apollo TOURISM & LEISURE LTD

thl™

Proposed merger of Apollo and *thl*

10 DECEMBER 2021

Disclaimer

IMPORTANT NOTICES

This presentation has been prepared by Apollo Tourism & Leisure Ltd ACN 614 714 742 (**Apollo**) in connection with the proposed merger between Apollo and Tourism Holdings Limited (***thl***) by way of scheme of arrangement (**Scheme**) under Part 5.1 of the *Corporations Act 2001* (Cth) (**Corporations Act**). A copy of the Scheme Implementation Deed dated 10 December 2021 relating to the Scheme is available on the ASX website at www.asx.com.au.

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This presentation contains summary information and statements about Apollo, ***thl*** and their respective related bodies corporate, businesses and activities as at the date of this presentation.

The information in this presentation is general in nature and does not purport to be exhaustive. For example, this presentation does not purport to contain all of the information that Apollo shareholders may require to make an informed assessment of the Scheme and its effect on Apollo, ***thl*** or the combined group following implementation of the Scheme (**Combined Group**), nor does it purport to contain all of the information that an investor may require in evaluating a possible investment in Apollo.

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Transaction Summary

Summary

- Apollo Tourism & Leisure (ASX:ATL) (**Apollo**) and Tourism Holdings Limited (NZX:THL) (***thl***) have today entered into a conditional Scheme Implementation Deed for the purpose of merging the two entities
- The merger is proposed to be implemented by way of an Australian Scheme of Arrangement (**Scheme**) conducted by Apollo whereby ***thl*** acquires all outstanding shares in Apollo
- Apollo and ***thl*** are two highly complementary businesses which together will create a leading diversified RV travel company across the key markets of Australia, New Zealand, North America, Europe and the United Kingdom.
- The merger is anticipated to create significant cost synergies expected to deliver a steady-state EBIT benefit of A$16.2m[2] (NZ$17.0m) to A$18.1m[2] (NZ$19.0m) per annum, and fleet rationalization to generate in excess of A$38m[2] (NZ$40m) of net debt benefit
- The Scheme is conditional upon ***thl*** receiving approval to list on the Australian Securities Exchange (ASX) on or before implementation of the Scheme
- Apollo directors (including the majority shareholders Luke & Karl Trouchet) have unanimously agreed to recommend the Scheme, subject to the absence of a superior proposal and to an independent expert concluding that the Scheme is in the best interests of Apollo's shareholders

Overview of *thl*

- ***thl*** is a global tourism operator headquartered in Auckland, New Zealand, with its shares publicly traded on the NZX since 1986. ***thl*** is the largest provider of RVs for rent and sale in Australia and New Zealand, and the second largest in North America
- In New Zealand and Australia, ***thl*** operates under the Maui, Britz and Mighty rental brands, and has a network of RV Super Centre retail and sales branches. Within New Zealand ***thl*** also owns Action Manufacturing, New Zealand's largest motorhome and specialist vehicle manufacturer, and a number of tourism businesses, being the Discover Waitomo group (which includes Waitomo Glowworm Caves, Ruakuri Cave, Aranui Cave and The Legendary Black Water Rafting Co) and the hop-on-hop-off coach transport business Kiwi Experience
- In the USA, ***thl*** owns Road Bear RV Rentals & Sales and El Monte RV Rentals & Sales, and in the UK, ***thl*** owns 49% of Just go Motorhomes

1. Conversion at NZDAUD FX rate of $0.9503 as at 9 December 2021

Transaction Summary (cont'd)

Merger consideration

- The merger will result in Apollo shareholders owning 25% of the Combined Group.[1]
- The Scheme Consideration represents an attractive premium to the Apollo share price. The shareholders of Apollo are being offered 1 new ordinary ***thl*** share for every ~3.68 Apollo shares held[2] which reflects an implied value of:
  - A$0.736[3] based on the closing price of ***thl*** shares on 9 December 2021 of NZ$2.85. This is **a premium of 32.6%** over the closing price of Apollo shares of $0.555 on the same date; and
  - A$0.731[3] based on the one-month VWAP of ***thl*** shares to 9 December 2021, of NZ$2.83. This is **a premium of 18.9%** over the one-month VWAP of Apollo shares of A$0.615 over the same period.

Process overview

- The Scheme is subject to a number of conditions (as set out in more detail on page 29), including:
  - Regulatory approvals including ACCC, NZCC and FIRB
  - Shareholder approval from Apollo shareholders
  - Approval by the Supreme Court of Queensland
  - The receipt of an independent expert report which concludes the Scheme is in the best interests of Apollo shareholders
  - Refinancing the debt facilities of ***thl*** and/or the Combined Group with new or existing financiers with effect from the implementation of the Scheme (including obtaining all necessary approvals for the refinancing), and all consents and waivers being obtained from any continuing financiers of Apollo
- The current indicative timetable expects the First Court date occurring in Q3 2022 and the Scheme taking effect from Q4 FY2022[4]
- Neither Apollo or ***thl*** intend to raise equity for this transaction

1. ***thl*** currently holds 898,150 ordinary shares in Apollo, representing 0.5% of Apollo ordinary shares on issue as at the date of the Scheme Implementation Deed. As such whilst the share of the Combined Group attributable to all Apollo shareholders including ***thl*** is 25.0%, the share of the Combined Group attributable to Apollo shareholders excluding ***thl*** is 24.9% and the share of the Combined Group attributable to ***thl*** shareholders is 75.1% - see page 31 for further details
2. The consideration shares of shareholders with an address other than in Australia, New Zealand, the United Kingdom or other jurisdictions agreed by Apollo and ***thl*** will be issued to a nominee and sold with the proceeds paid to the shareholder
3. Conversion at NZDAUD FX rate of $0.9503 as at 9 December 2021
4. This timetable is indicative only subject to change. It assumes there are no delays or complications with respect to any of the court and regulatory approvals

Strategic Rationale

Apollo and *thl* are two highly complementary businesses which together will create a diversified, leading RV travel company across the key markets of Australia, New Zealand, North America, Europe and the UK

Highlight	Description	Refer page
Value	• The Merger consideration represents an attractive value for Apollo shareholders	4
Synergy opportunity	• Significant anticipated cost synergies are expected to deliver a steady-state EBIT benefit of A$16.2m[1] (NZ$17.0m) to A$18.1m[1] (NZ$19.0m) per annum, with expected implementation costs to realise synergies in the order of A$3.8m[1] (NZ$4m) to A$6.7m[1] (NZ$7m) • Fleet rationalisation expected to generate in excess of A$38m[1] (NZ$40m) of net debt benefit	18, 19
Enhanced ability to navigate COVID recovery	• Largely fixed nature of synergies (1) enhances both businesses' ability to best navigate the recovery and (2) means that significant value is expected to be created regardless of the COVID recovery profile as the value of synergies comprises a relatively larger proportion of the earnings base of the combined standalone businesses	18, 19
Geographic diversification	• Combined Group will benefit from greater business resilience through geographic diversification, in particular from Apollo's perspective, an immediate exposure back into the United States of America	12 – 16
Financial strength	• The Combined Group will be financially stronger than Apollo on a standalone basis. The Apollo Directors believe this will likely result in a faster recovery from COVID-19, improved ability to weather any ongoing effects from the pandemic, and capability to take advantage of near-term growth opportunities • The Apollo Directors believe the Combined Group will be in a position to consider recommencing payment of dividends more quickly than Apollo could on a standalone basis	18, 19, 21, 22

1. Conversion at NZDAUD FX rate of $0.9503 as at 9 December 2021

Global RV Leader

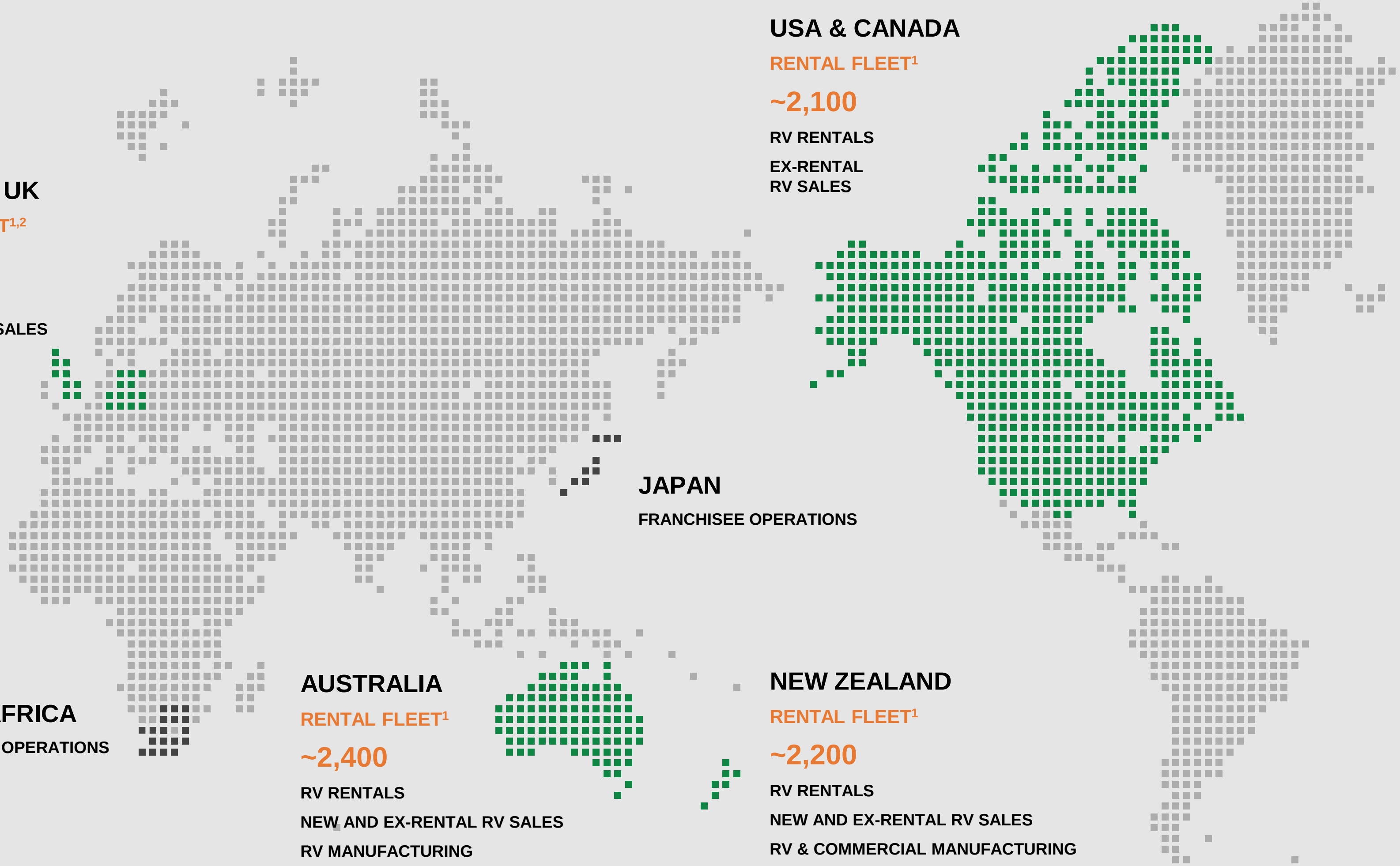
Snapshot of Combined Group

NZ$577m MARKET CAP[3]

NZ$788m ENTERPRISE VALUE[3]

NZ$1.0bn F21 TOTAL ASSETS[4]

NZ$445m F21 NET ASSETS[4]



USA & CANADA
RENTAL FLEET[1]
~2,100
RV RENTALS
EX-RENTAL RV SALES

EUROPE & UK
RENTAL FLEET[1,2]
~300
RV RENTALS
EX-RENTAL RV SALES

JAPAN
FRANCHISEE OPERATIONS

SOUTH AFRICA
FRANCHISEE OPERATIONS

AUSTRALIA
RENTAL FLEET[1]
~2,400
RV RENTALS
NEW AND EX-RENTAL RV SALES
RV MANUFACTURING

NEW ZEALAND
RENTAL FLEET[1]
~2,200
RV RENTALS
NEW AND EX-RENTAL RV SALES
RV & COMMERCIAL MANUFACTURING
TOURISM ATTRACTIONS & ACTIVITIES

1. *Rental fleet sizes represent fleet sizes as at 30 June 2021*
2. *Europe & UK fleet excludes **thl** fleet from its 49% joint venture Just go*
3. *Combined Group Market Cap calculated as total **thl** shares outstanding of 151,963,759 plus thl shares issued to Apollo shareholders as consideration of 50,329,236 multiplied by thl's last close price of NZ$2.85 as at 9 December 2021. Combined Group Enterprise Value calculated as the Combined Group Market Cap, plus Combined Group net debt of NZ$211m as at 31 October 2021 (shown on page 21) and excludes non-fleet IFRS 16 lease liabilities*
4. *FY21 Combined Group figures refer to pro forma consolidated balance sheet, as shown on page 22*

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Overview of *thl*

History of *thl*

1980 Established as The Helicopter Line, specialising in scenic helicopter flights

1986 Listed on New Zealand Stock Exchange

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

1995 Investment in Kiwi/ Oz Experience guided bus operations and CiMunro RV manufacturing

1996 Changed name to Tourism Holdings Limited

1999 Acquired Britz Motorhomes and Mighty Campervans

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

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

2010 Acquired US-based Road Bear RV Rentals and Sales

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

2012 Merger of New Zealand rental business with KEA Campers and United Campers

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

2015 Launch of Mighway P2P RV rental business

2016 Acquired US-based El Monte RV Rental and Sales

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

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

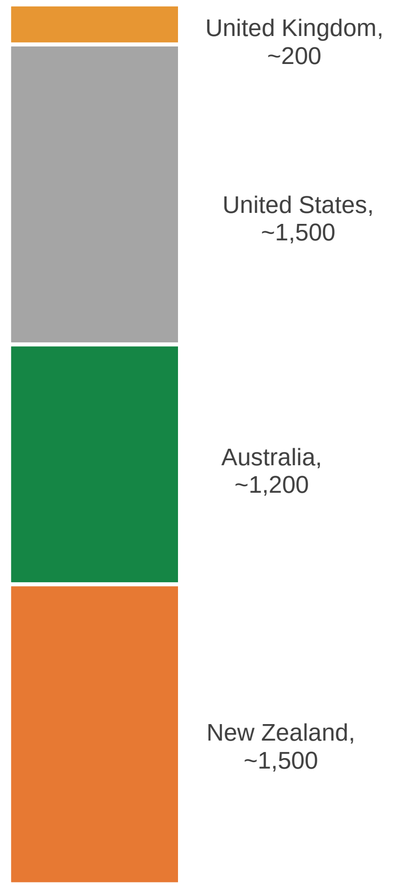
2021 Agreed to sell P2P RV rental businesses to Camplify for shareholding in Camplify[3]

[1] *thl* acquired a 50% shareholding
[2] Togo Group has recently rebranded as Roadpass
[3] Subject to approval of New Zealand Commerce Commission

Business Overview

	New Zealand	Australia	USA	UK[1]
Manufacturing/ fleet sourcing	Manufacturing and assembly facilities located in Auckland (~7,500m^2) and Hamilton (~11,000m^2) in New Zealand and Melbourne in Australia (~1,000m^2) – New Zealand facilities produced over 800 units[2] for ***thl***'s rental operations in FY19 RVs also acquired direct from manufacturers, and under the flex fleet model ex-rental RVs are imported from Just go in the UK Designs and manufactures specialist commercial vehicles for a range of public and private customers including New Zealand Police, New Zealand Defence Force and Queensland Ambulance Service		RVs acquired direct from manufacturers	
RV Rental brands	Brands: Maui, Britz, Mighty	Brands: Maui, Britz, Mighty	Brands: Road Bear, El Monte, Britz, Mighty Campers	Brands: Just go Motorhomes
RV Sales	New and ex-rental RVs distributed via four operated retail sales centres and a network of third party dealers	New and ex-rental RVs distributed via two operated retail sales centres and a network of third party dealers	Ex-rental RVs distributed via five operated retail sales centres and a network of third party dealers	Ex-rental RVs distributed via two operated retail sales centres and a network of third party dealers
Tourism attractions	Discover Waitomo glowworm cave tours and black water rafting experience Kiwi Experience hop-on-hop-off national bus tours (currently in hibernation)			

RV Rental fleet geographical split[3]



1. ***thl*** *owns 49% of Just go Motorhomes which represents its entire interests in the UK*
2. *Includes kitsets sent for assembly at Melbourne facility*
3. *As at 30 June 2021*

Overview of Combined Group

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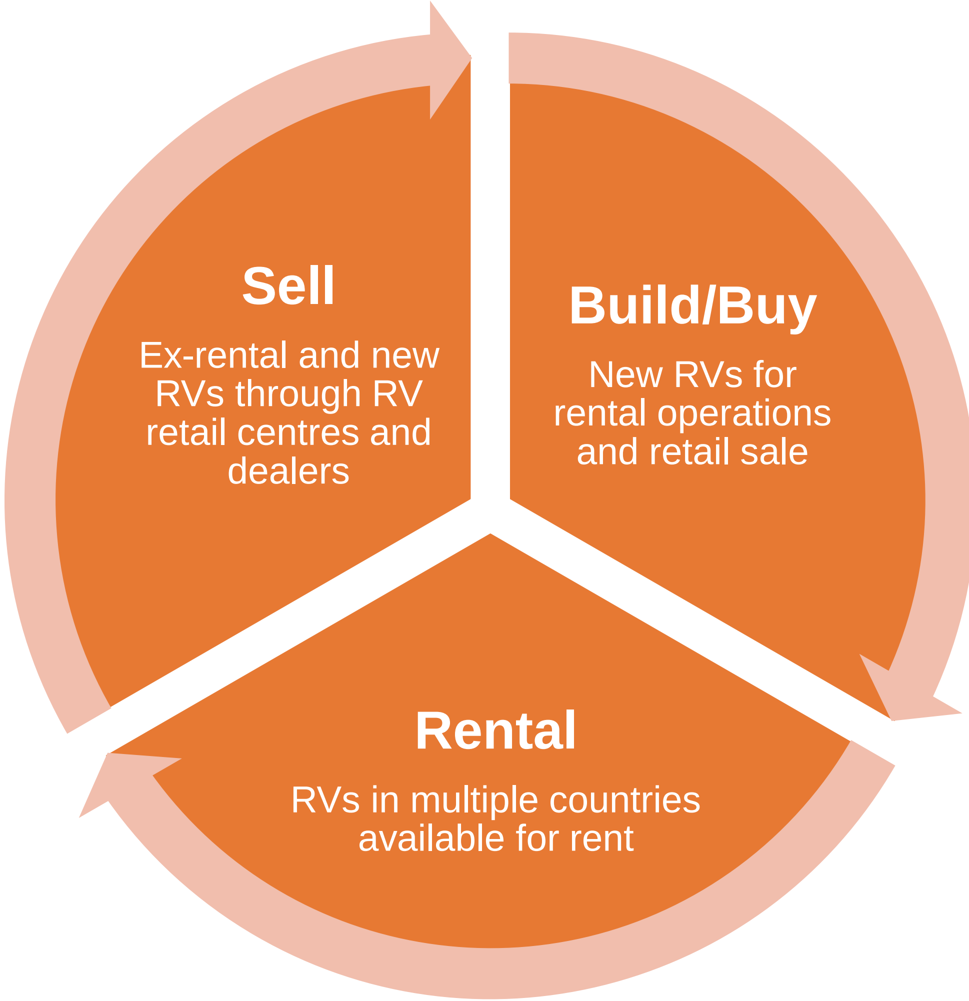
Shared RV Business Model

- Both Apollo and ***thl*** operate a Build/Buy, Rental and Sell model
- RVs are built at each company's own manufacturing facilities or purchased directly from third-party manufacturers or dealers
- Both operate multiple RV rental brands across each of their operational jurisdictions, targeting specific segments of the rental market
- Both own retail sales centres and also sell vehicles through a network of dealers



Illustrative Financial Impact of the Transaction

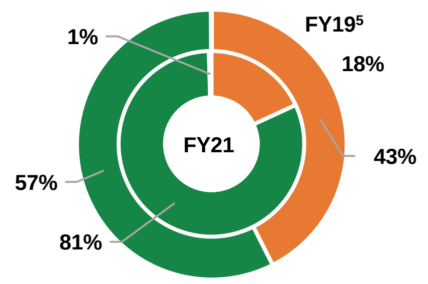
FY19 revenue and earnings contribution reflects a pre-COVID operating environment, whilst FY21 includes actions taken specifically as a result of the COVID environment

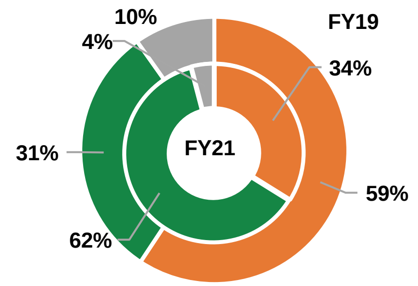
thl[1]

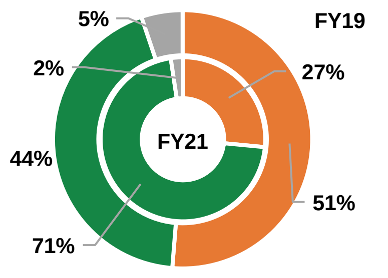
Combined Group[2]

Revenue composition by channel

- RV Rentals
- RV Sales
- Other revenue

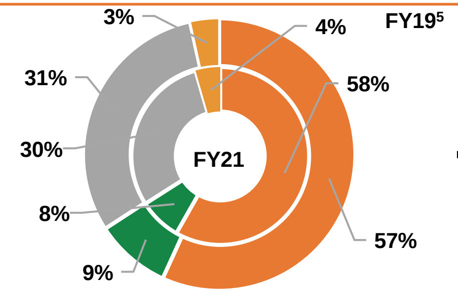


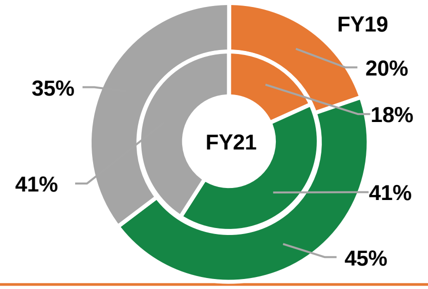


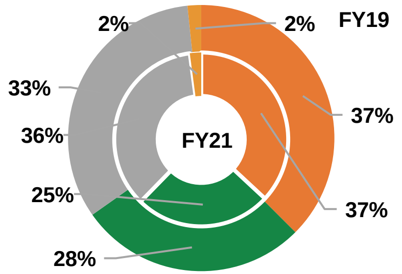


Revenue composition by geography

- Australia
- New Zealand
- North America
- Europe & UK

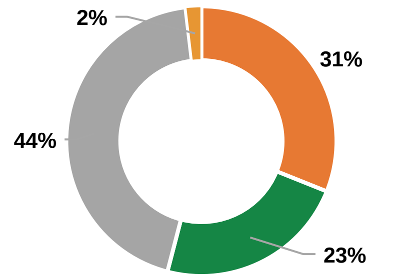


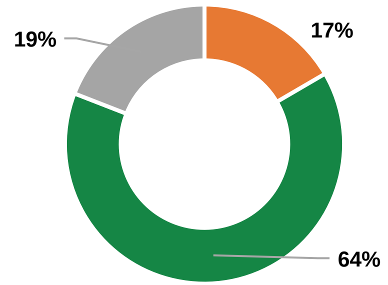


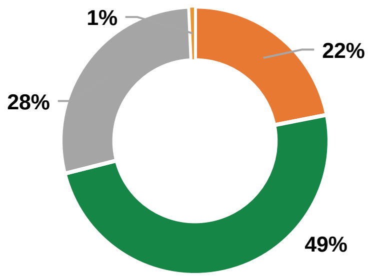


EBIT composition by geography (FY19 only)[3,4,5]

- Australia
- New Zealand
- North America
- Europe & UK







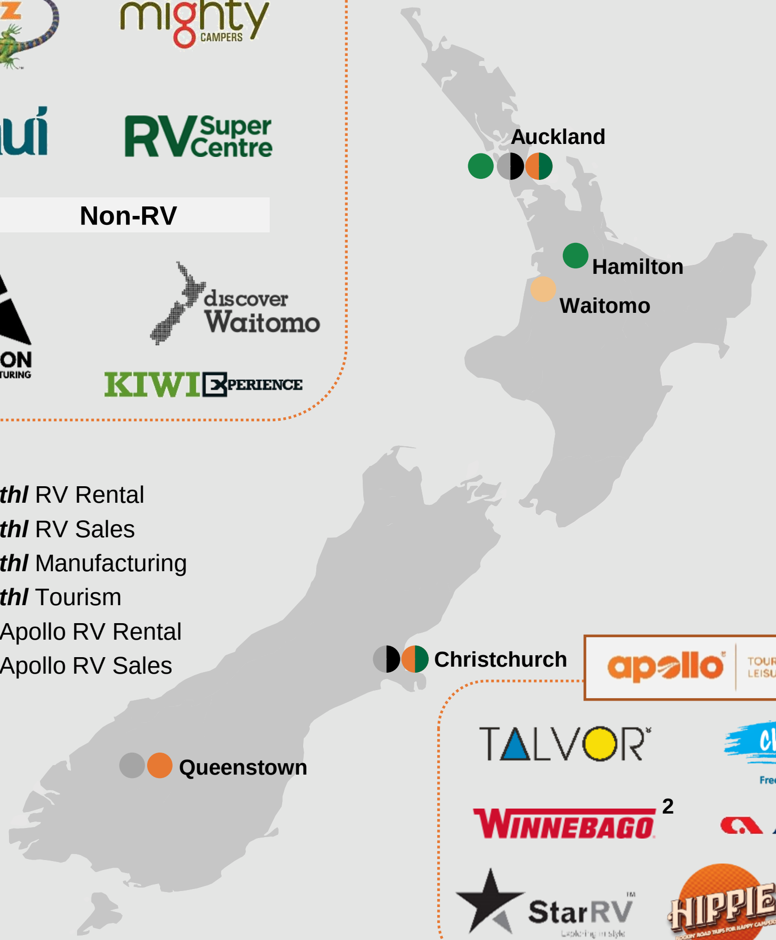
Note: the above metrics are based on combined, unadjusted, as reported financial metrics (i.e. *thl* + Apollo = Combined Group)

1. *thl* revenue and EBIT excludes earnings of joint ventures Just go and Togo Group (exited in 2020)
2. Combined Group metrics have been currency converted at an average exchange rate of 0.9383 and 0.9327 NZD / AUD in FY19 and FY21 respectively
3. *thl* FY19 reported EBIT composition by geography excludes Group Support Services & Other of NZ$(6.0)m, Apollo FY19 underlying EBIT composition by geography excludes elimination of inter-entity charges, interest charged on loans between segments and amortisation of internally generated intangibles on acquisitions totalling NZ$(1.9)m
4. FY21 not shown as both businesses generated EBIT losses in FY21 as a result of the COVID impacted operating environment
5. Apollo FY19 financials include its US business. The US fleet was sold in FY20 and the business put in hibernation

New Zealand Business

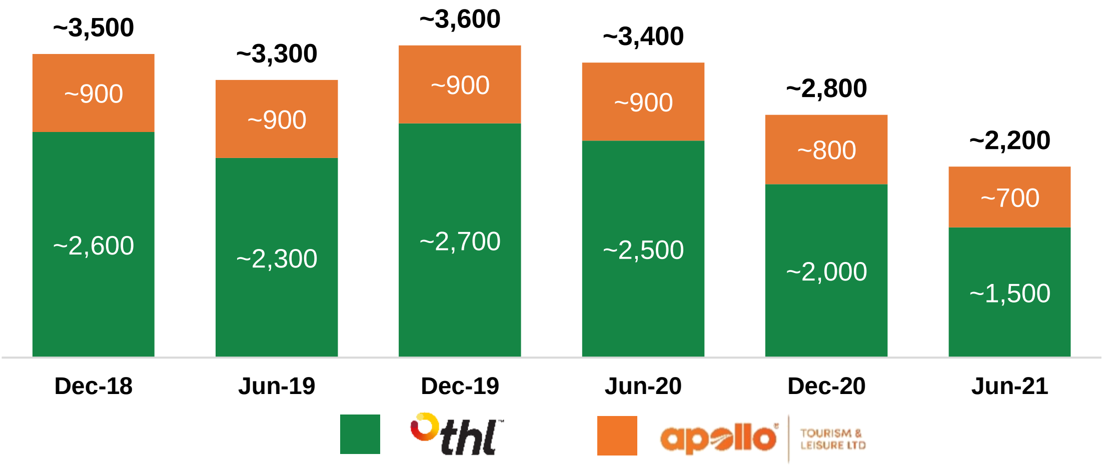
RV

Non-RV



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

Closing rental fleet size



Current conditions and strategy

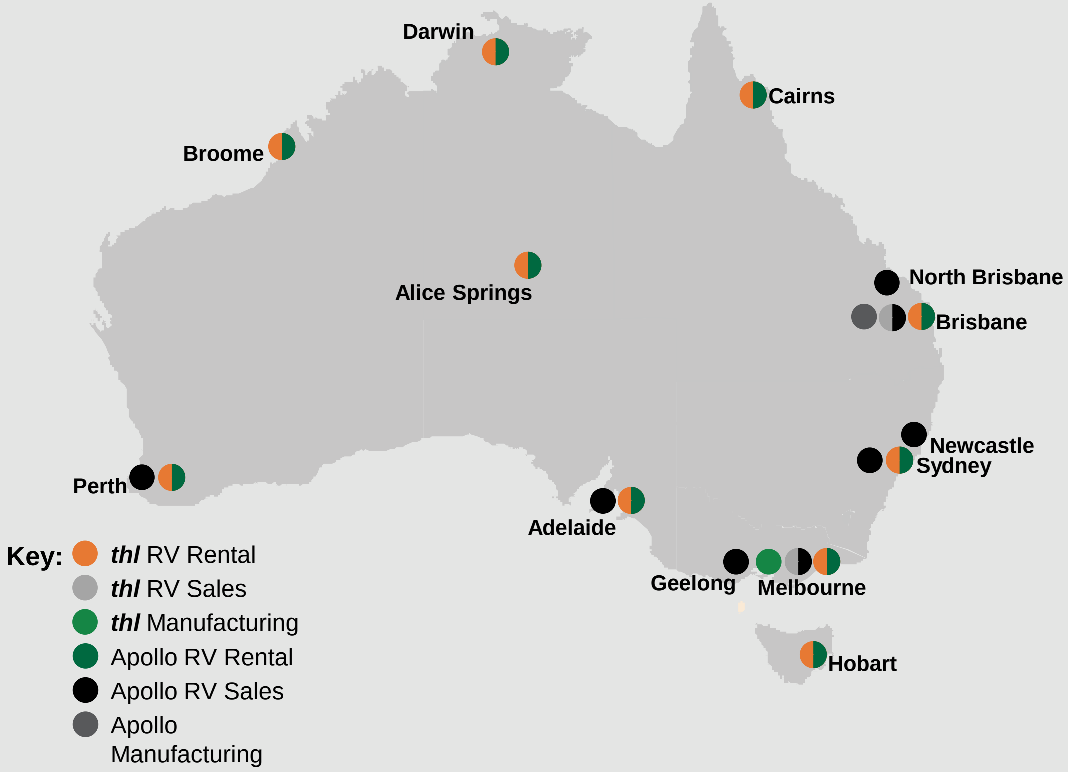
- New Zealand has been the most challenging jurisdiction with international borders closed for both businesses due to a historical reliance on international tourism and a small domestic population
- Excess fleet arising from the merger (see page 19) allows continued strength in sales volumes in the current high margin market, while retaining an appropriate fleet size to service international tourism as demand is expected to return from 30 April 2022 once borders open
- Continued focus on domestic-targeted aspects of the business including RV accessory sales, servicing and workshop facilities

1. In addition, *thl* owns the Mighway and SHAREaCAMPER brands, which have been conditionally sold to ASX listed Camplify Holdings Limited
2. *Apollo has the exclusive right to import and distribute Adria in Australia and New Zealand; and the exclusive right to manufacture Winnebago in Australia and New Zealand*

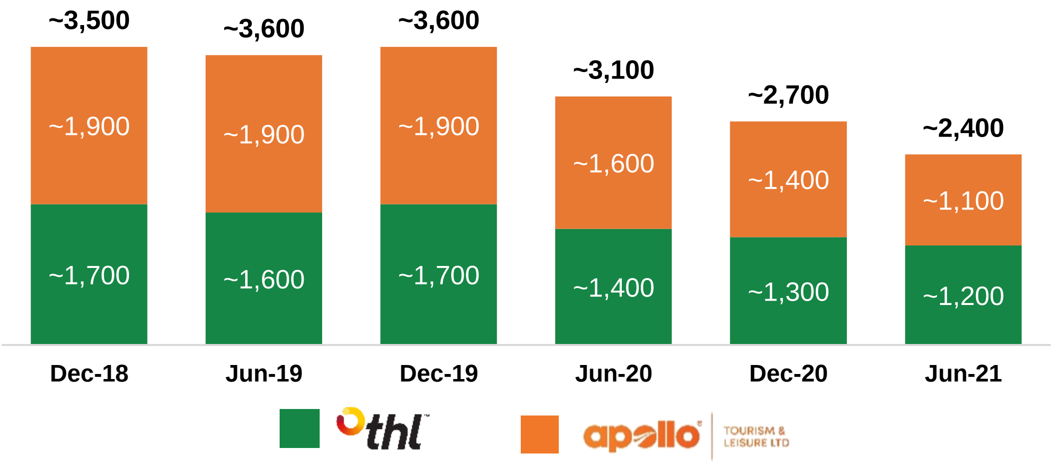
Australian RV Business

apollo TOURISM & LEISURE LTD: TALVOR, Windsor, StarRV, COROMAL, ADRIA[1], apollo, WINNEBAGO[1], HIPPIE, Cheapa Campa

thl — RV: Britz, mighty, maui, RV Super Centre; Non-RV: ACTION MANUFACTURING



Closing rental fleet size



Current conditions and strategy

- We believe the Australian business is capable of generating profitable returns in a domestic-only environment with no inter-state travel restrictions
- Larger fleet provides enhanced fleet optimization, resulting in fewer relocations across branches
- Material property synergies expected with the current overlap of rental branches
- Apollo is a material beneficiary of the current strength in the Australian vehicle sales market due to its distributed retail dealership network. The network offers significant scale benefit, while sales of third-party brands lends an element of downside protection

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

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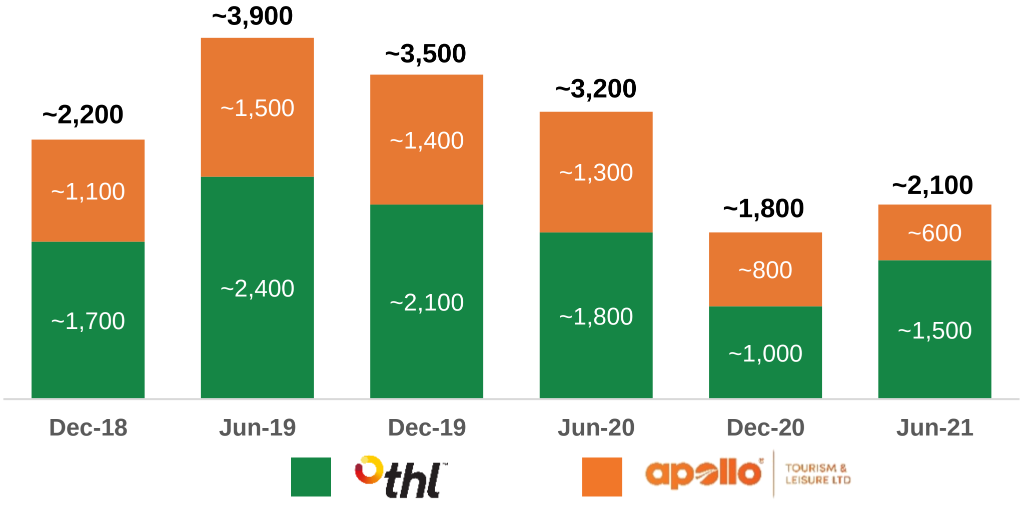
North American RV Business

Closing rental fleet size



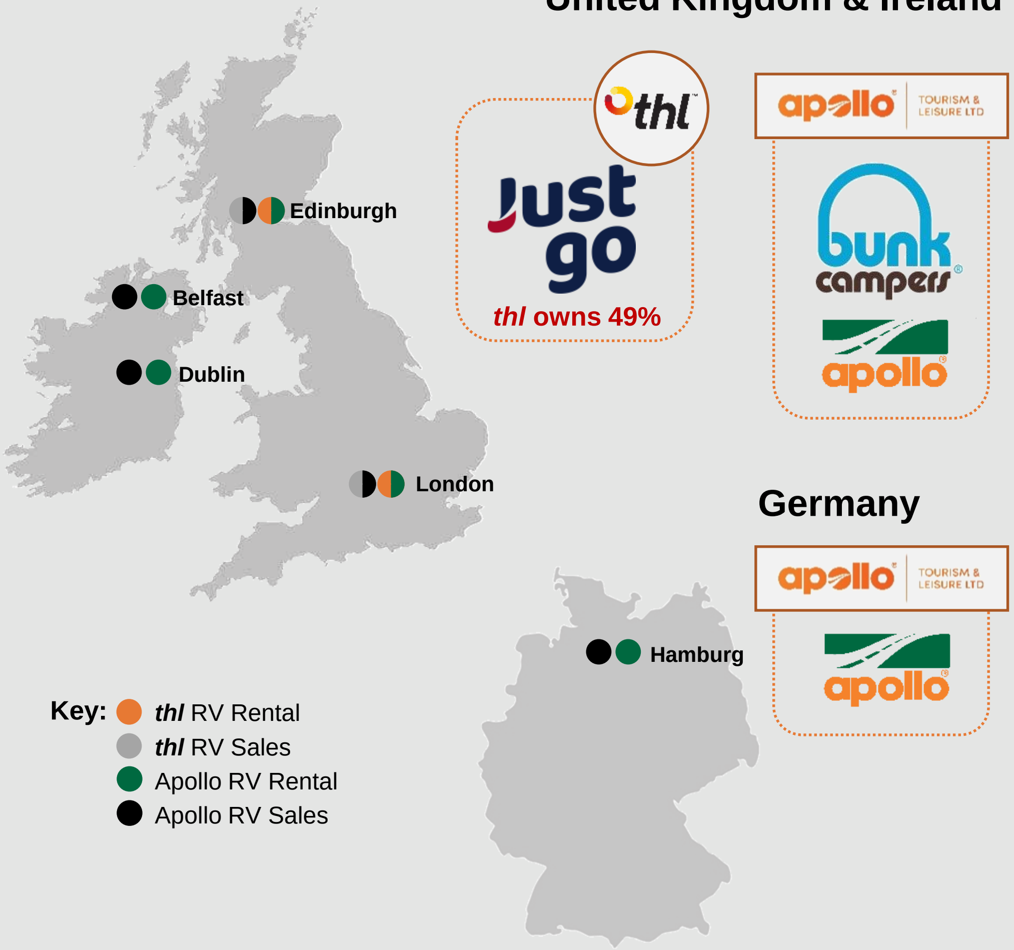
Current conditions and strategy

- The North American businesses operate on a more decentralised model than New Zealand and Australia. There are expected to be limited changes in the near to medium term
- Over time, there are expected to be opportunities to leverage the expertise and procurement capabilities of each business to realise synergies
- The merger enables maximisation of opportunities as international tourism flows return to both countries

*Note: Whitehorse (in Canada) currently in hibernation. **thl** also has licensees in Reno, Corona, Sacramento, San Diego, Santa Cruz, Ventura / Oxnard, Victorville, Miami, Chicago and Salt Lake City*

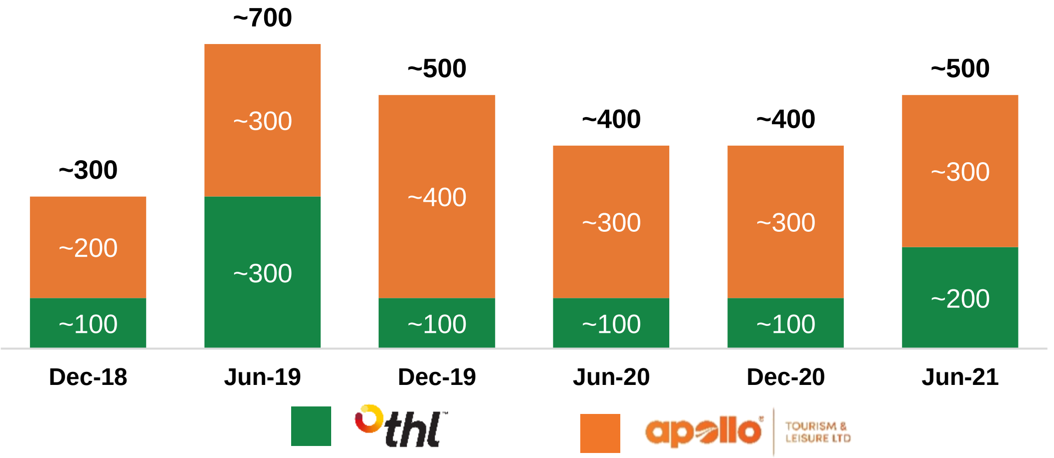
European and UK RV Business

United Kingdom & Ireland



Key:
- *thl* RV Rental
- *thl* RV Sales
- Apollo RV Rental
- Apollo RV Sales

Closing rental fleet size



Current conditions and strategy

- There may be opportunities to align the business over time
- Apollo has direct ownership of its UK business, ***thl*** operates Just go through a joint venture with a 49% shareholding
- There has been no review of the Just go joint venture as part of this merger

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Financial Overview

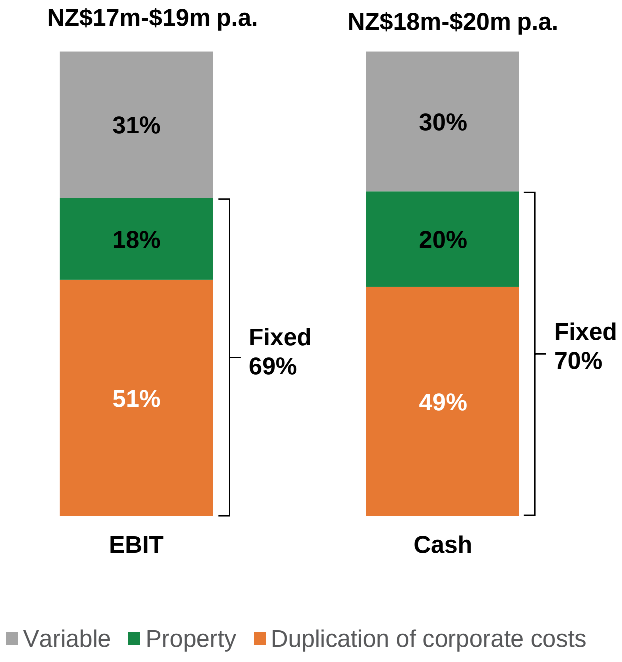
Significant Value Creation through Synergy Realisation

Largely fixed nature of synergies (1) enhances both businesses' ability to best navigate the recovery and (2) means that significant value is expected to be created regardless of the COVID recovery profile as the value of synergies comprises a relatively larger proportion of the earnings base of the combined standalone businesses

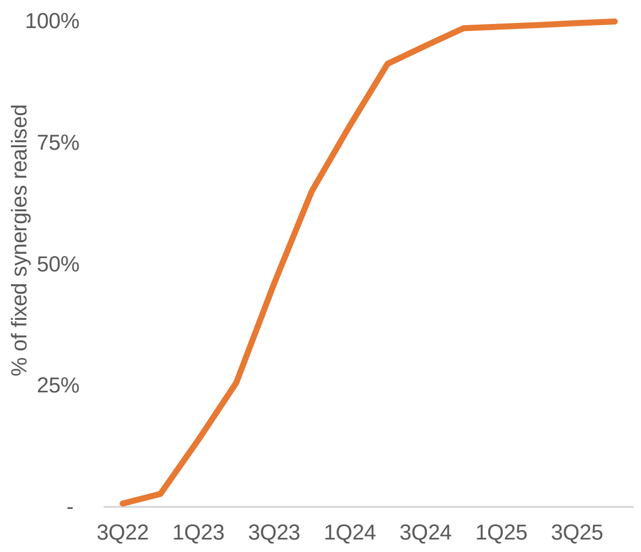
1

- Material synergies are expected to arise in the Combined Group due to recurring cost reduction
- These primarily relate to duplication of corporate costs and procurement benefits
- Such synergies are expected to deliver a steady-state[2] EBIT uplift of A$16.2m – A$18.1m[3] (NZ$17.0m – NZ$19.0m) per annum
- The majority of the fixed cost synergies are expected to be fully implemented by the end of FY23
- The phasing of variable cost synergies will depend on the pace of COVID-19 recovery
- Total one-off implementation costs are expected to be A$3.8m – A$6.7m[3] (NZ$4.0m – NZ$7.0m) with the majority of these to be incurred by the end of FY23

Expected cost-out recurring synergies[1]



Indicative phasing of fixed synergies



1. Percentages based on mid point of synergy range
2. Steady-state refers to post COVID recovery period
3. Conversion at NZDAUD FX rate of $0.9503 as at 9 December 2021

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Significant Value Creation through Synergy Realisation (cont'd)

Largely fixed nature of synergies (1) enhances both businesses' ability to best navigate the recovery and (2) means that significant value is expected to be created regardless of the COVID recovery profile as the value of synergies comprises a relatively larger proportion of the earnings base of the combined standalone businesses

2

- A significant fleet rationalisation opportunity of up to ~1,250 vehicles is expected due to the ability of the Combined Group to service rental operations on a smaller, more optimised fleet base (i.e. enhanced utilisation)
- This synergy comprises both:
  - A one-off reduction in net debt as fleet are permanently removed; and
  - An ongoing reduction in annual replacement fleet capex required due to smaller fleet size.
- The current state fleet reduction is expected to be achieved by the start of FY23, with the steady state fleet reduction dependent on COVID recovery

Current and steady state

Current + steady state		
	Current fleet reduction: Vehicles which can be extracted from the Combined Group immediately	~300 vehicles
	Steady state fleet reduction: Additional vehicles which can be extracted from the Combined Group in a steady state environment	~600 vehicles
	One-off debt reduction: Total cash flow impact of the current and steady state fleet reduction	~A$38.0m[1]

Potential upside

Potential upside		
	Additional upside fleet reduction: Additional vehicles which can potentially be extracted subject to operational efficiency improvements[2]	Up to ~350 Vehicles or ~A$28.5m[1] one-off debt reduction
	Recurring savings including net capex reduction: Ongoing cashflow benefits of a smaller fleet base of the lower net replacement capex resulting from	Not quantified

1. One-off debt reduction of NZ$40m and additional upside fleet reduction of NZ$30m converted at NZDAUD FX rate of $0.9503 as at 9 December 2021. Debt reduction per vehicle differs between current and steady state and potential upside due to differences in age of vehicles, mix of vehicles and differences in changes to both purchases and sales
2. Total fleet size is expected to continue to grow over time as the post-COVID operating environment recovers. Additional upside fleet reduction is relative to steady state fleet size

Dividend Policy

- Prior to being suspended due to the impact of the COVID-19 pandemic, ***thl***'s dividend policy was a payout ratio of 75% to 90% of NPAT.
- The current intention of the ***thl*** Board is that dividends will recommence, most likely at a lower payout ratio than was paid prior to the COVID-19 pandemic, once the Combined Group returns to a sustainable level of profitability.
- The review of the dividend policy will, among other matters, consider:
    1. the equity ratio of the Combined Group;
    2. the availability of tax imputation and franking credits; and
    3. the Combined Group’s future growth capital requirements, including as it focuses on re-fleeting in the near-medium term to take advantage of expected recovery and other opportunities.

Summary of Key Borrowing Facilities

Intentions for the Combined Group

- The transaction is subject to refinancing the debt facilities of ***thl*** and/or the Combined Group with new or existing financiers with effect from the implementation of the Scheme, and all consents and waivers being obtained from any continuing financiers of Apollo
- The Combined Group has a significantly enhanced earnings profile, in particular given the anticipated material synergies available, and as such intends to undertake a refinance in order to optimise its borrowing mix for future growth
- No additional debt is created because of the merger given the equity scrip consideration[1] – debt reduction can be achieved through fleet rationalisation

As at 31 October 2021 (NZ$m)	*thl*	Apollo	*thl* + Apollo
Fleet financing	-	123	123
Floor plan	-	37	37
Bank borrowings, loans & overdrafts	54	27	80
COVID-19 Support Loans	-	32	32
Total	**54**	**218**	**272**
Cash and equivalents	(24)	(37)	(61)
Total Net Debt[2]	**29**	**182**	**211**

Note: exchange rates used for conversion as at 31 October 2021 are 1.048 NZD / AUD, 1.097 NZD / CAD, 1.656 NZD / EUR, 1.954 NZD / GBP, and 1.467 NZD / GBP

1. After the impost of transaction related expenses
2. Excludes non-fleet IFRS 16 lease liabilities

Overview of Current Facilities

- As at 1 December 2021, ***thl***'s corporate debt facility limit was NZ$251m
- Apollo uses predominately fleet and floor plan financing and Apollo continues to be able to draw down on these facilities for liquidity as required

Combined Group FY21 Pro Forma Balance Sheet

NZ$m, as at 30 June 2021	*thl*	Apollo adjusted, translated and reclassified	Scheme adjustments	Acquisition adjustment AMLP	Combined Group pro forma consolidated BS
Assets					
Cash and cash equivalents	38.1	48.9	(9.1)	-	77.8
Trade and receivables and other assets	28.7	12.5	(0.4)	-	40.8
Inventories	57.5	57.1	-	-	114.6
Property, plant and equipment	273.1	115.2	-	(0.9)	387.4
Right-of-use assets - Fleet	-	82.3	-	-	82.3
Right-of-use assets - Property	62.3	27.4	-	-	89.7
Intangible assets (including goodwill)	51.1	25.0	115.6	-	191.7
Investments in/advances to associates and JVs	4.9	-	-	0.0	5.0
Investments accounted for using equity method	-	3.5	-	-	3.5
Other assets	22.4	11.2	(10.5)	-	23.1
Total assets	**538.1**	**383.2**	**95.6**	**(0.8)**	**1,016.0**
Liabilities					
Interest bearing loans and borrowings	86.8	149.3	-	-	236.1
Trade and other payables	25.3	24.0	-	-	49.2
Revenue in advance	13.1	17.0	-	-	30.1
Lease liabilities	73.3	116.8	-	-	190.1
Other liabilities	27.1	34.8	3.3	-	65.1
Total liabilities	**225.5**	**341.9**	**3.3**	**-**	**570.6**
Equity					
Share capital	277.8	89.9	52.8	-	420.5
Retained earnings	42.3	(35.8)	26.7	(0.8)	32.3
Other equity	(7.5)	(12.8)	12.8	-	(7.5)
Total equity	**312.6**	**41.3**	**92.4**	**(0.8)**	**445.4**
Total equity and liabilities	**538.1**	**383.2**	**95.6**	**(0.8)**	**1016.0**
Key balance sheet metrics					
Equity ratio (net of intangibles)	***53.7%***	***4.5%***			***30.8%***
NTA per share[1]	***$1.72***	***$0.09***			***$1.25***

Note: Pro forma statements have been consolidated for brevity. Refer to notes 1 to 6 on page 23 which detail the basis of preparation of the Combined Group pro forma financial information

1. NTA per share has been calculated using the shares outstanding as at 30 June 2021 for each of *thl* and Apollo. For the Combined Group, the Combined Group total shares on issue post-Scheme of 202,292,995 shown on page 30 has been used for the calculation

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Combined Group FY21 Pro Forma P&L

NZ$m, twelve months ending 30 June 2021	*thl*	Apollo adjusted, translated and reclassified	Scheme adjustments	Acquisition adjustment AMLP	Combined Group pro forma consolidated P&L
Sales of services	130.0	57.0	0.0	0.0	187.1
Sales of goods	229.1	256.1	0.0	14.7	499.9
Total revenue	**359.2**	**313.1**	**0.0**	**14.7**	**687.0**
Cost of sales	(186.0)	(228.0)	0.0	(10.3)	(424.3)
Gross profit	**173.1**	**85.1**	**0.0**	**4.4**	**262.6**
Administration expense	(37.9)	(16.6)	(9.1)	(1.9)	(65.4)
Operating expenses	(150.0)	(85.8)	0.0	(3.6)	(239.4)
Other income	6.5	1.4	0.0	0.6	8.4
Operating (loss)/profit before financing costs	**(8.3)**	**(15.8)**	**(9.1)**	**(0.5)**	**(33.7)**
Net finance costs	(10.8)	(11.0)	0.0	(0.3)	(22.2)
Share of profit/(loss) from associates and joint ventures	0.7	0.0	0.0	(0.0)	0.7
(Loss)/profit before tax	**(18.4)**	**(26.8)**	**(9.1)**	**(0.8)**	**(55.2)**
Income tax benefit	3.9	7.7	0.0	0.0	11.5
(Loss)/profit for the year	**(14.5)**	**(19.1)**	**(9.1)**	**(0.8)**	**(43.6)**

Pro forma financial information notes (relating to pages 22 – 24)

Note 1: Combined Group pro forma financial information is non GAAP financial information. The Combined Group pro forma financial information is presented for informational purposes only and is not intended to present, or be indicative of, what results from operations or financial position would have been had the events actually occurred on the dates indicated, nor is it meant to be indicative of future results from operations or financial position for any future period or as of any future date. The Combined Group pro forma financial information does not give effect to the potential impact of current financial conditions, or any anticipated synergies that may result from the implementation of the Scheme and subsequent integration of the two businesses

Note 2: Pro forma statements have been consolidated for brevity. It does not include all the disclosures, statements or comparative information that are required by New Zealand GAAP applicable to full financial statements or to financial statements prepared in accordance with the applicable rules and regulations of the New Zealand Stock Exchange (“NZX”) and the New Zealand Companies Act 1993

Note 3: Apollo’s financial information has been translated to NZ dollars and reclassified to align the presentation of certain financial statement captions with ***thl***

Note 4: Scheme adjustments relate to impacts on the financial statements arising from the implementation of the Scheme. For the purpose of the Combined Group pro forma financial information, the fair value of Apollo’s identifiable assets acquired, and liabilities assumed, have been presented on a provisional basis at book value. Scheme adjustments for Administration expenses relate to advisor costs which are expected to be incurred as part of the Scheme implementation. The purchase price consideration is based on the closing share price for ***thl*** on the 3rd December 2021. Any material changes in the share price between this date and the date of acquisition for accounting purposes will impact the purchase price consideration recognised for financial reporting purposes

Note 5: During the 2021 financial year, ***thl*** acquired the remaining 50% interest in AMLP, an RV manufacturer, that it did not already own. This transaction occurred on 28 February 2021. A pro forma adjustment has been included to reflect the impact of this acquisition as if it occurred from 1 July 2020. The pro forma adjustment includes eight months of trading for the period 1 July 2020 to 28 February 2021. These adjustments include the elimination of the impact of intercompany trading between thl and AMLP

Note 6: Apollo financial information has been currency adjusted at 0.9310 NZD / AUD for the purposes of the Balance Sheet, and currency adjusted at 0.9327 NZD / AUD for the purposes of the P&L and Cash Flow

Combined Group FY21 Pro Forma Cash Flow

NZ$m, twelve months ending 30 June 2021	*thl*	Apollo adjusted, translated and reclassified	Scheme adjustments	Acquisition adjustment AMLP	Combined Group pro forma consolidated CF
Cash flows from operating activities					
Receipts from customers	150.5	242.2	-	-	392.7
Proceeds from sale of goods	222.3	122.6	-	42.4	387.3
Payments to suppliers and employees	(159.8)	(242.6)	(9.1)	(26.1)	(437.6)
Purchase of rental assets	(119.9)	(23.4)	-	-	(143.3)
Net interest paid/(recevied)	(10.8)	(11.5)	-	(0.2)	(22.5)
Taxation received/(paid)	2.0	0.9	-	0.0	3.0
Other operating cash flows	2.7	-	-	-	2.7
Net cash flows from operating activities	**87.0**	**88.4**	**(9.1)**	**16.1**	**182.3**
Cash flows from investing activities					
Net sale/(purchase) on property, plant & equipment	(1.1)	(1.1)	-	(0.4)	(2.6)
Other investing cash flows	0.5	(0.6)	-	-	(0.1)
Net cash flows used in investing activities	**(0.6)**	**(1.8)**	**-**	**(0.4)**	**(2.8)**
Cash flows from financing activities					
Payment for lease liability principal	(7.7)	(45.0)	-	-	(52.8)
Net proceeds/(repayments) from borrowings	(74.6)	(18.6)	-	(15.8)	(108.9)
Other financing cash flows	0.3	-	-	-	0.3
Net cash flows used in financing activities	**(82.0)**	**(63.6)**	**-**	**(15.8)**	**(161.4)**
Net increase in cash and cash equivalents	**4.4**	**22.9**	**(9.1)**	**(0.1)**	**18.1**
Opening cash and cash equivalents	35.5	25.2	*n.a*	0.1	60.8
Exchange (losses)/gains on cash and cash equivalents	(1.8)	0.7	*n.a*	*n.a*	(1.1)
Closing cash and cash equivalents	**38.1**	**48.9**	**(9.1)**	**-**	**77.8**

Note: Pro forma statements have been consolidated for brevity. Refer to notes 1 to 6 on page 24 which detail the basis of preparation of the Combined Group pro forma financial information

Governance and Management

Board and Executive Management

The Combined Group will be governed by a transitory Board of 10 directors, comprising the existing *thl* board as well as two Independent Directors from the Apollo Board, Grant Webster and Luke Trouchet as Executive Directors. This transitional Board is expected to be in place until the 2022 *thl* Annual Meeting at which point a new Board consisting of no more than eight directors will be appointed

thl Board

Rob Campbell – Chairman

Rob has been an independent director of THL since May 2013, and has been Chair of the Board since August 2013. Rob has over 30 years' experience in investment management and corporate governance. Rob is currently Chair of Health New Zealand, SkyCity Entertainment Group Limited (retiring), New Zealand Rural Land Co., Ultrafast Fibre Limited and WEL Networks. Rob trained as an economist and has worked in a variety of capital market advisory and governance roles over a long period. In 2019, Rob was awarded the Companion of the New Zealand Order of Merit (CNZM) for his services to governance and business in New Zealand.

Grant Webster – CEO & Managing Director

Grant was appointed to the position of Chief Executive Officer of ***thl*** in December 2008. Grant is currently the Deputy Chair of the TIA (Tourism Industry Aotearoa) Board, on the Government working group on responsible camping, and was a co-Chair for the New Zealand Government's Tourism Futures Taskforce in 2020. Grant joins the Board as Managing Director

Debbie Birch – Independent Director

Independent Director appointed in September 2016. Debbie Chairs the Marketing & Customer Experience Committee (appointed November 2019) and serves on the Audit Committee and Sustainability & Risk Committee. Debbie has held various Director and trustee positions for the last 10 years and is currently Chair of Taupo Moana Investments Limited and Raukawa ki te Tonga AHC Limited. Debbie is a board member of White Island Tours Limited, Ngati Awa Group Holdings Limited, Te Pūia Tāpapa GP Limited. a Trustee of Wellington Free Ambulance and a Member of Treasury's Capital Markets Advisory Committee and Te Puna Whakaaronui Thought Leaders Group. Debbie has significant financial, commercial and strategic experience gained in Asia, Australia and New Zealand with more than 30 years' working in global capital markets

Rob Hamilton – Independent Director

Rob has been an independent director of THL since February 2019, and has been Chair of the Audit Committee since November 2019. Previous roles held by Rob include Chief Financial Officer at SkyCity Entertainment Group Limited, which included oversight of SkyCity's International Business division and ICT function. Rob has also previously served as a Managing Director and the Head of Investment Banking at Jarden (formerly First NZ Capital). Rob is a respected member of the finance community, with more than 30 years' experience in senior finance roles. Rob has recently been appointed as an independent director of each of Westpac New Zealand and Oceania Healthcare Limited. Rob is also a Board of Trustees member for Auckland Grammar School and has previously been a Board member on the New Zealand Olympic Committee.

Guorong Qian – Director

Non-Independent Director appointed in July 2019. Guorong serves on the Remuneration & Nomination Committee. Guorong is currently Vice Chairman of CITIC Capital Holdings Limited, a global investment management and advisory firm which employs over 320 staff through 7 offices in China, Japan and the United States. Guorong has been with CITIC Capital in various roles since its founding. He previously worked in various brokerage, asset management and investment roles.

Cathy Quinn – Independent Director

Independent Director appointed in September 2017. Cathy Chairs the Sustainability & Risk Committee (appointed May 2019) and serves on the Audit Committee, Marketing & Customer Experience Committee and Market Disclosure Committee. Cathy is a former senior corporate partner at MinterEllisonRuddWatts. She served as the firm's Chair for eight years and was also a member of the Australasian MinterEllison Legal Group Executive Board for the period she Chaired the firm. Cathy is a Director of Fletcher Building Limited, Fonterra Co-operative Group Limited, Rangatira Limited and is Chair of Fertility Associates. Cathy is also Pro-Chancellor of the University of Auckland. Cathy is a former member of the NZ Securities Commission and Capital Markets Development Taskforce, and was made an Officer of the NZ Order of Merit in 2016 for services to law and women.

Gráinne Troute – Independent Director

Independent Director appointed in February 2015. Gráinne chairs the Remuneration & Nomination Committee (appointed February 2015) and serves on the Audit Committee, Sustainability & Risk Committee and Marketing & Customer Experience Committee. Gráinne is a Chartered Member of the Institute of Directors and is also a director of Summerset Group Holdings Limited and Investore Property, and is Chair of Tourism Industry Aotearoa. Gráinne is a professional director with many years' experience in senior executive roles. Gráinne was General Manager, Corporate Services at SkyCity Entertainment Group and Managing Director of McDonald's Restaurants (NZ). Gráinne also held senior management roles with Coopers and Lybrand (now PwC) and HR Consultancy Right Management. She has also spent many years as a trustee and Chair in the not-for-profit sector, including having been the Chair of Ronald McDonald House Charities New Zealand for five years.

Board and Executive Management (cont'd)

Apollo Board members added to *thl* Board

Luke Trouchet

Non-Independent Executive Director

Sophie Mitchell
Independent Director

Robert Baker
Independent Director

Executive management

- The Combined Group's Executive team will include Grant Webster remaining in the role of Chief Executive Officer, in addition to joining the Board as Managing Director
- Luke Trouchet will also be appointed to the new role of Executive Director – M&A and Global Transitions. In this role, Luke will oversee a number of business projects that are contemplated over the coming years, including transitional projects in relation to chassis procurement, manufacturing, dealerships and technology solutions, as well as exploration of global M&A opportunities
- Nick Judd will be remaining in the role of Chief Financial Officer of the Combined Group
- The specific executive structure of the Combined Group, including how duplicate executive roles between Apollo and ***thl*** are to be addressed, are currently under review. Once determined, the remaining executive structure will be implemented following a transitional period after completion of the Scheme

Transaction Process

Transaction Overview and Conditions

- The merger will be implemented by way of an Australian Scheme of Arrangement whereby ***thl*** acquires all shares in Apollo (excluding shares already owned by ***thl***), expected to take effect in Q4 FY2022
- If the Scheme is implemented, Apollo will become a wholly-owned subsidiary of ***thl***
- ***thl*** will apply for listing on the Australian Securities Exchange (ASX) as a foreign exempt listing

The Scheme is subject to a number of conditions. Full details of these conditions are set out in the Scheme Implementation Deed

These conditions include:

- Each party obtaining all necessary regulatory approvals or waivers (including Australian competition and foreign investment (ACCC and FIRB) and New Zealand competition (NZCC) approvals)
- Approval of 75% of votes cast and more than 50% of members voting at a meeting of Apollo shareholders
- Approval of the Supreme Court of Queensland
- The receipt of an independent expert report which concludes the Scheme is in the best interests of Apollo shareholders
- ***thl*** obtaining ASX foreign exempt listing approval
- No prescribed occurrences in relation to ***thl*** or Apollo
- No material adverse change or certain specific company events in relation to ***thl*** or Apollo
- Each party's warranties remaining true and correct in all material respects
- The Trouchet family entering into escrow arrangements, as set out on page 31
- Prior to the Second Court Date, ***thl*** obtaining confirmation from its insurers that its existing Directors and Officers insurance policy is extended to include the Scheme
- No restraining orders that prohibit, materially restrict, make illegal or restrain the completion of the Scheme
- Refinancing the debt facilities of ***thl*** and/or the Combined Group with new or existing financiers with effect from the implementation of the Scheme on terms acceptable to ***thl*** and Apollo and all conditions to drawdown being satisfied or waived by the Second Court Date (including obtaining all necessary approvals for the refinancing)
- All consents and waivers being obtained from any continuing financiers of Apollo that are necessary in the opinion of ***thl*** or Apollo to the Scheme and the ongoing funding of the Combined Group in an acceptable form
- All necessary consents in connection with the Scheme are obtained in connection with a list of material Apollo contracts

No ***thl*** shareholder approval is required for the scheme

Key Merger Metrics

Resulting ownership of Combined Group

Combined Group share composition

Apollo current shares on issue	186,150,908
Apollo shares held by ***thl***	898,150
Apollo current shares on issue (excl. *thl* held)	**185,252,758**
Conversion ratio	3.680818
***thl* shares issued to Apollo shareholders (excl. *thl*)**	**50,329,236[2]**
thl current shares on issue[3]	151,963,759
Combined Group shares on issue	**202,292,995[2]**

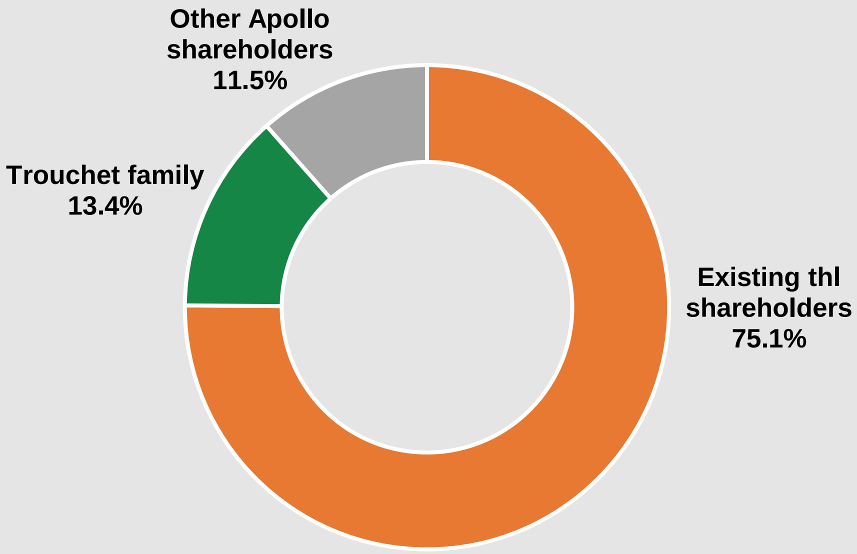
1) *The consideration shares of shareholders with an address other than in Australia, New Zealand , the United Kingdom or other jurisdictions agreed by Apollo and **thl** will be issued to a nominee and sold with the proceeds paid to the shareholder*
2) *Any entitlements to a fraction of a new **thl** share arising under the calculation of scheme consideration will be rounded to the nearest new **thl** share (and if the fractional entitlement would include one-half of a **thl** consideration shares, the entitlement will be rounded up)*
3) *Based on the respective ordinary shares on issue for **thl** (and Apollo) as at the date of the Scheme Implementation Deed. The total number of **thl** ordinary shares on issue may change prior to completion of the Scheme in the event that any shares vest under existing LTI schemes*

Merger consideration

- As consideration, ***thl*** will issue **1 new ordinary *thl* share for every ~3.68 ordinary Apollo shares** held by Apollo shareholders (excluding ***thl***) as at the date of Scheme Implementation Deed[1]
- ***thl*** currently holds 898,150 ordinary shares in Apollo being 0.5% of Apollo ordinary shares on issue at the date of the Scheme Implementation Deed. No new shares will be issued to ***thl*** in relation to its shareholding in Apollo
- The merger will result in Apollo shareholders (excluding ***thl***) owning 24.9% of the Combined Group and ***thl*** shareholders owning 75.1% of the Combined Group[3]. The Trouchet Family (who currently control 53.4% of Apollo) will become 13.4% shareholders of the Combined Group

Combined Group Shareholdings and the Trouchet Family

COMBINED GROUP INDICATIVE SHAREHOLDINGS



Trouchet family

- Luke Trouchet will continue to provide his global expertise to the business with ongoing involvement in the Combined Group (see page 27)
- Post-merger, the Trouchet family will hold an 13.4% shareholding in the Combined Group
- Subject to regulatory and other requirements, it is proposed that the Trouchet family will escrow:
  - 90% of their ***thl*** consideration shares for 12 months after the Implementation Date; and
  - 50% of their ***thl*** consideration shares for 24 months after the Implementation Date.
- The Trouchet family are strongly aligned with the continued growth of the Combined Group and intend to be a long-term, supportive shareholder evidenced by:
  - Entry into voluntary escrow
  - Luke Trouchet's role in the Combined Group as Executive Director – M&A and Global Transitions
  - High degree of cultural alignment between Apollo and ***thl***

Indicative Timetable

Key event	Indicative date
Enter into Scheme Implementation Deed	10 December 2021
Lodge Explanatory Booklet with ASIC and ASX for review and comment	Q3 FY2022
First Court Date	Q3 FY2022
Explanatory Booklet registered by ASIC	Q3 FY2022
Dispatch Explanatory Booklet to Independent Shareholders	Q3 FY2022
Scheme Meeting	Q3 FY2022
Second Court Date	Q4 FY2022
Effective Date – lodge office copy of Court order approving the Scheme with ASIC	Q4 FY2022
Scheme Record Date	Q4 FY2022
Implementation Date	Q4 FY2022

Note: All dates are indicative only and subject to change. The dates assume there are no delays or complications with respect to any of the court and regulatory approvals and are dependent on the timing of satisfaction of the conditions precedent referred to on page 29

Transaction Advisors

Advisor	Role
Morgans	Financial advisor
Hamilton Locke	Lead legal advisor (Corporate and Transactional)
Jones Day	Legal advisor (Competition)
Ernst & Young	Financial & Synergy Due Diligence
Deloitte	Tax advisor
Rowlands	Media and communications

Key Risks

Risk	Description
Completion of the Scheme is subject to various Scheme Conditions	The implementation of the Scheme is subject to the satisfaction or waiver of the Scheme Conditions (which are included at clause 3 of the Scheme Implementation Deed and summarised at page 29 of this Investor Presentation). The Scheme will not proceed if the relevant Scheme Conditions are not satisfied or waived (as applicable) before the End Date (which is currently 29 April 2022 unless at that time only Scheme Conditions that need to be satisfied are ACCC, Commerce Commission and FIRB, which case those must be satisfied or waived before 30 June 2022). There can be no certainty, nor can Apollo provide any assurance, that these conditions will be satisfied or waived (where applicable), or if satisfied or waived (where applicable), when that will occur. There are also a number of conditions which are outside the control of Apollo, including, but not limited to, approval of the Scheme by the requisite majorities of Apollo Shareholders and approval by the Court. In addition, one of the Scheme Conditions relates to ***thl*** refinancing its existing debt facilities or the debt facilities of all or part of the Combined Group, and obtaining all necessary approvals in respect of the entry into any such refinancing. There can be no assurance that that refinancing will be able to be achieved or the terms on which that financing may be able to be obtained.
Scheme Implementation Deed may be terminated	Each of Apollo and ***thl*** has the right to terminate the Scheme Implementation Deed in certain circumstances as set out in the Scheme Implementation Deed. Accordingly, there is no certainty that the Scheme Implementation Deed will not be terminated by either Apollo or ***thl*** before the implementation of the Scheme if any of those circumstances occur.
Court Approval	There is a risk that the Court may not approve the Scheme, either at all or in the form proposed, or the Court's approval of the Scheme may be delayed. In particular, if there is a material change in circumstances between the meeting and the Second Court Date, the Court will take the change into account in deciding whether it should approve the Scheme. If there is a material change of sufficient importance so as to materially alter the Scheme, there is a risk that the Court may not approve the Scheme on the Second Court Date.
Superior Proposal may emerge	There is a risk that a superior proposal for Apollo, which is more attractive for Apollo Shareholders than the Scheme, may materialise in the future. Apollo has the ability to respond to any bona fide competing proposal made by or on behalf of a person that the Apollo Board considers is of sufficient commercial standing, is reasonably expected to lead to a superior proposal and (subject to receiving legal advice from Apollo's external legal advisors) failure to respond to the competing proposal will constitute a breach of fiduciary or statutory duties of the Apollo board). If Apollo receives such a competing proposal then ***thl*** may be unwilling to increase its offer under the Scheme which may mean that the Scheme does not proceed.

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Key Risks (cont'd)

Risk	Description
Integration risk and realisation of synergies	There is a risk that Apollo's business and assets are not integrated effectively with Apollo's business and assets. Any failure to achieve expected synergies (including the consolidation of systems and processes) may impact on the financial performance and position of the Combined Group. The integration of ***thl*** and Apollo into a Combined Group may encounter unexpected challenges or issues. There is a risk that integration could take longer or cost more than anticipated, including as a result of the COVID-19 pandemic, travel restrictions and social distancing requirements, or that the expected benefits and synergies of the Scheme may be less than estimated. There is further risk of disruption to the ongoing operation of both businesses, reduced employee productivity or unintended loss of key personnel or expert knowledge arising as a result of the Scheme, particularly through the period between announcement and implementation of the Scheme (which has the potential to be significant given the lengthy court and regulatory processes).
COVID-19	The global impact of the COVID-19 pandemic, and the advice and responses from health and regulatory authorities, is continuously developing. The COVID-19 pandemic has had and continues to have a significant adverse impact on the tourism industry globally. It has also had and may continue to have unpredictable and significant impact on capital markets and share prices and may adversely impact the Combined Group's business and financial performance for the foreseeable future. The Combined Group may be impacted both by deterioration in macroeconomic conditions generally and specifically in relation to its operations. To date, the COVID-19 pandemic has affected, amongst other things, economic conditions, employment markets, equity markets, regulatory policy and caused governmental action including, mandatory quarantine, self-isolations, border closures and other travel related restrictions. Both ***thl*** and Apollo's businesses have been impacted by various domestic and international travel restrictions in New Zealand and Australia. In the United States and Canada, there is yet to be a meaningful return of international tourism activity. Over the medium to longer term, the extent to which the COVID-19 pandemic will continue to impact the Combined Group will be primarily based on how long it takes for international tourism to return and whether international tourism returns to pre-COVID-19 levels. However, given the ongoing and dynamic nature of the COVID-19 pandemic, the measures implemented to try to control it and the resulting volatility in financial, commodity and other markets, it is not possible to predict the impact that the COVID-19 pandemic and related measures taken to try to control the COVID-19 pandemic will have on the Combined Group's business (or on the operations of the Combined Group's customers, suppliers and other businesses upon which the Combined Group relies), and the length of time of such impact. Given the nature of the Combined Group's business, it is likely to continue to be affected by, among others, the geographic spread of the virus; changes in the severity of the disease; mutations in the COVID-19 virus (including Omicron); the duration of the pandemic; the availability and effectiveness of vaccines; actions that may be taken by Australian and New Zealand governmental authorities and governmental authorities in the other jurisdictions outside Australia and New Zealand in which the Combined Group operates in response to the pandemic, including actions to relax or further tighten existing travel, social distancing and other restrictions. The COVID-19 pandemic and such responsive measures could also impact the Combined Group's ability to effectively implement its strategy, risk management framework and internal controls and procedures. To the extent that the COVID-19 pandemic outbreak adversely affects the Combined Group's business and financial performance, it may also have the effect of exacerbating many of the other risks identified in this Investor Presentation.

Key Risks (cont'd)

	Description
Decline in vehicle sales demand	Globally, recent demand for motorhomes has been high. If, for whatever reason, there was a decline in vehicle sales demand, in conjunction with a potential extended boarder closure environment as a result of the COVID-19 pandemic, the Combined Group may be unable to adjust fleet size downwards, resulting in excess fleet being carried globally. A reduction in vehicle sales demand may also lead to a reduction in pricing, impacting the quantum of 'embedded equity' (the difference between market value and book value of vehicles in the Combined Group's fleet).
Supply chain / Market conditions	The COVID-19 pandemic has had a significant impact on global supply chains, which in turn has had and continues to have an adverse impact on Apollo and ***thl***. Both Apollo and ***thl*** are facing supply chain difficulties. ***thl*** is reliant on a delivery of vehicles that have been ordered for its USA, New Zealand and Australian businesses, in order to replenish a proportion of vehicles that have been recently sold. If for whatever reason, the delivery of vehicles does not eventuate, or is delayed, then this will have an impact on the Combined Group's performance as (a) the Combined Group may need to reduce vehicle sales to ensure it maintains an appropriate fleet size, and (b) the Combined Group would have a smaller fleet if vehicle sales were continued at the expected pace. Future supply shortages may have an adverse effect on the financial performance of the Combined Group. In addition, there are several expected synergies resulting from ***thl*** and Apollo leveraging each other's suppliers to procure inputs at lower costs (e.g. chassis, tyres, brakes, etc.). There is a potential risk that the Combined Group will be unable to realise these cost savings in the shorter term, due to supply chain difficulties.
Competitive Industry	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. Increased or improved competition may adversely affect the Combined Group's financial performance and key business. Factors that may impact Combined Group's performance include: new or improved products made available by its competitors; the Combined Group's pricing and competitiveness; technological and regulatory change; and ability to respond to changing preferences of the Combined Group's clients.
Other risks	Additional risks and uncertainties not currently known to Apollo may also have a material adverse effect on the business Apollo, Apollo or the Combined Group and the information set out above does not purport to be, nor should it be construed as representing, an exhaustive list of the risks of Apollo, ***thl*** or the Combined Group. These additional risks could include general economic and geo-political risks, climate-related risks, regulatory risks, personnel risks, key supplier risks and reputation risks.

Taking Stock

Trading Update

- FY22 results for Apollo's rental business will be dependent on the level of travel activity during the period. Traveller confidence continues to be impacted by the continual and rapid changes to border rules and restrictions, and uncertainty caused by the emergence of new variants such as Omicron
- We remain confident that a rebound in tourism will occur in the medium term and the Apollo business is well positioned, with skilled and experienced staff and a fleet of rental vehicles ready to service our guests when borders reopen
- Restrictions have been largely lifted in Canada, the United Kingdom and Europe, and reopening pathways are now established in Australia and New Zealand
- The Apollo Board is confident it has sufficient liquidity, capacity and resources to navigate beyond the current challenges presented by COVID-19
- Apollo has made the prudent decision to retain a portion of its Canadian fleet that had been earmarked for sale to ensure sufficient quality and volume to service the summer high season in 2022. This decision will help to mitigate potential delivery risks associated with supply chain constraints and will negatively impact Apollo's FY22 results in Canada, with the subsequent benefit to flow into FY23
- Retail demand remains strong with a healthy order book of forward orders. High gross margins are expected to continue throughout FY22 but deliveries and revenue recognition are dependent on OEMs satisfying chassis deliveries
- Costs associated with the ***thl*** merger reflected in 1H22 results are expected to be approximately A$1.2 million. Costs will continue to be incurred into 2H22 as the Scheme progresses and subject to satisfaction of the conditions precedent
- Whilst our earnings to date in FY22 give us confidence that we will achieve improved results when compared with FY21, we still anticipate making an underlying loss in FY22
- Due to the ongoing uncertainty of the current trading environment, we are not in a position to provide earnings guidance for FY22

Thank you