



# PTB GROUP LIMITED

## CONTENTS

## PAGE NO.

### **Appendix 4D**

Results for Announcement to the Market

1

### **Interim Financial Report**

Directors' Report

4

Auditor's Independence Declaration

5

Consolidated Statement of Profit or Loss and Other Comprehensive Income

6

Consolidated Statement of Financial Position

7

Consolidated Statement of Changes in Equity

8

Consolidated Statement of Cash Flows

9

Notes to the Consolidated Financial Report

10

Directors' Declaration

24

Independent Auditor's Review Report

25

## Results for Announcement to the Market

### Summary of Financial Information:

Extracts from this report for announcement to the market:

	Six months ended 31.12.19 \$A'000	Six months ended 31.12.18 \$A'000	Movement \$A'000	Movement
Revenue from ordinary activities	26,096	23,767	2,329	9.80%
Profit/(loss) after tax from ordinary activities attributable to members	1,483	2,266	(783)	(34.55%)
Net profit/(loss) attributable to members	1,483	2,266	(783)	(34.55%)

### Dividends:

Financial Year	Nature	Date paid/Proposed to be paid	Amount per security Cents	Franked amount per security at 30% tax
30-Jun-20	Interim	2 March 2020	2.5 cents	Fully Franked
30-Jun-19	Final	No dividend was declared, paid or payable.	N/A	N/A
30-Jun-19	Interim – declared and paid	31 May 2019	7 cents	Fully Franked at 27.5% tax

### NTA Backing:

	Six months ended 31.12.19 (Cents)	Six months ended 31.12.18 (Cents)
Net tangible asset backing per ordinary security (cents)	64	67

**Details of entities over which control has been gained or lost during the period:**

Nil during the period, however on 31 January 2020, the Group entered into a binding agreement to acquire Prime Turbines, LLC, a US based MRO business. This acquisition is scheduled to complete in late February 2020.

**Details of associates and joint venture entities:**

Nil

**Accounting Standards used for Foreign Entities in compiling the report:**


IFRS has been used in the preparation of the financial statements of all entities.

**Audit/Review Status:**

<b>This report is based on accounts to which one of the following applies:</b> (Tick one)			
The accounts have been audited	<input type="checkbox"/>	The accounts have been subject to review	<input checked="" type="checkbox"/>
The accounts are in the process of being audited or subject to review	<input type="checkbox"/>	The accounts have not yet been audited or reviewed	<input type="checkbox"/>
<b>If the accounts have not yet been audited or subject to review and are likely to be subject to dispute or qualification, a description of the likely dispute or qualification:</b> n/a			
<b>If the accounts have been audited or subject to review and are subject to dispute or qualification, a description of the dispute or qualification:</b> n/a			

**Attachments Forming Part of Appendix 4D:**

Attachment #	Details
1	Chairman's & Managing Director's Review
2	Interim Financial Report

<b>Signed By (Managing Director)</b>	
<b>Print Name</b>	Stephen Smith
<b>Date</b>	26 February 2020



**PTB GROUP LIMITED**

**ABN 99 098 390 991**

**INTERIM FINANCIAL REPORT**

**FOR THE HALF YEAR ENDED**

**31 DECEMBER 2019**

# PTB GROUP LIMITED AND ITS CONTROLLED ENTITIES

## DIRECTORS' REPORT

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Your Directors present their report on the consolidated entity consisting of PTB Group Limited ("the Company") and the entities it controlled at the end of, or during, the half year ended 31 December 2019.

### Directors

The names of Directors in office at any time during the half year and up to the date of this report are:

Name	Position
SG Smith	Managing Director
CL Baker	Director (non-executive), Chairman
APS Kemp	Director (non-executive)
RQ Cole	Director (non-executive)
PP Gunasekara	Director (non-executive)

### Review and Results of Operations

PTB Group Limited's profit before tax, excluding FX gains/losses and acquisition related costs (NPBTFX), for the period to 31 December 2019 was \$3.289 million (Dec 2018: \$2.940 million). This result exceeded the top end of the previously provided NPBTFX guidance of \$2.9 to \$3.1 million for the half year by 6.1%.

Net profit after tax for the half year was \$1.481 million (Dec 2018: \$2.270 million) after the inclusion of \$0.612 million of acquisition costs and \$0.137 million of net foreign exchange losses (Dec 2018: \$0.257 million net gain). Total revenue was \$26.096 million (Dec 2018: \$23.767 million). At period end, net assets for the group were \$52.441 million (Jun 2019: \$50.966 million).

On 31 January 2020, the Group entered into a binding agreement to acquire Prime Turbines LLC, an established US based MRO provider for US\$21 million (approx. \$31.204 million), and inventory from CT Aerospace, a provider of aviation spare parts and inventory, for carrying value, estimated at US\$8.5 million (approx. \$12.630 million). Prime Turbines is an established US based independent aircraft engine maintenance, repair and overhaul company and is expected to expand on PTB's existing presence in the US aviation services market.

### Dividends

A 2.5 cents per share interim dividend has been declared for the 30 June 2020 financial year. The dividend will be paid on 2 March 2020. A dividend of 7 cents per share was paid during the June 2019 year.

### Auditor's Independence Declaration

A copy of the auditor's signed independence declaration as required under section 307C of the *Corporations Act 2001* is attached to this report.

### Rounding

The Company is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to the 'rounding off' of amounts in the Directors' Report. Amounts in the Directors' Report have been rounded off in accordance with that legislative instrument to the nearest thousand dollars, or in certain cases, to the nearest dollar.

This report is made in accordance with a resolution of the Board of Directors.



**Stephen Smith**  
Managing Director

Brisbane  
26 February 2020

## **Auditor's Independence Declaration under Section 307C of the Corporations Act 2001 to the Directors of PTB Group Limited**

As lead auditor for the review of the financial statements of PTB Group Limited for the financial half-year ended 31 December 2019, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- i) the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- ii) any applicable code of professional conduct in relation to the review.

This declaration is in respect of PTB Group Limited and the entities it controlled during the financial period.



**Clive Massingham**  
**Hall Chadwick QLD**  
**Chartered Accountants**

Signed this 26<sup>th</sup> day of February 2020

**PTB GROUP LIMITED AND ITS CONTROLLED ENTITIES**

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND  
OTHER COMPREHENSIVE INCOME**

**FOR THE HALF YEAR ENDED 31 DECEMBER 2019**

	<b>Note</b>	<b>31.12.19 \$'000</b>	<b>31.12.18 \$'000</b>
Revenue	2	26,096	23,767
<b>Total revenue</b>		<b>26,096</b>	<b>23,767</b>
Changes in inventories of finished goods and work in progress		4,042	1,201
Raw materials and consumables used and finished goods purchased for resale		(19,204)	(15,136)
Employee benefits		(3,742)	(3,132)
Depreciation and amortisation		(1,222)	(1,062)
Repairs and maintenance		(57)	(69)
Bad and doubtful debts		124	18
Finance costs		(510)	(436)
Net foreign exchange gain / (loss)		(137)	257
Acquisition related costs		(612)	-
Other expenses		(2,238)	(2,211)
<b>Total expenses</b>		<b>(23,556)</b>	<b>(20,570)</b>
<b>Profit/(Loss) before income tax</b>		<b>2,540</b>	<b>3,197</b>
Income tax (expense)/ benefit		(1,059)	(927)
<b>Profit/(Loss) for the half year attributable to the owners of the parent entity</b>		<b>1,481</b>	<b>2,270</b>
Other comprehensive income net of income tax:			
Exchange differences on translation of foreign operations		2	(4)
<b>Total comprehensive income/(loss) for the period attributable to the owners of the parent entity</b>		<b>1,483</b>	<b>2,266</b>
		<b>Cents</b>	<b>Cents</b>
Basic earnings per share	7	1.98	3.28
Diluted earnings per share	7	1.98	3.28

The accompanying notes form part of these financial statements.

**PTB GROUP LIMITED AND ITS CONTROLLED ENTITIES**

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

**AS AT 31 DECEMBER 2019**

	Note	<b>31.12.19</b>	<b>30.06.19</b>
		<b>\$'000</b>	<b>\$'000</b>
<b>Current Assets</b>			
Cash and cash equivalents	5	8,549	7,174
Trade and other receivables		13,286	13,376
Inventories		27,244	23,202
Current tax assets		-	144
Other current assets		1,452	1,242
<b>Total Current Assets</b>		<b>50,531</b>	<b>45,138</b>
<b>Non-Current Assets</b>			
Trade and other receivables		9,555	11,319
Inventories		2,741	2,687
Property, plant and equipment		18,793	18,752
Deferred tax assets	9	1,085	1,618
Intangible assets		4,334	4,334
<b>Total Non-Current Assets</b>		<b>36,508</b>	<b>38,710</b>
<b>Total Assets</b>		<b>87,039</b>	<b>83,848</b>
<b>Current Liabilities</b>			
Trade and other payables		5,715	4,856
Borrowings	4	6,058	2,455
Current tax liabilities		299	47
Provisions		721	804
Other current liabilities		3,265	2,141
<b>Total Current Liabilities</b>		<b>16,058</b>	<b>10,303</b>
<b>Non-Current Liabilities</b>			
Borrowings	4	13,996	17,862
Deferred tax liabilities		3,991	4,332
Provisions		172	146
Other non-current liabilities		381	239
<b>Total Non-Current Liabilities</b>		<b>18,540</b>	<b>22,579</b>
<b>Total Liabilities</b>		<b>34,598</b>	<b>32,882</b>
<b>Net Assets</b>		<b>52,441</b>	<b>50,966</b>
<b>Equity</b>			
Contributed equity	6	47,630	47,638
Reserves		14,923	13,312
Retained profits		(10,112)	(9,984)
<b>Total Equity</b>		<b>52,441</b>	<b>50,966</b>



**PTB GROUP LIMITED AND ITS CONTROLLED ENTITIES**

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

**FOR THE HALF YEAR ENDED 31 DECEMBER 2019**

	Issued Capital	Other Equity Securities	Total Contributed Equity	Dividend Appropriation Reserve	Foreign Currency Translation Reserve	Retained Earnings	Total Equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Balance at 1 July 2018</b>	42,938	183	43,121	14,367	(7)	(10,166)	47,315
<b>Total comprehensive income:</b>							
Profit/(loss) for the half year	-	-	-	-	-	2,270	2,270
Other comprehensive income	-	-	-	-	(4)	-	(4)
<b>Total comprehensive income for the half year</b>	-	-	-	-	(4)	2,270	2,266
Contributions of equity net of transaction cost	970	-	970	-	-	-	970
Transfer to reserves	-	-	-	2,273	-	(2,273)	-
<b>Balance at 31 December 2018</b>	<b>43,908</b>	<b>183</b>	<b>44,091</b>	<b>16,640</b>	<b>(11)</b>	<b>(10,169)</b>	<b>50,551</b>
<b>Balance at 1 July 2019</b>	47,455	183	47,638	13,317	(5)	(9,984)	50,966
<b>Total comprehensive income:</b>							
Profit/(loss) for the half year	-	-	-	-	-	1,481	1,481
Other comprehensive income	-	-	-	-	2	-	2
<b>Total comprehensive income for the half year</b>	-	-	-	-	2	1,481	1,483
Contributions of equity net of transaction cost	(8)	-	(8)	-	-	-	(8)
Transfer to reserves	-	-	-	1,609	-	(1,609)	-
<b>Balance at 31 December 2019</b>	<b>47,447</b>	<b>183</b>	<b>47,630</b>	<b>14,926</b>	<b>(3)</b>	<b>(10,112)</b>	<b>52,441</b>

**PTB GROUP LIMITED AND ITS CONTROLLED ENTITIES**

**CONSOLIDATED STATEMENT OF CASH FLOWS**

**FOR THE HALF YEAR ENDED 31 DECEMBER 2019**

	Note	31.12.19 \$'000	31.12.18 \$'000
<b>Cash Flows from Operating Activities</b>			
Cash receipts from customers		29,268	19,739
Cash payments to suppliers and employees		(25,213)	(17,796)
Interest received		286	249
Finance costs		(510)	(436)
Income tax (paid)/refund		(471)	-
Net cash provided by/(used in) operating activities		3,360	1,756
<b>Cash Flows From Investing Activities</b>			
Payments for property, plant and equipment		(772)	(1,757)
Proceeds on disposal of property, plant and equipment		-	-
Payments relating to acquisition of subsidiary		(122)	-
Net cash provided by/(used in) investing activities		(894)	(1,757)
<b>Cash Flows From Financing Activities</b>			
Proceeds from borrowings raised		323	938
Proceeds from issue of shares		(8)	-
Repayment of borrowings		(1,356)	(911)
Repayment of lease liabilities		(50)	-
Net cash provided by/(used in) financing activities		(1,091)	27
Net increase/(decrease) in cash and cash equivalents held		1,375	26
Cash and cash equivalents at the beginning of the half year		7,174	4,184
Cash and cash equivalents at the end of the half year	5	8,549	4,210

# PTB GROUP LIMITED AND ITS CONTROLLED ENTITIES

## NOTES TO THE CONSOLIDATED FINANCIAL REPORT (Continued)

### FOR THE HALF YEAR ENDED 31 DECEMBER 2019

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#### 1. Basis of Preparation of Half Year Report

This general purpose consolidated interim financial report for the half year reporting period ended 31 December 2019 has been prepared in accordance with Accounting Standard AASB 134: *Interim Financial Reporting* and the *Corporations Act 2001*.

This interim financial report is intended to provide users with an update on the latest annual financial statements of PTB Group Limited and its controlled entities (referred to as the “Consolidated Group” or “Group”). As such, it does not contain information that represents relatively insignificant changes occurring during the half year within the Group. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Group for the year ended 30 June 2019, together with any public announcements made during the half year.

The interim financial report was authorised for issue on 26 February 2020.

The financial report is presented in Australian dollars and all values are rounded to the nearest thousand dollars (\$000) unless otherwise stated under the option available in ASIC Corporations (Rounding in Financial/Directors’ Reports) Instrument 2016/191.

Significant accounting policies adopted in the preparation of these financial statements are consistent with prior reporting periods unless otherwise stated.

#### a) New and Amended Standards Adopted by the Group

##### AASB 16 Leases

The Group has adopted AASB 16 Leases from 1 July 2019. The standard replaces existing accounting requirements under AASB 117 Leases and eliminates the classification between operating and finance leases, introducing a single lessee accounting model.

Previously, leases were classified based on their nature as either finance leases or operating leases. Finance leases were recognised in the Consolidated Statement of Financial Position and operating leases were recognised on a straight-line basis over the term of the lease.

Under AASB 16, the Group’s accounting for operating leases as a lessee will now result in the recognition of a right-of-use (ROU) asset and a corresponding lease liability, with the exception of short term leases under 12 months and where the underlying ROU asset is of a low value. The lease liability will represent the present value of future lease payments. There will be a separate recognition of the depreciation charge on the ROU asset and interest expense on the lease liability.

The Group adopted AASB 16 using the modified retrospective method of adoption. The reclassifications and adjustments arising from the new leasing standard are therefore recognised in the opening statement of financial position on 1 July 2019. As the Group adopted this approach, there was no restatement of previous financial statements required. When applying this modified approach, the Group has elected to apply practical expedients allowed under the standard, including the use of hindsight in determining the lease term where the contract contains options to extend the lease. The group has also elected not to reassess whether a contract is, or contains a lease at the date of initial application. Instead, for contracts entered into before the transition date the group relied on its assessment made applying AASB 117.

On adoption of AASB 16, the Group recognised lease liabilities in relation to leases which had previously been classified as an operating lease under AASB 117 Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the incremental borrowing rate at date of transition.

For more information, please refer to Note 3.

**PTB GROUP LIMITED AND ITS CONTROLLED ENTITIES**

**NOTES TO THE CONSOLIDATED FINANCIAL REPORT (Continued)**

**FOR THE HALF YEAR ENDED 31 DECEMBER 2019**

<b>2. Revenue</b>	<b>31.12.19</b>	<b>31.12.18</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Revenue from contracts with customers</b>		
Sale of goods	11,208	11,019
Services	3,827	2,658
Maintenance contract revenue	9,389	8,349
Rental of engines/aircraft	1,347	1,467
Interest on extended credit receivables (hire purchase agreements)	274	210
	<b>26,045</b>	<b>23,703</b>
<b>Other revenue</b>	<b>51</b>	<b>64</b>
<b>Total revenue</b>	<b>26,096</b>	<b>23,767</b>

**(a) Disaggregation of revenue from contracts with customers**

In the following table, revenue from contracts with customers is disaggregated by primary geographical market, major business activities and timing of revenue recognition. The table also includes a reconciliation of the disaggregated revenue with the Group's reportable segments (see Note 10).

	<b>PTB</b>		<b>PT USA</b>		<b>PT Leasing</b>		<b>IAP</b>		<b>Total</b>	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Geographical markets</b>										
AUS, PNG, NZ	3,520	2,526	-	452	1,125	930	938	640	5,583	4,548
Pacific	2,614	3,868	-	-	31	206	25	15	2,670	4,089
America	925	538	2,390	1,873	-	(8)	1,639	1,257	4,954	3,660
Asia	8,620	7,269	65	27	308	390	2,953	1,389	11,946	9,073
Africa	14	-	-	4	19	20	3	28	36	52
Europe	667	1,179	82	24	-	-	107	1,076	856	2,281
<b>Total</b>	<b>16,360</b>	<b>15,380</b>	<b>2,537</b>	<b>2,380</b>	<b>1,483</b>	<b>1,538</b>	<b>5,665</b>	<b>4,405</b>	<b>26,045</b>	<b>23,703</b>
<b>Major business activities</b>										
Sale of goods	3,014	4,239	2,529	2,375	-	-	5,665	4,405	11,208	11,019
Services	3,819	2,653	8	5	-	-	-	-	3,827	2,658
Maintenance contract revenue	9,389	8,349	-	-	-	-	-	-	9,389	8,349
Rental of engines/aircraft	-	-	-	-	1,347	1,467	-	-	1,347	1,467
Interest on hire purchase agreements	138	139	-	-	136	71	-	-	274	210
<b>Total</b>	<b>16,360</b>	<b>15,380</b>	<b>2,537</b>	<b>2,380</b>	<b>1,483</b>	<b>1,538</b>	<b>5,665</b>	<b>4,405</b>	<b>26,045</b>	<b>23,703</b>
<b>Timing of recognition</b>										
Point in time	16,222	15,241	2,537	2,380	1,347	1,467	5,665	4,405	25,771	23,493
Over-time	138	139	-	-	136	71	-	-	274	210
<b>Total</b>	<b>16,360</b>	<b>15,380</b>	<b>2,537</b>	<b>2,380</b>	<b>1,483</b>	<b>1,538</b>	<b>5,665</b>	<b>4,405</b>	<b>26,045</b>	<b>23,703</b>
<b>Other revenue</b>	<b>30</b>	<b>24</b>	<b>-</b>	<b>15</b>	<b>12</b>	<b>15</b>	<b>9</b>	<b>10</b>	<b>51</b>	<b>64</b>
<b>External revenue as reported in Note 10</b>	<b>16,390</b>	<b>15,404</b>	<b>2,537</b>	<b>2,395</b>	<b>1,495</b>	<b>1,553</b>	<b>5,674</b>	<b>4,415</b>	<b>26,096</b>	<b>23,767</b>

**PTB GROUP LIMITED AND ITS CONTROLLED ENTITIES**

**NOTES TO THE CONSOLIDATED FINANCIAL REPORT (Continued)**

**FOR THE HALF YEAR ENDED 31 DECEMBER 2019**

**3. Leases**

Impact of adoption of AASB16 Leases on the Statement of Financial Position (increase/decrease) as at 1 July 2019:

	<b>01.07.19</b> <b>\$'000</b>
<b>Assets</b>	
Right-of-use assets	179
<b>Total Assets</b>	<b>179</b>
<b>Liabilities</b>	
Borrowings	179
<b>Total Liabilities</b>	<b>179</b>
<b>Net Assets</b>	<b>-</b>
<b>Equity</b>	
Retained earnings	-
<b>Total Equity</b>	<b>-</b>

The Group has recognised depreciation and interest costs in relation to right-of-use assets and lease liabilities. Set out below are the carrying amounts of the Group's right-of-use assets and lease liabilities and the movements during the period:

	<b>Right-of-Use Assets</b> <i>Property, Plant &amp; Equipment</i> \$'000	<b>Lease Liabilities</b> <i>Borrowings</i> \$'000
<b>As at 30 June 19</b>	-	-
Additions on transition	179	179
Additions during the half year	590	590
Depreciation expense	(56)	-
Interest expense	-	7
Payments	-	(57)
Foreign exchange impacts	2	-
<b>As at 31 December 2019</b>	<b>715</b>	<b>719</b>

The right-to-use asset represents the warehouse premises under lease in the US and is included in the net carrying amount of Property plant and equipment in the Group's Consolidated Statement of Financial Position. The corresponding lease liability is included within Borrowings.

Set out below, are the amounts recognised in the Group's Consolidated Statement of Profit or Loss in relation to leases:

	<b>31.12.19</b> <b>\$'000</b>
Depreciation expense of right-of-use assets	56
Interest expense on lease liabilities	7
Rent expense – short-term leases	11
Rent expense – leases of low-value-assets	11
<b>Total amount recognised in profit or loss</b>	<b>85</b>

**PTB GROUP LIMITED AND ITS CONTROLLED ENTITIES**

**NOTES TO THE CONSOLIDATED FINANCIAL REPORT (Continued)**

**FOR THE HALF YEAR ENDED 31 DECEMBER 2019**

<b>4. Borrowings</b>	<b>31.12.19</b>	<b>30.06.19</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Current</b>		
<i>Secured</i>		
Bank loans	4,572	1,704
Test cell loans	280	276
Lease liabilities	1,206	475
	<u>6,058</u>	<u>2,455</u>
<b>Non-Current</b>		
<i>Secured</i>		
Bank loans	7,638	11,134
Test cell loans	2,671	2,806
Lease liabilities	3,687	3,922
	<u>13,996</u>	<u>17,862</u>

<b>5. Reconciliation of cash and cash equivalents</b>	<b>31.12.19</b>	<b>30.06.19</b>
	<b>\$'000</b>	<b>\$'000</b>
Cash and cash equivalents		
- cash at bank and on hand	8,549	7,174
	<u>8,549</u>	<u>7,174</u>

**PTB GROUP LIMITED AND ITS CONTROLLED ENTITIES**

**NOTES TO THE CONSOLIDATED FINANCIAL REPORT (Continued)**

**FOR THE HALF YEAR ENDED 31 DECEMBER 2019**

<b>6. Contributed Equity</b>	<b>31.12.19</b>	<b>30.06.19</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Share Capital</b>		
74,904,990 ordinary shares fully paid (30 June 2019: 74,904,990 ordinary shares fully paid)	47,447	47,455
<b>Other equity securities</b>		
Value of conversion rights (net of tax)	183	183
	<u>47,630</u>	<u>47,638</u>

<b>Movements in ordinary share capital</b>	<b>No of Shares</b>	<b>\$'000</b>
Opening balance 1 January 2019	69,163,705	43,908
Share issues:		
- under dividend reinvestment plan	5,741,285	3,547
Closing balance 30 June 2019	<u>74,904,990</u>	<u>47,455</u>

<b>Movements in ordinary share capital</b>		
Opening balance 1 July 2019	74,904,990	47,455
Share issues:		
- acquisition-related share placement costs	-	(8)
Closing balance 31 December 2019	<u>74,904,990</u>	<u>47,447</u>

**Options**

As at balance date there are no outstanding options to purchase ordinary shares in the parent entity.

**PTB GROUP LIMITED AND ITS CONTROLLED ENTITIES**

**NOTES TO THE CONSOLIDATED FINANCIAL REPORT (Continued)**

**FOR THE HALF YEAR ENDED 31 DECEMBER 2019**

**7. Earnings Per Share**

	<b>31.12.19</b>	<b>31.12.18</b>
	<b>cents</b>	<b>cents</b>
Basic earnings per share	1.98	3.28
Diluted earnings per share	1.98	3.28
Weighted average number of shares used in calculating basic earnings per share	74,904,990	69,153,641
Effect of dilutive securities:		
• Options	-	-
Weighted average number of ordinary shares and potential ordinary shares used in calculating diluted earnings per share	74,904,990	69,153,641

**8. Controlled Entities**

The consolidated financial report incorporates the assets, liabilities and results of the following subsidiaries:

<b>Name</b>	<b>Country of Incorporation</b>	<b>Equity Holding</b>	
		<b>31.12.19</b>	<b>30.06.19</b>
PTB Finance Limited <sup>(1)</sup>	Australia	100%	100%
Pacific Turbine USA Pty Ltd <sup>(2)</sup>	Australia	100%	100%
Pacific Turbine Leasing Pty Ltd <sup>(3)</sup>	Australia	100%	100%
IAP Group Australia Pty Ltd <sup>(4)</sup>	Australia	100%	100%
748 Cargo Pty Ltd <sup>(5)</sup>	Australia	100%	100%
Pacific Turbine USA, LLC <sup>(6)</sup>	USA	100%	100%

<sup>(1)</sup> Incorporated 14 October 2005

<sup>(2)</sup> Incorporated 14 October 2005 (previously PTB Rentals Australia Pty Ltd)

<sup>(3)</sup> Incorporated 4 October 2006 (previously PTB (Emerald) Pty Ltd)

<sup>(4)</sup> Purchased as part of business combination on 21 September 2006.  
Aeropelican Air Services disposed on 30 September 2008

<sup>(5)</sup> Incorporated 21 June 2007 (previously PTB Asset Management Pty Ltd)

<sup>(6)</sup> Incorporated 27 March 2017

All subsidiaries are 100% owned by PTB Group Limited. All share capital consists of ordinary shares in each company and the proportion of ownership interest is equal to the proportion of voting power held. All subsidiaries were established by the parent except for those acquired as part of the business combination in prior years.

There are no significant restrictions over the Group's ability to access these assets, and settle liabilities, of the Group.



# PTB GROUP LIMITED AND ITS CONTROLLED ENTITIES

## NOTES TO THE CONSOLIDATED FINANCIAL REPORT (Continued)

### FOR THE HALF YEAR ENDED 31 DECEMBER 2019

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#### 8. Controlled Entities (continued)

On 29 June 2007, PTB Group Limited and all of its subsidiaries, excluding PTB Finance Limited and Pacific Turbine Inc, entered into an arrangement as parties to a deed of cross guarantee under which each company guarantees the debts of the others. By entering into the deed, the wholly owned entities have been relieved from the requirements to prepare a financial report and Directors' Report under ASIC legislative instrument 2016/785 (as amended) issued by the Australian Securities and Investments Commission.

#### 9. Deferred Tax Assets

A deferred tax asset of \$1.085 million (30 June 2019: \$1.618 million) has been recognised at 31 December 2019. This includes \$0.002 million attributable to prior years' income tax losses carried forward (30 June 2019: \$0.530 million). Based on management forecast of expected future taxable profits and the reversal of the temporary differences, it is considered probable that these deferred tax assets will be recovered in the future.

#### 10. Segment Information

##### a) Description of Segments

The Group has four reportable segments:

- **PTB:** Covering the operations of the holding company PTB Group Limited, specialising in PT6 and TPE331 Turboprop engines. The business repairs and sells PT6 and TPE331 engines, maintains related engines under contract, and trades in related engine and airframe parts.
- **PT USA:** This covers the operations of Pacific Turbine USA, LLC specialising in PT6 Turboprop engines. The business repairs and sells PT6 engines, maintains related engines under contract, and trades in related engine parts.
- **PT Leasing:** Covers the operation of Pacific Turbine Leasing Pty Ltd. This business is an aircraft and engine owner and leases aircraft and engines to operators under both operating and finance leases.
- **IAP:** Covering the operations of IAP Group Australia Pty Ltd, trading in aircraft, jet aircraft engines, airframes and related parts.

##### b) Geographical Segments (Secondary Reporting)

The Group's management and operations are based in: Brisbane, Australia for PTB and PT Leasing; Sydney, Australia for IAP; and Miami, Florida, USA for PT USA. Its customers, however, are located in six main geographical markets – Australia/PNG/New Zealand, Pacific Islands, America, Asia, Africa and Europe.

Segment assets include rental engines and aircraft which are attributed either to the geographic market in which the customer who rents the engine or aircraft at year-end is based or, for non-rented engines and aircraft, where they are physically located.

The following tables outline the distribution of the Group's sales, adjusted EBITDA, assets and liabilities by those geographical markets by business segment.

**PTB GROUP LIMITED AND ITS CONTROLLED ENTITIES**

**NOTES TO THE CONSOLIDATED FINANCIAL REPORT (Continued)**

**FOR THE HALF YEAR ENDED 31 DECEMBER 2019**

**10. Segment Information (continued)**

Half year 31 December 2019	Australia PNG & NZ \$'000	Pacific \$'000	America North & South \$'000	Asia \$'000	Africa \$'000	Europe \$'000	Unallocated \$'000	Total \$'000
<b>i) Revenue</b>								
<b>PTB</b>								
Total Segment Revenue	4,475	2,631	1,126	8,624	13	668	-	17,537
Inter-segment Revenue	(950)	-	(197)	-	-	-	-	(1,147)
<b>Revenue from External customers</b>	<b>3,525</b>	<b>2,631</b>	<b>929</b>	<b>8,624</b>	<b>13</b>	<b>668</b>	<b>-</b>	<b>16,390</b>
<b>PT USA</b>								
Total Segment Revenue	7,033	-	2,390	65	-	82	-	9,570
Inter-segment Revenue	(7,033)	-	-	-	-	-	-	(7,033)
<b>Revenue from External customers</b>	<b>-</b>	<b>-</b>	<b>2,390</b>	<b>65</b>	<b>-</b>	<b>82</b>	<b>-</b>	<b>2,537</b>
<b>PT Leasing</b>								
Total Segment Revenue	1,505	31	-	308	21	-	-	1,865
Inter-segment Revenue	(370)	-	-	-	-	-	-	(370)
<b>Revenue from External customers</b>	<b>1,135</b>	<b>31</b>	<b>-</b>	<b>308</b>	<b>21</b>	<b>-</b>	<b>-</b>	<b>1,495</b>
<b>IAP</b>								
Total Segment Revenue	1,008	25	1,641	2,959	4	107	-	5,744
Inter-segment Revenue	(70)	-	-	-	-	-	-	(70)
<b>Revenue from external customers</b>	<b>938</b>	<b>25</b>	<b>1,641</b>	<b>2,959</b>	<b>4</b>	<b>107</b>	<b>-</b>	<b>5,674</b>
<b>Unallocated</b>								
Total Unallocated Revenue	-	-	-	-	-	-	-	-
<b>Total Revenue from External Customers</b>	<b>5,598</b>	<b>2,687</b>	<b>4,960</b>	<b>11,956</b>	<b>38</b>	<b>857</b>	<b>-</b>	<b>26,096</b>
<b>ii) Adjusted EBITDA</b>								
PTB	305	229	81	752	1	58	-	1,426
PT USA	-	-	98	2	-	2	-	102
PT Leasing	894	27	-	264	18	-	-	1,203
IAP	267	7	477	859	1	31	-	1,642
Unallocated	-	-	-	-	-	-	-	-
<b>Adjusted EBITDA</b>	<b>1,466</b>	<b>263</b>	<b>656</b>	<b>1,877</b>	<b>20</b>	<b>91</b>	<b>-</b>	<b>4,373</b>
<b>iii) Segment Disclosure Items</b>								
<b>Depreciation &amp; Amortisation</b>								
PTB	217	-	-	-	-	-	-	217
PT USA	-	-	73	-	-	-	-	73
PT Leasing	600	10	-	290	-	-	-	900
IAP	32	-	-	-	-	-	-	32
<b>Total</b>	<b>849</b>	<b>10</b>	<b>73</b>	<b>290</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,222</b>
<b>Unrealised (Gain)/Loss on Foreign Currency</b>								
PTB	-	2	1	6	-	-	-	9
PT USA	-	-	40	-	-	-	-	40
PT Leasing	-	2	-	22	1	-	-	25
IAP	-	-	10	17	-	1	-	28
<b>Total</b>	<b>-</b>	<b>4</b>	<b>51</b>	<b>45</b>	<b>1</b>	<b>1</b>	<b>-</b>	<b>102</b>

**PTB GROUP LIMITED AND ITS CONTROLLED ENTITIES**

**NOTES TO THE CONSOLIDATED FINANCIAL REPORT (Continued)**

**FOR THE HALF YEAR ENDED 31 DECEMBER 2019**

**10. Segment Information (continued)**

31 December 2019	Australia PNG & NZ \$'000	Pacific \$'000	America North & South \$'000	Asia \$'000	Africa \$'000	Europe \$'000	Unallocated \$'000	Total \$'000
<b>Total Segment Assets</b>								
PTB	36,655	2,529	513	8,485	1	-	7,848	56,031
PT USA	-	-	8,790	9	-	1	(5,465)	3,335
PT Leasing	9,730	363	-	1,632	272	-	1,229	13,226
IAP	13,487	13	1,226	2,192	-	56	(3,612)	13,362
Unallocated	-	-	-	-	-	-	-	-
<b>Total</b>	<b>59,872</b>	<b>2,905</b>	<b>10,529</b>	<b>12,318</b>	<b>273</b>	<b>57</b>	<b>-</b>	<b>85,954</b>
<b>Total Assets includes:</b>								
Non-current Assets (other than financial assets and deferred tax)								
PTB	13,975	477	-	4,654	-	-	7,848	26,954
PT USA	-	-	778	-	-	-	(5,465)	(4,687)
PT Leasing	7,559	326	-	1,095	228	-	1,229	10,437
IAP	6,331	-	-	-	-	-	(3,612)	2,719
<b>Total</b>	<b>27,865</b>	<b>803</b>	<b>778</b>	<b>5,749</b>	<b>228</b>	<b>-</b>	<b>-</b>	<b>35,423</b>
<b>Total Segment Liabilities</b>								
PTB	2,682	405	718	460	7	8	-	4,280
PT USA	-	-	2,417	-	-	6	-	2,423
PT Leasing	732	-	-	256	9	-	-	997
IAP	520	-	1,693	182	-	159	-	2,554
<b>Total</b>	<b>3,934</b>	<b>405</b>	<b>4,828</b>	<b>898</b>	<b>16</b>	<b>173</b>	<b>-</b>	<b>10,254</b>

**PTB GROUP LIMITED AND ITS CONTROLLED ENTITIES**

**NOTES TO THE CONSOLIDATED FINANCIAL REPORT (Continued)**

**FOR THE HALF YEAR ENDED 31 DECEMBER 2019**

**10. Segment Information (continued)**

Half year 31 December 2018	Australia PNG & NZ \$'000	Pacific \$'000	America North & South \$'000	Asia \$'000	Africa \$'000	Europe \$'000	Unallocated \$'000	Total \$'000
<b>i) Revenue</b>								
<b>PTB</b>								
Total Segment Revenue	8,171	3,875	978	7,275	2	1,179	-	21,480
Inter-segment Revenue	(5,638)	-	(438)	-	-	-	-	(6,076)
<b>Revenue from External customers</b>	<b>2,533</b>	<b>3,875</b>	<b>540</b>	<b>7,275</b>	<b>2</b>	<b>1,179</b>	<b>-</b>	<b>15,404</b>
<b>PT USA</b>								
Total Segment Revenue	4,021	-	1,872	39	4	24	-	5,960
Inter-segment Revenue	(3,565)	-	-	-	-	-	-	(3,565)
<b>Revenue from External customers</b>	<b>456</b>	<b>-</b>	<b>1,872</b>	<b>39</b>	<b>4</b>	<b>24</b>	<b>-</b>	<b>2,395</b>
<b>PT Leasing</b>								
Total Segment Revenue	1,192	206	(8)	390	20	-	-	1,800
Inter-segment Revenue	(247)	-	-	-	-	-	-	(247)
<b>Revenue from External customers</b>	<b>945</b>	<b>206</b>	<b>(8)</b>	<b>390</b>	<b>20</b>	<b>-</b>	<b>-</b>	<b>1,553</b>
<b>IAP</b>								
Total Segment Revenue	693	16	1,260	1,393	28	1,077	-	4,467
Inter-segment Revenue	(52)	-	-	-	-	-	-	(52)
<b>Revenue from external customers</b>	<b>641</b>	<b>16</b>	<b>1,260</b>	<b>1,393</b>	<b>28</b>	<b>1,077</b>	<b>-</b>	<b>4,415</b>
<b>Unallocated</b>								
Total Unallocated Revenue	-	-	-	-	-	-	-	-
<b>Total Revenue from External Customers</b>	<b>4,575</b>	<b>4,097</b>	<b>3,664</b>	<b>9,097</b>	<b>54</b>	<b>2,280</b>	<b>-</b>	<b>23,767</b>
<b>ii) Adjusted EBITDA</b>								
PTB	308	384	54	721	-	117	-	1,584
PT USA	74	-	274	6	1	4	-	359
PT Leasing	720	195	(8)	370	19	-	-	1,296
IAP	182	4	351	387	8	300	-	1,232
Unallocated	-	-	-	-	-	-	-	-
<b>Adjusted EBITDA</b>	<b>1,284</b>	<b>583</b>	<b>671</b>	<b>1,484</b>	<b>28</b>	<b>421</b>	<b>-</b>	<b>4,471</b>
<b>iii) Segment Disclosure Items</b>								
<b>Depreciation &amp; Amortisation</b>								
PTB	86	-	-	-	-	-	-	86
PT USA	-	-	16	-	-	-	-	16
PT Leasing	506	42	20	354	2	-	-	924
IAP	36	-	-	-	-	-	-	36
<b>Total</b>	<b>628</b>	<b>42</b>	<b>36</b>	<b>354</b>	<b>2</b>	<b>-</b>	<b>-</b>	<b>1,062</b>
<b>Unrealised (Gain)/Loss on Foreign Currency</b>								
PTB	-	(87)	(13)	(162)	-	(26)	-	(288)
PT USA	-	-	(28)	-	-	-	-	(28)
PT Leasing	-	38	(2)	72	4	-	-	112
IAP	-	-	(7)	(7)	-	(6)	-	(20)
<b>Total</b>	<b>-</b>	<b>(49)</b>	<b>(50)</b>	<b>(97)</b>	<b>4</b>	<b>(32)</b>	<b>-</b>	<b>(224)</b>

**PTB GROUP LIMITED AND ITS CONTROLLED ENTITIES**

**NOTES TO THE CONSOLIDATED FINANCIAL REPORT (Continued)**

**FOR THE HALF YEAR ENDED 31 DECEMBER 2019**

**10. Segment Information (continued)**

31 December 2018	Australia PNG & NZ \$'000	Pacific \$'000	America North & South \$'000	Asia \$'000	Africa \$'000	Europe \$'000	Unallocated \$'000	Total \$'000
<b>Total Segment Assets</b>								
PTB	30,406	3,553	464	6,822	17	21	13,052	54,335
PT USA	403	-	6,854	828	321	1	(6,949)	1,458
PT Leasing	11,463	458	333	2,492	246	-	(3,970)	11,022
IAP	11,467	-	464	1,083	1	266	(2,133)	11,148
Unallocated	-	-	-	-	-	-	-	-
<b>Total</b>	<b>53,739</b>	<b>4,011</b>	<b>8,115</b>	<b>11,225</b>	<b>585</b>	<b>288</b>	<b>-</b>	<b>77,963</b>
<b>Total Assets includes:</b>								
Non-current Assets (other than financial assets and deferred tax)								
PTB	13,567	1,184	-	3,482	-	-	13,052	31,285
PT USA	-	-	95	-	-	-	(6,949)	(6,854)
PT Leasing	9,397	354	332	1,943	229	-	(3,970)	8,285
IAP	6,158	-	-	-	-	-	(2,133)	4,025
<b>Total</b>	<b>29,122</b>	<b>1,538</b>	<b>427</b>	<b>5,425</b>	<b>229</b>	<b>-</b>	<b>-</b>	<b>36,741</b>
<b>Total Segment Liabilities</b>								
PTB	2,092	724	881	355	117	18	-	4,187
PT USA	365	-	820	-	-	10	-	1,195
PT Leasing	613	-	-	1,322	73	7	-	2,015
IAP	861	-	203	18	-	85	-	1,167
<b>Total</b>	<b>3,931</b>	<b>724</b>	<b>1,904</b>	<b>1,695</b>	<b>190</b>	<b>120</b>	<b>-</b>	<b>8,564</b>

**Other segment information**

(i) Segment revenue

Sales between segments are carried out at cost and are eliminated on consolidation. The revenue from external parties reported to the Board is measured in a manner consistent with that in the statement of profit or loss and other comprehensive income.

Revenues from external customers of PTB and PT USA are derived from repairing, selling and maintaining PT6 and TPE331 turbo prop aircraft engines under contract and trading in related engine and airframe parts. For IAP revenue is derived from trading in aircraft, aircraft engines, airframes and related parts. PT Leasing's revenue is from operating and finance leases for aircraft and aircraft engines.

A breakdown of revenue and results for the half year is provided in the preceding tables.

	31.12.19 \$'000	31.12.18 \$'000
<b>Total Segment revenue</b>	34,716	33,707
Intersegment eliminations	(8,620)	(9,940)
Interest revenue	-	-
<b>Total revenue from continuing operations (note 2)</b>	<b>26,096</b>	<b>23,767</b>

The Group is primarily domiciled in Australia. The amount of its revenue from external customers in Australia is \$5.598 million (2018: \$4.575 million) and the total revenue from external customers in other countries is \$20.498 million (2018: \$19.192 million). Segment revenues are allocated based on the country in which the customer is located.

**PTB GROUP LIMITED AND ITS CONTROLLED ENTITIES**

**NOTES TO THE CONSOLIDATED FINANCIAL REPORT (Continued)**

**FOR THE HALF YEAR ENDED 31 DECEMBER 2019**

**10. Segment Information (continued)**

(ii) Adjusted EBITDA

This measurement basis excludes the effects of non-recurring expenditure from the operating segments such as, unrealised gains / (losses) on foreign currency movements, impairments of aircraft, inventory and extended credit receivables. Interest income and interest income on long term HP receivables is allocated to segments whereas finance costs and depreciation and amortisation expenses are not allocated to segments.

A reconciliation of adjusted EBITDA to operating profit before income tax for the half year is provided as follows:

	<b>31.12.19</b>	<b>31.12.18</b>
	\$'000	\$'000
<b>Adjusted EBITDA</b>	4,373	4,471
Unrealised gain/(loss) on foreign Currency	(102)	224
Depreciation and amortisation	(1,222)	(1,062)
Finance Costs	(510)	(436)
<b>Profit / (loss) before income tax from continuing operations</b>	<b>2,540</b>	<b>3,197</b>

(iii) Segment assets

The amounts provided to the Board with respect to total assets are measured in a manner consistent with that of the financial statements. These assets are allocated based on the operations of the segment and the physical location of the asset.

Reportable segments' assets are reconciled to total assets as follows:

	<b>31.12.19</b>	<b>30.06.19</b>
	\$'000	\$'000
<b>Segment Assets</b>	85,954	82,086
<i>Unallocated:</i>		
Current tax assets	-	144
Deferred tax assets	1,085	1,618
Derivative financial instruments	-	-
<b>Total assets as per the statement of financial position</b>	<b>87,039</b>	<b>83,848</b>

The total of non-current assets other than financial instruments and deferred tax assets located in Australia is \$27.865 million (30.6.19: \$28.524 million), and the total of these non-current assets located in other countries is \$7.558 million (30.6.19: \$8.568 million). Segment assets are allocated to countries based on where the assets are located.

**PTB GROUP LIMITED AND ITS CONTROLLED ENTITIES**

**NOTES TO THE CONSOLIDATED FINANCIAL REPORT (Continued)**

**FOR THE HALF YEAR ENDED 31 DECEMBER 2019**

**10. Segment Information (continued)**

(iv) Segment liabilities

The amounts provided to the board with respect to total liabilities are measured in a manner consistent with that of the financial statements. These liabilities are allocated based on the operations of the segment.

The Group's borrowings and derivative financial instruments are not considered to be segment liabilities but rather managed by the treasury function. Reportable segments' liabilities are reconciled to total liabilities as follows:

	<b>31.12.19</b>	<b>30.06.19</b>
	\$'000	\$'000
<b>Segment Liabilities</b>	10,254	8,186
<i>Unallocated:</i>		
Current tax liabilities	299	47
Deferred tax liabilities	3,991	4,332
Current borrowings	6,058	2,455
Non-current borrowings	13,996	17,862
<b>Total liabilities as per the statement of financial position</b>	<b>34,598</b>	<b>32,882</b>

**11. Dividends**

No dividends were declared or paid during the interim reporting period (2018: \$nil).

**12. Contingent liabilities**

The Group had the following bank guarantees as at 31 December 2019:

			<b>31.12.19</b>	<b>30.06.19</b>
Favouree	Bank	Date	\$'000	\$'000
Bankstown Airport Limited	CBA	27/03/2007	-	18
			-	18

The bank guarantee for the Bankstown Airport was closed out during the interim reporting period following on from the termination of the Bankstown Airport lease.

# PTB GROUP LIMITED AND ITS CONTROLLED ENTITIES

## NOTES TO THE CONSOLIDATED FINANCIAL REPORT (Continued)

### FOR THE HALF YEAR ENDED 31 DECEMBER 2019

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#### 13. Events after the Balance Date

On 31 January 2020, the Group entered into a binding agreement to acquire Prime Turbines LLC, an established US based MRO provider for US\$21 million (approx.. \$31.204 million), and inventory from CT Aerospace, a provider of aviation spare parts and inventory, for carrying value, estimated at US\$8.5 million (approx. \$12.630 million). Prime Turbines is an established US based independent aircraft engine maintenance, repair and overhaul company and is expected to expand on PTB's existing presence in the US aviation services market.

To fund the acquisition, the Group raised \$34.9 million, comprising a fully committed placement and a fully underwritten 1 for 2.35 pro-rata non-renounceable entitlement offer of fully paid ordinary shares in PTB to eligible shareholders. Proceeds of the equity raising will also help fund associated acquisition and equity raising costs and provide additional working capital for the acquired business.

As at 31 December 2019, the Group had incurred \$620k of acquisition related costs. \$8k of these costs were associated with the capital raising and have been capitalised accordingly in the Statement of Financial Position.

Subject to certain contractual conditions, the acquisitions are expected to be completed by the end of February 2020. For further details, please refer to the Group's related market announcements on 31 January 2020.

There are no other matters or circumstances that have arisen since the end of the interim reporting period which have significantly affected or may significantly affect the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future years.



**PTB GROUP LIMITED AND ITS CONTROLLED ENTITIES**

**DIRECTORS' DECLARATION**

**FOR THE HALF YEAR ENDED 31 DECEMBER 2019**

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In the opinion of the directors:

- (a) the attached financial report and notes are in accordance with the *Corporations Act 2001*, including:
  - (i) complying with Accounting Standard AASB134 Interim Financial Reporting; and
  - (ii) giving a true and fair view of the consolidated entity's financial position as at 31 December 2019 and of its performance for the half year ended on that date; and
- (b) there are reasonable grounds to believe that PTB Group Limited will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.



**Stephen Smith**  
Managing Director

Brisbane  
26 February 2020

## **Independent Auditor's Review Report**

To the members of PTB Group Limited

### **Report on the Half-Year Financial Report**

We have reviewed the accompanying half-year financial report of PTB Group Limited, which comprises the consolidated statement of financial position as at 31 December 2019, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

### **Directors' Responsibility for the Half-Year Financial Report**

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2019 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 Interim Financial Reporting and the *Corporations Regulations 2001*. As the auditor of PTB Group Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

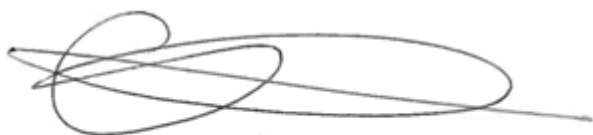
## Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of PTB Group Ltd, would be in the same terms if given to the directors as at the time of this auditor's review report.

## Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of PTB Group Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2019 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting and Corporations Regulations 2001*.



HALL CHADWICK QLD

**Clive Massingham**  
**Hall Chadwick QLD**  
**Chartered Accountants**

Signed this 26<sup>th</sup> day of February 2020