

Tourism Holdings Limited
The Beach House
Level 1, 83 Beach Road
Auckland City
PO Box 4293, Shortland Street
Auckland 1140, New Zealand

Tel: +64 9 336 4299
Fax: +64 9 309 9269
www.thlonline.com



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MEDIA | NZX RELEASE

TOURISM HOLDINGS LIMITED (*thl*)

THL AGREES MERGER TERMS WITH APOLLO TOURISM & LEISURE

Merger will create a global leader in the commercial RV rental market

Summary:

- **thl** and Apollo Tourism & Leisure Limited (ASX:ATL) (**ATL**) have entered into a conditional Scheme Implementation Deed to merge through an Australian Scheme of Arrangement whereby **thl** acquires all shares in ATL
- The merger will result in ATL shareholders owning approximately 25% and **thl** shareholders owning approximately 75% of **thl***
- Significant anticipated cost out synergies are expected to deliver a steady-state EBIT benefit of \$17M to \$19M per annum, and fleet rationalisation is expected to generate in excess of \$40M of net debt benefit
- The transaction is subject to approval of Apollo shareholders, as well as funding, court and regulatory approvals in Australia and New Zealand and other conditions specified in the Scheme Implementation Deed
- **thl** will apply to be dual listed on the Australian Securities Exchange (ASX) through a foreign-exempt listing
- As consideration, **thl** will issue 1 new ordinary **thl** share for every ~3.68 ordinary ATL shares held by ATL shareholders (excluding **thl**)*

thl has entered into a conditional agreement to merge with Apollo by acquiring all outstanding shares of Apollo Tourism & Leisure Ltd (ASX:ATL). The proposal contemplates that the merger be effected by way of an Australian Scheme of Arrangement and the parties have entered into a Scheme Implementation Deed (**SID**). The consideration is payable by **thl** issuing 1 new fully paid **thl** ordinary share for every ~3.68 ordinary shares held by Apollo shareholders, resulting in a post-merger ownership ratio of approximately 25% to Apollo shareholders and approximately 75% to **thl** shareholders.*

thl Chair, Rob Campbell, said that “**thl** is proactively moving to build a more resilient business and expand its international reach, rather than seeking to wait out market uncertainty from the pandemic.”

“We’re able to make this move thanks to our prudent balance sheet management through the pandemic period”, he said.

“Importantly, this merger assists both entities to better manage market uncertainty over the next phase, due to compelling cost synergies now and greater fleet efficiency in future years. By realising significant cost synergies, the merged business will be better positioned to face a longer than expected recovery period, should that eventuate”, said Mr Campbell.

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| Self drive Experiences New Zealand Australia USA UK | Design & Manufacturing New Zealand Australia | Guided Experiences New Zealand |
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* **thl** currently holds 898,150 ordinary shares in ATL, representing 0.5% of Apollo ordinary shares on issue. Whilst the share of the merged entity attributable to all ATL shareholders (including **thl**) is 25.0%, the share of the merged entity attributable to ATL shareholders (excluding **thl**) is 24.9% and the share of the merged entity attributable to **thl** shareholders is 75.1%.



thl Chief Executive, Grant Webster, said “the strategic logic of merging **thl** and Apollo’s networks is clear and the dynamics of the current market mean that the synergies available from merging are compelling.”

“Being able to deliver value uplift for shareholders of both companies, while creating a more resilient business in terms of navigating our next phase and competing more effectively on the world stage is a very significant step for us.”

“This takes **thl** into more markets, as a global commercial RV rental leader with businesses in Canada and the US, Europe and the UK as well as our Australasian operations, supported by strong manufacturing capability and retail vehicle sales in Australia and New Zealand.” said Mr Webster.

The proposed merger remains subject to approval by Apollo shareholders and finalisation of appropriate funding arrangements for the merged entity. In addition, there are various court and regulatory approvals in Australia and New Zealand, including Australian and New Zealand competition regulatory clearance. Mr Webster said these shareholder and regulatory approvals would likely take until at least the start of the second quarter of 2022.

“We welcome Luke and Karl Trouchet as a major shareholder. Together they have a wealth of experience in the RV industry and have a long-term commitment to **thl**.”

Apollo Managing Director, Luke Trouchet, said “the two businesses have similar operations and like-minded cultures, and we both strongly believe in the potential of the global RV market. I am very much looking forward to joining the Board and executive of **thl** and am excited by the prospects of what the two companies can achieve together.”

Mr Webster said “a merger also aligns with **thl**’s Future Fit commitment to improve the sustainability of the business. Apollo shares our commitment to being a business that focusses on multiple stakeholder impacts and benefits. The fleet synergies alone demonstrate the strong linkage between the environmental and commercial benefits of such a transaction, creating an opportunity to do more with fewer resources and less environmental impact.”

“The merger would also pave the way for **thl** to dual list on the ASX, enabling Apollo shareholders to be unaffected by the transition as well as paving the way for Australian investors who may not have had a mandate for NZX stocks to invest in **thl**.”

An investor presentation has been released today with further detail on the transaction, including the strategic rationale, expected synergies and the proposed process timetable.

Jarden acted as Financial Adviser, MinterEllisonRuddWatts as New Zealand Legal Adviser, MinterEllison as Australian Legal Adviser, Baker Mckenzie as North American Legal Adviser, KPMG as Accounting Adviser and Synergy Due Diligence, Deloitte as Tax Adviser and Richard Wallace as Banking Adviser.

END



Authorised by:

A handwritten signature in blue ink, appearing to read 'Rob Campbell', is positioned above the printed name.

Rob Campbell
Chair, Tourism Holdings Limited

For further information contact:

Grant Webster

thl Chief Executive Officer

Direct Dial: +64 9 336 4255

Mobile: +64 21 449 210

About **thl** (www.thlonline.com)

thl is a global tourism operator. We are listed on the NZX and are the largest provider of RVs for rent and sale in Australia and New Zealand, and the second largest in North America. In the USA, we own and operate the Road Bear RV Rentals & Sales brand and El Monte RV Rentals & Sales. In the UK, **thl** owns 49% of Just go Motorhomes. Within New Zealand, we operate Kiwi Experience and the Discover Waitomo group, which includes Waitomo Glowworm Caves, Ruakuri Cave, Aranui Cave and The Legendary Black Water Rafting Co. **thl** also owns and operates Action Manufacturing, New Zealand's largest motorhome and specialist vehicle manufacturer.