th>(\$M)</th><th>FY14</th><th>FY15</th><th>FY16</th><th>FY17 (FORECAST)</th><th>FY17 (FORECAST)</th></tr><tr><td>Revenue</td><td>109.2</td><td>141.9</td><td>155.8</td><td>183.0</td><td>170.4</td></tr><tr><td>EBITDA</td><td>34.1</td><td>36.9</td><td>39.8</td><td>48.7</td><td>37.8</td></tr><tr><td>EBIT</td><td>14.9</td><td>14.5</td><td>17.2</td><td>27.0</td><td>16.7</td></tr><tr><td>NPBT</td><td>5.3</td><td>4.9</td><td>7.7</td><td>17.7</td><td>7.9</td></tr><tr><td>NPAT</td><td>3.6</td><td>3.7</td><td>6.2</td><td>12.4</td><td>6.2</td></tr></table>	PRO FORMA CONSOLIDATED					STATUTORY CONSOLIDATED	(\$M)	FY14	FY15	FY16	FY17 (FORECAST)	FY17 (FORECAST)	Revenue	109.2	141.9	155.8	183.0	170.4	EBITDA	34.1	36.9	39.8	48.7	37.8	EBIT	14.9	14.5	17.2	27.0	16.7	NPBT	5.3	4.9	7.7	17.7	7.9	NPAT	3.6	3.7	6.2	12.4	6.2	5
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What is Apollo's financial position and how has it funded growth?	Apollo's debt is limited to "fleet financing" – there is no corporate debt on Apollo's balance sheet. As at 31 August 2016, Apollo had available but unused debt facility limits of \$37.2 million. Loans are amortised more aggressively than RVs are depreciated, and Apollo has generally disposed of ex-rental RVs at or above book value at the end of their rental lifecycles.	5.12 and 8.5																																										
What is the Company's dividend policy?	The ongoing dividend policy of ATL is: (a) to distribute regular, half yearly dividend payments to Shareholders, subject to available profits or capital, legal requirements, the level of borrowings, working capital and the matters referred to below; and (b) to frank dividends to the greatest extent possible, expected to be fully franked for the interim dividend in FY17. The payment of dividends by ATL will be at the discretion of the Directors. No guarantee can be given by the Directors or ATL about the payment of dividends, the level of franking of such dividends or the extent of the payout ratios for any period. These matters will depend upon the future profits of ATL, its financial and taxation position as well as general business and financial conditions and any other factors the Directors may consider relevant. Subject to these considerations, the dividend policy of ATL will be to distribute between 45% and 55% of reported NPAT in the form of dividends, subject to such alteration as the Directors consider to be in the best interests of ATL from time to time and legal requirements. An interim dividend (if any) is expected to be paid annually in April, and a final dividend (if any) paid annually in October each year.	5.16																																										

QUESTION	ANSWER	SECTION
Who are the Directors of ATL?	• Stephen Lonie – Non-executive Chairman: Stephen is a former managing partner of KPMG Queensland and a Chartered Accountant. He is currently a non-executive director of Corporate Travel Management Limited (ASX: CTD), Retail Food Group Limited (ASX: RFG), MyState Limited (ASX: MYS) and Jellinbah Resources Pty Ltd. • Luke Trouchet – CEO and Managing Director: Luke grew up working in the business his parents founded and has been CEO since 2001 after a role for five years as sales and marketing manager. He is also a director of CanaDream Corporation (TSXV: CDN). • Karl Trouchet – CFO and Executive Director: Karl grew up working in the business his parents founded and has been responsible for finance and strategy since his start in 1997. • Sophie Mitchell – Non-executive Director: Sophie is an experienced financial services professional and a director of Morgans Financial Limited. She holds non-executive director roles in Silver Chef Limited (ASX: SIV) and Flagship Investments Limited (ASX: FSI). She is also a member of the Takeovers Panel, the Queensland Performing Arts Trust, the Queensland advisory board for AustralianSuper, and a board member of the Australia Council for the Arts.	4.1
Who are the members of Senior Management?	• Luke Trouchet – CEO and Managing Director • Karl Trouchet – CFO and Executive Director • Scott Fahey – Executive GM Commercial and Operations Scott oversees every aspect of the customer experience for the rental and retail sales businesses. Prior to Apollo, Scott held management positions at Dreamworld and THL. • Paul Truman – Executive GM Product Paul is responsible for all aspects of the RV product life cycle including fleet management and manufacturing. Paul has 30 years of manufacturing experience. • Sandra Foerster – Executive GM People & Culture Sandra is responsible for Apollo culture, people strategies, workplace health and safety compliance and learning and development. She is an HR generalist with a strong business focus. Sandra has gained over a decade of RV industry experience after early career experience in sales and marketing. • Stacey Davis – Executive GM Strategy & Special Projects Stacey is responsible for the development and implementation of strategic initiatives across the business. With over 15 years of experience at Apollo, she specialises in leading projects to drive revenue, innovation, process improvement and cost efficiency. • Daniel Kunzi – Executive GM Rental Sales Daniel is responsible for rental sales, and focuses on future growth both domestically and internationally. Daniel has 25 years of experience in leading sales in RV businesses. He is fluent in a number of languages. • Peter Jans – Company Secretary Peter is an experienced legal professional and has over a decade of ASX listed board experience. Peter was previously group general counsel and company secretary for ERM Power Limited (ASX: EPW) and Queensland Gas Company Limited (previously listed on the ASX) and general legal counsel for CS Energy Limited.	4.2

QUESTION	ANSWER	SECTION
Who are the advisory board members?	Since 2009, Apollo has been supported by an advisory board comprising senior advisers and industry professionals, who may be called upon to provide independent advice on specific issues as required by the Board and/or Senior Management.⁴ • Brett Heading Brett is an experienced company director and corporate lawyer with more than 30 years of experience in capital raising, mergers and acquisitions. In February 2016, he joined the global law firm Jones Day as a partner. Previously, he was a partner (and former chairman) of McCullough Robertson since 1985. • Chris Rusden Chris is currently senior vice-president of Hertz Mobility (a global role), having previously worked for Hertz in other capacities including as managing director for Hertz (Australia and New Zealand). Prior to this, Chris served as chief operating officer for THL's rental division. • Phil Degenhardt Phil has worked on a range of IT projects for the construction, manufacturing, finance and tourism industries, and is currently a director of Platinum Ray Pty Ltd. He was group IT director of Britz Rentals until 1999, and was involved (as a member of the advisory board to the owner of Britz Rentals) in the sale of the business to THL.	4.3
What is the Restructure?	ATL was incorporated in Queensland, Australia on 8 September 2016. At the date of this Prospectus, ATL has one Share on issue (held by a nominee of the Founding Shareholder) and has not traded on the ASX. ATL will, pursuant to the terms of the Share Purchase Agreement, acquire a 100% interest in Apollo from the Founding Shareholder on completion of the Offer and immediately prior to Listing. The Founding Shareholder will receive \$30 million cash (to be paid out of the Offer proceeds) and 94,960,000 Shares as consideration (representing 65.51% of total Shares issued as at Listing). The key terms of the Share Purchase Agreement are set out in Section 8.2.	4.5 and 8.2

1.2 The industry

QUESTION	ANSWER	SECTION
What are the growth prospects for the RV rental market?	Expected continued growth from increasing travel by domestic and inbound international Free Independent Tourists.	2.1
What are the growth prospects for RV sales?	A typical RV purchaser is middle to retirement aged with savings sufficient for the purchase of an RV. Improved standards of living and quality of healthcare have increased life expectancy in Australia which now has an ageing population, and due largely to the introduction of superannuation regulations the population (and especially the RV sales target market) has a growing savings profile. These factors are expected to drive RV sales demand.	2.2

⁴ Members of the advisory board are not Directors and carry no executive or decision making power.

1.3 Capital structure and interests of related parties

QUESTION	ANSWER	SECTION												
What is the current capital structure of the Company?	One Share has been issued by ATL. A nominee of the Founding Shareholder is the sole Shareholder of the Company.	4.5												
What is the capital structure of the Company upon completion of the Offer and Listing?	<table><thead><tr><th></th><th>SHARES HELD</th><th>PERCENTAGE HELD</th></tr></thead><tbody><tr><td>Founding Shareholder¹</td><td>94,960,000²</td><td>65.51%</td></tr><tr><td>New Shares issued under the Offer</td><td>50,000,000</td><td>34.49%</td></tr><tr><td>Total</td><td>144,960,000</td><td>100.00%</td></tr></tbody></table> Notes: 1. Shares received by the Founding Shareholder under the Share Purchase Agreement. 2. Shares held by the Founding Shareholder are subject to voluntary escrow arrangements. Details of these arrangements are set out in Section 8.3.		SHARES HELD	PERCENTAGE HELD	Founding Shareholder ¹	94,960,000 ²	65.51%	New Shares issued under the Offer	50,000,000	34.49%	Total	144,960,000	100.00%	9.5
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What significant benefits and interests are payable to the Directors and other persons connected with the Offer?	<table><thead><tr><th></th><th>INTEREST OR BENEFIT</th></tr></thead><tbody><tr><td>Founders</td><td> - Cash proceeds will be paid to the Founding Shareholder from the proceeds raised under this Prospectus pursuant to the Restructure. - Executive remuneration as described in Section 4.6. </td></tr><tr><td>Advisers and other service providers</td><td>Fees for services, the details of which are set out in Section 10.7.</td></tr><tr><td>Non-executive Directors</td><td>Remuneration and fees on ordinary commercial terms as described in Section 4.10.</td></tr></tbody></table>		INTEREST OR BENEFIT	Founders	- Cash proceeds will be paid to the Founding Shareholder from the proceeds raised under this Prospectus pursuant to the Restructure. - Executive remuneration as described in Section 4.6.	Advisers and other service providers	Fees for services, the details of which are set out in Section 10.7.	Non-executive Directors	Remuneration and fees on ordinary commercial terms as described in Section 4.10.	4.5, 4.6, 4.10 and 10.7				
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Non-executive Directors	Remuneration and fees on ordinary commercial terms as described in Section 4.10.													
Are there any related party transactions?	Yes. Apollo Motorhome Holidays Pty Ltd (as tenant) leases the premises at 696/698 Nudgee Road, Northgate QLD from Eastglo Pty Ltd as trustee for Trouchet Unit Trust (as landlord). The Founders are directors of the landlord. The rent payable under the lease is in line with a rental valuation report previously obtained by Apollo. The lease is on standard commercial arms’ length terms. Apollo Motorhome Holidays Pty Ltd has also provided a loan to Salamanda Travel Pty Ltd (as borrower). The Founders are directors of this entity. The current amount owing under the loan as at the date of this Prospectus is approximately \$5.55 million. The loan will be repaid in full within 10 business days after the Listing is completed.	4.12												
Will any Shareholders have a voting power of 20% or more?	Yes. The Founding Shareholder will hold approximately 65.51% of the voting power in the Company at the time of Listing. This will allow the Founding Shareholder to have significant influence on the outcome of Shareholder resolutions in specific situations. However, the Corporations Act and Listing Rules in general will exclude the Founding Shareholder from voting on matters in which it has a material interest.	9.5												
Are there any escrow arrangements?	Yes. 94,960,000 Shares held by the Founding Shareholder (representing 65.51% of the issued Shares) will be subject to voluntary escrow arrangements for two years from the Quotation Date. Details of the voluntary restriction are provided in Section 8.3. ASIC has granted relief to the Company from Chapter 6 of the Corporations Act to enable the Company to enter into the voluntary restriction agreement.	8.3												

1.4 Key risks

QUESTION	ANSWER	SECTION
What are the key risks in investing in ATL?	Set out below are key risks that the Board believes are associated with an investment in ATL. This list does not propose to include every risk that may be associated with an investment in ATL now or in the future. The occurrence of any (or a combination) of these risks could have an adverse impact on Apollo's financial performance. • Apollo's business is seasonal in nature. • Deterioration in general economic and business conditions. • An appreciation of currencies in the jurisdictions that Apollo operate against other foreign currencies could reduce levels of spending by its customers. • If the EUR appreciated significantly against the AUD, Apollo's ability to import Adria products at competitive pricing would be affected. • A decrease in the availability of financing to Apollo, its dealers or its customers, or an increase in the cost of financing to these parties. • Any adverse change in the product quality, production efficiency, product development efforts, technological advancement, marketplace acceptance, reputation, marketing capabilities or financial condition of its key suppliers, or any product recall. • A breakdown in Apollo's relationship with Adria and Winnebago, or the loss of existing arrangements with those parties. • Apollo depends on the knowledge, relationships and know-how of its key employees and the departure of any of them may impact Apollo's operations. • Unexpected or unusually large increase in the costs of employment, costs of goods and RV running costs, if these increased costs cannot be passed on to customers. • Force majeure events (such as war, severe weather events or epidemics) or major disruptions in the travel and tourism industries. • Adverse events occurring to Apollo's information technology suppliers (such as insolvency or technical failures), cyber-attacks, loss or delay of Apollo's internet or communication facilities or other interruptions could lead to temporary or long term loss of Apollo's services and systems. • The occurrence of any workplace incidents, or the breach of any workplace health and safety laws. • If the actions of competitors or potential competitors become more effective, or if new competitors enter the market and Apollo is unable to counter those actions, customers may choose a competitor's goods or services over Apollo's offerings. • Shortages of, or increased pricing for, fuel can have an adverse effect on the RV industry. • There is a risk that Apollo may be unable to manage its future growth successfully. The inability to hire and retain skilled and experienced personnel and advisers may be a significant obstacle to managing growth. • Failure by Apollo to protect its reputation with customers, suppliers, regulatory authorities and industry bodies. • Apollo's intellectual property may not be capable of being legally protected, it may be the subject of unauthorised disclosure or be unlawfully infringed, or Apollo may incur substantial costs in asserting or defending its intellectual property rights. • Specific Apollo product failures, defects or recalls or inadequate maintenance. • A breach of, or an unfavourable change to, introduction or interpretation of, laws and regulations may have an adverse effect on the ability of Apollo to operate all or parts of its business and may cause reputational damage to Apollo. • If events arise which are not adequately covered by Apollo's insurance policies, or if Apollo is unable to secure adequate insurance cover in the future, this may restrict the ability of Apollo to conduct its business. • Apollo's strategy to grow market share within existing markets may not be successful in part or at all. • No assurance can be given by Apollo that any dividend will be paid and the level of franking on any such dividend. Further details on the key risks of investing in the Company are provided in Section 7.	7

1.5 The Offer

QUESTION	ANSWER	SECTION
Who is the issuer of this Prospectus?	Apollo Tourism & Leisure Ltd (ACN 614 714 742)	9.1
What is the Offer?	The Offer comprises a capital raising of \$50 million, by way of an issue of 50 million New Shares at \$1.00 per Share.	9.1
Will the Shares be quoted?	The Company will apply to the ASX for admission to the Official List within seven days of the date of this Prospectus. If permission is not granted for official quotation of the Shares on ASX within three months of the date of this Prospectus, all Application Monies received will be refunded without interest as soon as practicable in accordance with requirements of the Corporations Act. It is expected that the trading of Shares on the ASX will commence on Friday, 4 November 2016. It is the responsibility of each Applicant to confirm their holding before trading in Shares. Applicants who sell Shares before they receive an initial holding statement do so at their own risk. The Company, the Share Registry and the Lead Manager and Underwriter disclaim all liability, whether in negligence or otherwise, if you sell Shares before receiving your holding statement, even if you confirmed your firm allocation through a Broker or otherwise.	9.14
What is the purpose of the Offer?	A listing on the ASX will provide ATL with: • a cash injection to reduce existing debt levels and provide additional growth capital for the expansion of its USA rental operations and Australian new RV sales operations; • broader future access to debt and equity capital markets to pursue additional growth opportunities; • a greater corporate and public profile; and • a strong Shareholder base. A listing on the ASX will also facilitate a sell-down by the Founding Shareholder of just under 35% of Apollo, and provide a liquid market for increasing or decreasing the balance of its equity interest (subject to certain voluntary escrow arrangements outlined in Section 8.3).	9.3

QUESTION	ANSWER	SECTION												
What is the intended use of funds raised through the Offer?	The Offer proceeds will be applied as follows: <table><tr><th>USE OF PROCEEDS</th><th>(\$M)</th></tr><tr><td>Cash proceeds payable to the Founding Shareholder</td><td>30.0</td></tr><tr><td>Reduction of existing debt facilities</td><td>12.0</td></tr><tr><td>Growth capital</td><td>5.0</td></tr><tr><td>Offer costs</td><td>3.0</td></tr><tr><td>Total</td><td>50.0</td></tr></table> In addition to the \$50 million raised under the Offer, ATL will also receive approximately \$5.55 million within 10 business days of Listing upon the Founding Shareholder arranging repayment of the Salamanda Travel Pty Ltd loan (refer to Section 4.12 for further information on this loan). The Company will be applying for admission to the Official List on the basis of the 'profits test'. The Directors believe that on completion of the Offer the Company will have sufficient funds available from the cash proceeds of the Offer and the Company's operations to fulfil the purposes of the Offer and meet the Company's stated business objectives.	USE OF PROCEEDS	(\$M)	Cash proceeds payable to the Founding Shareholder	30.0	Reduction of existing debt facilities	12.0	Growth capital	5.0	Offer costs	3.0	Total	50.0	9.4
USE OF PROCEEDS	(\$M)													
Cash proceeds payable to the Founding Shareholder	30.0													
Reduction of existing debt facilities	12.0													
Growth capital	5.0													
Offer costs	3.0													
Total	50.0													
Who can participate in the Offer?	The Offer is open to: • Australian residents who receive an allocation through the Broker Firm Offer; and • Institutional Investors.	9.7 and 9.8												
How is the Offer structured?	The structure of the Offer comprises: • the Broker Firm Offer, which is open to Australian resident retail clients of Brokers who have received a firm allocation from their Broker; and • the Institutional Offer, which consists of an invitation to bid for Shares made to Institutional Investors.	9.1												
How do I apply?	How you apply will depend on whether you are applying under the Broker Firm Offer or the Institutional Offer. If you have received a Broker Firm Offer, Application Forms must be completed in accordance with the instructions given to you by your Broker and the instructions set out on the back of the Application Form. Applicants under the Broker Firm Offer must not send their Application Forms or payment to the Share Registry.	9.7 and 9.8												
What is the Offer Price of the Shares?	The Shares are being issued at \$1.00 per Share.	9.1												
What is the minimum Application size?	Applicants must apply for a minimum of 2,000 Shares, representing a minimum investment of \$2,000, and thereafter in multiples of 100 Shares (\$100).	9.7												
What are the rights attaching to the Shares?	The New Shares will rank equally in all respects with all other Shares issued by the Company. A summary of the rights and liabilities attaching to the Shares is set out in Section 10.2.	10.2												

QUESTION	ANSWER	SECTION
Is the Offer underwritten?	Yes. The Offer is fully underwritten by Morgans Corporate Limited (Lead Manager and Underwriter). If Apollo does not receive valid applications for the full amount of 50 million Shares under this Offer, the Lead Manager and Underwriter will subscribe for, or procure subscriptions for, any shortfall. Details of the Underwriting Agreement, including the circumstances in which the Lead Manager and Underwriter may terminate its obligations are set out in Section 8.1.	8.1 and 9.10
What is the allocation policy?	The allocation of Shares between the Broker Firm Offer and the Institutional Offer has been determined by the Lead Manager and Underwriter, in consultation with ATL. Details of the allocation policies are set out in Sections 9.7.4 and 9.8.2.	9.7.4 and 9.8.2
Can the Offer be withdrawn?	The Company may withdraw the Offer at any time before the issue of Shares to successful Applicants. If the Offer, or any part of it, does not proceed, all relevant Application Monies will be refunded (without interest). The Company and the Lead Manager and Underwriter reserve the right to close the Offer or any part of it early, extend the Offer or any part of it, accept late Applications either generally or in particular cases, reject any Application, or allocate to an Applicant fewer Shares than applied for.	9.16
Are there any brokerage, commission or stamp duty considerations?	No brokerage, commission or stamp duty is payable by Applicants on acquisition of Shares under the offer.	9.11
Are there tax implications?	The taxation consequences of an investment in the Company will depend upon the investor's particular circumstances. Investors should make their own enquiries about the taxation consequences of an investment in the Company.	9.17
Further questions?	If you have questions in relation to the Offer, please contact the Offer information line on 1300 301 187 (within Australia) or (03) 9415 4676 (outside Australia) between 10.00am and 6.00pm (Brisbane time) during business days. All enquiries in relation to your Broker Firm Offer should be directed to your Broker. If you are unclear in relation to any matter or are uncertain as to whether ATL is a suitable investment for you, you should seek professional advice from your stockbroker, solicitor, accountant or other independent professional adviser.	

1.6 Key investment highlights

Leading, innovative, family owned Australian company operating on a multi-national scale in a growing industry

Vertically integrated, nimble and flexible business model

Historical growth driven by a strong management team with a proven track record of implementing strategies and leading a stable and loyal group of employees

Historical growth in the RV rental and sales markets independently forecast to continue in the coming years

Apollo is a well-recognised RV brand, and the company is exclusively permitted to use Winnebago and Adria brands in Australia and New Zealand

Embarking on an exciting number of new domestic and international strategic growth opportunities in each of Apollo's RV sales and rental divisions

IMPORTANT NOTICE

This section is not intended to provide full information for investors intending to apply for Shares. This Prospectus should be read in its entirety. The Shares offered pursuant to this Prospectus carry no guarantee in respect of return of capital, return on investment, payment of dividends or the future value of the Shares.

2

Recreational vehicle (RV) industry overview



RV industry overview

Apollo operates in the RV industry, with rental operations in Australia, New Zealand and the USA, and new RV sales operations in Australia. This section provides an overview of the industry and key geographies within which Apollo operates.⁵

2.1 RV rental industry

2.1.1 OVERVIEW

In general terms, key demand drivers for the RV rental market in a particular geography are the supply of domestic or inbound international tourists, safety, suitable infrastructure and climate.

The local *tourism* industry generally, and specifically the number of either domestic or inbound international Free Independent Tourists, drives the RV rental market. The definition of Free Independent Tourist varies from country to country, however may be defined broadly as financially independent travellers who are disinterested in mass or group travel. These tourists typically travel as individuals, couples or small groups without a guide or third-party controlled schedule, mode of transport or accommodation.

Safety includes a stable government and economy, enforced road regulations and insurance requirements, the presence of efficient medical and mechanical assistance and the quality and quantity of domestic and international travel options.

Suitable infrastructure includes a road network allowing travel between major locations and tourist attractions, and service offerings for RV operators such as parks, campsites and public dump sites.

An appropriate *climate* for RV use includes average temperatures that are comfortable for road travel and outdoor activities.

Each of these demand drivers are present in Apollo's key RV rental geographies of Australia, New Zealand and the USA.

2.1.2 AUSTRALIAN RV RENTAL INDUSTRY

2.1.2.1 Market overview

According to the World Travel & Tourism Council (**WTTC**), Australia ranked 11 out of 184 countries in terms of total contribution of travel and tourism to gross domestic product (**GDP**). The direct contribution of travel and tourism to GDP in CY15 was \$46.3 billion or 2.8% of GDP.⁶

Domestic tourism remains the largest component of the Australian tourism industry, with Australian residents continuing to trade overseas travel for domestic holidays, largely due to the lower value of the Australian dollar.⁷

According to Tourism Research Australia (part of the Australian Trade and Investment Commission, or Austrade), international tourist arrivals are expected to grow in the coming 10 years from 7.1 million in FY15 to 12.3 million in FY25.⁸

5 Apollo also has a presence in Canada via its shareholding in CanaDream – see Section 3.8 CanaDream.

6 World Travel & Tourism Council, "Travel & Tourism, Economic Impact 2016, Australia

7 Tourism Research Australia, "Tourism Forecasts 2016", July 2016

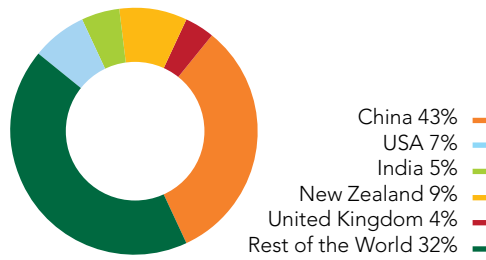
8 Tourism Research Australia, "Tourism Monitor 2016", July 2016

Growth in international tourist arrivals independently forecast to continue in the coming years.

The number of inbound arrivals grew by approximately 9.3% in FY16, and growth is forecast to average 5.6% in the 10 years to FY25. Contributing factors for this growth include lower fuel prices, a lower Australian dollar, increased aviation capacity and the improvement of economic conditions in overseas countries. Tourism is one of Australia's largest export earners, with inbound tourism spend (as a percentage of total tourism spend) forecast to increase from 31% in FY15 to 41% by FY25.⁹

Australia's top five inbound markets are expected to provide 67% of the additional 5.2 million arrivals over this period. Tourists are forecast to be travelling for longer and spending more, based on the rising middle class in the Asia-Pacific region, increasing connectivity and an ageing demographic.¹⁰

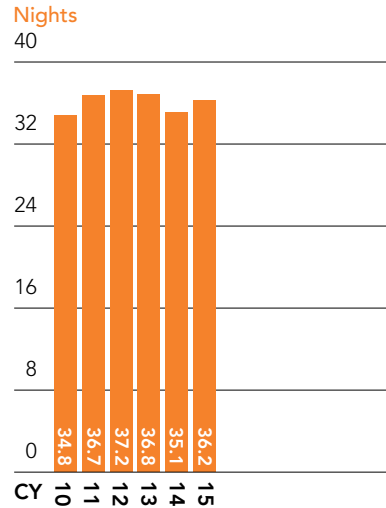
Share of forecast growth in inbound arrivals by country of origin between 2015-2025



Source: Tourism Research Australia, "Tourism Forecasts 2016"

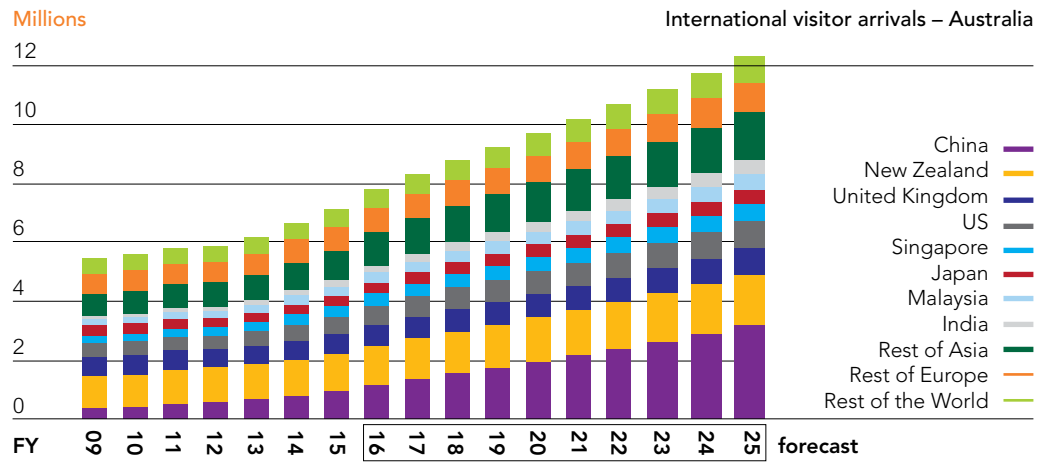
By FY18, China is expected to be the largest source of both inbound arrivals and inbound tourism expenditure, overtaking New Zealand as Australia's largest international market. In terms of visitor numbers, China is expected to contribute 43% of total growth from FY15 to FY25 and 60% in terms of tourism expenditure.¹¹

Average length of stay international visitors – Australia



Source: Tourism Research Australia, "International Visitor Survey Results", February 2016

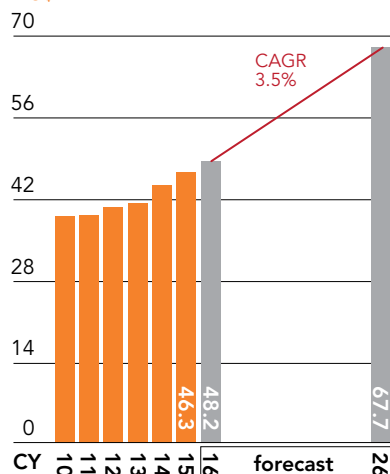
The number of potential days of RV rental in any market is a function of the number of RV tourists multiplied by the average length of each tourist's stay. In recent years, the average length of stay has remained relatively stable at around 35 to 37 nights which includes all international visitors.



Source: Tourism Research Australia, "Tourism Forecasts 2016"

Direct contribution to GDP – Australia

AU\$B



Source: Management estimates based on data from World Travel & Tourism Council, "Travel & Tourism, Economic Impact 2016, Australia"

Direct tourism and travel spend totalled AU\$46.3 billion in FY15.¹² According to the WTTC, the total size of the tourism industry in Australia is estimated to grow by 3.5% per annum from CY16, reaching \$67.7 billion in terms of direct contribution to GDP in CY26.

According to the Caravan Industry Association of Australia, caravanning and camping visitors spend approximately \$7 billion per annum when travelling in Australia. Furthermore, around 90% of all visitor nights are spent in regional Australia, making the industry a large contributor to regional Australia.¹³

Free Independent Tourist market

Free Independent Tourist arrivals as a percentage of total visitors are growing, and this trend is expected to continue. With Asian markets expected to drive inbound tourist growth in the coming years, particularly from China and India, there is a focus domestically on catering to this market. Between CY11–CY13, 532,000 (or 45%) of Chinese leisure visitors to Australia were Free Independent Tourists.¹⁴ An increasing number of annual arrivals from India (148,200 in CY11, and potentially 300,000 by CY20), are also expected to be Free Independent Tourists.¹⁵ Tourism Australia has specific campaigns dedicated to these geographies.

Safety

From a safety perspective, Australia is ranked 5th on the CY16 Index of Economic Freedom¹⁶ and is among the top 30 countries globally for each of the six Worldwide Governance Indicators published by the World Bank (ranking in the top 20 in five of these indicators).¹⁷

According to the World Health Organisation, Australia has one of the lowest estimated traffic death rates of 5.4 per 100,000. The country's road rules are highly regulated and enforced and it has a federally funded national road safety framework.¹⁸ Third party personal injury insurance is compulsory for any motor vehicle registered in Australia.

Infrastructure

Australia's road network is the 9th largest in the world according to The World Factbook published by the USA's Central Intelligence Agency.¹⁹ The country ranked 19th globally on the Logistics Performance Index published by the World Bank and ranked 18th globally on that Index specifically in relation to its quality of trade and transport infrastructure.²⁰ A popular Australian smartphone camping application boasts over 8,000 campgrounds and 680 public dump points in its directory. The Caravan Industry Association of Australia is the peak

- 9 Tourism Research Australia, "Tourism Forecasts 2016", July 2016
- 10 Tourism Research Australia, "Tourism Forecasts 2016", July 2016
- 11 Tourism Research Australia, "Tourism Forecasts 2016", July 2016
- 12 The direct contribution of travel and tourism to GDP reflects the total spending on travel and tourism by residents and non-residents for business and leisure purposes, as well as Government spending on travel and tourism directly linked to visitors
- 13 Caravan Industry Association of Australia, <http://www.caravanindustry.com.au/research> accessed August 2016
- 14 Austrade, "Dispersal of Chinese Free and Independent Leisure Visitors in Australia, Summary", March 2015
- 15 Tourism Australia, "Summary of Tourism Australia's India Strategic Plan", June 2012
- 16 The Heritage Foundation and The Wall Street Journal, "Index of Economic Freedom", 2016
- 17 The World Bank Group, "Worldwide Governance Indicators", 1996 – 2014
- 18 World Health Organization, "Global Status Report on Road Safety", 2015
- 19 Central Intelligence Agency, "The World Factbook, Country Comparison: Roadways", <https://www.cia.gov/library/publications/the-world-factbook/rankorder/2085rank.html#as> accessed August 2016
- 20 The World Bank, "Logistics Performance Index", 2016

Australia ranked 11 out of 184 countries in terms of absolute direct contribution of travel and tourism to gross domestic product (GDP) in CY15.

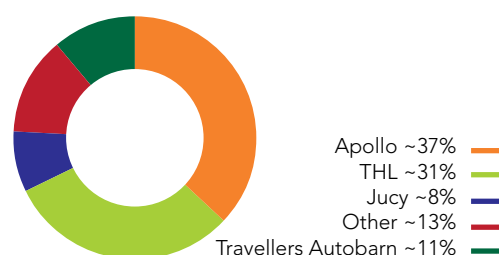
national body for the caravan and camping industry representing over 4,000 industry businesses,²¹ and there are numerous websites offering campsite information and booking and reservation facilities.

Climate

Finally, climate and comfort are subjective measures, and Australia is a large continent with widely varying weather patterns. The country is recognised as an attractive tourism destination for its warm weather year round. Tourists are generally able to travel within a comfortable temperature range by avoiding the northern regions in summer and southern regions in winter. The Australian RV rental market experiences the lowest seasonality among Apollo's key rental geographies.

2.1.2.2 Key participants

Estimated share of overall RV fleet size – Australia, as at 30 June 2016



Source: Apollo management estimates based on fleet numbers as at 30 June 2016 and disclosed competitor information

While there is no independent industry data for total Australian fleet size, Apollo estimates it has the largest fleet size in Australia and aims to retain its leading position considering the continued diversification, expansion and utilisation of its fleet.

2.1.3 NEW ZEALAND RV RENTAL INDUSTRY

2.1.3.1 Market overview

According to the WTTC, New Zealand ranks 36 out of 184 countries in terms of total contribution of travel and tourism to GDP. The direct contribution of travel and tourism to GDP in CY15 was NZ\$12.5 billion or 5.1% of GDP.²²

The country has experienced strong growth from Asian markets and this trend is expected to continue in the coming years due to its relative proximity to Asia and the strong growth in international travel from these countries.

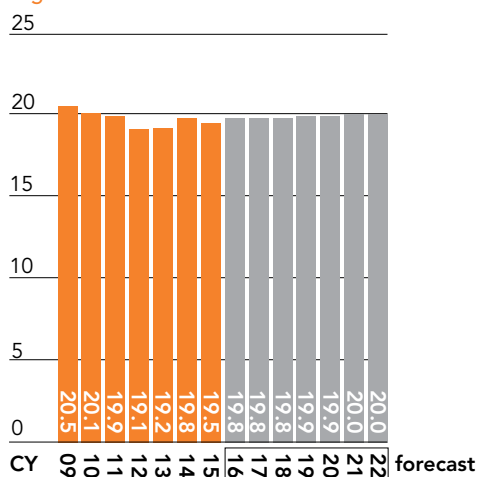
International visitor spend grew by an estimated 31.3% in CY15, and arrivals for the period increased by 9.6% with an extra 275,000 visitors. Visitor volume is expected to grow to 4.5 million by CY22 from 3.1 million in CY15, underpinned by the opening of new airline routes, the increase in airline capacity and planned international events in New Zealand. Visitor spend in CY22 is expected to reach NZ\$16 billion from approximately NZ\$9.7 billion in CY15, and trends are showing higher spending per day in addition to the increase in volume.²³

Australia is currently New Zealand's largest visitor market with 1.3 million arrivals in CY15, and is expected to grow by 3.2% per year to CY22, remaining a significant international visitor group. However China is expected to surpass Australia as New Zealand's largest tourism market by spend in CY17, spending in excess of NZ\$5 billion by CY22.²⁴

- 21 Caravan Industry Association of Australia, <http://www.caravanindustry.com.au/> accessed August 2016
- 22 World Travel & Tourism Council, "Travel & Tourism, Economic Impact 2016, New Zealand"
- 23 New Zealand Ministry of Business, Innovation & Employment, "New Zealand Tourism Forecasts 2016-2022", May 2016
- 24 New Zealand Ministry of Business, Innovation & Employment, "New Zealand Tourism Forecasts 2016-2022", May 2016
- 25 New Zealand Ministry of Business, Innovation & Employment, "New Zealand Tourism Forecasts 2016-2022", May 2016
- 26 World Travel & Tourism Council, "Travel & Tourism, Economic Impact 2016, New Zealand"

Average length of stay international visitors – New Zealand

Nights

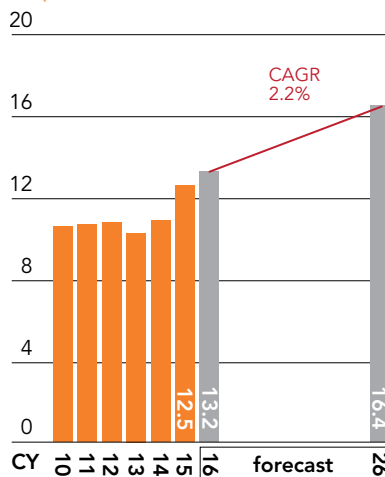


Source: New Zealand Ministry of Business, Innovation & Employment, "New Zealand Tourism Forecasts 2016-2022", May 2016

According to the forecasts provided by the New Zealand Government, the overall average length of stay is expected to remain stable at around 20 days.²⁵

Direct contribution to GDP – New Zealand

NZ\$B

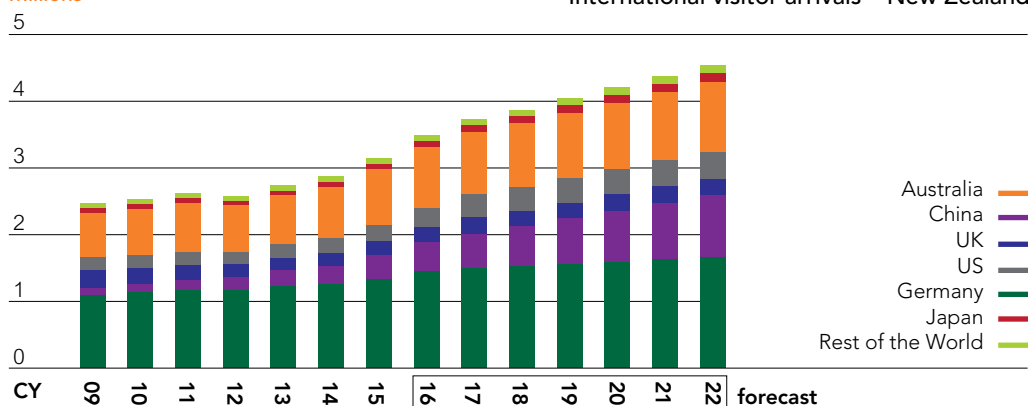


Source: Management estimates based on data from World Travel & Tourism Council, "Travel & Tourism, Economic Impact 2016, New Zealand"

The WTTC forecasts the direct contribution of travel and tourism to GDP to rise from NZ\$12.5 billion in CY15 to NZ\$13.2 billion in CY16 and increase to NZ\$16.4 billion by CY26.²⁶

Millions

International visitor arrivals – New Zealand



Source: New Zealand Ministry of Business, Innovation & Employment, "New Zealand Tourism Forecasts 2016-2022", May 2016

In CY14, the China Tourism Academy reported New Zealand as the most satisfying destination for outbound Chinese tourists.

Free Independent Tourist market

In CY14, the China Tourism Academy reported New Zealand as the most satisfying destination for outbound Chinese tourists, and of the 215,040 Chinese visitors to New Zealand in the 12 month period to February 2015, 73,000 were Free Independent Tourists, up 60% on the previous period. Tourism New Zealand has a strategy in place to encourage inbound Chinese tourism.²⁷

Safety

New Zealand is similarly safe in comparison to Australia. It ranked 3rd on the CY16 Index of Economic Freedom²⁸ and among the top 6 countries globally for each of the Worldwide Governance Indicators published by the World Bank.²⁹ The country has a slightly larger traffic death rate per 100,000 than Australia, estimated at 6.0 by the World Health Organisation. It also has strictly regulated and enforced road rules and a nationally funded road safety framework.³⁰ Third party personal injury insurance is provided to all motorists (residents and visitors alike) by the Accident Compensation Corporation, a New Zealand Crown organisation.

Infrastructure

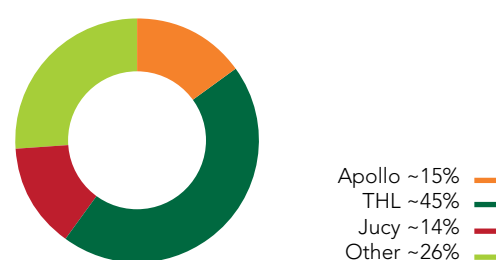
Given the relative geographic size of New Zealand (approximately 3.4% the size of Australia),³¹ its total road network length is not an appropriate infrastructure measure. However, the country ranked 37th on the Logistics Performance Index published by the World Bank, and ranked 29th globally on that Index specifically in relation to its quality of trade and transport infrastructure.³² The New Zealand Motor Caravan Association Inc. is a membership based organisation representing the interests of private motor caravan owners in New Zealand. It publishes the details of approximately 1,260 campsites and 590 dump stations (either stand-alone or connected to a campsite) on its website.³³ In addition, the Freedom Camping Act 2011 (New Zealand) permits and regulates the use of areas not designated for camping. There are numerous websites publishing campsite information and facilitating bookings and reservations.

Climate

Relative to Australia, New Zealand's more mountainous terrain and closer proximity to the South Pole results in colder winters with a greater snowfall than Australia. The country's infrastructure allows for road transit at most times during the year. However due mostly to temperature and precipitation during winter months, especially on the South Island, the RV rental industry does experience seasonality.

2.1.3.2 Key participants

Estimated share of overall RV fleet size – New Zealand, as at 30 June 2016



Source: Apollo management estimates based on fleet numbers as at 30 June 2016 and disclosed competitor information

- 27 Tourism New Zealand, "Market Trends – China", 5 June 2015, <http://www.tourismnewzealand.com/markets-stats/markets/china/market-trends/> accessed August 2016
- 28 The Heritage Foundation and The Wall Street Journal, "Index of Economic Freedom", 2016
- 29 The World Bank Group, "Worldwide Governance Indicators", 1996 – 2014
- 30 World Health Organization, "Global Status Report on Road Safety", 2015
- 31 The World Bank, "Land Area (sq. km)", 2015, <http://data.worldbank.org/indicator/AG.LND.TOTL.K2?view=map> accessed August 2016
- 32 The World Bank, "Logistics Performance Index", 2016
- 33 New Zealand Motor Caravan Association Inc. Travel Directory, <https://www.nzmcra.org.nz/travel> accessed August 2016
- 34 World Travel & Tourism Council, "Travel & Tourism, Economic Impact 2016, United States"
- 35 U.S. National Trade & Tourism Office, "Forecast International Travelers to the United States by Top Origin Countries", October 2015
- 36 U.S. National Travel & Tourism Office, "2015 Overseas Visitation Estimates Released", 28 July 2016, <http://tinnet.ita.doc.gov/tinews/archive/tinews2016/20160728.asp> accessed September 2016
- 37 World Travel & Tourism Council, "Travel & Tourism, Economic Impact 2016, United States"

While there is no independent industry data for total New Zealand fleet size, Apollo estimates that it holds the second largest RV fleet size in this geography, with room to grow.

2.1.4 USA RV RENTAL INDUSTRY

2.1.4.1 Market overview

The travel and tourism industry in the USA is the largest in the world. In terms of international visitor arrivals, the USA is expected to receive almost 10 times the number of visitors Australia will receive in CY16. According to the WTTC, the USA ranks 1 out of 184 countries in terms of total contribution of travel and tourism to GDP. The direct contribution of travel and tourism to GDP in CY15 was US\$488 billion or 2.7% of GDP.³⁴

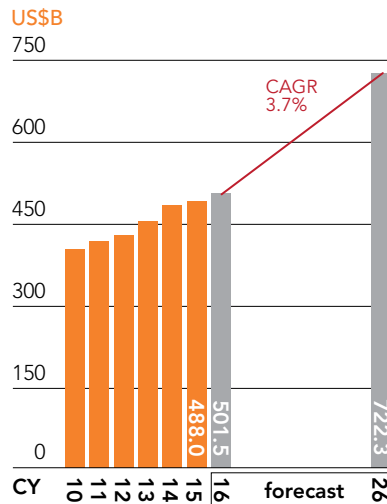
The USA welcomed around 75.3 million international visitors in CY15, 300,000 more than CY14. It is forecast that the total number of visitors will increase to 90.3 million between CY15 and CY20, a CAGR of 3.7%.³⁵

The forecast growth is driven by increasing visitor numbers from most countries around the world, with Canada and Mexico jointly contributing more than half the USA's tourists each year for the next four years. The number of visits by Chinese residents is expected to increase by 14.4% CAGR between CY15 and CY20.

Average length of stay – international travellers

According to U.S. Department of Commerce³⁶ the average length of stay in CY15 was 17.8 nights.

Direct contribution to GDP – USA

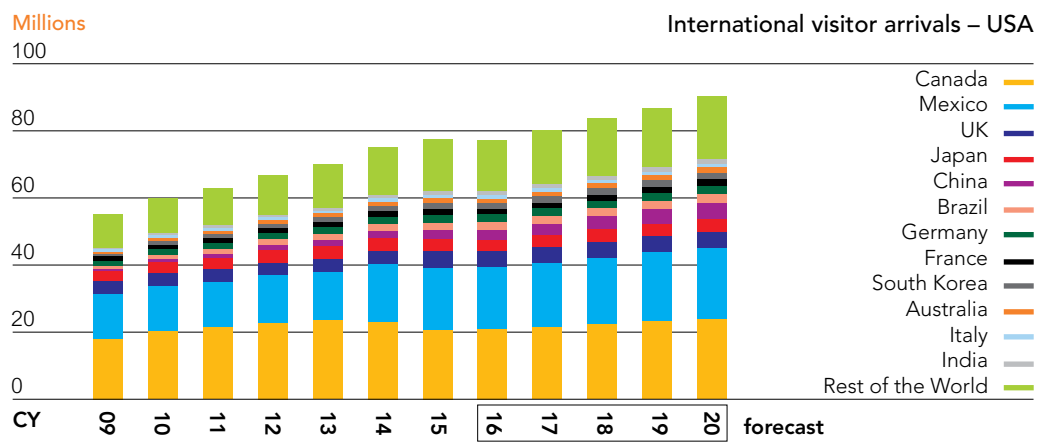


Source: Management estimates based on data from World Travel & Tourism Council, "Travel & Tourism, Economic Impact 2016, United States"

Direct tourism and travel spend totalled US\$488 billion in CY15 and is forecast to reach approximately \$501.5 billion in CY16. According to the WTTC, direct contribution to GDP is estimated to reach \$722.3 billion by CY26.³⁷

Free Independent Tourist market

As discussed in the preceding sections, there has been a cultural change in the Asian, and particularly Chinese, tourism market to more free, independent travel. The international arrivals chart earlier in this section notes the growing number of Asian visitors in the USA. While specific market volume information is not readily available, recent industry data supports RV rental growth in the USA. According to the CY16 Survey of RV Rental Business Operators conducted



Sources: U.S. National Trade & Tourism Office, "International Visitation to the United States: A Statistical Summary of U.S. Visitation (2014)" and "Forecast International Travelers to the United States by Top Origin Countries", October 2015

**The travel and
tourism industry
in the USA is the
largest in the world.**



by the Recreational Vehicle Rental Association, 80% of rental operators reported higher revenues in CY15, with approximately half experiencing revenue growth in excess of 20% year on year. Almost 80% of dealers surveyed indicated average contract length in days increased since the prior year, and 88% had plans to either increase or maintain fleet size.³⁸

Safety

The USA is ranked 11th on the CY16 Index of Economic Freedom³⁹ and between 22nd and 69th globally for each of the six Worldwide Governance Indicators published by the World Bank (ranking in the top 42 in five of these indicators).⁴⁰ The country's traffic death rate per 100,000 is estimated at 10.6 by the World Health Organisation. It has a nationally funded road safety framework and strictly regulated road rules.⁴¹

Infrastructure

The USA has the largest road network by length.⁴² The country ranked 10th globally on the Logistics Performance Index published by the World Bank, and ranked 8th globally on that Index specifically in relation to its quality of trade and transport infrastructure.⁴³ US Campgrounds publishes a directory of public campgrounds in the USA containing over 11,400 sites, with over 4,100 sites offering dump facilities.⁴⁴ It is important to note these figures do not include private facilities. Camping Info publishes a database with over 23,000 campsites in the USA.⁴⁵ There are several national bodies representing the interests of various stakeholders in the RV industry (for example, the Recreational Vehicle Rental Association, The National RV Dealers Association and the National Association of RV Parks & Campgrounds). There are numerous websites publishing campsite information and facilitating bookings and reservations.

Climate

The majority of the USA has a colder climate than Australia, particularly in the central and northern states, resulting in seasonality in the RV rental market.

2.1.4.2 Key participants

There is no independent industry data for total fleet size in the USA. The major participants in this market include operators such as Cruise America, El Monte RV, THL and Apollo. Apollo estimates it has a current fleet size of approximately 9% of the total estimated fleet size in the USA, allowing further room for growth. Expansion across USA forms a core part of Apollo's growth strategy.

- 38 Recreational Vehicle Association (a unit of The National RV Dealers Association), "2016 Survey of RV Rental Business Operators", http://rvda.org/RVDA/Media/News_Releases/16_News_Releases/May_2016_Releases/RV_Rental_Revenue_Jumps_Again_with_Longer_Contracts_and_Increasing_Fleet_Size_Survey_Says.aspx accessed September 2016
- 39 The Heritage Foundation and The Wall Street Journal, "Index of Economic Freedom", 2016
- 40 The World Bank Group, "Worldwide Governance Indicators", 1996 – 2014
- 41 World Health Organization, "Global Status Report on Road Safety", 2015
- 42 Central Intelligence Agency, "The World Factbook, Country Comparison: Roadways", <https://www.cia.gov/library/publications/the-world-factbook/rankorder/2085rank.html> accessed August 2016
- 43 The World Bank, "Logistics Performance Index", 2016
- 44 US Campgrounds, <http://www.uscampgrounds.info/> accessed August 2016
- 45 Camping.Info, <https://en.camping.info/about-us/statistics.aspx> accessed August 2016
- 46 Caravan Industry Association of Australia, www.caravanindustry.com.au/research accessed August 2016
- 47 Caravan Industry Association of Australia, "Caravan and Camping State of the Industry", 2016
- 48 Australian Institute of Health and Welfare, "Life Expectancy", <http://www.aihw.gov.au/deaths/life-expectancy/> accessed August 2016
- 49 Australian Bureau of Statistics, "Population Projections Australia, 2012 (base) to 2101", November 2013
- 50 Commonwealth of Australia, "Australia's Future Tax System, Retirement Income Consultation Paper", December 2008 (see "Appendix B: A History of Superannuation" of this paper)
- 51 Parliament of Australia, Department of Parliamentary Services, "Chronology of Superannuation and Retirement Income in Australia", June 2010
- 52 Australian Taxation Office, "Changes to the Super Guarantee", October 2014, <https://www.ato.gov.au/General/New-legislation/In-detail/Other-topics/Repeal-of-MRRT-and-related-measures/Changes-to-the-super-guarantee/> accessed August 2016
- 53 Australian Bureau of Statistics, "Retirement and Retirement Intentions, Australia, July 2014 to June 2015", March 2016
- 54 The University of Melbourne, "The Household, Income and Labour Dynamics in Australia Survey: Selected Findings from Waves 1 to 14", 2016

2.2 New RV sales and distribution

2.2.1 OVERVIEW

In CY15, there were 586,585 RVs registered in Australia, representing a 4.5% increase from CY14 and a 34% increase in registrations since CY08.⁴⁶ Towable products make up approximately 90% of registered RVs in Australia (528,210 in CY15) and motorised RVs make up the remaining 10% (58,375 in CY15). Queensland has the largest fleet of RVs in Australia, accounting for almost 26% of the total. RV production increased by 6.6% from CY14 to a record 22,711 units in CY15.⁴⁷

An ageing population with growing savings are expected to continue to drive growth of RV sales into the future.

2.2.2 DEMOGRAPHIC TRENDS

Purchasers of RVs are predominantly middle to retirement aged and so therefore, the demographics of the Australian population have a strong impact on the market for RVs sales.

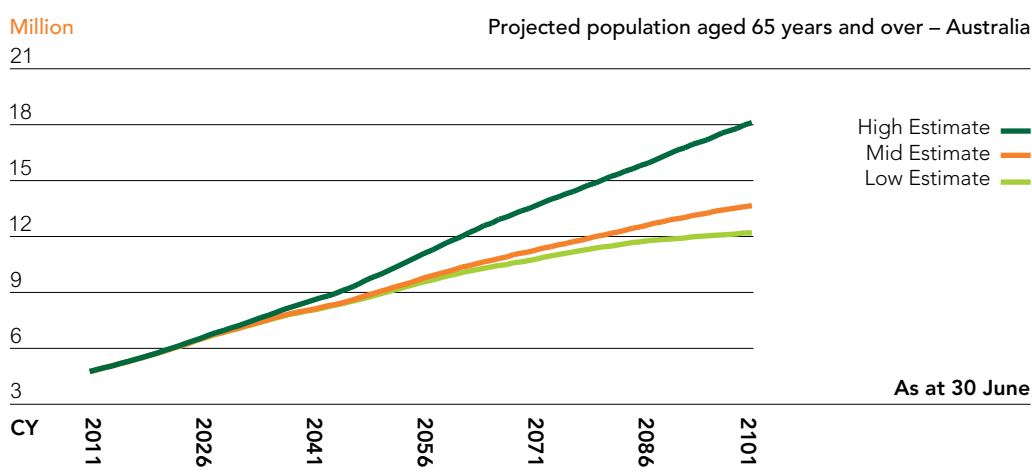
Due to improved standards of living and quality of healthcare, life expectancy has increased in recent years. In the early 1960s, life expectancy at birth was 74 years for girls, and 68 years for boys. The latest mortality data indicate that girls born in CY13 can expect to live to the age of 84, and boys to 80.⁴⁸

As a result, significant changes to the Australian age structure will continue to occur with an increase in people aged over 65. According to the Australian Bureau of Statistics, this age group is expected to increase from 3.2 million in CY12 to between 5.7 million and 5.8 million by CY31, and to between 9.0 and 11.1 million by CY61.⁴⁹

Increasing total wealth and passive income are resulting in an ageing population better positioned to afford an RV. Superannuation is a major contributor to later life wealth. In CY1992, compulsory superannuation was introduced to all employees (with some exceptions) in Australia.⁵⁰ In CY06, 90% of all employed persons were covered by superannuation.⁵¹ The superannuation guarantee recently increased to 9.5%, and is proposed to reach 12% by CY26.⁵²

Data published by the Australian Bureau of Statistics suggests that the number of people intending to be fully self-funded in retirement is expected to be approximately 50% of the total number of retirees. The number of people expecting their main source of funds for meeting living costs at retirement to be personal income (as opposed to welfare, pension or other income sources) increased from 60.5% in FY13 to 62.7% in FY15.⁵³

For the period between CY02 and CY14, median household wealth increased by 61.2% for the 65 and over age group, and by 39.1% for those aged between 55 and 64, according to the results of the Household, Income and Labour Dynamics in Australia Survey.⁵⁴



Source: Australian Bureau of Statistics, "Population Projections Australia, 2012 (base) to 2101", November 2013

2.2.3 KEY IMPORTED OR MANUFACTURED BRANDS

Towable products

Apollo estimates that there are over 200 companies involved in the manufacture or importation of towable RVs in Australia. Total unit numbers are in excess of 21,000 per annum.⁵⁵

Some of the key participants include Jayco, New Age, Fleetwood, Concept, Supreme, Avan and JB Camper. Apollo currently has less than 1% market share, presenting an opportunity to grow this segment on the back of its suite of retail brands (Winnebago, Adria and Talvor).

Motorised products

Apollo estimates that there are only a small number of significant companies involved in the manufacture or importation of motorised product. Aggregate total units imported or manufactured are in excess of 2,000 per annum.⁵⁶

Apollo (Winnebago, Adria and Talvor brands) is currently one of the key participants in this market with a significant number of RVs being manufactured for its rental business. Other key participants include Avida, Jayco, Sunliner and Avan.

⁵⁵ Caravan Industry Association of Australia, "Caravan and Camping State of the Industry", 2016

⁵⁶ Management estimates; and Caravan Industry Association of Australia, "Caravan and Camping State of the Industry", 2016

An ageing population with growing savings are expected to continue to drive growth of RV sales into the future.



3 | Company overview



Company overview

Apollo is a family-owned, multi-national, vertically integrated manufacturer, rental fleet operator, wholesaler and retailer of a broad range of RVs in Australia, New Zealand and the USA.

3.1 Group overview

Apollo is a family-owned, multi-national, vertically integrated manufacturer, rental fleet operator, wholesaler and retailer of a broad range of RVs in Australia, New Zealand and the USA. Apollo also owns 20.22% of CanaDream, an RV rental and sales company headquartered in Calgary, Alberta, Canada and listed on the TSX Venture Exchange (see Section 3.8).

Operating since 1985, Apollo's fleet is estimated to be the largest in Australia and among the largest in each of the other jurisdictions it operates. Apollo's RV brand portfolio, in both sales and rental operations, is internationally recognised.

Apollo has benefited from a healthy global tourism industry and an ageing population with increasing level of savings, and has formed a growth strategy based on an expansion into the east coast of the USA and development of its new RV sales division in Australia.

GEOGRAPHY	RV SALES	RV RENTAL OPERATIONS	RV IMPORT, MANUFACTURING AND ASSEMBLY
Australia	- Apollo-owned new RV sales centres recently opened in Brisbane, Sydney and Melbourne. - Plans to open new RV sales centres at existing Apollo locations around Australia in CY17. - Long history and wide geographic footprint of ex-rental RV sales. - Two licensed brands (Winnebago and Adria) and one Apollo owned brand (Talvor).	- Estimated to be the largest rental operator in Australia with an RV fleet of 1,727 at the end of FY16. 10 rental outlets across the country. - Four rental brands targeting different market segments.	- Exclusive licence agreement to import, manufacture, distribute and sell Winnebago product. - Exclusive licence agreement to import, distribute and sell Adria product. - Currently manufacturing all units for Apollo rental fleet, and all Winnebago and Talvor branded new RV sales units (Adria 100% imported).
New Zealand	Long history and wide geographic footprint of ex-rental RV sales.	- Estimated to be the second largest rental operator in NZ with an RV fleet of 729 at the end of FY16. - Rental outlets in Auckland and Christchurch. - Four rental brands targeting different market segments.	See above.
USA	- USA business solely focused on rental fleet operation – sales endeavours relate only to ex-rental RVs. - RVs are sold to a wide network of third party dealers across the USA, predominantly in central and western USA.	- Increasing market share in the USA with two rental brands. - Five rental outlets, with near term plans of expanding along the east coast. - RV fleet of 601 at the end of FY16.	
Canada	See Section 3.8 for a summary of Apollo's relationship with CanaDream		

3.2 Apollo group history

Apollo was founded in Brisbane by the Trouchet family in 1985. Luke and Karl Trouchet assumed control of the business from their parents in 2001, and embarked on an expansion across Australia. Since that time, Apollo has expanded into New Zealand and the USA, launched several brands, commenced manufacturing of its products in Australia and New Zealand, appointed an advisory board, executed a strategic investment in Canada and signed exclusive licensing and distribution agreements with Winnebago and an exclusive distribution agreement with Adria. See company timeline overleaf.

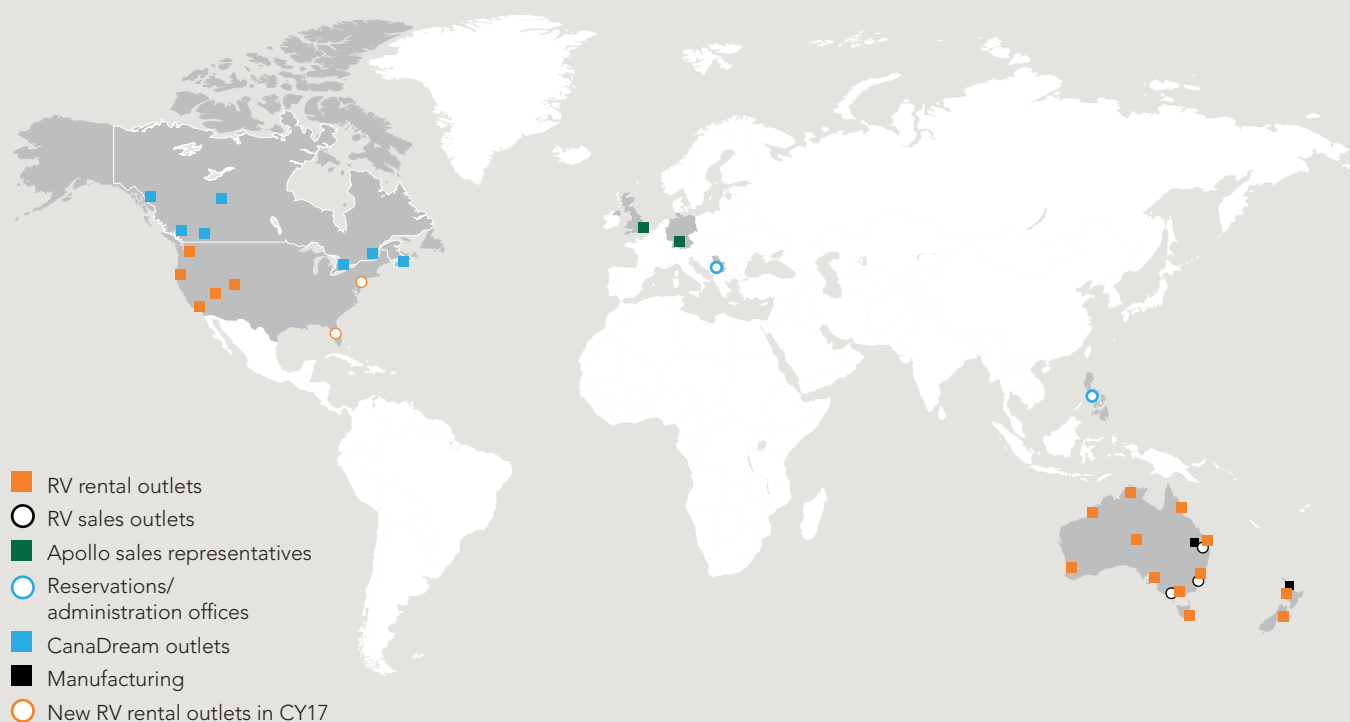
3.3 Geographic footprint

Apollo operates 17 rental office locations across Australia, New Zealand and the USA, and CanaDream operates an additional seven locations in Canada. It has three RV sales outlets in Brisbane, Sydney and Melbourne, Australia, and will be adding additional sales outlets in CY17.

Under an outsourcing arrangement, Apollo maintains an office in the Philippines which manages some parts of its administration, digital presence, e-commerce, graphic design and creative capabilities. This office also handles reservations, as does Apollo's offices in Australia and Serbia (outsourced), allowing for 24 hour reservation assistance. Apollo also has rental sales representatives in the United Kingdom and Germany dedicated to servicing its European travel partners.

Apollo's manufacturing facilities are located in Brisbane and Auckland.

Apollo locations



Apollo timeline

From modest beginnings in 1985 to a global enterprise today.



Gus and Carolyn Trouchet founded Apollo

1985

Apollo expands across Australia

Luke and Karl become CEO and CFO



2001



TALVOR factory Australia opens

2005



First United States branch opens

2008

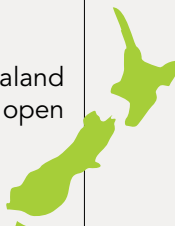
1988

Brisbane head office is established



2003

First New Zealand branches open



Cheapa Campa launches



2006

Hippie Camper brand launches



1985-2016



TALVOR
New Zealand
opens

2010

 **ADRIA**

Adria
licence

2013



Apollo Brisbane
Retail Super Centre
opens

2015

2009

Advisory Board
appointed

Shareholding
in CanaDream
purchased



2012

TALVOR dealer
network expands

2014

Winnebago
licence

WINNEBAGO

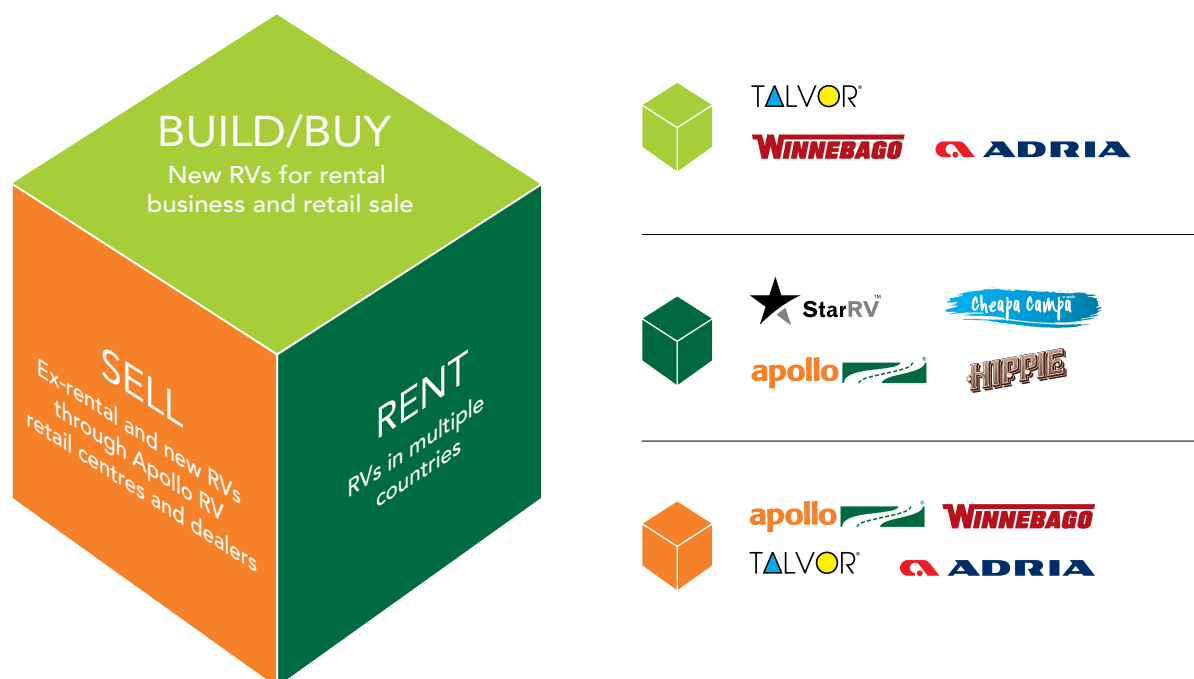
2016

Apollo Sydney
and Melbourne
Retail Centres open

TALVOR[®]



3.4 Business model – build/buy, rent, sell



While Apollo's RV rental operations have traditionally been the cornerstone of its business, equal importance is placed on its production, import and RV sales operations. Manufacturing or purchasing RVs, and selling for the right price (either as a new RV or at the end of its Apollo rental lifecycle) are as important to management as controlling fleet volume, yield and utilisation within the rental business.

AUSTRALIA AND NEW ZEALAND

In Australia and New Zealand, Apollo currently manufactures 100% of the RVs used in its rental fleet, and all Winnebago and Talvor branded new RV sales stock. Adria RVs are imported directly from the manufacturer in Europe. While Apollo is not currently importing products from Winnebago's USA facility, this option is available to Apollo if exchange rate movements made it more attractive than local manufacture.

RVs are either sold as new RVs, or utilised in Apollo's rental fleet. Offering four separate rental brands, at quality and price points suitable to different markets, allows Apollo to cycle RVs from its premium brand through to its volume and budget brands over the course of its rental lifecycle before selling them as ex-rental RVs.

This business model allows Apollo to maintain quality control of all sales and rental stock, monitor its cost base, adjust its production and import volumes for various RVs and brands, and price new and ex-rental RV sales with flexibility.

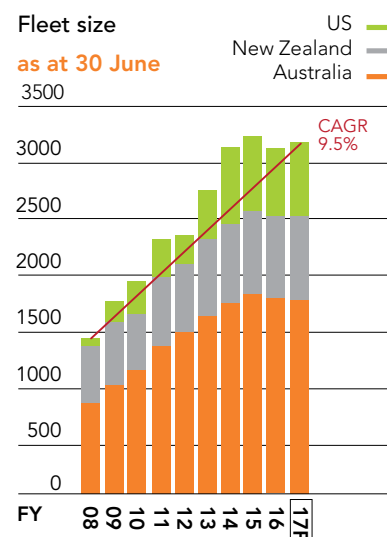
USA

In the USA, Apollo's RVs are generally purchased in spring, rented during the spring, summer and early autumn tourist season, and then sold during late autumn and winter for a full lifecycle of less than 12 months. The shorter RV tourism season and the liquid market for low mileage RVs allow Apollo to have a far shorter rental lifecycle and RV holding period in this geography.

3.5 Rental business

3.5.1 OVERVIEW

At the end of FY16, Apollo had a fleet size of more than 3,000 RVs with 1,727 in Australia, 729 in New Zealand and 601 in the USA. Apollo's fleet is comprised of motorised RVs including motorhomes and campervans. Rental revenue is recognised at the time of travel, with revenue from bookings that span more than one month split proportionally over the travel months.



3.5.2 RENTAL BRANDS

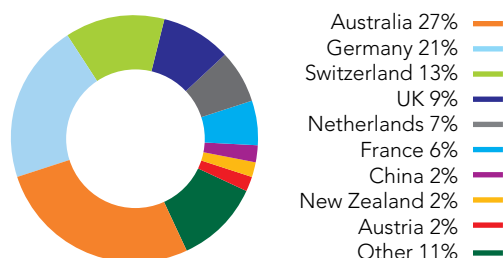
Apollo rents out RVs under four different brands in Australia and New Zealand, and two brands in the USA, which target and service different segments within the RV rental sector. This allows Apollo to offer customer upgrades for a fee (upsales) at collection, or grant upgrades as substitutes when appropriate from an RV location and relocation expense perspective.

StarRV™	apollo	Cheapa Campa™	HIPPIE
Explore in style	Discover a new way to holiday	Same view, same holiday – just a little cheapa	Rockin' road trips for happy campers
Targets discerning travellers looking for a premium self-drive experience. Offers additional customer service features.	Targets holiday makers with a quality modern fleet of well-equipped RVs at competitive rates.	Targets the more price sensitive consumer by offering an economy fleet of RVs with a "user pay" pricing structure.	Targets the young and the young at heart with its range of cool RVs at cheap rates.
RVs typically less than 12 months old	RVs typically 0-3 years old	RVs typically 3-5 years old	RVs typically 3+ years old
Australia, New Zealand, USA	Australia, New Zealand, USA	Australia, New Zealand	Australia, New Zealand

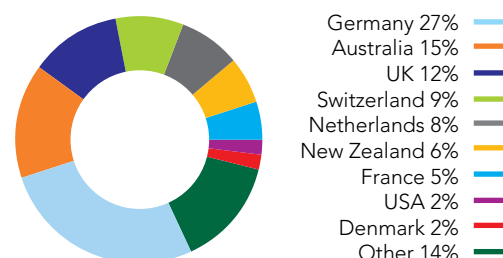
3.5.3 CUSTOMER DEMOGRAPHICS

Apollo's RV rental customers are widespread. In addition to a domestic customer base in each key geography, Apollo has a strong foothold with European tourists, as can be seen from the following charts (calculated by rental revenue in FY16):

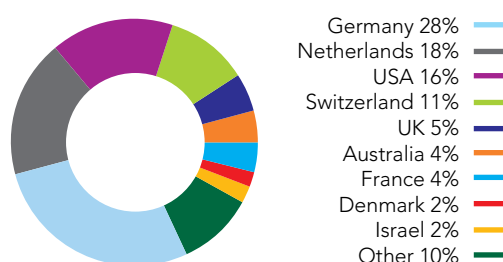
Apollo customers by country – Australian travel, FY16



Apollo customers by country – New Zealand travel, FY16

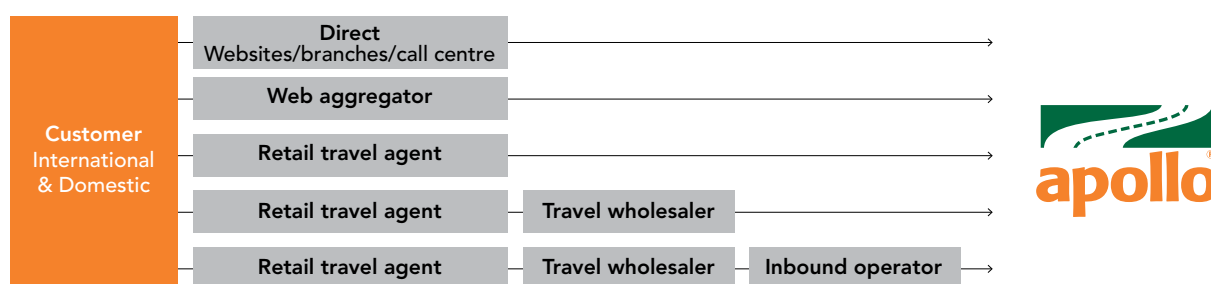


Apollo customers by country – USA travel, FY16



3.5.4 CUSTOMER CHANNELS

Rental bookings are sourced either directly or via a travel intermediary. There are up to four potential intermediaries as illustrated in the diagram below.



3.5.5 ANCILLARY REVENUE

In addition to daily rental revenue, Apollo generates significant ancillary revenue through sales of a variety of additional products. These additional products include a range of liability reduction options, additional kilometre packs, gas bottles, personal kits (towels, linen), camp tables and chairs, global position systems, and various other items. In FY16, over 30% of total rental revenue was generated through ancillary sales. Ancillary sales are overseen by a dedicated executive manager and personnel in reservation and branch teams are incentivised on sales of ancillary items.

3.5.6 NON-RV RENTALS

As an additional revenue source from rental operations, Apollo leverages its brand and strengths in sales and marketing to facilitate car rental bookings in Australia and New Zealand. Apollo has been using Hertz to fulfil these bookings since 2011. These non-RV rentals are supplied by Hertz at Hertz rental locations. Apollo has no capital or operational requirement from this relationship apart from maintaining the infrastructure required to take and manage the bookings. In FY16, Apollo completed 6,030 non-RV rental transactions (representing 30,334 rental days).

3.5.7 SYSTEMS

In conjunction with an external software company, Apollo has developed VIBE, a custom designed application with advanced reservation, asset management, fleet management, scheduling and logistics capabilities. In addition, Apollo has incorporated the following business functions into this system:

- purchase and work orders;
- project tracking;
- human resource management;
- customer relationship management;
- business planning (including budgeting and financial modeling);
- data warehousing; and
- fleet maintenance.

VIBE has been designed for the specific requirements of an RV business and has broad capabilities. VIBE utilises the DVASS system built by CSIRO to manage bookings and optimise fleet scheduling.

3.6 RV sales

3.6.1 OVERVIEW

Apollo's RV sales operations are comprised of both new RV sales and the disposal of ex-rental RVs at the end of the rental lifecycle. Pro forma revenue from Apollo's RV sales division in FY16 was \$68.4 million, and is forecast to be \$84.1 million in FY17.

3.6.2 EX-RENTAL SALES

In Australia and New Zealand, ex-rental RVs are typically between four and six years old, and are sold through a network of third party RV dealers and, in Australia, via Apollo's retail sales centres. Apollo has been maintaining and growing this network of dealers since its inception (and entry into New Zealand). Apollo has generally disposed of ex-rental RVs at or above book value. About 20% of Apollo's Australian and New Zealand rental fleets are replaced each year.

In the USA, due to a large and liquid market for low mileage RVs, Apollo is able to dispose of its entire rental fleet each year. Ex-rental RVs are sold via a network of dealers.

3.6.3 NEW RV SALES

Having secured exclusive import and distribution rights for Winnebago and Adria, and domestic production rights for Winnebago, growing the sales of these strong international brands (together with its own Talvor brand) throughout Australia is a key priority for Apollo. Apollo is currently engaged in the sale of new motorhomes, campervans and caravans from its existing retail sites in Brisbane, Sydney and Melbourne.

New RV sales growth drivers are:

- Fast growing market – an ageing population, with growing savings, resulting in a growing consumer market;
- Market share growth – leveraging globally recognised brands of Winnebago and Adria, and well-respected domestic brand Talvor, to acquire market share from a few dominant existing industry competitors;
- Rapidly expanding footprint – recently established retail outlets in Brisbane, Melbourne and Sydney, and new retail outlets planned for CY17, will allow Apollo to leverage its currently well-established rental business footprint in the expansion of its new RV sales business;
- RV show presence – it is estimated that a large number of new RV sales are made at RV shows, and Apollo's increased presence will assist with building brand awareness and sales; and
- Digital marketing – Apollo will continue to focus on online marketing, building on its existing digital strategy.

Sales brands



www.winnebagoind.com

Headquartered in Forest City, Iowa in the USA, Winnebago Industries Inc. is one of the largest manufacturers of RVs worldwide. Since its inception in 1958, the company has been building quality motorhomes, travel trailers and fifth wheel products that have been sold throughout the world.

Winnebago is an American icon with global brand recognition – synonymous with motorhomes. Winnebago has been recognised by Statistical Surveys, Inc., as a top-selling motorhome brand every year since 1974.

Throughout the USA and Canada, Winnebago products are sold through an extensive dealer network consisting of approximately 500 dealers.

Apollo is one of Winnebago's largest USA customers, where it stocks its rental fleet with Winnebago products. Supported by the longstanding relationship between the companies, Apollo has been awarded an exclusive import and distribution agreement for Winnebago caravan products which is perpetual and an exclusive licence to use the Winnebago name on motorised and caravan products manufactured by Apollo in Australia and New Zealand (www.gowinnebago.com.au). The current licence agreement expires in June 2019 and may be extended, at Apollo's option, for a further five years.

Apollo manufactures, under the licence, Winnebago branded RVs at its factory in Brisbane, Australia for both the Australian and New Zealand markets.



www.au.adria-mobil.com

Adria Mobil, d.o.o. is one of the leading caravan and motorhome manufacturers in Europe. It was established in Novo Mesto, Slovenia in 1965. Adria has received many industry and consumer awards for its quality caravans and motorhomes, including recognition for its innovative designs across a diverse range of products in a host of different markets.

Adria maintains a competitive advantage by offering a full range of services, constantly coming up with new innovations and adapting the products to customer needs. This has made the Adria brand name among the most recognisable and popular in Europe. Adria exports its product from its state of the art factory to numerous markets around the world.

Apollo has been appointed as Adria's exclusive importer and distributor of Adria caravans and motorhomes for Australia and New Zealand. This relationship has good growth potential by combining Adria's attractive and innovative product with Apollo's regional marketing and local sales capabilities. The Apollo design team has worked with the Adria engineering team to customise the product to local conditions whilst maintaining the popular European look and feel.

The distribution agreement expires on 28 February 2022 and may be extended for a further four years.



www.talvor.com.au

Talvor was formed in 2005 to build motorised RVs for Apollo's Australian rental fleet, catering for both fleet growth and replacement of older RVs. Talvor commenced operations in New Zealand in 2010.

Leveraging its existing RV manufacturing capabilities, Apollo started producing a range of Talvor caravans in 2011.

Talvor provides reliable delivery lead times, as well as quality and innovative products at competitive prices. Apollo employs an in-house design team who ensure that the range of Talvor products complies with high standards in terms of quality, durability, functionality and appearance.

Talvor is still a relatively young manufacturing brand with growth potential.

3.7 Manufacturing

Apollo currently manufactures all RVs used by its rental operations in Australia and New Zealand, and all new RVs sold are sold under the Winnebago and Talvor brands. All RVs sold under the Adria brand are imported – the agreement between Apollo and Adria only contemplates importing RVs, and Apollo does not manufacture Adria RVs domestically.

Apollo has manufacturing facilities in Brisbane, where operations commenced in 2005, and in Auckland, where operations commenced in 2010. Base vehicles and chassis are purchased from OEMs such as Toyota and Mercedes Benz. Appliances such as fridges, stoves, microwaves and televisions are also supplied by the OEMs. Apollo's manufacturing operations in Brisbane include the production of some components such as cabinets, upholstery and electrical looms for supply to the assembly line, outsourcing fibreglass and some steel fabrication. In Auckland, the supply of all these components is outsourced. The Australian plant produces motorhomes, campervans and caravans, whilst New Zealand's product range comprises motorhomes and campervans only.

The Australian plant is an "approved design facility" as well as an "approved production facility" under the Recreational Vehicle Certification System (RVCS), as governed by the Federal Department of Transport and Regional Services (DOTARS). All RVs requiring second stage manufacturing approvals have them in accordance with the RVCS requirements. The New Zealand facility has also been designated under the relevant Australian manufacturing approvals and complies with New Zealand law.

3.8 CanaDream

Apollo currently owns 20.22% in CanaDream (www.canadream.com), a leading Canadian RV rental company, which was acquired in 2009. Since 1998 CanaDream has been listed on the TSX Venture Exchange (TSXV: CDN), a division of the Toronto Stock Exchange, Canada's leading public equities market.

With a fleet of approximately 1,000 rental units, CanaDream services the Canadian RV rental market through six owned and operated locations in Calgary, Vancouver, Whitehorse, Toronto, Montreal and Halifax, and one associate (franchise) dealer location in Edmonton.

This strategic investment provides Apollo with a strong partner in the Canadian market and assists with the Group's geographical expansion strategy in North America as well as providing cross-promotional opportunities.

In the financial year ended 30 April 2016, total revenues were CAD 43.9 million (up from CAD 34.1 million in FY15) and EBIT was CAD 5 million (up from CAD 3.3 million). The company's net asset position as at 30 April 2016 was CAD 17.3 million. The market capitalisation of CanaDream as at 31 August 2016 was approximately CAD 29.6 million.



3.9 Marketing strategy

Apollo utilises an integrated mix of traditional, social, trade and customer engagement strategies to connect with customers and drive enquiries, rental bookings and RV sales. With more than 30 years' experience, Apollo understands the needs and motivations of the rental and retail markets and targets the main segments with tailored messaging.

Activities include:

- management of Apollo's suite of brands to ensure competitive differentiation and internal brand consistency in look and feel;
- promotion and maintenance of a range of websites showcasing brands and facilitating bookings;
- traditional advertising to raise awareness and educate customers about products and locations;
- engaging with social media platforms Facebook, Instagram and YouTube via posting of original material and distribution of user generated content;
- driving qualified visitors to digital assets through direct, organic, paid, social and referral acquisition channels;
- actively encouraging customers to post product reviews, and closely monitoring various review platforms (such as TripAdvisor and Yelp) to address any negative reviews which may arise;

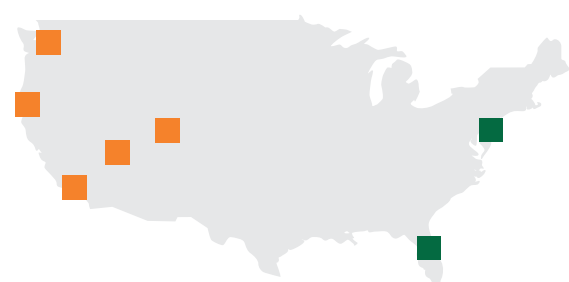
- strategically partnering with industry bodies and complementary brands to increase exposure and distribution;
- hosting promotional and publicity events;
- growing databases via consumer competitions;
- targeted promotions in key geographies and during key periods of the annual cycle;
- attending consumer and trade shows to demonstrate product features and benefits and hosting regular sales events at dealerships to influence purchaser behaviour;
- coordinating product reviews in relevant industry media; and
- managing trade relationships including supporting international wholesale partners.

3.10 Growth strategy

Apollo's key strategic growth initiatives can be summarised as follows:

Expansion of USA footprint

Growth strategy USA



- Existing rental outlets
- Planned growth areas

- Commitments are in place to open new rental branches servicing Florida and New York by May, 2017.
- Expansion into the east coast will extend Apollo's rental season in this geography.
- Branches on the east coast will also open the market for coast to coast one way rentals.
- Expansion of the branch network will benefit ex-rental RV sales at the end of the rental season, as dealers on the east coast can be more readily targeted.

New RV sales

By leveraging its brand portfolio and sales channels, Apollo is looking to grow its market share of new RV sales.

Apollo recently complemented its Brisbane RV retail sales centre by opening dedicated retail sales centres in Sydney and Melbourne, with further expansion planned for CY17. New RVs are also sold via select dealers, based in key regional centres.

Rental fleet diversity

Opportunities exist to further diversify and expand Apollo's rental fleet with popular RVs that are in high demand.

Retail product diversity

Opportunities exist to further diversify Apollo's retail offering, such as camper trailers, off-road caravans, A Class motorhomes (ultra-luxury RVs), and toy haulers (a towable product which combines caravan-like accommodation with added storage and customisation).

Ongoing business improvement initiatives

- Dynamic fleet – recognising the seasonal nature of the business, Apollo has adopted a “Dynamic Fleet” model in the USA where it can scale its fleet up and down in a short period while maintaining its core fleet size. Apollo has commenced a roll-out of this “Dynamic Fleet” model for specific Australian products, and will continue to trial its application on other segments of its rental business.
- Dynamic pricing – Apollo continues to enhance its dynamic pricing model to further optimise RV yield and days rented.
- Telematics – Apollo has previously found the benefits of a full scale adoption of vehicle tracking hardware insufficient to justify the capital cost. However, Apollo is in discussions for the trial of a product with no capital cost, on a revenue share basis, where customers are able to purchase additional optional services such as satellite navigation, Wi-Fi hotspot, audio tour guides and travel deals. Apollo will continue to evaluate this and other options on an ongoing basis.

Implement Asian initiative

Apollo will leverage the growing population of Free Independent Tourists out of Asia, particularly China, via various initiatives including:

- translation of all marketing materials and operational collateral into Chinese;
- the recent employment of a dedicated sales manager for the Asian market; and
- pro-active partnering with Asian travel distributors.

In Australia, Apollo has applied for certification under the China Ready & Accredited® Global Quality Service Certification Scheme, a training and accreditation process, equipping companies with cultural insights and understanding essential for engaging with Chinese people.

Geographic expansion & strategic acquisitions

Apollo may explore opportunities to further expand geographically and may consider mergers and acquisitions as they arise.

4 | Ownership, management and corporate governance



4.1 Board



Stephen Lonie

**NON-EXECUTIVE
CHAIRMAN**

**BCom, MBA, FCA,
FAICD, F Fin, FIMC**

Stephen is a Chartered Accountant, with more than 38 years' industry experience, and a former managing partner of the international accounting and consulting firm KPMG.

Stephen is currently a non-executive director of Corporate Travel Management Limited (ASX: CTD), Retail Food Group Limited (ASX: RFG) and MyState Limited (ASX: MYS). He is also the chair of Jellinbah Resources Pty Ltd, a major privately owned Queensland metallurgical coal producer.



Luke Trouchet

**CEO AND
MANAGING DIRECTOR**

LLB, AIMM

Luke grew up working in the business his parents founded. After completing a Bachelor of Laws in 1996, Luke joined Apollo full time as sales and marketing manager.

Luke was appointed CEO and managing director of Apollo in 2001. Luke is a director of CanaDream Corporation (TSXV: CDN).



Karl Trouchet

**CFO AND EXECUTIVE
DIRECTOR**

BBus, MAICD

Karl grew up working in the business his parents founded. After completing a Bachelor of Business majoring in Accounting in 1997, Karl joined Apollo full time managing finance and strategic business planning.

Karl is actively involved in developing and managing new initiatives across all divisions of Apollo.



Sophie Mitchell

**NON-EXECUTIVE
DIRECTOR**

BEc, GAICD, SF Fin

Sophie is an experienced professional in the financial industry and is a director of Morgans Financial Limited.

Sophie holds non-executive director roles in Silver Chef Limited (ASX: SIV) and Flagship Investments Limited (ASX: FSI). She is also a member of the Takeovers Panel, the Queensland Performing Arts Trust, the Queensland Advisory Board for AustralianSuper, and is a board member of the Australia Council for the Arts.

4.2 Senior Management



Luke Trouchet

CEO AND
MANAGING DIRECTOR

LLB, AIMM

Refer to Section 4.1.



Karl Trouchet

CFO AND
EXECUTIVE DIRECTOR

BBus, MAICD

Refer to Section 4.1.



Scott Fahey

(STARTED WITH
APOLLO IN 2010)

EXECUTIVE GM,
COMMERCIAL AND
OPERATIONS

BBus, Ass. Dip Bus, MBA

Scott oversees every aspect of the customer experience for the rental and retail sales businesses. Prior to joining Apollo, Scott held management positions at Dreamworld and THL.



Paul Truman

(STARTED WITH
APOLLO IN 2005)

EXECUTIVE GM,
PRODUCT

BMgmt

Paul is responsible for all aspects of the RV product life cycle including fleet management and manufacturing. Paul has 30 years of manufacturing experience.



Sandra Foerster

(STARTED WITH
APOLLO IN 2005)

EXECUTIVE GM,
PEOPLE AND CULTURE

LLB, MBA

Sandra is responsible for Apollo culture, people strategies, work health and safety compliance and learning and development. She is an HR generalist with a strong business focus. Sandra has gained over a decade of RV industry experience after early career experience in sales and marketing.



Stacey Davis

(STARTED WITH
APOLLO IN 2000)

EXECUTIVE GM, STRATEGY
& SPECIAL PROJECTS

BBus, MBA

Stacey is responsible for the development and implementation of strategic initiatives across the business. She has over 15 years of experience at Apollo, and specialises in leading projects to drive revenue, innovation, process improvement and cost efficiency.



Daniel Kunzi

(STARTED WITH
APOLLO IN 2002)

EXECUTIVE GM,
RENTAL SALES

Daniel is responsible for rental sales, and focuses on future growth both domestically and internationally. Daniel has 25 years of experience in leading sales in RV businesses. He is fluent in a number of languages.



Peter Jans

COMPANY SECRETARY

LLB (Hons), Grad. Dip
(Ancient History), MA

Peter is an experienced legal professional and has over a decade of ASX listed board experience. Peter was previously group general counsel and company secretary for ERM Power Limited (ASX: EPW) and Queensland Gas Company Limited (previously listed on the ASX), and general legal counsel for CS Energy Limited. Peter is admitted to the Supreme Court of Victoria, the Supreme Court of Queensland and the High Court of Australia.

4.3 Advisory Board

Since 2009, Apollo has been supported by an advisory board comprising senior advisers and industry professionals, who may be called upon to provide independent advice on specific issues as required by the Board and/or Senior Management. Members of the advisory board are not Directors and carry no executive or decision making power. The current members of the advisory board are set out below.



Brett Heading

BCom, LLB(Hons), FAICD

Brett is an experienced company director and corporate lawyer with more than 30 years of experience in capital raising, mergers and acquisitions. In February 2016, he joined the global law firm Jones Day as a partner. Previously, he was a partner (and former chairman) of McCullough Robertson since 1985.

Brett has been a director of a number of listed and unlisted companies and has been chairman of Unity Pacific Limited (ASX: UPG) since 2009. Mr Heading is also a former long-standing member of the Board of Taxation and was a member of the Takeovers Panel from 1997 to 2009.

He has agribusiness and tourism interests in the South Burnett (QLD) including Clovelly Estate Pty Ltd.



Chris Rusden

BA(Soc), MBA

Chris was director of operations for Hertz Australia for nine years before joining THL Rentals as general manager operations in 2001, becoming chief operating officer in 2003. Chris joined Hertz as managing director, Australia and New Zealand in 2010. In 2015, his role was expanded, and his responsibility was increased to cover an extended region and operational complexity as vice president of Hertz Asia Pacific.

In July 2016, Chris accepted the newly created role of senior vice president, mobility. This role sees Chris creating and implementing Hertz's global strategy in the emerging space of on demand mobility and vehicle telematics.



Phil Degenhardt

Phil is an IT practitioner and has worked on a diverse range of IT projects for the construction, manufacturing, finance and tourism industries.

He was involved with the Britz Rentals business and was group IT director. He sat on the board of advisors to the private owners of that business which was sold to THL in 1999. Since then, Phil has pursued private business interests and has had a variety of IT and management consulting roles.

Phil is currently a director of Platinum Ray Pty Ltd. Refer to Section 8.6 for a summary of Apollo's agreement with Platinum Ray Pty Ltd.

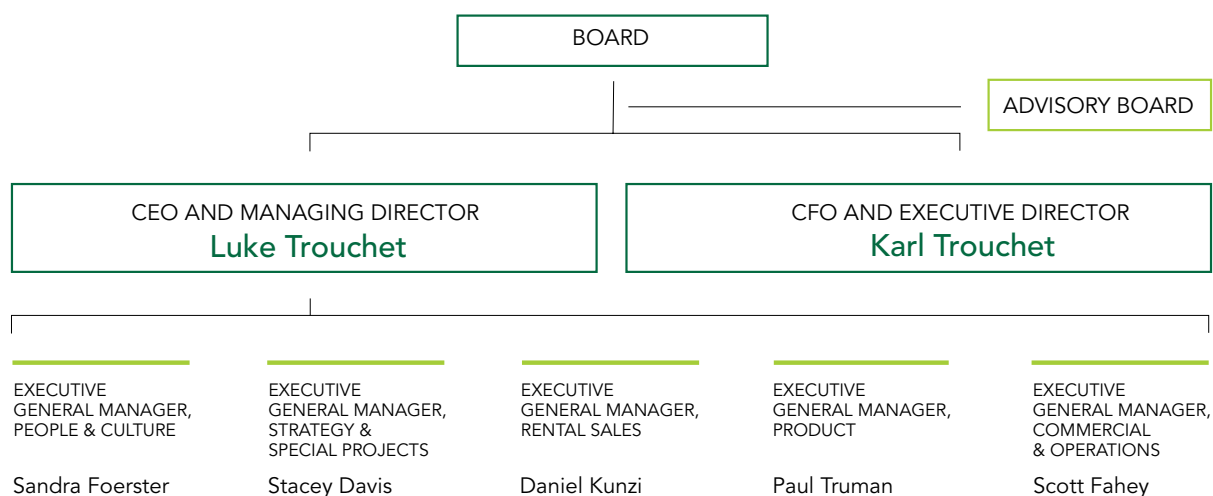


Stephen Lonie

BCom, MBA, FCA, FAICD, F Fin, FIMC

Stephen was a member of the advisory board from 2009 until his appointment as Chairman of the Board in 2016. Refer to Section 4.1 for additional information.

4.4 Organisational structure



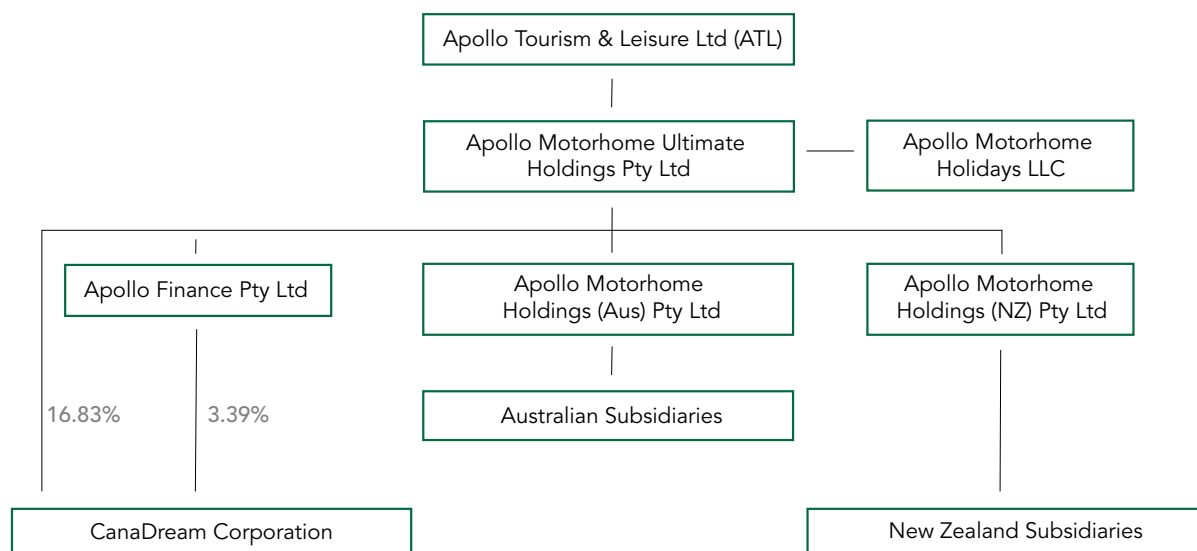
4.5 Formation of ATL and Restructure

ATL was incorporated in Queensland, Australia on 8 September 2016. At the date of this Prospectus, ATL has one Share on issue (held by a nominee of the Founding Shareholder) and has not traded on the ASX.

ATL will, pursuant to the terms of the Share Purchase Agreement, acquire a 100% interest in Apollo from the Founding Shareholder on completion of the Offer and immediately prior to Listing (**Restructure**). The Founding Shareholder will receive \$30 million cash (to be paid out of the Offer proceeds) and 94,960,000 Shares as consideration (representing 65.51% of total Shares issued as at Listing).

A summary of the Share Purchase Agreement is set out in Section 8.2.

The ownership structure of Apollo on Listing is shown diagrammatically below:



4.6 Executive remuneration

Luke Trouchet, CEO and Managing Director

Luke is employed by Apollo as the CEO and Managing Director and reports to the Board. For FY17, Luke's annual total fixed remuneration is \$550,000 (inclusive of superannuation and other allowances).

Luke will be entitled to participate in the STI Plan, the details of which are outlined in Section 4.7.

Luke's employment contract does not have a fixed term. Either Apollo or Luke may terminate the employment by giving six months notice, or in the case of Apollo, by making a payment in lieu of notice. Apollo may also terminate his employment at any time without any period of notice or payment if he engages in any serious and wilful misconduct. The employment contract includes a restraint of up to 12 months after termination of the contract, during which Luke is restrained from competing with Apollo. Enforceability of restraints is subject to usual legal requirements.

Karl Trouchet, CFO and Executive Director

Karl is employed by Apollo as CFO and Executive Director and reports to the Board. For FY17, Karl's annual total fixed remuneration is \$460,000 (inclusive of superannuation and other allowances).

Karl will be entitled to participate in the STI Plan, the details of which are outlined in Section 4.7.

Karl's employment contract does not have a fixed term. Either Apollo or Karl may terminate the employment by giving six months notice, or in the case of Apollo, by making a payment in lieu of notice. Apollo may also terminate his employment at any time without any period of notice or payment if he engages in any serious and wilful misconduct. The employment contract includes a restraint of up to 12 months after termination of the contract, during which Karl is restrained from competing with Apollo. Enforceability of restraints is subject to usual legal requirements.

Other members of Senior Management

Other members of Senior Management (excluding the Company Secretary) have each entered into employment agreements with Apollo. Either Apollo or the relevant executive may terminate the employment by giving between two to three months' notice, or in the case of Apollo, by making a payment in lieu of notice. Apollo may also terminate the executive's employment at any time without any period of notice or payment if the executive engages in any serious and wilful misconduct.

4.7 STI Plan

Senior Management and other Personnel (excluding non-executive Directors and the Company Secretary) as determined by the Board are eligible to participate in the STI Plan. Under the STI Plan, participants have an opportunity to receive an annual cash incentive payment calculated as a percentage of their total fixed remuneration conditional on achievement of financial and non-financial performance measures. The performance measures against which each participant's cash incentive is assessed are based on corporate and personal KPIs tied directly to ATL's business plan and established at the commencement of the relevant performance year. For FY17, the performance measures include:

Part 1 – Operational, customer and people KPIs

The amount payable under part 1 is discretionary and is not contingent on the financial performance of the business. It is determined by the achievement of specific KPIs by the individual including but not limited to:

- (a) performance against KPIs;
- (b) behaviours and key business milestones outlined in business plans; and
- (c) staff performance reviews throughout the year.

Over-achievement incentives do not apply to this component. Payment is capped at the nominal at-risk amount multiplied by the percentage allocated to this component. The Remuneration Committee will determine what portion of the eligible incentive will be paid. All, none or part of this amount may be awarded at the discretion of the Remuneration Committee.

The maximum amount that may be awarded for part 1 of the STI Plan has been provided for in the Forecast Financial Information.

Part 2 – Company financial performance

Financial performance is measured on pro forma NPAT for the Company. A minimum achievement of greater than 100% of NPAT must be achieved for the incentive to be payable. Payments work on a sliding scale designed to encourage superior performance that exceeds established targets. Payments are capped at the on-target incentive amount regardless of the Company's financial performance.

Any amount that may be awarded for part 2 is self-funding out of the pro forma NPAT and is assumed to be self-funding out of the statutory NPAT. However, there are circumstances where it may not be self-funding out of statutory NPAT. No payment will be provided unless ATL achieves above the forecast pro forma NPAT for FY17 as set out in the Forecast Financial Information.

Participants must achieve at least 50% of part 1 of the STI Plan in order to be eligible for any incentive payment under part 2 of the STI Plan.

4.8 Long term incentive plan

The Company is yet to establish a long term incentive plan. The Board will consider implementing this in the future for Senior Management and other Personnel at the Board's discretion.

4.9 Directors' interests in Shares

Directors are not required to hold any Shares under the Constitution. As at the date of this Prospectus, the Directors do not have a beneficial interest in or hold any Shares.

The Founding Shareholder currently holds a 100% interest in Apollo. By the time of Listing, the Founding Shareholder will own 94,960,000 Shares (representing 65.51% of the issued Shares in the Company) issued under the Restructure.

Directors may apply for Shares under the Offer.

4.10 Payments to Directors

The Constitution provides that the Directors (excluding executive Directors) may be paid, as remuneration for their services, an aggregate amount set from time to time by Shareholders in general meeting. The maximum aggregate amount which has been prescribed under the Constitution for payment to the Directors is \$450,000 per annum. This amount may be changed by a resolution of the Shareholders. The current non-executive Directors' fees are \$130,000 per annum for the Chairman and \$65,000 per annum for other non-executive Directors (both inclusive of superannuation).

Details of executive Director remuneration are set out in Section 4.6.

Directors may also be reimbursed for all travelling and other expenses incurred in connection with their Company duties.

4.11 Deeds of indemnity and access

The Company has entered into standard deeds of access, indemnity and insurance with the Directors.

The Company has undertaken, consistent with the Corporations Act, to indemnify each Director in certain circumstances and to maintain directors' and officers' insurance cover in favour of the Director for seven years after the Director ceases to be a Director.

The Company has further undertaken with each Director to maintain a complete set of the Company's Board papers and to make them available to the Director for seven years after the Director ceases to be a Director.

4.12 Related party arrangements

(a) Lease for the premises at 696/698 Nudgee Road, Northgate QLD

Apollo Motorhome Holidays Pty Ltd (as tenant) has entered into a lease for the above premises with Eastglo Pty Ltd as trustee for the Trouchet Unit Trust (as landlord). The Founders are directors of the landlord. The rent payable under the lease is in line with a rental valuation report previously obtained by Apollo. The lease is on standard commercial arms' length terms.

(b) Loan to Salamanda Travel Pty Ltd

Apollo Motorhome Holidays Pty Ltd (as lender) has entered into a loan agreement with Salamanda Travel Pty Ltd (as borrower). The Founders are directors of this entity. No interest is payable under the loan. The amount owing under the loan as at the date of this Prospectus is \$5,546,000. The loan will be repaid by Salamanda Travel Pty Ltd in full within 10 business days after the Listing is completed.

4.13 Compliance with ASX Corporate Governance Principles and Recommendations

The primary responsibility of the Board is to represent and advance Shareholders' interests and to protect the interests of all stakeholders. To fulfill this role, the Board is responsible for the overall corporate governance of the Company including its strategic direction, establishing goals for Senior Management and monitoring the achievement of these goals. The Board is committed to administering the policies and procedures with openness and integrity, pursuing the true spirit of corporate governance commensurate with the Company's needs.

The ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations* (3rd edition) (**Recommendations**) contain corporate governance recommendations for Australian listed entities in order to promote investor confidence and to assist companies to meet stakeholder expectations. The Recommendations are not prescriptions, but guidelines. However, under the Listing Rules, ATL will be required to provide a statement in its annual report or on its website disclosing the extent to which it has followed the Recommendations in the subject reporting period. Where ATL does not follow a Recommendation, it must identify the Recommendation that has not been followed and give reasons for not following it.

Except as set out below, the Board does not anticipate that it will depart from the Recommendations. However, it may do so in the future if it considers that such a departure would be reasonable. Copies of the Company's corporate governance policies are available on the Company's website at www.apollotourism.com.

4.14 Responsibility of the Board

The Board is responsible for the Company's proper corporate governance. To carry out this obligation, the Board must act:

- (a) honestly, fairly, diligently and in accordance with the Constitution and the law;
- (b) in compliance with Board policies in relation to disclosing and managing conflicts of interest, dealing in the Company's securities and other rules applicable to Directors as adopted by the Board from time to time; and
- (c) in the interests of Shareholders (with a view to building sustainable value for them).

The Board has reserved to itself the following specific responsibilities:

- (d) providing leadership and setting the strategic direction of the Company;
- (e) reviewing on an ongoing basis how the Company's strategic environment is changing, what key risks and opportunities are appearing, how they are being managed and what, if any, modifications in strategic direction should be adopted;
- (f) approving the strategic plan, business plan, operating budgets and major capital expenditure;
- (g) appointment and removal of the Chairman;
- (h) appointment and removal of the CEO and Managing Director;
- (i) appointment and removal of the Company Secretary, CFO and any other Senior Management, taking in to consideration the recommendation of the CEO and Managing Director;

- (j) setting and overseeing Senior Management's implementation of the Company's strategic objectives and its performance generally;
- (k) approving and monitoring the acquisition, establishment, disposal or cessation of any significant business or significant changes to organisational structures;
- (l) determining the Company's dividend policy and overseeing the financing of dividend payments (if any);
- (m) monitoring the integrity of the Company's accounting and corporate reporting systems, including the external audit;
- (n) monitoring the Company's process for making timely and balanced disclosure of all material information concerning the Company that a reasonable person would expect to have a material effect on the price or value of its Shares;
- (o) ensuring that the Company has in place an appropriate risk management framework;
- (p) setting the risk appetite within which the Board expects Senior Management to operate;
- (q) approving the Company's remuneration framework;
- (r) monitoring the effectiveness of the Company's governance practices;
- (s) monitoring and managing the performance of Senior Management;
- (t) approving and managing succession plans for Senior Management and other key management positions that may be identified from time to time;
- (u) reviewing and monitoring any related party transactions; and
- (v) monitoring the Company's operations in relation to, and in compliance with, relevant regulatory and legal requirements.

4.15 Composition of the Board

The Constitution and Board Charter require that the Board comprise no less than three directors. At least half of the Board should be independent non-executive Directors. The Chairman should be one of the independent non-executive Directors.

The Board is currently comprised of four directors as set out in Section 4.1, with Stephen Lonie as Chairman.

Recommendation 2.4 sets out that a majority of the board of a listed entity should be independent directors. Having regard to the size and nature of the Company, the Board has determined that it is sufficient to have four Directors at this time with two being independent non-executive Directors. The Board will monitor the needs of the Company and may in the future consider the appointment of additional independent non-executive Directors to the Board.

4.16 Independence of Directors

The Board has adopted in its Board Charter guidelines and thresholds of materiality and adopted a definition of independence based on that set out in the Recommendations.

All Directors, whether independent or not, should bring an independent judgement to bear on all Board decisions. A Director is considered an independent Director if he or she is free of any interest, position, association or relationship that might influence, or reasonably be perceived to influence, in a material respect his or her capacity to bring an independent judgement to bear on issues before the Board and to act in the best interests of the Company and its Shareholders.

The Board considers that Stephen Lonie and Sophie Mitchell are independent Directors. Sophie is currently also a director of the Lead Manager and Underwriter. The Board considers that this is not sufficiently material to influence, or be perceived to influence, Sophie's capacity to bring an independent judgement to bear on issues before the Board. In the event that a conflict of duty arises, Directors must comply with the Corporations Act in relation to any meeting disclosure and voting requirements.

The Nomination Committee will assess the independence of each non-executive Director in light of interests disclosed by them at least annually at or around the time that the Nomination Committee considers candidates for election to the Board.

4.17 Board Charter and policy

The Board has adopted a Board Charter which formally recognises its responsibilities, functions, power and authority and composition. This charter sets out other things which are important for effective corporate governance including:

- (a) the roles and responsibilities of the Board (see Section 4.13);
- (b) the membership of the Board, including in relation to the Board's composition and size, and the process of appointment and re-election of Directors, the desirable skills and diversity of Directors, independence of Directors and conduct of individual Directors;
- (c) the role and responsibilities of the Chairman and Company Secretary;
- (d) the delegation of authority of the Board to the committees of the Board, the CEO and Managing Director and other Senior Management;
- (e) Board process, including how the Board meets;
- (f) Board administrative matters, including the induction of Directors, Directors' access to Company information, Directors' right to independent advice, trading of securities by Directors and managing conflicts of interest; and
- (g) the Board's performance evaluation processes, including in respect of its own performance, the performance of the Board committees, individual Directors and members of Senior Management.

The purpose of the charter is to institutionalise good corporate governance and to build a culture of best practice both in ATL's internal practices and its dealings with others.

4.18 Audit and Risk Committee

The Board has established an Audit and Risk Committee. The purpose of this committee is to advise on the establishment and maintenance of a framework of internal control and appropriate ethical standards for the management of ATL. Its members are Sophie Mitchell (chair) and Stephen Lonie.

The committee performs functions relevant to risk management and internal and external reporting and reports to the Board following each meeting. The committee's role is to:

- (a) oversee the adequacy of the Company's corporate reporting processes. The processes should be formal and rigorous to safeguard the integrity of the Company's corporate reporting and facilitate independent verification;
- (b) oversee the external auditor's role in the corporate reporting process and making recommendations to the Board regarding the external audit;
- (c) ensure that Senior Management carry out their risk management roles in light of guidance from the Board; and
- (d) make recommendations to the Board regarding risks the Company faces, action it should take, the adequacy of the Company's risk management framework, and on disclosure of risk.

Meetings of the committee are held at least four times each year. A broad agenda is laid down for each regular meeting according to an annual cycle.

The Company Secretary will be the secretary for the committee. The CEO and Managing Director and the CFO are expected to attend meetings as observers. The committee will invite the external auditor to attend each of its meetings.

Recommendation 4.1 states that an audit committee should have at least three members, all of whom are independent directors. Recommendation 7.1 states that a risk committee should have at least three members, a majority of whom are independent directors.

The Board considers that an Audit and Risk Committee comprising Stephen Lonie and Sophie Mitchell, both of whom are considered by the Board to be independent Directors, is sufficient having regard to the size and nature of the Company. The Board will monitor the needs of the Company and may in the future consider the appointment of additional members to the committee.

4.19 Remuneration Committee

The Board has established a Remuneration Committee. The purpose of this committee is to assist the Board and report to it on remuneration and related policies and practices (including remuneration of Senior Management and non-executive Directors). Its members are Stephen Lonie (chair) and Sophie Mitchell.

The committee's objectives are to ensure that:

- (a) the Company implements appropriate remuneration and retention strategies to enable it to execute the business strategy;
- (b) the Company's remuneration policies and practices:
 - (i) are fair and appropriate; and
 - (ii) are designed to attract, retain and motivate Directors, Senior Management and Personnel who will create value for Shareholders; and
- (c) the remuneration structure is fair and equitable and aligned with the long-term interests of the Company and its Shareholders and having regard to relevant the Company's policies.

Meetings are held at least three times each year.

Recommendation 8.1 states that a remuneration committee should have at least three members, a majority of whom are independent directors. The Board considers that the Remuneration Committee comprising Stephen Lonie and Sophie Mitchell, both of whom are considered by the Board to be independent Directors, is sufficient having regard to the size and nature of the Company. The Board will monitor the needs of the Company and may in the future consider the appointment of additional members to the committee.

4.20 Nomination Committee

The Board has established a Nomination Committee. The Nomination Committee assists the Board and makes recommendations to it about the appointment of new Directors (both executive and non-executive) and Senior Management. Its members are Sophie Mitchell (chair) and Stephen Lonie.

The Nomination Committee is responsible for advising the Board on:

- (a) Board succession planning generally;
 - (b) induction and continuing professional development programs for Directors;
 - (c) the development and implementation of a process for evaluating the performance of the Board, its committees and Directors;
 - (d) the process for recruiting a new Director, including evaluating the balance of skills, knowledge, experience, independence and diversity on the Board and, in the light of this evaluation, preparing a description of the role and capabilities required for a particular appointment;
 - (e) the appointment and re-election of Directors; and
 - (f) succession planning for the CEO and Managing Director and other members of Senior Management,
- with the objective of having a Board of a size and composition conducive to making appropriate decisions, with the benefit of a variety of perspectives and skills and in the best interests of the Company as a whole.

Meetings are held at least twice yearly.

Recommendation 2.1 states that a nomination committee should have at least three members, a majority of whom are independent directors. The Board considers that the Nomination Committee comprising Stephen Lonie and Sophie Mitchell, both of whom are considered by the Board to be independent Directors, is sufficient having regard to the size and nature of the Company. The Board will monitor the needs of the Company and may in the future consider the appointment of additional members to the committee.

4.21 Corporate governance policies

The Company is committed to achieving and maintaining the highest standards of conduct and has adopted the corporate governance policies set out in this section to achieve this objective. The Company's corporate governance policies are intended to institutionalise good corporate governance and build a culture of best practice both in the Company's own internal practices and in its dealings with others.

Code of Conduct

ATL is committed to achieving and maintaining the highest standards of conduct, both ethical and legal, and has adopted a Code of Conduct which sets out the standards of conduct expected of ATL's business and people (including the Board, Senior Management, Personnel, contractors, consultants and other persons that act on behalf of ATL) taking into account ATL's legal, ethical and other obligations to its stakeholders.

Securities Trading Policy

Pursuant to the Corporations Act and Listing Rules, the Board has adopted a Securities Trading Policy to regulate when and how Directors, Senior Management and certain other persons nominated by the Board may trade in securities of ATL (as well as their family members, nominee companies and family trusts). The purpose of such a policy is not only to minimise risk of insider trading but also to avoid the appearance of insider trading and the potentially significant reputational damage that may cause. Such restricted persons are prohibited from trading in ATL's securities outside prescribed trading windows (unless an exceptional circumstance applies), or if they have inside information, or are trading for short term or speculative gain. Inside information is information that is generally not available publicly and if it were generally available would likely have a material effect on price or value of the securities, or otherwise be likely to influence the trading decisions of persons that commonly invest in securities.

The periods currently designated as trading windows include the one month period beginning at the close of trading on the day after the dates on which:

- (a) the Company is admitted to the Official List;
- (b) the Company announces its half-yearly results to ASX;
- (c) the Company announces its full year results to ASX;
- (d) the Company holds its annual general meeting (assuming an update of the full year's results is given at the meeting); and
- (e) any additional periods determined by the Board from time to time.

Disclosure and Communication Policy

The Board has adopted a Disclosure and Communications Policy, which sets out procedures to be adopted by the Board to ensure ATL complies with its continuous disclosure obligations to keep the market fully informed of information which may have a material effect on the price or value of the Company's Shares and to correct any material mistake or information in the market.

The Board is responsible for determining whether information is such that it would have a material effect on the price or value of ATL's Shares. The policy provides a framework for the Board and officers of ATL to internally identify and report information which may need to be disclosed and sets out practical implementation processes in order to ensure any unidentified information is adequately communicated to ASX and Shareholders.

The policy also sets out the Board's commitment to communicate effectively with Shareholders and making it easy for Shareholders to participate in general meetings. Information will be communicated to Shareholders through the lodgement of reports required under the Corporations Act, on announcements via the ASX website and also on the Company's website at www.apollotourism.com.

Relevant market or media releases, the Company's financial data, shareholder communications, and its charters and policies will be available on the Company's website. The website also provides information to assist Shareholders in directing relevant inquiries to the Share Registry.

Diversity Policy

ATL is committed to complying with the diversity recommendations published by ASX and promoting diversity among employees, consultants and Senior Management, and has adopted a Diversity Policy. Diversity includes, but is not limited to, diversity of gender and gender identity, age, ethnicity, cultural background, marital or family status, religion and disability.

The Diversity Policy adopted by the Board outlines ATL's commitment to fostering a corporate culture that embraces diversity and provides a process for the Board to determine measurable objectives and procedures to implement and report against to achieve its diversity goals. The Board, in consultation with the Nomination Committee, will be responsible for implementing the Diversity Policy, setting the Company's measurable objectives and benchmarks for achieving diversity and reporting to the Board on compliance with the Diversity Policy. The Board will assess and report annually to Shareholders on ATL's progress towards achieving its diversity goals.

5

Financial information



5.1 Introduction

ATL has entered into a share purchase agreement to acquire a 100% interest in Apollo from the Founding Shareholder on completion of the Offer and immediately prior to Listing. This will be accounted for as a capital reorganisation, whereby ATL as the new head company will be inserted above the existing Apollo Motorhome Ultimate Holdings Pty Ltd. The consolidated accounts of ATL will therefore be a continuation of Apollo. See Section 4.5 for further information on the Restructure.

Apollo Motorhome Ultimate Holdings Pty Ltd [acquired the issued share capital of Apollo Motorhome Holidays LLC (**Apollo USA**) and Apollo Finance Pty Ltd (**Apollo Finance**) on 30 September 2016]. The historical financial information disclosed in this section has been prepared on a pro forma basis, assuming that the acquisition of these two entities occurred on 1 July 2013, being the commencement of the earliest period to which the Pro Forma Historical Financial Information relates.

The financial information contained in this section has been prepared for ATL and comprises:

- (a) pro forma historical financial information, being the:
 - (i) pro forma historical consolidated income statements for the years ended 30 June 2014 (FY14), 30 June 2015 (FY15) and 30 June 2016 (FY16) (**Pro Forma Historical Income Statements**);
 - (ii) pro forma historical consolidated cash flows for FY14, FY15 and FY16 (**Pro Forma Historical Cash Flows**); and
 - (iii) pro forma historical consolidated balance sheet as at 30 June 2016 (**Pro Forma Historical Balance Sheet**), (together, the **Pro Forma Historical Financial Information**),
- (b) statutory forecast financial information, being the:
 - (i) statutory forecast consolidated income statement for the year ending 30 June 2017 (FY17) (**Statutory Forecast Income Statement**); and
 - (ii) statutory forecast consolidated cash flow for FY17 (**Statutory Forecast Cash Flow**), (together, the **Statutory Forecast Financial Information**),
- (c) pro forma forecast financial information, being the:
 - (i) pro forma forecast consolidated income statement for FY17 (**Pro Forma Forecast Income Statement**); and
 - (ii) pro forma forecast consolidated cash flow for FY17 (**Pro Forma Forecast Cash Flow**), (together, the **Pro Forma Forecast Financial Information**).

The Pro Forma Forecast Financial Information and Statutory Forecast Financial Information are collectively, the **Forecast Financial Information**.

The Pro Forma Historical Financial Information and Forecast Financial Information are collectively, the **Financial Information**.

This section and Appendix A also summarises:

- (d) basis of preparation and presentation of the Financial Information (see Section 5.2);
- (e) a reconciliation of the Pro Forma Historical Income Statements and the audited historical income statements of Apollo Motorhome Ultimate Holdings Pty Ltd, Apollo USA and Apollo Finance for FY14, FY15 and FY16 (see Section 5.4);
- (f) management's discussion and analysis of the Pro Forma Historical Financial Information and Pro Forma Forecast Financial Information (see Section 5.13);
- (g) assumptions underlying the Forecast Financial Information (see Section 5.14);
- (h) key sensitivities in relation to the Pro Forma Forecast Financial Information (see Section 5.15);
- (i) ATL's proposed dividend policy (see Section 5.16); and
- (j) ATL's significant accounting policies (see Appendix A).

ATL operates on a financial year ending 30 June. All amounts disclosed in Section 5 are presented in Australian dollars unless otherwise noted and are rounded to the nearest \$1,000 under the option available to ATL in line with ASIC *Corporations Instrument 2016/191*. Rounding of the Financial Information may result in some discrepancies between the sum of components and the totals outlined within the tables and percentage calculations.

Information provided in this section should be read in conjunction with the sensitivity analysis outlined in Section 5.15, the risk factors outlined in Section 7 and the other information provided in this Prospectus.

5.2 Basis of preparation and presentation of the Financial Information

OVERVIEW

The Directors are responsible for the preparation and presentation of the Financial Information. The Financial Information in this Prospectus is intended to present potential investors with information to assist them in understanding the pro forma historical financial performance, pro forma historical cash flows and pro forma historical financial position of ATL, together with the forecast financial performance and cash flows of ATL for FY17.

The Statutory Forecast Financial Information has been prepared and presented in accordance with the recognition and measurement principles of the Australian Accounting Standards (AAS) issued by the Australian Accounting Standards Board (AASB) which are consistent with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board.

The Pro Forma Historical Financial Information and the Pro Forma Forecast Financial Information have been prepared in accordance with the recognition and measurement principles of the AAS other than that they include adjustments which have been prepared in a manner consistent with AAS that reflect: (a) the exclusion of certain transactions that occurred in the relevant periods; and (b) the impact of certain transactions as if they had occurred on or before 30 June 2016 for the Pro Forma Historical Financial Information or on or after 1 July 2016 for the Pro Forma Forecast Financial Information.

The significant accounting policies adopted in the preparation of the Financial Information are set out in Appendix A and should be read in conjunction with Note 2 of Apollo Motorhome Ultimate Holdings Pty Ltd's Annual Financial Statements for the year ended 30 June 2016 which were lodged with ASIC prior to the date of this Prospectus.

The Financial Information is presented in an abbreviated format and does not contain all of the presentation, comparative information and disclosures required by the AAS and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the Corporations Act.

The Financial Information presented in this Prospectus has been reviewed by Ernst & Young Transaction Advisory Services Limited in accordance with the Australian Standard on Assurance Engagements ASAE 3450 *Assurance Engagements involving Corporate Fund raisings and/or Prospective Financial Information* as stated in its Independent Limited Assurance Report set out in Section 6. Investors should note the scope and limitations of that report.

Preparation of Pro Forma Historical Financial Information

The Pro Forma Historical Financial Information has been prepared solely for the purpose of inclusion in this Prospectus. The Pro Forma Historical Income Statements and the Pro Forma Historical Cash Flows have been derived from the:

- general purpose consolidated financial statements of Apollo Motorhome Ultimate Holdings Pty Ltd for FY15 (in the case of FY14 from the comparative information in the FY15 general purpose financial statements) and FY16;
- special purpose financial statements of Apollo USA for FY14 and FY16 (in the case of FY15 from the comparative information in the FY16 special purpose financial statements), prepared in accordance with the recognition and measurement principles of the AAS; and
- special purpose financial statements of Apollo Finance for FY16 (in the case of FY14 and FY15 from the comparative information in the FY16 special purpose financial statements), prepared in accordance with the measurement principles of the AAS,

and adjusted for the effects of pro forma adjustments described in Section 5.1 of this Prospectus.

The historical financial information for these entities has been derived from the respective financial statements of each entity, as described previously, which were audited by Ernst & Young and on which unqualified audit opinions were issued.

Pro forma adjustments have been made to reflect ATL's operating and capital structure that will be in place following completion of the Offer, as set out in Section 9.

Reconciliations between the Pro Forma Historical Income Statements and the Pro Forma Historical Cash Flows of ATL and the audited historical income statements and cash flows of Apollo Motorhome Ultimate Holdings Pty Ltd, Apollo USA and Apollo Finance for FY14, FY15 and FY16 are set out in Sections 5.4 and 5.8, respectively.

The Pro Forma Historical Balance Sheet of ATL has been derived from the audited balance sheets of Apollo Motorhome Ultimate Holdings Pty Ltd, Apollo USA and Apollo Finance as at 30 June 2016, adjusted for ATL's operating and capital structure that will be in place following completion of the Offer as set out in Section 9. Sections 5.10 and 5.11 set out a reconciliation between the Pro Forma Historical Balance Sheet of ATL and the audited historical balance sheets of Apollo Motorhome Ultimate Holdings Pty Ltd, Apollo USA and Apollo Finance as at 30 June 2016.

Potential investors should note that past results are not indicative of future performance.

Due to its nature, the Pro Forma Historical Financial Information does not represent ATL's actual or prospective financial position, financial performance or cash flows.

Preparation of Forecast Financial Information

The Forecast Financial Information has been prepared by the Directors based on a number of assumptions, including the Directors' best estimate assumptions set out in Section 5.14. This information is intended to assist potential investors in assessing the reasonableness and likelihood of the assumptions occurring and is not intended to be a representation that the assumptions will occur. The Directors believe that they have prepared the Forecast Financial Information with due care and attention and consider all best estimate assumptions when taken as a whole, to be reasonable at the time of preparing this Prospectus. However, this information is not fact and potential investors are cautioned not to place undue reliance on the Forecast Financial Information.

The Statutory Forecast Financial Information represents the best estimate of the financial performance and cash flows that the Directors expect to report in ATL's general purpose financial statements for FY17.

The Statutory Forecast Financial Information is based on the Directors' best estimate forecasts for the period to 30 June 2017 and includes the forecast financial results of Apollo USA and Apollo Finance from 1 October 2016, following completion of the acquisition by Apollo Motorhome Ultimate Holdings Pty Ltd.

The Pro Forma Forecast Financial Information has been derived from the Statutory Forecast Financial Information, adjusted for the effects of pro forma adjustments described in Sections 5.5 and 5.7 of this Prospectus respectively.

The Pro Forma Forecast Financial Information reflects the full year impact of the operating and capital structure that will be in place upon completion of the Offer.

Due to its nature, the Pro Forma Forecast Financial Information does not represent ATL's actual or prospective financial performance or cash flows for FY17.

Potential investors should be aware that the timing of actual events and the magnitude of their impact might differ from that assumed in preparing the Forecast Financial Information and that this may have a material positive or negative effect on ATL's actual financial performance, cash flows or financial position. In addition, the assumptions upon which the Forecast Financial Information is based are by their very nature subject to significant uncertainties and contingencies, many of which will be outside the control of ATL, the Directors and management and are not reliably predictable. Accordingly neither ATL, nor its Directors or management, or any other person can give investors any assurance that the outcomes discussed in the Forecast Financial Information will arise. Events and outcomes might differ in amount and timing from the assumptions, with a material consequential impact on the Forecast Financial Information. Potential investors are advised to review the best estimate assumptions set out in Section 5.14, in conjunction with the sensitivity analysis set out in Section 5.15, the risk factors set out in Section 7 and other information set out in the Prospectus.

The Directors have no intention to update or revise the Forecast Financial Information or other forward looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus, except when required by law.

The basis of preparation and presentation of the Pro Forma Forecast Financial Information, to the extent relevant, is consistent with the basis of preparation of the Pro Forma Historical Financial Information.

Pro forma segment reporting

ATL includes the operating segments described in Section 5.6 of this Prospectus, being Australia, New Zealand, the USA, and Others and eliminations. The segment information contained in this Prospectus for FY14, FY15 and FY16 has been derived from the comparative segment note contained in the audited general purpose financial statements of Apollo Ultimate and the income statements contained within the audited special purpose financial statements of Apollo USA and Apollo Finance.

Explanation of certain non-IFRS measures

ATL uses certain measures to manage and report on its business that are not recognised under the AAS.

These measures are collectively referred to as "non-IFRS financial measures" under Regulatory Guide 230 "Disclosing non-IFRS financial information" published by ASIC. The principal non-IFRS financial measures that are referred to in this Prospectus are as follows:

- (a) **EBIT** is earnings before interest expense and tax;
- (b) **Working capital** is the sum of current assets (excluding cash and cash equivalents) plus non-current deferred income tax assets less the sum of current and non-current liabilities (excluding interest bearing loans and borrowings and related party payables); and
- (c) **Net total indebtedness** is the sum of total loans and borrowings less cash and cash equivalents.

Although the Directors believe these measures provide useful information about the financial performance of ATL, they should be considered as supplements to the measures that have been prepared in accordance with all requirements of the AAS and not as a replacement for them. Because these non-IFRS financial measures are not based on the AAS, they do not have standard definitions and the way that ATL calculates these measures may differ from similarly titled measures by other companies. Readers should therefore not place undue reliance on these non-IFRS financial measures.

5.3 Pro Forma Historical Income Statements, Pro Forma Forecast Income Statement and Statutory Forecast Income Statement

The following table shows the Pro Forma Historical Income Statements for FY14, FY15 and FY16 and the Pro Forma Forecast Income Statement and Statutory Forecast Income Statement for FY17.

TABLE 5.1:
PRO FORMA HISTORICAL, PRO FORMA FORECAST AND STATUTORY FORECAST INCOME STATEMENTS

A\$000	NOTES	PRO FORMA HISTORICAL			PRO FORMA FORECAST	STATUTORY FORECAST
		FY14PF	FY15PF	FY16PF	FY17PF	FY17SF
Sales of services	1	76,023	78,155	85,082	96,275	83,561
Sales of goods	2	31,282	61,904	68,414	84,070	83,998
Other revenue	3	1,927	1,849	2,341	2,652	2,819
Total revenue		109,232	141,908	155,837	182,997	170,378
Cost of goods sold	4	(29,724)	(57,959)	(62,019)	(75,566)	(75,520)
Motor Vehicle running expenses	5	(23,092)	(24,266)	(26,448)	(28,956)	(27,312)
Advertising, promotions and commissions expense		(2,536)	(1,951)	(2,939)	(2,839)	(2,761)
Employee benefits expense		(12,065)	(12,854)	(15,048)	(15,773)	(15,274)
Depreciation expense		(19,192)	(22,401)	(22,595)	(21,742)	(21,061)
Rental costs on land and buildings		(3,069)	(3,232)	(3,639)	(3,999)	(3,782)
Share of profits/(loss) in associates	6	193	(172)	891	600	350
Other expenses	7	(4,861)	(4,527)	(6,834)	(7,734)	(8,297)
Net profit before tax and finance costs		14,886	14,546	17,206	26,988	16,721
Finance costs	8	(9,584)	(9,621)	(9,480)	(9,258)	(8,780)
Net Profit before tax		5,302	4,925	7,726	17,730	7,941
Income tax (expense)/benefit		(1,709)	(1,250)	(1,555)	(5,363)	(1,729)
Net profit after tax	9	3,593	3,675	6,171	12,367	6,212

Notes:

1. Sales of services include revenues derived from RV rentals.
2. Sales of goods include sales of new RVs and ex-rental RVs.
3. Other revenue includes revenue items such as RV repairs and deferred gain from sale and leaseback transactions associated with Apollo manufactured RVs that remain in the Apollo rental fleet.
4. Cost of goods include the purchasing and manufacturing costs associated with new RVs and the carrying value of sales of ex-rental RVs.
5. Motor vehicle running expenses include expenses such as servicing, vehicle cleaning, accident repairs, insurance and registration.
6. Share of profit/(loss) in CanaDream, in which ATL owns a 20.22% interest. Pro forma and statutory forecast FY17 numbers are forecast by ATL based on CanaDream's FY16 reported financial results.
7. Other expenses include expense items such as audit, legal, travel, bank fees and general insurance.
8. Pro forma finance costs in FY14, FY15 and FY16 have not been adjusted to reflect the impact of the partial payment of Finance Facilities from the Offer proceeds.
9. Refer to Table 5.3 for a reconciliation of pro forma forecast net profit after tax (NPAT) and statutory forecast NPAT for FY17.

5.4 Pro forma adjustments to the audited historical income statements

The following table sets out a reconciliation between the Pro Forma Historical Income Statements and the audited historical income statements of Apollo Motorhome Ultimate Holdings Pty Ltd, Apollo USA and Apollo Finance for FY14, FY15 and FY16.

TABLE 5.2:
RECONCILIATION BETWEEN THE PRO FORMA HISTORICAL INCOME STATEMENTS AND THE AUDITED HISTORICAL INCOME STATEMENTS

AS\$000	APOLLO ULTIMATE FY14A ¹	APOLLO USA FY14A ²	APOLLO FINANCE FY14A	ELIM & OTHER FY14PF ^{3,4}	PRO FORMA FY14PF	APOLLO ULTIMATE FY15A ¹	APOLLO USA FY15A ²	APOLLO FINANCE FY15A	ELIM FY15PF ⁴	PRO FORMA FY15PF	APOLLO ULTIMATE FY16A ¹	APOLLO USA FY16A ²	APOLLO FINANCE FY16A	ELIM FY16PF ⁴	PRO FORMA FY16PF
Sale of services	64,854	12,233	-	(1,064)	76,023	64,996	13,159	-	-	78,155	69,087	15,995	-	-	85,082
Sale of goods	16,232	15,050	-	-	31,282	26,969	34,935	-	-	61,904	26,086	42,328	-	-	68,414
Other revenue	2,578	30	-	(681)	1,927	2,427	89	-	(667)	1,849	2,756	102	-	(517)	2,341
Total revenue	83,664	27,313	-	(1,745)	109,232	94,392	48,183	-	(667)	141,908	97,929	58,425	-	(517)	155,837
Cost of goods sold	(14,850)	(14,874)	-	-	(29,724)	(24,604)	(33,355)	-	-	(57,959)	(23,128)	(38,891)	-	-	(62,019)
Motor vehicle running expenses	(20,067)	(3,025)	-	-	(23,092)	(19,684)	(4,582)	-	-	(24,266)	(21,575)	(4,873)	-	-	(26,448)
Advertising, promotions and commissions paid	(2,399)	(137)	-	-	(2,536)	(1,777)	(174)	-	-	(1,951)	(2,578)	(361)	-	-	(2,939)
Employee benefits expense	(11,002)	(1,063)	-	-	(12,065)	(11,628)	(1,226)	-	-	(12,854)	(13,301)	(1,747)	-	-	(15,048)
Depreciation expense	(17,207)	(1,985)	-	-	(19,192)	(18,484)	(3,917)	-	-	(22,401)	(19,029)	(3,566)	-	-	(22,595)
Rental costs on land and buildings	(2,541)	(528)	-	-	(3,069)	(2,538)	(694)	-	-	(3,232)	(2,770)	(869)	-	-	(3,639)
Share of profit/(loss) in associates	193	-	-	-	193	(252)	-	80	-	(172)	788	-	103	-	891
Other expenses	(3,101)	(2,841)	17	1,064	(4,861)	(3,507)	(993)	(27)	-	(4,527)	(2,781)	(4,047)	(6)	-	(6,834)
Net profit before tax and finance costs	12,690	2,860	17	(681)	14,886	11,918	3,242	53	(667)	14,546	13,555	4,071	97	(517)	17,206
Finance costs	(8,213)	(2,052)	-	681	(9,584)	(7,788)	(2,500)	-	667	(9,621)	(7,291)	(2,706)	-	517	(9,480)
Net Profit before tax	4,477	808	17	-	5,302	4,130	742	53	-	4,925	6,264	1,365	97	-	7,726
Income tax (expense)/benefit	(1,704)	-	(5)	-	(1,709)	(1,250)	-	-	-	(1,250)	(1,430)	(1)	(124)	-	(1,555)
Net profit after tax	2,773	808	12	-	3,593	2,880	742	53	-	3,675	4,834	1,364	(27)	-	6,171

Notes:

- 1 In the above table Apollo Motorhome Ultimate Holdings Pty Ltd is abbreviated to Apollo Ultimate.
- 2 The presentation currency in Apollo USAs special purpose financial statements for FY14 and FY16 was in US dollars. For the purposes of the above reconciliation, these US dollar amounts have been converted to Australian dollars using an average exchange rate for each month.
- 3 A pro forma adjustment has been made to the FY14 income statement of Apollo USA to reflect a change in the presentation of certain line items (whereby certain costs have been netted off revenue), consistent with the accounting policies adopted in the preparation of the FY16 special purpose financial statements.
- 4 Represents adjustments that arise on consolidation of Apollo Motorhome Ultimate Holdings Pty Ltd, Apollo USA and Apollo Finance.

5.5 Pro forma adjustments to the Statutory Forecast Income Statement

The following table sets out a reconciliation of the statutory forecast NPAT to the pro forma forecast NPAT for FY17, as presented in Table 5.1:

TABLE 5.3:
RECONCILIATION OF PRO FORMA NPAT TO STATUTORY NPAT FOR FY17

A\$000	NOTES	FY17 FORECAST
Pro forma net profit after tax		12,367
Less: Net profit before tax for the period – Apollo USA	1	(7,151)
Less: Net profit before tax for the period – Apollo Finance	2	(250)
Less: Offer costs and acquisition costs	3	(2,037)
Add: Pre IPO public company costs	4	67
Less: net interest impact	5	(419)
Add: Income tax effect of items 1 to 5 above	6	3,635
Statutory net profit after tax		6,212

Notes:

- 1 Represents the pro forma forecast net profit before tax (**NPBT**) of Apollo USA for the 3 months to 30 September 2016, when Apollo USA was acquired by Apollo Motorhome Ultimate Holdings Pty Ltd. The pro forma FY17 forecast NPAT assumes that the acquisition of Apollo USA occurred on 1 July 2016.
- 2 Represents the pro forma forecast NPBT of Apollo Finance for the 3 months to 30 September 2016, when Apollo Finance was acquired by Apollo Motorhome Ultimate Holdings Pty Ltd. The pro forma FY17 forecast NPAT assumes that the acquisition of Apollo Finance occurred on 1 July 2016.
- 3 Represents the estimated Offer costs that are expensed in FY17 of \$1.872 million and acquisition costs relating to the acquisition of Apollo USA and Apollo Finance of \$0.165 million. Total Offer costs are estimated at \$3.015 million, of which \$1.872 million is expensed in FY17 and \$1.143 million is directly offset against issued capital.
- 4 Represents the full year impact of public company costs included in pro forma FY17 forecast NPAT.
- 5 \$12 million of the Offer proceeds is being used to repay a portion of the Finance Facilities. Interest expense represents the reduced net interest impact in the pro forma NPAT between 1 July 2016 and the forecast date of the Offer. The pro forma FY17 NPAT assumes the Offer, and associated reduction in the Finance Facilities, had occurred on 1 July 2016.
- 6 The income tax effect has been calculated using the relevant tax rates applied to each of the above adjustments.

5.6 Pro forma segment reporting

In accordance with Australian Accounting Standards AASB 8 *Operating Segments*, Apollo has determined that its reporting segments comprise Australia, New Zealand, the USA, and Others and eliminations. These segments are those in which the chief operating decision maker receives information for the purpose of resource allocation and assessment of segment performance. Apollo's primary reporting format is geographical segments as its growth and outlook, risks and rates of return are predominantly affected by having operations in different countries.

Given the manufacturing entities in each of Australia and New Zealand operate on a cost recovery basis in order to breakeven and manufacture only to order by the respective Australia and New Zealand operating entities, the Directors do not consider the manufacturing entities to be separate operating segments. Accordingly, the segments are Australia, New Zealand, the USA, and Others and eliminations. Each of these segments operates as follows:

- The Australian segment provides short term hire of RVs, manufactures replacement RVs for the rental fleet, manufactures and imports RVs for sale direct to the public and through a dealer network, and operates RV sales activities for the sale of new and ex-rental RVs direct to the public and through a dealer network.
- The New Zealand segment provides short term hire of RVs, manufactures replacement RVs for the rental fleet and operates RV sales activities for the sale of ex-rental RVs through a dealer network.
- The USA segment provides short term hire of RVs and operates RV sales activities for the sale of ex-rental RVs through a dealer network.
- Others and eliminations represents ATL's share of profit/(loss) in associates and eliminations that arise on consolidation.

Refer to Section 5.13 for management's discussion and analysis of the Pro Forma Historical Financial Information and Pro Forma Forecast Financial Information and Section 5.14 for the assumptions underlying the Forecast Financial Information.

The following table sets out Apollo's pro forma revenue and net profit before tax and finance costs by segment.

TABLE 5.4:
PRO FORMA TOTAL REVENUE AND NET PROFIT BEFORE TAX AND FINANCE COSTS BY SEGMENT

A\$000	FY14PF	FY15PF	FY16PF	FY17PF
Revenue				
AU	63,950	72,651	73,187	96,258
NZ	19,739	21,598	24,504	28,187
US	26,249	48,183	58,425	59,791
Others and eliminations	(706)	(524)	(279)	(1,239)
Total revenue	109,232	141,908	155,837	182,997
Profit before tax and finance				
AU	9,518	8,623	7,965	15,656
NZ	2,978	3,548	4,802	6,741
US	2,179	2,574	3,554	3,991
Others and eliminations	211	(199)	885	600
Profit before tax and finance costs	14,886	14,546	17,206	26,988
Finance Costs	(9,584)	(9,621)	(9,480)	(9,258)
Income tax (expense)/benefit	(1,709)	(1,250)	(1,555)	(5,363)
Profit/(loss) for the period	3,593	3,675	6,171	12,367
Costs of manufacture				
AU	(10,898)	(15,252)	(15,094)	(19,927)
NZ	(3,505)	(3,854)	(4,165)	(4,370)
US	–	–	–	–
Total costs of manufacture	(14,403)	(19,106)	(19,259)	(24,297)

5.7 Pro Forma Historical Cash Flows, Pro Forma Forecast Cash Flow and Statutory Forecast Cash Flow

The following table shows the Pro Forma Historical Cash Flows for FY14, FY15 and FY16 and the Pro Forma Forecast Cash Flow and Statutory Forecast Cash Flow for FY17.

TABLE 5.5:
PRO FORMA HISTORICAL CASH FLOWS, PRO FORMA FORECAST CASH FLOW AND STATUTORY FORECAST CASH FLOW

A\$000	NOTES	PRO FORMA HISTORICAL			PRO FORMA FORECAST	STATUTORY FORECAST
		FY14PF	FY15PF	FY16PF	FY17PF	FY17SF
Net profit/(loss) after tax		3,593	3,675	6,171	12,367	6,212
Non-cash items	1	18,624	19,556	17,152	17,954	17,534
Changes in working capital	2	2,792	(4,825)	3,728	525	(2,238)
Proceeds from sale of assets	3	25,238	48,514	55,836	60,297	60,214
Repayment of borrowings/ finance lease principal	4	(47,212)	(63,072)	(73,551)	(75,230)	(88,413)
Capital expenditure	5	(1,705)	(1,412)	(2,012)	(1,425)	(1,405)
Dividends paid	6	–	–	–	(725)	(725)
Related party borrowings	7	(569)	(581)	(2,433)	5,432	5,725
Proceeds from Offer (net of capitalised transaction costs)	8	–	–	–	–	48,857
Payment to Founding Shareholder	9	–	–	–	–	(30,000)
Cash from acquired entities	10	–	–	–	–	7,593
Net cash movement		761	1,855	4,891	19,195	23,354

Notes:

- 1 Represents non-cash items such as depreciation, accounting profit on sale of plant and equipment, share of profits from associates, unrealised foreign exchange gains/losses and non-cash consolidation entries.
- 2 Represents movements in the working capital balances over the period.
- 3 Represents total proceeds from sale of plant and equipment.
- 4 Represents principal payments made during the period and finance payouts.
- 5 Represents expenditure on plant and equipment during the period. RVs added to Apollo's fleet and financed through the Finance Facilities are not recorded as cash outflows for capital expenditure purposes.
- 6 Represents interim FY17 dividend payment forecast to be made to Shareholders.
- 7 Represents cash received from/repayment of borrowings by related parties during the periods.
- 8 Represents the proceeds from the Offer of \$50 million, net of capitalised transaction costs of \$1.143 million.
- 9 Represents the payment to the Founding Shareholder as part of the Restructure (to be paid out of the Offer proceeds).
- 10 Represents the forecast opening cash balances of Apollo USA and Apollo Finance upon acquisition by Apollo Motorhome Ultimate Holdings Pty Ltd as at 30 September 2016.

5.8 Pro forma adjustments to the historical cash flows

The following table sets out a reconciliation between the Pro Forma Historical Cash Flows and the historical actual cash flows of Apollo Motorhome Ultimate Holdings Pty Ltd, Apollo USA and Apollo Finance for FY14, FY15 and FY16.

TABLE 5.6:
RECONCILIATION BETWEEN THE PRO FORMA HISTORICAL CASH FLOWS AND THE HISTORICAL ACTUAL CASH FLOWS

A\$000	APOLLO ULTIMATE FY14A ¹	APOLLO USA FY14A ²	APOLLO FINANCE FY14A	PRO FORMA FY14PF	APOLLO ULTIMATE FY15A ¹	APOLLO USA FY15A ²	APOLLO FINANCE FY15A	PRO FORMA FY15PF	APOLLO ULTIMATE FY16A ¹	APOLLO USA FY16A ²	APOLLO FINANCE FY16A	PRO FORMA FY16PF
Net profit after tax	2,773	808	12	3,593	2,880	742	53	3,675	4,834	1,364	(27)	6,171
Non-cash items	16,613	2,010	1	18,624	18,327	1,309	(80)	19,556	17,182	73	(103)	17,152
Changes in working capital	2,464	322	6	2,792	(3,975)	(877)	27	(4,825)	1,757	1,847	124	3,728
Proceeds from sale of assets	10,188	15,050	-	25,238	13,579	34,935	-	48,514	13,508	42,328	-	55,836
Repayment of borrowings/finance lease principal	(31,048)	(16,164)	-	(47,212)	(27,250)	(35,822)	-	(63,072)	(33,141)	(40,410)	-	(73,551)
Capital expenditure	(1,546)	(159)	-	(1,705)	(1,246)	(166)	-	(1,412)	(2,121)	109	-	(2,012)
Dividends paid	-	-	-	-	-	-	-	-	-	-	-	-
Related party borrowings	(21)	(534)	(14)	(569)	1	(582)	-	(581)	229	(2,667)	5	(2,433)
Net cash movement	(577)	1,333	5	761	2,316	(461)	-	1,855	2,248	2,644	(1)	4,891

Note:

1 In the above table Apollo Motorhome Ultimate Holdings Pty Ltd is abbreviated to Apollo Ultimate.

2 The presentation currency in Apollo's USA special purpose financial statements for FY14 and FY16 was in US dollars. For the purposes of the above reconciliation, these US dollar amounts have been converted to Australian dollars using an average exchange rate for each month.

5.9 Pro Forma adjustments to the Statutory Forecast Cash Flow

The following table sets out a reconciliation of the pro forma net cash movement to the statutory forecast cash movement, as presented in Table 5.5.

TABLE 5.7:
RECONCILIATION OF PRO FORMA NET CASH MOVEMENT TO STATUTORY NET CASH MOVEMENT

A\$000	NOTES	FY17 FORECAST
Pro forma net cash movement		19,195
Less: pre financing cash flow for Apollo USA and Apollo Finance – July to Sept 2016	1	(6,719)
Add: cash from Apollo USA and Apollo Finance	2	7,593
Add: public company costs	3	67
Add: proceeds from Offer	4	50,000
Less: payment to Founding Shareholder	5	(30,000)
Less: additional repayment of Finance Facilities	6	(13,183)
Less: net cash interest impact	7	(419)
Less: Offer costs and acquisition costs	8	(3,180)
Statutory net cash movement		23,354

Notes:

1. Represents forecast pre financing cash flow for Apollo USA and Apollo Finance for the period 1 July 2016 to 30 September 2016, prior to the acquisition by Apollo Motorhome Ultimate Holdings Pty Ltd.
2. Represents the forecast cash balances of Apollo USA and Apollo Finance as at 30 September 2016, being the date of acquisition by Apollo Motorhome Ultimate Holdings Pty Ltd.
3. Represents the full year impact of public company costs included in the Pro Forma Forecast Cash Flow.
4. Cash proceeds from the Offer.
5. Represents the payment to the Founding Shareholder pursuant to the Restructure (to be paid out of the Offer proceeds).
6. \$12 million of the Offer proceeds is being used to repay a portion of the Finance Facilities. The Pro Forma Forecast Cash Flow assumes the Offer, and associated partial repayment of the Finance Facilities, had occurred on 30 June 2016. The variance between the \$13.183 million and the \$12 million repayment of the Finance Facilities represents the forecast movement in the Apollo USA Finance Facilities between 1 July 2016 and 30 September 2016, being the date of acquisition by Apollo Motorhome Ultimate Holdings Pty Ltd.
7. Represents the reduced net interest between 1 July 2016 and the forecast date of the Offer on the reduction in the Finance Facilities noted above.
8. Represents total costs of the Offer of \$3.015 million and acquisition costs relating to the acquisition of Apollo USA and Apollo Finance of \$0.165 million.

5.10 Pro Forma Historical Balance Sheet

The following table sets out the Pro Forma Historical Balance Sheet of ATL and represents the consolidated historical balance sheet of ATL as at 30 June 2016, adjusted to reflect the impact of the revised operating and capital structure that will be in place immediately following completion of the Offer, as if this structure was in place as at 30 June 2016.

The consolidated historical balance sheet of ATL as at 30 June 2016 represents the balance sheet of Apollo Motorhome Ultimate Holdings Pty Ltd as at 30 June 2016, adjusted to reflect the acquisition of Apollo USA and Apollo Finance that occurred on 30 September 2016, as if these acquisitions occurred on 30 June 2016.

The Pro Forma Historical Balance Sheet is provided for illustrative purposes only and is not represented as being necessarily indicative of ATL's actual or future financial position.

ATL is in a historical consolidated net current liability position as at 30 June 2016 (pre Offer) of \$75.7 million (current assets of \$34.5 million and current liabilities of \$110.2 million) as a result of liabilities due under finance lease and hire purchase contracts, and unearned income of \$10.5 million being classified as current liabilities. Due to the terms associated with certain finance facilities and, in accordance with AAS, these facilities are treated as current liabilities with the assets that are being financed included as non-current assets. Based on projected profits and cash flow forecasts ATL expects to be able to pay its creditors as and when they fall due for the next 12 months and does not believe that any asset is likely to be realised for an amount less than the amount at which it is recorded in the Pro Forma Historical Balance Sheet as at 30 June 2016. Accordingly, the Directors believe that ATL will generate sufficient cash flows from operations to finance its ongoing operations and meet its financial obligations. Following the Offer, ATL expects to be in a pro forma historical consolidated net current liability position of \$58.7 million as at 30 June 2016, as reflected in the Pro Forma Historical Balance Sheet. Accordingly, the Financial Information has been prepared on a going concern basis.

TABLE 5.8:
PRO FORMA HISTORICAL BALANCE SHEET

AS AT 30 JUNE 2016 A\$000	CONSOLIDATED HISTORICAL ¹	IMPACT OF OFFER, NET OF OFFER COSTS ²	PAYMENT TO FOUNDING SHAREHOLDER ³	FINANCE FACILITY REPAYMENT ⁴	PRO FORMA HISTORICAL ATL – POST OFFER
Current Assets					
Cash and cash equivalents	10,286	46,985	(30,000)	(12,000)	15,271
Trade and other receivables	1,277	–	–	–	1,277
Income tax receivable	333	–	–	–	333
Inventory	16,095	–	–	–	16,095
Prepayments and other current assets	6,536	–	–	–	6,536
Total Current Assets	34,527	46,985	(30,000)	(12,000)	39,512
Non-current Assets					
Deferred income tax asset	2,634	905	–	–	3,539
Property, Plant & Equipment	172,148	–	–	–	172,148
Related party receivables	5,546	–	–	–	5,546
Investment in CanaDream (associated entity)	3,403	–	–	–	3,403
Intangible Assets	87	–	–	–	87
Total Non-current Assets	183,818	905	–	–	184,723
TOTAL ASSETS	218,345	47,890	(30,000)	(12,000)	224,235
Current Liabilities					
Trade and other payables	11,328	–	–	–	11,328
Unearned income	10,537	–	–	–	10,537
Interest-bearing loans and borrowings – current	84,180	–	–	(12,000)	72,180
Income tax payable	1,202	–	–	–	1,202
Provisions – current	1,202	–	–	–	1,202
Other liabilities	1,751	–	–	–	1,751
Total Current Liabilities	110,200	–	–	(12,000)	98,200
Non-current Liabilities					
Unearned income	319	–	–	–	319
Interest-bearing loans and borrowings – non current	64,768	–	–	–	64,768
Deferred income tax liabilities	11,155	–	–	–	11,155
Provisions – non-current	159	–	–	–	159
Other liabilities	3,343	–	–	–	3,343
Total Non-current Liabilities	79,744	–	–	–	79,744
TOTAL LIABILITIES	189,944	–	–	(12,000)	177,944
NET ASSETS	28,401	47,890	(30,000)	–	46,291
Contributed equity	16,466	49,200	(30,000)	–	35,666
Retained earnings	30,938	(1,310)	–	–	29,628
Common Control Reserve	(19,634)	–	–	–	(19,634)
FCTR Reserve	631	–	–	–	631
TOTAL EQUITY	28,401	47,890	(30,000)	–	46,291

Notes:

- Consolidated historical – Section 5.11 sets out a reconciliation between the consolidated balance sheet of ATL and the audited historical balance sheets of Apollo Motorhome Ultimate Holdings Pty Ltd, Apollo USA and Apollo Finance as at 30 June 2016.
- Impact of Offer – reflects proceeds raised under the Offer of \$50 million after payment of the estimated Offer Costs of \$3.015 million. Cash proceeds of the Offer are based on the issue of 50 million Shares at an Offer Price of \$1.00 per Share.
A deferred tax asset of \$0.905 million has been raised as the Offer costs will be deductible for taxation purposes over five years.
Contributed equity has been adjusted for the value of the Offer of \$50 million, offset by the tax effected costs directly attributable to the issue of shares to shareholders other than the Founding Shareholder of \$0.8 million (\$1.143 million less \$0.343 million tax credit).
Retained earnings have been adjusted for the tax effected costs directly attributable to the Offer in relation to the Shares received by the Founding Shareholder of \$1.310 million (\$1.872 million less \$0.562 million tax credit).
- Payment to Founding Shareholder – represents the payment to the Founding Shareholder pursuant to the Restructure (to be paid out of the Offer proceeds).
- Finance Facility repayment – cash proceeds from the Offer of \$12 million will be used to repay a portion of the Finance Facilities.

5.11 Consolidated historical balance sheet

The following table sets out a reconciliation between the consolidated historical balance sheet of Apollo as at 30 June 2016 (as shown in Section 5.10) and the audited statutory historical balance sheet of Apollo Motorhome Ultimate Holdings Pty Ltd and the separate audited balance sheets of Apollo USA and Apollo Finance as at 30 June 2016.

TABLE 5.9:
RECONCILIATION BETWEEN CONSOLIDATED HISTORICAL BALANCE SHEET OF APOLLO AS AT 30 JUNE 2016 AND THE
AUDITED HISTORICAL BALANCE SHEETS AS AT 30 JUNE 2016

AS AT 30 JUNE 2016 A\$000	APOLLO ULTIMATE ¹	APOLLO USA ²	APOLLO FINANCE	ACQUISITION OF APOLLO USA	ACQUISITION OF APOLLO FINANCE	CONSOLID- ATION ELIMINATIONS	CONSOLIDATED HISTORICAL
Current Assets							
Cash and cash equivalents	5,535	4,747	4	–	–	–	10,286
Trade and other receivables	748	529	–	–	–	–	1,277
Income tax receivable	333	–	–	–	–	–	333
Inventory	16,034	61	–	–	–	–	16,095
Prepayments and other current assets	3,363	3,173	–	–	–	–	6,536
Total Current Assets	26,013	8,510	4	–	–	–	34,527
Non-current Assets							
Deferred income tax asset	2,634	–	–	–	–	–	2,634
Property, Plant & Equipment	129,625	42,523	–	–	–	–	172,148
Related party receivables	9,052	(2,965)	(559)	–	–	18	5,546
Investment in Subsidiaries	–	–	–	16,000	465	(16,465)	–
Investment in CanaDream (associated entity)	3,032	–	371	–	–	–	3,403
Intangible Assets	87	–	–	–	–	–	87
Total Non-current Assets	144,430	39,558	(188)	16,000	465	(16,447)	183,818
TOTAL ASSETS	170,443	48,068	(184)	16,000	465	(16,447)	218,345
Current Liabilities							
Trade and other payables	9,851	1,487	(10)	–	–	–	11,328
Unearned income	6,964	3,573	–	–	–	–	10,537
Interest-bearing loans and borrowings – current	42,282	41,898	–	–	–	–	84,180
Income tax payable	1,202	–	–	–	–	–	1,202
Provisions – current	1,165	37	–	–	–	–	1,202
Other liabilities	1,751	–	–	–	–	–	1,751
Total Current Liabilities	63,215	46,995	(10)	–	–	–	110,200
Non-current Liabilities							
Unearned income	319	–	–	–	–	–	319
Interest-bearing loans and borrowings – non current	60,699	4,069	–	–	–	–	64,768
Deferred income tax liabilities	11,155	–	–	–	–	–	11,155
Provisions – non-current	159	–	–	–	–	–	159
Other liabilities	3,343	–	–	–	–	–	3,343
Total Non-current Liabilities	75,675	4,069	–	–	–	–	79,744
TOTAL LIABILITIES	138,890	51,064	(10)	–	–	–	189,944
NET ASSETS	31,553	(2,996)	(174)	16,000	465	(16,447)	28,401
Contributed equity	1	1,617	1	16,000	465	(1,618)	16,466
Retained earnings	30,920	(4,024)	(175)	4,024	175	18	30,938
Common Control Reserve ³	–	–	–	(4,612)	(175)	(14,847)	(19,634)
FCTR Reserve	632	(589)	–	588	–	–	631
TOTAL EQUITY	31,553	(2,996)	(174)	16,000	465	(16,447)	28,401

Notes:

1 In the above table Apollo Motorhome Ultimate Holdings Pty Ltd is abbreviated to Apollo Ultimate.

2 The presentation currency in Apollo USA's special purpose financial statements for FY16 was in US dollars. For the purposes of the above reconciliation, these US dollar amounts have been converted to Australian dollars using a spot exchange rate as at 30 June 2016.

3 A common control reserve is created on the acquisition of Apollo USA and Apollo Finance and represents the difference under the Pooling of Interests method between the acquisition price and the book value of the assets and liabilities acquired.

5.12 Capitalisation and indebtedness

The following table sets out the indebtedness of ATL as at 30 June 2016 on a consolidated basis (adjusting for the acquisition of Apollo USA and Apollo Finance) and the pro forma effect of the Offer, as if these transactions had occurred on 30 June 2016.

TABLE 5.10:
PRO FORMA HISTORICAL INDEBTEDNESS AS AT 30 JUNE 2016

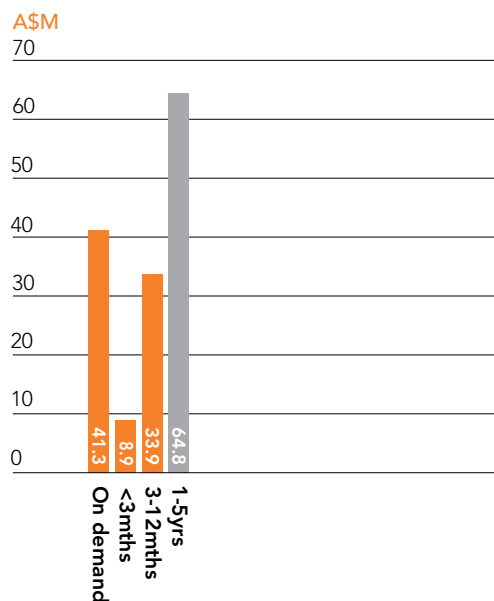
PRO FORMA HISTORICAL AS AT 30 JUNE 2016			
A\$000	NOTES	ATL CONSOLIDATED PRIOR TO COMPLETION OF THE OFFER	ATL FOLLOWING COMPLETION OF THE OFFER
Total interest bearing loans and borrowings	1	148,948	136,948
Cash and cash equivalents		10,286	15,271
Net total indebtedness		138,662	121,677

Notes:

1. In addition to the interest bearing loans and borrowings, ATL has operating lease commitments of \$0.702 million for motor vehicles and \$14.048 million for property and other miscellaneous assets as at 30 June 2016.

The following graph shows the maturity profile of ATL's interest bearing loans and borrowings as at 30 June 2016 and prior to completion of the Offer:

ATL maturity profile



Due to the terms associated with certain Finance Facilities, they do not meet the requirements of AAS to be classified as non-current and, as a result, are shown as on demand in the previous graph. ATL's principal sources of funds are cash flows from operations, borrowings under its credit facilities and equity raisings. ATL expects that it will finance ongoing operations (working capital) with operating cash flows and growth funding (obtained from a combination of debt and/or equity funding).

ATL's cash position as outlined in the Pro Forma Historical Balance Sheet (Section 5.10) and forecast cash movement (Section 5.7) are expected to provide sufficient liquidity to meet ATL's anticipated cash requirements for its growth plans in FY17.

ATL's ability to generate sufficient cash depends on its future performance which, to a certain extent, is subject to a number of factors beyond its control including general economic, financial and competitive conditions. Refer to the risk factors in Section 7.

CURRENT BANKING FACILITIES

RVs are largely funded through equipment finance. ATL has borrowing facilities in place with various banks and OEMs. As at 31 August 2016 these facilities had available but unused limits of \$37.2 million.

Refer to Section 8.5 for a summary of the existing Finance Facilities including limit and amount drawn.

5.13 Management's discussion and analysis of the Pro Forma Historical Financial Information and Pro Forma Forecast Financial Information

INTRODUCTION

This section includes a discussion of the key factors that affected ATL's operations and relative pro forma financial performance over FY14, FY15 and FY16, as well as an outline of the key factors underpinning the pro forma forecast financial performance in FY17.

Comments relating to the pro forma forecast financial performance in FY17 should be read in conjunction with the best estimate assumptions set out in Section 5.14.

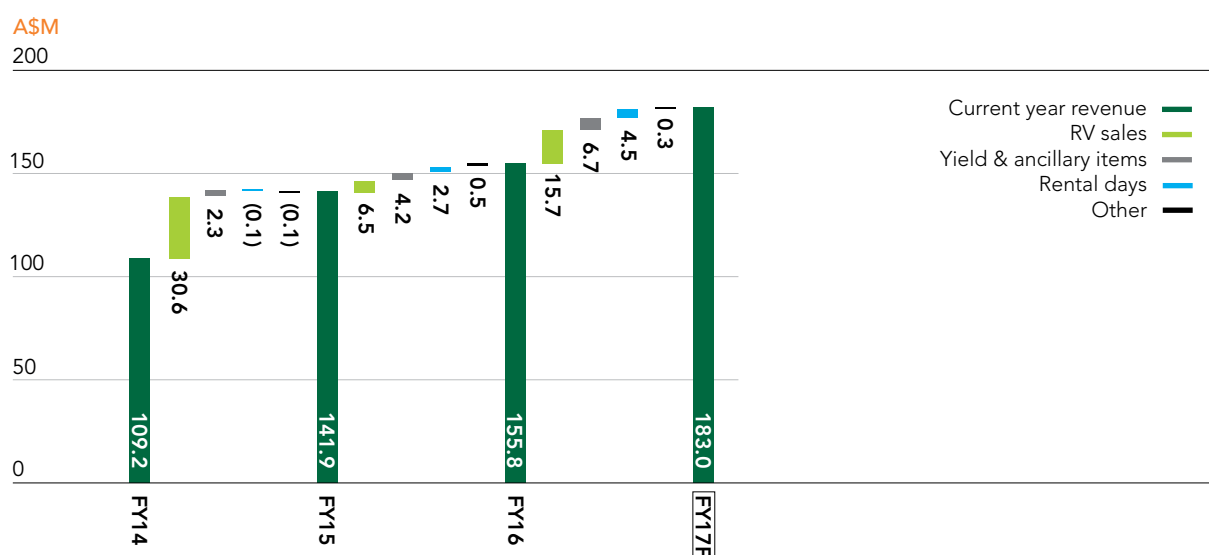
The discussion of the key factors is intended to provide a brief summary only and does not detail all of the factors that affected ATL's historical operating and financial performance, nor everything that may affect ATL's operations and financial performance in the future.

REVENUE

ATL derives its revenue from the rental and sale of RVs in Australia, New Zealand and the USA. Rental customers are generally overseas tourists complemented by a smaller number of domestic tourists. In Australia, the purchasers of RVs are predominantly middle to retirement aged customers who purchase new and ex-rental RVs through ATL's dedicated retail sales centres and third party RV dealers. In New Zealand and the USA, ATL's customers for the sale of ex-rental RVs are third party RV dealers and other rental companies.

The primary drivers of revenue are fleet size, days rented, ancillary revenue and daily rental revenue per RV (yield), and number of RVs sold.

The following graph shows the drivers of growth in ATL's pro forma historic and pro forma forecast revenue for the period FY14 – FY17.



ATL's revenue increased by 29.9% from FY14 to FY15, reflecting:

- an increase in new and ex-rental RV sales in Australia and ex-rental RV sales in the USA;
- growth in yield and ancillary revenue in Australia and New Zealand; and
- increased rental fleet and days rented in the USA.

ATL's revenue increased by 9.8% from FY15 to FY16, driven by:

- higher ex-rental and new RV sales in Australia and ex-rental RV sales in the USA and New Zealand;
- growth in days rented and yield in Australia and New Zealand;
- increase in days rented in the USA; and
- a change in rental mix by RV type.

ATL's revenue is forecast to increase by 17.4% from FY16 to FY17, driven by:

- higher new RV sales in Australia and ex-rental RV sales in the USA;
- growth in days rented and yield in Australia and New Zealand;
- increase in days rented in the USA; and
- a change in rental mix by RV type.

Refer to "specific assumptions" in this section for an explanation of the underlying assumptions for ATL's forecast revenue growth from FY16 to FY17.

Forward bookings are the best indicator of forecast rental revenue. As at 31 August 2016 total forward rental bookings were 58.5% of the FY17 forecast daily rental revenue, compared to 55.4% of FY16 daily rental revenues at the same time last year.

FOREIGN EXCHANGE

A significant proportion of ATL's revenue and assets are denominated in NZD and USD. The related foreign exchange risk is partly hedged naturally by expenses and liabilities denominated in the same currency. The resulting NPAT that flows through to ATL has been positively affected by the depreciation in the AUD against the USD and NZD from FY14 to FY16. As the value of cross border transactions that involve currency risk is small and irregular, ATL does not hedge its transactional foreign exchange exposure.

EXPENSES

The following table sets out a summary of the pro forma historic and forecast expense ratios for the period FY14 – FY17.

TABLE 5.11:
PRO FORMA HISTORIC AND FORECAST EXPENSE RATIOS

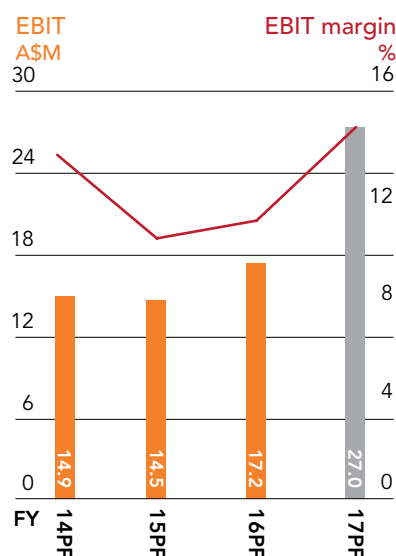
	NOTES	FY14PF	FY15PF	FY16PF	FY17PF
Costs as a % of total revenue					
Employment	1	11.0	9.1	9.7	8.6
Other	2	9.6	6.8	8.6	8.0
Costs as a % of sale of services revenue					
Motor vehicle running costs plus depreciation	3	55.6	59.7	57.6	52.7
Costs as a % of sale of goods revenue					
Cost of vehicle sales	4	95.0	93.6	90.7	89.9

Notes:

- 1 The reduction in (employment expenses) as a percentage of total revenue from FY14 to FY15 is mainly due to the revenue growth between these two financial years. The forecast decrease from FY16 to FY17 is due to revenue increasing faster than employment expenses.
- 2 Other expenses include occupancy costs, sales and marketing, travel, professional fees, etc. The small increase from FY15 to FY16 is mainly represented by consulting fees and Offer costs. The forecast decrease from FY16 to FY17 is due to the fixed nature of a proportion of other expenses.
- 3 Motor vehicle running costs/depreciation include all cost associated with keeping the RVs available to rent such as servicing, cleaning, accident repairs, insurance, registration and depreciation. The forecast decrease in these costs as a percentage of revenue over FY15 to FY17 reflects revenue increasing at a faster rate than costs (primarily driven by an increase in daily rental rate). FY15 increased relative to FY14 reflecting an increase in depreciation, which was primarily due to a higher number of RVs in the rental fleet.
- 4 Cost of vehicle sales is the written down value of the ex-rental RVs and cost of new RVs. The decrease in cost of vehicle sales as a percentage of sale of goods revenue is due to the growth of new RV sales as a percentage of total sales. New RVs generally have a higher margin than ex-rental RVs.

EBIT

The following graph summarises the pro forma historic and forecast EBIT and EBIT margins.



ATL's business model in the USA changed from a multiple year rotation to a dynamic fleet model that sells the majority of its RV rental fleet each year, to address seasonality and take advantage of a large ex-rental RV market. The reduction in EBIT margin from FY14 to FY15 was caused by the first full scale financial year of the dynamic fleet business model in the USA (with lower margins on ex-rental RV sales relative to margins achieved on the balance of ATL's business) and the start of new RV sales in Australia which experienced lower margins during the start-up phase.

INTEREST

ATL's Finance Facilities generally have fixed rates for the term of the individual RV contract, typically 3 to 5 years across the ATL fleet. As market interest rates have fallen over the period FY14 to FY16, ATL's average interest cost per RV has reduced accordingly.

LEASE ACCOUNTING

AASB 16 Leases was issued in February 2016. The standard introduces a single lessee accounting model and requires lessees to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. The standard removes the clarification of leases as either operating or finance leases for the lessee and effectively treats all leases as finance leases. There are also changes in the accounting over the life of the lease. AASB 16 substantially carries forward the lessor accounting requirements in AASB 117. Accordingly, lessor accounting will remain similar to current practice. The new standard will be effective for annual periods beginning on or after 1 January 2019. Early application is permitted, provided the new revenue standard, AASB 15 Revenue from Contracts with Customers has been applied, or is applied at the same date as AASB 16. ATL has not yet assessed how it will be affected by the new standard and has not yet decided when to adopt it.

Cash flows

The major drivers for ATL's cash flows are cash operating profitability, seasonal impact of rental operations, RV production and imports, dividend policy and the accelerated rate of Finance Facilities repayment relative to the economic life of the rental fleet.

A large portion of rental sales are paid in advance of travel and so debtor balances are relatively small in relation to the income received.

Inventory includes new and ex-rental RVs held for sale, as well as parts stocks for the manufacturing and rental operations. In Australia, ATL sells new and ex-rental RVs direct to the public and has expanded its retail sales operations in Sydney and Melbourne in FY17. RV inventory has increased as ATL moves to a retail sales model in Australia, however, stock cycle rates, focused inventory management and supplier payment terms reduce the impact on cash flow.

Working capital increased in FY15 by \$4.8 million due to increased inventory in line with new RV sales and prepayment of hire purchase liabilities in the USA. In FY16 working capital decreased by \$3.7 million due to an increase in unearned revenue in the USA (money received for rentals in future months), a reduction in the hire purchase prepayment in the USA, an increase in tax liabilities in Australia and an increase in general provisions in Australia. Working capital is forecast to be lower by \$0.5 million in FY17 due to an increase in the income tax payable in line with forecast growth in NPAT.

Capital expenditure relates to purchases of general plant and equipment and leasehold improvements. Additions to ATL's RV fleet that are financed through the Finance Facilities are not recorded as cash outflows for capital expenditure purposes. These amounts are accounted for in the net cash from borrowings line in Table 5.5. Over the period FY14 to FY16 capital expenditure has ranged between \$1.4 million and \$2.0 million, and is forecast to stay within that range for FY17.

Balance sheet

Inventory

Inventory as at 30 June 2016 of \$16.1 million comprises of new and ex-rental RVs held for sale, work in progress for the manufacture of new RVs and parts.

Property, plant and equipment

Property, plant and equipment as at 30 June 2016 of \$172.1 million is comprised of the rental fleet of \$165.5 million and general plant and equipment of \$6.6 million.

Intangible assets

Intangible assets as at 30 June 2016 comprise business name and trade mark costs of \$0.1 million.

Liquidity and capital resources

ATL has no working capital facility. As at 31 August 2016, ATL's Finance Facilities had total limits of \$183.9 million and were drawn to \$146.7 million, with \$37.2 million of available but unused limits under the Finance Facilities.

5.14 Assumptions underlying the Forecast Financial Information Introduction

INTRODUCTION

The assumptions set out in the following section should be read in conjunction with the sensitivity analysis set out in Section 5.15, the risk factors set out in Section 7 and the Independent Limited Assurance Report on the Forecast Financial Information set out in Section 6. A reconciliation of the pro forma forecast NPAT to the statutory forecast NPAT is set out in Section 5.5.

GENERAL ASSUMPTIONS

In preparing the Forecast Financial information, the following general, best estimate, assumptions have been adopted by the Directors:

- (a) no material change in the competitive operating environment in which ATL operates;
- (b) no significant deviation from current market expectations of general economic and business conditions including inbound tourist arrivals, levels of inflation, employment, exchange rates and interest rates relevant to the Australian, New Zealand, Canadian and the USA economies and retail industry in these geographies during FY17;
- (c) no material changes in the national, state or local government legislation, tax legislation, regulatory legislation, regulatory requirements or government policy in Australia, New Zealand, Canada and the USA that will have a material impact on the financial performance, cash flows, financial position, accounting policies, financial reporting or disclosure of ATL in FY17;
- (d) no material changes in applicable AAS, other mandatory professional reporting requirements or the Corporations Act which have a material effect on ATL's financial performance, cash flows, financial position, accounting policies, financial reporting or disclosure;
- (e) no material contingent liabilities or legal claims will arise or be settled to the detriment of ATL;
- (f) no material changes in key personnel;

- (g) no material cash flow, income statement or financial position impact in relation to litigation or dispute;
- (h) no material acquisitions or disposals of businesses, other than as disclosed in this Prospectus;
- (i) no material changes to ATL's corporate and funding structure other than as set out in, or contemplated by, this Prospectus;
- (j) no material disruptions to the continuity of operations of ATL nor other material changes in its business;
- (k) no material amendment to any agreement or arrangement relating to ATL's business other than as set out in, or contemplated by, this Prospectus;
- (l) none of the risks in Section 7 eventuate, or if they do, none of them has a material adverse impact on the operations of ATL;
- (m) the Offer proceeds are received in accordance with the timetable and terms outlined in this Prospectus; and
- (n) no material changes to ATL's cost of vehicles, including imports.

SPECIFIC ASSUMPTIONS

The Pro Forma Forecast Income Statement has been prepared taking into consideration the performance of ATL in FY14, FY15 and FY16 (on a pro forma basis) along with growth assumptions based on current forward rental bookings, RV sales trends and opportunity pipelines, historical and industry performance metrics and overall industry growth forecasts.

The specific, best estimate assumptions adopted by the Directors in preparing the Forecast Financial Information are described in the following sections.

Revenue

Revenue has been forecast, based on:

- forecast demand for RV rental and RV sales in the geographies in which ATL operates, including general industry growth projections (refer to Section 2), macroeconomic factors, seasonality trends and specific growth factors that are applicable to ATL;
- based on forward bookings and rental demand drivers, the yield that ATL expects to achieve for each of its RV types and the rental days from its rental fleet; and
- based on the above growth factors, the number of RVs ATL expects to sell (by type) and the sale price it expects to realise for each of these units, taking into account the overall market, price points of other RVs in this market, manufacturing and material costs, current price lists and planned promotional and marketing activities;

ATL's pro forma revenue is forecast to grow by 17.4% from FY16 to FY17, based on the following key underlying assumptions:

Rental revenue

Pro forma rental revenue is forecast to increase by 13.2% from \$85.1 million in FY16 to \$96.3 million in FY17, which compares to 8.9% rental revenue growth achieved in FY16. Key drivers for the pro forma forecast rental revenue include:

- a projected increase in yield and days rented, complemented by a relatively small growth in the rental fleet;
- a change in the rental fleet mix towards higher yielding RVs; and
- further growth in ancillary rental income

RV sales

Pro forma RV sales revenue is forecast to increase by 22.9% from \$68.4 million in FY16 to \$84.1 million in FY17, which compares to 10.5% RV sales revenue growth achieved in FY16. The key driver of this pro forma forecast revenue growth is sales of new RVs.

ATL forecasts an increase in sales of new RV units in Australia, leveraging its exclusive Winnebago and Adria relationships and new retail centres. It also expects to benefit from increased participation at Australian trade shows and exhibitions.

Expenses

Total pro forma expenses (excluding depreciation and share of profits in associates) are forecast to increase by 15.3% in FY17. This represents 73.7% of total pro forma forecast revenue in FY17, compared to 75.0% of total revenue in FY16. The key reasons for the forecast decrease in expenses as a percentage of revenue include the partly fixed nature of certain expenses such as rent and employee expenses, and the forecast increase in yield.

The underlying assumptions for ATL's costs and expenses are summarised below.

- Cost of goods sold includes the purchasing and manufacturing costs associated with new RVs and the carrying value of sales of ex-rental RVs. Cost of goods sold is forecast to increase by 21.8% in FY17. This represents 89.9% of forecast FY17 sales of goods, which compares to 90.7% of sales of goods in FY16. The cost of goods forecast is based on the number of units sold, the projected mix of units sold, historical purchasing or manufacturing and assembly costs for these units.
- Motor vehicle running expenses are forecast to increase by 9.5% in FY17, which represents 30.1% of forecast FY17 rental revenue, compared to 31.1% of rental revenue in FY16. The running expenses are not expected to increase at the same rate as rental revenue due to the forecast increased yield (no cost impact) and increase in rental days per RV, which does not impact certain RV running expenses such as insurance and registration. Forecast motor vehicle running expenses are based on the rental fleet size and the historical level of expense items such as servicing, cleaning, repairs, insurance and registration.
- Employee benefits expenses are forecast to increase by 4.8% in FY17, taking into consideration:
 - a forecast average increase of 2% in salaries for employees under individual employment agreements or applicable awards and hourly rates for casual or contractual staff; and
 - forecast additional employees required to handle the forecast increased rental and sales activity including the new RV retail centres.
- Rental costs on land and buildings are forecast to increase by 9.9% in FY17, based on:
 - increase in rent as per current lease agreements; and
 - planned opening of new rental and sales locations.
- Other expenses, such as advertising and promotions, bank fees, travel and general insurance, are forecast to increase by 8.2% in FY17. They are determined by reference to amounts spent in prior years, any changes of cost bases or activity levels and the expected impact of inflation.

Interest

Interest rates on existing Finance Facility draw downs are generally fixed. Interest rates on new draw downs have been forecast for FY17 at rates currently available to ATL.

Foreign currency

The following table below sets out the exchange rate assumptions adopted in the FY17 pro forma forecast:

TABLE 5.12:
EXCHANGE RATES ASSUMED IN FY17

FX RATE	FY17
AUD/USD	0.76
AUD/NZD	1.05

Capital expenditure and depreciation

In accordance with AASB116, Property, Plant and Equipment, depreciation rates are set such that, at the end of an asset's useful life, its written down value approximates its forecast market value. There are no material changes in depreciation policy assumed in FY17.

Capital expenditure relates to purchases of general plant and equipment and leasehold improvements. Additions to ATL's RV fleet that are financed through the Finance Facilities are not recorded as cash outflows for capital expenditure purposes. Capital expenditure is forecast to decrease from \$2.1 million in FY16 to \$1.4 million FY17 reflecting fewer branch upgrades.

Rental RVs are depreciated over a period of 5 to 13 years. Other assets are depreciated over their useful life, typically between 3 and 10 years. Leasehold improvements are depreciated over the term of their lease, including any renewal options.

Working capital

Revenue generated from RV rentals and sales over FY17 is assumed to be received predominantly in advance, in accordance with customer collection patterns observed over FY14, FY15 and FY16.

The retail expansion in Sydney and Melbourne in FY17 is forecast to result in an increase in inventory in FY17 as ATL stocks each of these outlets.

Creditors are assumed to be paid within acceptable payment terms in FY17, in accordance with trends observed in FY14, FY15 and FY16.

Seasonality

In Australia, peak rental periods in the North and West differ to peak rental periods on the East Coast. Accordingly, rental revenue streams are strong year round with an uplift in December-January and a slower May-June.

In New Zealand, the season starts in October and ends in April with peak sales between November and February and lower sales levels between May and September.

In the USA, the season starts in May and ends in October with peak sales between July and September and lower sales levels between November and April.

The USA season is the opposite of Australia and New Zealand which provides ATL with relatively stable rental sales throughout the year. This will further improve with the planned expansion on the East Coast of the USA.

Taking all of these factors into account, on a consolidated basis, ATL's pro forma net profit is skewed towards the first half of each financial year.

5.15 Sensitivity Analysis

The Pro Forma Forecast Financial Information included in Section 5.1 is based on a number of estimates and assumptions as described in Section 5.14. These estimates and assumptions are subject to business, economic and competitive uncertainties and contingencies, many of which are beyond the control of ATL, the Directors and management.

A summary of the possible impact of movements in certain key assumptions on the Pro Forma Forecast Financial Information is set out below. However, it should be noted that the disclosed changes in the key assumptions are not intended to be indicative of the complete range of variations that may occur. Variations in actual performance could exceed the ranges shown.

Care should be taken in interpreting these sensitivities as they consider movements on an isolated basis, whereas in reality the effects of movements may be offset or compounded by movements in other variables. Furthermore, in the normal course of business, management would be expected to respond to any adverse changes in these key variables to minimise the net effect on financial performance.

For the purposes of this analysis, each sensitivity is presented in terms of the impact on the forecast pro forma NPAT for FY17, as set out in the following table.

TABLE 5.13:
SENSITIVITY ANALYSIS ON PRO FORMA FORECAST FINANCIAL INFORMATION

SENSITIVITY – PRO FORMA FY17	NOTES	INCREASE/DECREASE IN NPAT A\$'000
Rental revenue: +/- 1.0%	1	540
New vehicle sales units: +/- 10%	2	293
Change in exchange rate: +/-10%	3	760
Change in Finance Facilities interest rate: +/-10%	4	519

Notes:

- 1 The rental revenue sensitivity is based on 0.5% change in yield and 0.5% change in total hire days across ATL's FY17 fleet, giving a total rental revenue sensitivity of 1%.
- 2 The new RV sales revenue sensitivity is based on a 10% change in new RV sales units.
- 3 The exchange rate sensitivity is based on 10% change in the AUD/NZD and AUD/USD exchange rates, applied to the forecast earnings of ATL's USA and New Zealand operations. It does not include any changes to the revenue or costs associated with new RV sales or any impact on the number of inbound tourists and associated RV rental income.
- 4 The Finance Facilities sensitivity is based on 10% change on the interest rate charged on the portion of Finance Facilities that do not have a fixed interest rate.

5.16 Dividend Policy

The ongoing dividend policy of ATL is to:

- (a) to distribute regular, half yearly dividend payments to Shareholders, subject to available profits or capital, legal requirements, the level of borrowings and working capital; and
- (b) frank dividends to the greatest extent possible, expected to be fully franked for the interim dividend in FY17.

The payment of dividends by ATL will be at the discretion of the Directors. No guarantee can be given by the Directors or ATL about the payment of dividends, the level of franking of such dividends or the extent of the payout ratios for any period. These matters will depend upon the future profits of ATL, its financial and taxation position as well as general business and financial conditions and any other factors the Directors may consider relevant.

Subject to these considerations, the dividend policy of ATL after FY17 will be to distribute between 45% and 55% of reported NPAT in the form of dividends, subject to such alteration as the Directors consider to be in the best interests of ATL from time to time and legal requirements. An interim dividend (if any) is expected to be paid annually in April, and a final dividend (if any) paid annually in October each year.

6

Independent Limited Assurance Report



6 October 2016

The Board of Directors
Apollo Tourism & Leisure Ltd
698 Nudgee Road
Northgate QLD 4013

Dear Directors

PART 1 – INDEPENDENT LIMITED ASSURANCE REPORT ON PRO FORMA HISTORICAL FINANCIAL INFORMATION, STATUTORY FORECAST FINANCIAL INFORMATION AND PRO FORMA FORECAST FINANCIAL INFORMATION

1. Introduction

We have been engaged by Apollo Tourism & Leisure Ltd (“ATL”) to report on the pro forma historical financial information, statutory forecast financial information and pro forma forecast financial information for inclusion in the prospectus (“Prospectus”) to be dated on or about 6 October 2016, and to be issued by ATL, in respect of an offer of 50 million fully paid ordinary shares in ATL at an offer price of \$1.00 per share (the “Offer”).

Expressions and terms defined in the Prospectus have the same meaning in this report.

The nature of this report is such that it can only be issued by an entity which holds an Australian Financial Services Licence under the Corporations Act 2001. Ernst & Young Transaction Advisory Services Limited (“Ernst & Young Transaction Advisory Services”) holds an appropriate Australian Financial Services Licence (AFS Licence Number 240585). Chris Parkes is a Director and Representative of Ernst & Young Transaction Advisory Services. We have included our Financial Services Guide as Part 2 of this report.

2. Scope

Pro Forma Historical Financial Information

You have requested Ernst & Young Transaction Advisory Services to review the following pro forma historical financial information of ATL:

- ▶ the pro forma historical consolidated income statements for the years ended 30 June 2014 (“FY14”), 30 June 2015 (“FY15”) and 30 June 2016 (“FY16”) as set out in Table 5.1 in Section 5.3 of the Prospectus;
- ▶ the pro forma historical consolidated cash flows for FY14, FY15 and FY16 as set out in Table 5.5 in Section 5.7 of the Prospectus; and
- ▶ the pro forma historical consolidated balance sheet as at 30 June 2016 as set out in Table 5.8 in Section 5.10 of the Prospectus.

(Hereafter the “Pro Forma Historical Financial Information”).

The Pro Forma Historical Financial Information has been derived from the historical financial information of Apollo Motorhome Ultimate Holdings Pty Ltd, Apollo Motorhome Holidays LLC and Apollo Finance Pty Ltd, and adjusted for the effects of pro forma adjustments described in Table 5.2, Table 5.6 and Table 5.8 of the Prospectus.

The historical financial information for Apollo Motorhome Ultimate Holdings Pty Ltd has been derived from its general purpose financial statements for FY15 and FY16 and in the case of FY14 from the comparative information in the FY15 general purpose financial statements. The historical financial information for Apollo Motorhome Holidays LLC has been derived from its special purpose financial statements for FY14 and FY16 and in the case of FY15 from the comparative information in the FY16 special purpose financial statements. The historical financial information for Apollo Finance Pty Ltd has been derived from its special purpose financial statements for FY16 and in the case of FY14 and FY15 from the comparative information in the FY16 special purpose financial statements. These financial statements were audited by Ernst & Young and on which unqualified audit opinions were issued.

The Pro Forma Historical Financial Information has been prepared in accordance with the recognition and measurement principles of Australian Accounting Standards (“AAS”), other than that it includes adjustments which have been prepared in a manner consistent with AAS that reflect the impact of certain transactions as if they had occurred on or before 30 June 2016.

Due to its nature, the Pro Forma Historical Financial Information does not represent ATL’s actual or prospective financial position, financial performance or cash flows.

Statutory Forecast Financial Information

You have requested Ernst & Young Transaction Advisory Services to review the following statutory forecast financial information of ATL:

- ▶ statutory forecast consolidated income statement for the year ending 30 June 2017 (“FY17”) as set out in Table 5.1 in Section 5.3 of the Prospectus; and
- ▶ statutory forecast consolidated cash flow for FY17 as set out in Table 5.5 in Section 5.7 of the Prospectus.

(Hereafter the “Statutory Forecast Financial Information”).

The Directors’ best-estimate assumptions underlying the Forecast Financial Information are described in Section 5.14 of the Prospectus.

The stated basis of preparation used in the preparation of the Statutory Forecast Financial Information is in accordance with the recognition and measurement principles of AAS issued by the Australian Accounting Standards Board, which are consistent with International Financial Reporting Standards issued by the International Accounting Standards Board.

Pro Forma Forecast Financial Information

You have requested Ernst & Young Transaction Advisory Services to review the following pro forma forecast financial information of ATL:

- ▶ pro forma forecast consolidated income statement for FY17 as set out in Table 5.1 in Section 5.3 of the Prospectus; and
- ▶ pro forma forecast consolidated cash flow for FY17 as set out in Table 5.5 in Section 5.7 of the Prospectus.

(Hereafter the “Pro Forma Forecast Financial Information”).

(the Pro Forma Historical Financial Information, the Statutory Forecast Financial Information and the Pro Forma Forecast Financial Information are collectively referred to as, the “Financial Information”).

The Pro Forma Forecast Financial Information has been derived from ATL’s Statutory Forecast Financial Information, after adjusting for the effects of the pro forma adjustments described in Table 5.3 and Table 5.7 of the Prospectus.

The Pro Forma Forecast Financial Information has been prepared in accordance with the recognition and measurement principles of AAS, other than that it includes certain adjustments which have been prepared in a manner consistent with AAS, that reflect (i) the exclusion of certain transactions that occurred in the relevant period, and (ii) the impact of certain transactions as if they had occurred on or after 1 July 2016.

Due to its nature, the Pro Forma Forecast Financial Information does not represent ATL’s actual or prospective financial performance or cash flows for FY17.

The Financial Information is presented in the Prospectus in an abbreviated form, insofar as it does not include all of the presentation and disclosures required by AAS and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the *Corporations Act 2001*.

3. Directors’ Responsibility

Pro Forma Historical Financial Information

The Directors of ATL are responsible for the preparation and presentation of the Pro Forma Historical Financial Information, including the basis of preparation, selection and determination of pro forma adjustments made to the historical financial information and included in the Pro Forma Historical Financial Information. This includes responsibility for such internal controls as the Directors determine are necessary to enable the preparation of Pro Forma Historical Financial Information that are free from material misstatement, whether due to fraud or error.

Statutory Forecast Financial Information and Pro Forma Forecast Financial Information

The Directors of ATL are responsible for the preparation and presentation of the Statutory Forecast Financial Information for FY17, including the basis of preparation, the best-estimate assumptions underlying the Statutory Forecast Financial Information. They are also responsible for the preparation and presentation of the Pro Forma Forecast Financial Information for FY17, including the basis of preparation, selection and determination of the pro forma adjustments made to the Statutory Forecast Financial Information and included in the Pro Forma Forecast Financial Information. This includes responsibility for such internal controls as the Directors determine are necessary to enable the preparation of Statutory Forecast Financial Information and Pro Forma Forecast Financial Information that is free from material misstatement, whether due to fraud or error.

4. Our Responsibility

Pro Forma Historical Financial Information

Our responsibility is to express a limited assurance conclusion on the Pro Forma Historical Financial Information based on the procedures performed and the evidence we have obtained.

Statutory Forecast Financial Information and Pro Forma Forecast Financial Information

Our responsibility is to express a limited assurance conclusion on the Statutory Forecast Financial Information and Pro Forma Forecast Financial Information, the best-estimate assumptions underlying the Statutory Forecast Financial Information and Pro Forma Forecast Financial Information, and the reasonableness of the Statutory Forecast Financial Information and Pro Forma Forecast Financial Information themselves, based on our limited assurance engagement.

We have conducted our engagement in accordance with the Standard on Assurance Engagements ASAE 3450 *Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information*.

Our limited assurance procedures consisted of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other limited assurance procedures. A limited assurance engagement is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain reasonable assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express an audit opinion.

Our engagement did not involve updating or re-issuing any previously issued audit or limited assurance reports on any financial information used as a source of the Financial Information.

5. Conclusions

Pro Forma Historical Financial Information

Based on our limited assurance engagement, which is not an audit, nothing has come to our attention that causes us to believe that the Pro Forma Historical Financial Information comprising:

- ▶ the pro forma historical consolidated income statements for FY14, FY15 and FY16 as set out in Table 5.1 in Section 5.3 of the Prospectus;
- ▶ the pro forma historical consolidated cash flows for the years ended FY14, FY15 and FY16 as set out in Table 5.5 in Section 5.7 of the Prospectus; and
- ▶ the pro forma historical consolidated balance sheet as at 30 June 2016 as set out in Table 5.8 in Section 5.10 of the Prospectus

is not presented fairly, in all material respects, in accordance with the stated basis of preparation, as described in Section 5.2 of the Prospectus.

Statutory Forecast Financial Information

Based on our limited assurance engagement, which is not an audit, nothing has come to our attention that causes us to believe that:

- ▶ the Directors' best-estimate assumptions used in the preparation of the Statutory Forecast Financial Information of ATL for FY17 do not provide reasonable grounds for the Statutory Forecast Financial Information; and
- ▶ in all material respects, the Statutory Forecast Financial Information:
 - is not prepared on the basis of the Directors' best estimate assumptions as described in Section 5.14 of the Prospectus; and
 - is not presented fairly in accordance with the stated basis of preparation, as described in Section 5.2 of the Prospectus; and
- ▶ the Statutory Forecast Financial Information itself is unreasonable.

Pro Forma Forecast Financial Information

Based on our limited assurance engagement, which is not an audit, nothing has come to our attention that causes us to believe that:

- ▶ the Directors' best-estimate assumptions used in the preparation of the Pro Forma Forecast Financial Information of ATL for FY17 do not provide reasonable grounds for the Pro Forma Forecast Financial Information; and
- ▶ in all material respects, the Pro Forma Forecast Financial Information:
 - is not prepared on the basis of the Directors' best estimate assumptions as described in Section 5.14 of the Prospectus; and
 - is not presented fairly in accordance with the stated basis of preparation, as described in Section 5.2 of the Prospectus; and
- ▶ the Pro Forma Forecast Financial Information itself is unreasonable.

Statutory Forecast Financial Information and Pro Forma Forecast Financial Information

The Statutory Forecast Financial Information and Pro Forma Forecast Financial Information has been prepared by management and adopted by the Directors in order to provide prospective investors with a guide to the potential financial performance and cash flows of ATL for FY17. There is a considerable degree of subjective judgement involved in preparing forecasts since they relate to events and transactions that have not yet occurred and may not occur. Actual results are likely to be different from the Statutory Forecast Financial Information and Pro Forma Forecast Financial Information since anticipated events or transactions frequently do not occur as expected and the variation may be material. The Directors' best-estimate assumptions on which the Statutory Forecast Financial Information and Pro Forma Forecast Financial Information is based relate to future events and/or transactions 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 ATL. Evidence may be available to support the Directors' best-estimate assumptions on which the Statutory Forecast Financial Information and Pro Forma Forecast Financial Information is based however such evidence is generally future-oriented and therefore speculative in nature. We are therefore not in a position to express a reasonable assurance conclusion on those best-estimate assumptions, and accordingly, provide a lesser level of assurance on the reasonableness of the Directors' best-estimate assumptions. The limited assurance conclusions expressed in this report have been formed on the above basis.

Prospective investors should be aware of the material risks and uncertainties in relation to an investment in ATL, which are detailed in the Prospectus and the inherent uncertainty relating to the Statutory Forecast Financial Information and Pro Forma Forecast Financial Information. Accordingly, prospective investors should have regard to the investment risks and sensitivities as described in Section 7 of the Prospectus. The sensitivity analysis described in Section 5.15 of the Prospectus demonstrates the impact on the Pro Forma Forecast Financial Information of changes in key best-estimate assumptions. We express no opinion as to whether the forecast or pro forma forecast will be achieved.

We disclaim any assumption of responsibility for any reliance on this report, or on the Statutory Forecast Financial Information and Pro Forma Forecast Financial Information 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 of ATL, that all material information concerning the prospects and proposed operations of ATL 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.

6. Restriction on Use

Without modifying our conclusions, we draw attention to Section 5.2 of the Prospectus, which describes the purpose of the Financial Information. As a result, the Financial Information may not be suitable for use for another purpose.

7. Consent

Ernst & Young Transaction Advisory Services has consented to the inclusion of this limited assurance report in the Prospectus in the form and context in which it is included.

8. Independence or Disclosure of Interest

Ernst & Young Transaction Advisory Services does not have any interests in the outcome of this Offer other than in the preparation of this report for which normal professional fees will be received.

Yours faithfully

Ernst & Young Transaction Advisory Services Limited



Chris Parkes
Director and Representative

6 October 2016

**THIS FINANCIAL SERVICES GUIDE FORMS PART OF THE INDEPENDENT
LIMITED ASSURANCE REPORT**

PART 2 – FINANCIAL SERVICES GUIDE

1. Ernst & Young Transaction Advisory Services

Ernst & Young Transaction Advisory Services Limited (“Ernst & Young Transaction Advisory Services” or “we,” or “us” or “our”) has been engaged to provide general financial product advice in the form of an Independent Limited Assurance Report (“Report”) in connection with a financial product of another person. The Report is to be included in documentation being sent to you by that person.

2. Financial Services Guide

This Financial Services Guide (“FSG”) provides important information to help retail clients make a decision as to their use of the general financial product advice in a Report, information about us, the financial services we offer, our dispute resolution process and how we are remunerated.

3. Financial services we offer

We hold an Australian Financial Services Licence which authorises us to provide the following services:

- financial product advice in relation to securities, derivatives, general insurance, life insurance, managed investments, superannuation, and government debentures, stocks and bonds; and
- arranging to deal in securities.

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Ernst & Young Transaction Advisory Services Limited, ABN 87 003 599 844
Australian Financial Services Licence No. 240585

4. General financial product advice

In our Report we provide general financial product advice. The advice in a Report does not take into account your personal objectives, financial situation or needs.

You should consider the appropriateness of a Report having regard to your own objectives, financial situation and needs before you act on the advice in a Report. Where the advice relates to the acquisition or possible acquisition of a financial product, you should also obtain an offer document relating to the financial product and consider that document before making any decision about whether to acquire the financial product.

We have been engaged to issue a Report in connection with a financial product of another person. Our Report will include a description of the circumstances of our engagement and identify the person who has engaged us. Although you have not engaged us directly, a copy of the Report will be provided to you as a retail client because of your connection to the matters on which we have been engaged to report.

5. Remuneration for our services

We charge fees for providing Reports. These fees have been agreed with, and will be paid by, the person who engaged us to provide a Report. Our fees for Reports are based on a time cost or fixed fee basis. Our directors and employees providing financial services receive an annual salary, a performance bonus or profit share depending on their level of seniority. The estimated fee for this Report is \$38,500 (inclusive of GST).

Ernst & Young Transaction Advisory Services is ultimately owned by Ernst & Young, which is a professional advisory and accounting practice. Ernst & Young may provide professional services, including audit, tax and financial advisory services, to the person who engaged us and receive fees for those services.

Except for the fees and benefits disclosed in this Prospectus in Section 10.7, Ernst & Young Transaction Advisory Services, including any of its directors, employees or associated entities should not receive any fees or other benefits, directly or indirectly, for or in connection with the provision of a Report.

6. Associations with product issuers

Ernst & Young Transaction Advisory Services and any of its associated entities may at any time provide professional services to financial product issuers in the ordinary course of business.

7. Responsibility

The liability of Ernst & Young Transaction Advisory Services is limited to the contents of this Financial Services Guide and the Report.

8. Complaints 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. All complaints must be in writing and addressed to the AFS Compliance Manager or the Chief Complaints Officer and sent to the address below. We will make every effort to resolve a complaint within 30 days of receiving the complaint. If the complaint has not been satisfactorily dealt with, the complaint can be referred to the Financial Ombudsman Service Limited.

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9. Compensation Arrangements

The Company and its related entities hold Professional Indemnity insurance for the purpose of compensation should this become relevant. Representatives who have left the Company's employment are covered by our insurances in respect of events occurring during their employment. These arrangements and the level of cover held by the Company satisfy the requirements of section 912B of the Corporations Act 2001.

Contacting Ernst & Young Transaction Advisory Services AFS Compliance Manager Ernst & Young 680 George Street Sydney NSW 2000 Telephone: (02) 9248 5555	Contacting the Independent Dispute Resolution Scheme: Financial Ombudsman Service Limited PO Box 3 Melbourne VIC 3001 Telephone: 1300 78 08 08
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This Financial Services Guide has been issued in accordance with ASIC Class Order CO 04/1572.

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Australian Financial Services Licence No. 240585

7 | Risk factors



7.1 Introduction

This section identifies the major risks that the Board considers are associated with an investment in ATL. It does not propose to list every risk that may be associated with an investment in ATL now or in the future. The occurrence of, or consequences of, some of the risks described in this Section 7 are partially or completely outside the control of ATL and its Directors.

By the time of Listing, ATL will own and operate Apollo. Apollo's business is subject to risk factors, both specific to its business activities, and risks of a general nature. Individually, or in combination, these risks might affect the future operating performance of ATL and the value of an investment in ATL. There can be no guarantee that ATL will achieve its stated objectives or that any forward looking statements or forecasts will eventuate. An investment in ATL should be considered in light of relevant risks, both general and specific. Each of the risks set out in this section could, if it eventuates, have an adverse impact on ATL's operating performance and profits, and the market price of the Shares.

Before deciding to invest in ATL, potential investors should:

- (a) read the entire Prospectus;
- (b) consider the assumptions underlying the Directors' forecasts, the sensitivity analysis and the risk factors that could affect the financial performance of ATL;
- (c) review these factors in light of their personal circumstances; and
- (d) seek professional advice from their accountant, stockbroker, lawyer or other professional adviser before deciding whether to invest.

7.2 Specific investment risks

SEASONAL BUSINESS

Apollo's business is seasonal in nature and historically Apollo has experienced, and continues to experience, significant variability in revenue, net income and cash flows in different quarters as a result. RVs are used primarily by leisure travellers and demand will be affected by seasonal conditions. Unusually severe weather conditions may also impact upon demand.

If, for any reason, Apollo miscalculates the seasonal demand for its products or the product mix, it would result in higher labour costs as a percentage of sales, lower margins and excess inventory, which could have an adverse effect on the financial performance of Apollo.

Additionally, due to the seasonality of Apollo's business, the impact of other risks associated with Apollo's business, such as natural disasters and weather effects, will be potentially greater if they occur during the peak booking and travel seasons.

ECONOMIC CONDITIONS

The impact of economic conditions upon Apollo may be either specific, or of a more general nature.

The operating and financial performance of Apollo is cyclical and influenced by a variety of general economic and business conditions, including levels of consumer spending, inflation, interest rates and exchange rates, access to consumer credit, government fiscal, monetary and regulatory policies and oil prices. A prolonged deterioration in general economic and business conditions could be expected to have an adverse impact on Apollo's financial performance.

As Apollo's business offerings are discretionary items for many customers, Apollo will be exposed to a deterioration in general economic and business conditions. If general economic conditions worsen either in Australia or globally, there is a risk that consumers will reduce their level of consumption or redirect their spending from leisure travel and other discretionary spending, which could result in a reduction in RV rentals and sales, which, in turn would have an adverse effect on Apollo's future financial performance and position.

FOREIGN EXCHANGE RISK

A majority of the consumers that rent RVs from Apollo are leisure travellers from foreign countries. If there is an appreciation of AUD, NZD or USD against other foreign currencies, overseas consumers could reduce the level of consumption or redirect their spending to other destinations with more favourable currency exchange rates, which could result in a reduction in RV rentals, which, in turn would have an adverse effect on Apollo's future financial performance and position.

A significant proportion of Apollo's earnings and assets is nominated in NZD and USD. Accordingly, any appreciation or depreciation of the Australian dollar against other foreign currencies will have an impact on earnings and assets as reported in AUD.

If the EUR appreciated significantly against the AUD, Apollo's ability to import Adria products at competitive pricing would be affected and could have an adverse impact on Apollo's financial performance and position.

AVAILABILITY OF FINANCE

Apollo's business is affected by the availability of financing to Apollo, its dealers and its customers. The details of Apollo's Finance Facilities are set out in Section 8.5. A decrease in the availability of financing facilities or an increase in the cost of financing could prevent Apollo from carrying adequate levels of inventory, which may limit product offerings and have an adverse impact on Apollo's financial performance.

Generally, RV dealers fund inventory with financing provided by lending institutions. Any change in the dealers' ability to access funding may have an adverse impact on Apollo's financial performance.

Some of Apollo's customers who purchase new or ex-rental RVs will finance such purchases, which means the availability of credit and the cost of credit has an impact on retail RV sales.

DEPENDENCE ON SUPPLIERS

Apollo depends upon certain suppliers providing it with reliable products and services that compare favourably with competing products in terms of quality, performance, safety and advanced features. Any adverse change in the product quality, production efficiency, product development efforts, technological advancement, marketplace acceptance, reputation, marketing capabilities or financial condition of its key suppliers or any product recall could have an adverse impact on the financial performance of Apollo. Any difficulties encountered by any of those suppliers resulting from economic, financial, or other factors could also adversely affect Apollo's financial performance.

RELATIONSHIPS WITH ADRIA AND WINNEBAGO

Apollo's right to manufacture and sell certain RVs derive exclusively from the rights granted to it under distribution and licence agreements with Adria and Winnebago. A failure by Apollo to renew any of these agreements, or to renew them on favourable terms, could adversely impact on Apollo's financial performance.

Failure by Apollo to comply with the terms of a distribution or licence agreement or the breakdown of a relationship with a manufacturer may result in the termination or non-renewal of one or more of these agreements. Some of these agreements also contain restrictive terms which may affect Apollo's ability to deal with other manufacturers and could impact on its financial performance.

DEPENDENCE UPON KEY PERSONNEL

Apollo depends on the talent and experience of its Personnel as its primary asset. There may be a negative impact on Apollo if any of its key Personnel leave. It may be difficult to replace them, or to do so in a timely manner or at comparable expense. Additionally, any key Personnel of Apollo who leave to work for a competitor may adversely impact Apollo.

In summary, Apollo's ability to attract and retain Personnel will have a direct correlation upon its ability to achieve forecast revenues. Additionally, increases in recruitment, wages and contractor costs may adversely impact upon the financial performance of Apollo.

INCREASED INPUT COSTS

Any unexpected or unusually large increase in the costs of employment, costs of goods and RV running costs could have an impact on Apollo's financial performance if these increased costs cannot be passed on to customers.

TECHNOLOGY AND INFORMATION SYSTEMS

Apollo has invested and continues to invest significant time and cost in its information technology systems to deliver cost savings and increased efficiencies. Some of these systems are proprietary in nature and maintained by third party suppliers, while other systems are operated under licence. In both cases, the relevant suppliers may be subject to events, such as insolvency or technical failures, leading to temporary or long term loss of services and systems.

While Apollo considers that it has put into place adequate protection and safeguards, any interruption, cyber-attacks, loss or delay of Apollo's internet or communication facilities or transaction processing facilities, loss or corruption of data, failure of backup and restoration procedures or failure of disaster recovery plans may adversely impact Apollo's short term financial position and may have a longer term adverse impact on client and supplier satisfaction.

INCREASED COMPETITION AND CUSTOMER PREFERENCES

The market for products and services targeting the RV lifestyle or enthusiast market is highly fragmented and competitive. New competitors may enter the market or existing competitors could join together to consolidate their positions. It is also possible for competitors to create new opportunities through digital market disruption and potentially change the manner in which consumers use RV rental services. If the actions of competitors or potential competitors become more effective, or if new competitors enter the market and Apollo is unable to counter those actions, customers may choose a competitor's goods or services and Apollo's financial performance or operating margins could be adversely affected.

FORCE MAJEURE EVENTS AND MAJOR DISRUPTIONS IN THE TRAVEL AND TOURISM INDUSTRIES

Apollo may be adversely impacted by international hostilities or war, acts of terrorism, epidemics or outbreaks of disease, political or social instability (particularly as it relates to personal safety and road infrastructure), industrial disputes, natural disasters, large corporate failures in the travel and tourism industries and weather effects. These events may impact upon travel to specific locations or be of generalised effect. These events may also impact airline and travel sales, which may have a flow on effect on Apollo's business, resulting in a reduction in financial performance and potentially an immediate impact on its share price.

FUEL AVAILABILITY AND PRICING

Unleaded or diesel fuel is required for the operation of RVs. Shortages of, or increased pricing for, fuel can have an adverse effect on the RV industry, which could have an adverse impact on Apollo's financial performance. These conditions may also affect air travel volumes, negatively impacting the size of Apollo's target market.

GROWTH MANAGEMENT

There is a risk that Apollo may be unable to manage its future growth successfully. The inability to hire and retain skilled and experienced personnel and advisers may be a significant obstacle to managing growth.

BRAND AND REPUTATION RISK

Apollo relies on, and is committed to maintaining and protecting, its brand and reputation and that of its key suppliers. However, any failure to protect its reputation with customers, suppliers, regulatory authorities and industry bodies could have an adverse effect on Apollo's future financial performance and position. Apollo also depends upon the reputation of its sales agents, partners and suppliers in various other countries, as well as for such parties to uphold the reputation of Apollo.

Apollo could be subjected to claims and complaints by customers which could be negatively reported on traditional and social media channels.

INTELLECTUAL PROPERTY AND INNOVATION

Apollo's ability to leverage its innovation and expertise depends upon its ability to protect its intellectual property and any improvements to it. The intellectual property may not be capable of being legally protected, it may be the subject of unauthorised disclosure or be unlawfully infringed, or Apollo may incur substantial costs in asserting or defending its intellectual property rights.

PRODUCT DEFECTS AND MALFUNCTIONS

Specific Apollo product failures, defects or recalls or inadequate maintenance could adversely affect Apollo's reputation, earnings and revenue. This could occur for a number of reasons including but not limited to breach of third party maintenance contracts or non-compliance with maintenance and safety rules, policies and legislation. If any claim or issue arising from a product defect or failure is determined adversely to Apollo and Apollo's insurance arrangements do not cover the liability, which could have an adverse effect on the financial performance of Apollo.

REGULATORY ENVIRONMENT

Apollo is subject to a variety of laws and regulations in Australia, New Zealand, USA, Canada and more generally around the world. Specifically, Apollo is required to comply with laws and regulations that apply to the manufacture of vehicles, motor vehicle dealerships and vehicle hire operators. More generally, Apollo must comply with laws and regulations which apply to many other businesses, such as employment, taxation, consumer protection, continuous disclosure and intellectual property, as well as laws focused on electronic commerce and the internet.

Apollo is focused on ensuring compliance with its regulatory obligations and regularly reviews its operations in light of regulatory developments that may impact its business. However, a breach of, or an unfavourable change to, introduction or interpretation of, laws and regulations may have an adverse effect on the ability of Apollo to operate all or parts of its business and may cause reputational damage to Apollo, which may have a corresponding effect on its share price and/or financial performance.

Apollo's customers are obliged to be appropriately licensed to drive Apollo's RVs. If there was an unfavourable change to any legislation or interpretation of government policy relating to the relevant licensing regimes in any of the jurisdictions in which Apollo operates, it could have a negative impact on the financial results of Apollo.

OCCUPATIONAL HEALTH AND SAFETY

Apollo has a number of facilities where potentially hazardous tasks are undertaken by employees. Workplace accidents may occur for various reasons including as a result of non-compliance with safety rules and regulations. Apollo may be liable for injuries that occur to its employees or any other persons under relevant occupational health and safety laws. If Apollo was found to be liable under such laws, the penalties could be significant and Apollo may also be liable for compensation which could adversely impact upon Apollo's financial performance.

INSURANCE COVERAGE

Apollo currently has in place what it considers are adequate levels of insurance for property, travel, RV fleet cover, cybersecurity liability, directors and officers liability, key man cover, marine cargo, third party personal and property liability and worker's compensation to cover Apollo from potential losses and liabilities. There is a possibility that events may arise which are not adequately covered by existing insurance policies. Apollo cannot guarantee that existing insurance will be available or offered at a commercially acceptable price in the future. An inability by Apollo to secure such cover in the future could restrict the ability of Apollo to conduct its business and this could have a negative impact on the financial results of Apollo.

GROWTH STRATEGY

Apollo's future performance is dependent upon its success in executing its strategies and initiatives. Apollo's strategy to grow market share within existing markets may not be successful in part or at all. If these key strategies are ineffective or achieved later than expected, Apollo's operations and financial performance could be adversely affected.

7.3 General investment risks

SHARE MARKET VOLATILITY

Before the Offer there has been no public market for the Shares. It is important to recognise that, once the Shares are quoted on ASX, their price might rise or fall and they might trade at prices below or above the Offer Price.

Factors affecting the price at which the Shares are traded on ASX could include domestic and international economic conditions. In addition, the prices of many listed entities' securities are affected by factors that might be unrelated to the operating performance of the relevant company. Those fluctuations might adversely affect the price of the Shares.

TRADING LIQUIDITY IN SHARES

Once the Shares are quoted on the ASX, there can be no guarantee that an active trading market for the Shares will develop or that the price of the Shares will increase. There may be relatively few potential buyers or sellers of the Shares on the ASX at any time, which may increase the volatility of the market price of the Shares. It may also affect the prevailing market price at which Shareholders are able to sell their Shares, which may result in Shareholders receiving a market price for their Shares that is less than the price that Shareholders paid.

LARGE ESCROWED SHAREHOLDINGS

The Founding Shareholder has entered into the a voluntary restriction agreement, which restricts it from selling, creating a security interest in or otherwise dealing in all of its Shares, being 94,960,000 Shares (representing 65.51% of the total issued Shares following completion of the Offer and Listing), for a period of two years from the Quotation Date.

This escrow and the individual high level of ownership by the Founding Shareholder of Shares may affect the liquidity of Shares after official quotation of the Shares.

Any sale of Shares held by the Founding Shareholder following expiry of the escrow period, or the perception that such sale might occur could adversely affect the market price of the Shares. The concentration of ownership in the Founding Shareholder could also affect the liquidity of the market for the Shares, which in turn could affect the prospects of ATL being considered for a control transaction in the short to medium term.

DIVIDENDS

The payment of any dividend by ATL is at the discretion of the Board and will be a function of a number of factors including the general business environment, the operating results, cash flows, the general financial condition of ATL, future funding requirements, capital management initiatives, taxation considerations (including in particular the level of franking credits that might be available) and any other factors the Board may consider relevant.

The availability of franking credits may determine that any dividends are only partially franked. Dividends will be franked to the extent possible. However, no assurance can be given that any dividend will be paid and the level of franking on any such dividend.

ACCOUNTING STANDARDS

ATL's financial reports will be subject to compliance with the Australian International Finance Report Standards issued by the AASB, which are outside the Directors' and ATL's control. Changes to accounting standards issued by AASB could adversely affect the financial performance and position reported in Apollo's financial statements.

TAXATION RISKS

Changes to the rate of taxes imposed on ATL (including in overseas jurisdictions in which ATL operates now or in the future) or tax legislation generally may affect ATL and its Shareholders. It is possible that a tax authority in the various tax jurisdictions in which ATL operates may review the tax treatment of transactions entered into by ATL. Any actual or alleged failure to comply with, or any change in the application or interpretation of tax rules in these jurisdictions, could increase ATL's tax liabilities or expose it to legal, regulatory or other actions.

Personal tax liabilities are the responsibility of each individual investor. ATL is not responsible either for taxation or penalties incurred by investors.

7.4 Cautionary statement

Statements contained in this Prospectus may be forward-looking statements.

Forward-looking statements can be identified by the use of forward-looking terminology such as, but not limited to, 'may', 'will', 'expect', 'anticipate', 'estimate', 'would be', 'believe', or 'continue' or the negative or other variations of comparable terminology. These statements are subject to risks and uncertainties that could cause actual results to differ materially from those projected. The Directors' expectations, beliefs and projections are expressed in good faith and are believed to have a reasonable basis, including without limitation, based on the examination of historical operating trends, data contained in the Company's records and other data available from third parties. There can be no assurance, however, that their expectations, beliefs or projections will give the results projected in the forward looking statements. Investors should not place undue reliance on these forward looking statements.

Additional factors that could cause actual results to differ materially from those indicated in the forward looking statements are discussed earlier in this section.

8

Material agreements



Material agreements

The Board considers that there are a number of agreements which are significant or material to the Company or of such a nature that an investor may wish to have details of them when making an assessment of whether to apply for the Shares. Summaries of material contracts set out below or elsewhere in this Prospectus do not purport to be complete and are qualified by the text of the contracts themselves.

8.1 Underwriting agreement

The Company has, pursuant to the Underwriting Agreement, appointed the Lead Manager and Underwriter on an exclusive basis to manage and underwrite the whole of the Offer. The Lead Manager and Underwriter may at any time appoint sub-underwriters to sub-underwrite any or all of the unwritten securities at its own cost. The Lead Manager and Underwriter may also appoint a co-lead manager to co-manage the Offer.

The Lead Manager and Underwriter does not currently hold Shares.

8.1.1 FEES, COSTS AND EXPENSES

The Company has agreed to pay the Lead Manager and Underwriter:

- (a) a selling fee of 3% per cent of the Offer proceeds (exclusive of GST); and
- (b) a management fee equal to 0.5% of the Offer proceeds (exclusive of GST).

The underwriting fee and the management fee are payable to the Lead Manager and Underwriter at the time of completion of the Offer.

The Company must also pay any out-of-pocket expenses of the Lead Manager and Underwriter incurred in connection with the Offer limited to a maximum cap of \$10,000 (exclusive of GST) and provided that any individual expense over \$2,000 (excluding GST) has been approved by the Company prior to the expense being incurred, including travel and accommodation expenses.

8.1.2 INDEMNITY

The Company has agreed to indemnify the Lead Manager and Underwriter and its related bodies corporate and affiliates, and each of their officers, employees, agents and advisers (**Indemnified Parties**) against all losses, claims, damages, costs, charges and expenses arising out of (amongst other things):

- (a) the Offer, this Prospectus and associated documents;
- (b) a breach of the Underwriting Agreement by the Company; and
- (c) any liability under the Corporations Act, except to the extent that the loss or claim results from the fraud, wilful misconduct or gross negligence of an Indemnified Party.

8.1.3 CONDITIONS PRECEDENT

Completion of the Underwriting Agreement is conditional upon (amongst other things):

- (a) the proper implementation of the due diligence program and delivery of an executed due diligence report to the satisfaction of the Lead Manager and Underwriter;
- (b) the execution of all agreements for the escrow arrangements;
- (c) lodgement of this Prospectus with ASIC; and
- (d) lodgement of the ASX listing application on the Prospectus lodgement date.

8.1.4 TERMINATION EVENTS NOT LIMITED TO MATERIALITY

If any of the following events occur before completion of the Offer, the Lead Manager and Underwriter may, by the provision of notice, terminate its obligations to underwrite the Offer, without cost or liability to itself:

- (a) **(index fall)** the S&P/ASX200 Index closes for two consecutive business days (as defined under Chapter 19 of the Listing Rules) at a level that is more than 10% below the level of that index at market close on the business day before the date of the Underwriting Agreement; or
- (b) **(supplementary prospectus)** the Company lodges a supplementary prospectus;
- (c) **(material adverse change)** any material adverse change of the Company's net assets occurs in the assets, liabilities, financial position, profits and losses or prospects of Apollo (taken as a whole);
- (d) **(material adverse change in financial markets)** any of the following occurs:
 - (i) any material adverse change or disruption to the existing financial markets, political conditions of Australia, Japan, the United Kingdom, the United States of America or the international financial markets or any change in national or international political, financial or economic conditions;
 - (ii) a general moratorium on commercial banking activities in Australia, the United States of America, Japan or the United Kingdom is declared by the relevant central banking authority in any of those countries, or there is a material disruption in commercial banking or security settlement or clearance services in any of those countries; or
 - (iii) trading in all securities quoted or listed on ASX, the London Stock Exchange, or the New York Stock Exchange is suspended or limited in a material respect for at least one day; or
- (e) **(ASIC action)** ASIC:
 - (i) makes an order under section 739 of the Corporations Act in relation to this Prospectus;
 - (ii) applies for an order under Part 9.5 of the Corporations Act in relation to the Offer or this Prospectus;
 - (iii) holds, or gives notice of intention to hold, a hearing or investigation in relation to the Offer or this Prospectus under the Corporations Act or the Australian Securities and Investments Commission Act 2001 (Cth);
 - (iv) prosecutes or gives notice of an intention to prosecute; or
 - (v) commences proceedings against, or gives notice of an intention to commence proceedings against, the Company or any of its officers, employees or agents in relation to the Offer or this Prospectus; or
- (f) **(withdrawal of consent)** any person (provided that if that person is the Lead Manager and Underwriter, it must act in good faith) gives a notice under section 733(3) of the Corporations Act or withdraws a consent previously given under section 720 of the Corporations Act, in relation to this Prospectus;
- (g) **(withdrawal of Prospectus)** the Company withdraws this Prospectus or the Offer or any invitations to apply for Shares;
- (h) **(offer of refund to investors)** any circumstance arises after lodgement of this Prospectus that results in the Company either repaying Application Money (other than to Applicants whose applications were not accepted (in whole or in part)) or offering Applicants an opportunity to withdraw their applications and be repaid their Application Money;
- (i) **(ASX approval)** any of the ASX approvals required are withdrawn, qualified or withheld or ASX indicates to the Lead Manager and Underwriter that the approval is likely to be withdrawn, qualified or withheld;
- (j) **(ASIC and ASX Waivers)** any of the ASIC or ASX waivers are withdrawn, revoked or amended without the prior written consent of the Lead Manager and Underwriter;
- (k) **(offer documents)** there is an omission from, or a statement which is, or has misleading or deceptive in this Prospectus and such omission or statement is or is likely to be materially adverse from the point of view of an investor;
- (l) **(section 730 notice)** a person gives notice to the Company under section 730 of the Corporations Act;
- (m) **(insolvency event)** an insolvency event occurs in respect of the Company before the allotment date;
- (n) **(timetable)** any event specified in the timetable in the Underwriting Agreement is delayed without the prior written consent of the Lead Manager and Underwriter;
- (o) **(Acquisition Agreement)** the Share Purchase Agreement is terminated, void, avoided, illegal, invalid or materially limited in its effect, any condition precedent is not satisfied by its due date, any party commits a material breach or is amended in any material respect without the prior consent of the Lead Manager and Underwriter;

- (p) **(restriction agreement)** the voluntary restriction agreement between ATL and the Founding Shareholder is terminated, void, avoided, illegal, invalid or materially limited in its effect, any condition precedent is not satisfied by its due date, any party commits a material breach or is amended in any material respect without the prior consent of the Lead Manager and Underwriter;
- (q) **(debt facilities)** Apollo breaches or defaults any provision, undertaking, covenant or ratio of a material debt or financing arrangement; or
- (r) **(Directors or Senior Management):**
 - (i) a Director or any member of Senior Management is charged with a criminal offence relating to any financial or corporate matter;
 - (ii) any government agency commences any public action against the Company, any of the Directors or any member of the Senior Management, or announces that it intends to take any such action; or
 - (iii) any Director or the CEO is disqualified under the Corporations Act from managing a corporation.

8.1.5 TERMINATION EVENTS LIMITED TO MATERIALITY

The Lead Manager and Underwriter may also terminate its obligations to underwrite the Offer upon any of the following events where, in the opinion of the Lead Manager and Underwriter, the event has, or is likely to have, a material adverse effect on the marketing or success of the Offer or renders it impractical to effect acceptances under the Offer, or leads or is likely to lead to a material liability for the Lead Manager and Underwriter under the Corporations Act or any other applicable law:

- (a) **(breach)** a breach by the Company in the performance of any of their respective obligations under the Underwriting Agreement occurs;
- (b) **(hostilities)** hostilities not presently existing commence (whether war has been declared or not) or a major escalation in existing hostilities occurs (whether war has been declared or not) or a declaration is made of a national emergency or war, or a terrorist act is perpetrated involving any one or more of Australia, USA, any member state of the European Union, Japan, Russia, Indonesia, North Korea, South Korea or the People's Republic of China;
- (c) **(change of law)** there is introduced or there is a public announcement of a proposal to introduce, into the Parliament of Australia or any State of Australia a new law, or the Reserve Bank of Australia, or any minister or Commonwealth or State government, adoption of a new policy (other than a law or policy which has been announced before the date of the Underwriting Agreement), which does or is likely to prohibit or regulate the Offer, capital issues or stock markets;
- (d) **(certificate)** a certificate that is required to be given under the Underwriting Agreement is not given within the specified time or a statement in that certificate is not true or contains a material omission;
- (e) **(material contracts)** any material contract, deed or other agreement is void or voidable, or terminated, rescinded, altered or amended without the prior written consent of the Lead Manager and Underwriter; or
- (f) **(unauthorised alterations)** the Company varies the terms of the Offer without the consent of the Lead Manager and Underwriter; or
- (g) **(change in Board or Senior Management)** other than as contemplated in this Prospectus, a change of the Directors or Senior Management of the Company occurs without the consent of the Lead Manager and Underwriter.

The termination of the Underwriting Agreement for events set out in Sections 8.1.4 and 8.1.5 will discharge the Lead Manager and Underwriter from its obligations under the Underwriting Agreement and the Company will not be required to pay the Lead Manager and Underwriter the underwriting and management fees set out above at Section 8.1.1. However, the termination of the Underwriting Agreement will not limit or prevent the exercise of any other rights and remedies which the Lead Manager and Underwriter or the Company may otherwise have under the Underwriting Agreement.

8.1.6 WARRANTIES AND REPRESENTATIONS

The Company has provided various representations and warranties to the Lead Manager and Underwriter, including in respect of:

- (a) their legal capacity and power to enter into and comply with the Underwriting Agreement;
- (b) the compliance of the Offer and the Prospectus with all relevant laws and regulatory requirements;
- (c) the use of funds raised under the Offer;
- (d) ongoing due diligence as part of the due diligence program; and
- (e) no claims or litigation in relation to the Company that may be material to the Offer.

8.1.7 GUARANTEE BY FOUNDERS

The Founders have guaranteed the Company's obligations under the Underwriting Agreement.

8.2 Share purchase agreement for acquisition of Apollo Motorhome Ultimate Holdings Pty Ltd

The Company has entered into a share purchase agreement to acquire all of the shares in Apollo Motorhome Ultimate Holdings Pty Ltd held by the Founding Shareholder (**Share Purchase Agreement**). On completion of the Share Purchase Agreement the Company will acquire a 100% interest in Apollo.

The terms and conditions of the Share Purchase Agreement have been negotiated on an arms' length basis. The Share Purchase Agreement contains terms and conditions that are customary for transactions of this nature. A brief summary of the key terms and conditions is set out below.

8.2.1 CONSIDERATION

The total consideration payable under the Share Purchase Agreement is \$30 million cash and \$94,960,000 in Shares (equivalent to 94,960,000 Shares). These amounts are not subject to customary post-completion adjustments as the Share Purchase Agreement has been drafted on the basis that the value of Apollo is locked as at 30 June 2016. The Founding Shareholder is prohibited from doing anything which would dilute the value of Apollo on and from that date, other than certain permitted leakage including loans made by Apollo to Senior Management to 31 August 2016 (refer Section 4.12(b)), any rent payable by Apollo to a related entity of Senior Management (refer Section 4.12(a)), and any salary or wages payable to Senior Management or the immediate family of Senior Management.

8.2.2 CONDITION PRECEDENT

The Share Purchase Agreement is conditional upon completion of the Offer and the ASX providing conditional approval for the Listing by no later than 31 December 2016. Completion will take place on the next business day after the Company notifies the Founding Shareholder that the condition is satisfied.

8.2.3 WARRANTIES AND INDEMNITIES

The Founding Shareholder has given the Company warranties and indemnities of a type customary for a transaction of this nature, including as to ownership of the assets being acquired, nature and accuracy of the accounts of the business, tax, legal compliance and accuracy of information given to the Company.

8.3 Voluntary restriction agreement

The Founding Shareholder has entered into a voluntary restriction agreement, which restricts it from selling, creating a security interest in or otherwise dealing in all of its Shares issued under the Restructure, being 94,960,000 Shares (representing 65.51% of the total issued Shares following completion of the Offer and Listing), for a period of two years from the Quotation Date. After the expiry of this period, the Founding Shareholder is required to provide 14 days written notice to the Board if it wishes to sell or transfer its Shares to ensure there is an orderly market for the Shares.

The escrow arrangements do not restrict the Founding Shareholder from accepting a successful takeover bid (being a takeover bid that is accepted by at least half of the non-escrowed Shareholders), transferring Shares under a scheme of arrangement or entering into a pre-bid acceptance agreement with a potential bidder for all the Shares.

8.4 Acquisition of Apollo USA and Apollo Finance

Apollo Motorhome Ultimate Holdings Pty Ltd acquired Apollo USA and Apollo Finance on 30 September 2016 from the Founding Shareholder.

Apollo Motorhome Ultimate Holdings Pty Ltd has issued to the Founding Shareholder:

- (a) for 100% interest in Apollo USA, 1,965 fully paid ordinary shares in Apollo Motorhome Ultimate Holdings Pty Ltd; and
- (b) for 100% interest in Apollo Finance, 58 fully paid ordinary shares in Apollo Motorhome Ultimate Holdings Pty Ltd.

The terms and conditions of the agreements are customary for transactions of this nature. The Founding Shareholder has provided a number of warranties and indemnities to Apollo Motorhome Ultimate Holdings Pty Ltd, including as to title of the shares being acquired, nature and accuracy of the accounts of Apollo Finance and Apollo USA, disclosure of all liabilities, payment of tax and tax compliance, legal compliance and accuracy of information given to Apollo Motorhome Ultimate Holdings Pty Ltd.

8.5 Finance Facilities

Apollo has entered into a number of finance facilities to finance its stock of RVs and other equipment (**Finance Facilities**). Financiers include either third party financial institutions (such as commercial banks) or OEM financiers (such as Toyota Financial Services).

8.5.1 FORM OF FINANCE FACILITIES

The Finance Facilities are in the form of either:

- (a) bailment facilities, under which Apollo obtains possession but not title to the RV or equipment purchased using facility funds, with title passing to Apollo only upon full repayment of the amount owing; or
- (b) secured finance facilities, under which Apollo obtains title to the RV or equipment purchased using facility funds and the financier has a security interest against the RV, equipment and/or other present and after-acquired assets (as relevant) of Apollo.

There are various guarantees provided by Apollo group companies, as well as by the Founders and/or their controlled entities that are not part of Apollo. Some of these guarantees are secured by security interests over the present and after-acquired assets of the guarantor entities.

The Finance Facilities contain standard commercial terms, including in relation to interest and fees.

8.5.2 TERMS

The typical terms of the Finance Facilities include:

- (a) **(events of default)** the Finance Facilities include events of default which are usual for facilities of this nature, such as non-payment by Apollo or insolvency, and in some cases a change of control in Apollo's management or ownership.
- (b) **(no material adverse changes)** some Finance Facilities stipulate that there must not be any event or events which, in the opinion of the financier, would have a material adverse effect on Apollo's financial position or its ability to meet obligations under the relevant Finance Facility.
- (c) **(indemnities)** Apollo generally indemnifies the financiers for all liability, loss and costs in relation to or arising under the Finance Facilities, as well as in connection with the RVs.
- (d) **(risk)** Apollo is responsible for all costs of insurances relating to the RVs, as well as all risks for loss or damage.

8.5.3 FINANCE FACILITY LIMITS

LENDER	FACILITY LIMIT	APPROXIMATE AMOUNT DRAWN AS AT 31 AUGUST 2016
Toyota Financial Services	AUD 38,000,000	AUD 35,000,000
Toyota Finance NZ Limited	NZD 30,000,000	NZD 22,500,000
Mercedes Benz	AUD 24,989,000	AUD 16,650,000
Volkswagen Finance	AUD 14,000,000	AUD 12,700,000
ASB Bank Limited	NZD 10,000,000	NZD 7,500,000
Bank of Queensland (bailment facility)	AUD 4,000,000	AUD 59,000
Bank of Queensland (equipment facility)	AUD 5,000,000	AUD 4,400,000
CNH Industrial Capital	AUD 6,000,000	AUD 50,000
Wells Fargo Commercial Distribution Finance	AUD 2,700,000	AUD 1,600,000
HFC Acceptance LLC	USD 30,000,000	USD 27,500,000
NextGear Capital, Inc.	USD 5,000,000	USD 4,400,000
Heartland Bank Limited	NZD 7,000,000	NZD 4,400,000
Global Tradinglinks Limited	USD 2,500,000	USD 850,000

8.6 Development and integration deed

Pursuant to a development and integration deed, Apollo has appointed Platinum Ray Pty Ltd (**Platinum Ray**) to undertake the design, development, implementation, testing of the VIBE software and transition from Apollo's previous software platform. The deed also governs the ongoing maintenance and support of the VIBE software by Platinum Ray.

The key terms of the deed include:

- (a) **(term)** the deed expires on 1 May 2017, with automatic extensions thereafter of one year each. Either party may terminate the deed at any time by giving two months' notice in writing.
- (b) **(intellectual property rights)** Apollo and Platinum Ray each own 50% of the intellectual property rights associated with the project. Apollo has a royalty-free, perpetual, non-transferable licence to use, amend and enhance the software.
- (c) **(commercial licensing rights)** Platinum Ray is granted certain rights to commercialise the software subject to payment of royalties to Apollo.
- (d) **(restrictions)**
 - (i) Platinum Ray is restricted from, amongst other things:
 - (A) licensing the software to competitors of Apollo with more than 500 RVs; and
 - (B) providing any software to a third party that integrates with the DVASS system.
 - (ii) Platinum Ray must ensure that no competitor of Apollo or any employee of any competitor:
 - (A) owns, controls or has any interest in Platinum Ray; or
 - (B) sits on the board of directors of Platinum Ray or any company that owns, controls or has any interest in Platinum Ray,

until the date that is five years after the earlier of completion of the project and the date of termination.

8.7 Winnebago distribution agreement

Winnebago of Indiana, LLC (**Manufacturer**) has, pursuant to a distribution agreement, appointed Apollo as the exclusive distributor in Australia and New Zealand of Winnebago branded products and parts manufactured by the Manufacturer. The agreement allows Apollo to resell the products to retail customers or to dealers appointed by Apollo. The agreement commenced on 25 July 2014 and is expressed to be for a perpetual term.

The agreement may be terminated by the Manufacturer by written notice if Apollo commits an event of default, subject to a right by Apollo to cure the default (if the default is curable). The events of default are customary for an agreement of this nature.

The agreement requires Apollo to provide written notice to the Manufacturer and discuss any potential impact before becoming a distributor of another manufacturer of non-motorised RVs. Apollo is also required to take steps to prevent its "affiliates" (defined as any person or entity that directly or indirectly controls, is controlled by, or is under common control with, Apollo) from engaging in such conduct.

8.8 Winnebago licence agreement

Pursuant to a licence agreement, Apollo has been granted exclusive rights in Australia and New Zealand to use certain Winnebago trade marks for the manufacture, distribution, sale and advertisement of Winnebago branded RVs (both motorised and caravans). The agreement commenced on 25 July 2014 and continues for a term of five years, with a further renewal term of five years subject to Apollo not being in breach of the agreement. Upon renewal, Winnebago is entitled to renegotiate the royalty payable by Apollo and, failing agreement, this will be determined by arbitration under a single arbitrator.

Under the agreement, Winnebago retains the right to approve the products being manufactured by Apollo (including the choice of any manufacturers) as well as the manner in which its trade marks are used.

The agreement may be terminated by Winnebago Industries, Inc. by written notice if Apollo commits an event of default, subject to a right by Apollo to cure the default (if the default is curable). The events of default are customary for an agreement of this nature.

8.9 Adria distribution agreement

Adria has, pursuant to a distribution agreement, appointed Apollo as the exclusive distributor in Australia and New Zealand of Adria branded caravans, motorhomes, vans and spare parts. The agreement commenced on 1 March 2014 and continues until 28 February 2022, with a further option of four years provided that no party provides notice of its intention to terminate the agreement at least 6 months before the expiry date of the initial term.

During the term of the agreement, Adria will not sell those products to any other persons within Australia and New Zealand except with the consent of Apollo.

The agreement may be terminated by Adria by written notice if Apollo commits an event of default, subject to a right by Apollo to cure the default (if the default is curable). The events of default are customary for an agreement of this nature.

Apollo is restricted under the agreement from distributing any other similar products from Europe within Australia and New Zealand without Adria's consent.

8.10 Hertz agent agreement

Apollo has been appointed as Hertz's non-exclusive sales agent to market and sell worldwide the provision of car rental services for participating Hertz locations in Australia and New Zealand. Apollo is paid a referral fee in respect of all completed rentals.

The agent agreement is reviewed annually and either party may terminate the agreement by three months' notice in writing. The agreement also contains indemnities and warranties that are customary for agreements of this nature.

9

Details of the Offer



9.1 The Offer

The Offer comprises a capital raising of \$50 million, by way of an issue of 50 million New Shares at \$1.00 per Share.

The New Shares will rank equally in all respects with all other Shares issued by the Company. The rights and liabilities attaching to Shares are detailed in the Constitution and a summary of the major provisions is set out in Section 10.2.

The Offer is made on the terms, and is subject to the conditions, set out in this Prospectus. The Offer is fully underwritten by the Lead Manager and Underwriter and comprises:

- (a) the Broker Firm Offer, which is open to Australian resident retail clients who have received a firm allocation from their Broker; and
- (b) the Institutional Offer, which consists of an invitation to bid for Shares made to Institutional Investors.

9.2 Offer opening and closing dates

The opening date for acceptance of the Offer is anticipated to be Monday, 17 October 2016, or such later date as may be prescribed by ASIC.

The Offer is expected to remain open until 5.00 pm (Brisbane time) Thursday, 27 October 2016.

The Directors reserve the right to open and close the Offer at any other date and time, without prior notice.

No Shares will be issued or transferred on the basis of this Prospectus later than 13 months after the date of this Prospectus.

9.3 Purpose of the Offer

A listing on the ASX will provide ATL with:

- a cash injection to reduce existing debt levels and provide additional growth capital for the expansion of its USA rental operations and Australian new RV sales operations;
- broader future access to debt and equity capital markets to pursue additional growth opportunities;
- a greater corporate and public profile; and
- a strong Shareholder base.

A listing on the ASX will also facilitate a sell-down by the Founding Shareholder of just under 35% of Apollo, and provide a liquid market for increasing or decreasing the balance of its equity interest (subject to certain voluntary escrow arrangements outlined in Section 8.3).

9.4 Source and use of funds

The proceeds of the \$50 million raised under the Offer will be applied as follows:

SOURCE OF FUNDS	\$M
Issue of New Shares	50.0
Total	50.0

USE OF FUNDS	\$M
Payment to Founding Shareholder	30.0
Reduction of existing debt facilities	12.0
Growth capital	5.0
Offer costs	3.0
Total	50.0

ATL will also receive approximately \$5.55 million upon the Founding Shareholder arranging repayment of the Salamanda Travel Pty Ltd loan (refer to Section 4.12 for further information on this loan).

The Company will be applying for admission to the Official List on the basis of the 'profits test'. The Directors believe that on completion of the Offer the Company will have sufficient funds available from the cash proceeds of the Offer and the Company's operations to fulfil the purposes of the Offer and meet the Company's stated business objectives.

9.5 Capital structure

The capital structure of the Company, on completion of the Offer, Restructure and Listing, are set out below. For additional information regarding the Restructure, see Section 4.5.

ISSUED CAPITAL	SHARES HELD AS AT PROSPECTUS DATE ¹	PERCENTAGE OF ISSUED SHARES	EXPECTED SHARES ON LISTING	PERCENTAGE OF ISSUED SHARES
Shares held by the Founding Shareholder	–	–	94,960,000 ²	65.51%
New Shareholders	–	–	50,000,000	34.49%
Total Shares	0	0%	144,960,000	100%

Notes:

1. As at the date of this Prospectus, one Share has been issued in ATL to a nominee of the Founding Shareholder. This Share will be transferred to the Founding Shareholder on completion of the Share Purchase Agreement.
2. Shares held by the Founding Shareholder will be subject to voluntary escrow arrangements. Details of these arrangements are set out in Section 8.3.

9.6 Terms and conditions of the Offer

TOPIC	SUMMARY
What is the type of security being offered?	Fully paid ordinary shares in ATL.
What are the rights attaching to the Shares?	The New Shares will rank equally in all respects with all other Shares issued by the Company. A summary of the rights and liabilities attaching to the Shares is set out in Section 10.2.
What is the Offer Price?	The Offer Price is \$1.00 per Share.
What is the Offer period?	The opening and closing dates for acceptance of the Offer are set out in Section 9.2. The Directors reserve the right to change the opening and closing dates without prior notice. No Shares will be issued or transferred on the basis of this Prospectus later than 13 months after the date of this Prospectus.
What are the cash proceeds to be raised under the Offer?	\$50 million is expected to be raised under the Offer for the issue of 50 million New Shares.
Is the Offer underwritten?	Yes. The Offer is fully underwritten by the Lead Manager and Underwriter. If Apollo does not receive valid applications for the full amount of 50 million Shares under this Offer, the Lead Manager and Underwriter will subscribe for, or procure subscriptions for any shortfall. Details of the Underwriting Agreement, including the circumstances in which the Lead Manager and Underwriter may terminate its obligations are set out in Section 8.1.

TOPIC	SUMMARY
What is the minimum Application size?	The minimum Application size under the Broker Firm Offer is \$2,000 worth of Shares in aggregate (2,000 Shares), and thereafter in multiples of \$100 (100 Shares). There is no maximum Application under the Broker Firm Offer. ATL and the Lead Manager and Underwriter reserve the right to not accept Applications in the Broker Firm Offer that are from persons who they believe may be Institutional Investors, to reject any Application, or to scale back any Application.
What is the allocation policy?	The allocation of Shares between the Broker Firm Offer and the Institutional Offer has been determined by the Lead Manager and Underwriter, in consultation with ATL. Details of the allocation policies are set out in Sections 9.7.4 and 9.8.2.
When will I receive confirmation that my Application has been successful?	It is expected that initial holding statements will be dispatched by prepaid post on or about Monday, 31 October 2016. Applicants under the Broker Firm Offer will be able to confirm their allocations by calling the Lead Manager and Underwriter on 1800 658 206 (within Australia) from 8:30am to 5:30pm (Brisbane time), Monday to Friday (business days only). Applicants under the Broker Firm Offer will also be able to confirm their firm allocation through the Broker from whom they received their allocation. It is the responsibility of each Applicant to confirm their holding before trading in Shares. Applicants who sell Shares before they receive an initial holding statement do so at their own risk. The Company, the Share Registry and the Lead Manager and Underwriter disclaim all liability, whether in negligence or otherwise, if you sell Shares before receiving your holding statement, even if you confirmed your firm allocation through a Broker or otherwise.
Will the Shares be quoted on the ASX?	The Company will apply to the ASX for admission to the Official List within seven days of the date of this Prospectus. If permission is not granted for official quotation of the Shares on ASX within three months of the date of this Prospectus, all Application Monies received will be refunded without interest as soon as practicable in accordance with requirements of the Corporations Act. It is expected that the trading of Shares on the ASX will commence Friday, 4 November 2016.
Are there any escrow arrangements?	Yes. 94,960,000 Shares held by the Founding Shareholder (representing 65.51% of the issued Shares) will be subject to voluntary escrow arrangements for two years from the Quotation Date. Details of the voluntary restriction agreement are provided in Section 8.3. ASIC has granted relief to the Company from Chapter 6 of the Corporations Act to enable the Company to enter into the voluntary restriction agreement.
Are there any brokerage, commission or stamp duty considerations?	No brokerage, commission or stamp duty is payable by Applicants on acquisition of Shares under the Offer.
Are there tax implications?	The taxation consequences of an investment in the Company will depend upon the investor's particular circumstances. Investors should make their own enquiries about the taxation consequences of an investment in the Company.
Further questions?	If you have questions in relation to the Offer, please contact the Offer information line on 1300 301 187 (within Australia) or (03) 9415 4676 (outside Australia) between 10.00am and 6.00pm (Brisbane time) during business days. All enquiries in relation to your Broker Firm Offer should be directed to your Broker. If you are unclear in relation to any matter or are uncertain as to whether ATL is a suitable investment for you, you should seek professional advice from your stockbroker, solicitor, accountant or other independent professional adviser.

9.7 Broker Firm Offer

9.7.1 WHO CAN APPLY

The Broker Firm Offer is open to retail investors who have received a firm allocation of Shares from their Broker and who have a registered address in Australia. You should contact your Broker to determine whether you can receive an allocation of Shares from them under the Broker Firm Offer.

9.7.2 HOW TO APPLY

If you receive an invitation to apply for Shares from your Broker and wish to apply for those Shares under the Broker Firm Offer, you should contact your Broker for to request a Prospectus and Application Form, or download a copy at www.apollotourism.com. Your Broker will act as your agent and it is your Broker's responsibility to ensure that your Application Form and Application Monies are received before 5.00pm (Brisbane Time) on the closing date or any earlier closing date as determined by your Broker.

Broker clients should complete and lodge their Application Form and Application Monies with the Broker from whom you received your invitation to acquire Shares under this Prospectus. Application Forms must be completed in accordance with the instructions given to you by your Broker and the instructions set out on the back of the Application Form. Applicants under the Broker Firm Offer must not send their Application Forms or Application Monies to the Share Registry.

By making an Application, you declare that you were given access to the Prospectus, together with an Application Form. The Corporations Act prohibits any person from passing an Application Form to another person unless it is attached to, or accompanied by, a hard copy of this Prospectus or the complete and unaltered electronic version of this Prospectus.

The minimum Application size under the Broker Firm Offer is \$2,000 worth of Shares in aggregate (2,000 Shares). There is no maximum Application under the Broker Firm Offer. ATL and the Lead Manager and Underwriter reserve the right to not accept Applications in the Broker Firm Offer that are from persons who they believe may be Institutional Investors, to reject any Application, or to scale back any Application.

ATL, the Lead Manager and Underwriter and the Share Registry take no responsibility for any acts or omissions committed by your Broker in connection with your Application.

9.7.3 HOW TO PAY

Applicants under the Broker Firm Offer must pay their Application Monies to their Broker in accordance with the instructions provided by that Broker.

9.7.4 BROKER FIRM OFFER ALLOCATION POLICY

The allocation of Shares to Brokers was determined by the Lead Manager and Underwriter, in consultation with ATL. Shares which have been allocated to Brokers for allocation to their eligible retail clients will be issued or transferred to successful Applicants who have received a valid firm allocation of Shares from their Brokers. The allocation of Shares among Applicants under the Broker Firm Offer will be at the sole and absolute discretion of the relevant Broker. Those Brokers (and not ATL or the Lead Manager and Underwriter) will be responsible for ensuring that their clients who have received an allocation from them, receive the relevant Shares.

9.8 Institutional Offer

9.8.1 INVITATIONS TO INSTITUTIONAL INVESTORS

Certain Institutional Investors in Australia and other eligible jurisdictions have been invited prior to or after the Prospectus date to take part in the Institutional Offer. The Lead Manager and Underwriter will advise the application procedures for Institutional Investors.

9.8.2 INSTITUTIONAL OFFER ALLOCATION POLICY

The allocation of Shares among Applicants under the Institutional Offer, including Brokers, was determined by the Lead Manager and Underwriter, in consultation with ATL.

Participants in the Institutional Offer have been advised of their allocation of Shares, if any, by the Lead Manager and Underwriter. The allocation policy under the Institutional Offer was influenced by a range of factors, including:

- (a) the number of Shares bid for by particular bidders;
- (b) the timeliness of the bid by particular bidders;
- (c) ATL's desire for an informed and active trading market following listing;
- (d) ATL's desire to establish a wide spread of institutional Shareholders;
- (e) the anticipated level of demand under the Broker Firm Offer;
- (f) the size and type of funds under management, and the investment style, of particular bidders;
- (g) the likelihood that particular bidders will be long term Shareholders; and
- (h) any other factors that ATL and the Lead Manager and Underwriter considered appropriate.

9.9 Allotment or transfer

The allotment or transfer of the Shares offered by this Prospectus will take place as soon as possible following the closing date, subject to Apollo's admission to the Official List.

If the Directors believe the Application does not comply with applicable laws or regulations, they reserve the right to allot the Shares in full for any Application or to allot any lesser number or to decline any Application.

9.10 Management and underwriting of the Offer

The Offer is underwritten and managed by Morgans Corporate Limited as Lead Manager and Underwriter under the Underwriting Agreement. Further details of the Underwriting Agreement, including the circumstances in which the Underwriter may terminate its obligations, are set out in Section 8.1.

9.11 Brokerage, commission and stamp duty

Different fees are payable by Apollo in relation to the Offer to the Lead Manager and Underwriter and other advisers, which are set out in Section 10.7. Shareholders do not have to pay brokerage, commission or stamp duty if Shares are acquired under the Offer.

9.12 Confirmation of allocations

Applicants under the Broker Firm Offer will be able to confirm their allocations by calling the Lead Manager and Underwriter on 1800 658 206 (within Australia) from 8:30am to 5:30pm (Brisbane time), Monday to Friday (business days only) or through the Broker from whom they received their allocation.

It is the responsibility of each Applicant to confirm their holding before trading in Shares. Applicants who sell Shares before they receive an initial holding statement do so at their own risk. The Company, the Share Registry and the Lead Manager and Underwriter disclaim all liability, whether in negligence or otherwise, if you sell Shares before receiving your holding statement, even if you confirmed your firm allocation through a Broker or otherwise.

9.13 Validity of Application Forms

An Application Form may only be distributed with, attached to or accompany a complete and unaltered copy of this Prospectus. An Application Form is an irrevocable acceptance of the Offer.

By completing and lodging an Application Form received with this Prospectus, the Applicant represents and warrants that the Applicant has personally received a complete and unaltered copy of this Prospectus prior to completing the Application Form.

The Company will not accept a completed Application Form if it has reason to believe the Applicant has not received a complete copy of the Prospectus or it has reason to believe that the Application Form has been altered or tampered with in any way.

ATL and the Lead Manager and Underwriter reserve the right to reject any Application which is not correctly completed or which is submitted by a person whom they believe is ineligible to participate in the Broker Firm Offer, or to waive or correct any errors made by the Applicant in completing their Application.

The final allocation of Shares to eligible Australian resident clients of participating Brokers in the Broker Firm Offer is at the absolute discretion of the relevant Broker.

9.14 ASX listing

An application will be made to ASX not later than seven days after the date of this Prospectus for the Company to be admitted to ASX, and for official quotation of the Shares. Acceptance of the application by ASX is not a representation by ASX about the merits of the Company or the Shares. Official quotation of Shares, if granted, will commence as soon as practicable after the issue of initial shareholding statements to successful Applicants.

The reserved ASX code will be "ATL" and if Apollo is admitted to the Official List, quotation of the Shares will commence as soon as practicable following the issue of CHESS statements. It is expected that trading of the Shares on ASX will commence on or about Friday, 4 November 2016.

If permission is not granted for official quotation of the Shares on ASX within three months of the date of this Prospectus, all Application Monies received will be refunded without interest as soon as practicable in accordance with requirements of the Corporations Act.

9.15 CHESS

The Company will apply for the Shares to participate in CHESS, in accordance with the ASX Settlement Rules. CHESS is an automated transfer and settlement system for transactions in securities quoted on ASX under which transfers are affected in an electronic form.

Applicants who are issued Shares under this Offer will receive shareholding statements in lieu of share certificates. The shareholding statements set out the number of Shares issued to each successful Applicant.

The shareholding statement will also provide details of the Shareholder's HIN (in the case of a holding on the CHESS sub-register) or SRN (in the case of a holding on the issuer sponsored sub-register).

Shareholders need to quote their HIN or SRN, as applicable, in all dealings with a stockbroker or the Share Registry. Further statements will be provided to Shareholders showing changes in their shareholding during a particular month. Additional statements may be requested at any time, although the Company reserves the right to charge a fee.

9.16 Withdrawal

The Company reserves the right to withdraw the Offer at any time before the allotment of Shares. If the Offer does not proceed, Application Monies will be refunded. No interest will be paid on any Application Monies refunded as a result of the withdrawal of the Offer.

9.17 Taxation considerations

The taxation consequences of an investment in the Company will depend upon the investor's particular circumstances. Investors should make their own enquiries about the taxation consequences of an investment in the Company. If you are in doubt as to the course you should follow, you should consult your accountant, stockbroker, lawyer or other professional adviser.

9.18 Foreign selling restrictions

No action has been taken to register or qualify the Shares or the Offer in any jurisdiction outside Australia, or otherwise to permit a public offering of the Shares outside Australia.

The Prospectus does not constitute an offer or invitation in any jurisdiction where, or to any person to whom, such an offer or invitation would be unlawful. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

Each Applicant in the Broker Firm Offer and each person to whom the Institutional Offer has been made under this Prospectus, will be taken to have represented, warranted and agreed as follows:

- (a) it is an Australian citizen or resident in Australia, is located in Australia at the time of the application and is not acting for the account or benefit of any person in the United States or any other foreign person;
- (b) it understands that the Shares have not been, and will not be, registered under the US Securities Act of 1933 (**US Securities Act**) or the securities laws of any state of the United States and may not be offered, sold or resold in the United States, except in accordance with US Securities Act regulation requirements or in a transaction exempt from, or not subject to, registration under the US Securities Act and any other applicable state securities laws;
- (c) it is not in the United States or a person resident in the United States;
- (d) it has not sent and will not send the Prospectus or any other material relating to the Offer to any person in the United States; and
- (e) it will not offer or sell the Shares in any other jurisdiction outside Australia except to the extent set out in Section 10.15.

9.19 Acknowledgements

Each Applicant under the Offer will be deemed to have:

- (a) agreed to become a member of ATL and to be bound by the terms of the Constitution and the terms and conditions of the Offer;
- (b) acknowledged having personally received a printed or electronic copy of the Prospectus (and any supplementary or replacement prospectus) including or accompanied by the Application Form and having read them all in full;
- (c) declared that all details and statements in their Application Form are complete and accurate;
- (d) declared that the Applicant(s), if a natural person, is/are over 18 years of age;
- (e) acknowledged that, once ATL or a Broker receives an Application Form, it may not be withdrawn;
- (f) applied for the number of Shares at the Australian dollar amount shown on the front of the Application Form;
- (g) agreed to being allocated the number of Shares applied for (or a lower number allocated in a way described in this Prospectus), or no Shares at all;
- (h) authorised ATL, the Lead Manager and Underwriter and their respective officers or agents, to do anything on behalf of the Applicant(s) necessary for Shares to be allocated to the Applicant(s), including to act on instructions received by the Share Registry upon using the contact details in the Application Form;
- (i) acknowledged that ATL may not pay dividends, or that any dividends paid may not be franked;
- (j) acknowledged that the information contained in this Prospectus (or any supplementary or replacement prospectus) is not financial product advice or a recommendation that Shares are suitable for the Applicant(s), given the investment objectives, financial situation or particular needs (including financial and tax issues) of the Applicant(s);
- (k) acknowledged and agreed that the Offer may be withdrawn by ATL or may otherwise not proceed in the circumstances described in this Prospectus; and
- (l) acknowledged and agreed that if Listing does not occur for any reason, the Offer will not proceed.

9.20 Further information

The Prospectus (including the Application Form) and information about the Offer can be accessed in electronic form at www.apollotourism.com.

If you have questions in relation to the Offer, please contact the Offer information line on 1300 301 187 (within Australia) or (03) 9415 4676 (outside Australia) between 10.00am and 6.00pm (Brisbane time) during business days.

All enquiries in relation to your Broker Firm Offer should be directed to your Broker.

If you are unclear in relation to any matter or are uncertain as to whether ATL is a suitable investment for you, you should seek professional advice from your stockbroker, solicitor, accountant or other independent professional adviser.

10

Additional
information



10.1 Corporate history

The Company was incorporated in Queensland under the Corporations Act as a public company limited by shares on 8 September 2016. The Company will be taxed in Australia as a public company.

10.2 Rights attaching to Shares

A shareholding in ATL is subject to its Constitution. New Shares to be issued under this Prospectus will rank equally with existing Shares as well as Shares to be issued under the Restructure to the Founding Shareholder.

The following is a summary of the principal rights of Shareholders. This summary is not exhaustive, nor does it constitute a definitive statement of a Shareholder's rights and obligations.

SHARES

The Board is entitled to issue and cancel Shares in the capital of ATL, grant options over unissued Shares and settle the manner in which fractions of a Share are to be dealt with. The Board may also issue other securities in the capital of ATL.

ATL may also sell a Share that is part of an unmarketable parcel of shares (as defined in the ASX Listing Rules) under the procedure set out in the Constitution. The net proceeds will be paid to the Shareholder.

VARIATION OF RIGHTS

The rights attaching to Shares may only be varied with the consent in writing of Shareholders holding at least three-quarters of the Shares, or with the sanction of a special resolution passed at a separate meeting of the holders of Shares.

RESTRICTED SECURITIES

If the ASX classifies any of ATL's share capital as restricted securities, then the restricted securities must not be disposed of during the escrow period and ATL must refuse to acknowledge a disposal of the restricted securities during the escrow period, except as permitted under the Listing Rules or by the ASX.

SHARE CAPITAL REDUCTION BY DISTRIBUTION OF SPECIFIC ASSETS

The Board may distribute specific assets as direct payment of a reduction of share capital and may fix the value of any asset distributed, make cash payments on the basis of the fixed asset value and vest an asset in trustees.

SHARE CERTIFICATES

Subject to the requirements of the Corporations Act, the Listing Rules or the ASX Settlement Operating Rules, ATL need not issue share certificates. Where the Board decide not to issue share certificates, a Shareholder will have the right to receive statements of the holdings of the Shareholder.

SHARE TRANSFERS

Shares may be transferred by any method permitted by the Corporations Act, the Listing Rules or the ASX Settlement Operating Rules or by a written transfer in any usual form or in any other form approved by the Board. The Board may refuse to register a transfer of Shares where it is not in registrable form, ATL has a lien over any of the Shares to be transferred or where it is permitted to do so by the Listing Rules or the ASX Settlement Operating Rules.

GENERAL MEETINGS AND NOTICE

Each Shareholder is entitled to receive notice of and attend any general meeting of ATL. Two Shareholders must be present to constitute a quorum for a general meeting and no business may be transacted at any meeting except the election of a chair and the adjournment of the meeting, unless a quorum is present when the meeting proceeds to business. A Director may call a meeting of members and members may also requisition or convene general meetings in accordance with the procedures set out in the Corporations Act. Shareholders must be given at least 28 days written notice of any general meeting unless otherwise permitted by the Corporations Act.

VOTING RIGHTS

On a show of hands each Shareholder present has one vote and, on a poll, one vote for each Share held. Voting may be in person or by proxy, attorney or representative. A poll may be demanded at a meeting in the manner permitted by the Corporations Act.

DIVIDENDS

Dividends are payable upon the determination of the Board, who may fix the amount, time for payment and method of payment of dividends.

RIGHTS ON WINDING UP

All Shares rank equally in the event of a winding up, subject to any amount remaining unpaid on any Shares. Once all of ATL's liabilities are met, the liquidator may, with the sanction of a special resolution of Shareholders, divide amongst the Shareholders all or any of ATL's assets and for that purpose determine how the liquidator will carry out the division between the different classes of members.

ASX LISTING RULES

Upon Listing, ATL must comply with the ASX Listing Rules. To the extent of any inconsistency, the ASX Listing Rules prevail over the provisions of the Constitution.

10.3 Litigation

As at the date of this Prospectus, the Directors are not aware of any claims or legal proceedings to which ATL or Apollo are a party that are likely to have a material adverse impact on the future financial position of the Company, and the Directors are not aware of any such legal proceedings that are pending or threatened.

10.4 Winnebago claim

Knott Industries Pty Ltd (**Knott**) previously used the 'Winnebago' name and logo to manufacture and sell RVs in Australia without the permission of Winnebago Industries, Inc. Knott had also registered the 'Winnebago' trade mark in Australia.

Winnebago Industries, Inc. in 2010 commenced an action against Knott and its dealer network for passing off and misleading and deceptive conduct. As a result, among other things, Knott and its dealer network were ordered not to use the 'Winnebago' name in connection with their RVs without clearly and prominently displaying a disclaimer that the RVs are not manufactured by, or by anyone having any association with, Winnebago Industries, Inc. Knott and its dealer network were also ordered to pay damages and interest.

Knott appealed the decision and also commenced an action against Winnebago Industries Inc, Winnebago of Indiana LLC, Winnebago RV Pty Ltd, Apollo Motorhome Holidays Pty Ltd and the Founding Shareholder asserting that those parties had, in using the 'Winnebago' name, engaged in conduct that was misleading or deceptive or was likely to mislead or deceive.

The parties have since settled the above matters, under the terms of which Knott has ceased all use of the 'Winnebago' name and logos. Knott's Australian 'Winnebago' trade mark has been cancelled. Winnebago Industries, Inc. is the registered owner of various 'Winnebago' trade marks in Australia.

10.5 Intellectual property

Apollo owns or has rights to various trademarks or trade names that it uses in connection with the operation of its business, including corporate names, logos and website names. Apollo has registered "Apollo" trade marks in Australia, New Zealand, the United States, the European Union, Canada and South Africa. It has also registered, or has applied for, various other trademarks in those countries.

Apollo owns or has the right to copyrights, trade secrets and other proprietary rights that protect the content of its products and the formulation of such products.

Solely for convenience, some of the copyrights, trade names and trademarks referred to in this prospectus are listed without their ©, ® and ™ symbols, but Apollo will assert, to the fullest extent under applicable law, its rights to its copyright, trade names and trademarks.

10.6 Consents and disclaimers of responsibility

None of the parties referred to below have made any statement that is included in this Prospectus or any statement on which a statement made in this Prospectus is based, except as specified below. Each of the parties referred to below, to the maximum extent permitted by law, expressly disclaims, and takes no responsibility for, any part of this Prospectus, other than the reference to its name and a statement included in this Prospectus with the consent of that party, as specified below.

Morgans Corporate Limited has given, and has not withdrawn, its written consent to be named as Lead Manager and Underwriter to the Offer in the form and context in which it is named.

Jones Day has given, and has not withdrawn, its written consent to be named as lawyers to the Company in the form and context in which it is named.

Ernst & Young Transaction Advisory Services Limited has given, and has not withdrawn, its written consent to be named as Investigating Accountant, in the form and context in which it is named and for the inclusion of its Independent Limited Assurance Report in Section 6 of this Prospectus in the form and context in which it is included.

Ernst & Young has given, and has not withdrawn, its consent to be named as Auditor and the provider of due diligence services and taxation adviser to the Company in the form and context in which it is named.

Computershare Investor Services Pty Limited has given, and has not withdrawn, its written consent to be named as share registrar in the form and context in which it is named.

10.7 Interests of advisers

Except as set out in this Prospectus, no person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus:

- (a) has any interest or has had any interest during the last two years, in the formation or promotion of the Company, or in property acquired or proposed to be acquired by the Company in connection with its formation or promotion, or the Offer of the Shares; and
- (b) no amount has been paid or agreed to be paid, and no benefit has been given, or agreed to be given, to any such person in connection with the services provided by the person in connection with the formation or promotion of the Company or the Offer of the Shares.

Morgans Corporate Limited has acted as Lead Manager and Underwriter to the Offer. The Lead Manager and Underwriter will be paid a management and underwriting fee, details of which are disclosed in Section 8.1 of this Prospectus.

Jones Day has acted as legal adviser to the Company in relation to the Offer and has been involved in undertaking due diligence enquiries and providing legal advice in relation to the Offer. Jones Day will be paid an amount of \$200,000 (GST exclusive) in respect of these services.

Ernst & Young Transaction Advisory Services Limited has acted as Investigating Accountant to the Offer and has prepared the Independent Limited Assurance Report in Section 6. Ernst & Young Transaction Advisory Services Limited will be paid an estimated fee of \$35,000 (GST exclusive) in respect of these services.

Ernst & Young is the Company's auditor, has performed due diligence services with respect to the Offer and is taxation advisor to the Company in respect of the Offer. Ernst & Young will be paid an estimated fee of \$600,000 (GST exclusive) in respect of those services. Further amounts may be paid to Ernst & Young in accordance with their normal time-based charges and in connection with the audit services to be provided.

10.8 Documents available for inspection

Copies of the following documents are available for inspection by Shareholders during normal office hours by prior appointment at the registered office of the Company for 13 months after the date of this Prospectus:

- (a) the Constitution; and
- (b) the consents to the issue of this Prospectus.

10.9 Interests of Directors

Other than set out above or elsewhere in this Prospectus:

- (a) no Director or proposed Director has, or has had in the two years before lodgement of this Prospectus, any interest in the formation or promotion of the Company, or the Offer of Shares, or in any property proposed to be acquired by the Company in connection with information or promotion of the Offer of the Shares; and
- (b) no amounts have been paid or agreed to be paid and no benefit has been given or agreed to be given, to any Director or proposed Director either to induce him or her to become, or to qualify him or her as a Director, or otherwise for services rendered by him or her in connection with the promotion or formation of the Company or the Offer of Shares.

10.10 Advisory board remuneration

Each member of the advisory board will be paid \$30,000 per annum. The remuneration may be adjusted as reasonably determined by the Company. Advisory board members are entitled to be reimbursed for all reasonable travel and other expenses approved by the Company. The Company may terminate a member's appointment by 60 days' written notice.

10.11 Expenses of the Offer

The total expenses of the Offer payable by the Company including ASX and ASIC fees, underwriting fees, accounting fees, legal fees, share registry fees, printing costs, public relations costs and other miscellaneous expenses are estimated to be approximately \$3.015 million.

10.12 ASIC relief

ASIC has granted relief to the Company in relation to the Offer so that that the takeovers provisions under Chapter 6 of the Corporations Act will not apply to certain relevant interests that the Company would otherwise acquire in the Shares held by the Founding Shareholder by reason of the escrow arrangements.

10.13 Privacy

By filling out an Application Form to apply for Shares, you are providing personal information to the Company through its service provider, the Share Registry. The Company, and the Share Registry on its behalf, collect, hold and use that personal information in order to process your Application, service your needs as a Shareholder, provide facilities and services that you request and carry out appropriate administration.

If you do not provide the information requested in the Application Form, the Company and the Share Registry may not be able to process or accept your Application. Your personal information may also be used from time to time to inform you about other products and services offered by the Company which it considers may be of interest to you.

Your personal information may also be provided to the Company's agents and service providers on the basis that they deal with such information in accordance with the Company's privacy policy and as authorised under the *Privacy Act 1988* (Cth). The Company's agents and service providers may be located outside Australia where your personal information may not receive the same level of protection as that afforded under Australian law. The types of agents and service providers that may be provided with your personal information and the circumstances in which your personal information may be shared are:

- the Share Registry for ongoing administration of the Shareholder register;
- printers and other companies for the purpose of preparation and distribution of statements and for handling mail;
- market research companies for the purpose of analysing the Company's Shareholder base and for product development and planning; and
- legal and accounting firms, auditors, contractors, consultants and other advisers for the purpose of administering, and advising on, the Shares for associated actions.

You may request access to your personal information held by (or on behalf of) the Company. You may be required to pay a reasonable charge to the Share Registry in order to access your personal information. You can request access to your personal information by contacting the Share Registry or the Company.

If any of your information is not correct or has changed, please contact the Share Registry or the Company to update your information. In accordance with the requirements of the Corporations Act, information on the share register will be accessible to members of the public.

10.14 Continuous disclosure obligations

Following admission to the official list of the ASX, the Company will be a "disclosing entity" (as defined in s. 111AC of the Corporations Act) and, as such, will be subject to regular reporting and disclosure obligations. Specifically, like all listed entities, the Company will be required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price of the value of the Company's securities.

Price sensitive information will be publicly released through ASX before it is disclosed to Shareholders and other market participants. Distribution of other information to Shareholders and market participants will be managed through disclosure to the ASX. In addition, the Company will post this information on its website after the ASX confirms an announcement has been made, with the aim of making the information readily accessible to the widest audience.

10.15 International offer restrictions

This document does not constitute an offer of Shares of the Company in any jurisdiction in which it would be unlawful. Shares may not be offered or sold in any country outside Australia except to the extent permitted below.

NEW ZEALAND

This prospectus has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (the **FMC Act**). The Shares are not being offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) other than to a person who:

- is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;
- meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
- is large within the meaning of clause 39 of Schedule 1 of the FMC Act;
- is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or
- is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.

UNITED STATES

This document may not be released or distributed in the United States. This document does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. Any securities described in this document have not been, and will not be, registered under the US Securities Act of 1933 and may not be offered or sold in the United States except in transactions exempt from, or not subject to, the registration requirements under the US Securities Act and applicable US state securities laws.

HONG KONG

This document has not been, and will not be, registered as a prospectus under the Companies Ordinance (Cap. 32) of Hong Kong (**Companies Ordinance**), nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (**SFO**). No action has been taken in Hong Kong to authorise or register this document or to permit the distribution of this document or any documents issued in connection with it. Accordingly, the Shares have not been and will not be offered or sold in Hong Kong other than to “professional investors” (as defined in the SFO).

No advertisement, invitation or document relating to the Shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors (as defined in the SFO and any rules made under that ordinance). No person allotted Shares may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the Offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

SINGAPORE

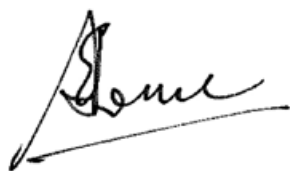
This document and any other materials relating to the Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this document and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of Shares, may not be issued, circulated or distributed, nor may the Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part XIII of the Securities and Futures Act, Chapter 289 of Singapore (**SFA**), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

This document has been given to you on the basis that you are (i) an existing holder of the Company's shares, (ii) an “institutional investor” (as defined in the SFA) or (iii) a “relevant person” (as defined in section 275(2) of the SFA). In the event that you are not an investor falling within any of the categories set out above, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the Shares being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

10.16 Authorisation

This Prospectus is issued by the Company. Each Director has consented to the lodgement of this Prospectus with ASIC and has not withdrawn that consent.



Dated 6 October 2016

STEPHEN LONIE
Chairman
Apollo Tourism & Leisure Ltd

11 | Appendices



Appendix A – Summary of significant accounting policies

Set out below are the significant accounting policies adopted in preparing the Financial Information.

A) CONSOLIDATION

The consolidated financial information comprise the information of Apollo and its subsidiaries. Control is achieved when Apollo is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, Apollo controls an investee if, and only if, Apollo has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when Apollo has less than a majority of the voting or similar rights of an investee, Apollo considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement(s) with the other vote holders of the investee
- Rights arising from other contractual arrangements
- Apollo's voting rights and potential voting rights

Apollo re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when Apollo obtains control over the subsidiary and ceases when Apollo loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial information from the date Apollo gains control until the date Apollo ceases to control the subsidiary.

When necessary, adjustments are made to the financial information of subsidiaries to bring their accounting policies into line with Apollo's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of Apollo are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If Apollo loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

B) FAIR VALUE MEASUREMENT

Apollo measures financial instruments such as derivatives, at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability,
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by Apollo. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

Apollo uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial information are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial information at fair value on a recurring basis, Apollo determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Apollo's directors determine the policies and procedures for both recurring fair value measurement, such as investment properties and unquoted AFS financial assets, and for non-recurring measurement, such as assets held for distribution in discontinued operations. At each reporting date, the directors analyse the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per Apollo's accounting policies. For this analysis, the directors verify the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

For the purpose of fair value disclosures, Apollo has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.

C) INVESTMENT IN ASSOCIATES

An associate is an entity over which Apollo has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

The considerations made in determining significant influence are similar to those necessary to determine control over subsidiaries.

Apollo's investments in its associate are accounted for using the equity method. Under the equity method, the investment in an associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in Apollo's share of net assets of the associate or joint venture since the acquisition date. Goodwill relating to the associate is included in the carrying amount of the investment and is not tested for impairment separately.

The income statement reflects Apollo's share of the results of operations of the associate. Any change in other comprehensive income of those investees is presented as part of Apollo's OCI. In addition, when there has been a change recognised directly in the equity of the associate, Apollo recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between Apollo and the associate are eliminated to the extent of the interest in the associate.

The aggregate of Apollo's share of profit or loss of an associate is shown on the face of the income statement and represents profit or loss after tax and non-controlling interests in the subsidiaries of the associate.

The financial statements of the associate are prepared for a different reporting period as Apollo, being the year ending 30 April. When necessary, adjustments are made to bring the accounting policies in line with those of Apollo, and to account for results of the investee for the two months to 30 June.

After application of the equity method, Apollo determines whether it is necessary to recognise an impairment loss on its investment in its associate. At each reporting date, Apollo determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, Apollo calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, and then recognises the loss as 'Share of profit in associate' in the income statements. Upon loss of significant influence over the associate, Apollo measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

D) INVESTMENT IN SUBSIDIARIES

Investments in subsidiaries held by Apollo are accounted for at cost in the balance sheet less any impairment charges.

E) FINANCIAL INSTRUMENTS

Initial recognition and measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets are classified, at initial recognition, as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, Available for sale (AFS) financial assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that Apollo commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories

- Financial assets at fair value through profit or loss
- Loans and receivables
- Held-to-maturity investments
- AFS financial assets

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments as defined by IAS 39. Apollo has not designated any financial assets at fair value through profit or loss. Financial assets at fair value through profit or loss are carried in the balance sheet at fair value with net changes in fair value presented as finance costs (negative net changes in fair value) or finance income (positive net changes in fair value) in the income statements.

Derivatives embedded in host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value through profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss.

Loans and receivables

This category is the most relevant to Apollo. Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method, less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the income statements. The losses arising from impairment are recognised in the income statements in finance costs for loans and in cost of sales or other operating expenses for receivables.

AFS financial assets

AFS financial assets include equity investments and debt securities. Equity investments classified as AFS are those that are neither classified as held for trading nor designated at fair value through profit or loss. Debt securities in this category are those that are intended to be held for an indefinite period of time and that may be sold in response to needs for liquidity or in response to changes in the market conditions.

After initial measurement, AFS financial assets are subsequently measured at fair value with unrealised gains or losses recognised in OCI and credited in the AFS reserve until the investment is derecognised, at which time, the cumulative gain or loss is recognised in other operating income, or the investment is determined to be impaired, when the cumulative loss is reclassified from the AFS reserve to the income statements in finance costs. Interest earned whilst holding AFS financial assets is reported as interest income using the EIR method.

Apollo evaluates whether the ability and intention to sell its AFS financial assets in the near term is still appropriate. When, in rare circumstances, Apollo is unable to trade these financial assets due to inactive markets, Apollo may elect to reclassify these financial assets if the management has the ability and intention to hold the assets for foreseeable future or until maturity.

For a financial asset reclassified from the AFS category, the fair value carrying amount at the date of reclassification becomes its new amortised cost and any previous gain or loss on the asset that has been recognised in equity is amortised to profit or loss over the remaining life of the investment using the effective interest rate. Any difference between the new amortised cost and the maturity amount is also amortised over the remaining life of the asset using the EIR. If the asset is subsequently determined to be impaired, then the amount recorded in equity is reclassified to the income statements.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from Apollo's balance sheet) when:

- The rights to receive cash flows from the asset have expired
- Apollo has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:
 - (a) Apollo has transferred substantially all the risks and rewards of the asset, or
 - (b) Apollo has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When Apollo has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, Apollo continues to recognise the transferred asset to the extent of its continuing involvement. In that case, Apollo also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that Apollo has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that Apollo could be required to repay.

Impairment of financial assets

Apollo assesses, at each reporting date, whether there is objective evidence that a financial asset or a group of financial assets is impaired. An impairment exists if one or more events that has occurred since the initial recognition of the asset (an incurred 'loss event'), has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Financial assets carried at amortised cost

For financial assets carried at amortised cost, Apollo first assesses whether impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If Apollo determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

The amount of any impairment loss identified is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original EIR.

The carrying amount of the asset is reduced through the use of an allowance account and the loss is recognised in the income statements. Interest income (recorded as finance income in the income statements) continues to be accrued on the reduced carrying amount using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. Loans, together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to Apollo. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a write-off is later recovered, the recovery is credited to finance costs in the profit or loss.

AFS financial assets

For AFS financial assets, Apollo assesses at each reporting date whether there is objective evidence that an investment or a group of investments is impaired.

In the case of equity investments classified as AFS, objective evidence would include a significant or prolonged decline in the fair value of the investment below its cost. 'Significant' is evaluated against the original cost of the investment and 'prolonged' against the period in which the fair value has been below its original cost. When there is evidence of impairment, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that investment previously recognised in the income statements – is removed from OCI and recognised in the income statements. Impairment losses on equity investments are not reversed through profit or loss; increases in their fair value after impairment are recognised in OCI.

The determination of what is 'significant' or 'prolonged' requires judgement. In making this judgement, Apollo evaluates, among other factors, the duration or extent to which the fair value of an investment is less than its cost.

In the case of debt instruments classified as AFS, the impairment is assessed based on the same criteria as financial assets carried at amortised cost. However, the amount recorded for impairment is the cumulative loss measured as the difference between the amortised cost and the current fair value, less any impairment loss on that investment previously recognised in the income statements.

Future interest income continues to be accrued based on the reduced carrying amount of the asset, using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded as part of finance income. If, in a subsequent year, the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in the income statements, the impairment loss is reversed through the income statements.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Apollo's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by Apollo that are not designated as hedging instruments in hedge relationships as defined by IAS 39. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the income statements. Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IAS 39 are satisfied. Apollo has not designated any financial liability as at fair value through profit or loss.

Loans and borrowings

This is the category most relevant to Apollo. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the income statements.

This category generally applies to interest-bearing loans and borrowings.

Financial guarantee contracts

Financial guarantee contracts issued by Apollo are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee.

Subsequently, the liability is measured at the higher of the best estimate of the expenditure required to settle the present obligation at the reporting date and the amount recognised less cumulative amortisation.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the income statements.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

F) FOREIGN CURRENCY TRANSLATION

Both the functional and presentation currency of Apollo Motorhome Ultimate Holdings Pty Ltd is Australian dollars (A\$). The functional currency of Apollo's New Zealand subsidiaries is New Zealand dollars and Apollo Motorhome Holidays LLC is US dollars. Transactions in foreign currencies are initially recorded by Apollo's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Differences arising on settlement or translation of monetary items are recognised in profit or loss with the exception of monetary items that are designated as part of the hedge of Apollo's net investment of a foreign operation. These are recognised in OCI until the net investment is disposed of, at which time, the cumulative amount is reclassified to profit or loss. Tax charges and credits attributable to exchange differences on those monetary items are also recorded in OCI.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

On consolidation, the assets and liabilities of foreign operations are translated into Australian dollars at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at exchange rates prevailing at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is recognised in profit or loss.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

G) INVENTORY

Inventories consist of spare parts held at branches and new or ex-fleet RVs for retail sale. Inventories are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and condition are accounted for, as follows:

- Raw materials: purchase cost on a first-in/first-out basis;
- Finished goods and work in progress: cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs;
- Provisions for obsolescence of raw materials is recognised on specific identification; and
- Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

H) PROPERTY, PLANT AND EQUIPMENT

Plant and equipment including rental RV fleet is stated at cost less accumulated depreciation and any impairment in value. Cost is adjusted for supplier RV rebates received. Upon a rental fleet RV being identified for sale, the carrying value is transferred to inventory as ex-rental RVs for sale.

Depreciation is calculated based on estimated residual values on a straight-line basis over the estimated useful life of the asset as follows:

- Plant and Equipment over 3 to 10 years
- RVs over 5 to 13 years (2015: 5-13 years)

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in profit and loss in the year the asset is derecognised.

I) BORROWING COSTS

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

J) IMPAIRMENT OF ASSETS

At each reporting date, Apollo assesses whether there is any indication that an asset may be impaired. Where an indicator of impairment exists, Apollo makes a formal estimate of recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount the asset is considered impaired and is written down to its recoverable amount.

Recoverable amount is the greater of fair value less costs to sell and value in use. It is determined for an individual asset or at a cash generating unit level where the cash inflows of an individual asset are not material. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs, unless the asset's value in use can be estimated to be close to its fair value.

An impairment exists when the carrying value of an asset or cash-generating units exceeds its estimated recoverable amount. The asset or cash-generating unit is then written down to its recoverable amount.

K) TRADE AND OTHER RECEIVABLES

Trade receivables, which generally have 30-90 day terms, are recognised and carried at original invoice amount.

Related parties debts are reviewed annually to establish current portion payable, commercial rates of interest are charged on outstanding balances.

An allowance for doubtful debts is made when there is objective evidence that Apollo will not be able to collect the debts. Bad debts are written off when identified.

L) CASH AND CASH EQUIVALENTS

Cash and short-term deposits in the balance sheet comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less.

For the purposes of the cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

M) INTEREST-BEARING LOANS AND BORROWINGS

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transactions costs.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method.

Gains and losses are recognised in profit and loss when the liabilities are derecognised and as well as through the amortisation process.

N) PROVISIONS

Provisions are recognised when Apollo has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where Apollo expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Provision is made for Apollo's liability for employee benefits accumulated as a result of employees rendering services up to the reporting date. These benefits include salaries and wages, annual leave and long service leave.

Liabilities arising in respect of wages and salaries, annual leave, long service leave and other employee entitlements expected to be settled within twelve months of the reporting date are measured at their nominal amounts based on remuneration rates which are expected to be paid when the liability is settled.

The liability for long service leave is measured at the present value of the estimated future cash outflows to be made in respect of services by employees up to reporting date. In determining the present value of future cash outflows, the interest rates attaching to government guaranteed securities which have terms to maturity approximating the terms of the related liability are used.

The contributions made to superannuation funds are charged against profits when due. Provisions for warranty related costs are recognised when the product is sold to the customer. Initial recognition is based on historical experience, and provisions revised annually.

O) LEASES

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Group as a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to Apollo is classified as a finance lease.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the income statements.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that Apollo will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Gains/losses under sale and leaseback transactions are deferred and recognised to profit and loss on a straight line basis over the period of the lease agreement.

An operating lease is a lease other than a finance lease. Operating lease payments are recognised as an operating expense in the income statements on a straight-line basis over the lease term.

P) REVENUE

Revenue is recognised to the extent that it is probable that the economic benefits will flow to Apollo and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Sale of goods

Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer and can be measured reliably. Risks and rewards are considered passed to the buyer at the time of delivery of the goods to the customer.

Sale of services

Revenue from the rendering of services including rentals is recognised by reference to the stage of completion over the period for which the service is provided. Non-refundable booking deposits are recognised over the rental period or upon cancellation of the booking. Bonds are held as a security deposit on RVs and may be fully refundable on RV return subject to terms and conditions. If there is loss or damage to the RV caused by the customer the bond will be used to cover such damage up to the amount of the relevant liability amount. Revenue is recognised at this point.

Q) INCOME TAX

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amounts are those that are enacted or substantively enacted by the balance date.

Deferred income tax is provided on all temporary differences at the balance date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences except:

- where the deferred income tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax assets and unused tax losses can be utilised except:

- where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each balance date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance date. Income taxes relating to items recognised directly in equity are recognised in equity and not in profit or loss.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

R) OTHER TAXES (GST)

Revenues, expenses, assets and liabilities are recognised net of the amount of GST except:

- where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

Cash flows are included in the cash flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

S) TRADE AND OTHER PAYABLES

Trade payables and other payables are carried at cost and represent liabilities for goods and services provided to Apollo prior to the end of the financial year that are unpaid and arise when Apollo becomes obliged to make future payments in respect of the purchase of these goods and services.

T) CONTRIBUTED EQUITY

Ordinary shares are classified as equity. Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received.

U) INTANGIBLE ASSETS

Goodwill

Goodwill acquired in a business combination is initially measured at cost being the excess of the cost of the business combination over Apollo's interest in the net fair value of the acquiree's identifiable net assets, liabilities and contingent liabilities.

Following initial recognition, goodwill is measured at cost less any accumulated impairment losses.

Goodwill is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.

Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash-generating units), to which the goodwill relates. When the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognised. When goodwill forms part of a cash-generating unit (group of cash-generating units) and an operation within that unit is disposed of, the goodwill associated with the operation is disposed of is included in the carrying amount of the operation when determining the gains or loss on disposal of the operation. Goodwill disposed of in this manner is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained. Impairment losses recognised are not subsequently reversed.

Other Intangibles

Apollo carries an amount relating to the "Apollo Motorhome Holidays" brand name.

Brands are deemed to have an indefinite life as Apollo has determined that there is no foreseeable limit to the period over which the brands are expected to generate net cash in-flows for the entity. Brands are tested annually for impairment and are carried at cost less any accumulated impairment losses.

V) SEGMENT INFORMATION

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker.

The chief operating decision-maker (CODM), who is responsible for allocating resources, assessing performance of the operating segments and make strategic decisions, has been identified as the Managing Director.

The Managing Director monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties. The CODM does not distinguish between revenue from internal or external customers when measuring the performance of segments.

The Managing Director has identified that the most appropriate business segmentation is by geography. Given the manufacturing entities in each of Australia and New Zealand operate on a cost recovery basis in order to breakeven and manufacture only to order by the respective Australia and New Zealand operating entities, the directors do not consider the manufacturing entities to be separate operating segments. Accordingly, Apollo segments are Australia, New Zealand and the USA. Each of these segments operates as follows:

- The Australian segment provides short term hire of motorhomes, manufactures replacement RVs for the rental fleet, manufactures motorhomes and caravans for sale direct to the public and operates RV sales activities for the sale of new units direct to the public and through a dealer network as well as the sale of ex-rental fleet RVs direct to the public and through a dealer network.
- The New Zealand segment provides short term hire of motorhomes, manufactures replacement vehicles for the rental fleet and operates RV sales activities for the sale of ex-rental fleet RVs through a dealer network.
- The USA segment provides short term hire of motorhomes and operates RV sales activities for the sale of ex-rental fleet RVs through a dealer network.

W) CHANGES IN ACCOUNTING POLICIES, DISCLOSURES, STANDARDS AND INTERPRETATIONS

(i) Changes in accounting policies, new and amended standards and interpretations

The accounting policies adopted are consistent with those of the historical financial years.

(ii) Accounting Standards and Interpretations issued but not yet effective

Australian Accounting Standards and Interpretations which are significant to ATL, that have recently been issued or amended but are not yet effective and have not been adopted by ATL are outlined below:

- AASB 9 *Financial Instruments* includes requirements for the classification and measurement of financial assets. It was further amended by AASB 2010 – 7 to reflect amendments to the accounting for financial liabilities. The effective date of this standard is 1 January 2018, however it is available for early adoption.
- AASB 15 *Revenue from Contracts with Customers* was issued by AASB in January 2015 and replaces all revenue recognition requirements, including those as set out in AASB 118 *Revenue*. The standard contains a single model that applies to all revenue arising from contracts, unless the contracts are in the scope of other standards (e.g. leases). The effective date of this standard is 1 January 2018 with early adoption permitted, otherwise it will apply in the reporting period ending 30 June 2019.
- AASB 16 *Leases* was issued in February 2016. The standard introduces a single lessee accounting model and requires lessees to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. The standard removes the clarification of leases as either operating or finance leases for the lessee and effectively treats all leases as finance leases. There are also changes in the accounting over the life of the lease. AASB 16 substantially carries forward the lessor accounting requirements in AASB 117. Accordingly, lessor accounting will remain similar to correct practice. The new standard will be effective for annual periods beginning on or after 1 January 2019. Early application is permitted, provided the new revenue standard, AASB 15 *Revenue from Contracts with Customers* has been applied, or is applied at the same date as AASB 16.

ATL has not yet assessed how it will be affected by the new standards and has not yet decided when to adopt them.

Appendix B – List of Apollo subsidiaries

SUBSIDIARY NAME	PLACE OF INCORPORATION
Apollo Motorhome Holdings (Aus) Pty Ltd	Queensland, Australia
Apollo Motorhome Holdings (NZ) Pty Ltd	Queensland, Australia
Apollo Finance Pty Ltd	Queensland, Australia
Cheapa Campa Pty Ltd	Queensland, Australia
G R L Enterprises Pty Ltd	Queensland, Australia
Talvor Motorhomes Pty Ltd	Queensland, Australia
Winnebago RV Pty Ltd	Queensland, Australia
Apollo Motorhome Holidays Pty Ltd	Queensland, Australia
Apollo Motorhome Industries Pty Ltd	Queensland, Australia
Hippie Camper Pty Ltd	Queensland, Australia
Apollo Motorhome Holidays LLC	Delaware, United States of America
Apollo Motorhome Holidays Limited	New Zealand
Talvor Motorhomes Limited	New Zealand
Cheapa Campa Limited	New Zealand
Apollo Car Hire Limited	New Zealand
Hippie Camper Limited	New Zealand

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Glossary



AAS	Australian Accounting Standards.
AASB	Australian Accounting Standards Board.
Adria	Adria Mobil, d.o.o. or the Adria brand owned by it, as the context requires.
AEST	Australian Eastern Standard Time.
Apollo or Apollo Group	Means the business being described in this Prospectus, or where the context requires, the group companies holding that business. Prior to Listing, this includes Apollo Motorhome Ultimate Holdings Pty Ltd (ACN 122 107 180) and its wholly owned subsidiaries set out in Appendix B. On and from Listing, this will include ATL.
Apollo Finance	Apollo Finance Pty Ltd (ACN 096 814 112).
Apollo USA	Apollo Motorhome Holidays LLC.
Applicant	A person or entity who submits an Application.
Application	An application made to subscribe for Shares offered under this Prospectus.
Application Form	The application form attached to this Prospectus (including the electronic form provided by an online application facility).
Application Money	The money received by the Company pursuant to the Offer, being the Offer Price multiplied by the number of Shares applied for.
ASIC	Australian Securities and Investments Commission.
ASX	ASX Limited (ACN 008 624 691) or the securities exchange operated by it (as the case requires).
ASX Settlement	ASX Settlement Pty Ltd (ACN 008 504 532).
ASX Settlement Operating Rules	The ASX Settlement Operating Rules, being the operating rules of the Settlement Facility for the purposes of the Corporations Act.
ATL or Company	Apollo Tourism & Leisure Ltd (ACN 614 714 742).
AUD, A\$ or \$	The Australian dollar.
Board	The board of directors of the Company.
Broker	Any ASX participating organisation selected by the Lead Manager and Underwriter to participate in the Broker Firm Offer.
Broker Firm Offer	The offer of Shares under this Prospectus to Australian residents who are sophisticated or professional investors (within the meaning of sections 708(8) and 708(11) of the Corporations Act, respectively), or, following lodgement of this Prospectus, to Australian resident investors who are not Institutional Investors and have received a firm allocation from their Broker.
CAD	The Canadian dollar.
CAGR	Compound annual growth rate.
CanaDream	CanaDream Corporation, an RV rental and sales company listed on the TSX Venture Exchange.
CEO and Managing Director	The chief executive officer and managing director of the Company.
CFO	The chief financial officer of the Company.
CHESS	Clearing House Electronic Subregister System, operated by ASX Settlement.
Constitution	The constitution of the Company.
Corporations Act	<i>Corporations Act 2001</i> (Cth).
CY	Calendar year ended 31 December. For example CY15 would be the year ended 31 December 2015.

Directors	The directors of the Company, as appointed from time to time.
EBIT	Earnings before interest expense and income tax.
EBITDA	Earnings before interest expense, income tax, depreciation and amortisation.
EUR	The Euro.
Finance Facilities	The finance facilities described in Section 8.5.
Financial Information	The Pro Forma Historical Financial Information and Forecast Financial Information.
Forecast Financial Information	The Pro Forma Forecast Financial Information and Statutory Forecast Financial Information.
Founders	Karl Trouchet and Luke Trouchet.
Founding Shareholder	Barmil Enterprises Pty Ltd as trustee for Lurk Investments Trust. The Founders are directors of this entity.
Free Independent Tourists	Has the meaning given in Section 2.1.1.
FY	Financial year ended 30 June. For example, FY14 would be the financial year ended 30 June 2014.
GDP	Gross domestic product.
GST	Good and services tax.
IFRS	International Financial Reporting Standards.
Independent Limited Assurance Report	The report prepared by the Investigating Accountant in Section 6.
Institutional Investor	An investor: • in Australia who is a “wholesale client” for the purposes of section 761G of the Corporations Act and who is either a “professional investor” or “sophisticated investor” under sections 708(11) and 708(8) of the Corporations Act; or • in certain other jurisdictions, as agreed between ATL and the Lead Manager and Underwriter, to whom offers or invitations in respect of securities can be made without the need for a lodged or registered prospectus or other form of disclosure document or filing with, or approval by, any governmental agency (except one with which ATL is willing, in its absolute discretion, to comply provided that such investors are not in the United States).
Institutional Offer	The invitation to bid for Shares made to Institutional Investors under this Prospectus to acquire Shares as described in Section 9.8.
Investigating Accountant	Ernst & Young Transaction Advisory Services Limited (ACN 003 599 844).
KPIs	Key performance indicators.
Lead Manager and Underwriter	Morgans Corporate Limited (ACN 010 539 607).
Listing	Admission of ATL to the Official List and quotation of the Shares on the ASX.
Listing Rules	Listing rules of ASX.
New Shares	Shares to be issued by the Company under the Offer.
NPAT	Net profit after tax.
NPBT	Net profit before tax.
NZD or NZ\$	The New Zealand dollar.
OEM	Original equipment manufacturer.
Offer	The offer of Shares under this Prospectus.
Offer Price	\$1.00 per Share.

Official List	The official list of the ASX.
Personnel	Employees of Apollo.
Pro Forma Balance Sheet	Has the meaning given in Section 5.1.
Pro Forma Forecast Cash Flow	Has the meaning given in Section 5.1.
Pro Forma Forecast Financial Information	Has the meaning given in Section 5.1.
Pro Forma Forecast Income Statement	Has the meaning given in Section 5.1.
Pro Forma Historical Cash Flow	Has the meaning given in Section 5.1.
Pro Forma Historical Financial Information	Has the meaning given in Section 5.1.
Pro Forma Historical Income Statements	Has the meaning given in Section 5.1.
Prospectus	This prospectus.
Quotation Date	The first date Shares are granted quotation on ASX.
Recommendations	The ASX Corporate Governance Council's <i>Corporate Governance Principles and Recommendations</i> (3rd edition).
Restructure	The restructure of Apollo described in Section 4.5.
RV	Recreational vehicle, including motorhomes, campervans, camper trailers, caravans and fifth wheelers, and when used in the context of Apollo's business, include motorhomes, campervans and caravans.
Senior Management	The senior management team of Apollo.
Settlement Facility	Has the meaning specified in the ASX Settlement Operating Rules.
Share	A fully paid ordinary share in the Company.
Shareholder	A holder of a Share.
Share Purchase Agreement	The share purchase agreement between the Company and the Founding Shareholder for the acquisition of all shares in Apollo Motorhome Ultimate Holdings Pty Ltd on the terms set out in Section 8.2.
Share Registry	Computershare Investor Services Pty Limited (ACN 078 279 277).
Statutory Forecast Cash Flow	Has the meaning given in Section 5.1.
Statutory Forecast Financial Information	Has the meaning given in Section 5.1.
Statutory Forecast Income Statement	Has the meaning given in Section 5.1.
STI Plan	The short term incentive plan approved by the Board from time to time.
THL	Tourism Holdings Limited (NZX: THL).
TSX	TSX Venture Exchange.
Underwriting Agreement	The underwriting agreement between the Lead Manager and Underwriter, the Founders and ATL under which the Lead Manager and Underwriter has agreed to underwrite the Offer.
USA	United States of America.
USD	The American dollar.
Winnebago	Winnebago Industries, Inc. or the Winnebago brand owned by it, as the context requires.
WTTC	World Travel & Tourism Council.
You	An investor under this Prospectus.

Corporate directory

Company

Apollo Tourism & Leisure Ltd
698 Nudgee Road
Northgate, QLD 4013
www.apollotourism.com

Directors

Mr Stephen Lonie
(Chairman)

Mr Luke Trouchet
(CEO and Managing Director)

Mr Karl Trouchet
(CFO and Executive Director)

Ms Sophie Mitchell
(Non-executive Director)

Company Secretary

Mr Peter Jans

Share Registry

Computershare Investor
Services Pty Limited
117 Victoria Street
West End, QLD 4101
www.computershare.com.au

Lead Manager and Underwriter

Morgans Corporate Limited
Level 29, Riverside Centre
123 Eagle Street
Brisbane, QLD 4000
www.morgans.com.au

Auditor

Ernst & Young
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111 Eagle Street
Brisbane, QLD 4000
www.ey.com

Investigating Accountant

Ernst & Young Transaction
Advisory Services Limited
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Brisbane, QLD 4000
www.ey.com

Lawyers

Jones Day
Level 28, Waterfront Place
1 Eagle Street
Brisbane, QLD 4000
www.jonesday.com

www.apollotourism.com

